

## COMMUNITY BASE

### ASSESSMENT OF RISKS TO OUR DEVELOPMENT 2011-16

We have identified a number of risks to Community Base's development over the next five years and our plans for dealing with these risks.

#### **WITHDRAWAL OF DISCRETIONARY RATE RELIEF**

Since we opened, Brighton and Hove City Council has shown its support for Community Base by awarding us 100% discretionary rate relief. If Brighton and Hove City Council were to withdraw this support we would appeal against the decision and campaign to convince the council that it should continue to support Community Base. If discretionary rate relief were withdrawn and we were not be able to absorb the increased cost we would increase rent for charities and community groups licencing at Community Base by one pound per square foot per year.

#### **A SIGNIFICANT FALL IN OCCUPANCY**

If a large group or a number of small groups were to move out and other groups did not want to occupy the space left vacant right away our income would reduce and our cashflow would suffer. This could happen as a result of a reduction in funding for the voluntary sector, a significant reduction in local property prices, a fall in the quality of our accommodation or an increase in the local supply of high quality accommodation to community and voluntary organisations. We have minimised this risk by

- ensuring that the accommodation we offer is of a high standard and good value and meets the specific needs of community and voluntary groups
- promoting Community Base widely and maintaining contact with groups that have expressed an interest in moving into Community Base
- working with statutory agencies and the owners of other local community buildings to ensure that new resources compliment rather than compete with existing provision.

We recognise that our reserves are lower than we would like and are taking steps to increase our reserves to minimise our exposure to a temporary reduction in rental income.

#### **A MAJOR UNEXPECTED BUILDING COST**

We have insurance that minimises our exposure to such a risk and our budget for 2011-16 allows for cyclical repair works and refurbishment. If unexpected major building works become necessary we would expect to pay for it out of accumulated reserves. If this were not possible we would need to fundraise or increase our charges.

#### **FAILURE TO FUNDRAISE FOR CAPITAL EXPENDITURE**

We assume we will be able to raise funds to cover some of our capital expenditure. If we are not able to, and do not increase our revenue income to compensate, we will consider reducing the pace of our capital expenditure.

#### **A SIGNIFICANT INCREASE IN ENERGY COSTS**

We will continue to take steps to reduce our use of off-site generated energy while ensuring it is sourced from 100% renewable sources.

#### **FIRE**

A fire could have a devastating effect on our building. We prioritise fire safety in order to minimise this risk, working closely with groups to continually ensure a high level of awareness of the risk and providing periodic free fire safety training to people working at Community Base.

#### **A LICENCEE FAILING TO PAY MONEY OWED TO US**

If a group licencing space at Community Base ceased trading while owing us money this could result in a serious loss of income. We keep one month's deposit from each licensee and expect groups to pay quarterly invoices within 14 days to minimise the loss from such an eventuality.

#### **UNFORSEEN STAFF CHANGES**

We have minimised the possible adverse impact of staff changes by creating systems and documentation, including a staff manual, aimed at easing the induction and training of new staff.

#### **AN INCREASE IN INTEREST RATES OR INFLATION**

We will manage our finances in a way that allows us to absorb small changes in interest rates or inflation. We will consider seeking grant funding, reducing the pace of our capital expenditure or increasing our charges to meet major increases in our costs if we need to.

#### **LOSS OF BANKED ASSETS**

We have spread our assets across two banks to minimise the effect of a failure of a particular bank.

#### **A PANDEMIC**

We have put in place a policy for mitigating the effects of pandemics.