

Appendix 2

Risks (per 2018/19 robustness statement)

Risk	Potential magnitude	Estimate of potential impact	Magnitude
			£m
Growing demand for services is already impacting on service budgets particularly in Children's Services (CSD) and Adult Social Care (ASC). Service departments are forecasting a £2.4m overspend.	ASC 2018/19 budget £166.5m. CSD SEND budget for 2018/19 £7.9m.	2% increased unfunded demand	3.5
Unforeseen activity which impacts directly on departmental budgets over and above the £3.5m within the general contingency.	Net Service Budget £371.3m	1% increased unfunded demand	3.7
Risk that inflation on utilities and other areas where budgets were not uplifted for inflation become unmanageable within budget allocations.	Total utilities and other budget 2018/19 circa £69m.	2% increase in current provision.	1.4
Many of the proposed savings are complex with delivery plans still to be finalised. Therefore a risk exists that it will not be possible to make the planned savings within the timeframe required.	Total planned savings in 2018/19 are £17.1m.	10% non-achievement	1.7
Non achievement of Fees & Charges targets built into the revenue budget, due to the continuing economic climate.	Planned Fees & Charges for 2018/19 is £61.6m	Underachievement provision of 5%	3.1
Business Rate Revaluation significantly increases risk of inaccurate forecasts.	Reduction in anticipated revenue from Business rates local share of £11.6m.	Rates collected reduces by 5%	0.6
Changes in historic weather patterns may be being the potential for adverse weather conditions which may present the Council with additional unfunded costs. The impact of weather as opposed to additional prevention cannot be quantified.	Historic winter maintenance spend is circa £1.1m.	10% increase in costs due to adverse weather	0.1

Other risks include:

- Changes to the Local Government finance system to pave the way for the implementation of Business Rate Retention. As part of these reforms, the main Local Government grant will be phased out and additional responsibilities devolved to Local Authorities. This will be through incorporating existing grants including Public Health (effectively ending the ring fence) and Revenue Support Grant. The new responsibilities are as yet unknown and could bring significant risks to funding, particularly if they are demand led. Business Rate Retention will sit alongside the implementation of the outcome from the fair funding review, and the Government have announced they will aim for local authorities to retain 75% of business rates from 2020/21. Business rates will then be redistributed according to the outcome of this new needs assessment. It is not currently possible to estimate the impact of this on the Council until further detail is provided; and
- The Fair Funding Review consultation and outcome; which will be the basis of the new needs assessment upon which the business rates will be redistributed.