

<b>SUBJECT:</b>	<b>Budget and Council Tax Report</b>
<b>REPORT OF:</b>	<b>Leader of the Council</b>

## 1. Purpose of Report

- 1.1. This report brings together the information affecting the Council's revenue budget for 2014/15 in order for the Cabinet to make recommendations to Council on 25<sup>th</sup> February regarding the Council's budget and council tax for 2014/15.

## 2. Links to Council Policies & Plans

- 2.1 The Council's code of corporate governance highlights the importance of having in place clearly documented processes for policy development, review and implementation, decision making, and monitoring and control. Following from this is the requirement for sound financial management, being able to demonstrate resources are aligned to the corporate priorities of the Council, and that any material risks are assessed. Value for money and being a lean efficient organisation is one of the authority's management principles and having a medium term financial strategy is a key element in demonstrating this principle.

## 3. Information

- 3.1 This report is divided into a number of sections, that as a whole, cover the various elements that need to be considered when setting the Council's budget for the coming year and the council tax for the District. Based on consideration of the information in the report the Cabinet needs to make recommendations to the Council meeting in February where the council tax, including the element relating to preceptors, will be decided.

### Contents of Report

- Section A - Financial Context and Base Budget position
- Section B - Investment Income & Grants
- Section C - Budget Requirement and Council Tax Issues
- Section D - Medium Term Financial Strategy Update
- Section E - Advice of Director of Resources

### **Section A Financial Context and Base Budget position**

- 3.2 In November the Cabinet considered the budget position in the light of the funding position facing the Council in the coming years. The Cabinet agreed a schedule of potential savings to be included in the draft budgets considered by the Policy Advisory Groups. The budgets would also include no unavoidable expenditure, and would also factor in the savings expected to arise from the joint working with Chiltern DC. The overall approach also aimed to follow the objectives of the medium term financial strategy in minimising use of general reserves and holding the District element of the council tax at its current level.

- 3.3 On 18<sup>th</sup> December the Government announced the provisional local authorities financial settlement for 2014/15, which also included indicative funding figures for 2015/16.
- 3.4 For South Bucks the following table shows the key figures for 2014/15.

	2013/14	2014/15	2015/16
	£k	£k	£k
Business Rate Baseline	11,477	11,701	11,969
Business Rate Tariff	-10,511	-10,716	-10,984
Baseline Need	966	985	985
Revenue Support Grant	1,452	1,161	818
Settlement Funding Assessment	2,418	2,146	1,803
Year on Year Change (£k)		-272	-343
Year on Year Change (%)		-11%	-16%

The table illustrates the continuing material reduction in funding to the Council that had been anticipated and is expected to continue until at least 2017/18.

- 3.5 The Business Rate Baseline represents the Government's estimate of the amount of business rates it anticipates the Council will collect. As part of the Autumn Statement the Government announced a package of measures to support businesses which included extending small business rate relief and limiting the increase in business rates to 2%. As these measures will reduce the income to local authorities the Government will compensate authorities on an individual basis for the loss by the payment of a grant.

#### Section B - Investment Income & Grants

- 3.4 The Council's Treasury Management Strategy for 2014/15 which is being recommended to Cabinet following consideration by the Resources PAG in December, sets out the approach aiming to deliver investment income for 2014/15 of £550k. This is £225k less than the budget for the current year, and reflects a view of a continuing low level of interest rates during 2014/15 which are a consequence of the economy and the policies being followed by the Bank of England, and the declining level of cash balances as a result of the significant capital expenditure on waste services.
- 3.5 An increasingly important source of grant funding for the authority is the New Homes Bonus grant that rewards authorities for each new home by providing a grant equivalent to the national average Band D council tax on the property for each of the six years following completion of the property. The cumulative funding the Council will receive in 2014/15 from this source is £1,082k.
- 3.6 If the Council freezes its element of the council tax for 2014/15 it will receive a grant of £47k, which is equivalent to a 1% increase in council tax. This grant will be payable for two years. To achieve a council tax freeze the Council's Budget Requirement would need to be £8,068k.

#### Section C - Budget Requirement and Council Tax Issues

- 3.7 The draft budget has been considered by the PAGs and two adjustments were made to the savings proposals. These were:

- Rephasing of £24k additional car parking income from 2014/15 to 2015/16.
- Deferring savings in Planning Enforcement, £30k, until the outcome of the service review of Planning that will be undertaken in 2014/15.

- 3.8 In addition since the November Cabinet meeting the information has been received from the Bucks CC Pension Fund Actuary, related to the level of employers contributions that will be made from 2014/15. There is a report elsewhere on this agenda dealing with the matter in more detail, but for the purposes of this report the budget figures reflect the suggested approach in that report.
- 3.9 Finally the budget reflects the decisions of the Joint Committee in December to agree the business case for a shared team to deliver housing services (savings to SBDC of £27k), and the funding for a joint telephony system for the two authorities (SBDC share £25k).
- 3.10 The build-up of the budget is summarised in the following table.

#### Revenue Budget 2014/15

	COMM £k	ENV £k	H&H £k	RES £k	SUS DEV £k	Total £k
Budget 2013/14	798	1,743	800	3,953	843	8,137
Cost increases						
Employee Costs	9	3	17	48	28	105
Other costs	3	22	5	35	0	65
Income	-3	-10	-3	-1	-10	-27
Other changes	55	206 <sup>1</sup>	35	254 <sup>2</sup>	33	583
Savings	-115	-93	-117	-234	-43	-602
Portfolio Budgets 2014/15	747	1,871	737	4,055	851	8,261
						Capitalisation
						Net Service Budget
						-171
						8,090
						Investment Income
						Capital charges
						Use of LDD Reserve
						Use of Transformation Reserve
						Addition to General Reserve
						141
						Budget Requirement
						8,068

- 3.11 The draft budget proposes using reserves as follows:

- Local Development Document (LDD) Reserve £30k
- Transformation Reserve for support of service reviews £62k

<sup>1</sup> Includes first year costs of new refuse service, £167k

<sup>2</sup> Includes provision for increase in employers Pension Fund contributions, £140k

It also allows for the addition to general reserves of £141k. This effectively repays to the General Fund balance the funding applied to support the 2013/14 budget. The budget requirement of £8,068k will lead to a nil increase in the District council tax.

- 3.12 The draft budget has been discussed at the Overview & Scrutiny Committee and any comments received will be made known to members at the meeting.
- 3.13 The latest budget monitoring information shows that the forecast level of general reserves at the end of the current financial year to be £1,739k. The proposed budget would add £141k of the General Reserve taking it to, £1,880k. Section E of the report contains the Director of Resources advice on the level of reserves.

#### Section D - Medium Term Financial Strategy

- 3.14 The Council's medium term financial strategy which underpins the specific decisions taken on the budget, sets out how the Council's corporate aims can be progressed within the likely level of resources available to the Council. The key principles of the strategy are:
- The matching of expenditure and income in the medium term
  - Aligning new expenditure to Corporate Plan priorities and to improve value for money
  - Having in place sound financial processes to control and monitor expenditure
  - Awareness of the financial risks facing the authority and using this to inform the authority's level of financial reserves
- 3.15 Looking forward the highest strategic risk facing the authority now is the one of undertaking changes in response to the continuing significant reduction in Government funding and maintaining front line services and performance. The risk will be managed by having a clear focus on the key priorities, minimising resources being committed in non priority areas, and effective budget management and developing a saving programme.
- 3.16 In the coming year the main financial risks the Council is likely to face are:
- Shortfall on income targets, including investment income.
  - The cost of major planning inquiries, enforcement actions or responding to national infrastructure proposals that impact on the area.
  - The costs and income associated with the new waste and recycling arrangements that come into place in February 2014.
- 3.17 The main financial risks in the medium term can be summarised as:
- Managing the gap between cost increases the Council will face year on year, and the continuing reductions in government funding, and the limitation of council tax increases. Key to managing this risk will be developing further savings programmes particularly for the period from 2016/17 onwards.

- Even with the significant reduction in budgeted investment income, this still presents a financial risk, and therefore the Medium Term Financial Strategy will assume a continuing reduction in investment income over the period.
- The costs of reaching and enforcing the Council's planning decisions, or responding to major infrastructure proposals. This would include major public inquiries, or issues that may arise from the outcome of the Aviation Review in 2015.
- The impact on the Council's costs from changes in waste disposal arrangement with Bucks CC.

3.18 The Medium Term Financial Strategy projects forward to 2018 the Council's financial position, and Appendix A summarises the forward financial forecast. It illustrates clearly the importance of continuing to deliver further savings over the period and this will include the joint working project with Chiltern DC, if the use of reserves to support expenditure is to be kept to a minimum and limited to one off items. The Strategy also will aim to cap the use of the New Homes Bonus to a maximum of the cumulative sum achieved by 2014/15. The intention would be for further funding to be applied to one off projects.

#### Section E - Advice of Director of Resources

3.19 The detailed advice of the Director of Resources as the authority's statutory financial officer is set out in Appendix B. In summary the key points of the advice are as follows.

- The estimates for 2014/15 have been prepared in a thorough and professional manner.
- The key budget risks and sensitivities have been identified.
- The main financial risks to the Council for the coming year have been assessed as follows.
  - Shortfall on income targets.
  - The cost of major planning inquiries, enforcement actions or responding to national infrastructure proposals that impact on the area.
  - The costs and income associated with the new waste and recycling arrangements that come into place in February 2014

3.20 The suggested prudent level of general reserves for 2014/15 is £750k. As there is a planned addition to the General Reserve in 2014/15 the prudent level of reserves will be achieved, and also would keep reserves above the £1,250k aimed for within the Medium Term Financial Strategy.

3.21 In the medium term the authority will continue to face the risks in delivering its corporate plan objectives in the context of the continuing limitation of external funding resources.

- 3.22 Finally in regard to budgets for 2014/15, the Council is required to approve a budget for the Farnham Park Trust's activities. The Community PAG has already considered the detailed budget and fees and charges. Appendix C summarises the budgets for approval and referral to Council.

### Summary

- 3.23 The key points in the report are as follows.
- The proposed budget requirement of £8,068k, which will lead to a nil increase in the District's council tax.
  - Ear marked reserves totalling £92k will be applied to finance specific items within the budget.
  - There will be an addition to the General Reserve of £141k.
  - The recommended minimum level of revenue reserves for 2014/15, taking into account budget risks is £750k.
  - The treasury management strategy is based on the authority maintaining its debt free status, and retaining around £18m of unapplied capital receipts in 2014/15.
- 3.24 This report has been discussed by the Council's Overview & Scrutiny Committee, and at the Cabinet meeting members will be updated on any issues raised.
- 3.25 The next stage in the budget setting process is for the Cabinet to recommend a net budget for 2014/15 to Council on 25<sup>th</sup> February and for officers to be instructed to prepare a report setting out the necessary recommendations to translate this budget into the council tax for the District.
- 3.26 The report to Council will also need to include the information from the preceptors regarding their financial requirements for 2014/15 in order that the total council tax for the area can be agreed.

## 4. Resource and Wider Policy Implications

- 4.1 The report and its appendices set out all of the financial, legal and risk issues associated with producing a sustainable set of budget proposals that will enable the Council to take forward its priorities and cope with other factors affecting its finances. The authority needs to be satisfied that it is setting a budget realistic for the level of service delivery intended for the coming year, and with sufficient reserves in the light of known risks and uncertainties.
- 4.2 The proposed budget makes provision for members allowances to increase in line with any increase in officers' pay as this is the default position for the scheme.
- 4.2 The budget proposals have been considered in terms of equalities requirements and there are no issues arising. This is primarily because no changes are proposed to services provided directly to residents and service users.

## 5. Recommendations

The Cabinet is recommended to:

### Revenue Budget 2014/15

1. Approve the Revenue budget for 2014/2015 as summarised in the table in para 3.10, and **recommend this to Council.**
2. Agree the following use from reserves for 2014/15.
  - a) Local Development Plan £30k
  - b) Transformation Reserve £62k
3. Approve a budget requirement of £8,068k, which will result in a District council tax of £143.00 for a Band D property.
4. Confirm the level of fees and charges for 2014/15 already considered by Portfolio Holders as part of the information underpinning the budget work.
5. Agree to update the Members Allowances scheme in line with any decision on officer pay for 2014/15, in line with the current policy.

### Setting the Council Tax

6. Agree that this report be made available to all Members of the Council in advance of the Council Tax setting meeting on 25<sup>th</sup> February, and a final report is produced for the Council meeting incorporating the information from preceptors, and the final decisions of the Cabinet on the budget.

### Medium Term Financial Strategy

7. To note the comments on the Medium Term Financial Strategy included in the report.

### Farnham Park Trust

8. Agree to **recommend to Council** the revenue and capital budgets for 2014/15 summarised in Appendix C.

Portfolio Holder	Cllr Adrian Busby email: Cllr.adrian,busby@southbucks.gov.uk
Officer Contact:	Jim Burness Director of Resources jim.burness@southbucks.gov.uk
Background Papers:	None

## FINANCIAL FORECAST

## APPENDIX A

	2013/14	2014/15	2015/16	2016/17	2017/18
	£k	£k	£k	£k	£k
Base Net Service Budget	8,572	8,445	8,588	8,788	9,088
Cost Changes	0	143	200	300 <sup>3</sup>	200
Savings <sup>4</sup>		-602	-1,060	-1,466	-1,860
Other Changes <sup>5</sup>		583	395	251	251
Net Service Expenditure	8,572	8,569	8,123	7,873	7,679
Investment Income	-775	-550	-500	-400	-350
Use of Earmarked Reserves	-82	-92	-44	0	0
Use of GF Reserves	-140	141	127	0	0
Net Expenditure	7,575	8,068	7,706	7,473	7,329
Funding					
New Homes Bonus	-695	-1,082	-1,082	-1,082	-1,082
Revenue Support Grant	-1,452	-1,161	-869	-637	-442
Council Tax Freeze Grant	-47	-47	-47	0	0
Share of Retained Business Rates	-966	-1,255 <sup>6</sup>	-1,168	-1,204	-1,245
Council Tax Income	-4,415	-4,523	-4,540	-4,550	-4,560
Income	7,575	8,068	7,706	7,473	7,329
GF Balance at 31 <sup>st</sup> Mar	1,739	1,880	2,007	2,007	2,007

<sup>3</sup> Reflect increase in employers NI contributions announced by Govt in 2013.

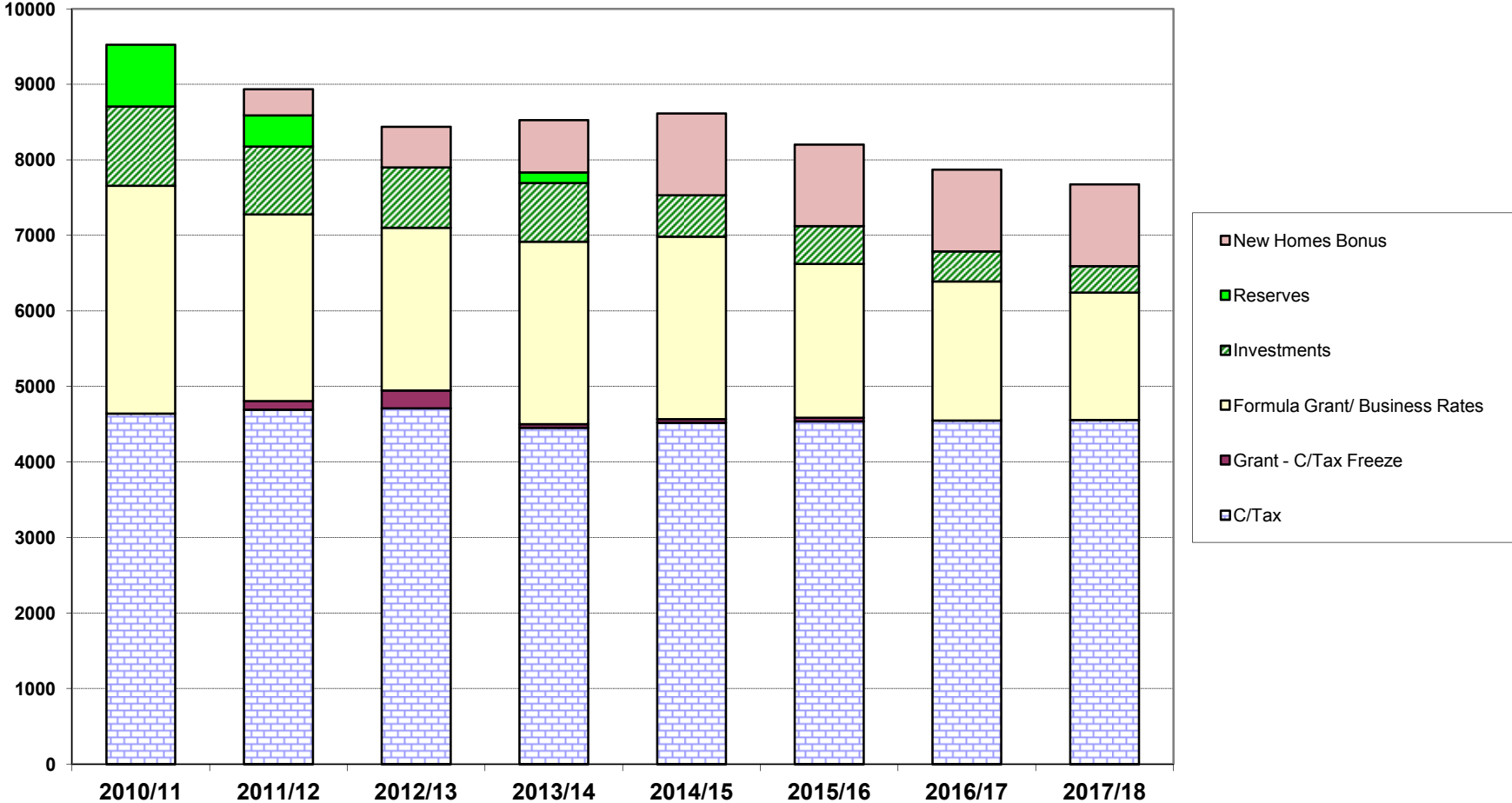
<sup>4</sup> Savings up to and including 2015/16 fully identified.

<sup>5</sup> Includes changes in LDD budget, new refuse service start up, employer pension contributions and ending of support to parish council taxes related to Council Tax Discounts

<sup>6</sup> Includes specific Govt grant to compensate for extended small business rate reliefs which reduce business rates payable.



**FORECAST USE OF RESOURCES 2010 - 2018**



## CHIEF FINANCIAL OFFICER REPORT

- .1 I am making this report in compliance with the personal responsibilities placed upon me by s25 to s28 of the Local Government Act 2003. The legislation requires me to report to the authority on two matters.
- ❖ The robustness of the estimates it makes when calculating its budget requirement.
  - ❖ The adequacy of the authority's reserves, taking into account the experience of the previous financial year.

### Robustness of Estimates

- .2 The process for preparing the budgets started in the autumn of 2013. From the outset the budget development was influenced by a number of key factors.
- ❖ The need to bring expenditure and likely resources into balance given the limitations on increases in council tax and the significant reductions in government grant and the likely continuing low level of investment income.
  - ❖ The national economic picture that affects many of the Council's main income streams.
  - ❖ The need to resource the implications of the corporate plan to enable the Council to make progress on its five corporate aims,
- .3 During 2013 the authority has continued its working with Chiltern DC and is progressing a programme of service reviews to explore opportunities for joint working. The savings from the first of these service reviews are reflected in the 2014/15 budgets. As in recent years the 2014/15 budget is integrated with the authority's service planning process, and therefore plans reflect the resources available.
- .4 The budget process has rigorously limited new expenditure to only the unavoidable minimum.
- .5 The financial position of the Council clearly indicated the need to continue to make savings for future years, and work is in progress to identify further savings options for 2014/15 and future years, and this is expected to principally arise from joint work with Chiltern DC. The continued focus on delivering savings is important, and part of this will be having in place mechanisms to monitor and report on agreed savings.
- .6 The detailed budget preparation was overseen by an experienced qualified accountant, supported by other finance staff familiar with the requirements of the budget preparation process. The basis of the estimates included the following elements which are in my view crucial to setting realistic budgets.
- ❖ Staffing budgets are prepared on a zero base approach, and are built up based on the actual staffing establishment and its current costs. The final budgets also include a vacancy factor of 2% consistent with that used in past years which has proved to be realistic.
  - ❖ The budgets reflect as far as can be determined costs of major contracts including known or likely cost increases.

- ❖ The budgets are informed by the results of the 2013/14 budget monitoring and recognise those issues that are unavoidable and would carry through into 2014/15.
  - ❖ The budget identified the on going cost of Council decisions taken since March 2013.
- .7 The detailed budget have been scrutinised by:
- Officers
  - Portfolio Holders
  - PAGs
- .8 In particular savings proposals have been reviewed in order to be satisfied of their robustness, and their impact on the Council's corporate aims, and on the residents/users of services. The budget does not contain any unspecified or unrealistic savings proposals or contingencies.
- .9 The key issue of investment income has been assessed in the context of the treasury management strategy for the authority, and this sets out how the proposed income for 2014/15 will be achieved. Investment income expectations have been lowered to reflect a realistic view on the level of interest rates over the next few years, and this is reflected within the treasury management strategy.
- .10 Finally the budgets have been assessed as part of the authority's approach to risk management and the major financial risks identified. These will be referred to in the following section dealing with the adequacy of reserves.
- .11 Taking all these factors into account I am satisfied that the estimates have been prepared on a robust basis.

### Adequacy of Reserves

- .12 The Council has a policy on its reserves, and this policy accords with the guidance issued by the Chartered Institute of Finance and Accountancy (CIPFA) on local authority reserves and balances. The Policy, which has been reviewed as part of this budget cycle, sets out the factors to be taken into account in determining for the year in question, and what a reasonable minimum level of general revenue reserves should be. In essence the Policy states that the minimum level should be based on 7½% of the net cost of services, plus any material financial risks identified for the coming financial year.
- .13 The Code of practice on local authority accounting requires the purpose, usage and basis of transactions of earmarked reserves to be identified clearly. The Council only has five earmarked reserves where it has full control over their deployment. As at 31<sup>st</sup> March 2014 these are estimated to stand at:
- Local Development Document (LDD) Reserve, £266k
  - Insurance Fund, £34k
  - Disaster & Emergency Relief Fund, £27k
  - Transformation Reserve £363K
  - Changes to Govt Funding Reserve £300k
- .14 The LDD reserve will be applied to help offset the costs of the Local Development framework process that is a statutory obligation on the authority. This project is running over a number of financial years and it is recommended that part of the reserve should be used to meet some of the costs in 2014/15 when the process will move on to the development of a number of key supporting documents. The current estimate is that £30k

will be applied in 2014/15 but this should be kept under review during the course of the financial year.

- .15 The self insurance reserve is reviewed annually at the end of each financial year in order to assess whether the current level of the fund is considered adequate. The Transformation Reserve is to provide funding towards the initial one off costs associated with service reviews, other joint working projects, or other projects that will improve efficiency by transforming services. The Government Funding Reserve is a provision to cope with any material changes in business rate collection or government grant in the short term.
- .16 In considering the level of general reserves in addition to the cash flow requirements the following factors are considered: -

Budget assumptions	Financial standing and management	Comment on SBDC position
The treatment of inflation and interest rates	The overall financial standing of the authority (level of borrowing, debt outstanding, council tax collection rates)	The budgets are based on known price increases as far as is possible. External advice has been taken on interest rate forecasts and these have been used with prudent assessments of the level of cash available for investment. This is all set out in the Treasury Management Strategy considered by the RPAG in Dec 2013.
Estimates of the level and timing of capital receipts	The authority's track record in budget and financial management	The forecast of future capital receipts reviewed over the course of the budget process to ensure it is realistic. At present no major receipts are anticipated in the coming years.
The treatment of demand led pressures	The authority's capacity to manage in-year budget pressures	The authority has in place regular budget monitoring procedures to identify any in year pressures, and to consider what actions can be taken. Reports are produced monthly for Management Team and Cabinet members, and the budget position is reported to every Cabinet meeting, alongside the complimentary performance and activity information. The budget process has also picked up any demand led pressures that need to be built into the 2014/15 budget. There are quarterly budget review meetings with members to review the current year's position and future years' issues.
The treatment of savings/efficiency gains	The strength of financial information and reporting arrangements	The financial reporting systems of the authority are good, and have proved effective in monitoring. The effort put into financial monitoring needs to be maintained and the authority needs to ensure

Budget assumptions	Financial standing and management	Comment on SBDC position
		adequate resources are directed to this activity. Progress on savings and efficiency gains are reported regularly to senior officers and members. The key strategic risk for the authority is the limitation on resources will limit speed and scale of progress on Corporate Plan, and impact on statutory performance and compliance issues.
The financial risks inherent in any significant new funding partnerships, major outsourcing deals or major capital developments	The authority's virement and end of year procedures in relation to budget under/overspends at authority and departmental level	The Council undertakes a risk assessment of the budget risks it faces. The major risks for 2014/15 are highlighted below.
The availability of other funds to deal with major contingencies	The adequacy of the authority's insurance arrangements to cover major unforeseen risks.	The authority has sufficient reserves to cover insurance liabilities. It has also the resources in general or earmarked reserves to make reasonable contingencies against matters such as LDD, major enforcement actions etc.

- .17 From the preceding table it can be seen that the authority takes action to reduce budget risk and therefore influence the level of reserves it needs to hold. There will always be areas of risk or uncertainty and which need to be assessed as part of the budget process.
- .18 The main financial risks to the Council for the coming year have been assessed as follows.
  - Shortfall on income targets, including investment income.
  - The cost of major planning inquiries, enforcement actions or responding to national infrastructure proposals that impact on the area.
  - The costs and income associated with the new waste and recycling arrangements that come into place in February 2014
- .19 The budget sensitivity of a number of key budget areas has been assessed as part of the risk assessment process on the budget. The detail of the analysis is attached. Based on the budget experience of the current year it would be prudent to allow for the possibility of some income shortfalls, and for costs planning enforcement or inquiries.
- .20 In the longer term there will be the risks of:
  - Managing the gap between cost increases the Council will face year on year, and the continued significant reductions in government funding, and the limitation of council tax increases. Key to managing this risk will be developing further savings programmes for the years from 2016/17 onwards.

- Even with the significant reduction in budgeted investment income, this still presents a financial risk, and therefore a continuing reduction in investment income is likely in the future.
  - The costs of reaching and enforcing the Council's planning decisions, or responding to major infrastructure proposals. This would include major public inquiries.
  - The development of the authority's waste collection and recycling services in the context of Bucks CC's disposal arrangements, and alternative arrangements that may be available to the Council.
- .21 As a small authority the Council is always faced with the risk to achieving its objectives from capacity and reliance on a number of key staff. Therefore staffing issues will need to be kept carefully under review going forward, and establishing joint teams with Chiltern DC will help improve resilience.
- .22 Taking all these factors into account it would be advisable to plan for a level of general reserves of at least around £750k for the forthcoming financial year, exclusive of any specific contingencies for local development document production, transformation or insurance. This figure is made up as follows.

	£k
7½% Net Cost of Services	600
Potential shortfall on income targets	50
Planning inquiries or infrastructure consultations	50
Waste collection costs	50
	750

### Legal Considerations

- .23 The setting of the budget and the council tax by Members involves their consideration of choices and alternatives and Members have considered these in various earlier reports. No genuine and reasonable options should be dismissed out of hand and Members must bear in mind their fiduciary duty to the council taxpayers of South Bucks District Council. Should Members wish to make additions or reductions to the budget, on which no information is given in the report before Members, they should present sufficient information on the justification for and consequences of their proposals to enable the Cabinet (or the Council) to arrive at a reasonable decision on them.
- .24 The report sets out relevant considerations for Members to consider during their deliberations, including the statement above from the Chief Financial Officer. Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully. They are under an obligation to produce a balanced budget and must not knowingly budget for a deficit. Members must not come to a decision that no reasonable authority could come to, balancing the nature; quality and level of services that they consider should be provided, against the costs of providing such services.
- .25 Members are reminded of s106 of the Local Government and Finance Act 1992, which prohibits any Member who has not paid for at least two months his/her Council Tax when it becomes due, from voting on setting the budget and making of the Council Tax and related calculations.

**Jim Burness**  
**Director of Resources**  
**February 2014**

## Budget Sensitivity Analysis 2014/15

This paper looks at a number of the key budget risk areas and analyses the sensitivity of these to changes in circumstances.

Change in Demand	Worsen Budget Position		2014/15 Budget	Improve Budget Position	
	10% Decrease	5% Decrease		5% Increase	10% Increase
	£	£	£	£	£
Land Charge Income	-12,150	-6,075	-121,500	6,075	12,150
Car Park Income	-95,950	-47,975	-959,500	47,975	95,950
Planning Income	-43,000	-21,500	-430,000	21,500	43,000
Lanes Golf Income	15,355	7,678	153,550	-7,678	-15,355
Building Control Income	-36,968	-18,484	-369,675	18,484	36,968
<b>Difference</b>	<b>-172,713</b>	<b>-86,356</b>	<b>-1,727,125</b>	<b>86,356</b>	<b>172,713</b>
<b>Change in Interest Earnings</b>					
	10% Decrease	5% Decrease	-	5% Increase	10% Increase
Fixed/Bond & Minor Interest	-55,000	-27,500	-550,000	27,500	55,000
<b>Difference</b>	<b>-55,000</b>	<b>-27,500</b>	<b>-550,000</b>	<b>27,500</b>	<b>55,000</b>
<b>Change in Level of Capital Receipts</b>					
The only capital receipts that have been built into the budget estimates relate to grant income and loan repayments. The likelihood of these not materialising is therefore low.					
<b>Other Significant Financial Risks</b>					
	Worst Case	Slightly Worse	2014/15 Budget	Slightly Better	Best Case
	£	£	£	£	£
Planning appeals - legal costs	100,000	55,000	10,000	5,000	0
Planning enforce - legal costs	60,000	35,000	10,000	5,000	0
Local development framework	100,000	65,000	30,000	15,000	0
	260,000	155,000	50,000	25,000	0
<b>Difference</b>	<b>-210,000</b>	<b>-105,000</b>	<b>0</b>	<b>25,000</b>	<b>50,000</b>
<b>Grand Total</b>	<b>-437,713</b>	<b>-218,856</b>	<b>0</b>	<b>138,856</b>	<b>277,713</b>

## Farnham Park Trust Budgets

### 1. Objective

- 1.1. As the Farnham Park assets form a charitable trust it is necessary for Members to approve separate budget for these operations.

### 2. Revenue Budgets

- 2.1. The following table summarise the 2014/15 revenue budgets for the Farnham Park Trust.

	2014/15 Budget £
Farnham Park Sports Field - Running Costs	-6,730
Farnham Park Sports Field - Depreciation	12,550
The South Buckinghamshire Golf Course - Running Costs	-315,370
The South Buckinghamshire Golf Course - Depreciation	58,630
Golf Management Service - Running Costs	119,150
Grounds Maintenance - Running Costs	219,850
Grounds Maintenance - Depreciation	19,310
	<b>107,390</b>

### 3. Capital Budgets

- 3.1. The following table shows the five year capital programme for the Farnham Park Trust.

Scheme	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Grounds Maintenance Machinery	35	50*	35	35
<b>Grand Total</b>				

\* Replacement of the Toro reelmaster 5500D which by this point will be over 14 years old.

### 4. Recommendation

- 4.1. Cabinet are requested to recommend to Council (acting as corporate trustee) the following items for the Farnham Park Trust
- the 2014/15 revenue budget, and associated fees and charges
  - the 2014/15 capital programme.