

**APPENDIX 2**

	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>
<b>Future available resources less than assumed</b>	<b>Likely</b>	<b>High</b>	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. Continual direct working with DLUHC and lobbying. Ongoing briefing of Members so there is consistent understanding of what funding is available to prioritise.
<b>Commercial Projects do not deliver anticipated benefits</b>	<b>Possible</b>	<b>Medium</b>	Project management and monitoring. Risk Register for each project Appropriate and robust due diligence. Commercial contingency of £173k in base budget to protect against loss of income in commercial property investments.
<b>Council is unable to provide a balanced budget in future years.</b>	<b>Unlikely</b>	<b>Medium</b>	The Council has an adequate level of General Fund Reserves to support balancing the budget over the MTFP should it be required. However, this remains a risk in terms of uncertainty of future funding.
<b>Volatility of Business Rates</b>	<b>Possible</b>	<b>Medium</b>	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.
<b>Pay and price increases above budgeted assumptions</b>	<b>Possible</b>	<b>Medium</b>	Assumption of 3.5% pay increase for 2024/25 and then 2% annually built into MTFP. Contractual inflation is included in budget. Average utilities % applied. Improved commissioning and procurement expected
<b>Future spending plans</b>	<b>Possible</b>	<b>Low</b>	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.

	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>
			Contingencies and risk reserves in place.
<b>Anticipated service savings/ efficiencies not achieved.</b>	<b>Possible</b>	<b>Medium</b>	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
<b>Inability to balance budget in medium term</b>	<b>Possible</b>	<b>High</b>	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 £2.0m due to future funding and economic uncertainty. Balance of £2.4m in the budget stability reserve
<b>Income targets not achieved.</b>	<b>Likely</b>	<b>Medium</b>	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.
<b>Revenue implications of capital programmes not fully anticipated</b>	<b>Possible</b>	<b>Low</b>	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.
<b>Loss of principal investments</b>	<b>Unlikely</b>	<b>Medium</b>	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.
<b>New duties imposed by Government</b>	<b>Likely</b>	<b>Low</b>	It has already been stated that new duties will be transferred to districts, however this will be considered in line

	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>
			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 of new requirements being imposed 'new burdens' funding would also be sought.
<b>Review of NNDR Retention Scheme</b>	<b>Likely</b>	<b>Medium</b>	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. There will still be a need for government to distribute resources through a Top Up and Tariff system. MTFP assumes minimal growth in NNDR income from 2025/26 onwards. A contingency reserve created to mitigate any medium term funding gaps.
<b>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.</b>	<b>Possible</b>	<b>Low</b>	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.
<b>The assumptions contained within the MTFP are not realised.</b>	<b>Likely</b>	<b>Low</b>	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

	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>
<b>Recruitment and Retention of skilled staff</b>	<b>Likely</b>	<b>High</b>	The increased use of agency/ consultants brought in to do the right jobs. This could incur significant costs for the Council, however the Council holds a number of earmarked which could be used to alleviate short term budgetary pressures.
<b>Significant Increase in Cost of IDB Levies</b>	<b>Possible</b>	<b>Medium</b>	Due to the increased number of flooding events the costs incurred by internal drainage boards to drain flooded land has increased significantly. This is then passed onto the Council through a levy. The cost of these levies has risen significantly in recent years. The Council has a budget stability reserve with a balance of £2.4m which could be used to mitigate this risk.