

## REVENUE BUDGET FOUR YEAR FORECAST

Status: Financial Planning Updated for 2022/23 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	2030/31
	Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>NET SPEND B/F FROM PREVIOUS YEAR</b>	<b>6,387</b>	<b>9,743</b>	<b>8,612</b>	<b>8,627</b>	<b>10,370</b>	<b>10,828</b>	<b>11,392</b>	<b>11,812</b>	<b>12,238</b>	<b>12,670</b>	<b>13,108</b>
add back: Interest on Balances as credited to the revenue account in previous year	96	130	105	80	180	300	400	500	500	500	500
add back: Use of Reserves/Provisions in Previous Year	1,845	-1,264	730	1,476	150	100	50	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>8,328</b>	<b>8,609</b>	<b>9,447</b>	<b>10,183</b>	<b>10,700</b>	<b>11,228</b>	<b>11,842</b>	<b>12,312</b>	<b>12,738</b>	<b>13,170</b>	<b>13,608</b>
<b>Allowance for Pay and Price Inflation</b>											
General Inflation - price base	+190	+50	+290	+194	+198	+202	+206	+210	+214	+218	+223
General Inflation - pay base	+400	+240	+516	+424	+433	+442	+450	+459	+469	+478	+488
<b>Prices Increases net of Increased Fees &amp; Charges</b>	<b>+590</b>	<b>+290</b>	<b>+806</b>	<b>+618</b>	<b>+631</b>	<b>+643</b>	<b>+656</b>	<b>+669</b>	<b>+683</b>	<b>+696</b>	<b>+710</b>
<b>Increases in costs / Reductions in income</b>											
Pension Fund Valuations 2019 & 2022	+150		+129	+100	+100	+100					
Contingency for the impact of Covid		+950	-350								
Increase in cost of waste collection	+61										
Revised cost of building control service			+161								
Increased cost of maintaining ditches and reservoir			+16								
Increase in national insurance contributions			+150								
Net reduction in income from commercial property			+755								
Increase in debt repayments			+41								
Increase in provision for property maintenance	+50	+50	+50	+50							
Property and Regeneration Manager	+50										
Local elections	-70			+80	-80						
Funding of projects within the capital programme	+100	+100	+100	+100	+100	+100	+50				
Other	-83	-71	+56								
Reduced contributions to the Property Equalisation Reserve			-500								
Increased cost of homelessness	+391										
<b>Increases in costs / Reductions in income</b>	<b>+649</b>	<b>+1,029</b>	<b>+608</b>	<b>+330</b>	<b>+120</b>	<b>+200</b>	<b>+50</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>
<b>Changes to External Funding</b>											
Bourne Hall (SCC)	+80										
2022/23 Government Services Grant			-98								
<b>Changes to External Funding</b>	<b>+80</b>	<b>+0</b>	<b>-98</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	-385	-240	-174	-21	-21	-21	-21	-21	-21	-21	-21
Transfer to Corporate Project Reserve	+385	+240	+174	+21	+21	+21	+21	+21	+21	+21	+21
<b>NHB Funding used to support General Fund services</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>+0</b>
<b>Cost Reduction Plan</b>											
Star Chamber	-585	-144	-249	-215							
Service review		-173	-93								
EEPIC Dividend	-100										
<b>Cost Reduction Plan</b>	<b>-685</b>	<b>-317</b>	<b>-342</b>	<b>-215</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	+1,380	-308	-459	-150	-100	-50					
Contribution from Property Income Equalisation Reserve			-755								
Funding of increased homelessness from Flexible Housing Support Grant	-116	-116									
Funding from Corporate Projects Reserve		-306	-262								
	<b>+1,264</b>	<b>-730</b>	<b>-1,476</b>	<b>-150</b>	<b>-100</b>	<b>-50</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>

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	2030/31
	Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Fees and Charges</b>											
Increased yield on discretionary Fees and Charges	-290	-164	-238	-216	-222	-229	-236	-243	-250	-258	-266
	<b>-290</b>	<b>-164</b>	<b>-238</b>	<b>-216</b>	<b>-222</b>	<b>-229</b>	<b>-236</b>	<b>-243</b>	<b>-250</b>	<b>-258</b>	<b>-266</b>
<b>Interest on Balances (excludes interest credited to strategic reserves)</b>											
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%	0.50%	1.00%	1.50%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Total Interest Forecast	-130	-105	-80	-180	-300	-400	-500	-500	-500	-500	-500
Add: Use of interest equalisation reserve	0	0	0	0	0	0	0	0	0	0	0
<b>Interest credited to General Fund to Finance Services</b>	<b>-130</b>	<b>-105</b>	<b>-80</b>	<b>-180</b>	<b>-300</b>	<b>-400</b>	<b>-500</b>	<b>-500</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>8,328</b>	<b>8,609</b>	<b>9,447</b>	<b>10,183</b>	<b>10,700</b>	<b>11,228</b>	<b>11,842</b>	<b>12,312</b>	<b>12,738</b>	<b>13,170</b>	<b>13,608</b>
Price Increases (inflation)	+590	+290	+806	+618	+631	+643	+656	+669	+683	+696	+710
Increases in costs / Reductions in income	+649	+1,029	+608	+330	+120	+200	+50	+0	+0	+0	+0
Changes to External Funding	+80	+0	-98	+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	-1,476	-150	-100	-50	+0	+0	+0	+0	+0
Fees and Charges	-353	-164	-238	-216	-222	-229	-236	-243	-250	-258	-266
Interest credited to General Fund to Finance Services	-130	-105	-80	-180	-300	-400	-500	-500	-500	-500	-500
<b>Forecast Net Cost of Services</b>	<b>9,743</b>	<b>8,612</b>	<b>8,627</b>	<b>10,370</b>	<b>10,828</b>	<b>11,392</b>	<b>11,812</b>	<b>12,238</b>	<b>12,670</b>	<b>13,108</b>	<b>13,553</b>
<b>SETTLEMENT ASSESSMENT FUNDING FORECAST</b>											
RSG	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
Lower Tier Services Grant	+0	+60	+64	+60	+60	+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	1,606	1,638	1,671	1,554	1,435	1,314	1,190	1,054	915
<b>Formula Grant / Business Rate Retention</b>	<b>1,617</b>	<b>2,016</b>	<b>1,670</b>	<b>1,698</b>	<b>1,731</b>	<b>1,554</b>	<b>1,435</b>	<b>1,314</b>	<b>1,190</b>	<b>1,054</b>	<b>915</b>
Base Income from Council Tax	6,525	6,713	6,904	7,090	7,297	7,480	7,667	7,860	8,057	8,259	8,467
Increase in council tax base	+25	+27	+21	+35	+36	+37	+38	+39	+40	+41	+42
	<b>6,550</b>	<b>6,740</b>	<b>6,925</b>	<b>7,126</b>	<b>7,333</b>	<b>7,517</b>	<b>7,706</b>	<b>7,899</b>	<b>8,097</b>	<b>8,301</b>	<b>8,509</b>
Forecast for increase in Council Tax income (£5 per Band D Property)	+163	+164	+165	+171	+147	+150	+154	+158	+162	+166	+170
<b>Council Tax Income Forecast</b>	<b>6,713</b>	<b>6,904</b>	<b>7,090</b>	<b>7,297</b>	<b>7,480</b>	<b>7,667</b>	<b>7,860</b>	<b>8,057</b>	<b>8,259</b>	<b>8,467</b>	<b>8,679</b>
Surplus / (Deficit) on Retained Business Rates	1,402	-302	-180	0	0	0	0	0	0	0	0
Council Tax Surplus / (Deficit )	11	-6	47	0	0	0	0	0	0	0	0
<b>Assumed Collection Fund Income (Formula Grant + Council Tax)</b>	<b>9,743</b>	<b>8,612</b>	<b>8,627</b>	<b>8,995</b>	<b>9,211</b>	<b>9,222</b>	<b>9,295</b>	<b>9,371</b>	<b>9,450</b>	<b>9,521</b>	<b>9,594</b>
<b>Forecast Budget Shortfall (required use of working balance)</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>1,376</b>	<b>1,617</b>	<b>2,170</b>	<b>2,517</b>	<b>2,867</b>	<b>3,221</b>	<b>3,588</b>	<b>3,958</b>
<b>GENERAL FUND WORKING BALANCE PROJECTION: AFTER SERVICE COST REDUCTION</b>											
Estimated Working Balance b/f	3,426	3,383	3,383	3,383	2,007	390	-1,780	-4,297	-7,164	-10,385	-13,972
Resulting Working Balance c/f	3,383	3,383	3,383	2,007	390	-1,780	-4,297	-7,164	-10,385	-13,972	-17,930