

General Reserves Risk Assessment

No.	Year	Risk Event	Likelihood of Happening Low = 0% - 25% Medium = 26% - 50% High = 51% - 100%	Potential Net £000	Reserve Requirement		
					2021-22 £000	2022-23 £000	2023-24 £000
1	20-21	The future years Government Grant Funding is worse than anticipated	Medium – 50%	10,000	5,000		
	21-22		Low – 25%	10,000		2,500	
	22-23		Low – 25%	10,000			2,500
2	20-21	Non-delivery of Service Savings	Medium – 25%	4,000	1,000		
	21-22		Medium – 25%	4,000		1,000	
	22-23		Medium – 25%	4,000			1,000
3	20-21	Cost of VET/Severance understated	Low – 5%	10,000	500		
	21-22		Low – 5%	5,000		250	
	22-23		Low – 5%	5,000			250
4	20-21	Increased Social Care Costs	Medium – 50%	10,000	5,000		
	21-22		Medium – 50%	15,000		7,500	
	22-23		Medium – 50%	15,000			7,500
5	20-21	Above inflationary increases in non-pay and utilities greater than 1%	Low – 20%	1,600	320		
	21-22		Low – 10%	3,200		320	
	22-23		Low – 10%	4,800			480
6	20-21	Increase in pay costs above pay contingency	Medium – 20%	3,100	620		
	21-22		Low – 10%	4,650		465	
	22-23		Low – 10%	6,200			620
7	20-21	Partnership liability gives rise to grant clawback guarantees	Low – 10%	1,000	100		
	21-22		Low – 10%	1,000		100	
	22-23		Low – 5%	1,000			50
8	20-21	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		
	21-22		Low – 10%	2,500		250	
	22-23		Low – 10%	2,500			250
9	20-21	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		
	21-22		Low – 25%	200		50	
	22-23		Low – 10%	200			20
10	20-21	Employment tribunal action	Low – 25%	2,000	500		
	21-22		Low – 20%	1,000		200	
	22-23		Low – 20%	1,000			200

Appendix F

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					2021-22 £000	2022-23 £000	2023-24 £000
11	20-21	MTFP provides for additional revenue funding to meet additional costs arising from capital investment but costs may be understated	Low – 10%	400	40		
	21-22		Low – 10%	400		40	
	22-23		Low – 10%	400			40
12	20-21	Major fraud	Low – 5%	100	5		
	21-22		Low – 5%	100		5	
	22-23		Low - 5%	100			5
13	20-21	LG Pension Scheme – employer contribution increase above budget	Low – 0%	-	-		
	21-22		Low – 25%	2,000		500	
	22-23		Low– 25%	2,000			500
14	20-21	Failure to collect debt beyond provision	Low – 5%	1,000	50		
	21-22		Low – 5%	1,000		50	
	22-23		Low – 5%	1,000			50
15	20-21	Adverse winter increases call on operational costs	Low – 10%	500	50		
	21-22		Low – 10%	500		50	
	22-23		Low – 10%	500			50
16	20-21	Capital programme deficit/prudential borrowing to be funded from revenue	Low – 10%	2,000	200		
	21-22		Low – 10%	3,000		300	
	22-23		Low – 10%	4,000			400
17	20-21	Fluctuation in borrowing costs/interest receipts.	Medium –30%	1,000	300		
	21-22		Medium – 30%	750		225	
	22-23		Low – 25%	500			125
18	20-21	Waste recycling performance does not improve resulting in Landfill Allowance Tax liabilities above budget	Low – 5%	2,000	100		
	21-22		Low – 10%	3,000		300	
	22-23		Low –10%	4,000			400
19	20-21	Business rate income lower than expected	Medium- 10%	70,000	7,000		
	21-22		Medium- 10%	75,000		7,500	
	22-23		Medium– 10%	75,000			7,500
		TOTALS			21,085	21,605	21,940