

## General Reserves Risk Assessment

| No. | Year  | Risk Event   | Likelihood of Happening<br>Low = 0% - 25%<br>Medium = 26% - 50%<br>High = 51% - 100% | Potential Net Impact<br>£000 | Reserve Requirement |                 |                 |
|-----|-------|--|--|------------------------------|---------------------|-----------------|-----------------|
|     |       |  |  |                              | 2023-24<br>£000     | 2024-25<br>£000 | 2025-26<br>£000 |
| 1   | 23-24 | The future years Government Grant Funding is worse than anticipated  | Low - 20%  | 5,000                        | 1,000               |                 |                 |
|     | 24-25 |  | Low - 25%  | 10,000                       |                     | 2,500           |                 |
|     | 25-26 |  | Medium – 50%   | 10,000                       |                     |                 | 5,000           |
| 2   | 23-24 | Non-delivery of Service Savings  | Medium – 25%   | 9,000                        | 2,250               |                 |                 |
|     | 24-25 |  | Medium – 25%   | 15,000                       |                     | 3,750           |                 |
|     | 25-26 |  | Medium – 25%   | 20,000                       |                     |                 | 5,000           |
| 3   | 23-24 | Cost of VET/Severance understated  | Low – 5%   | 5,000                        | 250                 |                 |                 |
|     | 24-25 |  | Low – 5%   | 5,000                        |                     | 250             |                 |
|     | 25-26 |  | Low – 5%   | 5,000                        |                     |                 | 250             |
| 4   | 23-24 | Increased Social Care Costs  | Medium – 50%   | 10,000                       | 5,000               |                 |                 |
|     | 24-25 |  | Medium - 50%   | 12,500                       |                     | 6,250           |                 |
|     | 25-26 |  | Medium – 50%   | 15,000                       |                     |                 | 7,500           |
| 5   | 23-24 | Above inflationary increases in non-pay and utilities  | High – 75%   | 5,000                        | 3,750               |                 |                 |
|     | 24-25 |  | Medium – 50%   | 5,000                        |                     | 2,500           |                 |
|     | 25-26 |  | Medium – 50%   | 5,000                        |                     |                 | 2,500           |
| 6   | 23-24 | Increase in pay costs above pay contingency  | Medium – 50%   | 6,000                        | 3,000               |                 |                 |
|     | 24-25 |  | Medium – 35%   | 9,000                        |                     | 3,150           |                 |
|     | 25-26 |  | Low – 25%  | 12,000                       |                     |                 | 3,000           |
| 7   | 23-24 | Partnership liability gives rise to grant clawback guarantees  | Low – 10%  | 1,000                        | 100                 |                 |                 |
|     | 24-25 |  | Low – 10%  | 1,000                        |                     | 100             |                 |
|     | 25-26 |  | Low – 5%   | 1,000                        |                     |                 | 50              |
| 8   | 23-24 | 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                 |                 |                 |
|     | 24-25 |  | Low – 10%  | 2,500                        |                     | 250             |                 |
|     | 25-26 |  | Low – 10%  | 2,500                        |                     |                 | 250             |
| 9   | 23-24 | 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                  |                 |                 |
|     | 24-25 |  | Low – 25%  | 200                          |                     | 50              |                 |
|     | 25-26 |  | Low – 10%  | 200                          |                     |                 | 20              |
| 10  | 23-24 | Employment tribunal action   | Low – 20%  | 2,000                        | 400                 |                 |                 |
|     | 24-25 |  | Low – 20%  | 1,000                        |                     | 200             |                 |
|     | 25-26 |  | Low – 20%  | 1,000                        |                     |                 | 200             |

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|---------------|-------|--|--|------------------------------|---------------------|-----------------|-----------------|
|               |       |  |  |                              | 2023-24<br>£000     | 2024-25<br>£000 | 2025-26<br>£000 |
| 11            | 23-24 | MTFP provides for additional revenue funding to meet additional costs arising from capital investment but costs may be understated | Low – 10%  | 400                          | 40                  |                 |                 |
|               | 24-25 |  | Low – 10%  | 400                          |                     | 40              |                 |
|               | 25-26 |  | Low – 10%  | 400                          |                     |                 | 40              |
| 12            | 23-24 | Major fraud  | Low – 5%   | 100                          | 5                   |                 |                 |
|               | 24-25 |  | Low – 5%   | 100                          |                     | 5               |                 |
|               | 25-26 |  | Low - 5%   | 100                          |                     |                 | 5               |
| 13            | 23-24 | LG Pension Scheme – employer contribution increase above budget  | Low – 0%   | -                            | -                   |                 |                 |
|               | 24-25 |  | Low – 0%   | 4,000                        |                     |                 |                 |
|               | 25-26 |  | Low – 0%   | 4,000                        |                     |                 | -               |
| 14            | 23-24 | Failure to collect debt beyond provision   | Low – 5%   | 1,000                        | 50                  |                 |                 |
|               | 24-25 |  | Low – 5%   | 1,000                        |                     | 50              |                 |
|               | 25-26 |  | Low – 5%   | 1,000                        |                     |                 | 50              |
| 15            | 23-24 | Adverse winter increases call on operational costs   | Low – 10%  | 500                          | 50                  |                 |                 |
|               | 24-25 |  | Low – 10%  | 500                          |                     | 50              |                 |
|               | 25-26 |  | Low – 10%  | 500                          |                     |                 | 50              |
| 16            | 23-24 | Capital programme deficit/prudential borrowing to be funded from revenue   | Low – 10%  | 2,000                        | 200                 |                 |                 |
|               | 24-25 |  | Low – 10%  | 3,000                        |                     | 300             |                 |
|               | 25-26 |  | Low – 10%  | 4,000                        |                     |                 | 400             |
| 17            | 23-24 | Fluctuation in borrowing costs/interest receipts.  | Medium – 50%   | 5,000                        | 2,500               |                 |                 |
|               | 24-25 |  | Low – 20%  | 5,000                        |                     | 1,000           |                 |
|               | 25-26 |  | Low – 20%  | 5,000                        |                     |                 | 1,000           |
| 18            | 23-24 | Waste recycling performance does not improve resulting in Landfill Allowance Tax liabilities above budget                          | Low – 5%   | 2,000                        | 100                 |                 |                 |
|               | 24-25 |  | Low – 10%  | 3,000                        |                     | 300             |                 |
|               | 25-26 |  | Low – 10%  | 4,000                        |                     |                 | 400             |
| 19            | 23-24 | Business rate income lower than expected   | Low - 20%  | 10,000                       | 2,000               |                 |                 |
|               | 24-25 |  | Low - 10%  | 10,000                       |                     | 1,000           |                 |
|               | 25-26 |  | Low – 10%  | 10,000                       |                     |                 | 1,000           |
| <b>TOTALS</b> |       |  |  |                              | <b>20,995</b>       | <b>21,745</b>   | <b>26,715</b>   |