

Low Carbon Hub Loan Facility

Risk Register

Appendix 1 of 1

Risk ID	Risk						Gross Risk		Current Risk		Residual Risk		Risk Mitigation
	Risk Title	Opportunity/Threat	Risk Description	Risk Cause	Consequence	Date raised	I	P	I	P	I	P	
1	Investment return	T	Failure of the existing portfolio of projects to produce expected income	Actual investment returns being lower than projected through adverse impacts such as loss of rental income	Insufficient income to support the 5% interest payment to the Council	27-Mar-18	2	4	2	2	2	2	The Hub monitors all of its installations on a daily basis in order to pick up and resolve any technical failures as quickly as possible. The Hub insurance policy includes loss of income in case of large and long-term technical failures that cannot be resolved quickly. Review of the Hub's financial forward projections shows that the costs of servicing the loan are built in to the plans. The Hub has a track record of making payments of the interest to the Council and repaying the principal of loans within the timescales agreed.
2	Equity Share Scheme		The equity share scheme fails to raise sufficient funds	Lower equity share take up than anticipated	Funding would not be available to repay the remaining principal element of the loan facility	27-Mar-18	5	4	3	2	3	2	The loan extension agreement will state that the principal balance is secured against existing PV. Additionally, in the event of a payment default, the following actions may be taken: - The creation of a Floating charge over any of the Hub's assets - Assignment rights over the assets and contracts - Step-in rights to intervene in the business to ensure that the appropriate steps are taken to secure the project as a going concern and thus maximise the value of security, although it is recognised that this is something of a last resort and is not something that the Council would prefer to do.

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