

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"> 1. MTFP updated 24/25 to 26/27 2. MTFP board in place 3. Establishment control, procurement and spending boards in place 4. Regular budget monitoring 5. Review of pressures 24/25 6. Bright spark initiative in place | 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"> 1. MTFP updated 24/25 to 26/27 2. MTFP board in place 3. Oversight boards in place – establishment, procurement and spend 4. Regular budget monitoring 5. Bright spark initiative in place 6. Deep dive children and families | 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"> 1. Workforce Strategy 2. Review of Job Evaluation 3. Maximise apprenticeships 4. Staff comms and engagement 5. Active staff networks | 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"> 1. Development of business case 2. Consultation with Unions and staff | 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"> 1. Ongoing review of policy announcements relating to social care | 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"> 1. Regular budget monitoring of service budgets 2. Regular reviews of service performance | 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"> 1. Ongoing discussions with Government 2. Monitoring policy changes for impacts across all service areas | 3 | 5 | Executive Director – Resources & Corporate Services |