

<p>St Edmundsbury Borough Council</p> <p>Risk Area</p>	<p>2016/17</p> <p>Impact</p> <p>£000s</p>	<p>2016/20</p> <p>MTFS</p> <p>Impact</p> <p>£000s</p>
<p><u>Pay Inflation</u></p> <p>The Council's MTFS currently assumes a 1% pay inflationary increase for 2016/17, and a 1% inflationary increase for 2017/18 - 2019/20.</p> <p>An annual 1% increase in pay inflation over what is already assumed in the MTFS would result in an additional £535k pressure on the Council's finances.</p>	<p>128</p>	<p>535</p>
<p><u>Employers Pensions</u></p> <p>The Council's MTFS currently assumes the following Employers' Pension Contribution Rates:</p> <p>2016/17 - 25.7%</p> <p>2017/18 - 27.7%</p> <p>2018/19 - 29.7%</p> <p>2019/20 - 31.8%</p> <p>An increase of 1% to the contributions on top of that already budgeted would result in an additional pressure of £480k on the Council's MTFS.</p>	<p>120</p>	<p>480</p>
<p><u>Industrial Unit Rental Income</u></p> <p>The Council's MTFS currently allows for no increase in Industrial Unit income.</p> <p>If income from Industrial Unit Rents falls by 10% this would put an additional £775k pressure on the MTFS.</p>	<p>225</p>	<p>775</p>
<p><u>Commercial Income</u></p> <p>The Council's MTFS currently includes a number of initiatives in line with the commercial agenda, however there is a risk associated with the achievement of these targets.</p> <p>If commercial income were to fall short of the anticipated levels by 10%, this would have a £154k detrimental effect across the Council's MTFS.</p>	<p>39</p>	<p>154</p>

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<p><u>Planning Income</u></p> <p>The Council’s Building Control and Planning Application Fees have been reduced to reflect actual levels currently being achieved. There is, however, a risk that the desired levels of income may not be achieved.</p> <p>If Planning income levels were to drop by 10%, this would have a £377k detrimental impact on the Council’s MTFS.</p>	<p>92</p>	<p>377</p>
<p><u>Transfer of Waste Station</u></p> <p>The Council’s budgets are currently based around using 3 waste sites for tipping in West Suffolk. Depending on a number of factors, including the West Suffolk Operational Hub project, this provision may reduce to 1 or 2 sites within the next 1 to 2 years.</p> <p>The impact of this change will be determined at the appropriate time. At this stage it is difficult to quantify the likely savings or costs, however it has been identified as a risk area.</p>	<p>N/A</p>	<p>N/A</p>
<p><u>Blue Bins</u></p> <p>The council collects about 6,500 tonnes of recyclable waste a year (blue bins). Due to a fall in material commodity prices it is expected that the blue bin gate fee will rise in 2016/17 and the budget has been adjusted to reflect this additional cost.</p> <p>If the gate fee increases by £5 per tonne more than anticipated, the additional pressure on the MTFS will be in the region of £32k per annum.</p>	<p>32</p>	<p>130</p>
<p><u>Interest Receipt Rates</u></p> <p>The Council’s current assumptions around interest receipts are as follows:</p> <p>2016/17 – 0.90%</p> <p>2017/18 – 1.50%</p> <p>2018/19 – 2.00%</p> <p>2019/20 – 2.50%</p> <p>A 0.5% reduction in each of these figures would result in approximately £541k pressure on the Council’s MTFS.</p>	<p>157</p>	<p>541</p>

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<p><u>Government Grant</u></p> <p>The Council’s MTFS currently assumes year on year reductions in Revenue Support Grant funding of 54% for 2017/18, 72% for 2018/19 and 100% for 2019/20 based on the Finance Settlement</p> <p>An additional reduction of 5% per annum for each of these years would result in a £83k cost to the Council’s MTFS position.</p>	<p>0</p>	<p>83</p>
<p><u>Council Tax Collection</u></p> <p>The level of Council Tax receipts in the MTFS are based upon collection rates of 98% for Council Tax and 90% for the additional income generated from changes to the discounts scheme.</p> <p>A fall of 1% in both of these collection rates would have a detrimental effect of £252k across the Council’s MTFS.</p>	<p>63</p>	<p>252</p>
<p><u>Business Rate Retention - Amount collectable</u></p> <p>The Business Rates Retention Scheme commenced from 1 April 2013. Under the new scheme, the Council benefits from a proportion of the additional business rates generated through economic growth in its area. Conversely the risks inherent in such a scheme have now been passed down to local authorities and as such the Council could suffer from an economic decline or the cessation of business from one of its major business ratepayers.</p> <p>A 1% decrease in the business rates collectable across the Borough would result in additional pressure on the MTFS of around £185k per year.</p>	<p>185</p>	<p>764</p>

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<p><u>Business Rate Retention - Multiplier</u></p> <p>The business rate retention multiplier is set centrally and is increased annually by the September RPI figures (0.8% as at September 2015 which has been used to inflate the multiplier for 2016/17). The OBR also give indicative RPI figures for future years (currently 2.0% for 2017/18, 3% for 2018/19 and 3.2% for 2019/20). The MTFS assumptions have been set at a more prudent level of 2% for each year from 2017/18 to 2019/20.</p> <p>A 1% reduction in the RPI below the rates assumed would result in an additional pressure of £101k for the period 2017/18 to 2019/20.</p>	<p>0</p>	<p>101</p>
<p><u>Housing Benefit Subsidy</u></p> <p>The MTFS currently assumes a 99% subsidy rate within the budgets.</p> <p>A 1% reduction in this subsidy rate for the Council for each year would result in an additional £1,152k pressure on the Council's MTFS position.</p>	<p>288</p>	<p>1,152</p>
<p>TOTALS (£000s):</p>	<p>1,329</p>	<p>5,344</p>