

2016/17 risk assessment for determining appropriate level of balances

| Area of risk | £m | Explanation of risk/justification of balances |
|---|-------------|--|
| Emergencies | 0.9 | Expenditure below Bellwin Scheme threshold |
| Directorate overspends and non-achievement of planned savings | 8.3 | Risk that directorates will overspend due to unforeseen pressures, demography, demand or non-achievement of planned savings (based on a 2% adverse variance) |
| Business rates | 1.5 | 5% adverse variation to District Councils' estimates, due to inaccuracy or under estimation of successful appeals |
| Contingent liabilities & insurance risk | 2.1 | Possible liabilities for which no provision has been made or funding set aside in an earmarked reserve (0.25% of gross expenditure or minimum to meet quantified contingent liabilities) |
| Major contracts | 4.8 | Risk of contractors failing, mis-specification, or non-delivery plus contract costs increase by more than allowed for in the budget (1.5% of annual value of contracts) |
| Total 2016/17 | 17.6 | |
| Total 2015/16 | 17.4 | |