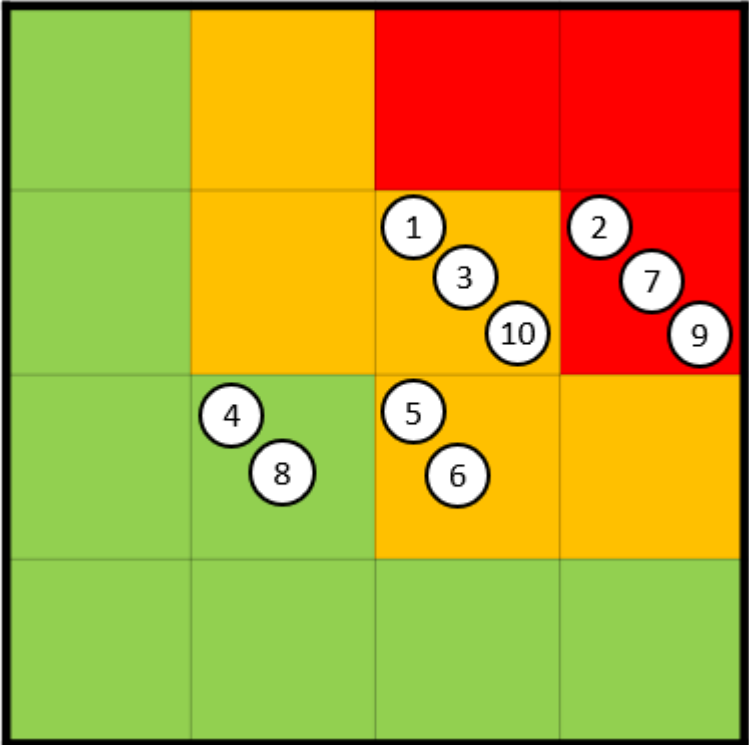


Appendix A – Finance Risk Register

Risk	Likelihood	Impact	Residual Risk Score	Mitigating Action
1. Increase in borrowing interest rates	3	3	9 High	Rates will be monitored and professional advice taken to determine the point at which borrowing should be undertaken to protect the Council from the cost of rate increases
2. Capital programmes requiring borrowing in the medium term	4	3	12 Very High	Continue to undertake financial modelling to identify consequences of undertaking borrowing and align this with savings and transformation programmes to ensure financial sustainability. Reprofiting of the capital programme will be considered as part of the options appraisal
3. Lack of clarity for funding levels beyond 24/25 spending review	3	3	9 High	Although a two year settlement is now expected, a prudent budget will be 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.
4. Fluctuation in business rates	2	2	4 Medium	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
5. Increase in bad debts as a result of economic circumstances	3	2	6 High	The Council has pro-active debt management procedures in place.
6. Increased maintenance costs of fixed assets	3	2	6 High	The budget proposals for 2022/23 propose a significant increase in the maintenance budgets for both leisure centres (£150k pa) and one-off budget of £400k
7. Inflation increases beyond budgeted levels	4	3	12 Very High	Budget assumptions kept up to date with most recent projections and monthly sensitivity analysis is produced to monitor the impact of inflationary increases
8. Fee Income volatility	2	2	4 Medium	Early monitoring of deviations and regular reporting to both budget holders and members
9. Fuel and utility price volatility	4	3	12 Very High	Weekly monitoring of fuel charge and proactive interventions to ensure optimisation of fuel consumption. Utility cost increases will have a significant impact on the Council finances
10. Inadequate capital resources to finance future desired plans	3	3	9 High	Asset disposal programme approved and pipeline of asset disposal in progress in order to generate capital receipts

Risk Matrix



Impact	Critical None or very low tolerance to the risk 4	4 Medium	8 High	12 Very High	16 Very High
	Major Some tolerance to the risk 3	3 Medium	6 High	9 High	12 Very High
	Moderate Risk can be tolerated in most cases 2	2 Low	4 Medium	6 High	8 High
	Minor Risk can be tolerated 1	1 Low	2 Low	3 Medium	4 Medium
		1	2	3	4
	Unlikely	Possible	Likely	Certain	
	Low but not impossible <20%	Fairly likely to occur 21% - 50%	More likely to occur than not 51% - 80%	Expected to occur in most circumstances >80%	

Likelihood