

Subject 2022/23 GENERAL FUND BUDGET REPORT

Report to ELT - 26 January 2022

Policy and Resources Committee – 8 February 2022

Council 22 February 2022

Report by: Finance Director



SUBJECT MATTER/RECOMMENDATIONS

This report presents for approval the general fund revenue and capital budget for 2022/23.

It is recommended that the Policy and Resources Committee consider and recommend the following to Council:

- 1) The general fund revenue budget as detailed at Appendix A;
 - 2) The Council Tax for 2022/23 for the Borough Council tax be £176.48 (for an average Band D);
 - 3) That the demand on the Collection Fund for 2022/23 be:
 - a. £5,085,693 for the Borough Council purposes;
 - b. £596,030 for Parish Precepts;
 - 4) The statement of and movement on the reserves as detailed at Appendix D and within section 8 of the report;
 - 5) The Policy framework for reserves as detailed at Appendix E;
 - 6) The updated Capital Programme and financing for 2021/22 to 2022/23 as detailed at Appendix F;
 - 7) New capital bid proposals at Appendix G;
 - 8) The Minimum Revenue Provision Statement 2022/23 as included at Appendix H;
 - 9) The underwriting of the £3.5million funding for the Learning Centre project as outlined at section 5;
 - 10) The inclusion of ward budgets for 2022/23 totalling £39,000. *
- (*Updated recommendation from Policy and Resources Committee 08/02/22)

1. INTRODUCTION / BACKGROUND

- 1.1. This report presents for consideration and recommendation the detail of the 2022/23 revenue and capital budgets for the General Fund. The report also presents an updated Capital programme covering the period 2021/22 to 2023/24. Recommendations from this report will be made to Council on 22 February 2022 to inform the setting of the council tax for 2022/23.
- 1.2. The 2022/23 medium term financial strategy was presented to the Policy and Resources committee in November 2021. At the time there was a forecast gap for the 2022/23 financial year of in the region of £0.9 million before allowing for any transfer from general reserves.
- 1.3. Since then the provisional Local Government Finance settlement has been announced and this has been used to update the funding for the budget for 2022/23, further detail on the funding is included at section 2 of the report. Furthermore the detail of the budget has been pulled together by joint working between the service areas and the finance team to co-ordinate the

detailed service budgets which are presented in more detail at Appendix A (summary statement) and Appendix B for the detailed service budgets.

2. PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2022/23

- 2.1. In September 2021 the Chancellor announced a three year Spending Review (SR2021) covering the period 2022/23 to 2024/25. Subsequent announcements in the Autumn Budget confirmed core spending power was projected to increase in real terms over the period of the SR period by an average of 3%. Additional funding of £4.8bn was announced as being available for social care and other services over the same period.
- 2.2. A one year provisional Local Government Financial Settlement was announced on 16 December 2021. The final settlement is due to be confirmed in February and Members will be updated verbally or as part of the report to Council later in February 2022 if there are significant changes that will impact on the budget setting for 2022/23.
- 2.3. **Provisional Local Government Finance Settlement** – This statement announced the one- year funding available for local government for 2022/23. The headlines from the announcement summarised below, along with the impact to the Council’s funding.
- 2.4. **Core Spending Power (CSP)** – This includes funding resources available to the sector and includes income from Council Tax, Business Rates, New Homes Bonus, revenue Support Grant and other specific grants. The headline announcements are increases of over 4% in real terms (£3.5bn cash) for 2022/23, the position for GYBC is included in the table 1;
- 2.5. **Revenue Support Grant (RSG)** – This grant has increased by 3.1% from 2021/22 (£63,331) taking the allocation for 2022/23 to £2,136,919.
- 2.6. **New Homes Bonus (NHB)** – A national allocation of NHB of £554 million was included in the settlement. The allocation to the Council is £495,249 and is based on an award of 308 properties plus 74 affordable units. There is no legacy payments allocation for 2020/21 or 2021/22 and the threshold over which the bonus remains payable remains at 0.4%. Future reforms of NHB have been discussed previously and consultations issued. The allocation to the Borough reflects an increase in homes of 378 plus 138 empty homes being brought back into use giving a total number of units added of 516 which after allowing for the 0.4% threshold reduces the units for the reward to 308. Whilst this good news in terms of the grant for 2022/23, the allocations for the year continues to highlights the significant disparity and inequity of the current NHB award scheme which does not benefit those authorities that have a higher than average number of lower banded properties and also where they face challenges to deliver housing growth.
- 2.7. Other Grants:
 - 2.7.1. **Lower Tier Services grant** – This grant was originally introduced in 2021/22, the provisional settlement has seen a further allocation of £172,282 in 2022/23 (increase of £9k from 2021/22);
 - 2.7.2. **Services grant** – the settlement has included £822 million funding nationally allocated using the 2013/14 shares of Settlement Funding Assessment. The grant was allocated as a one-off un-ringfenced grants in recognition of local services and includes funding for local government for the increase in employer National Insurance Contributions. The allocation to the Council is £264,767;
- 2.8. **Council Tax** – Core Spending Power assumes increases in Council tax funding from tax base growth and increases in Council tax to the capped limit, for districts and boroughs this is the higher of 2% or £5 for a band D equivalent property. The CSP assumed additional resources compared to 2021/22 of £216,175, in cash terms the budget as presented shows a comparable increase in resources from Council Tax of £219,768. This is based on the tax base

for 2022/23 of 29,344, an increase of 434 compared to 2021/22 as approved by Council in December 2021 and the increase of £5 to a band D to £176.48 after allowing for the impact of the collection fund deficit from 2020/21 which must be recovered over three years¹. Appendix C provides a summary of the band D Council Tax for 2022/23.

- 2.9. **Business Rates** – The 2021 Spending Review announced the business rate multiplier will be frozen for 2022/23 at 49.9p (small business multiplier) and 51.2p (national business multiplier). The freeze in the multiplier means there would be no increase in the baseline funding level from Business Rates, although compensation is being paid in 2022/23 for this and for GYBC equates to £115,451.
- 2.10. The following table provides a summary of the Core Spending Power as announced in the provisional settlement.

Table 1 - Core Spending Power	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000	£000	£000	£000	£000
Settlement Funding Assessment *	8,135	7,255	6,593	6,239	5,808	5,903	5,914	5,978
Compensation for under-indexing the business rates multiplier	51	51	54	85	123	154	200	392**
Council Tax Requirement excluding parish precepts	3,831	3,914	4,142	4,391	4,612	4,836	4,957	5,174
New Homes Bonus (including returned funding)	1,168	1,385	1,072	628	427	373	39	495
Lower Tier Services Grant	-	-	-	-	-	-	164	176**
2022/23 Services Grant	-	-	-	-	-	-	-	265
Core Spending Power	13,185	12,605	11,861	11,343	10,970	11,265	11,274	12,479

*Includes Revenue Support Grant and Business Rates baseline Funding

**Updated for Final Settlement announced 07/02/22

- 2.11. **Fair Funding Review and Local Government Reforms** - No announcements were made on the timescales of the planned reforms to Local Government funding, namely the fair funding review and business rates reset and New Homes Bonus changes, although it is now expected that these will be implemented in 2023/24 with further consultations over the summer months.
- 2.12. **Business Rates Pool funding** - The Norfolk Business rates pool has been operating since the start of the business rates retention system was introduced 2013/14. The pool arrangements were then reviewed for 2021/22 and considered that the unknown impact of the pandemic on business rates presented too much of a risk at a time when it was not known what further support would be coming from the government in response to covid. The pool has been established again for the 2022/23 financial year with an amendment to the process for allocating the funds from the pool to a sharing of the gain across the members (all seven boroughs, districts and the city along with the County) as opposed to a bidding process. Based

¹ One of the covid 19 support measures introduced in 2020/21 was for the collection fund deficit to be recovered over three financial years instead of over one.

on the initial estimates the return to the Borough would be £386,000 and this has been factored into the budget for 2022/23.

- 2.13. The final amount within the 2020/21 pool is still waiting on the final sign off of all billing authority NNDR3 returns. The allocation of this has been agreed to be split into tenths with each district/Borough receiving 1/10th and 3/10ths allocated to the County. It is estimated that there will be in the region of £490,000 to be received in the current year (2021/22) by the Borough. It is recommended that this be allocated to an earmarked reserve to be used as a contingent sum for capital projects that are being delivered that are in line with the original ambitions of the business rates pooling including job creation, further business rates growth, housing growth, improved skills and new business creation and expansion.

3. REVENUE ACCOUNT BASE BUDGET

- 3.1. The high-level summary of the general fund revenue budget is included in Appendix A. Appendix B provides more detail of the service budgets and also provides commentary on the more significant movements compared to the 2021/22 base budget. The following provides a commentary on some of the key assumptions that have been used to inform the 2022/23 budgets.
- 3.2. **Council Tax** – In summary the budget assumes an increase in the tax base and an increase in the Band D Council Tax of £5 and after allowing for the profiling of recovery of the current deficit on the collection fund from 2020/21 there is additional income compared to 2021/22 of £219,768, the forecasts for the following two years assume similar growth in tax base and annual increases of £5 for a band D.
- 3.3. **Funding** – The budget assumes the funding allocation from the provisional local government finance settlement and the utilisation of the grants allocated in the year, namely lower tier services grant, 2022/23 services grant and New Homes Bonus.
- 3.4. **Fees and Charges** – The fees and charges for 2022/23 are included as a separate report on the agenda, all fees and charges have been reviewed in line with the policy and where appropriate there have been some recommendations outside of the policy to reflect the current market and these are detailed in the accompanying report. The budget reflects the implications of the proposed fees and charges for 2022/23.
- 3.5. **Savings** – The 2022/23 budget assumes the continuation of previously approved savings and additional income, in addition the following new savings and additional income are being recommended as part of approval of the budget for 2022/23. Management team were tasked to identify savings and additional income for consideration as part of the 2022/23 budget that are in line with the key themes of the Councils financial and business strategy as included in the Medium term Financial Strategy. The key themes are:
- Strategic Asset Management
 - Economic and Housing Growth
 - Property Investment and Commercialisation
 - Technological Investment
 - GYBC Operating Model – including Digital Strategy, Organisational Strategy and Procurement and Contract Management
 - Sustainability Strategy
- 3.6. The table below provides a summary of the new savings proposals included in the 2022/23 budget.

Service Area	Savings	£
Property Services	Review of the resourcing following a post becoming vacant	60,000
Neighbourhoods and Community	Review of the provision of the service following a post being vacant.	56,500
IT	Mobile phone contract and miscellaneous savings	20,000
Various	A review of all fees and charges has been carried out to ensure that the levels remain competitive and where applicable cost recovery of services provided, additional income above the annual increases	15,000
Property Services	Yacht station concession – opportunity for a concession to be provided.	5,000
Property Services	Gorleston concessions and leisure provision opportunities are expected to deliver additional income	79,000
Property Services	Expression of interests for income opportunities along the Great Yarmouth Seafront to support the visitor economy	60,000
Customer Services	Review of business rated properties to identify opportunities to increase the business rates baseline	80,000
Various	Service budget efficiencies from critical review of base budgets include review of smaller budget heading to reflect the current ways of working in line with the agile working policy	30,000
	Total	405,500

- 3.7. **Employee Budgets** – The budget for 2022/23 assumes a 2% pay award, although this is subject to a local agreement and it is worth noting that no agreement on the 2021/22 pay award has been agreed. As a guide a 0.5% sensitivity to the pay award equates to approximately £50,000 per annum for the Council budget. It is current practice to allow for a turnover/vacancy element within the employee budgets for the year, for 2022/23 this equates to approximately 2.5% (£382k), this is an increase of 55,000 compared to the current year and has been informed by prior year actuals. Additional pension costs of £155,000 have been allowed for within the budget in line with the current planned level of payments to the pension scheme.
- 3.8. **Contract Inflation** – Where applicable contract inflation has been factored into the budget. This is in the region 3% to 4.6% depending on the contracts and includes where applicable for the joint venture arrangements.
- 3.9. **Interest and Minimum Revenue Provision (MRP)** – The budget for 2022/23 includes £903k million for interest payable which has been informed by the current level of interest rates and planned borrowing requirements in line with the capital programme and the treasury management strategy. The MRP for the year has been updated to reflect a revision to the delivery of the capital programme schemes, currently forecast to be £1.874 million for the year.
- 3.10. A review of the payment of concurrent function grants to Parish Councils was previously requested to inform future budget setting proposals. The review has commenced and to date those Parishes that are in receipt of the grant have confirmed that in most cases the grant received at least covers the cost of the services provided by the grant. Further work as part of the review will need to collate the information on the sites that the services is carried out on along with whom the responsibility sits with in terms of ownership. In addition, work has

recently been carried out on a review of playground facilities across the borough and this work will also be used to understand the provision of services across the borough and how costs are apportioned. This will be completed during 2022/23 and therefore for 2022/23 there has been no changes to the budget.

4. RESERVES

- 4.1. The statement of general and earmarked reserves is attached at Appendix D, this details the planned use of reserves in the current and future financial years. Reserves are held and utilised in accordance with the policy framework for reserves which is attached at Appendix E.
- 4.2. The balance in the general reserve at 1 April 2021 was £3.713million and is expected to be £3.495million at the end of the current year after allowing for the forecast movements in the current year, the final balance will be informed by the 2021/22 outturn position. The policy framework for reserves has been reviewed and this includes the methodology for the recommended level of general reserve which is recommended to be increased to £3.5 million to reflect the level of significant projects that are underway and the continued uncertainty around funding. As the outcomes of the funding reviews are known, it would be appropriate to again review the level of reserves.
- 4.3. The Council continues to hold a number of earmarked reserve of which the more significant are summarised below along with the current forecast balance at 31 March 2022:
 - 4.3.1. Invest to Save (£1.398million) – This reserve provides a source of funding that can be utilised for up front, one-off funding for invest to save proposals that will deliver future budget efficiencies and savings.
 - 4.3.2. Asset Management Reserve (£813k) – This reserve is held to mitigate the impact of fluctuations between financial years from income received from council assets and properties and is being used to smooth the impact to the revenue account of the costs of the new leisure centre until it is operational and reduces the impact to the revenue account.
 - 4.3.3. Collection Fund Reserve (£1.877million) - This reserve can be used to mitigate the significant variations between years and to reduce the impact of appeals from previous years. The transfer from the reserve in the 2022/23 budget seeks to mitigate the in-year impact of the reduction in the council tax base.
- 4.4. The Council continues to hold a number of other earmarked reserves for specific committed purposes for which the timing of their use has not yet been identified. The current virement rules allow for the use of reserves to be approved within the overall virement limits.
- 4.5. A comprehensive statement on the adequacy of the reserves and recommended balance will be included with the Chief Financial Officer's report which forms part of the Council Tax and Budget report to Council in February 2022.

5. CAPITAL

- 5.1. This section of the report presents the capital budgets for consideration along with the recommended capital bids for 2022/23.
- 5.2. **Current 2021/22 Capital Programme** - Appendix F includes a summary of the 2021/22 capital programme (excluding new bids), which has been updated for slippage on the 2021/22 capital programme, capital projects approved as part of prior year budget setting and also where there has been approved in-year amendments to the capital programme.
- 5.3. This results in a current capital budget of £30.517m, of which £15million is in relation to the Marina centre development. is financed from capital funding sources and the remainder is to be financed by borrowing.

- 5.4. **New Capital Schemes** - In addition to the update of the 2022/23 capital programme, approval is being sought for a number of new capital projects for 2022/23, and subsequent years as identified within the Capital Appendix G.
- 5.5. The appendix provides the detail of the bids summarised in the table below:

	£
Schemes recommended to be included in the 2022/23 programme – annual provisions (includes previously approved)	1,400,000
Schemes recommended to be included in the 2022/23 programme	2,898,985
Schemes recommended to be included in the 2022/23 programme pending approval from ITIG	36,825
Sub total – Additions to Capital Programme	4,335,810
Further Business cases required	808,000
Total Capital Bids	5,143,810

- 5.6. Where bids are linked to current capital projects, from example the extension of the marina centre car park and the additional beach huts at Gorleston, these are recommended for approval within the capital programme. Also where the capital budgets are being requested in relation to assets and the asset management plan for example town hall and greyfriars house, these are recommended for approval.
- 5.7. The following schemes are recommended in principal but will be subject to detailed business cases, with those above £100,000 being reported to Policy and Resources Committee to approve the release of the funds:
- 5.7.1. Great Yarmouth North Drive Promenade Beach Huts – £450,000
 - 5.7.2. Infrastructure Improvements to Garton Hall Travellers Site - £637,000
 - 5.7.3. Print Room Offline Finishing Equipment £36,825 – release of these funds will be considered by the IT Investment Group.
- 5.8. The bids include the recommendation of £1,130,000 be included in the capital programme for the **refuse collection vehicle replacement programme**. Ahead of the release of these funds a business case will be produced which will consider the options available for the replacement vehicles and will be informed by a review of the current fleet arrangements and recommendations for the future fleet strategy. This will be presented to Members ahead of releasing the budget.
- 5.9. Of the bids totalling £4,335,810, it is recommended that £3,001,655 be funded from borrowing.
- 5.10. As part of the budget report, the opportunity has been taken to review the programme and update the programme with the projects included within the Future High Streets and Town Deal programmes. The TD full business cases are in the process of being finalised for final sign off by 31 March 2022, as part of the review of the business cases the co-funding for each of the projects have been reviewed along with the Council's contributions. This report is recommending updates to the capital programme for the following two schemes;
- 5.11. **Intervention 1 Incubator Units** – As part of the business case it has been highlighted that a further funding of £420k is required to deliver the outcomes of the intervention, whilst this project is at early stages as the project delivery is finalised it could be that there is scope to contain this within the overall project funding, in the meantime it is recommend that £420k be included in the capital programme as matched funding for the project, the release of this funding would be subject to confirmation of mitigating the revenue implications.

- 5.12. **Intervention 3 Learning Centre** – At application stage this project allowed for partner funding of £3.5m from the Institute of Technology for the provision of the learning centre in the town centre. It has recently been confirmed that the College's IOT funding application had not been successful. Partners along with the Council are seeking alternative funding opportunities for the delivery of the project, at the same time the project team for this intervention are looking at alternative options for the delivery of the project to ensure that outcomes are still met and also opportunity to generate income to mitigate the impact on the revenue account. In the meantime the Council is being asked to temporarily underwrite the funding gap until RIBA stage 3 at which time the overall funding of the scheme and deliverability will be reviewed pending the outcome of this work. As certainty on the funding is known this will be reported to members as part of the monitoring processes.
- 5.13. **Wellesley recreational Ground** – There is a separate item on the agenda recommending the including in the capital programme of £942,000 to deliver a new 3G artificial pitch and to restore the tennis pavilion. The 2021/22 budget report included a capital bid of £303,000 as the Council's match funding to the project subject to identifying and application for external funding. The report on the project outlines the process to date and the status of the application for £687,000 of funding from the football foundation for the project. Subject to the confirmation of the award of funding this report is seeking the including of the capital budget to be funded as outlined in the accompanying report.
- 5.14. **Capital Programme Funding** - There are a number of sources of funding available to fund the capital expenditure. The following outlines those which are available to the Council:
- 5.14.1. External Contributions or Grants – e.g. from third party organisations often used to part fund capital projects, for example the future high streets fund.
 - 5.14.2. Reserves – Available capital and revenue reserves can be used to fund capital expenditure.
 - 5.14.3. Capital Receipts – Capital receipts are generated from asset disposals and can only be used to fund capital expenditure or repay debt. The latter is not applicable at the moment, as the Council is currently debt free.
 - 5.14.4. Borrowing – Under the Prudential Framework, the Council is able to fund expenditure from borrowing provided that they can demonstrate affordability and need. Borrowing (internal or external) to finance capital spend will attract charges to the revenue account in the form of interest and Minimum Revenue Provision (MRP) charges. The Councils capital programme is heavily reliant on borrowing as a source of funding. This report is presenting for approval the Minimum Revenue Provision Statement for 2022/23 which outlines the method for calculation of the MRP, this is included at Appendix H.

6. FUTURE FINANCIAL FORECASTS

- 6.1. Included in the Appendix A is a high-level financial forecast for the following two years of the spending review. At this time the impact of the fair funding review and business rates reset is not know, furthermore the outcome of the review of the New Homes Bonus is currently unknown and it is anticipated that any changes will be inform future funding allocations. It is now anticipated that the outcomes of these will inform the funding allocations from 2023/24 onwards.
- 6.2. At this time based on the current assumptions there is a forecast funding gap of £1.9million in 2023/24 increasing by a further £163k in 2024/25. This is before any new savings or additional income streams are factored into the budget and assumes inflationary increases to government grant and business rates, pending the wider review of funding reforms. Part of

the significant movement between years is the removal of the New Homes bonus grants and one-off grants received in 2022/23 totalling £932k, plus inflationary costs and MRP. Whilst it does not currently assume any funding from New Homes Bonus after 2022/23, a replacement scheme could provide further funding that would mitigate the funding gap.

- 6.3. The current business strategy themes as mentioned earlier remain the priorities for identifying opportunities to deliver growth and ensuring that the Council's resources and assets are utilised in the most efficient way to deliver future savings and income to the Council. This will include identifying opportunities to general capital receipts to reduce future borrowing costs for funding the capital programme.
- 6.4. The timing of the announcements of the reviews of local government funding is not yet known and once further detail is announced, the Medium-Term Financial Strategy will be updated accordingly.

7. FINANCIAL IMPLICATIONS

- 7.1. The body of the report and appendices present the overall general fund budget for revenue and capital for 2022/23. For the revenue account there is forecast to be a deficit of £208,205² and it is recommended that this is funded by other earmarked reserves.
- 7.2. The Council continues to face significant financial challenges due to the uncertainty of future funding for local government and also the longer-term recovery from Covid – both in terms of income recovery from council tax and rental streams as well as fees and charges income.

8. RISKS

- 8.1. The Council budget has been informed by a number of assumptions and based on information that is available, for example funding allocations. The following outlines the more significant risks that the Council continues to face in relation to its financial position.
- 8.2. **Future Funding** – The budget for 2022/23 is based on a one-year finance settlement. The delay to the implementation of the new funding system being informed by the fair funding review and review of business rates retention means that during 2022/23 there are likely to be exemplifications of the impact to individual authorities funding moving forward. The timing is not yet confirmed and as announcements are made the future financial projections will be updated accordingly. Future funding gaps still remain a risk to the overall funding for Local Government.
- 8.3. **New Homes Bonus** – As a source of funding, the current scheme is heavily skewed against those authorities with a higher than average number of properties in the lower council tax bands and also where there is lower levels of housing growth. Delivery of new homes growth is still important in response to demand and also the ability to grow the council tax base as a source of income.
- 8.4. **Business Rates** - Funding fluctuations from business rate income continues to be a prevalent feature of Local Government funding. The impact of appeals only exacerbates this risk and applies to current and new appeals. Other factors that will lead to reductions in income include for example, business closures, successful rateable value appeals (which reduce the RV and consequently the rates payable), including the impact of back dated appeals. The NNDR provision within the system only reflects the potential impact of appeals currently in the appeals system. The Council does hold an earmarked reserve which can mitigate the timing of fluctuations in the level of income from business rates.

² Updated deficit following the final settlement announcement (07/02/22) and P&R recommendation re Ward Budgets

- 8.5. **Capital Projects** – The Council has a number of significant capital projects at various stages of delivery. Each project faces a number of risks in terms of their delivery and also where they are subject to external funding it is essential that the funding conditions are met. The Council has a strong governance framework in place which can mitigate some of the project risks as well as ensuring adequate project contingency is held within project budgets. However, there will always be risks that are outside of the control of the council when managing these budgets. Reserves, both general and earmarked reserves can be used to mitigate the financial impact of this.
- 8.6. **Interest Payable and Minimum Revenue Provision (MRP)** - The budget reflects the revenue costs of the planned borrowing and financing of the current and future capital programmes. The impact of interest rate changes will have a direct impact to the revenue account for the financing of capital schemes. Whilst interest rates continue to be at historic lows the borrowing requirements continue to be reviewed and decisions made in line with the treasury management strategy.
- 8.7. Slippage of capital schemes will impact on the level of borrowing required along with the associated financing costs. The capital programmes have been reviewed to accurately reflect the timing of the projects, to ensure an accurate provision for MRP and interest can be made which reflects the timing of the capital spend. In addition, as new schemes and projects are approved outside of the budget this too will have an impact on the associated financing costs and will need to be considered as part of the options appraisal and business cases presented for approval. Furthermore future increases to MRP can be mitigated by the use of capital receipts to fund capital expenditure to reduce the need to borrow.
- 8.8. **Budgeted Income** – The annual revenue budget is dependent upon achieving significant levels of income from a number of demand led areas from sales, fees and charges, for example car parking, planning and building control and crematorium. The budgets have been informed by actuals and knowledge of current service delivery and also taking account of longer term recovery from the pandemic. Whilst a prudent approach has been taken for the setting of income budgets the actual performance will need to be monitored closely to allow any corrective actions to be taken in year if required.
- 8.9. Achievement of service income still remains a financial risk that cannot be fully influenced by the Council. It is for reasons such as this that a factor in determining the recommended general reserve balance includes an amount for the sensitivity in delivery of the more significant demand-led income budgets.
- 8.10. **Commercial Property Rentals** – The Council holds a number of commercial assets for which it receives an income from licences and rentals. The budget has made some assumptions on future rentals, however the risk of vacancies continue to be prevalent and therefore will continue to be managed by the service.
- 8.11. **Reserves** - The Council currently holds a number of earmarked reserves for which some are allocated for specific purposes, although the profile of spend is not yet agreed and commitments not currently made. Use of reserves provide a short-term solution to mitigate the forecast deficits and can also be used to mitigate the impact, if for example savings and income are not achieved as budgeted. As part of approving the annual budget Members are reminded that reserves do not provide a long-term solution for a sustainable budget position.
- 8.12. **Universal Credit and Housing Benefit Subsidy** – The budget reflects the reducing funding from the Department for Work and Pensions for housing benefit administration. The Council is responsible for paying out in the region of £22 million of housing benefit and rent rebates which the budget assumes is recoverable through the subsidy system. The subsidy returns are audited annually at which point any under or over recovery will be determined and adjusted

for. Any under recovery that is not eligible for subsidy would result in a financial implication to the Council which can be mitigated through the use of the earmarked reserve.

- 8.13. **Local Council Tax Support** – The LCTS scheme continues to support those households on low income or in receipt of benefit. The impact of a greater demand for LCTS would reduce the council tax collectable in the year and consequentially increase the deficit on the collection fund which will then need to be recovered in future years.

9. CONCLUSIONS

- 9.1. The Council is required to recommend a budget for approval each year. The budget report is presented to Policy and Resources Committee for recommendation to Full Council as part of the budget and council tax setting process. The report presents the detailed budget considerations for 2022/23. The budget has been informed by the one-year provisional finance settlement for 2022/23.
- 9.2. The report provides an overview of the risks that are facing the Council in the short to medium term, the most significant for the short term being the uncertainty around the impact of Covid-19 on the budget position for 2022/23 and medium-term recovery.

10. BACKGROUND PAPERS

- 10.1. The following reports and announcements have been used to inform the budget report as presented:
- 10.1.1. 2020/21 Outturn report
 - 10.1.2. 2021/22 in year financial monitoring reports
 - 10.1.3. Provisional Local Government Finance Settlement
 - 10.1.4. Medium Term Financial Strategy
 - 10.1.5. National Non-Domestic Rates Return
 - 10.1.6. Financial monitoring.

Area for consideration	Comment
Monitoring Officer Consultation	
Section 151 Officer Consultation	
Existing Council Policies	See background papers
Financial Implications	Within existing budgets
Legal Implications (including human rights)	
Risk Implications	
Equality Issues/EQIA assessment	
Details contained in strategy	
Crime & Disorder	
Every Child Matters	

General Fund Summary	2020/21 Outturn	Original 2021/22 Budget	2021/22 updated Forecast	2022/23 Budget	2023/24 Forecast	2024/25 Forecast
	£	£	£	£	£	£
Services:						
Executive and Resources	(107,118)	4,108,536	5,163,532	5,165,040	4,962,221	4,998,151
Inward Investment	1,373,972	1,095,607	1,130,924	3,593,020	3,500,004	3,094,797
Housing	1,176,442	1,158,056	1,032,748	1,046,111	986,196	1,020,197
Planning and Growth	363,186	427,075	433,238	434,019	459,320	477,666
Customer Services	(131,737)	(545,451)	(692,719)	(695,176)	(654,650)	(523,271)
Property and Asset Management	892,314	445,096	808,226	(85,890)	(259,731)	(131,318)
Communications and Marketing	604,631	777,164	761,088	753,578	745,255	747,106
Environmental Services	4,691,851	5,063,127	5,030,345	5,321,436	5,570,099	5,752,741
Net Cost of Service	8,863,540	12,529,210	13,667,382	15,532,138	15,308,713	15,436,069
Non Service Exp/(Income):						
Recharges to HRA	(1,729,720)	(1,914,393)	(2,079,593)	(2,036,804)	(2,067,106)	(2,092,241)
Parish Precepts	479,131	519,506	519,506	596,030	596,030	596,030
Parish CTSS Grant	25,009	20,080	25,004	25,003	20,003	15,003
Capital Charges	(1,910,669)	(2,196,310)	(2,196,310)	(3,790,627)	(3,790,627)	(3,790,627)
Revenue Financing for Capital	262,907	0	0	0	0	0
Interest Receivable	(310,784)	(58,967)	(58,967)	(82,086)	(80,996)	(79,940)
Interest Payable	614,507	1,229,995	1,244,995	902,592	913,433	924,237
Minimum Revenue Provision	1,412,562	1,558,000	1,558,000	1,730,112	2,632,000	2,977,000
Pension Back Funding	1,975,300	2,126,769	2,126,769	2,270,129	2,424,776	2,428,259
Vacancy Management	0	(326,973)	0	(382,000)	(382,000)	(382,000)
Apprenticeship Levy	34,946	47,751	47,751	51,767	52,292	53,184
Sub total - Non Service Exp/Inc	738,181	1,005,458	1,187,155	(715,885)	317,804	648,905
Net Operating Expenditure	9,601,722	13,534,667	14,854,537	14,816,254	15,626,517	16,084,974
Contributions to/(from) Reserves:						
Insurance Fund	96,064	0	(4,114)	0	0	0
Restricted use grant	(5,989)	(3,946)	(37,426)	(54,000)	(40,515)	(20,000)
Invest to Save	(35,910)	0	0	0	0	0
Specific budget	90,036	1,563	1,563	(59,142)	(47,590)	0
Repairs and maintenance	(49,903)	0	(49,150)	0	0	0
Second Homes Council tax	(155,962)	0	0	0	0	0
Waste management	0	(11,375)	(11,375)	(11,375)	(2,420)	0
Collection Fund	442,968	(100,000)	(100,000)	(93,000)	0	0
Community Housing	(30,417)	(30,000)	(30,000)	(10,000)	(30,000)	(30,000)
Enforcement	(4,452)	0	(7,500)	0	0	0
Coastal Protection	115,000	0	0	0	0	0
Special Projects Reserve	(189,699)	(118,316)	(206,340)	(182,978)	(25,900)	0
Homelessness	(145,545)	(164,963)	(164,963)	(95,000)	0	0
Asset Management	(101,743)	(257,300)	(257,300)	(230,825)	(204,753)	0
Empty Business Property Initiative Reserve	100,000	0	0	0	0	0
General Reserve	0	(215,000)	(203,151)	0	0	0
Covid reserve	0	0	(808,535)	0	0	0
Other Reserves	600,762	(47,621)	(429,528)	(24,742)	(28,917)	(13,912)
Sub Total Reserves	12,841,411	(946,958)	(2,307,819)	(761,062)	(380,095)	(63,912)
Amount to be met from Government Grant and Local Taxpayers	22,443,133	12,587,709	12,546,718	14,055,192	15,246,422	16,021,062
Collection Fund - Parishes	(354,487)	(519,506)	(519,506)	(596,030)	(596,030)	(596,030)
Collection Fund - Borough	(4,935,126)	(4,865,925)	(4,865,925)	(5,085,693)	(5,321,569)	(5,658,549)
Retained Business Rates	(15,509,456)	(4,507,153)	(4,507,153)	(5,092,629)	(5,296,334)	(5,508,187)
Revenue Support Grant	(2,062,184)	(2,073,588)	(2,073,588)	(2,136,919)	(2,201,027)	(2,267,057)
New Homes Bonus	(372,510)	(38,766)	(38,766)	(495,249)	0	0
Other Grants	(37,592)	(303,320)	(303,320)	(440,467)	0	0
Income from Grant and Taxpayers	(23,271,355)	(12,308,258)	(12,308,258)	(13,846,987)	(13,414,959)	(14,029,823)
(Surplus)/Deficit (before general reserve transfer)	(828,222)	279,452	238,460	208,205	1,831,462	1,991,238

NOTE: Updated following Policy and Resource Committee 8th February 2022 for recommendation of £39,000 ward budgets and also final settlement announced 7th February 2022 (£80,386 additional funding).

Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
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Executive and Resources:**Equinox**

Employee	0	0	58,370	58,370	New Executive Officer post salary costs recognised in budget. Fully recovered from the company as reflected within the income below.
Supplies & Services	92,620	96,700	25,000	(67,620)	Non Executive Payroll costs for the company and Insurance costs for Equinox Enterprises Ltd, fully recharged back to the company as per the income line below.
Third Party Payments	0	0	0	0	
Income	(92,620)	(142,020)	(129,000)	(36,380)	Service Level Agreement has increased between Equinox and the Council. This increases the income received.
	(0)	(45,320)	(45,630)	(45,630)	

GYBS Company

Employee	0	0	68,384	68,384	Costs in relation to the GYBS future delivery as approved to be funded from earmarked reserves.
Supplies & Services	0	0	34,616	34,616	
Income	0	0	0	0	
	0	0	103,000	103,000	

Corporate Costs

Transport	6,500	3,000	6,500	0	
Supplies & Services	175,301	174,301	141,607	(33,694)	External Audit Fees updated forecast based on scale fee assumption.
Support Services - Recharges Out	(445,710)	(445,710)	(445,730)	(20)	
Support Services - Recharges In	263,900	263,900	297,650	33,750	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0	
	(9)	(4,509)	27	36	

Executive Team

Employee	669,143	654,874	709,650	40,507	Temporary additional of PA support to ELT. Plus impact of 2% pay increase.
Premises	0	0	0	0	
Transport	7,500	5,000	5,000	(2,500)	
Supplies & Services	11,798	9,548	8,241	(3,556)	
Support Services - Recharges Out	(1,042,730)	(1,042,730)	(1,350,700)	(307,970)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	354,310	354,310	627,820	273,510	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0	
	21	(18,998)	11	(9)	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Finance					
Employee	652,896	600,300	650,075	(2,821)	
Premises	0	0	0	0	
Transport	500	500	250	(250)	
Supplies & Services	284,316	243,616	272,728	(11,588)	Reduction in Services Specialist budget and Bad Debt Provision.
Third Party Payments	0	0	0	0	
Transfer Payments	0	0	0	0	
Support Services	86,000	115,000	115,000	29,000	Revised budget in line of expectation based on prior year bank giro and cheque fees.
Capital Charges	0	0	0	0	
Support Services - Recharges Out	(1,637,200)	(1,637,200)	(1,494,280)	142,920	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	618,490	618,490	461,220	(157,270)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(5,000)	(13,500)	(5,000)	0	
	2	(72,794)	(7)	(9)	
ICT					
Employee	417,018	339,926	458,850	41,832	One post transferred from Communications and Marketing.
Premises	4,406	4,406	4,951	545	
Transport	2,500	2,500	1,000	(1,500)	
Supplies & Services	297,293	357,198	358,958	61,665	Increase in cost of Microsoft licenses and new software purchased for PSN accreditation.
Third Party Payments	474,593	474,593	474,593	0	
Capital Charges	42,896	42,896	107,504	64,608	Reflects changes in depreciation charge for assets aligned to this service.
Support Services - Recharges Out	(1,377,410)	(1,377,410)	(1,553,710)	(176,300)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	138,700	138,700	147,860	9,160	
Income	0	0	0	0	
	(4)	(17,191)	6	10	
Corporate Strategy					
Employee	89,656	68,003	92,700	3,044	
Premises	0	0	0	0	
Transport	200	200	200	0	
Supplies & Services	4,220	4,220	3,752	(468)	
Support Services - Recharges Out	(146,510)	(146,510)	(143,950)	2,560	
Support Services - Recharges In	52,440	52,440	47,290	(5,150)	
Income	0	0	0	0	
	6	(21,647)	(8)	(14)	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Member Services					
Employee	185,480	178,303	188,379	2,899	
Premises	0	0	0	0	
Transport	3,600	2,100	2,100	(1,500)	
Supplies & Services	325,798	319,397	371,944	46,146	Members allowances based on outcome of the Independent Review Panel (taking effect from Dec 2021). Ward budgets of £1,000 per member (£39,000) included for 1 year following Policy & Resource Committee recommendation on 8th February 2022.
Support Services - Recharges Out	(646,650)	(646,650)	(684,760)	(38,110)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	131,770	131,770	161,340	29,570	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0	
	(2)	(15,080)	39,003	39,005	
Elections					
Employee	163,466	159,139	116,492	(46,974)	
Premises	0	0	0	0	
Transport	1,000	0	1,000	0	
Supplies & Services	121,653	134,653	73,472	(48,181)	No elections expected in 2022/23.
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	30,960	30,960	38,310	7,350	
Income	(114,700)	(125,700)	(700)	114,000	No elections expected in 2022/23.
	202,379	199,052	228,574	26,195	
Human Resources					
Employee	411,525	401,362	417,894	6,369	
Premises	0	0	0	0	
Transport	1,000	1,000	1,000	0	
Supplies & Services	47,896	47,896	74,684	26,788	New Payroll/HR System agreed.
Support Services - Recharges Out	(606,010)	(606,010)	(653,230)	(47,220)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	145,590	145,590	159,660	14,070	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0	
	1	(10,162)	8	7	
Legal					
Supplies & Services	82,223	82,223	82,223	0	
Third Party Payments	388,582	388,582	407,623	19,041	Increase in NP Law contract fee.
Support Services - Recharges Out	(457,570)	(457,570)	(479,640)	(22,070)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	21,760	21,760	24,800	3,040	
Income	(35,000)	(22,000)	(35,000)	0	
	(5)	12,995	6	11	

Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
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COVID-19 costs

Employee	0	1,060,979	0	0	
Premises	0	0	0	0	
Transport	0	0	0	0	
Supplies & Services	50,000	2,574,524	0	(50,000)	Removal of budget for direct costs in respect of COVID, previously offset by grant allocations (see below).
Income	(745,722)	(3,080,187)	0	745,722	2021/22 base budget included the tranche 5 COVID funding to cover the direct cost and other service impacts and fees and charges impact such as car park income not covered by the national sales, fees and charges scheme. No further Covid funding is assumed to be received in 2022/23.
	(695,722)	555,316	0	695,722	

Total Executive and Resources:	(493,334)	561,662	324,990	818,324	
Total Executive and Resources excluding capital charges & recharges:	4,065,640	5,120,636	5,057,536	991,896	
Total Executive and Resources excluding recharges:	4,108,536	5,163,532	5,165,040	1,056,504	

Inward Investment**Projects and Programmes**

Employee	259,445	150,005	155,554	(103,891)	Project Management Team have been moved to their own cost centre Project Management Office.
Transport	1,500	886	886	(614)	
Supplies & Services	2,659	57,771	2,154	(505)	
Support Services - Recharges Out	(77,000)	(45,492)	(77,200)	(200)	
Support Services - Recharges In	295,850	174,791	514,260	218,410	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	(56,200)	0	0	
	482,454	281,761	595,654	113,200	

Project Management Office

Employee	0	173,894	128,778	128,778	Project management Team have been moved to their own cost centre PMOT. Previously these costs were within EXPP.
Transport	0	614	614	614	
Supplies & Services	0	1,088	1,188	1,188	
Support Services - Recharges Out	0	(31,508)	0	0	0
Support Services - Recharges In	0	121,059	45,200	45,200	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0	0
	0	265,147	175,780	175,780	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Inclusion Project (ESF)					
Employee	4,481	582	0	(4,481)	
Income	0	0	0	0	
	<u>4,481</u>	<u>582</u>	<u>0</u>	<u>(4,481)</u>	
Future High Street Fund					
Supplies & Services	0	1,360	0	0	
Income	0	0	0	0	
	<u>0</u>	<u>1,360</u>	<u>0</u>	<u>0</u>	
Towns Fund					
Supplies & Services	0	4,800	0	0	
Support Services	0	0	0	0	
Capital Charges	0	0	1,000,000	1,000,000	This reflects the accounting treatment of the Council's contribution to the Operations and Maintenance campus being built by Norfolk County Council. This cost is fully offset within the budget by a capital charges adjustment under Appendix A.
Income	0	0	0	0	
	<u>0</u>	<u>4,800</u>	<u>1,000,000</u>	<u>1,000,000</u>	
Offshore Wind Project					
Employee	50,069	50,069	50,416	347	
Premises	0	0	0	0	
Transport	0	0	0	0	
Supplies & Services	0	49,135	155,000	155,000	Marketing costs for the offshore wind project fully funded by grant money as per the income line below.
Income	(50,069)	(99,204)	(205,416)	(155,347)	As above.
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Winter Programme					
Supplies & Services	0	208,698	0	0	
Income	0	(208,698)	0	0	
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
CCTV					
Employee	0	0	0	0	
Premises	4,000	4,000	4,000	0	
Transport	0	0	0	0	
Supplies & Services	87,992	94,336	97,022	9,030	
Capital Charges	0	0	35,967	35,967	Reflects changes in depreciation charge for assets aligned to this service.
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	20,030	20,030	31,340	11,310	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(4,000)	(4,000)	(4,000)	0	
	<u>108,022</u>	<u>114,366</u>	<u>164,329</u>	<u>56,307</u>	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Culture and Leisure					
Employee	0	(450)	0	0	
Premises	0	0	0	0	
Transport	0	0	0	0	
Supplies & Services	72,044	72,044	69,044	(3,000)	
Third Party Payments	61,900	61,900	61,900	0	
Support Services - Recharges In	38,390	38,390	30,750	(7,640)	
Income	0	0	0	0	
	172,334	171,884	161,694	(10,640)	
Conservation					
Employee	151,017	147,210	153,543	2,526	
Premises	45,666	133,166	158,934	113,267	Trees for Cities project budget is fully funded from grant income and Town Wall repairs are partially funded from £30k Historic England grant.
Transport	200	200	200	0	
Supplies & Services	49,188	412,688	490,532	441,344	Winter Gardens development stage budget is fully funded by grant income as per below.
Third Party Payments	0	0	0	0	
Transfer Payments	0	188,806	33,490	33,490	Heritage Action Zone project costs are funded by grant income as per below.
Support Services	0	0	0	0	
Capital Charges	25,408	25,408	1,160,660	1,135,252	This reflects the Council's transfer of Town Deal funds to partners for costs they are incurring as contribution to the Town Deal scheme projects (accounting treatment). This cost is fully offset within the budget by a capital charges adjustment under Appendix A.
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	61,120	61,120	41,960	(19,160)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(66,667)	(676,473)	(625,740)	(559,073)	Heritage Action Zone, Tree for cities and Winter Garden grant funding will offset costs above.
	265,932	292,125	1,413,579	1,147,647	
Indoor Leisure - Phoenix Pool and Marina Centre					
Employee	0	0	57,031	57,031	New contract manager position for the new leisure provision.
Premises	24,462	57,504	24,988	526	
Transport	0	0	0	0	
Supplies & Services	7,309	53,417	7,425	116	
Third Party Payments	67,500	191,916	56,696	(10,804)	New Lease hire contract for fitness equipment at the Phoenix.
Transfer Payments	64,439	64,439	118,861	54,422	New Leisure Operator Management fee.
Support Services	0	0	0	0	
Capital Charges	33,291	33,291	86,348	53,057	Reflects changes in depreciation charge for assets aligned to this service. Demolition of the Marina Centre in 2020/21 removes depreciation charge for 2021/22.
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	76,890	76,890	83,450	6,560	
Income	0	(124,416)	0	0	
	273,890	353,041	434,799	160,908	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Neighbourhood Management					
Employee	262,853	218,198	307,996	45,143	Employee costs revised to budget for new team structure following large turnover of staff in prior years.
Premises	10,264	11,964	9,873	(391)	
Transport	800	800	800	0	
Supplies & Services	82,784	102,784	85,346	2,562	
Third Party Payments	0	0	0	0	
Transfer Payments	113,000	357,317	200,000	87,000	Forecast £200k for projects potentially being won beginning in 2022/23.
Support Services	0	0	0	0	
Capital Charges	0	0	0	0	
Support Services - Recharges Out	(364,400)	(364,400)	(387,310)	(22,910)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	365,450	365,450	343,400	(22,050)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(113,000)	(474,779)	(236,000)	(123,000)	Forecast £200k for projects potentially being won beginning in 2022/23 - plus the 3 contributions to Early Help Hub.
	357,752	217,334	324,105	(33,647)	
Enterprise Zone					
Supplies & Services	1,350,000	1,350,000	1,140,612	(209,388)	Payments out of this service (to Local Enterprise Partnership and Norfolk County Council) are based on the funds available so fall in income below means reduction in payments that can be made (please see comment below also).
Income	(1,600,000)	(1,600,000)	(1,261,791)	338,209	Decrease in business rate income aligned to Enterprise Zones anticipated in 2022/23. Payments for the funds reduce relatively to the income received. The balance remaining reflects the Council share of the funds.
	(250,000)	(250,000)	(121,179)	128,821	
Economic Development					
Employee	103,409	101,191	68,608	(34,801)	Budget is reduced due to a fixed term employee post ending June 2022.
Premises	0	0	0	0	
Transport	0	0	0	0	
Supplies & Services	1,800	1,800	1,502	(298)	
Support Services - Recharges In	154,410	154,410	111,990	(42,420)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(10,014)	(10,014)	0	10,014	Income reduction aligns with cost reductions.
	249,605	247,387	182,100	(67,505)	
Enterprise GY					
Premises	68	68	0	(68)	
Transport	0	0	0	0	
Supplies & Services	1,809	1,809	0	(1,809)	
Support Services - Recharges In	7,700	7,700	0	(7,700)	
Income	0	0	0	0	
	9,577	9,577	0	(9,577)	

Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
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Total Inward Investment:	1,681,747	1,717,064	4,330,860	2,649,113
Total Inward Investment excluding capital charges & recharges:	1,036,908	1,072,225	1,310,045	273,137
Total Inward Investment excluding recharges:	1,095,607	1,130,924	3,593,020	2,497,413

Housing:**Housing Needs**

Employee	666,648	816,958	967,016	300,368	Increase employee cost to mitigate the increased demand reflected by the service, supported by grant funding.
Premises	153,876	192,376	203,105	49,230	Increased expenditure reflecting increased demand following COVID and prior years. Offset partly by income below and grant contributions.
Transport	3,152	522	1,000	(2,152)	
Supplies & Services	182,086	442,036	261,888	79,801	Increased expenditure reflecting increased B&B and temporary accommodation demand following COVID and prior years. Offset partly by income below and grant contributions.
Capital Charges	19,013	19,013	18,137	(876)	
Support Services - Recharges In	321,700	321,700	420,790	99,090	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(258,410)	(731,756)	(744,103)	(485,693)	Increased grant contributions to support the increased demand on services such as B&B and temporary accommodation costs. Grant also supporting increases budgeted staffing costs for 2022/23.
	1,088,065	1,060,849	1,127,833	39,769	

Gapton Hall Site

Employee	58,435	58,435	62,539	4,104	
Premises	0	47,000	49,969	49,969	Budgets reflecting the sites repairs and maintenance and energy costs. Energy costs incurred mitigated by income below.
Transport	0	0	0	0	
Supplies & Services	55,000	30,000	20,000	(35,000)	Budgets re-allocated to reflect spend in prior years.
Support Services - Recharges In	37,140	37,140	50,310	13,170	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(67,231)	(102,000)	(87,250)	(20,019)	Income reflecting site rental income in year, based on prior income assumptions, also reflecting an element for non-collection.
	83,344	70,575	95,568	12,224	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Better Care Fund					
Employee	101,077	87,148	102,988	1,911	
Premises	0	0	0	0	
Transport	2,500	1,071	2,500	0	
Supplies & Services	23,735	11,735	21,744	(1,991)	
Support Services - Recharges In	55,620	55,620	59,690	4,070	
Income	(145,216)	(145,216)	(145,216)	0	
	<u>37,716</u>	<u>10,358</u>	<u>41,706</u>	<u>3,991</u>	
Housing Strategy					
Employee	176,135	138,262	139,896	(36,239)	A post has transferred to Equinox following the set up of Equinox Property Holdings.
Premises	792	1,067	808	16	
Transport	365	0	365	0	
Supplies & Services	42,388	59,158	30,340	(12,048)	Reduction of budget following review of spend requirements.
Capital Charges	22,603	22,603	23,859	1,256	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	88,170	88,170	83,740	(4,430)	
Income	0	0	0	0	
	<u>330,453</u>	<u>309,260</u>	<u>279,008</u>	<u>(51,445)</u>	
Safe at Home					
Employee	279,548	231,865	282,473	2,925	
Premises	0	0	0	0	
Transport	7,000	2,509	7,000	0	
Supplies & Services	55,198	36,399	42,859	(12,338)	Reduction of budget following review of spend requirements.
Third Party Payments	0	0	0	0	
Transfer Payments	5,440	5,440	5,440	0	
Support Services - Recharges In	94,710	94,710	89,210	(5,500)	
Income	(226,078)	(191,877)	(221,247)	4,831	
	<u>215,819</u>	<u>179,046</u>	<u>205,735</u>	<u>(10,083)</u>	
Total Housing:	<u>1,755,396</u>	<u>1,630,088</u>	<u>1,749,851</u>	<u>(5,545)</u>	
Total Housing excluding capital charges & recharges:	<u>1,116,440</u>	<u>991,132</u>	<u>1,004,115</u>	<u>(112,325)</u>	
Total Housing excluding recharges:	<u>1,158,056</u>	<u>1,032,748</u>	<u>1,046,111</u>	<u>(111,945)</u>	

Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
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Planning and Growth:**Building Control**

Employee	254,661	270,701	255,082	421	
Premises	1,500	1,500	1,500	0	
Transport	11,000	11,000	10,000	(1,000)	
Supplies & Services	17,737	17,736	18,166	429	
Support Services - Recharges In	181,080	181,080	88,740	(92,340)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(302,976)	(277,976)	(308,377)	(5,401)	
	163,001	204,041	65,110	(97,891)	

Development Control

Employee	654,693	618,363	672,649	17,956	Increases due to inflation and increments.
Premises	0	0	0	0	
Transport	7,500	7,500	7,500	0	
Supplies & Services	26,702	26,701	32,219	5,518	
Support Services - Recharges Out	(64,650)	(64,650)	(62,910)	1,740	
Support Services - Recharges In	233,280	233,280	331,700	98,420	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(565,292)	(535,292)	(591,597)	(26,305)	Increase in income due to Fees & Charges at 4.9%.
	292,232	285,902	389,561	97,329	

Land Charges

Employee	50,035	58,143	50,771	736	
Premises	0	0	0	0	
Transport	0	0	0	0	
Supplies & Services	12,082	12,082	12,382	301	
Third Party Payments	31,000	31,000	32,519	1,519	
Support Services - Recharges In	47,760	47,760	48,230	470	
Income	(138,154)	(158,154)	(144,923)	(6,769)	
	2,723	(9,169)	(1,021)	(3,743)	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Strategic Planning					
Employee	283,962	267,307	286,507	2,545	
Premises	0	23,250	0	0	
Transport	1,000	1,000	1,000	0	
Supplies & Services	96,856	96,856	113,390	16,534	2022/23 budget increased by £10k re: New Burdens Grant expenditure (from reserves) for the examination programme.
Third Party Payments	0	0	0	0	
Transfer Payments	6,500	6,500	6,500	0	
Support Services	0	0	0	0	
Capital Charges	0	0	1,582	1,582	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	116,690	116,690	89,820	(26,870)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(21,729)	(44,979)	(22,850)	(1,121)	
	483,279	466,624	475,949	(7,330)	
Total Planning and Growth:	941,235	947,398	929,599	(11,636)	
Total Planning and Growth excluding capital charges & recharges:	427,075	433,238	432,437	5,362	
Total Planning and Growth excluding recharges:	427,075	433,238	434,019	6,944	
<u>Customer Services:</u>					
Benefits					
Employee	593,279	607,907	613,252	19,973	Employee costs inflationary increase.
Premises	0	0	0	0	
Transport	1,200	1,200	1,200	0	
Supplies & Services	72,927	60,921	97,286	24,359	Additional Computer Cost in 2022/23 - shared with Revenues.
Third Party Payments	0	0	0	0	
Transfer Payments	22,464,068	21,259,568	20,410,200	(2,053,868)	Revision of Benefits payments and receipts based on current year forecasts and prior year actuals offset by reduced income.
Support Services	0	0	0	0	
Capital Charges	0	0	0	0	
Support Services - Recharges Out	(258,773)	(258,773)	(257,414)	1,359	
Support Services - Recharges In	445,290	445,290	429,990	(15,300)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(23,223,212)	(22,241,212)	(21,243,980)	1,979,232	Revision of Benefits payments and receipts based on current year forecasts and prior year actuals offset by reduced spend.
	94,779	(125,099)	50,534	(44,245)	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Crematorium and Cemeteries					
Employee	225,337	225,897	207,812	(17,525)	Updated budget to reflect employee establishment position.
Premises	467,969	466,468	485,183	17,214	Increase in maintenance contract with GYBS.
Transport	750	750	750	0	
Supplies & Services	97,437	152,437	143,889	46,452	Inclusion of direct funeral costs partly mitigated by income.
Third Party Payments	34,074	34,074	34,074	0	
Transfer Payments	0	0	0	0	
Support Services	0	0	0	0	
Capital Charges	72,149	72,149	70,543	(1,606)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	185,040	185,040	231,420	46,380	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(1,601,740)	(1,436,739)	(1,620,151)	(18,411)	Revised income forecast including impact of fees and charges review.
	(518,984)	(299,924)	(446,480)	72,504	
Crematorium tearoom					
Employee	0	0	49,311	49,311	
Premises	0	0	8,180	8,180	
Transport	0	0	0	0	
Supplies & Services	0	0	25,898	25,898	Budget updated to reflect the business case of the tea rooms as previously approved.
Capital Charges	0	0	9,060	9,060	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	0	0	0	0	
Income	0	0	(101,857)	(101,857)	
	0	0	(9,408)	(9,408)	
Customer Services					
Employee	652,021	619,597	639,269	(12,752)	Review of customer service advisor establishment in 2022/23.
Premises	0	0	0	0	
Transport	250	250	250	0	
Supplies & Services	12,432	8,433	11,979	(453)	
Support Services - Recharges Out	(1,294,430)	(1,294,430)	(1,210,670)	83,760	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	629,730	629,730	559,170	(70,560)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0	
	3	(36,420)	(2)	(5)	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Support Services					
Employee	163,601	155,956	159,927	(3,674)	
Premises	0	0	0	0	
Transport	0	0	0	0	
Supplies & Services	35,682	41,682	44,257	8,575	
Capital Charges	3,267	3,267	2,985	(282)	
Support Services - Recharges Out	(309,060)	(309,060)	(279,360)	29,700	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	106,510	106,510	72,190	(34,320)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0	
	<u>1</u>	<u>(1,645)</u>	<u>(1)</u>	<u>(1)</u>	
Car Parks					
Employee	436,269	411,559	446,943	10,674	2% employee pay increase assumed.
Premises	347,088	350,390	348,188	1,100	
Transport	14,052	16,552	17,355	3,303	
Supplies & Services	132,425	113,226	124,760	(7,665)	
Third Party Payments	0	0	0	0	
Transfer Payments	482,117	450,117	399,701	(82,416)	£60k reduction in income from Howard Street and On-Street Parking - has knock on effect to transfer payments (100% On Street and 50% Howard Street).
Support Services	0	0	0	0	
Capital Charges	44,213	44,213	46,827	2,614	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	404,590	404,590	356,060	(48,530)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(2,511,828)	(2,482,576)	(2,501,475)	10,353	£60k reduction in income from Howard Street and On-Street Parking - has knock on effect to transfer payments (100% On Street and 50% Howard Street) - remaining c£15k is revisions to Off Street Parking mainly Town Centre with some of this offset by Seafront gains.
	<u>(651,073)</u>	<u>(691,929)</u>	<u>(761,640)</u>	<u>(110,567)</u>	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Revenues					
Employee	730,541	705,674	745,170	14,629	Employee costs inflationary increase.
Premises	0	0	0	0	
Transport	2,000	250	2,000	0	
Supplies & Services	278,004	273,846	197,688	(80,316)	Computer costs expected to be lower in 2022/23 - shared with Benefits.
Third Party Payments	0	0	0	0	
Transfer Payments	100	100	100	0	
Support Services	30,000	20,000	25,000	(5,000)	
Capital Charges	0	0	0	0	
Support Services - Recharges Out	0	0	(381,900)	(381,900)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	800,610	800,610	829,510	28,900	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(601,925)	(628,675)	(596,752)	5,173	
	1,239,330	1,171,805	820,816	(418,514)	
Total Customer Services:					
	164,056	16,788	(346,180)	(510,236)	
Total Customer Services excluding capital charges & recharges:					
	(665,080)	(812,348)	(824,591)	(159,511)	
Total Customer Services excluding recharges:					
	(545,451)	(692,719)	(695,176)	(149,725)	
Property and Asset Management:					
Property Building Services					
Employee	0	0	0	0	
Premises	467,136	472,685	473,541	6,405	
Income	0	0	0	0	
	467,136	472,685	473,541	6,405	
Town Hall					
Employee	0	0	0	0	
Premises	164,528	164,529	167,916	3,388	
Transport	0	0	0	0	
Supplies & Services	1,000	4,036	1,049	49	
Capital Charges	49,010	49,010	15,821	(33,189)	Reflects changes in depreciation charge for assets aligned to this service.
Support Services - Recharges Out	(281,270)	(281,270)	(291,230)	(9,960)	
Support Services - Recharges In	66,730	66,730	106,440	39,710	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0	
	(2)	3,035	(4)	(2)	

Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
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Greyfriars House

Employee	0	0	0	0
Premises	110,111	110,112	112,303	2,192
Capital Charges	7,710	7,710	7,710	0
Support Services - Recharges Out	(212,240)	(212,240)	(189,390)	22,850 Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	94,420	94,420	69,380	(25,040) Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0
	1	2	3	2

Maritime House

Employee	0	0	0	0
Premises	40,107	40,108	21,897	(18,210) Savings proposal to consider options for the building.
Transport	0	0	0	0
Supplies & Services	3,528	3,528	1,842	(1,687)
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	0	0	0	0
Capital Charges	4,560	4,560	4,560	0
Support Services - Recharges Out	(109,890)	(109,890)	0	109,890 Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	61,700	61,700	14,470	(47,230) Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0
	6	6	42,769	42,763

Catalyst Centre

Employee	0	0	0	0
Premises	47,730	47,729	49,185	1,455
Transport	0	0	0	0
Supplies & Services	714	714	749	35
Capital Charges	3,958	3,958	3,797	(161)
Support Services - Recharges Out	(116,540)	(116,540)	(124,550)	(8,010)
Support Services - Recharges In	64,140	64,140	70,820	6,680
Income	0	0	0	0
	2	1	1	(1)

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Public Toilets					
Employee	0	0	0	0	
Premises	184,705	184,705	189,675	4,969	
Transport	0	0	0	0	
Supplies & Services	10,915	10,915	11,103	188	
Capital Charges	163,129	163,129	153,447	(9,682)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	42,980	42,980	25,740	(17,240)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(4,000)	(4,000)	0	4,000	
	<u>397,729</u>	<u>397,729</u>	<u>379,965</u>	<u>(17,765)</u>	
Repairs and Maintenance					
Employee	0	0	0	0	
Premises	125	125	129	4	
Transport	0	0	0	0	
Supplies & Services	15,741	15,741	16,231	490	
Third Party Payments	8,714	8,714	8,714	0	
Transfer Payments	0	0	0	0	
Support Services	0	0	0	0	
Capital Charges	253,632	253,632	205,389	(48,243)	Reflects changes in depreciation charge for assets aligned to this service.
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	52,180	52,180	61,530	9,350	
Income	(97,572)	(97,572)	(97,572)	0	
	<u>232,820</u>	<u>232,820</u>	<u>194,421</u>	<u>(38,399)</u>	
Footway Lighting					
Employee	0	0	0	0	
Premises	179,954	164,954	169,230	(10,725)	Reduction in electricity costs re: Roll out of energy efficient lightbulbs.
Transport	0	0	0	0	
Supplies & Services	13,319	13,319	14,091	773	
Capital Charges	74,179	74,179	69,718	(4,461)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	55,150	55,150	64,400	9,250	
Income	0	0	0	0	
	<u>322,602</u>	<u>307,602</u>	<u>317,439</u>	<u>(5,163)</u>	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Coast Protection					
Employee	56,620	55,511	183,025	126,405	Increase in budget relates to (a) three new posts to be externally grant funded total £132,609 less (b) transfer to supplies & services (£6,603) to fund additional external charges for the Adaptations Officer post.
Premises	42,000	42,000	44,689	2,689	
Transport	1,250	1,250	3,250	2,000	
Supplies & Services	58,195	58,195	64,385	6,190	
Capital Charges	362,692	362,692	362,693	1	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	51,220	51,220	60,040	8,820	
Income	(550)	(550)	(135,309)	(134,759)	External income as per above for new posts and expenses.
	<u>571,427</u>	<u>570,318</u>	<u>582,773</u>	<u>11,346</u>	
Beach Huts					
Employee	0	0	30,604	30,604	Creation of new maintenance post specifically for the beach huts and the Splash Pad. Work previously covered by a shared arrangement and costs recharged at year-end as part of supplies and services below.
Premises	9,919	9,919	9,962	43	
Transport	0	0	0	0	
Supplies & Services	36,000	36,000	5,396	(30,604)	Transfer to pay to fund new maintenance post above.
Support Services - Recharges In	21,950	21,950	29,960	8,010	
Income	(61,940)	(61,940)	(63,438)	(1,498)	
	<u>5,929</u>	<u>5,929</u>	<u>12,484</u>	<u>6,555</u>	
Community Centres					
Employee	0	0	0	0	
Premises	10,799	9,960	2,056	(8,742)	
Capital Charges	27,142	27,142	25,213	(1,929)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	9,580	9,580	35,390	25,810	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(8,274)	(8,274)	(3,774)	4,500	
	<u>39,247</u>	<u>38,408</u>	<u>58,885</u>	<u>19,639</u>	
Easter Fayre					
Employee	0	0	2,000	2,000	
Supplies & Services	0	0	20,686	20,686	Base budgets removed in 21/22 as no Easter Fair held due to Covid restrictions. Budgets reinstated in anticipation of fair being held in 22/23
Income	0	0	(15,265)	(15,265)	See above also.
	<u>0</u>	<u>0</u>	<u>7,421</u>	<u>7,421</u>	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Go Trade - Markets					
Employee	20,161	20,161	0	(20,161)	
Premises	0	0	0	0	
Transport	0	0	0	0	
Supplies & Services	36,588	36,588	0	(36,588)	One year project extension finishes March 2022.
Income	(39,154)	(39,154)	0	39,154	
	<u>17,595</u>	<u>17,595</u>	<u>0</u>	<u>(17,595)</u>	
Markets					
Employee	72,445	70,227	71,706	(739)	
Premises	216,504	216,504	195,154	(21,350)	Budget reviewed based upon current levels of expenditure, mitigates some of the reduced income.
Transport	250	250	250	0	
Supplies & Services	39,400	39,400	29,636	(9,763)	
Capital Charges	4,820	4,820	4,820	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	57,540	57,540	64,400	6,860	
Income	(259,759)	(134,759)	(157,974)	101,785	Review of the income budget following the redevelopment of the market area and the reduction in the number of permanent six day stalls from 36 to 26 units with a further four 'pop-up' stalls.
	<u>131,200</u>	<u>253,982</u>	<u>207,992</u>	<u>76,793</u>	
Bretts					
Employee	0	0	0	0	
Premises	37,867	23,150	139,117	101,250	Budget increased for external redecoration and roof repairs partly funded by lease income.
Transport	0	0	0	0	
Supplies & Services	6,576	6,576	6,576	0	
Support Services - Recharges In	7,160	7,160	12,330	5,170	
Income	(56,209)	(45,279)	(131,387)	(75,178)	Contribution from lease towards above.
	<u>(4,606)</u>	<u>(8,393)</u>	<u>26,636</u>	<u>31,242</u>	
Courts					
Employee	0	0	0	0	
Premises	7,290	6,090	6,090	(1,200)	
Transport	0	0	0	0	
Supplies & Services	0	1,200	1,200	1,200	
Support Services - Recharges In	7,880	7,880	11,500	3,620	
Income	(14,670)	(4,881)	(14,670)	0	
	<u>500</u>	<u>10,289</u>	<u>4,120</u>	<u>3,620</u>	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
South Denes Energy Park					
Employee	0	0	0	0	
Premises	2,869	2,869	2,878	8	
Support Services - Recharges In	54,050	54,050	24,110	(29,940)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(8,004)	(8,004)	(8,004)	0	
	<u>48,915</u>	<u>48,915</u>	<u>18,984</u>	<u>(29,932)</u>	
Factory Units					
Employee	0	0	0	0	
Premises	38,900	22,286	10,248	(28,653)	End to rental of Sinclair Court from owner will reduce budgets by (£27.9k)
Transport	0	0	0	0	
Supplies & Services	3,307	3,307	3,409	103	
Support Services - Recharges In	17,930	17,930	28,410	10,480	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(134,451)	(113,017)	(100,651)	33,800	Loss of income due to Sinclair Court £27.2k & voids Queens Road £13.8k
	<u>(74,314)</u>	<u>(69,494)</u>	<u>(58,584)</u>	<u>15,730</u>	
Corporate Estates					
Employee	20	20	20	1	
Premises	399,222	487,222	405,292	6,070	
Transport	0	0	0	0	
Supplies & Services	33,473	33,473	34,097	624	
Capital Charges	13,869	13,869	34,945	21,076	Reflects changes in depreciation charge for assets aligned to this service.
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	505,180	505,180	401,660	(103,520)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(2,302,177)	(2,273,149)	(2,481,633)	(179,456)	The budget has been updated to reflect current occupancy and lease agreements plus additional (£147k) identified savings and income opportunities to be delivered in the year.
	<u>(1,350,414)</u>	<u>(1,233,385)</u>	<u>(1,605,618)</u>	<u>(255,205)</u>	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Waterways					
Employee	0	52,079	0	0	
Premises	853	853	9,400	8,547	
Transport	0	0	0	0	
Supplies & Services	107,000	91,688	19,610	(87,390)	
Third Party Payments	0	0	0	0	Waterways project finishes August 2021 but transfers as an operational site to Property from 22/23. Budgets reflect this changed.
Transfer Payments	0	0	0	0	
Support Services	0	0	0	0	
Capital Charges	53,000	53,000	0	(53,000)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	12,870	12,870	15,340	2,470	
Income	(50,853)	(87,620)	(1,000)	49,853	
	<u>122,870</u>	<u>122,870</u>	<u>43,350</u>	<u>(79,520)</u>	
Minerva House					
Employee	0	0	0	0	
Premises	8,400	8,400	8,451	51	
Support Services - Recharges In	8,840	8,840	9,870	1,030	
Income	(65,575)	(65,575)	(65,626)	(51)	
	<u>(48,335)</u>	<u>(48,335)</u>	<u>(47,305)</u>	<u>1,030</u>	
Onians					
Employee	0	0	0	0	
Premises	493	492	272	(220)	
Transport	0	0	0	0	
Supplies & Services	1,000	1,000	1,000	0	
Support Services - Recharges In	7,880	7,880	10,160	2,280	
Income	(10,800)	(10,800)	(9,900)	900	
	<u>(1,427)</u>	<u>(1,428)</u>	<u>1,532</u>	<u>2,960</u>	
Property Services					
Employee	1,011,788	873,742	895,056	(116,732)	Reduction of two posts now allocated to Housing Asset Team (RPHA) & identified savings.
Premises	6,179	6,179	6,179	0	
Transport	6,100	6,100	6,100	0	
Supplies & Services	28,128	25,092	39,680	11,552	Increase in computer costs.
Support Services - Recharges Out	(1,034,600)	(1,034,600)	(935,180)	99,420	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	275,690	275,690	275,770	80	
Income	(293,281)	(168,281)	(287,605)	5,676	
	<u>4</u>	<u>(16,078)</u>	<u>(0)</u>	<u>(4)</u>	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Housing Asset Team					
Employee	674,914	519,914	641,021	(33,893)	Reduction in business case establishment budget contra against income
Premises	0	0	0	0	
Transport	0	0	0	0	
Supplies & Services	104,000	69,000	30,000	(74,000)	Removal of £24k set up costs in 21/22 base and savings identified.
Support Services - Recharges Out	0	(165,200)	(119,700)	(119,700)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	0	0	284,900	284,900	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(920,114)	(574,914)	(836,221)	83,893	Reduction in pay budgets will result in lower recharges to the HRA and savings identified in supplies & services
	<u>(141,200)</u>	<u>(151,200)</u>	<u>0</u>	<u>141,200</u>	
Beacon Park					
Employee	0	0	0	0	
Premises	187,008	134,852	143,187	(43,821)	Sale of a site has reduced rates by (£37.5k) plus transfer to supplies & services of (£10k) to increase scheme promotion costs.
Transport	0	0	0	0	
Supplies & Services	49,450	128,921	59,450	10,000	Transfer from premises as above.
Capital Charges	335,072	335,072	167,469	(167,603)	Reflects changes in depreciation charge for assets aligned to this service.
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	70,010	70,010	51,820	(18,190)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(1,143,589)	(1,189,162)	(1,100,232)	43,357	Due to sale of a site income from Local Enterprise Partnership (LEP) will reduce by £37.5k, mitigated by reduction in rates payable.
	<u>(502,049)</u>	<u>(520,307)</u>	<u>(678,306)</u>	<u>(176,257)</u>	
Total Property and Asset Management:					
	<u>235,636</u>	<u>433,566</u>	<u>(17,500)</u>	<u>(253,136)</u>	
Total Property and Asset Management excluding capital charges & recharges:					
	<u>(907,677)</u>	<u>(544,547)</u>	<u>(1,141,472)</u>	<u>(233,795)</u>	
Total Property and Asset Management excluding recharges:					
	<u>445,096</u>	<u>808,226</u>	<u>(85,890)</u>	<u>(530,986)</u>	

Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
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Communications and Marketing:**Communications**

Employee	195,145	187,362	169,713	(25,432) One post transferred to ICT.
Premises	0	0	0	0
Transport	1,500	1,500	1,500	0
Supplies & Services	10,424	14,746	14,693	4,269
Support Services - Recharges Out	(242,110)	(242,110)	(240,070)	2,040
Support Services - Recharges In	40,040	40,040	59,520	19,480 Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(5,000)	(5,000)	(5,345)	(345)
	(1)	(3,462)	11	12

Events

Employee	0	0	43,898	43,898 One post transferred from Civic and Porters. New catering team cost shared with Crematorium tearoom.
Premises	0	0	2,000	2,000
Transport	0	0	0	0
Supplies & Services	5,875	7,425	8,226	2,351
Support Services - Recharges In	122,110	122,110	106,210	(15,900) Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(6,700)	(6,700)	(35,920)	(29,220) Additional income from events and weddings held at the Town Hall.
	121,285	122,835	124,414	3,129

Mayor

Employee	0	0	0	0
Premises	0	0	0	0
Transport	0	0	0	0
Supplies & Services	7,300	7,299	7,973	674
Support Services - Recharges In	15,470	15,470	16,020	550
Income	0	0	0	0
	22,770	22,769	23,993	1,224

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Tourism					
Employee	90,116	77,705	71,876	(18,240)	Apprenticeship post moved to Print and Design to fund trainee post. Budgets updated to reflect previous decision on TIC.
Premises	1,359	1,359	2,115	756	
Transport	100	100	100	0	
Supplies & Services	232,118	138,130	171,121	(60,997)	Budgets updated to reflect previous decision on TIC, offset by reduced income.
Third Party Payments	550	0	560	10	
Transfer Payments	0	0	0	0	
Support Services	1,400	1,400	0	(1,400)	
Capital Charges	0	0	0	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	247,120	247,120	217,380	(29,740)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(170,959)	(76,520)	(117,255)	53,704	Budgets updated to reflect previous decision on TIC, offset by reduced expenditure.
	<u>401,804</u>	<u>389,294</u>	<u>345,897</u>	<u>(55,906)</u>	
Civic and Portering					
Employee	186,464	174,698	163,151	(23,313)	One post transferred to events.
Premises	2,000	2,000	0	(2,000)	
Transport	12,746	12,746	12,746	0	
Supplies & Services	22,352	24,652	18,931	(3,421)	
Support Services - Recharges Out	(371,610)	(371,610)	(329,070)	42,540	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	155,050	155,050	137,240	(17,810)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(7,000)	(7,000)	(3,000)	4,000	
	<u>2</u>	<u>(9,464)</u>	<u>(2)</u>	<u>(4)</u>	
Print and Design					
Employee	164,100	159,064	194,372	30,272	Apprenticeship post moved from tourism and offset by earmarked reserve transfer.
Premises	0	0	0	0	
Transport	200	200	200	0	
Supplies & Services	56,574	56,574	57,043	470	
Support Services - Recharges Out	(274,440)	(274,440)	(291,390)	(16,950)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	77,070	77,070	64,900	(12,170)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(23,500)	(10,652)	(25,122)	(1,622)	
	<u>4</u>	<u>7,816</u>	<u>4</u>	<u>0</u>	
Total Communications and Marketing:	<u>545,864</u>	<u>529,788</u>	<u>494,318</u>	<u>(51,546)</u>	
Total Communications and Marketing excluding capital charges & recharges:	<u>777,164</u>	<u>761,088</u>	<u>753,578</u>	<u>(23,586)</u>	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Total Communications and Marketing excluding recharges:	777,164	761,088	753,578	(23,586)	
Environmental Services:					
Environmental Health					
Employee	1,157,853	1,103,610	1,193,881	36,029	A percentage of two posts have been transferred to Selective Licensing to cover management of the scheme. New manager post created as part of a restructure. One post moved to Licensing.
Premises	255,828	255,829	268,119	12,291	Inflation increase on joint venture with GYB Services.
Transport	39,954	41,954	39,956	2	
Supplies & Services	260,317	292,380	226,865	(33,452)	H&S advice no longer required from third party as will be provided in-house as part of the restructure.
Third Party Payments	10,000	10,000	10,000	0	
Transfer Payments	276,004	255,562	289,528	13,524	Inflation increase on drainage board levy.
Support Services	0	0	0	0	
Capital Charges	9,340	9,340	10,168	828	
Support Services - Recharges Out	(69,350)	(69,350)	(66,430)	2,920	
Support Services - Recharges In	372,810	372,810	376,070	3,260	
Income	(120,034)	(121,700)	(116,013)	4,021	
	<u>2,192,722</u>	<u>2,150,435</u>	<u>2,232,144</u>	<u>39,422</u>	
Selective Licensing					
Employee	45,474	44,365	60,392	14,918	Transfer of costs from Environmental Health for managing the scheme.
Premises	0	0	0	0	
Transport	1,463	1,463	0	(1,463)	
Supplies & Services	1,547	1,547	8,799	7,252	
Support Services - Recharges In	32,780	32,780	6,480	(26,300)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(50,000)	(50,000)	(10,000)	40,000	Fee income from scheme less towards the end of the 5 years. Scheme is fully funded by fee income from previous years via a transfer from earmarked reserves.
	<u>31,264</u>	<u>30,155</u>	<u>65,671</u>	<u>34,407</u>	
Grounds Maintenance					
Employee	0	0	0	0	
Premises	535,018	535,017	578,059	43,041	Inflation increase on joint venture with GYB Services. Additional tree works costs which are fully recharged to NCC.
Transport	0	0	0	0	
Supplies & Services	42,827	42,827	38,389	(4,438)	
Third Party Payments	11,540	9,240	9,240	(2,300)	
Capital Charges	82,075	82,075	75,485	(6,590)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	23,200	23,200	27,550	4,350	
Income	(39,950)	(36,050)	(54,450)	(14,500)	Tree works costs incurred are fully recharged to NCC.
	<u>654,710</u>	<u>656,309</u>	<u>674,273</u>	<u>19,563</u>	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Street Cleansing					
Employee	0	0	0	0	
Premises	664,117	664,117	664,117	0	
Transport	0	0	0	0	
Supplies & Services	0	0	0	0	
Third Party Payments	404	404	417	13	
Support Services - Recharges In	18,890	18,890	14,710	(4,180)	
Income	0	0	0	0	
	683,411	683,411	679,243	(4,167)	
Grounds and Parks					
Employee	0	0	0	0	
Premises	96,130	96,129	100,795	4,665	
Transport	0	0	0	0	
Supplies & Services	10,997	10,997	11,338	341	
Third Party Payments	90,285	90,285	90,285	0	
Capital Charges	3,522	3,522	3,411	(111)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	35,860	35,860	35,940	80	
Income	0	0	0	0	
	236,794	236,793	241,768	4,974	
Outdoor Sports					
Employee	0	0	0	0	
Premises	398,072	430,187	417,670	19,598	Inflation increase on joint venture with GYB Services.
Transport	0	0	0	0	
Supplies & Services	11,986	11,986	11,999	13	
Capital Charges	55,285	55,285	62,458	7,173	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	44,860	44,860	38,230	(6,630)	
Income	(89,686)	(95,284)	(95,590)	(5,904)	
	420,517	447,034	434,767	14,249	
Licensing					
Employee	111,384	109,002	188,571	77,187	One post moved from Environmental Health.
Premises	3,012	3,012	3,408	396	
Transport	400	400	400	0	
Supplies & Services	26,421	26,421	28,067	1,645	
Support Services - Recharges In	120,420	120,420	129,380	8,960	
Income	(269,874)	(269,874)	(270,941)	(1,068)	
	(8,237)	(10,619)	78,884	87,121	

	Original 2021/22 Budget	2021/22 Forecast	2022/23 Budget	Variance 21/22 Base Budget to 22/23 Base Budget	Comments
Waste Management					
Employee	176,239	98,345	102,308	(73,931)	Most staff have moved to Norfolk Waste Partnership.
Premises	65,721	65,721	47,310	(18,411)	Additional work by the cleaning 'hit squad' in 2021/22 which was offset by a transfer from earmarked reserve.
Transport	0	0	0	0	
Supplies & Services	610,110	750,110	763,670	153,560	Increase in gate fees and garden waste charges, along with increased recycling tonnage, partially offset by recycling income.
Third Party Payments	2,191,085	2,179,084	2,285,272	94,187	Inflation increase on joint venture with GYB Services.
Transfer Payments	0	0	0	0	
Support Services	0	0	0	0	
Capital Charges	18,011	18,011	20,050	2,039	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	141,620	141,620	146,030	4,410	
Income	(1,629,750)	(1,694,974)	(1,741,994)	(112,245)	Recycling credits increase based on higher tonnage collection and price, which partially offsets the increase in gate fees.
	1,573,036	1,557,917	1,622,645	49,610	
Total Environmental Services:	5,784,217	5,751,435	6,029,396	245,179	
Total Environmental Services excluding capital charges & recharges:	4,894,894	4,862,112	5,149,864	254,970	
Total Environmental Services excluding recharges:	5,063,127	5,030,345	5,321,436	258,309	
Total for Services:	10,614,817	11,587,789	13,495,334	2,880,518	
Total for Services excluding capital charges & recharges:	10,745,364	11,883,536	11,681,597	996,149	
Total for Services excluding recharges:	12,529,210	13,667,382	15,532,138	3,002,929	

Council Tax Summary 2022/23

	2021/22 Actual	Actual 2022/23 £5 Council Tax Increase			
			Movement £	Movement %	
Demand on Collection Fund (excluding Parish/Town Precepts)	£ 4,865,925	£ 5,085,693	£219,768	4.52%	
Borough Council Tax (excl Surplus/Deficit)	£ 168.31	£ 173.31	£5.00		
<i>Less Estimated Collection Fund Surplus at 31st March OR PLUS Deficit</i>	<i>£3.17</i>	<i>£3.17</i>	<i>£0.00</i>		
Net Borough Council Tax at Band D	£ 171.48	£ 176.48	£ 5.00	2.92%	
Value of Precepts	£ 519,506	£596,030	£166,707	32.09%	
Effect of Parish/Town Precepts	£ 17.97	20.31	£2.34	13.02%	
Billed Borough Council Tax at Band D	£ 189.45	£ 196.79	£ 7.34	3.87%	

Tax Base

28,910

29,344

Tax Base Movement (from 2021/22)

434 Increase

Note: The Tax Base for 2022/23 is 29,344 (2021/22 28,910) so each £29,344 change in net expenditure has £1.00 effect on Council Tax at Band D.

General Fund Reserves Schedule		Opening Balance 01/04/21	Budgeted Movement 2021/22	Committed Expenditure 2021/22	Actual Movement (inc forecast) 2021/22	Updated Closing Balance 31/03/22	Budgeted Movement 2022/23	Updated Closing Balance 31/03/23	Budgeted Movement 2023/24	Updated Closing Balance 31/03/24	Budgeted Movement 2024/25	Updated Closing Balance 31/03/25
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£	£	£
Planning Delivery Grant	The reserve is planned to be used to provide service improvements in Planning, and deliver the Local Development Framework.	136,389		0	0	136,389	0	136,389	0	136,389	0	136,389
Insurance Fund	The Council budgets for a level of excess being charged to the Service Accounts annually. Any under provision is met from the Insurance Fund, and any surplus is transferred to the fund.	574,290		0	(4,114)	570,176	0	570,176	0	570,176	0	570,176
DFG top-up capital loans and grant fund	The Council will utilise this funding for capital expenditure incurred in the Wellesley Rd, Sandown Rd, Euston Rd & Paget Rd areas.	400,000		(50,000)	0	350,000		350,000		350,000		350,000
Restricted use grant	This reserve holds unspent grants received for specific purposes for which the spend has not yet been incurred.	608,431	(3,946)	(175,965)	(37,426)	395,040	(54,000)	341,040	(40,515)	300,525	(20,000)	280,525
Invest to Save	To be used to fund one-off costs associated with projects that will deliver future efficiencies and savings including costs associated with restructures.	1,553,339		(155,681)	0	1,397,658	0	1,397,658	0	1,397,658		1,397,658
Specific budget	This reserve is utilised as expenditure is incurred.	139,327	1,563	0	1,563	140,890	(59,142)	81,748	(47,590)	34,158		34,158
Repairs and Maintenance	This reserve is utilised as expenditure is incurred.	340,788		0	(49,150)	291,638	0	291,638	0	291,638		291,638
Waste Management	This reserve is utilised as expenditure is incurred in relation to the service.	25,170	(11,375)	0	(11,375)	13,795	(11,375)	2,420	(2,420)	(0)		(0)
Collection Fund (Business Rates)	Earmarked to mitigate the fluctuations in business rate income between years.	1,976,810	(100,000)	0	(100,000)	1,876,810	(93,000)	1,783,810	0	1,783,810		1,783,810
Community Housing Fund	This represents grants previously received to assist with the delivery of Community Housing.	563,872	(30,000)	0	(30,000)	533,872	(10,000)	523,872	(30,000)	493,872	(30,000)	463,872
Enforcement	Earmarked for enforcement related works to address issues and bring properties back into use.	41,570		0	(7,500)	34,070	0	34,070	0	34,070		34,070
Special Project Reserve	Earmarked for projects and for use as matched funding as appropriate to access external funding, Includes capital and revenue projects.	836,124	(118,316)	(152,514)	(206,340)	477,270	(182,978)	294,292	(25,900)	268,392		268,392
Benefits/Revenues Reserve	This reserve is held to mitigate year on year fluctuations of investment income received.	599,025		0	0	599,025	0	599,025	0	599,025		599,025
Homelessness	To be utilised for service expenditure for the reduction in homelessness.	430,959	(164,963)	0	(164,963)	265,996	(95,000)	170,996	0	170,996		170,996
Treasury Management reserve	Earmarking of grants and underspends to be used for the service and mitigation of subsidy impacts.	300,000		0	0	300,000	0	300,000	0	300,000		300,000

General Fund Reserves Schedule		Opening Balance 01/04/21	Budgeted Movement 2021/22	Committed Expenditure 2021/22	Actual Movement (inc forecast) 2021/22	Updated Closing Balance 31/03/22	Budgeted Movement 2022/23	Updated Closing Balance 31/03/23	Budgeted Movement 2023/24	Updated Closing Balance 31/03/24	Budgeted Movement 2024/25	Updated Closing Balance 31/03/25
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£	£	£
Asset Management reserve	This reserve is held to mitigate the impact of fluctuations between financial years from income received from Council assets and properties, in addition it includes re-allocation from other reserves to be used for investments in Council assets including current and future asset enhancements.	1,798,257	(257,300)	(728,307)	(257,300)	812,650	(230,825)	581,826	(204,753)	377,073		377,073
Coast Protection	Funds set aside for match funding and to mitigate one-off costs in relation to coast protection.	74,275		(34,275)	0	40,000	0	40,000	0	40,000		40,000
Empty Business Property Incentive Fund	Earmarking of funds to be used for incentivising bringing properties back into use.	100,000		0	0	100,000	0	100,000	0	100,000		100,000
Covid	This reserve is utilised as expenditure is incurred and represents the covid funding received in the final quarter of 2020/21 for which spend has not been incurred but is committed.	1,030,222		(221,687)	(808,535)	0	0	0	0	0		0
Collection fund income compensation	To be utilised to fund deficit in collection fund. Significant movement in 2020/21 reflects the collection fund adjustment account in respect of Covid to be utilised in 2021/22.	10,297,273		(10,297,273)	0	(0)	0	(0)	0	(0)		(0)
Other Reserves	These Reserves are budget carry forwards to be used in future years	2,285,470	(47,621)	(36,836)	(485,528)	1,763,106	(24,742)	1,738,364	(28,917)	1,709,447	(13,912)	1,695,535
Total GF Earmarked Reserves		24,111,590	(731,958)	(11,852,538)	(2,160,668)	10,098,384	(761,062)	9,337,322	(380,095)	8,957,228	(63,912)	8,893,316
General Fund Reserve		3,713,398	(215,000)	(15,000)	(203,151)	3,495,247	0	3,495,247	0	3,495,247	0	3,495,247
Total GF Reserves		27,824,988	(946,958)	(11,867,538)	(2,363,819)	13,593,631	(761,062)	12,832,569	(380,095)	12,452,475	(63,912)	12,388,563
Excluding the Business Rates Adjustment		13,814,317		(1,555,265)	(2,160,668)	10,098,384						

Policy Framework for the Earmarked Reserves and Assessing the Optimum Level of the General Reserve for the period 2022/23 to 2024/25**1 Background**

- 1.1 In accordance with statute (principally the Local Government Finance Act 2002) and following the Guidance Note on Local Authority Reserves and Balances (LAAP Bulletin No. 77 – November 2008), Great Yarmouth Borough Council maintains a range of reserves.
- 1.2 Two types of reserves are discussed in this policy framework:
 - Earmarked Reserves
 - The General Reserve
- 1.3 There are also a number of other reserves which local authorities hold in relation to legislation and proper accounting practices, these are not resource-backed reserves and therefore are not considered as part of this policy framework.
- 1.4 In making decisions in relation to setting the Council Tax, section 25 of the Local Government Act 2003 requires the Chief Financial Officer of the Council to report to the Council on the adequacy of the proposed financial reserves.
- 1.5 This Policy framework has been informed by current guidance on the level of reserves including, both the Local Authority Accounting Panel (LAAP) Bulletin No. 77 and the Audit Commissions report published in December 2012 ‘Striking a Balance’ Improving Councils’ Decision Making on Reserves’.

2 Earmarked Reserves**2.1 Purpose**

- 2.1.1 Earmarked reserves are a means of building up funds to meet known or predicted liabilities.
- 2.1.2 Typically earmarked reserves are used to set aside sums for major schemes, such as capital developments, asset purchases, or to fund reorganisations and restructurings to deliver longer term savings and efficiencies. Reserves can also be held for trading and business units built up from surpluses to cover potential losses in future years, or to finance capital expenditure. In certain circumstances, if expenditure is delayed on specific budgets, it may be agreed that the underspending at a year end is carried forward for future use in an earmarked reserve. Such decisions would be subject to considering the overall financial position of a Local Authority.

2.2 Earmarked Reserves Protocol

- 2.2.1 For each reserve the following arrangements have been established:
 - the reasons for / purpose of the reserve
 - how and when the reserve can be used
 - procedures for the reserve’s management and control
 - a process and timetable for review of the reserve to ensure continuing relevance and adequacy.
- 2.2.2 The establishment and use of earmarked reserves is reviewed at the time of budget setting and then controlled through the year as part of the regular budget monitoring processes.

2.3 Review of Earmarked Reserves

- 2.3.1 The Reserves Statement is included as part of the Budget Report to Policy and Resources Committee and gives full details of the earmarked reserves and current planned use.

- 2.3.2 It is considered that sufficient provision for the Council's capital programme (as recommended) has been included in the capital estimates and capital reserves, and relevant revenue budgets (eg interest and Minimum revenue Provision) has been provided for that nothing further is required. However as part of the regular review of projects, this is something that this kept under review and where applicable updates will be reported to request additional funds as required.
- 2.3.3 Where in-year expenditure is being funded by earmarked reserves and general reserves, the relevant transfers from the reserves have been allowed for within the reserves balances and revenue account budgets as detailed in the budget report.

3 The General Reserve

3.1 Purpose

- 3.1.1 The general reserve is held for two main purposes:
- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
 - a contingency to help cushion the impact of unexpected events or emergencies.

3.2 The Optimum Level of the General Reserve

- 3.2.1 There are two recommended approaches for deciding the optimum level of the general reserve:
- A risk assessment of the budget which takes full account of the context within which the budget has been prepared. The budget report itself provides this contextual information.
 - To set the reserve at a percentage of expenditure. Too low a level puts the council at unacceptable risk of failing to meet its obligations, too high a level unnecessarily ties up resources.

- 3.2.2 This framework provides a risk assessment approach and validating the result against a percentage calculation, the level of reserves is a matter of opinion informed by the judgement of the Council's Chief Financial Officer.

3.3 Assessment Framework

- 3.3.1 The issues to be considered include the following:
- The Council continues to operate on an ongoing basis.
 - The robustness of the budget process including recognition of the linkages with the corporate plan, the strategic risks and the financial plan update.
 - Internal financial control mechanisms and adequacy of the budget monitoring processes.
 - The adequacy of earmarked reserves and the movements on the general reserves both in the past and planned.
 - The extent to which savings and planned service reductions are required and can be relied upon to support corporate plan targets.
 - The risk of major litigation and legal claims, both currently and in the future.
 - The impact of future Government funding reductions.
 - Implications of the Local Council Tax Support Scheme and increase in the demand for support.

- Fluctuations in retained business rate income and funding from the government for the extensions to reliefs for example small business rates.
- Fluctuations around certain income streams and grants, for example demand led services such as planning, building control income, land charges, car parking and recycling.
- Future changes to the funding for Local Authorities, for example the New Homes Bonus and an increase to the share of business rates that is retained locally.
- Unplanned volume increases in major demand led budgets, particularly in the context of the current economic climate for example housing benefits, council tax support and homelessness.
- The need to retain a general contingency to provide for any unforeseen circumstances that may arise including inadequately funded Government initiatives.
- Where there is a move to do less by direct service provision for example through third parties, including outsourcing, this in turn increases the risks borne by authorities. There is a risk that these arrangements fail and there are many circumstances when a statutory liability remains with the local authority. Such risks may not be insurable at an economic level and demand rigorous risk minimisation strategies and this is an area that will be considered in more detail if the Council pursues these arrangements in future years.
- The need to retain reserves for general day to day cash flow requirements.

3.3.2 All of these issues interlink and any one incident is likely to span across many of the issues and might not be contained within one financial year. Risks change over time and the general reserve needs to be considered across the medium-term financial plan. What might be an adequate level of reserves now may not be reflective of what would be deemed to be adequate in years two to four. Therefore as a minimum the framework should be reviewed as part of the annual budget setting process.

3.4 The Assessment of the General Fund Reserve

3.4.1 When undertaking the assessment, it must be remembered that the items considered are merely guides to assessing the overall level of the reserve. In no way is it a budget for any of the items being created since by its nature a general reserve is designed to protect against the unexpected and unquantifiable for whatever reason.

3.4.2 Having considered the relevant risks and the mitigation measures already in place, it is felt that the following indicative items should be taken into account in the budget risk assessment for 2022/23 to assess the recommended level of reserves:

<i>Item</i>	<i>2022/23</i>	<i>2023/24</i>	<i>2024/25</i>
1 Pay and Price Inflation (0.5% sensitivity to budget assumption)	175,000	175,000	175,000
2 Interest Rates & MRP (0.5% sensitivity to short term borrowing and profiling of capital spend and MRP impact)	125,000	125,000	125,000
3 Failure to Achieve Planned Savings and Cost Pressures from Corporate Plan Targets (to ensure core services are maintained)	200,000	150,000	150,000
4 Legal Issues (to provide additional comfort above earmarked reserves to mitigate any legal claims)	300,000	300,000	300,000
5 Emergencies and Other Unknowns (to recognise the risks associated with unpredictable events)	500,000	500,000	500,000
6 Treatment of Demand Led Pressures (recognising the impact of increase or reduction in demand and	800,000	800,000	800,000

<i>Item</i>	<i>2022/23</i>	<i>2023/24</i>	<i>2024/25</i>
compensating increase or reduction in expenditure or income)			
7 Project Risks (To recognise the risks the Authority is facing in terms of partnership work and significant projects)	500,000	500,000	500,000
8 Cash Flow (the impact of timing of cash flow, including the profiling of expenditure)	100,000	100,000	100,000
9 Future Funding Fluctuations (an allowance to reflect the increased risk around local funding, ie business rates and new homes bonus, to mitigate the impact within and between financial years)	800,000	900,000	900,000
Total Indicated General Fund Reserve Recommended	3,500,000	3,500,000	3,500,000
% of Net Budgeted Operating Expenditure (excluding parish precepts)	25%	25%	25%

3.4.3 There has been an increase in the recommended balance in the general reserve compared to the 2021/22 financial year informed by movements in the individual items, for example in relation to project risks, inflation and legal claims. The reason for this is that the Council has a significant number of projects at various stages including those being delivered as part of the Future High Street and Town Deal funding programmes. Whilst the project budgets will all include a level of contingency, it would be prudent to allow for further risk and contingency within the general reserve. Furthermore at a time when the Council continues to look at its delivery model, it does have a number of contractual commitments and therefore the allowance for legal issues and claims has been reviewed and a higher level has been allowed for. In response to current inflation levels this has in turn meant a slightly higher amount being included in the assessment of level of general reserve.

4 Chief Financial Officer's Opinion

4.1 The Earmarked Reserves detailed within the reserves statement are proper and appropriate with regard to purpose, level and proposed use, although the future timing of their use will be reported within the budget monitoring reports and the statement updated accordingly.

4.2 Based on the assessment detailed above **the recommended level of the general reserve for 2022/23 would be £3.5 million**, this is slightly higher than the current recommended balance (of £3 million). The budgeted General Fund Reserve as presented for approval is slightly below the recommended level, although there is scope within the earmarked reserves to re-allocate funds as applicable, these will be reviewed further as part of the 2021/22 outturn position which will be reported on later in the year.

Appendix F - General Fund Capital Programme - Detail - 2021/22

Services & Projects	Budget Expenditure £000	2021/22 Expenditure £000		21/22 Financing - £000				2022/23 Est. Carry Forward	Total Estimated Budget 22/23
	Updated 21/22 Budget	Actuals to 31-12-21	Forecast 21/22	Borrowing	Grants & Contributions	Revenue/ Earmarked Reserves	Capital Receipts		
Equinox Property Holdings	500	-	225	500	-	-	-	275	275
CCTV Upgrade - Town Centre	76	76	76	76	-	-	-	-	-
Safer Streets Round 2	111	-	111	15	96	-	-	-	-
Safer Streets Round 3	210	-	210	-	180	30	-	-	-
Human Resources Job Evaluation system	21	16	21	21	-	-	-	-	-
Total: Executive	918	92	643	612	276	30	-	275	275
Childrens Playground Refurbishment	86	97	86	86	-	-	-	-	-
Wellesley CCTV	-	-	-	-	-	-	-	-	-
Wellesley Track	59	25	59	59	-	-	-	-	939
Total: Communities	146	122	145	146	-	-	-	-	939
St Nicholas Minster West Boundary Wall	95	-	-	95	-	-	-	95	95
St Nicholas car park north Boundary Wall	25	-	-	25	-	-	-	25	25
Crematorium Office Roof Works	22	33	33	22	-	-	-	-	-
Crematorium Main Roof Works	60	-	-	60	-	-	-	60	60
Crematorium Tearooms	453	149	453	453	-	-	-	-	-
Total: Customer Services	655	182	486	655	-	-	-	180	180
Health and Leisure (Marina) Centre	20,311	11,994	15,000	16,388	2,679	50	1,195	5,311	5,311
The Waterways	4	-	4	-	4	-	-	-	-
Phoenix Pool & Gym car park extension	130	-	-	130	-	-	-	130	130
Town Deal	1,070	7	1,070	-	1,050	20	-	-	12,355
Future High Street Fund	3,737	1,434	3,737	-	3,737	-	-	-	14,537
Heritage Action Zone (HAZ)	432	-	432	-	432	-	-	-	323
Different Light	635	361	635	-	635	-	-	-	-
Total: Inward Investment	26,320	13,795	20,878	16,518	8,537	70	1,195	5,441	32,657

Appendix F - General Fund Capital Programme - Detail - 2021/22

Services & Projects	Budget Expenditure £000	2021/22 Expenditure £000		21/22 Financing - £000				2022/23 Est. Carry Forward	Total Estimated Budget 22/23
	Updated 21/22 Budget	Actuals to 31-12-21	Forecast 21/22	Borrowing	Grants & Contributions	Revenue/ Earmarked Reserves	Capital Receipts		
Disabled Facilities Grants	2,257	596	800	-	2,175	-	82	1,457	1,457
Better Care Fund Projects	8	2	8	-	8	-	-	-	-
Empty Homes	510	-	-	482	-	-	28	510	510
DFG Top-up Grants	250	-	-	-	-	250	-	250	250
DFG Top-up Loans	150	-	-	-	-	150	-	150	150
Norfolk & Waveney Equity Loan Scheme	164	-	-	-	-	-	164	164	164
Equity Home Improvement Loans	631	6	15	-	-	-	631	616	616
HMOs /Guesthouse Purchase & Repair Scheme	1,239	40	100	1,239	-	-	-	1,139	1,139
Temporary Accommodation	655	0	655	341	315	-	-	-	-
Acquisition of property for transitional housing	847	28	600	782	-	-	65	247	247
Sustainable Warmth	-	-	-	-	-	-	-	-	1,655
Community Housing Fund Loans	540	-	-	-	-	540	-	540	540
Total: Housing	7,251	672	2,178	2,844	2,497	940	970	5,073	6,728
ICT Investment to deliver GYBC ICT Strategy	1,430	389	750	1,400	-	30	-	680	680
Total: IT, Communications & Marketing	1,430	389	750	1,400	-	30	-	680	680

Appendix F - General Fund Capital Programme - Detail - 2021/22

Services & Projects	Budget Expenditure £000	2021/22 Expenditure £000		21/22 Financing - £000				2022/23 Est. Carry Forward	Total Estimated Budget 22/23
	Updated 21/22 Budget	Actuals to 31-12-21	Forecast 21/22	Borrowing	Grants & Contributions	Revenue/ Earmarked Reserves	Capital Receipts		
Public Toilet Refurbishment Programme	45	46	46	45	-	-	-	-	-
Footway Lighting	511	48	230	511	-	-	-	281	281
External Redecoration & Repair of the Wellesley Grandstand	74	-	-	74	-	-	-	74	74
Esplanade Resurfacing	246	-	-	246	-	-	-	246	246
Phoenix Pool car park soakaway	40	35	40	40	-	-	-	-	-
Beach Huts	209	162	209	0	-	-	209	-	-
Council Chamber relocation	153	48	153	153	-	-	-	-	-
Claydon Pavilion	393	24	393	10	363	20	-	-	-
Replacement Lighting in the Assembly Rooms	15	-	-	15	-	-	-	15	15
Beacon Park Projects	500	-	-	380	120	-	-	500	500
Market Place Redevelopment	4,132	1,720	3,800	1,262	2,850	20	-	332	332
North Quay Redevelopment	2,351	-	500	2,351	-	-	-	1,851	1,851
Winter Gardens	1,080	-	-	864	-	215	-	1,080	1,080
Energy Park - South Denes	1,845	-	-	1,845	-	-	-	1,845	1,845
Total: Property & Asset Management	11,593	2,083	5,371	7,796	3,333	255	209	6,223	6,223
Noise Meter Replacement	11	10	11	11	-	-	-	-	-
Mobile CCTV	15	-	15	15	-	-	-	-	-
Total: Environmental Health	26	10	26	26	-	-	-	-	-
PROPOSED 22-23 BIDS									4,786
Overall Total	48,338	17,346	30,477	29,995	14,643	1,325	2,374	17,872	52,468

Capital Allocations £000						Revenue Allocation £000	Overall Allocation £000
	21-22	22-23	23-24	24-25	25-26	Total	Total
Expenditure Budgets Included in Capital Programme							
Town Deal Projects (Excl North Quay & Wintergardens - below)	1,070	12,355	12,849	6,503	1,135	33,912	33,912
Town Deal - North Quay	500	1,851				2,351	2,351
Town Deal - Wintergardens	-	1,080				1,080	1,080
Future High Street Projects (excl Market Place below)	3,737	14,537	5,545	-	-	23,820	23,820
Future High Streets - 6 Day Market Place	3,800	332				4,132	4,132
HAZ Projects	432	323	51	-	-	806	806
	9,539	30,477	18,445	6,503	1,135	66,099	-
Financed by:							
Borrowing	1,450	10,730	2,980	-	0	15,160	-
Town Deal	1,050	8,494	7,609	1,514	1,135	19,801	299
Future High Street Funding	5,487	5,723	2,565	-	-	13,774	-
HAZ	432	323	51	-	-	806	-
Other External Contributions	1,100	4,973	5,240	4,990	-	16,302	-
Revenue/Earmarked Reserves	20	235				255	-
	9,539	30,477	18,445	6,503	1,135	66,099	299

20,100
13,774

2022/23 Capital Bids

Project	Service	Approval Process	Whole Project Budget	Budget	Proposed Funding 2022-23				Budget	Proposed Funding 2023-24	Potential Savings (annual)	Revenue income & Costs inc MRP	NOTES
				2022-23	Borrowing	Capital Receipts	Revenue	External		Borrowing			
A) RECOMMEND TO BE INCLUDED IN THE 2022/23/ ONWARDS CAPITAL PROGRAMME [Schemes in progress or less than £100k cost to GYBC]													
Disabled Facilities Grants	Housing	Already Approved		£1,300,000				(£1,300,000)	£0	£0	£0	£0	No Bid - budget estimated at current level of funding
Footway Lighting Column Replacement / LED Upgrade	Property Asset Management	22/23 & 23/24 Already Approved, but 25/26 & 26/27 part of Budget Setting	£100k annual	£100,000	(£100,000)				£100,000	(£100,000)	£0	£5,500	£100k budgets for both 22/23 and 23/24 have already been approved as part of previous budget rounds. However, this years bid requests that this is extended to 25/26 & 26/27.
Aspire Building & Market Row Boiler Replacement	Property Asset Management	Budget Setting	£46,000	£46,000	(£11,845)			(£34,155)				£1,086	The lease obligate GYBC to undertake certain works which, in this case, relates to failed boiler replacement. This has been looked at by a specilaist engineer who has confirmed 2 out of the three boilers has failed and need replacing.
Refurbishment of the Marina Centre existing south car park	Property Asset Management	Budget Setting	£290,000	£290,000	(£290,000)							£26,583	To refurbish car park so blends in with other new section being built as part of Marina project .This includes new lighting and drainage investigations / alterations This would be the preferred option ,but not necessarily the cheapest .
Peggotty Road Community Centre - Replacement of failed floor screed and underfloor heating	Property Asset Management	Budget Setting	£33,902	£33,902	(£33,902)							£3,043	The underfloor heating was tested and found not to be working and is an obsolete system and cannot be repaired. Therefore, all of the floor screed needs to be removed and new efficient underfloor heating installed.
Gorleston Promenade - 16no additional Beach Huts	Property Asset Management	Budget Setting	£149,600	£149,600	(£149,600)							£8,680	Budget is requested to install a further 16no. Beach Huts
Euston Road Toilets Refurbishments	Property Asset Management	Budget Setting	£88,000	£88,000	(£88,000)							£6,600	Refurbish interior of Tower toilets
Refuse Collection Vehicle Replacement Programme	Operational Services	Budget Setting	£1,130,000	£400,000	(£400,000)				£730,000	(£730,000)		£169,500	Replacement of 6 x Refuse Collection Vehicles (RCV's) which are passed their replacement date. Two vehicles to be replaced in 22-23 and four in 23-24
B) ASSET MANAGEMENT CAPITAL BIDS - Business Cases required ahead of release of funds													
Greyfriars House - Re-Roofing, External Redecoration and inaccessible repairs to lightning conductor	Property Asset Management	Budget Setting	£302,500	£302,500	(£302,500)							£15,125	The works included re-roofing several areas utilising the scaffolding needed to undertake the external redecoration of the building which was last undertaken in 2011. The lighting conductor has failed its recent test and high repairs are necessary which are currently inaccessible. Again, the scaffolding is to be used to facilitate these repairs.
Town Hall - Repair of external stonework to all elevations and external redecoration of windows	Property Asset Management	Budget Setting	£550,000	£550,000	(£550,000)							£35,750	External Refurb to stonework and redecoration
Phoenix Pool Hall Window Replacement	Property Asset Management	Budget Setting	£275,000	£275,000	(£275,000)							£16,042	The original windows are nearly 60 years old and have done well considering the harse environment. These very large windows now need to be replaced in aluminium curtain walling with double glazing and insulating glass.
Infrastructure improvements to Gapton Hall Travellers site	Property Asset Management	Business Case Required	£637,000	£325,000	(£325,000)				£218,000	(£218,000)	(£35,000)	£19,709	Recommended that the work is phased over 3 years. Phase 1 - New sewage system installed to existing static plots (18no) and 1no new plot. £325k 22-23 Phase 2 - Electrcial supply upgrades to entire site £218k 23-24 Phase 3 - New sewage system installed to existing transient plots (6no) and 1 no new plot £94k 24-25

2022/23 Capital Bids

Project	Service	Approval Process	Whole Project Budget	Budget	Proposed Funding 2022-23				Budget	Proposed Funding 2023-24	Potential Savings (annual)	Revenue income & Costs inc MRP	NOTES
				2022-23	Borrowing	Capital Receipts	Revenue	External		Borrowing			
C) EQUIPMENT AND TECHNOLOGY													
Print Room Offline Finishing Equipment		Budget Setting - but funds need to be released following approval at ITIG	£36,825	£36,825.25	(£36,825)				£0	£0	£0	£7,736	KS (18/1/22) Suggest to add to the IMT capital budget but for detaield business case to come to ITIG.
Replacement of 4x4 vehicle	Environmental Services	Business Case Required	£33,000	£33,000	(£33,000)				£0	£0	(£4,008)	£7,825	The vehicles is needed to access hard to reach areas, flooded areas, beaches and also during snow and icy conditions. The purchase of this vehicle will give the team the resilience and abilty to respond to emergencies under our obligations as a category 1 reponder and access areas of the borough where we would not be able to should we not have this vehicle. This is part of the fleet that is required to ensure we have the flexibilty and capability should we need to access these areas and respond to emergencies accordingly.
D)LINKS TO WIDER REGENERATION AND MASTER PLANNING													
Great Yarmouth North Drive Promenade - 40no. New Beach Huts	Property Asset Management	Budget Setting	£450,000	£450,000		(£450,000)						£39,550	Request to install a 40no. Beach Huts on the North Drive Promenade in Great Yarmouth
Seafront Shelters Landau Station & Britannia Bowls - replace fabric & redecorate.	Property Asset Management	Budget Setting	£43,483	£43,483	(£43,483)							£7,236	The council has 13no. tensile fabric cover shelters in two locations on the seafront. The first location has 6no. Shelters at the Landau which are the oldest and installed in 2004. The second location is on the promenade at Britannia Bowls with 7no. shelters. The roof covering is a tensile architectural woven fabric which is now in poor condition, worn and cannot be cleaned so are quite unsightly.. They are located in an extreme environment and are at the end of their life span of 10 - 15 years and require replacement. The fabric covering is quite specialised and needs fitting by a specific contractor. Also, this work will mean the shelter metal supporting frames will require redecoration as part of this work. One of the shelters at Britannia Bowls has had the fabric removed for safety reasons and currently has nothing.
Additional Budget required for Beacon Park Infrastructure	Property Asset Management	Budget Setting		£300,000	(£300,000)								Budget required to facilitate the development of infrastructure on the Beacon Park site.
Additonal Budget required for Town Deal Incubator Units Project	Property Asset Management	Budget Setting		£420,500	(£420,500)								Budget for Incubator Units has already been included in the Capital Programe taken as part of the MTFS taken to P&R in Dec, but this budget is required to cover extra costs as identified by the Business Case

	Budget 2022-23	Borrowing	Capital Receipts	Revenue	External	Budget 2023-24	Borrowing	Potential Savings (annual)	Revenue income & Costs inc MRP	Approval Process
Already Approved	£1,400,000	(£100,000)	£0	£0	(£1,300,000)	£100,000	(£100,000)	£0	£5,500	No further reporting required
Budget Setting	£3,348,985	(£2,864,830)	(£450,000)	£0	(£34,155)	£730,000	(£730,000)	£0	£289,644	No further reporting required
Budget Setting but requires approval from ITIG	£36,825	(£36,825)	£0	£0	£0	£0	£0	£0	£7,736	Proposals to be reported to the ITIG to release funding
Total Proposed Addition To Capital Programme	£4,785,810	(£3,001,655)	(£450,000)	£0	(£1,334,155)	£830,000	(£830,000)	£0	£302,880	
Further Business Cases Required	£358,000	(£358,000)		£0	£0	£218,000	(£218,000)	(£39,008)	£27,534	Full business case required prior to release of funding

Minimum Revenue Provision Statement 2022/23

Annual Minimum Revenue Provision Statement 2022/23

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The *Local Government Act 2003* requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance:

- **Post-2008 Expenditure** - For capital expenditure financed by borrowing after 31st March 2008, the annuity MRP method is applied. This provides a lower annual charge in the earlier years which gradually increases. The approach is both prudent and a recommended method as per the CLG guidance. This method allows for a reduction in the interest costs chargeable (as the CFR is repaid) over time and is offset by a rise in the MRP over the same period, thereby resulting in a consistent revenue charge of the cost of capital.
- **Pre 2008 Expenditure** – MRP on all General Fund capital expenditure incurred before 1st April 2008 is equal to 4% of the opening CFR less a fixed sum known as "Adjustment A".
- **For assets acquired by leases** - MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- **For capital expenditure loans to third parties** – these are repaid in annual or more frequent instalments of principal and so the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead.
- No MRP will be charged in respect of assets held within the Housing Revenue Account.

This methodology is consistent with previous years.

Capital expenditure incurred during 2022/23 will not be subject to a MRP charge until 2023/24.

Based on the Authority's latest estimate of its capital financing requirement (CFR) on 31st March 2022, the budget for MRP has been set as follows:

	31.03.2022 Estimated CFR £m	2022/23 Estimated MRP £
Capital expenditure before 01.04.2008	12.7	0.4
Supported capital expenditure after 31.03.2008	61.6	1.3
Total General Fund	74.4	1.7
Housing Revenue Account	90.2	N/A
Total	164.6	1.7