

Appendix

Finance Risk Register

Risk	Likelihood	Impact	Mitigating Action
Changes to Government funding formula methodology and Business Rate reset/changes	High	High	Proactively participate in consultation with Government Receive provisional information and share with members supported by financial modelling
Continuation of low interest rates	Low	Medium	Market advice and forecasting. Mitigation by diversification of investments across varied financial institutions in line with Investment Strategy
Capital programmes requiring borrowing in the medium term	High	High	Continue to undertake financial modelling to identify consequences of undertaking borrowing and align this with savings and transformation programmes to ensure financial sustainability
Lack of clarity for funding levels beyond 22/23 spending review	High	Medium	Prudent budget set to provide best estimate. Transitional arrangements have been applied in similar previous changes to funding arrangements and it is widely expected that similar arrangements will be introduced.
Fluctuation in business rates	High	High	This continues to be an area of high volatility as national reliefs are introduced resulting in reducing the amount to be collected, the re-issuing of bills and changes to the recovery process. The economic impact of the pandemic is yet to be fully determined which may have an adverse impact on the business rate base. Monthly reviews are in place to assess any adverse impact on the collectible amount
Additional bad debts as a result of economic circumstances	Medium	Medium	The Council has pro-active debt management and pre-pay fee policies.

Increased maintenance costs of ageing physical assets	Medium	Medium	The budget proposals for 2022/23 propose a significant increase in the maintenance budgets for both leisure centres (£150k pa) and one-off back log of £400k
Inflation rises by more than budgeted projections	Medium	Medium	Budget assumptions kept up to date with most recent projections.
Fee Income volatility	Medium	High	Early monitoring of deviations and regular reporting to both budget holders and members
Ongoing and continued COVID-19 Response	Medium	Medium	Regular financial monitoring, use of reserves if required, promoting growth plans and supporting the community
Inadequate capital resources to finance future desired plans	Medium	High	Asset disposal programme approved and pipeline of asset disposal in progress in order to generate capital receipts
Forecast expenditure fluctuations over the coming months	Low	Medium	Engagement in consultation and policy creation