

## BUDGET REPORT RISK IMPLICATIONS 2019/20 TO 2022/23

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	
B1	Brexit	Threat	Brexit deal or no deal adversely effects business in Oxford or the city council directly	Brexit	Less business rates, loss of commercial property rental income, loss of property capital values	1-Dec-18	4	3	4	3	4	2	Monitor monthly
B2	Homelessness spend	Threat	Homelessness spend exceeds budget and has bigger draw on reserves	Escalating homelessness costs caused by migration of claimants to UC	Overspending or reduced service	1-Dec-18	4	3	4	3	4	2	Monitor monthly, reduce spend either in homelessness or other areas of the budget
B3	Partner failure	Threat	Major partner fails financially causing disruption or ceasing of key council services e.g leisure	Financial failure of partner	Overpends or service reduction in other service areas	1-Dec-18	4	3	4	3	4	2	Monitor, prepare contingency plans to re-tender service
137	Pay negotiations	Threat	Cant agree pay settlement for new pay deal starting 1-4-2021	Inability to set affordable pay deal	Unaffordable pay deal unless service reductions in other areas of the budget	1-Dec-18	4	3	4	3	4	2	Early negotiations
B5	Business Rates Income	Threat	Business rates income less than expected	Volatility in business premises closing or being developed; Business Rates appeals being higher than anticipated	Less council funding	1-Dec-18	4	3	4	3	4	2	Monitor monthly
B6	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 . Additionally there will be changes in the allocation of NHB, which are as yet unknown	Fluctuations in house building will affect amount of bonus paid	Reduced New Homes Bonus	1-Dec-18	4	3	4	3	4	2	Reduce Capital Programme or reduce spend
B7	Investment interest	Threat	Actual interest rates and investment returns being lower than projected	Economic climate. Spend in Companies is less than expected reducing the margin to the Council	Reduced investment income	1-Dec-18	3	2	4	2	4	2	Interest rates are already low therefore only moderate impact. Monitor and ensure placing investments in high credit rated agencies. There is a higher level of risk associated with property investment funds which is mitigated through the use of earmarked reserves.

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B8	Efficiencies	Threat	Any further slippage in the delivery of savings and efficiencies, especially around trading or additional pressures on the 2018-19 budget that could impact on 2019-20	Changes in circumstances make savings unattainable	Reduced efficiencies increased overspend on net budget	1-Dec-18	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
B9	Companies	Threat/Opportunity	Companies do not perform as planned and do not achieve returns for the council or become a drain on council finances	Cost increases, lost contracts re LATCO, Housing company spend doesn't match council loan profile	Council will need to reduce its spend	1-Dec-18	4	3	4	3	3	3	Client monitoring. Appropriate governance in place
B10	Increased Right to Buy sales	Threat	Variations in numbers of RTB's adversely affects HRA	More houses sold	A decrease in the numbers of RTB's will lead to less capital receipts to fund the Capital Programme. Conversely an increase the numbers of RTBs would lead to a revenue pressure from reduced rental income	1-Dec-18	4	3	4	2	4	2	Track situation and either re-prioritise spend or use additional borrowing headroom
B11	Robustness of Estimates	Threat	The revenue and capital estimates vary from estimated and planned. The implications of Government policy impact more adversely than anticipated.	Fluctuations in prices and reduced income	Potential overspend	1-Dec-18	4	3	3	2	3	2	Robust monthly budget monitoring to detect variations and put in mitigating action. Adequate reserves, balances and contingencies within the budget to cover where mitigation is insufficient.
B12	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	1-Dec-18	4	3	4	3	4	2	Robust monthly monitoring, consider prudential borrowing to fund shortfall or defer projects
B13	Savings not achieved	Threat	Savings in budget may not be achieved	Service pressures	Potential overspend	1-Dec-18	3	3	3	3	3	2	Monitoring
B14	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	1-Dec-18	3	3	3	3	3	2	Robust monthly monitoring of programme, introduction of Capital Gateway Process and flexible treasury management strategy

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