

REVENUE BUDGET FOUR YEAR FORECAST

Status: Financial Planning Based on 2016/17 Budget

FOUR YEAR BUDGET PROFILES	Forecasts				Assumptions				
	2016/17	2017/18	2018/19	2019/20		2016/17	2017/18	2018/19	2019/20
	Budget	Forecast	Forecast	Forecast	BASE	Budget	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000				
NET SPEND B/F FROM PREVIOUS YEAR		7,727	7,964	8,219					
add back: Use of New Homes Bonus in Previous Year		634	500	500					
add back: Interest on Balances as credited to the revenue account in previous year		220	220	220					
add back: Use of Business Rate Equalisation Reserve in previous years budget		121	0	0					
Net Expenditure on Services before changes (Base Budget excluding use of interest on Balances and use of working balance)	8,581	8,702	8,684	8,939					
Allowance for Pay and Price Inflation									
General Inflation - price base		+180	+180	+180	9,000		2.00%	2.00%	2.00%
General Inflation pay bill base		+180	+180	+180	11,000		1.60%	1.60%	1.60%
Prices Increases net of Increased Fees & Charges		+360	+360	+360					
Regulation & Legislative Changes									
Pension Fund Valuation 2016		+133	+133	+133					
IT and bin replacement programmes transferred from capital			+200						
Loss of Housing Benefit Admin Grant		+51	+45	+24					
Increase in provision for property maintenance		+50	+50						
Provision for impact on services of latest benefit reforms		+100	+100	+100					
Legislation Impacts		+334	+528	+257					
New Home Bonus									
Estimated New Homes Bonus	-2,116	-2,116	-1,300	-1,300					
Transfer to Corporate Project Reserve	+1,482	+1,616	+800	+800					
NHB Funding used to support General Fund services	-634	-500	-500	-500					
Cost Reduction Plan									
Savings from Reviews and Star Chamber Exercise		-482	-373	-381					
Restructuring of Senior Management Team		+0	-60	+0					
Reduction in advertising expenditure for change in refuse service		-30	+0	+0					
Ewell Court House additional income target		-20	+0	+0					
Waste co-mingled service		+20	+0	+0					
Cost Reduction Plan		-512	-433	-381					
Fees and Charges									
Increased yield on discretionary Fees and Charges		-200	-200	-210	-6,600		3.0%	3.0%	3.0%
		-200	-200	-210					
Interest on Balances (excludes interest credited to strategic reserves)									
Capital Reserves	2,841	2,146	1,367	1,267		-695	-779	-100	
Working Balance	4,623	4,623	4,623	4,623		0	0	0	
Section 106	2,250	1,500	750	0		-750	-750	-750	
Other Balances	500	500	500	500					
Investments (average)	10,214	8,769	7,240	6,390					
Interest rate used (supplemented by interest equalisation reserve)	1.25%	1.50%	1.75%	2.00%		1.25%	1.50%	1.75%	2.00%
Interest on Reserves	-128	-132	-127	-128					
Interest on Cash Flow / Tax Collection credited to General Fund	-50	-60	-70	-80	-40	1.25%	1.50%	1.75%	2.00%

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11 FEBRUARY 2016

FOUR YEAR BUDGET PROFILES	2016/17	2017/18	2018/19	2019/20		2016/17	2017/18	2018/19	2019/20
	Budget	Forecast	Forecast	Forecast	BASE	Budget	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000				
Total Interest Forecast	-178	-192	-197	-208					
Interest separately allocated to Strategic Reserves									
Add: Use of interest equalisation reserve	-42	-28	-23	-12					
Interest credited to General Fund to Finance Services	-220	-220	-220	-220					
SUMMARY OF FORECASTS									
Net Expenditure on Services before changes (Base Budget excluding use of interest on Balances and use of working balance)	8,581	8,702	8,684	8,939					
Price Increases (inflation)		+360	+360	+360					
Legislation Impacts		+334	+528	+257					
NHB Funding used to support General Fund services	-634	-500	-500	-500					
Cost Reduction Plan		-512	-433	-381					
Fees and Charges		-200	-200	-210					
Interest credited to General Fund to Finance Services	-220	-220	-220	-220					
Forecast Net Cost of Services	7,727	7,964	8,219	8,245					
SETTLEMENT ASSESSMENT FUNDING FORECAST									
RSG	+417	+0	+0	+0			-417	0	0
Tariff Adjustment	+0	+0	+0	-625					
Transitional Grant	+93	+83	+0	+0					
Retained Business Rates	1,216	1,464	1,493	1,523		based on high level forecast subject to review after yr 1			
Small Business Rate Relief Grant	219	included above							
Formula Grant / Business Rate Retention	1,945	1,547	1,493	898			-398	-54	-595
Base Income from Council Tax		5,829	6,034	6,241					
Increase in council tax base		+44	+45	+47	31,512		0.75%	0.75%	0.75%
Forecast for increase in Council Tax income	5,829	5,873	6,079	6,288			£5 per annum (Band D)		
Council Tax Income Forecast	5,829	6,034	6,241	6,452					
Deficit on Retained Business Rates	-121								
Collection Fund Surplus	74	0	0	0					
Assumed Collection Fund Income (Formula Grant + Council Tax)	7,727	7,581	7,734	7,350					
Forecast Budget Shortfall (required use of working balance)	0	383	485	895					
GENERAL FUND WORKING BALANCE PROJECTION: AFTER SERVICE COST REDUCTION									
Estimated Working Balance b/f	2,930	2,930	2,547	2,062					
Resulting Working Balance c/f	2,930	2,547	2,062	1,167					