

APPENDIX 2

	Likelihood	Impact	Mitigation
Future available resources less than assumed	Likely	High	Annual review of reserves. General Fund Working Balance increased Volatility/Contingency earmarked reserves in place. Planning for future reductions above those assumed in the MTFP would be implemented. However the GFB can support any medium term shortfall.
Commercial Projects do not deliver anticipated benefits	Possible	Medium	Project management and monitoring. Risk Register for each project Appropriate and robust due diligence. Commercial contingency of £173k in base budget
Council is unable to provide a balanced budget in future years.	Unlikely	Medium	The Council has an adequate level of General Fund Reserves to support balancing the budget over the MTFP should it be required.
Volatility of Business Rates	Possible	Medium	Volatility of funding stream outside of Council control and effects of the latest revaluation on rateable values. Impact mitigated by establishment of contributions to an earmarked reserve.
Pay and price increases above budgeted assumptions	Possible	Medium	Assumption of 2% pay increase annually built into MTFP. Contractual inflation is included in budget. Average utilities % applied. Improved commissioning and procurement expected
Future spending plans	Possible	Low	All Services carry out effective horizon scanning with profile of service demands (past and future). This informs the MTFP budget modelling throughout the year. Pressures are dealt with as they arise. Contingencies and risk reserves in place.
Anticipated service savings/ efficiencies not achieved.	Possible	Medium	Efficiency programmes currently underway which may not achieve the level of savings required. If achievement of savings did not occur this would require compensating reductions in planned spending within services

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Inability to balance budget in medium term	Possible	High	Future funding unknown post 2025/26 but the size of the funding cuts increase the likelihood of this risk. Non. A principle is in place to maintain General Reserve at a minimum of 10% of Net Operating Expenditure, this has been increased to circa £3.4m which represents around 20% due to future funding and economic uncertainty.
Income targets not achieved.	Likely	Medium	Income has been substantially affected and in the current economic climate recovery is likely to take some time. A commercial contingency budget of £173k mitigates impacts and government funding for impact of covid announced for April-June. Regular monitoring and reporting is undertaken with a full review of fees and charges annually which incorporates trend analysis and future demand estimations. Commercial trading monitor volumes and pricing. Appropriate due diligence for commercial property investments undertaken.
Revenue implications of capital programmes not fully anticipated	Possible	Low	Capital bid approval identifies revenue implications and links to Council priorities. Full analysis of revenue implications assessed and considered in scenario planning and in business case development.
Loss of principal investments	Unlikely	Medium	Limited by the controls in the Treasury Management Strategy which prioritise security of deposit over returns on a risk based approach. Impact limited due to the strategy of a diverse portfolio with high rated institutions.
New duties imposed by Government	Likely	Low	It has already been stated that new duties will be transferred to districts, however this will be considered in line with the retention of NNDR. Proactive preparation will be undertaken to engage early and influence the outcome. The availability of general reserves will also help smooth any initial financial impact, pending any reallocation of resources. In the event

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			of new requirements being imposed 'new burdens' funding would also be sought.
Review of NNDR Retention Scheme	Likely	Medium	Government proposals for 75% of NNDR retention locally will have an impact on the resourcing of WLDC it is not yet known what future income levels will be, although it is assumed that we will revert to a 2013/14 baseline (adjusted for inflation), therefore no growth since this period will be awarded. There will still be a need for government to distribute resources through a Top Up and Tariff system. MTFP assumes reductions in NNDR income from 2025/26 onwards. A contingency reserve created to mitigate any medium term funding gaps.
The cultural change and capability required to deliver against the Council's aspiration may not be realised as quickly as the financial cuts, as changes in business models can take large organisations a number of years to realise regardless of the sector.	Possible	Low	The officer Portfolio Board will ensure that the project management framework is effective and that robust business cases are developed prior to approval of projects and that projects are monitored, with issues being raised and escalated at an early stage for consideration.
The assumptions contained within the MTFP are not realised.	Likely	Low	Prudent assumptions are included in MTFP. A contingency budget, the General Fund Working Balance, in addition to a significant amount of reserves are held to mitigate any in year financial risks or volatility relating to income, or increases in expenditure, and which can be utilised in the event of variations to the assumptions made
Recruitment and Retention of skilled staff	Likely	High	The increased use of agency/ consultants brought in to do the right jobs.

