

REVENUE BUDGET FOUR YEAR FORECAST

Status: Financial Planning Based on 2018/19 Budget

FOUR YEAR BUDGET PROFILES	MTFS		FORECAST								
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
NET SPEND B/F FROM PREVIOUS YEAR		7,783	7,577	8,470	9,287	9,918	10,040	10,418	10,832	11,252	11,678
add back: Use of New Homes Bonus in Previous Year		500	473	184	0	0	0	0	0	0	0
add back: Interest on Balances as credited to the revenue account in previous year		120	80	120	175	240	270	400	500	500	500
Net Expenditure on Services before changes (Base Budget excluding use of interest on Balances and use of working balance)	8,403	8,403	8,130	8,774	9,462	10,158	10,310	10,818	11,332	11,752	12,178
Allowance for Pay and Price Inflation											
General Inflation - price base		+190	+190	+190	+190	+194	+198	+202	+206	+210	+214
General Inflation pay bill base		+280	+400	+408	+416	+424	+433	+442	+450	+459	+469
Other											
Prices Increases net of Increased Fees & Charges		+470	+590	+598	+606	+618	+631	+643	+656	+669	+683
Increases in costs / Reductions in income											
Pension Fund Valuation 2019				+100	+100	+100					
Change in corporate contingencies		+35									
Removal of provision for events 2018/19		-10									
Increase in provision for property maintenance		+50	+50	+50	+50	+50					
Provision for impact on services of latest benefit reforms		+100	+100								
Local elections		+70	-70								
Verge maintenance		+59									
Reduction in savings on Ebbisham Centre		+71									
Community Safety		+30									
Health		+30									
Increases in costs / Reductions in income		+435	+80	+150	+150	+150	+0	+0	+0	+0	+0
Changes to External Funding											
Refuse & Recycling (SCC)		+60									
Loss of Housing Benefit Admin Grant		+45	+24								
Grant funding from DCLG for Local Council Tax Admin Subsidy		+50									
Changes to External Funding		+155	+24	+0	+0	+0	+0	+0	+0	+0	+0
New Home Bonus											
Estimated New Homes Bonus		-833	-473	-364	-369	-200	-200	-200	-200	-200	-200
Transfer to Corporate Project Reserve		+333	+0	+180	+369	+200	+200	+200	+200	+200	+200
NHB Funding used to support General Fund services		-500	-473	-184	+0	+0	+0	+0	+0	+0	+0
Cost Reduction Plan											
Star Chamber		-406									
Acquisition of Commercial Property		-152									
Savings from Reviews											
Cost Reduction Plan		-558	+0	+0	+0	+0	+0	+0	+0	+0	+0
Contributions from Reserves/Provisions											
Funding of projects within the capital programme		+100	+100	+100	+100	+100	+100	+100			
Use of £0.5m additional funding from Business Rates Pilot		-200	+50	+50	+50						
Reduced contributions to the Property Equalisation Reserve		-475				-500					
Contributions from Reserves/Provisions		-575	+150	+150	+150	-400	+100	+100	+0	+0	+0
Fees and Charges											
Increased yield on discretionary Fees and Charges		-200	-200	-210	-210	-216	-223	-229	-236	-243	-251
Fees and Charges		-200	-200	-210	-210	-216	-223	-229	-236	-243	-251
Interest on Balances (excludes interest credited to strategic reserves)											
Average level of investments		0	10,000	12,000	14,000	16,000	18,000	20,000	20,000	20,000	20,000
Investments (average)		0	10,000	12,000	14,000	16,000	18,000	20,000	20,000	20,000	20,000
Interest rate used (supplemented by interest equalisation reserve)		0.80%	0.80%	1.00%	1.25%	1.50%	1.50%	2.00%	2.50%	2.50%	2.50%
Total Interest Forecast		-120	-80	-120	-175	-240	-270	-400	-500	-500	-500
Add: Use of interest equalisation reserve		0	0	0	0	0	0	0	0	0	0
Interest credited to General Fund to Finance Services		-120	-80	-120	-175	-240	-270	-400	-500	-500	-500
SUMMARY OF FORECASTS											
Net Expenditure on Services before changes (Base Budget excluding use of interest on Balances and use of working balance)	8,403	8,403	8,130	8,774	9,462	10,158	10,310	10,818	11,332	11,752	12,178
Price Increases (inflation)		+470	+590	+598	+606	+618	+631	+643	+656	+669	+683
Increases in costs / Reductions in income		+435	+80	+150	+150	+150	+0	+0	+0	+0	+0
Changes to External Funding		+155	+24	+0	+0	+0	+0	+0	+0	+0	+0
NHB Funding used to support General Fund services	-500	-473	-184	+0	+0	+0	+0	+0	+0	+0	+0
Cost Reduction Plan		-558	+0	+0	+0	+0	+0	+0	+0	+0	+0
Contributions from Reserves/Provisions		-575	+150	+150	+150	-400	+100	+100	+0	+0	+0
Fees and Charges		-200	-200	-210	-210	-216	-223	-229	-236	-243	-251
Interest credited to General Fund to Finance Services	-120	-80	-120	-175	-240	-270	-400	-500	-500	-500	-500
Forecast Net Cost of Services	7,783	7,577	8,470	9,287	9,918	10,040	10,418	10,832	11,252	11,678	12,110
SETTLEMENT ASSESSMENT FUNDING FORECAST											
RSG	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
Transitional Grant	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
Tariff Adjustment	0	-625	-781	-977	-1,221	-1,526	-1,726	-1,760	-1,795	-1,831	-1,868
Retained Business Rates	1,203	1,563	1,594	1,626	1,659	1,692	1,726	1,760	1,795	1,831	1,868
Small Business Rate Relief Grant	329	0	0	0	0	0	0	0	0	0	0
Localism Relief Grant	0	0	0	0	0	0	0	0	0	0	0
Formula Grant / Business Rate Retention	1,532	938	813	650	438	166	0	0	0	0	0
Base Income from Council Tax		6,290	6,526	6,771	7,025	7,289	7,562	7,846	8,141	8,446	8,763
Increase in council tax base		+47	+49	+51	+53	+55	+57	+59	+61	+63	+66
	6,290	6,337	6,575	6,822	7,078	7,343	7,619	7,905	8,202	8,509	8,829
Forecast for increase of 3% in Council Tax income		+189	+196	+203	+211	+219	+227	+236	+244	+254	+263
Council Tax Income Forecast	6,290	6,526	6,771	7,025	7,289	7,562	7,846	8,141	8,446	8,763	9,092
Deficit on Retained Business Rates	-180	+0	0	0	0	0	0	0	0	0	0
Collection Fund Surplus	141	0	0	0	0	0	0	0	0	0	0
Assumed Collection Fund Income (Formula Grant + Council Tax)	7,783	7,464	7,584	7,674	7,727	7,728	7,846	8,141	8,446	8,763	9,092
Forecast Budget Shortfall (required use of working balance)	0	113	885	1,613	2,192	2,312	2,572	2,691	2,806	2,915	3,018
GENERAL FUND WORKING BALANCE PROJECTION: AFTER SERVICE COST REDUCTION											
Estimated Working Balance b/f	3,334	3,334	3,221	2,336	724	-1,468	-3,780	-6,351	-9,042	-11,848	-14,763
Resulting Working Balance c/f	3,334	3,221	2,336	724	-1,468	-3,780	-6,351	-9,042	-11,848	-14,763	-17,781
Strategic Reserves (Significant)											
Interest Equalisation	631	631	631	631	631	631	631	631	631	631	631
Insurance	375	350	325	300	275	250	225	200	175	150	125
Property Maintenance	424	349	274	199	124	49	0	0	0	0	0
VAT	319	319	319	319	319	319	319	319	319	319	319
Corporate Projects	2,574	2,274	2,154	2,223	2,123	2,023	1,923	1,823	1,723	1,623	1,523
Business Rates Equalisation	2,245	250	250	250	250	250	250	250	250	250	250
	6,568	4,173	3,953	3,922	3,722	3,522	3,348	3,223	3,098	2,973	2,848
Property Income Equalisation	2,020	2,695	3,370	4,045	4,720	5,395	5,395	5,395	5,395	5,395	5,395
	8,588	6,868	7,323	7,967	8,442	8,917	8,743	8,618	8,493	8,368	8,243
Capital Reserves	3,042	2,442	1,942	1,542	1,242	1,042	942	942	942	942	942

Potential to transfer some of the interest equalisation to another strategic reserve
 £25k per annum of the insurance reserve is being used to fund revenue budget
 Assumed £75k use of property maintenance reserve per annum for backlog property maintenance works
 No use of VAT reserve anticipated however with a number of property schemes could be needed
 Assumed £300k per annum of corporate projects reserve being used to fund revenue budget/schemes
 The business rates equalisation reserve assumes the NHS is successful in its appeal and the deficit in 2017/18 cleared in 2019/20
 Anticipates that property income equalisation reserve meets the target of 1 year rental income for 5 properties secured with borrowing
 Assumes £700k annual capital programme requiring financing from reserves revenue or capital