

SUBJECT:	BUDGET & COUNCIL TAX REPORT 2016/17
REPORT OF:	Leader of the Council
RESPONSIBLE OFFICER	Director of Resources
REPORT AUTHOR	Jim Burness
WARD(s) AFFECTED	All

1. Purpose of Report

- 1.1 This report provides information affecting the Council's revenue budget for 2016/17 in order for the Cabinet to make recommendations to Council on 23rd February regarding the Council's budget and council tax for 2016/17.

2. Recommendations

Revenue Budget 2016/17

- 1) Approve the Revenue budget for 2016/17 as summarised in the table in para 5.20 and recommend this to Council.
- 2) Agree the following use of earmarked reserves for 2016/17.
 - a) Local Development Plan, £163,500
 - b) Transformation Reserve, £18,040
- 3) Approve a budget requirement of £8,154k, which will result in a District council tax of £148.00 for a Band D property.
- 4) Confirm the level of fees and charges for 2016/17 already considered by Portfolio Holders as part of the information underpinning their budgets.
- 5) Note the advice of the Director of Resources (Appendix A).
- 6) Agree to update the Members allowances scheme for 2016/17 in line with the change of officers pay, prior to a review of the scheme during 2016.

Setting the Council Tax

- 7) Agree that this report be made available to all Members of the Council in advance of the Council Tax setting meeting on 23rd 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

- 8) To note the comments in the report on the Council's financial position in respect of the years following 2016/17.

Farnham Park Trust

- 9) Agree to recommend to Council the revenue and capital budgets for 2016/17 summarised in Appendix C

3. Executive Summary

- 3.1 It is the responsibility of the Cabinet to prepare a revenue budget for approval by the Council which will form the basis of setting the council tax. It also outlines the main issues affecting the Council's future financial position, as it is prudent to consider not just a single financial year in isolation.

4. Reason for Recommendations

- 4.1 The Cabinet is required to recommend to Council a budget as the basis of setting the District element of the council tax. The information within the report will be the basis for the whole Council taking the decisions on the council tax, and this is why the report will be made available to all members.
- 4.2 When considering its budget the Council needs to be mindful of the medium term financial position, and this is covered within this report.

5. Information

- 5.1 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 and 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

- 5.2 In December the Cabinet considered the budget position in the light of the funding position facing the Council in the coming years, and agreed a draft budget. The draft Portfolio budgets were considered by the Policy Advisory Groups. The budgets included no unavoidable expenditure, but would take into account 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 of balancing income and expenditure and strengthening the Council's financial position.
- 5.3 On 17 December the Government announced the provisional Local Authorities financial settlement for 2016/17.
- 5.4 For South Bucks the following table shows the key figures for 2016/17.

	2014/15 £'000	2015/16 £'000	2016/17 £'000
Business Rate Baseline	11,701	11,925	12,024
Business Rate Tariff	-10,716	-10,921	-11,012
Baseline Need	985	1,004	1,012
Revenue Support Grant	1,161	871	436
Settlement Funding Assessment	2,146	1,875	1,448
Year on Year Change (£k)		-271	-427
Year on Year Change (%)		-13%	-23%

- 5.5 The table illustrates the continuing material reduction in funding to the Council that had been anticipated, but at a more accelerated pace. Funding reductions will continue until at least 2019/20 and South Bucks DC will no longer receive Revenue Support Grant after 2017/18. This is due to the fact that in the funding system South Bucks is seen as a low needs and high resource authority.
- 5.6 For authorities who are no longer in receipt of RSG before 2020/21, they will be subject to additional tariff payments so that the overall reduction in Government funding does not fall only on authorities in receipt of RSG, essentially it can be seen as “negative RSG. The impact of the additional tariff for South Bucks DC from 2017/18 as follows.

	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k
Additional Tariff	0	0	170	410

This is something new to the funding system, and has not been factored into previous financial forecasts for the Council and the implications are illustrated in the section of the report covering the Medium Term Financial position.

- 5.7 The Business Rate Baseline represents the Government’s estimate of the amount of business rates it anticipates the Council will collect. However income from Business Rates can be materially affected by appeals lodged by businesses with the Valuation Office. Successful appeals will reduce the business rates collectable.
- 5.8 Growth in business rates above the Baseline are subject to a 50% levy, with the levy being additional payments to the Government. The amount of the levy can be reduced if groups of authorities pool their business rates and payments to the Government. As South Bucks and two other Bucks Districts, Chiltern and Aylesbury Vale, expect to have business rate growth, they have formed a pool for 2016/17 in order to retain more of the growth¹.

Section B – Investment Income and Grants

- 5.9 The Council’s Treasury Management Strategy for 2016/17 which is being recommended to Cabinet following consideration by the Resources PAG, sets out the approach aiming to deliver investment income for 2016/17 of £430k.
- 5.10 An important source of grant funding for the authority is the New Homes Grant that currently 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 2016/17 from this source is £1,479k, an increase on the current year of £149k.
- 5.11 The Government is consulting on changing the New Homes Grant system. The consultation is looking at reducing the duration of funding to four years or less, from the current six years. It also suggesting:
- linking payments to authorities having in place an approved Local Plan;
 - having different payments for houses created after appeal from those approved by the authority without going to appeal;
 - having a minimum baseline for housing growth numbers, above which additional funding would be received. The baseline is proposed to be that the normal growth

¹ Report to Cabinet October 2015

in properties will be 0.25% per annum. For South Bucks this is approximately 80 units.

5.12 This year there is no offer of a Council Tax Freeze grant.

Section C – Budget Requirement and Council Tax Issues

5.13 The draft budget has been considered by the PAGs and subsequently two adjustments have been made to those budgets. These are:

- Additional savings of £181k have been built in. These are the proposals arising from the review of savings options by O&S Committee that the Committee considered robust enough to include in the budget and the Cabinet concurred with this advice.
- Income figures have been updated to reflect the provisional finance settlement.

5.14 The build-up of the budget, based on a £5 increase in the District council tax, is summarised in the following table. The Council is able to increase its council tax by £5 as it is in the lowest quartile of district council tax levels nationally.

Revenue Budget 2016/17	Per Cabinet report 17 Dec 15 £'000	Savings £'000	Other Adjust £'000	Current Figures £'000
Environment Portfolio	2,323			2,323
Healthy Communities Portfolio	1,481	-17		1,464
Resources Portfolio	3,784	-164		3,620
Sustainable Development	907			907
Total PAG Budgets	8,495	-181		8,314
Capital Charges etc	-76			-76
Investment Income	-430			-430
Use of Earmarked Reserves				
- LDD	-163			-163
- Transformation	-18			-18
Addition to General Reserve	131	181	165	477
Addition to Reserves – Economic Development			50	50
Budget Requirement	7,939	-	215	8,154

5.15 The draft budget proposes using reserves as follows:

- Local Development Document (LDD) reserve, £163k.
- Transformation Reserve for support of shared service work, £18k.

5.16 In 2016/17 the Council is in the position to add to its General Reserve £0.48m. This would put the Reserve in a stronger position to support the Capital Programme in the medium term, as the projection of the programme is that the current level of resources are being depleted. The report on the Capital Programme on this agenda illustrates the position in more detail. It is also proposes to add £50k to a reserve for economic development and infrastructure projects impacting on the District (e.g HS2, WRATH).

- 5.17 The draft budget has been discussed at the Overview & Scrutiny Committee and any comments received will be made known to members at the meeting.
- 5.18 The latest budget monitoring information shows that the forecast level of General reserves at the end of the current financial year to be £1.97m. Section E of the report contains the Director of Resources advice on the level of reserves.

Section D – Medium Term Financial Strategy

- 5.19 The Council's medium term financial strategy which underpins the specific decisions taken on the budget, sets out show how the Council's corporate aims can be progressed within the likely level of resources available to the Council. The strategy which was reviewed by the Cabinet in November has the following key principles.
- The matching of expenditure and income in the medium term
 - Aligning new expenditure to Corporate Business 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
- 5.20 The following table sets out the current Medium Term Financial projections.

	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k
Net Expenditure	8,104	8,238	8,086	8,230	8,640
Funding					
Use of Reserves (incl LDF)	224	181	98	98	168
Investment Income	400	430	350	250	250
Revenue Support Grant	919	436	60	0	0
Additional Tariff	0	0	0	-170	-410
New Homes Grant	1,330	1,479	1,108	1,041	814
Retained Business Rates	928	1,512	1,530	1,710	2,530
Council Tax	4,303	4,727	4,900	5,060	5,180
Band D C/Tax	£143	£148	£151	£154	£157
Surplus(+)/Deficit (-)	-	+527	-40	-241	-108

Assumptions

- Expenditure reduces as a result of savings approved following O& S Committee exercises and in anticipation of savings from last service reviews.
- Government (RSG) funding assumed to reduce in line with the information contained in the provisional Local Government Settlement, including the effect of the additional tariff.
- The forecast growth in business rates for 2016/17 (£500k after 50% levy) is assumed to be sustained over the period, and that full retention of business rates comes into effect in 2019/20, enabling all the growth to be retained locally.

- The changes outlined in the consultation on New Homes Grant are assumed to come into effect from 2017/18. An allowance has been made for the impact of the Mill Lane and Wilton Park developments.
 - A decline in investment income as cash reserves decline as a result of planned spending (e.g. s106 agreements, capital programme etc).
 - Council tax assumed to increase by 1.99% per annum after a £5 increase in 2016/17.
- 5.21 The forecast table shows the potential future funding gap for the Authority that starts to develop from 2018/19 onwards. The forecast deficit position essentially arises from the introduction as part of the 2016/17 Settlement of the additional tariff (“negative RSG”). The position is also sensitive to the level of business rates and how the eventual full retention of business rates in 2019/20 will impact on the Council
- 5.22 The picture is clearly one that shows of a continuing need to identify means of reducing net costs in the coming years. What the Authority has achieved to date has put it in the position where it can plan towards savings over more than one year. Also as council tax becomes increasing the main source of funding for the Council that it can influence, decisions on the level of the tax become important to the Council’s medium term financial strategy.
- 5.23 The Council has been successful in the past in managing its cost base 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. Looking forward its major expenditure pressures are likely to come from:
- Responding to major national infrastructure proposals. This would include major public inquiries, or issues that may arise from the outcome of the Aviation Review in 2016.
 - The funding of the historic deficit on the Pension scheme, the next revaluation of which will be in 2016.
- 5.24 The Medium Term Financial Strategy projects forward to 2019 the Council’s financial position. 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 avoid and limited to one off items.

Section E – Advice of Director of Resources

- 5.25 The detailed advice of the Director of Resources as the Authority’s statutory financial officer is set out in Appendix A. In summary the key points of the advice are as follows.
- The estimates for 2016/17 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, (See Appendix B Sensitivity Analysis).
 - The cost of major planning inquiries, enforcement actions or responding to national infrastructure proposals that impact on the area.
 - The costs of temporary accommodation, and supporting solutions to the temporary accommodation issue.

Specific earmarked reserves exist to cover some of these matters.

- 5.26 The suggested prudent level of general reserves for 2016/17 is £870k. As there is no planned use of the General Reserve in 2016/17 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.
- 5.27 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.
- 5.28 There are a number of key financial risks to be aware of in the medium term and these are set out in the following table.

Risk	Response
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 identifying further savings for the years from 2017/18 onwards. In addition monitoring and forecasting council tax and business rate income will be important.
Growing mismatch between the local supply and demand of affordable housing increases pressure on temporary accommodation budgets.	Temporary accommodation budgets monitored. Funding made available via s106 agreements and other sources are effectively used. Planning policies seek to narrow the supply and demand gap.
Uncertainty over cost and nature of arrangements for the disposal of waste and recycling material collected could lead to higher costs than necessary.	Costs will need to be monitored and negotiations undertaken as appropriate with the disposal authority and with the Council's waste collection contractor.
The Pension Fund deficit requires the Authority to continue to increase contributions to the Fund.	Monitor performance of the Pension Fund, and also deficit position annually as part of final accounts process. Assess implications of increasing contribution levels as part of financial planning.

6. Consultation

- 6.1 The draft budget has been considered by the Overview & Scrutiny Committee.

7. Options

- 7.1 The report sets out the position based on increasing the district element of the council tax to £148.00.
- 7.2 There is the option of not increasing the Council Tax, or increasing at a lower level. This would result in less resource being available to fund the capital programme, strengthen reserves, and the funding gap increasing in future years.
- 7.3 There is also the option of increasing the Council by more than the referendum threshold of £5. However it is not considered realistic to consider a local referendum due to the cost of organising a referendum, and the risk of voters not supporting any additional increase in Council Tax.

8. Corporate Implications

- 8.1 The strategic and financial risks facing the Authority are set out in the report.
- 8.2 The Council is also required to approve a budget for the Farnham Park Charity'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.

9. Links to Council Business Plan

- 9.1 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. Establishing a sound and sustainable financial base is important for delivering the Council's objectives.

10. Next Steps

- 10.1 The report and Cabinet's decisions will form the basis of the Council tax decision of the Council on 23rd February.
- 10.2 A report will be produced for the Council meeting bringing together the precepts that have been notified to the Council, from parishes and the major precepting bodies. This will then enable the Council to set the overall council tax for the area.

Background Papers:	None
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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 2015. From the outset the budget development was influenced by a number of key factors.
- The need to keep expenditure and likely resources into balance given the limitations on increases in council tax and the significant reductions in government grant.
 - The national economic picture that affects many of the Council's main income streams and levels of housing and benefits expenditure.
 - The need to resource the implications of the corporate business plan to enable the Council to make progress on its corporate aims.
- .3 During 2015 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 completed service reviews are reflected in the 2016/17 budgets. As in recent years the 2016/17 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 future years. 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 2015/16 budget monitoring and recognise those issues that are unavoidable and would carry through into 2016/17.
 - The budget identified the on-going cost of Council decisions taken since March 2015.

- .7 The detailed budget have been scrutinised by:
- Officers
 - Portfolio Holders
 - PAGs
- .8 Any 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 2016/17 will be achieved.
- .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. 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 for which specific provision has not been made.
- .13 With regard to Business rates, the Council will continue to account for the business rates timing adjustments via a 'NDR Timing Difference' adjustment to the General Fund balance.
- .14 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 four earmarked reserves where it has full control over their deployment. As at 31st March 2016 these are estimated to stand at:
- | | |
|--|-------|
| ▪ Local Development Document (LDD) Reserve | £520k |
| ▪ Insurance Fund, | £35k |
| ▪ Disaster & Emergency Relief Fund, | £27k |
| ▪ Transformation Reserve | £240K |
- .15 The LDD reserve will be applied to help offset the costs of developing the joint Local Plan with Chiltern DC, which is a statutory obligation, and is running over a number of financial years. The current estimate is that £163k will be applied in 2016/17 but this will be kept under review during the course of the financial year.
- .16 The 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. Similarly the Disaster & Emergency Relief Fund, which is primarily applied to deal with flooding incidents is reviewed annually.

- .16 The Transformation Reserve is to provide funding towards the initial one off costs associated with joint working projects, or other projects that will improve efficiency by transforming services.
- .17 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.
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. The budget process has also picked up any demand led pressures that need to be built into the 2016/17 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 budget preparation and monitoring processes are used to identify and monitor savings. The deployment of savings is

Budget assumptions	Financial standing and management	Comment on SBDC position
		determined by the Council's budget process and its medium term financial strategy which directs resources towards priorities and ensures overall matching of expenditure to resources.
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 2016/17 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.

- .18 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.
- .19 The main financial risks to the Council for the coming year have been assessed as follows.
- Shortfall on income targets, (See Appendix B Sensitivity Analysis).
 - The cost of major planning inquiries, enforcement actions or responding to national infrastructure proposals that impact on the area.
 - The costs of temporary accommodation, and supporting solutions to address temporary accommodation issues. Specific earmarked reserves exist to cover some of these matters.
- .20 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.
- .21 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 identifying further savings for the years from 2017/18 onwards.

- The costs of reaching and enforcing the Council's planning decisions, or responding to national infrastructure proposals. This would include major public inquiries.
- The costs of the Authority's waste collection and recycling services in the context of Bucks CC's disposal arrangements.

- .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 £870k for the forthcoming financial year, exclusive of any specific contingencies for local development plan work, transformation or insurance. This figure is made up as follows.

	£k
7½% Net Cost of Services	620
Potential shortfall on income targets	100
Potential additional temporary accommodation costs	100
Planning inquiries or infrastructure consultations	50
	870

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 2016

**Appendix
B**

Budget Sensitivity Analysis 2016/17

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

	<u>Worsen Budget Position</u>		2016/17 Budget £	<u>Improve Budget Position</u>	
	10% Decrease £	5% Decrease £		5% Increase £	10% Increase £
Change in Demand					
Land Charge Income	-13,500	-6,750	-135,000	6,750	13,500
Car Park Income	-92,928	-46,464	-929,280	46,464	92,928
Planning Income	-62,100	-31,050	-621,000	31,050	62,100
Academy Golf Income	-15,980	-7,990	-159,800	7,990	15,980
Building Control Income (SBDC share)	-32,540	-16,270	-325,400	16,270	32,540
<i>Difference</i>	<i>-217,048</i>	<i>-108,524</i>	<i>0</i>	<i>108,524</i>	<i>217,048</i>
Change in Interest Earnings					
Fixed/Bond & Minor Interest	-86,000	-43,000	-430,000	21,500	43,000
<i>Difference</i>	<i>-86,000</i>	<i>-43,000</i>	<i>0</i>	<i>21,500</i>	<i>43,000</i>
Other Significant Financial Risks					
Planning appeals - legal costs	100,000	30,000	10,000	5,000	0
Planning enforce - legal costs	60,000	20,000	10,000	5,000	0
	160,000	50,000	20,000	10,000	0
<i>Difference</i>	<i>-140,000</i>	<i>-30,000</i>	<i>0</i>	<i>10,000</i>	<i>20,000</i>
Grand Total	-443,048	-181,524	0	140,024	280,048

APPENDIX C**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 2016/17 revenue budgets for the Farnham Park Trust.

	2016/17 Budget £
Farnham Park Sports Field	56,410
The South Buckinghamshire Golf Course	-318,868
Catering	-33,254
Golf Management Service *	165,933
Grounds Maintenance *	216,947
Depreciation on Endowment Assets	9,700
	96,868

* Net of recharge to Academy

3. Capital Budgets

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

Scheme	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Grounds Maintenance Machinery	35	35	35	35

4. Recommendation

4.1. Cabinet are requested to recommend to Council (acting as corporate trustee) the following items for the Farnham Park Trust

- the 2016/17 revenue budget, and associated fees and charges
- the 2016/17 capital programme.