

## RISK RESERVE

	Risk	Consequence	Scale	Financial Loss £m	Likelihood %	Annual Risk £M	Period (Years)	Reserve Required £M
ECONOMIC	Economic Downturn	Reduced Revenue Income – Leisure, Parking, Planning, Property	£0.075M per 1% - assess risk of further 5%	0.4	20	0.080	2	0.160
		Failure of significant service provider contractors	£20M pa corporately – assess risk of 10% cost increase	2.0	10	0.200	2	0.400
	Energy Costs Significant Increases	Higher Annual Revenue Costs		0.6	10	0.060	2	0.120
	General Price Inflation	Higher Annual Revenue Costs	£30M – assess risk of 3%	0.9	25	0.225	2	0.450
	Pandemic or Similar Event	Increased employee absence requiring cover at extra cost	£0.5M per 1% of employee costs	0.5	10	0.050	1	0.050
SERVICES	New Children’s Care Packages	Higher Costs NB see “Key Assumptions” – Appendix 4	Average £0.1M per Case – 5 cases	0.5	25	0.125	2	0.250
			Average £0.02M per case – 10 cases	0.2	25	0.050	2	0.100
	Social Care Increasing Demand	Higher annual Revenue Costs		0.5	20	0.100	2	0.200
	Capital Overspends	Fund from Revenue (no Capital Resources available)	One-off £5M funded over 10 years	0.5	10	0.050	2	0.100
GENERAL	Planned Savings Not Achieved	Higher annual Revenue Costs	£16M – assess risk of 25% shortfall	4.00	30	1.200	2	2.400
	Corporate Manslaughter	Unlimited Fine	Assess risk of £10M fine	10.0	1	0.100	1	0.100
<b>TOTAL GENERAL FUND RESERVE REQUIREMENT</b>								<b>4.330</b>