RISK-BASED GENERAL BALANCES 2011-12 APPENDIX F

	Item	Risk	Basis	Weighting	Comment	Source	Amounts	2010/11	Proposed Amount 31 March 2011
							£	£	£
1		pay and inflation volatility.	0.5% of Gross Expenditure less Housing and Council Tax benefits.		From Pre-Budget Statement, pay increases to be kept within 1%. Reduces risk on basic pay so overall percentage reduced from 1.0% to 0.5%.			103,082	111,870
	Gross Spend				110111 1.0 % to 0.5 %.	Subjective Analysis 2010/11 Council Tax leaflet	45,950,000		
	HB Payments					Budget Build for 38301 1104	18,314,000		
	C Tax Payments					Budget Build for 38300 1150	5,262,000		
	Gross spend less HB & CTB						22,374,000		
	0.50						111,870		
	100%						111,870		
2		Underachievement of Fees and Charges targets.	Estimate on 5% of fees and charges.	50%	Was 20% with 50% weighting	Fees and Charges per appendix to 2010-11 budget report	2,423,420	55,791	60,586
	5%						121,171		
	50%						60,586		
-									
3		Underachievement of Investment Income.	Allow for 0.5% variance on forecast balance invested.		Base rates currently at 1%. Unlikey to fall in the medium term, but £81.5k contribution from reserves needs to be replaced. This risk will increase if budgeted base rates increase significantly	Forecast balance for investment 2011/12 from Treasury Management report to Executive 13/12/10	11,324,000	41,488	28,310
	0.50%						56,620		
	50%						28,310		
4	-	Council funds all costs up to 0.2% of budget requirement and 15% of costs thereafter.	Bellwin scheme threshold is 0.2% of budget requirement and funds 85% of costs thereafter. Based on £250k additional cost and 2010-11 Budget Requriement.		Estimate updated to allow for costs above threshold. No maximum on costs but based on £250k on basis that costs of recent emergencies have been mainly highways (County).	12 Budget Requirement of	58,449	56,550	58,449
5	Insurance Excesses		Based on 5% of premium	75%		Insurance payments	316,250	10,645	11,859
			payments.			per Budget 2010/11			
						Estimate of potential	15,813		
						excesses at 5%	,- ,		
	75%						11,859		
ł									

6			1% of Net Revenue Budget, with 100% risk.	25%		Net Budget 2011/12 per budget build	12,323,000	38,591	123,230
	1% 100%						123,230 123,230		
7		Unforeseen increases in Assets and Property repairs.	Based on 10% of Backlog over next 5 years.	100%		Planned Maintenance 10/11 to 14/15 from CL spreadsheet	1,007,050 100,705	100,705	100,705
8 \		Assumed vacancy target not achieved.	Based vacancy target in budget.	25%		Current target in Budget Build on 22212 Additional Target in proposals to close gap	135,000 0	62,500	33,750
	25%					Total vacancy factor	135,000 33,750		
,		Increase in employer's contribution following actuarial review.	1% of basic pay.	50%		Basic pay per Budget Build model 2010/11 on detail 0001	0	40,474	0
	0% 50%		No reserve actuarial review included in 2011/12 budget.			1% point increase above budget	0		
9	G		Budgeted difference between payements and grant.	25%	Could reduce risk factor as backlog reduced	Per budget build 2011/12 on 38301 1104	18,105,000	52,250	90,525
	25%					Per budget build 2010/11 on 38301 2001 Net Exposure	(17,742,900) 90,525		
10			£6,200 for first vehicle and £3,400 each thereafter.	100%	There is a requirement for an identifiable reserve to cover this so do not add a risk factor	No change per Janice Carroll 21/12/10	74,200	74,200	74,200
	100% 100%						74,200 74,200		
11 (		Unpredictabe demand for concessionary fares.	Budget was reduced by £170k for 2009-10 based on demand in 2008-09. This represents the risk that this saving is not achieved in full	25%		Transferred to County Council 2011/12	0	42,500	0
	100% 25%						0		
12		Targets for efficiencies in base budget not achieved in full.	Budgeted efficiency savings.	25%	Includes some vacancy savings +RBS shared service. Insurance savings contractural	shared services savings	0	83,168	0

	25%						0		
Grant Settleme		Protection against the inability to generate savings immediately in response to reductions in RSG funding and other grants in future grant settlements.	excluding benefit subsidy. 100%	100%	Provides transitional cover whilst efficiencies and savings are implemented.	NNDR, RSG and other specifc grants (Excl PFI and Housing Benefits) from budget build at 13/12/2010	6,324,000	423,776	590,50
	12.50% 100%		? Replaced by C2C reserve				790,500 790,500		
Fuel Price Cost	t	Increase in costs of petrol and diesel.	Estimated effect of 10p per litre increase	100%		Based on 288,500 litres usage from on monthly fuel issues records in L&ES.		28,850	28,850
						Litres used Additional cost @ 10p litre	288,500 28,850		
	100%					Risk weighted	28,850		
Dangerous Stru	uctures			50%		From EM Reserve	12,874	6,437	6,437
	100% 50%						12,874 6,437		
Prov For VAT r	repayment 50%		Partial Exemption??	0%		From EM Reserve	9,585 4,793	0	(
Coast Protection	0% on Fund 100% 25%			25%		From EM Reserve	3,098 3,098 775	775	775
Haigh Pit	25 /6					From EM Reserve	160,218	0	(
	50%						80,109		
	0%						0		
Sea Walls Nort		Cover rock armour in front of Vertex		50%		From EM Reserve	61,581	30,791	30,791
	100% 50%						61,581 30,791		
Environ Warrar	nty Sinking Fund	20 additional years warranty on North Shore Call Centre (condition of sale). Rock armour		50%		From EM Reserve	373,022	139,883	139,883
	75%	on seaward side.					279,767		
	50%						139,883		
Vertex	50% 50%	Vertex to Offset Rates		50%		From EM Reserve	150,000 75,000 37,500	37,500	37,500
Env Insurance	75%			75%		From EM Reserve	331,022 248,267	186,200	186,200
	75%						186,200		
Total Recom	nmended Provi	sion						1,616,156	1,714,419