TEIGNBRIDGE DISTRICT COUNCIL

EXECUTIVE

28 NOVEMBER 2019

Report Title	**BUDGET MONITORING – REVENUE & CAPITAL, TREASURY MANAGEMENT LENDING LIST**
Purpose of Report	To update Members on the principal areas where there are likely to be departures from the 2019/20 budget and summarise those variations to the end of October 2019, to update Members on progress with the capital programme and funding and any amendments to the lending list for treasury management purposes. To bring the mid-year treasury management review for information.
Recommendation(s)	**The Executive Committee RESOLVES to:** **(1) approve the revenue budget variations as shown at appendix 1.** **(2) approve the updated capital programme as shown at appendix 2** **(3) note the updated lending list as shown at appendix 3** **The Executive RECOMMENDS to Council to:** **(1) note the mid-year review of treasury management at appendix 4**

Financial Implications	The financial implications are contained throughout the report. The main implication is the favourable variance of £84,450 at the end of October on the revenue budget Martin Flitcroft – Chief Finance Officer Tel: 01626 215246 Email: martin.flitcroft@teignbridge.gov.uk
Legal Implications	See section 8 – budget monitoring is required by the Constitution and Financial Rules Karen Trickey – Solicitor to the Council & Monitoring Officer Tel: 01626 215119 Email: Karen.trickey@teignbridge.gov.uk
Risk Assessment	Major risks are identified in 4.13 and summarised in section 9. The most significant of these is the level of future funding from Central Government Martin Flitcroft – Chief Finance Officer Tel: 01626 215246 Email: martin.flitcroft@teignbridge.gov.uk
Environmental/ Climate Change Implications	Impacts are summarised in section 10. The revenue budget supports the funding of a Climate Change Officer and capital projects are highlighted which contribute towards our climate change objectives David Eaton – Environmental Protection Manager Tel: 01626 215064 Email: david.eaton@teignbridge.gov.uk
Report Author	Martin Flitcroft – Chief Finance Officer Tel: 01626 215246 Email: martin.flitcroft@teignbridge.gov.uk
Portfolio Holder	Councillor Alan Connett – Portfolio holder for Resources
Appendices	Appendix 1 – Revenue variations Appendix 2 – Capital programme Appendix 3 – Treasury management lending list Appendix 4 – Treasury management mid year review
Part I or II	Part I
Background Papers	Current year budget monitoring files: capital files: Latest year end files

1. PURPOSE

- To identify the principal areas where there are likely to be departures from the approved 2019/20 budget and summarise the likely overall variation based on the information available to the end of October 2019. Also to inform Members of progress that has been made with achieving savings and efficiencies. All shown at Appendix 1.

- To update Members on progress with the capital programme and funding and bring the latest details for members' approval as shown in Appendix 2.

- To update Members on the lending list for treasury management purposes as shown in Appendix 3.

- To bring the mid-year treasury management review for information as shown at appendix 4.

2. SUMMARY

2.1 Opening general reserves for the year are £2.0 million plus earmarked reserves of nearly £4.6 million for specific grants, contributions and carry forwards. The 2018/19 external audit has now been completed for Council of 24 September and no changes were required to the Teignbridge figures. There is a net surplus of £84,450 forecast for 2019/20 arising from variations to the original budget and extra reserves retained from 2018/19.

2.2 A summary of revenue budget variations by service identified to the end of October for the current year is shown below with favourable variations indicated by a minus sign as per the details shown in Appendix 1.

Service	Variance £
Development management including land charges	-53,830
Corporate services	-23,580
Economy & assets	66,480
Environment/climate change	16,550
Leisure/green spaces	1,000
General	-91,070
TOTAL FAVOURABLE BUDGET VARIATION TO DATE	**-84,450**

2.3 A budgeted contribution to capital of £0.2 million is assumed in the current year enabled through new homes bonus receipts with contributions increasing slightly in future years. Estimated rates retention above the baseline and pooling gain is assumed to grow until the end of 2019/20 however a reset of the baseline was due in 2020/21 which would have eliminated most of the gains made. This will be delayed one year. We await clarification on this which may be made clearer when full details of the one year settlement are provided for 2020/21 in December. The business rates retention reserve holds funds to assist with this eventuality initially. Likely shortfalls for future years after 2020/21 will need to be addressed as part of the budget setting and monitoring process this year and next year. The revenue contributions to capital reserve now holds £2.0 million towards current year and future years' capital projects.

3. BACKGROUND

3.1 A report on the variations to the 2019/20 budget was brought to members on 8 October 2019. At that time an updated capital programme was also approved and updated lending list noted. The external auditors have completed their audit of the accounts and submitted a report to audit scrutiny on 12 September. They are currently checking the £31 million housing benefits claim in time to certify it by the deadline of 30 November. Their findings will be reported to the next Audit Scrutiny Committee.

4. VARIATIONS BY SERVICE (revenue shown in appendix 1 and capital in appendix 2)

4.1 Building control

- At the end of October fee income is forecast to be 0.2% above the target budget of £373,000. Any variation at the year end will be charged to the building control reserve so will not affect Teignbridge's general reserve. Income received to date is down on that at the same time last year.

- Teignbridge became the Lead Authority fully hosting The Devon Building Control Partnership with South Hams and West Devon councils from 1 April 2017 and holds the partnership earmarked reserves on behalf of the partners.

4.2 Development management including land charges

- At the end of October net planning application income is forecast to be £75,000 up on the original budget of £844,300. Planning application numbers are 3% up at the end of October as compared with last year.

- The Executive of 30 May 2017 agreed the introduction of charges for pre-application planning advice from 1 July 2017. At the end of October 2019 we were £4,000 up compared to the estimated income of £35,000 for the year.

- Planning public enquiry costs are currently in the region of £25,000 this financial year. Further substantial appeal costs are anticipated and will be costed into the initial budget proposals report.

- Land charges income is forecast to be in line with the projected budget of £185,860. The number of searches is 8.2% down on last year. A search can be a full or part search or individual questions.

4.3 Strategic leadership team & corporate services

The revised strategic leadership team structure has been approved and appointments to the relevant positions are currently being progressed. The new structure has been fully costed and will ultimately deliver ongoing savings in excess of £150,000 part of which had already been incorporated into the budget for 2019/20 and part deliver further in year savings going forward.

Democratic services

The staffing structure within Democratic services will deliver savings going forward and part of this will be used to pay for the annual costs of the introduction of a web casting system at an annual cost of just over £12,000.

Finance

- Net interest is forecast to be up £27,720 on the base income budget of £63,550 as we have not had to undertake long term borrowing. Call account rates continue to be low because of the changes to bank regulations over the past few years. Our average lending rate to the end of October is 0.78% which is well above the average benchmark 7 day London Interbank Offer Rate to date of 0.69%.

  In April we arranged lending of -

  £0.5 million to the Debt Management Office at 0.51% for 16 days to 19 April 2019
  £8.1 million to the Debt Management Office at 0.50% for 3 days to 18 April 2019
  £0.5 million to the Debt Management Office at 0.50% for 12 days to 30 April 2019
  £1 million to the Debt Management Office at 0.50% for 1 days to 26 April 2019

  and we had £6.3 million lent out or in call accounts at the end of the month.

  In May we arranged lending of –

  £2.5 million to the Debt Management Office at 0.50% for 5 days to 20 May 2019
  £2 million to the Debt Management Office at 0.50% for 13 days to 28 May 2019
  £3 million to the Debt Management Office at 0.50% for 14 days to 29 May 2019
  £1 million to Nationwide Building Society at 0.75% for 85 days to 8 August 2019

  and we had £7.5 million lent out or in call accounts at the end of the month.

  In June we arranged lending of -

  £1 million to Coventry Building Society at 0.89% for 179 days to 13 Dec 2019
  £1 million to Nottingham Building Society at 0.85% for 88 days to 13 Sep 2019
  £2.4 million to the Debt Management Office at 0.50% for 2 days to 19 June 2019
  £2 million to the Debt Management Office at 0.50% for 7 days to 24 June 2019
  £1 million to the Debt Management Office at 0.50% for 17 days to 4 July 2019
  £0.5 million to the Debt Management Office at 0.50% for 8 days to 4 July 2019

  and we had £14.7 million lent out or in call accounts at the end of the month.

In July we arranged lending of –

£3 million to the Debt Management Office at 0.50% for 3 days to 4 July 2019
£4 million to the Debt Management Office at 0.50% for 7 days to 22 July 2019
£1 million to the Debt Management Office at 0.50% for 8 days to 23 July 2019
£1 million to the Debt Management Office at 0.50% for 15 days to 8 August 2019
£1 million to Coventry Building Society at 0.65% for 61 days to 23 Sep 2019

and we had £15.8 million lent out or in call accounts at the end of the month.

In August we arranged lending of –

£3.7 million to the Debt Management Office at 0.50% for 7 days to 8 August 2019
£3 million to the Debt Management Office at 0.50% for 4 days to 19 August 2019
£1 million to the Debt Management Office at 0.50% for 8 days to 23 August 2019
£1 million to the Debt Management Office at 0.51% for 32 days to 16 Sep 2019
£1 million to Principality Building Society at 0.56% for 32 days to 16 Sep 2019
£0.5 million to the Debt Management Office at 0.50% for 18 days to 16 Sep 2019

and we had £16.1 million lent out or in call accounts at the end of the month.

In September we arranged lending of –
£2.6 million to the Debt Management Office at 0.5% for 14 days to 16 Sep 2019
£1 million to the Debt Management Office at 0.5% for 13 days to 23 Sep 2019
£0.7 million to the Debt Management Office at 0.5% for 17 days to 30 Sep 2019
£1.5 million to the Debt Management Office at 0.5% for 3 days to 19 Sep 2019
£1 million to Santander UK at 0.8% for 147 days to 10 February 2019
£1 million to Principality Building Society at 0.72% for 88 days to 13 Dec 2019
£1 million to the Debt Management Office at 0.5% for 4 days to 27 Sep 2019
£1.1 million to the Debt Management Office at 0.5% for 1 day to 1 Oct 2019

and we had £15.0 million lent out or in call accounts at the end of the month.

In October we arranged lending of –
£4 million to the West Yorkshire Fire and Rescue Authority at 0.65% for 14 days to 15 Oct 2019
£1 million to the Debt Management Office at 0.5% for 13 days to 14 Oct 2019
£11 million to the Debt Management Office at 0.5% for 6 days to 21 Oct 2019
£1 million to the Debt Management Office at 0.5% for 2 days to 23 Oct 2019
£1 million to the Debt Management Office at 0.5% for 2 days to 11 Nov 2019

and we had £15.5 million lent out or in call accounts at the end of the month.

- Municipal Mutual Insurance (MMI) provided insurance for the Council until early 1993 when policies were transferred to Zurich Municipal. MMI experienced financial difficulties in 1992 and a scheme of arrangement was agreed by local authority creditors to facilitate the solvent run- off of the company. The scheme has been triggered and we have to pay a percentage of our potential liability of £341,000.

  In 2013/14 a provision was made for the first levy notice of 15% or £51,000 which the administrator issued in April 2013 and was billed and paid early in 2014. A further reserve of 35% or £119,000 for likely claims in future years was also set up. Together these allowed for a total 50% of the potential liability as recommended by the broker. MMI's accounts to 30 June 2015 were published and we paid a second levy of 10% or £34,000 in April 2016.
  We were not required to pay any more after publication of the accounts to 30 June 2016, 2017, 2018 and 2019. We still have £85,000 in reserve for the potential remaining 25%.

Human resources, legal, audit and procurement

There are no variations to report at this time. The additional costs of providing GDPR officer support are subject to the existing interim arrangement using officers within Internal Audit and back funding audit work with the Devon Audit Partnership.

4.4 Economy & assets

- Repairs and maintenance are on target to be within the budget of £911,000. Actual spend to the end of October is £365,000.

- Income from car parking is currently in line with the original budget of £3.7 million at the end of October.

- General rental income has been maintained however some specific voids have reduced likely income for this year only resulting in an adverse variance of £53,680. Market income is forecast to be down by £12,800. The total property income budget is £3.0 million.

Capital

- Council of 6 June 2016 resolved to commit funding to the Superfast Broadband Connecting Devon and Somerset phase 2 programme. An investment of £250,000 financed from capital receipts was confirmed and the collaboration agreement signed. This is now being scrutinised, with a report due to be presented to Full Council on 19 November 2019. Provided that satisfactory assurances are received from Connecting Devon and Somerset that the funds will be spent within the Teignbridge district, resulting in enhanced broadband provision, it is anticipated to be paid in 2022/23.

- Following Council on 25 April 2018, the Minerva Building on the Brunel Industrial Estate was purchased for £2 million plus £125,000 costs. Further works have been undertaken to prepare the building for the new tenant. This is anticipated to total around £1.75 million. This project is now close to practical completion, subject to snagging resolution. The new tenants are now occupying the building. Funding for this project is a combination of grant and prudential borrowing. To date, no long-term external borrowing has been required.

- Council on 28 February 2019 resolved to progress plans to develop a hotel, including car park re-provisioning as part of the town centre regeneration outlined in the Newton Abbot master plan. This project is funded mainly from prudential borrowing.

- Council of 29 July 2019 (as updated at Council on 24 September) resolved to grant the necessary authority to advance the Sherborne House regeneration and Social Housing project in Newton Abbot. This project will be funded from prudential borrowing and is anticipated to provide accommodation for Health services in addition to Social Housing units.

- Newton Abbot is also set to benefit from further grant funding of almost £10 million for town centre regeneration as a result of the successful bid to Ministry of Housing, Communities and Local Government's Future High Streets Fund. A detailed bid must now be prepared for the scheme which includes plans to refurbish Market Walk, improve town centre parking, introduce a flood prevention scheme for the town and improve the overall appearance of the town centre.

- Council of 29 July also resolved to grant authority to enable progression of the regeneration in the Brunswick Street area of Teignmouth town centre. This project will be funded mainly from prudential borrowing.

Capital - coastal & drainage

The current year's programme is fully funded by budgeted grants of £1.9 million from the Environment Agency for regional coastal monitoring, and flood alleviation and prevention. Of this £1.8 million was received in the previous and current year, with the remainder anticipated in the current financial year.

4.5 Environment

- A waste savings sharing agreement exists with Devon County Council. Additional savings which might arise can help to contribute towards the costs of implementing and on-going costs of extra waste and recycling rounds and improvements. £56,450 has been identified for 2019/20 which are being used for improvements at the depot – principally to replace key elements of the sort line equipment via increased revenue contributions to capital.

- A saving on fuel costs is anticipated of approximately £20,000

- Income from recycling sales is down on the original budget of £0.75 million – mainly due to the price for cardboard and a reduction in the volume of paper collected which follows a nationwide trend. This is partly offset by additional income from aluminium and a saving in paper haulage costs giving a net adverse variance of £9,000. In addition to this there are paper haulage savings of £30,880 and temporary staff savings of £11,080 which have funded bailer repairs of £41,960.

- The rural skip service is likely to continue to cost an extra £28,000 this year due to increases in contractors costs to deliver the service.

4.6 Housing

- Teignbridge has been successful in a bid for Rough Sleeper Initiative (RSI) funding. £96,000 will be provided by MHCLG and will be used to provide an outreach service for rough sleepers in Teignbridge, together with funding for a Multidisciplinary Team Coordinator.

- A joint submission for Rapid Rehousing Pathway (RRP) funding between Teignbridge, East Devon, Mid Devon, South Hams and West Devon District Councils will provide £164,160. This funding will allow Rough Sleeper Navigators to be employed throughout the area and a personalized budget allowance for clients. Navigators will work with rough sleepers from first contact through the pathway system to settled accommodation.

Capital

- We received £1.38 million of the government Better Care capital funding for 2019/20 towards statutory disabled facilities and other discretionary grants in July via Devon County Council. We also have £619,000 carried over from last year giving a total £2.0 million for the current year. There is likely to be a carry forward in the region of £0.3 million at the end of the financial year which will be applied in 2020/21 to meet anticipated increased demand.

- We have been successful in bidding for £159,896 from the Warm Homes Fund (Affordable Warmth Solutions) to provide gas central heating to park home residents.

- £700,000 is now anticipated and budgeted each year for right to buy receipts towards the affordable housing programme. We received £653,000 for last year in April 2019. This income will cease in January 2024. £43,000 of previously paid renovation grants have so far been recovered by Teignbridge this year.

4.7 Leisure / Green spaces

- Leisure has experienced growth in their membership income for a number of years. Actual income is slightly up on last year with a small favourable variation of £20,000 at the end of October – mainly due to junior memberships.

- Swimming income is down this year by £51,000 – partly due to a switch to junior memberships. The remaining reduction is anticipated to be temporary with income predicted to increase again in future years.

- Contract changes to grounds maintenance provision are contributing savings of £30,000 per annum.

- We currently have £9.2 million available in S106 receipts. These are over many services and parishes but the majority is for leisure including open spaces, sports provision and play facilities.

4.8 Licensing

Licensing income looks to be on target to achieve the budget of £211,300. Income to date is slightly more than last year.

4.9 Revenue & benefits plus customer services

- Universal Credit started for Teignbridge from 9 November 2015 for new single job seekers with the full service rolling out from September 2018. There has been some help from the department for work and pensions in connection with the transition but the specific funding received this year is relatively low at £41,179.

4.10 Spatial planning

We received the first payments of community infrastructure levy (CIL) in 2015/16. The money is being coded by town/parish and any payments due to them are made half-yearly. Teignbridge has recognised £6.8 million of usable CIL to date after payments due to parishes. £2.8 million has been spent on infrastructure, with the remainder committed to existing approved projects including Suitable Alternative Natural Green Space (SANGS), green infrastructure and provisions for local transport, education and sports. As CIL may be paid in instalments, the actual cash balance after parish payments and expenditure is £1.9 million.

Capital

- At Council on 25 September 2017, the acquisition of approximately 38 hectares of land at South West Exeter for the creation of SANGS was approved. This is occurring in phases, with parcels K, 1 and 1A purchased to date in 2019/20. Instatement works will take place in line with the acquisition phasing.

- Council of 26 September 2016 approved that Teignbridge becomes a shareholder of the public sector Energy Services Company. This will involve providing up to £98,000 of revenue support towards procurement from an identified revenue carry forward. In the longer term capital investment of up to

£177,000 is expected into the Joint Venture Company, currently anticipated in 2020/21 with net revenue returns expected from 2034/35.

- Teignbridge has been successful in bidding for £150,000 of capacity funding to support the delivery of Newton Abbot as a garden town from the Garden Communities Programme. The Programme is to transform local communities focused on sustainability and supported by the right infrastructure.

4.11 General revenue

- Council tax support cost continues to go down and was just under £9.2 million at the end of October which is £165,000 below the original estimate of £9.35 million. Council tax support falls directly to Teignbridge including parishes (12.5% together), county, fire and police and is being monitored monthly.

- Our business rateable value (RV) has increased slightly and stands at just over £86.2 million. The number of assessed businesses has increased from 5,300 to 5,380. These are the end of October 2019 figures as compared to the beginning of the current year. We still seem to be on target to achieve the total budget of £4.8 million business rates retention income for the year.

4.12 General savings progress

- Strata Service Solutions Ltd - the current year budget included a savings target of £104,000. This is expected to be at least £129,000 this year thus a favourable variance of £25,000 per annum.

- Salary vacancy savings at the end of October look to be slightly in excess of the required budget target of £200,000. There is a small favourable variance on other salary costs of £26,000. This is after allowing for the full costs of the pay award. The approved new post of Climate Change Officer can be funded from these savings in 2019/20. Future years costs for this post will be part of the overall budget proposals for 2020/21.

- Utility costs for gas, electricity and water are in line with existing budgets as at the end of October.

- The latest BEST 2020 review is being finalized in conjunction with the review of service business plans and any identified savings will be fed into the annual budget process.

4.13 Future years

- Council tax has been closed down and balanced for 2018/19 and a surplus of £0.5 million is available for sharing with county, fire and police in 2020/21. This has arisen mainly because of the reduction in council tax support. Teignbridge will get £62,000.

- The number of dwellings in Teignbridge on the valuation list is monitored monthly and the data feeds into the new homes bonus (NHB) calculation. At 9 September there were 62,889 dwellings which is 483 more towards the next NHB payment for 2020/21. We are therefore 137 below the target estimated 620 growth in homes. We have successfully worked with landlords to reduce the number of empty homes by the 1 October deadline. This has been made more difficult by increased regulations around energy efficiency standards before re-letting. We have however been able to reduce the number again this year by a further 15 which will contribute towards the NHB we receive next year. The Government imposed a baseline assumption of growth on new homes for which we do not receive any funding. This was set at 0.4% of the previous years base. It had been thought that the government may amend the 0.4% baseline deduction as they have suggested such changes previously, however the September 2019 Spending Review does not identify this as a change but they still have reserved the right to tweak this percentage. We will need to wait until the provisional settlement announcement to be clear on the overall budget impact and this may be received in December but may be delayed now with the General Election. A new Government may review the funding going forward adding further uncertainty at this stage as to what funding may be received and whether any alternatives transpire.

- Consultation has taken place on the one year funding settlement. It was proposed to abolish New Homes Bonus in future years and replace with an alternative form of housing delivery funding. We had anticipated that this change would take place next year but this should be delayed a further 12 months. This is significant for the Council as we receive over £2 million from this source of income. No details of the proposed changes are available at present. This is a high risk and we await outcomes as to how this may be altered for and after 2020/21 – particularly with the unknowns that may arise from the General Election in December. If only legacy payments are provided going forward this would result in significant falls in funding over the next 4 years. Business rates baseline funding was due to be reset in 2020/21. The Spending Review has confirmed that this will be delayed for 12 months and introduced in 2021/22 rather than 2020/21. It is not clear at this stage what this will mean for the one year settlement until December (or potentially later) but should be beneficial for District Councils. When the reset takes place it is considered likely that we will lose the majority of the business rate growth retention income we have received in recent years as a result of this reset. These losses will be significant for future budget setting and financial planning. We hold funds within the business rates/funding reserve to help cushion the impact of any initial losses of income as a result of the baseline reset.

- The shape and impact of the eventual Brexit outcomes between the UK and the EU is still unknown. Therefore drawing any conclusions about its impact for local government is not possible at this stage. We will continue to monitor any information we receive in relation to this as part of our risk and financial management.

- The Chancellor presented his Autumn Spending Round Statement 2019 in September. This confirmed there will only be a one year settlement for next year with a full review of funding taking place during next financial year. There appears to be no significant changes in respect of Business rates or New Homes Bonus for next year (at present) but subsequent years remain uncertain and the likelihood that New Homes Bonus will be scrapped and replaced with an alternative form of housing funding. Specific detail on the impact of our core funding for next years budget setting process will be provided in the provisional settlement which was anticipated being announced in December but may be later.

- The medium term financial plan currently assumes a £5 council tax increase for 2020/21 and thereafter. We await clarification on this as the spending review only mentioned a 2% referendum limit on Council tax increases. The current variations above suggest there will be savings of £84,450 to assist future funding deficits and further budget pressures. Further work will be carried out to review other pressures – mainly in relation to the changes to New Homes Bonus and business rates baseline highlighted above as we progress the initial budget proposals for 2020/21, 2021/22 and 2022/23. Savings will need to be worked up and identified to offset the likely significant reductions in funding from Government in 2021/22 and thereafter through Business Plans and the BEST2020 process.

- The draft council tax base has been estimated for next year. This shows a volume increase of 1.0% for council tax income. These figures will be fed into the initial budget proposals for 2020/21 to be considered at Executive on 7 January 2020.

5. TREASURY MANAGEMENT

5.1 Lending list (appendix 3)

The authorised treasury management list was approved at the 2019 February budget meeting and updated at Executive on 1 July and 8 October. Since then ratings have been updated and National Westminster Bank has moved down to tier 2 due to a change in ratings. The current list is shown in appendix 3 for information.

5.2 Mid year review

The mid year review of performance which is required to be noted by Council is attached as appendix 4. This shows good returns of 0.81% being in excess of the benchmark London interbank bid rate of 0.69%. Interest earned to the end of September is £57,490, more than last year, mainly due to higher interest rates, but also £0.9 million higher average daily lending. The forecast for the year is £91,270, a decrease of £11,695 compared to 2018/19. This is mainly due to a forecast increase in the Council's borrowing requirement in the second half of the year due to items within the capital programme. However, this is dependent on the timing of the schemes proceeding as anticipated.

6. MAIN IMPLICATION

The main implication members need to be aware of is as follows:

Resources

The report notes an overall favourable revenue variation of £84,450 identified this year to the end of October. Cash flow is forecast to be positive over the next twelve months apart from any borrowing for significant new projects. Revenue reserves are considered to be sufficient to sustain the council over the three year financial plan period. Consideration will need to be made of any future developments regarding funding changes from business rates retention and changes to New Homes Bonus. Capital is funded over the medium term.

7. TIME-SCALE

This report covers the year 2019/20 but also refers to the accounts for 2018/19 and the financial plan for 2019/20 to 2021/22.

8. LEGAL

Regular budget monitoring is required by the Council's Constitution and Financial Rules.

9. RISKS

The major risks in examining and projecting financial forecasts are predicting future trends and variances. This is mitigated through monthly monitoring and discussions with service managers. The most significant concerns are detailed in 4.13 above and mainly relate to future financial planning, only having a one year settlement, predicted changes to business rates retention and the abolition of New Homes Bonus and what it may be replaced with and how our funding from these sources will change as a result. The long term impacts of leaving the European Union and the economic impacts are difficult to determine and any impacts on business rates, council tax support, debt recovery etc.

10. ENVIRONMENTAL/CLIMATE CHANGE IMPACT

The revenue budget supports the appointment of a climate change officer and the capital programme identifies projects which have an impact on climate change denoted with a green leaf in appendix 2.

11. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)

10.00 a.m. on 5 December 2019