

Cheltenham Borough Council
Cabinet – 12th December 2017
General Fund Revenue and Capital - Interim Budget Proposals
2018/19 for Consultation

Accountable member	Cabinet Member for Finance, Councillor Rowena Hay
Accountable officer	Paul Jones, Section 151 Officer
Accountable scrutiny committee	Overview and Scrutiny Committee and Budget Scrutiny Working Group
Ward(s) affected	All
Key Decision	Yes
Executive summary	This report sets out the Cabinet’s interim budget proposals for 2018/19 for consultation. The budget projections have been prepared before the local government finance settlement consultation has been released which is not expected until week commencing 11th December 2017.
Recommendations	<ol style="list-style-type: none"> 1. Approve the interim budget proposals for consultation including a proposed council tax for the services provided by Cheltenham Borough Council of £202.12 for the year 2018/19 (an increase of 2.54% or £5.00 a year for a Band D property). 2. Approve the Medium Term Financial Strategy (MTFS) and Commercial Strategy outlined in section 3 and Appendix 3. 3. Approve the growth proposals, including one off initiatives at Appendix 4, for consultation. 4. Approve the proposed capital programme at Appendix 6, as outlined in Section 6. 5. Delegate authority to the Section 151 Officer, in consultation with the Cabinet Member for Finance, to determine and approve any additional material that may be needed to support the presentation of the interim budget proposals for consultation. 6. Seek consultation responses by 19th January 2018.

Financial implications	<p>As contained in the report and appendices.</p> <p>Contact officer: Paul Jones.</p> <p>E-mail: paul.jones@cheltenham.gov.uk</p> <p>Tel no: 01242 775154</p>
Legal implications	<p>This report proposes an interim budget for consultation purposes and there are no specific legal implications at this stage.</p> <p>Contact officer: Peter Lewis</p> <p>E-mail: peter.lewis@tewkesbury.gov.uk</p> <p>Tel no: 01684 272012</p>
HR implications (including learning and organisational development)	<p>Building on our positive employee relations and our partnership working with the two recognised trade unions, TU representatives received a budget briefing at the Joint Liaison Forum on 6th December 2017.</p> <p>Dialogue with the recognised trade unions will continue in order to ensure that any potential impacts on employees as a result of realisation of budget savings are kept to a minimum. It is always the Council's aim to avoid the need for compulsory redundancies wherever possible and the Council's policies on managing change and consultation will be followed.</p> <p>Going forward, it is important that capacity is carefully monitored and managed in respect of any reductions in staffing and reduced income streams.</p> <p>Contact officer: Julie McCarthy</p> <p>E-mail: julie.mccarthy@cheltenham.gov.uk</p> <p>Tel no: 01242 264355</p>
Key risks	As outlined in Appendix 1
Corporate and community plan Implications	The aim of the interim budget proposals is to direct resources towards the key priorities identified in the Council's Corporate Business Plan whilst recognising the reduction in Government funding.
Environmental and climate change implications	The draft budget contains a number of proposals for improving the local environment, as set out in this report.

1. Background

- 1.1 In accordance with the Council's Budget and Policy Framework Rules, which are part of the Council's constitution, the Cabinet is required to prepare interim budget proposals for the financial year ahead and consult on its proposals for no less than four weeks prior to finalising recommendations for the Council to consider in February 2018. This report sets out the interim proposals for 2018/19.
- 1.2 The Local Government Finance Settlement for 2013/14 marked the introduction of the new local government resource regime with a significant change in the way local authorities are financed. Under the new regime, more than 65% of the Council's Government funding comes directly from Business Rates and, as a consequence, has the potential to vary either upwards or downwards during the year. This is a key strand of the Government policy to localise financing of local authorities and brings the potential for increased risks or increased rewards.

2. Settlement Funding Assessment

- 2.1 On 8th February 2016, the Secretary of State for Communities and Local Government announced the final local government settlement for 2016/17. The announcement included the following significant proposals to be delivered over the life of the Spending Review Period:
- Movement to 100% business rate retention;
 - Permission to spend 100% of capital receipts from asset sales, to fund cost-saving reforms;
 - Introduction of a social care Council Tax precept of 2% a year for those authorities with social care responsibilities;
 - Flexibility for district councils to increase council tax by £5 a year;
 - Increased support through the Rural Services Delivery Grant for the most sparsely populated rural areas;
 - Retention of New Homes Bonus **but** with proposed changes, savings from the changes to be re-invested in authorities with social care responsibilities;
 - The offer of a guaranteed 4 year budget to every council, which desired one, and which can demonstrate efficiency savings.
- 2.2 The principles of the settlement allow authorities to spend locally what is raised locally, whilst recognising the savings already made by local government. Most noticeably, there has been a shift away from freezing council tax to using council tax to generate additional funding. Reserves are noted as being one element of an efficiency plan through a voluntary drawdown of reserves as the price for greater certainty for future settlements.
- 2.3 The final local government settlement for 2017/18 equated to a further grant reduction in cash terms of £0.677 million or 17.5%. The proposed settlement for 2018/19, as outlined in the 4 year multi-settlement agreement, indicates a further grant reduction in cash terms of £0.364 million or 11.3%.
- 2.4 Since 2009/10 the Council's core funding from the Government has been cut by some £6.4 million (72.7%), from £8.8 million to £2.4 million (this excludes council tax support funding of £812k which transferred into the settlement funding assessment in 2013/14).
- 2.5 The proposed levels of government funding for this Council are set out in the table below. Overall 'core' central government funding (referred to as the Settlement Funding Assessment) is set to reduce by a further 11.3% in 2018/19.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Revenue Support Grant	1.273	0.544	0.102	0.000
Baseline Funding (Cheltenham's target level of retained Business Rates)	2.600	2.653	2.733	2.424
Settlement Funding Assessment	3.873	3.197	2.835	2.424
Actual cash (decrease) over previous year	(0.816)	(0.676)	(0.362)	(0.411)
% cash cut	(17.4%)	(17.5%)	(11.3%)	(14.5%)

- 2.6** The Government's policy of phasing out revenue support grant and in due course potentially allowing councils to benefit from a higher share of business rates creates a need for this Council to develop a long-term strategy which is significantly different from that followed in past years. Since 2013 the Council has had a direct financial interest in economic and business growth in the town, and will have a larger stake in it under the Government's proposals for reforming business rates.
- 2.7** However, by not including the Local Government Finance Bill in the Queen's Speech, the Government has given a very strong indication that it will not be proceeding with 100% business rates retention, at least not yet. There are suggestions that the Government is going to have a re-think about business rates retention, and this may or may not result in 100% retention.
- 2.8** The omission of the Local Government Finance Bill from the legislative programme leaves the plans for business rates retention in limbo and creates greater uncertainty for future funding settlements. The Department for Communities and Local Government has stated that the Government is committed to delivering the manifesto pledge to help local authorities control more of the money they raise and will work closely with local government to agree the best way to achieve this.
- 2.9** In addition to the above, Members will recall the late changes to the New Homes Bonus calculation, through the introduction of a 0.4% baseline target, had significant financial consequences for this Council.
- 2.10** A technical consultation paper on the 2018/19 Local Government Finance Settlement was launched with a closing date for responses of 26th October 2017. A formal response to the consultation was submitted on behalf of the Council which is likely to feed into the Local Government Finance settlement announcement which is due mid-December.
- 2.11** This consultation paper outlined suggested proposals for further reforms to the New Homes Bonus calculation which may include further increases to the baseline target.
- 2.12** District Councils are concerned that decisions relating to the New Homes Bonus scheme continue to be made only a few months before the start of the new financial year, therefore impacting on the ability for district councils to understand the impact on their budgets. This runs contrary to the stated aim of 4 year settlements which was to reduce this uncertainty.

Retained Business Rates

- 2.13** In October 2012, Council approved the principle of Cheltenham joining the Gloucestershire Business Rates Pool, subject to a thorough assessment of risks and rewards and agreement of satisfactory governance arrangements.
- 2.14** Continuation within the pool was delegated to the Section 151 Officer and Chief Executive and this is reviewed on an annual basis.
- 2.15** The Gloucestershire Business Rates Pool was set up in 2013/14 to maximise the business rate income retained within the County and to support economic growth within the area of the Local Enterprise Partnership. In the first year of operation the Pool reported a surplus of £774,862.
- 2.16** In 2014/15, the pool suffered a significant loss due to the impact of backdated appeals on rateable values and, in particular, the successful backdated appeal by Virgin Media, the largest valued business in Tewkesbury. The final pool position for 2014/15 published a deficit of £2.3m following a safety net payment to Tewkesbury of £3.9m, as reported to Cabinet and Council in July 2015.
- 2.17** In 2015/16 the Pool was back in surplus, generating £877,948, and in 2016/17 generated a further surplus of £2,138,443.
- 2.18** The anticipated level of business rates due to this Council in 2018/19, taking into account the re-developments at the Brewery, John Lewis and Jessops Avenue, is above the baseline funding target (Cheltenham's target level of retained Business Rates) which will result in Cheltenham still being liable to a 'levy'.
- 2.19** Taking the above into account, the Section 151 Officer has confirmed that this Council will benefit from remaining in the pool in 2018/19 as it will result in a reduction in the levy payment due to Government, which will be distributed in accordance with the governance arrangements.
- 2.20** Furthermore, the Government is committed to continuing to give local authorities greater control over the money they raise locally. It is in this context that the Government decided to proceed with the expansion of the pilot programme for 100% business rates retention in 2018/19. These will run alongside the five current 100% pilots which have been in operation since 1st April 2017.
- 2.21** The 2018/19 pilots are an opportunity for the Government to test more technical aspects of the 100% business rates retention system, such as tier-splits. This will provide the opportunity to evaluate how collaboration between local authorities works in practice.
- 2.22** The Government has indicated within its prospectus that it would like to see authorities form pools and, with agreement in place from all authorities, to apply jointly for pilot status. The opportunity to work together as a pool across a functional economic area will allow authorities to make coherent strategic decisions about the wider area and to jointly manage risk and reward.
- 2.23** The Gloucestershire Chief Financial Officers met on several occasions and discussed the modelling of how a pilot scheme may work across Gloucestershire. Whilst the modelling supports potential financial gains of circa £11m from becoming a pilot, the Gloucestershire Chief Financial Officers needed to balance these gains against the risks such as claims from NHS Foundation Trusts for mandatory charitable relief on business rates.
- 2.24** Prior to submitting an expression of interest, the Government announced that like the 2017/18 pilots, the 2018/19 pilots programme would include a 'no detriment' clause. This in effect means that whilst Gloucestershire authorities would need to 'forego' guaranteed Revenue Support Grant and Rural Services Delivery Grant for an uplift in its baseline funding targets, the Government will guarantee that authorities will be no worse off if they become a pilot.

- 2.25** The deadline for submitting a bid to become a pilot was 27th October 2017. Leadership Gloucestershire met on 26th October 2017, and following a presentation of the modelling undertaken by the Gloucestershire Chief Financial Officers, determined to submit a bid by the deadline with the following criteria:
- Full agreement by all 7 councils to be designated a pool for 2018/19 (in accordance with Part 9 of Schedule 7B to the Local Government Finance Act 1988).
 - An agreed proposal as to how the additional growth should be split. This provides for;
 - a. 20% to an already established Strategic Economic Development Fund (set up under the existing pooling arrangements)
 - b. 30% to the 6 District Councils and
 - c. 50% for the County Council
 - Each authority will use its funding for financial resilience/sustainability and growth initiatives specific to its area. Given that the pilot is being presented as a 'one off for 2018/19 only', individual authorities will be careful not to build in longer term financial commitments.
 - We acknowledge that we forego Revenue Support Grant and Rural Services Grant funding for the period of the pilot i.e. the financial year 2018/19.
 - We accept the terms of the pilot being a safety net threshold of 97% and that there is a "zero levy", as is the case for the current 2017/18 pilot areas.
 - We understand that Ministers have now agreed that all pilots are to have a 'no detriment' clause.
 - Should we not be successful with our pilot bid, we wish to see our current pooling arrangements continue. This would involve the 6 authorities currently in the Gloucestershire pool. Tewkesbury BC is not part of the pool.
- 2.26** It is anticipated that the successful pilots will be announced alongside the Local Government Finance settlement in mid-December. If Gloucestershire is successful in being accepted as a pilot for 2018/19 with a 'no detriment' clause, the Council will be no worse off in proceeding to become a pilot for 100% business rates retention in 2018/19.

Council Tax

- 2.27** For the period 2010 to 2015 the Council had frozen its council tax at £187.12 a year for a Band D taxpayer. In taking this course of action, the Cabinet had borne in mind the difficult economic and financial climate that many of our residents were facing. However, during the period of the freeze our own financial position as a Council deteriorated sharply. Our core Government funding has been cut drastically, with further large cuts to come. In addition, inflation has continued to affect many areas of the Council's costs.
- 2.28** Government legislation, through the Localism Act, requires councils proposing excessive rises in council tax to hold a local referendum allowing the public to veto the rise. The referendum threshold for council tax increases is proposed at 2 per cent for all local authorities, as in 2017/18. However, shire districts will be allowed increases of up to and including £5, or up to 2 per cent, whichever is higher.
- 2.29** Consumer price index (CPI) inflation was 3.0% in September 2017, which is above the Monetary Policy Committee's (MPC) 2% target. Inflation is not projected to fall back towards the 2% target until mid-2018, reflecting past increases in energy prices falling out of the annual comparison. With increased pressure for the cap on public sector pay to be lifted and the need for inward investment in the Borough, the Cabinet proposes to increase the council tax by £5 based on a band D property which equates to a 2.54% increase.

Collection Fund

- 2.30** At this point in time, it is estimated that the Council's share of the Collection Fund surplus for 2018/19 is £165,000. Collection fund surpluses arise from higher than anticipated rates of collection of the council tax collection rates and the Council's actual share will be confirmed within the final budget proposals presented to Council in February 2018.

3. The Cabinet's budget strategy

- 3.1** In the current exceptionally difficult national funding situation, the Cabinet's overriding financial strategy has been, and is, to drive down the Council's costs. Our aim is to hold down council tax as far as possible, now and in the longer term, while also protecting frontline services from cuts – an immensely challenging task in the present climate.
- 3.2** The key mechanism for carrying out this strategy is the Bridging the Gap (BtG) programme, which seeks to bring service costs in line with available funding. To date, this programme has been very successful in managing funding gaps, with over £12m generated from BtG work streams including service reviews, shared services, increased income generation and asset management initiatives. This achievement has made it possible to date, to adopt a more strategic approach to identifying savings and additional income rather than relying on 'salami-slicing' of budgets.
- 3.3** The Cabinet believes the longer term approach to finding efficiencies to close the funding gap is fundamentally through economic growth and investment and the efficient utilisation of our assets. With this in mind, the Cabinet has been working with the Executive Management team to deliver a commercial strategy which will sit alongside the Medium Term Financial Strategy (MTFS) as detailed in Appendix 3. In addition, resources will be geared towards supporting and delivering the growth agenda including major developments in North West and West Cheltenham.
- 3.4** The MTFS indicates broadly how the Council will close the projected funding gap over the period 2018/19 to 2021/22. It includes savings targets rather than specifically worked up projections of cost savings and is based on the building blocks of place and economic growth; organisational change; and finance and assets. The detailed schedule of target savings is provided in greater detail within the MTFS at Appendix 3
- 3.5** The starting point for constructing the 2018/19 budget has been a projected MTFS funding gap of £1.643m.
- 3.6** Closing a gap of this size is a huge challenge for the Council, but the challenge is being met by a proactive approach to identifying budget savings, carried out by the Cabinet and the Executive Management Team. This work has already made significant progress towards bridging the gap, having identified at this early stage potential savings and additional income of £783k, leaving £860k to find, assuming a £5 council tax increase is approved.
- 3.7** It is therefore the Cabinet's intention to meet the shortfall in funding in 2018/19 from the budget strategy (support) earmarked reserve in order to deliver a balanced budget. This will give the Council more time to deliver its long-term strategy for delivering the substantial savings required.
- 3.8** The key aims in developing the approach to the budget were to:
- Do everything possible to protect frontline services with a modest increase in council tax.
 - Identify savings that can be achieved through reorganisation of service delivery or raising additional income rather than through service cuts.

3.9 In preparing the interim budget proposals, the Cabinet and officers have considered the following:

- Prepared a budget projection under a general philosophy of no growth in services unless there is a statutory requirement or a compelling business case for an 'invest to save' scheme. The list of proposals for growth, including one off initiatives, is included in Appendix 4.
- Provided for inflation for contractual, statutory, and health and safety purposes at an appropriate inflation rate where proven.
- Budgeted for pay inflation at 2% for 2018/19.
- Budgeted for an increase in Members allowances of 2% for 2018/19.
- Budgeted for superannuation increases in accordance with the triennial review 2016 for the financial years 2018/19 and 2019/20.
- Increased income budgets for the Cemetery and Crematorium, assuming an average increase in fees and charges of 2%.
- All other fees and charges, including car park charges, are subject to annual review by the Regulatory and Environmental Services management team. A target of £50k per annum has been established as part of the savings strategy approved to deliver a balanced budget.
- Assessed the impact of prevailing interest rates on the investment portfolio, the implications of which have been considered by the Treasury Management Panel.

4. Treasury Management

4.1 Appendix 2 summarises the budget estimates for interest and investment income activity. Security of capital remains the Council's main investment objective.

4.2 Investment interest rates will probably remain very low in the medium term until there is more economic certainty following Brexit. Returns from traditional fixed term cash deposits are minimal so growth will need to be from alternative investment sources such as investment in property assets and multi-asset funds which include exposure to the bond and equity markets.

5. Reserves

5.1 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) to comment upon "the robustness of the estimates and the adequacy of the reserves for which the budget provides". This review forms part of the formal budget setting report to be presented to Council in February 2018. A projection of the level of reserves to be held at 31st March 2018 and 31st March 2019 respectively is detailed in Appendix 5.

5.2 The Cabinet is proactive in strengthening reserves when appropriate and necessary through the use of underspends and one-off income. It is therefore recommended that any future underspends or fortuitous windfalls are earmarked for transfer to either general balances or the budget strategy (support) reserve.

6. Capital Programme

6.1 The interim capital programme for the period 2017/18 to 2020/21 is set out at Appendix 6.

6.2 The strategy for the use of the council's capital resources is led by our corporate priorities. The

existing programme includes sums for infrastructure investment to be funded from capital receipts and the purchase of new vehicles through Ubico. It also includes the allocations agreed by the Council in April 2015 to facilitate the redevelopment to the Town Hall and the Crematorium, and an earmarked contribution to public realm works within the Town Centre.

- 6.3 In addition the capital programme sets aside an allocation for enhancing our property portfolio with the aims of delivering economic growth and regeneration.

7. Property Maintenance Programme

- 7.1 The interim budget proposals include the 2018/19 property maintenance programme, which will be reviewed by the Asset Management Working Group, and the budget includes a revenue contribution of £600k to planned maintenance as detailed in Appendix 7.

8. Reasons for recommendations

- 8.1 As outlined in the report.

9. Alternative options considered

- 9.1 The Cabinet has considered many alternatives in arriving at the interim budget proposals. Opposition groups will be able to suggest alternative budget proposals for consideration by Council in February 2018.

10. Consultation and feedback

- 10.1 The formal budget consultation on the detailed interim budget proposals will be over the period **14th December 2017 to 19th January 2018**. The Cabinet will seek to ensure that the opportunity to have input into the budget consultation process is publicised to the widest possible audience. During the consultation period, interested parties including businesses, tenants, residents, staff and trade unions will be encouraged to comment on the initial budget proposals. They will be asked to identify, as far as possible, how alternative proposals complement the Council's Business Plan and Community Plan and how they can be financed. The Overview and Scrutiny Committee will be invited to review the interim budget proposals in the meetings scheduled for January 2018 and any comments will be fed back to the Cabinet.
- 10.2 Whilst the Cabinet will be as flexible as possible, it is unlikely that any comments received after the consultation period can be properly assessed to allow consideration of their full implications and to enable them to be built into the budget.
- 10.3 All comments relating to the initial budget proposals should be returned to the Section 151 Officer by the end of the consultation period for consideration by the Cabinet in preparing their final budget proposals. Consultation questionnaires will be available in key locations and for completion on line via the council's website. Comments can be e-mailed to **money matters@cheltenham.gov.uk**.
- 10.4 It is important that any political group wishing to make alternative budget proposals should discuss them, in confidence, with the Section 151 Officer (preferably channelled through one Group representative) to ensure that the purpose, output and source of funding of any proposed change is captured.
- 10.5 Given the financial pressures and the potentially very difficult decisions which will have to be made, it is important that there is time for members to carefully consider and evaluate any alternative budget proposals. Political groups wishing to put forward alternative proposals are not

obliged to circulate them in advance of the budget-setting meeting, but in the interests of sound and lawful decision-making, it would be more effective to do so, particularly given that they may have implications for staff.

11. Performance management – monitoring and review

11.1 The scale of budget savings will require significant work to deliver them within the agreed timescales and there is a danger that this could divert management time from the delivery of services to the delivery of savings. There are regular progress meetings to monitor the delivery of savings and this will need to be matched with performance against the corporate strategy action plan to ensure that resources are used to best effect and prioritised.

11.2 The delivery of the savings workstreams included in the interim budget proposals, if approved by full Council will be monitored by the Budget Scrutiny Working Group.

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Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Summary net budget requirement 3. MTFS and Commercial Strategy 4. Growth 5. Projection of reserves 6. Capital programme 7. Programmed Maintenance programme
Background information	<ol style="list-style-type: none"> 1. Budget Strategy and Process 2018/19 report to Cabinet 10th October 2017.

Risk Assessment - Interim budget 2017/18

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible Officer	Transferred to risk register
CR3	If the Council is unable to come up with long term solutions which close the gap in the medium term financial strategy then it will find it increasingly difficult to prepare budgets year on year without making unplanned cuts in service provision.	Cabinet	01/09/2010	5	3	15	Reduce	The budget strategy projection includes 'targets' for work streams to close the funding gap which aligns with the council's corporate priorities.	Ongoing	Chief Finance Officer	01/09/2010
CR105	If the Budget Deficit (Support) Reserve is not suitably resourced insufficient reserves will be available to cover anticipated future deficits resulting in the use of General Balances which will consequently fall below the minimum required level as recommended by the Chief Finance Officer in the council's Medium Term Financial Strategy	Chief Finance Officer	01/04/2016	4	3	12	Reduce	The MTFS is clear about the need to bolster reserves and identifies a required reserves strategy for managing this issue. In preparing the budget for 2018/19 and in ongoing budget monitoring, consideration will continue to be given to the use of fortuitous windfalls and potential future under spends with a view to strengthening reserves whenever possible.	Ongoing	Chief Finance Officer	
1.02	If income streams from the introduction of the business rates retention scheme in April 2013 are impacted by the loss of major business and the constrained ability to	Chief Finance Officer	14/09/12	4	3	12	Accept & Monitor	The Council joined the Gloucestershire pool to share the risk of fluctuations in business rates revenues retained by the Council.	Ongoing	Chief Finance Officer	

	grow the business rates in the town then the MTFS budget gap may increase.							The Gloucestershire S151 Officers continue to monitor business rates income projections and the performance and membership of the pool. Work with members and Gloucestershire LEP to ensure Cheltenham grows its business rate base.			
1.03	If the robustness of the income proposals is not sound then there is a risk that the income identified within the budget will not materialise during the course of the year.	Chief Finance Officer	15/12/10	3	3	9	Reduce	Robust forecasting is applied in preparing budget targets taking into account previous income targets, collection rates and prevailing economic conditions. Professional judgement is used in the setting / delivery of income targets. Greater focus on cost control and income generation will be prioritised to mitigate the risk of income fluctuations.	Ongoing	Chief Finance Officer	
1.04	If when developing a longer term strategy to meet the MTFS, the Council does not make the public aware of its financial position and clearly articulates why it	Chief Finance Officer	15/12/10	3	3	9	Reduce	As part of the delivery of the BTG / commissioning programmes a clear communication strategy is in place. In adopting a	Ongoing	Communications team to support the BTG programme	

	is making changes to service delivery then there may be confusion as to what services are being provided and customer satisfaction may decrease.							commissioning culture the council is basing decisions on customer outcomes which should address satisfaction levels.			
1.07	If the assumptions around government support, business rates income, impact of changes to council tax discounts prove to be incorrect, then there is likely to be increased volatility around future funding streams.	Chief Finance Officer	13/12/10	5	3	15	Reduce	Work with GOSS and county wide CFO's to monitor changes to local government financing regime including responding to government consultation on changes to New Homes Bonus and Business Rates. The assumptions regarding government support have been mitigated to a certain extent by the acceptance of a multi-year settlement agreement.	Ongoing	Chief Finance Officer	
1.08	If the government's technical consultation on the 2018/19 Local Government Finance Settlement leads further reforms to the New Homes Bonus calculation then this could have an estimated negative financial impact of between £0.5m and £0.8m, impact on the planning process affecting the ability to approve new developments in a	Chief Finance Officer	20/09/17	5	3	15	Reduce	The response to the government's consultation was submitted on 26 th October 2017 outlining our concerns to any further changes to the system.	26/10/17	Chief Finance Officer	

	timely manner and impact on the council's ability to deliver core frontline services.											
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