

REVENUE BUDGET 2018/19- RISK ASSESSMENT

STRATEGY & RESOURCES COMMITTEE						
Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Leadership Risk Register
Reducing projected net expenditure	All	High	Fail to deliver reducing projected expenditure by £3.3 million over 4 years by March 2020 and deliver a balanced budget Further efficiencies to be identified in 17/18	Delivery of the MTFS and the Efficiency Plan Reduce organisational costs by £588,000	Identifying sources of revenue and maximising our existing income.	L1
External Funding	0 (RSG) 0.8 (New Homes Bonus)	Med	No government grant	Retain a minimum £1 million of New Homes Bonus to mitigate any further losses in grant funding	Delivery of the MTFS delivering further efficiency savings and cost reductions	L1
Failure to control Salaries Costs	11.5	High	Not achieving 2% vacancy margin. Additional costs of agency/temporary staffing escalating costs. Service or project pressures.	Recruitment management To deliver an agreed Organisational Development Strategy to drive culture, change, build capacity and improve performance	To deliver an agreed Organisational Development Strategy	L2&L3

Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Leadership Risk Register
Cost of borrowing	140	High	Over borrowing at incorrect rates Cost of borrowing through PWLB increases	Borrowing to invest decisions Robust business cases Agree governance arrangements and robust reporting Borrow through the PWLB	Delivery of the MTFS delivering further efficiency savings and cost reductions	L1
Rental returns for the general fund	2.3	High	Failure to achieve the required rental returns from commercial property investments funded by borrowing Loss of tenant	Management of properties Review of all purchasing opportunities and due diligence	Delivery of the MTFS delivering further efficiency savings and cost reductions	L1 & L3
Rental returns for EEPIC	0.8	High	Failure to achieve the required rental returns from commercial property investments funded by borrowing Loss of tenant	Management of properties Review of all purchasing opportunities and due diligence	Delivery of the MTFS delivering further efficiency savings and cost reductions	L1 & L3

Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Leadership Risk Register
Maintain secure investment of reserves and cash balance through the Treasury Management: Strategy	0.1	Low	<p>Generate a sound return on cash</p> <p>Safeguard capital sums invested</p>	<p>Annual review of Treasury Management Strategy</p> <p>Use of external fund manager in accordance with treasury management policy</p> <p>Interest equalisation reserve</p> <p>Monthly review of fund performance</p> <p>Review of market risks using treasury management advisers</p>	Delivery of the MTFS delivering further efficiency savings and cost reductions	L1
Pension funds	33.3 (Deficit as at 31 March 2017)	Med	The deficit is not addressed over the next 20 years	Pension fund deficit payments are at £818k for the next three years until 2019/20	Delivery of the MTFS delivering further efficiency savings and cost reductions	n/a

Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Leadership Risk Register
Asset Management	0.6 (exp) 1.3 (inc)	High	Operational property is not fit for purpose. No increase in the income generated from commercial property. Optimisation of property for service to residents Insufficient reserves to fund major works to council assets	Asset Management Plan to be updated in 18/19 Property maintenance and prioritised repairs programme Monitor tenant requirements and rent levels	Maximising returns from properties Increasing returns on investment properties by £50k	L8
Retained Business Rates	1.5	Med	Valuation Officer appeals backlog Increase in Business Rates Reliefs Collection Rate Increase in tariff payable to Central Government Loss of major business in Epsom	Prudent forecasting of rates collectable and impact of valuation appeals New monitoring and reporting arrangements Business Rates Equalisation Reserve	At least 99% of business rates to be collected	n/a

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Housing Benefit Subsidy	18.8	Med	<p>Reduced recovery rate on benefits paid out</p> <p>Increased demand for benefit payments due to recession</p> <p>Staff retention/ recruitment</p> <p>Welfare benefit changes</p> <p>Move to Universal Credit</p>	<p>Additional staffing resources from Corporate Project Reserve</p> <p>Monthly monitoring of benefit performance indicators</p> <p>Quarterly monitoring of subsidy position</p> <p>Recruitment and retention programme</p> <p>Increasing bad debt provision for claimant arrears</p>	Processing of new benefit claims in 22 days and change in circumstances in 11 days	n/a
Council Tax Income	6.3 (EEBC element)	Med	<p>Collection rates due to economy & changes to council tax benefits</p> <p>Cash flow</p>	<p>Billing & recovery arrangements designed to support collection targets, additional resource for local council tax support scheme</p> <p>Collection performance reported to Directors monthly.</p> <p>Collection Fund separately managed on behalf of precept authorities (SCC & SP)</p>	98.40% of Council Tax collected	n/a
Failure to obtain best value in purchasing	9.0	High	Poor value for money in goods and services purchased and contracts.	New guidelines and procedures for project management, procurement and contract management.	Spend Analysis	L2

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goods and services				Project management of all major projects Improved procurement, monitoring of spend and contract management		

ENVIRONMENT COMMITTEE						
Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Leadership Risk Register
Off Street Parking Income	3.8	Med	Income from off street car parks is exposed to adverse weather and economic conditions that can have significant effect on Outturn.	Monthly monitoring and work analysing individual car park performance against target.	n/a	n/a
On Street Parking income	0.1	High	Loss of on street parking income due to termination of current arrangements with SCC	Part of joint working group	Identifying sources of revenue and maximising our existing income.	n/a
Domestic and Trade Waste Collection	1.7	Med to High	Income from waste recycling fees is exposed to changes in market prices and the changes proposed by SCC.	Monthly monitoring of income against target. Officers negotiate, where possible, to fix the prices and optimise income	Introducing a premium weekly waste and recycling service as standard for all residents and encouraging more household waste collection	n/a
Highways	0.1	Low	Possible reductions of partner contributions due to budget cuts	Review of expenditure relating to highways agency spend to ensure full costs funded by SCC.	n/a	n/a

Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Leadership Risk Register
Building Control	0.3	Med	Changes to economy further impacting on planning and building control income Private competition on Building Control Service has impacted adversely in recent years with the market is difficult to predict	Annual review of charges Monthly monitoring of income Review recommendations from review of building control service and market services.	n/a	n/a
Place Development	0.4	High	Risk of designation for planning decisions Non delivery of the Local Plan and Plan E	Monitor costs and costs of specific appeals	Supporting developers to bring forward the development of town centre sites	L7,L8 &L9
Cemetery Services	0.45	High	Lack of space in cemetery Reduction in the no of burials and memorials	Cemetery extension project	n/a	n/a

COMMUNITY AND WELL BEING						
Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Leadership Risk Register
Homelessness	£1.1	Med	Increase in number of households requiring temporary accommodation. Lack of affordable housing therefore unable to move households out of TA	Proactive case management to prevent households becoming homeless where possible and to minimise time spent in temporary accommodation	Provide 6 additional units of temporary accommodation At least five households accommodated through the private sector leasing scheme by March 2017 Have no more than 60 households in temporary accommodation Housing allocation policy to be fully implemented	L10
Venues Income	0.99	High	Not reaching budgeted level of letting income from venue Additional operational costs	Marketing of venues New website Close monitoring of lettings and income.	Maximising returns from property and other investments	L1