

MTFS and Budget Strategy 2019/20 - Risk Analysis
Risk No. Budget Risks

Risk No.	Budget Risks	Likelihood	Impact	Score	Mitigation
1	Changes to local government funding from central government increases Council savings targets over the medium term	4	4	16	<p>MTFS reflects latest advice upon impact of 75% business rates scheme from 2020/21.</p> <p>Respond to the government consultation documents e.g Fairer Funding Review, Business Rates Retention, Spending Review.</p> <p>Review final central government decisions and model financial impact.</p> <p>Consider advice from external experts in drafting responses e.g. SPARSE, Pixel Consulting, LG Futures.</p> <p>Horizon scanning.</p>
2	Impact of unforeseen legislative changes on financial resources	4	4	16	<p>Responding to consultation documents.</p> <p>Lobbying as appropriate</p> <p>Project established to implement the changes. Project includes collection of costs associated with the project with the aim of recovering costs via the New Burdens doctrine.</p>
3	Local Land Charge Register transfer to Land Registry impacts upon income from land charges.	4	3	12	<p>Monitor government communications on the change and reflect within updates to MTFS as appropriate.</p> <p>Respond to any consultation and lobby to protect Council's position.</p> <p>Local Government Association and Local Land Charges Institute working with local authorities during the transition.</p>
4	Expenditure Risk	3	3	9	<p>The MTFS contains provision for inflationary increases on contracts such as the environmental services contract with Ubico Ltd.</p> <p>There are areas of expenditure that the Council has no direct control over, either the take up or the cost of the service. The only areas of concern relate to Ubico Ltd employee costs (due to increasing market hourly rates) fuel costs and Local Council Tax Support (which is currently reducing).</p> <p>Provision for costs of changes to the recycling service in November 2019 have been incorporated in to the budget, however, true costs will become know once service is operational. Budget monitoring with Ubico will identify cost pressures in excess of budget to feed into future iterations of the MTFS.</p> <p>A provision for successful business rates appeals has been created.</p>
5	Successful business rates appeals impact upon locally retained business rates.	3	3	9	<p>Regular updates on business rates appeals available from VAO and data on new Check, Challenge, Appeal process.</p> <p>Regular liaison with VAO regarding national trends, local matters.</p>

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6	The Council is part of the pilot Gloucestershire 50% Business Rates Retention Pool. This increases both the risks and rewards available from the business rates scheme.	3	3	9	Each Council has made provision for outstanding business rates appeals. Financial modelling indicates that the pool will provide a significant benefit across the County. However, there are risks of future unforeseen business rates appeals which would be borne by the Councils due to the increased level of safety net associated with the pool.
7	Failure of Transformation Programme delivered by Publica to deliver savings	3	3	9	Programme governance in place and the programme plan is regularly reviewed by Design Authority Group and updated. Publica Business Plan incorporates the transformation programme financial requirements. Programme team in place. Funding in place across the Councils to provide resource to support the programme implementation. Business case based upon efficiency gains achieved through previous sharing of management and services.
8	Increases to LGPS contributions resulting from tri-ennial review of GCC pension fund exceed provision for growth in MTFS	3	3	9	Growth in MTFS based upon actuarial certificate. Regular liaison with actuary through Gloucestershire County Council Pension fund data on active members cleansed prior to establishment of Publica. Actuary engaged in modelling the impact of the change to Publica
9	Level of pay inflation exceeds provision in the MTFS	3	3	9	Provision in line with current negotiation position incorporated within MTFS.
10	Investment in Cirencester car parking is higher than currently provided for in budget.	3	3	9	Cirencester car parking Board in place. Full report on project, including financial impact and project plan due to be considered by the Council in 2019.
11	Council is unable to agree contingency plans to be implemented, if necessary, in response to funding cuts flowing from the change to central government funding	2	5	10	Following elections in May 19, the Council will need to set Council Priorities for the 2019/20 year which include the development of contingency plans. Early development of these plans will enable engagement with communities and stakeholders early in the budget setting process.
12	Transfer of responsibility for housing benefit fraud to Department for Works and Pensions may impact upon identification of and recovery of fraudulent housing benefit claims leading to adjustment to budget	4	2	8	Budget monitoring. Counter fraud unit in place to help identify potential fraudulent activity across the Council. DWP consulting with Officers regarding joint working on HB and LCTS fraud.
13	Unavoidable budget pressures exceed provision	3	2	6	This will be monitored as part of the annual update to the MTFP and as part of regular budget monitoring
14	Housing and Planning Bill potential impact upon capital right to buy receipts	3	2	6	Monitor situation, update MTFS as appropriate.

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15	Publica unable to achieve budgeted salary underspend	2	3	6	Budgetary control processes - salary underspend target passed to Publica Budget reducing to reflect more sharing and therefore less capacity to be able to continue with business without filling vacant posts as quickly possible.
16	Unable to meet agreed savings targets	3	2	6	MTFS and budget process Governance processes with Publica and the Transformation Programme
17	Legal challenge leading to financial implications	2	3	6	Effective engagement with key stakeholders over key decisions. Controls over preparation and authorisation of Member/Officer decision making reports Role of Monitoring Officer
18	Demand for Local Council Tax Support increases reducing the value of the council tax base	3	2	6	New banded local council tax support scheme proposed for 2019/20. Improving economic conditions has lead to a lower cost of the scheme in recent years. Housing growth in the District will help to offset the impact of any increases in LCTS. Robust processes for collection of council tax debt in place, collection fund has produced surpluses for the past few years and future surplus may be available to offset future costs arising from the LCTS.
19	Council tax base does not increase in line with growth forecast	3	2	6	Estimates based upon growth in homes as set out in the emerging Local Plan. Prudent estimates of growth demonstrated by level of collection fund surplus each year.
20	Failure to meet income budgets	2	2	4	Budgetary control processes Appropriate marketing of services and consideration of effective charging levels
21	Works on Corinium Museum exceed budget	3	2	4	HLF Funded project requiring robust project management. Finance Officer part of project team Reporting to Cabinet Member by service area Budget reporting processes