

Appendix 8

BUDGET REPORT RISK IMPLICATIONS 2013/14 TO 2016/17

Risk ID	Risk Title	Opportunity/Threat	Risk Description	Risk Cause	Consequence	Date raised	Gross Risk			Current Risk			Residual Risk			Risk Mitigation
							I	P	I	P	I	P	I	P		
	Business Rates Reforms	Threat	Localisation of Business Rate which reduces the amount of Grant payable to authority.	Changes in the way formula grant is distributed	Less council funding	19-Nov-12	4	3	4	3	4	3	4	2	Monitor monthly	
	Welfare Reforms	Threat	Welfare Reforms which will come in from 2013/14 may effect the authority more adversely than estimated	Changes in the administration and provision of welfare benefits will impact adversely on the authority	Increased arrears, possible redundancy payments for council, impact on homelessness	19-Nov-12	4	3	4	3	4	3	4	2	Provisions and Contingency within the budget, respond to consultation	
	Localisation of Council Tax	Threat	Localising support for Council Tax currently being consulted on may cost the Council more than estimated and have an increased impact on arrears	Changes in the provision of Council Tax Benefit	Reduced subsidy, potentially increased Council Tax arrears	19-Nov-12	4	3	4	3	4	3	4	2	Adequate estimate for subsidy, provisions for costs and bad debts included within budget proposals	
	New Homes Bonus	Threat	The potential for the variation in the New Homes Bonus. This is based on estimated numbers of new dwellings constructed and occupied during a given 12 months period, clearly this will be subject to variation	Fluctuations in house building will affect amount of bonus paid	Reduced New Homes Bonus	19-Nov-12	4	3	4	3	4	3	4	2	New Homes Bonus mitigated to some extent by revenue contribution to capital	
	Investment interest	Threat	Interest rates falling lower than projected	Economic climate	Reduced investment income	19-Nov-12	3	2	3	2	3	2	3	2	Interest rates are already low therefore only moderate impact. Monitor and ensure placing investments in high credit rated agencies	
	Efficiencies	Threat	Any further slippage in the delivery of savings, especially around trading or additional pressures on the 2011-12 budget that could impact on 2012-13	Changes in circumstances make savings unattainable	Reduced efficiencies increased overspend on net budget	19-Nov-12	3	3	3	3	3	3	3	2	Monitor monthly, take corrective action if problem identified. Use contingencies within the budget to cover high and medium risks	
	Formula grant	Threat	The Council's Formula Grant Settlement Figures are less than estimated	Government settlement figures less than estimated	Reduced income	19-Nov-12	3	3	3	3	3	3	3	2	Monitor. Figures based on CSR 2010	
	Increased RTB's	Threat	Increased numbers of RTB's adversely effect in HRA	Increase in discount to maximum of £75k	Less money available to service debt and expenditure in HRA	19-Nov-12	4	3	4	2	4	2	4	2	Track situation and respond accordingly through prioritisation of spend	

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	Robustness of Estimates	Threat	The revenue and capital estimates vary from estimated and planned	Fluctuations in prices and reduced income	Potential overspend	19-Nov-12	4	3	3	2	3	2	Robust monthly budget monitoring to detect variations and put in mitigating action. Adequate reserves, balances and contingencies within budget to cover where mitigation is insufficient. Including Fundamental Service Reviews undertaken in Customer Services and Direct Services
	Capital Receipts	Threat	Asset disposals are not secured or fall short of target amount	Economic climate or inability to negotiate deals	Insufficient resources to fund capital programme	19-Nov-12	4	3	4	3	4	2	Robust monthly monitoring, consider prudent borrowing to fund shortfall or defer projects
	Additional trading income not achieved	Threat	Budget includes additional turnover from trading activities of around £4 million per annum	Unable to compete for external contracts	MTEP adversely effected through loss of contributions to overheads resulting in potential business restructuring	19-Nov-12	4	3	4	3	4	2	Monitor situation
	Savings not achieved	Threat	Savings in budget may not be achieved	Service pressures	Potential overspend	19-Nov-12	3	3	3	3	3	2	Monitoring
	Slippage in Capital Programme	Threat	Schemes in Capital Programme do not start or finish on time	Contract delays or increased variations	Impact on delivery of Council priorities	19-Nov-12	3	3	3	3	3	2	Robust monthly monitoring of programme and flexible treasury management strategy