

RISK ANALYSIS OF BUDGET

APPENDIX F

<u>Issue</u>	<u>Budget</u> <u>2009/10</u>	<u>Risk factor</u>	<u>Risk %</u> <u>(Likelihood)</u>	<u>Risk Value</u> <u>2009/10</u>
				£
Capping of Council Tax rise	45,000	*Level of capping risk due to proposed increase of 3.5%. Government expecting increases 'significantly less than 5%' Cost associated with re-billing		45,000
Salaries	63,000	Risk to Reserves, working balances if national pay award exceeds budgeted increase	15%	9,450
Workforce efficiency	251,000	workforce efficiency factor not achieved due to full establishment	30%	75,300
Concessionary Fares	700,000	Uncertainty regarding level of usage due to the introduction of national scheme. Potential appeals over levels of reimbursement by operators	15%	105,000
Leisure Trust	340,000	Delay in introduction of Leisure Trust to manage leisure centres and Trust status not achieving mandatory business rate saving	20%	68,000
Fees and Charges	600,000	If the current economic outlook worsens and the level of fees and charges received for areas such as car parking, building control, development control and land charges is less than budgeted for	30%	180,000
Interest Rate on investments	132,000	Risk of investment returns reducing following further cuts in interest rates during 2009/10 (budgeted at 1%)	50%	66,000
Utility costs	460,000	Fluctuations in energy market leading to an increase in costs of utilities	15%	69,000
		Total		617,750
		General Fund working balance level		2,402,000
		Worst case - 50% of above occurring in the same year		308,875
		Cover Ratio		7.78