

Budget Strategy - Risk Matrix

Description	Base Budget 2009/10 £'000	Base Budget 2010/11 £'000	Base Budget 2011/12 £'000	To which year does the risk relate?	Potential Risk	Possible Solution
Salaries - vacancy management provision	-320	-332	-341	All years	4% per annum allowed for vacancy management is not achieved	The Council budget for salaries on a full establishment basis - I.e., all posts filled by the same person for the period of the budget strategy (assuming incremental increases year on year). This is unlikely and a vacancy management provision should be easily achieved, however, in order to ensure this is achieved a strict vacancy management regime needs to be followed. In addition monthly budget monitoring will need to be undertaken to ensure (with a specific element dedicated to monitoring employee related costs).
Central Government Support i.e. Formula Grant	-4,945	-5,047	-5,097	2009/10 onwards	Despite a 3 year settlement being granted the government may change the criteria year on year. Potential for efficiency cuts in the future.	There will be sufficient funds in balances to fund any short term reduction in grant. Efficiency savings will be monitored on a monthly basis.
Land Charges - Income	-268	-276	-283	All years	Not achieving income target	Tight budgetary control, and if necessary, report to Members requesting additional funds, budget reduction and/or policy changes
Insurances	325	333	342	All years	Assets not insured. Repair of damaged assets less than cost of insurance?	Need to consider levels of excess during tender exercise. Tight budgetary control, and if necessary, report to Members requesting additional funds, budget reduction and/or policy changes.
Investment Interest	-147	-116	-134	All years	Non achievement of target due to lower than anticipated investment rates and higher than anticipated spend	Tight control over investments and budgetary control in general.
Car Parking Income (excluding fines, including annual tickets/residents permits)	-1,040	-1,066	-1,093	All years	Demand led; may be subject to fluctuation if option to increase prices proceeds	Feasibility study/Market Testing prior to any price increases
Building Control - Fees and charges and Income	-328	-337	-345	All years	Income unpredictable	Tight budgetary control, and if necessary, report to Members requesting additional funds, budget reduction and/or policy changes
Planning Applications - Fees and charges and Income	-387	-396	-406	All years	Income unpredictable	Tight budgetary control, and if necessary, report to Members requesting additional funds, budget reduction and/or policy changes
Alternative Methods of service delivery	-135	-531	-668	All years	Potential of not achieving efficiency savings and quality of service provision through alternative methods eg- shared / partnerships or outsourcing	Discussions with other districts/partners underway to plan for alternative ways of providing services. Strict budgetary control and quarterly reports to members to demonstrate savings are being achieved.
Green Waste	-400	-400	-410	All years	Potential of not achieving income at 38% of take up from residents due to current economic climate	Review to be undertaken on a monthly basis dependant on income received from residents - service to be modified to address any shortfall in take up.