

EXAMPLE OF ALTERNATIVE REPORTING FORMAT CRR1- A: Financial Resilience	MEDIUM
Risk Owner: Tony Baden	Last updated: 18 June 2024
<p>Risks Identified</p> <p>Failure to maintain a robust and deliverable budget will lead to a lack of resources to fund services and council priorities, leading to reactive decision making and reputational consequences.</p> <p>Failure to maximise efficient use of resources and so unsuccessful redirection of resources and not achieving objectives and outcomes of the Council.</p> <p>Failure to exploit income streams/ income generating activities/ commercial opportunities.</p> <p>Increased inflation caused by utilities and supply contracts leading to significantly increased, unbudgeted costs.</p>	
<p>Causes</p> <p>The annual Local Government Finance Settlement creating uncertainty beyond the next financial year.</p> <p>The outcome of proposed Government reviews of the local authority funding system, e.g. the Fair Funding review, Business Rates review.</p> <p>Reduction in government grants and external funding.</p> <p>Ineffective financial/ budget management and monitoring.</p> <p>Increased cost of building/ construction and maintenance.</p> <p>The outcome of the National Pay Negotiations/ Award.</p>	
<p>Effects</p> <p>Non- achievement of corporate priorities.</p> <p>Budget deficit.</p> <p>Forced to make savings leading to a reduction in the quality-of-service delivery.</p> <p>Increased costs and lower returns on investments.</p> <p>Minimal return from income generating activities/ commercial opportunities.</p> <p>Further pressure on demand led services e.g. benefits, homelessness etc.</p> <p>Reduction or delays in housebuilding and maintenance of corporate/ commercial buildings. Significant pressure on contracts, staff and projects.</p> <p>If the Council is unable to achieve financial resilience through a balanced revenue budget, the Section 151 officer would be obliged to issue a section 114 notice, which would prohibit all new expenditure. This would be a very serious situation for the Council because under the 1988 Local Government Finance Act, it is not permissible for a Council's expenditure to exceed its income. However, this is currently deemed to be highly unlikely.</p>	

CRR1- A: Financial Resilience**MEDIUM****Existing controls/ mitigating actions**

The Group Head of Finance has engaged an external resource to review and develop the Council's Medium Term Financial Forecast. This will be reported to Members as part of the budget setting process and will give an updated view of the Council's overall financial position. An updated MTFP report will be presented to the October and December Policy & Finance Committee.

Medium Term Financial Strategy (MTFS) regularly reviewed and reported to Members at the Policy & Finance Committee.

Annual budget setting and quarterly budget monitoring of income and capital and revenue expenditure .

Regular reports to CMT, raising awareness of our current financial position. This includes the budget monitoring report, medium- term forecast and specific service area requirements e.g. quarterly report on the HRA to CMT.

Capital Strategy 2021/22- 2023/24 reviewed annually.

Continue to maximise Council tax increases.

Control of expenditure- Approval limits and routes for additional funding are detailed in the Council's Constitution and Financial Regulations.

Monitoring of potential changes to government policy, legislation etc.

Sufficient reserves.

Further Actions

Action	Target date
Officers concluded a service planning review exercise in September 2023. Proposals put forward by Group Heads were discussed with the Joint Chief Executives and identified significant savings in the 2024/25 budget which Members approved as part of the 2024/25 budget setting process.	
Monitoring and reporting to CMT of the £1.5 million savings approved as part of the detailed 2024/25 revenue budget.	
Two iterations of the MTFP have been reported to Members since October 2023, as well as several briefing sessions. It is intended that a further update will be presented to the next Policy & Finance committee.	
Further implementation of the Council's Financial Strategy, approved by Full Council on 10 th January 2024.	

RISK SCORING	Likelihood	Impact	TOTAL	Change in Net Risk Level
Gross Risk Level	Likely (3)	Very High (4)	12	
Net Risk Level	Possible (2)	Very High (4)	8	
Target Risk Level				