

Appendix D

2006/07 BUDGET RISKS – TAKEN FROM 2006/07 BUDGET REPORT

	Worst case £'000	Likeli- hood %	Estimated risk £'000
<u>Demand risks</u>			
Adult care packages	1,000	30%	300
Children's care packages	1,000	30%	300
Cost of accommodating looked after children (including asylum seekers beyond the age of 18)	1,000	25%	250
Temporary accommodation – increase in homelessness	600	30%	180
<u>New legislation</u>			
Licensing Act 2003, Civil Contingencies Act 2004, the Housing Act 2004, the Transport Management Act 2004, the Children Act 2004, the Childcare Bill, the Electoral Registration Bill, and the Road Safety Bill	1,000	20%	200
<u>Legal challenge</u>			
Legal challenges – eg to contracts and in employment tribunals	2,000	30%	600
<u>Partnerships</u>			
Transfer of costs from the tPCT to the council	2,000	30%	600
<u>Interest rate fluctuations</u>			
Risk of major turbulence on markets	500	10%	50
<u>Procurement risks</u>			
Risk of additional costs from major re-tendering exercises eg waste management contract	1,000	20%	200
Risk that legal and financial costs of affordable housing PFI cannot be recovered	350	20%	70
Risk that cost of social care placements may increase by more than the inflation increase allowed for in both the children's and adults' budgets	1,000	20%	200
Energy risk – risk of increases in energy prices which cannot be contained in budgets	200	25%	50
<u>Pay risks</u>			
Risk that additional costs will, be incurred above those budgeted for single status	1,000	20%	200

	Worst case £'000	Likelihood %	Estimated risk £'000
Grant risks			
Risk of exceeding the threshold on housing benefit overpayments in 2006/07	600	30%	180
Risk of changes to the subsidy regime for people in temporary accommodation	1,500	30%	450
Risk the council does not receive the full LPSA Performance Reward Grant	5,000	10%	500
<u>Savings/income risks</u>			
Risk of not achieving savings in the budget	4,000	10%	400
Risk of not achieving central savings from the Efficiency Programme	500	20%	100
Parking control account – risk of under-recovery of income	500	30%	150
Planning/land search fees	500	20%	100
Gordon Brown centre – income risk	40	25%	10
<u>Asset management risks</u>			
Closure of council buildings and need to find alternative accommodation	1,000	30%	300
<u>Risks from major developments</u>			
Wembley opening – unanticipated costs incurred by the council	500	20%	100
<u>Major disaster</u>			
The government has a scheme (the Bellwin scheme) that covers authorities for 85% of costs of a major disaster above 0.2% of net revenue budget. The risk to the council is 100% of costs below the threshold and the 15% above it.	500	10%	50
Total General Fund revenue risks	27,290		5,540
<u>Major capital schemes</u>			
Risk that major schemes in the agreed capital programme will overspend	4,000	20%	800
Total General Fund revenue and capital risks	31,290		6,340