

## Strategic Risks

- The council has two strategic risks associated with its finances themselves being **ORG0057 concerning a sustainable MTFP** and **ORG0070 being the risk of a budget overspend in the current financial year**. However, there are a number of other Strategic Risks associated with the budget and these are included in the table below to ensure that the complete picture is provided.

### Strategic Risks associated with the budget

JCAD Ref	Risk description	Inherent score		Mitigation	Residual score		Owner
		L	I		L	I	
ORG0057	Sustainable MTFP Cause: High inflation, high interest rates, HRA, capital programme, income not increasing sufficiently Consequence: Issue S114 notice	5	5	<ol style="list-style-type: none"> <li>1. MTFP updated 24/25 to 26/27</li> <li>2. MTFP board in place</li> <li>3. Establishment control, procurement and spending boards in place</li> <li>4. Regular budget monitoring</li> <li>5. Review of pressures 24/25</li> <li>6. Bright spark initiative in place</li> </ol>	5	5	Executive Director – Resources & Corporate Services
ORG0070	Budget overspend Cause: Rising interest rates impacts cost of borrowing; labour market (pay rises, recruitment difficulties) Consequence: service changes to reduce spend	5	5	<ol style="list-style-type: none"> <li>1. MTFP updated 24/25 to 26/27</li> <li>2. MTFP board in place</li> <li>3. Oversight boards in place – establishment, procurement and spend</li> <li>4. Regular budget monitoring</li> <li>5. Bright spark initiative in place</li> <li>6. Deep dive children and families</li> </ol>	5	5	Executive Director – Resources & Corporate Services

ORG0065	Workforce – inability to retain and recruit Cause: can't compete with private sector Consequences: Use of agency staff, staff wellbeing	5	5	<ol style="list-style-type: none"> <li>1. Workforce Strategy</li> <li>2. Review of Job Evaluation</li> <li>3. Maximise apprenticeships</li> <li>4. Staff comms and engagement</li> <li>5. Active staff networks</li> </ol>	4	5	Service Director – workforce
ORG0078	Failure to deliver a business case for workforce transformation Cause: unclear council direction, capacity Consequence: Not being able to determine impacts on budgets for 24/25 and beyond	4	5	<ol style="list-style-type: none"> <li>1. Development of business case</li> <li>2. Consultation with Unions and staff</li> </ol>	3	5	Service Director Workforce
ORG0079	The risk that the Government will make further policy changes that affects future funding of social care Cause: Government policy change Consequences: Reduced funding impacting services that can be delivered	4	5	<ol style="list-style-type: none"> <li>1. Ongoing review of policy announcements relating to social care</li> </ol>	3	5	Executive Director – Adult Services
ORG0080	The risk of increasing demand on services and the impact this could have on services and budgets	4	5	<ol style="list-style-type: none"> <li>1. Regular budget monitoring of service budgets</li> <li>2. Regular reviews of service performance</li> </ol>	3	5	Executive Director for Strategy, Workforce and Localities

	<p>Cause: Cost of living crisis, impacts of high rents</p> <p>Consequence: Longer to provide services, increase budget for statutory services</p>						
ORG0081	<p>The risk that the Government will reduce Local Government funding, impacting the sustainability of the service levels at current levels</p> <p>Cause: Government financial position</p> <p>Consequence: Reduced budgets, reduced service levels and staff</p>	4	5	<ol style="list-style-type: none"> <li>1. Ongoing discussions with Government</li> <li>2. Monitoring policy changes for impacts across all service areas</li> </ol>	3	5	Executive Director – Resources & Corporate Services