

## Appendix B – Corporate Finance Risk Register

Ref	Title	Description	Value	Likelihood	Impact
COVID 1	Financial Pressures caused by the pandemic	The continued Pressures through both demand and rising unit costs to support our most vulnerable clients following the pandemic is not fully supported by Government Funding	Unclear	4	3
COVID 2	Lower Collection rates	The pandemic caused hardship across the borough. This is directly affecting the ability of households to pay Council Tax and the ability of businesses to pay rates – the impact of this is being monitored closely but is a risk over the MTFS	Unclear	4	3
COVID 3	Hidden extra demand	The pandemic has resulted in changing circumstances for everyone especially during lockdown periods. There is a significant risk particularly in Children’s that the difficulties caused by the effects of COVID will result in additional demand for Council services	Unclear	4	3
COVID 4	Delayed Savings and efficiencies	The Pandemic continues to cause a delay to many of the 2021/22 savings proposals. The Council has taken this into account in setting the 2022/23 budget but recognises the continued risk of non-delivery. There is a risk that if the effects of the pandemic continues well into 2022 and beyond that again proposals will be delayed	£17m Savings Proposals	2	2
COVID 5	Recruitment of Staff	For the Council to run efficiently there is a need to recruit high calibre staff to replace those who leave either through retirement or to move to other jobs. The pandemic is preventing population mobility both from elsewhere in the country and from abroad. This could impact on the need to recruit qualified staff to key positions such as social care and result in expensive temporary cover being needed	Unclear	2	2

C1	Future finance settlements	The 2021 Spending Review has determined control totals for the next three years but the finance settlement has only confirmed authority allocations for 2022/23. Future settlements may well include the impact of levelling up and fair funding together with other potential changes such as business rate reform	Unclear	2	2
C2	Rising Inflation and Unit Costs	The Government figures indicate rising inflation over the next 18 months. This will present potential staffing and running cost pressures if the current MTFS provisions for inflation prove insufficient	Unclear	3	2
C3	Impact of Leaving the EU	The potential implications of leaving the EU are wide ranging on local authorities including interest rates, the value of the pound and the costs of products, services and staffing.	Unclear	4	1
C4	Loss/reduction in Business Rates	In recent years as a result of austerity and the general reduced footfall from the high streets, a number of local businesses have failed. Business rates are in part locally retained meaning that significant downturn in yield will have a direct impact. This risk has increased as a direct result of the pandemic. This will be a national issue and it is hoped that the Government will fully recognise this in future settlements.	Potentially significant	3	2
C5	Affordability of Capital Programme	The Capital programme is based on a robust funding strategy. Significant overspends or enhancements to projects will result in a revenue pressure through increased <del>contributions</del> <u>interest charge</u> on higher borrowing and <u>increased debt principal repayment (Minimum Revenue Provision or MRP)</u> <del>costs</del>	Unlikely to be significant	1	1
C6	New Legislation	The Government could at any time introduce new legislation or transfer new burdens to local government. History has shown that frequently new legislation is not accompanied by	Unlikely to be significant	2	1

		enough associated funding			
C7	The impact of delays, changes, and market fluctuations to the Regeneration Programme	The regeneration models contained in the business cases make assumptions regarding inflation, interest rates and the property market. Changes to these factors could affect the expected yields. There is also a significant cost associated with delays to the programme either caused by changes to proposals or any other reason	Could be significant	2	3
C8	Interest Rate change	An increase in interest rates will have a direct impact on the Council's treasury strategy. Potential increases in borrowing will directly impact on the Council's MTF <del>SP</del> and affordability decisions on major future Capital Plans	£1m per 1%	2	1
C9	New proposed Legislation on MRP	The Government is considering changes in the ways <u>that the debt principal repayment (Minimum Revenue Provision or MRP)</u> is calculated for joint ventures which could potentially increase the level of MRP payable by the authority	Unclear	2	2
C10	Higher than expected population growth/ demographics	The Council's plans recognise the effect of population growth and the demographic pressures that brings particularly to Social Care. If either the population increased at a higher rate or factors such as poverty and deprivation resulted in increased demand above current planned amounts then this would have a direct impact on the MTFS	Unclear	1	2
C11	IBCF and other Grants	The 2022 settlement largely continued previous grant funding. The position for 2023/24 onwards is far less clear and whilst this is taken into account in the MTFS a loss of smaller grants will impact on planning.	Unlikely to be significant	2	1
C12	Pension Fund Performance/Actuarial Review	A downturn in the performance of the pension fund could result in increased contributions being required at the next triennial review. This will have a direct impact on the MTFS assumptions	Unlikely to be significant	1	2
C13	Budget Failure/ Overspends	The MTFS allows for any recognised ongoing budget pressures. Unbudgeted overspends will depleted general	Potentially	3	2

		and earmarked reserves. This could lead to future year budget pressures either through planned contributions to reserves or through continued overspends. There is a significant risk that the <u>2021/22</u> budget will overspend and officers are working hard to control spend in order to minimise this risk.	significant in <u>2020/21</u> but a lower risk thereafter		
C14	Income assumptions from Health	The Adults budget contains assumptions regarding <u>the impact of the local hospital trust's Hospital Discharge Policy (HDP) funding</u> and <u>subsequent</u> contributions from the <u>local Health services GCG</u> towards future pressures. <del>If the pressures</del>	Potentially significant	2	3
C15	IT System Failure	Significant IT failure could result in loss of service provision, potential loss of data and additional repair or replacement costs	Unclear	1	3
C16	Future Waste disposal arrangements	Preparations are well underway for the next steps following the end of the current 25 year contract. There is a risk however that the cost of the levy may increase in the short term as preparation for 2027 accelerates	Unlikely to be significant	1	2
C17	Adverse Weather/Cold winter	A cold or wet winter can result in increased environmental costs through gritting or possibly flood alleviation. Freezing weather also can break up road surfaces resulting in emergency repairs	Unclear	2	1
C18	Fraud	The Council has measures in place to minimise the risk of fraud. If a major financial fraud were discovered this could have a reputational risk and result in additional costs both to improve systems and to mitigate any uninsured losses.	Unclear	1	2
C19	JV Failure	The JV's all have business cases with returns on investments at various points to the Council. Failure of a JV could be for a number of reasons but will result in both additional costs and loss of income to the Council	Significant - several £m	1	3
C20	Collection Rates	Council Tax is set on assumed collection rates. Failure to achieve those rates will have an impact on the collection	Unlikely to be	1	1

		fund and the level of bad debt provision required. Both of these items will impact on future planning	significant		
C21	Public Health Joint Funding	The Public Health Grant has reduced over the last two years and is quite likely to continue to be squeezed. This could potentially impact on the future funding of Council Services	Unclear	1	1
C22	Green Waste Charging	The Council currently charge for green waste collection. The Government is currently considering new legislation which would prevent Councils from charging for this service. This would impact on the Council's income budget if implemented	£800K	2	2