

Medium Term Financial Forecast

Appendix D

TABLE 16 - MEDIUM TERM FINANCIAL FORECAST							
		Zone of "Predictability"		Zone of "Unpredictability"		Severe Unpredictability	
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
		Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
1	Net Council Budget	11,497	10,948	10,704	10,398	9,883	9,766
2	Forecast Resources:						
	Government Grant						
2a	Revenue Support Grant	(1,161)	(546)	(171)	250	0	0
2b	Business Rates	(2,310)	(2,357)	(2,433)	(2,520)	(2,000)	(2,000)
	Total Government Grant	(3,471)	(2,903)	(2,604)	(2,270)	(2,000)	(2,000)
	Council Tax / Coll'n Fund	(250)	(250)	(250)	(200)	(200)	(200)
	Income From Council Tax	(6,254)	(6,415)	(6,511)	(6,609)	(6,708)	(6,809)
	Total Resources	(9,975)	(9,568)	(9,365)	(9,079)	(8,908)	(9,009)
3	Budget (Surplus) / Deficit	1,522	1,380	1,339	1,319	975	757
4	Savings Identified	(1,522)	(1,380)	0	0	0	0
5	Savings - To be Identified	0	0	(1,339)	(1,319)	(975)	(757)
6	Budget (Surplus) / Deficit	0	0	0	0	0	0
GENERAL FUND WORKING BALANCE							
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
		£000	£000	£000	£000	£000	£000
7	Estimated Opening Balance	(1,415)	(1,425)	(1,435)	(1,435)	(1,435)	(1,435)
8a	Town Centre Initiatives	40	40	0	0	0	0
8b	Transitional Grant	(50)	(50)	0	0	0	0
9	Estimated Closing Balance	(1,425)	(1,435)	(1,435)	(1,435)	(1,435)	(1,435)

Notes to Medium Term Financial Forecast

- 1** **Net Council Budget** – This represents the net expenditure prior to the Budget Framework savings.
- 2** **Forecast Resources** – These are the Council's main funding streams (excluding fees and charges which are incorporated into Line 1). This illustrates the significant reduction in Central Government funding. To enable the total resources required to balance the budget to be identified, no assumptions have been made regarding future council tax increases. The small increase in revenue each year reflects anticipated housing growth in the borough.

The level of government grant is known for 2016/17 and the provisional level of grant funding has been announced for 2017/18.

The future levels of government grant for the period 2018/19 – 2019/20 are based on indicative figures provided as part of the 2017/18 financial settlement which form part of the 'four year settlement' figures

The financial landscape changes significantly from 2020/21 when the Business Rates Retention Scheme is reset. The figures from 2020/21 are currently a best estimate.

- 2a / 2b Revenue Support Grant / Business Rates** - *Following the introduction of the Business Rates Retention Scheme the local share of business rates will be uplifted by RPI each year until the system is reset in 2020 this is shown in line 2b. The full reduction in grant is therefore applied to the element that is provided through the Revenue Support Grant, which is detailed in Line 2a. This Council's Revenue Support Grant reduces to nil in 2019/20. The Government have made an adjustment in 2019/20 whereby the grant is reduced by £250,000 this is reflected in line 2a.*
- 3 Budget (Surplus) / Deficit** – *This illustrates the gap between the budget and the total resources available before identifying budget framework savings.*
- 5 Savings to be identified** – *This identifies the total resources that are required to balance the budget in future years after 2017/18.*
- 8a Town Centre Initiatives** – *This relates to parking incentives and / or other town centre related items. Due to the short term nature this is being funded from the General Fund working balance rather than forming part of the base budget.*
- 8b Transitional Grant** – *This relates to additional funding that has been made available in the form of a transitional grant from Government to ease the pace of reductions during the first 2 years of the settlement for councils with the sharpest reductions in Revenue Support Grant.*