

## General Fund Budget Risks to 2025-2026

Risk	Description	Level of Risk
Medium Term Forecasting	Risks that might materialise as a result of the impact of interest rates, energy costs, non-pay inflation and pay awards, uptake of pension auto enrolment, and National Living Wage.	Red
Service Demands	Risks that might materialise as a result of demands for statutory services outstretching the available resources. This particularly applies to adults and childrens' social care.	Red
	Risks that might materialise as a result of demands for non-statutory services outstretching the available resources.	Amber
Identification of Budget Reductions	Risks that might materialise as a result of not identifying budget reductions due to limited opportunity to deliver efficiencies.	Amber
Budget Management	Risks that might materialise as a result of the robustness of financial planning and management, in addition to the consideration made with regards to the loss of key personnel or loss of ICTS facilities	Green
Transformation Programme	Risks that might materialise as a result of not delivering the reductions incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering budget reductions and downsizing the workforce.	Amber

Reduction in Income and Funding	Risks that might materialise as a result of a multi-year funding settlement and reforms to Business Rates Retention and the Fair Funding Review.	Red
	Risks that might materialise as a result of income being below budgeted levels, claw back of grant, or increased levels of bad debts.  The risk of successful appeals against business rates.	Amber
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise due to structural uncertainties including the impact of exiting the European Union.	Amber
	Risk that the cost pressures from the implementation of the policies outlined in the Adult Social Care Reform White paper are greater than Government Grant funding.	Red
	Risk of cost pressures as of result of specific short term grant funding not continuing – e.g. household support grant.	Red
	Risks that might materialise as a result of changes to Government policy including changes in VAT, taxation rules and economic measures.	Red
Covid-19	Risk that the financial implications of Covid 19 including the Council's recovery will exceed the grant allocations awarded by Government and place further financial pressures on the council financial position over the medium term.	Amber