

Risk Supporting Statement: SR3

Risk Owner: Chamberlain

Risk	Further reductions in the 2013 Spending Review for 2015/16 will reduce grant income for the City Corporation resulting in the Corporation being unable to maintain a balanced budget and maintain healthy reserves in City Fund significantly impacting on service delivery levels. Links to: Strategic Aim SA2 and Key Policy Priority KPP2	Gross Risk	R
		Likelihood	Impact
		5	4

Detail	This risk has already been realised. The 2013 Spending Review announced an 8.2% cash reduction for 2015/16 for non-police services. This headline rate actually translates to a cash reduction of 15.5% for the City, increasing the forecast deficit to £5.6m in 2015/16.
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<p>Issues</p> <ul style="list-style-type: none"> * Reduction in grant income to the City Corporation * Increasingly difficult to maintain a balanced budget * Increased pressure on reserves 	<p>Controls</p> <ul style="list-style-type: none"> * Service based review to address the 2015/16 forecast deficit, including a review of spend not in line with City Fund duties that may potentially be better funded from Bridge House Estates and reconsideration of the asset sales policy. (The Town Clerk, Chamberlain and Financial Services Director) * Maintaining prudent management of City Fund finances and using current financial planning to build up reserves. (The Chamberlain and Financial Services Director) * Robust financial planning (The Chamberlain and Financial Services Director) * Scrutiny of the achievement of savings options by the Efficiency Board and Efficiency and Performance Sub-Committee. (The Town Clerk, Chamberlain and Financial Services Director)
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Summary So far savings options worth up to £4.5m have been identified and are being examined. Of this, some £2m is reasonably secure and the remaining £2.5m being assessed. This leaves a target of between £1.1m-£3.6m for a balanced budget in 2015/16. However, as this deficit is covered by reserves the net risk assessment is amber. When savings have been identified and have been removed from budgets in the autumn of 2014 the risk will drop to green.	Net Risk	A
	Likelihood	Impact
	5	2
	Control Evaluation	
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