

Revenue Budget 2018/19

Assessment of Significant Financial Risks to Substantiate Target Level of Unearmarked Working Balances

Nature of Risk <i>[and rationale for quantification]</i>	Mitigation	£m
Budget savings of £5.5m in 2018/19 are not achieved, resulting in service budget overspendings <i>[delivery of 74% full-year effect in 2017/18 and additional risk assessment re delivery of larger savings proposals]</i>	Robust and realistic series of plans for each Directorate to demonstrate how the savings are to be achieved, monitored at Corporate Leadership Team and by Portfolio Holders on a monthly basis	1.4
Current year service over-spendings are replicated in 2018/19 <i>[based on forecast as at month 9]</i>	This is mainly in relation to Children's Social Care Pressures. Recovery plans drawn up by services and monitored by the Tourism, Economy & Resources Committee	1.2
CT collection rates deteriorate as a result of economic climate, CT Reduction Scheme and cap on Attachment of Benefits, and changes to CT discounts and exemptions <i>[13/14 -> 16/17 deterioration although a slight improvement in 2017/18]</i>	Ongoing monitoring of collection rates and by client group, enabling early intervention by Council support staff. Robust and consistent recovery processes in place.	1.0
Business rate collection rates deteriorate as a result of economic climate and success of business rate appeals	Ongoing monitoring of collection rates and by business group, enabling early intervention by Council support staff. Robust and consistent recovery processes in place. Closer liaison with VOA to understand business rate appeals pending.	0.9

<i>[Safety Net less Contingency]</i>		
Interest rate changes <i>[impact of increase to weighted average interest rate by 0.4%]</i>	Prudent assumptions regarding the volume of temporary surpluses available to the Council and the interest rates at which these might be deposited. Rigorous Treasury Management procedures and an investment policy informed by proactive intelligence gathering on market conditions and prospects.	0.6
Revenue consequences of capital investment, including business rate liabilities and clawback of external funding	Full adherence to project management frameworks and methodology	0.5
Increased levels of sundry debt write-offs owing to economic climate	Clearly defined policies and procedures applying to the recovery of outstanding amounts. Swift and effective use of recovery powers. Feasibility study into the centralisation of a debt-raising team.	0.4
Changes in Final Settlement Funding Assessment	Government commitment to 4-year Settlement for those signed up.	-
	INDICATIVE TOTAL	6.0