

REVENUE BUDGET 2022/23 - RISK ASSESSMENT

STRATEGY & RESOURCES COMMITTEE						
Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Corporate Risk Register
Impact of Covid-19 on services and financial resilience	All	High	<p>Increased expenditure to respond to impact of Covid-19.</p> <p>Reduced income from services and taxation due to social, health and economic impacts of Covid-19</p>	<p>Contingency of £600k included in revenue budget to mitigate impact of Covid-19.</p> <p>Delivery of agreed savings to contain expenditure.</p> <p>Utilisation of any government grant schemes, as appropriate.</p> <p>Regular budget monitoring in accordance with Financial Regulations.</p> <p>Utilisation of reserves if required.</p>	Effective Council	S1
Reducing projected net expenditure	All	High	Fail to deliver savings and/or a balanced budget	<p>Delivery of the MTFs and the Efficiency Plan</p> <p>Identify additional savings of up to £XXX,000 by 2024/25</p>	Effective Council strengthen the Council's financial independence	S1
External Funding	<p>£0.17m New Homes Bonus</p> <p>£1.6m Business Rates</p>	High	<p>Loss of income from the Fair Funding Review</p> <p>Reduction in New Homes Bonus funding</p>	Identification of other sources of funding.	Effective Council strengthen the Council's financial independence	S1

Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Corporate Risk Register
Failure to control salaries costs	c.£13m	Med	Increasing salaries cost and pressures on services	Four Year Pay Policy linked to CPI inflation Job evaluation Updated HR & OD Strategy Monitoring of salaries and agency costs	Support and enable a high performing and adaptable workforce	S1
Cost of borrowing	£1.6m	Med	Over borrowing at incorrect rates Cost of borrowing through PWLB increases	Borrowing to invest decisions Robust business cases for investments supported by borrowing Agree governance arrangements and robust reporting Borrow through the PWLB at fixed rates Utilise external, specialist treasury advisors for advice.	Effective Council strengthen the Council's financial independence	S1
Rental returns for the general fund	c.£2.8m	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 Action Plan agreed at S&R in September 2021	Effective Council strengthen the Council's financial independence	S1

Net income from EEPIC	c.£0.7m	High	<p>Failure to achieve the required rental returns from commercial property investments funded by borrowing</p> <p>Loss of tenant</p>	<p>On-going management of properties and tenants</p> <p>Review of all new purchasing opportunities and due diligence</p>	Effective Council strengthen the Council's financial independence	S1
Maintain secure investment of reserves and cash balance through the Treasury Management Strategy	£0.1m	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>Monthly review of fund performance</p> <p>Review of market risks using treasury management advisers</p>	Effective Council strengthen the Council's financial independence	S1
Pension funds	£46.2m (Deficit on IAS19 basis as at 31 March 2021)	Med	The deficit is not addressed over the next 20 years	Pension fund deficit payments will increase from £898k in 2021/22 to £927k in 2022/23 and will be re-evaluated in the triennial review as at 31 March 2022.	Effective Council	S1

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Asset Management	c.£1.1m (direct exp)	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 and on going maintenance to council assets	Implement the Asset Management Plan Property maintenance and prioritised repairs programme Monitor tenant requirements and rent levels	Maximise opportunities to improve use of buildings	S1
Retained Business Rates	£1.6m	High	Loss of income from the Fair Funding Review/Levelling Up Agenda, and the Business Rates Retention scheme	Assess outcome of the Business rates retention reform when published	99% of business rates to be collected	S1

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Housing Benefit Subsidy	£16.4m	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 reforms</p>	<p>Monitoring of benefit performance indicators</p> <p>Quarterly monitoring of subsidy position</p> <p>Recruitment and retention programme</p> <p>Maintaining bad debt provision for claimant arrears</p> <p>Manage the implementation of Universal credit</p>	Processing of new benefit claims in 22 days and change in circumstances in 11 days	S1
Council Tax Income	c.£7m (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	S1

Surrey County Council's Devolution & Transformation Agenda will affect the whole of Surrey.	Unknown impact on EEBC	Med	Loss of income from SCC Reduced service Increased costs	Engage in devolution and transformation working groups as appropriate. Collaborate with other Districts on alternative proposals.	All priorities.	S1
ENVIRONMENT & SAFE COMMUNITIES COMMITTEE						
Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Corporate Risk Register
Off Street Parking Income	£4.5m	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.	Effective Council strengthen the Council's financial independence	S1
On Street Parking income	£0.3m	Med	Loss of on street parking income due to termination of current arrangements with SCC	Need to monitor the changes within SCC	Effective Council strengthen the Council's financial independence	S1
Domestic and Trade Waste Collection	£1.5m	Med to High	Income from waste recycling fees is exposed to changes in	Monthly monitoring of income against target and monitor the market fluctuations	Recycling rates	S1

			market prices and changes proposed by SCC.			
Highways	£0.1m	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	S1
Building Control	£0.1m expenditure	Low	Less control due to transfer to Elmbridge Building Control Service. Changes to economy further impacting on building control service. Private competition on Building Control Service has impacted adversely in recent years with the market is difficult to predict	Monitor implementation and integration with Elmbridge Building Control Service.	n/a	S1
Place Development Income	£0.6m	High	Risk of designation for planning decisions Non delivery of the Local Plan	PPA agreements and funding to cover costs of staff for large developments	Implement the Local Plan and the national planning statistics	S1 S3
Cemetery Services	£0.5m	Med	Reduction in the no of burials and memorials	Promote new space and services with cemetery	n/a	S1

COMMUNITY AND WELLBEING						
Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Corporate Risk Register
Homelessness	£1.6m (net expenditure)	High	<p>Significant increase in number of households requiring temporary accommodation</p> <p>Lack of affordable housing therefore unable to move households out of TA</p>	Production of Homelessness Strategy plan to reduce reliance of TA both short and long term initiatives	Safe & Well	S1
Venues Income	c.£1.0m	High	<p>Not reaching budgeted level of letting income from venues.</p> <p>Covid-19 impact on operation of venues.</p> <p>Additional operational costs.</p>	External provision for ECH and business plans for Playhouse and Bourne Hall.	Effective Council	n/a