

**REVENUE BUDGET FOUR YEAR FORECAST**

28/01/2019

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 £000	Budget £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	
<b>NET SPEND B/F FROM PREVIOUS YEAR</b>		7,783	6,387	8,802	9,395	9,976	9,998	10,376	10,790	11,260	11,686	
add back: Use of New Homes Bonus in Previous Year		500	0	0	0	0	0	0	0	0	0	
add back: Interest on Balances as credited to the revenue account in previous year		120	96	130	175	240	270	400	500	500	500	
add back: Use of Reserves/Provisions in Previous Year		-475	1,845	0	0	0	0	0	0	0	0	
<b>Net Expenditure on Services before changes (Base Budget excluding use of interest on Balances and use of working balance)</b>	<b>8,403</b>	<b>7,928</b>	<b>8,328</b>	<b>8,932</b>	<b>9,570</b>	<b>10,216</b>	<b>10,268</b>	<b>10,776</b>	<b>11,290</b>	<b>11,760</b>	<b>12,186</b>	
<b>Allowance for Pay and Price Inflation</b>												
General Inflation - price base		+190	+190	+190	+190	+194	+198	+202	+206	+210	+214	
General Inflation pay bill base		+292	+400	+408	+416	+424	+433	+442	+450	+459	+469	
Other		+51										
<b>Prices Increases net of Increased Fees &amp; Charges</b>		<b>+533</b>	<b>+590</b>	<b>+598</b>	<b>+606</b>	<b>+618</b>	<b>+631</b>	<b>+643</b>	<b>+656</b>	<b>+669</b>	<b>+683</b>	
<b>Increases in costs / Reductions in income</b>												
Pension Fund Valuation 2019			+100	+100	+100							
Increase in cost of waste collection		+107										
Resources for staff learning and development		+35										
Transit site		+20										
Change in corporate contingencies		+127										
Provision for business improvement work to increase capacity		+20										
Apprenticeship scheme		+39										
Increase in provision for property maintenance		+50	+50	+50	+50	+50						
Provision for impact on services of latest benefit reforms			+100									
Local elections		+70	-70									
Verge maintenance		+59										
Reduction in savings on Ebbisham Centre		+71										
Community Safety		+36										
Funding of projects within the capital programme		+100	+100	+100	+100	+100	+100	+100	+50			
Health and Wellbeing		+36										
Verge maintenance		+37										
<b>Increases in costs / Reductions in income</b>		<b>+807</b>	<b>+280</b>	<b>+250</b>	<b>+250</b>	<b>+150</b>	<b>+100</b>	<b>+100</b>	<b>+50</b>	<b>+0</b>	<b>+0</b>	
<b>Changes to External Funding</b>												
Refuse & Recycling (SCC)												
Loss of Housing Benefit Admin Grant		+25	+24									
Grant funding from DCLG for Local Council Tax Admin Subsidy		+50										
Remove funding from Property Company towards funding capital programme		-115										
Higher Needs		+23										
<b>Changes to External Funding</b>		<b>-17</b>	<b>+24</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	
<b>New Home Bonus</b>												
Estimated New Homes Bonus		-833	-444	-307	-282	-84	-84	-84	-84	-84	-84	
Transfer to Corporate Project Reserve		+333	+444	+307	+282	+84	+84	+84	+84	+84	+84	
<b>NHB Funding used to support General Fund services</b>		<b>-500</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	
<b>Cost Reduction Plan</b>												
Star Chamber		-406										
Acquisition of Commercial Property		-152										
Base review		-75										
Savings from Leadership Team restructure		-167										
<b>Cost Reduction Plan</b>		<b>-800</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	
<b>Contributions from Reserves/Provisions</b>												
Funding from business rates equalisation reserve of retained business rates income deficit		-1,845										
Reduced contributions to the Property Equalisation Reserve						-500						
		-1,845	+0	+0	+0	-500	+0	+0	+0	+0	+0	
<b>Fees and Charges</b>												
Increased yield on discretionary Fees and Charges		-123	-290	-210	-210	-216	-223	-229	-236	-243	-251	
		-123	-290	-210	-210	-216	-223	-229	-236	-243	-251	
<b>Interest on Balances (excludes interest credited to strategic reserves)</b>												
Average level of investments												
Investments (average)		0	12,000	13,000	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	-96	-130	-175	-240	-270	-400	-500	-500	-500	
Add: Use of interest equalisation reserve		0	0	0	0	0	0	0	0	0	0	
<b>Interest credited to General Fund to Finance Services</b>		<b>-120</b>	<b>-96</b>	<b>-130</b>	<b>-175</b>	<b>-240</b>	<b>-270</b>	<b>-400</b>	<b>-500</b>	<b>-500</b>	<b>-500</b>	
<b>SUMMARY OF FORECASTS</b>												
<b>Net Expenditure on Services before changes (Base Budget excluding use of interest on Balances and use of working balance)</b>	<b>8,403</b>	<b>7,928</b>	<b>8,328</b>	<b>8,932</b>	<b>9,570</b>	<b>10,216</b>	<b>10,268</b>	<b>10,776</b>	<b>11,290</b>	<b>11,760</b>	<b>12,186</b>	
<b>Price Increases (inflation)</b>		<b>+533</b>	<b>+590</b>	<b>+598</b>	<b>+606</b>	<b>+618</b>	<b>+631</b>	<b>+643</b>	<b>+656</b>	<b>+669</b>	<b>+683</b>	
<b>Increases in costs / Reductions in income</b>		<b>+807</b>	<b>+280</b>	<b>+250</b>	<b>+250</b>	<b>+150</b>	<b>+100</b>	<b>+100</b>	<b>+50</b>	<b>+0</b>	<b>+0</b>	
<b>Changes to External Funding</b>		<b>-17</b>	<b>+24</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	
<b>NHB Funding used to support General Fund services</b>	<b>-500</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	
<b>Cost Reduction Plan</b>		<b>-800</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	
<b>Contributions from Reserves/Provisions</b>		<b>-1,845</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>-500</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	
<b>Fees and Charges</b>		<b>-123</b>	<b>-290</b>	<b>-210</b>	<b>-210</b>	<b>-216</b>	<b>-223</b>	<b>-229</b>	<b>-236</b>	<b>-243</b>	<b>-251</b>	
<b>Interest credited to General Fund to Finance Services</b>	<b>-120</b>	<b>-96</b>	<b>-130</b>	<b>-175</b>	<b>-240</b>	<b>-270</b>	<b>-400</b>	<b>-500</b>	<b>-500</b>	<b>-500</b>	<b>-500</b>	
<b>Forecast Net Cost of Services</b>	<b>7,783</b>	<b>6,387</b>	<b>8,802</b>	<b>9,395</b>	<b>9,976</b>	<b>9,998</b>	<b>10,376</b>	<b>10,790</b>	<b>11,260</b>	<b>11,686</b>	<b>12,118</b>	
<b>SETTLEMENT ASSESSMENT FUNDING FORECAST</b>												
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	0	0	0	0	0	0	0	0	0	0	
Retained Business Rates	1,203	983	1,269	1,138	1,004	868	736	600	462	321	178	
Small Business Rate Relief Grant	329	602	0	0	0	0	0	0	0	0	0	
Localism Relief Grant	0	0	0	0	0	0	0	0	0	0	0	
<b>Formula Grant / Business Rate Retention</b>	<b>1,532</b>	<b>1,585</b>	<b>1,269</b>	<b>1,138</b>	<b>1,004</b>	<b>868</b>	<b>736</b>	<b>600</b>	<b>462</b>	<b>321</b>	<b>178</b>	
Base Income from Council Tax		6,290	6,525	6,770	7,024	7,287	7,561	7,845	8,140	8,445	8,762	
Increase in council tax base		+46	+49	+51	+53	+55	+57	+59	+61	+63	+66	
	6,290	<b>6,336</b>	<b>6,574</b>	<b>6,821</b>	<b>7,076</b>	<b>7,342</b>	<b>7,618</b>	<b>7,904</b>	<b>8,201</b>	<b>8,508</b>	<b>8,828</b>	
Forecast for increase of 3% in Council Tax income		+189	+196	+203	+211	+219	+227	+236	+244	+254	+263	
<b>Council Tax Income Forecast</b>	<b>6,290</b>	<b>6,525</b>	<b>6,770</b>	<b>7,024</b>	<b>7,287</b>	<b>7,561</b>	<b>7,845</b>	<b>8,140</b>	<b>8,445</b>	<b>8,762</b>	<b>9,091</b>	
Deficit on Retained Business Rates	-180	-1,803	0	0	0	0	0	0	0	0	0	
Collection Fund Surplus	141	80	0	0	0	0	0	0	0	0	0	
<b>Assumed Collection Fund Income (Formula Grant + Council Tax)</b>	<b>7,783</b>	<b>6,387</b>	<b>8,039</b>	<b>8,162</b>	<b>8,292</b>	<b>8,429</b>	<b>8,580</b>	<b>8,740</b>	<b>8,907</b>	<b>9,083</b>	<b>9,269</b>	
<b>Forecast Budget Shortfall (required use of working balance)</b>	<b>0</b>	<b>0</b>	<b>762</b>	<b>1,233</b>	<b>1,684</b>	<b>1,569</b>	<b>1,796</b>	<b>2,050</b>	<b>2,353</b>	<b>2,602</b>	<b>2,849</b>	
<b>GENERAL FUND WORKING BALANCE PROJECTION: AFTER SERVICE COST REDUCTION</b>												
Estimated Working Balance b/f	3,334	3,334	3,334	2,572	1,338	-346	-1,915	-3,711	-5,761	-8,114	-10,716	
Resulting Working Balance c/f	3,334	3,334	2,572	1,338	-346	-1,915	-3,711	-5,761	-8,114	-10,716	-13,565	
<b>Strategic Reserves (Significant)</b>												
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	2,718	2,725	2,707	2,491	2,275	2,059	1,843	1,627	1,411	1,195	
Business Rates Equalisation	2,180	335	335	335	335	335	335	335	335	335	335	
	<b>6,503</b>	<b>4,702</b>	<b>4,609</b>	<b>4,491</b>	<b>4,175</b>	<b>3,859</b>	<b>3,569</b>	<b>3,328</b>	<b>3,087</b>	<b>2,846</b>	<b>2,605</b>	
<b>Property Income Equalisation</b>	<b>2,020</b>	<b>2,695</b>	<b>3,370</b>	<b>4,045</b>	<b>4,720</b>	<b>4,895</b>	<b>5,070</b>	<b>5,245</b>	<b>5,420</b>	<b>5,595</b>	<b>5,770</b>	
	<b>8,523</b>	<b>7,397</b>	<b>7,979</b>	<b>8,536</b>	<b>8,895</b>	<b>8,754</b>	<b>8,639</b>	<b>8,573</b>	<b>8,507</b>	<b>8,441</b>	<b>8,375</b>	
<b>Capital Reserves</b>	<b>3,180</b>	<b>2,920</b>	<b>2,370</b>	<b>1,920</b>	<b>1,570</b>	<b>1,320</b>	<b>1,170</b>	<b>1,120</b>	<b>1,120</b>	<b>1,120</b>	<b>1,120</b>	
<i>Potential to transfer some of the interest equalisation to another strategic reserve</i>												
<i>£25k per annum of the insurance reserve is being used to fund revenue budget</i>												
<i>Assumed £75k use of property maintenance reserve per annum for backlog property maintenance works</i>												
<i>No use of VAT reserve anticipated however with a number of property schemes could be needed</i>												
<i>Assumed £300k per annum of corporate projects reserve being used to fund revenue budget/schemes</i>												
<i>The business rates equalisation reserve assumes the NHS is successful in its appeal and the deficit in 2017/18 cleared in 2019/20</i>												
<i>Anticipates that property income equalisation reserve meets the target of 1 year rental income for 5 properties secured with borrowing</i>												
<i>Assumes £700k annual capital programme requiring financing from reserves revenue or capital</i>												