

REVENUE BUDGET FOUR YEAR FORECAST

Status: Financial Planning Based on 2018/19 Budget

FOUR YEAR BUDGET PROFILES	Forecasts					Assumptions					
	2017/18	2018/19	2019/20	2020/21	2021/22		2017/18	2018/19	2019/20	2020/21	2021/22
	Budget	Budget	Forecast	Forecast	Forecast	BASE	Budget	Proposed	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
NET SPEND B/F FROM PREVIOUS YEAR		7,645	7,783	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	-475	-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	9,500	2.00%	2.00%	2.00%	2.00%	
General Inflation pay bill base		+246	+260	+300	+300	11,000	na	1.00%	2.00%	2.00%	
Other		+44									
Prices Increases net of Increased Fees & Charges		+480	+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)		+111	+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		+97	+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						

FOUR YEAR BUDGET PROFILES	2017/18	2018/19	2019/20	2020/21	2021/22		2017/18	2018/19	2019/20	2020/21	2021/22
	Budget	Budget	Forecast	Forecast	Forecast	BASE	Budget	Proposed	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
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		-65									
		+475	+100	+100	+100						
Fees and Charges											
Increased yield on discretionary Fees and Charges		-248	-200	-210	-210	-6,600		3.0%	3.0%	3.0%	3.0%
		-248	-200	-210	-210						
Interest on Balances (excludes interest credited to strategic reserves)											
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						
Interest credited to General Fund to Finance Services	-220	-120	-150	-188	-225						

SUMMARY OF FORECASTS											
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)		+480	+450	+490	+490						
Legislation Impacts		+555	+115	+250	+150						
Changes to External Funding		+97	+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		+475	+100	+100	+100						
Fees and Charges		-248	-200	-210	-210						
Interest credited to General Fund to Finance Services	-220	-120	-150	-188	-225						
Forecast Net Cost of Services	7,645	7,783	7,519	8,323	8,901						
SETTLEMENT ASSESSMENT FUNDING FORECAST											
RSG	+0	+0	+0	+0	+0			0	0	0	0
Transitional Grant	+83	+0	+0	+0	+0						
Tariff Adjustment	0	0	-625	-653	-681						
Retained Business Rates	1,238	1,203	1,563	1,594	1,626			based on high level forecast subject to review after yr 1			
Small Business Rate Relief Grant	289	329	0	0	0						
Localism Relief Grant	0	0	0	0	0						
Formula Grant / Business Rate Retention	1,610	1,532	938	941	945			-78	-594	3	4
Base Income from Council Tax		6,108	6,290	6,526	6,771						
Increase in council tax base			+47	+49	+51	32,658		0.75%	0.75%	0.75%	0.75%
	6,045	6,108	6,337	6,575	6,822						
Forecast for increase of 3% in Council Tax income		+182	+189	+196	+203			3% increase			
Council Tax Income Forecast	6,045	6,290	6,526	6,771	7,025						
Deficit on Retained Business Rates	-111	-180	0	0	0						
Collection Fund Surplus	101	141	0	0	0						
Assumed Collection Fund Income (Formula Grant + Council Tax)	7,645	7,783	7,464	7,712	7,970						
Forecast Budget Shortfall (required use of working balance)	0	0	55	611	931						

GENERAL FUND WORKING BALANCE PROJECTION: AFTER SERVICE COST REDUCTION					
Estimated Working Balance b/f	3,334	3,334	3,334	3,279	2,668
Resulting Working Balance c/f	3,334	3,334	3,279	2,668	1,737