

## REVENUE BUDGET FOUR YEAR FORECAST

Forecasts					
FOUR YEAR BUDGET PROFILES	2017/18	2018/19	2019/20	2020/21	2021/22
	Budget	Proposed	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000
NET SPEND B/F FROM PREVIOUS YEAR		7,645	7,778	7,519	8,323
add back: Use of New Homes Bonus in Previous Year		500	500	473	185
add back: Interest on Balances as credited to the revenue account in previous year		220	120	150	188
add back: Use of Reserves/Provisions in Previous Year		269	-470	-100	-100
Net Expenditure on Services before changes (Base Budget excluding use of interest on Balances and use of working balance)	8,365	8,634	7,928	8,042	8,596
Allowance for Pay and Price Inflation					
General Inflation - price base		+190	+190	+190	+190
General Inflation pay bill base		+246	+260	+300	+300
Other		+40			
Prices Increases net of Increased Fees & Charges		+476	+450	+490	+490
Increases in costs / Reductions in income					
Pension Fund Valuation 2019				+100	+100
Increase in cost of IT hardware and software		+73			
Contingency for IT		+132			
Bin replacement programme previously funded from capital reserves		+68			
Increase in Business Rates for EEBC property loss of relief		+111			
Reduction in Building Control income		+30			
Trade waste tipping fees		+36			
Increase in corporate contingencies		+25	-25		
Epsom Salts 400 year anniversary		+10	-10		
Increase in provision for property maintenance		+70	+50	+50	+50
Provision for impact on services of latest benefit reforms			+100	+100	
Legislation Impacts		+555	+115	+250	+150
Changes to External Funding					
Refuse & Recycling (SCC)		+67	+60		
Loss of Housing Benefit Admin Grant			+45	+24	
Grant funding from DCLG for Local Council Tax Admin Subsidy		-50	+50		
Highways horticulture		+36			
Changes to External Funding		+53	+155	+24	+0
New Home Bonus					
Estimated New Homes Bonus	-1,554	-834	-473	-365	-369
Transfer to Corporate Project Reserve	+1,054	+334	+0	+180	+369
NHB Funding used to support General Fund services	-500	-500	-473	-185	+0
Cost Reduction Plan					
Star Chamber		-391	-406		
Acquisition of Commercial Property		-805			
Disposal of Ebbisham Centre		-52			
Removed advertising budget for 'Big Switch'		-60			
Increase in garden waste fees to offset reduction in SCC subsidy		-52			
Reduction in homelessness costs		-230			
Cost Reduction Plan		-1,590	-406	+0	+0
Contributions from Reserves/Provisions					
Funding of IT projects within the capital programme		+425	+100	+100	+100
Funding of capital works to property		+115			
Business Rates Equalisation Reserve		-70			
		+470	+100	+100	+100

FOUR YEAR BUDGET PROFILES	2017/18	2018/19	2019/20	2020/21	2021/22
	Budget	Proposed	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000
<b>Fees and Charges</b>					
Increased yield on discretionary Fees and Charges		-200	-200	-210	-210
		-200	-200	-210	-210
<b>Interest on Balances (excludes interest credited to strategic reserves)</b>					
Average level of investments					
Investments (average)	0	15,000	15,000	15,000	15,000
Interest rate used (supplemented by interest equalisation reserve)	1.00%	0.80%	1.00%	1.25%	1.50%
Total Interest Forecast	-168	-120	-150	-188	-225
Add: Use of interest equalisation reserve	-52	0	0	0	0
<b>Interest credited to General Fund to Finance Services</b>	<b>-220</b>	<b>-120</b>	<b>-150</b>	<b>-188</b>	<b>-225</b>

<b>SUMMARY OF FORECASTS</b>					
Net Expenditure on Services before changes (Base Budget excluding use of interest on Balances and use of working balance)	8,365	8,634	7,928	8,042	8,596
Price Increases (inflation)		+476	+450	+490	+490
Legislation Impacts		+555	+115	+250	+150
Changes to External Funding		+53	+155	+24	+0
NHB Funding used to support General Fund services	-500	-500	-473	-185	+0
Cost Reduction Plan		-1,590	-406	+0	+0
Contributions from Reserves/Provisions		+470	+100	+100	+100
Fees and Charges		-200	-200	-210	-210
Interest credited to General Fund to Finance Services	-220	-120	-150	-188	-225
<b>Forecast Net Cost of Services</b>	<b>7,645</b>	<b>7,778</b>	<b>7,519</b>	<b>8,323</b>	<b>8,901</b>
<b>SETTLEMENT ASSESSMENT FUNDING FORECAST</b>					
<b>RSG</b>	+0	+0	+0	+0	+0
Transitional Grant	+83	+0	+0	+0	+0
Tariff Adjustment	0	0	-625	-653	-681
Retained Business Rates	1,238	1,198	1,558	1,589	1,620
Small Business Rate Relief Grant	289	329	0	0	0
Localism Relief Grant	0	0	0	0	0
<b>Formula Grant / Business Rate Retention</b>	<b>1,610</b>	<b>1,527</b>	<b>933</b>	<b>936</b>	<b>939</b>
Base Income from Council Tax		6,108	6,290	6,526	6,771
Increase in council tax base			+47	+49	+51
	6,045	6,108	6,337	6,575	6,822
Forecast for increase of 3% in Council Tax income		+182	+189	+196	+203
<b>Council Tax Income Forecast</b>	<b>6,045</b>	<b>6,290</b>	<b>6,526</b>	<b>6,771</b>	<b>7,025</b>
Deficit on Retained Business Rates	-111	-180	0	0	0
Collection Fund Surplus	101	141	0	0	0
<b>Assumed Collection Fund Income (Formula Grant + Council Tax)</b>	<b>7,645</b>	<b>7,778</b>	<b>7,459</b>	<b>7,707</b>	<b>7,964</b>
<b>Forecast Budget Shortfall (required use of working balance)</b>	<b>0</b>	<b>0</b>	<b>60</b>	<b>616</b>	<b>937</b>
<b>GENERAL FUND WORKING BALANCE PROJECTION: AFTER SERVICE COST REDUCTION</b>					
Estimated Working Balance b/f	3,334	3,334	3,334	3,274	2,658
Resulting Working Balance c/f	3,334	3,334	3,274	2,658	1,721