

REVENUE BUDGET FOUR YEAR FORECAST

Status: Financial Planning Based on 2019/20 Budget

	MTFS		NEW MTFS				FORECAST					
FOUR YEAR BUDGET PROFILES	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
NET SPEND B/F FROM PREVIOUS YEAR		7,783	6,387	8,354	8,367	8,118	8,410	8,938	9,452	9,922	10,348	10,780
add back: Use of New Homes Bonus in Previous Year		500	0	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	500
add back: Use of Reserves/Provisions in Previous Year		-475	1,845	0	0	0	0	0	0	0	0	0
Net Expenditure on Services before changes (Base Budget excluding use of interest on Balances and use of working balance)	8,403	7,928	8,328	8,484	8,542	8,358	8,680	9,338	9,952	10,422	10,848	11,280
Allowance for Pay and Price Inflation												
General Inflation - price base		+190	+190	+190	+190	+194	+198	+202	+206	+210	+214	+218
General Inflation pay bill base		+292	+400	+408	+416	+424	+433	+442	+450	+459	+469	+478
Other		+51										
Prices Increases net of Increased Fees & Charges		+533	+590	+598	+606	+618	+631	+643	+656	+669	+683	+696
Increases in costs / Reductions in income												
Pension Fund Valuation 2022						+100	+100	+100				
Increase in cost of waste collection		+107	+31									
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						
Property and Regeneration Manager			+50									
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										
Increases in costs / Reductions in income		+807	+161	+150	+150	+250	+200	+200	+50	+0	+0	+0
Changes to External Funding												
Bourne Hall (SCC)			+80									
Loss of Housing Benefit Admin Grant		+25										
Grant funding from DCLG for Local Council Tax Admin Subsidy		+50										
Remove funding from Property Company towards funding capital programme		-115										
Higher Needs		+23										
Changes to External Funding		-17	+80	+0	+0	+0	+0	+0	+0	+0	+0	+0
New Home Bonus												
Estimated New Homes Bonus	-833	-444	-307	-282	-84	-84	-84	-84	-84	-84	-84	-84
Transfer to Corporate Project Reserve	+333	+444	+307	+282	+84	+84	+84	+84	+84	+84	+84	+84
NHB Funding used to support General Fund services	-500	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
Cost Reduction Plan												
Star Chamber		-406	-185	-180	-180	-180						
Acquisition of Commercial Property/ Increased income		-152	-100	-100	-100	-200						
Base review		-75										
Housing Benefit net subsidy												
Treasury Management												
EEPIC Dividend			-100									
Savings from Leadership Team restructure		-167										
Cost Reduction Plan		-800	-385	-280	-280	-380	+0	+0	+0	+0	+0	+0
Contributions from Reserves/Provisions												
Funding from business rates equalisation reserve of retained business rates income deficit		-1,845		-200	+50	+50	+50					
Reduced contributions to the Property Equalisation Reserve					-500							
		-1,845	+0	-200	-450	+50	+50	+0	+0	+0	+0	+0

	MTFS		NEW MTFS				FORECAST					
FOUR YEAR BUDGET PROFILES	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Fees and Charges</b>												
Increased yield on discretionary Fees and Charges		-123	-290	-210	-210	-216	-223	-229	-236	-243	-251	-258
Income generation												
		-123	-290	-210	-210	-216	-223	-229	-236	-243	-251	-258
<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	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%	2.50%	2.50%
Total Interest Forecast	-120	-96	-130	-175	-240	-270	-400	-500	-500	-500	-500	-500
Add: Use of interest equalisation reserve	0	0	0	0	0	0	0	0	0	0	0	0
<b>Interest credited to General Fund to Finance Services</b>	-120	-96	-130	-175	-240	-270	-400	-500	-500	-500	-500	-500
<b>SUMMARY OF FORECASTS</b>												
Net Expenditure on Services before changes (Base Budget excluding use of interest on Balances and use of working balance)	8,403	7,928	8,328	8,484	8,542	8,358	8,680	9,338	9,952	10,422	10,848	11,280
Price Increases (inflation)		+533	+590	+598	+606	+618	+631	+643	+656	+669	+683	+696
Increases in costs / Reductions in income		+807	+161	+150	+150	+250	+200	+200	+50	+0	+0	+0
Changes to External Funding		-17	+80	+0	+0	+0	+0	+0	+0	+0	+0	+0
NHB Funding used to support General Fund services	-500	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
Cost Reduction Plan		-800	-385	-280	-280	-380	+0	+0	+0	+0	+0	+0
Contributions from Reserves/Provisions		-1,845	+0	-200	-450	+50	+50	+0	+0	+0	+0	+0
Fees and Charges		-123	-290	-210	-210	-216	-223	-229	-236	-243	-251	-258
Interest credited to General Fund to Finance Services	-120	-96	-130	-175	-240	-270	-400	-500	-500	-500	-500	-500
<b>Forecast Net Cost of Services</b>	<b>7,783</b>	<b>6,387</b>	<b>8,354</b>	<b>8,367</b>	<b>8,118</b>	<b>8,410</b>	<b>8,938</b>	<b>9,452</b>	<b>9,922</b>	<b>10,348</b>	<b>10,780</b>	<b>11,218</b>
Final Outturn variance	-68											
<b>Revised Net cost of Services</b>	<b>7,715</b>	<b>6,387</b>	<b>8,354</b>	<b>8,367</b>	<b>8,118</b>	<b>8,410</b>	<b>8,938</b>	<b>9,452</b>	<b>9,922</b>	<b>10,348</b>	<b>10,780</b>	<b>11,218</b>
<b>SETTLEMENT ASSESSMENT FUNDING FORECAST</b>												
RSG	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
Transitional Grant	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
Tariff Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
Retained Business Rates	1,203	983	1,425	816	832	849	716	580	442	301	157	0
Small Business Rate Relief Grant	329	602	0	0	0	0	0	0	0	0	0	0
Localism Relief Grant	0	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>1,425</b>	<b>816</b>	<b>832</b>	<b>849</b>	<b>716</b>	<b>580</b>	<b>442</b>	<b>301</b>	<b>157</b>	<b>0</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	9,091
Increase in council tax base		+46	+49	+51	+53	+55	+57	+59	+61	+63	+66	+68
	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>	<b>9,159</b>
Forecast for increase of 3% in Council Tax income		+189	+196	+203	+211	+219	+227	+236	+244	+254	+263	+273
<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>	<b>9,432</b>
Deficit on Retained Business Rates	-180	-1,803	0	0	0	0	0	0	0	0	0	0
Collection Fund Surplus	141	80	0	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>8,195</b>	<b>7,840</b>	<b>8,120</b>	<b>8,410</b>	<b>8,561</b>	<b>8,720</b>	<b>8,886</b>	<b>9,063</b>	<b>9,247</b>	<b>9,432</b>
<b>Forecast Budget Shortfall (required use of working balance)</b>	<b>-68</b>	<b>0</b>	<b>159</b>	<b>527</b>	<b>-1</b>	<b>0</b>	<b>377</b>	<b>732</b>	<b>1,035</b>	<b>1,285</b>	<b>1,533</b>	<b>1,786</b>
<b>GENERAL FUND WORKING BALANCE PROJECTION: AFTER SERVICE COST REDUCTION</b>												
Estimated Working Balance b/f	3,348	3,416	3,416	3,257	2,730	2,731	2,731	2,354	1,622	586	-699	-2,231
Resulting Working Balance c/f	3,416	3,416	3,257	2,730	2,731	2,731	2,354	1,622	586	-699	-2,231	-4,018

	MTFS		NEW MTFS				FORECAST					
FOUR YEAR BUDGET PROFILES	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
	<u>Budget</u>	<u>Budget</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Strategic Reserves (Significant)												
Interest Equalisation	631	400	400	400	400	400	400	400	400	400	400	400
Insurance	466	441	416	391	366	341	316	291	266	241	216	191
Property Maintenance	573	498	423	348	273	198	123	48	0	0	0	0
VAT	319	250	250	250	250	250	250	250	250	250	250	250
Corporate Projects	3,249	3,393	3,400	3,382	3,166	2,950	2,734	2,518	2,302	2,086	1,870	1,654
Business Rates Equalisation	3,066	1,000	1,000	800	650	550	500	500	500	500	500	500
	8,304	5,982	5,889	5,571	5,105	4,689	4,323	4,007	3,718	3,477	3,236	2,995
Property Income Equalisation	2,180	3,596	4,271	4,946	5,121	5,296	5,471	5,646	5,821	5,996	6,171	6,346
	10,484	9,578	10,160	10,517	10,226	9,985	9,794	9,653	9,539	9,473	9,407	9,341

Capital Reserves	4,947	2,626	2,076	1,626	1,276	1,026	876	826	826	826	826	826
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Potential to transfer some of the interest equalistion 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