

Subject: 2020/21 BUDGET REPORT

Report to: Management Team 20 January 2020
Policy and Resources Committee - 4 February 2020
Full Council - 20 February 2020

Report by: Finance Director

SUBJECT MATTER AND RECOMMENDATIONS

This report presents for consideration and recommendation to Full Council the 2020/21 budget. The report includes details of the provisional finance settlement along with the key assumptions that have been made within the budget.

The position as presented requires a transfer of £150,458 from the general reserve.

The Council's budget is set for approval each year, it is presented to Policy and Resources Committee for recommendation to Full Council alongside the setting of the Council Tax for the forthcoming year.

The budget has been produced based on a number of assumptions as detailed within the main body of the report and also reflects the provisional finance settlement announced on 20 December 2019. The final settlement is due to be announced early February and any amendments to the figures included in the report will be updated at the meeting as applicable and reflected in the Council Tax setting report to Full Council in February 2020.

The report also recommends an updated capital programme for the current and future years after allowing for slippage of schemes between financial years and approval for new capital bids and projects.

The report also outlines the risks facing the Council in setting the budget and forecasting future spending plans and resources.

Recommendations:

A) It is recommended that Policy and Resources Committee agree and recommend to Full Council:

- 1) The 2020/21 general fund revenue budget as outlined at Appendix A;**
- 2) The Council Tax for 2020/21 for the Borough Council tax be £166.48 (for an average Band D);**
- 3) That the demand on the Collection Fund for 2020/21 be:**
 - a. £4,835,911 for the Borough Council purposes;**
 - b. £474,871 for Parish Precepts;**
- 4) The statement of and movement on the reserves as detailed at Appendix E and within section 8 of the report;**
- 5) The Policy framework for reserves as detailed at Appendix F;**
- 6) The updated Capital Programme and financing for 2019/20 to 2020/21 as detailed at Appendix G;**
- 7) New capital bid proposals at Appendix H;**

8) The prudential indicators and minimum revenue provision policy as detailed at Appendix I.

1. Introduction and Background

- 1.1 This report presents for recommendation the detail of the 2020/21 revenue budget and the indicative projections for the following two financial years.
- 1.2 An updated Capital Programme has also been included, which takes account of slippage of schemes between financial years. Details of new capital schemes are included within the report and appendices for approval. Recommendations from this report will be made to Full Council on 20 February 2020 as part of the annual Budget and Council Tax setting.
- 1.3 The financial projections for the period 2019/20 to 2021/12 were presented to Members in February 2019 alongside the budget for 2019/20. These provided indicative forecasts for the future taking into account the then planned change to the funding regime and the greater level of retained business rates income. The Medium Term Financial Strategy (MTFS) covering the period 2020/21 to 2022/23 was presented to Members for consideration in November 2019. At that time there was a forecast gap of £640,000 for 2020/21 after allowing for known spending pressures highlighted from the in-year budget monitoring along with revised assumptions of funding for 2020/21 including a roll forward of the 2019/20 funding due to the delays to the fair funding review and review of business rates.
- 1.4 Since then the detailed work on the 2020/21 budget has been carried out, including consideration of fees and charges for current and future financial years and also taking into account the impact of the provisional local government finance settlement, resulting in the recommended budget for 2020/21.
- 1.5 Appendix A provides a general fund summary for 2020/21 with more detail within Appendix B which also provides commentary on the more significant movements compared to the 2019/20 base budget.
- 1.6 During 2020/21 there will be further consultations and announcements on the future funding of local government to be informed by the fair funding review and review of business rates. The outcomes of these key pieces of work is pivotal to the future funding of local government and updates will be provided as part of the future financial planning. At such time as the details are made available, the financial projections for 2021/22 onwards will be revised and updated.

2. Provisional Local Government Finance Settlement 2020/21

- 2.1 The provisional finance settlement (year four of the multi-year settlement which the Council accepted) was announced by the Ministry for Housing Communities and Local Government on 20 December 2019. The final settlement is normally confirmed early February. Where applicable, any changes resulting from the final settlement will be reflected in the budget report to Full Council on 20 February 2020.
- 2.2 The following summarise some of the key messages from the settlement statement and the subsequent analysis:
 - a) Council Tax Referendum Limit – This was confirmed as the higher of 2% or £5 for 2020/21 for shire districts and confirmed no limits for parish and town councils but for these to remain under review;

- b) New Homes Bonus – Confirmation of a further year of NHB with the 0.4% threshold for growth is still used and no legacy payments for the 2020/21 allocation;
- c) Core Spending Power – The figures announced indicate that the Core Spending Power will rise by an average of 6.6% in 2020/21, on the basis that Councils will raise council tax by the maximum amount permitted without a referendum and allowing for additional social care funding. For GYBC CSP for 2020/21 has increased by 2.9%. This is due to allocation of a new homes bonus payment for 2020/21, increase to council tax and an increase to the revenue support grant;

2.3 The settlement includes a measure referred to as 'Core Spending Power'. This is essentially the Government's measure of core revenue funding components for local government consisting of the following (*applicable sources for GYBC):

- Revenue Support Grant*
- Retained Business Rates*
- Section 31 grants to compensate for historic caps on business rates multiplier increases and uprating of the multiplier by Consumer Price Index (CPI) instead of by Retail Price Index (RPI) from April 2018*;
- New Homes Bonus*
- Improved Better Care Fund Income
- Rural Services Delivery Grant
- Assumed income from Council Tax* – allowing for tax base growth, annual increases to the council tax to the referendum limits, and adult social care precept.

2.4 Table 1 provides a summary of the Core Spending Power (CSP) for GYBC as included in the provisional settlement announcement.

Table 1 - Core Spending Power	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000
Settlement Funding Assessment	8,135	7,255	6,593	6,239	5,808	5,903
Compensation for under-indexing the business rates multiplier	51	51	54	85	123	154
Council Tax of which;	3,831	3,914	4,142	4,391	4,612	4,860
Council Tax Requirement excluding parish precepts (including base and levels growth)	3,831	3,914	4,085	4,319	4,527	4,720
potential additional Council Tax from £5 referendum principle for all Districts	-	-	57	73	85	140
New Homes Bonus	1,157	1,377	1,063	628	427	373
New Homes Bonus returned funding	11	8	9	-	-	-
Core Spending Power	13,185	12,605	11,861	11,343	10,970	11,290
Change since 2015-16 (£ millions)					-	1,895
Change since 2015-16 (% change)						-14.4%

2.5 The Core Spending power for 2020/21 assumes growth in the tax base and increases of Council Tax up to the referendum limit. The actual amount for 2020/21 will be £4,835,911, slightly below the level assumed in the core spending power assumptions.

2.6 The settlement funding assessment represents the Council's share of local government's overall control total and is made up of revenue support grant and baseline funding (from retained business rates). Table 2 below provides a breakdown of the Settlement Funding Assessment which consists of RSG and Business Rates Baseline funding.

Table 2 Settlement Funding Assessment	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000
Settlement Funding Assessment:						
Revenue Support Grant		3,740	3,007	2,545	2,029	2,062
Baseline Funding Level		3,515	3,587	3,694	3,779	3,841
Total Settlement Funding Assessment *	8,135	7,255	6,593	6,239	5,808	5,903
Movement - Year on Year						
Revenue Support Grant £ (Reduction)			(733)	(462)	(516)	33
Revenue Support Grant % Reduction			-19.6%	-15.4%	-20.3%	1.6%
Baseline Funding Level £ Increase			72	108	85	62
Baseline Funding Level % Increase			2.0%	3.0%	2.3%	1.6%
Total Settlement Funding Assessment (Reduction) £		(880)	(661)	(354)	(431)	95
Total Settlement Funding Assessment (Reduction) %		-10.8%	-9.1%	-5.4%	-6.9%	1.6%

3. New Homes Bonus

- 3.1 The New Homes Bonus was introduced in 2011/12 to incentivise and reward Councils and Communities that build new homes in their area, being payable as an un-ring fenced grant. At the start of the scheme the bonus was paid for six years, reducing to a four-year grant in recent years. The bonus is based on the net additional homes (net of new homes and changes in long term empty properties) plus an additional supplement of £350 per affordable dwelling. The payment allocated between local authority tiers: 80% to the lower tier (GYBC) and 20% to the upper tier (Norfolk County Council).
- 3.2 A threshold baseline of 0.4% growth was introduced to the system of NHB funding from 2017/18 whereby each Local Authority needed to achieve growth of above 0.4% to receive a payment of NHB. For the last two years the Council has not met the baseline and therefore only received payment for the delivery of affordable properties.
- 3.3 The provisional settlement announcement confirmed a further year of NHB funding for 2020/21 for one year only and for GYBC this equates for £166,266 as the Council has achieved growth above the baseline. The following provides a summary of the 2020/21 allocation.

Table 3	2019/20	NHB Grant	2020/21	NHB Grant
Net Additions (units) [a]	108		298	
Empty Homes (increase of) [b]	51		1	
Total Units Added [c=a-b]	57		297	
Units for Reward (above baseline)	0		117	£163,186
Affordable Units	25	£7,000	11	£3,080
Legacy Payments		£419,641		£206,244
Total Payment		£426,641		£372,510

- 3.4 From the settlement announcement there is a clear expectation that the current NHB will be reviewed and replaced and likely that NHB will have disappeared in entirety from 2022/23.
- 3.5 Table 4 provides details of the Council's allocations of NHB for 2020/21 including previous years' payments.

Table 4 – New Homes Bonus – Allocations to date

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2011/12	274	274	274	274	274	274				
2012/13		234	234	234	234	234				
2013/14			321	321	321	321	321			
2014/15				119	119	119	119			
2015/16					208	208	208	208		
2016/17						220	220	220	220	
2017/18							194	194	194	194
2018/19								5	5	5
2019/20									7	7
2020/21										166
Total	274	508	829	949	1,157	1,377	1,063	628	427	373

4. Business Rates Retention

- 4.1 The current scheme of Business Rates Retention came into operation in April 2013 which introduced the allocation of business rates in the following shares - 50% central government; 40% GYBC and 10% Norfolk County Council. GYBC has been part of the 75% business rates pilot for Norfolk for 2019/20, this has been confirmed as a one-year pilot only. The 2020/21 budget reflects the 50% retention system.
- 4.2 There is still the intention to move to 75% rates retention and although the implementation date has slipped to April 2021, there is expected to be further consultations and announcements during 2020/21. The impact of moving to 75% business rates retention in 2021/22 for all authorities will mean the rolling in of a number of grants to the funding system, including the Revenue Support Grant.

5. Savings and Additional Income

- 5.1 The 2020/21 budget assumes the continuation of savings and additional income identified and approved as part of previous budget setting processes which are now included in the base budget as business as usual. The current financial business strategy identifies the following themes that are priorities for the Council in delivering future efficiencies and savings to reduce the forecast budget gap.
- Strategic Asset Management** – To ensure that income streams from all of the Council's asset holdings are maximised and costs minimised. Identify development opportunities from new investment or assets which are underperforming for potential disposal; adding value to strategic assets; the key aim is to identify the most efficient way to utilise the Council's assets and maximise the return that the Council receives from them.
 - Economic Growth** – To enhance and protect the funding from business rates and identify opportunities to encourage new growth in the Borough, including the Enterprise Zones and other areas and to support new housing growth.
 - Housing Growth** – To maximise income from the New Homes Bonus and collection of Council Tax, increasing the Council Tax base, ensuring a strategy to support housing development in line with planning policy, whilst minimising empty homes across the Borough.
 - Property Investment and Commercialisation** - Identify opportunities for investment in properties, whether direct or indirect, to achieve an income stream or improved returns on investment.

- e) **Technological Investment** - Enhancement and development of IT including the website to aid flexible working and access to services, ensuring linkages to the digital strategy.
- f) **Shared Services, Selling Services and Partnership** - Identifying opportunities for sharing services at a local level to allow a strengthened approach to working with communities and partners in the voluntary sector to drive better outcomes for local residents; reduce avoidable demand on council services and secure investment to drive new partnerships with partners and communities to deliver corporate ambitions.
- g) **GYBC Operating Model** - Making sure the Council operates as effectively and efficiently as possible through:
 - Digital by Design - Provision of on-line services for residents, businesses and visitors, allowing the ability to work remotely using a range of devices which automate processes and support joined-up working, and mobile solutions.
 - Procurement and Contract Management - To review current contracts in place and the arrangements for managing these contracts i.e. through a joint venture or formal contract management.
 - Enforcement Strategy - Co-ordinated approach to issues such as tackling homes and properties which blight areas and may contribute to anti-social behaviour, including a programme of work to bring empty homes back into use and to deliver new housing developments to grow the Council's tax base.
 - Efficiencies – ensuring the council operates in an efficient and effective manner, reviewing provision of services in a proactive way.

5.2 As part of the budget process, savings and additional income proposals were invited from Heads of Service for consideration over the short to medium term. A schedule of the savings proposals from this process are detailed in Appendix C for approval as part of the 2020/21 budget process. As part of the budget review and savings process a number of income and expenditure budgets have been updated to more accurately reflect current plans. These have been included as part of the proposals at Appendix C. Where applicable the timing of delivery of the proposal has been updated to reflect part year savings where lead-in time is required for implementation. In addition, some proposals require upfront one-off funding, where applicable the reserves statement allows for allocations from reserves.

5.3 Full Council in December approved the new Fees and Charges policy from 2020/21. The revised policy provides the flexibility for annual increase of RPI plus up to 2% in line with some key principles including taking into account market conditions and cost recovery.

6. Revenue Account Base Budget – 2020/21

6.1 The detail of the general fund revenue account budget now presented for approval is included within Appendices A and B to the report. Appendix A shows a high level summary of the revenue budget for 2020/21 supported by further details on the individual service budgets at Appendix B which shows the movement compared to the 2019/20 base budget.

6.2 The capital programme is presented in more detail at section 8 which includes both an update to the current capital programme along with new capital schemes and the financing of the programme. The revenue implications of the capital programme have been allowed for within the budget now presented for approval.

6.3 The revenue budget for 2020/21 makes a number of assumptions, the more significant ones are as follows:

- a) **Council Tax** – The budget assumes an increase in the Borough element of Council Tax in 2020/21 of £5 for a band D property, based on the tax base of 29,048 (an increase of 488 compared to 2019/20) as approved in December 2019. This means that the borough element for a band D Council Tax for 2020/21 would be £166.48 (an increase of £5, 3.1% compared to 2019/20). Further details on the profile and level of council tax for the individual bandings is included at section 6. After allowing for tax base growth and £5 increase the budget assumes an additional £224,000 funding compared to 2019/20.
 - b) **Employee budgets** – The budget assumes a 2% pay award for 2020/21, although a local agreement on pay has yet to be agreed. As a guide a 0.5% sensitivity to the pay award equates to approximately £45k per annum. An allowance has been made to reflect vacancy/turnover savings of £280,000 which equates to turnover of approximately 2.3%. Where annual increments are due these have continued to be factored into the budget. The apprenticeship levy is payable at a rate of 0.5% by all employers where the pay bill is over £3 million. The authority has been able to access training and development for employees that is funded from the levy, at least to the level of levy that is payable.
 - c) **Fees and Charges** – The revised fees and charges policy for the period 2020/21 to 2024/25 was approved by Council in December 2019. The policy provides for the general principle of setting fees to cover the cost of delivery allowing for annual increases of RPI plus up to 2%. The fees and charges for 2020/21 are included as a separate item on this agenda.
 - d) **Contract inflation** – Where applicable contract inflation has been factored into the budget and forecasts.
 - e) **Interest and Minimum Revenue Provision (MRP)** – A total of £1.278 million interest payable is included in the budget for 2020/21 which reflects the current long-term debt portfolio and new temporary borrowing in line with the capital financing requirement as per the current treasury management strategy. The MRP budget of £1.514 million reflects the current programme of capital budgets along with planned expenditure in the current year. The new schemes that have been put forward for 2020/21 for approval have been allowed for within the future MRP forecasts. Some of the capital proposals will be subject to further detailed business cases ahead of works commencing.
- 6.4 The General Fund Summary presented at Appendix A shows a budget for 2020/21 which is summarised in Table 5 with the equivalent figures from the 2019/20 base budget.

Table 5 – Variance of 2019/20 to 2020/21 Base Budget	2019/20 Base Budget	2020/21 Base Budget	Variance
	£000	£000	£000
Net cost of services (incl. Parishes)	12,590	12,869	279
Non service expenditure/ income	(133)	1,059	1,192
Contributions to/(from) Reserves	(526)	(794)	(268)
Net budget requirement	11,932	13,135	1,203
Funded by:			
Local Taxpayers - Parishes	(429)	(475)	(46)
Local Taxpayers - District Council	(4,612)	(4,836)	(224)
Revenue Support Grant & Retained Business Rates	(6,377)	(7,301)	(924)
New Homes Bonus	(427)	(373)	54
Total Income	(11,844)	(12,984)	(1,140)
(Surplus)/ Deficit	87	150	63

7. Council Tax

- 7.1 As detailed in section 2, the core spending figures as included in the provisional finance settlement reflects increases to council tax annually by the higher of 2% or £5 per annum. The budget for 2020/21 assumes a band D council tax increase of £5. This is line with the previous financial projections and the 2020/21 MTFS as presented in November 2019. For 2020/21 it is recommended that the band D Council tax for the borough's element be set at £166.48. Appendix D provides a summary of the band D council tax for 2020/21 including the impact of the parish precepts. At the time of producing this report there were only two parishes yet to finalise their precept, the final figures will be included in the council tax setting report to Council on 20 February 2020.
- 7.2 The Council Tax Base of 29,048 Band D equivalent properties for 2020/21 (28,560 for 2019/20) was approved by Full Council in December 2019. The summary below shows the equivalent charge for the council tax bandings for the 2020/21 charge compared to the current charges for the Borough Council element only. The profile of property bandings across the borough is weighted towards the lower property banding, approximately 60% of properties are within bands A and B.

Table 6– Council Tax Summary 2020/21	£000
Total District amount to be met from Government Grant & Local Taxation	12,660
Less:	
Funding (Business Rates & RSG)	(7,301)
New Homes Bonus	(373)
District call on Collection Fund – excluding Parish Precepts	(4,836)
Deficit (to be funded from reserves)	150

8. Reserves

- 8.1 The statement of reserves for the general and earmarked reserves is attached at Appendix E. This details the planned use of reserves in the current financial year along with the budgeted movements in 2020/21, and proposed movements where known in the following three financial years.
- 8.2 There are three main reasons for holding reserves:
- To provide a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of the General Fund Reserve;
 - A contingency to cushion the impact of unexpected events or emergencies – this also forms part of the General Reserve;
 - As a means of building up funds, referred to as earmarked reserves, to meet known or predicted requirements. Earmarked reserves are accounted for separately but remain legally part of the General Fund. The title of the earmarked reserve generally reflects the purpose for which the balance is being maintained.
- 8.3 The Council also maintains a Housing Revenue Account reserve which was detailed in the HRA budget report to Housing and Neighbourhoods on 22 January 2020.
- 8.4 As part of considering the budget for 2020/21 the balance in the general and earmarked reserves should be taken into account. The level of reserves and unallocated balances provide a cushion as referred to above and to mitigate against unforeseen fluctuations in income and where for example savings do not come into fruition as planned in terms of the timing or amount.
- 8.5 The updated recommended balance in the general reserve is £2.8 million and has been informed by the policy framework for reserves and is included at Appendix F to this report. The framework takes into account a number of factors and sensitivities included in the base budget for 2020/21.
- 8.6 The balance in the general reserve at 1 April 2019 was £3.05 million. The Council holds a number of more significant reserves including:
- a) **Invest to Save** – An invest to save reserve is maintained to provide a source of funding to fund one-off costs on an invest to save basis that will deliver future efficiencies and savings to the Council. The forecast balance at March 2021 is £1.23 million.
 - b) **Collection Fund (Business Rates)** – As mentioned earlier in the report the level of funding that is received from retained business rates is subject to fluctuations between years and also influenced by factors outside of the direct control of the Council. This reserve provides a fund as required to mitigate the significant variations between years and to reduce the impact of appeals from previous years and also as funding that can be directed to increase the Council's business rate base in preparation for the implementation of a greater share of retained business rates income from 2021. The forecast balance at March 2021 is £1.26 million
- 8.7 The reserve statement at Appendix E shows the current position after allowing for the recommended movements as detailed above. It should be recognised that funding the budget from the use of reserves is not a long-term sustainable position.
- 8.8 The Council continues to hold a number of earmarked reserves for specific 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, and as allocations are made the overall reserves position and financial position will be updated as part of the in-year budget monitoring reports.

- 8.9 A comprehensive statement about the adequacy of the reserves and recommended balance will be included within the Chief Financial Officer's report, which forms part of the annual Council Tax and Budget report to Full Council in February.

9. Capital

- 9.1 A revised capital programme for the current year is provided at Appendix G to the report. The capital programme has been updated to take into consideration changes identified within the current financial year, where timing of projects has not been as planned, and where budgets have slipped between financial years.

Current 2020/21 Capital Programme

- 9.2 Appendix G includes a summary of the 2020/21 capital programme (excluding new bids), slippage on the 2019/20 capital programme and capital projects approved as part of prior year budget setting. This results in a 2020/21 capital budget of £29m, of which £5m is financed from capital funding sources and the remainder is to be financed by borrowing.

New Capital Schemes

- 9.3 In addition to the existing 2020/21 capital programme, approval is also being sought for a number of new capital projects for 2020/21, and subsequent years as identified within the Capital Appendix H.
- 9.4 The total of the estimated project costs for 2020/21 associated with these capital bids is £2.5m with £1.2m to be funded by unsupported borrowing.
- 9.5 Of these proposed projects, £2m are seeking approval from the 2020/21 budget setting process. It should be noted that £1.2m of the £2m relates to disabled facilities grant capital works which are funded by external funding and is a statutory requirement.
- 9.6 The remaining £0.5m of the proposed projects require business cases to support their approval but are included in Appendix H for information.
- 9.7 New capital receipts will be monitored as part of the ongoing budget monitoring process, and where applicable, recommendations will be made to amend the capital programme and its financing.

Capital Programme Funding

- 9.8 There are a number of sources of funding available to fund the capital expenditure. The following outlines those which are available to the Council:
- a) External Contributions or Grants – e.g. from third party organisations.
 - b) Reserves – Available capital and revenue reserves can be used to fund capital expenditure.
 - c) 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.
 - d) 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.

- 9.9 Alongside the budget for 2020/21 the Minimum Revenue Provision Statement and Prudential Indicators for the same period are presented for approval. These are included at Appendix I.

10. Future Financial Forecasts

- 10.1 As flagged earlier in the report the future funding for Local Government from 2021/22 will be subject to the outcome of significant pieces of work underway nationally, namely, Fair Funding Review and Business Rates Retention. The detailed impact of these reviews will not be known until later in 2020 and therefore at this time no further financial forecasts are presented at this time.
- 10.2 Fair Funding Review – The fair funding review will set the new funding baselines for all Local Authorities. It will take into account a number of factors and assessments of individual authorities' relative needs and resources.
- 10.3 Business Rates Retention – The government previously announced the shift to a greater proportion of rates being retained locally from 2020/21. This has been delayed until 2021/22 and the impact of this will not be known until later in 2020.
- 10.4 The future of the New Homes Bonus as a source of funding is not known, however there is an expectation that the current allocations will be removed by 2022/23.
- 10.5 The report (section 4) detailed a number of workstreams and projects that are being delivered over the short to medium term that will help to deliver future savings and additional income to reduce the forecast funding gap. These workstreams will be continuing and identification of potential savings and income factored into future financial projections.
- 10.6 Once further detail of the impact of the fair funding review and business rates retention system have been announced, the Medium Term Financial Strategy will be updated to reflect the new level of baseline funding available to the Council and work will then commence in early 2020/21 to review current and future spending plans for the 2021/22 budget process. This will also be informed by the outcome of the Future High Streets Funding application process and the Stronger Towns Fund to ensure that the Council has the resources to deliver against the programmes if it is successful and also realise the benefit.

11. Financial Implications and Risks

- 11.1 The overall budget for the general fund as presented requires a transfer from reserves in 2020/21 of £150,458. The actual general fund reserve balance is forecast to be just under £3 million at the end of 2020/21 which is slightly above the recommended balance of £2.8 million for the year. The budget as presented allows for the use of reserves to fund upfront costs which will enable the delivery of ongoing savings. Use of reserves is not a long term solution for setting a sustainable budget.
- 11.2 The Council faces and will continue to face significant financial challenges with increased risks around funding streams. The following outlines the more significant risks faced by the Council in the short to medium term and in particular those that could have an impact on delivery of the 2020/21 budget.
- 11.3 **Future Funding** – 2020/21 funding is based on a one-year finance settlement following the rollover of the previous four-year settlement for the period 2016/17 to 2019/20. 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 2020/21 there will be further consultations and exemplifications of the impact to individual authorities and also reduces the ability to make accurate forecasts for future funding gaps. The timing is not yet confirmed and therefore the financial projections for 2021/22 onwards will be updated as announcements and modelling is carried out. The future funding gaps still remain a risk to the overall funding for Local Government.

- 11.4 **New Homes Bonus** – The provisional settlement has confirmed the allocation of NHB for 2020/21 including an element for the net growth and delivery of affordable homes. Future new allocations are not assumed pending a review of the current system during 2020/21 with the current scheme assumed to be phased out by 2022/23. 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.
- 11.5 **Business Rates** - Funding fluctuations from business rate income continues to be a prevalent feature of the funding of local authorities. The impact of appeals only exacerbates this risk and this applies to current appeals 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.
- 11.6 **Savings and Additional Income** – The Council has continued to deliver savings and efficiencies from a number of projects in line with themes within the business strategy. Savings and additional income have been included in the budgets in previous years and are now part of the overall base budget position. New savings and income from services totalling £200k have been factored into the 2020/21 budget increasing to £220k from 2021/22. This is in addition to the savings from previous budget processes that continue to be monitored. It is critical that the delivery of these savings is closely monitored by Officers and Members, for example through the various monitoring reports.
- 11.7 **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. 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.
- 11.8 **Budgeted Income** – The annual revenue budget is dependant upon achieving significant levels of income from a number of demand led areas, for example car parking, planning and building control, crematorium and property rentals from council assets. Whilst budgets have been based on previous actuals and knowledge of current service delivery, income is monitored closely to allow any corrective actions to be taken in year if required. 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.

- 11.9 **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.
- 11.10 **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 £25 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 mitigate through the use of the earmarked reserve.
- 11.11 **Partnerships and Outsourced Service Provision** – The Council has some significant partnership/joint ventures that are essential for the delivery of services internally and externally, namely GYBS, GYN and provision of ICT services by Norfolk County Council. It is essential that these arrangements are closely monitored to support the delivery of services and also to ensure that the impact of local decisions on these arrangements are considered as part of the decision making process.

12. Conclusions

- 12.1 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 2020/21 along with high level financial forecast for the future financial years. The budget has been informed by the one-year provisional finance settlement for 2020/21.
- 12.2 The report provides an overview of the risks that are facing the Council in the short to medium term, the most significant being the future funding for local government and the move towards a greater share of rates retention from 2021.

13. Background Papers

- 13.1 The budget report has been informed in the main by the following:
- a) 2018/18 Outturn Report
 - b) In year budget monitoring reports
 - c) Medium Term Financial Strategy
 - d) National Non-Domestic Rates returns
 - e) Provisional Local Government Finance Settlement 2020/21.

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	
Section 151 Officer Consultation:	Report Author
Existing Council Policies:	

Financial Implications:	Contained within the detail of the report
Legal Implications (including human rights):	
Risk Implications:	
Equality Issues/EQIA assessment:	
Crime & Disorder:	
Every Child Matters:	

Appendices:

A – General Fund Summary

B – Detailed Service Appendices

C – Savings

D – Council Tax Summary 2020/21

E – Reserves Statement

F – Policy Framework for Reserves

G – Capital Programme

H – New Capital Bids

I – MRP Policy Statement

General Fund Summary	2018/19 Outturn	Original 2019/20 Budget	Current 2019/20 Budget	2019/20 updated Forecast	2020/21 Budget
	£	£	£	£	£
Services:					
Executive and Resources	4,298,594	4,194,866	4,484,052	4,348,527	4,185,069
Inward Investment	2,539,899	2,186,050	2,582,442	2,598,242	2,566,498
Housing	674,975	682,156	651,706	746,065	784,607
Planning and Growth	472,152	559,679	547,178	452,728	473,767
Customer Services	69,068	(890,180)	(928,797)	(715,305)	(815,896)
Property and Asset Management	1,195,634	506,770	452,699	481,236	144,575
Communications and Marketing	1,155,072	1,158,031	1,288,271	1,215,002	1,223,180
Environmental Services	4,166,898	4,192,855	3,977,840	4,005,750	4,337,382
Net Cost of Service	14,572,293	12,590,227	13,055,391	13,132,245	12,899,182
Non Service Exp/(Income):					
Recharges to HRA	(2,102,077)	(1,769,638)	(1,769,638)	(1,769,638)	(1,727,451)
Parish Precepts	377,953	429,323	429,323	429,323	474,871
Parish CTSS Grant	33,720	30,080	30,080	30,080	25,000
Capital Charges	(2,812,992)	(1,931,389)	(1,931,389)	(1,931,389)	(1,979,258)
Revenue Financing for Capital	148,162	0	19,000	19,000	0
Interest Receivable	(269,733)	(401,013)	(401,013)	(401,013)	(296,541)
Interest Payable	710,177	859,299	859,299	859,299	1,278,393
Minimum Revenue Provision	1,169,961	1,196,495	1,196,495	1,196,495	1,514,000
IAS19 Pension Adjustment	8,305	1,690,232	1,715,275	1,715,275	2,014,894
Accounting Adjustments	63,841	0	0	0	0
Vacancy Management	31,002	(271,840)	(4,867)	(4,867)	(279,922)
Apprenticeship Levy	0	35,500	35,500	35,500	35,500
Sub total - Non Service Exp/Inc	(2,641,682)	(132,952)	178,065	178,065	1,059,486
Net Operating Expenditure	11,930,611	12,457,276	13,233,456	13,310,310	13,958,668
Contributions to/(from) Reserves:					
Insurance Fund	45,975	0	45,195	45,195	0
Town Centre Initiative	(219,836)	0	(29,970)	(29,970)	0
DFG top-up capital loans & grant fund	(142,769)	0	0	0	49,730
Restricted use grant	(37,709)	(169,195)	(113,555)	(113,555)	(142,344)
Invest to Save	(116,897)	140,471	(106,818)	(106,818)	(103,946)
Specific budget	0	(27,230)	(27,230)	(27,230)	(25,153)
LEGI	0	(400,000)	(400,000)	(400,000)	(49,730)
Repairs and maintenance	53,407	0	(19,000)	(19,000)	0
Second Homes Council tax	0	(155,962)	(155,962)	(155,962)	0
Waste management	0	0	(25,000)	(25,000)	0
Collection Fund (Business Rates)	(1,104,638)	(180,000)	(180,000)	(180,000)	0
Community Housing	(45,000)	0	0	0	(30,000)
Enforcement	(1,568)	0	0	0	0
Coastal Protection	0	150,000	95,000	95,000	0
Strategic Planning Training	0	0	0	0	0
Special Projects Reserve	(68,681)	(139,774)	(124,692)	(124,692)	(176,203)
Benefits Reserve	(10,379)	0	0	0	0
Homelessness	426,366	0	0	0	103,611
Treasury Management	200,000	0	0	0	0
Asset Management	1,900,000	0	(63,445)	(63,445)	(435,700)
Empty Business Property Initiative Reserve	0	100,000	100,000	100,000	0
General Reserve	0	155,962	155,962	155,962	0
Other Reserves	422,635	0	(650,625)	(650,625)	(14,249)
Sub Total Reserves	1,300,905	(525,728)	(1,500,140)	(1,500,140)	(823,984)
Amount to be met from Government Grant and Local Taxpayers	13,231,516	11,931,548	11,733,316	11,810,170	13,134,684
Collection Fund - Parishes	(354,487)	(429,323)	(429,323)	(429,323)	(474,871)
Collection Fund - Borough	(4,372,171)	(4,611,869)	(4,611,869)	(4,611,869)	(4,835,911)
Retained Business Rates	(3,614,865)	(4,347,457)	(6,376,580)	(6,376,580)	(5,238,750)
Transitional Funding (estimate of assumptions for future funding)	0	0	0	0	0
Revenue Support Grant	(2,544,905)	(2,029,123)	0	0	(2,062,184)
New Homes Bonus	(627,700)	(426,641)	(426,641)	(426,641)	(372,510)
Other Grants	(77,295)	0	(34,968)	(44,193)	0
Income from Grant and Taxpayers	(11,591,424)	(11,844,413)	(11,879,381)	(11,888,606)	(12,984,226)
(Surplus)/Deficit (before general reserve transfer)	1,640,092	87,135	(146,065)	(78,436)	150,458

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Executive and Resources:					
Equinox					
Supplies & Services	2,790,974	30,177	39,862	9,685	
Support Services - Recharges In	0	79,110	0	(79,110)	General Recharge not required as covered by Management fee agreed separately with Equinox Enterprise Limited.
Income	(2,711,323)	(39,862)	(39,862)	0	
	<u>79,652</u>	<u>69,425</u>	<u>0</u>	<u>(69,425)</u>	
Town Centre Initiative					
Employee	21,418	0	0	0	
Premises	1,074	0	0	0	
Supplies & Services	201,342	0	0	0	
Income	(86,328)	0	0	0	
	<u>137,505</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Corporate Costs					
Transport	5,698	6,000	6,500	500	
Supplies & Services	89,678	123,564	126,012	2,448	
Support Services - Recharges Out	(418,050)	(302,160)	(386,310)	(84,150)	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	322,720	303,560	253,800	(49,760)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(60)	0	0	0	
	<u>(14)</u>	<u>130,964</u>	<u>2</u>	<u>(130,962)</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Executive Team					
Employee	775,804	673,300	647,907	(25,393)	Transfer of two posts to Member Services
Transport	8,654	5,000	7,500	2,500	
Supplies & Services	19,688	17,522	12,317	(5,205)	
Support Services - Recharges Out	(1,033,840)	(980,926)	(1,036,860)	(55,934)	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	281,430	330,190	369,110	38,920	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(51,712)	0	0	0	
	<u>24</u>	<u>45,086</u>	<u>(26)</u>	<u>(45,112)</u>	
Finance					
Employee	598,636	601,568	617,063	15,495	Annual pay award.
Transport	248	650	650	0	
Supplies & Services	195,603	279,191	213,573	(65,618)	Finance system has moved to a different server which NCC now support instead of the software supplier.
Support Services	106,807	97,461	109,731	12,270	Bank charges budget increased based on prior year's costs.
Capital Charges	0	0	15,561	15,561	Financial system depreciation.
Support Services - Recharges Out	(1,177,350)	(1,254,354)	(1,352,350)	(97,996)	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	288,360	453,630	405,790	(47,840)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(5,519)	(15,000)	(10,000)	5,000	
	<u>6,784</u>	<u>163,146</u>	<u>18</u>	<u>(163,128)</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
ICT					
Employee	330,159	357,110	441,737	84,627	Two members of staff returning to GYBC from NCC, but shared service contract has reduced. Head of Service post has moved to Communications as part of a department restructure, along with the Content Editor transferred from Marketing.
Premises	5,073	5,247	5,170	(77)	
Transport	1,231	300	2,500	2,200	
Supplies & Services	362,951	405,571	313,583	(91,988)	Reallocation of IT software maintenance costs to services after a review by ICT department.
Third Party Payments	598,607	597,367	504,593	(92,774)	Two members of staff returning to GYBC from NCC so shared service contract reduced.
Capital Charges	56,585	110,268	126,329	16,061	Reflects changes in depreciation charge for assets aligned to this service.
Support Services - Recharges Out	(1,446,080)	(1,607,501)	(1,530,240)	77,261	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	92,830	105,240	136,330	31,090	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(1,347)	0	0	0	
	<u>8</u>	<u>(26,398)</u>	<u>2</u>	<u>26,400</u>	
Corporate Strategy					
Employee	84,670	82,770	85,001	2,231	
Transport	224	400	400	0	
Supplies & Services	3,634	850	543	(307)	
Support Services - Recharges Out	(136,350)	(127,598)	(112,610)	14,988	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	47,810	51,450	26,660	(24,790)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	<u>(13)</u>	<u>7,872</u>	<u>(6)</u>	<u>(7,878)</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Elections					
Employee	134,266	170,710	176,130	5,420	
Transport	1,015	1,000	1,000	0	
Supplies & Services	114,878	121,854	121,525	(329)	
Support Services - Recharges In	191,980	185,290	40,700	(144,590)	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	(34,030)	(19,700)	(114,700)	(95,000)	Cost budgets have not been reduced to reflect that local elections will not take place in 20-21. These cost budgets will be used instead for the Police & Crime Commissioner Election but these are externally funded so additional income will be received. Also County elections in 21-22 also apply on the same basis.
	<u>408,108</u>	<u>459,154</u>	<u>224,655</u>	<u>(234,499)</u>	
Human Resources					
Employee	396,555	313,183	406,564	93,381	Interim Head of Service post partly funded by reserves.
Transport	1,363	1,000	1,000	0	
Supplies & Services	52,311	56,605	49,239	(7,366)	
Support Services - Recharges Out	(584,490)	(567,318)	(589,750)	(22,432)	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	135,410	143,560	132,940	(10,620)	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	(1,138)	0	0	0	
	<u>10</u>	<u>(52,970)</u>	<u>(7)</u>	<u>52,963</u>	
Legal					
Third Party Payments	298,572	245,760	352,641	106,881	Increase in budget to reflect new contract with supplier.
Support Services - Recharges Out	(246,900)	(226,768)	(332,740)	(105,972)	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	15,990	18,740	15,100	(3,640)	
Income	(67,663)	(35,000)	(35,000)	0	
	<u>(1)</u>	<u>2,732</u>	<u>1</u>	<u>(2,731)</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Total Executive and Resources:	632,064	799,011	224,639	(574,372)	
Total Executive and Resources excluding capital charges & recharges:	4,242,009	4,084,598	4,043,179	(41,419)	
Total Executive and Resources excluding recharges:	4,298,594	4,194,866	4,185,069	(9,797)	

Inward Investment

Projects and Programmes

Employee	185,519	258,095	290,199	32,104	Growth in establishment structure due to ongoing & new projects. Some costs are due to be recharged to individual capital projects and additional income is expected to be generated which is reflected in the income variance below.
Transport	1,223	1,500	1,500	0	
Supplies & Services	7,152	3,100	3,202	102	
Transfer Payments	51	(48,807)	0	48,807	Budget for funding reallocated to the Inclusion Project (European Social Fund).
Support Services - Recharges In	209,890	193,320	221,100	27,780	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	(42,807)	(42,807)	Funding for the Offshore Wind Marketing Manager included in employee costs above.
	403,835	407,208	473,194	65,986	
Inclusion Project (ESF)					
Employee	33,227	0	61,624	61,624	Revision of ESF budgets undertaken in 1920 resulting in a change of budget allocation.
Supplies & Services	31,727	0	75,694	75,694	Revision of ESF budgets undertaken in 1920 resulting in a change of budget allocation.
Income	(60,019)	0	(93,469)	(93,469)	Grant funding offsets majority of revenue costs above.
	4,935	0	43,849	43,849	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Grounds and Parks					
Premises	85,139	84,828	94,237	9,408	
Supplies & Services	9,351	8,318	8,684	366	
Third Party Payments	77,335	90,285	90,285	0	
Capital Charges	3,522	3,522	3,522	0	
Support Services - Recharges In	11,740	14,180	33,050	18,870	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(987)	0	0	0	
	<u>186,100</u>	<u>201,133</u>	<u>229,778</u>	<u>28,645</u>	
Outdoor Sports					
Premises	270,022	271,399	390,190	118,792	Reallocation of GYBS contract as per external review work.
Supplies & Services	29,340	8,043	8,390	348	
Third Party Payments	29,801	42,379	42,379	0	
Capital Charges	290,989	36,997	50,385	13,388	Reflects changes in depreciation charge for assets aligned to this service.
Support Services - Recharges In	22,510	26,330	26,110	(220)	
Income	(96,218)	(122,755)	(98,975)	23,780	Income budgets reviewed to better reflect income received in prior years. £10k income received in relation to a concession is now absorbed by property services.
	<u>546,445</u>	<u>262,393</u>	<u>418,480</u>	<u>156,087</u>	
CCTV					
Premises	4,000	4,000	4,000	0	
Supplies & Services	134,320	143,153	142,800	(353)	
Support Services - Recharges In	17,880	16,560	19,420	2,860	
Income	(4,000)	(4,000)	(4,000)	0	
	<u>152,200</u>	<u>159,713</u>	<u>162,220</u>	<u>2,507</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Culture and Leisure					
Employee	48,907	0	18,891	18,891	Employee contract extended, to be funded from underspend in Neighbourhood and Communities in 2019/20.
Premises	(1,000)	0	0	0	
Transport	353	0	0	0	
Supplies & Services	191,085	68,944	76,513	7,569	
Third Party Payments	61,900	59,761	59,761	0	
Support Services - Recharges In	55,800	50,470	36,490	(13,980)	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	9,559	0	(20,000)	(20,000)	Additional external grant funding expected in 2021.
	<u>366,605</u>	<u>179,175</u>	<u>171,655</u>	<u>(7,520)</u>	
Conservation					
Employee	119,735	112,420	122,138	9,718	
Premises	76,035	60,363	61,854	1,491	
Transport	37	200	200	0	
Supplies & Services	76,733	46,477	49,080	2,603	
Capital Charges	90,049	26,904	25,408	(1,496)	
Support Services - Recharges In	40,770	47,780	24,400	(23,380)	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	(35,633)	(30,000)	(30,000)	0	
	<u>367,726</u>	<u>264,144</u>	<u>253,080</u>	<u>(11,064)</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Waterways					
Employee	123,195	153,682	36,686	(116,996)	Following the conclusion of the setup of the Waterways project this costs are anticipated to fall.
Premises	8,135	24,000	40,853	16,853	Following conclusion of the capital stage of the project revenue costs are anticipated to increase as the premises are now operational.
Transport	0	0	0	0	
Supplies & Services	15,043	55,488	15,795	(39,693)	Following the conclusion of the setup of the Waterways project this costs are anticipated to fall.
Capital Charges	0	0	8,000	8,000	
Support Services - Recharges In	61,380	63,310	39,230	(24,080)	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	(111,415)	(184,124)	(31,725)	152,399	National Heritage Lottery Fund funding is set to reduce in line with the fall in costs incurred seen above.
	<u>96,338</u>	<u>112,356</u>	<u>108,839</u>	<u>(3,517)</u>	
Voluntary Sector Grants					
Supplies & Services	96,767	93,500	54,500	(39,000)	Budget represents the £54,500 General Fund contribution. The variance represents the HRA contribution (total contribution £45k), which is funded directly via the HRA and has been removed from the General fund budget.
Support Services - Recharges In	22,120	17,580	19,590	2,010	
Income	(53,000)	(53,000)	0	53,000	Partnership contributions to the core development support services to cease in 2019/20.
	<u>65,887</u>	<u>58,080</u>	<u>74,090</u>	<u>16,010</u>	
Indoor Leisure - Phoenix Pool and Marina Centre					
Premises	22,396	22,961	23,923	962	
Supplies & Services	64,932	7,149	7,196	47	
Third Party Payments	227,262	157,611	235,380	77,769	Revised budgets as per contract and impact of Marina closure.
Capital Charges	386,500	386,500	379,843	(6,657)	
Support Services - Recharges In	38,520	35,800	51,340	15,540	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	<u>739,609</u>	<u>610,022</u>	<u>697,682</u>	<u>87,661</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Neighbourhood Management					
Employee	391,233	323,991	289,118	(34,873)	Neighbourhoods that work (NTW) project to cease (6 month budget). Reduced budgets reflect the end of the NTW fixed term contract and removal of vacant Administrator/Receptionist post.
Premises	48,743	26,163	27,576	1,413	
Transport	0	1,800	1,800	0	
Supplies & Services	32,149	32,413	32,190	(224)	
Third Party Payments	0	0	0	0	
Transfer Payments	649,165	705,730	602,187	(103,543)	Reduced Great places budget reflecting the only Six months budget (£94k), offset by grant income below. Six month NTW budget (£395k) to conclude the project. This is also offset by grant income as per below. Budget also includes the extension of the Social Prescribing project (£113k), which is offset by grant income in 2020/21.
Support Services - Recharges Out	(413,340)	(315,810)	(296,080)	19,730	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	316,570	221,670	288,820	67,150	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	(991,235)	(776,518)	(656,796)	119,722	Grant income reduced due to NTW & Great Places projects ending. Great Places £93k, NTW £395k and Social Prescribing £119k (£113k to be paid to delivery partner DIAL and £6k retained by council).
	<u>33,285</u>	<u>219,439</u>	<u>288,815</u>	<u>69,376</u>	
Enterprise Zone					
Supplies & Services	917,417	0	1,085,143	1,085,143	Enterprise Zone expenditure was not budgeted as part of the 1920 budget setting. There is no overall net impact for the scheme.
Income	(1,015,797)	0	(1,085,143)	(1,085,143)	Enterprise Zone income was not budgeted as part of the 1920 budget setting. There is no overall net impact for the scheme.
	<u>(98,380)</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Economic Development					
Employee	26,053	80,628	103,957	23,329	Growth in Establishment - recharged to capital projects
Transport	110	0	0	0	
Supplies & Services	(10,600)	2,881	2,501	(380)	
Support Services - Recharges In	88,240	129,050	200,010	70,960	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	<u>103,802</u>	<u>212,559</u>	<u>306,468</u>	<u>93,909</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Enterprise GY					
Employee	18,778	0	0	0	
Premises	9,720	68	68	0	
Transport	70	0	0	0	
Supplies & Services	30,344	0	1,760	1,760	
Support Services - Recharges In	0	0	8,060	8,060	
Income	(15,320)	0	0	0	
	<u>43,592</u>	<u>68</u>	<u>9,888</u>	<u>9,820</u>	
Total Inward Investment:	3,011,979	2,686,290	3,238,038	551,748	
Total Inward Investment excluding capital charges & recharges:	1,768,839	1,732,127	2,099,340	367,213	
Total Inward Investment excluding recharges:	2,539,899	2,186,050	2,566,498	380,448	
<u>Housing:</u>					
Housing Needs					
Employee	727,463	693,787	610,187	(83,600)	Reduction in staff pay following reduced temporary staffing levels.
Premises	192,439	141,576	220,859	79,283	Damage Deposit budget increased by £80k to reflect the increase in service demand. Increased expenditure offset by recovery of costs and use of Homelessness Funding.
Transport	3,292	3,152	3,152	0	
Supplies & Services	314,284	169,486	260,655	91,170	Increased B&B budget by £116k following increased service demand. Expenditure offset by recovery of costs and use of homelessness funding.
Capital Charges	11,806	11,806	11,769	(37)	
Support Services - Recharges Out	0	(33,000)	0	33,000	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	282,861	250,880	370,350	119,470	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	(885,336)	(452,879)	(612,372)	(159,493)	Increased B&B (£108k) and Damage deposit (£47k) income following increase in budget provision. £216k of Homelessness grant monies included in income to offset costs as discussed above.
	<u>646,808</u>	<u>784,807</u>	<u>864,600</u>	<u>79,793</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Gapton Hall Site					
Supplies & Services	63,159	18,000	62,306	44,306	Change in management arrangements for site from 2020/21 will result in increased costs but these are expected to be recovered from income. Expenditure for Management costs (£45k inc internal recharges), Repairs and Maintenance (£22k) based on 80% occupation.
Support Services - Recharges In Income	19,570 (34,575)	14,950 (20,000)	18,030 (100,331)	3,080 (80,331)	One-off £26k Income received from site for legal costs incurred. 75% retained by GYBC - 25% returned to other LA's. Income increase to reflect new expected occupancy levels and new management arrangement. Assumed £67k Site rental income based on 80% occupation and £6k utility charges recovered.
	<u>48,154</u>	<u>12,950</u>	<u>(19,995)</u>	<u>(32,945)</u>	
Better Care Fund					
Employee	0	60,630	94,756	34,126	Includes costs of externally funded District Direct Officer post.
Transport	0	2,500	2,500	0	
Supplies & Services	0	23,950	23,579	(372)	
Support Services - Recharges In	0	28,860	65,760	36,900	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	(87,080)	(149,069)	(61,989)	Funding received to offset the District Direct Officer post (£38k), also increase in partner grants received.
	<u>0</u>	<u>28,860</u>	<u>37,526</u>	<u>8,666</u>	
Housing Strategy					
Employee	92,231	82,163	174,821	92,658	Housing Growth Manager (£65k) transferred from RGSP to GHHS.
Premises	724	688	777	88	
Transport	481	525	525	0	
Supplies & Services	62,671	37,815	42,383	4,568	
Capital Charges	23,792	23,215	22,603	(612)	
Support Services - Recharges In	62,840	76,190	84,700	8,510	
Income	(15,680)	(15,000)	0	15,000	£15k self build register grant transfer to Property due to Housing Strategy no longer maintaining the register.
	<u>227,059</u>	<u>205,596</u>	<u>325,809</u>	<u>120,213</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Private Sector Housing					
Employee	64,984	0	0	0	
Transport	382	0	0	0	
Supplies & Services	35,644	0	0	0	
Transfer Payments	5,275	0	0	0	
Support Services - Recharges In	38,880	80	0	(80)	
Income	(19,477)	0	0	0	
	<u>125,688</u>	<u>80</u>	<u>0</u>	<u>(80)</u>	
Safe at Home					
Employee	361,339	231,430	275,017	43,587	Introduction of the Handy Person Post.
Transport	10,904	8,000	7,000	(1,000)	
Supplies & Services	25,940	61,971	53,868	(8,103)	
Transfer Payments	0	5,740	5,440	(300)	
Support Services - Recharges In	83,310	117,540	108,950	(8,590)	
Income	(366,766)	(319,319)	(225,818)	93,501	Income assumptions revised and based on the previous year's actual income.
	<u>114,727</u>	<u>105,363</u>	<u>224,457</u>	<u>119,094</u>	
Total Housing:	<u>1,162,436</u>	<u>1,137,656</u>	<u>1,432,397</u>	<u>294,741</u>	
Total Housing excluding capital charges & recharges:	<u>639,377</u>	<u>647,135</u>	<u>750,235</u>	<u>103,100</u>	
Total Housing excluding recharges:	<u>674,975</u>	<u>682,156</u>	<u>784,607</u>	<u>102,451</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Planning and Growth:					
Building Control					
Employee	284,251	244,470	247,905	3,435	
Premises	1,569	1,500	1,500	0	
Transport	12,693	11,000	11,000	0	
Supplies & Services	15,050	29,357	25,439	(3,918)	
Support Services - Recharges In	94,230	97,630	93,610	(4,020)	
Income	(271,168)	(268,500)	(295,500)	(27,000)	Additional income based on current trend of an upturn in number of inspections and an increase in the hourly charge rate based on pay inflation.
	<u>136,625</u>	<u>115,457</u>	<u>83,954</u>	<u>(31,503)</u>	
Development Control					
Employee	552,074	581,970	654,439	72,469	Additional employee costs to provide additional capacity to manage the current and future expected increase in planning applications, offset by additional income.
Transport	9,318	10,000	10,000	0	
Supplies & Services	38,840	36,682	46,884	10,202	Reallocation of IT software maintenance costs to services after a review by ICT department.
Support Services - Recharges Out	(58,200)	(56,280)	(62,970)	(6,690)	
Support Services - Recharges In	148,930	164,760	222,940	58,180	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	(477,582)	(474,900)	(534,150)	(59,250)	The steady increase in applications seen in 19/20 is expected to continue and an increase in planning fee levels (which are set by Government) is expected to come forward during the year.
	<u>213,381</u>	<u>262,232</u>	<u>337,143</u>	<u>74,911</u>	
Land Charges					
Employee	55,153	48,310	49,324	1,014	
Transport	38	0	0	0	
Supplies & Services	7,037	7,217	20,061	12,844	Reallocation of IT software maintenance costs to services after a review by ICT department.
Third Party Payments	26,341	30,000	30,000	0	
Support Services - Recharges In	44,520	46,010	50,940	4,930	
Income	(113,818)	(123,000)	(126,000)	(3,000)	
	<u>19,272</u>	<u>8,537</u>	<u>24,325</u>	<u>15,788</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Strategic Planning					
Employee	369,812	360,830	270,995	(89,835)	Housing Manager post moved to Housing Strategy.
Transport	2,033	1,400	1,400	0	
Supplies & Services	40,737	73,337	75,265	1,928	
Transfer Payments	7,406	6,500	6,500	0	
Support Services - Recharges Out	(810)	(12,601)	0	12,601	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	107,120	137,630	133,880	(3,750)	
Income	(87,633)	(16,495)	(21,295)	(4,800)	
	<u>438,664</u>	<u>550,601</u>	<u>466,745</u>	<u>(83,856)</u>	
Total Planning and Growth:	<u>807,942</u>	<u>936,828</u>	<u>912,167</u>	<u>(24,660)</u>	
Total Planning and Growth excluding capital charges & recharges:	<u>472,152</u>	<u>559,679</u>	<u>473,767</u>	<u>(85,911)</u>	
Total Planning and Growth excluding recharges:	<u>472,152</u>	<u>559,679</u>	<u>473,767</u>	<u>(85,911)</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Customer Services:					
Benefits					
Employee	689,288	621,370	548,831	(72,539)	19-20 base pay budgets included DWP monies (from reserves) which have significantly reduced in the 20-21 base due to the end of the funding.
Transport	1,585	500	1,200	700	
Supplies & Services	(158,129)	129,853	42,910	(86,943)	Bad debt provision reduced by £100k based on prior year outturn and following the introduction of universal credit. £100k offset by revision of recovered overpayment income. External Audit budget not identified in prior years £16.5k
Transfer Payments	24,538,775	27,415,171	23,042,927	(4,372,244)	Revised based on the Benefits 2019/20 Quarter 3 mid year subsidy to more accurately reflect the outturn of prior years. Also includes adjustment of recovered overpayment income.
Support Services - Recharges Out	(246,517)	(257,797)	(243,584)	14,213	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	681,830	728,670	565,930	(162,740)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(25,322,559)	(28,394,487)	(23,810,053)	4,584,434	Revised based on the Benefits 2019/20 Quarter 3 mid year subsidy to more accurately reflect the outturn of prior years.
	<u>184,273</u>	<u>243,280</u>	<u>148,162</u>	<u>(95,119)</u>	
Crematorium and Cemeteries					
Employee	217,667	217,361	222,297	4,936	
Premises	431,310	447,649	473,708	26,059	Includes update to 19-20 base budget for rates and changes to GYBS Joint Venture contract.
Transport	1,734	2,000	2,000	0	
Supplies & Services	88,537	105,373	104,098	(1,276)	
Third Party Payments	34,074	31,809	31,809	0	
Capital Charges	454,385	58,540	71,394	12,854	Reflects changes in depreciation charge for assets aligned to this service.
Support Services - Recharges In	133,260	144,370	188,550	44,180	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	(1,416,920)	(1,569,988)	(1,602,488)	(32,500)	Increase in income based upon previous actual receipts and new Fees & Charges
	<u>(55,953)</u>	<u>(562,885)</u>	<u>(508,632)</u>	<u>54,254</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Customer Services					
Employee	679,423	673,860	688,018	14,158	Employee related allowing for annual increases
Transport	216	351	351	0	
Supplies & Services	1,675	2,572	12,439	9,867	
Support Services - Recharges Out	(1,120,490)	(945,560)	(1,273,870)	(328,310)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	439,170	443,700	573,060	129,360	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	0	0	0	0	
	(7)	174,923	(2)	(174,925)	
Support Services					
Employee	202,004	183,480	187,687	4,207	
Transport	46	0	0	0	
Supplies & Services	4,485	5,679	21,268	15,590	Increase in computer contract for planned development
Capital Charges	1,876	2,063	1,977	(86)	
Support Services - Recharges Out	(309,370)	(295,056)	(335,730)	(40,674)	Reflects increase in service costs therefore corresponding increase in the amount to be recharged out.
Support Services - Recharges In	100,890	115,750	124,790	9,040	
Income	67	0	0	0	
	(2)	11,916	(8)	(11,923)	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Car Parks					
Employee	479,725	404,188	431,887	27,699	Budget now includes the payment of weekend allowances
Premises	270,553	253,870	295,496	41,626	Business rates increased compared to 2019/20 and increase in insurance costs.
Transport	11,805	14,740	15,557	817	
Supplies & Services	157,185	172,696	173,775	1,080	
Third Party Payments	1,547	0	0	0	
Transfer Payments	537,703	821,569	569,183	(252,386)	This reduction is due to the contracts with Norfolk County Council which are no longer applicable. Under the contract costs were incurred and reimbursed which also results in income reducing below
Capital Charges	35,562	54,325	47,873	(6,452)	
Support Services - Recharges In	262,320	273,770	375,360	101,590	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	(2,525,218)	(3,022,404)	(2,748,919)	273,486	See comment under Transfer Payments.
	<u>(768,817)</u>	<u>(1,027,246)</u>	<u>(839,787)</u>	<u>187,459</u>	
Revenues					
Employee	783,926	698,090	711,931	13,841	Includes new post for Court Officer funded by NCC for one year included in income below
Transport	2,308	2,000	2,000	0	
Supplies & Services	246,584	258,415	236,044	(22,371)	Automated Telephony saving factored into the budget.
Transfer Payments	0	100	100	0	
Support Services	31,065	36,000	36,000	0	
Capital Charges	0	0	0	0	
Support Services - Recharges Out	(658,570)	(653,082)	(367,260)	285,822	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	851,300	685,310	853,660	168,350	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	(413,216)	(516,925)	(627,198)	(110,273)	Includes Court Officer stated above and saving CS-04 Corporate Fraud Officer
	<u>843,396</u>	<u>509,908</u>	<u>845,277</u>	<u>335,369</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Total Customer Services:	202,891	(650,105)	(354,990)	295,115	
Total Customer Services excluding capital charges & recharges:	(422,755)	(1,005,108)	(937,140)	67,968	
Total Customer Services excluding recharges:	69,068	(890,180)	(815,896)	74,284	

Property and Asset

Management:

Repairs and Maintenance

Premises	154,735	0	419,936	419,936	Reconfiguration of budget following the changes to the GYBS Joint Venture Service
	154,735	0	419,936	419,936	

Town Hall

Premises	144,652	155,820	160,376	4,556	
Capital Charges	46,342	46,342	42,910	(3,432)	
Support Services - Recharges Out	(277,280)	(289,292)	(291,520)	(2,228)	
Support Services - Recharges In	86,290	104,910	88,230	(16,680)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	4	17,780	(4)	(17,784)	

Greyfriars House

Premises	76,554	115,286	120,529	5,243	
Capital Charges	7,710	7,710	7,710	0	
Support Services - Recharges Out	(135,450)	(173,340)	(178,940)	(5,600)	
Support Services - Recharges In	52,200	60,040	50,710	(9,330)	
Income	(1,012)	0	0	0	
	2	9,696	9	(9,687)	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Maritime House					
Premises	31,262	42,676	47,160	4,484	
Supplies & Services	3,205	4,500	4,865	365	
Capital Charges	4,560	4,560	4,560	0	
Support Services - Recharges Out	(85,400)	(94,410)	(106,010)	(11,600)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	46,380	52,380	49,420	(2,960)	
	<u>7</u>	<u>9,706</u>	<u>(4)</u>	<u>(9,710)</u>	
Catalyst Centre					
Premises	10,990	40,468	45,410	4,942	
Supplies & Services	681	0	700	700	
Capital Charges	4,783	4,783	4,684	(99)	
Support Services - Recharges Out	(63,050)	(86,360)	(103,600)	(17,240)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	46,600	50,320	52,800	2,480	
	<u>5</u>	<u>9,211</u>	<u>(6)</u>	<u>(9,217)</u>	
Public Toilets					
Premises	313,976	296,060	217,054	(79,006)	Changes to GYBS Joint Venture Contract
Supplies & Services	12,357	10,718	10,015	(703)	
Capital Charges	423,729	99,016	158,788	59,772	Reflects changes in depreciation charge for assets aligned to this service.
Support Services - Recharges In	60,530	64,650	40,530	(24,120)	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	(2,181)	(4,000)	(4,000)	0	
	<u>808,411</u>	<u>466,444</u>	<u>422,387</u>	<u>(44,058)</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Repairs and Maintenance					
Premises	455,879	457,149	125	(457,024)	Reconfiguration of budget following the changes to the GYBS Joint Venture Service
Supplies & Services	14,439	15,315	13,422	(1,893)	
Third Party Payments	8,714	8,714	8,714	0	
Capital Charges	252,225	260,003	267,594	7,591	
Support Services - Recharges In	54,520	61,050	55,630	(5,420)	
Income	(225,175)	(209,000)	(209,000)	0	
	<u>560,602</u>	<u>593,231</u>	<u>136,485</u>	<u>(456,746)</u>	
Footway Lighting					
Premises	281,986	302,280	177,949	(124,331)	Reconfiguration of budget following the changes to the GYBS Joint Venture Service including £50k saving
Supplies & Services	12,249	13,325	11,650	(1,675)	
Capital Charges	64,194	66,260	68,187	1,927	
Support Services - Recharges In	54,860	59,990	54,120	(5,870)	
	<u>413,290</u>	<u>441,855</u>	<u>311,906</u>	<u>(129,949)</u>	
Coast Protection					
Employee	62,254	79,760	55,166	(24,594)	Transfer of post from pay to supplies and services as costs rechargeable by North Norfolk Council
Premises	453,202	0	42,000	42,000	2019-20 base correction re: repairs & maintenance understated.
Transport	1,239	2,878	2,878	0	
Supplies & Services	74,332	28,581	56,359	27,778	Transfer of post from pay to supplies and services as costs rechargeable by North Norfolk Council
Capital Charges	362,692	362,692	362,692	0	
Support Services - Recharges In	53,210	61,160	42,870	(18,290)	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	(464,275)	(550)	(550)	0	
	<u>542,654</u>	<u>534,521</u>	<u>561,415</u>	<u>26,894</u>	
Beach Huts					
Employee	0	16,000	36,000	20,000	Increase / decrease due to the introduction of additional beach huts on the lower promenade at Gorleston
Premises	0	7,000	2,000	(5,000)	
Supplies & Services	16	0	0	0	
Support Services - Recharges In	14,350	15,760	16,080	320	
Income	0	(24,500)	(60,500)	(36,000)	Increase in income due to the introduction of additional beach huts on the lower promenade at Gorleston
	<u>14,366</u>	<u>14,260</u>	<u>(6,420)</u>	<u>(20,680)</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Community Centres					
Premises	11,424	7,020	13,374	6,354	
Capital Charges	27,142	18,932	27,142	8,210	
Support Services - Recharges In	6,310	6,790	14,650	7,860	
Income	(3,639)	(3,152)	(2,632)	520	
	<u>41,236</u>	<u>29,590</u>	<u>52,534</u>	<u>22,944</u>	
Construction Services					
Employee	(4,563)	0	0	0	
Premises	21,574	(1)	(1)	0	
Supplies & Services	24,278	0	0	0	
	<u>41,289</u>	<u>(1)</u>	<u>(1)</u>	<u>0</u>	
Easter Fayre					
Employee	2,695	2,000	2,000	0	
Supplies & Services	22,469	20,000	20,000	0	
Support Services - Recharges In	5,200	6,000	7,120	1,120	
Income	(15,775)	(15,265)	(15,265)	0	
	<u>14,589</u>	<u>12,735</u>	<u>13,855</u>	<u>1,120</u>	
Go Trade - Markets					
Employee	30,984	22,232	17,550	(4,682)	
Supplies & Services	41,669	29,067	17,464	(11,603)	
Income	(56,591)	(35,396)	(24,160)	11,236	
	<u>16,062</u>	<u>15,903</u>	<u>10,854</u>	<u>(5,049)</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Markets					
Employee	75,767	69,411	69,926	515	
Premises	155,967	163,542	256,143	92,601	Impact of business rates and reconfiguration of budget following the changes to the GYBS Joint Venture Service.
Transport	0	500	500	0	
Supplies & Services	38,789	45,158	39,624	(5,534)	
Capital Charges	4,820	4,820	4,820	0	
Support Services - Recharges In	85,730	106,150	75,220	(30,930)	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	(250,497)	(298,361)	(259,759)	38,602	Includes decrease in two day market rates from January 20 to March 21 and removal of small miscellaneous income for consumable sales which are no longer undertaken.
	<u>110,576</u>	<u>91,220</u>	<u>186,473</u>	<u>95,253</u>	
Bretts					
Premises	19,068	3,620	3,637	17	
Supplies & Services	10,199	25,247	25,247	0	
Transfer Payments	679	0	0	0	
Support Services - Recharges In	8,220	11,030	11,690	660	
Income	(45,173)	(43,401)	(43,732)	(331)	
	<u>(7,008)</u>	<u>(3,504)</u>	<u>(3,158)</u>	<u>346</u>	
Courts					
Premises	1,749	11,616	7,544	(4,072)	
Support Services - Recharges In	10,040	12,660	12,580	(80)	
Income	(14,795)	(15,819)	(21,569)	(5,750)	
	<u>(3,007)</u>	<u>8,457</u>	<u>(1,445)</u>	<u>(9,902)</u>	
South Denes Energy Park					
Premises	(613)	7,078	7,397	319	
Supplies & Services	193	0	0	0	
Support Services - Recharges In	53,170	80,930	82,900	1,970	
Income	31,181	0	(8,004)	(8,004)	
	<u>83,931</u>	<u>88,008</u>	<u>82,293</u>	<u>(5,715)</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Factory Units					
Premises	53,225	41,855	40,756	(1,099)	
Supplies & Services	55,668	3,200	2,817	(383)	
Support Services - Recharges In	26,680	29,460	24,880	(4,580)	
Income	(155,748)	(130,481)	(136,866)	(6,385)	
	<u>(20,174)</u>	<u>(55,966)</u>	<u>(68,413)</u>	<u>(12,447)</u>	
Corporate Estates					
Employee	20	22	19	(3)	
Premises	424,968	312,750	383,410	70,660	Includes increase in rates costs due to voids, changes to GYBS Joint Venture contract and reconfiguration of budget re: ex GYBS Joint Venture budget
Supplies & Services	100,767	30,421	31,869	1,448	
Capital Charges	17,082	57,562	14,030	(43,532)	Reflects changes in depreciation charge for assets aligned to this service.
Support Services - Recharges In	593,790	628,300	590,850	(37,450)	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	(2,579,562)	(2,486,410)	(2,478,510)	7,900	
	<u>(1,442,935)</u>	<u>(1,457,355)</u>	<u>(1,458,332)</u>	<u>(977)</u>	
Minerva House					
Premises	65,826	67,667	68,547	880	
Supplies & Services	5,287	6,712	6,599	(113)	
Support Services - Recharges In	13,990	20,400	16,870	(3,530)	
Income	(46,394)	(36,600)	(36,600)	0	
	<u>38,709</u>	<u>58,179</u>	<u>55,416</u>	<u>(2,763)</u>	
Onians					
Premises	2,292	265	787	522	
Supplies & Services	60	2,560	2,560	0	
Support Services - Recharges In	8,480	8,000	9,420	1,420	
Income	(13,999)	(13,310)	(13,310)	0	
	<u>(3,167)</u>	<u>(2,485)</u>	<u>(543)</u>	<u>1,942</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Property Services					
Employee	793,675	893,236	983,062	89,826	Includes increase in post re: transfer from Planning, reconfiguration of budget following the exit from the GYBS Joint Venture Service, funding from increased recharges, the removal of a post re: Quantity Surveyor and saving PMA-04 new post Architect Technician.
Premises	0	6,179	6,179	0	
Transport	8,655	6,100	6,900	800	
Supplies & Services	13,112	29,810	28,828	(982)	
Support Services - Recharges Out	(997,650)	(1,117,306)	(994,307)	122,999	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	193,460	233,230	256,780	23,550	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	(11,256)	0	(287,449)	(287,449)	2019-20 base correction which reflected no pay recharges plus additional increase to fund new post in building services.
	<u>(4)</u>	<u>51,249</u>	<u>(7)</u>	<u>(51,256)</u>	
Beacon Park					
Premises	243,150	314,591	170,070	(144,521)	Reduction in budgets to reflect reduced income from Pot B as most units now either leased or sold and reconfiguration of budget following the change to the GYBS Joint Venture Service
Supplies & Services	90,418	64,758	59,543	(5,215)	
Capital Charges	129,220	129,221	139,220	9,999	
Support Services - Recharges In	73,540	83,990	72,000	(11,990)	
Income	(716,145)	(1,022,033)	(1,060,514)	(38,481)	Reduction in budgets to reflect reduced income from Pot B as most units now either leased or sold less increase in lease rentals for same reason
	<u>(179,818)</u>	<u>(429,473)</u>	<u>(619,681)</u>	<u>(190,208)</u>	
Total Property and Asset Management:	<u>1,184,354</u>	<u>503,262</u>	<u>95,548</u>	<u>(407,714)</u>	
Total Property and Asset Management excluding capital charges & recharges:	<u>(148,864)</u>	<u>(555,131)</u>	<u>(957,762)</u>	<u>(402,631)</u>	
Total Property and Asset Management excluding recharges:	<u>1,195,634</u>	<u>506,770</u>	<u>144,575</u>	<u>(362,195)</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Communications and Marketing:					
Communications					
Employee	139,125	187,640	251,828	64,188	Budget now reflects Head of Service and a marketing post moving to Communications, and the transfer of the Content Editor to ICT.
Transport	48	750	750	0	
Supplies & Services	50,137	5,236	9,882	4,646	
Support Services - Recharges Out	(260,390)	(277,302)	(323,290)	(45,988)	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	101,840	109,260	90,830	(18,430)	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	(1,898)	0	(10,000)	(10,000)	
	<u>28,862</u>	<u>25,584</u>	<u>20,000</u>	<u>(5,584)</u>	
Events					
Employee	1,457	0	0	0	
Supplies & Services	14,069	7,798	6,064	(1,734)	
Support Services - Recharges In	117,100	77,340	85,310	7,970	
Income	(14,743)	(14,500)	(6,100)	8,400	
	<u>117,884</u>	<u>70,638</u>	<u>85,274</u>	<u>14,636</u>	
Mayor					
Supplies & Services	7,025	0	9,453	9,453	
Support Services - Recharges In	13,370	12,900	15,110	2,210	
	<u>20,395</u>	<u>12,900</u>	<u>24,563</u>	<u>11,663</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Tourism					
Employee	169,818	99,986	90,686	(9,300)	
Premises	7,839	3,506	1,323	(2,183)	
Transport	92	100	100	0	
Supplies & Services	299,217	361,462	232,947	(128,516)	Review of the budgets resulting in a virement of £50k advertising budget. £30k reduction in ticket purchases, but this is offset by a matching reduction in income below. £30k saving as the tourism brochure is no longer produced, but this is offset by a loss of income. Rental contract for advertising pillars is no longer required, saving £15k.
Third Party Payments	0	1,550	550	(1,000)	
Support Services	1,429	1,400	1,400	0	
Support Services - Recharges In	315,810	297,010	334,690	37,680	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	(192,181)	(245,962)	(170,059)	75,903	£40k reduction in income as the brochure is no longer produced, partially offset by a reduction in costs above and a reduction in ticket sales income of £30k, matched by a cost saving above.
	<u>602,025</u>	<u>519,052</u>	<u>491,637</u>	<u>(27,415)</u>	
Member Services					
Employee	73,470	145,920	179,903	33,983	Transfer of two posts from Executive Team
Transport	5,546	4,000	4,000	0	
Supplies & Services	306,739	292,039	294,151	2,112	
Support Services - Recharges Out	(488,770)	(536,352)	(596,950)	(60,598)	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	<u>103,010</u>	<u>120,400</u>	<u>118,890</u>	<u>(1,510)</u>	
	<u>(5)</u>	<u>26,007</u>	<u>(6)</u>	<u>(26,013)</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Civic and Portering					
Employee	148,945	182,940	155,086	(27,854)	A marketing manager has moved to Communications and a fixed term 2 year post has been created to be funded by Reserves.
Premises	0	0	2,000	2,000	
Transport	15,573	12,024	12,433	409	
Supplies & Services	42,918	24,213	19,899	(4,314)	
Support Services - Recharges Out	(318,860)	(279,720)	(274,250)	5,470	
Support Services - Recharges In	113,540	130,930	91,830	(39,100)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(2,112)	(1,500)	(7,000)	(5,500)	
	<u>5</u>	<u>68,887</u>	<u>(2)</u>	<u>(68,889)</u>	
Print and Design					
Employee	50,561	43,980	105,892	61,912	Budget for Designer post has moved from Tourism.
Supplies & Services	37,870	60,449	55,492	(4,957)	
Support Services - Recharges Out	(137,390)	(144,405)	(214,400)	(69,995)	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	54,840	53,110	70,520	17,410	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(5,874)	(15,000)	(17,500)	(2,500)	
	<u>6</u>	<u>(1,866)</u>	<u>4</u>	<u>1,870</u>	
Total Communications and Marketing:					
	<u>769,172</u>	<u>721,202</u>	<u>621,470</u>	<u>(99,733)</u>	
Total Communications and Marketing excluding capital charges & recharges:					
	<u>1,155,072</u>	<u>1,158,031</u>	<u>1,223,180</u>	<u>65,148</u>	
Total Communications and Marketing excluding recharges:					
	<u>1,155,072</u>	<u>1,158,031</u>	<u>1,223,180</u>	<u>65,148</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Environmental Services:					
Environmental Health					
Employee	1,117,557	1,009,478	1,167,035	157,558	Restructure costs with new permanent post and employee costs, two additional posts fixed for two years and funded by ear marked reserves.
Premises	306,491	227,393	250,910	23,517	Reallocation of GYBS contract as per external review work.
Transport	38,120	37,981	39,907	1,926	
Supplies & Services	246,277	206,487	245,879	39,391	RNLI costs were previously part of the GYBS contract but paid directly by GYBC now.
Third Party Payments	3,694	10,000	10,000	0	
Transfer Payments	244,960	253,807	261,305	7,498	
Capital Charges	9,340	9,340	9,340	0	
Support Services - Recharges Out	(61,000)	(60,040)	(63,680)	(3,640)	
Support Services - Recharges In	295,520	281,230	401,140	119,910	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	(173,543)	(117,819)	(121,177)	(3,358)	
	<u>2,027,417</u>	<u>1,857,857</u>	<u>2,200,660</u>	<u>342,802</u>	
Selective Licensing					
Employee	92,201	50,330	73,453	23,123	Manager post extended to 2021/22 funded by income from the licensing scheme.
Transport	2,070	100	100	0	
Supplies & Services	14,386	1,800	1,646	(154)	
Support Services - Recharges In	44,040	22,740	52,460	29,720	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	(93,464)	(25,000)	(50,000)	(25,000)	Late application penalty fees are of greater number than anticipated when the scheme was set up, which is being used to fund the manager post extension.
	<u>59,233</u>	<u>49,970</u>	<u>77,659</u>	<u>27,689</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Grounds Maintenance					
Employee	(2,387)	0	0	0	
Premises	515,318	467,946	525,259	57,312	Reallocation of GYBS contract as per external review work.
Supplies & Services	61,827	48,922	34,847	(14,075)	Reallocation of IT software maintenance costs to services after a review by ICT department.
Third Party Payments	22,190	11,540	11,540	0	
Capital Charges	88,142	88,142	84,906	(3,236)	
Support Services - Recharges In	45,550	49,080	24,240	(24,840)	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	(64,705)	(32,450)	(44,950)	(12,500)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	<u>665,935</u>	<u>633,180</u>	<u>635,841</u>	<u>2,661</u>	
Street Cleansing					
Premises	880,845	894,411	651,095	(243,316)	Reallocation of GYBS contract as per external review work.
Third Party Payments	435	381	404	23	
Support Services - Recharges In	19,000	18,220	19,580	1,360	
Income	(17,428)	0	0	0	
	<u>882,852</u>	<u>913,012</u>	<u>671,079</u>	<u>(241,933)</u>	
Licensing					
Employee	108,769	71,490	68,794	(2,696)	
Premises	1,590	2,152	2,952	800	
Transport	396	600	600	0	
Supplies & Services	26,118	25,871	35,525	9,654	
Support Services - Recharges In	86,650	91,060	62,040	(29,020)	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	(317,334)	(276,013)	(277,113)	(1,100)	
	<u>(93,812)</u>	<u>(84,840)</u>	<u>(107,202)</u>	<u>(22,362)</u>	

	2018/19 Actuals	Original 2019/20 Budget	2020/21 Budget	Variance 19/20 Base Budget to 20/21 Base Budget	Comments
Waste Management					
Employee	31,585	0	97,030	97,030	New Director of Operations post for GYBS to be fully recharged.
Premises	(110,000)	110,000	0	(110,000)	Historic budget reallocated to fund Social Blooms project £40k, Waterways £40k and GYBS joint venture costs £30k.
Transport	5,999	0	0	0	
Supplies & Services	408,261	440,335	570,252	129,917	£50k NEWS smoothing payments funded by Reserves. £40k for Social Blooms project form reallocated budget within service. £40k increase in waste disposal gate fees.
Third Party Payments	1,944,114	1,985,553	2,149,220	163,667	Reallocation of GYBS contract as per Price Bailey work.
Capital Charges	17,641	17,669	18,011	342	
Support Services - Recharges In	102,720	91,300	169,300	78,000	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(1,242,567)	(1,327,592)	(1,479,388)	(151,796)	£48k additional income from new fee structure for bulky waste and full recharge of Director of Operations to GYBS.
	<u>1,157,753</u>	<u>1,317,265</u>	<u>1,524,425</u>	<u>207,160</u>	
Total Environmental Services:	4,699,378	4,686,445	5,002,462	316,018	
Total Environmental Services excluding capital charges & recharges:	4,051,775	4,077,704	4,225,125	147,422	
Total Environmental Services excluding recharges:	4,166,898	4,192,855	4,337,382	144,528	
Total for Services:	12,470,216	10,820,589	11,171,731	351,142	
Total for Services excluding capital charges & recharges:	11,757,605	10,699,035	10,919,924	220,889	
Total for Services excluding recharges:	14,572,293	12,590,227	12,899,182	308,955	

General Fund 2020/21 Budget - Expenditure Type Analysis

General Fund Expenditure Type	2018/19 Actuals	Original 2019/20 Budget	Current 2019/20 Budget	2019/20 Forecast	2020/21 Budget
Employee	11,739,427	11,103,820	11,263,258	10,902,765	11,818,540
Premises	5,949,882	5,402,643	5,411,836	5,583,238	5,264,131
Transport	154,799	139,051	139,851	140,351	147,903
Supplies & Services	8,435,549	4,441,189	5,250,531	5,477,554	5,488,675
Third Party Payments	3,334,586	3,272,710	3,277,403	3,239,325	3,527,277
Transfer Payments	25,984,015	29,159,811	29,159,811	25,197,820	24,487,643
Support Services	139,300	134,861	134,861	134,861	147,131
Capital Charges	2,814,688	1,891,192	1,891,192	1,891,192	1,979,258
Support Services - Recharges Out	(10,675,597)	(10,694,338)	(10,694,338)	(10,694,338)	(11,067,301)
Support Services - Recharges In	10,675,597	10,694,338	8,924,700	10,694,338	11,067,301
Income	(43,979,953)	(42,955,050)	(41,703,714)	(39,434,861)	(39,961,376)
	14,572,293	12,590,227	13,055,391	13,132,245	12,899,182

2020/21 Budget Process - Additional income and savings proposals

				TOTALS	(201,299)	(247,866)	(199,495)
Ref.	Department	Heading	Summary of Proposal	Savings/ Income	2020/21	2021/22	2022/23
ENV-02	Environmental Services	Food Hygiene re-ratings	The proposal is to start charging for Food Hygiene re-rating inspections. As most other Councils across Norfolk already do, they charge as follow: North Norfolk; £150; Norwich City £160; Breckland £180; Broadland £150; Kings Lynn and West Norfolk £225 (from April 2020). We currently have 44 requests for this service across a 12 month period and undertake these inspections for free.	Income	(6,600)	(7,040)	(7,480)
PMA-04	Property & Asset Mangement	Project Delivery Team	Expand Project Building team to delivery project management expertise for Equinox, Empty Property Development, Community Housing	Income	(41,775)	(41,775)	(41,775)
PMA-05	Property & Asset Mangement	Beach Hut Rental	Install additional Beach Huts along the Lower Promenade, initially additional 20 with options to increase.	Income	(9,300)	(10,740)	(12,238)
CS-03	Customer Services	Removal of IVR System	The council launched the Inform 360 24/7 automated telephony solution on the 30th June 2017 as a tool to help manage the demand on the Customer Service Team as well as to help encourage more customers to make use of our available online services, transacting by self-service. From a customer satisfaction perspective this is not a popular solution and lacks the evidence to support it benefits. This service has been gradually reduced from the councils main telephony lines and is now only in use for peaks in demand and out of hours. The customer Service Team have been meeting Service Level despite this and retaining this solution is no longer a viable or cost effect solution. (Funded from RRRE)	Savings	(29,791)	(29,791)	(29,791)
CS-04	Customer Services	Corporate Fraud	New post - Corporate Fraud Officer, based on 3 year fixed term. The officer would investigate a range of fraud within the community with the objective to reduce fraud and increase income for the council. Areas of investigation would include benefits fraud, housing fraud and business rates fraud.	Income	(16,000)	(35,500)	(35,000)
PG-01	Planning & Growth	Budget Increase	Annual increase in the Development Control/Management fees received of £10,000 in addition to the £10,000 annual increase already included in the budget for future years. This is due to the slightly higher number and size of applications expected following adoption of the Local Plan Part 2 and projecting what else may be in the pipeline in terms of reserved matters applications.	Income	(10,000)	(10,000)	(10,000)
PG-08	Planning & Growth	Reviewing the hourly fee rate for Building Control	The hourly rate for Building Control fees (which is a "blended" rate of all officer costs of £61) was last reviewed and updated (increased) in 2016. A review is taking place now to assess whether costs have risen such that an increase can be justified (a "profit" cannot be made on jobs; overall, it should be cost-neutral). Calculating the change requires following a formula set by CIPFA and this is in train, but initial thoughts are that an increase closer to £67 per hour or so may be the result, leading to a potential increase of about £15,000 per year.	Savings	(15,000)	(15,000)	(15,000)

Ref.	Department	Heading	Summary of Proposal	Savings/ Income	2020/21	2021/22	2022/23
PG-09	Planning & Growth	Increasing the amount per "bespoke" fee quote for Building Control	Where BC quotes for a job with multiple components (for example, inspecting a foundation plus steel beam or discounts for multiple new dwellings), a "discount" has traditionally been applied to the job overall. In 2019/20 this was modified so that less of a discount is now applied routinely. Whilst precise figures are very difficult to discern, this "discount" rate could be reduced further.	Savings	(7,500)	(7,500)	(7,500)
CM-02	Communications & Marketing	Reduction in copier paper budget	A further reduction in the corporate Print & Stationery budget given the reduced amount of items being copied/printed via MFDs whilst also switching to recycled paper. Reduce the budget line CTRE41500000 by £3,000.	Savings	(3,000)	(3,000)	(3,000)
CM-06	Communications & Marketing	Marketing income from commercialisation	The Marketing, Engagement & Events Team now operates as a full service agency and is able, within existing resources, to offer external clients a professional design and marketing service. It is proposed to set a target of £10,000 for 2020/21 for commercial income.	Income	(10,000)	(10,000)	(10,000)
PMA-01	Property & Asset Mangement	Footway Lighting	Footway lighting has been considered a number of times over the years. This proposal utilised new lamp holders to save on energy also offering the opportunity to reduce wattage during hours of the night leaving the lights on but at a dimmer level. This will involve spend to save funding in order to change the lamps. In addition to this work to begin to reduce Footway lighting by removal where duplicated with Highway Lighting, this happens in a number of areas across the Borough and could again make savings without impacting on residents.	Savings	(25,000)	(50,000)	0
PG-07	Planning & Growth	Encourage parish councils to access planning applications online	Parish councils are routinely sent copies of key documents for planning applications to help them analyse the applications and frame their response to the Council. Increasingly more councils have stopped doing this, instead requiring parish councils to access information on the website, and it is proposed that this be done at GYBC too.	Savings	(3,000)	(3,000)	(3,000)
CM-04	IT, Communications & Marketing	Public Information Pillar Advertising	The Public Information Pillar (PIPS) advertising contract with the existing provider (Sutton Media) comes to an end in 2020. During this contract period the Council has passported £15,000 to the Town Centre Partnership (TCP) as a legacy from a previous contracting relationship. It is proposed that for the financial year 2020/21, the Council ceases that arrangement and reviews the current on-street advertising assets in line with the Town Centre regeneration plans and new vision for the seafront. CTTO44010000 = £15,000.	Savings	(15,000)	(15,000)	(15,000)
CM-10	IT, Communications & Marketing	Winter off-peak closure of Tourist Information Centre	A saving was offered in the last budget-setting process for 2019/20 which saw the tightening-up of revenue expenditure across a range of budget lines. This has enabled the Tourist Information Centre (TIC) on the seafront in Maritime House to remain open for 12 months of the year. It had been anticipated that to make the saving for 2019/20, the TIC would close for 4 months in the winter off-peak season (November, December, January, February). This was not required in the end owing to finding other savings. However for 2020/21 the proposal is to close for these 4 months starting in 2020/21.	Savings	(9,333)	(9,520)	(9,711)

Council Tax Summary 2020/21

	2019/20 Actual	Actual 2020/21 £5 Council Tax Increase		
			Movement £	Movement %
Demand on Collection Fund (excluding Parish/Town Precepts)	£ 4,611,869	£ 4,835,911	£224,042	4.86%
Borough Council Tax Level at Band D	£ 161.48	£ 166.48	£5.00	3.10%
Net Borough Council Tax at Band D	£ 161.48	£ 166.48	£ 5.00	3.10%
Value of Precepts*	£ 429,323	£474,871	£45,548	10.61%
Effect of Parish/Town Precepts	£ 15.03	16.35	£1.32	8.78%
Billed Borough Council Tax at Band D	£ 176.51	£ 182.83	£ 6.32	3.58%

* At time of reporting two parish precepts outstanding

Tax Base	28,560	29,048
Tax Base Movement (from 2019/20)		488

Note: The Tax Base for 2020/21 is 29,048 (2019/20 28,560) so each £29,048 change in net expenditure has £1.00 effect on Council Tax at Band D.

General Fund Reserves Schedule - 2020/21 BUDGET		Opening Balance 01/04/19	Budgeted Movement 2019/20	Forecast Movement 2019/20	Closing Balance 31/03/20	Budgeted Movement 2020/21	Closing Balance 31/03/21	Budgeted Movement 2021/22	Closing Balance 31/03/22	Budgeted Movement 2022/23	Updated Closing Balance 31/03/23
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£	
Asset Management reserve	This reserve is held to mitigate the impact of fluctuations between financial years from income received from Council assets and properties, in addition it includes re-allocation from other reserves to be used for investments in Council assets including current and future asset enhancements.	1,900,000	(943)	(63,445)	1,836,555	(435,700)	1,400,855	(507,300)	893,555	0	893,555
Benefits/Revenues Reserve	Earmarking of grants and underspends to be used for the service and mitigation of subsidy impacts.	144,621	0	0	144,621	0	144,621	0	144,621	0	144,621
Coast Protection	Established as part of the 2019/20 budget process for match funding and mitigate one-off costs in relation to coast protection.	0	150,000	95,000	95,000	0	95,000	0	95,000	0	95,000
Collection Fund (Business Rates)	Earmarked to mitigate the fluctuations in business rate income between years.	1,440,976	(180,000)	(180,000)	1,260,976	0	1,260,976	0	1,260,976	0	1,260,976
Community Housing Fund	This represents grants previously received to assist with the delivery of Community Housing.	573,603	0	0	573,603	(30,000)	543,603	(30,000)	513,603	(30,000)	483,603
DFG top-up capital loans & grant fund	This reserve is utilised as expenditure is incurred.	350,270	0	0	350,270	49,730	400,000	0	400,000	0	400,000
Enforcement	Earmarked for enforcement related works to address issues and bring properties back into use.	46,022	0	0	46,022	0	46,022	0	46,022	0	46,022
Homelessness	These Reserves are utilised as expenditure is incurred.	426,366	0	0	426,366	103,611	529,977	(46,000)	483,977	(46,000)	437,977
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.	215,655	0	45,195	260,850	0	260,850	0	260,850	0	260,850
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.	1,589,249	140,471	(106,818)	1,482,431	(103,946)	1,378,485	0	1,378,485	0	1,378,485

General Fund Reserves Schedule - 2020/21 BUDGET		Opening Balance 01/04/19	Budgeted Movement 2019/20	Forecast Movement 2019/20	Closing Balance 31/03/20	Budgeted Movement 2020/21	Closing Balance 31/03/21	Budgeted Movement 2021/22	Closing Balance 31/03/22	Budgeted Movement 2022/23	Updated Closing Balance 31/03/23
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£	
LEGI	As costs are incurred, these are offset by the reserve.	523,671	(400,000)	(400,000)	123,671	(49,730)	73,941	0	73,941	0	73,941
Other Reserves	These Reserves are budget carry forwards to be used in future years	729,984	0	(650,625)	79,359	(14,249)	65,110	0	65,110	0	65,110
Planning Delivery Grant	The reserve is planned to be used to provide service improvements in Planning, and deliver the Local Development Framework.	62,360	0	0	62,360	0	62,360	0	62,360	0	62,360
Repairs and Maintenance	This reserve is utilised as expenditure is incurred.	352,253	0	(19,000)	333,253	0	333,253	0	333,253	0	333,253
Restricted use grant	This reserves holds unspent grants received for specific purposes for which the spend has not yet been incurred.	940,610	(169,195)	(113,555)	827,055	(142,344)	684,711	(128,422)	556,289	(40,000)	516,289
Second Homes Council Tax	This reserve is utilised as expenditure is incurred.	155,962	(155,962)	(155,962)	(0)	0	(0)	0	(0)	0	(0)
Special Project Reserve	Earmarked as per the 2017/18 budget report for project spend and also for matched funding as appropriate.	743,681	(139,774)	(124,692)	618,989	(176,203)	442,786	(138,483)	304,303	(50,000)	254,303
Specific budget	This reserve is utilised as expenditure is incurred.	102,327	(27,230)	(27,230)	75,097	(25,153)	49,944	(26,569)	23,375	15,447	38,822
Town Centre Initiative	Earmarked for spend in relation to the town centre project.	33,310	0	(29,970)	3,340	0	3,340	0	3,340	0	3,340
Treasury Management reserve	This reserve is held to mitigate year on year fluctuations of investment income received.	200,000	0	0	200,000	0	200,000	0	200,000	0	200,000
Waste Management	This reserve is utilised as expenditure is incurred in relation to the service.	25,170	0	(25,000)	170	0	170	0	170	0	170
Total General Fund Earmarked Reserves		10,556,090	(782,633)	(1,756,102)	8,799,988	(823,984)	7,976,004	(876,774)	7,099,230	(150,553)	6,948,677
General Fund Reserve Total		3,005,470	155,962	155,962	3,161,432	(150,458)	3,010,974	0	3,010,974	0	3,010,974
Total General Fund Reserves		13,561,560	(626,671)	(1,600,140)	11,961,420	(974,442)	10,986,978	(876,774)	10,110,204	(150,553)	9,959,651

Policy Framework for the Earmarked Reserves and Assessing the Optimum Level of the General Reserve for the period 2020/21 to 2022/23

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 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 2019/20 to assess the recommended level of reserves:

Item	2020/21	2021/22	2022/23
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)	160,000	180,000	180,000
3 Failure to Achieve Planned Savings and Cost Pressures from Corporate Plan Targets (to ensure core services are maintained)	200,000	200,000	200,000
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

Appendix G

Item	2020/21	2021/22	2022/23
6 Treatment of Demand Led Pressures (recognising the impact of increase or reduction in demand and compensating increase or reduction in expenditure or income)	600,000	600,000	600,000
7 Project Risks (To recognise the risks the Authority is facing in terms of partnership work and significant projects)	200,000	200,000	200,000
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	2,800,000	2,800,000	2,800,000
% of Net Budgeted Operating Expenditure (excluding parish precepts)	22%	21%	21%

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 2020/21 would be £2.8 million. The budgeted General Fund Reserve as presented for approval is within an acceptable tolerance and is slightly able the recommended level.

General Fund Current 2021 Capital Programme and 1920 Budget and Forecast

Services & Projects	Expenditure £000		2020/21		Budget 2021 Financing - £000		
	Revised Budget 1920	Forecast 2019/20	Budget	Borrowing	Grants & Contributions	Revenue/ Earmarked Reserves	Capital Receipts
Equinox Enterprises Limited Share Capital	£1,058	£1,058	£0	£0	£0	£0	£0
ICT Investment to deliver GYBC ICT Strategy *	£620	£411	£594	£594	£0	£0	£0
Total: Executive & Resources	£1,678	£1,469	£594	£594	£0	£0	£0
Childrens Playground Refurbishment	£87	£35	£52	£52	£0	£0	£0
Cobholm Skate Park	£99	£99	£0	£0	£0	£0	£0
Wellesley CCTV	£15	£0	£15	£15	£0	£0	£0
Total: Neighbourhood Management	£201	£134	£67	£67	£0	£0	£0
Rebuilding sections of Factory Rd/Belvedere Rd/Nth Denes Rd Gt							
Yarmouth Cemetery Wall	£25	£6	£0	£0	£0	£0	£0
St Nicholas Minster West Boundary Wall	£95	£0	£95	£95	£0	£0	£0
St Nicholas car park North Boundary Wall	£25	£0	£25	£25	£0	£0	£0
Rebuilding sections of Great Yarmouth Cemetry Wall - East Road	£25	£25	£0	£0	£0	£0	£0
Replacement P&D Machines	£107	£90	£0	£0	£0	£0	£0
Crematorium Tearooms	£446	£100	£346	£346	£0	£0	£0
King Street car parking spaces/ sub-station works	£19	£19	£0	£0	£0	£0	£0
Total: Customer Services	£742	£240	£466	£466	£0	£0	£0
Health and Fitness Centre	£25,893	£5,893	£20,000	£16,250	£3,750	£0	£0
The Waterways	£400	£400	£0	£0	£0	£0	£0
Phoenix Pool & Gym car park extension	£130	£30	£100	£100	£0	£0	£0
Great Yarmouth Preservation Trust Loan	£140	£140	£0	£0	£0	£0	£0
Total: Inward Investment	£26,563	£6,463	£20,100	£16,350	£3,750	£0	£0
Disabled Facilities Grant	£1,188	£1,188	£0	£0	£0	£0	£0
Empty Homes	£718	£100	£618	£618	£0	£0	£0
DFG Top-up Grants	£250	£10	£240	£0	£0	£240	£0
DFG Top-up Loans	£150	£50	£100	£0	£0	£100	£0
Norfolk & Waveney Equity Loan Scheme	£72	£72	£0	£0	£0	£0	£0
Equity Home Improvement Loans	£544	£100	£444	£0	£0	£0	£444
HMOs /Guesthouse Purchase & Repair Scheme	£2,000	£250	£1,750	£1,750	£0	£0	£0
Community Housing Fund Loans	£540	£101	£439	£0	£0	£439	£0
Total: Housing	£5,461	£1,871	£3,590	£2,367	£0	£779	£444
Public Toilet Refurbishment Programme	£265	£265	£0	£0	£0	£0	£0
Footway Lighting **	£156	£78	£178	£178	£0	£0	£0
Gorleston High Street car park resurfacing	£19	£19	£0	£0	£0	£0	£0
Cobholm Rugby Club roadway	£20	£20	£0	£0	£0	£0	£0
Yacht Station Improvements - welfare facilities	£2	£2	£0	£0	£0	£0	£0
Esplande Resurfacing	£331	£50	£281	£281	£0	£0	£0
GY Flood Defence Scheme Epoch 2	£50	£50	£0	£0	£0	£0	£0
Beach Huts	£178	£178	£0	£0	£0	£0	£0
Council Chamberr relocation	£130	£130	£0	£0	£0	£0	£0
Cycle Sheds & Grey Friars Shower Facility	£37	£37	£0	£0	£0	£0	£0
Gorleston Paddling Pool /Splash Pad	£10	£10	£0	£0	£0	£0	£0
Phoenix Pool	£50	£50	£0	£0	£0	£0	£0
Beacon Park Projects	£500	£500	£0	£0	£0	£0	£0
Market Place Redevelopment	£1,200	£250	£950	£950	£0	£0	£0
North Quay Redevelopment	£2,500	£1,000	£1,500	£1,500	£0	£0	£0
Winter Gardens	£100	£100	£0	£0	£0	£0	£0
Energy Park - South Denes	£1,908	£200	£1,708	£1,708	£0	£0	£0
Total: Property & Asset Management	£7,457	£2,939	£4,618	£4,618	£0	£0	£0
Overall Total	£42,101	£13,116	£29,435	£24,462	£3,750	£779	£444

* £385k approved for 2020/21 (and £279k for 2021/22) as part of the 2019/20 budget

** £100k per year approved for 2020/21 to 2023/24 as part of the 2019/20 budget

2020/21 Capital Bids

Project	Approval Process	Budget 2021	Funding			Budget 2122	Funding Borrowing	Potential Savings	Revenue income & Costs inc MRP	NOTES
			Borrowing	Revenue	External					
ICT	Budget Setting	£10,000	(£10,000)	£0	£0	£0	£0	£0	£1,429	£385k was approved for 20/21 and £279k for 21/22 as part of the 19/20 budget and this covers the main cost of ICT improvement across the Council. A further £10k has been requested for 2021 following review of ICT projects required. Additionally £135k may be added to this pending a business case for the replacement Environmental, Planning & Building Control system in 2021.
Disabled Facility Grants	Budget Setting	£1,188,068	£0	£0	(£1,188,068)	£0	£0	£0	£0	Standard DFG allocation funded externally. Amount estimated based on 2019/20.
Footway Lighting Column Replacement / LED Upgrade	Budget Setting	£200,000	(£200,000)	£0	£0	£200,000	(£200,000)	(£50,000)	£8,333	To compliment the existing footway lighting column replacement programme which looks at efficiencies in existing provision (£100k pa already approved in 2019/20 for 20/21 & 21/22) the additional requirement would embark on a programme of lantern replacement to incorporate modern energy efficient LED fittings. Revenue savings have been included within the General Fund 20/21 budget at Appendix A (£25k saving in 20/21 and further saving of £50k in 21/22).
Winter Gardens	Budget Setting	£1,000,000	(£1,000,000)	£0	£0	£0	£0	£0	£45,000	This bid recognises the need for the Council to commit to provide some budget for match funding towards capital works on the Winter Gardens when approaching potential external funders (e.g. completing funding applications). Use of the funding will be subject to full approval in line with external funders being confirmed.
GYBC Vehicle Replacement	Business Case Required	£147,000	£0	(£142,000)	(£5,000)	£0	£0	(£16,000)	£37,450	A review of the Council's current vehicle usage is required to identify efficiencies that could be identified as vehicles are due for replacement or coming to the end of the lease period (7 vehicles across 4 service areas, Environmental Services, Events, Car Parks & Property Services). The costing included here are based on replacing this mixture of leased, purchased and contract vehicles with purchased electric vehicles which would significantly reduce the fuel bill and carbon footprint of the Council whilst also making a saving over the 5 years.
Crematorium Office Roof	Business Case Required	£14,000	(£14,000)	£0	£0	£0	£0	£0	£1,050	Stripping & replacing the flat roof over the Crematorium Bereavement Office and administration area.
GYBC Resident Permit Holder Car Parks resurfacing Works	Business Case Required	TBC								Resurface (including filling pot holes & re-lining bays) for GYBC owned parking bays at various sites for resident permit holders. No estimate of costs obtained at this stage.
Beales car park resurfacing	Business Case Required	£75,000	(£75,000)	£0	£0	£0	£0	£0	£6,875	This bid would be considered as part of a wider review of the existing car park provision within the Town Centre. The £75k cost would be to complete the whole carpark but potentially a section could be completed at a cost of £35k. Internal funding/ borrowing required may be reduced if private contribution obtained.
Refurbish Tower Toilets	Business Case Required	£75,000	(£75,000)	£0	£0	£0	£0	£0	£4,375	Refurbish the Tower Toilets (on the sea front opposite Euston Road) and include potential of introducing a Changing Places facility (a combined toilet, shower and changing room, designed especially to meet the needs of people with complex and multiple disabilities).
Alterations to Throw cage at Wellesley Recreation Ground	Business Case Required	£15,000	(£15,000)	£0	£0	£0	£0	£0	£1,375	To carry out health and safety alterations to the throw cage to comply with UK Athletics' new specifications they have introduced following a review of cage safety. This may form part of a wider review of the Wellesley site.
		£2,724,068	(£1,389,000)	(£142,000)	(£1,193,068)	£200,000	(£200,000)	(£66,000)	£105,887	

Approval summary	Budget 2021	Funding			Budget 2122	Funding Borrowing	Potential Savings	Revenue income & Costs inc MRP
		Borrowing	Revenue	External				
Budget Setting	£2,398,068	(£1,210,000)	£0	(£1,188,068)	£200,000	(£200,000)	(£50,000)	£54,762
Business Case Required	£326,000	(£179,000)	(£142,000)	(£5,000)	£0	£0	(£16,000)	£51,125
Total	£2,724,068	(£1,389,000)	(£142,000)	(£1,193,068)	£200,000	(£200,000)	(£66,000)	£105,887

Prudential Indicators and Annual Minimum Revenue Provision Statement 2020/21.**Prudential Indicators 2020/21**

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure: The Authority's planned capital expenditure and financing may be summarised as follows. Further detail is provided in the capital programme report Appendix G.

Capital Expenditure and Financing	2019/20 Revised £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
Executive & Resources	£ 1,469	£ 209	£ 0
Neighbourhood Management	£ 134	£ 67	£ 0
Customer Services	£ 240	£ 466	£ 0
Inward Investment	£ 6,463	£16,100	£ 4,000
Housing	£ 1,871	£ 3,369	£ 0
Property & Asset Management	£ 2,939	£ 4,517	£ 222
General Fund Total	£13,116	£24,728	£4,222
Housing Revenue Account	£12,717	£12,905	£13,080
Total Expenditure	£25,833	£37,633	£17,302
Capital Receipts	£ 1,643	£ 2,510	£ 2,354
Capital Grants & Contributions	£ 1,658	£ 2,078	£ 1,800
Revenue	£ 9,454	£ 7,816	£ 6,799
Borrowing	£ 13,078	£25,229	£ 6,349
Total Financing	£25,833	£27,633	£17,302

Estimates of Capital Financing Requirement: The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.20 Revised £m	31.03.21 Estimate £m	31.03.22 Estimate £m
General Fund	£ 62.9	£ 83.5	£ 84.6
HRA	£ 84.2	£ 85.8	£ 91.8
Total CFR	£147.1	£171.2	£176.4

The CFR is forecast to rise by £29m over the next two years as capital expenditure financed by debt outweighs resources put aside for debt repayment.

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31.03.20 Revised £m	31.03.21 Estimate £m	31.03.22 Estimate £m
Net Borrowing	£108.8	£86.2	£82.6
Net Finance leases	£ 0.3	£ 0.2	£ 0.3
Net Transferred debt	£ 0.4	£ 0.4	£ 0.4
Total Debt	£118.7	£109.5	£86.9

Total debt is expected to remain below the CFR during the forecast period.

Operational Boundary for External Debt: The operational boundary is based on the Authority's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease and other liabilities that are not borrowing but form part of the Authority's debt.

Operational Boundary	2019/20 Revised £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Borrowing	£150	£174	£179	£181
Other long-term liabilities	£ 2	£ 2	£ 2	£ 2
Total Debt	£152	£176	£181	£183

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	2019/20 Revised £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Borrowing	£155	£179	£184	£186
Other long-term liabilities	£ 2	£ 2	£ 2	£ 2
Total Debt	£157	£181	£186	£188

Ratio of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2019/20 Revised %	2020/21 Estimate %	2021/22 Estimate %
General Fund	3.6%	7.3%	9.4%
HRA	10.7%	11.4%	11.6%

Incremental Impact of Capital Investment Decisions: This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and housing rent levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme proposed Appendix G.

Incremental Impact of Capital Investment Decisions	2019/20 Estimate	2020/21 Estimate
General Fund - increase in annual band D Council Tax	£2.96	£8.93
HRA - increase in average weekly rents	£0.46	£0.30

Adoption of the CIPFA Treasury Management Code: The Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* and it fully complies with the Codes recommendations.

Annual Minimum Revenue Provision Statement 2020/21

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 Department for Communities and Local Government's Guidance on Minimum Revenue Provision (the CLG Guidance) most recently issued in 2012.

The broad aim of the CLG Guidance is to ensure that debt is repaid 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 CLG 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 outlines the Council's MRP policy, as approved by the Policy & Resources Committee 28th November 2017, for the General Fund since 2017/18:

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". This methodology is consistent with previous years.

For assets acquired by finance 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 that are repaid in annual or more frequent instalments of principal, 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.

Capital expenditure incurred during 2020/21 will not be subject to a MRP charge until 2021/22.

Based on the Authority's latest estimate of its Capital Financing Requirement on 31st March 2020, the budget for MRP has been set as follows:

	31.03.2020 Estimated CFR £m	2020/21 Estimated MRP £m
Capital expenditure before 01.04.2008	£ 14.1	£0.5
Capital expenditure after 31.03.2008	£ 38.0	£1.0
Capital Investments	£ 4.7	N/A
Total General Fund	£ 52.1	£1.5
Housing Revenue Account	£ 83.6	N/A
Total	£135.7	£1.5