

## Appendix D – Housing Revenue Account Finance Risk Register

Risk	Likelihood	Impact	Residual Risk Score	Mitigating Action
1. Unbalanced HRA Business Plan	3	4	14 High	Continue to undertake financial modelling of the HRA Business Plan to ensure ongoing affordability and financial sustainability. The balance between increased revenue spend dealing with repairs and maintenance, regulatory compliance and ensuring decent homes against the delivery of with capital programme will be key. Review of the Government proposals around rent convergence will be undertaken once published in early 2026 to consider potential for increased rental income. Modelling being undertaken with the Councils treasury advisors to assess if there could be any financial benefit to refinancing the existing HRA debt.
2. Insufficient levels of reserves	3	4	14 High	Over the next 3-year period as a consequence of future spending levels there is a significant reduction in reserve balances due to the financing of the capital program which is unsustainable. Therefore, a fundamental review using stock condition data is necessary to plan in the medium-term stock investment levels.
3. Increase in bad debts as a result of economic circumstances	3	2	8 High	Rent collection is the key income source for the HRA. The council has in place pro-active debt management procedures in place.
4. Increased maintenance costs of HRA Stock – both revenue and capital	3	3	12 High	The budget proposals for 2026/27 include continued significant in the social housing stock which is required to meet new government requirements for decent homes standard. Effective budget monitoring is in place to analyse financial spend to identify any pressures at an early stage and ensure corrective action is undertaken
5. Fuel price volatility	1	3	6 Medium	Weekly monitoring of fuel charge and proactive interventions to ensure optimisation of fuel consumption.
6. Inflation increases beyond budgeted levels	2	2	5 Medium	Budget assumptions kept up to date with most recent projections and monthly sensitivity analysis is produced to monitor the impact of inflationary increases.

Impact	Risk Level	Likelihood			
		1	2	3	4
Impact		Unlikely	Possible	Likely	Certain
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
		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