

Appendix 2b

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

Nature of Risk <i>[and rationale for quantification]</i>	Mitigation	£k
<p>1. Budget savings of £20.3m are required in 2021/22. If they are not achieved, this will result in service budget overspendings at outturn.</p> <p><i>[delivery of % full-year effect in]</i></p>	<p>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.</p>	400
<p>2. Growth in Adult Social Care demand along with the impact of National Living Wage on Care Providers forcing additional cost pressures on businesses with potential loss of providers and reduction in service to the vulnerable unless Council provides support.</p> <p><i>[% of estimated population]</i></p>	<p>Regular monthly meetings are held with the Director and s151 Officer to monitor pressures over the financial year.</p> <p>An Adults MTFP is produced and reviewed annually.</p>	1,200
<p>3. Demand pressures continue in Looked After Children. Spend on social care has doubled in the last 9 years and despite ongoing budgetary growth overspends continue to be forecast.</p> <p><i>[% of historical trend]</i></p>	<p>Regular monthly meetings are held with the Director and s151 Officer to monitor progress over the financial year.</p> <p>A Children's Social Care MTFP has been produced and signed off by the Executive. The Directorate has a MTFP Project Board in place to monitor delivery with the Chief Executive, Director of Children's Services and other key members.</p>	2,400
<p>4. Growing inflationary pressures and potential recession leading to drop in income as the economy realigns following EU Exit and Covid.</p> <p><i>[inflationary buffer of 1%]</i></p>	<p>Local government resources have already reduced hugely over the last decade and at the same time there have been significant increases in demand pressures particularly in social care, leaving services with no resources to cover such pressures. Medium Term Financial Sustainability Strategy in place to help with such pressures which is reviewed on an annual basis. However, a prudent level of reserves is needed to cope with economic pressures in year.</p>	900

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<p>5. Reduction in Revenue Support Grant and Section 31 grants e.g. Adult Social Care and Public Health grants.</p> <p><i>[% of grants at risk]</i></p>	<p>The Interpretation of changes in funding resulting from the annual spending review review are fed into annual refresh of the Council's MTFP.</p> <p>Regular review of latest guidance and links to key networks to ensure Council is aware of changes arising so they can prepare appropriate responses.</p>	<p>550</p>
<p>6. Business rates appeals. External impacts on appeals due to reductions in rateable values.</p> <p><i>[% of NNDR income]</i></p>	<p>Ongoing monitoring of collection rates and by client and business groups, enabling early intervention by Council support staff.</p> <p>Robust and consistent recovery processes in place.</p> <p>Closer liaison with VOA to understand business rate appeals pending.</p>	<p>400</p>
<p>7. Projected revenue income from property holdings is not delivered as the property market for retail and commercial premises undergoes continuing rationalisation following Covid and the unwinding of Government support to businesses.</p> <p><i>[% drop in collectable income]</i></p>	<p>Council has revised its its income projections based on information provided by the national specialist employed to advise on retaining maximum return from its assets.</p> <p>Council regularly undertake market testing of advisors to ensure we retain those best able to best manage our portfolio.</p>	<p>150</p>
<p>TOTAL</p>		<p>6,000</p>