

Risk Area	2024 to 2025 Budget Impact £000s	2024 to 2028 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 2023 to 2024 income has risen but not to pre-pandemic levels. For the purpose of setting the 2024 to 2025 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 £1,067,000.</p>	267	1,067
<p>Pay inflation</p> <p>The council's MTFS currently assumes a 4 per cent inflationary increase for 2024 to 2025 and a 2 per cent pay inflationary increase for 2025 to 2026 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 £1,172,000 pressure on the council's finances.</p>	280	1,172
<p>Employer's pensions - contribution rate</p> <p>The council's MTFS currently assumes a 26 per cent employer's pension contribution for 2024 to 2028.</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 £1,044,000 on the council's MTFS.</p>	253	1,044
<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 £567,000 across the MTFS.</p>	138	567
<p>Council tax collection</p> <p>The level of council tax receipts in the MTFS are based upon in year collection rates of 98.5 per cent.</p> <p>A fall of 1 per cent in this collection rate would have a detrimental effect of £480,000 across the council's MTFS.</p>	114	480

Risk Area	2024 to 2025 Budget Impact £000s	2024 to 2028 MTFS Impact £000s
<p>Housing benefit subsidy</p> <p>The MTFS currently assumes a 98.5 per cent subsidy rate for rent allowance payments and a 80 per cent subsidy rate for rent rebates (temporary accommodation) within the budgets.</p> <p>A 1 per cent reduction in the rent allowance subsidy rate and a 10 per cent reduction in the rent rebate subsidy rate for each year would result in an additional £1,290,000 pressure on the council's MTFS position.</p>	334	1,290
<p>Interest receipt rates</p> <p>The council's current assumption around interest receipts is 4 per cent for 2024 to 2025, 3 per cent for 2025 to 2026 and 2.50 per cent thereafter.</p> <p>A 0.5 per cent reduction would result in approximately £405,000 pressure on the council's MTFS.</p>	135	405
<p>Borrowing costs - interest</p> <p>The MTFS includes borrowing costs (interest) amounting to £1,581,000 in 2024 to 2025 to fund the project agenda (£6,035,000 across the MTFS).</p> <p>If the interest rates assumed increase by 0.5 per cent, there will be an additional pressure of £1,097,000.</p>	288	1,097
<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. The reduction or discontinuation of either of these grants would result in additional financial pressures on the overall budget position.</p>	0	4,405
<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 £925,000 detrimental impact on the council's MTFS.</p>	230	925
<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 £2,526,000 pressure on the MTFS.</p>	631	2,526

Risk Area	2024 to 2025 Budget Impact £000s	2024 to 2028 MTFS Impact £000s
<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 £276,000 per year.</p>	276	1,138
<p>Business rate retention - post 2026</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 until at least 2026 to 2027. Furthermore, the government has uncoupled the business rate multiplier and introduced a range of reliefs, compensating councils for the resulting lost income through complex Section 31 grants.</p> <p>The council's budgets for 2024 to 2026 assume continuation of the current scheme, including annual growth partially being contributed to the business rate equalisation reserve in 2024 to 2025. From 2025 to 2026 the contribution to reserves has been removed from the budget and from 2026 to 2027 the growth assumption has been halved. 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 £6,605,000 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	6,605

Risk Area	2024 to 2025 Budget Impact £000s	2024 to 2028 MTFS Impact £000s
<p>Government funding settlement</p> <p>The future of government funding for councils remains very uncertain. The provisional settlement, announced in December 2023, was effectively the second year of a two year rollover settlement. No indication was given for the likely settlement for 2025 to 2026 or years beyond that. Nor was there any confirmation of when the Fairer Funding Review would take place, although realistically this will not be before 2026 to 2027 at the earliest. Furthermore, there is still uncertainty around the implementation of Simpler Recycling and whether any future revenue streams from this initiative will impact the settlement.</p> <p>The MTFS assumes that the funding settlement for 2025 to 2026 will be at the same level as the 2024 to 2025 provisional figures, then no grant fundina at all from 2026 to 2027.</p> <p>If the assumed level of grant income that has been built into the 2025 to 2026 budget (after allowing for transfers to reserves) is not received then there will be an additional pressure of £1,085,000 across the MTFS.</p>	<p>N/A</p>	<p>1,085</p>
<p>TOTALS (£000s):</p>	<p>2,946</p>	<p>23,806</p>