

# 2025/26 General Fund Draft Budget Risk Matrix

5			1,2		
4	19	3,10		4	11,31
3	3	17,18,20,23,25 28,29	22,41		12,30,33,38
2		5,6,7,8,9,24,40	16,42	15	14,21,27,32,34,35 36,37,43,44
1		39		12	26
	1	2	3	4	5
<i>Estimate financial impact £</i>	<i>Up to £500k</i>	<i>Between £501k and £1m</i>	<i>£1m - £2.5m</i>	<i>£2.501m - £5m</i>	<i>£5m+</i>

- Impact
- 1 Very Low Impact <£500k
  - 2 Low Impact £501k - £1m
  - 3 Medium £1m - £2.5m
  - 4 High £2.5m - £5m
  - 5 Very High £5m+

- Likelihood
- 1. Very Low
  - 2 Low
  - 3 Moderate
  - 4. Likely
  - 5 Very Likely

No	Risk Title/Description	Existing Controls	Budget 2024/25	Current Risk Score	Further Risk Mitigation Actions	Residual Risk Score	Risk Provision
<b>Service Cost - Demand and Pricing Risks</b>							
1	<b>Childrens Social Care Placements</b> - rising demand for high cost placements in a market that is unable to deliver appropriate solutions at a sustainable price has the potential to expose the Council to significant financial pressures through a relatively small change in demand levels.	1. MKCC undertakes detailed forecasting and modelling on a regular basis to assess the risk and budget. 2. Commissioning work to find appropriate accommodation and the best price available for all placements.	£23,520,000	15		15	GF Working Balance Risk Allocation
2	<b>Adult Social Care Placements</b> - risk of material cost pressures as a result of higher levels and increasingly complexity of demand from both Older People and Learning Disabilities Services.	1. Detailed financial and service planning model in place to anticipate and track changes in demand. 2. Service performance and capacity is regularly reviewed and challenged through the use of panels to ensure decisions around placements are being made to ensure best value and that the needs of the individual are met. 3. Focus around continued investment in preventative services, including re-enablement models, to enable people to remain in their homes for as long as possible and robust processes for agreeing all care and support.	£89,600,000	15		15	GF Working Balance Risk Allocation
3	<b>Home to school transport</b> - increasing demand for routes and market pricing increasing costs above budget provision.	1. Procurement is delivered through a DPS to ensure access to all qualified providers to maximise competition.	£7,162,000	8		8	GF Working Balance Risk Allocation
4	<b>Homelessness Prevention and Access</b> – continuing growth in demand, unit costs and lack of permanent affordable housing leads to disproportionate cost increases	1. Policy, practice and training on prevention to ensure that the Council only provides T/A as a last resort. 2. Temporary Accommodation acquisition and allocations to achieve Best Value where a placement is required. 3. Management of T/A stock to manage void losses, repairs and maintenance and collection of rent and service charges.	£15,432,000	16		16	GF Working Balance Risk Allocation
<b>Service - Fees and Charges</b>							
5	<b>Income from Fees, Charges and Contributions</b> - Fees and charges are not set at a level to meet the level of service cost.	1. The Council has established a Fees and Charges Policy. 2. Fees and charges are reviewed annually as part of the Councils budget process and a detailed report presented to Cabinet to review and approve. 3. Budgets are set on a prudent basis and monthly budget monitoring in place to track actual income and action taken to review and address variations. 4. Service costs are reviewed annually and decisions on charging made based on this assessment. Decisions on any services where full cost recovery is not proposed must be in line with policy and referred to Cabinet for approval.	-£17,824,000	4		4	GF Working Balance Risk Allocation
6	<b>Parking income</b> - Income is lower than budgeted as a result of lower demand or customer behaviour change. Modelled an income level for 2023/24 based on activity levels in the summer and early autumn period. Whilst income has recovered some of the losses, there is now further risk that income may be impacted by the cost of living crisis.	1. Budgets for income are set on the latest activity and financial data, with known changes factored in where appropriate. 2. Monthly budget monitoring in place and reporting to CLT and to Cabinet each quarter. 3. Parking contractor is in place to ensure appropriate level of enforcement to address non-compliance and charges are collected..	-£10,027,000	4		4	1. GF Working Balance Risk Allocation

No	Risk Title/Description	Existing Controls	Budget 2024/25	Current Risk Score	Further Risk Mitigation Actions	Residual Risk Score	Risk Provision
7	<b>Planning Income</b> - failure to achieve income target as a result of reduced demand for planning services or lower than expected performance in processing planning applications.	1. Budgets for income are set on the latest activity and financial data, with known changes factored in where appropriate. 2. Monthly budget monitoring in place and reporting to CLT and to Cabinet each quarter. 3. Staffing levels are reviewed to ensure that these are appropriate for the level of demand for services as levels change.	-£2,330,000	4		4	GF Working Balance Risk Allocation
8	<b>ASC Clients contributions</b> - Income levels are below target due to changes in the make up of clients who are required to pay / contribute for their care packages.	1. Dedicated team manage, charge, collect and report on ASC Contributions. 2. Monthly reporting in place and reported to Cabinet each quarter. 3. Working group established to review care packages and issues with financial assessments to control costs and ensure billing is accurate and timely.	-£10,063,000	4		3	GF Working Balance Risk Allocation
<b>Commercial Contract Risks</b>							
9	<b>Waste Tonnages</b> - The Council costs could increase should waste tonnages exceed the contractual threshold operated by our contractor at the Residual Waste Treatment Facility.	1. Monthly reporting from the contractor on waste tonnages 2. Education on waste minimisation	£2,231,928	4		4	GF Working Balance Risk Allocation
10	<b>Market Price for Recycling Materials</b> - The Council is now responsible for the quality and price of recycling materials. Falls in the market price will have a direct impact on the Councils contract payment for the Waste Transfer Station.	Market monitoring and tracking of pricing to understand , how we do we know we are getting the best price for materials, quality and volume controls to maximise revenue, what if price is negative alternative strategy to burn??	N/A	8		8	Paper Recycling Market Risk Reserve
11	<b>Residual Waste Treatment Facility</b> - compensation event for unplanned shutdown for 90 day period (insurance does not cover)	1. Extensive on-site monitoring of the plants performance and routine meetings to identify and report any issues / concerns about the plants performance to help inform early and effective decision making. 2. The operator carries and has access to routine parts to avoid the need to long shutdowns.	£6,000,000	20	1. Capital Investment Programme has been agreed with the Operator and funding secured, which will minimise delays if interventions are required.	20	GF Working Balance Risk Allocation
12	<b>Highway Commissioning 2024</b> - Risk that the Council is unable to appoint an appropriate contractor, commercial risks increase and or the cost of service is more expensive that with the current contract.	1. Full Procurement Process undertaken with early market engagement to ensure offer and market interest is strong.	£500,000	4		4	MTFP Budget Allocation
13	<b>Commissioning of an Operator for the Residual Waste Treatment Facility by April 2026</b> - Risk that the Council will not be able to appoint a suitable operator and or the costs of running the facility are significantly higher than the current operating costs.	1. Early market engagement with the market in 2024 to understand the best way to approach the procurement in the market place to get the right balance between cost, performance and risk. 2. Capital Programme has been reviewed and updated to set aside planned capital asset renewals over 10 years. 3. Revenue budget reflect revised Waste Disposal arrangements and will be reviewed as we work through the re-commissioning process.	£750,000	12		12	MTFP Budget Allocation

No	Risk Title/Description	Existing Controls	Budget 2024/25	Current Risk Score	Further Risk Mitigation Actions	Residual Risk Score	Risk Provision
<b>Critical Service Performance Failure</b>							
14	<b>Childrens Social Care (OFSTED)</b> - Inadequate Judgement	1. Service Improvement Plan in place to address recommendations from the last Inspection in 2021 which is managed by the Senior Management Team.		10		10	GF Working Balance Risk Allocation
15	<b>CQC Inspection</b> - Negative Judgement	1. Significant imbedded practice into preparing for inspection, undertaking peer reviews and self assessment (outward and inward) to continuously improve		8		8	GF Working Balance Risk Allocation
16	<b>School Intervention</b> - DFE mandate conversion to an Academy for a LA maintained school, with the Council liable for any school deficit.	1. The Council monitors school performance and risk (financial and non-financial) to identify concerns and provide appropriate support and where necessary firmer action to address any serious issues.		6		6	GF Working Balance Risk Allocation
<b>Supporting our Residents</b>							
17	<b>Local Council Tax Support Scheme</b> - As the scheme is demand led and also heavily impacted by rules giving 100% protection to non working age eligible claimants the Council is exposed to increases to the cost of the scheme which in any one year are volatile. Budget Provision for the cost of this this scheme is made through the Council Tax Base via a specific deduction.	1. The Council has monthly monitoring in place to track the take up and cost of the discount scheme. 2. A specific base budget is held to support residents who meet specific thresholds of need, where the local scheme is not sufficient to meet their needs. 3. The Council has discretion to vary the scheme for working age tax payers to ensure support is effectively targeted and affordable.	£16M	6		6	LCTS & Welfare Reserve
18	<b>Universal Credit</b> - The transition of the remaining eligible claimants from HB to UC by 2025 will result in the Council losing subsidy and also reduce income from overpayments which will need to be collected vis the DWP, rather than through on-going benefit.	1. Revenue and Benefits service is monitoring the impacts on the service (which includes the financial impacts) and ensuring that these are reflected in the MTFP. 2. The Council continues to work closely with DWP to ensure that is able to recover the maximum amount of overpaid benefit through UC deductions. 3. Financial monitoring of collection is carried out monthly and reported to Cabinet on a quarterly basis.	£899k	6		6	Overpayments and Welfare Reform Reserve
19	<b>Housing Benefit Uncapped Costs</b> - Exposure to higher expenditure on Supported Housing and Specified Exempt Accommodation which exceeds the subsidy limits.	1. Controls in place to ensure that applications are screened and checked to ensure that costs are being incurred appropriately.	N/A	4	1. Social Care, Homelessness and R&B undertaking co-ordinated approach to ensure claims are valid, costs acceptable and care is being provided.	4	GF Working Balance Risk Allocation
20	<b>Housing Benefit Subsidy</b> - Loss from LA Error	1. The Council provides extensive training to staff who are responsible for the processing of HB claims to ensure they have the appropriate technical knowledge and skills. 2. The Council has a Assurance process for reviewing claims and changes in circumstances to identify errors and correct these (sample). As part of this error rates are tracked throughout the year to highlight if the Council is likely to reach or breach the error limits which impact subsidy recovery.	N/A	6	1. Continue to invest in training and review the effectiveness of our assurance framework.	6	HB Subsidy Equalisation Reserve
<b>Government Funding</b>							
21	<b>Business Rates and Fair Funding changes</b> - Results in a material reduction to funding than allowed for in the Councils MTFP, requiring an even higher level of budget reductions than deliverable in the period of time available.	1. MTFP is based on the latest funding announcements and advice from Pixel Consulting to reflect the most likely path of funding. 2. The Council holds a separate Cash Flow reserve which could be utilised to support in the short term higher than anticipated reductions in core government funding or business rates retention.	£86M	10		10	Collection Fund Cashflow Reserve

No	Risk Title/Description	Existing Controls	Budget 2024/25	Current Risk Score	Further Risk Mitigation Actions	Residual Risk Score	Risk Provision
22	<b>High Needs Funding (DSG)</b> - Is insufficient to cover the cost of provision of our Statutory Duties.	1. Proactive work is carried out within the Council and through the Schools Forum to set an affordable budget within the resources provided by DFE. 2. An element of funding is retained where possible. Through contingency and high needs surplus 3. School financial resilience is regularly monitored and work with schools to advise on budget measures.	£5,829,000	9		9	GF Working Balance Risk Allocation
23	<b>Statutory Services Specific Grants for Social Care and Homelessness</b> - a reduction to funding is unlikely to see a corresponding reduction to spending as this funding is used to support delivery of our statutory duties.	1. We keep our planning assumptions under regular review to minimise the risk of over estimation of available grant.	£12,686,000	6		6	GF Working Balance Risk Allocation
24	<b>Public Health Grant</b> - Reductions to future funding impacting the Councils ability to fund core Preventative Health functions and Agenda for Change.	1. Public Health Reserve provides limited protection from cuts to PH funding allocations. 2. Funding assumptions are reviewed as and when new information is available to minimise risk that financial commitments through commissioning exceed available resources where possible.	£0	4		4	GF Working Balance Risk Allocation
<b>Balance Sheet Risk</b>							
25	<b>Debt Affordability</b> - The Council is unable to afford higher borrowing costs due to movements in interest rates when it needs to refinance maturing loans or secure additional borrowing for capital purposes.	1. Treasury Management Strategy sets out how the Council makes its borrowing decisions, borrowing limits and financing decisions. 2. The Council has ensured that its existing loans pool is spread over a period of up to 40 years so that is able to spread its refinancing risk to manage interest rate risk. 3. All external borrowing has been taken on fixed rate loans, with the majority of these on maturing loans to provide cost certainty. 4. The Council regularly monitors is cash requirements and capital spending plans to determine the most appropriate time and structure for borrowing including internal borrowing.	£10,790,000	6		6	GF Working Balance Risk Allocation
26	<b>Investment Risk</b> - The Council is exposed to potential losses through defaults by counterparties that is uses when placing investments or from financial instrument market losses.	1. Treasury Management Strategy sets out how the Council makes its investment decisions, with strict limits on counterparties, duration and based on dynamic market risk assessment. 2. Dedicated Treasury team manage the Councils cash portfolio with external advisors appointed to support investment strategy. 3. The Council follows the Treasury Management Code of Practice to manage risk.	£498m	5		5	GF Working Balance Risk Allocation
27	<b>Asset Risk</b> - unexpected liabilities arising as a result of asset deterioration, new statutory requirement etc	1. Services Asset Management Plans in place to supported through cyclical condition surveys and inspections to ensure future liabilities are known and that budget requirements are identified. 2. Strategic Property Board have overall responsibility for Corporate Landlord oversight to ensure that assets are regularly reviewed and best value is achieved, including asset disposals.	N/A	10		10	GF Working Balance Risk Allocation
28	<b>Debtors</b> -The Council is unable to recover material debts owed as a result of changes to regulations or other external conditions for which not bad debt provision has been made.	1. The Council has clear debt management policies, procedures and oversight in place to review debts. 2. Significant debts are reviewed on a regular basis to ensure that these are being effectively managed and the risk of any loss minimised. 3. Specific teams have been established to manage high risk debts including HB Overpayments, Social Care etc. 4. Detailed quarterly reporting on debt collection and performance to Cabinet.	N/A	6		6	1. Bad Debt Provisions 2. GF Working Balance Risk Allocation

No	Risk Title/Description	Existing Controls	Budget 2024/25	Current Risk Score	Further Risk Mitigation Actions	Residual Risk Score	Risk Provision
29	<b>Creditors</b> - The Council has to pay or repay a developer contribution or grant as a result of not spending monies in accordance with the terms of the agreement or timeline.	1. Dedicated Planning Obligations Team in place who have complete oversight of all contributions and work with services and relevant third parties to ensure that spending plans are in place to utilise s106 contributions. 2. Programme Board established and led by Director of Planning to ensure that services are fully engaged in project delivery and effective use of contributions. 3. Dedicated Planning Obligations system in place to record, track and report on the receipt, allocation and use of contributions. Regular reports are published on the Councils website. 4. Quarterly financial monitoring of spending to Cabinet.	N/A	6		6	GF Working Balance Risk Allocation
30	<b>Pension Fund</b> - The Bucks Pension fund moves into a material deficit position as a result of losses on fund investments, unexpected increases to fund liabilities or regulatory changes leaving the Council unable to afford to meet its on-going employers contributions.	1. The Council has its own representation on the Pensions Board and the Assistant Director of Finance (Corporate) attend regular pension meetings to ensure that the Council has appropriate oversight and issues can be highlighted and if appropriate action taken. 2. The Council liaises with the Pensions Actuary on funding issues and valuations at least annually.		15		15	Pension Risk Reserve
<b>Major Events</b>							
31	<b>Cyber Event</b> - Risk that the Councils IT systems are subject to a cyber attack impacting the ability of MKCC to operate services, with material financial, operational and reputation impact.	1. The Council has in place a range of protective measures to defend against cyber attacks and employs a dedicated team to manage the Council's IT security. 2. Council has moved its servers to Microsoft Azure Cloud. 3. Mandatory Staff training on Cyber Security and active engagement across MKCC to be Cyber Risk Aware.		20		20	GF Working Balance Risk Allocation
32	<b>Public Health Emergency</b> - leading to service disruption, unplanned financial costs and reduced income from service restrictions and cessation.	1. Public Health provide early warnings to potential risk and provision of advice. 2. Liaison with Department of Health to take appropriate measures to manage threats.		10		10	GF Working Balance Risk Allocation
33	<b>Emergency Planning / Climate Change</b> - major event such as flooding etc.	1. Investment in flood prevention, drainage based on asset management plans. 2. Business Continuity Plans / Emergency Response Plan		15		15	GF Working Balance Risk Allocation
34	<b>MKCC Tariff Programme by 2031</b> - To ensure the delivery of the full Tariff Programme by 2031 within the available funding and to avoid costs through the repayment of balances and incurring interest penalties.	1. A Tariff risk reserve has been established to protect the Council from cost overruns on the remaining projects that the Council is required to deliver. 2. The Council has a dedicated Tariff Programme Manager to deliver the overall programme and is supported via CLT who have oversight of the programme delivery.		10		10	Tariff Risk Reserve
35	<b>Delivery of the MK East Tariff Programme (2A)</b> - The Council fails to deliver the necessary infrastructure in accordance with the Tariff Agreement due to a shortfall in funding, higher than expected costs or programming issues with delivery partners leading to the risk of unbudgeted cost overruns and or the repayment of funds.	1. The Council has secured £15m of additional grant funding to help finance the Health Hub and 1st Primary School on the development site, ensuring that the Council is able to deliver these projects within the allocated resources of the Tariff Programme. 2. The agreement ensures that the Council will receive Indexation to cover timing differences between the execution of the agreement and receipt of funding from developers. 3. Programme Management will need to ensure that projects are delivered in a timely and affordable way to minimise the risk of additional costs outside of the available funds being delivered via the Tariff Agreement.		10		10	Tariff Risk Reserve (to be created)
36	<b>Major Contractor Failure Re-procurement</b> - In the event of a major contractor failure the Council would need to commence an unplanned procurement process and resource up to deliver this.	1. Selection process for key service suppliers considers supplier viability for the term of the contract using independent assessment and market knowledge. 2. Contract Management keeps this under review and alerts raised and reviewed where appropriate. 3. Business Continuity Plans in place.		10		10	GF Working Balance Risk Allocation

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37	<b>Major Contractor Failure - Interim Service Provision</b> - this would result in service disruption, unplanned procurement, potential TUPE implications and costs to stabilise and ensure service continuation.	1. Contract management continuously reviewing contractor viability during the life of any contract through market intelligence, contract performance and formal contract management meetings. 2. This is considered prior to the procurement process to ensure that operator financial sustainability is assessed and contractors are removed where there are material concerns. 3. Contracts where possible are designed to minimise the impact of contractor failure.		10		10	GF Working Balance Risk Allocation
38	<b>RWTF Plant</b> cannot process residual waste due to a major event which requires the Council to landfill.	1. Contract Management on site to gain daily oversight on the operation of the plant. 2. Operator carries stock of parts and has supply chain in place in the event of fails. 3. Operator required to provide bible for the plant to enable MKCC or successor to operate the plant.		15		15	MKWRP Risk Reserve
39	<b>MKDP</b> - financial failure resulting in loss of dividend and potential additional liabilities as MKCC is the sole partner for the LLP.	1. MKDP Independent Management Board in place with broad range of expertise. 2.OAG in place to provide separate oversight and challenge from MKCC and reporting into Cabinet. 3.MKDP provide a rolling 3 Year Business Plan for the Council to support. 4. Reserved Matters and Charges held on part of the MKDP asset base.		2		2	GF Working Balance Risk Allocation
40	<b>Insurance Exceptional Losses</b> - Significant rise in claims and losses leading to increase costs to the Councils Insurance Reserve and future insurance premiums.	1. Regular claims monitoring in place. 2. Insurance team meet with key service leads to review risks and claims including review of preventative measures and premium reductions. 3. Insurance provisions are reviewed annually.		4		4	1. Insurance Fund Reserve and Provisions 2.GF Working Balance Risk Allocation
41	<b>Major Planning Appeal Loss</b> - MKCC loses a significant planning appeal incurring legal costs from both parties.	1. Planning decisions are subject to robust scrutiny and due diligence to avoid successful challenge. 2. The Council reviews challenges to determine merits of defending decisions prior to Appeal to mitigate costs.		6		6	GF Working Balance Risk Allocation
42	<b>GDPR Breach</b> - failure to comply with legal duties resulting in reputational and financial liabilities	1. Nominated Director and Corporate Group in place. 2. Policies on Meta Compliance / Training for all staff.		6		6	GF Working Balance Risk Allocation
43	<b>Workforce Disputes / Issue</b> - risk of claims for breaches of employment law and or equal pay issues.	1. Council has robust policies in place and provides regular training for managers and staff to ensure that culture and behaviours are appropriate. 2.Various escalations exist to ensure that ER cases are managed appropriately to minimise harm and risk to the authority. 3. HR Dashboards in place for all Managers and CLT to review issues. 4.The Council operates a Job Evaluation scheme with an independent panel which includes Trade Union representation in all decisions are grading.		10		10	GF Working Balance Risk Allocation
44	<b>Health and Safety Breach</b> - failure to operate a safe system of work resulting in serious injury or loss of lives leading significant reputational and financial loss.	1. Health and Safety Policies and Practices. 2. Mandatory Staff Training 3. Reporting and Records Management (inc Inspections) 4. Qualified H&S Staff to support services discharge responsibilities. 5. CLT oversight and reporting.		10		10	GF Working Balance Risk Allocation