

## Medium Term Financial Sustainability Strategy 2016/17 – 2021/22

### Assessment of Significant Financial Risks to Substantiate Target Level of Unearmarked Working Balances

Nature of Risk <i>[and rationale for quantification]</i>	Mitigation	£m
Budget savings of £25.1m in 2016/17 are not achieved, resulting in service budget overspendings <i>[delivery of 90% full-year effect in 2015/16]</i>	Robust and realistic series of plans for each Directorate to demonstrate how the savings are to be achieved, monitored at Corporate Leadership Team and by Portfolio Holders on a monthly basis	2.5
Current year service overspendings are not managed by the service and flow through to the 2016/17 outturn <i>[based on forecast as at month 3]</i>	Additional funding of £2.7m in 2016/17 Budget to reflect demographic pressures in Social Care and recovery plans drawn up by services and monitored by the Tourism, Economy & Resources Scrutiny Committee	Included in above
Council Tax and Business Rates collection rates deteriorate as a result of economic climate, CT Reduction Scheme and cap on Attachment of Benefits, and changes to CT discounts and exemptions <i>[13/14 -&gt; 15/16 deterioration]</i> and business rates appeals.	Ongoing monitoring of collection rates and by client and business groups, enabling early intervention by Council support staff. Robust and consistent recovery processes in place. Closer liaison with VOA to understand business rate appeals pending.	2.1

Business Rates Retention – impact of 100% BRR Scheme <i>[50% of Safety Net less Contingency]</i>	Ongoing monitoring of collection rates by business group, enabling early intervention by Council support staff. Robust and consistent recovery processes in place. Closer liaison with VOA to understand business rate appeals pending.	0.9
Insufficient funding for new burdens such as National Living Wage and implementation of the Care Act	Forecast pressures factored into Budget, local and national modelling of the financial implications of the Care Act suggest that the 2015/16 funding of c.£1.7m should be sufficient.	-
External factors such as European Union Referendum result, impact on national economy, the review of needs and resource allocations, etc.	Council is considering accepting the Government's offer of a 4-year finance settlement although from Blackpool's perspective this only covers the Revenue Support Grant element of central government funding but the business rates top-up that is also received will not be altered for the 4-year period 2017/18 to 2019/20. Potentially this offer will give protection from funding distributional changes, additional cuts, changes to assessment of need and greater certainty. However, there is a risk to this associated with the review of needs-based resource assessment. Blackpool will continue to lobby Government via its various networks such as the LGA, SIGOMA etc.	-
Internal factors such as reduction in grants - Education Services grant, HB/CT Admin grant, Public Health grant	Education Services Grant to be removed completely for both academies and maintained schools from September 2017. Public Health Grant has seen reductions in 2016/17 and 2017/18 with further reductions expected over the period to 2019/20. Reductions in grants could lead to job reductions and reductions in service.	0.5
		<b>INDICATIVE TOTAL</b>
		<b>6.0</b>