

BUDGET REPORT RISK IMPLICATIONS 2024/25 to 2027/28

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	
B4	Reduced return from companies	Threat	Reduction in interest and dividend from OCHL or dividend from ODS	Reduced development activity in OCHL or increased interest costs from borrowing. Reduced income and efficiencies in ODS	Severe impact on Councils MTFP.	30-Oct-23	4	3	4	3	4	2	Monitor monthly
B6	Partner failure	Threat	Major partner fails financially causing disruption or ceasing of key council services e.g leisure	Financial failure of partner	Overpends or service reduction in other service areas	30-Oct-23	3	3	3	3	3	2	Monitor, prepare contingency plans to re-tender service
B7	Business Rates Income	Threat	Business rates income less than expected	Volatility in business premises closing or being developed; Business Rates appeals being higher than anticipated, Business rates reset and fairer funding reduce income lower than expected	Less council funding	30-Oct-23	4	3	4	3	4	2	Monitor monthly
B8	Treasury Investment returns	Threat	Economic activity has an adverse effect on investment returns	Investment returns are derived from a number of sources. Interest returns from OCHL may be less if activity within the company starts to reduce as a result of increased borrowing rates. Investment interest returns from banks and other lenders will increase but returns from some of the councils multi asset funds and property funds are more susceptible to economic conditions such as movement in property prices and stocks and shares.	Reduced investment income	30-Oct-23	4	3	4	3	4	2	Interest rates are already on the increase and may adversely effect the council There is a higher level of risk associated with property investment funds and multi asset funds which is partially mitigated through the use of earmarked reserves.
B9	Efficiencies	Threat	Any further slippage in the delivery of savings and efficiencies, especially around trading or additional pressures on the 2023-24 budget that could impact on 2024-25 and beyond	Changes in circumstances make savings unattainable	Reduced efficiencies increased overspend on net budget	30-Oct-23	3	3	3	3	3	2	Monitor monthly, take corrective action if problem identified. Use contingencies within the budget to cover high and medium risks
B10	Right to Buy sales vary from estimate	Threat	Variations in numbers of RTB's affects HRA planning	More houses sold	A decrease in the numbers of RTB's will lead to less capital receipts to fund the Capital Programme. Conversely an increase in the numbers of RTBs would lead to a revenue pressure from reduced rental income	30-Oct-23	3	3	3	3	3	2	Track situation and either re-prioritise spend or use additional borrowing headroom

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B11	Robustness of Estimates	Threat	The revenue and capital estimates vary from estimated and planned. The implications of Government policy impact more adversely than anticipated.	Fluctuations in prices and reduced income	Potential overspend	30-Oct-23	4	3	3	2	3	2	Robust monthly budget monitoring to detect variations and put in mitigating action. Adequate reserves, balances and contingencies within the budget to cover where mitigation is insufficient.
B12	Income Streams	Threat	Some businesses and individuals are struggling financially following the aftermath of COVID. There is a potential for arrears of key income streams to the council to increase if not kept in check	Financial hardship by businesses and individuals	Increased write off of income and reduced income to fund services	30-Oct-23	4	3	3	3	3	2	Monitor and early action
B13	Capital Receipts	Threat	Asset disposals are not secured or fall short of target amount	Economic climate or inability to negotiate deals	Insufficient resources to fund capital programme	30-Oct-23	4	3	4	3	4	2	Robust monthly monitoring, consider prudential borrowing to fund shortfall or defer projects
B14	Savings not achieved	Threat	Savings in budget from efficiencies and transformation may not be achieved	Service pressures	Potential overspend	30-Oct-23	3	3	3	3	3	2	Monitoring
B15	Slippage in Capital Programme	Threat	Schemes in Capital Programme do not start or finish on time	Contract delays or increased variations	Impact on delivery of Council priorities	30-Oct-23	3	3	3	3	3	2	Robust monthly monitoring of programme, introduction of Capital Gateway Process and flexible treasury management strategy