

APPENDIX 3B 2024-25 Budget Risk Register - COUNCIL WIDE

	Risk					
Risk Type	Threat to achievement of objectives	Potential Consequences of Risk	Controls/Mitigations in place	Likelihood	Service	Budget Page
Pay Award - Local Government	Pay Awards being agreed in excess of those assumed in the budget;	The Pay Award Reserve will be exhausted. Budget pressures will be required to be met through service savings and/or efficiencies	The base budget for 2024/25 has been increased to reflect the 2023/24 pay award. Any additional award above the 3% assumed increase will need to be covered by Transformational savings and efficiencies.	MEDIUM	ALL	ALL
Pay Award - SNCT	Pay Awards being agreed in excess of those assumed in the budget; Teachers Pay Awards have been agreed to July 2024.	The Pay Award Reserve will be exhausted. Budget pressures will be required to be met through service savings and/or efficiencies	The base budget for 2024/25 has been increased to reflect the 2023/24 pay award. Any additional award above the 3% assumed increase will need to be covered by Transformational savings and efficiencies.	HIGH	ECS	Primary, Secondary, Special
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	HIGH	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.	MEDIUM	ALL	ALL
Inflation	Rising general inflation in the UK Economy	Increase in cost of supplies and services and capital programme. Particular risk for contracts linked to RPI.	Financial Monitoring throughout the year to identify where spend is required to be reduced; Risk and Inflation Reserve to draw down against inflationary pressures	MEDIUM	ALL	ALL
Cost of Living	Impact of cost of living crisis on residents behaviours and spending habits; Potential reduced numbers utilising LLA facilities; Residents struggling to pay for services	Potential reduction to income for Council services due to less usage and/or increase in bad debts. Increase in demand for support services/crisis and welfare grants.	Proactive monitoring of income throughout the year, with any issues in achieving the budgeted income being reported timeously through the relevant policy committee.	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 Procurement Savings	£0.5m of Procurement savings budgeted for in 2024/25. Risk that these will not be achieved during the year	Pressure on budgets in current and future years	Services to review with Procurement to identify areas which can achieve savings; where this not going to be achievable, this will be reported through Policy Committees with alternative mitigations	HIGH	ALL	ALL
Insurance	Risk of events occurring which result in losses above the Council's insurance policy excess levels, resulting in increased costs to services	Uninsured losses costs will be additional budget pressures for services	Numbers and levels of claims and uninsured losses to be monitored and reported to services; Potential use of Insurance Reserve for any unforeseen material losses which are unable to be recovered from service budgets	LOW	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
Weather	Risk of further storms and flooding	Additional revenue and capital costs associated with responses to these events	Bellwin Scheme is available for costs exceeding £1m threshold./ Insurance in place; preventative measures taken by services and communities	MEDIUM	ALL	ALL

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Risk						
Risk Type	Threat to achievement of objectives	Potential Consequences of Risk	Controls/Mitigations in place	Likelihood	Service	Budget Page
Integration Joint Board	Risk that the Integration Joint Board will incur an overspend position during the year	In the event of an overspend within the Integration Joint Board that can not be recovered from the application of Reserves, the overspend will be required to be met from additional contributions from the Council and NHS	Budget control and financial monitoring throughout the year of the Integration Joint Board with overspends being reported timeously through Strategic Leadership Team and Communities Committee to ensure that action can be taken early. In addition, £3.991 million has been set aside in Reserves to be drawn down if required against any additional funding requirements	MEDIUM	IJB	IJB
Reserves	Should budget risks materialise in 24/25 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		
Legislation	Proposed changes to Loans Fund Accounting : The Local Authority (Capital Finance and Accounting)(Scotland) Regulations 2016	Changes to the methodology in calculating loans fund advances will impact on the affordability of the Capital Plan in the short and medium term. The proposed changes will create additional work and introduce complexities in the management of the loans fund calculations.	Budget control and financial monitoring throughout the year	MEDIUM	ALL	Capital Financing Charges & Interest on Revenue Balances

APPENDIX 3B
2024-25 Budget Risk Register - BUSINESS SERVICES

Risk Type	Risk Threat to achievement of objectives	Potential Consequences of Risk	Controls/Mitigations in place	Likelihood	Service	Budget Page
Rental Income	Delays to new tenants moving in.	Pressure on budgets in current and future years	Financial monitoring throughout the year to compare against assumptions made.	MEDIUM	Business Services	Woodhill House, Estates
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 externally.	MEDIUM	Business Services	Finance
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, Office Accommodation
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
Housing Benefit	Increases in temporary accommodation charges will impact on the Housing Benefit Budget. The impact may not be fully captured in the Housing Benefit budget.	Pressure on budgets in current and future years	Close financial monitoring to identify issues at an early stage.	MEDIUM	Business Services	Finance
Reduction in IT capital funding	Reduction in available funding will impact on the replacement programme for our IT network infrastructure	Not replacing our network may impact performance and security	We will focus the available funding on the most critical parts of our corporate network	MEDIUM	Business Services	Customer & Digital Services

APPENDIX 3B

2024-25 Budget Risk Register - ENVIRONMENT & INFRASTRUCTURE SERVICES

Risk Type	Risk <i>Threat to achievement of objectives</i>	Potential Consequences of Risk	Controls/Mitigations in place	Likelihood	Service	Budget Page
Inflationary increases to plant, fuel, materials	The construction industry has seen extremely high inflationary increases in bitumen, fuel and labour. If construction inflation increases there will be less budget available to support the planned revenue expenditure.	The Service would be required to reduce workplans if inflation continues as an increase reduces the amount of available budget for projects in the workplans .	The Service and Finance would review this area on a regular basis . A review by the Service would be undertaken to reduce planned revenue works if required.	MEDIUM	Environment & Infrastructure	Roads Maintenance Quarries Harbours Flood Management
Winter Maintenance budget is based on an average winter. Risk that a more severe winter would require additional resources	Winter & Emergencies Fund Reserve fully utilised;	The allocation in Reserves under Winter & Emergency is a one-off allocation . Once it is spent it cannot be utilised again without being taken from Reserves.	The winter service is carried out in accordance with Well Manged Highway Infrastructure - A code of Practice . Delivery of Winter Maintenance Services across the network is in accordance with the Winter Maintenance Policy and Winter Maintenance Operational Plan.	MEDIUM	Environment & Infrastructure	Winter and Other Emergencies
Expenditure to be funded from borrowing	Expenditure does not meet the criteria - costs remain in revenue	Costs which cannot be transferred will result in a revenue budgetary pressure. Any mitigating factors introduced could impact on service delivery.	The service will look to mitigate through service efficiencies identified during the year though a reduction in purchasing of non-capital goods and services.	LOW	Environment & Infrastructure	Expenditure to be funded from borrowing
Additional income	Planning applications , Building warrants , Quarries and Waste Disposal . These are all subject to demand from the public and construction industry and may see a decrease after the slow down of the pandemic . The recent increase may not be sustainable in the current economic crisis .	A reduction of planned income which would create a budget pressure which would have to be met from within the Service or Reserves.	Timely implementation of the revised rates together with close monitoring throughout the year.	HIGH	Environment & Infrastructure	Building Standards Development Management Built Heritage Consumer Protection Quarries Waste Disposal Homeless Persons
Severe weather	Storm and flooding risks	Additional revenue and capital costs associated with responses to these events	Bellwin Scheme is available for costs exceeding £1.2m threshold./ Insurance in place; preventative measures taken by services and communities	MEDIUM	Environment & Infrastructure	ALL
Bus Transport Support	Some services may have to be reinstated by public demand.	Reputational damage.	Contracts to be terminated at start of financial year.	LOW	Environment & Infrastructure	Transportation
Legislation	Homeless prevention duty coming late summer 2023 has the potential to treble the workload of homeless teams	Service is staffed for current workload. Will be unable to cope with the change without additional resources. Unable to deal with legal duty. Increase in homelessness and use of high cost temporary accommodation.	Regular monitoring of impacts. Increasing staffing resources. Increase homeless budget.	HIGH	Housing and Building Standards	Homeless persons
Temporary Accommodation Income	Reduction in income due to people moving quicker from temporary into permanent accommodation.	Less income to invest into services to keep making positive changes and savings for other parts of general fund. Breach of unsuitable accommodation order.	Place people in worse and more expensive temporary accommodation to maintain income. Breach the unsuitable accommodation order	HIGH	Housing and Building Standards	Homeless persons

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2024-25 Budget Risk Register - ENVIRONMENT & INFRASTRUCTURE SERVICES

Risk Type	Risk <i>Threat to achievement of objectives</i>	Potential Consequences of Risk	Controls/Mitigations in place	Likelihood	Service	Budget Page
Resettlement schemes	Various refugee and asylum schemes place additional pressures on homeless services and housing stock.	Lack of accommodation, increase in temporary accommodation use. Pressure on wider general fund - A homeless case is estimated to cost wider general fund £10k minimum and can cost much more	Use of other housing options. There is also significant financial mitigation for most schemes designed to address risk alongside the preventative work by the Refugee and Asylum Strategic Partnership	MEDIUM	Housing and Building Standards	Homeless persons & wider general fund
Demand on Housing Support - Increased costs for commissioned services	Increasing homelessness along with inflation increasing costs to providing support services. Contracts in place for agreed number of homeless cases more than this will need to be paid for. Housing support to homeless people is a legislative requirement	Unable to meet legal duty, reduction in tenancy sustainment leading to increase in homelessness. Support partners unable to maintain services due to inflation which would cause significant increased costs to operate the service ourselves	Maintain support partner budgets, increase homeless budget to sustain tenancies and reduce homelessness to reduce costs across wider general fund.	MEDIUM	Housing and Building Standards	Homeless person & wider general fund
Funding for aids and adaptations	Reduced ability to adapt people's homes to support independent living	Breach of legislation. Impact on health and social care and NHS budgets arising from delayed discharge and increased care costs	Prioritisation of cases. Efficiencies through modular ramping and driving value for money through contractor tendering. Charging for minor adaptations.	HIGH	Housing and Building Standards	Improvement and Repairs
Procurement	The ability to negotiate or renegotiate rates / prices for on and off contract expenditure is limited as current contracts and rates are viewed as good or best.	Either unable to meet the required saving or a reduction in service activity will be required.	Work specifically and closely with colleagues in the Procurement Team to seek their advice and action to pursue lower rates and prices.	MEDIUM	Environment & Infrastructure	All
Income from Fees & Charges	The proposed increases in external income rates may not result in the same demand and consequently lower income.	Inability to meet the agreed budget.	Timely implementation of the revised rates together with close monitoring throughout the year.	MEDIUM	Environment & Infrastructure	All

APPENDIX 3B
2024-25 Budget Risk Register - EDUCATION & CHILDRENS SERVICES

Risk Type	Risk		Controls/Mitigations in place	Likelihood	Service	Budget Page/s
	Threat to achievement of objectives	Potential Consequences of Risk				
School Transport Costs	School Transport contracts for Primary & Secondary are subject to transport inflation increase from August 24. Contracts are for 190 days. Assumptions in the budget are inflation at 5% and 185 Days transport delivery.	If inflation rates are higher than estimated and transport runs 190 days budget will be insufficient to meet contracted obligations.	North Contracts for Primary & Secondary are due for renewal in August 24, the Transport Service will continue to maximise opportunities for efficiencies and route optimisation when securing new contracts.	MEDIUM	Education & Children's Services	Primary, Secondary, Special
Efficiency Charges	Efficiency charges against devolved budgets were introduced for secondary schools in 2017, and have increased incrementally since then. In FY23/24, a DSM efficiency charge framework, bundling all corporate and directorate efficiency charges and school-related budget savings, was introduced for the primary (3%), secondary (4%) and special sectors (3%). This efficiency charge framework will continue to be implemented in FY 24/25 although 5 factors will be reviewed once the teacher staffing pressures (below) are better quantified. If the efficiency charge is too high, schools will not be able to meet the charge within devolved budgets and in line with national agreements.	If school cannot meet the efficiency charges, school will go into an overspend position which would be challenging for them to manage down in future years, with the risk reverting back to the 'centre'	Modelling different tiers of efficiency charges as larger school have greater flexibility to contain efficiency charges - however imperatives of fairness/equity mean that it is unreasonable to over-burden larger schools. Regular monitoring and reporting of school level expenditure to provide support and challenge to budget holders (HT) and their line managers (QIO). Overspend in schools can be offset through underspend in other schools but restricting permissible carry-forwards under the DSM scheme and redistributing DSM reserves (although this would undermine principles of and confidence in DSM scheme)	MEDIUM	Education & Children's Services	Primary, Secondary, Special
Absorption of primary/secondary staffing budget pressures	ECS have committed to absorb £4million of primary/secondary teacher staffing budget pressures based on assumptions on increased budget requirements due to pupil roll projections and increased costs. Higher rolls will require increased teacher numbers due national staffing agreements. Until August 2024 pupil numbers are confirmed, the quantum of this risk remains unknown.	Overspend against allocated budget as there is a requirement to staff in line with national staffing agreements	In FY23/24, ECS absorbed pressures through a DSM efficiency charge framework. This mechanism will be used to offset an element of the budget pressures. Further, SG Education Recovery funding was allocated out to schools (in addition to formula) (in FY 23/24). This funding has now been baselined into the core settlement and is reflected in the master budget allocation on primary and secondary teacher staffing. Given the anticipated inadequacy budget to cover formula requirement, it is not intended to allocate additionality of Education Recovery funding in FY 24/25. There might further be opportunities to restrict permissible carry-forward in FY 24/25 (from 2.5% to a lesser %) and/or to suspend school's ability to transfer further budget into school-specific reserves for identified capital/improvement projects.	High	Education & Children's Services	Primary / Secondary

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Risk Type	Risk <i>Threat to achievement of objectives</i>	Potential Consequences of Risk	Controls/Mitigations in place	Likelihood	Service	Budget Page/s
Absorption of Early Staffing pressures	A review and remodelling of both frontline and central Early Years staffing structures is underway to rationalise allocations and ensure efficiency. Further work is underway regarding service model/offer i.e. settings hours. Staffing levels are determined by levels of demand (1140 uptake) and child: adult regulatory ratios. Demographic context make it more challenging to redeploy across settings. Further, there is a requirement to redeploy Out of School Care staffing within the Early Years workforce.	Overspend against Early Years allocated budget.	Using the admissions data for 24/25 to cap the operating capacities of Council ELC settings. This will ensure that settings are better utilised. Full review of models (all year, term time, opening hours etc) across Aberdeenshire, taking into account the capacity of funded providers. Underlying principles for the review will be to support accessibility and flexibility in what is on offer in each cluster, with a view to adapting to have models that have better take up. Reviewing the admissions, the additional support needs (asn) staffing additionality and training, development and skills and knowledge of all staff, in order to create a more universal approach, while potentially reducing staffing need and meeting asn requirements.	MEDIUM	Education & Children's Services	Early Years Nurseries
Maintaining teacher and PSA numbers	There is a risk that teacher and pupil support numbers will not be maintained. The formula allocation of FTE teachers in schools is driven by the pupil rolls, if the roll declines less teachers will be required. Recruiting teachers in some of our Secondary schools has been difficult with several vacancies reported. Responsibility for teaching budgets is devolved to Head Teachers, achieving the charge applied through the DSM efficiency framework may be through a reduction in supply teachers or vacancy management.	The Scottish Government may withhold some of the additional funding if Teacher and Pupil Support Assistant numbers are not maintained.	Review and monitoring of teacher and pupil support assistant numbers on a regular basis during the year.	MEDIUM	Education & Children's Services	Primary, Secondary, Special
Absorption of inflationary pressures (Catering)	High inflation on the cost of provisions. The Catering service have strict criteria to meet delivering healthy meals and may be unable to provide school meals within budget if food inflation remains high in 2024-25. Average Food inflation is reported at 8% for Dec 23, budget assumptions include average 3% inflation.	Overspend against allocated budget for Catering provisions, which may lead to a reduction in choice for pupils which could result in less customers and lower income.	Regular review of school menus to provide healthy and nutritious meals offering choice to maintain demand and income levels. Promoting school meals within Secondary schools to increase demand for paid school meals. Menu development to mitigate some rising costs with 'cheaper' popular options replacing some of the more expensive items	MEDIUM	Education & Children's Services	Catering
Vacancy Management	Non-filling of vacancies and poor management of the relief bank will result in staff shortages and unnecessary pressures on existing staff to maintain frontline service delivery. Budget pressures through sickness cover may occur as the service must fill vacancies in order to fulfil staffing mapping (i.e. £300k saving taken from Sport & Leisure, therefore there is less room for vacancy management to offset staff overspends through sickness).	Service disruption due to falling below minimum staffing levels, or increased staff costs in order to backfill staff sickness.	Venues mapped to ensure adequate levels of staff. Programme of upskilling to ensure more staff are able to cover more operational roles. Management of relief bank to ensure those on the list are suitable, trained and actively being used. Policy to fill vacancies as they occur. Contingencies for reduced service as opposed to full withdrawal (e.g. open the dayside but close the pool, etc.)	MEDIUM	Education & Children's Services	Live Life Aberdeenshire Venues (Sport & Leisure)

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2024-25 Budget Risk Register - EDUCATION & CHILDRENS SERVICES

Risk Type	Risk		Controls/Mitigations in place	Likelihood	Service	Budget Page/s
	Threat to achievement of objectives	Potential Consequences of Risk				
Staff efficiencies delayed	A delay in making necessary service standard improvements will result in more staffing utilised than budgeted for. This should be complete by April, however the risk is in not making the practical changes and rolling out rota changes required at a local level.	Savings identified equate to £300k (£25k per month) through smarter rotas. The risk is this cost is carried for each month the roll out is delayed.	Robust project plan well underway and go-live date set for 1st April 2024.	MEDIUM	Education & Children's Services	Live Life Aberdeenshire Venues (Sport & Leisure)
Unforeseen ongoing costs for building repair of disinvestment venues	Venues no longer required by the service yet still not transferred back to property will incur a service cost for ongoing repairs linked to health and safety, neighbour disputes, or CAT transfers.	Capital spend used in areas it was not intended for in order to balance the capital budget, and therefore a slow down of planned improvement work for 2024/25.	Asset disinvestment project plan in place, with a prioritisation on removing empty buildings from the portfolio.	MEDIUM	Education & Children's Services	Live Life Aberdeenshire
Membership Product	Failure to improve the health and fitness product in order to achieve the required return of membership sales and BACS income per the budget	Monthly income pressure is £26k across the service due to lack of budgeted paid membership subscriptions (c.1,000 members)	Investment identified to create space for improving the gym floors. Procurement of preferred health and fitness partner to support the planning and rollout for venue improvement based on lease model as opposed to purchase.	MEDIUM	Education & Children's Services	Live Life Aberdeenshire (Sport & Leisure)
Capital Programme Slippage	Ongoing capital projects slip past both cost and expected opening timelines - Sir Arthur Grant and Stonehaven Leisure Centre.	Increased budget pressure. Sir Arthur Grant - bookings in the diary, and slippage within the capital programme may risk the start of the peak season resulting on a revenue income pressure. Stonehaven Leisure Centre: there is no reduced budget for Stonehaven Leisure Centre as a result of the project so each month it is not open is a pressure of £14k against budget.	Regular project team meetings with contractors to assess associated timelines and understand potential slippage. Marketing plans for advertising collateral, photos, pre-sales promotion, launch and ongoing membership campaigns.	MEDIUM	Education & Children's Services	Live Life Aberdeenshire

APPENDIX 3B

2024-25 Budget Risk Register - HEALTH AND SOCIAL CARE PARTNERSHIP



Risk						
Risk Type	Threat to achievement of objectives	Potential Consequences of Risk	Controls/Mitigations in place	Likelihood	Service	Budget Page
Health & Social Care Partnership	The H&SCP is likely to be in an overspend position in 24/25 with no reserves to offset.	In the event of an overspend within the Health and Social Care Partnership that can not be recovered from the application of Reserves, the overspend will be required to be met from additional contributions from the Council and NHS	By control and financial monitoring throughout the year by the Integration Joint Board with overspends being reported timeously through Strategic Leadership Team and Communities Committee to ensure that action can be taken early.	MEDIUM	HSCP	Contribution to IJB
Financial Settlement	A one-year settlement for 2024/25 only has been received for this budget process		The merits of a multi-year Settlement continue to be expressed to enhance the alignment with delivering against the strategic priorities	MEDIUM	HSCP	Contribution to IJB
Prescribing Costs	Prescribing costs are a large and volatile area of the IJB budget with demographic changes a material contributing factor.	Whilst the decisions to prescribe are made locally, the costs of drugs and agreements to introduce new drugs are made on a national basis. Provision in the budget has been made based on analysis undertaken by NHS Grampian with a range of options provided from Best Case to Best Guess and Worst Case scenario. Aberdeenshire IJB are proposing the inclusion of the Best Case scenario with the associated pressure of this	The IJB will closely monitor this budget through regular reporting to the IJB throughout financial year 2024/25 and appropriate action taken to mitigate the pressure in year through continued close working with NHS Grampian, with this are being reviewed not only across Grampian but nationally.	HIGH	HSCP	Contribution to IJB
Demographic Changes	The demographic profile of Aberdeenshire continues to show a general rise in population with a specific increase in the age profile of the population. The associated challenges of providing care for a rising population where people live with multiple conditions are well known.	These challenges manifest themselves in a financial sense when we experience issues such as rising numbers for social care packages and rising demand for aids and adaptations. The increasing level of complexity of need for some of our clients means that high-cost care packages may arise during the year which we have not budgeted for. The same applies to patients who need out of area care and where a clinical decision has been made that this is in their best interests.	Pressures will be regularly monitored and managed in order to identify any issues and address these at an early stage through the use of mitigations and budget management controls and reported to the IJB throughout the financial year and our partners.	MEDIUM	HSCP	Contribution to IJB
Public Perception of Health & Social Care Services	The Aberdeenshire Health & Social Care Partnership's Strategic Plan recognises that the changes we need to make will make demands on individuals, the communities of Aberdeenshire and organisations that provide health and social care and support. In order to release efficiencies whilst at the same time delivering our strategic priorities, we must focus on service redesign and re-commissioning.	Public perception that services are being lost and cost cutting is the sole driver. - High expectations of health and social care services in spite of the current and ongoing pressures faced. - Negative media coverage affecting the Partnership's reputation. - Reluctance of society to change behaviour and focus on personal abilities and informal support networks, including making informed choices about how local services are used.	Mitigations by focusing on effective engagement, communication, education, and co-production with the public	MEDIUM	HSCP	Contribution to IJB

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2024-25 Budget Risk Register - HEALTH AND SOCIAL CARE PARTNERSHIP

Risk						
Risk Type	Threat to achievement of objectives	Potential Consequences of Risk	Controls/Mitigations in place	Likelihood	Service	Budget Page
Primary Care	There continue to be a number of challenges around sustainability of some of our GP Practices with inability to recruit General Practitioners a common issue.	This has necessitated the Partnership providing support and investment to maintain GP services in some parts of Aberdeenshire	The continued use of the Primary Care Improvement Fund and other funding streams to support General Practices and wider Primary Care teams across Aberdeenshire	MEDIUM	HSCP	Contribution to IJB
Social Care Market	The external care market remains fragile, with providers seeking higher than inflationary increases to provide stability. Some arrangements such as the National Care Homes Contract are negotiated nationally and may be higher than forecast	Should national negotiations break down it is likely that local agreements would have to be negotiated which could lead to higher costs than have been provided for.	We can mitigate these risks by working with our third and independent sector providers and community partners at a local level to train, support, and up skill local providers in conducting their business with the Partnership. We can also mitigate these risks through moving away from short term projects to ensure there is longer term stability.	MEDIUM	HSCP	Contribution to IJB
Earmarked Funding/Reserves	A proportion of funding for the Partnership is received via earmarked funding for specific purposes allocated by the Scottish Government. Typically, this funding is not allocated until after the start of the financial year.	The assumption is that the level of earmarked funding in 2024/25 will be broadly similar to the level received in 2023/24. . A risk regarding earmarked funding is the risk of clawback of unspent funding to the Scottish Government, as occurred during financial year 2023/24, from reserves carried forward to financial year 2024/25. Regarding the IJB General Reserve predictions are that there will be no general reserve to support a balanced budget in 2024/25.	Close financial monitoring to identify issues at an early stage.	MEDIUM	HSCP	Contribution to IJB
Longer Term Health Debt of Population	The wider economic and societal impact of the Covid pandemic will continue to pose challenges to the Partnership in terms of service pressures and how services are delivered		Pressures will be regularly monitored and managed in order to identify any issues and address these at an early stage through the use of mitigations and budget management controls and reported to the IJB throughout the financial year and our partners.	MEDIUM	HSCP	Contribution to IJB
General Inflation	Pressures Inflation remains at a relatively high level and the budget has been prepared on the basis of known contractual inflation rates.	Should general inflation increase and be reflected in an increased cost of goods and services, this will cause additional pressure on the revenue budget and the services the IJB can afford to provide.	Pressures will be regularly monitored and managed in order to identify any issues and address these at an early stage through the use of mitigations and budget management controls and reported to the IJB throughout the financial year and our partners.	MEDIUM	HSCP	Contribution to IJB

APPENDIX 3B
2024-25 Budget Risk Register -CAPITAL

Risk						
Risk Type	Threat to achievement of objectives	Potential Consequences of Risk	Controls/Mitigations in place	Likelihood	Service	Budget Page
Capital Plan	Delays resulting in increased costs; impact of increasing interest rates on affordability of capital projects		Review of the Capital Plan; Loans Fund Review; Identifying an affordable quantum of capital expenditure for future years	MEDIUM	ALL	Capital
Interest Rates	Rising interest rates increase the cost of borrowing to fund the capital programme	Increase in cost of borrowing will put pressure on the level of Capital expenditure the Council can afford;	Review of the Capital Plan; Loans Fund Review	MEDIUM	ALL	Capital Financing and IORB / Capital
Capital project management	Ineffective project monitoring.	Could negatively impact on project delivery and could impact on the securing and retaining external funding. Reputational damage, unbalanced budget, and added revenue pressures.	Regular reporting of capital performance to Full Council and service committees throughout the financial year with variances from forecasts flagged and reasons provided for movements. Regular contact with contractors and developers. Post project delivery reviews.	LOW	ALL	Capital
Budget allocations for projects identified at the outset not being sufficient once tendered	Tenders being in excess of cost estimates	Increase in project cost estimates could lead to additional revenue pressures	Business cases utilise Procurement Appraisal Forms to prepare inform of estimated costs and revenue implications. Reports to Full Council and service committees advise on final cost estimates following a tender appraisal which allows consideration of the risks prior to approval.	MEDIUM	ALL	Capital
Backlog of lifecycle component replacement work	The level of budget for lifecycle component replacement, which generally covers roof replacement, electrical rewires, boiler replacements, structural issues and window replacement, is not sufficient and we have a significant backlog.	Risk that buildings do not comply with current building regulations.	Our revenue budget for maintenance does provide for full statutory compliance. Report to be considered by SLT on the maintenance budgets, backlog maintenance, findings from condition survey and associated aspects for consideration. We are mindful that a number of HSCP buildings are residential homes and we take this into account when prioritising spend.	MEDIUM	ALL	Capital
Road infrastructure investment	The level of budget for lifecycle maintenance of the road network, and associated infrastructure such as bridges, drainage and lighting is not sufficient to maintain steady state. The current backlog will increase.	Risk that the road network and associated infrastructure, will deteriorate and further restrictions and closures will be required to maintain public safety	Prioritisation will be focused on safety critical maintenance of the asset base. Further restrictions and closures will likely to be required to maintain public safety.	MEDIUM	E&IS	Capital

APPENDIX 3B

2024-25 Budget Risk Register - BUSINESS RATES/COUNCIL TAX

Risk Type	Risk <i>Threat to achievement of objectives</i>	Potential Consequences of Risk	Controls/Mitigations in place	Likelihood	Service	Budget Page
Council Tax Income	Scottish Government may decide in future years to enforce a Council Tax freeze or cap on the amounts that Local Authorities can increase Council Tax charges	The Council's budget currently includes a working assumption of no increase in Council Tax for future years. Instead, we have developed scenarios as part of the MTFS to determine the level of Council Tax increase required	Council Tax will be agreed annually by Council as part of the Medium Term Financial Strategy taking into account all resources available to the Council to balance the budget.	LOW	Finance	Council Tax
Council Tax Income	The budget estimate assumes 500 new properties will become liable to pay Council Tax in 2024/25, this is based on present levels of growth. This assumed level could potentially be less or more during 2024/25 depending on various factors affecting building of new properties and empty properties becoming occupied.	For every 100 new properties that become liable for Council Tax, around £0.140m additional income could be generated. Conversely for every 100 new properties that don't become liable, income receivable will reduce by £0.140m.	Regular monitoring of property numbers liable for Council Tax.	LOW	Finance	Council Tax
Council Tax Income	The annual increase in bad debt provision has been estimated at £1.500m within the 2024/25 officer assumptions, this is an increase on the assumptions in the previous financial years. The increase in provision is recommended to mitigate the possible impact of the cost of living on Council Taxpayers' ability to pay.	Risk that the provision is not sufficient.	Regular monitoring of Council Tax income and potential bad debts throughout the year.	LOW	Finance	Council Tax
Council Tax Income	Discounts and Exemptions included in the 2024/25 budget have been based on current amounts on the Northgate System plus 3% for in year movement. There is potential for these amounts to differ from assumptions as Council Tax alters daily depending on tax payer circumstances.	If more discounts are granted than estimated in the budget assumptions, this would reduce the Council Tax income.	Regular monitoring of Council Tax income and discounts and exemptions applied.	MEDIUM	Finance	Council Tax
Council Tax Income	Further reviews of Council Tax Discounts and Exemptions by the Scottish Government could result in further reduction of Council Tax Income.	Reduction in Council Tax Income.		LOW	Finance	Council Tax
Business Rates Income	Business Rates rules and regulations around exemptions are set by Scottish Government. Any changes to these rules without any subsequent funding, will create a budgetary pressure for future years	Any additional reliefs set by Scottish Government without associated funding will result in a pressure on Income.		LOW	Finance	Business Rates
Business Rates Income	Amount of Empty Property Relief awarded in 2024/25 and future years may exceed the funding being awarded by Scottish Government, which is fixed for 3 years. 2023/24 was the first year the Council have devolved responsibility.	Pressure on Council budget.	Regular monitoring of Empty Property Relief awarded.	MEDIUM	Finance	Business Rates

APPENDIX 3B

2024-25 Budget Risk Register - BUSINESS RATES/COUNCIL TAX



Risk						
Risk Type	<i>Threat to achievement of objectives</i>	Potential Consequences of Risk	Controls/Mitigations in place	Likelihood	Service	Budget Page
Business Rates Income	Business Rates Vacant Properties Discount	Risk that the additional income received as a result of this policy change may fluctuate as the number of empty properties increase/decrease throughout the year	The £2m projected additional income may not be achieved; If income is achieved, Scottish Government may reduce the funding provided accordingly	MEDIUM	Finance	Business Rates
Business Rates Income	Business Rates Vacant Properties Discount	Increase in fraud and tax avoidance.	Regular monitoring of Empty Property Relief awarded.	MEDIUM	Finance	Business Rates

APPENDIX 3B
2024-25 Budget Risk Register - HOUSING REVENUE ACCOUNT

Risk Type	Risk		Potential Consequences of Risk	Controls/Mitigations in place	Likelihood	Service	Budget Page
	<i>Threat to achievement of objectives</i>						
Pay Award - Local Government	Pay Awards being agreed in excess of those assumed in the budget		The Inflation Reserve created as part of 24/25 budget setting process will be exhausted. Budget pressures will be required to be met through service savings and/or efficiencies to limit impact on Capital Funded from Current Revenue and borrowing.	Transformation and identification of savings and efficiencies required to mitigate pressures; Creation of a Risk Reserve to draw down if required; acceptance of higher risks.	MEDIUM	HRA	HRA
Inflation	Inflation		The Inflation Reserve created as part of 24/25 budget setting process will be exhausted. Budget pressures will be required to be met through service savings and/or efficiencies to limit impact on Capital Funded from Current Revenue and borrowing. Increase in cost of supplies and services and capital programme. Particular risk for contracts linked to Retail Price Index.	Financial Monitoring throughout the year to identify where spend is required to be reduced; Creation of Risk Reserve to draw down against inflationary pressures. Business Plan Review will identify priorities for future investment	MEDIUM	HRA	HRA
Energy Prices	The impact of the conflict in Ukraine on rising gas and electricity prices		Budget pressure on energy budgets within the HRA	Forward procurement pricing to be carried out along with regular monitoring by the Energy Management Team. £1.4m built in to the 23/24 budget. Proposed 30-year Business Plan review in 23/24 to review affordability and identify priorities for future investment	MEDIUM	HRA	HRA
Council House Rents Increase	Increase to Council House Rents could have an impact on tenant's financial situation		Potential that budgeted levels of income will not be received during the year with potentially higher bad debts and rent arrears.	Financial Monitoring throughout the year. Proposed 30-year Business Plan review in 23/24 to review affordability and identify priorities for future investment	LOW	HRA	HRA
Capital Plan	Delays resulting in increased costs; impact of increasing interest rates on affordability of capital projects		Reduced new build and housing improvements	Review of the Capital Plan; Loans Fund Review; Identifying an affordable quantum of capital expenditure for future years	HIGH	HRA	HRA
Interest Rates	Cost of borrowing to fund the capital programme		Increase in cost of borrowing will put pressure on the level of Capital expenditure the HRA can afford;	Review of the Capital Plan; Loans Fund Review	HIGH	HRA	HRA
Weather	Risk of further storms and flooding causing damage to Housing stock		Additional revenue and capital costs associated with responses to these events	Bellwin Scheme is available for costs exceeding £1m threshold./ Insurance in place; preventative measures taken by services and communities	MEDIUM	HRA	HRA

APPENDIX 3B
2024-25 Budget Risk Register - HOUSING REVENUE ACCOUNT

Risk Type	Risk <i>Threat to achievement of objectives</i>	Potential Consequences of Risk	Controls/Mitigations in place	Likelihood	Service	Budget Page
Repairs	Increased costs. Delayed capital programme will lead to increased levels of repairs as components will not be upgraded 'just in time' leading to greater number of repairs required.	Increase in cost of borrowing will put pressure on the level of Capital expenditure the HRA can afford;	Linked to review of the business plan.	HIGH	HRA	HRA
Net Zero	Future standard under consultation. Investment required will be subject to what is agreed and what is identified through stock analysis.	Lack of clarity leading to inability to meet climate change targets, potential to not meet budgeted income levels if properties need to be held as voids.	Undertaking archetype house analysis to determine what investment is required to meet Net Zero. Consultation response to the Social Housing Net Zero Standard considered by Communities Committee on 8 February 2024	LOW	HRA	HRA
Fuel Crisis	Utility Companies not installing meters preventing properties being let.	Reduced properties available to let and potentially less than budgeted income.	Monitoring of voids, appointment of specialist company to work with utility companies to maximise installs.	MEDIUM	HRA	HRA
Resources	Resources – both material (delayed delivery, increased costs, lack of available components) and staffing for our teams and contractors.	Lack of resources to undertake works.	Working with supply chain to encourage wholesalers to bulk purchase, to ensure availability of materials.	MEDIUM	HRA	HRA
Contractor	Insufficient numbers or skilled contractors to install necessary upgrades and specialist upgrades for Net Zero works.	Lack of resources to undertake works.	Increasing use of apprentices with Housing Services and on major contracts to build capacity. Engaging with the market to ensure clarity of investment strategy to enable confident investment in the supply chain.	MEDIUM	HRA	HRA