

Northern Rother District Councillors' Report November 20.

RDC Medium Term Financial Plan 2021/22 -2025/26.

The latest financial monitoring for 2020/21 suggests there will be an overspend of £1.9m at outturn and if this happens then revenue reserves will fall to £12.7m after the use of reserves to fund capital expenditure.

By the end of the five year forecast revenue reserves and balances would be approximately £3.5m depending on the final outturn for 2020/21. Should the Council's share of Business Rates fall to the current baseline from 2021/22, then unless there is growth in business rates or additional savings in excess of £1m per annum are delivered, Reserves will be completely depleted by the end of 2024/25.

It should be noted that the net retained income from Business rates for 2020/21 shows a fall of £3.1 million in cash terms

The Plan assumes an increase of 2% on **Council tax** next year and also assumes a fall in the tax base of 750 Band D properties equivalent. Were this to be the case, the additional amount of income raised would be £70,000, or half the amount normally expected. Of particular concern is the rise in households claiming Council Tax Relief (CTR).. With the ending of the furlough scheme it is expected that the number of CTR claimants will continue to rise as people are made redundant.

Homelessness demands have increased and a £648,000 overspend is expected in 2020/21. It is expected that such demands will continue to increase.

Staffing costs are expected to reduce by £288,000.

Leisure, Swimming Centres and Cultural Centres are expected to cost an additional £730,000 in 2020/21.

Garden waste charges will increase by £5 each year, reaching £50 per bin by 2024/25.

The current Administration inherited **reserves** of £18 millions in 2019. It is, therefore, of great concern that these reserves are expected to be completely depleted by 2024/25 despite central government funding to counter the impact on the local economy of Covid-19.

Cllrs Tony Ganly and Martin Mooney