

Risk Assessment of Council Owned Local Housing Company

Risk	Risk Assessment	Risk Level	Risk Management
Financial	Default on loan to Council by the Housing Company	Medium	Council can provide loans in stages to limit exposure to this risk and have loan agreements in place and a charge on the Companies assets
Financial	The Council is unable to get its loan back if the Company gets in to financial difficulty	Medium	Using a building licence would protect the Council. The land would not transfer until the properties are completed. The Company's creditors could not get hold of the land as a company asset if it got into trouble.
Delivery of new housing	The predicted new housing is not built as planned	Medium	The Company would have in place a detailed business plan which sets out the delivery arrangements. As land and Finance is to be provided by the Council this would minimise the risk
Sales Risk	Newly built homes cannot be sold	Medium	A professional sales agent will be employed to market and sell the properties. The properties could also be rented to generate an income to service the debt