

AGENDA
ITEM

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SOUTH HAMS DISTRICT COUNCIL

AGENDA
ITEM

8

NAME OF COMMITTEE	Executive
DATE	29 January 2015
REPORT TITLE	Revenue Budget Proposals 2015/16
Report of	Finance Community of Practice Lead (Section 151 Officer)
WARDS AFFECTED	All

Summary of report:

To update Members on the revenue budget position for 2015/16. This forecast is intended to provide a framework within which decisions can be made regarding future service provision and council tax levels. The Executive's recommendations will be considered by Full Council on 12th February 2015.

Financial implications:

The report sets out an anticipated budget gap for 2015/16 of £408,000 (Appendix A).

The budget gap must be reduced to zero in order to set a balanced budget in each financial year. This reports sets out the strategy and options available to close the budget gap.

RECOMMENDATIONS:

That the Executive resolves to RECOMMEND to Council:

- 1. That in order to set a Balanced Budget for 2015/16**

EITHER

Option 1) - A Nil increase in council tax for 2015/16 will be set (the Band D Council Tax for South Hams District Council will remain at £145.42 for 2015/16) and the Council will accept the one-off Council Tax Freeze Grant being offered by the Government of £57,789 (this represents a Council Tax Requirement for 2015/16 of £5,323,372)

OR

Option 2) - An increase in Council Tax of 1.9% will be set (the Band D Council Tax for South Hams District Council will be £148.18 for 2015/16, an increase of £2.76 per year or 5 pence per week) (this represents a Council Tax Requirement for 2015/16, of £5,424,407

- 2. the financial pressures in Appendix B of £ 2,153,000 be agreed**
- 3. the £10,000 discretionary budget bid for the Citizens Advice Bureau be agreed;**
- 4. the schedule of savings identified in Appendix B totalling £ 2,170,000 be agreed;**
- 5. the Collection Fund Surplus of £100,000 as shown in Appendix A be agreed ;**
- 6. the level of contributions to reserves to be included within the Authority's budget, as set out in Appendix E be agreed;**
- 7. the allocation of Council Tax Support Grant for Town and Parish Councils be set at £112,827 in 2015/16, a reduction of 10 % (Appendix C)**
- 8. an additional allocation of £TBA from the New Homes Bonus to support the Revenue Budget in 2015/16 be made (*This is in addition to the £564,043 currently used in 2014/15 to support the Revenue Budget. This figure is £395,083 if Council Tax is frozen or £351,837 if Council Tax is increased by 1.9% as shown in Section 8*).**

9. that the Council should set its total net expenditure for 2015/16 as shown in Appendix D at £TBA This is subject to final confirmation of Government funding which will be notified at the end of January 2015. If the Government changes the funding, delegated authority is given to the S151 Officer in liaison with the Leader of the Council to identify an appropriate solution.
10. to allocate £153,900 of New Homes Bonus funding for 2015/16 to the Community Reinvestment Projects budget for 2015/16. Any under spend from the 2014/15 Community Reinvestment Projects budget of £153,900 is to be transferred into the Capital Programme Reserve.
11. the Council transfers £5,779 of its allocation of the New Homes Bonus for 2015/16 to the Dartmoor National Park Sustainable Community Fund. The funds are awarded as a one off payment to Dartmoor National Park, to award projects on an application basis administered by Dartmoor National Park. The following conditions will apply:
 - A. decisions must be taken in consultation with the South Hams District Council local Ward Member(s);
 - B. funding can only be used for capital spending on projects in those parts of Dartmoor National Park which fall within the South Hams District Council Boundaries and enable the Dartmoor National Park to carry out its social economic responsibilities; and
 - C. Dartmoor National Park reports on the progress in the application of, and use of the funds to the Community Life and Housing Panel on a six monthly basis and in time for budget decisions to be made (i.e. June and November).
12. **£464,000 of New Homes Bonus funding from the 2015/16 allocation is used to fund housing capital projects (Disabled Facilities Grants and Affordable Housing). (*The Capital Programme is a separate report on this Executive agenda and the funding is set out in section 5.1 of that report*).**
13. to transfer any unallocated New Homes Bonus funding for 2015/16 to the Capital Programme Reserve (*this figure is £100,728 if Council Tax is frozen or £143,974 if Council Tax is increased by 1.9% as shown in Section 8*).
14. the level of reserves as set out within this report and the assessment of their adequacy and the robustness of budget estimates are noted. This is a requirement of Part 2 of the Local Government Act 2003.

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1. BACKGROUND

1.1 At its meeting on 11 September 2014, the Executive resolved that Council be recommended to consider the following 'minded to' views in order to guide the 2015/16 budget process:

1. In light of the projected T18 savings, Members are 'minded to' not increase Council Tax for 2015/16 at this stage
2. New Homes Bonus should be used to support the Revenue Budget for 2015/16 unless other ways to support the budget arise in the meantime;
3. A 10% reduction in Council Tax Support Grant be passed on to town and parish councils as shown in Appendix D of the presented report; and
4. Other budget savings were to be looked for and considered.

1.2 Since that meeting, a number of events and announcements have taken place which impact upon the financial position of the authority and the budget gap going forward. These are summarised below:

- The Chancellor's Autumn Statement of 3 December 2014 and the Local Government Finance Settlement announced on 18 December 2014.
- The receipt of monitoring information from the "Localisation of Business Rates" initiative introduced by the Government on 1 April 2013. Members will be aware that the yield from business rates now forms an integral part of the new Government Grant system.
- Council approval of the revised business case for the Transformation Programme (T18).

1.3 Accordingly, the assumptions for financial modelling purposes have been reviewed and the budget gap revised. For 2015/16 the gap is £408,000 (Appendix A).

1.4 At the joint meeting of the Scrutiny Panels held on the 15 January 2015 it was resolved that the Executive give consideration to the following views of the Scrutiny Panel in relation to the 2015-16 budget:

1. That South Hams CVS should be in receipt of an additional £10,000 grant above the approved Service Level Agreement, to be potentially funded through the identified uncommitted remaining New Homes Bonus Balance (Page 43 of the Executive meeting agenda of 11 December 2014 specifically refers);
2. That the Council Tax for 2015/16 should be increased by 1.9%;

3. That any surpluses identified through the 2015/16 Budget Setting process should be ring fenced for the affordable housing capital programme.

1.5 It was also resolved by the Scrutiny Panel that the Executive give consideration to the following:

1. That the status quo should be retained in respect of the funding for the Empty Homes Strategy, but that this should be reviewed as part of the 2016/17 Budget Setting process;
2. That pre-application planning fees should be reviewed before the 2016/17 Budget Setting process for major developments;
3. That the work of the Disabled Facilities Grant Task and Finish Group to generate in-year savings be noted;

2. ASSUMPTIONS FOR FINANCIAL MODELLING PURPOSE

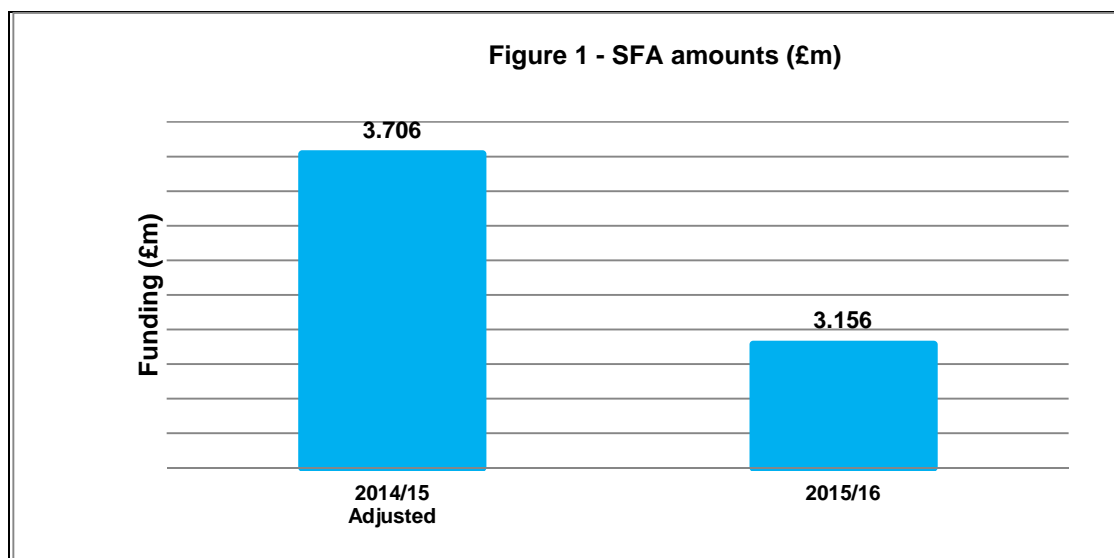
- 2.1 There is predicted to be a 32 % reduction in government funding over the four years from 2014/15 to 2018/19 (see Appendix A). The Appendix is consistent with figures that have been provided through the Finance Settlement for 2015/16 and the modelling available regarding Localisation of Business Rates from data we have supplied to the Government on Business Rates returns.
- 2.2 A two year pay award, covering the financial years 2014/15 and 2015/16 has recently been agreed. The main part of what is a complex settlement comes into effect on 1 January 2015. The indications are that it will add around 2.2% to our pay bill.
- 2.3 Average inflation will run at 2% over the four year period.
- 2.4 The interest return for our investments will average 0.6 % for 2015/16 rising to 2.25% in 2018/19.
- 2.5 No assumptions have been built into the financial modelling for council tax increases for 2015/16 onwards. Therefore the financial modelling in Appendix A assumes a Band D council tax of £145.42 (the current Band D council tax for 2014/15) and acceptance of the Government Freeze Grant.
- 2.6 The Council is addressing budget under-performances on car parking income through a realignment exercise over a period of time – to align the income targets with actual income received. Income from car parking has been reduced by £50,000 in 2015/16, based on trends over the last three years.

- 2.7 The Dartmouth Lower Ferry has not regained its customer base in full following its closure for essential slipway maintenance. Current projections indicate that income for the 2014/15 financial year could be more than £150,000 under budget. It is suggested that in a similar way to the approach used for car parking that the budget is reduced by £50,000 per annum over a three year period.
- 2.8 The Strategic Waste Review actions for the South Hams Collection Service have been agreed. The major procurement for the sale of dry recycling materials is under way currently. Subject to market prices for recycling materials, the saving for the waste review in 14/15 will be £110,000 (Budgeted 14/15 saving was £140,000). Interim materials sales solutions have already increased income during this financial year.
There is a reduction in the original saving estimated due to the decision made to delay property day changes until the autumn of 2015 when we will have our new fleet in place and the support officer capacity to deliver this customer change effectively and efficiently.
- 2.9 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. A detailed three year Capital Strategy and Capital Programme is the subject of a separate report on this agenda.

3. THE LOCAL GOVERNMENT FINANCE SETTLEMENT

Government Grant (Settlement Funding Assessment (SFA))

- 3.1 Our SFA in 2014-15 was £3.706 million and this has been reduced to £3.156 million – this is a reduction of £550,000 (14.8%). This was in line with what we expected. This is a one year settlement for 2015/16 only and the figures announced are provisional. A Council's SFA is equal to the Revenue Support Grant plus the Council's baseline funding level for Business Rates.



- 3.2 South Hams had a reduction in funding of 14.8%. The average for Shire District Councils was 15.3%. Shire Counties had an average reduction of 13.5%. The cut announced in this settlement brings the total reduction in core government funding to Councils since 2010 to 40 per cent. Over this period councils will have made £20 billion worth of savings.
- 3.3 The Council provided evidence to a study, commissioned by the Government, into the cost of providing services in rural areas. Our work on this has paid dividends as the Government has increased the amount of money put into the Rural Services Delivery Grant and we have received a share of that. Rural funding has increased to £15.5m (previously £11.5m).

Business Rates

- 3.4 We budget for our share of the Business Rates separately using statistical data. The Council will receive a separate grant to compensate for the measures announced in the 2014 Autumn Statement, namely:
- The RPI increase on business rates will be reduced to 2% per cent for 2015/16
 - A £1,000 discount for all retail, pubs, cafes (excluding banks and betting offices) with rateable values below £50,000 will be increased to £1,500 for 2015/16. The Council will receive a Government grant for this.
- 3.5 Alongside the finance settlement, we have received notification that a new Business Rates Pool will be established for 2015/16 of all Devon Authorities, excluding South Hams. This is in line with the Council decision (October 2014) to withdraw from Pooling arrangements in 2015/16.

Council Tax Referendum Limit

- 3.6 The Government has announced that council tax increases of 2 per cent or over will be subject to a council tax referendum. The Government is consulting on whether similar council tax referendum principles should apply to the highest spending parishes and towns.

Council Tax Freeze Grant

- 3.7 The 1% Council Tax Freeze Grant offer for 2015/16 was re-affirmed. The indicative Council Tax Freeze Grant for 2015/16 is £57,789.

New Homes Bonus

- 3.8 We have received notification that our NHB allocation will be £1,693,533 for 15/16, which is £78,448 more than the estimate of £1,615,085 shown in the Budget report presented to the Executive on 11 December 2014.

4. NEW HOMES BONUS

- 4.1 This grant was introduced in 2011/12 and provides incentives for local authorities and local communities to be supportive of housing growth. It is not ring fenced and can be spent on anything.
- 4.2 On 29 November 2012, the Community Life & Housing Scrutiny Panel considered a report on the New Homes Bonus Strategy. It was resolved (CLH. 27/12) that the New Homes Bonus funding for 2013/14 is used to support the following categories:
- To finance housing capital projects
 - Community re-investment projects (please see separate agenda item)
 - Funding for the revenue base budget
 - Community grants and projects
 - To provide funding for the overall Capital Programme
 - To make a provision for a share of the New Homes Bonus for the Dartmoor National Park when appropriate

4.3 Members have approved the following use of the New Homes Bonus to date:

Year	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Grant received	297,567	826,317	1,026,018	1,365,325
Use of New Homes Bonus (£)				
Housing Capital Projects		300,000	460,000	460,000
Community Reinvestment Projects			153,900	153,900
Revenue Base Budget	100,000	100,000	100,000	564,043
Community Grants (CAB Outreach worker)			10,000	10,000
Funding for the overall capital programme	197,567	419,567		
Dartmoor National Park		6,750		17,277
Transferred to the Capital Programme Reserve			302,118	160,105
TOTAL	297,567	826,317	1,026,018	1,365,325

4.4 An estimate of New Homes Bonus for the next four years is shown below:

NHB Forecast (£)	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
2011/12 actual allocation	297,567	297,567	297,567	-	-
2012/13 actual allocation	528,750	528,750	528,750	528,750	-
2013/14 actual allocation	199,701	199,701	199,701	199,701	199,701
2014/15 actual allocation	339,307	339,307	339,307	339,307	339,307
2015/16 forecast allocation		328,208	328,208	328,208	328,208
2016/17 forecast allocation			251,680	251,680	251,680
2017/18 forecast allocation				251,680	251,680
2018/19 forecast allocation					251,680
TOTAL	1,365,325	1,693,533	1,945,213	1,899,326	1,622,256
The table below shows the possible ways in which NHB could be used in future years for modelling purposes only:-					
To fund Housing Capital Projects	460,000	464,000*	460,000	460,000	460,000
To fund Community Re-investment	153,900	153,900	153,900	153,900	153,900
CAB Outreach Worker	10,000	10,000	10,000	10,000	10,000
Existing funding of the Revenue Budget	564,043	564,043	?	?	?
Dartmoor National Park	17,277	5,779	TBA	TBA	TBA
Capital Programme Reserve	160,105				
Balance (uncommitted)	Nil	495,811	1,321,313	1,275,426	998,900

*N.b. see separate agenda item on the Capital Programme 2015/16

The NHB balance uncommitted is £495,811 in 2015/16. If council tax is frozen, a further £395,083 of New Homes Bonus would be needed to support the Revenue Budget as shown in Section 8. This option would leave £100,728 of New Homes Bonus uncommitted (this is £495,811 as above less the amount of £395,083 to support the Revenue Budget, as shown in Section 8).

Alternatively if council tax is increased by 1.9%, a further £351,837 of New Homes Bonus would be needed to support the Revenue Budget as shown in Section 8. This option would leave £143,974 of New Homes Bonus uncommitted (this is £495,811 as above less the amount of £351,837 to support the Revenue Budget, as shown in Section 8).

4.5 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 Councils should reach an agreement and split the funding from NHB at a locally determined rate.

Council agreed a process for transferring an element of NHB to DNP for the 2014/15 budget and it is recommended that this continues in 2015/16. Key conditions included the following:

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

4.6 On this basis the share of NHB due for DNP based on completed properties is summarised below:

	12/13 Paid £	13/14 Paid £	Payable for 14/15 £	Forecast for 15/16 £	Forecast for 16/17 £	Forecast for 17/18 £	Forecast for 18/19 £
Share of award	4,605	12,672	5,779	15,053	31,035	36,859	36,859

It is recommended that £5,779 representing the entitlement for 2014/15 is paid from the Council's 2015/16 NHB allocation.

5 THE 2015/16 BUDGET GAP

- 5.1 The budget gap based on the assumptions summarised in Section 2 above is predicted to be £408,000 for 2015/16. Appendix A provides the details.
- 5.2 This budget gap reflects the position without taking into account any T18 savings in 2015/16 as these savings are primarily needed to pay for the investment costs incurred in this year.

Income from Council Tax

- 5.3 Council agreed to raise council tax by 1.9% from 1 April 2014 to £145.42 for a Band D property for South Hams District Council. This amounted to a £2.71 increase on an average Band D property over a year equivalent to 5p a week. A 1% increase in Council Tax generates an extra £53,000 in extra income per annum.

A 1% rise in Council Tax generates £53,000 in extra income per annum:

Council Tax increase	Income generated (£)
1.0%	53,000
2.0%	106,000

Council Tax Support Grant

- 5.4 It is considered appropriate that the Council Tax Support Grant to Town and Parish Councils should reduce in line with the reduction that the District Council is experiencing with its Settlement Funding Assessment (SFA). At its meeting on 2 October 2014 Council agreed that this reduction should be passed on to the Towns and Parishes and their Council Tax Support Grant should be reduced by a similar amount. The District Council approved a grant distribution of £125,369 for 2014-15. A reduction in the grant allocation of 10% will decrease the budget gap by approximately £13,000. Appendix C illustrates the effect of this on an individual Parish basis.

Review of charges

- 5.5 On 13 November 2014, the Economy and Environment Scrutiny Panel considered a report on the review of fees and charges for 2015/16. The Panel recommended that charges would be frozen with the exception of those for licensing which would generate an additional £1,000.

The Economy and Environment Scrutiny Panel meet on 22 January 2015 and are due to make recommendations on trade waste charges.

New Homes Bonus

- 5.6 New Homes Bonus amounting to approximately £564,000 is currently used to support the revenue budget. It is suggested that the use of New Home Bonus in this way continues in 2015/16 in order to close the Budget Gap with a view to reversing this amount out in 2016/17 out when the savings from T18 materialise in full.

6. OTHER BUDGET CONSIDERATIONS

Discretionary Budget Bid - Citizens Advice Bureau (Outreach Project)

- 6.1 Members approved a "non-recurring" bid for £10,000 for additional funding for the CAB Outreach Project which provides a weekly advice service in Dartmouth, Ivybridge and Kingsbridge. Much of the advice covers housing, benefits and debt Issues and is managed in liaison with the Council's Community Team. **Members are requested to consider if they wish to renew this arrangement for 2015/16.**

7. RESERVES

Earmarked Reserves

- 7.1 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 are reviewed as part of the "budget scouring" exercise each year – this exercise is in progress at the moment. A schedule of Earmarked Reserves is attached at Appendix G.

General Fund Balance (un-earmarked revenue reserve)

- 7.2 Previous guidance from the Audit Commission suggested that the General Fund Balance should be between 5% and 10% of net operating expenditure. The Council's net operating expenditure is £9.2 million for 2015-16; so an appropriate balance would be in the region of £460,000 to £920,000.
- 7.3 The General Fund Balance stood at £1.707 million at 31st March 2014. It is predicted to be £1.606 million at 31 March 2015 (Appendix G). The Council's policy is that the General Fund Balance should be maintained at a minimum level of £1.5 million. Therefore, the Council is maintaining a prudent level of reserves.

- 7.4 Our financial strategy recognises the need to maintain un-earmarked revenue reserves to provide stability for both medium and longer term planning and to provide a contingency against unforeseen events. In setting the minimum level at £1.5 million the following have been taken into account:
- The size of the authority
 - The volatility of some income and expenditure budgets due to a dependency on the weather, tourism and state of the economy
 - The risks faced by the Council with regard to funding unforeseen events
 - The level of investment income used to support council tax arising from our reserves
 - Uncertainty over future Government funding
- 7.5 The Council can take comfort that our General Fund Balance stands above the minimum balance.

8. OPTIONS TO CLOSE THE BUDGET GAP

The following table demonstrates possible options to meet the 2015/16 budget: gap of £407,625 (Appendix D).

Option A – Freeze Council Tax	Amount (£)
Budget Gap as per Appendix D (includes Council Tax Freeze Grant on offer from Government of £57,789)	407,625
Reduction in Council Tax Support Grant for Town and Parish Councils (see 5.4)	-12,542
Additional requirement from New Homes Bonus	-395,083
TOTAL	0

This option would leave £100,728 of New Homes Bonus uncommitted (this is £495,811 as per 4.4 less the amount of £395,083 used to support the Revenue Budget).

Option B – Council Tax Increase of 1.9%	Amount (£)
Budget Gap as per Appendix D (includes Council Tax Freeze Grant on offer from Government of £57,789)	407,625
Reversal of Council Tax Freeze Grant	57,789
Council Tax increase (assuming an increase of 1.9% to the current Band D of £145.42 to £148.18 – an increase of £2.76)	-101,035
Reduction in Council Tax Support Grant for Town and parish Councils (see 5.4)	-12,542
Additional requirement from New Homes Bonus	-351,837
TOTAL	0

This option would leave £143,974 of New Homes Bonus uncommitted (this is £495,811 as per 4.4 less the amount of £351,837 used to support the Revenue Budget).

9. CAPITAL PROGRAMME

9.1 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.

9.2 A proposed three year Capital Strategy and Capital Programme is the subject of another report on this agenda.

10. LEGAL IMPLICATIONS

10.1 The Executive is responsible for recommending to Council the budgetary framework. In accordance with the Financial Procedure Rules, Council must decide the general level of Reserves and the use of Earmarked Reserves.

10.2 The preparation of this MTFS is evidence that the Council has considered and taken into account all relevant information and proper advice when determining its financial arrangements in accordance with statutory requirements, and in particular, that it will set a lawful budget.

11. FINANCIAL IMPLICATIONS

11.1 The report sets out an anticipated revenue budget gap for 2015/16 of approximately £408,000 (Appendices A and D).

12. RISK MANAGEMENT

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

13. 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 will be carried out on all budget proposals for future years and any issues raised will be considered.
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:	<ol style="list-style-type: none"> 1. Report to Council on 13 February 2014 on 2014-15 Budget 2. Report to Executive on 11 September 2014 on the MTFs 2015/16 – 2018/19 3. Report to Economy and Environment Scrutiny Panel on 13 November 2014 on Review of Charges 4. Report to Executive on 11 December 2014 on the Revenue Budget Proposals for 2015/16 5. Meeting of the Joint Scrutiny Panels - 15 January 2015
Appendices attached:	<p>Appendix A - Modelling of the Financial Strategy</p> <p>Appendix B - Budget Pressures and Savings</p> <p>Appendix C – Council Tax Support Grant to Town and Parish Councils for 2015/16</p> <p>Appendix D - Revenue Summary</p> <p>Appendix E - Reserve Contributions</p> <p>Appendix F - Service Variations</p> <p>Appendix G - Schedule of Reserves</p>

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	<p>Not achieving financial savings as anticipated</p> <p>2015/16 will see a further significant reduction in formula funding</p> <p>External change to the national economic environment which may impact on our funding expectations.</p> <p>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.</p> <p>Achieving anticipated income targets in the current financial climate.</p>	4	4	16	↔	<p>Corporate engagement in the development of the medium term financial strategy.</p> <p>Service commitment to business planning processes.</p> <p>Robust horizon scanning to monitor changes in Government policy.</p> <p>The Council will continue to carry out modelling exercises to ascertain the effect of the new schemes on the Council's finances. Options for business rates pooling will be assessed.</p> <p>Monitoring of corporate income streams and revenue budgets.</p>	<p>Section 151 Officer</p> <p>Executive Director (SH)</p> <p>Executive Director (AR)</p> <p>Section 151 Officer</p> <p>Section 151 Officer</p>

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			
2	Funding of the future Capital Programme	Availability of capital resources and options of using funding streams, such as New Homes Bonus	4	4	16	↔	<p>Review of potential opportunities to support further capital programme.</p> <p>One of the objectives of the Strategic Asset Review is to identify opportunities for the disposal of assets and the generation of capital receipts.</p>	<p>Executive Directors, Section 151 Officer</p> <p>Executive Directors, Section 151 Officer</p>
3	Setting a lawful budget	Failure of the Council to set a lawful budget	5	1	5	↔	<p>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 for the purpose the budget calculations.</p> <p>The budget process is laid down in the Council's Constitution. Executive and Council meetings are timetabled to meet the Statutory deadlines for setting the Council Tax.</p>	Section 151 Officer

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			
4	Income from business rates	Income from Business Rates Is subject to volatility both from business rating appeals and from the economic climate.	5	3	15	↔	The position will be monitored by the Section 151 Officer The quarterly Revenue Budget Monitoring reports will monitor Business Rates income against projections. Any variances will be highlighted to Members at an early stage.	Section 151 Officer
5	Corporate Priorities	Failure to target budgets to service priorities	5	1	5	↔	The budget is subjected to extensive consultation with all Members, the public and the business community. Adequate levels of appropriately trained staff. Monthly monitoring of performance to management, quarterly to the Executive.	Section 151 Officer

Direction of travel symbols ↓ ↑ ↔