

## Appendix 5

### Budget 2010-11 Risk Register

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

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	Q1	Q2	Q3	Q4	I	P		
										Q1 ☹	Q2 ☹	Q3 ☹	Q4 ☹		
1	Revenue Support Grant unknown for future years and expected to fall	4	4	Public Sector cuts expected to meet funding deficits	Assumption for no increase of RSG in 2010-11 which is worse than the current settlement. Impact of varying levels of RSG modelled. Compensating savings planned into the medium term RSG for 2010-11 confirmed at three year settlement level so base higher than core MTFS assumptions Level of Effectiveness: (HML) M	3	4	Action: Accept Action Owner: Heads of Finance  Mitigating Control: Update forecasts as more information becomes available; Control Owner: Heads of Finance	Outcome required: Future level of RSG known and planned into the medium term Milestone Date Dec09 – Pre budget report no specific information. Spring 2010 budget and CSR May 2010 General Election result will impact policy direction.					3	4
2	Employers' pension contributions increased significantly at next triennial review in 2011	3	3	Pension scheme underfunded given economic downturn	Mitigating Control: Pension Fund rules being reviewed for flexibility of funding patterns. Central Government reviewing LGPS	2	3	Action:Accept Action Owner: Heads of Finance  Mitigating Control: Update forecasts as more	Outcome required: Future level of pension contributions known and					2	3

## Appendix 5

					Level of Effectiveness: (HML) M			information becomes available; develop contingency plans for worst case scenario Control Owner: Heads of Finance	planned into the medium term Milestone Date: Dec 2010 (final) Quarterly updates from Fund						
3	Icelandic investments not recovered in line with current CIPFA guidance	3	3	Status of LAs as preferential creditors of Glitnir not confirmed Glitnir WUB treating Las as not preferential creditors	Mitigating Control: Planning for downside risk LGA mounting legal challenge to Glitnir position Level of Effectiveness: (HML) L	2	3	Action: Accept Action Owner: Heads of Finance Mitigating Control: Capitalisation applied for. Contingency plans in outline for worst case scenario Control Owner: Heads of Finance	Outcome required: Capitalisation request granted 29 Jan 2010 Preferential creditor status upheld Milestone Date: Spring 2010					2	3
4.	Concessionary Fares provisional additional special grant for 2010-11 may not be sustained in future years	3	3	Concessionary Fares funding not known beyond 2010-11 PBR confirmed that administration will move to County	Mitigating Control: Lobbying DfT Working with LGA on examining future options Level of Effectiveness: (HML) M	3	2	Action:Reduce Action Owner: Heads of Finance Mitigating Control: Further responses to consultation and lobbying once future funding options clearer	Outcome required: Improved funding sustained when administration transfers Milestone Date: Early 2010					3	2
5.	Council Tax increases are capped by Government	2	3	Public sector under pressure to demonstrate efficiency; low inflation environment	Mitigating Control: 3 year assumption of 2% pa increases, set in the light of LA average of 3% Level of Effectiveness: (HML) H	2	2	Action: Accept Action Owner: Heads of Finance Mitigating Control: Update forecasts as more information becomes available. Control Owner: Heads of Finance	Outcome required: Council Tax increases at discretion of local Council; any limits known well in advance of budget setting Milestone Date: May 2010 General Election result will impact policy direction.					2	2

## Appendix 5

6.	Income from fees & charges may fall and demand for some services may increase leading to budget pressures	3	2	Economic downturn likely to depress income levels and increase demands for services eg benefits, homelessness	Mitigating Control: Risk areas monitored monthly Oxford economic indicators monitored monthly Budget provision £400k for economic downturn Level of Effectiveness: (HML) H	2	2	Action: Reduce Action Owner: Heads of Service  Mitigating Control: Continue to monitor key indicators for Oxford and for Council budgets and adjust service provision as required. Control Owner: Heads of Service	Outcome required: Impacts of recession understood and mitigated Milestone Date Ongoing review						2	2
7	Inflation	3	2	Inflation may rise beyond anticipated rates and cause costs to exceed budget	Mitigating Control: Major cost is staff pay and public sector pay restraint expected to keep rate of increase low. Sensitivities understood and modelled for other cost areas. Procurement activity reducing spend across many areas. Level of Effectiveness: (HML) M	2	2	Action: Reduce Action Owner: Head of Finance/ Head of Procurement Mitigating Control: Economic forecasts kept under review Purchasing contracts limit exposure Control Owner: Head of Finance/ Head	Outcome required: Impact of inflation beyond core MTFS assumptions understood and mitigated Milestone Date: Ongoing review						2	2
8.	Government reform of Housing Subsidy with uncertainty over future funding	3	3	Level and calculation model of debt for a self financing option not yet known	Mitigating Control: Active involvement in consultation and modelling with CIH. Level of Effectiveness: (HML) M	3	3	Action: Reduce Action Owner: Head of Finance Mitigating Control: In depth modelling to assess effect and risks on both HRA and General Fund. Control Owner: Head of Finance	Outcome required: Impacts understood and affordable. Milestone Date: Ongoing review Implementation unlikely before 2012-13						3	3

## Appendix 5

9.	Savings budgeted for 2010-11 not fully delivered	3	3	Third year of delivery of significant efficiencies by services	Mitigating Control: Detailed Action Plan for each saving with milestones signed off by each Head of Service Level of Effectiveness: (HML) M	3	2	Action: Reduce Action Owner: Head of Finance Mitigating Control: Monthly monitoring of status and requirement to replace any savings not achievable	Outcome required: All savings deliverable or alternatives found Milestone date: Monthly monitoring					3	2
10.	HRA Subsidy for 2010-11 may vary significantly from budget assumptions	3	3	HRA Subsidy draft determination has not been received by time consultation budget set Update: draft determination now received and impact accounted for in budget	Mitigating Control: Plans in place to offset any changes Level of Effectiveness: (HML) L	2	2	Action: Accept Action Owner: Head of Finance	Outcome required: Subsidy confirmed before budget set and no worse than current assumptions					2	2
11.	Council may not be able to fund the capital programme	3	3	Funding the capital programme through Prudential Borrowing may be restricted by CSR10	Mitigating Control: Plan to keep capital receipts in reserve as back up to prudential borrowing. Projects do not proceed until funding confirmed. Level of Effectiveness: (HML) M	2	3	Action: Reduce Action Owner: Head of Finance	Outcome required: Prudential borrowing capacity sustained Milestone date: CSR10, Q1 2010-11					2	3