

## KEY BUDGET RISKS &amp; SENSITIVITY ANALYSIS 2017/18

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	292	Key Leisure, Business Unit, Car Park income	Base budgets adjusted. Monthly budget monitoring + marketing & promotional activities.	Service Managers	Monthly	
Car parking income declines (Northern Gateway Saltergate site budgeted £213k income loss in 2017/18)	Loss of income £106k.	High	High	106	Med-term issue	Will negotiate with monitoring and pricing.	Service Manager/CFO	Monthly	
Investment returns - not achieving budget.	Each 1/4% = £20k gross to Gen Fund.	Low	High	20		Cautious estimate. Monitor Quarterly	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	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	

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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	419		Monitoring	Deputy Chief Acct - Vat	Monthly	PPP will increase the threshold.
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-17	
MMI – risk of insolvent run-off following recent ruling on EL claims.	'Clawback' beyond the £384k 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	
Tightening of the HRA ring-fence – grounds maintenance costs: Gross £310k -GF Contrib. £170k =HRA 140K	Costs transfer from the HRA to the Gen Fund	Low	High	70		Review the current cost sharing arrangements.	Housing Manager	On-going	
Town Hall Restack budget	Risk of overspend 3% on £2.7m	Low	High	81	Med-term issue	Budget assumes funding withdrawn in 201/15.	Service Manager	2017	
Achieving VR saving targets	Failure to achieve risk reduced target, by a further £100k.	Low	High	-		Monitor progress - target £100k in 2017	CFO	monthly	
Achieving vacant post saving targets	20% of £240k target	Low	Med	48		Target rmonotoring 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	

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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 = £236k + £854k above baseline+ £300k pooling	Med	High	1,390		Monitor income	CFO	quarterly	
Crematorium	New Co structure leads to VAT and Corporation tax via HMRC effecting forecast profit of £250k	Med	High	100		Review new structure tax efficient	CFO/Crem Manager	quarterly	
Busines Rates Pool	Below budget	Med	Med	50		Conservative growth estimate	CFO	Jan-18	

Gen Fund Rev Budget	Total exposure			3,411				
	Allowance %	Prob	Total £000	Allow £000		Impact assessment:		
Risk allowance	90%	High	206	185		High = £50k or more		
	50%	Med	2,317	1,159		Med = £10k-£49k		
	10%	Low	888	89		Low = less than £10k		
Risk allowance			3,411	1,433				