

Risk	Probability	Impact	Proximity	Mitigation (risk reduction action)	Mitigated probability	Mitigated impact	Owner	Plan B (recovery action if needed) - contingency plan	Financial Impact	Other impacts	Budget	2022-05	2022-08	2022-09
LEGAL														
Loss of assets through lack of proper legal protections	medium	very high		REDUCE: Ensure that we use reputable legal services. Recruit a Board Member with legal expertise	very low	high	Helen/Stuart		0.2% likelihood £1m residual impact** £2k		£ 2,000.00			
Network changes - legal framework changes make PPA or private wire arrangements unviable	medium	high		REDUCE: use legal expertise on board to create suitable PPA contract as and when opportunity arises taking account of the current situation	medium	low	Stuart	Sell arrays to rooftop owners, if possible	likelihood 5%? generation revenue reduced by circa 40% = [check with Brian about actual amounts]		£ 1,000.00			
Health and Safety at sites - risk of member accidents etc	medium	high		REDUCE - create a health and safety policy and stick to it	low	low	Brian		insurance excess in case of a claim, in	Emotional, wellbeing, reputation etc	£ 1,000.00			
Data Protection	medium	high		REDUCE - Data Protection Policy	low	low	Chris		v. low likelihood as we don't currently hold any sensitive PII. Maybe 2%? 4% of annual revenue, if fined		£ 1,000.00			
Changes in ownership of landlord for any of our sites	medium	high		TRANSFER: covered by lease. Change of owner would be bound by lease. NB First lease (25yr duration) expires in ~2040	medium	very low	Chair				£ -			

TECHNICAL - Chris to cover															
Solar panels do not work to efficiency expected	low	medium		TRANSFER: Supplier warranty.	low	low	Brian	Revise financial model based on level of underperformance? Re-power site	Impact on financial model would depend on level of underperformance - historical data suggests that there won't be any, but if there were it would be a fraction of a percent greater degradation per year than already modelled for		£	-			
Network issue causing lack of communication to major sites	low	medium		REDUCE: Work with O&M supplier to resolve	low	low	Brian	Worst case - take manual readings. Probably covered under O&M contract as interim activity whilst they try to fix?	£50-100 per month in time taken to visit site and take readings? Unlikely to remain unresolved for long though.		£	-			
Unexpected technical failure, damage or theft during life of a scheme affecting production. We currently have no ground maintenance contract	medium	medium		TRANSFER: Supplier guarantee, O&M contract, regular monitoring.	medium	low	Brian	Use repairs budget - either included within the total for O&M for the year, or as a separate item	Total current replacement value circa £3.3mn likelihood of *some* loss per year over 25 years = 4%, but loss is likely to only be a small fraction of total - maybe one of 15 inverters, or a few panels etc, so probably more like 0.2% £3.3mn x 0.02% = £6600 per annum, on a rolling basis. This could cover a small inverter or 25 panels		£	-			
National Grid shuts down one or more of our sites for network management reasons causing loss of generation and possibly damage or difficulty/effort restoring service	low	medium		ACCEPT: we monitor situation (using Bright Renewables) but there is nothing much we can proactively do to protect from the threat. Ensure thought that good monitoring is in place and that the ground maintenance contract covers the required work to get a site operational after a failure or shutdown	low	medium	Brian	See existing mitigation.	n/a Explore potential compensation from National Grid	This will affect other risks such as "Cannot deliver on our 'interest rate to members' target."	£	-			
Supply to grid connection goes down and not discovered.	medium	high		TRANSFER: O&M contractor.	low	low	Brian	David Clegg would spot it after a month (at most) when doing the reporting.	Worst case - total lost generation would be about £65k (in June), but some of this would be mitigated by O&M guarantees (if they hadn't spotted it for some reason) and all but 5 days' worth (£10k) could be claimed on insurance		£	1,000.00			
Flooding (Moorhouse and Ham Lane)	low	medium		ACCEPT: Built above flood plain and with sufficient height	low	low	Brian	See existing mitigation, but if flooding *were* to occur then claim on insurance as per "Damage to Panels" below	n/a (flooding will cause £m of damage, but this is covered by insurance)		£	-			
Damage to panels	medium	low		TRANSFER: Insured	low	low	Brian	See plan B for technical failure above	See plan B for technical failure above		£	-			

POLITICAL - Sarah to cover																
Government reneges on FIT guarantee	low	high		ACCEPT: Assume government guarantee is safe. If government defaults, investor returns reduced. Could do financial scenario modelling if necessary	low	medium	Chair/Stuart	Communication with Investors				£	-			
No more grid capacity available.	medium	medium		ACCEPT: Don't develop new sites. REDUCE: Do more direct feed and storage schemes.	medium	low	Chair/Stuart	Communication with Investors				£	-			
Reduction in income from electricity; for example from reduced price or customers going elsewhere for electricity; reduce income from any PPA deals done and also affect our relationship with organisations hosting our roof projects in terms of the amount they pay for electricity consumed on site.	medium	medium		REDUCE: Consider longer term fixed PPA contract for medium term. Careful consideration of the wording in any future roof leases relating to changes to the prices charged to hosts. Be open about the risks. Ultimately could reduce interest paid on shares if necessary. More sophisticated modelling for future projects that are not FIT backed including energy storage	medium	low	Chair/Brian					£	-			
Price of panels increases because of exchange rate fluctuation, import tariffs and inflation.	low	medium		ACCEPT: Will reduce the viability of some new projects.	low	low	Chair/Brian					£	-			

FINANCIAL - Steve to cover														
Incorrect assumptions or missing factors on financial model	medium	high	medium	REDUCE: Regular monitoring of budget v actual. Finance team checks within Board. Check v Mongoose modelling.	low	medium	Brian	Update financial model; take corrective action (e.g. reduce share interest) if needed	Even with review at board, probability could be >10%, but mostly very small errors, Large errors (>£10K) much less likely. LT projects will always rely on assumptions and uncertainties but this is less of a concern (and not an error as such)		£	-		
Usage figures lower than expected particularly for schools	medium	medium	medium	REDUCE: Investigate and monitor the school schemes and extrapolate into the ubermodel for future projects - if it doesn't look viable don't proceed with project	low	medium	Chris	Accept lower returns if project has started; look for ways to renegotiate contract, change revenue model or terminate project (e.g. sell solar panels to school)	with appropriate due diligence (financial modelling) before project kick-off, the probability is <10%, the impact could be over £10K		£	1,000.00		
Pipeline dries up for new projects	medium	medium	low	REDUCE: Investigate avenues other than just solar sense. Partner with others to scout out new projects. Also reduce impact by appropriate modelling and if necessary repossession of shares (scale down)	low	low	Chris	Downsize - run our existing projects rather than expanding and taking on more projects	With additional partners lower probability, though still around 10%. However we can adjust as per mitigation and 'downsize' relatively painlessly as needed so impact is small		£	-		
Share withdrawals (due to financial hardship) exceed projection; financial issue but also if we do not meet all requests there is reputational damage.	medium	medium		ACCEPT: Society Secretary to keep close eye on requests of withdrawal. Hardship requests considered at any time; other requests considered once per year. So far withdrawal requests have been comfortably within projections.	medium	low	Hilary	If necessary consider raising an open share offer to raise money to offset withdrawn shares.	Should not have any financial impact as long as managed as stated	reputational impact mitigated by appropriate communications.				TO REVIEW
Cannot raise finance through community share offer to build new projects	low	medium	medium	TRANSFER: Negotiate bank loans.	low	low	Chair/Brian	Don't run project; write off development costs	With inflation, crowdfunding may lose a bit of shine, but bank loans are a possible fallback and if the projections don't stack up, we don't do it - we do lose the initial research costs though maybe £10K. development costs are already in the budget.		£	-		

Insurance costs spiral impacting our financial projections	medium	medium	medium	REDUCE: Build into financial projections and review arrangements for security and/or cleaning etc	medium	low	Brian	consider alternatives including project termination	Keeping a careful eye on insurance costs will help model the projects appropriately so 'nasty surprises' of this sort are unlikely to cost most than a few £K		£	1,000.00			
Insufficient cash available to repay shares on request	medium	high	low	TRANSFER: Negotiate bank loans. REDUCE: Share Repayment Policy	medium	low	Chair/Hilary	Decline to repay shares	The share repayment policy protects us from a 'run on shares'	reputational risk if people can't get their shares out	£	-			
Key suppliers become insolvent and go into liquidation.	medium	high	medium	REDUCE: Pay bills punctually, keep close control on LCG monies held on deposit. Identify possible alternative partners. Exercise active due diligence don't completely rely on outsourced partners.	low	medium	Brian	Use alternative partners as required; activate any penalty clauses on contracts if feasible	Could cost around £10K to switch if e.g. solar sense went bust, but we are better protected against this now we have a wider ecosystem, and Bright can help locate alternatives		£	1,000.00			
Key customers become insolvent and go into liquidation	medium	high	medium	REDUCE: keep close control on monies owed. (eg PPA)	low	medium	Brian	Find alternate customer or terminate project	Good financial control and monitoring will give us 'heads up' so we can take evasive action - probability probably <10% that this would hit us, however costs could be > £10K in lost revenue (last time this hit use, we lost £20-30K but recouped since then on increased PPA)		£	2,000.00			
Supplier or partner (3rd party) defraud LCG	low	medium	medium	Multiple sign offs, all directors take IT security measures. Invoice and approval mechanism in place and made available to the auditor. Checking of requested payment (is it expected? is it the same account?) happens. Bigger spends go through BR thus additional scrutiny - reducing the probability/impact. Unity (bank) has some validation checking	very low	medium	Chair/Helen/Stuart	Take appropriate legal action	Obviously a big impact could be > £10K but checks and balances make this < 1% probability		£	-			
bank security including cybersecurity	low	high	medium	REDUCE: Minimise money in bank accounts (repay shares, use on projects). Restrict access to the accounts. Ensure bank is using secure protocols and ensure board members follow them.	very low	low	Brian	Take remedial action including appropriate communication to our members, working with the bank to remedy the situation	Even with cyberthreats, the protocols put in place should reduce this risk to <1%. The impact should be low (<10K) because the bank will bear the brunt of the liability	Reputational risk if we are hacked.	£	-			

REPUTATION - Helen G to cover																
Cannot deliver on our 'interest rate to members' target.	medium	high		REDUCE: Sound financial management in terms of forecasting to ensure payments at the target level. Increase revenue streams by developing new projects.	medium	medium	Chair	Communicate to members the reasons why, and what steps are being taken to address matters. Calculate and issue a revised target interest rate. Remind members of challenges in setting interest levels / rates and that while we strive towards fulfilling them, it may not always be possible.	The impact is felt to our members more than us. However we may have members withdraw shares if the interest payments are less than expected, and we may not attract further investors is the actual interest is less than previously forecast.	We lose trust and credibility in terms of our reputation in managing the assets and offering an investment opportunity to existing and new / potential shareholders	£	-				
A director defrauds LCG	low	high		REDUCE: Careful how Board directors are vetted (maybe have a pre-approval procedure for nominations for Board at AGM). Limited access to funds. Tight financial control including dual signatures on LCG main bank accounts.	low	medium	Hilary	Unlikely to happen due to 2 person authentication required for financial transactions. Investigate why this occurred in order to ascertain the circumstances in which it happens and what needs to be changed to prevent it happening again. Ensure members with access to funds have served a number of years. Ban that individual from board position and alert other agencies where relevant.	Could be as large but the risk is very low <1%.	Reputational embarrassment. Need for overhaul of board member approval process.	£	-				
Failing to respond to complaints from members in a speedy manner.	medium	low		REDUCE: Ensure the Secretary has a complaints log that is reviewed at every Board mtg, with complaints shared with board members as soon as one occurs to find a resolution with 10 working days.	low	low	Chair	If there are repeated complaints then the nature of the complaint should be investigated to determine if LCG is at fault or whether a response was considered unreasonable. A third party / external review can be undertaken to try and resolve matters.	Depend on the nature of the complaint: likely the impact will be low (<10k)	We gain a reputation of being tardy, and non-member-centric. Members may share negative reviews and comments which will cause a loss of face and reputation.	£	-				
Failing to respond to complaints from landlords in a speedy manner.	medium	medium		TRANSFER: Managed through O&M contract with Solarsense or asset management with Mongoose. Check contracts with Solar sense and Mongoose to ensure there is a clause that covers the prompt response to landlords queries and complaints. Insist on the inclusion of such a clause if one does not exist when at a contract break point / new contract.	low	low	Chair	Should there be instances of failure or unsatisfactory responses to the landlord this should be considered when the contract is renewed, and tighter measures put into contracts with new service providers.	Likely very low	This will negatively influence our relationship with landlord and may cause issues during any negotiations.	£	-				
Cybersecurity breach leading to data leak	medium	high		REDUCE: Do not keep member information on individual laptops but on a secure site. Ensure suppliers are using secure protocols and only provide required data (rarely, if ever, member data). All board members to be aware of phishing and to keep antivirus software up to date. Member communications to use protocol that does not reveal sensitive information eg email addresses.	low	medium	Chair	Quick communication to members affected to explain what happened and steps being taken to minimise any harm, where possible, and prevent future situation occurring. Review and overhaul data security procedures. Ensure all board members are regularly made aware of the requirement to treat such data securely. Review who has access to personal info and reduce to the bare minimum required accordingly.	Could be 4% of revenue	Reputational damage, and potential loss of existing and potential shareholders.	£	1,000.00				
											£	12,000.00				