

RISK ANALYSIS OF 2010/11 BUDGET

APPENDIX F

<u>Issue</u>	<u>Budget 2010/11 £</u>	<u>Risk factor</u>	<u>Risk % (Likelihood)</u>	<u>Risk Value 2010/11 £</u>
Capping of Council Tax rise	45,000	Level of capping risk due to proposed increase of 2.5%. Government expecting increases less than the 2009/10 average of 3% Cost associated with re-billing		45,000
Grant Settlement for 2010/11	10,147,000	Reduction in the grant settlement award for 2010/11	10%	1,014,700
Salaries	63,000	Risk to Reserves, working balances if national pay award exceeds expected increase	10%	6,300
Workforce efficiency	248,000	workforce efficiency factor not achieved due to full establishment	30%	74,400
Concessionary Fares	750,000	Continued growth and usage exceeds expectations (including impact of all day travel) Potential appeals over levels of reimbursement by operators	15%	112,500
Leisure Services	360,000	Increase in costs to deliver leisure services following review of current arrangements	20%	72,000
Civil Parking Enforcement		Additional costs or greater annual deficit than anticipated following the introduction of CPE (not quantifiable at this time)		-
Fees and Charges	4,000,000	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	5%	200,000
Interest Rate on investments	192,000	Risk of investment returns reducing if interest rates during 2010/11 do not increase (budgeted at 1.5%)	30%	57,600
Utility costs	465,000	Fluctuations in energy market leading to an increase in costs of utilities	20%	93,000
Total				1,675,500
General Fund working balance level				1,917,000
Worst case - 50% of above occurring in the same year				837,750
Cover Ratio				2.29