

KEY BUDGET RISKS & SENSITIVITY ANALYSIS 2018/19

Description	Budget Risk	Risk Assessment				Containment Actions			Progress
		Probability	Impact	Value £000'S	Comment	What	Who	When	
Achieving income targets - leisure, car parks, etc	Net expenditure falls if economy severely dips or switch to competitors. 5% of budgets.	Med	High	303	Key Leisure, Business Unit, Car Park income	Base budgets adjusted. Monthly budget monitoring + marketing & promotional activities.	Service Managers	Monthly	
Saltergate MSCP Closure	Loss of proposed displacement income	Med	Med	95	Med-term issue	Will negotiate with monitoring and pricing.	Service Manager/CFO	Monthly	
Investment returns - not achieving budget.	Each 0.25% = £90k gross to Gen Fund.	Low	High	90		Cautious estimate. Monitor Quarterly	Group Financial Accountant	Monthly	
Benefits - high spend £35m with complicated grant scheme.	Increase in expd with less than 100% subsidy. Failure to Comply with Regulations	Low	High	200		Regular monitoring of claims processed. Staff Training	Benefits Manager (Arvato)	Quarterly	
Ind & Comm. Property portfolio - reduced rent income during economic downturn and due to disposals to generate capital receipts.	Industrial & commercial £100k. Vicar Lane £50k Pavements £50k	Med	High	200		Monitor voids. Flexible Payments for existing. Planned Disposal Programme	Estates Officer (Kier)	Monthly	
Any other unforeseen significant expenditure		High	High	100		Maintain adequate working balance/ insurance fund + effective risk mgt.	SLT, CMT, budget holders, Accty	On-going	
Exit strategy for expenditure funded by fixed term grants.	Use of reserves for VR	Low	High	-		Avoid directly employing staff, if do ensure on short term contracts and redundancy provision included in budget.	Staff submitting grant applications.	On-going	
VAT - 5% exempt limit exceeded	Limit exceeded £250k un-recoverable plus excess amount.	Low	High	320		Monitoring	Deputy Chief Accountant	Monthly	
Further cuts in Government Grants beyond those assumed in the forecast.	Settlement figures for RSG 4 yrs known.	Low	High	-		Monitor developments	CFO	On-going	
Pension costs increases under LGPS revaluations.	1% pa budgeted, deficit reductions rising	Med	High	-	Med-term issue	Define pensionable elements and monitor impact.	CFO	Mar-19	
MMI – risk of insolvent run-off following recent ruling on EL claims.	'Clawback' beyond the £345k provision (£1.4m claims settled).	Med	High	250		Clawback rate currently 25%. Provision of £384k established and in line with Insurance Fund review completed in 2016.	CFO	On-going	
Town Hall Restack budget	Risk of overspend 3% on £2.7m	Low	High	81	Med-term issue	Monthly budget monitoring of expenditure to approved budget.	CFO / Business Transformation Manager	On-going	
Delivering 3% Budget Savings	Failure to achieve 3% budget savings	High	High	150		Monitor progress against targets early in 2018/19	CFO / SLT / CMT	On-going	
Achieving vacant post saving targets	20% of £150k target	Low	Med	30		Target rmonitoring required monthly on staff turnover	CFO/HR	Quarterly	
Collection Fund - Council tax collection rate below target.	Loss of interest. Coll'n Fund deficit to following year CBC Share 10%	Med	Med	25		Monitor the collection rate.	Revs Manager (Arvato)	Monthly	
Localisation of council tax support	Increased take-up by pensioners or working age and full implementation of universal credit.	Med	High	25		Monitoring claims and income so remedial action taken ASAP.	CFO	Monthly	
100% Business Rates Retention	Income below baseline up to the Safety Net limit; exposure = £123k + £300k pooling	Med	High	423		Monitor income	CFO	Quarterly	

Gen Fund Rev Budget	Total exposure		2,292			
	Allowance %	Prob	Total £000	Allow £000	Impact assessment:	
Risk allowance	90%	High	250	225	High = £50k or more	
	50%	Med	1,321	661	Med = £10k-£49k	
	10%	Low	721	72	Low = less than £10k	
Risk allowance			2,292	958		