

# GRAVESHAM BOROUGH COUNCIL

## MEDIUM TERM FINANCIAL PLAN

	<u>Original</u> <u>2017-18</u> £	<u>Projected</u> <u>2017-18</u> £	<u>Projected</u> <u>2018-19</u> £	<u>Projected</u> <u>2019-20</u> £	<u>Projected</u> <u>2020-21</u> £	<u>Projected</u> <u>2021-22</u> £	<u>Projected</u> <u>2022-23</u> £	<u>Projected</u> <u>2023-24</u> £	<u>Projected</u> <u>2024-25</u> £	<u>Projected</u> <u>2025-26</u> £	<u>Projected</u> <u>2026-27</u> £
<b>EXPENDITURE</b>											
Employees											
Salaries (Gross)	8,499,490	8,100,250	8,313,040	8,506,280	8,719,120	8,937,130	9,160,530	9,389,530	9,624,270	9,864,850	9,863,570
Vacancy rate/turnover	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
Salaries (Net)	8,149,490	7,750,250	7,963,040	8,156,280	8,369,120	8,587,130	8,810,530	9,039,530	9,274,270	9,514,850	9,513,570
Temporary Staff	148,290	151,290	135,370	137,500	140,860	144,290	147,810	151,410	155,100	158,390	158,390
Wages	109,240	109,240	111,040	232,870	115,400	117,980	120,620	243,340	126,120	128,870	128,870
Pension and National Insurance Contributions	3,100,640	3,002,140	3,097,750	3,192,480	3,242,200	3,293,140	3,345,400	3,398,930	3,453,750	3,509,980	3,509,670
Other (Training, Retirement Benefits, etc)	419,240	418,040	436,770	438,600	424,210	443,300	423,400	426,050	428,770	431,550	431,550
Running Expenses	8,475,610	9,248,880	8,930,330	9,160,670	9,402,740	9,654,690	9,943,060	10,168,670	10,346,160	10,341,310	10,342,250
Capital Financing	780,900	780,900	755,760	764,630	563,180	553,280	555,920	546,510	570,520	570,520	570,520
<b>INCOME</b>											
Net Housing Benefit Subsidy	(77,330)	(77,330)	(77,330)	(77,330)	(77,330)	(77,330)	(77,330)	(77,330)	(77,330)	(77,330)	(77,330)
Recharges to Other Accounts	(159,590)	(159,590)	(192,040)	(144,300)	(192,010)	(192,010)	(192,010)	(193,520)	(193,470)	(193,660)	(193,660)
Other Government Grants	(1,170,270)	(1,389,700)	(1,246,570)	(1,246,670)	(1,170,270)	(1,170,270)	(1,170,270)	(1,170,270)	(1,170,290)	(1,170,290)	(1,170,290)
Investment Income	(461,390)	(461,390)	(431,470)	(454,520)	(432,380)	(419,380)	(483,110)	(425,500)	--	--	--
Fees & Charges	(6,638,250)	(6,659,080)	(6,587,250)	(6,573,530)	(6,327,800)	(6,322,120)	(6,327,220)	(6,326,130)	(6,321,030)	(6,320,350)	(6,320,350)
Rental Income	(1,872,810)	(2,032,810)	(2,078,660)	(2,078,660)	(2,078,660)	(2,078,660)	(2,078,660)	(2,078,660)	(2,078,660)	(2,078,660)	(2,078,660)
<b>APPROPRIATIONS</b>											
Capital Items met from Balances and Reserves	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Net Contribution to / (from) Reserves	570,740	439,940	747,500	608,540	467,630	413,030	398,530	296,530	409,530	409,530	409,530
Appropriation to / (from) Balances	1,426,000	1,426,000	690,000	535,000	428,000	428,000	428,000	428,000	428,000	428,000	428,000
Parish Precepts	298,560	298,560	298,560	298,560	298,560	298,560	298,560	298,560	298,560	298,560	298,560
<b>BUDGET REQUIREMENT FOR THE YEAR</b>	<b>13,204,070</b>	<b>12,950,340</b>	<b>12,657,800</b>	<b>13,055,120</b>	<b>13,278,450</b>	<b>13,778,630</b>	<b>14,248,230</b>	<b>14,831,120</b>	<b>15,755,000</b>	<b>16,056,270</b>	<b>16,055,620</b>
Business Rates Income	(2,942,880)	(2,872,880)	(3,035,100)	(3,137,950)	(3,204,360)	(3,272,100)	(3,341,200)	(3,411,680)	(3,483,580)	(3,483,580)	(3,483,580)
Residual Revenue Support Grant (RSG)	(601,360)	(601,360)	(196,260)	243,710	243,710	243,710	243,710	243,710	243,710	243,710	243,710
Less: <i>Passported Parish Grant (LSCT)</i>	3,120	3,120	1,040	--	--	--	--	--	--	--	--
New Homes Bonus	(1,426,000)	(1,426,000)	(690,000)	(535,000)	(428,000)	(428,000)	(428,000)	(428,000)	(428,000)	(428,000)	(428,000)
Council Tax Income	(6,386,320)	(6,386,320)	(6,592,290)	(6,800,500)	(6,978,050)	(7,160,220)	(7,347,420)	(7,539,370)	(7,736,140)	(7,938,140)	(8,145,460)
Parish Precepts	(298,560)	(298,560)	(298,560)	(298,560)	(298,560)	(298,560)	(298,560)	(298,560)	(298,560)	(298,560)	(298,560)
Transfers to / (from) the Collection Fund	(113,170)	(113,170)	--	--	--	--	--	--	--	--	--
<i>Recycling of Excess Usable Working Balances above £2m</i>	<i>(1,438,900)</i>	<i>(1,438,900)</i>	<i>(1,846,630)</i>	<i>(2,041,780)</i>	<i>(428,000)</i>	<i>(428,000)</i>	<i>(428,000)</i>	<i>(428,000)</i>	<i>(428,000)</i>	<i>(428,000)</i>	<i>(428,000)</i>
<b>BUDGET SHORTFALL/(UNDERSPEND)</b>	<b>--</b>	<b>(183,730)</b>	<b>--</b>	<b>485,040</b>	<b>2,185,190</b>	<b>2,435,460</b>	<b>2,648,760</b>	<b>2,969,220</b>	<b>3,624,430</b>	<b>3,723,700</b>	<b>3,515,730</b>
<b>NEW SAVINGS PER ANNUM</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>485,040</b>	<b>1,700,150</b>	<b>250,270</b>	<b>213,300</b>	<b>320,460</b>	<b>655,210</b>	<b>99,270</b>	<b>(207,970)</b>

Analysis of Balances & Specific Reserves Balances as at the end of the Financial Year (i.e. 31 March)	2017-18 Original	2017-18 Projected	2018-19 Original	2019-20 Original	2020-21 Original	2021-22 Original	2022-23 Original	2023-24 Original	2024-25 Original	2025-26 Original	2026-27 Original
<b>Working Balances B/Fwd (Exc. £1.25m Min)</b>	<b>4,912,550</b>	<b>4,912,550</b>	<b>4,663,410</b>	<b>3,506,780</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>
New Homes Bonus	1,426,000	1,426,000	690,000	535,000	428,000	428,000	428,000	428,000	428,000	428,000	428,000
<i>Usage of Excess Working Balances to support GF</i>	<b>(1,438,900)</b>	<b>(1,438,900)</b>	<b>(1,846,630)</b>	<b>(2,041,780)</b>	<b>(428,000)</b>	<b>(428,000)</b>	<b>(428,000)</b>	<b>(428,000)</b>	<b>(428,000)</b>	<b>(428,000)</b>	<b>(428,000)</b>
Transfer from Balances to equalise Council Tax	-	-	-	-	-	-	-	-	-	-	-
<b>SUB-TOTAL (BEFORE SAVINGS REQUIREMENT)</b>	<b>4,899,650</b>	<b>4,899,650</b>	<b>3,506,780</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>
(Shortfall)/Underspend Against Original Budget	-	183,730	-	(485,040)	(2,185,190)	(2,435,460)	(2,648,760)	(2,969,220)	(3,624,430)	(3,723,700)	(3,515,730)
<b>GF Working Balances C/FWd (Exc. £1.25m Min)</b>	<b>4,479,680</b>	<b>4,663,410</b>	<b>3,506,780</b>	<b>1,514,960</b>	<b>(670,230)</b>	<b>(3,105,690)</b>	<b>(5,754,451)</b>	<b>(8,723,671)</b>	<b>(12,348,101)</b>	<b>(16,071,801)</b>	<b>(19,587,531)</b>
<b>Specific Reserves (as at end of year)</b>											
Spend to Save Reserve (incl. Digital Team)	348,650	364,630	373,870	375,970	378,070	380,170	382,270	384,370	386,470	388,570	390,670
Corporate Priorities Reserve	276,000	221,730	221,730	221,730	221,730	221,730	221,730	221,730	221,730	221,730	221,730
Repairs & Renewals Reserve	483,710	583,710	683,710	783,710	883,710	983,710	1,083,710	1,183,710	1,283,710	1,383,710	1,483,710
Planning Policy Reserve	327,760	427,760	477,760	527,760	577,760	627,760	677,760	727,760	777,760	827,760	877,760
Leisure Centres Reserve	656,370	882,740	1,104,610	1,307,660	1,237,260	1,115,760	994,260	872,760	751,260	629,760	508,260
Decriminalisation (General)	48,980	-	-	-	-	-	-	-	-	-	-
Town Pier Pontoon Reserve	103,480	97,980	103,480	115,980	128,480	137,480	131,980	144,480	149,980	155,480	160,980
Local Authority Mortgage Scheme Reserve	100,000	-	-	-	-	-	-	-	-	-	-
Elections Reserve	89,070	106,530	123,990	21,450	51,450	81,450	111,450	21,450	51,450	81,450	111,450
IT Infrastructure Reserve	9,730	84,730	159,730	234,730	309,730	384,730	459,730	534,730	609,730	684,730	759,730
GBC Match Funding-Borough Market Reserve	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
DSO Fleet Vehicle Replacement Reserve	112,380	114,110	115,840	117,570	119,300	121,030	122,760	124,490	126,220	127,950	129,680
Waste Freighter Replacement Reserve	337,660	559,010	780,360	1,001,710	1,223,060	1,444,410	1,665,760	1,887,110	2,108,460	2,329,810	2,551,160
Business Rates Collection Fund Equalisation Reserve	499,990	499,990	499,990	499,990	499,990	499,990	499,990	499,990	499,990	499,990	499,990
Growth Fund Reserve	245,310	245,310	245,310	245,310	245,310	245,310	245,310	245,310	245,310	245,310	245,310
Lower Thames Crossing Reserve	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Service Review Reserve	299,610	272,060	272,060	272,060	272,060	272,060	272,060	272,060	272,060	272,060	272,060
Playgrounds Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Woodville Repairs Reserve	-	45,350	90,700	136,050	181,400	226,750	272,100	317,450	362,800	408,150	453,500
<b>TOTAL BALANCES &amp; RESERVES</b>	<b>8,708,380</b>	<b>9,459,050</b>	<b>9,049,920</b>	<b>7,666,640</b>	<b>5,949,080</b>	<b>3,926,650</b>	<b>1,676,419</b>	<b>(996,271)</b>	<b>(4,211,171)</b>	<b>(7,525,341)</b>	<b>(10,631,541)</b>
<b>NB: ADDT. MINIMUM WORKING BALANCES</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>

**INCLUDED WITHIN THIS VERSION OF THE PLAN**

Council Tax increase of 2.65% in 17-18, then £5 annually to 2019-20, 2% thereafter. Council Tax Base growth of 2.8% in 2017-18, 0.60% annually from 2018-19.

Growth in salaries of 1% in 2017-18, and 2% annually thereafter. Includes the apprenticeship levy from 2017-18.

RSG as per Multi-year settlement offer. NHB Scheme payments as per revised scheme announced December 2016.

Business Rates income based on actual projected income to be received, net of S31 Grants for business rate relief initiatives (shown in Other Government Grant Line).

Investment Income includes £10m located in higher interest vehicles (circa 4% compared to 0.6% currently achieved) from 16-17 and reflects interest rate forecasts as per CAPITA.