

Budget Book 2021/22

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1. Introduction

This budget book provides summary information on the Council's budget for 2021/22. It reflects the budget that was agreed by the Council in February 2021.

The proposed revenue budgets and associated Business Plan seek to advance the Council's priority areas:

- Growing the Economy.
- Supporting individuals and empowering communities.
- Protecting and Improving the natural and built environment, whilst maximising quality of life.
- Moving with the times, working smartly and collaboratively.

For more detailed information on the 21/22 Delivery Plan and Budget please use the links below

<https://www.southnorfolkandbroadland.gov.uk/downloads/file/2311/cabinet-agenda-8-february-2021>

Delivery Plan – Page 129

Revenue Budget – Page 232

Medium Term Financial Strategy – Page 241

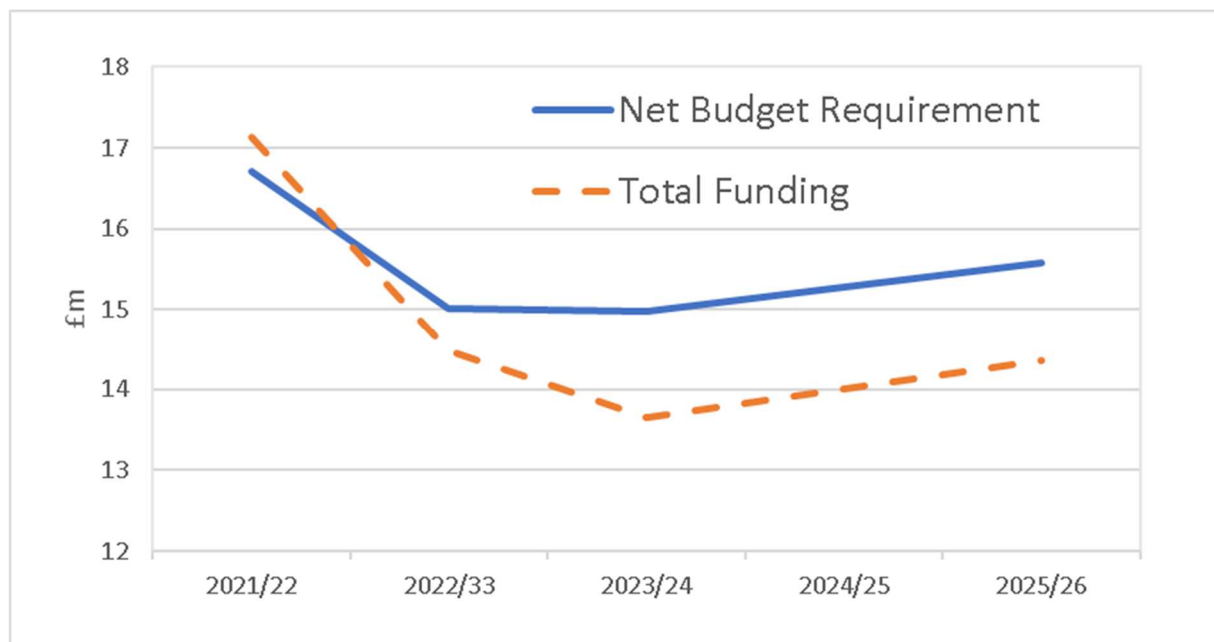
Capital Budget and Financing – Page 213

2. Revenue Budget 2021/22

| | Pay £'000 | Non Pay £'000 | Income £'000 | Net £'000 | Prior Yr £'000 |
|---|---------------|---------------------|-----------------|---------------|----------------------|
| Resources / MD | | | | | |
| Corporate Costs (inc Pension lump sum payment) | 200 | 2,021 | -43 | 2,178 | 1,815 |
| COVID Support | 0 | 794 | -794 | 0 | 0 |
| Finance | 495 | 100 | -20 | 575 | 615 |
| Council Tax & NNDR | 629 | 56 | -384 | 301 | 195 |
| Governance | 459 | 1,528 | -577 | 1,410 | 1,203 |
| Facilities | 169 | 412 | -143 | 438 | 447 |
| Human Resources | 263 | 405 | 0 | 668 | 613 |
| ICT & Digital | 647 | 1,166 | -80 | 1,733 | 1,556 |
| Executive Team | 434 | 45 | 0 | 479 | 477 |
| Chief of Staff | 626 | 273 | -14 | 885 | 662 |
| | 3,922 | 6,800 | -2,055 | 8,667 | 7,583 |
| Place | | | | | |
| Economic Growth | 625 | 1,587 | -1,724 | 488 | 555 |
| Community & Environmental Protection | 414 | 70 | -26 | 458 | 455 |
| Food, Safety & Licensing | 282 | 31 | -171 | 142 | 109 |
| Planning | 1,473 | 493 | -1,448 | 518 | 340 |
| Building Control / CNC | 1,515 | 512 | -2,412 | -385 | -327 |
| Business Support | 448 | 149 | -330 | 267 | 282 |
| | 4,757 | 2,842 | -6,111 | 1,488 | 1,414 |
| People & Communities | | | | | |
| Communities and Early Help | 762 | 365 | -361 | 766 | 754 |
| Housing Standards & Independent Living | 453 | 29 | -133 | 349 | 402 |
| Housing Benefit Payments | 0 | 22,000 | -22,000 | 0 | 0 |
| Housing and Benefits | 1,176 | 260 | -1,264 | 172 | 351 |
| Leisure | 1,894 | 1,705 | -2,035 | 1,564 | 379 |
| Waste Services | 3,721 | 3,675 | -4,899 | 2,497 | 2,705 |
| | 8,006 | 28,034 | -30,692 | 5,348 | 4,591 |
| Net Cost of Services (Including HB) | 16,685 | 37,676 | -38,858 | 15,503 | 13,588 |
| Net Cost of Services (Excluding HB) | 16,685 | 15,676 | -16,858 | 15,503 | 13,588 |
| Investment Income | | | | -1,356 | -1,541 |
| Interest Payable | | | | 300 | 192 |
| Minimum Revenue Provision (to repay borrowing) | | | | 39 | 0 |
| Internal Drainage Board Levy | | | | 173 | 160 |
| Council Tax Deficit / (Surplus) - Offset by Covid Grant | | | | -379 | 0 |
| Transfers to / (from) Earmarked Reserves | | | | 2,042 | 2,451 |
| Transfers to / (from) GF Balance | | | | 436 | 1,838 |
| | | | | 16,758 | 16,688 |
| Funded by | | | | | |
| Council Tax - District Element | | | | 8,037 | 7,745 |
| Council Tax - Special Expenses | | | | 7 | 11 |
| NNDR (Business Rates) - Baseline Income | | | | 3,121 | 3,121 |
| NNDR (Business Rates) - Retained Growth | | | | 1,289 | 1,289 |
| Lower Tier Services Grant | | | | 447 | 0 |
| Rural Services Delivery Grant / Other Government Grants | | | | 280 | 0 |
| New Homes Bonus | | | | 3,577 | 4,522 |
| | | | | 16,758 | 16,688 |

3. Medium Term Financial Strategy

The following graph shows the Council's projected Net Budget requirement compared to the predicted Total Funding over the next few years.



This shows a funding gap developing in 2022/23 of approximately £0.5m, which increases to over £1m in later years.

The figures in the plan are based on the 2021/22 Local Government Finance Provisional Settlement. Future year funding figures are uncertain due to the Government's ongoing funding review, which is expected to be consulted on in 2021/22 and introduced for 2022/23

The key messages from the MTFP are:

- That further savings/income will need to be made over the plan period.
- It is anticipated that the existing New Homes Bonus grant will be phased out, and replaced with a smaller scheme.
- Changes are anticipated but unknown at this stage in relation to business rates income and also the fairer funding review.
- Work to deliver the savings envisaged from the collaboration with Broadland Council is an important factor in maintaining a balanced budget.
- The ambitious five-year capital programme, which is also on this agenda, will have revenue budget implications both in terms of financing and other budget lines such as IT licences depending on the individual project.
- With significant pressure on the Council's budget over the medium term, the Medium-Term Financial Strategy includes future Council Tax increases of £5.00 a year which is the maximum increase currently permitted for District Councils without a referendum being triggered.

Borrowing

Future years' capital programmes will be funded partly through borrowing, this will initially be internal borrowing from the Council's own cash balances; future external borrowing must be affordable within the context of the revenue budget. Nevertheless, while interest rates remain low there is a case for borrowing on a fixed interest rate basis if the income generated from an investment clearly exceeds the cost of financing. The exact timing of borrowing depends upon the progress and phasing of the Capital Programme and the level of revenue reserves.

Summary Medium Term Financial Strategy

| | 2021/22 £000 | 2022/23 £000 | 2023/24 £000 | 2024/25 £000 | 2025/26 £000 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Base Net Expenditure | 15,504 | 15,504 | 14,637 | 14,792 | 15,088 |
| <u>Recurring Adjustments:</u> | | | | | |
| Inflationary Pressures | | 310 | 293 | 296 | 302 |
| Collaboration Savings | | -598 | -138 | | |
| Bounce bank of leisure income | | -750 | | | |
| Increase in pension contribution | | 171 | | | |
| Base Net Expenditure for following year | 15,504 | 14,637 | 14,792 | 15,088 | 15,390 |
| <u>Non Recurring Adjustments</u> | | | | | |
| Investment Income - General | -56 | -56 | -56 | -56 | -56 |
| Investment Income - Loans to companies | -1,300 | -900 | -600 | -600 | -600 |
| Interest Payable & MRP | 339 | 339 | 339 | 339 | 339 |
| Internal Drainage Board Precept | 173 | | | | |
| Transfers to / (from) Earmarked Reserves | 2,042 | 1,000 | 500 | 500 | 500 |
| Net Budget Requirement | 16,703 | 15,020 | 14,975 | 15,271 | 15,572 |

| | | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Funded by | | | | | |
| Council Tax - District Element | 8,037 | 8,371 | 8,711 | 9,057 | 9,409 |
| Council Tax - Special Expenses | 7 | 7 | 7 | 7 | 7 |
| Council Tax - (Deficit) / Surplus | 379 | | | | |
| NNDR (Business Rates) | 4,410 | 4,410 | 4,410 | 4,410 | 4,410 |
| New Homes Bonus | 3,577 | 1,421 | 250 | 250 | 250 |
| Lower Tier Services Grant | 447 | | | | |
| Rural Services Delivery Grant | 280 | 280 | 280 | 280 | 280 |
| Total Funding | 17,138 | 14,490 | 13,659 | 14,005 | 14,356 |

| | | | | | |
|---------------------------------------|-------------|------------|--------------|--------------|--------------|
| Funding Gap / (Annual Surplus) | -436 | 530 | 1,316 | 1,266 | 1,216 |
|---------------------------------------|-------------|------------|--------------|--------------|--------------|

| | | | | | |
|--------------------------------|--------|--------|--------|--------|--------|
| Council Tax Calculation | | | | | |
| Council Taxbase (Homes) | 50,233 | 50,735 | 51,243 | 51,755 | 52,273 |
| Council Tax | 160.00 | 165.00 | 170.00 | 175.00 | 180.00 |
| | 8,037 | 8,371 | 8,711 | 9,057 | 9,409 |

| | | | | | |
|------------------------------------|-------|-------|-----|-----|-----|
| New Homes Bonus Calculation | | | | | |
| 2018-19 | 1,207 | | | | |
| 2019-20 | 1,171 | 1,171 | | | |
| 2020-21 | | | | | |
| 2021-22 | 1,199 | | | | |
| Future years | | 250 | 250 | 250 | 250 |
| | 3,577 | 1,421 | 250 | 250 | 250 |

4. Capital Programme

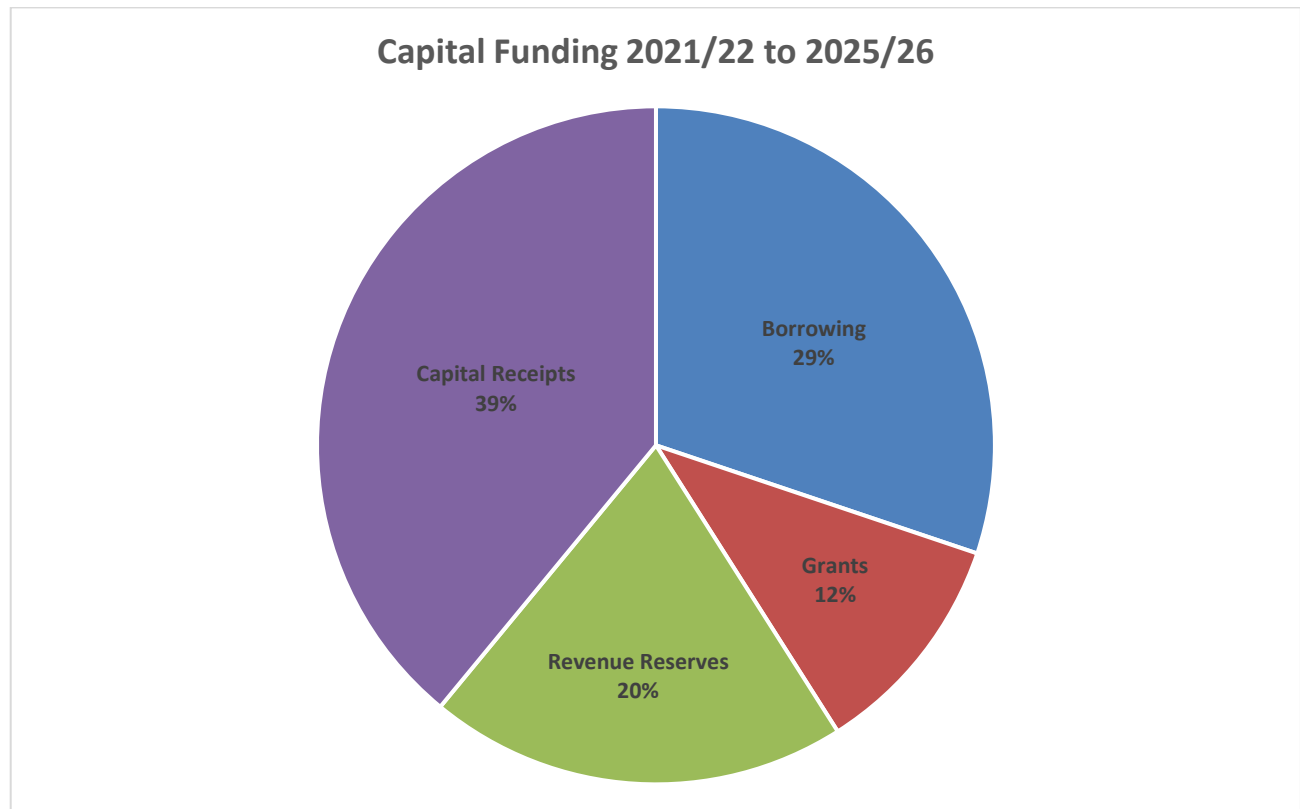
| <u>Scheme</u> | Team | Provisional Projects - i.e. those requiring a business case and/or Member approval to progress | Estimate 2021/22 £ | Estimate 2022/23 £ | Estimate 2023/24 £ | Estimate 2024/25 £ | Estimate 2025/26 £ | Total |
|--|-----------------|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------|
| Funding to finance BSD's 5 year strategy | - | Y | 7,450,000 | 4,000,000 | 3,000,000 | | | 14,450,000 |
| Poringland Phase 3 | - | Y | 1,700,000 | | | | | 1,700,000 |
| Total Big Sky Projects | | | 9,150,000 | 4,000,000 | 3,000,000 | 0 | 0 | 16,150,000 |
| IT - Annual Replacement Programme | ICT & Digital | | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 625,000 |
| IT - Website / Digital | ICT & Digital | | 55,000 | | | | | 55,000 |
| IT - System Replacement Programme | ICT & Digital | Y | 442,250 | 375,000 | 375,000 | 375,000 | 375,000 | 1,942,250 |
| South Norfolk House - Replacement of Boilers | Facilities | | | 50,000 | | | | 50,000 |
| South Norfolk House -Replacement of the Felt on the Roof | Facilities | | | 20,000 | | | | 20,000 |
| Total: Resources | | | 622,250 | 570,000 | 500,000 | 500,000 | 500,000 | 2,692,250 |
| Play Area Refurbishments - Sites <u>with</u> Commuted Sums | Economic Growth | | 25,150 | | 113,973 | 49,946 | | 189,069 |
| Street Lighting | Economic Growth | | 112,000 | 24,240 | 24,240 | 24,240 | 24,240 | 208,960 |
| Car Park Strategy | Economic Growth | | 21,348 | | | | | 21,348 |
| Installation of Electric Car Charging Points | Economic Growth | | 28,000 | | | | | 28,000 |
| Norfolk Strategic Fund to support Economic Growth | Economic Growth | | 428,572 | | | | | 428,572 |
| Norwich Research Park Enterprise Zone Building | Economic Growth | | 900,000 | | | | | 900,000 |
| Property Development | Economic Growth | Y | 7,000,000 | | | | | 7,000,000 |
| Land Purchase for Property Development | Economic Growth | Y | 2,750,000 | | | | | 2,750,000 |
| Other Property/Economic Development Investment | Economic Growth | Y | | 4,500,000 | | | | 4,500,000 |
| Total Place | | | 11,265,070 | 4,524,240 | 138,213 | 74,186 | 24,240 | 16,025,949 |

| <u>Scheme</u> | Team | Provisional Projects - i.e. those requiring a business case and/or Member approval to progress | Estimate 2021/22 £ | Estimate 2022/23 £ | Estimate 2023/24 £ | Estimate 2024/25 £ | Estimate 2025/26 £ | Total |
|--|------------------------|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------|
| Further Works at Wymondham Leisure Centre | Leisure | | 105,465 | 70,000 | 20,000 | | | 195,465 |
| Diss LC - Poolside Improvements & Tank Tiles | Leisure | | | | 300,000 | | | 300,000 |
| Further Works at Diss Leisure Centre | Leisure | | 130,000 | | 30,000 | | | 160,000 |
| Further Works at Long Stratton Leisure Centre | Leisure | | 60,000 | | 25,000 | | | 85,000 |
| Framingham Earl High School | Leisure | Y | 220,000 | 80,000 | | | | 300,000 |
| Ketts Park - Tennis Facilities | Leisure | Y | 366,886 | | | | | 366,886 |
| Ketts Park Kitchen | Leisure | Y | | 25,000 | | | | 25,000 |
| Long Stratton Pool | Leisure | | 110,000 | | | | | 110,000 |
| Wheeled Bin Purchase | Waste | | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 750,000 |
| Vehicle Procurement and Replacement | Waste | | 748,000 | 760,000 | 760,000 | 760,000 | 760,000 | 3,788,000 |
| Grounds Maintenance Equipment | Waste | | | | 65,000 | 45,000 | 15,000 | 125,000 |
| Depot Refurbishment/Replacement | Waste | Y | 2,500,000 | 1,000,000 | 3,000,000 | | | 6,500,000 |
| Car Park Resurfacing | Waste | | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 175,000 |
| Disabled Facilities Grants | Housing | | 900,000 | 900,000 | 900,000 | 900,000 | 900,000 | 4,500,000 |
| New Project - Security Improvements to Temporary Accommodation | Individuals & Families | Y | 10,000 | | | | | 10,000 |
| New Project - Bawburgh Travellers site | Individuals & Families | Y | 114,000 | | | | | 114,000 |
| Total People & Communities | | | 5,449,351 | 3,020,000 | 5,285,000 | 1,890,000 | 1,860,000 | 17,504,351 |
| Total | | | 26,486,671 | 12,114,240 | 8,923,213 | 2,464,186 | 2,384,240 | 52,372,550 |

| | | | | | | | | |
|------------------|--|--|-------------------|-------------------|------------------|------------------|------------------|-------------------|
| FINANCING | | | | | | | | |
| Grants | | | 2,432,848 | 937,240 | 1,026,213 | 962,186 | 912,240 | 6,270,727 |
| Revenue Reserves | | | 4,856,103 | 1,752,000 | 2,477,000 | 602,000 | 602,000 | 10,289,103 |
| Capital Receipts | | | 3,672,720 | 9,425,000 | 5,420,000 | 900,000 | 870,000 | 20,287,720 |
| Borrowing | | | 15,525,000 | - | - | - | - | 15,525,000 |
| Total | | | 26,486,671 | 12,114,240 | 8,923,213 | 2,464,186 | 2,384,240 | 52,372,550 |

5. Capital Funding & Financing

The new five-year capital programme will be financed from a mixture of revenue and capital reserves, capital receipts and grants, internal borrowing from cash balances, and external borrowing. The projected sources of funding are shown in the graph below.



6. Parish Precepts

The charts below show Council Tax amounts for Band D and Parish and Town Council Precepts (Numbers in brackets indicate joint parishes).

The following table consolidates the overall council tax position for 2021/22.

| | 20/21 Band D £ | 21/22 Band D £ | Change |
|---------------------------------|----------------------|----------------------|----------------|
| Norfolk County Council | 1,416.51 | 1,472.94 | 3.98% |
| Police & Crime Commissioner | 263.07 | 278.01 | 5.68% |
| Total Preceptors | 1,679.58 | 1,750.95 | |
| | | | |
| South Norfolk Council | 155.00 | 160.00 | 3.23% |
| Special Expenses | 0.22 | 0.14 | |
| Total District Element | 155.22 | 160.14 | £4.92 increase |
| | | | |
| Parishes (Average) | 82.60 | 83.39 | 1.0% |
| | | | |
| Total Band D Council Tax | 1,917.40 | 1,994.48 | 4.02% |

Note: It is the Total District Element that is capped at £5.

The following table lists the Parish and Town Council Precepts for 2021/22

| | Precept £ | | Precept £ |
|---|--------------|------------------------------|--------------|
| Alburgh | 6,500.00 | Ketteringham (see 4) | 0.00 |
| Aldeby | 9,206.00 | Kimberley & Carleton Forehoe | 2,258.00 |
| Alpington (1) | 8,092.00 | Kirby Bedon | 1,325.00 |
| Ashby St Mary | 3,116.59 | Kirby Cane (see 5) | 0.00 |
| Ashwellthorpe & Fundenhall | 10,205.00 | Kirstead | 1,000.00 |
| Aslacton | 2,075.00 | Langley with Hardley | 7,474.00 |
| Barford (2) | 9,606.00 | Little Melton | 24,821.00 |
| Barnham Broom | 9,729.00 | Loddon | 128,703.00 |
| Bawburgh | 6,500.00 | Long Stratton | 180,193.00 |
| Bedingham | 900.00 | Marlingford & Colton | 8,300.00 |
| Bergh Apton | 4,200.00 | Morley | 9,657.00 |
| Bracon Ash & Hethel | 6,444.00 | Morningthorpe & Fritton | 3,000.00 |
| Bramerton | 15,716.71 | Mulbarton | 50,338.00 |
| Brandon Parva, Coston, Runhall & Welborne | 4,000.00 | Mundham | 1,626.00 |
| Bressingham & Fersfield | 7,750.00 | Needham | 5,500.00 |

| | | | |
|-----------------------|------------|--------------------------|------------|
| Brockdish | 13,305.00 | Newton Flotman | 12,298.00 |
| Brooke | 16,945.20 | Norton Subcourse | 2,480.00 |
| Broome | 5,700.00 | Poringland | 179,363.00 |
| Bunwell | 13,500.00 | Pulham Market | 27,490.00 |
| Burgh St.Peter (3) | 6,500.00 | Pulham St.Mary | 25,231.57 |
| Burston & Shimpling | 12,091.00 | Raveningham | 0.00 |
| Caistor & Bixley | 8,321.00 | Redenhall with Harleston | 334,947.00 |
| Carleton Rode | 4,275.00 | Rockland St.Mary (see 7) | 0.00 |
| Carleton St.Peter | 0.00 | Roydon | 26,533.00 |
| Chedgrave | 25,731.00 | Saxlingham Nethergate | 12,946.00 |
| Claxton | 4,613.00 | Scole | 24,010.00 |
| Colney | 1,930.17 | Seething | 4,017.95 |
| Costessey | 659,026.00 | Shelfanger | 4,800.00 |
| Cringleford | 300,636.00 | Shelton & Hardwick | 1,030.00 |
| Denton | 4,200.00 | Shotesham | 6,477.00 |
| Deopham & Hackford | 7,800.00 | Sisland | 0.00 |
| Dickleburgh & Rushall | 36,865.00 | Spooner Row | 20,255.97 |
| Diss | 571,428.00 | Starston | 6,716.00 |
| Ditchingham | 37,000.00 | Stockton | 300.00 |
| Earsham | 15,590.00 | Stoke Holy Cross | 41,851.45 |
| East Carleton (4) | 6,139.00 | Surlingham | 8,250.00 |
| Easton | 19,580.00 | Swainsthorpe | 6,812.00 |
| Ellingham (5) | 20,500.00 | Swardeston | 5,894.00 |
| Flordon | 4,953.00 | Tacolneston | 18,000.00 |
| Forncett | 12,000.00 | Tasburgh | 21,716.42 |
| Framingham Earl | 10,766.34 | Tharston & Hapton | 23,625.00 |
| Framingham Pigot | 0.00 | Thurlton | 7,088.00 |
| Geldeston | 7,182.72 | Thurton | 9,283.00 |
| Gillingham | 8,500.00 | Thwaite | 0.00 |
| Gissing | 6,113.00 | Tibenham | 4,351.00 |
| Gt.Melton | 880.00 | Tivetshall St.Margaret | 20,000.00 |
| Gt.Moulton | 7,000.00 | Toft Monks | 3,522.00 |
| Haddiscoe | 5,110.00 | Topcroft | 2,800.00 |
| Hales (6) | 9,905.00 | Trowse with Newton | 23,750.00 |
| Heckingham (see 6) | 0.00 | Wacton | 17,900.00 |
| Hedenham | 0.00 | Wheatacre (see 3) | 0.00 |
| Hellington (7) | 12,513.00 | Wicklewood | 11,000.00 |
| Hempnall | 17,850.00 | Winfarthing | 4,044.00 |
| Hethersett | 157,960.00 | Woodton | 10,471.15 |
| Heywood | 0.00 | Wortwell | 25,257.00 |
| Hingham | 77,000.00 | Wrampingham (see 2) | 0.00 |
| Holverston | 0.00 | Wreningham | 9,200.00 |
| Howe | 0.00 | Wymondham | 561,621.00 |
| Keswick & Intwood | 6,000.00 | Yelverton (see 1) | 0.00 |