

Appendix F

Summary of Key Risks

	Budget Item	Risk
REVENUE		
1	Pay Awards	Settlements exceed the 2.5 % percentage increase provided for in the budget from 2008/09.
2	Staff Turnover/ Vacancy Factor	Staff turnover/vacancies is less than that budgeted
3	General Inflation, Fuel & Energy Costs	Rising costs exceed budget provision. In view of the difficult economic conditions as at July 2008, this will need to be closely monitored
4	Contractual Commitments	RPI is above the rate assumed in calculating the contractual commitments in the budget
5	Council Tax and Business Rates Income	Failure to achieve collection rate targets
6	Investment Income/ Borrowing Costs	Available cash flow surpluses less than anticipated and/or falling interest rates – flip side is reduced borrowing costs. Needs to be closely monitored given levels of volatility in the financial markets
7	Income from Fees & Charges/ Rents:	Reduction in the usage of the service/activity levels, e.g. car parks, local land charges, planning fees, commercial rents
8	Leisure Trust	Impact of new contract on costs, performance, etc
9	Refuse Collection/Recycli ng/ Street Cleansing	The increase in property numbers and development of the Town results in additional costs pressures that have not been built into the budget
10	Concessionary Fares	Service is demand led - implications of new national statutory scheme – operators show a significant increase in usage and therefore costs for reimbursement.
11	Housing Benefits/Subsidy	Increase in payments that do not attract 100% subsidy i.e. overpayments and local authority errors; failure to comply with complex legislative requirements; and lack of audit trail to substantiate grant claim
12	Pensions	Insufficient allowance for pension costs increase + impact of next actuarial review in 2010/11
13	Repairs & Maintenance on Corporate Properties	Unplanned emergency maintenance is required on the Council's Corporate Properties
14	Bad Debt Provision	The Council's existing Bad Debt provision proves insufficient to meet any increase in the value of debts written off
15	White Paper- Strong & Prosperous Communities	Important financial issues include proposals relating to communities, neighbourhoods and place shaping and impact of the new performance management framework
16	General Fund Efficiency Savings Target	The annual 3% cashable efficiency savings target for the period 2008/09 – 2012/13 is not achieved

17	CSR07/Lyons Inquiry & Government Grants /Partnership Funding	Future changes to Local Government Finance resulting in grant reduction from 2011/12 (following current 3 year settlement). MTFP makes assumptions about HPDG and LABGI that may change
18	Council Tax Capping	Council Tax is capped below 5% resulting in re-billing costs, etc
19	Emergency Planning	Emergencies occur, e.g. floods incurring unplanned expenditure for the Council
20	ICT Strategy – Ongoing Change Programme	Growth in new technology resulting in regular upgrades & new /revised systems. May impact on invest to save projects
21	Housing Rents and Property Voids	More Council House disposals than anticipated and Governments revisions to their rent restructuring policy that have a detrimental effect on the Council's budget
22	HRA Repairs and Maintenance Costs	Assumed reductions in repairs and maintenance costs as a result of significant investment in the Council Housing Stock do not materialise
23	Housing Revenue Account Subsidy	Central Government revise the Subsidy rules
24	Value Added Tax (VAT)	Expenditure incurred by the Council on exempt VAT activities causes the 5% partial exemption allowances to be breached. Also the impact of the court judgement on the treatment of VAT on car parking income
25	Reserves & Balances	These fall below a sustainable level having regard to changing needs and priorities
CAPITAL		
26	External Funding	Loss of anticipated external resources to support the capital programme
27	Capital Expenditure	Slippage in the project; increased project costs; and failure of contractor i.e. contractor goes into liquidation
28	Capital Receipts	Shortfall in the actual amount of Capital Receipts (i.e. Council House Sales, other HRA assets, GF assets) against the targets set within the Capital Programme
29	Improvement Grants	Excessive demands for improvement grants
30	Government Funding – Supported Borrowing, Major Repairs Allowances	Central Government reduce funding for Supported Borrowing and Major Repairs Allowance below the levels that have been included in the HIP