

## Appendix B – 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 2025/26 and beyond	3	3	9 High	The Government announced a one-year settlement for 2024/25. Any changes to the assumed levels will need to be modelled to assess their impact.
3. Increase in Borrowing Interest Rates	2	3	6 High	Interest rates are continually monitored as they increased to an average of 4 - 5% compared to <1% 12 months earlier. This has a positive impact on the investment income received although should the Council consider external borrowing then there is now an additional resource pressure as borrowing rates have increased significantly.
4. Increase in bad debts as a result of economic circumstances	3	3	6 High	The Council has pro-active debt management procedures in place.
5. Increased maintenance costs of fixed assets	3	2	6 High	The budget proposals for 2024/25 include an approved budget for asset maintenance and the budget carry forward proposals include a further £142k. The medium-term outlook is a continuation of high levels of maintenance that will require financing
6. Inflation increases beyond budgeted levels	1	3	3 Low	Budget assumptions kept up to date with most recent projections and monthly sensitivity analysis is produced to monitor the impact of inflationary increases.
7. Fuel and Utility Price Volatility	1	3	3 Low	Weekly monitoring of fuel charge and proactive interventions to ensure optimisation of fuel consumption. Any utility cost increases will have an adverse impact on the Council finances.

8. 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
---	---	---	-----------	--

Impact	Critical None or very low tolerance to the risk	4	10 Medium	13 High	15 Very High	16 Very High
	Major Some tolerance to the risk	3	6 Medium	9 High	12 High	14 Very High
	Moderate Risk can be tolerated in most cases	2	3 Low	5 Medium	8 High	11 High
	Minor Risk can be tolerated	1	1 Low	2 Low	4 Medium	7 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			