

Appendix F

Summary of Key Risks

	Budget Item	Risk
REVENUE		
1	Pay Awards	Settlements exceed the percentage increase provided for in the budget from 2009/10.
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 June 2009, 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, Business Rates and Rents Income	Failure to achieve collection rate targets which also has a negative cash flow impact
6	Investment Income/ Borrowing Costs	Movement in interest rates - needs to be closely monitored given levels of volatility in the financial markets
7	Income from Fees & Charges/commercial rents:	Further reduction in the usage of the service/activity levels, e.g. car parks, local land charges, planning fees, commercial rents
8	Leisure Trust	Further delay with charitable status award being given to the Leisure Trust resulting in additional revenue costs in respect of the business rates.
9	Refuse Collection/Recycling/ Street Cleansing	The increase in property numbers will result in additional costs pressures that have not been built into the budget
10	Concessionary Fares	Financial implications of the Government's review of administrative arrangements
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 Council assets	Unplanned emergency maintenance is required on the Council's assets
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

	Budget Item	Risk
16	General Fund Efficiency Savings Target	The annual cashable efficiency savings target is not achieved
17	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 3% (currently 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	Debt maturity and impact on GF and HRA	Maturing of borrowing will have a positive impact on the GF but a negative impact on the HRA (through a revised subsidy determination)
26	Reserves & Balances	These fall below a sustainable level having regard to changing needs and priorities
27	Additional service pressures	The Council may need to direct additional financial resources in order to meet increase in customer demand for accessing services
28	Concessionary Fares	Increase in usage resulting from number of passholders resulting in additional operator reimbursement costs. National judicial review of operators' reimbursement rates could impact on locally agreed rates.

CAPITAL		
	Budget Item	Risk
29	External Funding	Loss of anticipated external resources to support the capital programme
30	Capital Expenditure	Slippage in the project; increased project costs; and failure of contractor i.e. contractor goes into liquidation
31	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
32	Improvement Grants	Excessive demands for improvement grants
33	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
34	Stock condition survey	Results from SCS may result in significant financial implications for capital expenditure