**FULL COUNCIL 8th SEPTEMBER 2021**

**UPDATE ON SPEND AND RESERVES**

1. **PURPOSE OF THIS REPORT**

1.1 To provide a half yearly update on predicted spend and the impact on reserves

2. **PREDICATED SPEND**

2.1 Council

The budget allocated against Council (allowances and Civic Functions) is predicated to fully spend in 2021/22 if an Annual Dinner is held

Policy & Resources Committee

The budget allocated against Policy & Resources Committee is expected to underspend by £22,000 with an underspend on salaries, large grants and Food Festival funding. However, £16,000 has been agreed for Melville Centre for the Arts CIC in 2021/22 leaving a net underspend of £4000

Environment Committee

The budget allocated against Environment Committee is expected to underspend by £17,000 with an underspend on the Town Team (anticipated operation for 6 months rather than 9 months) and environmental group funding. Overspend is anticipated for the dog waste and this has been deducted from the predicated underspend.

People & Communities Committee

The budget allocated against People & Communities Committee is expected to overspend by £11000 due to the costs of undertaking work to the Christmas Lights electrics

**3. IMPACT ON RESERVES**

3.1 In August 2021, the level of general reserves was £215,000. With the above adjustments and £10,000 commitment for the additional funding allocated for the Bailey Park hard court resurfacing (greater than the amount in the Projects EMR), the level of general reserves at the end of the financial year is expected to increase by only £2,000. Please note that this is an approximate calculation to inform Councillors deliberations with regards to requests for financial support in this financial year.

3.2 It may be helpful to consider that the internal auditor provided the following comment in his 2020/21 report with regards the level of general reserves *“The residual £174,000 in the General Reserve Fund equates to between 7 & 8 months’ revenue spending at the 2019-20 level and is considered appropriate for the Council’s ongoing spending plans*.” This implies that the Council should have general reserve levels of 7-8 months spending. An updated figure using the 2021-22 budget of £403,900 would give a level of general reserve of £269,000 against a projected general reserve at the end of the financial year of £217,000. It is again stressed that this is an approximate calculation.

3.2 The Council has earmarked reserves totally £133,942 for projects, twinning, Borough Theatre Box Office, service provision.

**4. RECOMMENDATIONS**

4.1 To note the report.