

	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s
Expenditure base budget	22,462	22,775	22,985	23,208
Inflation - Salaries (2%)	50	50	50	50
- Contracts	240	240	240	240
Total Inflationary Increases	290	290	290	290
Unavoidable budget pressures	255	334	124	-
Savings				
Savings Target	(232)	(413)	(191)	(43)
Total Expenditure	22,775	22,985	23,208	23,455
Income base budget	(11,977)	(12,010)	(12,005)	(12,337)
Inflation	0	0	(50)	(50)
Other Growth - see Unavoidable budget pressures	(33)	5	(282)	5
Total Income	(12,010)	(12,005)	(12,337)	(12,382)
Net cost of service	10,765	10,980.520	10,870.805	11,072.805
Funding Analysis - 25% Cut to Gov Funding				
Revenue Support Grant	0		266	327
Collection Fund (Surplus)/Deficit (Business Rates)	842			
Business Rates Smoothing Reserve s. 31 Grant 17/18 re SBR	(440)			
Business Rates Retention Baseline	(2,391)	(1,629)	(1,884)	(1,921)
NNDR Income (NNDR1)	(16,414)	(272)	(788)	(831)
Tariff	13,616			
Section 31 Grant	(1,999)	(2,129)		
Net Income from Business Rates	(4,798)			
Renewable Energy Business Rates Retention	(78)	(78)	(78)	(78)
Levy	0	1,065	0	0
Business Rates Pool Pilot Benefit to Bus Rates Smoothing Reserve	440			
Business Rates Income Estimate	(4,034)			
Rural Services Delivery Grant	0	(483)	(483)	(483)
Transitional Grant				
New Homes Bonus	(1,845)	(1,845)	(1,845)	(1,845)
Surplus New Homes Bonus	(1,360)	(1,158)	(885)	(648)
Appropriate Surplus New Homes Bonus to Earmarked Reserves	1,360	1,158	885	648
Overall Central Government Funding	(5,879)	(5,371)	(4,812)	(4,832)
Council Tax				
Estimated Council Tax Base	40,330	40,813	41,303	41,799
Band D Council Tax	129	131	134	137
Council Tax Yield	(5,199)	(5,366)	(5,539)	(5,717)
	1.99%	1.99%	1.99%	1.99%
Collection Fund Surplus - Council Tax	(171)	(100)	(100)	(100)
Overall Funding Position	(11,249)	(10,837)	(10,450)	(10,649)
Revenue contribution to costs of waterloo car park				
Budget (Surplus)/Deficit	(483)	143	420	424

Appendix A2

Unavoidable Budget Pressures	2018/19	2019/20	2020/21	2021/22
Expenditure				
Increased contributions to GCC Pension Fund - Actuarial Valuation and projections	195,000	195,000		
Additional costs for recharge from GCC for Head of Glos Joint Waste Team.	10,000			
Annual rental charge for the use of parking spaces at the Cirencester Rugby Club	25,000			
Investment in Decked Car Parking Cirencester - Provision for Debt Repayment		87,500	97,500	
Investment in Decked Car Parking Cirencester - Interest Costs	25,000	51,000	26,000	
Total Expenditure Budget Pressures	255,000	333,500	123,500	0
Income				
Cuts to Local Council Tax Support Admin Grant	5,000	5,000	5,000	5,000
Universal Credit potential impact upon HB Admin Subs	62,500			
Car parking income from Decked Car Parking Cirencester - offset prov for debt repayment and interest costs			(287,000)	
Investment Strategy	(100,000)			
Total Income Growth/Budget Pressures	(32,500)	5,000	(282,000)	5,000
TOTAL	222,500	338,500	(158,500)	5,000

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Appendix A3

Capital	18/19	19/20	20/21	21/22
	£000s	£000s	£000s	£000s
Capital Reserves				
Opening Balance of capital receipts and capital grants	(9,791)	(7,325)	(4,661)	(3,502)
Expenditure:				
Environmental Services Depot				
PSHR Capital Grant	700	700	700	700
ICT Capital funding	200	200	200	200
Potential new car parks works [currently unapproved 17/18 onwards]	100	150		
Provision for financing of Ubico Ltd waste vehicles	156	381	1,410	
2020 Vision capital contribution to programme	100			
Capital works on Corinium Museum	1,316			
Potential new capital schemes				
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		
Investment in decked car parking Cirencester	7,500	7,500		
Income:				
Borrowing	(3,500)	(4,000)		
Capital Financed from Revenue	(250)	(250)	(250)	(250)
Earmarked reserves funding Capital - Use of Surplus NHB	(1,410)	(1,140)		
DFG Grant / Better Care Fund	(650)	(650)	(650)	(650)
Other external grants and contributions (e.g. Flooding EA/GCC contributions)	(1,266)			
Right to Buy and other misc. capital receipts	(150)	(150)	(150)	(150)
Loan repayment from Ubico Ltd for waste vehicles	(450)	(382)	(422)	(422)
Estimated Closing Balance of Capital Receipts	(7,325)	(4,661)	(3,502)	(4,019)

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Appendix A4

Revenue Reserves				
	18/19	19/20	20/21	21/22
	£000s	£000s	£000s	£000s
Council Priorities Fund (and CPF allocations)				
Opening balance	(1,663)	(1,174)	(944)	(944)
Income				
Surplus NHB	(1,360)	(1,158)	(885)	(648)
Expenditure				
Environmental Services - enhanced street cleansing	68	68		
Building Control (10% reduction in fees)	32	32		
Funding capital expenditure Decked Car Park	1,360	1,140		
NHB Funding of priority projects			885	648
Revenue contribution to 2020 Vision Programme	389	148		
Closing balance	(1,174)	(944)	(944)	(944)
Other Earmarked Reserves (excluding CPF)				
Opening balance	(3,264)	(2,675)	(2,675)	(2,675)
Income				
Expenditure				
Other expenditure funded from reserves	589			
Closing balance	(2,675)	(2,675)	(2,675)	(2,675)
Total of Earmarked reserves	(3,849)	(3,619)	(3,619)	(3,619)
General fund working balance				
Opening balance	(4,778)	(5,262)	(5,119)	(4,698)
Revenue budget (surplus)/deficit for the year	(483)	143	420	424
Closing balance on the General Fund	(5,262)	(5,119)	(4,698)	(4,274)
Total of Council revenue reserves (GF and Earmarked Reserves)	(9,110)	(8,737)	(8,317)	(7,892)

MTFS and Budget Strategy 2018/19 - Risk Analysis
Budget Risks

Risk No.	Budget Risks	Likelihood	Impact	Score	Mitigation
1	Changes to local government funding from central government increases Council savings targets over the medium term	4	4	16	<p>MTFS reflects latest advice upon impact of 75% business rates scheme from 2020/21.</p> <p>Respond to the government consultation documents e.g Fairer Funding Review, Business Rates Retention, Spending Review.</p> <p>Review final central government decisions and model financial impact.</p> <p>Consider advice from external experts in drafting responses e.g. SPARSE, Pixel Consulting.</p> <p>Horizon scanning.</p>
2	Impact of unforeseen legislative changes on financial resources	4	4	16	<p>Preparation of Local Plan is top task.</p> <p>Responding to consultation documents.</p> <p>Lobbying as appropriate</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>
3	Local Land Charge Register transfer to Land Registry impacts upon income from land charges.	4	3	12	<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>
4	Successful business rates appeals impact upon locally retained business rates.	3	3	9	<p>A provision for successful business rates appeals has been created.</p> <p>Regular updates on business rates appeals available from VAO and data on new Check, Challenge, Appeal process.</p> <p>Regular liaison with VAO regarding national trends, local matters.</p>
5	The Council is part of the pilot Gloucestershire 100% Business Rates Retention Pool. This increases both the risks and rewards available from the business rates scheme.	3	3	9	<p>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.</p> <p>The deal with DCLG includes a no detriment clause to protect the Council from significant losses.</p>

MTFS and Budget Strategy 2018/19 - Risk Analysis Budget Risks

Risk No.	Budget Risks	Likelihood	Impact	Score	Mitigation
6	Failure of Transformation Programme delivered by Publica to deliver savings	3	3	9	<p>Programme governance and programme plan being developed. Publica Business Plan incorporates the transformation programme financial requirements.</p> <p>Programme team in place.</p> <p>Funding in place across the Councils to provide resource to support the programme implementation.</p> <p>Business case based upon efficiency gains achieved through previous sharing of management and services.</p>
7	Increases to LGPS contributions resulting from tri-ennial review of GCC pension fund exceed provision for growth in MTFS	3	3	9	<p>Growth in MTFS based upon actuarial certificate.</p> <p>Regular liaison with actuary through Gloucestershire County Council</p> <p>Pension fund data on active members cleansed prior to establishment of Publica.</p> <p>Actuary engaged in modelling the impact of the change to Publica</p>
8	Level of pay inflation exceeds provision in the MTFS	3	3	9	<p>Provision in line with current negotiation position incorporated within MTFS, however, this has not been agree with the Unions.</p>
9	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	<p>Budget monitoring.</p> <p>Counter fraud pilot project established to identify potential fraudulent activity across the Council.</p> <p>DWP consulting with Officers regarding joint working on HB and LCTS fraud.</p>
10	Movement to 75% Business Rates Retention has a negative financial impact - additional responsibilities cost more than the increase in retained business rates	3	2	6	<p>There is now more information available on the likely grants to be rolled into funding through the 75% rates retention scheme, therefore risk is lower.</p> <p>Learning gained from being part of 100% Business Rate Pool Pilot</p>
11	Unavoidable budget pressures exceed provision	3	2	6	<p>This will be monitored as part of the annual update to the MTFP and as part of regular budget monitoring</p>
12	Housing and Planning Bill potential impact upon capital right to buy receipts	3	2	6	<p>Monitor situation, update MTFS as appropriate.</p>

MTFS and Budget Strategy 2018/19 - Risk Analysis
Risk No. Budget Risks

Risk No.	Budget Risks	Likelihood	Impact	Score	Mitigation
13	Unable to achieve budgeted salary underspend	2	3	6	Budgetary control processes - salary underspend target passed to Publica Budget reducing to reflect more sharing and therefore less capacity to be able to continue with business without filling vacant posts as quickly possible.
14	Unable to meet savings targets	3	2	6	MTFS and budget process Governance processes with Publica and the Transformation Programme
15	Legal challenge leading to financial implications	2	3	6	Effective engagement with key stakeholders over key decisions. Controls over preparation and authorisation of Member/Officer decision making reports Role of Monitoring Officer Improving economic conditions has led to a lower cost of the scheme in recent years.
16	Demand for Local Council Tax Support increases reducing the value of the council tax base	3	2	6	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 produced 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 contracts such as the environmental services contract with Ubico Ltd.
17	Expenditure Risk	2	3	6	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).
18	Council tax base does not increase in line with growth forecast	3	2	6	Estimates based upon growth in homes as set out in the emerging Local Plan. Prudent estimates of growth demonstrated by level of collection fund surplus each year.
19	Failure to meet income budgets	2	2	4	Budgetary control processes Appropriate marketing of services and consideration of effective charging levels
20	Investment in Cirencester car parking progresses faster than predicted incurring higher than anticipated costs in 2018/19, knock on impact to interest costs	2	2	4	Cirencester car parking Board. Full report on project, including financial impact and project plan due to be considered by the Council in the summer. Council will approve updates to MTFS or budget 2018/19 accordingly. A procurement process will then be followed.
21	Works on Corinium Museum exceed budget	3	2	4	HLF Funded project requiring robust project management. Finance Officer part of project team Reporting to Cabinet Member by service area Budget reporting processes