

2014/15 risk assessment for determining appropriate level of balances

Area of risk	Explanation of risk/justification of balances	£m
Emergencies	Expenditure below Bellwin Scheme threshold	1.5
Inflation	Contract inflation is 0.5% above what has been provided for within the budget (maximum 3%)	0.7
Directorate overspends and non-achievement of planned savings	Risk that directorates will overspend due to unforeseen pressures, demography, demand or non-achievement of planned savings (based on a 1% adverse variance)	4.1
Education Services Grant	Impact on grant if pupil numbers in maintained schools are 5% lower than estimated due to higher rate of academy conversions than expected	0.3
Business rates	5% adverse variation to District Councils' estimates, due to inaccuracy or under estimation of successful appeals	1.4
Contingent liabilities	Possible liabilities for which no provision has been made or funding set aside in an earmarked reserve (1% of gross expenditure or minimum to meet quantified contingent liabilities)	5.9
Major contracts	Risk of contractors failing, mis-specification or non-delivery (1% of annual value of contracts)	2.8
Total		16.7