

Revenue Budget 2015/16

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

Nature of Risk <i>[and rationale for quantification]</i>	Mitigation	£m
Current year service over-spending is replicated in 2015/16 <i>[based on forecast as at month 7]</i>	Recovery plans drawn up by services and monitored by Finance and Audit Committee	1.3
Budget savings of £25.2m in 2015/16 are not achieved, resulting in service budget overspendings <i>[delivery of 92% full-year effect in 2014/15]</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 Cabinet Members on a monthly basis	2.0
Business rate collection rates deteriorate as a result of economic climate and success of business rate appeals <i>[Safety Net less Contingency]</i>	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.	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 -> 14/15 deterioration]</i>	Ongoing monitoring of collection rates and by client group, enabling early intervention by Council support staff. Robust and consistent recovery processes in place.	0.3

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.	0.3
Revenue consequences of capital investment, including business rate liabilities and clawback of external funding	Full adherence to project management frameworks and methodology	0.5
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.	0.4
Insufficient funding for new burdens such as Local Welfare Provision and implementation of the Care Act	Growth monies for continuation of the Local Welfare Provision included in medium-term financial plan. Local and national modelling of the financial implications of the Care Act suggest that the 2015/16 funding of c.£1.7m should be sufficient, but further modelling required for 2016/17 when local authority liabilities ramp up.	-
Changes in Final Settlement Funding Assessment	Continue to lobby DCLG, DfE, DoH and HM Treasury on material funding inconsistencies such as the levels and distribution of funding cuts in advance of the Final Settlement announcement	-
	INDICATIVE TOTAL	6.0