

## Major Risks

## Annex 3

1. Unitary plans – cost of change. Currently there is no budget, however a contingent reserve of £200K has been created
2. Government Settlement for 2008-09. The settlement has been announced and indicative information suggests a settlement marginally better than budgeted for in 2008-09. In the Council's budget, an overall increase in Government funding of 2.5% or £200k has been included for 2008-09, the core increase infers an increase of 4.2% diminishing in the latter two years. However inflation could exceed that budgeted for 2008-09.
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. The outcome of the review is still awaited.
5. Non-achievement of efficiencies – a total of £266k has to be delivered.
6. Future Leisure Provision – rebuilding the income could be difficult in 2007-08.
7. Revenues and Benefits - the performance of both is improving.
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.