

CABINET - 14 NOVEMBER 2012

THE OVERVIEW & SCRUTINY COMMITTEE - 19 NOVEMBER 2012

GENERAL FUND BUDGET CONSULTATION 2013/14

REPORT OF HEAD OF FINANCE

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RECENT REFERENCES:

CAB2283: Capital programme 2011/12 to 2014/15, 18 January 2012.

CAB2297: Budget and Council Tax 2012/13, 8 February 2012

[CAB2343: Revenue Outturn 2011/12, 13 June 2012](#)

CAB2362: Financial Strategy 2013/14 to 2015/16, 4 July 2012

CAB2377: General Fund Budget – Review 2012/13, 12 September 2012

CAB2378: Capital Strategy and Programme 2012/13 – 2015/16, 12 September 2012.

EXECUTIVE SUMMARY:

In accordance with the Financial Strategy approved in July, this report gives an opportunity to comment on the General Fund Budget for 2013/14.

The views of The Overview & Scrutiny Committee and other consultees will be welcomed, as will be any ideas for opportunities for increased income and further savings.

The Budget position should be considered in the context of the Winchester District Sustainable Community Strategy and the consultation draft of Change Plans. At this stage, no firm proposals are being presented, and it is not the intention to present a balanced budget. Rather, Members are asked to consider the position and provide any comments or proposals for achieving a balanced budget for 2013/14.

Consultation will take place alongside the planned consultation on the update of the Change Plans, with The Overview & Scrutiny Committee; with parish and town councils; the Winchester Town Forum; the business community, and the Winchester District Strategic Partnership.

Cabinet will give further consideration to proposals, taking account of this consultation, Government support and other information, as part of finalising next year's budget in the New Year.

RECOMMENDATIONS:

That Cabinet:

Confirms this report to be considered in the context of the Winchester District Sustainable Community Strategy and the Change Plans, to be the basis of budget consultation.

That The Overview & Scrutiny Committee:

Provides comments to Cabinet on the Budget and makes any proposals they think should be considered.

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1. Introduction

- 1.1. The Council's Financial Strategy, approved in July (CAB2362 refers), set out proposals for how it would support the achievement of the Council's priorities and the broader outcomes set out in the Winchester District Sustainable Community Strategy by seeking to match available resources to priorities. Appendix A (Annex 1) to that report provided indicative revenue projections showing a deficit of £1.1m for 2013/14, £2.2m for 2014/15 and £2.8m for 2015/16.
- 1.2. That report also set out the key stages of the timetable to achieve setting of the Council's annual Budget and Council Tax within the statutory timescales, for approval in February 2013.
- 1.3. This report follows the approval of the Financial Strategy in July (CAB2362), the General Fund Budget Review for 2012/13 in September (CAB2377), and the Capital Strategy and Programme in September (CAB2378), and now provides an update on the emerging Budget issues.
- 1.4. This report does not address budget options for the Housing Revenue Account (HRA) which will be considered separately.
- 1.5. The Overview and Scrutiny Committee now has an opportunity to comment on the General Fund Budget for 2013/14. The Cabinet will consider The Overview and Scrutiny Committee's comments along with other comments from business leaders, our partners in the Winchester District Strategic Partnership, the Town Forum and parish councils.
- 1.6. The preferred options, taking account of ongoing discussions and consultation over the coming weeks, will be presented as proposals in due course. Cabinet will consider any comments made alongside its further consideration of budget options, to take account of Government support, Council Tax, the revenue cost implications of the capital programme, and other information, as part of finalising the budget before making recommendations to Council in February.

2. Setting the Baseline

- 2.1. In September, Cabinet considered a report on the budget for the current year (CAB2377 refers). An update was provided on the key budget risks and no revisions to the budget were required.

- 2.2. The capital programme, updated in September (CAB2378), will have a favourable impact on Interest Income and the Minimum Revenue Provision for unfinanced capital expenditure (estimated in 2012/13 at circa £50,000 and £30,000 respectively). The respective budgets for 2013/14 will be calculated when any changes to the capital programme have been determined.
- 2.3. The rate of Consumer Prices Index (CPI) inflation was 2.2% in September and the Retail Prices Index (RPI), which includes mortgage interest payments, was 2.6%. This is the slowest rate of inflation since November 2009. The Office for National Statistics explained the majority of the downward pressure on CPI was largely caused by the September 2011 utility bill rises dropping out of the calculation, with some upward pressure from motor fuels. In the continuing drive for efficiency, the Council's Financial Strategy stipulates that no inflationary increases will be added to any expenditure budgets other than for contractual commitments. The Council's contracts have various trigger dates for inflationary uplifts and the estimated cost of contract inflation for 2013/14 is in the range of £250,000 to £350,000 (The medium term indicative revenue projections contained in CAB2362, July 2012 assume £350,000).
- 2.4. Employee pay scales have been frozen at the levels effective from 1 April 2009, although there are some increases in relation to incremental progression. A 1% increase, in line with the Government's Public Sector Pay Restraint expectations, would cost circa £130,000. There is a possibility that this could be weighted towards the lower paid rather than a straight increase to all pay levels. For 2011/12 the Council made one-off payments in relation to a Local Pay claim for those earning less than £21,000 p.a. (costing c. £42,000 for the General Fund).
- 2.5. No increases to Employer's National Insurance Contributions or Employer's Pension contributions are currently anticipated for 2013/14, which is the third year of the actuarial triennial review period.
- 2.6. Pension auto enrolment will be implemented by the Council during 2013. This is designed to encourage more employees to join the pension scheme, and it is estimated that the additional cost to the Council could be up to £90,000 per annum.

3. External Factors

- 3.1. The Financial Strategy approved in July (para. 2.4) identified a number of external factors that will affect the Budget for next year that were not quantifiable at that time. These are considered below:

3.1.1. ***The implications of the Localism Act and other relevant legislation***

- It is still too early to be able to assess if there will be any significant ongoing budget implications arising from the Localism Act. Consideration has already been given by the Council as to the Community Right to Bid and the Community Right to Challenge. It remains to be seen what demand will arise.

The draft Local Audit Bill published in July for consultation and pre-legislative scrutiny, sets out proposals for a new audit framework for local

bodies. This will require the Council to appoint its own auditors from 2017/18 and to appoint a majority of independent members to its audit committees.

Following a procurement exercise to outsource the audit and inspection work of local authorities, Ernst & Young were appointed as the Council's external auditors for 5 years commencing 2012/13 and on 1 November, auditors from the Audit Commission transferred to the new private sector employers. The scale fees have been fixed for 5 years and has reduced by 40%; equivalent to £50,000 for the Audit (broadly £33,000:£17,000, General Fund: Housing Revenue Account) and c. £20k for grant claim certification (broadly £9,000:£11,000, General Fund: Housing Revenue Account). What is not yet known is how the reduced audit fees will impact on the preparatory work required by the Council's own staff.

3.1.2. *The Government's review of Local Government resources and any changes to the distributional system from 2013/14* – The Local Government Finance Act 2012 received Royal Assent on 1 November.

Secondary legislation will be progressed in the New Year to enable the implementation of changes on 1 April 2013. Proposals are designed to allow councils to retain a local share of growth in business rates over and above a fixed starting point. Baseline funding levels will be set for 2013/14 including Revenue Support Grant. The Formula Grant receivable for 2012/13 was set at £4.338m. The Financial Strategy is currently forecasting a grant of £3.988m in 2013/14 but there remains a great deal of uncertainty over the final settlement, and there is a real risk that it could be lower. The Secretary of State expects to announce the proposed Grant for 2013/14 in early to mid December which will then be the basis of consultation before the final settlement is approved by Parliament. The Comprehensive Spending Review announced overall resources savings to Local Government of 28% over the 4 year period to 2014/15, and this is reflected in the underlying assumptions in the Medium Term Financial Plan.

The Act also includes changes to Council Tax Support which will be the subject of a separate report in December, and reflected in the final budget proposals.

3.1.3. *The amount of New Homes Bonus and Affordable Homes Bonus earned* – the New Home Bonus commenced in April 2011 to match fund the additional council tax raised for new homes and properties brought back into use, with an additional amount for affordable homes, for the following 6 years. The Department set aside £200m in 2011/12 and £250m for each of the following 3 years. Funding beyond those levels will come from Formula Grant. In 2012/13 the Council was allocated £1.14m for New & Affordable Homes in 2011/12 & 2012/13. For 2013/14

a further £0.457m is expected to be receivable although the affect this will have on the Formula Grant to be received is currently unknown.

- 3.1.4. **Updated Government position on setting Planning fees locally** – Government regulations for setting planning fees locally were initially planned to be set in time for new charges to commence in 2011. However, these regulations are still to be published and with the proposed 15% increase in current fees expected to be confirmed before the end of the year it is now thought unlikely that there will any transfer to local Planning fees in the medium term planning period. Planning fees set by Government have not been increased since 2008 and proposals to uprate them in line with inflation would add an estimated £75k per annum to planning income.
- 3.1.5. **Further opportunities for income, for example through charging for services or through use of the Council's assets** – These opportunities are limited but the Council will continue to actively seek out any such opportunities.
- 3.1.6. **Interest rates** – are forecast to remain low over the medium term. However, the impact of interest rates on investment income to support the overall budget is relatively low. The Council will expect to incur interest costs for the General Fund (in addition to the Housing Revenue Account) over the medium term period as the need to borrow externally, to fund the capital programme, increases.
- 3.1.7. **Further changes to the statutory basis for, or actuarial adjustments to, the funding and management of the Local Government Pension Scheme** - The Pension scheme liability at 31 March 2012 was £53m. This represents the present value of the liabilities in the Fund compared to the fair value of the assets in the Fund.

The triennial actuarial review of the Hampshire Pension Fund will be based on the payroll position in March 2013, with any changes implemented in 2014/15. Despite changes to the Local Government Pension Scheme it is expected that there will still be significant pressures for increases to contributions, arising mainly from continued increases to life expectancy and limited opportunities for asset growth. It is estimated that this may result in annual increases to employer pension contributions for the three years from 2014/15 (an increase of 1% would cost an additional £105,000 in 2014/15)

Following a decision by Cabinet in March 2011, the pension liabilities of the Bishop's Waltham and Winchester Citizens Advice Bureaux were subsumed into the liabilities of the Council at 31 January 2012. The liability in the case of Bishops Waltham CAB has been certified as nil and for Winchester CAB annual deficiency payments were £1,600 in 2013 This shortfall will be incorporated in the Council's Layered Employer Recovery Plan from 1 April 2014.

- 3.1.8. **The South Downs National Park Authority (SDNPA)** – Discussions are set to begin with the SDNPA regarding the level of fee to be paid to the Council for providing a Planning Service in 2013/14 (the final year of the current three year agreement). The SDNPA are looking at fee harmonisation, efficiency savings, and a review of workloads when determining the level of fee. On or before the 15 December 2012 the SDNPA will indicate the level of fee payable per application in 2013/14, to be finalised by 31 January 2013.
- 3.1.9. **The full implications on the General Fund of Housing Finance Reform** – Housing self financing was implemented on 1 April 2012. The Council has adopted a “two pool” approach to the management of Housing and General Fund debt which aids transparency. However, cash management decisions for the Housing Revenue Account may still impact on the General Fund, and vice versa.
- 3.1.10. **Community Infrastructure Levy** – (CAB2412 elsewhere on this agenda refers). The Community Infrastructure Levy Regulations allow local authorities to raise monies from developers undertaking new building projects by a levy calculated as an amount per square metre of new development. An adopted CIL regime will introduce significant spending issues, whilst the on-going administration costs can be met through the use of up to 5% of the receipts.

4. Capital Expenditure

- 4.1. Under the prudential approach to capital investment, local authorities are required to have full regard to affordability when setting the future capital programme. Such consideration must include the level of long term revenue commitments. Indeed, in considering the affordability of its capital plans, the Council is required to consider all of the resources available to it/estimated for the future, together with the totality of its capital plans and revenue forecasts for the forthcoming year and the following two years.
- 4.2. The Financial Strategy (CAB2362, July 2012) listed some significant future capital schemes that would impact on the Council's future revenue budgets, and the consideration of the Capital Programme (CAB2283, January 2012) identified a number of future capital requirements for which funding had not been identified, also not yet reflected in the revenue forecasts. These include the financial implications of:
- the Silver Hill development (including St Clements Surgery);
 - River Park Leisure Centre;
 - Avalon House;
 - City office site;
 - Asset Management Plan – any need for further investment in building fabric;

- Abbey Gardens environmental improvements;
- Winchester Town Access plan delivery;
- 2-3 Bridge Street essential works;
- Delivery of the IMT strategy.

4.3. Any unfunded capital requirements that are considered to be of a high priority would need to be funded from revenue if no other sources of funding can be found.

4.4. To date, “unfinanced” capital schemes; being funded either through external or internal borrowing, have only been undertaken if the costs can be covered by income or cost savings; i.e. on the basis that they will be cost neutral to the revenue budget. This principle is established in the Council’s Capital Strategy.

4.5. The cost of external borrowing will vary dependent on the term, the type of borrowing, and when it is borrowed. A broad indication of the borrowing cost to the Council is that £1m over 30 years would be similar to adding 1% to Council Tax.

4.6. The capital programme will be determined before the budget is finalised, and the revenue consequences of the proposed programme will be quantified and included in the final revenue budget proposals.

5. Key Budget Principles

5.1. The Financial Strategy set out the following Key Budget Principles:

- The revenue budget for the forthcoming year will be balanced;
- Reserves will not be used to fund annual, recurring expenditure;
- Savings proposals will be sufficient to eliminate any projected deficit and to fund Growth proposals;
- Growth proposals will not create a revenue deficit in future financial years without equivalent forward savings also being identified;
- Growth and Savings proposals will be considered in relation to the Council’s corporate objectives and priorities; and
- Inflation will be applied only to budgets for staff and external contracts.

6. Income

6.1. Local Authorities fund their activities from 3 main sources; grants from central government; council tax and other locally generated income.

Council Tax

- 6.2. For 2011/12 the Council froze council tax at 2010/11 levels and received freeze funding equivalent to a 2.5% increase for 2011/12 and in each subsequent year of the Spending Review to compensate for the income foregone for the freeze.
- 6.3. For the current year, 2012/13, the Council once again froze its council tax; for which it received freeze grant funding from the Government equivalent to raising the 2011/12 council tax by 2.5 per cent. Unlike the grant announced for 2011/12 this second year grant is to be received in 2012/13 only.
- 6.4. For next year, 2013/14, the Government has announced its intention to support a further council tax freeze whereby councils that freeze or reduce their 2012/13 basic council tax level (Band D) will receive an additional grant equivalent to a 1% increase on their council tax for that year (c. £61,000). The grant is also expected to be receivable in 2014/15, but not beyond.
- 6.5. For the purposes of calculating eligibility for council tax freeze grant both the District and the Winchester Town Account council tax are considered together.
- 6.6. The cumulative effect of freeze grant to date on future budgets is shown in the table below:

	2012/13	2013/14	2014/15	2015/16
	£000	£000	£000	£000
2011/12 freeze funding – 2.5%	173	173	173	
2012/13 freeze funding – 2.5%	174			
Total funding receivable	347	173	173	0
Council Tax foregone (@ 2.5%)	347	347	347	347
Consequential Baseline budget gap		174	174	347

- 6.7. Accepting a 1% freeze grant for 2013/14 would have the effect of adding £61,000 to the budget gap in 2015/16 as a consequence of utilising council tax freeze grant to support the recurring baseline budget (as opposed to utilising it for one-off purposes reflecting the true nature of the grant).
- 6.8. In addition, in 2013/14 the Government will propose to lower the local authority tax referendum threshold to two per cent. This would mean if a local authority seeks to raise its relevant basic amount of council tax by more than two per cent, local people would have the right to keep council tax bills down through a binding referendum veto. The Secretary of State for Communities and Local Government will formally set out the detail on this in December.

6.9. The effect of increasing District Council Tax is illustrated below:

Council Tax Band D	Annual Increase		Additional Council Tax	One-off freeze funding
			£000	£000
£126.27	0.00%	£0.00	0	61.4
£126.90	0.50%	£0.63	30.7	0
£127.53	1.00%	£1.26	61.4	0
£128.16	1.50%	£1.89	92.1	0
£128.80	2.00%	£2.53	122.8	0

6.10. To summarise, accepting a 1% freeze grant for 2013/14 will provide the Council with income of £61,000 for 2 years, whereas a 2% increase would provide £123,000 for each of these years and in perpetuity.

6.11. The Council Tax base will be considered by the Cabinet in December and, when approved, will be used as the basis for calculating the Council Tax income for the budget.

Locally generated income

6.12. Of the total external income in the Original Budget for 2012/13: Car parking and enforcement income was 36%; General Fund Property – 18%; Guildhall 8%; and Planning income 9% (*source Budget Book, page 25*).

6.13. Proposals for car parking charges are being considered elsewhere on this agenda (CAB2410 refers).

6.14. General Fund Property income – Although there is some specific growth in income being forecast arising from the development of Hyde and planned development of Abbey Mill, no general increases to rental income are expected in the current economic climate.

6.15. Planning fee income is affected by both the number and the size of planning applications, with a high proportion of the budgeted income being dependant on the receipt of major applications. Planning income in the year to date (2012/13) is falling slightly short of budget and being closely monitored. Draft regulations for fees for planning applications, proposing a 15% rise in Planning fees, were laid before Parliament in July 2012. The next stage, debate in both the House of Lords and House of Commons, is expected imminently with the higher fees commencing before the end of the year. It is anticipated that this rise will support the baseline income budget, with no increase in the total budget.

6.16. Guildhall income was reported as falling below target in the September review of the budget and the implications of this on future years is under review.

6.17. Building control fees are required by legislation to be set to meet the overall objective to break-even. Local Authorities are required to monitor this and to be able to demonstrate that breakeven is achieved over a rolling 3 year period (or exceptionally 5 years). The account is in profit and is therefore required to achieve a net loss on chargeable work in 2012/13 and 2013/14, to be funded by the earmarked reserve set up at the end of 2011/12. This could be achieved through reductions in fees.

7. Expenditure

7.1. Despite the significant real savings the Council has made to date it will be necessary to continue to make further reductions to expenditure.

7.2. The gross General Fund expenditure (excluding benefit transfer payments) in the Original Budget for 2012/13 comprised: employee costs 44%; third party payments – 19%; supplies and services 15%; and premises 14% (*source Budget Book page 22*).

7.3. The Council's Organisational Development programme has sought to make efficiency improvements and savings through service re-design, increased operational flexibility and collaborative working. Whilst there have been staffing reductions, this approach has minimised the impact of those reductions on services to the public. The Council has taken a phased approach to changes to the organisation's staffing structure, starting in September 2010. Proposals for the next phase of organisational change are currently the subject of consultation with staff, Members and Trades Union representatives and will be further considered by the next meeting of the Personnel Committee. The final proposals will be reflected in the budget proposals in the New Year.

7.4. The Council's "1team" approach to managing its shrinking workforce flexibly to meet priorities has consistently delivered managed savings to the payroll, at or above the levels planned. It is proposed that this will continue to be a key tool in managing the budget going forward.

7.5. The Council provides grants to voluntary organisations delivering a wide range of services which support the outcomes of the Community Strategy. The process of determining core funding allocations for these organisations for 2013/14 has now begun, and will scrutinise value for money. This will mean examining the impact made on the lives and wellbeing of local people by the organisations. In a challenging economic climate, the process also includes greater examination of the financial position and resilience of organisations. A reduction of £57,000 across the grants budget was included in earlier budget projections, and officers are seeking to achieve a figure close to this, whilst acknowledging that the Council's core funding can be essential in attracting other external grants to such organisations.

7.6. In recent years, with increasing uncertainty, a contingency budget of £150,000 has been included in the baseline to cover a range of uncertainties in the estimates. In addition a specific contingency budget was also set for the Environmental Services Contract amounting to £125,000 of which some

has been allocated to approved contract variations. Both of these contingency amounts will be reviewed as part of the finalisation of the budget.

7.7. The Head of Finance has recently commissioned a VAT & taxes review to ensure that the Council is fully compliant with relevant legislative requirements. Reports will be received before December so that any financial implications arising can be taken into account in the final budgets.

8. Members' Allowances

8.1. The Members' Allowances Scheme was last reviewed by the Independent Remuneration Panel in November 2011, and its recommendations were approved by Council at its meeting on 23 February 2012 (Reports CAB2277 and CL75 refer). Minor adjustments were made to Special Responsibility Allowances to take account of changes to the Council's scrutiny arrangements.

8.2. However, because of the current economic climate, no general inflation increase was made to allowances. The last occasion on which an inflation index in the Scheme was used was in 2009/10. This resulted in a 1.2% average reduction because the inflation index had a negative value in that year. In 2010/11 a policy decision was made to make a further 5% reduction. Since that time the Council has decided each year not to apply any inflation increases.

8.3. There have been no significant changes in responsibility this year, so a general review of the Scheme is not required.

8.4. Under the Scheme the Council has to decide each year whether the inflation index should be applied to all the allowances, travelling and subsistence rates within the Scheme. This decision has to be made before the start of the 2013/14 Municipal Year and needs to be considered as a part of the budget process.

8.5. The general inflation index is linked to the percentage pay increase for employees (linked to spinal column point 49) at 1 April.

8.6. There is a separate index for Councillor mileage rates. This is linked to HMRC rates. However, last year when the rate increased from 40p to 45p per mile the Council decided to freeze the rate at 40p for 2012/13.

9. Reserves

9.1. The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

9.2. CIPFA guidance stipulates:

“When reviewing their medium term financial plans and preparing their annual budgets local authorities should consider the establishment and maintenance of reserves. These can be held for three main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves
- a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves
- a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.”

9.3. The first 2 items are provided for by the Council’s General Fund Working Balance which stands at £2m. It is proposed that this is maintained at this level, which is considered appropriate in the context of the strategic, operational and financial risks facing the Council.

9.4. The Council has a number of earmarked reserves and has made some provision in the baseline budgets for building up funds to meet predicted future liabilities; specifically in respect of the Asset Management Plan and the Information Management Strategy. The adequacy of these will be reviewed as part of the finalisation of the budget.

10. Winchester Town Reserve

10.1. The Winchester Town Account will be considered by the Town Forum at its meetings in November and January. The Town Forum, at its November meeting, is considering one-off growth options which would be funded within the Town Account.

10.2. Some of the General Fund budget decisions may impact on the Town Account, including those relating to Council Tax and any relevant increases to the Council Tax base.

OTHER CONSIDERATIONS:

11. SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

11.1. In order that limited resources are matched most appropriately to the Council’s priorities the Budget should be considered in the context of the Sustainable Community Strategy and the Change Plans.

12. RESOURCE IMPLICATIONS:

12.1. As set out in the report.

13. EQUALITIES

13.1. The Financial Strategy supports the Council’s Change Plans which in turn support the Winchester District Sustainable Community Strategy (WDSCS). The WDSCS was subjected to an equalities impact assessment and it is expected that the Council’s new integrated equality impact

assessment model will be used for Change Plan projects and revenue changes as they are developed.

14. RISK/UNCERTAINTY/SENSITIVITY

14.1. The budget for next year and the forward projections will be influenced significantly by various factors that cannot be quantified or assessed fully at this stage; some external and outside of the control of the Council; and others that relate to factors and aspirations within the Council's control. The current risk assessment is attached at Appendix A and will be maintained alongside the development of the final budget proposals.

BACKGROUND DOCUMENTS:

None

APPENDICES

Appendix A: Budget Risks

BUDGET RISKS

No.	Corporate Risk Register Number	Risk area identified	Potential Impact of Risk	Mitigation / Change Plans reference
	CR5002	Silver Hill development proposals	Obstacles to the making of a CPO leading to delays in regeneration resulting in deterioration of Council assets and lost opportunity.	Revised redevelopment plan
	CR5003	Asset Management	Asset Management Plan not fit for purpose leading to non housing property assets falling into disrepair resulting in unforeseen expenditure and inability to maximise income or capital receipts.	Property Repairs and Renewals earmarked reserve.
	CR5012 / CR5013	Shared Services	Weak governance or breakdown of consensus between authorities, leading to wasted resource time resulting in less efficient service delivery and loss of opportunity	Shared Service project plans
IMT - Budget provision for Core infrastructure data processing hardware is based on the IMT Asset Plan shared proposals. A breakdown of consensus between authorities would require significantly increased budget provision.				
Environmental Services Contract - Weak partnership governance, including contract monitoring leading to an unforeseeable breach of contract resulting in an interruption in service provision.			Resourced contract monitoring	
	CR5006	Organisational Development	Lack of skills and flexibility within the Council leading to the Transforming Winchester Programme not being implemented resulting in non delivery of change plans and loss of opportunity.	Maintain adequate General Fund Working Balance
	CR5004	Car Parking Income	A small percentage deviation in parking income would have a significant impact on budgets	Robust monitoring of income levels, on a monthly basis
		Planning Fee Income	Reduction in level of income due to reduction in number of planning applications received	Maintain adequate General Fund Working Balance
	CR5008	Equality Assessment	Ineffective service Equality Impact Assessments (EIAs), leading to a successful challenge on grounds of discrimination resulting in financial penalty imposed on the Council.	Equality Impact Assessments & Equality Framework
				EIA programme / schedule