

REVENUE BUDGET FOUR YEAR FORECAST

FOUR YEAR BUDGET PROFILES	2016/17	2017/18	2018/19	2019/20
	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000
NET SPEND B/F FROM PREVIOUS YEAR	7,874	7,727	7,801	8,108
add back: Use of New Homes Bonus in Previous Year	500	515	500	500
add back: Interest on Balances as credited to the revenue account in previous year	220	220	220	220
add back: Use of Business Rates Equalisation Reserve in Previous Year		121		
Net Expenditure on Services before changes (Base Budget excluding use of interest on Balances and use of working balance)	8,594	8,583	8,521	8,828
Allowance for Pay and Price Inflation				
General Inflation - price base	+180	+180	+180	+180
General Inflation pay bill base	+180	+180	+180	+180
Other	+27			
Prices Increases net of Increased Fees & Charges	+387	+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	+0	+334	+528	+257
New Home Bonus				
Estimated New Homes Bonus	-2,116	-2,117	-1,300	-1,300
Transfer to Corporate Project Reserve	+1,482	+1,617	+800	+800
NHB Funding used to support General Fund services	-634	-500	-500	-500
Identified Savings				
Restructuring of Senior Management Team			-60	
Star Chamber	-949	-425	-321	-281
Budget Review	-119			
Ewell Court House additional income		-20		
Waste co-Mingled Service		+20		
Reduced advertising expenditure for change in refuse service		-30		
Rental income from South Street Property		-21		
Rental income from Blenheim Road Flats		-49		
Highway Trees maintenance handed back		-31		
Reduction in homelessness costs through new properties				-197
Identified savings	-1,068	-556	-381	-478
Fees and Charges				
Increased yield on discretionary Fees and Charges	-400	-200	-200	-210
	-400	-200	-200	-210
Interest on Balances (excludes interest credited to strategic reserves)				
Capital Reserves	2,667	1,994	1,000	1,000
Working Balance	3,214	3,214	3,214	3,214
Section 106	2,250	1,500	750	0
Other Balances	500	500	500	500
Investments (average)	8,631	7,208	5,464	4,714
Interest rate used (supplemented by interest equalisation reserve)	1.25%	1.50%	1.75%	2.00%
Interest on Reserves	-108	-108	-96	-94
Interest on Cash Flow / Tax Collection credited to General Fund	-50	-60	-70	-80
Total Interest Forecast	-178	-168	-166	-174
Interest separately allocated to Strategic Reserves				
Add: Use of interest equalisation reserve	-42	-52	-54	-46
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)	8,594	8,583	8,521	8,828
Price Increases (inflation)	+387	+360	+360	+360
Legislation Impacts	+0	+334	+528	+257
NHB Funding used to support General Fund services	-634	-500	-500	-500

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Identified savings	+0	-556	-381	-478
Fees and Charges	-400	-200	-200	-210
Interest credited to General Fund to Finance Services	-220	-220	-220	-220
Forecast Net Cost of Services	7,727	7,801	8,108	8,037
SETTLEMENT ASSESSMENT FUNDING FORECAST				
RSG	+417	+0	+0	+0
Transitional Grant	+93	+83	+0	+0
Tariff Adjustment	0	0	0	-625
Retained Business Rates	1,216	1,464	1,493	1,523
Small Business Rate Relief Grant	219	0	0	0
Localism Relief Grant	0	0	0	0
Formula Grant / Business Rate Retention	1,945	1,547	1,493	898
Base Income from Council Tax	5,670	5,829	6,034	6,241
Increase in council tax base		+44	+45	+47
	5,670	5,873	6,079	6,288
Forecast for increase in Council Tax income £5 per Band D	+159	+161	+162	+164
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	7,580	7,734	7,350
Forecast Budget Shortfall (required use of working balance)	0	220	374	688
GENERAL FUND WORKING BALANCE PROJECTION: AFTER SERVICE COST REDUCTION				
Estimated Working Balance b/f	3,171	3,171	2,951	2,577
Resulting Working Balance c/f	3,171	2,951	2,577	1,889