

Risk Area	2023 to 2024 Budget Impact £000s	2023 to 2027 MTFS Impact £000s
<p>Car Park Income recovery</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 consequentlv car parking income.</p> <p>During 2022 to 2023 income has risen but not to pre-pandemic levels. For the purpose of setting the 2023 to 2024 budget it has been assumed that current behaviours around town centre shopping and hybrid working are embedded. However, the current worldwide economic situation may have an impact on shopping habits and business closures that could affect future car parking income.</p> <p>A 5 per cent fall in annual income assumptions could result in an additional pressure on the council's budgets of around £1,014,000.</p>	253	1,014
<p>Pay inflation</p> <p>The council's MTFS currently assumes a 4 per cent inflationary increase for 2023 to 2024 and a 2 per cent pay inflationary increase for 2024 to 2025 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 £1,080,000 pressure on the council's finances.</p>	258	1,080
<p>Employer's pensions - contribution rate</p> <p>The council's MTFS currently assumes a 26 per cent employer's pension contribution for 2023 to 2026 and 28 per cent for 2026 to 2027.</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 £974,000 on the council's MTFS.</p>	235	974
<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 £537,000 across the MTFS.</p>	128	537
<p>Council tax collection</p> <p>The level of council tax receipts in the MTFS are based upon in year collection rates of 98 per cent.</p> <p>A fall of 1 per cent in this collection rate would have a detrimental effect of £477,000 across the council's MTFS.</p>	113	477

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<p>Housing benefit subsidy</p> <p>The MTFS currently assumes a 98.4 per cent subsidy rate for rent allowance payments and a 80 per cent subsidy rate for rent rebates within the budgets.</p> <p>A 0.5 per cent reduction in these subsidy rates for the council for each year would result in an additional £485,000 pressure on the council’s MTFS position.</p>	129	485
<p>Interest receipt rates</p> <p>The council’s current assumption around interest receipts is 3.25 per cent for 2023 to 2024, 2.25 per cent for 2024 to 2025 and 1.50 per cent thereafter.</p> <p>A 0.5 per cent reduction would result in approximately £380,000 pressure on the council’s MTFS.</p>	110	380
<p>Borrowing costs - interest</p> <p>The MTFS includes borrowing costs (interest) amounting to £1,339,500 in 2023 to 2024 to fund the ambitious project agenda (£5,096,550 across the MTFS).</p> <p>If the interest rates assumed increase by 0.5 per cent, there will be an additional pressure of £1,050,000.</p>	274	1,050
<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. There is currently a consultation underway which is looking at the future of these grants which provide a significant source of funding as part of the council’s approach to homelessness and rough sleeping. The reduction or discontinuation of either of these grants would result in additional financial pressures on the overall budget position.</p>	0	3,791
<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 £754,000 detrimental impact on the council’s MTFS.</p>	187	754
<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 £2,457,000 pressure on the MTFS.</p>	610	2,457

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<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 £277,000 per year.</p>	277	1,110
<p>Business rate retention - post 2025</p> <p>The future of the 50 per cent business rate retention scheme is uncertain. Plans to move to a 75 per cent scheme and rebaseline growth have been deferred due to COVID-19 and the economic crisis. Furthermore, the government has frozen the business rate multiplier for the last 3 years and introduced a range of reliefs, compensating councils for the resulting lost income through complex Section 31 grants. The current expectation is that the 75 per cent scheme and rebaselining will not come in until 2025 to 2026 although the government have not confirmed this.</p> <p>The council's budgets for 2023 to 2025 assume continuation of the current scheme, including annual growth partially being contributed to the business rate equalisation reserve. From 2025 to 2026 the contribution to reserves has been removed from the budget and the growth assumption reduced accordingly to around £0.9 million annually. If the baseline funding levels are not reset and rebaselining resulted in a loss of all income above the funding baseline, this would have the impact of £1,861,000 across the MTFS.</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	1,861
<p>External audit fees</p> <p>In October 2022 Public Sector Audit Appointments Limited (PSAA) announced the outcome of their procurement for audit services for opted-in bodies (including West Suffolk Council) from 2023 to 2024 onwards. The bid prices for the procurement reflected a significant increase compared to the previous procurement in 2017. PSAA will not be consulting with authorities on the scale of fees payable for 2023 to 2024 until Autumn 2023. PSAA have advised that the fee reset could be up to 150 percent of the fees for 2022 to 2023, but the actual fees payable will depend on the amount of work required for individual councils.</p> <p>Due to the uncertainty, the budget has not been increased at this stage. However, an increase of 150 percent would result in an additional pressure of £513,000 across the MTFS.</p>	128	513

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<p>Government funding settlement</p> <p>The future of government funding for councils remains very uncertain. The provisional settlement, announced in December 2022, was effectively a two year rollover settlement, although in reality it only contained numbers for 2023 to 2024 and a set of principles for 2024 to 2025. It confirmed that the fairer funding review (FFR) and business rate baseline reset would not now take place until 2025 to 2026 at the earliest. Furthermore, it implied that Ministers would be monitoring the impact of the Extended Producer Responsibility for Packaging (EPR) on council revenue, and this could be factored into the settlement for 2024 to 2025.</p> <p>The MTFS assumes that the funding settlement for 2024 to 2025 will be at the same level as the 2023 to 2024 provisional figures, inflated for CPI where this has been implied in the principles. No adjustment has been made for the impact of EPR as this is currently unknown. It has been assumed that the FFR and baseline reset will take place from 2025 to 2026.</p> <p>If the assumed level of grant income that has been built into the 2024 to 2025 budget (after allowing for transfers to reserves) is not received then there will be an additional pressure of £1,024,000 across the MTFS.</p>	<p>N/A</p>	<p>1,024</p>
<p>TOTALS (£000s):</p>	<p>2,702</p>	<p>17,507</p>