

KEY BUDGET RISKS & SENSITIVITY ANALYSIS 2015/16

Description	Budget Risk	Risk Assessment				Containment Actions			Progress
		Probability	Impact	Value £000'S	Comment	What	Who	When	
Achieving income targets - leisure, car parks, etc	Income falls if economy dips or switch to competitors. 5% of total F&C budgets.	Med	High	440		Base budgets adjusted.Monthly budget monitoring + marketing & promotional activities.	Service Managers	Monthly	
Car parking income from the Northern Gateway site	Loss of income when closed.	Low	High	-	Med-term issue	Will negotiate with the selected developer to minimise any loss during construction & secure an on-going revenue stream on completion.			
Investment returns - not achieving budget.	Each 1/4% = £19k gross to Gen Fund.	Low	High	20		Cautious estimate for 2011/12, only 1.3% net. Monitor Monthly	Cap Acct	Monthly	
Energy costs inflation	3% in budget each extra 5% = £50k fy	Low	Med	50		Fixed rate contracts on renewal to provide stability - Gas Sept; Electric Apr & Oct	Facilities Mgr (Kier)	On-going	
Benefits - high spend £37m+ with complicated grant scheme.	Increase in expd with less than 100% subsidy. Failure to Comply with Regulations	Low	High	250		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	

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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.		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	300		Monitoring	Accty Tech - Vat	Monthly	PPP will increase the threshold.
Further cuts in Government Grants beyond those assumed in the forecast.	Settlement figures for 13/14 and 14/15. Assumed cut in 15/16 = 8%	Low	High	-	Med-term issue	Monitor developments	CFO	On-going	
Pension costs increases under LGPS 2014.	More elements of pay & allowances pensionable	Med	High		Med-term issue	Define pensionable elements and monitor impact.	CFO	Mar-17	
MMI – risk of insolvent run-off following recent ruling on EL claims.	'Clawback' beyond the £700k provision (£1.5m claims settled).	Med	High	250		Awaiting announcement on clawback rate. Provision of £300k established. Insurance Fund review due in 2013.	CFO	On-going	
Tightening of the HRA ring-fence – grounds maintenance costs: Gross £305k -GF Contrib. £168k =HRA 137K	Costs transfer from the HRA to the Gen Fund	Low	High	70		Review the current cost sharing arrangements.	Housing Managers	2014	
Withdrawal of external funding for Community Safety Officer post	Subject to DCC & Police funding	Med	Med	-	Med-term issue	Budget assumes funding withdrawn in 201/15.	Business Transf Manager	2011	
Achieving Budget Saving Targets	Failure to achieve risk reduced target, by a further £500k.	Med	High	500		Monitor progress - develop contingency plans	Business Transf Manager	monthly	
Achieving vacant post saving targets	20% of £150k target	Low	Med	30		Target reduced to £100k to reflect lower staff turnover	CFO	quarterly	

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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 Collection rate on amounts required to pay.	Med	High	10	Med-term issue	Monitoring claims and income so remedial action taken asap.	CFO	monthly	
Localisation of business rates	Income exceeds forecasts - only 20% of	Med	Med	-					
	Income below baseline up to the Safety Net limit; exposure = £232k + £644k above baseline+ £400k pooling	Med	High	1,276		Monitor income	CFO	quarterly	

Gen Fund Rev Budget	Total exposure		2011/12	3,521				
	Allowance %	Prob	Total £000	Allow £000		Impact assessment:		
Risk allowance	90%	High	100	90		High = £50k or more		
	50%	Med	2,701	1,351		Med = £10k-£49k		
	10%	Low	720	72		Low = less than £10k		
Risk allowance			3,521	1,513				