

SPENDING RESERVE

19. The spending reserve exists to cover unforeseen changes in revenue expenditure.
20. The current balance on the reserve stands at £5,164,700 which is £2,738,700 over the minimum required balance of 5% of Gross Expenditure as set out in the approved Medium Term Finance Strategy.
21. It is important to note that due to the COVID-19 pandemic the revised budget for 2020/21 and base budget for 2021/22 will require almost all of the surplus to be used to offset the additional cost to the council of the pandemic.
22. As well as the requirement to use reserves to balance the budget for 2021/22, the Finance Strategy covers the period through to 2024/25 and is showing a projected shortfall of £1.7m in the final 3 years of the strategy.
23. There remains the unknown of the finance position after the outcome of the Fair Funding Review so any further use of reserves must be carefully considered.

COUNCIL TAX AND NATIONAL NON-DOMETIC RATE BASE

24. The council tax base for 2021/22 is 43,804.5 Band D equivalent properties.
25. The net rates payable from National Non-Domestic Rates for 2021/22 (after Transitional arrangements and reliefs) is £43,985,447.

COUNCIL TAX FOR 2021/22

26. With a net budget for 2021/22 of £12,838,400 a use of reserves and government COVID-19 funding the overall budget position is £10,271,900. With government grant of £153,700, use of business rates of £2,577,405 and with a contribution from the balance on the collection fund of £84,393 amount due from council tax payers will be £7,456,402. This is shown in the following table:

	Base Budget 2020/21	Base Budget 2021/22	Variation
	£	£	£
Total Budget	9,606,500	10,271,900	665,400
Less:			
Government Support	-2,456,665	-2,731,105	-274,440
Collection Fund deficit	47,033	-84,393	-131,426
Total due from Council Tax Payers	7,196,868	7,456,402	+259,534
Council Tax base	43,559.3	43,804.5	
Council Tax (Band D)	£165.22	£170.22	
Cash Increase	+ £5.00	+ £5.00	