

## Appendix A1 Budget Risk Register

Risk Type	Threat to achievement of objectives	Potential Consequences of Risk	Controls/Mitigations in place	Likelihood	Service	Budget Page
Vacancy Management	Additional Vacancy Management included for 23/24; Non-filling of vacancies may have impacts on service delivery and staff wellbeing	Service Delivery requirements may limit the vacancies that can remain unfilled, resulting in pressures on staffing budgets	Vacancies are closely monitored and managed to ensure that appropriate capacity is in place across our teams. The Business Services Leadership Team will continue to oversee vacancy management in order that an appropriate balance is maintained between meeting service delivery demands, wellbeing of our staff and budget management.	MEDIUM	BS	ALL
Pay Award - Local Government	Pay Awards being agreed in excess of those assumed in the budget; Ongoing pay negotiations with Teaching Unions may influence the 23/24 negotiations for SJC staff taking the pay award above the 3% included in the budget assumptions. Every 1% increase will create a budgetary pressure of around £2.5m (General Fund incl IJB)	The Pay Award Reserve will be exhausted. Budget pressures will be required to be met through service savings and/or efficiencies	£4.6 million has been set aside in a Local Government Pay Award Reserve which would ensure funding available for a pay award 2.5% above budget. The base budget for 2024/25 has been increased to reflect this. Any additional award will need to be covered by Transformational savings and efficiencies. Update - the resolution of the SNCT pay award negotiations may result in a corresponding increase sought after by Non-Teaching Unions in 23/24.	MEDIUM	ALL	ALL
Additional Rental Income	Delays to tenants commencing new leases.	Additional income not achieved	Financial monitoring throughout the year to compare against assumptions made.	MEDIUM	Business Services	Woodhill House
Scottish Welfare Fund	Demand increases for crisis and welfare grants	Pressure on budgets in current and future years	Close financial monitoring to identify pressures at an early stage. Signposting to alternative sources of welfare funds.	MEDIUM	Business Services	Finance

<b>Risk Type</b>	<b>Threat to achievement of objectives</b>	<b>Potential Consequences of Risk</b>	<b>Controls/Mitigations in place</b>	<b>Likelihood</b>	<b>Service</b>	<b>Budget Page</b>
Estate Rationalisation	Delays in buildings being sold/released	Estate rationalisation savings not achieved in year.	Close financial monitoring to identify issues at an early stage.	MEDIUM	Business Services	Estates
Inflation	Rising general inflation in the UK Economy.	Increase in cost of supplies and services. Areas that could be impacted include ICT contracts, energy and Insurance premiums	Financial Monitoring throughout the year to identify where spend is required to be reduced	MEDIUM	Business Services	ALL
Procurement Savings	Risk of procurement savings being allocated against incorrect Service or not being achievable.	Pressure on budgets in current and future years	Review procurement savings to ensure allocated against correct Service - vire if not. Close monitoring of savings to flag if not likely to be achieved in year.	HIGH	Business Services	ALL
Settlement	Reduction in Scottish Government funding to Local Authorities in real terms	Less funding from Scottish Government will reduce resources available to deliver Council services and priorities	Assumption of flat cash settlement for future years; Transformation and Savings/Efficiencies to be identified across the Council to reduce any impact of future reductions in funding	MEDIUM	RSG	Revenue Support Grant
Energy Prices	The impact of the conflict in Ukraine on rising gas and electricity prices	Budget pressure on energy budgets across the Council	Forward procurement pricing to be carried out along with regular monitoring by the Energy Management Team. £5.5m built in to the 23/24 budget. 17% Electricity, 10% Gas, 3% other energy built into future years	MEDIUM	ALL	ALL
Achievement of Service Savings	Inability to achieve budgeted savings due to service pressures	Pressure on budgets in current and future years	Proactive monitoring of savings by services, with any issues in achieving these being reported timeously through the relevant policy committee	HIGH	ALL	ALL
Achievement of Voluntary Severance Savings	£2m of Voluntary Severance savings budgeted for in 23/24. Risk that insufficient numbers of employees will apply and be selected for the scheme within year; impact of reduced staff numbers on service delivery	Pressure on budgets in current and future years	This is a corporate target that will be kept under review throughout the year with updates being reported accordingly.	HIGH	ALL	ALL
Reserves	Reserves have been utilised in 23/24 to balance the budget. Should budget risks materialise in 23/24 and beyond, this may require further draw down from these reserves.	Depletion of Reserves will reduce the financial sustainability of the Council in future years unless these can be replenished.	Budget control and financial monitoring throughout the year	HIGH	ALL	ALL
Income Generation	Risk that income will not achieve budgeted levels due to price increases and/or number of service users/demand being below anticipated	Pressure on budgets in current and future years	Active monitoring of income during the year to identify if the drivers are not at the levels assumed in the budget;	HIGH	ALL	ALL