

Appendix 5 to ATTACHMENT D

St Edmundsbury Borough Council	2015/16	2015/19
Risk Area	Impact £000s	MTFS Impact £000s
<p><u>Pay Inflation</u> The Council's MTFS currently assumes a 2.2% pay inflationary increase for 2015/16, and a 2% inflationary increase for 2016/17 - 2018/19 An annual 1% increase in pay inflation over what is already assumed in the MTFS would result in an additional £521k pressure on the Council's finances.</p>	124	521
<p><u>Employers Pensions</u> The Council's MTFS currently assumes the following Employers' Pension Contribution Rates: 2015/16 - 23.7% 2016/17 - 25.7% 2017/18 - 27.7% 2018/19 - 29.7% An increase of 1% to the contributions on top of that already budgeted would result in an additional pressure of £473k on the Council's MTFS.</p>	118	473
<p><u>Industrial Unit Rental Income</u> The Council's MTFS currently allows for no increase in Industrial Unit income. If income from Industrial Unit Rents falls by 10% this would put an additional £771k pressure on the MTFS.</p>	224	771
<p><u>Commercial Income</u> 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. If commercial income were to fall short of the anticipated levels by 10%, this would have a £200k detrimental effect across the Council's MTFS.</p>	50	200
<p><u>Planning Income - 1</u> The Council's budgets have been updated to reflect an increase in Planning Application Fees which has been kept at a constant level across the MTFS. Building Control and Land Charges income have been inflated in line with the agreed assumptions. There is, however, a risk that the desired levels of income may not be achieved. If Planning income levels were to drop by 10%, this would have a £482k detrimental impact on the Council's MTFS.</p>	120	482
<p><u>Planning Income - 2</u> The Council's Planning Application Income has been updated to allow for increased service demand, and this has subsequently been reflected in the resourcing of the service. If these projected increased Planning income levels were to drop by 10%, this would have a £166k detrimental impact on the Council's MTFS. If this eventuality were to occur, however, then service resourcing levels would be assessed and amended accordingly.</p>	42	166

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Risk Area	Impact £000s	Impact £000s
<p><u>Transfer of Waste Station</u> The Council's budgets are currently based around using 3 waste sites for tipping in West Suffolk. This will be reducing to 1 or 2 sites from late 2015/16.</p> <p>The impact of this change is yet to be determined, however a business case is being put together to assess the options and their likely effects on the Council's finances. At this stage it is difficult to quantify the likely savings or costs, however it has been identified as a risk area.</p>	N/A	N/A
<p><u>Interest Receipt Rates</u> The Council's current assumptions around interest receipts are as follows: 2015/16 – 0.90% 2016/17 – 1.50% 2017/18 – 2.00% 2018/19 - 2.50% A 0.5% reduction in each of these figures would result in approximately £486k pressure on the Council's MTFS.</p>	142	486
<p><u>Government Grant</u> The Council's MTFS currently assumes cumulative reductions in formula grant funding of 24% for 2016/17, 28% for 2017/18 and 30% for 2018/19 An additional reduction of 2% per annum for each of these years would result in a £74k cost to the Council's MTFS position.</p>	0	74
<p><u>Revenue Support Grant</u> The MTFS currently assumes that Revenue Support Grant will be reduced each year with a view to it ceasing in 2020/21. If this is brought forward by a year, then the effect on the Council's current MTFS will be an additional £213k cost.</p>	0	213
<p><u>Council Tax Increases</u> The MTFS currently assumes a Council Tax freeze for 2015/16 and an increase of 2% from 2016/17 onwards. A freeze on Council Tax in 2016/17 would create an additional pressure of £122k in that year and a pressure of £748k across the MTFS.</p>	0	748
<p><u>Business Rate Retention</u> 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. A 1% decrease in the business rates collectable across the Borough/District would result in additional pressure on the MTFS of around £181k per year.</p>	159	637

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<p><u>Council Tax Localisation</u> 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. A fall of 1% in both of these collection rates would have a detrimental effect of £252k across the Council's MTFS.</p>	63	252
<p><u>Housing Benefit Subsidy</u> The MTFS currently assumes a 99% subsidy rate within the budgets. A 1% reduction in this subsidy rate for the Council for each year would result in an additional £1,298k pressure on the Council's MTFS position.</p>	311	1,298
TOTALS (£000s):	1,353	6,321