

## General Reserves Risk Assessment

No.	Year	Risk Event	Likelihood of Happening Low = 0% - 25% Medium = 26% - 50% High = 51% - 100%	Potential Net Financial £000	Reserve Requirement		
					2022-23 £000	2023-24 £000	2024-25 £000
1	22-23	The future years Government Grant Funding is worse than anticipated	Low - 10%	3,000	300		
	23-24		Medium – 40%	3,000		1,200	
	24-25		Medium – 40%	3,000			1,200
2	22-23	Non-delivery of Service Savings	Medium – 30%	5,000	1,500		
	23-24		Medium – 30%	8,000		2,400	
	24-25		Medium – 30%	12,000			3,600
3	22-23	Cost of VET/Severance understated	Low – 5%	5,000	250		
	23-24		Low – 5%	5,000		250	
	24-25		Low – 5%	5,000			250
4	22-23	Increased Social Care Costs	Medium – 50%	20,000	10,000		
	23-24		Medium – 50%	15,000		7,500	
	24-25		Medium – 50%	15,000			7,500
5	22-23	Above inflationary increases in non-pay and utilities greater than 1%	Medium – 50%	2,600	1,300		
	23-24		Medium – 50%	5,200		2,600	
	24-25		Medium – 50%	5,200			2,600
6	22-23	Increase in pay costs above pay contingency	Medium – 20%	3,700	740		
	23-24		Medium – 40%	6,200		2,480	
	24-25		Medium – 40%	8,700			3,480
7	22-23	Partnership liability gives rise to grant clawback guarantees	Low – 10%	1,000	100		
	23-24		Low – 10%	1,000		100	
	24-25		Low – 5%	1,000			50
8	22-23	The level of funds within the self insurance fund is unable to cover a catastrophic incident affecting council houses or other operational buildings.	Low - 10%	2,500	250		
	23-24		Low – 10%	2,500		250	
	24-25		Low – 10%	2,500			250
9	22-23	H & S breaches resulting in legal action. New legislation means increased monitoring and requirements. A new reporting system will help identify trends.	Low – 25%	200	50		
	23-24		Low – 25%	200		50	
	24-25		Low – 10%	200			20
10	22-23	Employment tribunal action	Low – 20%	2,000	400		
	23-24		Low – 20%	1,000		200	
	24-25		Low – 20%	1,000			200

# Appendix F

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					2022-23 £000	2023-24 £000	2024-25 £000
11	22-23	MTFP provides for additional revenue funding to meet additional costs arising from capital investment but costs may be understated	Low – 10%	400	40		
	23-24		Low – 10%	400		40	
	24-25		Low – 10%	400			40
12	22-23	Major fraud	Low – 5%	100	5		
	23-24		Low – 5%	100		5	
	24-25		Low - 5%	100			5
13	22-23	LG Pension Scheme – employer contribution increase above budget	Low – 0%	-	-		
	23-24		Low – 25%	4,000		1,000	
	24-25		Low– 25%	4,000			1,000
14	22-23	Failure to collect debt beyond provision	Low – 5%	1,000	50		
	23-24		Low – 5%	1,000		50	
	24-25		Low – 5%	1,000			50
15	22-23	Adverse winter increases call on operational costs	Low – 10%	500	50		
	23-24		Low – 10%	500		50	
	24-25		Low – 10%	500			50
16	22-23	Capital programme deficit/prudential borrowing to be funded from revenue	Low – 10%	2,000	200		
	23-24		Low – 10%	3,000		300	
	24-25		Low – 10%	4,000			400
17	22-23	Fluctuation in borrowing costs/interest receipts.	Low –20%	1,000	200		
	23-24		Low – 20%	2,000		400	
	24-25		Low – 20%	3,000			600
18	22-23	Waste recycling performance does not improve resulting in Landfill Allowance Tax liabilities above budget	Low – 5%	2,000	100		
	23-24		Low – 10%	3,000		300	
	24-25		Low –10%	4,000			400
19	22-23	Business rate income lower than expected	Low - 7.5%	75,000	5,625		
	23-24		Low- 5%	75,000		3,750	
	24-25		Low– 5%	75,000			3,750
		<b>TOTALS</b>			<b>21,160</b>	<b>22,925</b>	<b>25,445</b>