

	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s
Expenditure base budget	21,734	22,462	22,425	22,607
Inflation - Salaries (1%)	88	90	90	90
- Contracts	102	110	110	110
Total Inflationary Increases	190	200	200	200
Unavoidable budget pressures	739	195	195	195
Savings				
Savings Target	(201)	(432)	(213)	(191)
Total Expenditure	22,462	22,425	22,607	22,811
Income base budget	(11,548)	(11,977)	(11,910)	(11,905)
Inflation	0	0	0	0
Other Growth - see Unavoidable budget pressures	(429)	68	5	5
Total Income	(11,977)	(11,910)	(11,905)	(11,900)
Net cost of service	10,485	10,515	10,702	10,911
Funding Analysis - 25% Cut to Gov Funding				
Revenue Support Grant	(386)	(101)	0	0
Collection Fund (Surplus)/Deficit (Business Rates)	(207)			
Business Rates Smoothing Reserve				
Business Rates Retention Baseline	(1,754)	(1,811)	(1,657)	(1,704)
Business Rates forecast over baseline (inc. s.31 grant)	(1,995)	(2,059)	(2,125)	(700)
Renewable Energy Business Rates Retention	(135)	(139)	(144)	(149)
Levy	968	999	1,031	
Rural Services Delivery Grant	(483)	(372)	(483)	(483)
Transitional Grant	(43)			
New Homes Bonus	(1,845)	(1,845)	(1,845)	(1,845)
Surplus New Homes Bonus	(1,311)			
Appropriate Surplus New Homes Bonus to Earmarked Reserves	1,311			
Overall Central Government Funding	(5,881)	(5,328)	(5,223)	(4,880)
Council Tax				
Estimated Council Tax Base	39,046	39,514	39,988	40,468
Band D Council Tax	126.40	128.92	131.48	134.10
Council Tax Yield	(4,935)	(5,094)	(5,258)	(5,427)
	0.00%	1.99%	1.99%	1.99%
Collection Fund Surplus - Council Tax	(109)	(100)	(100)	(100)
Overall Funding Position	(10,926)	(10,522)	(10,581)	(10,407)
Revenue contribution to costs of waterloo car park				
Budget (Surplus)/Deficit	(441)	(6)	121	504

Appendix A2

Unavoidable Budget Pressures	2017/18	2018/19	2019/20	2020/21
Expenditure				
Increased contributions to GCC Pension Fund - Actuarial Valuation and projections	158,000	195,000	195,000	195,000
Ubico contract growth/inflation (pension fund increases/new properties) BEING Q UBICO	67,000			
New Business Rating List 2017	45,000			
Counter Fraud Unit	365,000			
Planning Officer TSO growth 2.2 FTEs	59,000			
Estimated increase in Electricity/Gas contract costs (up to 14%)	15,000			
Apprenticeship Levy 0.5% of pay bill April 2017 £15,000 offset against the levy	20,000			
CIL ICT system costs - funded from CIL Admin Income	10,000			
Total Expenditure Budget Pressures	739,000	195,000	195,000	195,000
Income				
Cuts to Local Council Tax Support Admin Grant	5,000	5,000	5,000	5,000
Counter Fraud Unit - 3rd Party Income / Existing budget	(285,000)	(8,000)	(8,000)	(8,000)
Counter Fraud Unit - DCLG Seed Funding	(40,000)	10,000	10,000	10,000
Counter Fraud Unit - Additional Income generated from counter fraud activities	(40,000)	(2,000)	(2,000)	(2,000)
Increase in Planning Fee income (to fund TSO staff growth above)	(59,000)			
Universal Credit potential impact upon HB Admin Subs		62,500		
CIL - Admin income - offsetting system costs	(10,000)			
Total Income Growth/Budget Pressures	(429,000)	67,500	5,000	5,000
TOTAL	310,000	262,500	200,000	200,000

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Appendix A3

Capital	17/18	18/19	19/20	20/21
	£000s	£000s	£000s	£000s
Capital Reserves				
Opening Balance of capital receipts and capital grants	(11,651)	(10,191)	(10,365)	(10,061)
Expenditure:				
PSHR Capital Grant	700	700	700	700
ICT Capital funding	150	150	150	150
Potential new car parks works [currently unapproved 17/18 onwards]	300	100	150	
Provision for financing of Ubico Ltd waste vehicles	949	156	381	1,410
2020 Vision capital contribution to programme	558	100		
Contribution to Rural Broadband scheme	500			
Carried forward budget for floodworks	200			
Potential new capital schemes				
Additional budget required for Planning digitalisation project	50			
IT System to enable the processing of CiL in Planning	30			
ABW - ongoing upgrades		15		15
Waste receptacles growth in properties and replacements	55	55	55	55
Replacement Leisure equipment				250
Replacement of Idox/Uniform system (ICT)			150	
Replacement and upgrade of Civica income mgt (ICT)			100	
Increase in ICT 'core' budget	50	50	50	50
Income:				
Capital Financed from Revenue	(250)	(250)	(250)	(250)
DFG Grant / Better Care Fund	(650)	(650)	(650)	(650)
Expected capital receipts from asset sales	(625)			
Right to Buy and other misc. capital receipts	(150)	(150)	(150)	(150)
Loan repayment from Ubico Ltd for waste vehicles	(407)	(450)	(382)	(422)
Estimated Closing Balance of Capital Receipts	(10,191)	(10,365)	(10,061)	(8,902)

Revenue Reserves				
	17/18	18/19	19/20	20/21
	£000s	£000s	£000s	£000s
Council Priorities Fund (and CPF allocations)				
Opening balance	(2,209)	(2,093)	(1,604)	(1,356)
Income				
Contribution from New Homes Bonus	(1,311)			
Expenditure				
Environmental Services - enhanced street cleansing	68	68	68	
Building Control (10% reduction in fees)	32	32	32	
Leisure and Cultural Services price freeze	42			
Local Plan/CIL Examination	250			
HLF - Bid for the corinimum Museum	50			
Alterations to Commercial space/Trinity Road	50			
Revenue contribution to 2020 Vision Programme	220	389	148	
Car Park redevelopment feasibility study	75			
Other CPF-funded projects	80			
Car Parking extension of free after 3 pm - Cabinet 16/2/17	100			
Waterloo Planning Application Preparation Costs - Cabinet 16/2/17	225			
Defibrulators - Cabinet 16/2/17	68			
Flood Relief - Cabinet 16/2/17	100			
End of WWI Commemoration Events - Cabinet 16/2/17	26			
Additional Planning Enforcement Officer - Cabinet 16/2/17	42			
Closing balance	(2,093)	(1,604)	(1,356)	(1,356)
Other Earmarked Reserves (excluding CPF)				
Opening balance	(1,594)	(1,028)	(878)	(878)
Income				
Expenditure				
Other expenditure funded from reserves	566	150		
Closing balance	(1,028)	(878)	(878)	(878)
Total of Earmarked reserves	(3,120)	(2,481)	(2,233)	(2,233)
General fund working balance				
Opening balance	(4,338)	(4,778)	(4,785)	(4,664)
Transfer to the Council Priorities Fund				
Income				
Revenue budget (surplus)/deficit for the year	(441)	(6)	121	504
Closing balance on the General Fund	(4,778)	(4,785)	(4,664)	(4,160)
Total of Council revenue reserves (GF and Earmarked Reserves)	(7,899)	(7,266)	(6,897)	(6,393)

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Budget Risks	Likelihood	Impact	Score	Internal/ External/ Risk	Mitigation
1 Impact of changes to New Homes Bonus Scheme increases Council savings targets over the medium term	4	4	16	External	<p>MTFS updated for changes announced December 2016. Impact upon savings target to 2020/21 c. £400,000.</p> <p>Review proposals for further changes to NHB Scheme re. planning decisions, respond to consultation documents and updated MTFS accordingly. Consider other mitigating action e.g. raise Member awareness of financial risk related to planning decisions, minimise risk of planning applications being successful upon appeal.</p>
2 Movement to 100% Business Rates Retention has a negative financial impact - additional responsibilities cost more than the increase in retained business rates	5	3	15	External	<p>MTFS assumes a cash neutral position as there is insufficient detail to make any other assumption at this point in time.</p> <p>Continue to monitor government details as they are announced and respond to consultation.</p>
3 Successful business rates appeals impact upon locally retained business rates.	3	5	15	External	<p>A provision for successful business rates appeals has been created and appeal provisions are updated at budget setting and year-end based upon data on outstanding appeals, known success rates etc.</p> <p>Regular updates on business rates appeals available from VAO.</p> <p>Regular liaison with VAO regarding national trends, local matters.</p>
4 Impact of business rates reset in 2020	5	3	15	External	<p>Monitor DCLG communications.</p> <p>Updates to MTFS will include modelling of potential implication as further information becomes available</p> <p>Project established to implement the changes. Project includes collection of costs associated with the project with the aim of recovering costs via the New Burdens doctrine.</p>
5 Local Land Charge Register transfer to Land Registry impacts upon income from land charges.	4	3	12	External	<p>Monitor government communications on the change and reflect within updates to MTFS as appropriate.</p> <p>Respond to any consultation and lobby to protect Council's position.</p> <p>Local Government Association and Local Land Charges Institute working with local authorities during the transition</p>

Budget Risks	Likelihood	Impact	Score	Internal/ External	Risk Mitigation
					The pool was re-constituted in 2016/17 to exclude Tewkesbury Borough Council because of the risk associated with the Virgin Meadia listing.
6 The Council is part of the Gloucestershire Business Rates Pool. This increases both the risks and rewards available from the business rates scheme.	3	4	12	External	Each Council has made provision for outstanding business rates appeals. Financial modelling indicates that the pool will provide a significant benefit across the County. However, there are risks of future unforeseen business rates appeals which would be borne by the Councils due to the increased level of safety net associated with the pool.
7 Impact of unforeseen legislative changes on financial resources	4	4	16	External	Pool can be collapsed on an annual basis in the autumn of each financial year. Viability of pool assessed during the autumn of each financial year Horizon scanning. Local Plan is top task.
8 Unavoidable budget pressures exceed provision	4	3	12	Internal	This will be monitored as part of the annual update to the MTFS and as part of regular budget monitoring. Monitor government progress with Brexit and impact upon inflationary pressure, government finances etc.
9 Legal challenge leading to financial implications	3	3	9	Internal	Effective engagement with key stakeholders over key decisions. Controls over preparation and authorisation of Member/Officer decision making reports Role of Monitoring Officer
10 The impact of devolution on the Council's resources	3	3	9	External	Strategic Director representation on the devolution project team. Cabinet member involvement in governance arrangements.
11 Failure of 2020 Vision to deliver savings	3	3	9	Internal	Gloucestershire Chief Finance Officer support to project. Effective Programme governance via Joint Committee. Review of business case carried out to enable Councils to take decision to move to company structure.
12 Transfer of responsibility for housing benefit fraud to Department for Works and Pensions may impact upon identification of and recovery of fraudulent housing benefit claims leading to adjustment to budget	4	2	8	External	Business case based upon efficiency gains achieved through previous experience of sharing management and services. Budget monitoring.
13 Housing and Planning Bill potential impact upon capital right to buy receipts	3	2	6	External	Monitor situation, update MTFS as appropriate.

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Budget Risks	Likelihood	Impact	Score	Internal/ External	Risk Mitigation
14 Unable to achieve budgeted salary underspend	2	3	6	Internal	Budgetary control processes Budget reducing to reflect more sharing and therefore less capacity to be able to continue with business without filling vacant posts as quickly possible.
15 Unable to meet savings targets	2	3	6	Internal	MTFS and budget process 2020 Vision governance
16 Failure to meet income budgets	2	2	4	Internal	Budgetary control processes Appropriate marketing of services and consideration of effective charging levels
17 Level of pay inflation exceeds provision in the MTFS	2	2	4	External	Government has announced intention to cap public sector pay awards at 1% per annum for next four years. Provision incorporated within MTFS, however, this has not been agree with the Unions. Improving economic conditions has lead to a lower cost of the scheme in recent years.
18 Demand for Local Council Tax Support increases reducing the value of the council tax base	3	2	6	External	Housing growth in the District will help to offset the impact of any increases in LCTS. Robust processes for collection of council tax debt in place, collection fund has prodcued surpluses for the past few years and future surplus may be available to offset future costs arising from the LCTS. The MTFS contains provision for inflationary increases on contacts such as the environmental services contract with Ubico Ltd.
19 Expenditure Risk	2	3	6	External	There are areas of expenditure that the Council has no direct control over, either the take up or the cost of the service. The only areas of concern relate to Ubico Ltd employee costs (due to increasing market hourly rates) fuel costs and Local Council Tax Support (which is currently reducing).

Budget Risks	Likelihood	Impact	Score	Internal/ External	Risk Mitigation
20 Council is unable to achieve savings to achieve a balanced budget	2	3	6	Internal	<p>MTFS sets out operational income and expenditure, inflationary pressure, unavoidable growth and savings for a four year period. Links through to earmarked reserves to fund one-off or cyclical costs. CFO estimate of minimum level of General Fund Working Balance. Capital expenditure plans linked to capital reserves, revenue implications etc.</p> <p>Central government will permit £5 council tax increase per annum, if necessary to support balanced budget.</p> <p>2020 Partnership transformational change programme to deliver savings.</p> <p>Level of general fund working balance provides timeframe to deliver change programme. Council Priorities fund available to fund one-off costs associated with transformational change.</p>