

Risk Assessment GF

Risk / Justification of Reserve Level	GF Reserve Requirement £	Link to Corporate Risk Register
Government Funding – The provisional settlement set out by DLUHC for 2024/25 is for one year only. Local Government Funding reviews that were due to take place remain on hold and it is unclear when these reviews will take place. To address this, we have allocated 10% of the Settlement Funding Assessment which would result in the council losing approx. £310k per annum	310,000	#Risk 1 - Ongoing Viability of the Council #Risk 2 - Changes in national priorities and legislative change
Homelessness Funding – The demand for homelessness support and the requirement for temporary accommodation has increased significantly over the last year and significant costs in this area are expected to continue adding pressure to the budget. Net expenditure in this area for 23-24 is estimated to be £1.7m.	500,000	#Risk 1 - Ongoing Viability of the Council #Risk 2 - Changes in national priorities and legislative change
Pay awards – The MTFP assumes a 5% increase in pay for 2024/25 and 3% for 2025/26 and 2% thereafter. As future pay awards have not yet been agreed it is prudent to include a provision for this.	300,000	#Risk 1 - Ongoing Viability of the Council #Risk 3 - Organisational capacity / resilience
Legal Proceedings – These may be derived from decisions related to planning, contractual disputes or service delivery issues and therefore prudent to provide for these matters.	170,000	#Risk 1 - Ongoing Viability of the Council #Risk 6 - Adoption and delivery of a sound local
Volatility within the economy – The last year has seen growing uncertainty in the UK economy, it is therefore prudent to provide for this over what is currently budgeted for 2024/25. This could negatively impact inflation, the cost borrowing, fuel and cost of materials. Running expenses are budgeted at £12.96m in 2024/25, 5% of this would equate to £648k.	650,000	#Risk 1 - Ongoing Viability of the Council
Cyber Attack – this could impact service delivery as the council is heavily reliant on IT for day-to-day activity and the majority of its services	300,000	#Risk 4 - Cyber attack resulting in data breach or corruption of data.
Council Tax – Collection rates or growth are lower than anticipated. Council Tax income is budgeted at £8.3m per annum for 2024/25. A 1% decrease would amount to £83k.	80,000	#Risk 1 - Ongoing Viability of the Council
Business Rates – Changes in baseline, delays in decisions on appeals & with around 30% of our business rates obtained by the top ten businesses. The budget for business rates income in 2024/25 is c£4.4m, a 10% reduction would equate to £440k.	440,000	#Risk 1 - Ongoing Viability of the Council
Environmental Disaster/ Major Incident – Caused by flood, fire adverse weather, requiring a response from the council.	50,000	#Risk 1 - Ongoing Viability of the Council
Investment Income – Level of returns not being met. Budgeted income for 2024/25 is £762k, a 10% reduction would be c£76k.	80,000	#Risk 5 - Investment Risk
Maintenance of Assets – Responding to emergency repairs outside of budget.	150,000	#Risk 1 - Ongoing Viability of the Council
Management Fee (Leisure Centre) – Income received not as budgeted due to contractual arrangements regarding increases in energy prices. The projection in 2023/24 is currently an adverse variance of £500k. Energy prices remain volatile and therefore it is prudent to provide for this.	150,000	#Risk 1 - Ongoing Viability of the Council
Fees & Charges Income – Budgeted at £8.03m in 2024/25. A 1% decrease in expected income would result in a reduction of £70k.	70,000	#Risk 1 - Ongoing Viability of the Council
Total Requirement (Unforeseen Challenges)	3,250,000	
Total to Assist Cashflow	2,000,000	
Minimum Balance Required	5,250,000	