

General Reserves Risk Assessment Appendix G

No.	Year	Risk Event	Likelihood of Happening Low = 0% - 25% Medium = 26% - 50% High = 51% - 100%	Potential Net Financial £000	Reserve Requirement		
					2017-18 £000	2018-19 £000	2019-20 £000
1	16-17	The future years Revenue Support Grant is worse than anticipated	Low – 0%	50,000	-		
	17-18		Low – 0%	40,000		-	
	18-19		Low – 0%	32,000			-
3	16-17	Non-delivery of Service Savings	Low – 5%	16,000	800		
	17-18		Medium – 10%	30,000		3,000	
	18-19		Medium – 20%	45,000			9,000
4	16-17	Withdrawal of Partnership Funding	Low – 5%	20,000	1,000		
	17-18		Low – 5%	20,000		1,000	
	18-19		Low – 5%	20,000			1,000
5	16-17	Cost of VET/Severance understated	Low – 0%	10,000	-		
	17-18		Low – 5%	5,000		250	
	18-19		Low – 5%	5,000			250
6	16-17	Increased childcare agency placements	Medium – 40%	2,000	800		
	17-18		Medium - 30%	2,000		600	
	18-19		Medium – 30%	2,000			600
7	16-17	Above inflationary increases in non-pay and utilities greater than 1%	Low – 10%	1,600	160		
	17-18		Low – 10%	3,200		320	
	18-19		Low – 10%	4,800			480
8	16-17	Increase in pay costs above pay contingency	Low - 10%	3,100	310		
	17-18		Low – 10%	4,650		465	
	18-19		Low – 10%	6,200			620
9	16-17	Partnership liability gives rise to grant clawback guarantees	Low – 10%	1,000	100		
	17-18		Low – 10%	1,000		100	
	18-19		Low – 5%	1,000			50
10	16-17	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		
	17-18		Low – 10%	2,500		250	
	18-19		Low – 10%	2,500			250
11	16-17	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		
	17-18		Low – 25%	200		50	
	18-19		Low – 10%	200			20
12	16-17	Employment tribunal action	Low – 25%	2,000	500		
	17-18		Low – 20%	1,000		200	
	18-19		Low – 20%	1,000			200

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13	16-17	MTFP provides for additional revenue funding to meet additional costs arising from capital investment but costs may be understated	Low – 10%	400	40		
	17-18		Low – 10%	400		40	
	18-19		Low – 10%	400			40
14	16-17	Major fraud	Low – 5%	100	5		
	17-18		Low – 5%	100		5	
	18-19		Low - 5%	100			5
15	16-17	LG Pension Scheme – employer contribution increase above budget	Low – 0%	-	-		
	17-18		Low – 25%	2,000		500	
	18-19		Low– 25%	2,000			500
16	16-17	Failure to collect debt beyond provision	Low – 5%	1,000	50		
	17-18		Low – 5%	1,000		50	
	18-19		Low – 5%	1,000			50
17	16-17	Adverse winter increases call on operational costs	Low – 10%	500	50		
	17-18		Low – 10%	500		50	
	18-19		Low – 10%	500			50
18	16-17	Capital programme deficit/prudential borrowing to be funded from revenue	Low – 10%	2,000	200		
	17-18		Low – 10%	3,000		300	
	18-19		Low – 10%	4,000			400
19	16-17	Fluctuation in borrowing costs/interest receipts.	Medium –30%	1,000	300		
	17-18		Medium – 30%	750		225	
	18-19		Low – 25%	500			125
20	16-17	Waste recycling performance does not improve resulting in Landfill Allowance Tax liabilities above budget	Low – 5%	2,000	100		
	17-18		Low – 10%	3,000		300	
	18-19		Low –10%	4,000			400
21	16-17	Business rate income lower than expected	Low – 5%	50,000	2,500		
	17-18		Medium- 10%	50,000		5,000	
	18-19		Medium– 10%	50,000			5,000
		TOTALS			8,015	12,705	19,040