

Appendix E – Finance Risk Register

| Risk | Likelihood | Impact | Residual Risk Score | Mitigating Action |
|----------------------------------------------------------------|------------|--------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. 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 that will need to be approved before borrowing is undertaken in order to ensure ongoing affordability and financial sustainability. The capital programme can currently be financed without borrowing although this is kept under review. |
| 2. Lack of clarity for funding levels from 2024/25 and beyond | 3 | 3 | 9 High | The Government announced a one-year settlement along with high level financial planning assumptions for 2024/25. Any changes to the assumed levels will need to be modelled to assess their impact. |
| 3. Increase in bad debts as a result of economic circumstances | 3 | 2 | 6 High | The Council has pro-active debt management procedures in place. |
| 4. Increased maintenance costs of fixed assets | 3 | 2 | 6 High | The budget proposals for 2023/24 include an approved budget for asset maintenance and the budget carry forward proposals include a further £357k. The medium-term outlook is a continuation of high levels of maintenance that will require financing |
| 5. Fuel price volatility | 2 | 3 | 6 High | Weekly monitoring of fuel charge and proactive interventions to ensure optimisation of fuel consumption. |
| 6. Inflation increases beyond budgeted levels | 2 | 2 | 4 Medium | Budget assumptions kept up to date with most recent projections and monthly sensitivity analysis is produced to monitor the impact of inflationary increases. |
| 7. Fee Income volatility | 2 | 2 | 4 Medium | Early monitoring of deviations and regular reporting to both budget holders and members. |