REVENUE BUDGET FOUR YEAR FORECAST

Status: Financial Planning Updated for 2024/25 Budget

	BUDGET	NEW MTFS				FORECAST					
FOUR YEAR BUDGET PROFILES	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Budget	Forecast	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	**8,627**	**8,290**	**8,809**	**11,041**	**11,243**	**11,502**	**11,622**	**12,199**	**12,783**	**13,434**	**13,821**
add back: Use of New Homes Bonus in Previous Year	**174**	**0**	**225**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
add back: Interest on Balances as credited to the revenue account in previous year	240	720	1,125	1,000	875	750	750	750	750	750	750
add back: Use of Reserves/Provisions in Previous Year	1,476	2,383	2,298	0	0	0	250	150	50	0	0
Net Expenditure on Services before changes (Base Budget excluding use of interest on balances and use of working balance)	**10,517**	**11,394**	**12,457**	**12,041**	**12,118**	**12,252**	**12,622**	**13,099**	**13,583**	**14,184**	**14,571**
Allowance for Pay and Price Inflation											
General Inflation - price base	+454	+500	+210	+214	+218	+223	+227	+232	+236	+241	+246
General Inflation - pay base	+446	+982	+489	+499	+509	+519	+530	+540	+551	+562	+573
Prices Increases net of Increased Fees & Charges	**+900**	**+1,482**	**+699**	**+713**	**+728**	**+742**	**+757**	**+772**	**+788**	**+803**	**+819**
Increases in costs / Reductions in income											
Pension Fund Valuation 2022	-53	-57	-61								
Provision for members allowances		+94									
Impact of Covid	-90										
Change in national insurance contributions	-150										
Net reduction in income from commercial property	+210										
Increase in debt repayments	+26	+26	+27	+27	+28	+29	+29	+30	+31	+32	+32
Increase in provision for property maintenance	+50										
Local elections	+80	-80			+100	-100			+110	-110	
Provision for increased IT revenue costs		+209	-55	+10							
Funding of projects within the capital programme	+100	+0	+90	-40							
Provision for increased cost of living		+0	+100	+100							
Loss of 70 East Street tenant	+600										
Parkside House income		-566									
Increased cost of homelessness		+300									
Reduced planning fee income		+100									
Loss of on-street parking income	+250	-137									
Changes to EEPIC Dividend	-100	+674	-727	-27	-28	-29	-29	-30	-31	-32	-32
Increased cost of external audit fees nationally	+115										
Contingency for elevated utilities and contract inflation	+360										
Other	+59	-170									
Savings to be identified to finance rebasing exercise	+85										
Increases in costs / Reductions in income	**+1,642**	**+393**	**-626**	**+70**	**+100**	**-100**	**+0**	**+0**	**+110**	**-110**	**+0**
Changes to External Funding											
2023/24 & 2024/25 Surrey Business Rates Pool	-150	+0	+150								
Removal of Local Council Tax Support Admin Grant	+50										
2022/23 Government Services Grant	+98										
Changes to External Funding	**-2**	**+0**	**+150**	**+0**	**+0**	**+0**	**+0**	**+0**	**+0**	**+0**	**+0**
New Homes Bonus											
Estimated New Homes Bonus	-135	-498	+0	+0	+0	+0	+0	+0	+0	+0	+0
Transfer to Corporate Project Reserve	+135	+273	+0	+0	+0	+0	+0	+0	+0	+0	+0
NHB Funding used to support General Fund services	**+0**	**-225**	**+0**	**+0**	**+0**	**+0**	**+0**	**+0**	**+0**	**+0**	**+0**
Cost Reduction Plan											
2020 Star Chambers	-215										
2022 Star Chambers	-688										
Efficiency/Cost Reduction Plan		-356	-156	-450	-430						
Homelessness savings target	-243										
Cost Reduction Plan	**-1,246**	**-356**	**-156**	**-450**	**-430**	**+0**	**+0**	**+0**	**+0**	**+0**	**+0**

	BUDGET	NEW MTFS				FORECAST					
FOUR YEAR BUDGET PROFILES	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Contributions from Reserves/Provisions											
Funding from Collection Fund Equalistation Reserve	-1,090	-974				-250	-150	-50			
Contribution from Property Income Equalisation Reserve	-1,127	-700									
Funding from Corporate Projects Reserve	-166	-624									
	-2,383	**-2,298**	**+0**	**+0**	**+0**	**-250**	**-150**	**-50**	**+0**	**+0**	**+0**
Fees and Charges											
Increased yield on discretionary Fees and Charges	-417	-456	-483	-256	-264	-272	-280	-288	-297	-306	-315
	-417	**-456**	**-483**	**-256**	**-264**	**-272**	**-280**	**-288**	**-297**	**-306**	**-315**
Interest on Balances (excludes interest credited to strategic reserves)											
Cash Investments (average)	*18,000*	*25,000*	*25,000*	*25,000*	*25,000*	*25,000*	*25,000*	*25,000*	*25,000*	*25,000*	*25,000*
Assumed return	*4.00%*	*4.50%*	*4.00%*	*3.50%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*
Total Interest Forecast	-720	-1,125	-1,000	-875	-750	-750	-750	-750	-750	-750	-750
Interest credited to General Fund to Finance Services	**-720**	**-1,125**	**-1,000**	**-875**	**-750**	**-750**	**-750**	**-750**	**-750**	**-750**	**-750**
SUMMARY OF FORECASTS											
Net Expenditure on Services before changes (Base Budget excluding use of interest on balances and use of working balance)	**10,517**	**11,394**	**12,457**	**12,041**	**12,118**	**12,252**	**12,622**	**13,099**	**13,583**	**14,184**	**14,571**
Price Increases (inflation)	**+900**	**+1,482**	**+699**	**713**	**+728**	**+742**	**+757**	**+772**	**+788**	**+803**	**+819**
Increases in costs / Reductions in income	**+1,642**	**+393**	**-626**	**70**	**+100**	**-100**	**+0**	**+0**	**+110**	**-110**	**+0**
Changes to External Funding	**-2**	**+0**	**+150**	**0**	**+0**	**+0**	**+0**	**+0**	**+0**	**+0**	**+0**
NHB Funding used to support General Fund services	**+0**	**-225**	**+0**	**0**	**+0**	**+0**	**+0**	**+0**	**+0**	**+0**	**+0**
Cost Reduction Plan	**-1,246**	**-356**	**-156**	**-450**	**-430**	**+0**	**+0**	**+0**	**+0**	**+0**	**+0**
Contributions from Reserves/Provisions	**-2,383**	**-2,298**	**+0**	**0**	**+0**	**-250**	**-150**	**-50**	**+0**	**+0**	**+0**
Fees and Charges	**-417**	**-456**	**-483**	**-256**	**-264**	**-272**	**-280**	**-288**	**-297**	**-306**	**-315**
Interest credited to General Fund to Finance Services	**-720**	**-1,125**	**-1,000**	**-875**	**-750**	**-750**	**-750**	**-750**	**-750**	**-750**	**-750**
Forecast Net Cost of Services	**8,290**	**8,809**	**11,041**	**11,243**	**11,502**	**11,622**	**12,199**	**12,783**	**13,434**	**13,821**	**14,325**
Projected Outturn variance	**98**										
Revised Net cost of Services	**8,388**	**8,809**	**11,041**	**11,243**	**11,502**	**11,622**	**12,199**	**12,783**	**13,434**	**13,821**	**14,325**
SETTLEMENT ASSESSMENT FUNDING FORECAST											
RSG	+53	+56	+58	+59	+60	+62	+63	+64	+65	+67	+68
Lower Tier Services Grant	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
Retained Business Rates	1,653	1,749	1,784	1,820	1,856	1,392	1,260	1,125	1,148	1,171	1,194
Business Rate Multiplier Underindexation Grant	0	292	301	306	312	318	325	331	338	345	351
Services Grant	57	9	9	9	9	9	9	9	9	9	9
CSP Minimum Guaranteed Funding	223	46	412	347	354	354	354	354	354	354	354
Formula Grant / Business Rate Retention	**1,986**	**2,152**	**2,564**	**2,541**	**2,592**	**2,135**	**2,011**	**1,884**	**1,914**	**1,945**	**1,977**
Base Income from Council Tax	7,090	7,361	7,636	7,904	8,182	8,470	8,767	9,075	9,394	9,724	10,066
Increase in council tax base (0.5% per annum from 2025/26)	+57	+53	+38	+40	+41	+42	+44	+45	+47	+49	+50
	7,147	**7,414**	**7,674**	**7,944**	**8,223**	**8,512**	**8,811**	**9,120**	**9,441**	**9,773**	**10,116**
Forecast for increase in Council Tax income (3% per annum)	+214	+222	+230	+238	+247	+255	+264	+274	+283	+293	+303
Council Tax Income Forecast	**7,361**	**7,636**	**7,904**	**8,182**	**8,470**	**8,767**	**9,075**	**9,394**	**9,724**	**10,066**	**10,419**
Surplus / (Deficit) on Retained Business Rates	-1,085	-1,037	0	0	0	0	0	0	0	0	0
Council Tax Surplus / (Deficit)	27	58	0	0	0	0	0	0	0	0	0
Assumed Collection Fund Income (Formula Grant + Council Tax)	**8,290**	**8,809**	**10,468**	**10,723**	**11,061**	**10,902**	**11,085**	**11,278**	**11,638**	**12,011**	**12,396**
Actual/Forecast Budget Shortfall (required use of working balance)	**98**	**0**	**573**	**520**	**440**	**720**	**1,114**	**1,505**	**1,796**	**1,811**	**1,930**

GENERAL FUND WORKING BALANCE PROJECTION: AFTER SERVICE COST REDUCTION											
Estimated Working Balance b/f	3,117	3,019	3,019	2,446	1,926	1,485	765	-349	-1,854	-3,650	-5,460
Resulting Working Balance c/f	3,019	3,019	2,446	1,926	1,485	765	-349	-1,854	-3,650	-5,460	-7,390