

Subject **2021/22 GENERAL FUND BUDGET REPORT**

Report to ELT - 27 January 2021

 Policy and Resources Committee – 9 February 2021

Council 23 February 2021

Report by: **Finance Director**



SUBJECT MATTER/RECOMMENDATIONS

This report presents for approval the general fund revenue and capital budget for 2021/22.

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 2021/22 for the Borough Council tax be £171.48 (for an average Band D);**
- 3) That the demand on the Collection Fund for 2021/22 be:**
 - a. £4,865,925 for the Borough Council purposes;**
 - b. £519,506 for Parish Precepts;**
- 4) The statement of and movement on the reserves as detailed at Appendix D and within section 6 of the report;**
- 5) The Policy framework for reserves as detailed at Appendix E;**
- 6) The updated Capital Programme and financing for 2020/21 to 2021/22 as detailed at Appendix F;**
- 7) New capital bid proposals at Appendix G and Minimum Revenue Provision Statement at Appendix H.**

1. INTRODUCTION / BACKGROUND

- 1.1. This report presents for consideration and recommendation the detail of the 2021/22 revenue and capital budgets for the General Fund. The report also presents an updated Capital programme covering the period 2020/21 to 2022/23. Recommendations from this report will be made to Council on 23 February 2021 to inform the setting of the council tax for 2021/22.
- 1.2. The 2021/22 medium term financial strategy was presented to the Policy and Resources committee in November 2020. At the time there was a forecast gap for the 2021/22 financial year of in the region of £1 million before allowing for a 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 21/22 as summarised in Appendix A. The detail of the budget has been produced by joint working between the service areas and the finance team to co-ordinate the detailed service budgets which are presented in more detail in Appendix B.
- 1.4. The impact of the Covid-19 pandemic has been significant to all and assumptions of the impact of the pandemic and recovery have been necessary to inform the 2021/22 budget setting process.

2. SPENDING REVIEW 2020 AND PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT

- 2.1. In April 2020 the Ministry for Housing, Communities and Local Government (MHCLG) confirmed the delay to the Fair Funding Review and the implementation of the 75% Business Rates retention scheme from the original planned date of April 2021.
- 2.2. The one year spending review was announced on 25 November followed by the provisional Local Government Financial Settlement on 17 December 2020, at the time of writing the report the final settlement announcements had not been made and any changes to the figures included in the report will either be updated verbally or as part of the report to Council later in February 2021. The following outlines some of the key messages from the settlement and the 2020 Spending Review.
- 2.3. **Spending Review 2020 (SR2020)** – The SR2020 announced on 25 November was dominated by the effects of Covid, namely the significant increase in public borrowing due to the national funding being allocated to the public sector in response to the pandemic. Other relevant announcements were the reduction in Consumer Price Index (CPI) in 2020, being 0.5% in September. The September CPI is used to index the Small Business Rate Multiplier and despite it being low the Government confirmed it had decided to freeze the multiple for 2021/22.
- 2.4. The announcement also included increases in the Core Spending Power for Local Government of 4.5% for 2021/22 (compared to 6.4% for 2020/21) with the greatest increase to come from Council Tax.
- 2.5. The Chancellor announced pay freezes for the public sector (excluding frontline NHS staff and those earning less than the median wage).
- 2.6. A further announcement was the Tax Income Guarantee scheme to cover 75% of irrecoverable losses in Council tax and Business Rates in 2020/21 along with a continuation of the Sales, fees and charges (SFC) compensation scheme for the first quarter of 2021/22. Further details were announced in the provisional finance settlement.
- 2.7. **Provisional Local Government Finance Settlement** – This statement announced the one- year funding available for local government for 2021/22. The headlines from the announcement can be summarised as follows along with the impact to GYBC's funding:
 - 2.7.1. **Core Spending Power (CSP)** – This includes resources available to local government for the delivery of services and includes income from Council Tax (plus Adult Social Care precept where applicable), Business Rates, New Homes Bonus, revenue support grant and Lower Tier Services grant. For 2020/22 there has been a increase in CSP by an average 4.5%, the increase for GYBC for 2021/22 (see table 1 below) has been 1.2%.
 - 2.7.2. **Revenue Support Grant (RSG)** – This has increased by 0.55%, equating to £11,404 additional grant compared to the 2020/21 year.
 - 2.7.3. **New Homes Bonus (NHB)** – The NHB award for 2021/22 takes into account housing Growth in the year to September 2020 after movements in long term empty properties. For GYBC this equates to a total award of £38,766 made up of a new award of £21,406, plus £5,320 for the affordable homes bonus and legacy payments of £12,040. Disappointingly there was no allocation of legacy payments from the 2020/21 NHB allocation which for GYBC was £166,266, this was assumed in the Medium-Term Financial Strategy (MTFS) and therefore the actual allocation is a reduction of £134k compared to what was previously projected. The allocation for 2021/22 further highlights that the current NHB award scheme 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. Changes to the NHB system will be consulted on later in the year.

2.7.4. Council Tax - The CSP assumes increases in Council tax funding from tax base growth and also 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. Whilst the annual increase is in line with the funding assumptions for the MTFs, the movement in the tax base compared to the 2020/21 financial year has actually seen a reduction due to the impact of non-collection and greater demand for Local Council Tax Support and other discounts which then reduce the tax base.

2.7.5. Business Rates – With the freeze in the business rates multiplier at the 2020/21 level, this meant there would be no increase in the baseline funding level from Business Rates, although compensation is being paid in 2021/22 for this and for GYBC equates to £200,116.

2.7.6. Lower Tier Service Grant ¹– This is a new one-off grant allocated for 2021/22 which has sought to level up the funding as part of the settlement announcements so that no Local Authority has a Core Spending Power in 2021/22 lower than 2020/21. For GYBC the allocation is £163,563.

2.7.7. Covid Funding – Allocations for tranche 5² of Covid funding for 2021/22 were made as part of the announcement, it is expected that this will be the final payment to Local Government in 2021/22. GYBC's allocation is £745,722.

2.7.8. Other Grants – A new grant of 2021/22 for Local Council Tax Support³ was announced to compensate authorities for the expected additional cost of LCTS schemes in 2021/22. This grant has been allocated to billing and major preceptors and is not a continuation of the £500m Hardship fund that was introduced in 2020/21 which allowed Councils to reduce LCTS payments by £150.

2.8. 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
	£000	£000	£000	£000	£000	£000	£000
Settlement Funding Assessment *	8,135	7,255	6,593	6,239	5,808	5,903	5,914
Compensation for under-indexing the business rates multiplier	51	51	54	85	123	154	200
Council Tax Requirement excluding parish precepts	3,831	3,914	4,142	4,391	4,612	4,836	5,086
New Homes Bonus	1,157	1,377	1,063	628	427	373	39
Lower Tier Services Grant	-	-	-	-	-	-	164
Core Spending Power	13,174	12,597	11,852	11,343	10,970	11,265	11,403

*Includes Revenue Support Grant and Business Rates baseline Funding

2.9. Other funding and support that has been made available includes the **Tax Income Guarantee Scheme**. This scheme has £790m allocated nationally and seeks to fund 75% of irrecoverable losses in council tax and business rates, the exact amount of support from this system of

¹ Lower Tier Services Grant – 2021/22 total allocation £111m

² Covid Funding – Tranche 5, 2021/22 national allocation of £1.55 billion

³ LCTS Grant – 2021/22 National allocation of £670m

funding will not be known until later in the year when the outturn for the 2020/21 council tax and business rates has been determined.

3. FUNDING 2021/22

- 3.1. The net general fund revenue budget after allowing for service and non-service fees and charges is funded predominantly from Council Tax, Business Rates and government grants. The actual amount of funding will be slightly different than that used in the Core Spending Power analysis due to Council tax income taking into account the actual tax base and also the impact of a forecast deficit on the collection fund⁴ from 2020/21. Furthermore, the actual business rates income will be different to the baseline funding level as this will be informed by the forecast of collectable income after taking account of appeals and other factors, including non-collection.
- 3.2. **Business Rates** – The current scheme of 50% Business Rates Retention was introduced in April 2013. This saw the introduction of business rates being shared 50% to central government, 40% to billing authorities (GYBC) and 10% to Norfolk County Council. The current system uses a top up and tariff mechanism which sees lower tier authorities paying a tariff to equalise the funding across the sector and the upper tier authorities, ie County receiving a top up.
- 3.3. All Norfolk authorities took part in a pilot for 75% business rates retention in 2019/20 for one year only, the additional business rates retained locally was used to fund the grants (eg Revenue Support Grant) which were foregone from operating a pilot.
- 3.4. Alongside the current system of rates retention there is an ability for Authorities to form a pool which retains the levy (50% of growth over the baseline funding level) locally. It has been decided to revoke the business rates pool for the 2021/22 financial year due to the uncertainty around the impact of covid on the level of business rates income that is generated across the County. The impact of revoking the pool will not have an impact on the Council's budget position as any levy would still be payable direct to MHCLG as opposed to the Norfolk pool and if there is decline in business rates beyond a certain level the Council would receive the protection from MHCLG via the safety net mechanism.
- 3.5. The level of business rates forecast to be received in the year as income is less than the 2020/21 original budget mainly due to the impact of appeals from previous financial years.
- 3.6. **Grants** – As mentioned in section 2, the Council will continue to receive Revenue Support Grant in the year of £2.073 million. Other grants payable in the year include the Lower Tier Services grant of £163,563 and the Council Tax Support Grant of £139,757 which have been included in the general fund summary. The budget for 2021/22 reflects the fifth tranche of Covid funding allocated as part of the settlement which is £745,722. This will be used in the year to mitigate the continued impact of covid on the revenue budget including the impact that it has had on the ability to deliver in-year savings and efficiencies.

4. REVENUE ACCOUNT BASE BUDGET

- 4.1. 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 2020/21 base budget. The following provides a commentary on some of the key assumptions that have been used to inform the 2021/22 budgets.

⁴ Collection fund deficit is due to the actual council tax income collected in the year (2020/21) being less than assumed when the 2020/21 budget was set in February 2020 (pre Covid)

- 4.2. **Council Tax** – See section 5 also, in summary the budget assumes a reduction 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 deficit on the collection fund from 2020/21 there is additional income compared to 2020/21 of £30,014.
- 4.3. **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, New Homes Bonus, Local Council tax Support and Covid funding.
- 4.4. **Fees and Charges** – The fees and charges for 2021/22 are included as a separate report on the agenda. The budget reflects those proposed for the year which have been reviewed and increased as applicable in line with the fees and charges policy.
- 4.5. **Savings** – The 2021/22 budget assumes the continuation of prior years savings and additional income that has been included in the base budget. New savings that have been factored into the base budget for 2021/22 are largely from the following areas:
- 4.5.1. Efficiency savings that have been identified some from the current way of working including reviewing vacant posts (£46,000);
 - 4.5.2. Relocation of staff from external offices to central buildings from the Neighbourhoods that work team (£15,000);
 - 4.5.3. Review of the provision of CCTV across the borough – to be reviewed as part of the wider investment in the equipment (refer to the capital bids) (£35,000);
 - 4.5.4. Other service budget efficiencies from critical review of base budgets (£50,000).
- 4.6. **Employee Budgets** – The budget for 2021/22 assumes a 2% pay award, although this is subject to a local agreement. Announcements were made in 2020 regarding a public sector pay freeze, Local Government pay is not set in the same way as national employers and whilst previously when there has been a pay freeze this has been taken into account by national pay groups the position will not be known until later in the year. As a guide a 0.5% sensitivity to the pay award equates to just under £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 2021/22 this equates to approximately 2.5% (£327k). Additional pension costs of £112k have been allowed for within the budget in line with the current planned level of payments to the pension scheme.
- 4.7. **Contract Inflation** – Where applicable contract inflation has been factored into the budget. This includes where applicable for the joint venture arrangements.
- 4.8. **Interest and Minimum Revenue Provision (MRP)** – The budget for 2021/22 includes £1.230million for interest payable which has been informed by the current level of interest rates and planned borrowing requirements inline with the capital programme and the treasury management strategy. Interest receivable is expected to be lower than previous years mainly due to the current interest rates on investments and also the planned repayment of borrowing by Equinox. The MRP for the year has been updated to reflect a revision to the delivery of the capital programme schemes, currently forecast to be £1.558million for the year. In addition, the budget allows for the payment of a dividend from the Equinox in line with the business plan.
- 4.9. As part of approving the 2020/21 budget in February 2020 Members approved for a review to be undertaken on the level of Concurrent Function Grants to inform the 2021/22 budget setting. The review has had to be delayed due to the Covid priorities although as part of the 2021/22 precept requests parishes were asked for information on the use of the grants in previous years. This will be used to inform the review during 2021/22 and therefore for 2021/22 the concurrent function grant amount has been frozen at the current level which totals £142,313. In addition, in February 2020 Members agreed the inclusion of a £1,000 Ward

budget for all 39 Councillors as a one off to be funded from general reserves, the budget for 2021/22 assumes a further year of ward budgets, again to be funded as a one-off as opposed to be including in the base budget.

5. COUNCIL TAX 2021/22

- 5.1. The budget as presented assume a band D increase of £5 which is in line with the Council Tax Referendum principles. For 2021/22 this would mean a band D for the Boroughs element of the council tax being set at **£171.48**. Appendix D provides a summary of the band D Council Tax for 2021/22.
- 5.2. Council in December 2020 approved the tax base for 2021/22 at 28,910, this is actually a reduction of 138 compared to the 2020/21. The reduction is due to the impact of Covid namely a reduction in the collection rate and an increase in the level of discounts for example Local Council Tax Support Scheme. The impact this has is a lower level of income from Council Tax in the year compared to what would have usually been forecast.
- 5.3. Government support has been provided for 2020/21 as part of the Tax Income Guarantee Scheme which will cover 75% of irrecoverable income losses, in addition there is the ability to spread deficits in the collection across three financial years as opposed to recovering within one financial year and this has been reflected in the amount that is assumed to be transferred from the collection fund in 2021/22.

6. RESERVES

- 6.1. 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.
- 6.2. The balance in the general reserve at 1 April 2020 was £3.490m and is expected to be £3.041 million 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 2020/21 outturn report which will be confirmed in the first quarter of the 2021/22 financial year.
- 6.3. The Council continues to hold a number of significant earmarked reserve which are summarised below:
 - 6.3.1. Invest to Save – 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.
 - 6.3.2. Asset Management Reserve – 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 during the construction phase of the new leisure facility.
 - 6.3.3. Collection Fund Reserve – 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 2021/22 budget seeks to mitigate the in-year impact of the reduction in the council tax base.
- 6.4. 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.⁵

⁵ The earmarked reserves statement has been updated for the transfer from the Special Projects Reserve of £25k as approved by P&R Committee 9 Feb 2021

- 6.5. 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 2021.

7. CAPITAL

- 7.1. This section of the report presents the capital budgets for consideration along with the recommended capital bids for 2021/22.
- 7.2. **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 2020/21 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.
- 7.3. This results in a current capital budget of £44.2m, of which £7m is financed from capital funding sources and the remainder is to be financed by borrowing. Of this £10.5 million is due to be completed in the current financial year and the remaining in 2021/22 onwards. The overall programme will continue to be monitored and where approved capital
- 7.4. **New Capital Schemes** - In addition to the update of the 2021/22 capital programme, approval is being sought for a number of new capital projects for 2021/22, and subsequent years as identified within the Capital Appendix G.
- 7.5. The total of the estimated project costs for 2021/22 associated with these capital bids is £1.286m of which £462k is being approved as part of the budget report with a further £825k being approved in principle subject to business cases. Of the bids £1m is recommended to be funded from borrowing.
- 7.6. New capital receipts will be monitored as part of the on-going budget monitoring process, and where applicable recommendations will be made to amend the capital programme and its financing.
- 7.7. This report is seeking agreement in principle of the IT capital bids for which the business cases will then be produced and considered by the IT Investment Group.
- 7.8. **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:
- 7.8.1. External Contributions or Grants – e.g. from third party organisations often used to part fund capital projects, for example the future high streets fund.
 - 7.8.2. Reserves – Available capital and revenue reserves can be used to fund capital expenditure.
 - 7.8.3. 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.
 - 7.8.4. 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 Council's capital programme is heavily reliant on borrowing as a source of funding. This report is presenting for approval the Minimum Revenue Provision Statement for 2021/22 which outlines the method for calculation of the MRP, this is included at Appendix H.

8. FUTURE FINANCIAL FORECASTS

- 8.1. The budget report for 2021/22 is presenting a one-year budget only in line with the one-year finance settlement. Covid has caused the fundamental reviews of Local Government funding to be delayed for a further year.
- 8.2. Fair funding review – The outcomes of the review was delayed for a further year due to Covid. The aim of the review is to set new baseline funding levels for all Local Authorities taking into account a number of factors including authorities relative needs and resources.
- 8.3. Business rates – It is expected that the system of local government funding will move to a system of 75% Business Rates Retention from April 2022. The current system sees 50% retained locally (40% retained by the Borough and 10% by the County). The new system of funding will see a new baseline of funding set for all Authorities and grants such as Revenue Support Grant rolled in.
- 8.4. The timing of the announcements of the outcomes of the above are not yet confirmed, once further detail on the future funding for local government is announced the Medium-Term Financial Strategy will be updated accordingly.

9. FINANCIAL IMPLICATIONS

- 9.1. The body of the report and appendices present the overall general fund budget for revenue and capital for 2021/22. For the revenue account there is forecast to be a deficit of £112k which will need to be funded from the general reserve.
- 9.2. The Council continues to face significant financial challenges due to the uncertainty of future funding for local government and also the impact of Covid – both the immediate lockdown and timing of recovery and future restrictions. The overall position will continue to be monitored and the MTFS updated accordingly.

10. RISKS

- 10.1. The Council budget has been informed by a number of assumptions and based on information that is available, for example funding allocations. There is risk around the assumptions that have been used in particular due the uncertainty around the effects of Covid on both the Council and the community it provides services to.
- 10.2. The following outlines the more significant risks that the Council continues to face in relation to its financial position.
- 10.3. **Future Funding** – The budget for 2021/22 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 2021/22 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.
- 10.4. **New Homes Bonus** – As flagged earlier in the report there is due to be a consultation on the future of the New Homes Bonus in 2021. 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.
- 10.5. **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, reduced income as schools transfer to academy status, the national impact of the risk around hospital and NHS trust properties is still prevalent. 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.

- 10.6. **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.
- 10.7. 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.
- 10.8. **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. Whilst budgets have been based on previous actuals and knowledge of current service delivery, the ongoing impact of covid and covid recovery will no doubt have an impact. For example in respect of car parking, whilst restrictions are in place the use of pay and display car parks in particular town centre parking will have an impact on income levels. Also in response to the lifting of restrictions and allowing travel, if there continues to be greater restrictions on travel (outside of the UK) there maybe a greater demand for staycations, however there are many factors that will impact on this including vaccination roll out, testing and restriction. 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.
- 10.9. 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.
- 10.10. **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.
- 10.11. **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.
- 10.12. **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.

10.13. **Local Council Tax Support** – The LCTS scheme continues to support those households on low income or in receipt of benefit. The full impact of the pandemic on individuals will not be known until for example the end of the government support schemes such as the furlough scheme. 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.

10.14. **Covid** – The Covid pandemic continues to have a significant impact on the financial position for the Council as the Council continues to respond to the pandemic and provide support to the community and businesses alike. Whilst the Council has been able to access further funding for example for the recruitment of Covid Marshalls to support the outbreak management of the pandemic, there is still a call on core staff to support services either directly or through re-deployment at the same time as continuing to provide key services. The overall impact will continue to be monitored during the year and used to inform the monthly monitoring returns to MHCLG.

11. CONCLUSIONS

11.1. 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 2021/22. The budget has been informed by the one-year provisional finance settlement for 2021/22.

11.2. 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 2021/22 and medium-term recovery.

12. BACKGROUND PAPERS

12.1. The following reports and announcements have been used to inform the budget report as presented:

- 12.1.1. 2019/20 Outturn report
- 12.1.2. 2020/21 in year financial monitoring reports
- 12.1.3. Provisional Local Government Finance Settlement
- 12.1.4. Medium Term Financial Strategy
- 12.1.5. National Non-Domestic Rates Return
- 12.1.6. Financial monitoring.

Appendices:

A – GF Summary

B1 – Service Details

B2 – Subjective Analysis

C – C Tax Summary

D – Reserves Statement

E – Policy Framework for reserves

F – Current Capital programme

G – Capital Bids

H – Prudential Indicators and MRP Statement

Area for consideration Comment	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	Original 2020/21 Budget	2020/21 updated Forecast	2021/22 Budget	Variance Prior Yr to Current Yr Base
	£	£	£	£
Services:				
Executive and Resources	4,702,123	3,476,302	4,108,536	(593,587)
Inward Investment	1,977,400	1,911,511	1,205,607	(771,793)
Housing	784,607	886,705	1,158,056	373,449
Planning and Growth	473,767	474,322	427,075	(46,692)
Customer Services	(815,896)	22,015	(545,451)	270,445
Property and Asset Management	144,575	446,462	167,560	22,985
Communications and Marketing	745,125	695,036	777,164	32,038
Environmental Services	4,926,480	4,933,589	5,063,127	136,647
Net Cost of Service	12,938,182	12,845,942	12,361,674	(576,509)
Non Service Exp/(Income):				
Recharges to HRA	(1,727,451)	(1,727,451)	(1,914,393)	(186,942)
Parish Precepts	479,131	479,131	519,506	40,375
Parish CTSS Grant	25,000	25,000	20,080	(4,920)
Capital Charges	(1,979,258)	(1,979,258)	(2,196,310)	(217,052)
Revenue Financing for Capital	0	0	0	0
Interest Receivable	(296,541)	(186,541)	(58,967)	237,574
Interest Payable	1,278,393	1,298,393	1,229,995	(48,398)
Minimum Revenue Provision	1,514,000	1,514,000	1,558,000	44,000
Pension Back Funding	2,014,894	2,014,894	2,126,769	111,875
Vacancy Management	(276,973)	0	(326,973)	(50,000)
Apprenticeship Levy	32,551	32,551	47,751	15,200
Sub total - Non Service Exp/Inc	1,063,746	1,470,719	1,005,458	(58,288)
Net Operating Expenditure	14,001,928	14,316,661	13,367,131	(634,797)
Contributions to/(from) Reserves:				
DFG top-up capital loans & grant fund	49,730	49,730	0	(49,730)
Restricted use grant	(142,344)	(142,344)	(3,946)	138,398
Invest to Save	(103,946)	(284,627)	0	103,946
Specific budget	(25,153)	(25,153)	1,563	26,716
LEGI	(49,730)	(49,730)	0	49,730
Waste management	0	0	(11,375)	(11,375)
Collection Fund	0	0	(100,000)	(100,000)
Community Housing	(30,000)	(30,000)	(30,000)	0
Coastal Protection	0	(75,000)	0	0
Special Projects Reserve	(176,203)	(237,735)	(118,316)	57,887
Homelessness	103,611	103,611	(164,963)	(268,574)
Asset Management	(435,700)	(744,129)	(257,300)	178,400
General Reserve	0	0	(215,000)	(215,000)
Other Reserves	(14,249)	(139,807)	(47,621)	(33,372)
Sub Total Reserves	(823,984)	(879,109)	(946,958)	(122,974)
Amount to be met from Government Grant and Local Taxpayers	13,177,944	13,437,552	12,420,173	(757,771)
Collection Fund - Parishes	(479,131)	(479,131)	(519,506)	(40,375)
Collection Fund - Borough	(4,835,911)	(4,835,911)	(4,865,925)	(30,014)
Retained Business Rates	(5,238,750)	(5,238,750)	(4,507,153)	731,597
Revenue Support Grant	(2,062,184)	(2,062,184)	(2,073,588)	(11,404)
New Homes Bonus	(372,510)	(372,510)	(38,766)	333,744
Other Grants	0	0	(303,320)	(303,320)
Income from Grant and Taxpayers	(12,988,486)	(12,988,486)	(12,308,258)	680,228
(Surplus)/Deficit (before general reserve transfer)	189,458	449,066	111,916	(77,542)

Executive and Resources:

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Equinox					
Supplies & Services	39,862	65,000	92,620	52,758	Service Level Agreement has increased between Equinox and the Council. This increases the income received also, as per below.
Income	(39,862)	(65,000)	(92,620)	(52,758)	As above.
	0	0	(0)	(0)	
Corporate Costs					
Transport	6,500	6,500	6,500	0	
Supplies & Services	126,012	124,807	175,301	49,289	Also includes an increase in External Audit fee 2021/22 informed by the prior year actuals.
Support Services - Recharges Out	(386,310)	(386,310)	(445,710)	(59,400)	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	253,800	253,800	263,900	10,100	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	2	(1,203)	(9)	(11)	
Executive Team					
Employee	647,907	603,754	669,143	21,236	Interim Strategic Director to remain for first quarter of 2021/22 funded by capital projects. Plus impact of 2% pay increase.
Transport	7,500	7,500	7,500	0	
Supplies & Services	12,317	12,317	11,798	(519)	
Support Services - Recharges Out	(1,036,860)	(1,036,860)	(1,042,730)	(5,870)	
Support Services - Recharges In	369,110	369,110	354,310	(14,800)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	(26)	(44,179)	21	47	
Finance					
Employee	617,063	586,723	652,896	35,833	Maternity leave cover as well as costs of position for 2021/22. Plus impact of 2% pay increase.
Transport	650	650	500	(150)	
Supplies & Services	213,573	188,573	284,316	70,743	£53k increase to computer contract budget. Also £11k increase in Internal Audit fee reflecting the draft 2021/22 IA plan.
Support Services	109,731	109,731	86,000	(23,731)	Revised budget in line of expectation based on prior year bank giro and cheque fees.
Capital Charges	15,561	15,561	0	(15,561)	Reflects changes in depreciation charge for assets aligned to this service.
Support Services - Recharges Out	(1,352,350)	(1,352,350)	(1,637,200)	(284,850)	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	405,790	405,790	618,490	212,700	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(10,000)	(10,000)	(5,000)	5,000	
	18	(55,322)	2	(16)	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
ICT					
Employee	441,737	346,036	417,018	(24,719)	One post transferred to Communications and Marketing.
Premises	5,170	5,170	4,406	(764)	
Transport	2,500	2,500	2,500	0	
Supplies & Services	313,583	316,762	297,293	(16,290)	Reallocation of software maintenance costs to services.
Third Party Payments	504,593	504,593	474,593	(30,000)	Reduction in ICT shared service contract due to telephony changes.
Capital Charges	126,329	126,329	42,896	(83,433)	Reflects changes in depreciation charge for assets aligned to this service.
Support Services - Recharges Out	(1,530,240)	(1,530,240)	(1,377,410)	152,830	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	136,330	136,330	138,700	2,370	
Income	0	0	0	0	
	2	(92,520)	(4)	(6)	
Corporate Strategy					
Employee	85,001	65,386	89,656	4,655	
Transport	400	400	200	(200)	
Supplies & Services	543	543	4,220	3,677	
Support Services - Recharges Out	(112,610)	(112,610)	(146,510)	(33,900)	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	26,660	26,660	52,440	25,780	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	(6)	(19,621)	6	12	
Member Services					
Employee	179,903	176,143	185,480	5,577	
Transport	4,000	1,000	3,600	(400)	
Supplies & Services	333,151	324,651	325,798	(7,354)	Members allowances based on prior year actuals plus 2% increase. Ward budgets were included in 2020/21 as a one-off and removed from the 2021/22 base budget.
Support Services - Recharges Out	(596,950)	(596,950)	(646,650)	(49,700)	
Support Services - Recharges In	118,890	118,890	131,770	12,880	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	38,994	23,734	(2)	(38,997)	
Elections					
Employee	176,130	175,792	163,466	(12,664)	Split of Licencing and Elections Manager costs between Licensing and Elections - previously all within Elections.
Transport	1,000	1,000	1,000	0	
Supplies & Services	121,525	121,525	121,653	128	
Support Services - Recharges In	40,700	40,700	30,960	(9,740)	
Income	(114,700)	(114,700)	(114,700)	0	
	224,655	224,317	202,379	(22,276)	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Human Resources					
Employee	406,564	379,574	411,525	4,961	
Transport	1,000	1,000	1,000	0	
Supplies & Services	49,239	84,739	47,896	(1,343)	
Support Services - Recharges Out	(589,750)	(589,750)	(606,010)	(16,260)	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	132,940	132,940	145,590	12,650	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	(7)	8,503	1	8	
Legal					
Supplies & Services	0	0	82,223	82,223	Secondment cost of Head of Legal and Governance previously included in the Nplaw contract fee.
Third Party Payments	352,641	244,971	388,582	35,941	Increase in NP Law contract.
Support Services - Recharges Out	(332,740)	(332,740)	(457,570)	(124,830)	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	15,100	15,100	21,760	6,660	
Income	(35,000)	(30,000)	(35,000)	0	
	1	(102,669)	(5)	(6)	
COVID-19 costs					
Employee	0	4,330	0	0	
Premises	0	15,460	0	0	
Transport	0	1,092	0	0	
Supplies & Services	0	38,851,204	50,000	50,000	Anticipated direct costs charged to COVID service area. Payments in 2021 of £38m largely relate to payments of business grants made in the year.
Income	0	(39,775,314)	(745,722)	(745,722)	Tranche 5 COVID funding for 2122. This is to cover the direct costs noted above as well as costs incurred by other services and losses in income as a result of COVID, such as c income. £38m of the funding in 2021 relates to funding for the business grants paid by the Council in 2021 as reflected above.
	0	(903,228)	(695,722)	(695,722)	
Total Executive and Resources:	263,633	(962,188)	(493,334)	(756,967)	
Total Executive and Resources excluding capital charges & recharges:	4,560,233	3,334,412	4,065,640	(494,593)	
Total Executive and Resources excluding recharges:	4,702,123	3,476,302	4,108,536	(593,587)	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Inward Investment					
Projects and Programmes					
Employee	290,199	233,465	259,445	(30,754)	Offshore position has been transferred to new service area created for the Offshore Wind project in 2021/22.
Transport	1,500	1,500	1,500	0	
Supplies & Services	3,202	3,202	2,659	(543)	
Support Services - Recharges Out	0	0	(77,000)	(77,000)	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	221,100	221,100	295,850	74,750	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	(42,807)	(3)	0	42,807	Funding for offshore project transferred to the new Offshore Wind project service in 2021/22.
	<u>473,194</u>	<u>459,264</u>	<u>482,454</u>	<u>9,260</u>	
Inclusion Project (ESF)					
Employee	61,624	60,286	4,481	(57,143)	Inclusion project completes in 2020/21, with staff costs completing in first quarter of 2021/22.
Supplies & Services	75,694	75,694	0	(75,694)	Inclusion project completes in 2020/21.
Income	(93,469)	(93,469)	0	93,469	Inclusion project completes in 2020/21 so no further funding received in 2021/22.
	<u>43,849</u>	<u>42,511</u>	<u>4,481</u>	<u>(39,368)</u>	
Future High Street Fund					
Supplies & Services	0	43,115	0	0	2020/21 forecast shows the feasibility work funded by grant. The overall project budgets will be updated once the funding has been confirmed for the future project.
	<u>0</u>	<u>43,115</u>	<u>0</u>	<u>0</u>	
Towns Fund					
Supplies & Services	0	12,250	0	0	2020/21 forecast shows the feasibility work funded by grant. The overall project budgets will be updated once the funding has been confirmed for the future project.
	<u>0</u>	<u>12,250</u>	<u>0</u>	<u>0</u>	
Offshore Wind Project					
Employee	0	48,708	50,069	50,069	New project in 2021/22. Fully funded.
Income	0	(42,804)	(50,069)	(50,069)	As above.
	<u>0</u>	<u>5,904</u>	<u>0</u>	<u>0</u>	
CCTV					
Premises	4,000	4,000	4,000	0	
Supplies & Services	142,800	142,800	87,992	(54,808)	Reduced costs following a contract review following planned capital investment to ensure value for money is being delivered to the Council, while maintaining an efficient and effective service quality.
Support Services - Recharges In	19,420	19,420	20,030	610	
Income	(4,000)	(4,000)	(4,000)	0	
	<u>162,220</u>	<u>162,220</u>	<u>108,022</u>	<u>(54,198)</u>	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Culture and Leisure					
Employee	18,891	18,529	0	(18,891)	No further employee costs due to funding ending, as per variance on income noted below.
Supplies & Services	76,513	76,513	72,044	(4,469)	St Georges management fee ended in 2020/21.
Third Party Payments	59,761	59,761	61,900	2,139	
Support Services - Recharges In	36,490	36,490	38,390	1,900	
Income	(20,000)	(20,000)	0	20,000	Funding ends in 2020/21.
	<u>171,655</u>	<u>171,293</u>	<u>172,334</u>	<u>679</u>	
Conservation					
Employee	122,138	119,969	151,017	28,879	Heritage Action Zone Officer position for 4 years from 2021/22. Fully funded by increase in income noted below.
Premises	61,854	31,854	45,666	(16,188)	Heritage Action Zone project cost for the town wall in 2021/22.
Transport	200	200	200	0	
Supplies & Services	49,080	49,080	49,188	108	
Capital Charges	25,408	25,408	25,408	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	24,400	24,400	61,120	36,720	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	(30,000)	(8,748)	(66,667)	(36,667)	Heritage Action Zone funding for 4 years from 2021/22.
	<u>253,080</u>	<u>242,163</u>	<u>265,932</u>	<u>12,852</u>	
Waterways					
Employee	36,686	69,978	0	(36,686)	Reduction in costs due to staff transferring of staff to Access Community Trust in 2020/21.
Premises	40,853	40,853	853	(40,000)	Reduction in maintenance costs due to transferring responsibility of the site to Access Community Trust in 2020/21.
Supplies & Services	15,795	16,595	107,000	91,205	Recognises costs in relation to events to be held at the Waterways in 2021/22 for which funding is available.
Capital Charges	8,000	8,000	53,000	45,000	Reflects changes in depreciation charge for assets aligned to this service. 2021/22 first year of depreciation following the £2.7m capital project completion on the site in prior
Support Services - Recharges In	39,230	39,230	12,870	(26,360)	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	(31,725)	(68,492)	(50,853)	(19,128)	Funding available until November 2021 only, 2020/21 full year funded.
	<u>108,839</u>	<u>106,164</u>	<u>122,870</u>	<u>14,031</u>	
Voluntary Sector Grants					
Supplies & Services	54,500	54,500	0	(54,500)	Voluntary Sector grants expenditure is now reflected as part of the Neighbourhoods and Communities section.
Support Services - Recharges In	19,590	19,590	7,700	(11,890)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0	
	<u>74,090</u>	<u>74,090</u>	<u>7,700</u>	<u>(66,390)</u>	Costs now included in a separate service.

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Indoor Leisure - Phoenix Pool and Marina Centre					
Employee	0	0	0	0	
Premises	23,923	23,923	24,462	538	
Transport	0	0	0	0	
Supplies & Services	7,196	7,196	7,309	113	
Third Party Payments	235,380	195,316	131,939	(103,441)	This movement reflects a reduction in the management fee pending construction of the new facility.
Capital Charges	379,843	379,843	33,291	(346,552)	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	51,340	51,340	76,890	25,550	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>697,682</u>	<u>657,618</u>	<u>273,890</u>	<u>(423,792)</u>	
Neighbourhood Management					
Employee	289,118	234,813	262,853	(26,264)	Employee costs reduced following the completion of the 'Neighbourhoods that Work' project within 2020/21.
Premises	27,576	27,577	10,264	(17,312)	Increased budget provision to include the Voluntary, Community and Social grants, management by the Neighbourhoods and Communities team, to aid and support community activities.
Transport	1,800	1,800	800	(1,000)	
Supplies & Services	32,190	32,189	82,784	50,595	Budget provision transferred for the Voluntary, Community and Social grants, management by the Neighbourhoods and Communities team, to aid and support community activities.
Third Party Payments	0	0	0	0	
Transfer Payments	602,187	602,187	113,000	(489,187)	Reduction reflects the completion of both the 'Neighbourhoods that Work' and 'Great Places' projects within 2020/21 offset by the reduction in income.
Support Services	0	0	0	0	
Capital Charges	0	0	0	0	
Support Services - Recharges Out	(296,080)	(296,080)	(364,400)	(68,320)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	288,820	288,820	365,450	76,630	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	(656,796)	(656,796)	(113,000)	543,796	Income reduction reflects the completion of both the 'Neighbourhoods that Work' and Great Places projects within 2020/21.
	<u>288,815</u>	<u>234,510</u>	<u>357,752</u>	<u>68,937</u>	
Enterprise Zone					
Supplies & Services	1,085,143	1,085,143	1,350,000	264,857	Increase in funding means that increase project costs can be met in 2021/22.
Income	(1,085,143)	(1,085,143)	(1,600,000)	(514,857)	Increase in business rate income aligned to Enterprise Zones anticipated in 2021/22.
	<u>0</u>	<u>0</u>	<u>(250,000)</u>	<u>(250,000)</u>	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Economic Development					
Employee	103,957	100,390	103,409	(548)	
Supplies & Services	2,501	2,501	1,800	(701)	
Support Services - Recharges In	200,010	200,010	154,410	(45,600)	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	(10,014)	(10,014)	
	<u>306,468</u>	<u>302,901</u>	<u>249,605</u>	<u>(56,863)</u>	
Enterprise GY					
Employee	0	0	0	0	
Premises	68	68	68	0	
Supplies & Services	1,760	1,760	1,809	49	
Support Services - Recharges In	8,060	8,060	7,700	(360)	
Income	0	0	0	0	
	<u>9,888</u>	<u>9,888</u>	<u>9,577</u>	<u>(311)</u>	
Total Inward Investment:	2,589,780	2,523,891	1,804,617	(785,163)	
Total Inward Investment excluding capital charges & recharges:	1,564,149	1,498,260	1,093,908	(470,241)	
Total Inward Investment excluding recharges:	1,977,400	1,911,511	1,205,607	(771,793)	
<u>Housing:</u>					
Housing Needs					
Employee	610,187	667,065	666,648	56,461	Increase employee cost to mitigate the increased demand reflected by the service.
Premises	220,859	220,858	153,876	(66,983)	Reduction reflects reduced general temporary accommodation cost, such as damage deposits and storage costs. Excludes specific COVID B&B and temporary accommodation expenditure.
Transport	3,152	3,152	3,152	0	
Supplies & Services	260,655	264,945	182,086	(78,569)	Reduction reflects a reduced general B&B and temporary accommodation budget. Excludes specific COVID B&B and temporary accommodation expenditure.
Capital Charges	11,769	11,769	19,013	7,244	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	370,350	370,350	321,700	(48,650)	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	(612,372)	(685,014)	(258,410)	353,962	Reduction in income to support homelessness compared to 2020/21, partly mitigated by a £165k transfer from earmarked reserves to support expenditure in 2021/22. The 2 budget does not include any additional Homelessness Prevention Grant monies, but this will be reviewed and monitored in the year.
	<u>864,600</u>	<u>853,125</u>	<u>1,088,065</u>	<u>223,464</u>	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Gapton Hall Site					
Employee	0	0	58,435	58,435	Gapton Hall site was previously part managed by Norfolk County Council. From 1 February 2021 management of the site will be brought back to GYBC, resulting in a new stat the site.
Supplies & Services	62,306	62,306	55,000	(7,306)	
Support Services - Recharges In	18,030	18,030	37,140	19,110	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(100,331)	(100,331)	(67,231)	33,100	Prior income assumptions have reflected higher outputs due to the income recovery following the resolution of a legal dispute. This income recovery finishes in 2020/21, the income is reduced and also reflects an element for non-collection.
	(19,995)	(19,995)	83,344	103,339	
Better Care Fund					
Employee	94,756	92,278	101,077	6,321	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Premises	0	0	0	0	
Transport	2,500	2,500	2,500	0	
Supplies & Services	23,579	23,579	23,735	156	
Support Services - Recharges In	65,760	65,760	55,620	(10,140)	
Income	(149,069)	(149,069)	(145,216)	3,853	
	37,526	35,048	37,716	190	
Housing Strategy					
Employee	174,821	172,146	176,135	1,314	No major variances
Premises	777	777	792	16	
Transport	525	525	365	(160)	
Supplies & Services	42,383	42,383	42,388	5	
Capital Charges	22,603	22,603	22,603	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	84,700	84,700	88,170	3,470	
Income	0	0	0	0	
	325,809	323,134	330,453	4,645	
Safe at Home					
Employee	275,017	268,377	279,548	4,531	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Premises	0	0	0	0	
Transport	7,000	7,000	7,000	0	
Supplies & Services	53,868	53,868	55,198	1,330	
Transfer Payments	5,440	5,440	5,440	0	
Support Services - Recharges In	108,950	108,950	94,710	(14,240)	
Income	(225,818)	(100,452)	(226,078)	(260)	
	224,457	343,183	215,819	(8,639)	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
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Total Housing:	1,432,397	1,534,495	1,755,396	322,999	
Total Housing excluding capital charges & recharges:	750,235	852,333	1,116,440	366,205	
Total Housing excluding recharges:	784,607	886,705	1,158,056	373,449	

Planning and Growth:

Building Control

Employee	247,905	227,530	254,661	6,756	
Premises	1,500	1,500	1,500	0	
Transport	11,000	11,000	11,000	0	
Supplies & Services	25,439	25,439	17,737	(7,703)	
Support Services - Recharges In	93,610	93,610	181,080	87,470	

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	(295,500)	(232,500)	(302,976)	(7,476)	
	83,954	126,579	163,001	79,047	

Development Control

Employee	654,439	601,008	654,693	254	
Premises	0	0	0	0	
Transport	10,000	10,000	7,500	(2,500)	
Supplies & Services	46,884	46,884	26,702	(20,183)	
Support Services - Recharges Out	(62,970)	(62,970)	(64,650)	(1,680)	
Support Services - Recharges In	222,940	222,940	233,280	10,340	

Temporary funding in 2020/21 base for one-off Specialist Ecology advice of £12k and reduction in IT software costs (£8k).

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	(534,150)	(529,154)	(565,292)	(31,142)	
	337,143	288,708	292,232	(44,911)	

Increase of (£15k) identified during previous year base budget process re: expected increase in demand and 2021/22 fees & charges increase of 3.1% (£16k).

Land Charges

Employee	49,324	37,540	50,035	711	
Supplies & Services	20,061	20,061	12,082	(7,979)	
Third Party Payments	30,000	30,000	31,000	1,000	
Support Services - Recharges In	50,940	50,940	47,760	(3,180)	
Income	(126,000)	(105,000)	(138,154)	(12,154)	
	24,325	33,541	2,723	(21,602)	

Increase of identified during previous year base budget process partly due to the housing market and 2021/22 fees & charges increase.

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Strategic Planning					
Employee	270,995	265,644	283,962	12,967	Incremental and 2% pay award increases.
Premises	0	0	0	0	
Transport	1,400	1,400	1,000	(400)	2021/22 budget increased by £40k re: New Burdens Grant expenditure (from reserves) growth in 2020/21 base budgets for two year examination programme. Balance of £1 transfer from IT for computer costs previously allocated centrally and not to departments.
Supplies & Services	75,265	75,265	96,856	21,591	
Transfer Payments	6,500	6,500	6,500	0	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	133,880	133,880	116,690	(17,190)	
Income	(21,295)	(18,795)	(21,729)	(434)	
	466,745	463,894	483,279	16,534	
Total Planning and Growth:	912,167	912,722	941,235	29,068	
Total Planning and Growth excluding capital charges & recharges:	473,767	474,322	427,075	(46,692)	
Total Planning and Growth excluding recharges:	473,767	474,322	427,075	(46,692)	
<u>Customer Services:</u>					
Benefits					
Employee	548,831	567,545	593,279	44,448	Variances include vacancy savings of £17k, role and working hours amendments in 2020/21 (shared with Revenues) and forecast 2% increase of gross pay.
Transport	1,200	1,200	1,200	0	
Supplies & Services	42,910	42,910	72,927	30,016	No change in bad debt provision required in 2021/22 (2020/21 budget assumed a reduction in the provision required).
Third Party Payments	0	0	0	0	
Transfer Payments	23,042,927	21,437,171	22,464,068	(578,859)	Revision of Benefits payments and receipts based on current year forecasts and prior year actuals offset by reduced income.
Support Services - Recharges Out	(243,584)	(243,584)	(258,773)	(15,189)	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	565,930	565,930	445,290	(120,640)	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	(23,810,053)	(22,277,982)	(23,223,212)	586,841	Revision of Benefits payments and receipts based on current year forecasts and prior year actuals offset by reduced spend.
	148,162	93,190	94,779	(53,383)	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Crematorium and Cemeteries					
Employee	222,297	209,491	225,337	3,039	
Premises	473,708	456,539	467,969	(5,739)	
Transport	2,000	2,000	750	(1,250)	
Supplies & Services	104,098	104,097	97,437	(6,660)	
Third Party Payments	31,809	31,809	34,074	2,265	
Capital Charges	71,394	71,394	72,149	755	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	188,550	188,550	185,040	(3,510)	
Income	(1,602,488)	(1,563,966)	(1,601,740)	748	
	(508,632)	(500,086)	(518,984)	(10,352)	No major variances
Customer Services					
Employee	688,018	637,724	652,021	(35,997)	Decrease in customer service advisor positions in 2021/22.
Transport	351	351	250	(101)	
Supplies & Services	12,439	12,439	12,432	(7)	
Support Services - Recharges Out	(1,273,870)	(1,273,870)	(1,294,430)	(20,560)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	573,060	573,060	629,730	56,670	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	(2)	(50,296)	3	5	
Support Services					
Employee	187,687	153,421	163,601	(24,086)	Decrease in support service officer positions in 2021/22.
Supplies & Services	21,268	21,268	35,682	14,414	New booking and video appointments system contract awarded resulting in £14k increase in budget required in 2021/22.
Capital Charges	1,977	1,977	3,267	1,290	
Support Services - Recharges Out	(335,730)	(335,730)	(309,060)	26,670	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	124,790	124,790	106,510	(18,280)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	(8)	(34,274)	1	8	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Car Parks					
Employee	431,887	403,760	436,269	4,382	
Premises	295,496	292,728	347,088	51,592	Transfer from Markets service area for business rates for the Market Place for carparking spaces on the site.
Transport	15,557	15,557	14,052	(1,505)	
Supplies & Services	173,775	173,775	132,425	(41,350)	Savings applied to areas such as specialist services costs, cash collection charges and other expenses within this service area.
Transfer Payments	569,183	494,818	482,117	(87,066)	Resident permits and penalty charge income now being collected by Kings Lynn Borough Council so no transfer payment required for this offset by reduced income.
Capital Charges	47,873	47,873	44,213	(3,660)	
Support Services - Recharges In	375,360	375,360	404,590	29,230	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	(2,748,919)	(1,736,369)	(2,511,828)	237,091	Budget update to reflect the removal of spaces along the seafront due to the marina centre re-development. £83k reduction income for resident permits which will be collected by Kings Lynn Borough Council in 2021/22 (linked to reduction in transfer payments above). £48k revised budget for Beach Coach Station income in line with prior year actuals.
	<u>(839,787)</u>	<u>67,502</u>	<u>(651,073)</u>	<u>188,714</u>	
Revenues					
Employee	711,931	663,032	730,541	18,610	2% increase pay increase.
Premises	0	0	0	0	
Transport	2,000	2,000	2,000	0	
Supplies & Services	236,044	236,044	278,004	41,960	Budget increased in line with additional computer costs.
Third Party Payments	0	0	0	0	
Transfer Payments	100	100	100	0	
Support Services	36,000	21,000	30,000	(6,000)	
Capital Charges	0	0	0	0	
Support Services - Recharges Out	(367,260)	(367,260)	0	367,260	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	853,660	853,660	800,610	(53,050)	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	(627,198)	(501,691)	(601,925)	25,273	Reduction of miscellaneous income budget in line with prior year actuals.
	<u>845,277</u>	<u>906,885</u>	<u>1,239,330</u>	<u>394,053</u>	
Total Customer Services:	<u>(354,990)</u>	<u>482,921</u>	<u>164,056</u>	<u>519,046</u>	
Total Customer Services excluding capital charges & recharges:	<u>(937,140)</u>	<u>(99,229)</u>	<u>(665,080)</u>	<u>272,060</u>	
Total Customer Services excluding recharges:	<u>(815,896)</u>	<u>22,015</u>	<u>(545,451)</u>	<u>270,445</u>	

Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
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Property and Asset Management:**Property Building Services**

Premises	419,936	419,936	467,136	47,200	Revision of 2020/21 base budgets and transfers from other cost centres within Property services to realign areas of responsibility.
	419,936	419,936	467,136	47,200	

Town Hall

Premises	160,376	160,376	164,528	4,153	
Supplies & Services	0	0	1,000	1,000	
Capital Charges	42,910	42,910	49,010	6,100	
Support Services - Recharges Out	(291,520)	(291,520)	(281,270)	10,250	
Support Services - Recharges In	88,230	88,230	66,730	(21,500)	
Income	0	0	0	0	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	(4)	(4)	(2)	3	

Greyfriars House

Employee	0	0	0	0	
Premises	120,529	120,529	110,111	(10,418)	
Capital Charges	7,710	7,710	7,710	0	Reductions in utility & rates budgets (£7k).
Support Services - Recharges Out	(178,940)	(178,940)	(212,240)	(33,300)	
Support Services - Recharges In	50,710	50,710	94,420	43,710	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	
	9	9	1	(8)	

Maritime House

Employee	0	0	0	0	
Premises	47,160	60,511	40,107	(7,053)	
Transport	0	0	0	0	
Supplies & Services	4,865	4,865	3,528	(1,337)	
Capital Charges	4,560	4,560	4,560	0	
Support Services - Recharges Out	(106,010)	(106,010)	(109,890)	(3,880)	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	49,420	49,420	61,700	12,280	
Income	0	0	0	0	No major variances
	(4)	13,346	6	10	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Catalyst Centre					
Employee	0	0	0	0	
Premises	45,410	45,409	47,730	2,320	
Supplies & Services	700	700	714	14	
Capital Charges	4,684	4,684	3,958	(726)	
Support Services - Recharges Out	(103,600)	(103,600)	(116,540)	(12,940)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	52,800	52,800	64,140	11,340	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	0	0	0	0	
	(6)	(7)	2	8	
Public Toilets					
Employee	0	0	0	0	
Premises	217,054	217,054	184,705	(32,349)	Removal of business rates budgets due to rate relief in 2021/22 (£22k) and transfers of costs within Property service from other areas (15k).
Supplies & Services	10,015	10,015	10,915	900	
Capital Charges	158,788	158,788	163,129	4,341	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	40,530	40,530	42,980	2,450	
Income	(4,000)	(4,000)	(4,000)	0	
	422,387	422,387	397,729	(24,658)	
Repairs and Maintenance					
Employee	0	0	0	0	
Premises	125	125	125	0	
Supplies & Services	13,422	13,422	15,741	2,319	
Third Party Payments	8,714	8,714	8,714	0	
Capital Charges	267,594	267,594	253,632	(13,962)	Reflects changes in depreciation charge for assets aligned to this service.
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	55,630	55,630	52,180	(3,450)	
Income	(209,000)	(109,000)	(97,572)	111,428	Reduction in profit share income due to transfer of GYN Asset Management Team.
	136,485	236,485	232,820	96,335	
Footway Lighting					
Employee	0	0	0	0	
Premises	177,949	177,949	179,954	2,005	
Supplies & Services	11,650	11,650	13,319	1,669	
Capital Charges	68,187	68,187	74,179	5,992	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	54,120	54,120	55,150	1,030	
Income	0	0	0	0	
	311,906	311,906	322,602	10,696	No major variances

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Coast Protection					
Employee	55,166	54,274	56,620	1,454	
Premises	42,000	42,000	42,000	0	
Transport	2,878	2,878	1,250	(1,628)	
Supplies & Services	56,359	56,359	58,195	1,836	
Capital Charges	362,692	362,692	362,692	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	42,870	42,870	51,220	8,350	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	(550)	(550)	(550)	0	
	<u>561,415</u>	<u>560,523</u>	<u>571,427</u>	<u>10,012</u>	
Beach Huts					
Employee	36,000	36,000	0	(36,000)	Reallocation of base budget as per below to 'match' actual expenditure.
Premises	2,000	2,000	9,919	7,919	
Transport	0	0	0	0	
Supplies & Services	0	0	36,000	36,000	Reallocation of base budget as per above to 'match' actual expenditure.
Support Services - Recharges In	16,080	16,080	21,950	5,870	
Income	(60,500)	(44,500)	(61,940)	(1,440)	
	<u>(6,420)</u>	<u>9,580</u>	<u>5,929</u>	<u>12,349</u>	
Community Centres					
Employee	0	0	0	0	
Premises	13,374	14,126	10,799	(2,575)	
Capital Charges	27,142	27,142	27,142	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	14,650	14,650	9,580	(5,070)	
Income	(2,632)	(2,632)	(8,274)	(5,642)	
	<u>52,534</u>	<u>53,286</u>	<u>39,247</u>	<u>(13,287)</u>	No major variances
Easter Fayre					
Employee	2,000	0	0	(2,000)	
Supplies & Services	20,000	0	0	(20,000)	
Support Services - Recharges In	7,120	7,120	0	(7,120)	
Income	(15,265)	0	0	15,265	
	<u>13,855</u>	<u>7,120</u>	<u>0</u>	<u>(13,855)</u>	Budget for 2021/22 updated to reflect cancellation of the event
Go Trade - Markets					
Employee	17,550	17,550	20,161	2,611	
Supplies & Services	17,464	17,464	36,588	19,124	Extension of project by one year to March 2022.
Income	(24,160)	(24,160)	(39,154)	(14,994)	As above.
	<u>10,854</u>	<u>10,854</u>	<u>17,595</u>	<u>6,741</u>	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Markets					
Employee	69,926	68,142	72,445	2,519	
Premises	256,143	256,143	216,504	(39,639)	Transfer to Car Parking service of business rates for Market Place as per request of Property pending their confirmation of the split between Markets and Car Parking so that charge can be allocated correctly.
Transport	500	500	250	(250)	
Supplies & Services	39,624	39,624	39,400	(224)	
Capital Charges	4,820	4,820	4,820	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	75,220	75,220	57,540	(17,680)	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	(259,759)	(200,009)	(259,759)	0	
	<u>186,473</u>	<u>244,440</u>	<u>131,200</u>	<u>(55,274)</u>	
Bretts					
Premises	3,637	3,637	37,867	34,230	Budget updated to capture all costs, these are 'off-set' by transfer of budget below and increased charges to third parties.
Supplies & Services	25,247	25,247	6,576	(18,671)	Transfer of budget as per above.
Support Services - Recharges In	11,690	11,690	7,160	(4,530)	
Income	(43,732)	(43,732)	(56,209)	(12,477)	Increased charges as per above.
	<u>(3,158)</u>	<u>(3,158)</u>	<u>(4,606)</u>	<u>(1,448)</u>	
Courts					
Premises	7,544	7,544	7,290	(254)	
Support Services - Recharges In	12,580	12,580	7,880	(4,700)	
Income	(21,569)	(21,569)	(14,670)	6,899	
	<u>(1,445)</u>	<u>(1,445)</u>	<u>500</u>	<u>1,945</u>	No major variances
South Denes Energy Park					
Premises	7,397	7,397	2,869	(4,528)	
Support Services - Recharges In	82,900	82,900	54,050	(28,850)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(8,004)	(8,004)	(8,004)	0	
	<u>82,293</u>	<u>82,293</u>	<u>48,915</u>	<u>(33,378)</u>	
Factory Units					
Premises	40,756	40,756	38,900	(1,856)	
Supplies & Services	2,817	2,817	3,307	490	
Support Services - Recharges In	24,880	24,880	17,930	(6,950)	
Income	(136,866)	(136,866)	(134,451)	2,415	
	<u>(68,413)</u>	<u>(68,413)</u>	<u>(74,314)</u>	<u>(5,901)</u>	No major variances

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Corporate Estates					
Employee	19	19	20	1	
Premises	383,410	423,888	399,222	15,812	Increase in business rates charges £18k.
Supplies & Services	31,869	31,869	33,473	1,604	
Capital Charges	14,030	14,030	13,869	(161)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	590,850	590,850	505,180	(85,670)	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	(2,478,510)	(2,376,276)	(2,302,177)	176,333	The budget has been updated to reflect current occupancy and lease arrangements, some are temporary reductions.
	(1,458,332)	(1,315,620)	(1,350,414)	107,919	
Minerva House					
Premises	68,547	33,100	8,400	(60,147)	Change in lease has released (£44k) in rates & electricity savings with the balance transferred within Property services.
Supplies & Services	6,599	6,599	0	(6,599)	
Support Services - Recharges In	16,870	16,870	8,840	(8,030)	
Income	(36,600)	(36,600)	(65,575)	(28,975)	New tenancy 'stepped' increase in rent.
	55,416	19,969	(48,335)	(103,751)	
Onians					
Premises	787	786	493	(294)	
Supplies & Services	2,560	2,560	1,000	(1,560)	
Support Services - Recharges In	9,420	9,420	7,880	(1,540)	
Income	(13,310)	(13,310)	(10,800)	2,510	
	(543)	(544)	(1,427)	(884)	
Property Services					
Employee	983,062	863,666	1,011,788	28,726	Incremental and 2% pay award increases.
Premises	6,179	6,179	6,179	0	
Transport	6,900	6,900	6,100	(800)	
Supplies & Services	28,828	28,828	28,128	(700)	
Support Services - Recharges Out	(994,307)	(994,307)	(1,034,600)	(40,293)	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	256,780	256,780	275,690	18,910	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(287,449)	(187,449)	(293,281)	(5,832)	
	(7)	(19,403)	4	11	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Housing Asset Team					
Employee	0	0	674,914	674,914	This is a new service area created by the transfer of GYN Asset Management Team to GYBC and will be recharged to the capital programme and Housing Revenue Account (r and capital) budgets. As above. As above.
Supplies & Services	0	0	104,000	104,000	
Income	0	0	(920,114)	(920,114)	
	0	0	(141,200)	(141,200)	
Beacon Park					
Employee	0	0	0	0	Reallocation of budgets as per below to 'match' actual expenditure. Reallocation of budgets as per above to 'match' actual expenditure. Reflects changes in depreciation charge for assets aligned to this service.
Premises	170,070	202,646	187,008	16,939	
Supplies & Services	59,543	59,543	49,450	(10,093)	
Capital Charges	139,220	139,220	167,536	28,316	Stepped' increases in five current leases less one termination (£68k) plus insurance charges to tenants (£15k).
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	72,000	72,000	70,010	(1,990)	
Income	(1,060,514)	(1,059,514)	(1,143,589)	(83,075)	
	(619,681)	(586,105)	(669,585)	(49,903)	
Total Property and Asset Management:	95,548	397,435	(54,770)	(150,318)	
Total Property and Asset Management excluding capital charges & recharges:	(957,762)	(655,875)	(964,677)	(6,915)	
Total Property and Asset Management excluding recharges:	144,575	446,462	167,560	22,985	
<u>Communications and Marketing:</u>					
Communications					
Employee	251,828	190,374	195,145	(56,683)	Restructure in 2020/21 moved posts to Print Room and Civic and Portering services. One post transferred from ICT.
Premises	0	0	0	0	
Transport	750	750	1,500	750	
Supplies & Services	9,882	10,132	10,424	543	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 Out	(323,290)	(323,290)	(242,110)	81,180	
Support Services - Recharges In	90,830	90,830	40,040	(50,790)	
Income	(10,000)	0	(5,000)	5,000	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	20,000	(31,204)	(1)	(20,001)	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Events					
Supplies & Services	6,064	6,064	5,875	(189)	
Support Services - Recharges In	85,310	85,310	122,110	36,800	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	(6,100)	0	(6,700)	(600)	
	85,274	91,374	121,285	36,011	
Mayor					
Supplies & Services	9,453	8,478	7,300	(2,153)	
Support Services - Recharges In	15,110	15,110	15,470	360	
Income	0	0	0	0	
	24,563	23,588	22,770	(1,793)	No major variances
Tourism					
Employee	90,686	55,641	90,116	(570)	
Premises	1,323	3,823	1,359	36	
Transport	100	100	100	0	
Supplies & Services	232,947	127,106	232,118	(829)	
Third Party Payments	550	0	550	0	
Support Services	1,400	1,400	1,400	0	
Capital Charges	0	0	0	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	334,690	334,690	247,120	(87,570)	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	(170,059)	(26,932)	(170,959)	(900)	
	491,637	495,828	401,804	(89,833)	
Civic and Portering					
Employee	155,086	141,056	186,464	31,378	Restructure in 2020/21 moved post from Communications.
Premises	2,000	0	2,000	0	
Transport	12,433	7,433	12,746	313	
Supplies & Services	19,899	22,308	22,352	2,453	
Support Services - Recharges Out	(274,250)	(274,250)	(371,610)	(97,360)	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	91,830	91,830	155,050	63,220	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(7,000)	0	(7,000)	0	
	(2)	(11,623)	2	4	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Print and Design					
Employee	105,892	101,311	164,100	58,208	Restructure in 2020/21 moved a post from Communications.
Premises	0	0	0	0	
Transport	0	0	200	200	
Supplies & Services	55,492	48,492	56,574	1,082	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 Out	(214,400)	(214,400)	(274,440)	(60,040)	
Support Services - Recharges In	70,520	70,520	77,070	6,550	
Income	(17,500)	(2,500)	(23,500)	(6,000)	
	4	3,423	4	0	
Total Communications and Marketing:	621,475	571,386	545,864	(75,612)	
Total Communications and Marketing excluding capital charges & recharges:	745,125	695,036	777,164	32,038	
Total Communications and Marketing excluding recharges:	745,125	695,036	777,164	32,038	
<u>Environmental Services:</u>					
Environmental Health					
Employee	1,167,035	1,038,755	1,157,853	(9,182)	A percentage of two posts have been transferred to Selective Licensing to cover management of the scheme.
Premises	250,910	250,910	255,828	4,918	
Transport	39,907	39,907	39,954	47	
Supplies & Services	245,879	235,907	260,317	14,438	Barrister costs for court case due in 2021/22 funded from the general reserve.
Third Party Payments	10,000	10,000	10,000	0	
Transfer Payments	261,305	267,606	276,004	14,699	
Support Services	0	0	0	0	Inflation increase on drainage board levy.
Capital Charges	9,340	9,340	9,340	0	
Support Services - Recharges Out	(63,680)	(63,680)	(69,350)	(5,670)	
Support Services - Recharges In	401,140	401,140	372,810	(28,330)	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	(121,177)	(93,260)	(120,034)	1,143	
	2,200,660	2,096,625	2,192,722	(7,938)	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Selective Licensing					
Employee	73,453	71,669	45,474	(27,979)	Full time secondment ended in 2020/21.
Transport	100	100	1,463	1,363	
Supplies & Services	1,646	1,646	1,547	(99)	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	52,460	52,460	32,780	(19,680)	
Income	(50,000)	(50,000)	(50,000)	0	
	<u>77,659</u>	<u>75,875</u>	<u>31,264</u>	<u>(46,395)</u>	
Grounds Maintenance					
Employee	0	0	0	0	No major variances
Premises	525,259	510,976	535,018	9,759	
Transport	0	0	0	0	
Supplies & Services	34,847	43,899	42,827	7,981	
Third Party Payments	11,540	9,240	11,540	0	
Capital Charges	84,906	84,906	82,075	(2,831)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	24,240	24,240	23,200	(1,040)	
Income	(44,950)	(44,950)	(39,950)	5,000	
	<u>635,841</u>	<u>628,311</u>	<u>654,710</u>	<u>18,869</u>	
Street Cleansing					
Employee	0	0	0	0	Inflation increase on joint venture contract with GYB Services.
Premises	651,095	651,095	664,117	13,022	
Third Party Payments	404	404	404	0	
Support Services - Recharges In	19,580	19,580	18,890	(690)	
Income	0	0	0	0	
	<u>671,079</u>	<u>671,079</u>	<u>683,411</u>	<u>12,332</u>	
Grounds and Parks					
Employee	0	0	0	0	
Premises	94,237	94,236	96,130	1,893	
Supplies & Services	8,684	8,684	10,997	2,312	
Third Party Payments	90,285	90,285	90,285	0	
Capital Charges	3,522	3,522	3,522	0	
Support Services - Recharges In	33,050	33,050	35,860	2,810	
Income	0	0	0	0	
	<u>229,778</u>	<u>229,777</u>	<u>236,794</u>	<u>7,016</u>	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Outdoor Sports					
Employee	0	0	0	0	
Premises	390,190	388,088	398,072	7,882	
Supplies & Services	8,390	8,390	11,986	3,596	
Third Party Payments	42,379	42,379	0	(42,379)	Transfer to Waste for cleaning 'Hit Squad'.
Capital Charges	50,385	50,385	55,285	4,900	
Support Services - Recharges In	26,110	26,110	44,860	18,750	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	(98,975)	(56,907)	(89,686)	9,289	
	<u>418,480</u>	<u>458,445</u>	<u>420,517</u>	<u>2,037</u>	
Licensing					
Employee	68,794	66,878	111,384	42,590	Transfer of percentage of staff costs from Elections as employees work in both areas.
Premises	2,952	2,952	3,012	60	
Transport	600	600	400	(200)	
Supplies & Services	35,525	32,192	26,421	(9,104)	
Support Services - Recharges In	62,040	62,040	120,420	58,380	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	(277,113)	(277,113)	(269,874)	7,240	
	<u>(107,202)</u>	<u>(112,451)</u>	<u>(8,237)</u>	<u>98,965</u>	
Waste Management					
Employee	97,030	66,138	176,239	79,209	Costs are fully funded by GYB Services and Norfolk Waste Partnership.
Premises	0	51,934	65,721	65,721	Cleaning 'Hit Squad' funded by transfer from Outdoor Sports service and Reserve balance.
Supplies & Services	570,252	565,452	610,110	39,858	Increase in gate fees and garden waste charges, along with increased recycling tonnage.
Third Party Payments	2,149,220	2,137,221	2,191,085	41,864	Inflation increase on joint venture with GYB Services.
Capital Charges	18,011	18,011	18,011	0	
Support Services - Recharges In	169,300	169,300	141,620	(27,680)	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	(1,479,388)	(1,397,888)	(1,629,750)	(150,362)	£23k inflation increase on bulky waste and garden bin fees. Increase in recycling tonnage credits received of £40k. Recharge of employee costs to GYB Services and Norfolk V Partnership.
	<u>1,524,425</u>	<u>1,610,168</u>	<u>1,573,036</u>	<u>48,611</u>	
Total Environmental Services:	5,650,720	5,657,829	5,784,217	133,497	
Total Environmental Services excluding capital charges & recharges:	4,760,316	4,767,425	4,894,894	134,578	
Total Environmental Services excluding recharges:	4,926,480	4,933,589	5,063,127	136,647	

	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget	Variance 20/21 Base Budget to 21/22 Base Budget	Comments
Total for Services:	11,210,731	11,118,491	10,447,281	(763,451)	
Total for Services excluding capital charges & recharges:	10,958,924	10,866,684	10,745,364	(213,561)	
Total for Services excluding recharges:	12,938,182	12,845,942	12,361,674	(576,509)	

General Fund 2021/22 Budget - Expenditure Type Analysis

General Fund Expenditure Type	2019/20 Actuals	Original 2020/21 Budget	2020/21 Forecast	2021/22 Budget
Employee	12,661,926	11,818,540	10,925,943	12,709,422
Premises	5,249,494	5,264,131	5,317,412	5,244,046
Transport	144,257	147,903	140,995	140,032
Supplies & Services	6,318,564	5,527,675	44,327,434	6,136,574
Third Party Payments	3,176,537	3,527,277	3,364,693	3,434,666
Transfer Payments	23,878,035	24,487,643	22,813,822	23,347,229
Support Services	111,205	147,131	132,131	117,400
Capital Charges	1,635,706	1,979,258	1,979,258	1,616,310
Support Services - Recharges Out	(10,115,587)	(11,067,301)	(11,067,301)	(11,440,153)
Support Services - Recharges In	8,463,390	9,339,850	9,339,850	9,525,760
Income	(40,148,712)	(39,961,376)	(76,155,746)	(40,384,006)
	11,374,815	11,210,731	11,118,491	10,447,281

Note: The 2020/21 forecast 'Income' includes the COVID funding received by the Council to pay national and discretionary grants. The 'Supplies & Services' forecast correspondingly includes the grants being paid to businesses by the Council.

Council Tax Summary 2021/22

	2020/21 Actual	Actual 2021/22 £5 Council Tax Increase			
			Movement £	Movement %	
Demand on Collection Fund (excluding Parish/Town Precepts)	£ 4,835,911	£ 4,865,925	£30,014	0.62%	
Borough Council Tax (excl Surplus/Deficit) <i>Less Estimated Collection Fund Surplus at 31st March OR PLUS Deficit</i>	£ 166.48	£ 168.31 <i>£3.17</i>	£1.83 <i>£3.17</i>		
Net Borough Council Tax at Band D	£ 166.48	£ 171.48	£ 5.00	3.00%	
Value of Precepts	£ 479,131	£519,506	£90,183	18.82%	
Effect of Parish/Town Precepts	£ 16.49	17.97	£1.48	8.98%	
Billed Borough Council Tax at Band D	£ 182.97	£ 189.45	£ 6.48	3.54%	

Tax Base	29,048	28,910
Tax Base Movement (from 2020/21)	488	-138 reduction

Note: The Tax Base for 2021/22 is 28,910 (2020/21 29,048) so each £28,910 change in net expenditure has £1.00 effect on Council Tax at Band D.

Reserves Statement

Summary and Purpose of Reserve		Opening Balance 01/04/20 £'000's	Forecast Movement 2020/21 £'000's	Forecast Closing Balance 31/03/21 £'000's	Budgeted Movement 2021/22 £'000's	Forecast Closing Balance 31/03/22 £'000's	Budgeted Movement 2022/23 £'000's	Forecast Closing Balance 31/03/23 £'000's	Budgeted Movement 2023/24 £'000's	Forecast Closing Balance 31/03/24 £'000's	Budgeted Movement 2024/25 £'000's	Forecast Closing Balance 31/03/25 £'000's
Planning Delivery Grant	The reserve is planned to be used to provide service improvements in Planning, and deliver the Local Plan.	62	0	62	0	62	0	62	0	62	0	62
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.	312	0	312	0	312	0	312	0	312	0	312
DFG top-up capital loans and grant fund	To support the provision of discretionary grants and loans to enable residents to adapt their home.	350	50	400	0	400	0	400	0	400	0	400
Restricted use grant	This reserves holds unspent grants received for specific purposes for which the spend has not yet been incurred.	935	-143	792	-4	788	-41	747	-20	727	-20	707
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	-285	1,269	0	1,269	0	1,269	0	1,269	0	1,269
Specific budget	This reserve is utilised as expenditure is incurred.	192	-30	162	2	164	-22	142	-36	105	0	105
LEGI	As costs are incurred, these are offset by the reserve.	124	-50	74	0	74	0	74	0	74	0	74
Repairs and Maintenance	This reserve is utilised as expenditure is incurred.	302	0	302	0	302	0	302	0	302	0	302
Waste Management	This reserve is utilised as expenditure is incurred in relation to the service.	25	0	25	-11	14	-11	2	-2	0	0	0
Collection Fund	Earmarked to mitigate the fluctuations in business rate and council tax income between years.	1,884	0	1,884	-100	1,784	0	1,784	0	1,784	0	1,784

Summary and Purpose of Reserve		Opening Balance 01/04/20 £'000's	Forecast Movement 2020/21 £'000's	Forecast Closing Balance 31/03/21 £'000's	Budgeted Movement 2021/22 £'000's	Forecast Closing Balance 31/03/22 £'000's	Budgeted Movement 2022/23 £'000's	Forecast Closing Balance 31/03/23 £'000's	Budgeted Movement 2023/24 £'000's	Forecast Closing Balance 31/03/24 £'000's	Budgeted Movement 2024/25 £'000's	Forecast Closing Balance 31/03/25 £'000's
Community Housing Fund	This represents grants previously received to assist with the delivery of Community Housing.	543	-30	513	-30	483	-30	453	-30	423	-30	393
Enforcement	Earmarked for enforcement related works to address issues and bring properties back into use.	42	0	42	0	42	0	42	0	42	0	42
Special Project Reserve	Earmarked as per the 2017/18 budget report for project spend and also for matched funding as appropriate.	554	-238	316	-118	198	-79	119	-26	93	0	93
Benefits/Revenues Reserve	Earmarking of grants and underspends to be used for the service and mitigation of subsidy impacts.	145	0	145	0	145	0	145	0	145	0	145
Homelessness	These Reserves are utilised as expenditure is incurred.	281	-102	179	-165	14	-14	0	0	0	0	0
Treasury Management reserve	This reserve is held to mitigate year on year fluctuations of investment income received.	200	0	200	0	200	0	200	0	200	0	200
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	-744	1,054	-257	797	-205	592	-205	387	0	387
Coast Protection	Established as part of the 2019/20 budget process for match funding and mitigate one-off costs in relation to coast protection.	115	-75	40	0	40	0	40	0	40	0	40
Empty Business Property Incentive Fund	Earmarking of funds to be used for incentivising bringing properties back into use. Policy to be developed.	100	0	100	0	100	0	100	0	100	0	100
Other Reserves	These Reserves are budget carry forwards to be used in future years	1,331	-139	1,191	-48	1,144	-10	1,134	0	1,134	0	1,134
Total GF Earmarked Reserves		10,848	-1,786	9,062	-732	8,330	-412	7,918	-319	7,599	-50	7,549
General Fund Reserve	Current recommended balance of £2.8 million (as at Feb 2020)	3,490	-449	3,041	-327	2,714	0	2,714	0	2,714	0	2,714
Total GF Reserves		14,338	12,266	12,104	-1,059	11,045	-412	10,633	-319	10,313	-50	10,263

Note: movement of General Fund Reserve in 2021/22 includes the £111,916 deficit on the General Fund as per the budget in Appendix A.

Policy Framework for the Earmarked Reserves and Assessing the Optimum Level of the General Reserve for the period 2021/22 to 2023/24

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.
- 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 appendix sets out the framework for considering a risk assessment approach and validating the result against a percentage calculation. At the end of the day, 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 Furthermore the impact of Covid should be taken into account when considering the recommended level of the general reserve. The budget has included the Covid funding that has been allocated to mitigate the impact of Covid to Local Authorities. The unknown impact of the effectiveness of the vaccination and lockdown on the spread of the virus presents a further uncertainty on the setting of the budget for 2021/22 and delivery of income and rental streams. This therefore needs to be taken into account when considering the factors that inform the setting of the general reserve level.
- 3.3.3 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 the framework should be reviewed as part of the 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 2021/22 to assess the recommended level of reserves:

<i>Item</i>	<i>2021/22</i>	<i>2022/23</i>	<i>2023/24</i>
1 Pay and Price Inflation (0.5% sensitivity to budget assumption)	140,000	140,000	140,000
2 Interest Rates & MRP (0.5% sensitivity to short term borrowing and profiling of capital spend and MRP impact)	150,000	150,000	150,000
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 Major Litigation and Legal Claims (to provide additional comfort above earmarked reserves)	100,000	100,000	100,000

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 compensating increase or reduction in expenditure or income)	700,000	700,000	700,000
7 Project Risks (To recognise the risks the Authority is facing in terms of partnership work and significant projects)	300,000	300,000	300,000
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	2,990,000	3,040,000	3,040,000
% of Net Budgeted Operating Expenditure (excluding parish precepts)	25%	25%	25%

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 2021/22 would be **£3 million**, this is slightly higher than the current recommended balance (of £2.8 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 2020/21 outturn position which will be reported on later in the year.

Appendix F - General Fund Capital Programme - Detail - 2020/21

Services & Projects	Budget Expenditure £000	2020/21 Expenditure £000		2021 Budget Financing - £000				2021/22 Onwards
	Updated 20/21 Budget	Actuals 20/21 at Period 9	Forecast 20/21	Borrowing	Grants & Contributions	Revenue/ Earmarked Reserves	Capital Receipts	(Roll forward from 20/21)
Childrens Playground Refurbishment	87	-	-	87	-	-	-	87
Cobholm Skate Park	99	94	98	74	-	-	25	-
Wellesley CCTV	15	-	-	15	-	-	-	15
Total: Neighbourhood Management	200	94	98	175	-	-	25	102
Rebuilding sections of Factory Rd/Belvedere Rd/Nth Denes Rd Gt Yarmouth Cemetery Wall	19	19	19	19	-	-	-	-
St Nicholas Minster West Boundary Wall	95	-	-	95	-	-	-	95
St Nicholas car park North Boundary Wall	25	-	-	25	-	-	-	25
Rebuilding sections of Great Yarmouth Cemetry Wall - East Road	9	0	9	9	-	-	-	-
Crematorium Roof Works	21	-	21	21	-	-	-	-
Crematorium Tearooms	444	8	50	444	-	-	-	394
Total: Customer Services	613	28	99	613	-	-	-	514
Health and Fitness Centre	24,509	1,862	4,500	20,759	3,750	-	-	20,009
The Waterways	33	29	33	-	33	-	-	-
Phoenix Pool & Gym car park extension	130	-	130	130	-	-	-	-
Town Deal	TBC							
Future High Street Fund	TBC							
Winter Programme	905	-	905	-	905	-	-	-
Great Yarmouth Preservation Trust Loans	340	340	340	340	-	-	-	-
Total: Inward Investment	25,917	2,230	5,908	21,229	4,688	-	-	20,009

Appendix F - General Fund Capital Programme - Detail - 2020/21

Services & Projects	Budget Expenditure £000	2020/21 Expenditure £000		2021 Budget Financing - £000				2021/22 Onwards
	Updated 20/21 Budget	Actuals 20/21 at Period 9	Forecast 20/21	Borrowing	Grants & Contributions	Revenue/ Earmarked Reserves	Capital Receipts	(Roll forward from 20/21)
Disabled Facilities Grants	1,385	309	692	0	1,362	-	22	692
Better Care Fund Projects	53	43	53	-	53	-	-	-
Empty Homes	511	0	250	483	-	-	28	261
DFG Top-up Grants	250	-	20	-	-	250	-	230
DFG Top-up Loans	150	-	20	-	-	150	-	130
Norfolk & Waveney Equity Loan Scheme	36	-	32	-	-	-	36	4
Equity Home Improvement Loans	545	-	50	-	-	-	545	495
HMOs /Guesthouse Purchase & Repair Scheme	1,912	128	225	1,912	-	-	-	1,687
Acquisition of property for transisitional housing	260	-	260	260	-	-	-	-
Community Housing Fund Loans	540	-	20	-	-	540	-	520
Total: Housing	5,641	480	1,622	2,655	1,415	940	632	4,019
ICT Investment to deliver GYBC ICT Strategy	779	177	500	779	-	-	-	279
Total: IT, Communications & Marketing	779	177	500	779	-	-	-	279

Appendix F - General Fund Capital Programme - Detail - 2020/21

Services & Projects	Budget Expenditure £000	2020/21 Expenditure £000		2021 Budget Financing - £000				2021/22 Onwards
	Updated 20/21 Budget	Actuals 20/21 at Period 9	Forecast 20/21	Borrowing	Grants & Contributions	Revenue/ Earmarked Reserves	Capital Receipts	(Roll forward from 20/21)
Public Toilet Refurbishment Programme	45	0	45	45	-	-	-	0
Footway Lighting	382	123	382	382	-	-	-	0
Gorleston High Street car park resurfacing	6	-	-	6	-	-	-	-
Esplande Resurfacing	296	-	-	296	-	-	-	296
GY Flood Defence Scheme Epoch 2	50	50	50	50	-	-	-	-
Beach Huts	86	22	86	86	-	-	-	0
Council Chamber relocation	122	4	122	122	-	-	-	0
Gorleston Paddling Pool /Splash Pad	10	-	10	10	-	-	-	-
Beacon Park Projects	500	3	10	380	120	-	-	490
Market Place Redevelopment	4,477	194	500	3,377	1,100	-	-	3,977
North Quay Redevelopment	2,361	10	500	2,361	-	-	-	1,861
Winter Gardens	907	43	500	807	-	100	-	407
Hopton Section 106 funded playground works	-	-	-	-	-	-	-	-
Energy Park - South Denes	1,845	4	100	1,845	-	-	-	1,745
Total: Property & Asset Management	11,088	453	2,305	9,768	1,220	100	-	8,777
Overall Total	44,239	3,462	10,532	35,219	7,323	1,040	657	33,701

2021/22 Capital Bids

Project	Service	Approval Process *	Budget 2021	Budget 2122	Borrowing	Funding Revenue	External	Budget 2223	Funding Borrowing	Potential Savings	Revenue income & Costs inc MRP	NOTES/ SUMMARY OF PROPOSAL
ICT	ICT	Already Approved		£1,000,000	(£1,000,000)	£0	£0	£0	£0	£0	£142,857	£1m approved as part of the medium Financial Strategy, draw down will be in line with business approval via the IT Investment Group
Disabled Facility Grants	Housing	Already Approved		£1,200,000	£0	£0	(£1,200,000)	£0	£0	£0	£0	Estimate of amount as not agreed yet £1,188k in 2021 & 1920.
Footway Lighting Column Replacement / LED Upgrade	Property Asset Management	Already Approved		£300,000	(£300,000)	£0	£0	£100,000	(£100,000)	£0	£0	£300k approved for 21/22 as part of 20/21 budget setting plus £100k in both 22/23 & 23/24
HR & Payroll System replacement	Organisational Development	Business Case Required to ITIG		£114,545	(£49,545)	(£65,000)	£0	£0	£0	£0	£6,193	The procurement of a new HR and payroll system to update the current system which has been in place for circa 15 years which will deliver efficiencies within the organisation.
HR Job Evaluation System	Organisational Development	Budget Setting		£20,940	(£20,940)	£0	£0	£0	£0	£0	£1,195	Job evaluation software to replace the current paper based, process and procedures to provide a more efficient, effective and streamlined job evaluation service across the organisation.
Town Centre CCTV	Communities	Budget Setting	£179,837	£76,163	(£76,163)	(£40,000)	(£139,837)	£0	£0	(£20,000)	£8,000	The CCTV equipment is the property of Great Yarmouth Borough Council at the end of its lease and is in need of upgrading and replacement. The budget request is for digital cameras, software and data recording/storage. Various funding sources have already been secured and others are in development for the project. It is anticipated that a saving on the current management & maintenance contract could be made following the investment.
Crematorium - Re-Roofing to main chapel and all remaining flat roof areas	Customer Services	Business Case Required		£100,000	(£100,000)	£0	£0	£0	£0	£0	£4,500	The Crematorium provides an important service within the borough, but the roof areas are at the end of their life expectancy with some areas leaking. The capital bid is for the re-roofing of the chapel roof and redecoration of the high level stone fenestration. Without these works there will be continuing costs involved to monitor and emergency patch repair the roof areas as leaks occur leading to disruption to services and associated localised scaffolding/platform costs to gain temporary safe access to repairs well as increased maintenance costs for internal repairs likely due to water damage. Valuation based on quote for works.
Noise meter replacement	Environmental Health	Budget Setting		£10,665	(£10,665)	£0	£0	£0	£0	£0	£2,033	This bid is for the purchase of two new type 1 noise meters and nuisance monitoring kits to replace the existing units which are now becoming obsolete and breaking down on a regular basis. These noise meters are key to undertaking our statutory duty to investigate noise nuisance complaints and without these the Council would struggle to adequately gather the evidence we need to tackle noise nuisance and ASB related cases and undertake its statutory function.

2021/22 Capital Bids

Project	Service	Approval Process *	Budget 2021	Budget 2122	Borrowing	Funding Revenue	External	Budget 2223	Funding Borrowing	Potential Savings	Revenue income & Costs inc MRP	NOTES/ SUMMARY OF PROPOSAL
Mobile CCTV	Environmental Health	Budget Setting		£15,000	(£15,000)	£0	£0	£0	£0	£0	£4,875	Fly tipping, misuse of bins and litter are significant problems across areas of the Borough and tackling these Enviro crimes is a priority for the Council. A member working group identified hotspot locations where it was felt that specific interventions were needed to tackle these long-term issues and try and find a sustainable solution. This bid is for two deployable dome CCTV camera units to be used at multiple locations across site to gather evidence and act as a deterrent in relation to these enviro crimes.
Replacement of vehicles (used by Environmental Health, Events, Car Parking & Property)	Environmental Health	Business Case Required		£147,000	(£142,000)	£0	(£5,000)	£0	£0	£0	£54,550	The Council currently has seven vehicles across four service areas (Environmental Services, events, Car Parks and property services) that are due for replacement or coming to the end of their lease. This bid proposes reviewing the service requirements for the vehicles along with the type which could include replacing with electric vehicles which could significantly reduce the fuel bill and carbon footprint of the Council whilst also making a saving over the 5 years.
Wellesley Recreation Grounds	Communities	Business Case Required		£303,000	(£303,000)	£0	£0	£0	£0	£0	£28,000	The Wellesley Recreation ground is a key outdoor sports and leisure site for the Borough. A feasibility study for the site was commissioned in 2018 and finalised in 2019 detailing a number of options for investment and management of the site. To take this project forwards in its entirety it will require significant investment from the Council and other funding partners. The full business case is due to be completed, for the meantime it is recommended that an allocation be included in the capital programme which could be used as match funding to attract external funding.
External Redecoration & Repair of The Wellesley Grandstand	Property Asset Management	Budget Setting		£74,000	(£74,000)	£0	£0	£0	£0	£0	£17,000	The Wellesley Grandstand is a Grade II listed building. The building was extensively repaired in 2010 which included structural repairs to the timber frame. Since then, the building has had few repairs undertaken and is now in need of urgent redecoration. This bid is for external redecoration and for any pre-decorative repairs necessary.
Phoenix Pool car park soak away	Property Asset Management	Budget Setting		£40,000	(£40,000)	£0	£0	£0	£0	£0	£2,333	During sharp downpours the existing car park soakaway struggles to cope with the volume of water and consequently the water takes time to drain away. This capital bid seeks to rectify this issue by constructing a new soakaway so that surface water from the car park can drain away without the potential to flood. There are options available to reduce the funding required for the work but this would be subject to permissions/licences etc from the school. All viable options will be considered ahead of the works being completed.
Refurbish Tower Toilets, including changing places facilities	Property Asset Management	Business Case Required		£160,000	(£160,000)	£0	£0	£0	£0	£0	£9,333	This bid seeks to provide funding to complete the wider review of public convenience provision across the borough including renewing the roof covering and roof-lights to the Tower public conveniences, along with interior works.

2021/22 Capital Bids

Project	Service	Approval Process *	Budget 2021	Budget 2122	Borrowing	Funding Revenue	External	Budget 2223	Funding Borrowing	Potential Savings	Revenue income & Costs inc MRP	NOTES/ SUMMARY OF PROPOSAL
Replacement Lighting - Assembly Room, Town Hall	Property Asset Management	Budget Setting		£45,000	(£45,000)	£0	£0	£0	£0	£0	£4,125	The Assembly Room hosts general meetings, civic events, conferences and other functions including weddings. Currently of the total number of LED lamps (108 lamps) providing illumination only 56% (ie 60 lamps) are operational. This has lead the Assembly Room's capacity for use to be reduced. It should also be noted that 8 of these luminaires are utilised to provide emergency lighting. The failure is a combination of failed lamps and control gear both of which are contained within the suspended luminaires and only accessible by use of scaffolding. Due to their age replacement component parts are no longer available. This capital bid proposal is for the replacement of the lighting scheme which would restore full functionality of the Assembly Room and provide a lighting installation with improved control and reduced repair and maintenance costs.

£179,837 £3,606,313 (£2,336,313) (£105,000) (£1,344,837) £100,000 (£100,000) (£20,000) £284,995

Approval summary	Budget 2021	Budget 2122	Borrowing	Funding Revenue	External	Budget 2122	Funding Borrowing	Potential Savings	Revenue income & Costs inc MRP	Approval Process
Already Approved	£0	£2,500,000	(£1,300,000)	£0	(£1,200,000)	£100,000	(£100,000)	£0	£142,857	No further reporting required.
Budget Setting	£179,837	£281,768	(£281,768)	(£40,000)	(£139,837)	£0	£0	(£20,000)	£39,562	No further reporting required.
Business Case Required to ITIG	£0	£114,545	(£49,545)	(£65,000)	£0	£0	£0	£0	£6,193	Proposals to be reported to the ITIG to release funding.
Business Case Required	£0	£710,000	(£705,000)	£0	(£5,000)	£0	£0	£0	£96,383	Full business case required prior to release of funding.
Total	£179,837	£3,606,313	(£2,336,313)	(£105,000)	(£1,344,837)	£100,000	(£100,000)	(£20,000)	£284,995	

Minimum Revenue Provision Statement 2021/22

Annual Minimum Revenue Provision Statement 2021/22

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 2021/22 will not be subject to a MRP charge until 2022/23.

Based on the Authority's latest estimate of its capital financing requirement (CFR) on 31st March 2021, the budget for MRP has been set as follows:

	31.03.2021 Estimated CFR £m	2021/22 Estimated MRP £
Capital expenditure before 01.04.2008	13.2	0.5
Supported capital expenditure after 31.03.2008	51.3	1.1
Total General Fund	64.5	1.6
Housing Revenue Account	88.7	N/A
Total	153.2	1.6