

Appendix 4.2

Adequacy of Reserves – Risk Assessment

Three key assessment areas:

1. identification of risks during the financial planning and budget setting process as set out in the main report;
2. risk assessment of the agreed investment and savings proposals in the proposed budget package, and;
3. key risks identified, monitored and managed through the Council's risk management strategy and included in the corporate risk register.

	Budget exposure	Risk	Residual Impact
	£m	%	£m
1. Budget Process			
- Looked after Children	24.0	Residual impact of High to Low risks (75% to 25%) on specific areas within the overall service budgets	
- Adult Social Care	50.0		
- Temporary Accommodation	10.0		
- Capital Financing	20.0		
- Revenue Streams	50.0		
	154.0		6.5
2. Savings Proposals			
- Delivery Programme	41.0	High to Low Risk (75% to 25%) on specific savings proposals	4.8
- Transition Costs (e.g. redundancies)	25.0	Very High Risk of significant financial impact	25.0
			29.8
3. Corporate Risk Register (not already dealt with in 1 above)		Impact score (from risk register)	
- Corporate Statutory Requirements		5	
- Fraud		7	
- Capital / project delivery		7	
- Corporate IT systems		9	
			2.0
4. Unidentified risks			1.0
Less earmarked reserves and contingencies for the above			-29.0
Grand total			10.3