

**APPENDIX 1**

Risk No.	Type of Risk	Comment	Risk Impact	Risk Likelihood
7	The Medium term financial position worsens.	In particular that the General fund balance falls below the minimum prudent threshold and capital funding is insufficient to meet the capital programme	III	D
8	Revenue balances insufficient to meet estimate pay award increases	The medium term planning period takes into account a 1% increase for the period 2015/16 to 2017/18	II	D
9	Revenue balances insufficient to meet other inflationary increases	Other than contractual agreements, budgets have been cash limited where possible.	II	D
10	Interest rates resulting in significant variations in estimated interest income	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.	II	D
11	Inaccurate estimates of fees and charges income	See Key Budget Indicators shown in the latest Budget Monitoring report on the Council's website at <a href="http://www.threerivers.gov.uk/Default.aspx/Web/BudgetMonitoringReports">http://www.threerivers.gov.uk/Default.aspx/Web/BudgetMonitoringReports</a>	V	E
12	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 vat able expenditure, then the Council may lose its ability to recover VAT on all of its exempt inputs. Further letting of office space at Three Rivers House will increase this risk	II	E
13	The estimated cost reductions and additional income gains are not achieved	Savings identified by the Strategic Service review Working party is monitored as part of the budget monitoring process	IV	E
14	The Council is faced with potential litigation and other employment related risks	The Council has no outstanding litigation cases.	III	E
15	The amount of government grant is adversely affected	The grant settlement for 2015/16 has been factored into the MTFP along with a 10% reductions in 2016/17 & 2017/18 respectively.	V	C
16	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	II	E
17	Right to Buy Receipts & VAT Shelter Receipts	Under the Housing stock transfer with Thrive Homes Limited (THL) the Council is entitled to use its share of the proceeds to fund the capital programme. The level of activity on both these income streams are outside the Council's control.	IV	E
18	Fluctuations in Business Rates Retention	The Council is legally obliged to cover the first 7.5% loss on its pre determined baseline level.	IV	C

The above risks are plotted on the matrix below depending on the scored assessments of impact and likelihood, detailed definitions of which are included in the risk management strategy. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require a treatment plan. The effectiveness of treatment plans are reviewed by the Audit Committee annually.

