

LIB DEM - Section 25 Report [BSR 2015/16, Section 10]

This budget amendment would not require any substantive changes to the existing Section 10 – Section 25 Report.

The amendment shifts the timing of the net savings target over the five-year planning period, reducing the total savings required by £93k. However, the following impacts of the proposals should be noted:-

- The returns from the £4m moved from investment in commercial property to intermediate housing are reduced by £50k p.a.
- Returns of £300k p.a. from 2017/18 are obtained from investing the £8m from the Invest for Income Fund in intermediate housing. The BSR does not include any income from investing this fund, as potential investments have not yet been identified.
- Assuming a minimum return of 5% p.a. on investments, the potential return from the £8m funding is reduced by £100k each year.

The intermediate housing proposal would therefore restrict the level of income earned by the council from £12m of funding and would reduce the overall sustainability of the budget.

It should also be noted that the proposed intermediate housing programme would be a large and complex programme with a number of dependencies. There are, therefore, significant levels of risk around the estimation of potential returns and the timing of their delivery. These risks would be mitigated, to a certain extent, by management review and challenge of the proposals.

I therefore consider, in relation the budget resulting from the application of this amendment, that the estimates for the financial year 2015/16 to be sufficiently robust and the financial reserves up to 31 March 2016 to be adequate.

Caroline Ryba
Head of Finance and S151 Officer

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