

Line	Appendix B - Council Tax is increased by the higher of £5 or 1.99% each year	BASE	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
		Amended 2020/21 Budget £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
No.	Modelling for the financial years 2021/22 onwards						
1	Base budget brought forward	8,832,752	9,410,672	9,605,396	9,493,671	9,587,981	9,780,272
2	Budget pressures (as per Appendix A)	1,600,640	758,761	400,000	425,000	450,000	450,000
	One-off budget shortfall identified for 2020-21 (as per Amended Budget report)	1,313,000					
3	Savings already identified (as per Appendix A)	(1,275,877)	125,691	(228,100)	(60,100)	(2,100)	(2,100)
4	Changes in contributions to Earmarked Reserves (App A)	(277,843)	(551,857)	200,000	155,000	180,000	126,000
5	Funding from Economic Regeneration Earmarked Reserve (£127,000) and Business Rates Retention Earmarked Reserve (£343,000)	(470,000)					
6	Funding from Unearmarked Reserves (Amended Budget 2020-21) (£200,000 plus £112,000 Statement of Accounts for 2019-20 Accounts)	(312,000)					
7	Projected Net Expenditure:	9,410,672	9,743,267	9,977,296	10,013,571	10,215,881	10,354,172
	Funded By:- (See Note 1 below regarding New Homes Bonus funding)						
8	Council Tax income - Modelling a £5 increase in 2021/22 onwards	6,562,617	6,722,341	6,949,671	7,178,981	7,410,272	7,643,542
9	Collection Fund Surplus	60,000	0	0	0	0	0
10	Localised Business Rates (estimate of business rates resources received in the year)	2,155,000	2,350,000	2,398,000	2,344,000	2,387,000	2,320,000
11	Tariff/Top Up Adjustment amount (negative RSG - phased in from 2022/23)		0	(270,000)	(360,000)	(450,000)	(500,000)
12	Business Rates Pooling Gain	225,000	125,000	0	0	0	0
13	Rural Services Delivery Grant	408,055	408,055	416,000	425,000	433,000	445,000
14	Total Projected Funding Sources	9,410,672	9,605,396	9,493,671	9,587,981	9,780,272	9,908,542
	Budget Gap per year						
13	(Projected Expenditure line 7 - Projected Funding line 14)	0	137,871	483,624	425,590	435,609	445,630
	Actual Predicted Cumulative Budget Gap	0	137,871	621,496	1,047,086	1,482,695	1,928,325
	Aggregated Budget Gap (if no action is taken in each individual year to close the budget gap annually)	0	137,871	759,367	1,806,453	3,289,148	5,217,474
	Modelling Assumptions:						
	Council Tax (Band D) (Modelling the higher of £5 or a 1.99% increase)	170.42	175.42	180.42	185.42	190.42	195.42
	Council Tax Base (Assumes an increase in Band D Equivalent properties of 200 per annum)	38,508.49	38,708.49	38,908.49	39,108.49	39,308.49	39,508.49

Note 1 - New Homes Bonus Funding

The modelling for 2021/22 includes a contribution of £746,000 from New Homes Bonus (NHB) funding to fund the Base Budget. This reduces to £0.546m in 2022/23 and a phased reduction in 2023/24 onwards. Although the NHB scheme is due to be replaced, it is assumed that a successor scheme will be implemented that will also be based on housing growth.