

RISK RESERVE

	Risk	Consequence	Scale	Financial Loss £m	Likelihood %	Annual Risk £m	Period (Years)	Reserve Required £m
ECONOMIC	Economic Downturn	Reduced Revenue Income – Leisure, Culture, Planning, Property & Parking	£15m @ £0.150m per 1% - assess risk of 10%	1.500	25%	0.375	2	0.750
		Reduction in Business Rate Income	£19m @ 5% risk	0.950	10%	0.095	2	0.190
		Increase in LCTS claimants	Taxbase increase of 1% @ average Council Tax (less 20% contribution)	0.450	10%	0.045	2	0.090
		Failure of significant service provider contractors	£36m pa corporately – assess risk of 10% cost increase	3.600	10%	0.360	2	0.720
	Energy Costs Significant Increases	Higher Annual Revenue Costs		0.200	20%	0.040	2	0.080
	General Price Inflation	Higher Annual Revenue Costs	£70m – assess risk of 2%	1.400	20%	0.280	2	0.560
	Slow down in housing growth	Not achieving house growth as anticipated	100 Band D equivalents @ circa £1,600 per property	0.160	25%	0.040	4	0.160
	Adverse Changes in Interest Rates	Higher Financing costs	Net Debt £120m @ 1% = £1.2m	1.200	10%	0.120	1	0.120
	Brexit	Increased demand and reduced income	£93m net revenue budget @1%	0.900	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	0.500	10%	0.050	1	0.050
SERVICES	New Children's Care Packages	Higher Costs	Average £0.200m per Case – 5 cases	1.000	30%	0.300	4	1.200
			Average £0.040m per case – 10 cases	0.400	30%	0.120	4	0.480
	Social Care Increasing Demand	Higher annual Revenue Costs		0.500	30%	0.150	2	0.300
Capital Overspends	Fund from Revenue (no Capital Resources available)	One-off £5M funded over 10 years	0.500	10%	0.050	2	0.100	
GENERAL	Corporate Manslaughter	Unlimited Fine	Assess risk of £10M fine	10.000	1%	0.100	1	0.100
TOTAL GENERAL FUND RESERVE REQUIREMENT								5.350