AGENDA ITEM 5

WEST DEVON BOROUGH COUNCIL

AGENDA ITEM 5

NAME OF COMMITTEE	**Resources**
DATE	**7 October 2014**
REPORT TITLE	**Revenue and Capital Budget Proposals for 2015/16 to 2018/19**
Report of	**Head of Finance & Audit**
WARDS AFFECTED	**All**

Summary of report: To provide a forecast of the budget situation for the year 2015/16 and a forecast for the four years to 2018/2019. The forecast is intended to provide a framework within which decisions can be made regarding the future service provision and council tax levels whilst building an approach that guarantees West Devon Borough Council's longer term viability.

FINANCIAL IMPLICATIONS:
The estimated budget gaps are as follows: (As per Appendix B)

2015/16	£ 597,803
2016/17	£ (756,053)
2017/18	£ 400,099
2018/19	£ 202,099

This gives a cumulative 4 year budget gap of £443,948.

RECOMMENDATIONS:
It recommended to Council that:

1. Members provide a set of "minded to" views in order to guide the 2015/16 budget process with particular reference to;

    (i) the level of council tax increase,
    (ii) the use of New Homes Bonus to support the revenue budget,
    (iii) the amount of Council Tax Support Grant to be passed on to Parish and Town Councils and
    (iv) other budget savings and income generation.

2. The Council's policy should remain as recommending a minimum level of unearmarked revenue reserves of £750,000.

Officer contact:
Lisa Buckle, Head of Finance & Audit Lisa.buckle@swdevon.gov.uk 01822 813543

1. BACKGROUND

1.1 The purpose of this report is to offer a way forward to address the 2015/16 budget gap of **£597,803** and to build an approach that guarantees West Devon Borough Council's longer term viability.

Members recommend to Council that;

- The Financial Strategy is accepted as a foundation document for the Council's budget setting process.
- The Council's policy should remain as recommending a minimum level of unearmarked revenue reserves of £750,000.

1.2 In February 2014 Council agreed the budget for the 2014/15 accounting year and reviewed the Medium Term Financial Strategy for the three years 2015/16 to 2017/18. Since that time the Senior Management Team (SMT) have been focusing on implementing the Transformation Programme (T18) to generate significant savings for the Council.

2. ASSUMPTIONS FOR FINANCIAL MODELLING PURPOSE

2.1 There is predicted to be a 15.37% reduction in government funding from 2014/15 to 2015/16 (see Appendix B). The Appendix is consistent with figures that have been provided through the Finance Settlement for 2015/16 and the modelling available regarding Localisation of Business Rates from data we have supplied to the Government on Business Rates returns.

The Finance Settlement (December 2013) announced the following funding position for the Council for 2014/15 and 2015/16 (figures were confirmed by the Government on 5 February 2014):-

	2014/15(£m)	**2015/16(£m)**
Provisional 14/15 settlement	2.960	2.477
Homelessness Prevention Funding	0.049	0.049
Efficiency Support for Services in Sparse Areas	0.054	0.054
Other items	0.105	0.101
Settlement Funding Assessment (SFA) (Reduction of 15.37%)	**3.168**	**2.681**

1.2 Salaries increase by around 1% on an annual basis (Appendix A).

1.3 Inflation will run at 2% over the period.

1.4 The interest return for our investments will be 1% for 2015/16 rising to 2.75% in 2018/19. Below are the percentages advised by Sector (the Council's treasury management advisors) that Authorities should use in their financial planning for investment income assumptions:-

2015/16 – 1%
2016/17 – 1.6%
2017/18 – 2.25%
2018/19 – 2.75%

1.5 No assumptions have been built into the financial modelling for council tax increases for 2015/16 onwards. Members' views on Council Tax increases are sought as part of this report. Therefore the financial modelling in Appendix B assumes a Band D council tax of £204.50 (the current Band D council tax for 2014/15).

2.6 Members will appreciate that capital spending has an impact on revenue. As part of the Medium Term Financial Strategy it will be necessary to review the level and phasing of schemes within the Capital Programme (Section 8). At this stage no assumptions have been made. A detailed three year Capital Strategy and Capital Programme is in the process of being prepared for the December Resources meeting which will form part of the Budget Proposals for 2015/16. The Strategic Asset Review will inform the three year Capital Strategy. Again no assumptions have been made at this stage but will be built into the forecast once decisions are reached on the scale of the asset disposal/investment programme.

3. TRANSFORMATION PROGRAMME 2018 (T18)

3.1 In response to the unprecedented scale of financial challenges that this Council faces, Members have approved (Council Minute CM49, 4th November 2013) an innovative Transformation Programme (T18) which requires an investment budget of £1.9 million, to deliver annual recurring revenue savings of £1.3 million.

3.2 This builds on the success of our shared services partnership with South Hams District Council and will see both Councils pioneering a new operating model for local government. The shared services programme with South Hams has generated shared services savings of £7.7million across both Councils since 2007 (with the West Devon share being £3.6 million).

3.3 The T18 Programme is viewed as the primary driver to achieve the savings required over the next few years. The programme is currently being designed to deliver a long term organisational vision which we anticipate will remove the need to deal with the budget gap through an annual service and financial planning process.

3.4 The T18 Programme is intended to drive out significant efficiencies so that a position can be reached whereby annual budget reductions are minimised and the Council is placed on as firm a footing as possible, notwithstanding the national uncertainty about economic growth and the future funding model for local government.

3.5 The Transformation Programme will not only deliver savings of 23% of our net revenue budget for both Councils, it will also create a new model to allow several Councils to share services whilst retaining their individual identities. This model can be easily used in other parts of the country and is scalable in its application.

3.6 The Council has received very good news. Our expression of interest to the Transformation Challenge Award to DCLG has met the assessment criteria and has been accepted.

3.7 We now have to develop a full bid by 1st October 2014 which, if successful, could see an award being made as early as November. Our expression of interest asked for £700,000 of Government funding to help fund our transformation programme which will deliver our new operating model. We also asked for a further £400,000 should Torridge District Council join our model. Member meetings took place throughout September to enable us to share information about this possibility.

3.8 A summary of the savings and investment required for the Transformation Programme (T18) is shown below:

WDBC	**2014/15 million**	**2015/16 million**	**2016/17 million**	**2017/18 million**	**2018/19 million**
Investment costs (Total of £1.9 million)	£0.778	£0.956	£0.061	£0.061	£0.040
ICT Software costs, Implementation costs, accommodation costs and staff redundancy and pension strain costs					
Cumulative Revenue Savings	£(0.117)	£(0.803)	£(1.237)	£(1.270)	£(1.301)
Staff savings (approx 24% of staffing base) New income from released surplus accommodation and reduced annual running costs					
TOTAL	£0.661 Net investment cost	£0.153 Net Investment cost	£(1.176) Net saving	£(1.209) Net saving	£(1.261) Net saving

The table above shows the timing of the expenditure for the investment costs of £1.9 million and shows that by 2018/19 the annual revenue savings are £1.3 million, with net savings of over £1.1 million materialising by 2016/17. The investment cost in 2014/15 of £0.661 million and in 2015/16 of £0.153 million is being financed by the £0.8 million T18 Investment Earmarked Reserve (see Appendix C schedule of Reserves – Council Minute CM49).

3.9 The costs have been calculated to ensure that each Council pays its own share. The Programme will be self-financing from the end of year 2 (2015/16) onwards. The payback period for the Programme is 2 years. This provides a high degree of confidence that West Devon Borough Council will remain a viable Council with the ability to continue to deliver quality services in the years to come.

3.10 No T18 savings from 2015/16 have yet been assumed to be available to put towards the budget gap identified for 2015/16 as these savings are primarily needed to pay for the investment costs.

3.11 The savings from the T18 model will mean that the Council would be able to have less reliance on New Homes Bonus to fund its revenue budget. This would release funding for investment in the Council's priorities (see 3.12) and for capital investment. The Council currently has a lack of available capital resources to meet its predicted future capital programme requirements over the next three years. The Strategic Asset Review has also identified projects which require capital investment but which would provide an income stream for the Council. These projects will form part of the Three Year Capital Strategy (see 2.7).

Our Plan – setting priorities

3.12 The Council is preparing a new strategic plan for West Devon which will set out a vision, long term priorities and planning policies for the area to 2031. Members will shortly be starting work on shaping the Delivery Plan for Our Plan and this may impact on the Council's Budget as we move the Council towards being a Commissioning Council.

3.13 The first formal consultation on Our Plan was undertaken during May and June this year and we received 59 responses in total from a range of individuals and organisations. Between May and October we have been attending a number of community events and have spoken to a wide range of people to gain their views on how they would like to see the future of the area. We have been holding Single Topic Discussions with Members on key issues and several Town and Parish Workshops. We have published regular e-newsletters on key topics and publicised these to the community and stakeholders. We are using social media through YouTube, Twitter and Facebook to reach out to different groups to promote engagement on Our Plan.

4. OPTIONS TO MEET THE BUDGET GAP FOR 2015/16

4.1 The budget gap based on the assumptions above, is predicted to be £597,803 for 2015/16, Appendix A provides the details.

4.2 As mentioned in 3.10 above, the budget gap of £597,803 is the position without taking into account any T18 savings in 2015/16 as these savings are primarily needed to pay for the investment costs in 2015/16.

4.3 **Council Tax Referendum limit** - The Localism Act introduced the power for the Secretary of State to set principles each year under which council tax increases are determined as excessive. The Minister announced that the council tax referendum threshold for 2014/15 remained unchanged from 2013/14 at 2% and did not apply to Towns and Parishes. No notification has been received on the limit for 2015/16.

4.4 **Income from Council Tax** - Council agreed to raise council tax by 1.9% from 1 April 2014 to £204.50 for a Band D property for West Devon Borough Council.

This amounted to a £3.81 increase on an average Band D property over a year equivalent to 7p a week. A 1% increase in Council Tax generates an extra £39,000 in extra income per annum.

4.5 **Council Tax Freeze Grant** - On 15 January 2014 the Government issued the guidance for the Council Tax Freeze Grant Scheme for 2014-15. It is assumed that many of these key aspects which applied in 2014-15 will also apply in 2015-16. Namely that:-

(i) It was voluntary and that any authority which freezes or reduces their basic amount of council tax will be eligible to receive the grant (equivalent to a 1% of the basic amount of council tax – this estimated to be £43,281 for West Devon).

(ii) Ministers have agreed that the funding for the 2015-16 freeze grant **should** be built into the spending review baseline. This gives as much certainty as possible at this stage that the extra funding for freezing council tax will remain available.

4.6 **Rural Development Programme for England – Local Action 2015-2020** – There is a separate report on this agenda regarding this item. A cost pressure of £10,400 has been built into the Financial Strategy for 2015/16 onwards for 6 years.

4.7 **Street Naming & Numbering Policy** – On May 13th 2014 Council agreed to the introduction of charges for Street Naming and Numbering. The income generated is subject to how many properties are built and how many requests for name changes are made. An estimate of £7,500 has been built into the 15/16 budget.

4.8 **Income Generation** – Over the past few months the Council has explored ways to generate new income for the Council. The Income Generation Working Group have met on a number of occasions to look at ways of generating additional income. There will be a further report to Council on 7th October 2014 regarding the creation of a local authority trading company, which will provide more detail.

4.9 In summary, the options open to Members to close the predicted **£597,803** Budget Gap in 2015/16 are:-

i) To use New Homes Bonus in 2015/16 to close the budget gap, with a view to reversing the amount of New Homes Bonus that is used to support the Revenue Budget in 2016/17 when the savings from T18 materialise in full. There is a cumulative balance of uncommitted New Homes Bonus from the last three years of approximately £441,553 as per 5.2.

ii) Appendix E sets out some options for future additional savings totalling £31,025 which Members may wish to pursue.

iii) To use the Rural Services Grant Earmarked Reserve of £82,000 to fund the 15/16 revenue budget gap.

iv) Members of the Senior Management Team will continue to identify options for savings and income generation over the coming months.

v) For Members to give an early and to reach a “minded to” view on the level of council tax increase and the level of council tax support grant to be allocated to Parish and Town Councils (see 7.5).

Note – If Members were minded to increase council tax by 1.9%, this would generate approximately £74,700. A Council Tax Freeze Grant of £43,281 has already been modelled for 15/16 therefore this option would reduce the £597,803 budget gap by £31,419.

5. NEW HOMES BONUS (NHB)

5.1 The table below shows an estimate of New Homes Bonus for the next five years. The Chancellor has confirmed in December that no top-slice will now apply from 2015/16 onwards, following responses to the Government consultation.

	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
2011/12	323,920	323,920	323,920	323,920		
2012/13	568,622	568,622	568,622	568,622	568,622	
2013/14	133,255	133,255	133,255	133,255	133,255	133,255
2014/15		222,997	222,997	222,997	222,997	222,997
2015/16 – estimated 184 properties			*210,631*	*210,631*	*210,631*	*210,631*
2016/17 – estimated 329 properties				*376,617*	*376,617*	*376,617*
2017/18 – estimated 374 properties					*428,130*	*428,130*
2018/19 – estimated 200 properties						*230,000*
New Homes Bonus returned	12,203					
Forecast NHB	**1,038,000**	**1,248,794**	**1,459,425**	**1,836,042**	**1,940,252**	**1,601,630**

5.2 **NEW HOME BONUS (NHB) – PROPOSED USE OF NHB**

The table below shows the proposed use of New Homes Bonus:

	2013/2014	**2014/2015**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
Amount receivable	1,038,000	1,248,794	1,459,425	1,836,042	1,940,252	1,601,630
Less: T18 allocation (Council 4th Nov)	(600,000)					
To fund current Revenue Budget *****	(353,076)	(657,059)	(657,059)	(657,059)	(657,059)	(657,059)
To fund the Capital Programme (as per 8.1)		*(555,000)*	*(462,000)*	*(462,000)*	*(462,000)*	(462,000)
Dartmoor National Park contribution (Council Feb 14 – See Note below)	(18,688)	(20,362)	(8,714)	(26,981)	(111,227)	(92,870)
Balance remaining (not committed)	**66,236 Plus 27,292 from 2012/13**	**16,373**	**331,652**	**690,002**	**709,966**	**389,701**

***Currently assumes use of NHB to support the revenue budget at the 14/15 level**

Note - **Dartmoor National Park (DNP)** – DNP have requested a share of the New Homes Bonus to reflect new homes delivered within the park. DNP would like NHB money to be used to support a local community fund and, for example, joint work through the rural housing enabler. The New Homes Bonus legislation says that Councils are expected to negotiate with National Park Authorities to recognise their role as the sole local planning authority for their area in granting planning permissions and that the Councils should reach an agreement and split the funding from NHB at a locally determined rate.

Members considered this as part of the Budget process for 2014/15 and the following system is in place:-

- A one off payment is to be agreed on an annual basis based on actual completions.
- The allocation received by DNP are to be spent only within those parishes falling within the boundaries of the Borough Council.

- The agreed sum is transferred to an Earmarked Reserve called 'Community Investment Fund – Dartmoor National Park' and the DNP make an annual application to draw down funds as required in line with the process agreed for that fund.

On this basis the share of NHB that could be due for DNP based on completed properties (estimated for future years) is summarised below:

	Payable for 12/13 and 13/14	**Forecast for 14/15**	**Forecast for 15/16**	**Forecast for 16/17**	**Forecast for 17/18**	**Forecast for 18/19**
Share of award	18,688	20,362	8,714	26,981	111,227	92,870

6. EARMARKED AND UNEARMARKED RESERVES

6.1 The Council's policy is to retain Unearmarked Revenue Reserves of £750,000.

The Unearmarked General Fund Revenue Reserve balance at 31st March 2014 was £953,000 and the Earmarked Reserves balance was £1,790,000. This gave total Revenue Reserves of £2,743,000. The predicted earmarked and unearmarked reserves for 2014/15 is shown below:-.

6.2

	£'000
General Reserves balance as at 31st March 2014	953
Earmarked Reserves	1,790
Predicted movement in Earmarked Reserves (Appendix C)	(1,190)
Total Predicted Reserves as at 31st March 2015 (Unearmarked Reserves of £953,000 and Earmarked Reserves of £600,000 as shown in Appendix C)	**1,553**

6.3 **Specific Earmarked Reserves -** The level and commitments for each reserve are kept under review each year to make sure the uncommitted balance is adequate for its purpose. The Earmarked Reserves were reviewed as part of the year end close down and £13,000 was transferred in the general reserve of the Council. A schedule of predicted Earmarked Reserves for 14/15 are shown in Appendix C. Earmarked Reserves are predicted to be £600,000 at the end of March 2015).

7. OTHER BUDGET CONSIDERATIONS

7.1 **Council Tax Reduction Scheme** – Following Council Tax Benefit being abolished, Council in December 2013 approved the implementation of a cost neutral local Council Tax Reduction Scheme for 2014/15. This scheme is a discount scheme rather than a state welfare benefit and means that working age claimants will pay a minimum of 20% towards their Council Tax bill. There will be an exception hardship fund to help those claimants experiencing severe financial difficulties. (This is a separate item on this Resources Committee agenda).

7.2 These changes have the effect of reducing the council tax base not only for the Borough Council, but also for Town and Parish Councils, Devon County Council, The Police and Crime Commission and Devon and Somerset Fire Authority. Reductions in the Council Tax Base adversely affect a local authority's ability to raise income from Council Tax.

7.3 The Government is providing financial support for local authorities (Council Tax Support Grant) to assist them in dealing with the effects of the benefit changes on their Council Tax Base.

7.4 In the December 2013 Statement, the Minister reminded local authorities that within the funding for Council Tax Support Schemes there is an element to specifically reflect reductions in the parish tax base resulting from the introduction of Localised Support for Council Tax. He confirms that the funding is not separately identified because it is not ring-fenced. There is recognition that as caseloads change and schemes evolve, the amount that different parishes need will also change. There is also an expectation by the Government that billing authorities will continue to pass on support to town and parish councils to help mitigate any reduction in their tax base due to the local Council Tax support scheme.

7.5 It is therefore considered appropriate that the Council Tax Support Grant to Town and Parish Councils should reduce in line with the reduction that the Borough Council is experiencing with its Settlement Funding Assessment (SFA). The Council approved a grant distribution of £103,137 for 2014-15. It is estimated that the Council's SFA will decrease by 15.37% in 2015-16 (see Appendix B).

7.6 Members' views are now sought on the proposal to consult with Town and Parish Councils on a 15.37% reduction to their grant for 2015-16 (from £103,137 to £87,285). This is an overall reduction of £15,852. Appendix D illustrates the effect for each Town and Parish.

7.7 **Tamar Valley Legacy Plan** – This is detailed in Appendix F. A cost pressure of £28,000 for 2015/16 and a further £3,000 for 2016/17 has been built into the Financial Strategy. Officers will continue to work to reduce this.

8. CAPITAL PROGRAMME 2015/16 to 2018/19

8.1 The table below shows the proposed Capital Programme for 2015/16 and projected figures to 2018/19:

	2015/2016	2016/17	2017/18	2018/19
Tenants Incentive Scheme (TIS)	15,000	15,000	15,000	15,000
Village Halls and Community Projects	36,000	36,000	36,000	36,000
Affordable Housing (see Note 1)	200,000	200,000	200,000	200,000
T18 Investment (as per Council 4 Nov 13)	100,000		-	-
Disabled Facilities Grants (see Note 2)	450,000	450,000	450,000	450,000
TOTAL CAPITAL PROGRAMME	**801,000**	**701,000**	**701,000**	**701,000**
Suggested method of funding the Capital Programme:				
Government Grant funding towards Disabled Facilities Grants (see Note 2)	*(239,000)*	*(239,000)*	*(239,000)*	*(239,000)*
Less anticipated slippage on the capital programme (Capital resources)	*(100,000)*		-	-
Potential funding from New Homes Bonus (Required to fund the Capital Programme)	**462,000**	**462,000**	**462,000**	**462,000**

Note 1 - The Council is working towards becoming self funding for Affordable Housing from commuted sum receipts (financial contributions from developers). It is anticipated that there could be sufficient commuted sums within the next two years not to require any additional capital contributions. In the above table allocations of £200K have been made for the next four years and the situation will be reviewed to ensure we have accumulated sufficient receipts to negate the need for the allocations in 2016/17 and 2017/18.

Note 2 – From 2015/16, the funding for Disabled Facilities Grants will be from the Better Care Fund held by Devon County Council and funding will be passported to District Councils. Provisional allocations for 15/16 show an increase in contributions to £239,000. Following the recent Informal Council meeting, a briefing note on the Better Care Fund has been circulated to all Members.

8.2 As part of the Medium Term Financial Strategy (MTFS), it is also necessary to review the level and phasing of schemes within the Capital Programme. It is important that the programme is matched with available resources and the impact on reserves and the revenue budget is fully assessed.

8.3 Consideration also needs to be given to the funding options for the 2015/16 Capital Programme. The Capital Programme is set by the Council and may be funded by sale proceeds from the disposal of assets (capital receipts), external grants and contributions, directly from revenue or from borrowing

8.4 A detailed three year Capital Strategy and Capital Programme is in the process of being prepared for the December Resources meeting which will form part of the Budget Proposals for 2015/16. The Strategic Asset Review will inform the three year Capital Strategy. Again no assumptions have been made at this stage but will be built into the forecast once decisions are reached on the scale of the asset disposal/investment programme.

9. LEGAL IMPLICATIONS

9.1 In accordance with the Council's Delegation Scheme, the Resources Committee is responsible for recommending to Council the budgetary framework. The Council is required to adopt the revenue budget.

10. RISK MANAGEMENT

10.1 The Risk Management implications are shown at the end of this report in the Strategic Risks Template.

11. OTHER CONSIDERATIONS

Corporate priorities engaged:	A balanced budget underpins the Council's capacity to delivers its corporate priorities.
Statutory powers:	Local Government Act 1972, Section 151
Considerations of equality and human rights:	A 360 degree assessment of the equality implications has been carried out and is available on request.
Biodiversity considerations:	None directly related to this report.
Sustainability considerations:	None directly related to this report.
Crime and disorder implications:	None directly related to this report.
Background papers:	Council February 2014 – Medium Term Financial Strategy 2014/15 to 2017/18
Appendices attached:	Appendix A – Modelling of the Financial Strategy Appendix B – Budget Pressures and Savings Appendix C – Schedule of Reserves Appendix D – Council Tax Support Grant to Town and Parish Councils for 2015/16. Appendix E – Potential future additional savings Appendix F – Tamar Valley Mining Heritage Project Legacy Plan: 3 Year Forecast

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	**Chance of negative outcome**	**Risk score and direction of travel**			
1	Robustness of medium term financial strategy and service blue-prints	Not achieving financial savings as anticipated External change to the national economic environment which may impact on our funding expectations. Implications of changes to the funding of local government through locally collected business rates and revenue support grant. Effect of the localisation of council tax. Achieving anticipated income targets in the current financial climate.	5+	3	**15**	⇔	Corporate engagement in the development of the medium term financial strategy. Service commitment to business planning processes. Robust horizon scanning to monitor changes in Government policy. The Council responded to the consultation on the localisation of business rates and will carry out regular monitoring during the financial year to ascertain the effect of the new scheme on the Council's finances. (see Risk No. 2 below) Monitoring of corporate income streams and revenue budgets.	Head of Finance & Audit Corporate Director (TW) Corporate Director (AR) Head of Finance & Audit Head of Finance & Audit
2	Income from Business Rates	The figures for income from Business Rates are best estimates at this date (the NNDR1 return forecasts Business Rates for the forthcoming year). Predictions could vary by £100,000.	5	3	**15**	⇔	The position will be monitored by the Head of Finance and Audit. The quarterly Revenue Budget Monitoring reports will monitor Business Rates income against projections. Any variances will be highlighted to Members at an early stage.	Head of Finance & Audit

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
		The figures are subject to volatility both from business rating appeals and the economic climate.					The Council is part of a Devonwide Pooling arrangement for business rates.	
3	Setting a lawful budget	Failure of the Council to set a lawful budget	5	1	5	⇔	The Budget is compiled in accordance with best practice guidelines issued by CIPFA and the Government. The final budget report includes an assessment from the Section 151 Officer on the adequacy of the Council's reserves and the robustness of the estimates made. The budget process is laid down in the Council's Constitution. Resources Committee and Council meetings are timetabled to meet the Statutory deadlines for setting the Council Tax.	Head of Finance and Audit
4	Corporate Priorities	Failure to target budgets to service priorities	5	3	15	⇔	Service priorities will be reviewed. Budget reductions include a section on their impact on council priorities and a risk assessment. Adequate levels of appropriately trained staff. Thorough planning and monthly monitoring of performance to management, quarterly to the Resources Committee.	Head of Finance and Audit