

Report of: Head of Finance

To: City Executive Board 20th May 2009
Council 13th July 2009

Item No:

Title of Report : Year End Financial Monitoring Report 2008-09

Summary and Recommendations

Purpose of report: To report the Council's financial position at the end of 2008-09.

Key decision: No

City Executive Board Member: Councillor Ed Turner

Scrutiny Responsibility: Value & Performance

Ward(s) affected: All

Report Approved by: Jeremy Thomas (Legal & Democratic Services)

Policy Framework: Transform Oxford City Council by improving Value for Money and Service performance.

Recommendation(s): That City Executive Board:

- a) note the year end financial position;
- b) recommend to Council that the General Fund and HRA carryforwards as set out in Appendix 5 be approved

Summary

1. This report reviews the Council's provisional year end financial position. More detailed financial information will be presented in Performance Matters. The figures are subject to audit by the District Auditor. Final figures will be reported within the statement of accounts

to Audit and Governance Committee on 30th June 2009 and to Council on 13 July 2009.

2. Reporting against the approved budget, General Fund net spending was £1.1m below budget, the Housing Revenue Account (HRA) net deficit was £626k, £491k above budget.
3. Key financial information is attached in a number of appendices, listed below:

Appendix

- 1 General Fund revenue monitoring summary 2008-09 at 31 March 2009
- 2 HRA revenue monitoring summary 2008-09 at 31 March 2009
- 3 Capital programme monitoring summary 2008-09 at 31 March 2009 (General Fund and HRA)
- 4 Projected balances - General Fund and HRA for 2008-09 and future years
- 5 General Fund and HRA proposed carryforwards for approval
6. Risk Register

General Fund

4. Net expenditure on the General Fund was £1.1million below the approved budget. This is in addition to the £0.9million reduction in the budget outlined at quarter 2 and subsequently approved at Council.

Key changes from the 3rd Quarter position

5. All Members receive Performance Matters that details the changes to the forecast year end position. City Executive Board receive quarterly formal monitoring reports, this report therefore details changes from the 3rd Quarter monitoring report presented in February.
6. At the end of the third quarter, the forecast year end position was a net overspend of £269k, this revision incorporated emerging recession led pressures offset by part year realisation of savings. There have been some significant movements from the third quarter to the outturn position, the most significant highlighted below:
 - **Concessionary Fares** as at quarter 3 the gross cost to the authority for the concessionary fares scheme was projected to be £3.2million, already £500k above budget due to a huge increase in demand with the introduction of the national scheme. The actual outturn position was just below £3.8 million, a £600k extra cost as a result of the draft determination of the bus companies' appeal. The DfT is currently

reviewing the draft determination so the outcome is uncertain at this stage.

- **City Development** The £95k projected shortfall in income in the planning and Building Control areas projected at quarter 3, did not materialise due to the unexpected receipt of a large planning application in February.
- **Community Housing & Development.** Area Committee expenditure was £50k less than forecast at the end of quarter 3, this is included in the carryforward request. A bad debt provision budget of £50k was not required, and other underspends across the unit totalled £65k. Unexpected income to the value of £68k was also received .
- **Customer Services** There was no variance to budget projected at quarter 3 for this service area. The year end position has ended at £170k underspend mainly on employee budgets and including an unexpected grant of £40k for systems implementation.
- **City Works** The phasing of the Play Areas project means that the full budget has not been spent and £247k will be carried forward to next year
- **Leisure** the underspend of £229k on repairs and maintenance has been set aside in a reserve contributing to future requirements leaving a net underspend of £74k .
- **Local Cost of Benefits** There has been a favourable movement in the outturn position for this area achieving a further £176k credit beyond the budgeted £100k credit budget. This is due to an improvement in the collection rate of the current year overpayments to over 55% compared to last years 53% .
- **Investment Income** The variance is due to the repayment of a long term investment in the current year. This was a callable investment and was not due to expire until 2010, but because of the change in interest rates the counterparty had the option to repay early and took that option. This meant that we received a total of £370k for this investment for which we had only forecast £90k .

Impact on 2009-10 Budget

7. Officers will undertake a line-by line-review of outturn income and expenditure against budget. Actuals for 2008-09 and 2007-08 will be reviewed at a detailed level and budget for 2009-10 will be re-set if there is evidence of permanent underspending. It is essential that tight budgetary control is sustained through the current tough economic conditions, and line-by-line reviews will be undertaken at the end of each quarter.

8. Officers are reviewing the Council's capitalisation policy in line with CIPFA guidance in order to optimise the Council's financial position in line with the Medium Term Financial Strategy. This review incorporates a working group of Members of Audit and Governance Committee and adjustments arising from this review will be reported as part of the Financial Statements. For the General Fund, the potential for further capitalisation in 2008-09 is up to £250k. Any transfer from revenue to capital following this review would be use to increase the recession impacts fund.

Carryforwards

9. Officers have requested carryforwards in respect of incomplete projects and Area Committee project funding. These are listed in Appendix 5.
10. City Executive Board is requested to approve the carryforwards listed at Appendix 5.

Review of Reserves, Provisions and Projected Balances

11. Council resolved, in setting the 2009-10 budget, to delegate authority to the Chief Executive and Section 151 Office to make transfers between funds so that any underspends are earmarked to generate a contingency for non achievement of savings and further credit crunch pressures of £500k, thereafter to allocate to the Iceland provision up to £2m and thereafter be available for Transformation and Invest to Save projects.
12. There has been significant progress on single status with planned implementation in 2009-10, at this stage an estimate has been made for the amount that should be kept in the provision. The General Fund share to be released into balances is estimated to be £664k
13. This brings the total underspend available to allocate to funds and provisions to £2.6 million.
14. The outlook on Iceland is more positive than when the budget was set in February. With recent news from Heritable administrators that the expected payout is estimated at 80% by 2012, we will need to provide for the loss of the remaining 20% of the £3 million investment, £600k. We have no news yet on prospects for the investment with Glitnir of £1.5 million. We propose making a provision for a 50% loss, £750k. The total provision required against Icelandic bank losses is therefore £1,350k.
15. The 2009-10 budget assumed building up the provision by £900k in 2008-09, £1 million in 2010-11 and £1 million in 2011-12. We now propose to fund the provision by £350k from 2008-09, £500k in 2010-11 and £500k in 2011-12.

16. In consideration of the funds available to increase the contingency for recession related pressures, an overview of the risks to the Council's financial position going into 2009-10 has been undertaken.
17. In the light of the unknown outcome of the DfT's review of the draft determination of the bus operators' appeal against the Concessionary Fares scheme, which will also impact 2009-10, it is necessary to create a reserve and a transfer of £300k is planned.
18. Existing repairs and maintenance funds have largely been earmarked for Leisure. Given the ongoing general maintenance backlog it is considered prudent to add £300k to the repairs & maintenance reserve.
19. It is planned to add £400k to the existing provision of £300k for recession related pressures at this stage with a further allocation up to the £500k agreed by Council once the capitalisation review is complete.
20. In order to continue the transformational change that the authority has embarked upon it is necessary to continue to invest in projects that will realise savings in future years, therefore it is proposed to increase the fund by £750k. With significant financial pressures expected in 2011 from reduced Government funding and the triennial review of pension funding, the focus must be on projects that will deliver savings in future years. Funding will only be released to projects in any event once the financial position for 2009-10 becomes clearer and it can be confirmed as evidenced by the line by line review at the end of the first quarter that a balanced budget position can be sustained.
21. The projected level of balances is shown in Appendix 4. Balances as at the end of March 2011 are expected to be £3.0 million.

Capital Programme

22. The General Fund capital plan underspent by £1.6million, the main areas for slippage include £1.2million for the West End redevelopment, Area Committees of £137k, and the balance on smaller projects. Capital receipts in the General Fund were just £56k. Capital spend has therefore been financed by borrowing from the HRA receipt pool. Capital spend in 2009-10 is being held back pending known sales which will be applied firstly to repaying the HRA and then to fund repairs & maintenance backlog works.

Housing Revenue Account

23. The overall position shows an overspend of £491k against budget. This relates to a decision not to adjust the overhead recovery rate

applied to capital expenditure pending the capitalisation review mentioned above. Once a corporate approach is agreed the outturn figures may change. For the HRA, revenue surpluses are applied to fund capital so this variance is an accounting adjustment rather than a material change to controllable spend. Capital spend was £11,184k, 97.65% of the budget, with 88.37% of homes meeting the decent homes standard which is slightly ahead of target.

24. Within overheads is rent paid for Southfield Park. The rent review is under negotiation and when agreed the increase in rent will be backdated to 1st March 2004. A provision for this has been made each year but the latest indication is that the annual rent will be £80k per annum more than we have so far made provision for. The additional provision required in this financial year is £400k. This is offset by releasing £500k from the HRA's single status provision.
25. During the Icelandic Bank crisis the HRA reduced expenditure by £600k to improve the Council's cash flow. The slowdown in expenditure was planned and members approved carry forwards totalling £500k. During February further underspends were identified totalling £400k. These, plus an additional request of £17k are shown in Appendix 5.
26. In approving the carry forwards of the £417k, there will be lower contribution to capital finance reserves, however less is required as the programme is ahead of target.

Recommendation(s): That City Executive Board:

- a) note the year end financial position;
- b) recommend to Council that the General Fund and HRA carryforwards as set out in Appendix 5 be approved

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Comment [x1]: Name, telephone number and email

Background papers:

None

Comment [x2]: These are any documents relied upon or drawn from in writing the report. If that document is already in the public domain (e.g. legislation, government guidance or a previously published committee report) they do not need to be listed here. Say if there are no background papers.

Budget Monitoring Summary

01/04/2008 To 31/03/2009

General Fund Services

Service	Approved Budget	Expenditure			Profiled Budget	Income	Variance	Total Variance
	£'000s	Profiled Budget	Spend	Variance				
S01 Policy, Performance & Communication	707	709	736	27	2	(1)	3	30
S02 Executive Support	626	679	767	88	54	105	(51)	37
S03 Strategic Procurement & Shared Services	235	243	239	(4)	8	6	2	(2)
Chief Executive	1,568	1,631	1,742	111	64	110	(46)	65
S11 City Development	3,123	6,106	5,970	(136)	2,983	2,998	(15)	(151)
S12 Environmental Development	2,120	2,956	3,097	142	836	1,011	(176)	(34)
S13 Community Housing & Development	8,591	12,443	12,515	72	3,852	4,247	(395)	(323)
S14 Property & Facilities Management	(3,469)	4,054	3,887	(167)	7,523	7,313	211	44
City Regeneration	10,364	25,558	25,470	(89)	15,194	15,570	(375)	(464)
S21 Customer Services	2,369	3,940	3,802	(139)	1,571	1,603	(32)	(170)
S22 City Leisure	2,551	5,811	6,252	441	3,259	3,774	(515)	(74)
S23 City Works	4,559	21,414	20,980	(434)	16,855	16,683	171	(263)
City Services	9,479	31,165	31,033	(132)	21,685	22,060	(375)	(507)
S31 Business Transformation	1,904	2,128	2,229	101	224	277	(53)	48
S32 Finance	2,196	2,227	2,326	99	31	116	(85)	14
S33 Human Resources	2,240	2,252	2,185	(67)	12	15	(2)	(70)
S34 Legal & Democratic Services	1,960	2,050	2,005	(45)	90	87	4	(41)
S44 CDC & NDC	538	538	570	33	0	0	0	33
Support Services	8,837	9,195	9,316	120	358	494	(137)	(16)
Total Excluding SLAs And Capital Charges	30,249	67,549	67,560	11	37,301	38,234	(933)	(922)
SLAs And Capital Charges	(1,684)	21,037	8,282	(12,756)	22,722	8,392	14,330	100
S25 Local Cost Of Benefits	(100)	57,906	59,154	1,248	58,006	59,531	(1,525)	(277)
S46 Income & Expenditure A/c	(1,275)	(61)	5,673	5,734	1,214	36,121	(34,907)	0
S48 SMGFB	1,388	1,388	8,954	7,566	0	0	0	(0)
Flooding costs	(146)	2	4	2	147	127	21	23
Concessionary Fares	2,428	3,265	3,808	544	836	838	(2)	542
Transformation Fund	(100)	(100)	0	100	0	100	(100)	0
Investment Income	(1,621)	0	0	0	1,621	2,229	(608)	(434)
Interest Payable	1,342	1,342	1,431	90	0	0	0	90
Excess Charges Refund	(600)	0	0	0	600	617	(17)	(17)
High Risk Savings Contingency	(524)	0	0	0	524	524	0	0
Planning Delivery Grant	(172)	0	0	0	172	172	0	0
PRG - Revenue Element	(101)	0	0	0	101	101	0	0
Net Restructure Costs	(65)	(65)	54	119	0	0	0	119
LABGI	0	0	0	0	0	284	(284)	(284)
General Fund Total	29,019	152,263	154,921	2,658	123,245	147,270	(24,024)	(1,060)

Housing Revenue Account

Budget 2008/09

Revenue Account

March 2009

Service Description	Approved Budget for 2008/09	Forecast	Actual to Date	Variance to Forecast	Variance %
INCOME					
Dwellings - Rent	(30,249,000)	(30,249,000)	(30,232,222)	16,778	-0
Service Charges	(759,515)	(759,515)	(684,029)	75,486	-10
Shops/Garages/Furn./Other Rent	(2,073,252)	(2,073,252)	(2,095,379)	(22,127)	1
Interest On Balances	(272,314)	(385,314)	(284,818)	100,496	-37
Contracting	(13,709,085)	(13,709,085)	(13,973,341)	(264,256)	2
Fees/Other	(1,138,150)	(1,153,150)	(1,050,468)	102,682	-9
National Subsidy Payment	15,764,727	15,892,727	15,714,659	(178,068)	-1
Item 8 Interest Payable	1,194,097	1,159,097	1,199,977	40,880	3
Net Income	(31,242,492)	(31,277,492)	(31,405,620)	(128,128)	0
EXPENDITURE					
Tenancy Services					
Local Housing Management	1,039,988	1,074,988	1,090,249	15,261	1
Rent/Income Collection	892,310	872,310	838,143	(34,167)	-4
Tenant's Participation	279,029	269,029	257,180	(11,849)	-4
Tower Blocks And Flats	497,262	497,262	501,982	4,720	1
Caretaking Services	654,010	654,010	632,668	(21,342)	-3
Furnished Tenancies	379,541	379,541	415,007	35,466	9
Contact Centre	430,608	430,608	437,320	6,712	2
Contracting Prime Costs	12,453,914	12,553,914	13,048,876	494,962	4
Repairs Service					
Day To Day Responsive Repairs	2,820,265	2,920,265	3,092,177	171,912	6
Planned Maintenance	3,946,752	3,826,752	3,978,513	151,761	4
Operational Management	2,090,999	2,065,999	2,021,319	(44,680)	-2
Overheads					
Management/Infrastructure	4,841,585	4,816,585	5,120,382	303,797	6
Major Projects/Policy/Technical	712,464	712,464	678,214	(34,250)	-5
Depreciation					
	10,017,225	10,017,225	10,017,225	(0)	-0
Total OCH Expenditure	41,055,952	41,090,952	42,129,255	1,038,303	3
Net Cost - OCH	9,813,460	9,813,460	10,723,636	910,176	9
Appropriations					
AMRA	(10,017,225)	(10,017,225)	(10,017,225)	0	-0
Net Transfer To/From Reserves	29,491	29,491	85,203	55,712	189
CDC, Pension & Retirement Costs	93,624	93,624	120,206	26,582	28
Net changes made for retirement benefits FRS17	42,935	42,935	652,427	609,492	1,420
Employers Pension FRS17 Adjustment	(42,935)	(42,935)	(652,427)	(609,492)	1,420
Job Evaluation	215,280	215,280	(285,586)	(500,866)	-233
Other Business Units	(9,678,830)	(9,678,830)	(10,097,402)	(418,572)	4
Total HRA Surpluses -/Deficit for 2008/09	134,630	134,630	626,233	491,603	365

CAPITAL PLAN - GENERAL FUND

	Spend In Prior Years	2008-09 Budget	2008/09 Actual (As At End Of 31/03/09)
Programme / Scheme	£	£	£
Capital Plan - Summary Of Categories			
Core General Fund			
Programme	10,212,578	4,061,617	2,789,560
Project	10,786,952	3,569,051	3,365,793
Total Core General Fund	20,999,531	7,630,669	6,155,354
Non Core General Fund			
Area Committee Projects	106,340	246,995	138,081
	106,340	246,995	138,081
Developer Contribution Projects	1,417,627	1,501,095	1,483,035
Developer Contribution Projects	1,417,627	1,501,095	1,483,035
Total General Fund Capital Plan	22,523,498	9,378,759	7,776,469
Capital Funding Availability			
Capital Receipts		3,127,278	2,806,106
Developer Contribution		1,501,095	1,483,035
DRF GF		155,000	155,000
Government Funding		3,114,075	1,851,152
Prudential Borrowing		1,471,311	1,471,177
Unfunded Maintenance Backlog		-	-
Other External Funding		10,000	10,000
Total Available Funding		9,378,759	7,776,470
Total Uncommitted Funding Available		- 0	- 0

General Fund and HRA Projected Balances - March 2009

	General Fund	HRA
Balances as at 31 March 2008	(6,975,956)	(3,964,700)
Proposed carry forwards (including Area Committees)	324,259	705,000
Balances used in 2008/09 budget	748,000	429,630
Transfer to Capital Financing Reserve		421,467
Reinstatement of 2008-09 Budget for "high risk" savings proposals	523,500	
Management Restructure Costs (balance of £750k after spend of £403k)	347,000	
Transformational Projects	900,000	
Community Priorities approved 30.6.08	472,000	
Net underspend approved at Council Dec 2008	(918,000)	(600,000)
Projection at February 2009		(400,000)
Underspend at Outturn	(1,060,000)	491,603
Release of part of Single Status reserve	(664,000)	
Transfer to Icelandic banking provision	350,000	
Increase transformational fund	750,000	
Transfers to reserves for Concessionary Fares, Repair & Maintenance & Recession related pressures	1,000,000	
Balances at 31 March 2009	(4,203,197)	(2,917,000)
Community Priorities approved 30.6.08, adjusted for budget changes	429,000	
Balances used/ (returned) in 2009/10 budget		
Approved carryforward		500,000
Provisional carryforward request	569,224	417,000
Use of LABGI money in 2009-10 - approved by Council 16.2.09	52,720	
Transfer to Capital Financing Reserve		0
Projected balances as at 31 March 2010	(3,152,253)	(2,000,000)
Community Priorities approved 30.6.08, adjusted for budget changes	79,000	
Balances used/ (returned) in 2010/11 budget		(500,000)
Transfer to Capital Financing Reserve		500,000
Budget target saving to increase Iceland reserve	(500,000)	
Transfer to Iceland provision	500,000	
Projected balances as at 31 March 2011	(3,073,253)	(2,000,000)
Balances used/ (returned) in 2011/12 budget		(500,000)
Transfer to Capital Financing Reserve		500,000
Budget target saving to increase Iceland reserve	(500,000)	
Transfer to Iceland provision	500,000	
Projected balances as at 31 March 2012	(3,073,253)	(2,000,000)
Recommended minimum level of balances	(3,000,000)	(2,000,000)

Carry Forward Requests 2009-10

General Fund: Carry Forwards

Reference:	Service Area:	Description:	Reason:	Amount:	Responsible Officer:	Head of Service:
CFWD01	City Development	Core Strategy	The Inspector had a number of concerns about the draft document so the public examination has been deferred from March 09 to July 09	16,000	Mark Jaggard	M Crofton-Briggs
CFWD02	City Development	Flood Prevention	The favoured initiative has been to purchase demountable barriers to be put up to protect the properties in Bulstake Close and Earl Street. Consultation with stakeholders, obtaining the necessary technical approval and consent to erecting barriers from the Environment Agency delayed placing the supply orders.	25,000	Steve Smith	M Crofton-Briggs
CFWD03	City Development	Soldiers of Oxford (08/09 Bid 9MBCHD01)	Request for a business case before grant could be offered. Business case received and grant offer made, with conditions. Meeting between Soldiers of Oxford and Executive Board Member to confirm agreement with conditions could not be arranged until early April 09.	20,000	M Crofton-Briggs	M Crofton-Briggs
CFWD04	City Works	Play Area (Members Bid)	Current work committed and work in progress £130,390.00 But due to consultation process other works have been confirmed so account is underspent.	247,659	Ian Sheppard	T Sadler
CFWD07	Legal	Consultation on the prevalence of Honour Based Violence	Field work started late because of difficulties with agreeing questioning frameworks within a very sensitive area of research	9,000	Pat Jones	Jeremy Thomas
CFWD19	HR	HR transformation	£25,000. A separate £50K carry forward request has also been made for the Management Development Program.	25,000	Simon Howick	Simon Howick
CFWD21	Leisure	Football Initiative (Bid 9MBCHD02)	· CEB agreement needed to recruit the Focus Sports Development Officer (Approved April 1st 2009)· Feasibility work required for Barton Rec projectUnspent bid (AM20 D3996)	56,996	H Lewisham	I Brooke
Total (Excl Area Committee):				399,655		
CFWD08	Community Housing	Cowley Area Committee	Area Committees were allocated reduced revenue funding for future years and have been managing expenditure carefully in the light of this. Being able to carry forward project expenditure enables them to continue to operate effective budgetary control next year.	32,104	Angela Cristofoli	Graham Stratford
CFWD10	Community Housing	Northway Community Centre improvements (North-East Area Committee) Bid – 9MBCHD03	The work started on site in Jan 2009 and was negotiated with the Community Centre to avoid major disruption over the Christmas period when the CC is heavily booked up. The work is in progress although the costs associated will not be billed until the first quarter of the new financial year.	30,000	Angela Cristofoli	Graham Stratford
CFWD11	Community Housing	Central South and West (CSW) Area Committee	Area Committees were allocated reduced revenue funding for future years and have been managing expenditure carefully in the light of this. Being able to carry forward project expenditure enables them to continue to operate effective budgetary control next year.	10,197	Angela Cristofoli	Graham Stratford
CFWD12	Community Housing	North Area Committee	Area Committees were allocated reduced revenue funding for future years and have been managing expenditure carefully in the light of this. Being able to carry forward project expenditure enables them to continue to operate effective budgetary control next year.	8,410	Angela Cristofoli	Graham Stratford

CFWD13	Community Housing	South-East Area Committee	Area Committees were allocated reduced revenue funding for future years and have been managing expenditure carefully in the light of this. Being able to carry forward project expenditure enables them to continue to operate effective budgetary control next year.	43,034	Angela Cristofoli	Graham Stratford
CFWD14	Community Housing	East Area Parliament	Area Committees were allocated reduced revenue funding for future years and have been managing expenditure carefully in the light of this. Being able to carry forward project expenditure enables them to continue to operate effective budgetary control next year.	28,604	Angela Cristofoli	Graham Stratford
CFWD15	Community Housing	North-East Area Committee	Projects from initial ideas through feasibility, assessment, consultation and implementation can be a lengthy process. Some projects identified may not be implemented because of issues arising through this process. One main project for Netherwoods Roads improvements has been delayed because of unexpected problems related to underground utilities and this project accounts for £12,000 of the underspend.	17,220	Angela Cristofoli	Graham Stratford
Total Area Committee:				169,569		
General Fund Total:				569,224		

Housing Revenue Account:

Reference:	Service Area:	Description:	Reason:	Amount:	Responsible Officer:	Head of Service:
HRACF01	OCH	CCTV	Contract is being tendered and then evaluated. Expenditure could not be incurred until after this process.	265,000	Chris Pyle	Graham Bourton
HRACF02	OCH	Diversity Training	Is an extensive training programme, covering all 365 staff. It needs to be implemented in a way that ensures service provision to customers isn't affected detrimentally.	30,000	Lena Dennis	Graham Bourton
HRACF03	OCH	Feasibility Studies	There is no ongoing budget for feasibility studies. Feasibility studies have been undertaken in 2008/09 on the Council's sheltered accommodation. The other studies will be commissioned later in 2009/10. They will depend upon workload and clarity from government in relation to funding council house building, which may change the options available.	150,000	Roy Summers	Graham Bourton
HRACF04	OCH	Icelandic Banks	To improve cash flow and reserves at end of 08/09 as a result of the problems caused by the Icelandic bank collapse. The planned maintenance programme was slowed down in identified areas.	500,000		Graham Bourton
Total:				945,000		

Appendix 6

CEB Report Risk Register – Year End Financial Monitoring Report 2008-09

Risk Score **Impact Score:** 1 =Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic **Probability Score:** 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain

No.	Risk Description Link to Corporate Obj	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
		I	P			I	P			Q 1	Q 2	Q 3	Q 4	I	P
1		I	P		Mitigating Control: Level of Effectiveness: (HML)	I	P	Action: Action Owner: Mitigating Control: Control Owner:	Outcome required: Milestone Date:	Q 1 ☹	Q 2 ☹	Q 3 ☹	Q 4 ☹	I	P
2	The Council's final position for 2008-09 varies materially from the Provisional Outturn	3	3	Significant adjustments to accounts during closedown and audit	All main entries completed before provisional outturn Budget control maintained and reconciled throughout the year to ensure that monitoring is accurate. H	3	2	Reduce Action: ongoing supervisory review of closedown process Action Owner: Head of Finance : Control Owner:	Outcome required: No significant unplanned differences between provisional outturn and final accounts Milestone Date: Sept 09						
3	Final determination of Concessionary Fares bus operators' appeal is significantly worse.	4	4	Determination under review' expectations from DfT	Provision created to mitigate impact M	3	4	Reduce Action: lobbying DfT to obtain improved funding allocation Action Owner: Head of Policy, Performance & Communication	Outcome required: Determination settled and not disadvantaging the Council Milestone Date: Jun 09						
4	Deteriorating economic position impacts Council's ability to deliver a balanced budget in 2009-10	4	3	Key income lines vulnerable to falling demand	Mitigating Control: Review of key areas of income already undertaken and impact assessed. Further provision set aside	3	2	Reduce Action: Line by line reviews of outturn driving down future years budgets, and quarterly to ensure on track.	Outcome required: Line by line reviews completed and 2009-10 budgets adjusted where						

Appendix 6

				for recession pressures in 2009-10. Level of Effectiveness: H			Action Owner: Head of Finance	appropriate Milestone Date: Jun 09							
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