

2017/18 risk assessment for determining appropriate level of balances

	2017/18		2016/17
Area of risk	£m	Explanation of risk/justification of balances	£m
Emergencies	0.9	Expenditure below Bellwin Scheme threshold (0.2% of annual budget)	0.9
Directorate overspends and non-achievement of planned savings	8.2	Risk that directorates will overspend due to unforeseen pressures, demography, demand or non-achievement of planned savings (based on a 2% adverse variance)	8.3
Business rates	1.5	5% adverse variation to District Councils' estimates, due to inaccuracy or under estimation of successful appeals	1.5
Contingent liabilities & insurance risk	2.0	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)	2.1
Major contracts & 3rd party spend	5.0	Risk of contractors failing, mis-specification, or non-delivery plus contract costs increase by more than allowed for in the budget (1.0% of annual value of 3rd party spend)	4.8
Total	17.6		17.6