

Risk Area	2022 to 2023 Budget Impact £000s	2023 to 2026 MTFS Impact £000s
<p>COVID-19</p> <p>The council's budget for 2022 to 2023 includes a provision for lost income as a result of the impact of COVID-19 continuing beyond 31 March 2022, totalling £500,000. This provision, which will be funded from the council's General Fund, equates to around 1.6% of the total fees and charges budget for 2022 to 2023.</p> <p>However, at this stage it is not known what the impact of COVID-19 will be in 2022 to 2023, or how long that impact is likely to last. If the impact were to increase by a further 1 per cent of the fees and charges budget, this would result in an additional pressure of £298,000 in 2022 to 2023.</p>	298	N/A
<p>COVID-19 Car Park Income</p> <p>The lockdowns experienced as a result of the COVID-19 pandemic during 2020 and 2021 have understandably had an adverse effect on town centre footfall and consequently car parking income.</p> <p>A 5 per cent fall in annual income could result in an additional pressure on the council's income budgets of around £326,000.</p>	326	N/A
<p>COVID-19 Operational Income</p> <p>The council's budgets include a number of assumptions around operational income from the Workshop and tree maintenance services. These were significantly affected by the COVID-19 pandemic in the 2021 to 2022 financial year.</p> <p>Should these income streams not recover, the council could experience an additional gross pressure of £149,000 on its operational income budgets during 2022 to 2023.</p>	149	N/A
<p>Pay inflation</p> <p>The council's MTFS currently assumes a 2 per cent pay inflationary increase for 2022 to 2023 onwards.</p> <p>An annual 1 per cent increase in pay inflation over what is already assumed in the MTFS would result in an additional £1,001,000 pressure on the council's finances.</p>	245	1,001
<p>Employer's pensions - contribution rate</p> <p>The council's MTFS currently assumes a 32.3 per cent employer's pension contribution for all years.</p> <p>An increase of 1 per cent to the contribution rate on top of that already budgeted would result in an additional pressure of £893,000 on the council's MTFS.</p>	217	893
<p>Employer's pensions - take-up</p> <p>Pension costs budgeted in the MTFS reflect the actual level of staff currently opting into the superannuation scheme.</p> <p>An increase in opt-in levels of 2 per cent would result in an additional pressure of £600,000 across the MTFS.</p>	147	600

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<p>Council tax collection</p> <p>The level of council tax receipts in the MTFS are based upon collection rates of 98 per cent for council tax and 83 per cent for the additional income generated from changes to the discounts scheme.</p> <p>A fall of 1 per cent in each of these collection rates would have a detrimental effect of £436,000 across the council’s MTFS.</p>	109	436
<p>Housing benefit subsidy</p> <p>The MTFS currently assumes a 98.5 per cent subsidy rate for rent allowance payments and a 62 per cent subsidy rate for rent rebates within the budgets.</p> <p>A 1 per cent reduction in these subsidy rates for the council for each year would result in an additional £1,050,000 pressure on the council’s MTFS position.</p>	278	1,050
<p>Interest receipt rates</p> <p>The council’s current assumption around interest receipts is 0.25 per cent for each year of the MTFS.</p> <p>A 0.25 per cent reduction would result in approximately £180,000 pressure on the council’s MTFS.</p>	45	180
<p>Homeless Prevention and Rough Sleeping Grants</p> <p>The council’s budgets currently assume a continuation of the Homeless Prevention and Rough Sleeping Initiative Grants across the term of its MTFS. These grants provide a significant source of funding as part of the council’s approach to homelessness and rough sleeping, and the reduction or discontinuation of either of these would result in additional financial pressures on the overall budget position.</p> <p>At the time of writing the Homeless Prevention Grant has been confirmed for 2022 to 2023, and assumptions totalling just under £2 million are included from 2022 to 2026. The council is yet to receive confirmation of the Rough Sleeping Grant, and has assumed £1.8 million for the full term of the MTFS.</p>	0	3,769
<p>Borrowing costs - interest</p> <p>The MTFS includes borrowing costs (interest) amounting to £1,359,800 in 2022 to 2023 to fund the ambitious project agenda (£5,236,250 across the MTFS).</p> <p>If the interest rates assumed increase by 0.5 per cent from the business case assumptions, there will be an additional pressure of £1,075,000.</p>	278	1,075

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<p>Operational capacity - waste and street scene</p> <p>The MTFS currently assumes consistent assumptions around inflation on current levels of operational staffing and equipment. To date the Waste and Street Scene team have been able to absorb growth requirements within current capacity, however this will become more challenging in the future as the population and businesses increase.</p> <p>An additional 5,000 households in the district would necessitate the requirement for an additional household waste and recycling round, plus associated street cleansing and grounds maintenance. The revenue implication of this is around £216,000 a year for staffing and associated supplies and services, plus around £250,000 one-off capital requirements for vehicles.</p> <p>It is anticipated that the service will reach capacity in the district during 2022 to 2023, so the potential MTFS impact has been assessed based on 2023 to 2026, that is, for 3 years. This is alongside assessing the impact of <small>PAWSC</small></p>	0	648
<p>Planning income</p> <p>The council’s building control and planning application fees have been set 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 per cent, this would have a £751,000 detrimental impact on the council’s MTFS.</p>	187	751
<p>Energy price rises</p> <p>The council’s electricity and gas costs have been set to reflect current energy prices with an annual inflation assumption of 7.5 per cent for electricity and 5 per cent for gas.</p> <p>An increase in the cost of wholesale gas has put pressure on the energy industry and some forecasters are predicting gas and electricity increases of up to 50 per cent by April 2022.</p> <p>A 50 per cent increase in energy costs for 2022 to 2023 would result in an additional pressure of £341,000 for the year, with a total impact of £1,349,000 across the MTFS.</p>	341	1,349

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<p>Rental income</p> <p>The council’s MTFS currently allows for no inflationary increase in industrial unit, shop and other rental income.</p> <p>If income from rents falls by 10% this would put an additional £2,380,000 pressure on the MTFS.</p>	595	2,380
<p>Business rate retention - amount collectable</p> <p>The business rates retention scheme commenced from 1 April 2013. Under the 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 per cent decrease in the business rates collectable across the district would result in additional pressure on the MTFS of around £298,000 per year.</p>	298	1,249
<p>Business rate retention - multiplier</p> <p>The business rate retention multiplier is set centrally and is increased annually by the September CPI figures (3.1 per cent as at September 2021). For both 2021 to 2022 and 2022 to 2023 the government froze the multiplier as part of its COVID-19 measures. However, the MTFS assumption for 2023 to 2026 has been set at the September 2021 CPI rate.</p> <p>A 0.5 per cent reduction in the CPI below the rates assumed would result in an additional pressure of £224,000 for the period 2023 to 2026.</p>	0	231
<p>Business rate retention - post 2023</p> <p>The MTFS currently assumes a cost neutral position in 2023 to 2024 when local government is expected to be given 75 per cent retention of business rates. However, this is untested and will continue to be monitored. If the rebaselining and 75 per cent retention resulted in a loss of all business rate income above funding baseline, this would have the impact of around £1,650,000 in 2023 to 2024 and each year thereafter.</p> <p>The council has created a business rate equalisation reserve to assist with significant impacts of business rate retention and appeals. This reserve would be potentially available to support a short term drop in business rate income. However, medium term plans would have to be reviewed.</p>	N/A	4,950
<p>TOTALS (£000s):</p>	3,513	20,562