

Appendix 3 - General Balances Risk Assessment

| Risk | Mitigation | Likelihood | Probability Weighted potential impact £m |
|--|--|------------|---|
| Business Rates Appeals being 1% Greater than current assumptions | Provision has been made for a prudent level of appeals. | 15% | 0.420 |
| Business Rates Growth Forecasts optimistic | Business rates forecast based on latest intelligence of businesses included on the ratings list. | 25% | 0.098 |
| Council Tax growth forecasts optimistic | Council tax forecasts are based on Land Supply Data from Planning | 25% | 0.000 |
| Council Tax Support Claimants greater than budgeted | The taxbase projections have assumed the current level of CTS claimants continues. | 25% | 0.042 |
| 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. | 80% | 3.440 |
| Inflation runs at higher than rate assumed in MTFS | Budget assumes inflationary impacts. | 25% | 0.022 |
| Pay Inflation runs at 1% higher than rate assumed | Budget assumes inflationary impact of pay award. | 25% | 0.085 |
| 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 | 50% | 0.200 |
| 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. | 25% | 1.475 |
| Commercial Risk | Regular reviews take place of the Council's commercial interests and the latest estimates have been used when setting the budget. | 25% | 1.000 |
| 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% | 0.040 |
| Total | | | 7.852 |