

## **INITIAL FINANCIAL ASSESSMENT BY CHIEF FINANCE OFFICER**

### **Executive Summary**

The projected direct financial savings to BMSDCs of implementing Option B are approximately £600k per annum. These would be generated in full, following a one-year transition period. In addition, further 'non-cashable' savings of approximately £400k per annum are anticipated from an increase in officer capacity.

These are prudent financial assumptions and as such the Councils can expect these to be the minimum level of cashable and non-cashable savings that would be delivered. It is anticipated that the actual total savings will exceed £1m per annum.

The one-off costs required to achieve the change and the level of cashable savings indicated have been assessed over a two-year period at £670k and include an allowance for redundancy costs. From these figures the pay-back period, of investing the one-off costs, from cashable savings would be in the middle of year 2 of the new arrangements. If reductions in staffing were managed without the need to incur redundancy costs, then the pay-back period would be right at the start of year 2. Both are strong business cases for this type and level of change.

More significantly, however, Option B would also provide the new council with a stronger and much more sustainable combined financial position for both the General Fund and Housing Revenue Account. This would reduce the financial risk to the Councils from a range of 6-9 to 4 and ensure that the projected combined budget gaps in the Medium Term Financial Plan (as at April 2017) reduce from a combined total of £900k to £300k.

### **Background**

Through 'Working Together' BMSDCs have already achieved a high degree of integration and savings in the management and delivery of services. Further actions are also underway through the Enabled and Efficient strand of the Joint Strategic Plan that will deliver additional savings.

The Councils originally considered proposals to establish one new council in 2011. These were not taken forward at that time but BMSDCs did proceed with a programme of sharing officers and integrating services. This resulted in total savings of over £2m per annum across the two councils being achieved by 2014/15. 'Working Together' has therefore delivered many of the same savings that would otherwise have been made through establishing one new council.

'Working Together' also includes several other ongoing transformation projects e.g. the current electoral review, which will reduce the number of councillors across the two councils; the move to a single headquarters; and the public access transformation. Savings from these activities are therefore excluded from this assessment, but will add

further to the cashable savings of approximately £600k resulting from one new council, as described below.

## **Financial Savings**

The further savings that could be generated by Option B predominantly arise from removing the costs associated with operating as two councils rather than as one. No assumptions have been included for either additional costs or savings resulting from resolution of current policy differences between the two councils e.g. locality budgets and short-term car parking charges. Table 1 below is an ~~interim~~ assessment of the Ongoing Savings / Costs and One-off Transition Costs with the creation of a new authority. The sections below provide further details of these estimates, which are predominantly based on 2017/18 budgets. There may be some changes to the numbers as we prepare the budgets for 2018/19, but this will be marginal.

**Table 1**

### **Babergh District Council and Mid Suffolk District Council - Indicative Costs and Savings**

	Advance Costs £'000	Year 1 £'000	Year 2 £'000	Year 3 £'000	Year 4 £'000	Year 5 £'000
<b>Ongoing Costs / Savings (-)</b>						
Members Allowances		-60	-60	-60	-60	-60
External Audit & Treasury Management Adviser		-75	-75	-75	-75	-75
Subscriptions		-35	-35	-35	-35	-35
Further Service Savings		-230	-445	-445	-445	-445
<b>Total Ongoing Costs / Savings (-)</b>	<b>0</b>	<b>-400</b>	<b>-615</b>	<b>-615</b>	<b>-615</b>	<b>-615</b>
<b>One-Off Transition Costs</b>						
Consultation	40					
Contract Novation	20					
Branding / Signage etc	20					
Termination Costs		335				
<b>Total One-Off Transition Costs</b>	<b>80</b>	<b>335</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Costs / Savings (-)</b>	<b>80</b>	<b>-65</b>	<b>-615</b>	<b>-615</b>	<b>-615</b>	<b>-615</b>

## Babergh District Council and Mid Suffolk District Council - Indicative Costs and Savings

	Implementation Costs £'000	Year 1 £'000	Year 2 £'000	Year 3 £'000	Year 4 £'000	Year 5 £'000
<b>Ongoing Costs / Savings (-)</b>						
Members Allowances		-60	-60	-60	-60	-60
External Audit & Treasury Management Adviser		-75	-75	-75	-75	-75
Subscriptions		-35	-35	-35	-35	-35
Leadership & Support Service Savings						
- Senior Leadership Team		-60	-120	-120	-120	-120
- Communications		-5	-15	-15	-15	-15
- Finance		-35	-70	-70	-70	-70
- Commissioning & Procurement		-10	-20	-20	-20	-20
- Legal		-10	-25	-25	-25	-25
- HR, OD and H & S		-25	-50	-50	-50	-50
- ICT		-30	-60	-60	-60	-60
- Internal Audit & Risk Management		-5	-15	-15	-15	-15
- Democratic Services		-25	-50	-50	-50	-50
- Business Improvement		-10	-20	-20	-20	-20
Sub-total Leadership & Support Service Savings		-215	-445	-445	-445	-445
<b>Total Ongoing Costs / Savings (-)</b>		<b>-385</b>	<b>-615</b>	<b>-615</b>	<b>-615</b>	<b>-615</b>
<b>One-Off Transition Costs</b>						
Consultation	60					
Contract Novation	20					
Branding / Signage etc	80					
Advisory costs		20				
Shadow Authority	10					
ICT & Systems	75	25				
Direct Service Costs / Project Management	70	30				
Termination Costs		280				
<b>Total One-Off Transition Costs</b>	<b>315</b>	<b>355</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Costs / Savings (-)</b>	<b>315</b>	<b>-30</b>	<b>-615</b>	<b>-615</b>	<b>-615</b>	<b>-615</b>

In addition to the direct financial savings set out above and described below, an extremely important element of any new council, would be the gain in efficiency and capacity that would be released. Particularly at Senior Leadership Team level, serving two authorities generates a considerable level of diseconomy, especially in attending committee meetings, briefing members, report writing, etc. In these areas, a new council would create a high-level of efficiency savings that, whilst not immediately cashable, would create “headspace” for management and increased effectiveness. This is prudently anticipated to generate a 20% efficiency gain for Senior Leadership Team (SLT), and a 10% efficiency gain for other Extended Leadership Team (ELT) Corporate Managers. In financial terms this is equivalent to around £400k per annum (approximately £210k at SLT and £190k at ELT).

### Members Allowances

As outlined above the current electoral review will create some savings from a reduction in the total number of councillors from the elections in May 2019. The anticipated reduction of councillors from 83 to 66 would result in a reduction of Basic Allowances of approximately £70k. At this stage it is not possible to provide a firm financial figure for this as the Councils will carry out a further Independent Remuneration Panel review of the Member Allowance Scheme prior to 2019 which

could reduce such savings. Any such savings have therefore been excluded from this assessment.

Dissolving the current Councils to form a new single council would also result in a reduction in the total number of councillors with Special Responsibility Allowances, as there will only be one Cabinet, set of Portfolio Holders and Chairman and Vice-Chairman of the various committees. Although, as described above, there may be a small increase in these allowances to reflect the additional responsibility of a larger council, it is not anticipated that this would remove all of these savings in allowances. The figure in Table 1 is therefore a prudent assessment (based on a current average between the two councils - £44k for BDC and £78k for MSDC in 2016/17) of the minimum reduction in Special Responsibility Allowances that can safely be assumed from establishing one new council.

#### External Audit and Treasury Management Adviser

Savings can be anticipated on external audit fees ~~as a result~~because of the need to only audit one set of accounts, statements, etc. and it would only be necessary to have one contract with an external treasury management adviser. The figure shown is an average between the two councils' current costs (£83k for BDC and £70k for MSDC).

#### Subscriptions

The two councils have annual subscriptions to a number of bodies as individual authorities e.g. the Local Government Association (and East of England), District Councils Network, Rural Services Network, New Anglia LEP, National Fraud Initiative, New Local Government Network, Local Government Information Unit etc. Whilst deals have been done with some organisations, when both councils have signed up, there would be further savings from only subscribing once.

#### Further Service Integration / Savings

A very cautious approach has been taken to estimates of further savings generated specifically because of becoming one Council. These have been confined to those Support Service areas where the authorities being separate bodies and running substantially separate committee systems generates a degree of additional work; plus a reduction of one post in the Senior Leadership Team.

In practice, in the event of establishing one new council and full integration, some further savings might also reasonably be expected in the management and delivery of direct services. In Table 1 above, a savings level of 10% on direct staff expenditure has been assumed from the key Support Services, with these savings coming on stream in the middle of year 1. Public access has not been included in this because of the separate work already in place to transform the Councils' approach.

We expect that staff efficiencies could be seen in the following areas and these could be driven out as cashable savings by reducing the number of staff employed:

- Officer support to multiple Council meetings, preparation of reports, briefings and meeting attendance

- Simplified invoicing / charging / billing arrangements with only one budget and statement of accounts and no recharges between the two authorities
- Opportunities to further review and streamline operating practices

## Transition Costs

Estimates of one-off transition costs have been developed, largely based on the Business Case that was prepared by the two councils in 2011, but also considering other potential transition costs as set out below.

Consultation - The planned consultation and engagement of residents in both Babergh and Mid Suffolk districts is likely to cost in the region of £60k.

Contract Novation - Allowance has been made for contract novation costs of £20k, but this could be minimised if most of the affected contracts are identified within the Order that the Secretary of State would lay to establish the new council.

Branding / Signage - Costs will be incurred by changing the identity of the existing two councils to one new council including signs, notices, staff uniforms, vehicles, Civic office and insignia, the website and intranet etc, but these could be phased to coincide with renewals rather than incurring additional costs for all aspects. An allowance of £80k has been included to cover these costs.

Advisory Costs - There could be some advisory costs that are incurred, for example the external auditor needing to undertake additional work to audit the closing balances of the old councils and review the opening balances of the new council. £20k has been included for these costs.

Shadow Authority Costs – In the year before commencement of the new council a shadow authority would be established and would incur some costs associated with administration and meeting expenses. An estimate of £10k has been included for this.

ICT and Systems – Whilst significant work has been done in recent years to move the two councils on to the same software in each service area, there is likely to be further one-off costs associated with setting up new databases for the new council. An estimate of £100k has been included.

Direct Service Costs (including Project Management) – There is a range of work that will need to be undertaken internally to prepare for the establishment of a new council. This will cover:

- Modifications to systems and processes
- Communication to external parties including suppliers, customers and partners
- Project and programme management of the transition
- Specific advice from HR, finance, ICT, legal and procurement
- Leadership and programme oversight

Whilst it is likely that the majority of this will be managed within existing staff resources, there could be some need for staff time to be back-filled, so an allowance of £100k additional costs has been included.

Termination Costs - Most of the savings in Leadership and Support Services relate to reductions in staffing. To achieve staffing savings of £445k this would require a reduction of approximately 8 fte (1 in the Leadership Team and 7 in Support Services) at a current average cost of £47k per fte within the support services. Any termination costs could reasonably be estimated using a flat rate of £35k per member of staff covering both redundancy and pension costs. Implementation would not take place however until the new council is established and would be managed carefully to maximise natural wastage and finding suitable alternative employment. The figure in Table 1 of £~~335~~280k therefore represents the worst-case position.

## **Financial Strength**

BMSDCs have some differences and ~~also~~ some similarities in their financial profiles that have an impact on their financial sustainability going forward. The current Medium Term Financial Strategy (MTFS) figures and reserve levels show that BDC has challenges in relation to the General Fund (GF) and MSDC in relation to the Housing Revenue Account (HRA). Combining these positions therefore presents the best opportunity to achieve a stable medium term financial position for the residents in both areas.

The Joint MTFS document, approved in February 2017, shows the projected cumulative budget gaps for the two Councils up until 2020/21 for three different financial scenarios. One new council would benefit from the savings shown in Table 1 above. Table 2 below shows the effect of such a combined position on the current medium financial position if the new council came into operation from April 2019.

**Table 2**

### **Medium Term Financial Position**

	2018/19 £'000	2019/20 £'000	2020/21 £'000
Shortfall in funding (-) / Surplus funds - cumulative			
Babergh	-81	-596	-741
Mid Suffolk	867	150	-135
Total both Councils	786	-446	-876
New Council (if from 2019/20)		-381	-326

Source: MTFS figures 2017/18 Budget reports

## Medium Term Financial Position

	2018/19 £'000	2019/20 £'000	2020/21 £'000
Shortfall in funding (-) / Surplus funds - cumulative			
Babergh	-81	-596	-741
Mid Suffolk	867	150	-135
Total both Councils	786	-446	-876
New Council (if from 2019/20)		-436	-271

Source: MTFS figures 2017/18 Budget reports

These numbers will be revised and extended to 2021/22 as the budget for 2018/19 and a revised MTFS are prepared. With the change to how New Homes Bonus was allocated from 2017/18 and the likelihood that further changes will be made as outlined below, both councils, beyond 2018/19, are likely to face the position of having a significant shortfall in funding to support their core budget activities. This will be a change for Mid Suffolk particularly, where budget surpluses have been achieved in recent years.

A risk assessment has been undertaken of the current and projected financial position for the GF and HRA for each council and a projected one for the new council, to understand the potential benefit of combining the positions. If the councils remain as two separate bodies, then they will need to make tough decisions as to how they individually set balanced budgets in 2020/21 for both the GF and HRA. If they combine their resources into one new council, then the savings identified in Table 1 will result in a lower impact on direct service delivery. This is supported by the information presented in Tables 2 and 4. The risk assessment scores are shown in Table 3 below

**Table 3**

### Financial Risk Assessment

	<u>Likelihood</u>	<u>Impact</u>	<u>Total</u>
Mid Suffolk - GF	2	3	6
Babergh - GF	3	3	9
<b>New Council - GF</b>	<b>2</b>	<b>2</b>	<b>4</b>
Mid Suffolk - HRA	3	3	9
Babergh - HRA	2	3	6
<b>New Council - HRA</b>	<b>2</b>	<b>2</b>	<b>4</b>

It is currently unknown if or when councils may move into a 100% retention of business rates system, but even at the current 50% retention this is, along with council tax, a main source of income for the Councils. Currently the income from this source is not significantly different, £2.7m for MSDC and £2.6m for BDC in 2017/18 (baseline figure plus grants), but the revised assessment of need for the two councils (or one new

council) will be crucial in the level of income to be retained in future. This cannot currently be predicted with the information that has been shared by DCLG to date.

By contrast, BDC currently has slightly higher Revenue Support Grant (RSG), but the MTFS allows for this to have disappeared by the time that establishing one new council might take place.

To date, MSDC has attracted a higher level of New Homes Bonus (NHB) payments by having greater growth in housing numbers and this is one of the factors that has contributed to the more favourable GF position and higher GF reserves. In 2017/18 Mid Suffolk ~~willis~~ receiv~~inge~~ £2m and Babergh £1.2m. Government's changes to the NHB regime (primarily designed to shift more financial support into social care) will significantly reduce the amount of NHB received by both districts (regardless of the future levels of housing growth).

For the HRAs, BDC has significantly more headroom within its borrowing cap as at 31 March 2017 of £13m, compared with £4m in MSDC; and therefore, more capacity to develop new social housing as part of the 30-year business plan. The level of reserves is also higher for BDC than MSDC with the figures as at 31 March 2017 standing at £13.1m and £5.4m respectively.

A new single authority would therefore have a significantly different profile to the two current districts, being more sustainable in terms of the GF and HRA. Based on 2018/19 MTFS forecasts, Table 4 below illustrates the comparative net GF budget and reserves and balances position of the new authority compared with the existing position. These figures will be updated as part of the budget setting process for 2018/19.

**Table 4**

**Babergh and Mid Suffolk District Councils  
Forecast Net Budget Requirement and Reserves 2018/19**

	<b>Babergh</b>	<b>Mid Suffolk</b>	<b>New Council</b>
<b>Net Budget Requirement</b>			
	£'000	£'000	£'000
Council Tax	5,019	5,842	10,861
Revenue Support Grant	204	36	240
Rural Services Delivery Grant	140	267	407
New Homes Bonus / Other	1,179	978	2,157
Business Rates Baseline	2,165	2,265	4,430
Business Rates S31 Grant	650	600	1,250
	<u>9,357</u>	<u>9,988</u>	<u>19,345</u>
	%	%	%
Council Tax	54%	58%	56%
Revenue Support Grant	2%	0%	1%
Rural Services Delivery Grant	1%	3%	2%
New Homes Bonus / Other	13%	10%	11%
Business Rates Baseline	23%	23%	23%
Business Rates S31 Grant	7%	6%	6%
	<u>100%</u>	<u>100%</u>	<u>100%</u>
<b>Reserves</b>			
	£'000	£'000	£'000
General	1,150	1,050	2,200
Earmarked	3,055	13,100	16,155
Total	<u>4,205</u>	<u>14,150</u>	<u>18,355</u>
Reserves as % of Net Budget	45%	142%	95%

Source: MTFS figures 2017/18 Budget reports

Table 5 below presents a summary merged balance sheet for a new single authority based on the published, ~~but unaudited~~, 2016/17 Statement of Accounts. In broad terms, a new single authority would benefit from increased financial resilience and opportunities as the combined balance sheet is stronger when looking across both the General Fund and Housing Revenue Account.

**Table 5****Combined Balance Sheet as at 31 March 2017**

	BDC £'000	MSDC £'000	Combined £'000
Long Term Assets	238,538	237,460	475,998
Current Assets	18,537	19,165	37,702
Current Liabilities	-12,676	-29,131	-41,807
Long Term Liabilities	-110,388	-106,595	-216,983
Net Assets	<u>134,011</u>	<u>120,899</u>	<u>254,910</u>
Usable Reserves	-22,214	-22,683	-44,897
Unusable Reserves	-111,797	-98,216	-210,013
Total Reserves	<u>-134,011</u>	<u>-120,899</u>	<u>-254,910</u>

**Combined Balance Sheet as at 31 March 2017**

	BDC £'000	MSDC £'000	Combined £'000
Long Term Assets	238,305	237,492	475,797
Current Assets	18,545	19,173	37,718
Current Liabilities	-12,676	-29,131	-41,807
Long Term Liabilities	-110,388	-106,595	-216,983
Net Assets	<u>133,786</u>	<u>120,939</u>	<u>254,725</u>
Usable Reserves	-22,254	-22,723	-44,977
Unusable Reserves	-111,532	-98,216	-209,748
Total Reserves	<u>-133,786</u>	<u>-120,939</u>	<u>-254,725</u>

**Other Financial Considerations****Capital finance considerations**

There could be some potential to reduce the external borrowing requirements that would normally be projected if a single treasury management function, with access to greater volumes of cash and varying profiles, was available under a new council. There could also in the short term be some potential reduction in the Minimum Revenue Provision (MRP - annual allowance for the repayment of borrowing) requirement as the single council would have access to a single capital receipt budget. Based on an estimated borrowing of around £1 million a year, which results in a MRP of around £40k (assuming a rate of 4%), with the use of capital receipts this revenue

impact could effectively be reduced. The cumulative effect of adopting this approach would obviously be dependent on the availability of capital receipts or other non-borrowing resources.

Further options that could be available to the new authority would be to undertake repayment of, or not refinance, existing debt. However, this course of action would also be dependent on the availability of resources and consideration of other priorities. The option of making premature repayments of debt would also need to consider any penalties associated with this.

No allowance has been made at this stage in this financial summary for any revenue savings arising from these possible revisions to capital financing policy. The new council would need to fundamentally review its capital programme priorities and funding and how this is financed would form an element of this.

### Status Quo Costs

One of the risks of status quo is the councils could begin to diverge in their financial strategies as they face different pressures due to their revenue profiles. This could then begin to unravel the considerable financial and service delivery benefits of shared services and a result is likely to add cost back into the system through additional staffing capacity to deliver the diverging agendas. It is difficult to quantify this, but an estimated £200k is expected to be saved under a single council model as this additional capacity would not be required. Split between the two councils 50:50, this equates to a council tax rise of approximately 2% for each council.

If there is a significant divergence of views between the two councils about whether to proceed with one single council or not, then it could jeopardise the current partnership and integration arrangements. If the two councils decided to discontinue these arrangements, then both councils would incur significant additional costs to ensure that they both have a sustainable management structure. At present all management costs are shared 50:50 with a saving of over £2m per annum having been achieved from this arrangement. A significant sum would have to be reinvested by each council, which would reduce the resources available for front line services.

### **Council Tax Equalisation**

As part of creating a new single council it would be necessary to adopt the same Band D council tax figure across all households within the boundaries of the new council. The Band D figures for 2017/18 as approved in the Budget reports, are £153.86 for Babergh and £161.97 for Mid Suffolk. A difference of £8.11. The difference was reduced by £2.39 in 2017/18 as Babergh increased by £5 and Mid Suffolk by £2.61.

Babergh's tax base (number of Band D equivalent properties) is 32,488.91, and Mid Suffolk's is 35,785.78. The total council tax requirement of the two councils in 2017/18 is shown below.

	Tax Base	Band D	Council Tax Income £'000
		£	
Babergh	32,488.91	153.86	4,998
Mid Suffolk	35,785.78	161.97	5,796
Total	<u>68,274.69</u>		<u>10,794</u>

A new council would need to decide at what level it wishes to set council tax, but the current average level across the two councils (to achieve the same level of income in 2017/18) is £158.10. The decision is likely to be based upon a combination of the cost, what is deemed to be acceptable to the residents of the new council and projections over the medium-term period.

A factor which may have an impact upon the level at which council tax is equalised is the principle for local referendums for excessive council tax rises, which is currently the higher of 2% or £5 for shire district councils. For the purposes of this note, it is assumed that this limit would still be in place when the new council was established.

The difference between the two council taxes is such that it does not create a significant financial risk around equalisation. Council tax equalisation does not have to be achieved in one year, but a strategy would need to be adopted to achieve it over a defined period of time. As part of the Suffolk Local Government Review work in 2008, it was generally proposed that equalisation would be achieved over a four-year period. ~~On the assumption that the gap is at the current level when the new council is established and it continued to be reduced at the same level as in 2017/18, it would be year 4 before equalisation was achieved. Further financial modelling of the options around council tax equalisation and the impact on the medium term financial position of the new council would be undertaken in a more detailed business case.~~

If the Councils take the decision to form a new Council, it would be beneficial if they manage their council tax strategies over the next couple of years to achieve equalisation~~further reduce the difference~~ in council tax levels ~~between them~~. If ~~Mid Suffolk freeze their council tax rate in 2018/19 and~~ Babergh increase their council tax by £5 in both 2018/19 and 2019/20 and ~~Mid Suffolk either has two small increases or~~ one increase and a freeze in 2018/19 and 2019/20, then equalisation could be achieved in 2019/20.

## Risk Matrix

Impact	Disaster	4	4 (Medium)	8 (High)	12 (Very High)	16 (Very High)
	Bad	3	3 (Low)	6 (Medium)	9 (High)	12 (Very High)
	Noticeable	2	2 (Low)	4 (Medium)	6 (Medium)	8 (High)
	Minimal	1	1 (Low)	2 (Low)	3 (Low)	4 (Medium)
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
Probability / Likelihood						

### Likelihood

- |   |                 |   |
|---|-----------------|---|
| 1 | Highly Unlikely | <ul style="list-style-type: none"> <li>* Has never occurred before</li> <li>* Would only happen in exceptional circumstances</li> </ul>                                       |
| 2 | Unlikely        | <ul style="list-style-type: none"> <li>* Not expected to occur but potential exists</li> <li>* Has occurred once in the last ten years</li> </ul>                             |
| 3 | Probable        | <ul style="list-style-type: none"> <li>* May occur occasionally</li> <li>* Has occurred within the last five years</li> <li>* Reasonable chance of occurring again</li> </ul> |
| 4 | Highly Probable | <ul style="list-style-type: none"> <li>* Expected to occur</li> <li>* Occurs regularly or frequently</li> </ul>   |

### Impact

- |   |            |  |
|---|------------|--|
| 1 | Minimal    | <ul style="list-style-type: none"> <li>* Up to £5k</li> <li>* Very minor service disruption (less than one day)</li> <li>* No noticeable media interest</li> <li>* No harm to persons/community</li> </ul>   |
| 2 | Noticeable | <ul style="list-style-type: none"> <li>* £5k - £50k</li> <li>* Some service disruption, more than one day</li> <li>* Local media coverage</li> <li>* Potential for minor harm/injury</li> </ul>  |
| 3 | Bad        | <ul style="list-style-type: none"> <li>* £50k - £250k</li> <li>* Critical service disruption (statutory services not delivered)</li> <li>* Adverse local/national media coverage</li> <li>* Potential for harm or injury (non-life threatening)</li> </ul> |
| 4 | Disaster   | <ul style="list-style-type: none"> <li>* Over £250k</li> <li>* Systemic or sustained service loss</li> <li>* Adverse/prolonged national media coverage</li> <li>* Litigation, custodial sentence</li> <li>* Serious injury or death</li> </ul>             |