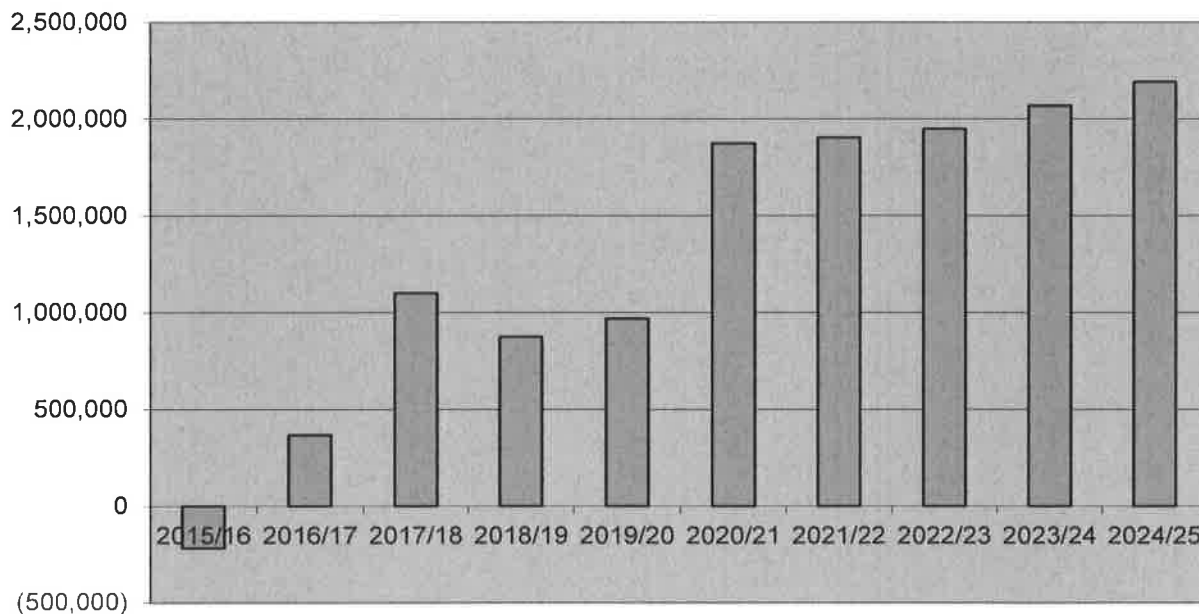
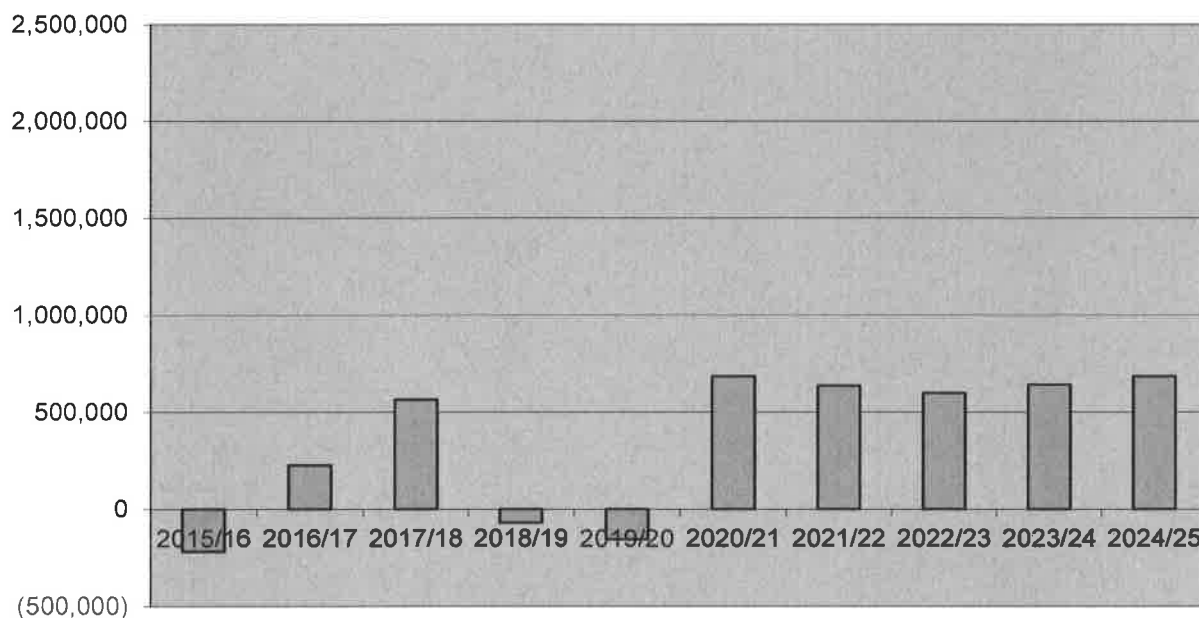


**Use of Reserves - Do Nothing Strategy**



**Use of Reserves - Alternate Strategy**



- 5.4. In broad terms the Council will need to improve its annual revenue position by in the order of £1.6m by 2021 to maintain a sustainable long term financial position. Of this, in the order of £1.1m improvement will be required in the first half of the strategy period.
- 5.5. The key reasons for this significant worsening of the Councils position are:-

APPENDIX B

CURRENT ESTIMATED POSITION

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Assumptions										
Inflation	1.01	1.01	1.01	1.01	1.01	1.02	1.02	1.02	1.02	1.02
Taxbase	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01
External Support	0.91	0.87	0.90	0.93	0.92	0.74	1.02	1.02	1.02	1.02
Interest Rates	1.90	2.00	2.25	2.50	2.75	3.00	3.25	3.50	3.50	3.50
Tax Increase	1.00	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02
Base	10,445,400	10,594,300	10,328,563	10,582,339	10,309,412	10,435,811	10,644,527	10,857,418	11,074,566	11,296,057
Savings Target	(200,000)	(419,000)	(181,000)	(561,000)	(111,000)					
Budget Rebasing Exercise		(454,800)								
Capital Financing Req	400,000									
Unavoidable Growth	(300,000)	505,800	330,000	186,000	32,775					
Target Budget (NOE)	10,345,400	10,226,300	10,477,563	10,207,339	10,231,187	10,435,811	10,644,527	10,857,418	11,074,566	11,296,057
Financed by:										
Revenue Support Grant	1,568,224	1,057,446	636,596	372,528	77,568	0	0	0	0	0
Business Rates Share	2,903,400	2,814,027	2,842,167	2,870,589	2,899,295	2,207,281	2,251,426	2,296,455	2,342,384	2,389,232
Renewables	170,000	251,358	253,872	256,410	258,974	264,154	269,437	274,826	280,322	285,929
less CTS Grant to										
Parishes	(148,188)	(128,765)	(88,687)	(76,962)	(63,865)	(60,421)	(60,421)	(60,421)	(60,421)	(60,421)
N Homes Bonus to Rev	1,831,431	1,831,431	1,360,770	1,360,770	1,360,770	1,360,770	1,360,770	1,360,770	1,360,770	1,360,770
Tax Freeze / Rural Grant	35,978	31,347	54,857	78,367	101,878					
Investment Income	550,000	657,500	708,670	743,539	781,289	818,601	820,856	804,962	724,325	639,487
Collection Fund	291,013	(110,587)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Council Tax	3,361,181	3,456,061	3,560,434	3,677,038	3,797,461	3,921,828	4,050,268	4,182,914	4,309,238	4,439,377
Use of Reserves	(217,639)	366,482	1,098,884	875,059	967,817	1,873,598	1,902,191	1,947,912	2,067,948	2,191,684
TaxBase	41,176	41,512	41,927	42,451	42,982	43,519	44,063	44,614	45,060	45,511
Band D	81.63	83.25	84.92	86.62	88.35	90.12	91.92	93.76	95.63	97.55
Tax increase	0%	1.99%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Total Revenue Balances	11,258,639	11,365,157	10,266,273	9,391,214	8,423,398	6,549,800	4,647,609	2,699,697	631,749	(1,559,935)

## ALTERNATE REVENUE IMPROVEMENT STRATEGY

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Assumptions</b>										
Inflation	1.01	1.01	1.01	1.01	1.01	1.02	1.02	1.02	1.02	1.02
Taxbase	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01
External Support	0.91	0.87	0.90	0.93	0.92	0.74	1.02	1.02	1.02	1.02
Interest Rates	1.90	2.00	2.25	2.50	2.75	3.00	3.25	3.50	3.50	3.50
Tax Increase	1.00	1.06	1.06	1.05	1.05	1.02	1.02	1.02	1.02	1.02
Base	10,445,400	10,594,300	10,328,563	10,329,839	9,801,887	9,918,135	10,116,498	10,318,828	10,525,204	10,735,709
Savings Target	(200,000)	(419,000)	(181,000)	(561,000)	(111,000)					
Revenue Improv Target			(250,000)	(250,000)						
Budget Rebase Exercise		(454,800)								
Capital Financing Req	400,000									
Unavoidable Growth	(300,000)	505,800	330,000	186,000	32,775					
Target Budget (NOE)	10,345,400	10,226,300	10,227,563	9,704,839	9,723,662	9,918,135	10,116,498	10,318,828	10,525,204	10,735,709
Financed by:										
Revenue Support Grant	1,568,224	1,057,446	636,596	372,528	77,568			0	0	0
Business Rates Share	2,903,400	2,814,027	2,842,167	2,870,589	2,899,295	2,207,281	2,251,426	2,296,455	2,342,384	2,389,232
Renewables	170,000	251,358	253,872	256,410	258,974	264,154	269,437	274,826	280,322	285,929
less CTS Grant to										
Parishes	(148,188)	(128,765)	(88,687)	(76,962)	(63,865)	(60,421)	(60,421)	(60,421)	(60,421)	(60,421)
N Homes Bonus to Rev	1,831,431	1,831,431	1,360,770	1,360,770	1,360,770	1,360,770	1,360,770	1,360,770	1,360,770	1,360,770
Tax Freeze / Rural Grant	35,978	31,347	54,857	78,367	101,878					
Investment Income	550,000	657,500	711,823	760,405	825,812	900,857	948,622	986,817	953,401	918,478
Collection Fund	291,013	(110,587)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Council Tax	3,361,181	3,596,187	3,841,785	4,102,063	4,368,248	4,511,309	4,659,054	4,811,638	4,956,949	5,106,649
<b>Use of Reserves</b>	<b>(217,639)</b>	<b>226,356</b>	<b>564,380</b>	<b>(69,332)</b>	<b>(155,019)</b>	<b>684,186</b>	<b>637,609</b>	<b>598,743</b>	<b>641,799</b>	<b>685,072</b>
TaxBase	41,176	41,512	41,927	42,451	42,982	43,519	44,063	44,614	45,060	45,511
Band D	81.63	86.63	91.63	96.63	101.63	103.66	105.74	107.85	110.01	112.21
Tax increase	0%	6.13%	5.77%	5.46%	5.17%	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Total Revenue Balances</b>	<b>11,258,639</b>	<b>11,505,284</b>	<b>10,940,904</b>	<b>11,010,236</b>	<b>11,165,255</b>	<b>10,481,069</b>	<b>9,843,460</b>	<b>9,244,716</b>	<b>8,602,917</b>	<b>7,917,845</b>