

Major Risks

Annex 3 to Report 8

1. Unitary plans – cost of change. Currently there is no budget.
2. Poor Government Settlement for 2008-09. Expected to be announced in mid-October 2007. It promises to be a tough settlement and local authorities will be faced with some hard choices. In the Council's budget, an overall increase in Government funding of 2.5% or £200k has been included for 2008-09. Although this is the lowest increase for four years, it is still threatened by a lower settlement when SR2007 is announced. This threat is the reason why the costs of the Restructure should be funded, as much as possible, in 2007-08 and not put off to later years.
3. Fit for Purpose Organisation (Restructure) - savings in 2007-08 of £250k were built into the budget. The savings have been achieved, in the main due to funds being captured from last year. This risk is therefore much reduced.
4. Pay and Rewards – budget has allowed for £470k (4%); the costs could be above the estimate, especially if appeals, which can't be controlled, are numerous.
5. Non-achievement of efficiencies – a total of £266k has to be delivered.
6. Future Leisure Provision – rebuilding the income. The picture will become clear from July onwards.
7. Revenues and Benefits - the performance of both is in the bottom quartile. There is an outstanding issue with regard the clawback of Government Housing Benefit Grant.
8. New Finance System - the current finance system is not fit for purpose. A decision on its replacement was delayed until the Unitary decision was announced. The Council will integrate into the County's financial systems, at a pace to be decided.

(Spreadsheet contains Risk marking)