

RISK ANALYSIS OF 2011/12 BUDGET

APPENDIX F

<u>Issue</u>	<u>Budget</u> <u>2011/12</u> <u>£</u>	<u>Risk factor</u>	<u>Risk %</u> <u>(Likelihood)</u>	<u>Risk Value</u> <u>2011/12</u> <u>£</u>
Workforce efficiency	350,000	workforce efficiency factor not achieved due to full establishment	30%	105,000
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	10%	400,000
Interest Rate on investments	230,000	Risk of investment returns reducing if fluctuations in either interest rates (budgeted at 1.5% money market rate) or the predicted balances on reserves	20%	46,000
Utility costs	465,000	Fluctuations in energy market leading to an increase in costs of utilities	30%	139,500
Fuel costs	550,000	Fluctuations in oil market leading to an increase in costs of fuel	30%	165,000
Capping of Council Tax rise	45,000	Level of capping risk if Council Tax increases are proposed in excess of 2.5%. Cost associated with re-billing		45,000
		Total		<u>690,500</u>
		General Fund working balance level		2,470,000
		Worst case - 50% of above occurring in the same year		345,250
		Cover Ratio		<u>7.15</u>