

Appendix D – General Fund Finance Risk Register

Risk	Likelihood	Impact	Residual Risk Score	Mitigating Action
1. Reduced funding levels from 2026/27 and beyond	4	3	14 Very High	The Government has recently concluded their funding review consultation and confirmed as part of the provisional budget announcements a multi-year settlement effective from 2026/27. The final settlement had a significant change with the announcement of reduced funding. Whilst a one-off off grant has been provided to mitigate the loss in 2026/27, there is no guarantee of additional funding in future years. Overall funding amounts will reduce over the three-year period and despite the transitional funding arrangements deficits are forecast from 2027/28. The Council will need to manage the funding reductions over the settlement period to ensure a balanced budget is achieved from 2027/28 onwards.
2. Capital programmes requiring borrowing in the medium term	3	3	12 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.
3. Increase in bad debts as a result of economic circumstances	3	2	8 High	The Council has pro-active debt management procedures in place. Additional resources are being included within the 2026/27 budget proposals to support effective debt recovery.
4. Increased maintenance costs of council assets	3	2	8 High	The budget proposals for 2026/27 include further funding to help address backlog asset maintenance issues and capacity is under review to support the delivery of several large scale General Fund property projects. The medium-term outlook is a continuation of high levels of maintenance that will require financing.
5. 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.
6. Fee Income volatility	2	2	5 Medium	Early monitoring of deviations and regular reporting to both budget holders and members.
7. Fuel price volatility	1	3	6 Medium	Weekly monitoring of fuel charge and proactive interventions to ensure optimisation of fuel consumption.

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