

RISK ASSESSMENT OF FINANCIAL RESERVES 2010/11

AREA OF RISK	CONTROLLABLE BUDGET OR MAX EXPOSURE	Max Exposure	ASSESSED RISK LEVEL	FACTOR	VALUE	
1 Inflation & Interest Rates						
Supplies and Services HBS (Unitary Charge)	22,025,000	3.00%	High	30.00%	198,225	
Pay Award	89,020,000	1.00%	V Low	0.00%	0	
Borrowing New	(32,054,000)	10.00%	Low	5.00%	160,270	
Supplies and Services General Inflation	76,500,000	2.00%	Medium	15.00%	229,500	
Existing Borrowing	(315,000,000)	2.50%	Low	10.00%	787,500	
Investment	85,000,000	2.50%	Low	10.00%	212,500	
Capital Receipts	3,900,000	15.00%	Low	10.00%	58,500	1,646,495
2 Demand led pressures						
Environment general	1,633,000	20.00%	High	30.00%	97,980	
L.A.T.S	375,000	50.00%	Low	5.00%	9,375	
Adult Placements	450,000		Absolute		450,000	
Chief Executives	100,000		Absolute		100,000	
Housing Benefits	300,000		Absolute		300,000	
CYP Non Schools	100,000		Absolute		100,000	
Children's Placements	600,000		Absolute		600,000	1,657,355
3 Efficiency Savings/Productivity Gains						
Identified savings	10,569,000	30.00%	Medium	15.00%	475,605	475,605
4 New Partnership Risks, Major Outsourcing Deals, Major Capital Developments						
Pooled Budgets Mental Health	(725,650)	5.00%	Low	10.00%	3,628	
Pooled Budgets L&D	(224,500)	10.00%	Low	10.00%	2,245	5,873
5 Availability of Other Funds						
Insurance Funds	2,432,000	15.00%	Medium	15.00%	54,720	
Insurance Excess	700,000	15.00%	Medium	15.00%	15,750	70,470
6 Emergency Planning						
Bellwin threshold			Absolute		583,766	
Other Disaster Recovery					400,000	
ICT Disaster Recovery					400,000	
Snow Days	40,000		per Day	12.00	480,000	1,863,766
7 General						
Job Evaluation	2,400,000	50.00%	High	30.00%	360,000	
S106	(591,000)	15.00%	High	30.00%	26,595	
Volatile Income			Absolute		750,000	
International Financial Reporting Standards			Absolute		50,000	1,186,595
					6,906,159	6,906,159

Overall prudent level of Reserves

£7m

EARMARKED RESERVES 2009 - 2011

	Balance 24-Nov-09 £'000	Previously Committed £'000	2009/10 Agreed Drawdown £'000	2010/11 Proposed Drawdown £'000	Earmarked Reserves Balance 31st March 2011
Earmarked Reserves					
Benefit Subsidy Reserve	(187)		76		(111)
CCTV Reserve	(101)				(101)
Debt Financing Reserve	(888)		417	100	(371)
Insurance Reserve	(3,048)			400	(2,648)
Landfill Allowances Reserve	(207)				(207)
Lease Rental Equalisation Reserve	(839)		790		(49)
Repairs & Renewals	(309)				(309)
Revenue Financing Reserve	(260)				(260)
Saxon Court Refurbishment Reserve	(70)				(70)
Local Authority Business Growth Incentive	(1,513)	1,326			(187)
Special Parking Reserve	(550)				(550)
Lloyds Court Dilapidation Reserve	(300)			300	0
Other Reserves	(394)				(394)
Total	(8,666)	1,326	1,283	800	(5,257)