

REVENUE BUDGET 2016/17 - RISK ASSESSMENT

STRATEGY & RESOURCES COMMITTEE						
Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Leadership Risk Register
<b>Reducing projected net expenditure</b>	All	<b>High</b>	Fail to deliver reducing projected expenditure by £3.3 million over 4 years by March 2020.  £0.9 million reduction built in to the budgets for 2016/17	Service Reviews Achieving the savings identified from the Star Chamber exercise Doing business Better Income Generation review Property Related Revenue	Delivery of the MTFS delivering further efficiency savings and cost reductions	L1
<b>External Funding</b>	0.4 (RSG)  2.1 (New Homes Bonus)	<b>Medium</b>	Diminishing government grants reduced in year.	Not all New Homes Bonus committed in year  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 MR1	L1
<b>Failure to control Salaries Costs</b>	11.4	<b>High</b>	Not achieving 2% vacancy margin.  Additional costs of agency/temporary staffing.  Service or project	To deliver an agreed Organisational Development Strategy to drive culture, change, build capacity and improve performance	To deliver an agreed Organisational Development Strategy	L3

**COUNCIL**  
**11 FEBRUARY 2016**

			pressures.			
<b>Risk</b>	<b>Budget (£M)</b>	<b>Rating</b>	<b>Key Risks</b>	<b>Action</b>	<b>Ref to proposed Key Priorities and Targets</b>	<b>Ref to Leadership Risk Register</b>
<b>Maintain secure investment of reserves and cash balance through the Treasury Management: Stratgey</b>	0.2	<b>Low</b>	Generate a sound return on cash Safeguard capital sums invested	Annual review of Treasury Management Strategy Use of external fund manager in accordance with treasury management policy Interest equalisation reserve Monthly review of fund performance Review of market risks using treasury management advisers		L1

**COUNCIL**  
**11 FEBRUARY 2016**

<b>Risk</b>	<b>Budget (£M)</b>	<b>Rating</b>	<b>Key Risks</b>	<b>Action</b>	<b>Ref to proposed Key Priorities and Targets</b>	<b>Ref to Leadership Risk Register</b>
<b>Affect of Welfare Changes</b>	1.8	High	<p>Increased demand for benefit payments due to welfare changes</p> <p>Adverse impact on recovery of housing benefit overpayments due to transfer to Universal Credit</p> <p>Increase in homelessness</p>	<p>Monthly monitoring of benefit performance indicators</p> <p>Quarterly monitoring of subsidy position</p> <p>Increasing bad debt provision for claimant arrears</p>		
<b>Pension funds</b>	31.1 (Deficit as at 31 March 2015)	Medium	The deficit is not addressed over the next 20 years	Pension fund deficit payments are being increased to £818k for 2016/17		

**COUNCIL**  
**11 FEBRUARY 2016**

<b>Risk</b>	<b>Budget (£M)</b>	<b>Rating</b>	<b>Key Risks</b>	<b>Action</b>	<b>Ref to proposed Key Priorities and Targets</b>	<b>Ref to Leadership Risk Register</b>
<b>Asset Management</b>	0.6 (exp) 1.3 (inc)	<b>High</b>	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 Property maintenance and prioritised repairs programme Monitor tenant requirements and rent levels Reviewing the Planned Maintenance Programme and Prioritised Backlog Maintenance Programme with a need to fund works from revenue and not capital	Maximising returns from properties Increasing returns on investment properties by £50k £200k Provision made in 2016/17 budget for major property maintenance / repairs work	L7
<b>Retained Business Rates</b>	1.4	<b>High</b>	Valuation Officer appeals backlog Increase in Business Rates Reliefs Collection Rate Increase in tariff payable to Central Government	Prudent forecasting of rates collectable and impact of valuation appeals New monitoring and reporting arrangements Business Rates Equalisation Reserve		

**COUNCIL**  
**11 FEBRUARY 2016**

<b>Risk</b>	<b>Budget (£M)</b>	<b>Rating</b>	<b>Key Risks</b>	<b>Action</b>	<b>Ref to proposed Key Priorities and Targets</b>	<b>Ref to Leadership Risk Register</b>
<b>Land Charges</b>	0.2	<b>Medium</b>	Economy impacting on local land charge income Legal restrictions on local land charges Transfer of land charges to Central Government	Annual review of charges Monthly monitoring of income Monitor and respond to government proposals / regulation Management of claims		
<b>Housing Benefit Subsidy</b>	22.1	<b>Medium</b>	Reduced recovery rate on benefits paid out Increased demand for benefit payments due to recession Staff retention/ recruitment Welfare benefit changes Move to Universal Credit	Additional staffing resources from Corporate Project Reserve Monthly monitoring of benefit performance indicators Quarterly monitoring of subsidy position Recruitment and retention programme Increasing bad debt provision for claimant arrears		
<b>Council Tax Income</b>	5.6 (EEBC element)	<b>Medium</b>	Collection rates due to economy & changes to council tax benefits Cash flow	Billing & recovery arrangements designed to support collection targets, additional resource for local council tax support scheme Collection performance reported to Directors monthly. Collection Fund separately managed on behalf of precept authorities (SCC & SP)	98.40% of Council Tax collected	

**COUNCIL**  
**11 FEBRUARY 2016**

Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Leadership Risk Register
<p><b>Failure to obtain best value in purchasing goods and services</b></p>	<p>9.0</p>	<p><b>High</b></p>	<p>Poor value for money in goods and services purchased and contracts.</p>	<p>New guidelines and procedures for Project Management and Contract Management.</p> <p>All Key Projects to be monitored by Leadership Team</p> <p>Review Procurement function</p>	<p>Reviewed by Leadership Team</p>	<p>L2</p>

**COUNCIL**  
**11 FEBRUARY 2016**

<b>ENVIRONMENT COMMITTEE</b>						
<b>Risk</b>	<b>Budget (£M)</b>	<b>Rating</b>	<b>Key Risks</b>	<b>Action</b>	<b>Ref to proposed Key Priorities and Targets</b>	<b>Ref to Leadership Risk Register</b>
<b>Off Street Parking Income</b>	3.7	<b>High</b>	Economy affecting use Works or weather restricting parking spaces New government regulation	Annual review of fee structure designed to recognise market issues. Monthly income used as a performance indicator.		
<b>Domestic and Trade Waste Collection</b>	1.7	<b>Medium</b>	Deteriorating market for recycled materials due to economic downturn Competition on trade waste Increase in landfill tax Increases in transport costs impact adversely on cost of providing service	Promoting waste and recycling services. Price negotiation Monthly monitoring of collection rates Closely monitor potential changes to fuel cost and land fill tax	47% of household waste recycled Maintain number of trade waste customers	
<b>Highways</b>	0.2	<b>Low</b>	Possible reductions of partner contributions due to budget cuts	Review of expenditure relating to highways agency spend to ensure full costs funded by SCC.		

**COUNCIL**  
**11 FEBRUARY 2016**

Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Leadership Risk Register
<b>Planning &amp; Building Control</b>	0.7	<b>Medium</b>	<p>Changes to economy further impacting on planning and building control income</p> <p>Private competition on Building Control Service has impacted adversely in recent years with the market is difficult to predict</p>	<p>Annual review of charges</p> <p>Monthly monitoring of income</p> <p>Shared Service option with other district council's.</p>		



**COUNCIL**  
**11 FEBRUARY 2016**

<b>SOCIAL COMMITTEE</b>						
<b>Risk</b>	<b>Budget (£M)</b>	<b>Rating</b>	<b>Key Risks</b>	<b>Action</b>	<b>Ref to proposed Key Priorities and Targets</b>	<b>Ref to Leadership Risk Register</b>
<b>Increasing cost on the provision for Homelessness and temporary accommodation</b>	1.0	<b>High</b>	<p>Increase in the requirement for temporary accommodation due to economy/unemployment/welfare reforms/delays in housing developments</p> <p>Clients in TA from longer than necessary</p>	<p>Local Development Framework &amp; Affordable Housing programme (S106 contributions)</p> <p>Partnership working with RSLs and voluntary sector</p> <p>Monitoring cost of temporary accommodation</p> <p>Rent recovery via Housing benefits</p> <p>Proactive case management to prevent homelessness. New Allocations Policy</p>	<p>Delivering more affordable housing units.</p> <p>Prevent families from losing their home</p> <p>Provide additional temp accommodation units</p>	L10
<b>Changes to the delivery of Routecall and Social Centre services</b>	0.2	<b>Medium</b>	<p>Savings incorporated into 2016/17 budget due to changes to the Routecall and Social Centre services are not achieved</p>	<p>Detail service savings and monitor progress against budget in year.</p>		
<b>Cemetery</b>	0.5	<b>Medium</b>	<p>Lower take up of burials than anticipated</p> <p>Unable to meet demand due to a shortage of available plots</p>	<p>Regular monitoring and reporting of income figures</p>		

**COUNCIL**  
**11 FEBRUARY 2016**

<b>LEISURE COMMITTEE</b>						
<b>Risk</b>	<b>Budget (£M)</b>	<b>Rating</b>	<b>Key Risks</b>	<b>Action</b>	<b>Ref to proposed Key Priorities and Targets</b>	<b>Ref to Leadership Risk Register</b>
<b>Venues Income</b>	2.0	<b>High</b>	<p>Bourne Hall, Epsom Playhouse, Ewell Courthouse and Ebbisham Centre subsidy levels are dependent upon budgeted income levels being achieved</p> <p>Rainbow Leisure Centre subject to contract</p>	Service Review of Venues to be completed by Audit Crime & Disorder and Scrutiny Taskforce an report on findings	<p>Increase no of social centre members by 5%</p> <p>Increase ticket sales at the Playhouse by 10%</p>	L1