

CR01 - Financial resilience

Owner: Freeman, Simon

Position: Head of Finance

Impacts Upon	Reviewed	Next Major Review Date
■ CP7 - Sound Resource Management	31/12/2017	31/03/2017

Major Review Frequency

Annually

If

If a sustainable budget is not secured

Then

Then the Council will lack financial resilience

Background

The Government's fiscal policy in respect of deficit reduction reducing public sector funding combined with the Council's limited ability to raise income could result in the Council's financial resilience being at risk.

Inherent Likelihood	Likelihood Comment
Likely (4)	Options for increasing revenue to enable the Council to compensate for reduced Government Funding are becoming extremely limited. Given the budget reductions already made further budget savings will be extremely challenging if services are to be protected. Pressures are now evident not only in the General Fund but also the Housing Revenue Account as a result of Government policy on rents.

Inherent Impact	Impact Comment
Major (4)	The impact of Significant budget cuts to enable a balanced budget to be delivered could have a major impact on delivery of the Council's corporate objectives. Over the period of the MTF there could be an impact on Council's ability to meet statutory responsibilities and community aspirations in respect of discretionary services.

Current Controls

Development of the Council's MTFs and the detailed planning of future budgets is now undertaken early in the financial year and is an ongoing process rather than an annual review and is linked with the monthly Budget Monitoring process. The council has approved a three year MTFP which reflects that there are no budget gaps in the period 2018/19 – 2020/21.

	Residual Risk		DoT	Foreseeable Ris
Risk Rating	18			13
Risk Likelihood	Moderate (3)			Moderate (3)
Risk Impact	Major (4)			Moderate (3)

Additional actions to mitigate risk (4Ts)

Whilst the pressures generated in the Council's grant income are largely driven by Government policy the financial situation continues to be monitored at a high frequency. The Administration will continue to be provided with detailed financial information and will be appropriately supported in reaching decisions upon how these financial challenges can be faced.