

## Annex 1 – Strategic risks 2024/25

Ref.	Description	Portfolio holder
SR1	<p><b>Financial sustainability</b></p> <p>A combination of current adverse macroeconomic conditions and the wider local government funding context have created conditions of unprecedented financial uncertainty and challenge for the Council.</p> <p>The Council is therefore increasingly reliant on generating additional income and identifying savings and efficiencies from existing budgets. If not mitigated, these financial challenges risk an adverse impact on the Council's ability to deliver its Corporate Plan objectives.</p>	Cllr Lewanski
SR2	<p><b>Local government sector sustainability and challenge</b></p> <p>Local government is facing a period of significant challenge. Demands for services are increasing, the national policy picture is uncertain and the ongoing financial sustainability of the sector is in doubt. There is a risk that these factors (alone or in combination) and/or future measures implemented by the government to manage or mitigate them, could adversely affect the Council and the delivery of services for residents and businesses.</p>	Cllr Biggs
SR3	<p><b>Commercial investment</b></p> <p>The generation of income from commercial investment is a contributor to the Council's financial sustainability. Following several high-profile commercial investment failures by local authorities, the ability to invest for a commercial purpose is being further restricted by changes in legislation, regulations, and codes of practice.</p> <p>Further, investing for commercial purposes – either in assets or in trading services – is not without risk due to market fluctuations and factors outside of the Council's control. The risks associated with commercial investment range from the non-achievement of budgeted income to significant capital and revenue losses, as well as governance, legal and reputational issues.</p>	Cllr A. King & Cllr Biggs
SR4	<p><b>Challenging economic conditions</b></p> <p>A prosperous economy is essential for the wellbeing of the borough, creating employment and wealth that benefits local people and businesses. Prevailing economic conditions influence the demand for Council services, where the current challenging economic picture for residents may increase their reliance on Council services, which could result in cost pressures for the Council.</p>	Cllr Biggs and Cllr Neame
SR5	<p><b>Organisational capacity and culture</b></p> <p>The Council has an ambitious agenda and objectives. In delivering against these, it is crucial that the organisation is resourced appropriately, has effective enabling systems and a positive culture that supports effective working between officers and members. Any failure in this area risks the non-delivery or delayed delivery of corporate and service objectives.</p>	Cllr Lewanski
SR6	<p><b>ICT network capacity and resilience</b></p> <p>There has been a significant shift in the way that the Council works in recent years, with increasing demands placed on technology and the underlying supporting ICT infrastructure.</p>	Cllr J. King

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	<p>As the reliance and demands placed upon technology continues to increase, there is a risk of significant disruption to service delivery in the event of network disruption and/or outage, particularly following a cyber-attack.</p> <p>It is therefore imperative that the Council continues to invest in robust systems, infrastructure, network security and disaster recovery capabilities to manage this risk and maintain the delivery of services.</p>	
SR7	<p><b>Gatwick Airport</b></p> <p>Gatwick Airport is pursuing plans for expansion and intensification. Whilst the airport is a key local employer and its operations and supply chains have a significant bearing on the borough's economy, its expansion risks local environmental and infrastructural issues if not appropriately planned for and outcomes managed.</p>	Cllr Michalowski
SR8	<p><b>Local Plan</b></p> <p>In late 2023 the government published a new National Planning Policy Framework (NPPF). There is a risk that the changes within the NPPF, as well as the wider national policy direction, could affect the timely delivery of the borough's new Local Plan.</p>	Cllr Michalowski
SR9	<p><b>Climate change impact</b></p> <p>It is widely recognised that the Earth's climate is changing, with this forecast to result in more extreme weather. This could have negative impacts, including on the built and natural environment, with vulnerable residents likely to be most severely impacted.</p> <p>In response, the Council may encounter difficulties in delivering services and may similarly have additional demands placed upon it, particularly as climate change adaptation and mitigation becomes increasingly necessary.</p>	Cllr Moses