

**2015/16 risk assessment for determining appropriate level of balances**

<b>Area of risk</b>	<b>£m</b>	<b>Explanation of risk/justification of balances</b>
Emergencies	0.9	Expenditure below Bellwin Scheme threshold
Directorate overspends and non-achievement of planned savings	8.5	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	1.0	3.5% adverse variation to District Councils' estimates, due to inaccuracy or under estimation of successful appeals
Contingent liabilities & insurance risk	3.0	Possible liabilities for which no provision has been made or funding set aside in an earmarked reserve (0.5% of gross expenditure or minimum to meet quantified contingent liabilities)
Major contracts	3.0	Risk of contractors failing, mis-specification or non-delivery (1% of annual value of contracts)
Inflation	0.7	Contract inflation is 1% above what has been provided for within the budget (maximum 3%)
Education Services Grant	0.3	Impact on grant if pupil numbers in maintained schools are 5% lower than estimated due to higher rate of academy conversions than expected
<b>Total Risk Assessment 2015/16</b>	<b>17.4</b>	
<b>Total Risk Assessment 2014/15</b>	<b>16.7</b>	