

Risk to Budget Proposals (Updated January 2011)

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
* Risk Status : Red=High; Amber=Medium; Green=Low		

SECTION I - DELIVERY OF BUDGET		
<p>1. Delivery of a Balanced Revenue Budget</p> <p>(a) Comprehensive Spending Review and Settlement The Local Government provisional settlement was received on 13 December 2010. Although reductions had been anticipated at 28% over a 4 year period, the reduction in resources has been front loaded. The scale of the reductions have required the Council to seek additional budget savings and in some cases bring forward future year delivery plan actions. This by nature will increase the risks to delivery of a balanced budget.</p> <p>In addition the settlement covers a 2 year period only.</p> <p>The Government has announced a Government resource review will commence early in the new year. It is expected that this will see a move away from a fully needs based formula to a more incentivised approach to funding Local Government services.</p> <p>This increases the uncertainty in terms of planning for the medium term.</p> <p>(b) Risk of non-delivery of budget plans Directors have identified a number of pressures within their budgets for 2011/12 and future years.</p>	<p>The latest budget proposals indicate a balanced budget can be achieved.</p> <p>Departmental allocations will be continue to be reviewed in the period leading up to the Council Tax setting meeting on 28 February 2011.</p> <p>Additional revenue resources have been prioritised and allocated to front facing services in 2011/12 to contribute towards known budget pressures.</p> <p>Budget variation targets remain at 1% overspend and 2% under spend.</p> <p>Financial Management procedures remain in place regarding carry forwards. A monthly combined performance and finance scorecard is considered by CMT and Cabinet Planning</p> <p>Detailed quarterly reports are presented to Cabinet and subject to Scrutiny</p> <p>Detailed project plans are being developed to support the high level delivery plans.</p>	AMBER

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<p>Directors have produced and signed up to high level plans to deliver a balanced budget. Resources required to deliver plans may lead to plans being phased resulting in planned savings being deferred</p>	<p>Delivery Plans have been subject to a robust challenge at CMT and DMTs. There has been Portfolio challenge of the delivery plans prior to the final budget proposals.</p> <p>Budget deliver plans have been subject to Scrutiny.</p> <p>Progress reports against Delivery Plans are incorporated into finance and performance reporting and will continue to be presented and challenged by Cabinet and Scrutiny.</p> <p>The Council has a good track record in delivering savings in 2010/11 with £10m of the £13m target secured by end of December 2010.</p> <p>Reserves consolidated to form a revenue invest to save reserve. This reserve is available to support initiatives including to meet set up costs of delivery plan projects.</p> <p>Invest to save reserve in both capital and revenue to enable pump prime investment to generate revenue savings in future years.</p> <p>The Council continues to include a contingency provision in the budget of £0.5m in line with previous years.</p> <p>The Bellwin Scheme is available for emergency expenditure – this provides 85% funding of costs that exceed the Council's threshold of approximately £0.700m.</p>	
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<p>2010/11 forecasted revenue budget overspend as reported in December quarterly monitoring report will add pressure if CMT are not able to return a balanced situation by year end.</p>	<p>All departments are seeking to minimise the overspend in 2010/11 and return a breakeven budget. The 2010/11 overspend has reduced during the period September to December as mitigating actions start to produce tangible results.</p>	
<p>2. <u>Service Specific Issues</u></p> <p>(a) Children and Young People</p> <p>The number of Children in the care of the local authority has increased mainly due to the high profile national and local media cases which has been reflected in the budget (budgeted at current levels). The cost of caring for an individual child varies depending on their particular needs</p> <p>There are potential capacity issues within the social work area due to the requirement to implement the Laming recommendations on case loads. Recommended 15 – 20 but in Plymouth currently range from 20-31.</p> <p>There has been a significant increase (up to 90%) in the number of children subject to protection plans where the risk has been managed within the community rather than being taken into the care system. Such a high increase will be extremely challenging to sustain.</p> <p>Strong changes in policy direction towards prevention and early intervention from Department of Health and Department for education will require more intensive and targeted services.</p>	<p>Continued rigour with the decision making process of the placement review panel.</p> <p>The successful implementation of the 'Payment for skills' foster care payment scheme will enable more placements to be made appropriately within Plymouth by increasing the number of carers into the profession and through the higher quality factors increase the councils capacity to care for children with more complex needs.</p> <p>Continued investment in workforce development, particularly with newly qualified social workers.</p> <p>Successful implementation of a fully functioning Care First system will help to mitigate the requirement for additional social workers.</p> <p>The transfer of some children in need cases to other agencies through the Common Assessment Framework will ensure that the needs of the children are met by the body best placed to support them and help to contain the pressure on the Council.</p>	AMBER

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<p>Court ordered assessments may add financial costs where the court determines that a parent and child assessment is required in deciding if and how a child is safeguarded. Currently, the court determine who and how the assessment is undertaken</p> <p>The Education White Paper pushes schools and the LA to drive up education standards with failing schools expected to make structural reforms where necessary. Two academies are operating with a significant number actively exploring academy status.</p> <p>A significant number of staff are funded from Government grant. The department continues to work through the implications of grant reductions.</p>	<p>There is a robust process for considering the additional services allocated (if any) for each potential case.</p> <p>The Council is working with the courts to agree an 'in house' approach to parent and child assessments which would reduce the risk of the family being sent away for an assessment</p> <p>There is a management group to oversee the Corporate impact of the Academy agenda.</p> <p>The Department has been reducing staffing and encouraging flexible working.</p> <p>The provisional settlement has helped to clarify the grants position enabling actions to be firmed up.</p>	
<p>(b) Adult Social Care</p> <p>Within Adult Social Care there are nationally recognised demographic changes which impact the budget, due to both an ageing population and increased complex needs.</p> <p>The services are volatile and small changes in service user numbers of those with high care needs can impact on the budget.</p> <p>The government's personalisation and modernisation agenda will present challenges and lead to the transformation of the service.</p>	<p>Accurate and timely monitoring information provided to lead officer for Adult Social Care.</p> <p>Review of data quality, linked to Carefirst project and other systems.</p> <p>The Director of Community Services has established a Programme Board to manage the delivery of action plans and the transformation of adult social care services.</p>	AMBER

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<p>There remains uncertainty around the the additional grant transfer from health. Negotiations have yet to commence on the conditions that may be attached.</p> <p>Service and funding decisions made by NHS Plymouth (previously known as Plymouth Primary Care Trust) can impact on the costs incurred by the Council. In particular, the NHS Plymouth Transforming Community Services and the Quality, Innovation Productivity and Performance (QIPP) agendas could have implications for the Adult Social Care services, but may also present opportunities</p>	<p>Negotiations to be held with health as a matter of urgency</p> <p>A Health and Social Care Integration Board is in place to improve our partnership arrangements. The Director of Community Services and the Chief Executive of NHS Plymouth meet regularly to discuss high risk issues with the patient/service users at the heart of the agenda</p>	
<p>(c) Stock Transfer</p> <p>As part of the transfer the Council has been required to provide a number of warranties. There may yet be residual costs and claims that will fall to the Council, eg public liability claims.</p> <p>The Council faces financial issues into the future relating to the stock transfer</p> <p>An application to CLG to formally close the HRA, and thus allow the residual HRA Working Balance to transfer to GF, cannot be made until the final subsidy claim has been certified by the external auditor.</p>	<p>The Council has negotiated monies, as part of stock transfer, via VAT shelter and Right to Buy receipts, whilst these monies are a capital resource they have not been allocated to the capital programme. These monies are to assist in tackling issues relating to stock transfer.</p> <p>Quarterly joint liaison meetings take place with PCH.</p> <p>The Corporate Items budget for 2011/12 and departmental budgets have been and will continue to be adjusted for stock transfer implications. These are expected to reduce as the Council's transformational change programme progresses.</p> <p>The final subsidy claim has been certified by the Auditor and a submission to close the HRA will be made in the next few weeks.</p>	AMBER

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	Cabinet have approved the appropriation of all remaining land and property which will further support the application for closure.	
<p>(d) Environmental Services</p> <p>Landfill tax is set to increase by £8 per tonne each year until 2014. This will add a budget pressure of £650k per year. The Council may face fines of up to £150 per tonne if we landfill more biodegradable waste than our landfill allowance (LATs) and have not been able to purchase surplus LATs from other Authorities</p> <p>It is anticipated that there will be further financial pressures on councils post 2014 to reduce amounts of landfill</p>	<p>Targets to reduce the percentage of waste going to landfill have been set.</p> <p>The Council will need to consider purchasing LAT's in 2012/13 and 2013/14 dependent on the estimated amounts of biodegradable waste being landfilled. Officers will be regularly updating estimates based on waste collected and any recycling levels .</p> <p>The Council is entering into a Private Finance Initiative, (PFI), with Devon County and Torbay Councils to build a new 'waste into energy' plant. The Council's Partnership appointed the German Waste Company MVV Umwelt as preferred bidder in December 2010 and the three Councils are being asked in February 2011 to approve the submission of a final business case to DEFRA as part of the process to secure the PFI credit support to the project.</p>	RED
<p>(e) Development</p> <p>The removal of regional structures, in particular the Regional Development Agency (RDA), and their replacement with Local Enterprise Partnerships has led to the removal of funding streams that the RDA have traditionally been able to provide to support economic development based activity</p>	Council Officers are closely involved in discussions relating to successor arrangements	AMBER

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<p>The 2011/12 Budget includes the creation of a ring-fenced Growth Fund. One of the significant contributors to this income stream is anticipated to be the 'New Homes Bonus' the details of which are currently out to consultation</p>	<p>Officers will be actively progressing the creation of new homes to generate the maximum level of resource for the Council. PCCs response to the consultation challenged the proposal to offset any new homes by the number of homes demolished as we believe that acts as a disincentive to regeneration initiatives.</p>	
<p>3. <u>Corporate Issues</u></p> <p>(a) Maintenance Liabilities</p> <p>Inadequate budget provision to meet maintenance liabilities</p> <p>Provision has been made in the revenue budget to meet the costs of the routine maintenance of the Council's operational buildings. Improvement works are charged to the capital budget. The asset management strategy identifies that there is a significant backlog in maintenance obligations.</p> <p>Risks include health and safety issues that may arise during the year and the uncertainties over the future of the Civic Centre.</p>	<p>Asset management keep under review all the Council's assets including identifying and considering assets for disposal.</p> <p>Accommodation reserve set up to meet one off repairs to Civic Centre (and other Council Offices) pending outcome of negotiations on the future of Civic Centre.</p> <p>The Accommodation strategy will reduce the number of offices and thus the ongoing maintenance liability</p> <p>The insurance reserve can be used to meet the costs of urgent health and safety repairs.</p>	GREEN
<p>(b) Redundancies</p> <p>Impact of redundancies on revenue budget</p> <p>The budget delivery plans will result in a reduction of staffing across the Council.</p>	<p>A redundancy reserve has been set up and a top up will be considered as part of the year end corporate health considerations as appropriate.</p>	AMBER

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<p>Redundancies result in one-off costs, including a contribution to the pension fund.</p> <p>International Financial Reporting Standards (IFRS) require the cost of redundancies to be accounted for in the year they are declared not when they are paid.</p>	<p>The reserve can be carried forward to future years to enable resources to match accounting requirements</p> <p>We will minimise the number of redundancies through vacancy management, effective redeployment practices and close working with the unions.</p> <p>There may be an opportunity to apply for a Capitalisation Direction in 2011/12 if redundancy costs exceed thresholds. However this will impact on Capital Programme.</p> <p>The Council could consider spreading the pension fund top-up over three years.</p>	
<p>(c) Equal Pay The Council has received a number of equal pay claims and grievances. These will be dealt with by way of grievance hearings and through the Employment Tribunal system. Formal dates for the hearings have yet to be set</p>	<p>The Council secured a Capitalisation Direction to cover equal pay claims in 2007/08. This can be used for any claims submitted prior to 31 March 2008.</p> <p>Equal pay reserve set up 31 March 2009 for claims submitted after March 2008. (£350k).</p> <p>Regulations allow impact of equal pay claims to be deferred until actual payment.</p> <p>The Council can apply for a capitalisation direction in 11/12 if costs exceed threshold.</p>	AMBER
SECTION II – IMPACT OF MAJOR PROJECTS / CORPORATE ITEMS		
4. <u>Major Projects</u>		AMBER

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<p>Delivery of Major Projects- timing and resources</p> <p>The Council currently has a number of cross cutting major projects either in progress or planned for the medium term. The key risk is delivering the projects on time and to budget.</p> <p>The requirement to reduce staffing to balance budgets may impact on the ability to adequately resource projects.</p> <p>Many projects require services to be delivered in an innovative way. There may need to be a requirement for external advisors which puts pressure on budgets.</p>	<p>Clear project plans in place for key areas.</p> <p>Revenue and Capital Funding allocated to Corporate priorities under budget process.</p> <p>Invest to save principles have now been established</p> <p>Progress on Major Projects overseen by a Project Delivery Board with finance input.</p>	
<p><u>The main projects are:</u></p> <p>(a) Care First</p> <p>The Council has begun a 3 year programme to harmonise the Children's & Family and Adults Social Care Teams onto a single computer system. The costs of this project will span a number of years in which time costs can fluctuate.</p>	<p>A Care First Project Board has been set up, chaired by the Assistant Chief Executive.</p> <p>A business case to fund the project from the Invest to Save fund is currently being finalised.</p>	AMBER
<p>(b) Plymouth Life Centre</p> <p>The construction of the Plymouth Life Centre is a complex design and build project with a mixed funding stream including several grants with certain conditions.</p>	<p>The Plymouth Life Centre and Leisure Related Projects Programme Board in place. Board meets monthly to monitor progress.</p> <p>The construction is part of a robust contract which details construction milestones and financial milestones. The contract will be closely monitored by the Council's appointed project managers EC Harris.</p> <p>Costs and risks well understood and subject to robust scrutiny.</p>	GREEN

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<p>(c) Waste PFI</p> <p>The cost of disposing the City's waste is due to rise sharply over the coming years. Since closing the Council's landfill site, Chelson Meadow, we have entered into a contractual arrangement to dispose our waste in Cornwall for the immediate future.</p> <p>The Council is currently developing a Energy from Waste PFI solution in partnership with Torbay and Devon County Councils. The capital and revenue costs of this project are significant and volatile to change.</p>	<p>A waste management reserve has been created with the balance of this reserve currently at £1.5m. Consideration to top up this reserve will be given as part of the year end corporate health adjustments.</p> <p>The Council is entering into a Private Finance Initiative, (PFI), with Devon County and Torbay Councils to build a new 'energy from waste' plant. The Council's Partnership appointed the German Waste Company MVV Umwelt as preferred bidder in December 2010 and the three Councils are being asked in February 2011 to approve the submission of a final business case to DEFRA as part of the process to secure the PFI credit support to the project.</p> <p>Subject to approval, contracts are anticipated to be signed within a few months, this will provide more certainty around future revenue disposal costs from 2014/15 onwards</p> <p>This will be subject to MVV Umwelt receiving planning permission for the proposed facility.</p>	RED
<p>(d) Eastern Corridor</p> <p>The bidding approval process, under which PCC was seeking to secure £77m of funding (for 2015/16 onwards) for transport works to support future housing growth on the Eastern corridor of Plymouth, was suspended in the recent Comprehensive Spending Review.</p>	<p>The Capital Delivery Board will keep the situation under review and consider any funding opportunities that may arise to supplement future developer contributions, to enable schemes to be developed.</p>	RED

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SECTION III - IMPACT OF ECONOMY		
<p>5. <u>Economic Impact on Income</u></p> <p>Reduced income from fees and charges</p> <p>The economic climate continues to see a reduction in income such as car parking and commercial rent income</p> <p>Vat increase may impact on usage and income receivable</p>	<p>Departments have reviewed underlying income assumptions.</p> <p>Increases to fees and charges are propped where applicable based on benchmarking with other authorities</p> <p>Key PIs in relation to collection rates reported/monitored in bi-monthly monitoring report.</p> <p>Increase in VAT to be passed on to users where appropriate</p>	GREEN
<p>6. <u>Treasury Management</u></p> <p>(a) Borrowing risk – portfolio imbalance PWLB/LOBO</p> <p>Currently there is a high proportion of market loans to PWLB which reduces the Council's ability to restructure its debt portfolio.</p> <p>Increase in PWLB interest rate as part of Comprehensive Spending Review will make new borrowing more expensive.</p> <p>Average interest payable on loans exceeds rate of interest receivable on investments increasing pressure on budget.</p>	<p>New long term borrowing to be taken from PWLB to address the imbalance.</p> <p>Devon Debt brought in house during 2010/11 which will enable greater flexibility over debt repayment.</p> <p>Continue strategy to make greater use of variable rate debt and maximise short term temporary borrowing options.</p> <p>Use balances and reserves to meet cash flow and borrowing requirements.</p> <p>Officers will seek to reschedule debt in 2011/12 to deliver further budget savings.</p>	GREEN

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<p>(b) Investment losses – Iceland Banks Recovery of monies in Landsbanki and Glitnir subject to court proceedings</p> <p>Council continues to incur legal fees.</p> <p>Capitalisation Direction utilised in 2009/10- delays in court proceedings on Landsbanki and Glitnir mean borrowing costs now being incurred.</p>	<p>Plymouth City Council representation on the Local Authority Iceland Bank Steering Committee.</p> <p>Capitalisation Direction maximised in 2009/10 enabling any potential losses to be spread over a 20 year period. Reserve set up as part of closedown 2009/10 used to meet legal fees and costs of borrowing in the first instance. Reserve topped up by interest recovered on dividend payments.</p> <p>Dividend payments being received from Heritable £1.573m (50.11%) recovered to date. Dividend payments continue to include interest up to 8 October 2008.</p>	RED
<p>7. Capital Programme Current housing market makes it difficult to generate sufficient capital receipts to fund capital programme at assumed level.</p> <p>Impact of Credit Crunch on Treasury Management with knock on effect on Capital Programme.</p> <p>Any shortfall may require additional temporary borrowing which will impact on revenue budget.</p> <p>The settlement has clarified the position in respect of the immediate impact on resources, although longer term resources still remain uncertain.</p>	<p>Constant review of capital receipts position and other financing options as part of monitoring.</p> <p>Review of capital programme to reduce dependency on capital receipts undertaken as part of budget setting.</p> <p>Capital Financing reserve set up – balance of £0.975m which can be used to fund temporary borrowing costs to plug timing differences in receipt of capital receipts.</p>	AMBER

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	<p>The level of grants will be constantly monitored, with projects being delivered over several years not being commenced until there is certainty over linked grant funding.</p> <p>The programme has been reviewed and a revised programme is being submitted to cabinet for approval as part of this budget report.</p> <p>Continuing dialogue with the relevant Government departments</p>	
SECTION IV – FURTHER BUDGET ASSUMPTIONS		
<p>8. <u>Inflation assumptions</u> Difficult to identify impact of inflation / deflation as economic uncertainty continues. RPI remains high at around 4.7%, but there is a move by the Government to use the lower CPI rate eg future pension increases.</p>		
<p>(a) <u>Pay award</u> The budget for 2011/12 assumes a pay award freeze. Details are still awaited on the recommended increase for low pay staff.</p>	<p>Budget provision is held corporately for the potential increase for low paid staff.</p>	GREEN
<p>(b) <u>Energy costs</u> <u>Gas and Electricity</u> The Council procures general energy directly from the wholesale markets and is therefore subject to changing market conditions. The Council's Corporate contract will fix British Gas' administrative charges and margin but does not fix the cost of energy and the network charges.</p>	<p>The price of the transmission network is regulated by Ofgem and is subject to five yearly reviews.</p> <p>Currently, the consortium is buying forward for next financial year (April 2011 - to March 2012)</p>	AMBER

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<p><u>Streetlighting (Unmetered Electricity)</u> The Council forward purchases electricity for street lighting through Laser - a government procurement organisation that hedge buys on behalf of its members. The Council has forward-procured electricity for Oct 2010 to Sept 2011 but has seen an increase in overall price of 23%.</p>	<p>The accommodation strategy and the move to reduce carbon tax emissions should lead to a reduction in energy consumption.</p>	
<p>(c) NNDR The NNDR multiplier is subject to an annual increase in line with RPI. The actual multiplier for 2010/11 is still awaited. In addition properties can be subject to revaluation during the year which can lead to wide swings in amounts payable by individual service budgets from year to year.</p>	<p>Departmental budgets have received a growth allocation to meet increased costs of NNDR and budgets have been adjusted (both up and down) for the impact of property revaluations.</p>	GREEN
<p>(d) Other Inflationary increases have been contained for social care commissioning (private and independent sector), with exceptions relating to previously agreed medium term contracts. Irrespectively, these contracts will all need careful management to contain costs and drive service improvements.</p>	<p>This is consistent with guidance from commissioning colleagues. Contracts will need to be closely monitored.</p>	AMBER
SECTION V - OTHER		
<p>9. <u>Partners</u></p> <p>(a) New deal For Communities (NDC) Grant – Devonport Regeneration Community Partnership (DRCP) NDC funding ends on 31 March 2010. The Council will remain responsible for closing down the project and making the final grant submissions.</p> <p>The Council may incur residual costs should spend by the projects miss grant cut off dates.</p>	<p>Monthly meetings held between senior Council Officers, DRCP staff and GOSW.</p>	AMBER

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<p>The Council may incur redundancy costs.</p> <p>There is also an inherent risk to the Council of grant clawback should grant conditions not be met or if assets are disposed of in future years.</p>	<p>The Council continues to hold monies in reserve as a result of the agreed flexibility sought in 2007/08 to maximise grant spend. This reserve is earmarked for specific DRCP projects. Approval from GOSW that this reserve can be carried forward after 31 March 2011 with no penalty giving flexibility to fund project slippage.</p> <p>DRCP taking action to downsize staffing levels in advance of grant end. The majority of staff hve now left or been found alternative employment through the redeployment pool.</p> <p>Statutory redundancy costs to be met from NDC grant</p> <p>Council Officer seconded to project office 2 days per week commencing January 2011 to ensure closedown requirements met</p> <p>Succession plan signed off by CLG. Currently awaiting clarification on grant asset disposal clawback conditions</p>	
<p>(b) NHS</p> <p>There is a close relationship between the costs incurred by adult social care and NHS Plymouth (previously known as the Plymouth Community Primary Care Trust).</p> <p>Both organisations face future budget pressures and challenging transformation agenda's</p> <p>Uncertainty over the conditions that will be attached to the new funding transfer from Health</p>	<p>The Council has strengthened its relationship with NHS Plymouth through Memorandum of Understanding and a Health Social care Integration Board.</p> <p>Regular liaison and meetings will be maintained.</p>	AMBER

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<p>10. <u>Insurance Cover</u></p> <p>The adequacy of the authority's insurance arrangements to cover major unforeseen risks There was a shortfall in the insurance provision at the end of 2009/10 requiring a top-up. Monitoring during 2010/11 indicates the provision should be sufficient to meet all known liabilities.</p> <p>Any shortfall in the provision at year end would be met from the earmarked insurance reserve and/or general balances.</p> <p>The treatment of any surplus would be considered in the light of the year end transfers to and from reserves.</p>	<p>The Council continues to keep the adequacy of its insurance fund under review.</p> <p>An increase to internal premiums has been implemented for 2011/12. The internal premiums have been reapportioned across departments based on revised claims history.</p> <p>A number of pro-active risk management measures are being implemented in response to the identification of problem areas.</p> <p>The Council is seeking reimbursement of costs incurred from contractors</p> <p>The Bellwin Scheme is available for emergency expenditure – this provides 85% funding of costs that exceed the Council's threshold of approximately £0.700m.</p>	GREEN
<p>11. <u>Outstanding Liabilities-Risk Management</u></p> <p>Contingent Liabilities The Council is aware of the following contingent liabilities:</p> <p>Municipal Mutual Insurance Ltd- Scheme of Arrangement PLUSS Organisation Ltd Section 117 refunds Single Status Equal Pay claims Civic Centre</p>	<p>The Council operates a system of internal control to identify and manage risk.</p> <p>Contingent liabilities are added to the risk register but specific budget provision is not normally made in the accounts.</p> <p>The Council keeps under review all its outstanding financial liabilities.</p>	AMBER

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<p>Connexions (Careers South West). Contaminated land Treasury Management- Icelandic banks Warranties under Housing Stock Transfer agreement, including environmental and asbestos warranties. Local Land Charge income</p> <p>Further information is available in the Statement of Accounts 2009/10.</p>	<p>Contingent liabilities identified and reported as part of Statement of Accounts.</p> <p>Provision accounts set up as appropriate once certainty of liability known, but not expected to be settled by year end.</p>	
<p>12. Pension Fund Deficit The Council's balance sheet shows a pensions fund deficit of £470m at 31 March 2010.</p> <p>A triennial pensions review is currently underway. This will set the pension contribution rates for the next 3 years. The actuary has indicated that the Council's pension fund contribution rate will remain at the current rate of 19.4%. However, the Council is expected to make a 3 year contribution to the fund of £59m. Should our contributions fall short of this amount, for example as a result of a reduction in staffing levels, the Council will be required to make a one off top up to the fund.</p> <p>Outsourcing/transferred services- Legislation requires pensions liabilities to be fully funded for all staff transferring under TUPE arrangements.</p> <p>The Government is currently undertaking a pensions review</p>	<p>The deficit is reported as part of the Council's Annual Statement of Accounts and is therefore subject to Member scrutiny.</p> <p>The FRS17 deficit in the Statement of Accounts is not calculated on the same basis as the triennial review which takes a much longer term view.</p> <p>The triennial review is indicating a more favourable position on the fund and the superannuation rate is to remain at 19.4%.</p> <p>The Council makes a 'top-up' to the fund when staff are made redundant.</p>	AMBER
<p>14. Conclusion</p> <p>This Appendix represents the risks associated with the budget and the actions required to mitigate the risks. These have been taken into account in the budget setting process.</p> <p>It should be noted that the Council also operates a system of internal control to identify and manage risk, with a key element the maintenance of strategic and operational risk registers.</p> <p>The departmental delivery plans are also subject to a vigorous risk assessment process and have been risk rated. Details are shown on the delivery plans themselves.</p>		

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