

Appendix 8

BUDGET REPORT RISK IMPLICATIONS 2014/15 TO 2017/18

Risk ID	Risk						Gross Risk		Current Risk		Residual Risk		Risk Mitigation
							I	P	I	P	I	P	
119	Business Rates Reforms	Threat	Business rates income less than expected	Volatility in business premises closing or being developed	Less council funding	26-Nov-13	4	3	4	3	4	2	Monitor monthly
	Welfare Reforms	Threat	Welfare Reforms 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	26-Nov-13	4	3	4	3	4	2	Provisions and Contingency within the budget, respond to consultation
	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	26-Nov-13	4	3	4	3	4	2	New Homes Bonus mitigated to some extent by revenue contributions to capital
	Investment interest	Threat	Interest rates falling lower than projected	Economic climate	Reduced investment income	26-Nov-13	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 2013-14 budget that could impact on 2014-15	Changes in circumstances make savings unattainable	Reduced efficiencies increased overspend on net budget	26-Nov-13	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	26-Nov-13	3	3	3	3	3	2	Monitor. Figures based on CSR 2010
	Increased RTB's	Threat	Variations in numbers of RTB's adversely effect in HRA	Increase in discount to maximum of £75k.	A decrease in the numbers of RTB's will lead to less capital receipts to fund the Programme conversley an increase in capital receipts will lead to a revenue pressure in reduced rental income	26-Nov-13	4	3	4	2	4	2	Track situation and either re-prioritise spend or use additional borrowing headroom
	Robustness of Estimates	Threat	The revenue and capital estimates vary from estimated and planned	Fluctuations in prices and reduced income	Potential overspend	26-Nov-13	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

Risk ID	Risk						Gross Risk		Current Risk		Residual Risk		Risk Mitigation
	Risk Title	Opportunity/Threat	Risk Description	Risk Cause	Consequence	Date raised	I	P	I	P	I	P	
	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	26-Nov-13	4	3	4	3	4	2	Robust monthly monitoring, consider prudential 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	MTFP adversely effected through loss of contributions to overheads resulting in potential business restructuring	26-Nov-13	4	3	4	3	4	2	Monitor situation
	Savings not achieved	Threat	Savings in budget may not be achieved	Service pressures	Potential overspend	26-Nov-13	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	26-Nov-13	3	3	3	3	3	2	Robust monthly monitoring of programme and flexible treasury management strategy