

Summary Quantification of Risk - General Fund Contingency

| RISK | £000's | £000's | CURRENT INITIATIVES | Probability of increased cost and no alternative saving | Risk Level times probability (£000s) |
|---|--|-------------------------------|---|---|--------------------------------------|
| | Estimated risk level with current management | Estimated risk left unchecked | | | |
| Savings proposals are not fully achieved in the year due to unforeseen events in addition to RAG status of proposals including 2019/20 savings. | 2,000 | 3,000 | As shown in the detailed savings list | 0.25 | 500 |
| Risk of impairment of assets and write off of debts including COVID-19 related risks. | 10,000 | 12,000 | Regular review, appraisal and balance sheet management | 0.15 | 1,500 |
| Loss of income, from charges, grant loss, collection issues etc and these not covered by government support. | 4,000 | 20,000 | Accountable management of each income line, strategic overview by Finance | 0.2 | 800 |
| Additional spend pressures due to demographic issues/inflationary pressures/extreme weather etc | 5,000 | 8,000 | Accountable budget management and monitoring, pro-active management to reduce demand by enabling independence | 0.2 | 1,000 |
| New initiatives and/or legislative changes cause additional budget pressures | 500 | 1,000 | Active budget management and monitoring | 0.2 | 100 |
| National issues and macro-economic factors have an adverse effect on local economy including Brexit. | 4,000 | 5,000 | Active management of Council budgets potentially affected | 0.2 | 800 |
| Collection Fund/Tax collection issues and any COVID related risks | 500 | 1,000 | Active management and monitoring | 0.2 | 100 |
| General Fund total re 19/20 | 26,000 | 50,000 | | | 4,800 |

The likelihood of all these risks occurring in 1 year is limited, though this is taken into account to a degree in the probabilities used.

There are also potential underspends and one off gains that occur in various services.

The contingency provision required has to be seen in this context. Based on this, a reduction of £2.55m is suggested

General Contingency

-2,550
2,250

Provision for Redundancy Costs - Redundancy, Pension Strain etc

700

Children's Social Care Contingency (financial sustainability plan)

320

Framework for the funding and financing of LLAL Stabilisation and Recovery Plan

2,000

Total Contingency and Provisions

5,270