Report to the Finance and Performance Management Committee

Date of meeting: 22 September 2008

Epping Forest District Council

Portfolio: Finance and Performance Management

Subject: Financial Issues Paper

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Recommendations/Decisions Required:

To make recommendations to the Cabinet on establishing a new budgetary framework including:

1. Setting 2009/10 budget guidelines for the:

(a) The CSB budget (including growth items);
(b) DDF items;
(c) The use of surplus General Fund balances;
(d) The District Council Tax for a Band 'D' property;

2. A revised Medium Term Financial Strategy for the period to 2011/12, including the communication of the revised Medium Term Financial Strategy to staff, partners and other stakeholders.

Executive Summary:

This report provides a framework for the Budget 2009/10 and updates Members on a number of financial issues that will affect this Authority in the short to medium term.

In broad terms the following represent the greatest areas of current financial uncertainty and risk to the Authority

- Effects of the "Credit Crunch" and reduced activity in the housing market
- Taking forward the Safer, Cleaner, Greener initiative and looking at alternative methods of service delivery
- Re-negotiating the contract for the management of Epping Sports Centre to align it with the Council's other facilities
- Pay awards for 2008/09 and subsequent years
- Increases in energy costs
- Capitalisation of pension deficit payments
- Changes to the statutory concessionary fares scheme
- Customer Services Transformation Programme

These issues will be dealt with in the following paragraphs, taking the opportunity to discuss some areas in greater detail following recent developments. Based on the information contained in the report Members are asked to set out, for consultation purposes, the budgetary structure for 2009/10.

Reasons for Proposed Decisions:

By setting out clear guidelines at this stage the Committee establishes a framework to work within in developing growth and savings proposals. This should help avoid late changes to the budget and ensure that all changes to services have been carefully considered.

Other Options for Action:

Members could decide to wait until later in the budget cycle to provide guidelines if they felt more information, or a greater degree of certainty, was necessary in relation to a particular risk. However, any delay will reduce the time available to produce strategies that comply with the guidelines.

Report:

General Fund Out-turn 2007/08

1. Members have already received the outturn figures and the Statutory Statement of Accounts for 2007/08 together with explanations for the variances. In summary the General Fund Revenue outturn for 2007/08 shows that CSB expenditure was £1,022,000 lower than the original estimate, and £585,000 lower than the revised. The main variance, as in 2006/07, related to staff savings arising from vacancies.

2. The revised CSB estimate for 2007/08 had reduced from £16.980m to £16.543m, largely as a result of the top management restructuring. This saw a structure of Joint Chief Executives and ten Heads of Service (12 posts) replaced with a single Chief Executive with a Deputy, an Assistant and five Directors (8 posts).

3. DDF expenditure was underspent by £698,000, compared to the revised estimate. However £469,000 of this resulted from slippage so both expenditure and financing for this amount has been carried forward to 2008/09. Net portfolio DDF spending exceeded the revised estimate by £90,000, due to costs of the waste service during the transition between contractors. However, non-portfolio income items exceeded the revised estimate by £339,000 to give the total DDF saving of £249,000.

4. The non-portfolio items include the Local Authority Business Growth Incentives Scheme (LABGI), with grant of £446,000 exceeding the revised estimate by £205,000. In line with the prudent wish to avoid over reliance on investment income to support the CSB, the baulk of the additional investment income earnt in 2007/08 was credited to the DDF. The inclusion of the LABGI income and the underspend mean the balance on the DDF is higher than previously predicted at £2.916m at 31 March 2008. However, the vast majority of this amount is committed to finance the present programme of DDF expenditure, particularly the Local Development Framework.

5. As the underspend on the DDF is matched by the variance on appropriations, the overall variance in the use of the General Fund Revenue balances is equal to the CSB underspend of £1,022,000, compared to the original estimate. This translates into an increase in balances of £701,000 compared to the revised estimate of an increase of £116,000. The original estimate had indicated a reduction of £321,000.

The Updated Medium Term Financial Strategy

6. Annexes 1(a/b) show the latest four-year forecast for the General Fund. This is based on adjusting the balances for the 2007/08 underspends, allowing for items already approved by Council and other significant items covered in the report. The annex (1b) shows that all other things being equal revenue balances will decrease by £324,000 in 2009/10, £213,000 in 2010/11 and £79,000 in 2011/12.

7. For some time Members have aligned the balances to the Council's 'Net Budget Requirement' (NBR), allowing balances to fall to no lower than 25% of NBR. The predicted balance at 1 April 2009 of £7.680m represents just over 44% of the anticipated NBR for next year (£17.287m) and is therefore somewhat higher than the Council's current policy of 25%. However, predicted changes and trends mean that by 1 April 2012 the revenue balance will have reduced to £7.064m. This still represents nearly 40% of the NBR for 2011/12 (£17.796m).

8. This financial position is better than had been anticipated and will allow a reduction in the savings to be identified. This can be achieved without the Council Tax needing to be increased above current target levels during the next four years.

9. Target savings of £200,000 per annum had been proposed for each year from 2009/10 onwards. It is now evident that a saving of £100,000 is adequate in 2009/10 followed by £200,000 in each of the following years. These net savings could arise either from reductions in expenditure or increases in income. If Members feel that the levels of net savings being targeted are appropriate, it is proposed to communicate this strategy to staff and stakeholders. The work previously reported to this Committee on value for money concluded that the Council did not need to make overall savings but did need to re-invest any efficiency gains to improve performance in key services. Thus the net savings reflected are the savings remaining after any other efficiency gains have been re-invested.

10. Estimated DDF expenditure has been amended for carry forwards, supplementary estimates and income shortfalls and it is anticipated that there will be £124,000 of DDF funds available at 1 April 2012. The four-year forecast approved by Council on 19 February 2008 predicted a DDF balance of £69,000 at the end of 2011/12 and this has not changed significantly.

11. Capital balances have been updated for recent outturn figures and updated assumptions on capital receipt generation. The reduction in estimated capital receipts means that the predicted balance at 1 April 2012 falls to £15.461m. Over this four-year period the capital programme has some £39m of spending. As capital balances are used up the revenue benefit from interest earnings is reduced and so care needs to be exercised in expanding the capital programme any further, particularly on non-revenue generating assets.

Government Grant Allocation

12. After one two-year settlement under the new four block system, the Department for Communities and Local Government (DCLG) announced a consultation to "update and fine tune" the model to produce a three-year settlement. Unfortunately the fine-tuning has resulted in some substantial movements in the Council's relative position. The table below sets out the Council's amounts in each of the four blocks for the five years of data now available. The Relative Needs Amount (what the Government believes the Council needs to spend) fell nearly £300,000 for 2008/09 whilst the Relative Resource Amount (a negative amount to reflect the ability to raise income from Council Tax) has increased by over £500,000. This worsening of £800,000 is offset by an increase in the Central Allocation of £460,000 and a change in the net Floor Damping position of £490,000.

	2006/07 £m	2007/08 £m	2008/09 £m	2009/10 £m	2010/11 £m
Relative Needs Amount	5.728	5.742	5.455	5.457	5.464
Relative Resource Amount	-4.465	-4.724	-5.228	-5.096	-4.956
Central Allocation	7.854	8.332	8.793	8.834	8.871
Floor Damping	-0.490	-0.189	0.302	0.173	0.036

Formula Grant	**8.627**	**9.161**	**9.322**	**9.368**	**9.415**

13. The figures shown above represent a poor settlement for the Council and give grant increases of only 1% (against the adjusted 07/08 figure) for 2008/09 and only 0.5% for 2009/10 and 2010/11. This seems odd given the sizeable grant increase seen under this system for 2006/07 and 2007/08.

	2006/07 £m	**2007/08 £m**	**2008/09 £m**	**2009/10 £m**	**2010/11 £m**
Formula Grant (adjusted)	8.627	9.161 (9.229)	9.322	9.368	9.415
Increase £	0.711	0.534	0.093	0.046	0.047
Increase %	9.0%	6.2%	1.0%	0.5%	0.5%

14. The introduction of the four block system saw the Council change from receiving floor support of £412,000 to loosing £490,000 to support the floor for others. It had been hoped that the move away from the floor would last longer than two years. However, the benefit of the previous large increase has not been lost, as this has provided the base that the floor increase of 1% has been added to.

CSB

15. The CSB saving against revised estimate was £0.585m, compared to £0.807m in 2006/07. The prime cause of this under spend was again salary savings, actual salary spending for the authority in total, including agency costs, was some £18.5m compared against an original estimate of £18.9m. Early indications are that the underspend on salaries in 2008/09 is reducing as the restructure is fully implemented and new posts are filled. However, the budget process is again complicated this year by the pay award not having been agreed and this is considered further below.

16. Previously it has been agreed that CSB expenditure should not rely on the use of balances to provide support but should be financed only from Government grant (RSG + Distributable NDR) and council tax income. This means that effectively the level of council tax will dictate the net expenditure on CSB or the CSB will dictate the level of council tax. As Members have previously indicated that future council tax increases should be at or below the increase in the retail price index (RPI), assumed to be 2.5% for the near future, it is clear that the former will be the determinate. The four-year forecast, agreed in February, includes these assumptions. Currently RPI is 2% above this assumption and inflation forecasts will be carefully monitored during the budget process to see if any adjustment is necessary.

17. The latest four-year forecast (annexes 1a & b) show that the original budget for 2008/09 achieved that objective, with funding from Government grants and local Taxpayers exceeding CSB by £0.218m. The revised estimate for this year shows no change in CSB. This is because the contingency of £175,000 in the opening CSB has been matched by the items that would otherwise have been shown as additional growth.

The "Credit Crunch" and Reduced Housing Market Activity

18. The Council's CSB contains a number of income streams that have been, or are likely to be, adversely effected by the current state of the housing market. Recent surveys show year on year reductions in house prices in excess of 10%; this has been accompanied by drastic reductions in new mortgage approvals and the numbers of houses being built. The Government have recently announced a package of measures in an attempt to breath some life into the market. Although any positive effects that do arise may take some time to appear.

19. The main areas of income related to the housing market are land charges, building control and development control. For 2008/09 land charges income had been estimated at £400,000, an increase on the three-year trend figure of £367,000. At the end of August the income achieved was £102,000 behind the estimate, which means the annual shortfall could be in the region of £250,000. Building Control fees have been similarly effected and an annual shortfall of £100,000 is expected. However, steps are being taken to address the state of the Building Control ring-fenced account as a consultant has had his employment terminated and a report is being prepared proposing changes to the fee structure. To date Development Control income is ahead of the estimated level and could achieve the annual estimate of £605,000.

20. In considering the effects on these income streams a judgement has to be made on what part of the income reduction is unlikely to be recovered in the medium term and hence the proportion of the adjustments to be made to the CSB and DDF. The MTFS is based on the assumption that of the annual shortfall in Land Charges income £125,000 will be CSB and £125,000 DDF. As the Building Control Account is ring-fenced it is assumed that measures will be put in place to bring the Account back into a break-even position. For Development Control no shortfall is assumed.

21. One beneficial effect of the "Credit Crunch" has been the higher interest rates that banks have been prepared to pay to borrow from the Council. The MTFS has taken a prudent view on future interest rate movements but in the current volatile market it is worth highlighting the risk that at some point interest rates are likely to fall from these levels.

Safer, Cleaner, Greener and Green Waste

22. The combined saving from the Top Management and service restructures was £0.5M and Members decided to re-invest £250,000 of this into the Safer, Cleaner, Greener initiative. This initiative has a number of linked schemes intended to impact on areas of key importance to residents, for example street cleaning and CCTV. As this initiative was only launched at the start of the new financial year, the full benefits of it are yet to be realised. The restructuring of the Environmental and Street Scene Directorate was not completed until some way into the new year and recruitment is still ongoing for some of the new posts. As the initiative matures and develops the full benefits and any additional funding requirements will become clear. Due to the delays in recruitment it is unlikely that the additional CSB and DDF budgets included for 2008/09 will be fully spent and these will be carried forward to subsequent periods. However, no additional growth has been included at this time.

23. A major element of the Cleaner part of the initiative was the competitive tendering exercise that led to the appointment of SITA as the Council's new waste management contractor. The contract commenced in November 2007 and has provided better service levels to the public more economically than had been experienced with previous contractors. The Council has seen improved rates of recycling and in particular the green waste service has proved very popular with residents. However, this popularity has created a problem as the biodegradable sacks needed for the service are expensive and their price is rising. Spending more and more money on something that is thrown away is not sustainable and reports have already been made to Cabinet to outline the potential overspend on these sacks.

24. A partnership board oversees the waste contract and both SITA and the Council have expressed a willingness to explore alternative methods of service delivery. To inform this debate a consultation exercise is being conducted through the Forester newspaper and the Council's website. Until a clear consensus has emerged on the future method of collecting green waste it is not possible to cost the implications and reflect them in the Medium Term Financial Strategy (MTFS). Depending on the

method adopted it may be possible to gain some funding from Essex County Council and the combination of CSB, DDF and capital changes may vary considerably.

External Management of Leisure Centres

25. When the Council decided to externalise the management of the district's leisure centres most of the centres were on a seven-year contract, with an option to extend to ten years by mutual agreement. At the time the contract was let a number of developments were taking place within Epping and in view of the possibility of re-provision of a leisure centre on an alternative site, the Epping Sports Centre was only covered by a three year contract. It is unlikely a new centre will be provided in the medium term and so it will be necessary to make arrangements for the management of the existing Epping Sports Centre for an additional four years to align it with the other leisure centres.

26. The options for management are to extend the existing contract with Sports and Leisure Management (SLM), for the Council to resume direct management of the centre or to seek an alternative external manager. To date the arrangements with SLM have been viewed as successful as the Council has benefited from revenue savings, SLM have invested substantial amounts of capital in the leisure centres and user numbers have increased. Given these outcomes it is clearly worth exploring the terms of an extension with SLM. A preliminary concern raised by SLM in contract monitoring meetings has been the increases in utility costs and SLM have indicated that they would like the Council to share the risk of further price rises. It is likely that this point will have to be addressed through the contract negotiations. The terms of any extension may include a mix of revenue and capital items and options are still to be formulated before they can be put forward for the Cabinet to consider. Therefore, similarly to the green waste issue above no adjustment has been made to the MTFS at this point.

Pay Awards for 2008/09 and Subsequent Years

27. The pay award for 2008/09 has still not been agreed. An offer of 2.45% was deemed inadequate by the staff side negotiators and industrial action resulted. No improved offer has been forthcoming but whilst both sides are engaged in talks about talks further industrial action is unlikely. Although it is difficult to see how this conflict can be resolved. The employer's side know the grant settlement for this year and the next two and it is unlikely that the Treasury will provide any additional funds for local government pay. Any additional funds are likely to have to come from existing budgets that have already been squeezed by the grant settlement and are under pressure from falling income and higher costs. The staff side have seen inflation increase since they took industrial action and it is widely predicted that inflation will rise further before reducing in 2009/10. Clearly the staff side will be reluctant to accept anything that is a pay cut in real terms and equally clearly the employers side have no more money to bring to the table.

28. Against the backdrop of the negotiations it is worth considering this Council's pay bill and the effect that different levels of pay awards might have. The total salary estimate for 2008/09 is £19.7m, which includes allowance for a pay award of 2.475%. Therefore if the pay award is agreed at less than 2.475% the budget for 2008/09 will be adequate. For every 1% the pay award is above 2.475% the Council's pay bill will increase by nearly £200,000.

29. The annual pay bill is one of the key parts of the Council's overall estimates and so the assumptions made about pay awards are particularly significant. In the current economic climate with the overall public finances in a poor state it is difficult to envisage pay awards exceeding 2.475% and this is the level that has been built into the MTFS for 2009/10 onwards. The assumption for 2008/09 has not been changed.

Increases in Energy Costs

30. The concerns expressed by SLM over energy prices have been mentioned above and all residents and businesses are in a similar position. This Council has always sought to procure energy in the most economic manner and has participated in consortium arrangements with other authorities to gain better terms. The current contracts for both electricity and gas expire shortly and following advice from the Procurement Agency for Essex and the Essex Procurement Hub the Council will be purchasing electricity and gas via the Office for Government Commerce. As the current contracts have not yet expired and there are significant fluctuations in the wholesale energy market on a daily basis it is difficult to estimate the exact effect. However, some allowance needs to be made for these costs and additional growth of £50,000 has been included in the revised estimates for 2008/09.

31. Whilst the MTFS has the General Fund as its focus it should be remembered that increases in fuel prices, and staff costs, will also impact on the Housing Revenue Account.

Capitalisation of Pension Deficit Payments

32. As part of the budget setting process for 2008/09 Members decided to continue with the policy of seeking annual capitalisation directions for pension deficit payments. There are strict financial criteria laid down by the Government that you must satisfy to be eligible for a capitalisation direction. If you satisfy the criteria you get a Gate 1 approval but it is only after the Government has considered all Gate 1 approvals in aggregate that it decides the amount of Gate 2 or final approvals.

33. In the last three financial years the Council has enjoyed mixed success in gaining capitalisation directions. A direction was first applied for in 2005/06 and one was obtained for the full amount requested. It was in 2006/07 that the Two Gate System was introduced and that year saw all applicants receive directions for only 57% of the amounts applied for. Then oddly in 2007/08 when faced with more applications than in 2006/07 the Government reverted to issuing directions for the full amounts applied for.

34. The amounts that will be applied for are set out in the table below and given recent history it has been assumed that full directions will be obtained. To fund the capitalisations £2.5m was moved to the Pension Deficit Reserve in 2007/08. If this assumption proves incorrect any amounts that cannot be capitalised will have to be charged to revenue.

	2008/09	**2009/10**	**2010/11**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
General Fund	**662**	**644**	**626**	**1,932**
HRA	**311**	**302**	**294**	**907**
	973	**946**	**920**	**2,839**

National Concessionary Fares Scheme

35. With effect from 1 April 2008 the countywide concessionary fare scheme ended and a new national scheme began. The national scheme allows pass holders to travel free on local bus services anywhere in England. District Councils payments for the previous schemes were largely determined by the number of passes issued to the residents of their district. Under the national scheme districts are required to pay for all journeys by passholders in their district regardless of where the pass was issued. The Government has acknowledged that the national scheme will be more expensive and has provided specific grants to support these costs. The Local Government

Association has argued that these grants are inadequate, particularly for districts that attract high numbers of visitors for purposes such as tourism or shopping.

36. The serious potential impact of the national scheme has been highlighted previously in budget reports. As the scheme is demand led there was concern that districts were receiving limited funding from the Government but were being required to provide a blank cheque for the bus operators. Concerns were also expressed by the bus operators that districts would try to impose unreasonable reimbursement schemes that would fail to comply with the requirement to ensure that the bus operators were no worse off for participating in the scheme. The concerns of the operators led many of them to register appeals against the reimbursement scheme that was originally proposed within Essex.

37. Following extensive negotiations it looks likely that a compromise can be achieved that will not exceed current budget provisions and will result in the bus operators withdrawing the appeals that they have lodged with the Department of Transport. As part of the negotiations Essex County Council have indicated a desire to take over the administration of the scheme from the districts. Whether it will be possible to achieve such an outcome remains to be seen, as it may be difficult to agree the financial and risk basis for any transfer of responsibilities.

Customer Services Transformation Programme

38. On 9 October 2006 Cabinet decided to defer the Customer Services Transformation Programme (CSTP). This followed South Herts. Waste Management being placed in administration and reflected the financial uncertainty that existed at that time. The Council is now in a position to move on and reconsider this programme. To oversee this process a Task and Finish Panel has been established.

39. One of the concerns with the original programme was that it had become too ambitious. The Task and Finish Panel have been asked to reconsider the original proposal in the light of experience from other authorities and to update the proposals to match the Council's current needs. No CSB or DDF amounts have been programmed for this initiative but some £2.2m of expenditure is still included in the capital programme. It may be necessary to re-schedule the capital expenditure as £0.5m is in the programme for 2008/09. It is unlikely that the Council will have received the Panel's recommendations and determined the way forward in sufficient time for the project to commence before the end of the current financial year.

DDF

40. The carry forward of £469,000 represents a reduction of nearly £400,000 on the £868,000 of slippage for 2006/07. Clearly the requirement to explain slippage has helped improve forecasting. Given that DDF funding is limited, it should only be used to support high priority projects. If a project takes several years to be implemented questions may arise over whether it was really a priority and if that money could have been used for a more urgent purpose.

41. The financial forecast shows that not all DDF funding is currently allocated to schemes. It is currently anticipated that there will be some £124,000 of DDF available at 1 April 2012.

The Capital Programme

42. The 28 Council house sales in 2007/08 fell short of the 32 sales that had been estimated, although this was compensated for in part by the sales values being higher than had been anticipated. Reference has already been made above to the slow down in the housing market and Council house sales have followed a similar pattern. It was

originally estimated that there would be 30 sales in 2008/09. However, the first five months of the year have seen only three completions and so the figure for usable receipts will need to be revised downwards substantially from the current figure of £831,000. This will be done through the updating of the Capital Programme, although for the purposes of this report the estimates have been reduced by 66%.

43. Significant receipts have also been generated through the sale of other assets. Although land values are currently falling and Cabinet has recently decided against marketing further surplus land until market conditions have improved. As non-housing receipts are not included in the estimates before completion has occurred no adjustment to the MTFS is necessary.

44. The capital outturn report considered by the Finance and Performance Management Cabinet Committee on 16 June 2008 highlighted that the underspend of £1.7m was significantly lower than the £5.1m underspend in 2006/07. Non-housing expenditure was in line with the estimate at £3.77m, whilst housing expenditure of £6.83m was below the estimate of £8.54m. The slippage in the programme will be carried forward to subsequent periods.

The Council Tax

44. Band D Council Tax increases were 2.5% for 2006/07, 3.5% for 2007/08 and 2.5% for 2008/09. Members have indicated that future increases should not exceed the rate of increase in the retail price index. Current 4-year forecasts are based on ongoing increases of 2.5% p.a., which should not fall foul of the capping criteria. However, Members will need to indicate whether they are in agreement with this assumption as it is a fundamental component to setting the budgetary framework for the Authority.

45. The financial position that the Council now finds itself in is stronger than last year. A prudent view was taken on the additional costs in waste management, new spending pressures in other areas and no savings had been included for the corporate restructuring. These factors combined meant that the medium term forecast presented in the previous financial issues paper showed revenue reserves falling to £5.6m by 1 April 2011. With the better than anticipated outturns for 2007/08, the success of the tendering exercise for the waste management contract and savings from the corporate restructure some concerns have eased. The four-year forecast at annexes 1a&b now predicts revenue reserves of more than £7m at 1 April 2012.

46. Given the improved financial position it was felt that Members would be keen to keep the target for Council Tax increases in line with increases in the Retail Prices Index. Therefore no alternative forecast has been prepared, although if Members wish to see one a model could be produced with Council Tax increases set at 4% or 5%. Members will be able to consider these issues and others in consultation with the Finance and Performance Management Scrutiny Panel over the next few months.

A revised Medium Term Financial Strategy

47. Annexes 1(a&b) show a four-year forecast with target levels of savings to bring the projections closer to the policy of keeping reserves above 25% of the NBR. The net savings included are £100,000 in 2008/09 figures and then £200,000 in the three subsequent years. These savings would give total CSB figures for 2008/09 revised of £16.829m and 2009/10 of £17.611m.

48. This proposal sets DDF expenditure at £1.8m for the revised 2008/09 and £270,000 for 2009/10, and given the possibility of other costs arising, it is likely that the DDF will be used up in the medium term.

49. No predicted non-housing capital receipts are being taken into account, as no sales

are likely to progress in the current economic climate. Over the period of the MTFS the balance shown at Annex 1 (b) on the Capital Fund reduces significantly from £26.8m at 1 April 2008 to £15.5m at 1 April 2012. This has impacted on interest earnings within the forecast and it is important that any new capital schemes either save revenue costs or generate income.

50. The Council has previously scored a 3 for Financial Management as part of the Audit Commission's Use of Resources assessment. To maintain that score the Council must take steps to again communicate the Medium Term Financial Strategy with staff, partners and other stakeholders. This Key Line of Enquiry is mandatory to achieve a 3 in the current assessment. If Members agree, appropriate steps can be taken to circulate either the full strategy or a summarised version.

Conclusion

51. The financial position is one of strength, but Members still need to exercise care in prioritising the allocation of resources. There are considerable challenges to be overcome with green waste and leisure management, in addition to the general economic uncertainty and reductions in housing market related income. Any further growth bids will need to be rigorously considered and there remains a need to seek efficiency savings. Although as mentioned above, the work previously reported to this Committee on value for money concluded that the Council did not need to make overall savings but did need to re-invest any efficiency gains to improve performance.

Resource Implications:
The report covers resource implications over a four-year period and provides an updated Medium Term Financial Strategy.

Legal and Governance Implications:
None.

Safer, Cleaner, Greener Implications:
The Safer, Cleaner, Greener initiative is considered in the report.

Consultation Undertaken:
None.

Background Papers:
None.

Impact Assessments:
No equalities impacts.

The report sets out some of the key areas of financial risk to the authority. At this time the Council is well placed to meet such challenges, although particular care needs to be exercised in taking on any additional capital projects.