

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 continues to fall during difficult economic times. 5% of total F&C budgets. | High | High | 400 | | 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 | 7.5% in budget each extra 5% = £50k fy | Med | 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 | Med | 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 £50k. Vicar Lane £50k | High | High | 100 | | Monitor voids. Flexible Payments for existing. Planned Disposal Programme | Estates Officer (Kier) | Monthly | |

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| | | Probability | Impact | Value £000'S | Comment | What | Who | When | |
| 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). | High | High | 300 | | 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 | Med | 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 | |
| Pensions auto-enrolment | Staging date Oct 2013. Emper contributions. | Med | High | 50 | | Apply a Transitional Delay to Oct 2017 | CFO | Oct-13 | |
| Achieving Budget Saving Targets | Failure to achieve £0.6m risk reduced target, by a further £100k. | High | High | 100 | | Monitor progress - develop contingency plans | Business Transf Manager | monthly | |

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| Achieving vacant post saving targets | 20% of £150k target | Low | Med | 30 | | Target reduced to £100k to reflect lower staff turnover | CFO | 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 Collection rate on amounts required to pay. | Med | High | - | 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 = £230k | Low | High | 230 | | Monitor income | CFO | quarterly | |
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| Gen Fund Rev Budget | Total exposure | | 2011/12 | 2,025 | | | | |
|---------------------|--------------------|-------------|-------------------|-------------------|--|---------------------------|--|--|
| | <u>Allowance %</u> | <u>Prob</u> | <u>Total £000</u> | <u>Allow £000</u> | | <u>Impact assessment:</u> | | |
| Risk allowance | 90% | High | 1,000 | 900 | | High = £50k or more | | |
| | 50% | Med | 445 | 223 | | Med = £10k-£49k | | |
| | 10% | Low | 580 | 58 | | Low = less than £10k | | |
| Risk allowance | | | 2,025 | 1,181 | | | | |