

Risks Influencing the Level of General Reserves

Risk Area	RAG Rating after Mitigation	Provision for 2022-23
The possibility of significant increases in inflation and/or taxation , after the budget has been set.	R	£7.500m
The potential for "Bellwin" type emergencies . Assuming such costs would attract grants under the Bellwin scheme. This would provide cover for all immediate costs up to the point Government emergency response funding can be claimed.	A	£2.000m
The likelihood of unanticipated budget pressures arising within the year, for example the repayment to grant or pressure on the authority's VAT partial exemption status or increases in demand that cannot be accommodated within directorate reserves.	A	£2.000m
Provision for in-year cuts in government funding . The assumption is that any in-year cuts in government funding will be met, in full, by services. The provision reflects the risk that in all cases existing commitments mean this may not be possible.	A	£0.875m
Schools and Early Years Funding . The risk to the stability of the schools/education services funded from DSG across schools, early years, high needs and central services blocks where the authority needs to support schools through this process to maintain the sufficiency of provision.	A	£1.875m
The possibility of being unable to agree inter-authority/organisation plans .	A	£0.875m
Market and/or Social Enterprise Failure . The risk that services provided by the market and/or social enterprises may stop if the provider fails, requiring the local authority to secure alternative provision at short notice.	A	£1.500m
Unforeseen medium term/long term impact of Covid-19	A	£1.875m
The risk of reduced demand for Education Traded Services leading to loss of profit	A	£0.875m
The risk of loans made to companies through the pandemic and recovery process not being paid in full	A	£1.875m
The risk of increased financial impacts of inspection reports	A	£2.000m
The possibility of overspending on the "Corporate Services" budget .	G	£0.500m
The possibility of any further costs arising from legal judgements which would fall on the County Council within one year.	G	£1.000m
The possibility of planned changes to the national benefits system impacting adversely on the demand for local authority services.	G	£0.500m
General contingency . This could be supplemented in any one year by a sizeable proportion of earmarked reserves, providing these were replenished as part of the budget process.	G	£0.500m
Total		£26.000m

Note: The risk assessment excludes the technical impact of any changes in accounting treatment.