

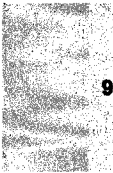


	Budget Risks	Likelihood	Impact	Score	Mitigation
1	<p>The level of CPI inflation reported in December 2011 was 4.2% The MTFP only contains inflationary increases where the Council has a contractual commitment to pay inflationary increases for services. Given the level of inflationary pressure in the economy there is a risk that contractual costs could increase over and above the provisions within the MTFP. The pressures will be identified within the Councils budget monitoring procedures and will be reported to the Council's Strategic Management Team and Cabinet Members in accordance with Financial Rules. Inflation is however expected to fall rapidly from January 2012 towards the 2% long term target.</p>	4	2	8	<p>Inflationary pressure will be monitored through the Council's budgetary control process and the MTFP will be updated as the situation changes.</p> <p>Inflationary pressure is expected to reduce from its high level as the VAT increase falls out of the calculation</p>
2	<p>There is an allowance for unavoidable budget pressures in years 2 to 5 of the plan. It is possible that increased demand for Council services or the impact of new legislation (such as the enactment of the Localism Bill or localised Council Tax Benefit scheme) may lead to budgetary pressures exceeding the provision. This will be monitored during the annual update of the plan.</p>	3	2	6	<p>This will be monitored as part of the annual update to the MTFP.</p>
3	<p>The level of general central government funding that will be available over the medium term remains uncertain. Although the provisional settlement figure for 2012/13 has been announced, CLG is carrying out a further review of the allocation of funding to local government from 2013/14 onwards, including plans for localisation of business rates. The MTFP assumes that central government funding will reduce further by 5% in years 2 and 3 of the plans and by 7.5% in years 4 and 5 in line with projections in the Autumn statement of the Chancellor</p>	2	4	8	<p>Maintain awareness amongst Corporate Team and Heads of Service of budget pressures.</p>
4	<p>The Council faced a challenge to deliver savings of £2m over the life of the MTFP, with £0.9m due to be delivered in 2012/13. Plans have been developed with the Council's Strategic Management Team to deliver this level of savings however the impact of Council Tax freezes and further funding cuts in later years means that a further £1m of savings will be required. Plans will need to be prepared over the next year or so to meet these targets</p>	3	4		<p>Plans will need to be prepared over the next year or so to meet these targets</p>
5	<p>The budget for 2012/13 assumes that the salary budget can be managed to deliver £300,000 of savings from management of vacant posts. There is a risk that this target is too high. The savings will be monitored on a monthly basis as part of the key variance report provided to Corporate Team and Cabinet.</p>	2	2		<p>Budget monitoring will be carried out on a monthly basis and mitigating action may need to be taken during 2012/13.</p>

Budget Risks	Likelihood	Impact	Score	Mitigation
<p>6 The Council is experiencing an increasing number of planning appeals and it is anticipated that this trend is likely to continue over the medium term. One-off funding has also been identified to enable the Council to resource the additional workload and appeal costs.</p>	2	2		<p>This will be monitored as part of the annual update to the MTFP.</p>
<p>7 The Council is reliant upon central government passing legislation that will permit the Council to set its own level of planning fees</p>	3	3		<p>Continue to lobby central government to implement the changes or increase planning fees by inflation</p>
<p>8 Capital receipts from asset disposals may be less than anticipated and capital resources may therefore be insufficient to meet the requirements of the capital programme or the Councils plans for investment in commercial property.</p>	3	3		<p>Monitor situation and update MTFP accordingly.</p>