

REVENUE BUDGET FOUR YEAR FORECAST

Status: Financial Planning Based on 2017/18 Budget

FOUR YEAR BUDGET PROFILES	Forecasts				BASE £000	Assumptions			
	2017/18	2018/19	2019/20	2020/21		2017/18	2018/19	2019/20	2020/21
	Budget £000	Forecast £000	Forecast £000	Forecast £000		Budget	Forecast	Forecast	Forecast
NET SPEND B/F FROM PREVIOUS YEAR		7,645	7,847	7,859					
add back: Use of New Homes Bonus in Previous Year		500	500	304					
add back: Interest on Balances as credited to the revenue account in previous year		220	220	220					
add back: Use of Reserves/Provisions in previous years budget		225	0	0					
Net Expenditure on Services before changes (Base Budget excluding use of interest on Balances and use of working balance)	8,365	8,590	8,567	8,383					
Allowance for Pay and Price Inflation									
General Inflation - price base		+190	+190	+190	9,500	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		+370	+370	+370					
Regulation & Legislative Changes									
Pension Fund Valuation 2016				+100					
IT and bin replacement programmes transferred from capital		+200							
Loss of Housing Benefit Admin Grant		+45	+24						
Increase in provision for property maintenance		+50	+50						
Provision for impact on services of latest benefit reforms		+100	+100						
Legislation Impacts		+395	+174	+100					
New Home Bonus									
Estimated New Homes Bonus	-1,554	-665	-304	-196					
Transfer to Corporate Project Reserve	+1,054	+165	+0	+0					
NHB Funding used to support General Fund services	-500	-500	-304	-196					
Cost Reduction Plan									
Savings from Reviews and Star Chamber Exercise		-476	-406						
Restructuring of Senior Management Team		-60							
Disposal of Ebbisham Centre		-52							
Reduction in homelessness costs through new properties			-122						
Cost Reduction Plan		-588	-528	+0					
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	1,719	1,278	1,000	1,000		-441	-278	0	
Working Balance	5,877	5,277	4,627	4,577		-600	-650	-50	
Section 106	1,500	500	0	0		-1,000	0	0	
Other Balances	3,750	800	500	500		-3,250	0	0	
Investments (average)	12,846	7,855	6,127	6,077					
Interest rate used (supplemented by interest equalisation reserve)	1.00%	1.25%	1.50%	2.00%		1.00%	1.25%	1.50%	2.00%
Interest on Reserves	-128	-98	-92	-122					
Interest on Cash Flow / Tax Collection credited to General Fund	-40	-50	-60	-80	-40	1.00%	1.25%	1.50%	2.00%

FOUR YEAR BUDGET PROFILES	2017/18	2018/19	2019/20	2020/21		2017/18	2018/19	2019/20	2020/21
	Budget	Forecast	Forecast	Forecast	BASE	Budget	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000				
Total Interest Forecast	-168	-148	-152	-202					
Interest separately allocated to Strategic Reserves									
Add: Use of interest equalisation reserve	-52	-72	-68	-18					
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)	8,365	8,590	8,567	8,383					
Price Increases (inflation)		+370	+370	+370					
Legislation Impacts		+395	+174	+100					
NHB Funding used to support General Fund services	-500	-500	-304	-196					
Cost Reduction Plan		-588	-528	+0					
Fees and Charges		-200	-200	-210					
Interest credited to General Fund to Finance Services	-220	-220	-220	-220					
Forecast Net Cost of Services	7,645	7,847	7,859	8,227					
SETTLEMENT ASSESSMENT FUNDING FORECAST									
RSG	+0	+0	+0	+0			0	0	0
Tariff Adjustment	+0	+0	-625	-625					
Transitional Grant	+83	+0	+0	+0					
Retained Business Rates	1,238	1,558	1,589	1,620		based on high level forecast subject to review after			
Small Business Rate Relief Grant	289	included above							
Formula Grant / Business Rate Retention	1,610	1,558	964	995			-52	-594	31
Base Income from Council Tax		6,045	6,251	6,460					
Increase in council tax base		+45	+47	+49	32,324		0.75%	0.75%	0.75%
Forecast for increase in Council Tax income	6,045	6,090	6,298	6,509			£5 per annum (Band D)		
Council Tax Income Forecast	6,045	6,251	6,460	6,673					
Deficit on Retained Business Rates	-111								
Collection Fund Surplus	101	0	0	0					
Assumed Collection Fund Income (Formula Grant + Council Tax)	7,645	7,809	7,424	7,668					
Forecast Budget Shortfall (required use of working balance)	0	38	435	559					
GENERAL FUND WORKING BALANCE PROJECTION: AFTER SERVICE COST REDUCTION									
Estimated Working Balance b/f	3,171	3,171	3,133	2,698					
Resulting Working Balance c/f	3,171	3,133	2,698	2,139					