

# GRAVESHAM BOROUGH COUNCIL

## MEDIUM TERM FINANCIAL PLAN

	<u>Original</u> <u>2021-22</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> £	<u>Projected</u> <u>2027-28</u> £	<u>Projected</u> <u>2028-29</u> £	<u>Projected</u> <u>2029-30</u> £	<u>Projected</u> <u>2030-31</u> £
<b>EXPENDITURE</b>											
Employees											
Salaries (Gross)	12,266,490	12,201,170	11,940,870	12,049,470	12,290,490	12,536,300	12,787,040	13,042,830	13,303,680	13,569,760	13,913,400
Vacancy allowance	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
Salaries (Net)	11,916,490	11,851,170	11,590,870	11,699,470	11,940,490	12,186,300	12,437,040	12,692,830	12,953,680	13,219,760	13,563,400
Temporary Staff	408,500	408,500	416,160	423,960	431,910	440,030	448,310	456,770	465,390	474,190	486,040
Wages	160,130	160,130	104,410	246,490	108,620	110,790	113,000	255,250	117,550	119,910	122,910
Pension and National Insurance Contributions	3,184,500	3,165,730	3,140,670	3,165,870	3,229,190	3,293,850	3,359,730	3,426,860	3,495,420	3,565,300	3,655,620
Other (Training, Retirement Benefits, etc)	1,058,460	1,058,010	1,058,300	1,059,180	1,060,080	1,061,000	1,061,930	1,062,890	1,063,860	1,063,860	1,063,860
Running Expenses	15,027,670	15,290,150	10,767,790	10,888,700	10,895,300	10,987,020	11,113,110	11,311,340	11,490,280	11,625,940	11,713,060
Capital Financing	870,550	766,440	1,727,480	(191,540)	1,787,120	1,933,200	2,373,230	2,340,800	2,309,050	2,309,050	2,309,050
Net Housing Benefit Subsidy	(52,120)	(52,120)	14,870	64,790	101,450	127,810	146,230	158,570	158,570	158,570	158,570
Recharges to Other Accounts	(3,295,930)	(2,958,220)	(2,982,100)	(3,037,770)	(3,109,250)	(3,135,480)	(3,190,260)	(3,252,330)	(3,210,660)	(3,239,580)	(3,251,600)
Other Government Grants	(6,666,430)	(6,704,340)	(2,048,230)	(2,061,440)	(2,074,800)	(2,088,280)	(2,101,900)	(2,115,650)	(2,129,540)	(2,143,580)	(2,157,730)
Investment Income	(772,000)	(772,000)	(802,000)	(832,000)	(862,000)	(892,000)	(922,000)	(952,000)	(982,000)	(1,012,000)	(1,042,000)
Fees & Charges	(6,180,870)	(6,355,110)	(6,809,010)	(6,857,720)	(6,958,760)	(6,922,010)	(6,767,520)	(6,800,640)	(6,778,920)	(6,846,910)	(6,874,300)
Rental Income	(4,529,350)	(4,529,350)	(4,623,140)	(4,421,170)	(4,572,750)	(4,475,000)	(4,723,330)	(4,769,600)	(4,815,000)	(4,815,000)	(4,858,340)
<b>APPROPRIATIONS</b>											
Capital Items met from Balances and Reserves	1,724,980	1,724,980	807,000	692,000	757,000	642,000	600,000	757,000	212,000	132,000	132,000
Net Contribution to / (from) Reserves	(7,148,150)	(7,304,360)	(14,100)	(63,440)	165,160	347,880	511,100	60,450	667,580	746,130	746,130
Appropriation to / (from) Balances	311,050	311,050	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Parish Precepts	403,160	403,160	403,160	403,160	403,160	403,160	403,160	403,160	403,160	403,160	403,160
<b>BUDGET REQUIREMENT FOR THE YEAR</b>	<b>6,420,640</b>	<b>6,463,820</b>	<b>13,102,130</b>	<b>11,528,540</b>	<b>13,651,920</b>	<b>14,370,270</b>	<b>15,211,830</b>	<b>15,385,700</b>	<b>15,770,420</b>	<b>16,110,800</b>	<b>16,519,830</b>
Business Rates Income	(3,565,940)	(3,565,940)	(3,272,500)	(3,305,230)	(3,338,280)	(3,371,660)	(3,405,370)	(3,439,430)	(3,473,810)	(3,508,550)	(3,543,640)
Residual Revenue Support Grant (RSG)	--	--	243,710	243,710	243,710	243,710	243,710	243,710	243,710	243,710	243,710
New Homes Bonus	(311,050)	(311,050)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
Lower Tier Services Grant	(126,260)	(126,260)	--	--	--	--	--	--	--	--	--
Council Tax Income	(7,333,580)	(7,333,580)	(7,525,110)	(7,721,820)	(7,923,410)	(8,130,320)	(8,342,620)	(8,560,390)	(8,784,060)	(9,013,350)	(9,248,720)
Parish Precepts	(403,160)	(403,160)	(403,160)	(403,160)	(403,160)	(403,160)	(403,160)	(403,160)	(403,160)	(403,160)	(403,160)
Transfers to / (from) the Collection Fund	5,221,080	5,221,080	184,870	184,870	--	--	--	--	--	--	--
<i>Recycling of Excess Usable Working Balances above £3.25m</i>	<b>98,270</b>	<b>98,270</b>	<b>(1,979,940)</b>	<b>(176,910)</b>	<b>(1,880,780)</b>	<b>(2,358,840)</b>	<b>(1,752,750)</b>	<b>(350,000)</b>	<b>(350,000)</b>	<b>(350,000)</b>	<b>(350,000)</b>
<b>BUDGET SHORTFALL/(UNDERSPEND)</b>	<b>--</b>	<b>43,180</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,201,640</b>	<b>2,526,430</b>	<b>2,653,100</b>	<b>2,729,450</b>	<b>2,868,020</b>
<b>NEW SAVINGS PER ANNUM</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,201,640</b>	<b>1,324,790</b>	<b>126,670</b>	<b>76,350</b>	<b>138,570</b>

<b>Analysis of Balances &amp; Specific Reserves Balances as at the end of the Financial Year</b>	<b>2021-22 Original</b>	<b>2021-22 Projected</b>	<b>2022-23 Original</b>	<b>2023-24 Original</b>	<b>2024-25 Original</b>	<b>2025-26 Original</b>	<b>2026-27 Original</b>	<b>2027-28 Original</b>	<b>2028-29 Original</b>	<b>2029-30 Original</b>	<b>2030-31 Original</b>
<b>Working Balances B/Fwd (Exc. £2.0m min balance)</b>	<b>9,283,080</b>	<b>9,283,080</b>	<b>9,649,220</b>	<b>8,019,280</b>	<b>8,192,370</b>	<b>6,661,590</b>	<b>4,652,750</b>	<b>3,250,000</b>	<b>3,250,000</b>	<b>3,250,000</b>	<b>3,250,000</b>
New Homes Bonus	311,050	311,050	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
<i>Usage of Excess Working Balances to support GF</i>	<b>98,270</b>	<b>98,270</b>	<b>(1,979,940)</b>	<b>(176,910)</b>	<b>(1,880,780)</b>	<b>(2,358,840)</b>	<b>(1,752,750)</b>	<b>(350,000)</b>	<b>(350,000)</b>	<b>(350,000)</b>	<b>(350,000)</b>
<b>SUB-TOTAL (BEFORE SAVINGS REQUIREMENT)</b>	<b>9,692,400</b>	<b>9,692,400</b>	<b>8,019,280</b>	<b>8,192,370</b>	<b>6,661,590</b>	<b>4,652,750</b>	<b>3,250,000</b>	<b>3,250,000</b>	<b>3,250,000</b>	<b>3,250,000</b>	<b>3,250,000</b>
(Shortfall)/Underspend Against Original Budget	-	(43,180)	-	-	-	-	(1,201,640)	(2,526,430)	(2,653,100)	(2,729,450)	(2,868,020)
<b>Working Balances C/Fwd (Exc. £2.0m min balance)</b>	<b>9,692,400</b>	<b>9,649,220</b>	<b>8,019,280</b>	<b>8,192,370</b>	<b>6,661,590</b>	<b>4,652,750</b>	<b>2,048,360</b>	<b>(478,070)</b>	<b>(3,131,170)</b>	<b>(5,860,620)</b>	<b>(8,728,640)</b>
<b>Specific Reserves (as at end of year)</b>											
Spend to Save Reserve (incl. Digital Team)	-	-	-	-	-	-	-	-	-	-	-
Corporate Priorities Reserve	534,840	434,840	434,840	434,840	434,840	434,840	434,840	434,840	434,840	434,840	434,840
Asset Enhancement Reserve	1,163,200	628,200	628,200	648,200	748,200	848,200	948,200	1,048,200	1,148,200	1,248,200	1,348,200
Planning Policy Reserve	464,490	432,890	437,290	461,690	511,690	561,690	611,690	661,690	711,690	761,690	811,690
Leisure Centres Reserve	1,657,410	33,230	33,230	33,230	33,230	33,230	33,230	33,230	33,230	33,230	33,230
Decriminalisation (General)	228,460	18,570	18,570	18,570	18,570	18,570	18,570	18,570	18,570	18,570	18,570
Town Pier Pontoon Reserve	123,480	135,980	124,480	112,980	101,480	113,980	126,480	138,980	151,480	163,980	176,480
Local Authority Mortgage Scheme Reserve	-	-	-	-	-	-	-	-	-	-	-
Elections Reserve	73,750	92,000	127,000	22,000	57,000	92,000	127,000	22,000	57,000	92,000	127,000
IT Infrastructure Reserve	370,950	270,950	275,950	300,950	270,950	280,950	355,950	285,950	295,950	345,950	395,950
DSO Fleet Vehicle Replacement Reserve	473,960	473,960	473,960	473,960	473,960	473,960	473,960	473,960	473,960	473,960	473,960
Waste Freighter Replacement Reserve	1,223,060	1,444,410	1,265,760	1,087,110	908,460	861,000	858,000	706,840	928,190	1,149,540	1,370,890
Business Rates Collection Fund Equalisation Reserve	5,075,100	668,760	668,760	668,760	668,760	668,760	668,760	668,760	668,760	668,760	668,760
Growth Fund Reserve	374,910	225,130	225,130	225,130	225,130	225,130	225,130	225,130	225,130	225,130	225,130
Lower Thames Crossing Reserve	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Service Review Reserve	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000
Playgrounds Reserve	135,530	44,410	58,160	46,910	20,660	19,410	20,160	33,910	62,660	131,410	200,160
Woodville Repairs Reserve	239,820	297,070	354,320	411,570	468,820	526,070	583,320	640,570	697,820	755,070	812,320
Commercial Income Protection Reserve	1,146,620	1,132,340	1,146,410	1,116,120	1,138,850	1,124,190	1,161,440	1,168,380	1,175,190	1,175,190	1,175,190
Investment Interest Equalisation Reserve	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
St George's Centre Income Protection Reserve	1,239,920	1,239,920	1,239,920	1,239,920	1,239,920	1,239,920	1,239,920	1,239,920	1,239,920	1,239,920	1,239,920
Housing & Commercial Growth Fund Reserve	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Climate Change Reserve	484,860	456,620	456,620	456,620	456,620	456,620	456,620	456,620	456,620	456,620	456,620
Enterprise Zone Reserve	151,340	172,850	319,430	466,030	612,610	759,110	905,460	1,051,630	1,197,550	1,348,830	1,500,110
<b>TOTAL BALANCES &amp; RESERVES</b>	<b>15,412,500</b>	<b>19,285,680</b>	<b>17,741,640</b>	<b>17,851,290</b>	<b>16,485,670</b>	<b>14,824,710</b>	<b>12,731,420</b>	<b>10,265,440</b>	<b>8,279,920</b>	<b>6,296,600</b>	<b>4,174,710</b>
<b>NB: ADDT. MINIMUM WORKING BALANCES</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>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,001</b>

**KEY ITEMS INCLUDED WITHIN THIS VERSION OF THE PLAN**

Council Tax increases of 2% projected annually from 2021/22 onwards. Council Tax Base incorporates forecast growth of 0.60% annually from 2021/22 onwards.

No general pay award budgeted for 2021-22 (except rise of at least £250 for those earning under £24k) - in line with Spending Review announcements.

Negative RSG removed for 2021-22 as per Spending Review. NHB Scheme payments updated for 2021-22 and flatlined thereafter pending the outcome of long term funding reforms.

General Fund minimum working balance set at £2m, with General Reserve balance set at £3.25m.

Borrowing/interest costs associated with the Charter Development (through Rosherville Limited) - the Council will incur these costs in the first 3-4 years of the scheme, with repayment expected in 2023/24.