

REVENUE BUDGET FOUR YEAR FORECAST

Status: Financial Planning Based on 2020/21 Budget

FOUR YEAR BUDGET PROFILES	MTFS				FORECAST							
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/21	
	Budget	Draft	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	6,387	9,743	8,612	8,791	9,213	9,796	10,360	10,780	11,206	11,638	12,076	
add back: Interest on Balances as credited to the revenue account in previous year	96	130	105	160	225	300	400	500	500	500	500	
add back: Use of Reserves/Provisions in Previous Year	1,845	-1,264	730	200	150	100	50	0	0	0	0	
Net Expenditure on Services before changes (Base Budget excluding use of interest on Balances and use of working balance)	8,328	8,609	9,447	9,151	9,588	10,196	10,810	11,280	11,706	12,138	12,576	
Allowance for Pay and Price Inflation												
General Inflation - price base	+190	+50	+190	+194	+198	+202	+206	+210	+214	+218	+223	
General Inflation - pay base	+400	+240	+416	+424	+433	+442	+450	+459	+469	+478	+488	
Other												
Prices Increases net of Increased Fees & Charges	+590	+290	+606	+618	+631	+643	+656	+669	+683	+696	+710	
Increases in costs / Reductions in income												
Pension Fund Valuations 2019 & 2022	+150			+100	+100	+100						
Contingency for the impact of Covid		+950										
Increase in cost of waste collection	+61											
Increase in provision for property maintenance	+50	+50	+50	+50								
Property and Regeneration Manager	+50											
Local elections	-70											
Funding of projects within the capital programme	+100	+100	+100	+100	+100	+100	+50					
Other	-83	-71										
Reduced contributions to the Property Equalisation Reserve			-500									
Increased cost of homelessness	+391											
Increases in costs / Reductions in income	+649	+1,029	-350	+250	+200	+200	+50	+0	+0	+0	+0	
Changes to External Funding												
Bourne Hall (SCC)	+80											
Changes to External Funding	+80	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	
New Home Bonus												
Estimated New Homes Bonus	-385	-240	-21	-21	-21	-21	-21	-21	-21	-21	-21	
Transfer to Corporate Project Reserve	+385	+240	+21	+21	+21	+21	+21	+21	+21	+21	+21	
NHB Funding used to support General Fund services	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	
Cost Reduction Plan												
Star Chamber	-585	-144	-249	-215								
Service review		-173	-93									
EEPIC Dividend	-100											
Cost Reduction Plan	-685	-317	-342	-215	+0	+0	+0	+0	+0	+0	+0	
Contributions from Reserves/Provisions												
Funding from business rates equalisation reserve of retained business rates income deficit	+1,380	-308	-200	-150	-100	-50						
Funding of increased homelessness from Flexible Housing Support Grant	-116	-116										
Funding from Corporate Projects Reserve		-306										
	+1,264	-730	-200	-150	-100	-50	+0	+0	+0	+0	+0	

FOUR YEAR BUDGET PROFILES	MTFS				FORECAST						
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/21
	Budget	Draft	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Fees and Charges											
Increased yield on discretionary Fees and Charges	-290	-164	-210	-216	-223	-229	-236	-243	-251	-258	-266
	-290	-164	-210	-216	-223	-229	-236	-243	-251	-258	-266
Interest on Balances (excludes interest credited to strategic reserves)											
Average level of investments											
Investments (average)	13,000	14,000	16,000	18,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Interest rate used (supplemented by interest equalisation reserve)	1.00%	0.75%	1.00%	1.25%	1.50%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Total Interest Forecast	-130	-105	-160	-225	-300	-400	-500	-500	-500	-500	-500
Add: Use of interest equalisation reserve	0	0	0	0	0	0	0	0	0	0	0
Interest credited to General Fund to Finance Services	-130	-105	-160	-225	-300	-400	-500	-500	-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)	8,328	8,609	9,447	9,151	9,588	10,196	10,810	11,280	11,706	12,138	12,576
Price Increases (inflation)	+590	+290	+606	+618	+631	+643	+656	+669	+683	+696	+710
Increases in costs / Reductions in income	+649	+1,029	-350	+250	+200	+200	+50	+0	+0	+0	+0
Changes to External Funding	+80	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
NHB Funding used to support General Fund services	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
Cost Reduction Plan	-685	-317	-342	-215	+0	+0	+0	+0	+0	+0	+0
Contributions from Reserves/Provisions	+1,264	-730	-200	-150	-100	-50	+0	+0	+0	+0	+0
Fees and Charges	-353	-164	-210	-216	-223	-229	-236	-243	-251	-258	-266
Interest credited to General Fund to Finance Services	-130	-105	-160	-225	-300	-400	-500	-500	-500	-500	-500
Forecast Net Cost of Services	9,743	8,612	8,791	9,213	9,796	10,360	10,780	11,206	11,638	12,076	12,520
SETTLEMENT ASSESSMENT FUNDING FORECAST											
RSG	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
Lower Tier Services Grant	+0	+60	+0	+0	+0	+0	+0	+0	+0	+0	+0
Covid-19 Support Grant	0	+304	+0	+0	+0	+0	+0	+0	+0	+0	+0
Retained Business Rates	1,617	1,652	925	959	828	695	559	420	278	124	0
Formula Grant / Business Rate Retention	1,617	2,016	925	959	828	695	559	420	278	124	0
Base Income from Council Tax	6,525	6,713	6,904	7,109	7,334	7,537	7,745	7,960	8,179	8,406	8,638
Increase in council tax base	+25	+27	+34	+53	+55	+57	+58	+60	+61	+63	+65
	6,550	6,740	6,938	7,162	7,389	7,593	7,804	8,019	8,241	8,469	8,702
Forecast for increase in Council Tax income (£5 per Band D Property)	+163	+164	+171	+172	+148	+152	+156	+160	+165	+169	+174
Council Tax Income Forecast	6,713	6,904	7,109	7,334	7,537	7,745	7,960	8,179	8,406	8,638	8,876
Surplus / (Deficit) on Retained Business Rates	1,402	-302	0	0	0	0	0	0	0	0	0
Council Tax Surplus / (Deficit)	11	-6	0	0	0	0	0	0	0	0	0
Assumed Collection Fund Income (Formula Grant + Council Tax)	9,743	8,612	8,034	8,293	8,365	8,440	8,518	8,599	8,684	8,761	8,876
Forecast Budget Shortfall (required use of working balance)	0	0	758	920	1,431	1,920	2,262	2,607	2,954	3,315	3,644
GENERAL FUND WORKING BALANCE PROJECTION: AFTER SERVICE COST REDUCTION											
Estimated Working Balance b/f	3,426	3,426	3,426	2,669	1,749	318	-1,602	-3,863	-6,470	-9,424	-12,739
Resulting Working Balance c/f	3,426	3,426	2,669	1,749	318	-1,602	-3,863	-6,470	-9,424	-12,739	-16,382