

Appendix B – 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 ensuing decent homes against the delivery of with capital programme will be key. Review of the Government proposals around rent convergence has been concluded and Council will have the opportunity to consider this during 2026/27. The Councils treasury advisors have been commissioned to review the current debt structure 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. Increased maintenance costs of HRA Stock – both revenue and capital	4	3	14 High	During the current year additional budget has been put allocated to deal with repair and maintenance costs. As quarter 3 budget monitoring shows this budget continues to be under pressure. Effective budget monitoring is in place to analyse financial spend to identify any pressures at an early stage and ensure corrective action is undertaken where significant overspends could occur.
4. 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. Collection of former tenant arrears continues to be a challenge and alternative collection methods including outsourcing is being explored.
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	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			