

Assessment of Unallocated General Fund Reserves

Appendix 9

Assessment of Unallocated General Fund Reserves	Minimum Level 2012/13 (£ million)	Maximum Level 2012/13 (£ million)	Minimum Level 2011/12 (£ million)	Maximum Level 2011/12 (£ million)	Principal Reasons for Changes
The general financial climate to which the Council is subject	1.5	4.0	2.0	4.0	Funding for 2012/13 fairly certain but there remain uncertainties about the transfer of burdens between local and central government
The overall financial standing of the authority	1.5	4.0	1.5	4.0	Slightly higher forecast balances, but higher contingency in 2012/13
The treatment of planned efficiency savings / productivity gains	2.5	5.0	2.5	5.0	Over £18m of cuts required in 2012/13 in addition to the £26m delivered in 2011/12
The treatment of inflation and interest rates	1.0	2.0	1.0	2.0	Decreasing inflation risk, but some risk in contracts and fuel remain
The financial risk inherent in major outsourcing arrangements	1.0	3.0	1.0	2.0	Risk of companies failing through current uncertainty of economic climate
The treatment of demand led pressures	1.0	3.0	1.0	2.0	Degree of uncertainty on demographic pressures
The financial risks inherent in any major capital developments	1.0	1.5	1.0	1.0	Potential for slippage in capital programme to impact on associated revenue savings
Estimates of the level and timing of capital receipts	1.0	1.0	1.0	1.0	Impact on MRP through lower receipts
The availability of reserves and other funds to deal with major contingencies	0.5	1.0	0.0	1.0	
The Council's capacity to manage in year budget pressures	1.0	2.0	1.0	2.0	Potential impact of uncertain economic climate
Total	12.0	26.5	12.0	24.0	