

**Estimate of prudent level of General Fund reserves 2010/11**

<u>Description</u>	<u>Level of risk</u>	<u>Amount at risk</u>	<u>Risk</u>
Employee Costs	<i>High</i>	21,449,273	107,246
Premises Costs	<i>Medium</i>	8,783,260	32,937
Transport Costs	<i>Medium</i>	397,556	2,236
Supplies & Services	<i>Low</i>	22,237,198	444,744
Third Party Payments	<i>Medium</i>	3,673,402	27,551
Transfer Payments	<i>Medium</i>	64,613,855	193,842
Centrally Managed Expenditure	<i>Medium</i>	1,175,101	35,253
Receipts	<i>Low</i>	69,245,781	173,114
Grants & Contributions	<i>Medium</i>	32,321,141	64,642
Total One Year Operational Risk			1,081,566
<b>Allowing three years cover on operational risk</b>			<b>3,244,697</b>

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**General Risk**

Concessionary Fares litigation	800,000	@	50%	400,000
Unforeseen events	1,000,000	@	100%	1,000,000

**ESTIMATED REQUIRED LEVEL OF GENERAL FUND RESERVES****4,244,697**

## Operational cost risk profiles

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		<i>Low Risk</i>	<i>Med Risk</i>	<i>High Risk</i>
Employee Costs	overspend probability amount at risk	1.00% 25.0% 53,623	2.50% 15.0% 80,435	5.00% 10.0% 107,246
Premises Costs	overspend probability amount at risk	2.50% 10.0% 21,958	5.00% 7.5% 32,937	7.50% 5.0% 32,937
Transport Costs	overspend probability amount at risk	5.00% 10.0% 1,988	7.50% 7.5% 2,236	10.00% 5.0% 1,988
Supplies & Services	overspend probability amount at risk	10.00% 20.0% 444,744	20.00% 10.0% 444,744	30.00% 5.0% 333,558
Third Party Payments	overspend probability amount at risk	5.00% 10.0% 18,367	10.00% 7.5% 27,551	15.00% 5.0% 27,551
Transfer Payments	Shortfall probability amount at risk	1.00% 25.0% 161,535	2.00% 15.0% 193,842	3.00% 10.0% 193,842
Centrally Managed Expendi	Shortfall probability amount at risk	10.00% 20.0% 23,502	20.00% 15.0% 35,253	30.00% 10.0% 35,253
Receipts	Shortfall probability amount at risk	1.00% 25.0% 173,114	1.50% 15.0% 155,803	2.00% 5.0% 69,246
Grants & Contributions	Shortfall probability amount at risk	1.00% 15.0% 48,482	2.00% 10.0% 64,642	3.00% 5.0% 48,482