

APPENDIX F: 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	£3,941,260	2.5%	£98,532
Development Control Income	£237,830	10%	£23,783
Land Charges Income	£60,000	20%	£12,000
Recycling Income	£700,620	2.5%	£17,516
Garages	£2,739,380	0.50%	£13,697
Trade Refuse & Skips	£754,910	0.50%	£3,775
Indoor Market	£430,100	2.50%	£10,753
Commercial Property Income	£3,685,620	3%	£92,141
Total			£272,194

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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.	£68,110	90%	£61,299
Increased cost of Welfare Reforms (pressures on services CSC/Revenues and Benefits/Housing advice/Homelessness)	£200,000	75%	£150,000
Deficit on Collection Fund generated for 2014/15	£171,869	30%	£51,561
Increase in bad debt on Council Tax, deficit would need to be charged to the General Fund in the	£20,000	100%	£20,000
Total			£282,860

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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 *	£15,530,000	0.75%	£116,475
Increase in staff entering the pension scheme with auto-enrolment	£1,878,625	5.00%	£93,931
Transitional Vacancy Rate 4.5%	£522,110	5.00%	£26,106
Contractual inflation 1% increase	£130,948	25.00%	£13,200
Utility inflation (from October 2014)	£574,360	10.00%	£57,436
Total			£307,148

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	£1,169,570	3.00%	£35,087
Total			£35,087

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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	£52,843,290	1.50%	£792,649
Gross Expenditure	£62,470,609	1.50%	£937,059
Total			£1,729,708
Level of Balances Assumed in General Fund Based on risk			£2,626,998