

Budget 2018/19 and Medium Term Financial Strategy Update

Final Decision-Maker	Full Council
Portfolio Holder(s)	Councillor David Reilly, Portfolio Holder for Finance and Governance
Lead Director	Lee Colyer, Director of Finance, Policy and Development
Head of Service	Jane Fineman, Head of Finance and Procurement
Lead Officer/Report Author	Lee Colyer, Director of Finance, Policy and Development
Classification	Non-exempt
Wards affected	All

This report makes the following recommendation to the final decision-maker:

1. That Council approves the changes to the base budget along with the assumptions and approach set out throughout the report;
2. That Council approves the responses to the budget consultation in Appendix C;
3. That Council approves the rolling forward of the capital programme including net reserve based funding of £442,000 for new schemes listed within the report;
4. That Council approves the 2018/19 Pay Policy Statement set out in Appendix E; and
5. That Council approves an increase in the 'Basic Amount' of Council Tax of £4.98 for a Band D property.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough
- A Green Borough
- A Confident Borough

The Council's budget involves the allocation of financial resources to deliver the Council's Key Objectives.

Timetable	
<i>Meeting</i>	<i>Date</i>
Management Board	20 December 2017
Discussion with Portfolio Holder	8 January 2018
Finance & Governance Cabinet Advisory Board	9 January 2018
Cabinet	1 February 2018
Full Council	21 February 2018

Budget 2018/19 and Medium Term Financial Strategy Update

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report outlines the assumptions that have been built into the proposed budget for 2018/19.
- 1.2 Cabinet have proposed that this budget be adopted by full Council which includes the following main headlines:
 - Further reduction in Revenue Support Grant of £202,000 to zero.
 - A cut in government funding for New Homes Bonus of £302,000.
 - No major reductions to services.
 - An increase in the amount of Basic Council Tax of £4.98 for a Band D property.
 - No use of the general fund in balancing the budget.
- 1.3 The draft budget has been subject to public consultation and presentations have been made to groups representing communities in both the town and rural parts of the Borough.

Members are reminded that section 106 of the Local Government Finance Act 1992 applies to any meeting where consideration is given to matters relating to, or which might affect, the calculation of Council Tax.

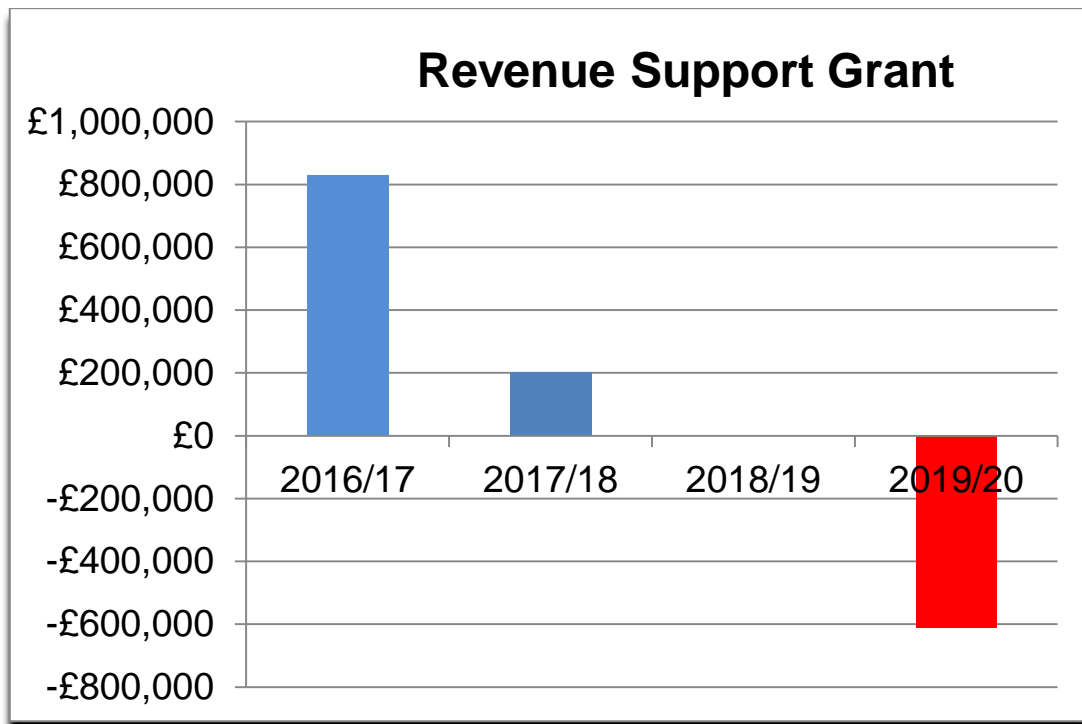
Any Member of a Local Authority, who is liable to pay Council Tax, and who has any unpaid Council Tax amount overdue for at least two months, even if there is an arrangement to pay off the arrears, must declare the fact that he/she is in arrears and must not cast their vote on anything related to TWBC's Budget or Council Tax.

2. INTRODUCTION AND BACKGROUND

- 2.1 Cabinet received the first report leading to the setting of the 2018/19 budget at the meeting on 3 August 2017 entitled Budget Projection and Strategy which had also been considered by the Finance & Governance Cabinet Advisory Board. This was followed by a Budget Update report on 26 October 2017 and the Draft Budget on 7 December 2017.

Provisional Local Government Finance Settlement 2018/19

- 2.2 On 19 December 2017, the Secretary of State for the Department for Communities and Local Government made a statement to Parliament on the provisional local government finance settlement 2018/19. The settlement reduction in Revenue Support Grant was in line with the four-year funding offer accepted by full Council in October 2016; this is shown below.



2.3 The main changes announced as part of the 2018/19 provisional settlement are set out below.

- **Local Government Funding Reform** – The Government has published the consultation paper “Fair funding review: a review of relative need and resources”, a technical consultation on relative need.
- The Secretary of State stated that the result of the review will be introduced in 2020/21.
- The Secretary of State also confirmed that there will be a business rates baseline reset in 2020/21 and, from 2020/21, business rates retention will be at 75 per cent (with existing grants, including RSG and Public Health Grant incorporated into business rates retention).
- **Council Tax** - There has been an increase to the referendum limit for Council Tax from 2 per cent to 3 per cent. The most efficient councils are still able to increase by £5.
- **Business Rates Pilots** - in September 2017, the Government invited authorities to bid for pilot status in 2018/19 for 100 per cent business rates retention. Following a competitive process, ten areas have been successful with their applications including Kent & Medway.
- **New Homes Bonus** – There have been no further changes to the deadweight threshold (at 0.4 per cent) or the eligibility of properties to qualify for the funding.

- **Negative Revenue Support Grant** – A consultation will take place in Spring 2018 regarding the negative RSG that remains in the 2019/20 funding allocations.
- **Revaluation 2017** – Within the business rates retention system, the NNDR baseline and top up/tariff amounts have been amended to reflect the Revaluation 2017. The adjusted amounts are intended to make changes in Rateable Value revenue neutral for individual authorities.

New Homes Bonus: Government response to the consultation

2.4 The New Homes Bonus (NHB) scheme was introduced in 2011 as a financial incentive for local authorities to facilitate housing growth and to sit alongside the existing planning system. In particular the scheme was designed in line with the following key principles:

- **Powerful** – the grant will be payable for the following six years. Those authorities which respond to the incentive and embrace housing growth will reap the benefits.
- **Simple** – for each additional home local authorities will receive six years of grant based on the council tax.
- **Transparent** – it will be easy for councillors, the community and developers to calculate and see the early benefits of growth.
- **Predictable** – the scheme is intended to be a permanent feature of local government funding and will therefore continue beyond the six-year cycle.
- **Flexible** – local authorities will be able to decide how to spend the funding in line with local community wishes. This will enable local councillors to lead a more mature debate with local people about the benefits of growth, not just costs.

2.5 This Council accepted its responsibility to help deliver housing growth in a managed way with regard to planning policy against the backdrop of the principles of the NHB scheme.

2.6 However, in 2016 the Government decided to make changes to the scheme to divert funding away from rewarding housing growth to instead be used for adult social care. The main changes following the consultation are as follows:

- NHB will now only be paid for four years not six. This will apply retrospectively so the remaining NHB payments in relation to Year 3 £390,000 will now not be paid neither will the £96,000 in relation to year 4 new homes delivered.
- The Government will consider withholding NHB payments from authorities that are not planning effectively, by making positive decisions on planning applications and delivering housing growth.
- To encourage more effective local planning the Government will also consider withholding payments for homes that are built following an appeal.

- The Government consulted on introducing a baseline of 0.25 per cent of dwellings below which no NHB will be paid. The majority (80 per cent) of respondents disagreed with the introduction of a national baseline. Comments included that it would be inequitable and not take into account varying planning constraints faced by authorities. The Government however decided not only to introduce a national baseline below which properties will not count towards NHB but that the baseline will be set at a much higher 0.4 per cent of existing dwellings. For TWBC this means that the first 150 new homes delivered each year will not count towards the NHB.

- 2.7 The above changes to the NHB scheme not only confuse the financial incentive for delivering more houses with the funding of adult social care but they also mark a new low point in the centralised control of how local services are funded. There can be little confidence remaining that the NHB will not be diluted further which undermines strategic financial planning.
- 2.8 The only positive to take from these changes to government policy is that this Council has low exposure to the NHB scheme as it receives one of the lowest amounts of NHB in Kent.

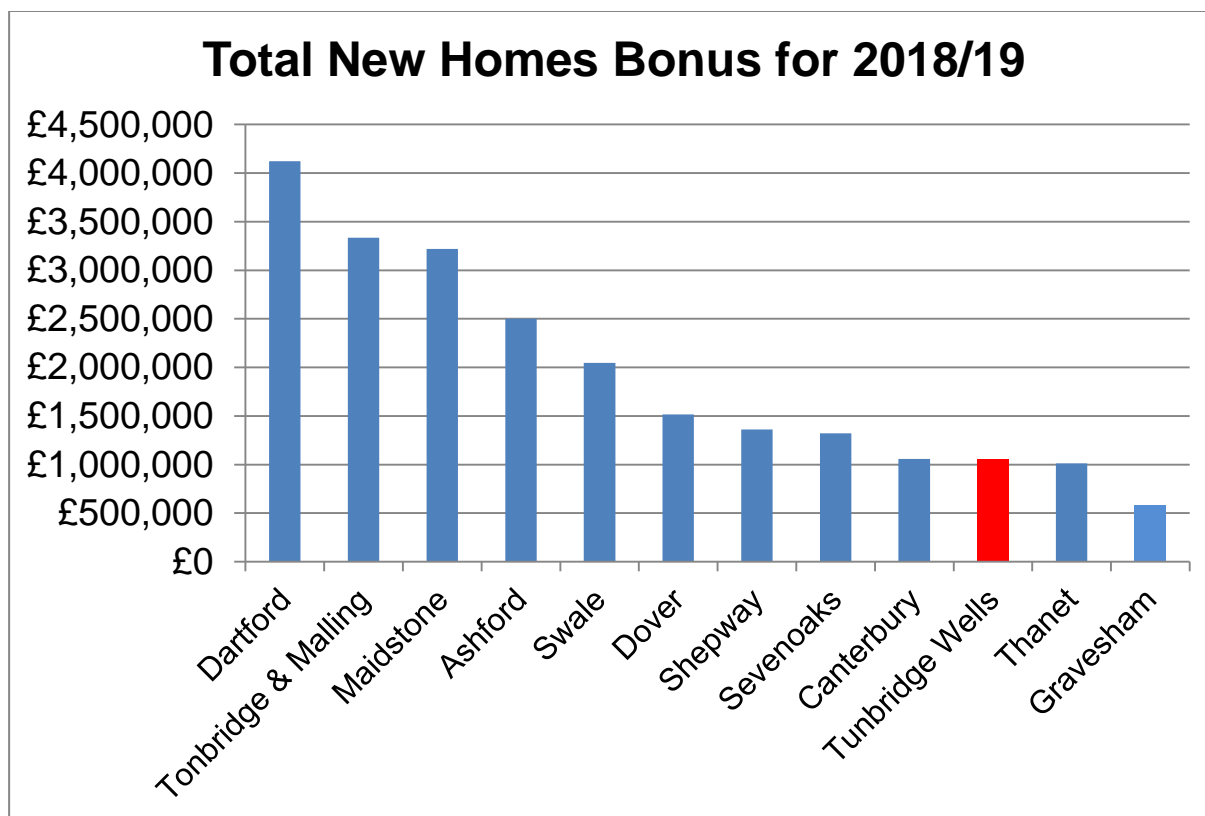
New Homes Bonus Strategy

- 2.9 In the 2017/18 budget the Council used all £1.358 million of NHB in the base budget. The changes to the NHB scheme have resulted in a cash reduction of £302,000 to a total allocation of £1.056 million. The impact of these changes is shown below:

	16/17 £000s	17/18 £000s	18/19 £000s	19/20 £000s	20/21 £000s	21/22 £000s	22/23 £000s
Year 10 - Net					TBC	TBC	TBC
Year 9 - Net				TBC	TBC	TBC	TBC
Year 8 - Net			184	184	184	184	
Year 7 - Net		183	183	183	183		
Year 6	554	554	554	554			
Year 5	135	135	135				
Year 4	96	96					
Year 3	390	390					
Year 2	339						
Year 1	259						
NHB Allocation	1,773	1,358	1,056				
NHB in Budget	1,773	1,358	1,056				
NHB in Reserves	0	0	0				
Total	1,773	1,358	1,056				

*The grey boxes show the NHB due to be paid under the scheme which will now be taken to fund adult social care.

2.10 The total New Homes Bonus for 2018/19 across Kent authorities is shown below.



2.11 Recent changes by the Government to the calculation of the New Homes Bonus have added significant volatility from one year to the next. This is particularly an issue in the calculation of bringing long-term empty properties back into use whereby the Government applies a negative tariff if the high water mark created in the previous year is not maintained. This is rather perverse as the number of long-term empty properties will reduce by virtue of successfully bringing them back into use. The Council created a Grant Volatility Reserve which will be used to manage the fluctuations from one year to the next.

2.12 Over time the reliance on NHB in the revenue budget will need to be reduced to limit the exposure to this form of growth incentive scheme coming to an end or government manipulation for other purposes.

Retention of 100 per cent of Business Rates

2.13 The previous Chancellor of the Exchequer announced that local government will retain all revenue from business rates by 2020. This was welcome news and one which this Council has been calling for over many years. However, this requires changes to primary legislation and it is highly unlikely a local government finance bill would make it onto the Parliamentary agenda until after Brexit.

- 2.14 There will still be a system of distributing business rates from economically successful areas such as Tunbridge Wells to other parts of the country whose public expenditure exceeds the amount generated locally from business rates. This system is known as 'Fair Funding' for which a review is planned. This Council will still only be guaranteed the amount set out in the four-year funding settlement currently £2.2 million of the £52.6 million collected.
- 2.15 The current 50 per cent scheme allows individual councils to keep a share (currently 40 per cent for this Council) of the extra business rates from new growth over the existing baseline after the impact from appeals. So there is now a stronger financial incentive to encourage development and grant planning permission for new business growth.
- 2.16 From 2018/19 this Council will not receive any Revenue Support Grant so the challenge is to grow the business rate base sufficiently to fund essential and valued local services in the Borough.

Business Rate Pilot and Kent Business Rate Pool

- 2.17 This Council submitted a bid along with all other local authorities in Kent to become a pilot for the 100 per cent retention of business rates. This bid was successful and should result in this Council receiving an extra £600,000 from the proceeds of business rates growth in 2018/19 and the creation of a West Kent Infrastructure Fund of £1.055 million.
- 2.18 The exact amounts from the business rates pilot will not be known until the end of 2018/19. The funds will be transferred to reserves for future allocation.

Revenue Budget 2018/19

- 2.19 The budget provides the financial resources to deliver the Council's priorities and statutory responsibilities. The major changes over the current year are summarised in the table below.

	£000s
Government Grant cut to zero	202
Cut to New Homes Bonus	302
Loss of Transitional Grant	74
Loss on income from centralising Local Land Charges	90
Inflationary pressures	230
Net new Housing posts and rent for Homelessness Act	158
New Data Protection post for (GDPR)	30
Lose the ability to pass on credit card charges to users	15
New insurance contract	(80)
Income from crematorium improvements	(150)
Council Tax increase of £4.98	(300)
Proposed efficiencies (Appendix B)	(321)
Use of Grant Volatility Reserve	(250)
Use of general reserves	0
Net Revenue Budget	0

- 2.20 The budget is forecast to be balanced for 2018/19. If any of the expected savings or efficiencies fail to be delivered and are not replaced with alternatives then a budget gap would occur requiring the use of reserves. However, the use of general reserves is unsustainable over the longer term which led Cabinet in 2012 to set a definition of a balanced budget as follows:

“Where ongoing expenditure is met from fees, charges, government grant and council tax with only the use of earmarked reserves being used to meet one-off priority expenditure.”

- 2.21 If this strategy is to be met then tight financial control will continue to be required to adhere to the budget agreed and action implemented where variances are identified. The alternative is to temporarily use the general fund to balance the revenue budget.

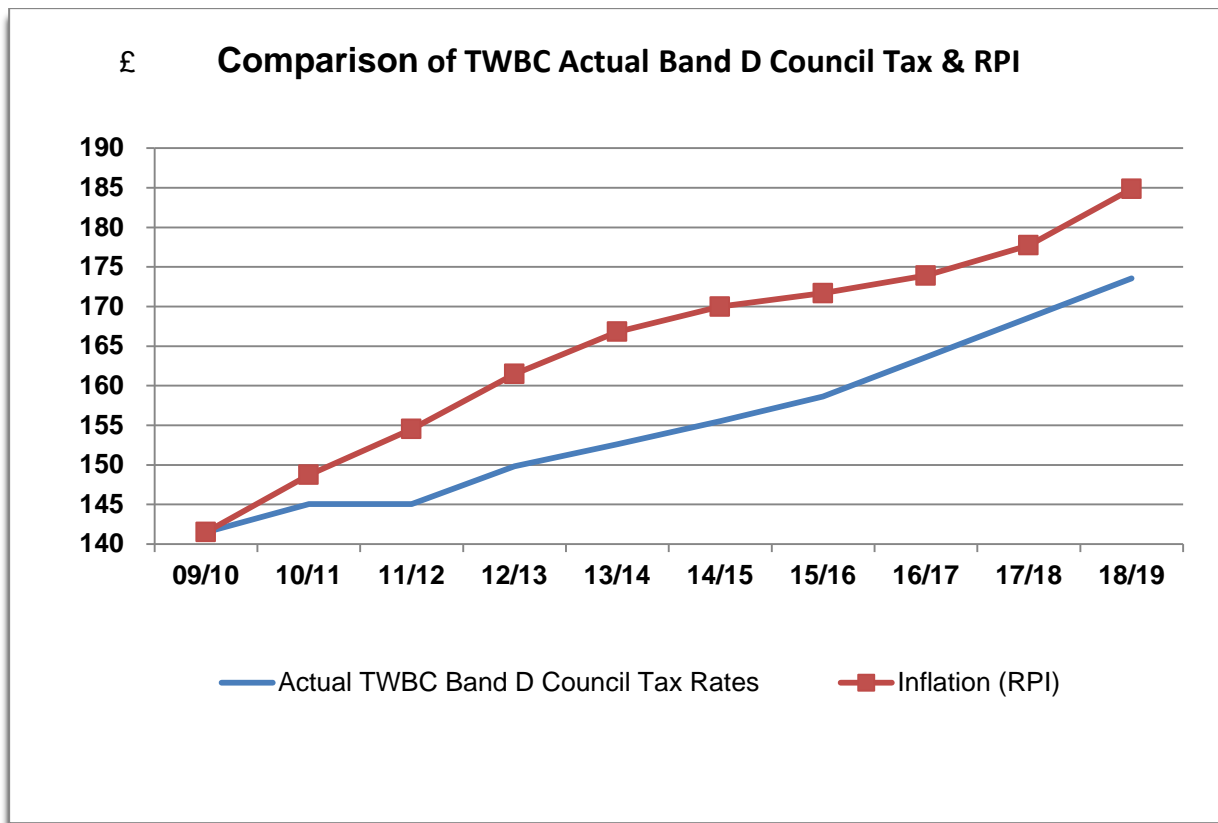
Employee Costs

- 2.22 Increased partnership working, efficiencies and the move to local pay and allowances enabled the Council to continue to reduce the pay bill and the number of staff it employs. The exceptions to this are the additional internal resources to deliver the Development Programme, bringing the Planning Support Service back in-house and this Council becoming the single employer for Environmental Health.

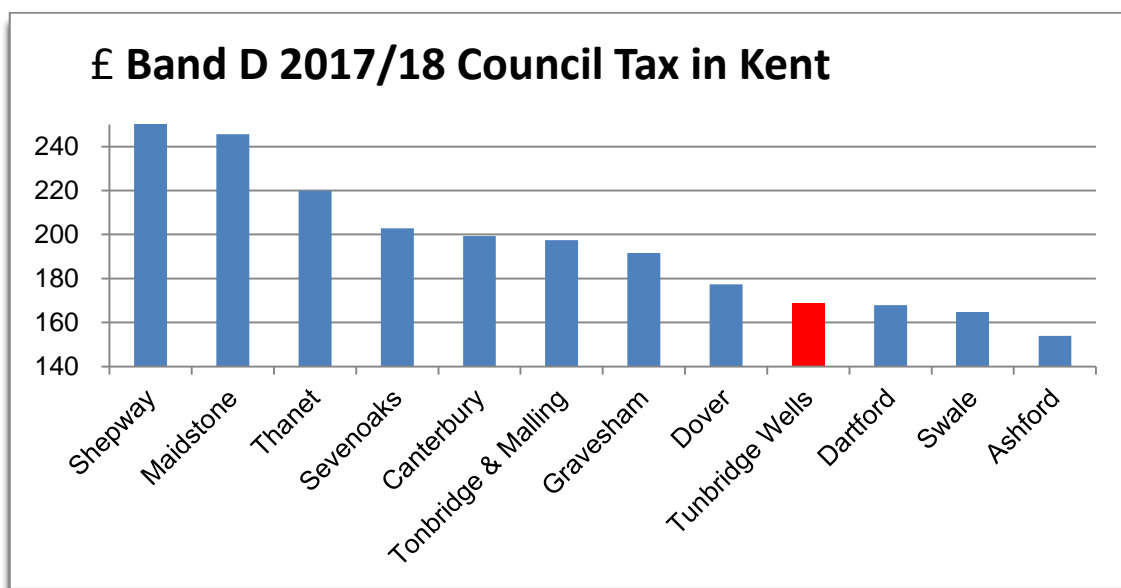
Year	Total Salary Budget	Full Time Equivalents
	£	
2010/11	11,334,700	384.45
2011/12	10,971,260	360.32
2012/13	10,829,520	347.86
2013/14	10,257,180	334.66
2014/15	9,330,620	306.47
2015/16	9,018,920	282.55
2016/17	9,569,480	293.52
2017/18	9,786,990	297.26
2018/19	10,440,940	325.94

Council Tax Strategy

- 2.23 One source of funding for the provision of local services is council tax. This Council has historically had a policy of very low council tax levels and the strategy is for council tax to increase up to the referendum threshold set by the Secretary of State. The cost of triggering a referendum for this Borough would be £100,000.
- 2.24 The following graph shows that since 2009/10 council tax has been cut in real terms compared to inflation and was frozen in 2011/12.



2.25 The graph below shows the comparison across Kent of the average council tax rates for 2017/18. By way of example if Sevenoaks and Maidstone Councils freeze their council tax every year and this Council agrees an increase of £5 every year then it would take 8 years and 16 years respectively for the TWBC rate to reach the level charged by these councils.



- 2.26 It should be appreciated that each area is different and not all councils provide the same range and level of services. This is especially important when discretionary services are provided which require a subsidy such as a museum or theatres.
- 2.27 The most economical authorities such as this Council are allowed to increase their council tax by a de minimis £5 more a year without triggering a referendum. The Government has assumed in their 'spending power' calculations that this Council will increase council tax by £5 a year.
- 2.28 The level of council tax will be decided by full Council on 21 February 2018. This final budget has been updated on the assumption that the headline level of council tax will be £173.57 (48 pence per day) which is an increase of £4.98 over the current rate.

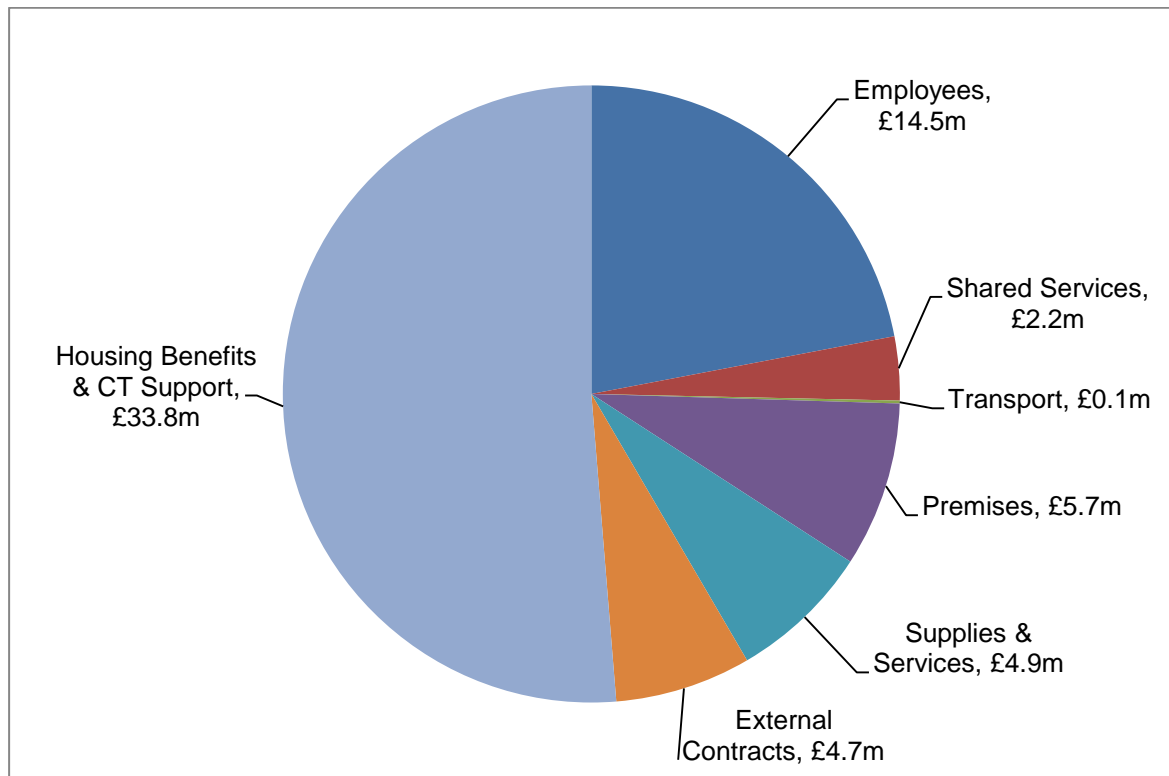
'User Pays' Principle

- 2.29 With operating costs driving up expenditure it will be necessary to recover these costs from the user of those services rather than all council tax payers. The Council has used feedback over the years to keep council tax low and to pass on costs to the users of optional services through higher fees and charges.
- 2.30 In November 2017, Cabinet agreed the 'fees and charges' report for areas which are not dictated by central government and the 'parking charges review'. The budget assumes that the total income from the charges set out in these reports is achieved.

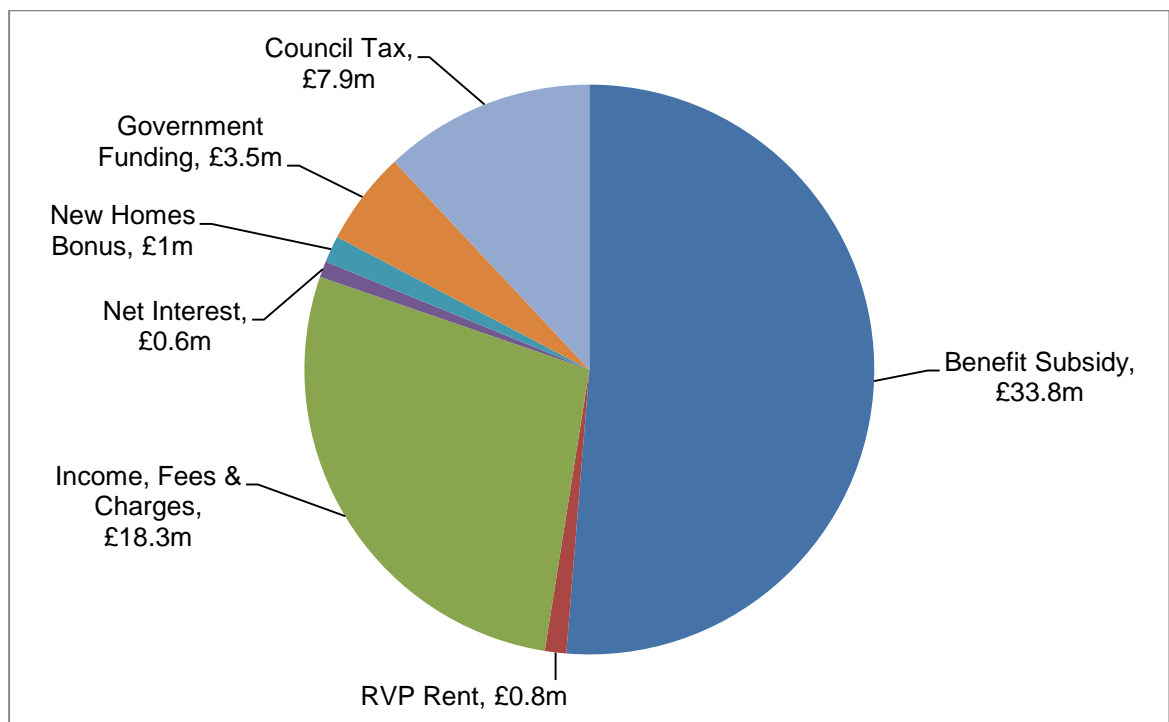
Budget Breakdown

- 2.31 The Council provides a diverse range of services across the Borough which are budgeted to cost £65.9 million. The following pie charts summarise the revenue expenditure and how this is funded.

Revenue Expenditure 2018/19



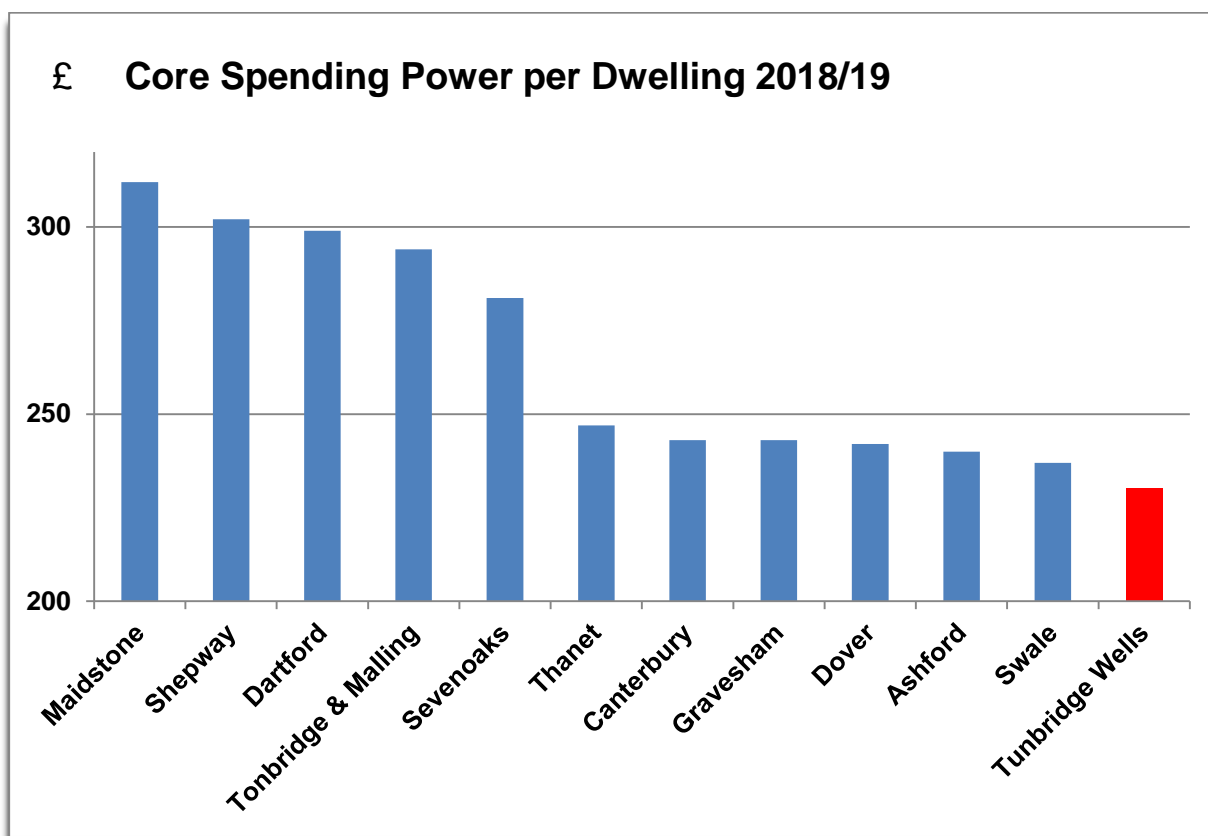
Revenue Income 2018/19



A further subjective breakdown of the budget per cost centre for 2018/19 will be available on the Council's website.

Spending Power

- 2.32 The Government has developed a universal benchmarking indicator called 'Spending Power' to enable comparisons between councils of the income they receive from national and local tax payers. This indicator appears to be the best available for identifying how much funding each council receives per household to provide local services. The graph below shows that using the Government's own calculation TWBC has by far the lowest spending power in Kent at just £230 per household (£233 in 2017/18).



- 2.33 This graph explains why despite being very efficient (as evidenced by the external auditor's clean Annual Audit Letters) and delivering excellent value for money (2015 Residents' Survey) this Council still faces financial challenges to set a balanced budget. In addition any budget gap will widen as more services that generate an income are nationalised (Local Land Charges) and those that cost money are localised (business rate appeals).

Digital Transformation

- 2.34 It is not possible to keep working harder and faster with fewer resources and still provide safe, effective services. The Council will need to find new ways of working smarter and deliver services in a more digitally efficient form which meets with the way the public now interact with service providers. The Council has a Digital Services and Transformation Team in place to improve operational

delivery and transform the way that services are provided. Details of these projects are reported quarterly to Cabinet and the resulting efficiencies will be incorporated in the budget setting process.

Budget Calculations and Adequacy of Reserves

- 2.35 When the budget is set in February the Council's Section 151 Officer must give his view on the robustness of the estimates and adequacy of reserves.
- 2.36 The Council's Medium Term Financial Strategy (MTFS) 2017/18 to 2021/22 was agreed by Full Council on 22 February 2017 and projected the financial impact of the Council's current and proposed policies in the short and medium term. This report and the projections in Appendix A will form an update to the current MTFS.
- 2.37 It is important to recognise that there are a number of factors that can affect some budgets and where variances could be significant requiring closer budget management; these areas include:

Risk Area	Management
Planning Inquiry Costs	Whilst the primacy of planning is paramount, decisions taken by the Planning Committee can lead to formal planning inquiries which have the potential for substantial costs to arise which are not budgeted for.
Business Rates Retention Scheme	Part of the Council's government grant is now linked to the amount of business rates in the Borough. However, the Government has also transferred the liability for business rate appeals already in the system. To help mitigate the impact of appeals the Council maintains a Grant Volatility Reserve and is part of a Kent Business Rate Pilot.
Economic Conditions	The majority of the Council's income is derived from sources which are subject to the prevailing economic conditions. Economic conditions can also alter the demand for Council services and those provided by partners and the voluntary sector.
Employee Costs	The move to local pay offers some protection but a watching brief is still required especially regarding the vacancy factor. Changes to pensions, national insurance and the introduction of an apprentice levy have been included where known but such further changes can have a significant cost. Demand for some professionals exceeds supply and this is exacerbated by the higher salaries available in London and parts of the private sector.
Welfare Reform	Dependant on rent levels, unemployment rates and the huge uncertainty surrounding much of the legislative changes from Welfare Reform.
Parking Income	Dependant on usage and the economic environment.

Planning and Building Control Income	Dependant on the economy and the impact of legislative changes which limit the full recovery of the cost of providing these services.
Crematorium Income	Dependant on mortality rates.
Contracts	Dependant on inflation indices and a competitive market.
Utilities	Global supply and demand plus above inflation price rises.
Land Charges	The Infrastructure Bill was approved, paving the way for Local Land Charges to be centralised into a single computer system. No details of timeframe or how the Land Registry will provide the service have been released.
Investment Returns	New cash deposits are dependent on interest rates and levels of balances. Property investments are dependent on the type of asset and rental demands.
Targeted Options to Reduce Net Expenditure	Assumes that savings identified are delivered and there are no unintended consequences.
Capital Receipts	Capital is tied up in non-operational assets which if released will help to reduce the use of cash reserves to fund the capital programme.
Government Policy and Announcements by Ministers	There has been a significant increase in volume of legislation and announcements which can undermine strategic planning and compromise budget assumptions.

Capital and Revenue Reserves

2.38 The Medium Term Financial Strategy maintains the following as an adequate level of reserves:

	Minimum
General Reserves (Revenue)	£2.0 million
Capital Reserves	£2.0 million

2.39 The reserves and balances are currently forecast to meet the above levels although maintaining this position relies on delivering not just a balanced budget in 2018/19 but a sustainable budget for the future.

2.40 In addition to the revenue and capital budget, the Council has earmarked reserves which form part of the Budget and Policy Framework and are available to fund the specific purpose of the reserve in accordance with the virement procedure rules. The projected balances of these reserves are shown below:-

Reserves	Opening Balance 1/4/2017	Movements in Reserves 2017/18	Forecast Closing Balance 31/03/2018
	£000's	£000's	£000's
General Fund	4,159	159	4,000
Earmarked Reserves	11,143	1,984	9,159
Capital Grants & Contributions	836	0	836
Capital Receipts Reserve	1,000	0	1,000
Total Reserves	17,138	2,143	14,995

Capital Programme

- 2.41 At the full Council meeting on 22 February 2017 the capital programme for 2017/18 to 2020/21 was approved.
- 2.42 Over the course of the past year the Council has made significant efforts to dispose of surplus land and property identified in the Asset Management Plan (AMP) with a view both to deliver capital receipts and to reduce operational running costs. The AMP provides a framework for further such work over the coming year and this work will be funded from a proportion of the capital receipts received (subject to the necessary approvals).
- 2.43 The four-year capital programme will be rolled forward for another year. Any subsequent additions will be considered using the formal application approval process throughout the year.
- 2.44 Below is a summary of new applications to the capital programme which will require full Council to agree the allocation of £442,000 from reserves.

New Schemes	Gross Cost £000s 2018/19	Funding £000s	Net TWBC Funding £000s
IT STRATEGY 2017/18 - 2020/21	47	(47)	0
CALVERLEY BOWLS PAVILION	45	0	45
DUNORLAN PARK LAKE	47	0	47
DUNORLAN PARK PLAY AREA	14	(14)	0
ENFORCEMENT VEHICLE	25	0	25
CAMDEN CENTRE	80	0	80
CRESCENT ROAD CAR PARK LIFTS	75	0	75
WEST STATION COACH PARK	44	0	44
NOISE MONITORING EQUIPMENT	6	0	6
BENHALL MILL ROAD CLEARANCE	79	0	79
PARKING RADIOS	12	0	12
PARKING BODYCAMS	11	0	11
PARKING VEHICLE	18	0	18
PARKING SCANNER	30	(30)	0
PARKING VIRTUAL PERMIT SYSTEM	35	(35)	0

CAR PARK PAYMENT SYSTEM	87	(87)	0
HOUSING BENEFITS SOFTWARE	70	(70)	0
TOTAL	725	(283)	442

2.45 The table below shows the forecast impact on reserves at the end of each financial year of delivering the revenue budget and capital programme.

Financial Year Ending	31st March 2018 Forecast £000's	31st March 2019 Forecast £000's	31st March 2020 Forecast £000's	31st March 2021 Forecast £000's	31st March 2022 Forecast £000's	31st March 2023 Forecast £000's
General Fund	4,000	4,000	4,000	4,000	4,000	4,000
Earmarked	7,409	7,318	4,796	4,473	3,998	3,498
Capital Grants & Contributions	836	836	836	836	836	836
Capital Receipts	1,000	1,000	1,000	2,970	2,970	2,970
Culture and Learning Hub Reserve	1,750	737	2,025	0	0	0
TOTAL USABLE RESERVES	14,995	13,891	12,657	12,279	11,804	11,304
Civic Development Borrowing Net of Town Hall Sale Proceeds £9 million 2022	0	(1,000)	(26,000)	(51,000)	(67,000)	(77,000)
33 Monson Road Outstanding PWLB Financing	(1,710)	(1,639)	(1,568)	(1,497)	(1,426)	(1,355)
Dowding House Outstanding PWLB Financing	(2,227)	(2,142)	(2,057)	(1,972)	(1,887)	(1,802)
TOTAL OUTSTANDING FINANCING	(3,937)	(4,781)	(29,625)	(54,469)	(70,313)	(80,157)

2.46 Any major new capital scheme will need to be funded from a corresponding new capital receipt or borrowing if the minimum level of reserve balances is to be maintained.

2.47 In accordance with section 25 of the Local Government Act 2003 the Chief Financial Officer is required to report formally to the Council on the robustness of the estimates and adequacy of reserves. It should be noted that section 26 of the Act gives the Secretary of State power to set a minimum level of reserves for which an authority must provide in setting its budget.

2.48 At the time of writing this report, I am satisfied with the robustness of the estimates and adequacy of reserves.



Lee M Colyer CPFA
Director of Finance, Policy and Development (s151 Officer)

3. AVAILABLE OPTIONS

- 3.1 The budget-setting process is well rehearsed and has largely been successful in delivering a balanced budget and engaging with the public. There may be other alternatives but ultimately the Council must produce a budget which meets its statutory responsibilities.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 To agree the content and recommendations of the report to set a balanced budget that will meet the Council's priorities.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 This is the fourth report in the process of setting the 2018/19 budget and builds on the previous views and recommendations of the Finance and Governance Cabinet Advisory Board and Cabinet.
- 5.2 A well-rehearsed process of public engagement has been used. Presentations have been made to the Town Forum, Parish Chairmen and the Overview and Scrutiny Committee to encourage engagement and feedback.
- 5.3 The draft budget was placed on the Council's consultation portal with a closing date of 18 January 2018. The comments and responses are included in Appendix C.

RECOMMENDATION FROM CABINET ADVISORY BOARD

- 5.4 The Finance and Governance Cabinet Advisory Board were consulted on this decision on 9 January 2018 and agreed the following recommendation:

That the recommendations in the report be supported.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Following the decision by full Council the budget will be placed onto the Council's website.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Legal including Human Rights Act	The Five Year Plan and budget form part of the Council's Policy Framework.	Patricia Narebor, Head of Legal Partnership

Finance and other resources	This report forms part of the Council's Budget and Policy Framework.	Lee Colyer, Director of Finance, Policy and Development
Staffing establishment	Where savings proposals impact on staff then this will be managed in accordance with Human Resources policies.	Nicky Carter, Head of HR
Risk management	An assessment of the risk factors underpinning the budget accompanies the final budget report. The Strategic Risk Register also includes a risk on funding streams which is being monitored by Cabinet and the Audit and Governance Committee.	Lee Colyer, Director of Finance, Policy and Development
Environment and sustainability	The budget has regard to the environmental sustainability priorities within the Five Year Plan.	Karin Grey, Sustainability Manager
Community safety	The budget has regard to the community safety priorities within the Five Year Plan.	Terry Hughes, Community Safety Manager
Health and Safety	The budget has regard to the Health and Safety obligations and priorities within the Five Year Plan.	Mike Catling, Health and Safety Advisor
Health and wellbeing	The budget has regard to the health and wellbeing priorities within the Five Year Plan.	Stuart Smith, Healthy Lifestyles Co-ordinator
Equalities	Changes to service delivery may impact on equalities; however heads of service will ensure that an equality assessment is in place where this has been identified.	Sarah Lavallie, Corporate Governance Officer

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: MTFS Update: Five Year Budget projections
- Appendix B: Budget work streams
- Appendix C: Summary of consultation responses
- Appendix D: Net budget cost per service 2018/19
- Appendix E: Pay Policy Statement 2018/19

9. BACKGROUND PAPERS

None