	REPORT TO CABINET TO BE HELD ON 12 DECEMBER 2017	
	Key Decision	YES
	Forward Plan Ref No	
Corporate Priority: **Meets all Corporate Priorities**	**Cabinet Portfolio Holder**	**Cllr Helen Mallory**

REPORT OF: DIRECTOR (NE) – 17/286

WARDS AFFECTED: ALL

SUBJECT: DRAFT REVENUE BUDGET 2018/19 TO 2020/21

RECOMMENDATION (S):

It is recommended that Cabinet

(i) endorse the draft revenue budget proposals set out in the appendices to this report prior to them being re-presented to Cabinet and Full Council for approval in February; with particular attention being given to the proposed £5 Council Tax increase for a Band D property for the 2018/19 year, the 2018/19 savings proposals listed at Appendix A3 and the proposed strategy to address the projected funding gaps to 2021. If the Council Tax increase or any savings proposals listed are deemed by Members to be unacceptable alternative savings of an equivalent value must be identified;

(ii) subject to the approval of recommendation (i) agree that officers enter into a period of consultation on the proposals contained within this report;

REASON FOR RECOMMENDATION (S):

Full Council must approve the 2018/19 budget, and associated Council Tax level at its meeting on 2 March 2018. It is important that the Council consults with the public on its budget prior to it being approved, and that the areas identified in the consultation process are taken into consideration in the budget setting process.

The extension of the budget setting period to three years will allow savings to be endorsed by members earlier and provide more time for savings to be identified and delivered.

HIGHLIGHTED RISKS:

- That the Council does not set a robust or balanced budget.

1. INTRODUCTION

1.1 This report sets out the Council's detailed draft revenue proposals for 2018/19 as well as the high level budget proposals and strategy for the period to 2021.

1.2 Full Council must approve the 2018/19 budget and associated Council Tax level at its meeting on 2 March 2018 and it is important that the Council consults with the public on its budget prior to it being approved.

2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN

2.1 The proposals set out in this report impact on all Council corporate aims and priorities.

3. BACKGROUND AND ISSUES

3.1 The Council's Financial Strategy comprises five-year revenue projections and a ten-year capital plan, which are reviewed annually. The Council's revised Strategy for 2018-2028 will be presented to Full Council for approval in March. This report sets out the draft proposals for the revenue budget, which form part of the overall Financial Strategy.

3.2 Over the financial years 2010/11 to 2017/18 the Council has had to identify ongoing savings of circa £17m from its annual revenue budget. As staffing resources reduce and savings become harder to identify it is becoming apparent that the length of time needed to deliver savings is increasing.

3.3 Like many other local authorities the Council is keen to pursue commercial opportunities, which can generate financial returns to support the revenue budget, rather than relying purely on cuts in service or expenditure. It is acknowledged that this approach may require a longer planning period and lead in time to deliver the required financial returns and with that in mind the Council has now moved towards a 3-year revenue budget setting programme.

4. CONSULTATION

4.1 It is important that the Council considers the views of its stakeholders in the budget setting process.

4.2 All Members have been invited to attend seminars to go through the budget proposals in detail and will be asked to provide feedback at these sessions. A link will also be added to the Council's website to allow all stakeholders and interested parties to submit feedback online.

5. ASSESSMENT

5.1 The draft revenue budget proposals for the period 2018/19 to 2020/21 are attached at Appendix A.

5.1.2 The appendix sets out the revenue budget proposals over that period, including funding projections, ongoing investment in priority areas, savings proposals and proposed Council Tax levels.

5.1.3 In March 2018 Full Council will be asked to approve the budget proposals and associated council tax levels for the 2018/19 year as well as endorse the high level proposals for 2019/20 and 2020/21.

6. IMPLICATIONS

6.1 **Policy**

There are no policy implications arising from this report

6.2 **Legal**

There are no legal issues arising from this report. An Equality and Impact Assessment on the budget proposals will be completed prior to the Financial Strategy being presented to Full Council in March.

6.3 **Financial**

The financial implications are set out in detail in Appendix A.

6.4 **Staffing Implications**

The budget setting process will be closely managed and consultation will take place with Trade Unions. The Council has a strong commitment to try and minimise the impact on staff and number of compulsory redundancies by utilising natural wastage and providing some training for staff to support this.

All employees that could be directly affected by the changes will be notified of the proposals as soon as is reasonably practicable.

6.5 **Planning Implications, Crime and Disorder Implications, Health and Safety implications, Environmental implications**

I have considered whether implications arise from this report and am satisfied that there is no identified implication that will arise from this decision for this Council.

6.6 **Communication**

The budget proposals contained within this report will be disseminated to all staff within the Council via Service Unit Managers and all members have been invited to briefings on the proposals. The consultation will be included on the Council's website and will include links to this report.

Nicholas Edwards

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Director

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Background Papers:

None

APPENDIX A

REVENUE BUDGET 2018/19 TO 2020/21 AND COUNCIL TAX 2018/19

1 INTRODUCTION

The Council's policy has always been to be as efficient as possible and protect front line services and since 2010 the Council has delivered savings of £17m from its annual revenue budget. Over that same period performance in many areas has increased.

As staffing resources reduce and savings become harder to identify it is becoming apparent that the length of time needed to deliver savings is increasing. With that in mind it is proposed that the Council now moves towards a 3-year budget setting programme, covering the financial years from 2018/19 to 2020/21.

The Budget Strategy for 2018 – 2021 will continue to build on the themes of the Council's existing Efficiency Plan, which was approved by members in September 2016.

This appendix sets out the revenue budget proposals for 2018/19 along with the indicative projections and proposals for the period to 2020/21, along with the associated levels of Council Tax.

It provides details of:

- The projected levels of revenue resources available to the Council;
- Areas of budget pressure, unavoidable cost pressures and additional investment;
- Projected funding gaps over the period from 2018/19 to 2020/21;
- The Strategy for addressing the projected funding gap;
- Savings proposals

2 FUNDING GAP PROJECTIONS 2018 TO 2021

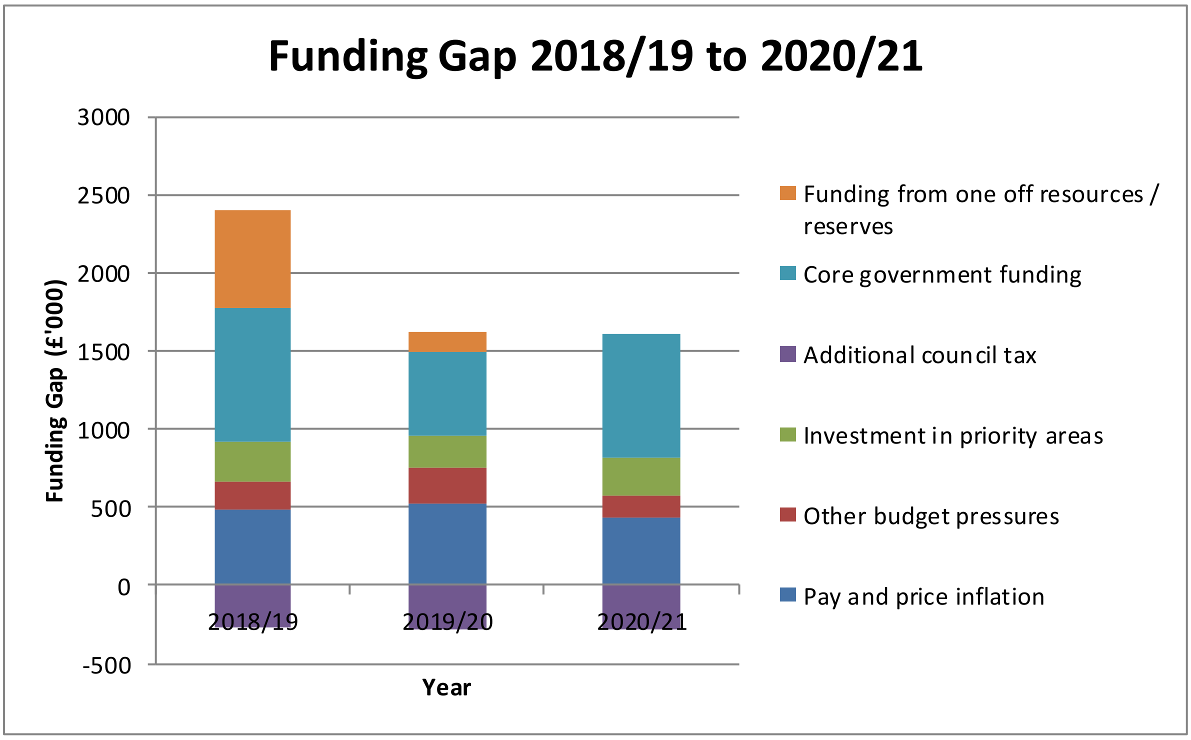
Each year the Council faces cuts in core government funding as well as increases in costs. In addition investment in priority areas must be factored into the revenue budget, resulting in annual funding gaps which need to be balanced through the identification of savings. These savings may be delivered through cost reductions or the achievement of additional income.

Table 1 and the chart below set out the anticipated funding gaps over the period from 2018/19 to 2020/21 based on current budget projections:

Table 1 – Revenue Budget Funding Gap

	2018/19 £'000	2019/20 £'000	2020/21 £'000	Cumulative Total

				£'000
Pay and Price Inflation	491	528	428	1,439
Other budget pressures	177	225	140	542
Investment in priority areas	247	209	253	717
Additional council tax revenue	(274)	(278)	(283)	(835)
Core government funding cuts	858	528	784	2,170
Add back funding from one off resources / reserves	623	135	-	758
	2,122	**1,347**	**1,322**	**4,791**



The projections show that savings of at least £4.791m will need to be identified from the current annual revenue budget to balance the funding gap over the period to 2021.

The sections below provide further details on each of the areas contributing to the funding gap.

2.1 PAY AND PRICE INFLATION

This increase reflects the inflationary allowances across budget heads along with salary increments and variations, net of inflationary increases on income targets.

Non salary expenditure budget heads have been fixed at prior year levels and any cost increases will therefore need to be absorbed within individual service area budgets. A contingency of £200k per annum has been retained to cover unavoidable or corporate inflationary cost increases and this will be allocated to budget heads as areas of growth are identified.

The budget makes provision for a 1.5% pay award in 2018/19 (2% thereafter) and 2% inflationary increase on income budgets. Members are currently considering the Living Wage pay supplement (report reference 17/268). Any pay increase above the 1.5% provision is not factored into the current budget projections.

As in previous years the revenue budget does not include a corporate provision for salary savings. This reflects that staffing savings are not expected to accrue due to a slowdown in staff turnover. The Council does not budget for recruitment costs therefore it is also assumed that any short term staffing savings will be required to fund associated recruitment and advertising costs.

2.2 OTHER BUDGET PRESSURES

Table 2 below summarises the budget pressures that are factored into the Council's revenue budget projections:

Table 2 – Other Budget Pressures

	2018/19 £'000	2019/20 £'000	2020/21 £'000
Benefits and Localised Support for Council Tax Administration Subsidy	30	30	30
Business Rates revaluation	130	185	110
Removal of credit card surcharge	17	-	-
Loss of commuted sum baseline funding		10	
TOTAL	**177**	**225**	**140**

Further details are included within Appendix A1 to this report.

2.3 INVESTMENT IN PRIORITY AREAS

The areas proposed for additional priority investment are summarised in Table 3 below, with further details provided in Appendix A2.1.

Table 3 - Meeting Priorities

Bid	2018/19 £'000	2019/20 £'000	2020/21 £'000
Increase in ongoing revenue contributions to capital and borrowing costs	86	109	53
Reductions in street trading income	28	-	-
Increase in OAT Security	15	-	-

Contingency	48	100	200
Enhanced grass cutting	70	-	-
	247	**209**	**253**

2.4 COUNCIL TAX

For the 5-year period between 2011/12 to 2015/16 the Government awarded grants to those Council's that opted to freeze or reduce their council tax levels. The Council elected to freeze its council tax at 2010/11 levels in each of those years.

The Localism Act includes the powers to allow local residents to veto excessive council tax rises and in 2012/13 the Government introduced arrangements for council tax referendums where an authority sets a council tax which exceeds principles endorsed by Parliament (i.e. is "excessive").

The council tax referendum threshold principles for 2018/19 will not be confirmed until later in the year however based on early announcements the levels for district councils are expected to be set at the higher of 2% or £5 for a Band D equivalent property.

The level of council tax income generated by the Council is principally affected by two factors; the level of council tax charge and the council tax base.

2.4.1 Proposed Council Tax Charge

Given the funding pressures the Council faces and the council tax freezes applied over the 5 year period to 2016 t is proposed that, subject to referendum thresholds, a £5 council tax increase (2.26%) be applied for a Band D property for each of the three years up to 2021. This will generate additional income of approximately £192k per annum.

Table 4 below shows the resultant Scarborough Borough Council element of the council tax levy by band if levels are increased by the proposed amount.

Table 4 – Council Tax levy per band

Band	2017/18	2.26% Increase			
	£	2018/19 £	Increase £	2019/20 £	2020/21 £
A	147.54	150.87	3.33	154.21	157.54
B	172.13	176.02	3.89	179.91	183.80
C	196.72	201.16	4.44	205.61	210.05
D	**221.31**	**226.31**	**5.00**	**231.31**	**236.31**
E	270.49	276.6	6.11	282.71	288.82
F	319.67	326.89	7.22	334.11	341.34

G	368.85	377.18	8.33	385.52	393.85
H	442.62	452.62	10.00	462.62	472.62

2.4.2 **Increase in Council Tax Base and Collection Fund Surplus**

Each year the Council calculates its tax base based on the number of properties listed on the council tax system. This calculation takes into account chargeable properties, discounts, and exemptions listed in the system as well as projected changes for the following year.

The Council's budget projections assume that the tax base will rise by 1% per annum; which is in line with the increases achieved in recent years. This level of increase will generate approximately £80k in 2018/19.

The final tax base for 2018/19 has not yet been calculated however, based on figures at the end August, the 1% projection built into budget appears reasonable.

In addition to the increase in the Council Tax Base the Collection Fund projections at the end August showed that the fund will also hold a surplus at the end of 2017/18, which will be available for distribution in 2018/19. The Council's share of this surplus will be at least £135k and this has been taken as a contribution towards the revenue budget shortfall in 2018/19.

If the tax base increase or collection fund surplus for the 2018/19 year is higher than anticipated the additional funding will be earmarked for investment in the Council's regeneration of transformation programme in 2018/19 as well as being factored into future year funding projections.

2.5 CORE GOVERNMENT FUNDING

2.5.1 **Sources of Core Government Funding**

The Council's core government funding streams comprise revenue support grant, a share of retained business rates income, new homes bonus and rural service and transitional grant. Table 5 below sets out the projected levels of these core funding sources up to 2020/21 and shows that annual net funding is expected to reduce by £2.17m over the period.

Table 5 – Anticipated government funding reductions

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	TOTAL £'000
Revenue Support Grant Rural Services and Transitional Grant	1,231 18	672 13	49 16	-	
Funding sources covered by the Multi-Year Funding Offer	1,249	685	65	-	
Retained Business Rates – baseline	4,000	4,120			

			4,243	4,251	
Retained Business Rates - growth	770	770	770	300	
New Homes Bonus	1,112	698	667	410	
TOTAL GOVERNMENT FUNDING	**7,131**	**6,273**	**5,745**	**4,961**	
Net Government Funding Reduction		858	528	784	2,170

2.5.2 **Multi Year Funding Offer**

In December 2015 the Government announced the provisional finance settlement for 2016/17, alongside an indicative multi-year settlement offer for the years up to and including 2020. The government indicated that the settlement figures would be fixed for those authorities that chose to accept them and published an efficiency plan. This council made the decision to accept the offer, and the Efficiency Plan (2017 to 2020) was approved by Cabinet in September 2016.

The funding streams covered by the multi-year settlement offer comprise Revenue Support Grant (RSG), Rural Services Delivery Grant (RSDG) and Transitional Grant and the levels of the funding streams over the multi-year settlement offer period are show in table 6 below.

Table 6 – Multi-Year Settlement Offer Funding Streams

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Revenue Support Grant	2,129	1,231	672	49
RSDG / Transitional Grant	23	18	13	16
TOTAL FUNDING	**2,152**	**1,249**	**685**	**65**
In year reduction		903	564	620
Total reduction				2,087

The table shows that these sources of funding will reduce by £2.087 million over the period 2016 to 2020. The projections for the funding sources covered by the multi-year offer are based on the indicative figures provided in the 2016/17 provisional settlement. As the Council accepted the Government's funding offer it is considered unlikely that these figures will change.

2.5.3 **Retained Business Rates – baseline funding to 2020**

In addition to the funding streams contained within the multi-year offer the Council also retains a share of business rates income.

The current localised business rates scheme came into effect on 1 April 2013 and at that time represented a fundamental change in local government funding policy. Prior to its introduction all business rates income was paid over to central government. The income was pooled nationally and was then redistributed back to councils in the form of revenue support grant, based on the government's assessment of each authority's deemed funding need.

Under the current scheme business rates income is split equally into a local and central share. The central share is paid to central government and continues to be redistributed to councils in the form of revenue support and other grants, and the local share is retained by local authorities. A tariff and top-up mechanism exists within the system to balance an authority's target local share of annually retained business rates income with the amount of funding the government deems it needs to fund its services (its funding baseline). Where an authority's target retained share of business rates exceeds their deemed funding need a tariff is payable back to Central Government and where an authority's retained share is less than its deemed funding need a top-up payment is received. This council is a tariff paying authority.

The business rates funding baseline is determined within the Local Government Finance Settlement. When the retained business rates scheme was introduced the government confirmed that funding baselines would not be reset until at least 2020. Historically business rate multipliers and baselines have been increased by RPI each year, however the budget announcements made in November 2017 confirmed that from 1 April 2018 they will be inflated by CPI.

The Council's budget projections assume that business rates funding baseline will increase by 3% in both 2018/19 and 2019/20 (being the CPI rate in Sept 17).

2.5.4 **Retained Business Rates post 2020**

In the 2015 Autumn Statement the Government announced that by 2020 local authorities will retain 100% business rates income under the Business Rates Retention scheme (as opposed to the current 50%), and alongside the 2016/17 Local Government Finance Settlement announced the Fair Funding Review.

The Fair Funding review will assess how much funding each authority is deemed to need; taking into account factors such as population, demographics, deprivation, sparsity, rurality and ability to generate Council Tax revenue. The last funding needs assessment was carried out in 2013/14, however was largely focussed on updating the data used in the assessment rather than revising the areas included within the calculation. The needs formula has not been thoroughly reviewed for over a decade and is now considered to be outdated.

The outcome of the Fair Funding Review will establish the Council's baseline level of retained business rates income under the 100% Rates Retention Scheme therefore is an extremely important determining factor in the levels of funding post 2020. A Fair Funding Review: Call for evidence paper was published in 2016 and asked for feedback and suggestions for areas to be considered within the revised needs assessment.

The Government has recognised in recent years that additional costs are associated with service delivery in rural areas and has introduced rural services grant funding to compensate authorities for these additional costs. These additional costs will likely be factored into the updated needs assessment. Worryingly, the sparsity weightings used to calculate historic rural grant allocations have meant that, despite the Borough containing large expanses of rural areas, the Council's share of the rural services grant funding is negligible (£16k in 2017/18). The Council therefore made representations to try to address this shortcoming as part of the review of the needs assessment.

Being a coastal resort the Council is also affected by additional cost pressures arising from tourism visitors (e.g. higher street cleansing costs) and coast protection schemes. This was also factored into the Council's response to the Call for Evidence paper in the hope that these areas will be considered in the revised assessment.

The Government has recently confirmed that the Fair Funding Review will be implemented in 2020/21. Financial projections show that by that time the Council's baseline funding need will be in the region of £4.2m. The projections built into the Council's Medium Term Financial Plan assume that the assessed baseline need will not change dramatically as a result of the Fair Funding Review, however there is a significant risk that this figure could vary substantially. A consultation paper on the Review is expected imminently.

2.5.5 **Retained Business Rates - growth**

Within the current system local authorities that successfully increase business rates income and exceed their target funding baseline keep up to 50% of the growth, with tariff paying authorities becoming liable to pay a levy of up to 50% on that growth. The money raised from this levy is used to fund a safety net system, which protects councils that see significant reductions in their business rates income and do not achieve their funding baseline in any one year.

Table 7 below sets out Scarborough Borough Council's anticipated share of business rate income for 2017/18 compared to the business rate baseline.

	£'000
Projected Net Yield from Business Rates in 2017/18	35,791
Scarborough Borough Council Share (40%)	14,316
Anticipated grant to cover the Borough Council's share of the cost of government initiatives	1,182
Borough Council Tariff (payable to Central Government)	(9,876)
Retained Business Rates	**5,622**
Business Rate Baseline (per the LGFS)	(4,003)
Surplus Business Rates	**1,619**
50% levy	(809)
Anticipated Retained Growth in Business Rates Income	**809**

The table will be updated for 2018/19 once figures are available. After accounting for the 50% levy, the Council's share of retained business rates in 2017/18 is projected to be £809k higher than the business rates baseline.

£770k of this additional funding has been committed to provide baseline funding to balance the revenue budget and the remainder (£39k) has been set aside as a contingency to mitigate the risks and uncertainties arising from the national business rates revaluation, which came into effect on 1 April 2017.

Any additional surpluses that arise in 2018/19 will be earmarked for priority capital schemes or investment in the Council's regeneration or transformation programme.

The Council's Retained Business Rates funding projections for the years up to 2019/20 are based on the current 50% Business Rates Retention scheme and the Government's assessment of the Council's deemed funding need and business rate baselines.

In 2020/21 it is expected that the 100% Business Rates Retention Scheme will be introduced. At this point business rate and funding baseline figures will be reset therefore it is anticipated that the Council's share of business rates growth will reduce.

2.5.6 **Business Rates Pooling – North Yorkshire Business Rates Pool**

In 2014/15 the Council entered into a business rate pool with North Yorkshire County Council, Ryedale District Council, Craven District Council, Hambleton District Council and Richmondshire District Council. The Borough Council is the lead authority for the pool.

Under the pooling regime authorities within a pool are treated as a single authority for the purposes of the localised Business Rates Retention scheme.

Individually each District Council would be required to pay a 50% levy on their share of growth in business rates income. The major advantage of creating the North Yorkshire Business Rates Pool under the current Rates Retention Scheme is that the overall pool levy is reduced to nil when each of the authorities are treated collectively as a single authority. The levies saved through the pooling arrangements are distributed back to pool members through a pool dividend.

The key aim of the North Yorkshire pool is that no participant will receive less funding than if they had not pooled. The first call on any net pool surplus will be to put each authority in the position it would have been in had the pool not existed. Any residual surplus will be distributed as follows:

- 20%, upto a maximum of £250k, will be allocated to an economic development fund which will be administered by the Chief Executives and Leaders of the pool authorities as a function of an established subgroup of the NYLEP.

Any remaining pool dividend will be distributed as follows:

- 30% to NYCC
- 35% to districts in proportion to their growth above DCLG baselines
- 35% to districts in proportion to their funding targets

The Council's projected dividend for 2017/18 is £540k, however this is predicated upon each authority within the pool achieving their business rates targets. Historically the outturn position for business rates has been significantly lower than original projections due to higher than expected levels of business rate appeals.

The revenue budget does not recognise the potential receipt of any pool dividends due to the uncertainties relating to the business rates revaluation and the settlement of business rate appeals across the pool. Any dividends received for the 2017/18 year and beyond will be earmarked for investment in priority capital schemes or the Council's regeneration or transformation programme.

2.5.7 **Business Rates Pooling – 100% Rates Retention Scheme Pilot Application**

In September 2017 the government published an invitation document offering all local authorities in England the opportunity to apply to pilot the 100% Business Rates Retention scheme, which is expected to come into effect in 2020/21. The pilot will take place in the 2018/19 year and will expand on 5 existing pilots, which are already in place and will continue in 2018/19.

The pilots will be used to help the government design the national system of business rates retention and test more technical aspects of the system, such as tier splits in two-tier areas; which are not currently covered by the existing pilots.

Under the pilots authorities will be expected to forego Revenue Support Grant and Rural Services Delivery Grant, however these income streams will be adjusted for within business rate baselines therefore authorities will be no worse off. A tariff and top-up mechanism will continue to exist to balance an authority or pool's target local share of retained business rates income with the amount of funding the government deems it needs to fund its services.

Under the current Rates Retention scheme 50% of business rates income is paid to Central Government; meaning that any above-baseline growth is shared equally between central and local government. The 100% pilot scheme will allow local authorities to retain this growth in its entirety.

The Council has submitted a pilot application with all members of the existing North Yorkshire Pool, plus Selby and East Riding. The financial appraisal for the application was based on the 2017/18 Non Domestic Rates Returns

(NNDR1) that each billing authority completed in January 2017 and shows a financial benefit of £10m for the region if the application is successful.

The application stated that pool members should be no worse off as a result of participating in the pilot and that 50% of any financial benefit would be transferred to a strategic investment pot to take forward initiatives to improve broadband in rural areas and increase housing delivery across the Pool area. The remainder would be distributed to authorities in line with their business rates growth. East Riding are the main beneficiaries from this distribution; with Scarborough projected to receive in the region of £240k in addition to the dividend from the North Yorkshire Pool. Scarborough would continue to be the lead authority for the pool.

It is anticipated that decisions about successful pilots will be announced in December.

2.5.8 **New Homes Bonus**

In February 2011 the government published the proposals for New Homes Bonus (NHB); a scheme that was designed to incentivise local authorities to increase housing supply by rewarding them with a 6-year grant for each new house created within the area.

In its Spending Review and Autumn Statement 2015 the Government announced that it aimed to reduce NHB funding nationally by £800m over the Spending Review period and redirect those resources to adult social care. A technical consultation paper on the proposed changes to the distribution method was issued alongside the provisional settlement in December 2015, and the final proposals were announced alongside the 2016 provisional settlement.

The revised proposals determined that the period of grant allocations would be reduced from six to five years in 2017/18 then to four years in 2018/19, and that future payments would only be made for housing delivery above an annually determined national baseline figure. This baseline was set at 0.4% in 2017/18.

The NHB figures built into the Council's funding projections take into account the reduction of funding allocations from five to four years and the figures for 2017/18 are based on the tax base figures as at August 2017. The figures assume that the baseline figure applied in the calculations will remain at 0.4%, although this is currently out to consultation and will not be confirmed until later in the year when the provisional settlement figures are announced.

2.6 FUNDING FROM ONE OFF RESOURCES AND RESERVES

Each year the Council aims to set a balanced budget without the need to rely on the use of one off funding or reserves. Where one off funding is used to balance the budget it increases the funding gap for the following year.

In 2016/17 the Council's budget relied on a £500k contribution from the General Fund balance and factored in the use of one off Collection Fund surpluses. Similarly the 2018/19 budget factors in the use of £135k Collection Fund surplus, which increase the funding gap in 2019/20.

3.0 STRATEGY FOR ADDRESSING THE FUNDING GAP

The budget strategy for addressing the funding gap will continue to build on the themes of the existing Efficiency Plan, which is attached at Appendix K. The core themes can be summarised as follows:

- Transformational efficiencies and commercialisation;
- Investment to support economic growth;
- Strategic review of the Council's role in the delivery of services and use of assets; and
- Planned use of reserves and Investment Fund

Each of these areas are dealt with in turn in the sections below.

3.1 TRANSFORMATIONAL EFFICIENCIES AND COMMERCIALISATION

Several years ago it was acknowledged that the historic 'salami slicing' approach to budgeting, which applied the same % savings targets across all service areas, was not a sustainable long term strategy for the Council. Although this approach ceased it was not replaced with an alternative, consistent strategy for the identification of savings therefore what resulted was an annual, piecemeal approach to budgeting.

To alleviate this issue the Council established a Transformation Working Group, which aimed to challenge existing working practices and put new processes and systems in place to create future efficiencies. It was always intended that the transformation programme would form the cornerstone of the Council's budget savings agenda.

The Transformation Working Group is led by the Council's Chief Executive and, alongside a project lead officer, includes Services Unit Manager representatives from finance, audit, human resources, customer services, commercialisation and IT. A Transformation Board consisting of officers and members oversees the work of the group.

A number of business analysts have been seconded from service areas within the Council to assist the Transformation Working Group and undertake service reviews.

The overarching themes of the transformation programme are as follows:

- **Digitalisation** (to reduce the costs and administration associated with paper storage);
- **Customer self-service** (by offering easy to use, 24 hour access to online information and request forms for those customers that wish to use them);

- **End to end paperless solutions** (ensuring that online customer requests seamlessly integrate with back office systems to avoid the re-keying of information);
- **Single Truth databases** (to stop duplicate, contradictory information being maintained across the Council);
- **Improved Customer Service** (by keeping customers informed when they request information or services from the Council and make more services available online);
- **Commercialisation and Joint Working** (to determine whether service areas could increase existing income sources or sell their services to external customers)

As the internal transformation review approach was a new concept to all those involved it was acknowledged that it would take some time for the programme to develop, and that the ways in which reviews were delivered would evolve. The outcomes from early reviews have been critically assessed and the Transformation Team have now introduced a standardised approach which builds on best practice and will be adopted for future reviews.

The new standardised review approach incorporates the following stages:

Pre Review: The pre-review stage is largely consultative and involves affected staff being notified of the imminent commencement of the review.

Scoping and Objective Setting: Business Analysts gathers relevant data from the service area and the transformation team use that information to set out the proposed scope of a review. This initial scoping exercise is expected to be completed in 4-6 weeks and should identify the transformational benefits that could potentially be delivered if a full review is progressed. The proposed review scope is approved by DT and at that point a decision may be made not to pursue the review any further. The introduction of this stage means that the project's limited resources are not tied up with reviews that will deliver minimal benefits.

Review: The review stage will involve more detailed analysis of business processes within a service area and more extensive data gathering. The approved review scope will give focused direction for the review work and the review will culminate in the production of a fully detailed report on the findings, recommendations and potential outcomes.

Implementation: A business case will be pulled together to take forward the actions identified from the review. If the business case is approved an implementation project team will be established to take the review recommendations forward.

The new review format provides the benefit of giving Business Analysts clear timescales to complete work and a clear focus and direction for reviews. In turn the introduction of defined timescales has allowed a 3-year Transformation Review Programme to be established; which links with the 2018 – 2021 budget strategy and savings proposals. Standard action plans, which will be utilised during the review and implementation stages, will feed into the overall transformation programme so that resources can be managed and programme slippages can be identified.

Every service area across the Council has now been categorised into a high, medium or low priority for transformation review purposes and all reviews identified as high or medium priority have been incorporated in the 3-year programme.

Like many other local authorities the Council is keen to purse commercial opportunities to alleviate budget pressures, rather than relying purely on cuts in service or expenditure. To facilitate this the Council has recently employed a Commercial Director and a Commercial Manager.

There are significant overlaps between the transformation and commercialisation agenda therefore all commercialisation work streams will feed through the Transformation Programme to ensure that they are managed via one overarching, high level process. This will also ensure that commercialisation projects follow the same governance structure as transformation projects and that the corporate resources needed to deliver projects are aligned.

From 2018/19 onwards all budgetary savings will be managed via the transformation process and will be overseen by the Transformation Board.

3.2 INVESTMENT TO SUPPORT ECONOMIC GROWTH AND THE STRATEGIC REVIEW OF THE COUNCIL'S ROLE IN THE DELIVERY AND USE OF ASSETS

The Council will continue to prioritise and invest in economic growth and this will play an integral part in the Council's budget strategy going forward. This in turn should deliver significant financial benefits for the Borough in terms of retained business rates income and job creation.

It is proposed that any business rate growth over and above that already built into the base revenue budget will be earmarked to provide investment in the Council's regeneration or transformation programme. This will assist the Council in delivering its key transformational and economic growth aspirations.

One of the commercial themes within the Council's budget strategy is the proposal to invest in assets to generate a revenue return. This investment may be in the form of improvement sums to redevelop assets already in the Council's ownership or the purchase of new assets to expand the Council's existing property portfolio.

This commercial work stream will be complemented by a transformation review of the Council's estates service, which has recently commenced.

3.3 PLANNED USE OF RESERVES

The Council's Medium Term Financial Plan projections assume that £0.5m will be drawn from reserves over the period to 2021. This £0.5m will be used to balance the revenue budget and provide additional time for savings to be delivered.

This £0.5m will be funded from one-off budgetary underspends anticipated in the 2017/18 financial year.

4.0 PROPOSED SAVINGS OPTIONS

The proposed savings for the 2018/19 year are attached at Appendix A3. Indicative savings proposals for 2019/20 and 2020/21 are attached at Appendices A3.1 and A3.2, although these are still being developed and may be subject to change.

5.0 STAFFING IMPLICATIONS

The Council has recognised that to achieve efficiency savings that minimise the impact on the delivery of front line services there will be a need to reduce staffing numbers, which will inevitably result in redundancies.

Where possible, all employees that could be directly affected by the changes will be notified prior to this report being published. Any savings proposals affecting staff will be closely managed and consultation will take place with all Trade Unions. The Council has a strong commitment to try and minimise the impact on staff and number of compulsory redundancies by utilising natural wastage and providing some training for staff to support this.

6.0 SUMMARY OF THE BUDGET POSITION

Table 8 summarises the net budgetary position as detailed in this report.

Table 8 – Summary of Budget Position

	Report Table Reference	2018/19 £'000	2019/20 £'000	2020/21 £'000
Funding Gap	Table 1	2,122	1,347	1,322
Contributions from Reserves	Table 5	-	(200)	(300)
Add back use of one-off reserves in 2019/20				200
Savings	Append A3	(2,122)	(1,101)	(1,224)
Shortfall		**-**	**46**	**(2)**

The above budgetary position assumes that all savings included within the Medium Term Financial Plan are delivered, including the transformation and commercialisation savings.

It should be noted that a large proportion of the savings have not yet undergone a detailed assessment as the transformation reviews have not yet commenced. This position will be reviewed and updated as the transformation reviews and scoping exercises take place and the budgetary position will be governed and overseen by the Transformation Team and Board.

The figures above show that, if the transformation programme delivers the currently projected level of savings the Council will be able to deliver a 3 year budget covering to period up to 2021.

In order to set a balanced budget for 2018/19 there is a requirement to approve all of the savings proposals identified within Appendix A3 of this report. Where savings are not deemed to be acceptable alternative savings of an equivalent value will need to be identified.

7.0 ASSESSMENT

Central Government have provided provisional grant settlement figures for the four year parliamentary period to 2019/20 and, although the principle of a four-year settlement is welcomed and will aid the Council's longer term financial planning, the level of the funding cuts proposed are extensive and show that in cash terms the Council's core annual funding from central government in 2019/20 will be £8.264m (66%) less than the funding received in 2010/11. These funding cuts are exacerbated by the Council's decision to aid its tax payers by freezing Council Tax levels between the periods from 2010/11 to 2015/2016 and forego the associated ongoing revenue streams that Council Tax increases could have secured.

The extent of the Council's budget shortfall each year is not only dependent on cuts in funding, but also by the level of growth required in the revenue budget. Unavoidable cost and inflationary pressures continue to put strain on the Council's budget position. As funding sources reduce, and budgets get tighter, it will become increasingly important to restrict growth in budgets and be mindful that any growth allowed in budget will need to be funded from corresponding cuts in other service areas.

Over the financial years 2010/11 to 2017/18 ongoing savings of circa £17m have had to be made from the Council's annual revenue budget. As staffing resources reduce and savings become harder to identify it is becoming apparent that the length of time needed to deliver savings is increasing.

Like many other local authorities the Council is also keen to pursue commercial opportunities, which can generate financial returns to support the revenue budget, rather than relying purely on cuts in service or expenditure. It is acknowledged that this approach may require a longer planning period and lead in time to deliver the required financial returns and with that in mind the Council has moved towards a 3-year budget setting programme. The budget strategy for the period from 2018/19 to 2020/21 continues to build upon the success of the existing Financial Strategy, which is now clearly embedded throughout the Council.

As resources become tighter it becomes even more important to ensure that the budgets approved in a year are robust and achievable. Directors and Service Unit Managers receive a high level of support from the finance team however it is acknowledged corporately that the responsibility for setting, monitoring and controlling budgets must lie with the managers and directors responsible for running the services. Directors will be asked to sign off the savings included within this report for the 2018/19 year to confirm that they believe them to be deliverable and both Service Unit Managers and Directors will be required to sign off the final budget figures for their service areas.

APPENDIX A1

BUDGET PRESSURES

		2018/19 £'000	2019/20 £'000	2020/21 £'000
Benefits and Localised Support for Council Tax Administration Subsidy	The Council receives an annual subsidy for Housing Benefit and Local Support for Council Tax Administration. In 2017/18 the grant allocation totalled £630k; £173k of the subsidy was for administering the Localised Support for Council Tax (LSCT) Scheme and £457k was for administering the Housing Benefit Scheme. In similar vein to recent years the Council is anticipating a reduction in the amounts of funding for these activities over the next 3 years. The funding announcements for the grants are made on an annual basis and the details of the 2018/19 grant will not be made available until later in the year.	30	30	30
Business Rates revaluation	The amounts of business rates payable on commercial properties are periodically revalued nationally to take into account variations in market rents across the country. A new ratings list came into effect on 1 April 2017 and resulted in increases of approximately £0.5m over the period to 2021. This increase is partially mitigated in the earlier years through transitional relief. Where appropriate business rate appeals will be submitted to try to reduce the cost of the Council's overall business rates bill.	130	185	110
Removal of credit card surcharge	In 2016/17 the Council introduced a 1.5% credit card surcharge to pass the cost of processing credit card transactions on to customers. New regulations, which come into effect in January 2018, remove the ability to make these surcharges therefore they will be removed prior to that date and the Council will need to fund the cost of these transactions in their entirety.	17	-	-
Loss of commuted sum baseline funding	A housing development at Crab Lane, Crossgates resulted in the creation of a large area of public open space within the vicinity. The maintenance of this space has been undertaken by the SBC Parks service and a commuted sum was received from the developer to support this ongoing maintenance over a ten year period. This commuted sum ends in 2019/20.	-	10	-
TOTAL		**177**	**225**	**140**

APPENDIX A2.1

MEETING PRIORITIES – BASE BUDGET GROWTH

BID	DETAILS	2018/19 £'000	2019/20 £'000	2020/21 £'000
Increase in revenue contributions to fund capital expenditure and borrowing costs	The council must increase its annual contributions into the Capital Development Reserve to make provision for future projected capital expenditure and borrowing costs, particularly in respect of vehicle replacements, asset management and coast protection works.	86	109	53
Street trading income	Changes to the Council's street trading laws, and tighter controls over the allocation of space to street traders, has resulted in a reduction in income from these activities.	28	-	-
Open Air Theatre Security	Provision of additional security at Open Air Theatre shows following recent terror attacks.	15	-	-
Contingency	Budget contingency to fund unknown costs / budget pressures / one off priority expenditure	48	100	200
Enhanced grass cutting	This budget will fund enhanced grass cutting across the Borough for a 1 year period only. During 2018/19 consultation will take place with Parish and Town Councils to review future provision.	70	-	-
TOTAL		**247**	**209**	**253**

EFFICIENCY AND OTHER SAVINGS PROPOSALS 2018/19

DESCRIPTION	WORKING GROUP	SERVICE AREA	Total	High Risk	Medium Risk	Low Risk	Comment
Review of Minimum Revenue Provision (internal loan repayments)		Corporate	66,236			66,236	Savings arising from the repayment of outstanding internal borrowing
Extension of payback period on internal borrowing		Corporate	45,000			45,000	Extension of all internal borrowing repayments to 40 years
Invest to Save scheme repayments		Corporate	17,045			17,045	Savings following full repayment of prior year Invest to Save investments
Contingency budget savings from 2016/17 and 2017/18		Corporate	254,982			254,982	Contingency budgets of £200k p.a were established in the 2016/17 and 2017/18 budget to fund the cost of inflationary cost pressures and to fund one-off areas of spend. This saving reflects the amounts that are not deemed likely to be needed
Budget used to fund one-off costs in 2017/18		Corporate	150,000			150,000	£150k was earmarked in the 2017/18 budget to fund one-off areas of expenditure. This budget will not be required in future years therefore can be taken as a saving
Grant funding for the administration of the Localised Support for Council Tax		Corporate	58,316			58,316	Since the introduction of the Localised Support for Council Tax (LSCT) scheme the Council has received one-off annual funding to cover the costs of a number of new burdens that passed to the Council (additional recovery costs, postage etc.). It was uncertain whether this funding would continue on a longer term basis however late funding announcements made in 2017/18 confirmed that it would be rolled into the admin grant payable for administering the LSCT scheme
Contributions to the Investment Fund Reserve		Corporate	42,000			42,000	The Council received confirmation of a number of sources of additional grant funding late in the 2016/17 budget setting process. This funding was utilised in 2016/17 and 2017/18 to provide one-off contributions to the Investment Fund. The additional contributions will not be required in future years

EFFICIENCY AND OTHER SAVINGS PROPOSALS 2018/19

DESCRIPTION	WORKING GROUP	SERVICE AREA	Total	High Risk	Medium Risk	Low Risk	Comment
							therefore can be taken as a saving
Funding of one-off capital expenditure in 2017/18		Corporate	258,031			258,031	The 2017/18 budget provided base budget growth to fund one-off capital expenditure. As this expenditure will not be incurred in future years the amount can be taken as a budget saving
Changes in homelessness funding covered by housing benefit subsidy		Corporate	78,000			78,000	The 2016 Financial Strategy provided budgetary growth for the potential loss of Housing Benefit subsidy income paid on temporary leased accommodation. At the time the announcements were made it was uncertain whether local authorities would be reimbursed for this loss of income, however recent funding announcements have confirmed that the Council will receive grant funding to compensate for the loss of income
Transformation savings		Corporate	-119,542			-119,542	The 2017/18 budget included a transformation savings target of £119,542. At the time of writing the 2017 Financial Strategy these savings had not been identified. The savings identified to cover this target are identified separately within this list
GIS Staffing saving	Transformation	Depot	17,500			17,500	The post holder responsible for the Council's GIS duties has recently left the authority. The Depot transformation review has freed up resource, enabling some of the GIS workload to be absorbed within existing resources.
Trade Waste income	Transformation	Commercial Waste	100,000			100,000	Additional commercial waste and holiday let income resulting from the transformation review of the service. The majority of this saving is already being achieved in the current financial year

EFFICIENCY AND OTHER SAVINGS PROPOSALS 2018/19

DESCRIPTION	WORKING GROUP	SERVICE AREA	Total	High Risk	Medium Risk	Low Risk	Comment
Rounds Review	Transformation	Refuse and Recycling	70,000	70,000			The Council has procured an external consultant to undertake a rounds review. It is hoped that the review will identify savings in the form of improved vehicle utilisation and more efficient garden waste and refuse collection collections. The outcome of the review is still awaited therefore there is a risk that this saving will not materialise.
Public Conveniences Review	Public Convenience Working Group	Public Conveniences	100,000		60,000	40,000	£40k of this saving has already been identified from Phase 1 of the programme (i.e. transfer of pub cons to Whitby Town Council). Phase 2 of the review proposes closures of some facilities and roll out of pay on entry facilities.
Remaining budget saving from the removal of the vacant conservation officer post		Planning	15,864			15,864	This saving is the full year effect of a saving originally put forward in 2017/18. The work of the conservation officer has been absorbed within existing resources
Outsourcing of Leisure Facilities and removal of Partial Exemption VAT contingency budget	Leisure Village	Leisure Services	100,000			100,000	Net saving from outsourcing of indoor leisure following completion of Leisure Village (after adjusting for upfront costs in early years of the operating contract)
Restructure of Tourist Information Centres		Tourism	9,000			9,000	Year 2 effect of closure of the Council's TIC sites, rental of buildings and refocus of resources. This proposal has already been approved by Members - report reference 15/336 (December 2015).
Increased financial return from outdoor leisure sites		Outdoor Leisure	24,296			24,296	Reductions in outdoor leisure staffing costs. The savings are already being achieved in the current financial year
Reductions in voluntary sector grants		Grants	3,000			3,000	Voluntary sector grants are being phased out over a 3 year period. These grant reductions were approved in 16/17 and grant recipients have been notified
Upgrade cameras to Wifi and cancel BT line contract (upfront £15k		CCTV	5,000			5,000	These upgrades are in progress

EFFICIENCY AND OTHER SAVINGS PROPOSALS 2018/19

DESCRIPTION	WORKING GROUP	SERVICE AREA	Total	High Risk	Medium Risk	Low Risk	Comment
funded from Investment Fund)							
Additional net income from crematorium	Transformation	Crematorium	18,500			18,500	Additional income opportunities identified via the transformation review of the crematorium, net of increased staffing costs.
Upfront payment of pension fund contributions		Corporate	90,000			90,000	Reductions in annual pension fund contributions following the decision to pay 3 year's contributions upfront.
Additional income in Print Plus	Transformation	Print Plus	20,000	20,000			Net income opportunities identified via the transformation review of the service.
E-billing: Business Rates	Transformation	Local Taxation	0				E-billing for business rates will be rolled out as part of the 2018/19 annual billing process. It is anticipated that the project will be cost neutral in the first year, however savings should be delivered in future years as take up increases and e-billing for Council Tax bills is rolled out.
Reductions in contributions to the Pension Reserve		Corporate	100,000			100,000	Reductions in the annual contributions to the Pension Reserve
Reductions in contributions to the Insurance Reserve		Corporate	50,000			50,000	Reductions in the annual contributions to the Insurance Reserve
External income from cash collections		Cash Collections	4,000			4,000	Generation of external income from cash collections
Car Parking income		Car Parking	150,000	150,000			Based on income taken to date in current financial year plus tariff adjustments that will come into effect in March 18. The tariff changes have been endorsed by the Council's car parking working group but are still subject to member approval
Estates and Asset Management	Transformation	Estates and Asset Management	50,000	50,000			Data cleansing of asset register and rental streams and review of service charge process

APPENDIX A3

EFFICIENCY AND OTHER SAVINGS PROPOSALS 2018/19

DESCRIPTION	WORKING GROUP	SERVICE AREA	Total	High Risk	Medium Risk	Low Risk	Comment
Income from Filey Brigg / Scalby Manor		Outdoor Leisure	15,500		7,750	7,750	Increased income from caravan sites
Increase in income from Peasholm Kiosk being brought back in-house		Outdoor Leisure	34,500		34,500		Peasholm Kiosk is being rebuilt and brought back-in house for the 2018 season
Review of postage	Transformation	Postage	1,000			1,000	Reduction in the numbers of benefit documents returned to customers by post.
Transformation reviews	Transformation	Unidentified	59,000	59,000			Additional savings from ongoing transformation reviews including further work to enhance income generating opportunities at Scarborough Crematorium
Planning income		Planning	80,000	80,000			Additional income generated within the planning service due to an upturn in planning applications
Business rates on Falsgrave CRC and Filey Evron Centre		Estates	20,000		20,000		SBC have historically paid the rates on behalf of tenants at these sites. New leases will make tenants liable (many will get SBRR), however responsibility will revert to SBC for any vacant periods.
Utilities / Street Lighting / SALIX		Corporate	34,894			34,894	Base budget savings derived from energy efficiency schemes delivered in recent years.
Savings on recycling contract		Refuse and Recycling	70,000			70,000	Reductions in the processing costs of recyclate following annual price negotiations
Staffing efficiencies and additional grant funding within the Housing Benefits service		Housing Benefits	30,000	30,000			Staffing efficiencies are already being delivered and will not impact on service delivery.
TOTAL			**2,122,122**	**459,000**	**122,250**	**1,540,872**	

EFFICIENCY AND OTHER SAVINGS PROPOSALS 2019/20

DESCRIPTION	WORKING GROUP	SERVICE AREA	Total	High Risk	Medium Risk	Low Risk	Comment
Public Conveniences Review	Pub Cons Working Group	Street Scene	100,000	100,000			Phase 3 of the review of public convenience provision across the Borough.
Invest to Save scheme repayments		Corporate	24,000			24,000	Savings following full repayment of prior year Invest to Save investments
Reductions in voluntary sector grants		Grants	3,000			3,000	Voluntary sector grants are being phased out over a 3 year period. These grant reductions were approved in 16/17 and grant recipients have been notified
Savings on Leisure Operator Contract	Leisure Village		220,000			220,000	Additional net saving from outsourcing of indoor leisure following completion of Leisure Village (after adjusting for upfront costs in early years of the operating contract)
E-billing - further rollout	Transformation		5,000	5,000			Rollout of e-billing to cover NNDR and Council Tax
Reductions in annual Service Level Agreement contributions to Scarborough Museums Trust		Museums	100,000	100,000			Saving still to be agreed / negotiated with the Trust
Utilities / Street Lighting		Estates	0				Replacement of concrete street lighting columns and subsequent transfer to NYCC will lead to savings in energy costs. Savings still to be quantified
Relocation of Manor Road to Dean Road and purchasing of plants	Manor Road working group		80,000		80,000		Net savings based on the ADAS (external consultant) report on the proposal. Final savings still to be quantified
Transformation and Commercialisation	Transformation	Various	318,500	318,500			Efficiencies and additional income identified through transformation reviews and commercialisation work. Savings target links to the 3 year transformation plan.
Commercialisation of asset portfolio	Transformation	Estates	250,000	250,000			The capital budget will factor in £5m investment for commercial assets, which will be expected to generate a 5% net ROI.

EFFICIENCY AND OTHER SAVINGS PROPOSALS 2019/20

Overall Total (excluding those where savings not known)			1,100,500	773,500	80,000	247,000	

APPENDIX A3.2

EFFICIENCY AND OTHER SAVINGS PROPOSALS 2020/21

RESPONSIBLE OFFICER / SERVICE	SERVICE AREA	Total	High Risk	Medium Risk	Low Risk	Comment
Corporate Finance	Leisure Village	150,000			150,000	Additional net saving from outsourcing of indoor leisure following completion of Leisure Village (after adjusting for upfront costs in early years of the operating contract)
Transformation	Transformation	723,500	723,500			Efficiencies and additional income identified through transformation reviews and commercialisation work. Savings target links to the 3 year transformation plan.
Commercial Director	Transformation	350,000	350,000			The capital budget will factor in a further £7m investment in commercial assets, which will be expected to deliver a net ROI of 5%
		1,223,500	**1,073,500**	**0**	**150,000**	

Risk Matrix

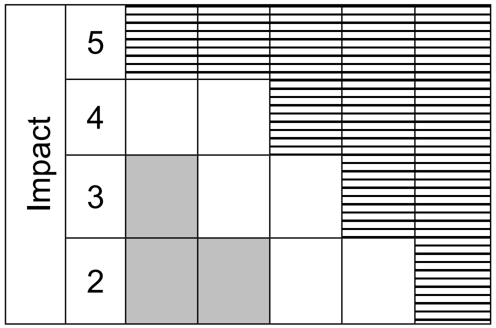
Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
1	Dec 17	That the Council does not set a robust budget	Potential overspends and unforeseen draws from reserves.	Review of savings proposals to ensure that they are achievable. Regular programme of budget monitoring responsibility for achieving savings allocated to Service Unit Managers or Transformation Working Group	B4	B4	Director's Team / Transformation Working Group	None
2	Dec 17	That the Council's medium to long term budget provision is not sustainable	Cuts in front facing and priority services	Strong Financial Strategy and embedding of a 5 year Medium Term Financial Plan which identifies savings targets at an early stage. Transformation Review Programme	D4	D4	Director's Team / Transformation Working Group	None
3	Dec 17	Transformation and Commercialisation savings not delivered	Potential overspends and unforeseen draws from reserves. Cuts in service	3 year transformation programme and resource plan linked to budget. Regular monitoring of savings via	C3	B3	Director of Business Support / Corporate Finance Manager	Embed budget monitoring at Transform

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
				Transformation Working Group and Board				ation Working Group level

Glossary of Terms

Risk	An event which may prevent the Council achieving its objectives
Consequences	The outcome if the risk materialised
Mitigation	The processes and procedures that are in place to reduce the risk
Current Risk Score	The likelihood and impact score with the current mitigation measures in place
Corporate Objectives	An assessment of the Corporate Objectives that are affected by the risk identified.
Target Risk Score	The likelihood and impact score that the Council is aiming to achieve
Service Unit Manager	The Service Unit or Officer responsible for managing the risk
Action Plan	The proposed actions to be implemented in order to reduce the risk to the target score

Risk Scoring



	1					
		A	B	C	D	E
		Likelihood				

Likelihood:
A = Very Low
B = Not Likely
C = Likely
D = Very Likely
E = Almost Certain

Impact
1 = Low
2 = Minor
3 = Medium
4 = Major
5=Disaster