

APPENDIX G: RISK BASED ASSESSMENT OF THE LEVEL OF GENERAL FUND BALANCES

Potential Risk Area	Comments including any mitigation factors		
Income from areas within the base budget where the Council raises "Fees and Charges"	Potential risk that the budgeted level of income from activities where the Council is charging for services will not be achieved. This is anticipated largely to be as a result of the downturn in economy, but could also be as a result of poor weather, new competition. All "fees and charges" income is reviewed as part of the monthly/quarterly budget monitoring process. All budgets are profiled over the year based upon previous experience.		
		Calculated Risk	
Specific Areas	Estimated Income	Likelihood Percentage	Balances Required
Parking Income	£2,946,880	2.5%	£73,672
Development Control Income	£309,580	10%	£30,958
Land Charges Income	£25,000	20%	£5,000
Recycling Income	£688,610	2.5%	£17,215
Garages	£2,654,330	0.50%	£13,272
Indoor Market	£390,000	2.50%	£9,750
Commercial Property Income	£2,978,770	3%	£74,469
Total			£224,336

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Potential Risk Area	Comments		
Demand Led Budgets	Potential risk that spending on parts of the budget where the Council has a legal duty to provide the service increases significantly. Individual budgets reviewed as part of the monthly budget monitoring process. All budgets are profiled over the year based upon previous experience and so any variances should show up during the year.		
		Calculated Risk	
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Housing Benefit maximum risk based on not meeting minimum threshold for Local Authority errors.	£140,000	90%	£126,000
Total			£126,000

Potential Risk Area	Comments including any mitigation factors		
Changes since budget was set	Potential risk that things change since the budget estimates were made and the estimates are then under budgeted for. (*Single status risk is expressed as a percentage increase in the pay bill).		
		Calculated Risk	
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Single Status *	£15,375,390	0.50%	£76,877
Transitional Vacancy Rate 4.5%	£467,300	5.00%	£23,365
Contractual inflation	£5,863,000	1.00%	£58,630
Utility inflation (19-42% 1 October 2011)	£489,530	10.00%	£48,953
Total			£207,825

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Potential Risk Area	Comments including any mitigation factors		
Other Risks	Potential risk that savings options will not be realised as a result of delay or unforeseen circumstances.		
		Calculated Risk	
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Savings Options	£732,100	1.00%	£7,321
Savings Option (S20) Changes to the regulations governing Planning fee income-risk the regulations are not enacted by the Government.	£42,250	50.00%	£21,125
Total			£21,125

Potential Risk Area	Comments including any mitigation factors		
Estimated balances required for any over spend or under -recovery of expenditure and income	This calculation replaces the calculation based on Net Expenditure		
		Calculated Risk	
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Gross Income	£60,253,130	1.50%	£903,797
Gross Expenditure	£70,783,740	1.50%	£1,061,756
Total			£1,965,553

Level of Balances Assumed in General Fund Based on risk

£2,544,839