

BUDGET FORECAST 2022/23
SCENARIO PLANNER

	Per Feb 21 Budget Report 2022/23 £'000	Forecast Reasonable Best 2022/23 £'000	Budget Forecast Expected 2022/23 £'000	Forecast Reasonable Worst 2022/23 £'000
Net Cost of Services	13,405.9	13,256.3	13,256.3	13,256.3
Capital Accounting Adjustments	(4,857.6)	(4,857.6)	(4,857.6)	(4,857.6)
Unallocated Inflation	600.0	200.0	400.0	600.0
Net Cost of Services	9,148.3	8,598.7	8,798.7	8,998.7
<u>Corporate Requirements</u>				
Contingency Provision	330.9	291.3	291.3	291.3
Investment Income	(242.2)	(300.0)	(242.2)	(200.0)
Borrowing Costs	151.3	151.3	151.3	151.3
Other Government Grants	(111.1)	(111.1)	(111.1)	(111.1)
New Homes Bonus	(800.6)	(800.6)	(800.6)	(800.6)
Provision for NDR Levy	0.0	2,041.0	2,041.0	0.0
Grants related to business rate reliefs	0.0	(1,850.0)	(1,850.0)	0.0
100% Retention of NDR from Renewable Energy	(414.4)	(414.4)	(414.4)	0.0
Net General Fund Expenditure	8,062.2	7,606.2	7,864.0	8,329.6
Contribution to Earmarked Reserves	1,342.0	1,342.0	1,342.0	1,342.0
Contribution to Asset Management Reserves	1,600.1	1,906.1	1,906.1	1,906.1
Contribution to Capital Reserves	2,116.2	2,116.2	2,116.2	2,116.2
Total General Fund Expenditure	13,120.5	12,970.5	13,228.3	13,693.9
Known Pressures	0.0	145.0	145.0	145.0
Revenue (Savings) / Pressures	0.0	(500.0)	300.0	1,000.0
Revised Net Budget	13,120.5	12,615.5	13,673.3	14,838.9
SURPLUS / (SAVINGS) TO BE IDENTIFIED	(2,561.1)	673.3	(434.9)	(4,604.1)
Budget Requirement	10,559.4	13,288.8	13,238.4	10,234.8
Funded by:				
Council Tax precept	7,821.1	7,851.9	7,821.1	7,529.8
Special Expenses Levy	333.3	352.9	333.3	300.0
Business Rates Income	2,405.0	5,084.0	5,084.0	2,405.0
Total Funding of Budget Requirement	10,559.4	13,288.8	13,238.4	10,234.8

ASSUMPTIONS IN DEVELOPING THE BUDGET FORECAST

Inflation - Increases / decreases in best / worst scenario largely reflect potential for a higher or lower pay award. Most other budgets are not volatile to the effects of inflation.

Investment Income - interest rates may increase to improve forecast figures. A small reduction could also be possible if available rates reduce or a focus on more short-term lending is required.

New Homes Bonus - The final planned distribution of the NHB is expected in 2022/23 and is relatively certain. There is the potential for further distribution from prior year surpluses or some form of extension. If there is a variation in the amount received, it is assumed that it will be reflected in the transfer to the New Homes Bonus reserve.

NDR Levy - In the expected and best case scenarios, retained growth is sustained for 2022/23. This will mean that a levy is payable on retained growth. In the worst case scenario, a full re-set happens from April 2022 with no levy due on the new baseline.

NDR Grants - An estimate of government grants in compensation for business rates relief schemes that reduce the net income received from business rates.

Renewable Energy Retention - In the expected and best case scenarios, the Council retains income from business rates on renewable energy hereditaments. In the worst case scenario, a full re-set happens from April 2022 and this retention is lost.

Contributions to Reserves - the base budget includes a number of mandatory and discretionary transfers to reserves. These are assumed to continue in accordance with the MTFS in the expected case. Any increase or decrease to these contributions will have a direct impact on the budget gap.

Savings & Pressures - Several potential pressures have been identified in the covering report and an allowance is made for them in the expected forecast. The best / worst case scenarios allow for better or worse net positions.

Council Tax precept - Assumes a £5 increase in best and expected cases, with a freeze in the worst case.

Special Expenses Levy - Assumes the charge increases in line with TVBC main precept. Higher tax base assumption in best case.

Business Rates Income - Best and expected case based on continuation of current figures. Worst case reflects full re-set with all accumulated growth lost.

Medium Term - All accumulated business rates growth taken out in expected forecast