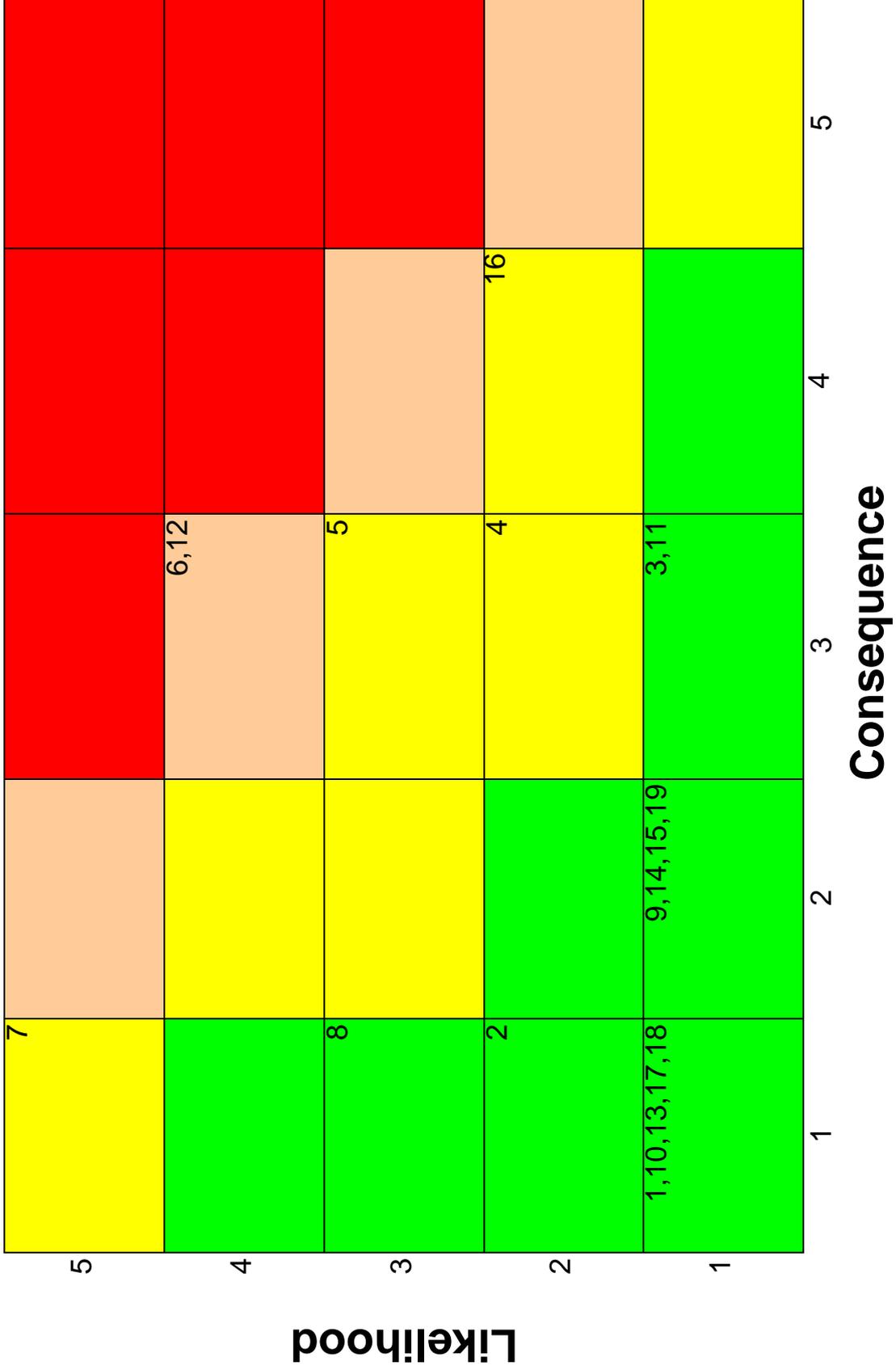


2014/15 Budget Risk Matrix



No	Risk Title/Description	Control	Residual Risk Level
1	Localisation of Council Tax Benefits	A Local Council Tax Scheme is now in place. Prudent assumptions have been made in financial modelling with regular monitoring of the in year impacts. A demand led reserve has been created to mitigate against unexpected costs.	1
2	Impact of Welfare Reform and the implementation of Universal Credit	Finance and Revenue and Benefits services are formulating an action plan to assess and prepare for the on-going welfare reforms and implementation of Universal Credit. This will include looking at anticipated service and financial impacts, delivering a communications programme to educate and inform those affected by the changes and working with partners to ensure there is sufficient support and advice.	2
3	HCA Asset/Tariff could have unforeseen financial liabilities	A Tariff risk reserve has been established to protect the Council to the level of the risk sharing agreement. Due diligence on the assets and Tariff have been undertaken to assess any unknown risks.	3
4	Housing Rents	There is risk associated with the increased number of Appeals made by individuals against their Housing Benefit determinations, where the social sector size criteria has been implemented. A number of Appeals have been successful against Fife Council, although the DWP are now challenging this. The outcome of these, if these set a precedent over the definition of a bedroom for Housing Benefit purposes, may impact on the definition of a bedroom for rent setting purposes.	6
5	Impact of the Business rates retention funding mechanism	An action plan has been implemented to address business rate avoidance and strategies for growth in business rate yields. Additional resources have been put into the Revenue and Benefits team to support business retention and there is greater financial visibility to monitor potential risks. A reserve has been created to mitigate any potential losses as a result of falling business rates.	9

No	Risk Title/Description	Control	Residual Risk Level
6	Increase in the numbers and cost of care for looked after children	<p>The Council continues to maintain the Children's Demand Led Reserve to mitigate any increase in costs. Reliance on expensive external residential care and foster care is being reduced by recruiting additional internal foster carers. The costs of external residential and fostering placements are being controlled by a dedicated commissioner working with the London placement consortium and local commissioning partnerships with neighbouring authorities. The provision of two additional in-house beds at the re-provisioned Westminster House has provided additional efficient capacity. Improvement work to ensure that additional numbers of children entering care due to population growth and in line with national trends, are partly or wholly offset by improvements in the time taken to complete care proceedings and move children on to alternative placements outside the care system. However, the children who then remain in care will have more complex (and expensive) needs. Whilst Milton Keynes' rate of children in care per 10,000 child population remains comparatively low, and intensive work continues to ensure that children move out of care as soon as it is safe and in their best interests for them to do so, there has been an increase in overall care numbers, from 282 (31.3.13) to 293 (31.12.13). Other LAs report a similar or more substantial increase in the same period.</p> <p>National lobbying to highlight the impact of this new financial burden on local government; close scrutiny and ongoing monitoring of all applications for support; work with individual families to e.g. support adults in obtaining employment.</p>	12
7	Families with no recourse to public funds who acquire leave to remain in the UK are no longer entitled to benefit payments, extending the period during which the council is legally obliged to provide them with financial support		5
8	Homelessness - Bed & Breakfast	<p>Supply of social and affordable housing will continue to diminish, whilst numbers presenting as homeless continue to grow. Controls therefore are focussing on preventing homelessness to reduce the number of people who need housing, and making greater use of the private sector, in particular exploring alternative sources of cheaper and better quality temporary accommodation. This area remains highly sensitive to changes in the wider social, economic and political environment.</p>	3
9	Pay awards are agreed at a higher level than has been included in the financial forecast	<p>National feedback is used to inform budgeted pay projections (a provision of 1% pay award has been included for 14/15 and 15/16 with 2.5% budgeted for the following 2 years).</p>	2

No	Risk Title/Description	Control	Residual Risk Level
10	Impact of Job Evaluation on the pay bill across the Council	A decision in respect of the final Job Evaluation package is expected in February 2014, with an implementation date of 1 April 2014 planned. Any delay will negatively impact on the anticipated deliverable cost savings.	1
11	Partial delivery of 2014/15 saving proposals	The Council has identified £14.8m of savings to be realised in 2014/15. Each saving proposal has been through rigorous internal and external challenge and scrutiny to ensure robust plans are in place to deliver these savings. The Council will closely monitor the delivery of savings as part of the 2014/15 budget monitoring process.	3
12	Continuing Health Care reviews.	Detailed client need assessments are being undertaken jointly with Health to review those in receipt of Continuing Health Care funding. These reviews may generate outcomes that place the burden of funding on Adult Social Care. The impact of these assessments is being closely monitored to quantify the financial risk to the Council.	12
13	Estimated income from Fees and Charges are not achievable.	Budgets are set on a prudent basis considering current income being achieved. Regular budget monitoring will identify any deviation from the anticipated income levels. Options for corrective management action will be considered.	1
14	Pension Fund Liability is higher than forecast	Provision is made for Sustainability Items within the base budget to mitigate the financial risk of increased employer contributions. The rate has been increased in line with Actuarial advice pending the next triennial valuation due in November 2013.	2
15	Increase in demand for adult social care services as a result of 8% demographic pressures	Ensuring good data collection to inform financial planning assumptions. Continuous review of internal service delivery to ensure best value. Commissioning external services to ensure best value. Investment in preventative measures and re-enablement such as Foot Care and Intermediate Care to ensure people recover from incidents more quickly and to enable people to remain in their homes for as long as possible. Demand led risk reserve to protect against in year variations.	2

No	Risk Title/Description	Control	Residual Risk Level
16	Social Care Bill which may result in a change in eligibility and charging and therefore income	Ensuring details and impact of legislative change are understood, which may affect eligibility for Social Care. Working closely with Clinical Commissioning Groups to plan the usage of the Better Care Fund in preparation for accelerating Social Care transformation.	8
17	Non delivery of saving S122. Savings from transfer of Middleton Pool and Willen Road Sports Ground to local management under the community asset transfer (CAT) scheme.	£100k has been allocated within the draft capital programme for 2014/15 for investment in these assets which will assist in the transfer to local management under the CAT scheme. The Council will closely monitor the delivery of this saving as part of the 2014/15 budget monitoring process.	1
18	2014/15 goods and services inflation to be absorbed by service areas through more efficient spending.	Services will be operating strict cost controls and seek to generate additional efficiencies to absorb general inflation.	1
19	One-off resources committed to fund one off pressures based on current estimates will be exhausted from 2015/16.	Future one off pressures will be reviewed and challenged. It is also likely that additional one off resource will be identified in future years.	2