

Appendix E

Risk Analysis of 2022/23 Budget

<u>Issue</u>	<u>Budget 2022/23 £</u>	<u>Risk factor</u>	<u>Risk % (Likelihood)</u>	<u>Risk Value 2022/23 £</u>
Salary Budget	61,000	If national pay award exceeds budgeted increase (1%) by an additional 0.5%	15%	9,150
Salary vacancy rate	441,000	vacancy rate not achieved due to low turnover across services	40%	176,400
Reduction in Council Tax Band D Increase	38,000	0.5% reduction in Council Tax Increase (assumed increase 2.96%)	10%	3,800
Increase in Leisure Management Fee	250,000	Management fee exceeds budgeted amount due to adverse trading conditions	20%	50,000
Car Parking Income	1,346,000	Increase in car parking charges for Grantham and Stamford could have a negative impact on usage.	10%	134,600
Green Waste Income	1,506,000	Increase in Green Waste charge could have a detrimental impact on customer demand	5%	75,300
Utility costs	587,000	Fluctuations in energy market leading to an increase in costs of utilities in excess of the budgeted increase	10%	58,700
Fuel Costs	619,000	Fluctuations in oil market leading to an increase in cost of fuel	10%	61,900
Interest Rate on investments	101,000	Risk of investment returns not increasing if there is no increase to base rate	20%	20,200
	4,949,000	Total		590,050
		General Fund working balance level		1,986,000
		Worst case - 50% of above occurring in the same year		295,025
				295,025
		Cover Ratio		6.73