

Appendix 3 - General Balances Risk Assessment

Risk	Mitigation	Likelihood	Probability Weighted potential impact (Medium Term) £m
Business Rates Appeals being 1% Greater than current assumptions	Provision has been made for a prudent level of appeals.	15%	0.540
Business Rates Growth Forecasts optimistic	Business rates forecast based on latest intelligence of businesses included on the ratings list. The Government has indicated a 100% Safety Net in 2026/27, reducing to 97% in 2027/28 and to 92.5% in 2028/29.	25%	0.230
Council Tax growth forecasts optimistic	Council tax forecasts are based on Land Supply Data from Planning.	25%	0.251
Council Tax Support Claimants greater than budgeted	The taxbase projections have assumed the current level of CTS claimants continues.	25%	0.015
Outcome of the Government Fair Funding Review	The outcome may not be in line with current financial planning assumptions of neutral in real terms. There is potential for both improvements and deterioration. But not expected to take place until 2025/26 at the earliest.	20%	4.000
Inflation runs at higher than rate assumed in MTFS	Budget assumes inflationary impacts.	25%	0.110
Pay Inflation runs at 1% higher than rate assumed	Budget assumes inflationary impact of pay award.	25%	0.425
1% unbudgeted rise in short-term and long-term interest rates	The Council has factored in to the budget prudent assumptions about interest rates at which it will borrow in 2024/25.	5%	0.100
Delivering the savings programme and identifying future savings	The Council has scrutinised the savings proposals included within the budget, but anticipate having to identify significant savings in the medium term. MTFS balanced for 3 years.	20%	0.260
Commercial Risk	Regular reviews take place of the Council's commercial interests and the latest estimates have been used when setting the budget. Also hold a commercial risk reserve.	10%	0.850
Loans, Guarantees and Bonds	Regular reviews take place with the companies that loans and guarantess are given to in order to ensure that they are on a stable financial footing.	1%	1.030
Exceeding the 5% Partial Exemption VAT limit	VAT Returns are carried out monthly to HMRC and the VAT position monitored appropriately.	10%	0.200
TOTAL			8.011