

KEY BUDGET RISKS & SENSITIVITY ANALYSIS 2019/20

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	324	Key Leisure, Business Unit, Car Park income	Base budgets adjusted. Monthly budget monitoring + marketing & promotional activities.	Service Managers	Monthly	
Saltergate MSCP Delays	Delays in completion of construction (assumed 1 month)	Med	Med	36	Med-term issue	Progress being monitored with contractor	Service Manager/CFO	Monthly	
Investment returns - not achieving budget.	Each 0.25% = £90k gross to Gen Fund.	Low	High	110		Cautious estimate. Monitor Quarterly	Group Financial Accountant	Monthly	
Benefits - high spend £30m 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	328		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	
ICT Digital Innovation Savings	Failure to achieve savings (assume 20%)	Low	Med	45		Monitor progress against targets early in 2019/20	CFO / SLT / CMT	On-going	
Achieving vacant post saving targets	20% of £100k target	Low	Med	20		Target monitoring 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	
Busines Rates Pool	Declining business rates growth £300k exposure	Med	High	300		Monitor income	CFO	Quarterly	
Gen Fund Rev Budget	Total exposure			1,963					
	Allowance %	Prob	Total £000	Allow £000		Impact assessment:			
Risk allowance	90%	High	100	90		High = £50k or more			
	50%	Med	1,160	580		Med = £10k-£49k			
	10%	Low	703	70		Low = less than £10k			
Risk allowance			1,963	740					