

Monitoring the Operational Risks

Risk No.	Type of Risk	Latest Position	Original Risk Impact	Latest Risk Impact	Original Risk Likelihood	Latest Risk Likelihood
11	Revenue balances insufficient to meet estimate pay award increases	The medium term planning period takes into account a 1% increase for 2012/13 & 2013/14 and a 3% for 2014/15	IV	IV	F	F
12	Revenue balances insufficient to meet estimate of Employers' pension contributions	Pension Contributions have been budgeted at 19.2% for 2012/13 & 2013/14 and 20.2% for 2014/15	II	II	F	F
13	Revenue balances insufficient to meet other inflationary increases	Other than contractual agreements, budgets have been cash limited where possible.	III	III	D	D
14	Inaccurate cash flow forecasts or unfavourable variation in interest rates resulting in significant variations in estimated interest income	Cashflow forecast statements are updated to reflect the actual on a monthly basis, which subsequently change the forecasts. The interest rate has a significant impact on the proceeds from capital receipts that are invested in the money market. The volatility of the global economy continues to place uncertainty on the investment strategy.	IV	IV	D	D
15	Inaccurate estimates of fees and charges income	See Key Budget Indicators	V	V	E	D
16	Revenue balances insufficient to meet loss of partial exemption for VAT	If the council's expenditure on functions for which it receives income that is exempt for VAT purposes exceeds 5% of its total vatable expenditure, then the Council may lose its ability to recover VAT on all of its exempt inputs. The letting of the East Wing of Three Rivers House has increased this risk	III	III	E	E
17	Major Emergency	Major Emergency requires funds beyond Bellwin scheme and causes serious drain on balances	V	V	F	F
19	The Council is faced with an increasing number of employment tribunals	Over the past 5 years the number of ET's has increased	II	II	C	C
20	The Estimated Savings from the cost reduction exercise (including shared services) are not achieved	The cost reduction exercise identified £1.371m savings in 2012/13. The Council will need to achieve this level to balance its budget in the longer term	V	V	E	E
21	The Council is faced with potential litigation and other employment related risks	Currently the Council has no outstanding litigation cases. Nevertheless, the impact could be critical. For example, the Examination in Public of the LDF could cost as much as £0.5m if there are substantial objections which cannot be negotiated away.	III	III	D	D
22	The Council government grants adversely affected	The grant settlement for the 2 year period 2011/12 & 2012/13 has been factored into the 10 year revenue plan along with further reductions of 7.1% for 2013/14 and 2014/15. The retention of the business rates regime introduces further risks	III	III	C	C
23	Localising Support for Council Tax	The introduction of universal credits and the localising of support for Council Tax will substantially alter the administering of Housing and Council Tax Benefits	III	III	B	E