

CAPITAL RISK ASSESSMENT UPDATE FOR QUARTER 2 OF 2009/10

NO.	BUDGET ITEM	RISK	IMPACT	ACTIONS REQUIRED	SECOND QUARTER PROGRESS
1.	External Funding	Loss of anticipated external funding to support Capital Projects.	A funding shortfall would occur which may jeopardise the delivery of the project.	Ensure all external funding is secured before project work commences.	Only expenditure on secured schemes is approved.
2.	Capital Expenditure	Increase in the expected level of financial commitment required to deliver the project.	Potentially this could mean additional cost for the Council.	Monitor expenditure and outcomes on a regular basis, and if necessary, explore avenues for additional external funding.	Not currently known to be an issue.
3.	Capital Receipts	Lower than anticipated Capital Receipts available to finance the Capital Programme.	Anticipated funding would not be available to support certain Capital projects.	Monitor income and trends in numbers and values of sales.	As anticipated asset sales are still low – continuing to monitor.

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4.	Prudential Borrowing	Borrowing costs will cause pressure on the Revenue Budgets.	Revenue Budget developments may be compromised as a result of financing borrowing costs associated with Capital projects.	Monitor the relationship between debt charges and investment income. Ensure Prudential Indicators are also monitored and that the financial implications of any project are fully evaluated.	No new prudential borrowing undertaken.
5.	Capital expenditure	Contractor failure	Work not completed, delays in finishing, potential for higher cost.	Financial vetting of potential suppliers should take into account the current financial climate. Contract securities appropriate to the contract should be sought.	A new contractor has now taken over the snagging work at the Depot. No other known failures at present.