



# **Budget Proposals 2021/22**

**Presentation by the Leader of the Council and  
Cabinet member for Finance & Performance  
Management**

**Performance Management Board  
3<sup>rd</sup> February 2021**

# Corporate Strategy

Corporate Strategy 2020 to 2024

- Connecting People & Places
- Enhancing Our Environment
- Supporting our Communities
- Promoting Prosperity
- Delivering & Innovating

Annual Plan will set priorities under these themes

# Budget Strategy

- Medium–Term Plan covering 4 year period
- Use New Homes Bonus for investment
- Reduce costs & increase income
- Maintain our good services
- Minimise impact on customers
- Manage our risks
- Deliver Investment Strategy
- Low council tax authority

# Background

- Initial Budget proposals agreed at Cabinet 23<sup>rd</sup> November
- Considered by Performance Management Board 18<sup>th</sup> November
- Report for Cabinet 8<sup>th</sup> February published
- A small number of changes and confirmations received, as follows:

# Finance Settlement

Provisional allocations issued on 17<sup>th</sup> December – confirmation of Final allocations awaited:

Provisional figures for 2021/22 (One-year settlement based on roll-forward from 2020/21)

- Business Rate Baseline - £3.486m
- Lower Tier Services Grant - £148k (new grant for 21/22)
- Rural Services Delivery Grant - £23k
- Council tax referendum principles – less than 2% or £5 whichever is higher for 2021/22 (Shire District Councils)

# Finance Settlement

- Council to participate in Essex Business Rate Pool for 2021/22 – potential share of growth
- Homelessness Prevention Grant for 2021/22 is £412k compares to £320k in current year.
- Proposal that this grant is earmarked for Housing
- Housing Benefit and Council Tax Support Administrative subsidies estimated at £470k.

# Finance Settlement

## New Homes Bonus

- Calculation same as for 2020/21
- Year-11 allocation - £1.38m (but as with Year-10 no legacy payments for Year-11 - 21/22 only)
- Total amount receivable in 2021/22 is £1.62m
- Baseline at 0.4% - 250 homes (based on Band D equiv.)
- Growth (Oct 19 to Oct 20) – 1,166
- NHB calculated on 916 homes; and
- Premium payment for 173 affordable homes
- Government to consult on scheme after 2021/22

# **Covid-19 Funding for Local Government in 2021/22**

Secretary of State for Housing, Communities and Local Government also announced provisional details of the Local Government COVID Support Package for 2021/22 :

- Emergency Fund allocation of £686k
- Local Council Tax Support Grant allocation of £190k
- Sales, Fees and Charges Income Losses Compensation Scheme to be extended into the first 3 months of 2021/22.



# Business Rates Retained

Final taxbase calculations agreed by Corporate Director:

2020/21

- £4.696m which is £1.21m above Baseline

2021/22

- £4.979m which is £1.49m above Baseline

These are £306k and £93k lower, respectively, compared to figures contained in the November Report.

*The reduction for 2020/21 will not impact on the Council's Revenue Account in 2020/21.*

# **Business Rates – Discretionary Reliefs**

Discretionary Rate Relief schemes to continue:

- Supporting Small Business (final year of 5 years)
- Rural Rate Relief
- Local Newspaper Offices Relief

**No announcement from Government on:**

Retail Relief scheme:

- Business rate relief for Shops, Restaurants, Cafes and Drinking Establishments originally for 2019/20 and 2020/21
- Extended to cover leisure and hospitality businesses and increased to 100% relief for 2020/21

Nursery Relief scheme introduced for 2020/21

# Assumptions Updates

## Pay Award

- Provision of 2% per annum allowed – subject to agreement at National level with the Unions

## Council Taxbase

- Set at 53,721 (53,650 assumed in November – increase of 71)

The majority of 21/22 Service Budgets are presented without an estimate of the impact of Covid

- Proposal to set aside £1m from the unallocated Balance to meet a shortfall after the Covid Funding from the Government has been utilised

# Changes – Income/Cost Reduction

## Fees and Charges

- Levels proposed to recover cost or general increase of 1.1%
- No increase for car park fees (next review due for 2022/23)

## Proposed Saving:

- Removal of the planned reduction (£13,500) in the support provided to the Museum Trust as a result of the impact of Covid on the Trust's services

# Local Council Tax Support Scheme

- No changes to current scheme
- Claimants of working age pay a minimum of 24% of their council tax liability
- Claimants of pensionable age continue to receive support calculated using the former council tax benefit scheme
- Estimated cost of scheme is £7.749million for 2021/22
- Retain Exceptional Hardship Fund

# Council Tax & Financial Profile

	21/22	22/23	23/24	24/25
Council Tax (Band D)	£188.37	£192.06	£195.84	£199.71
Increase	2.00%	1.96%	1.97%	1.98%
Revenue Account				
Shortfalls	£122k	£940k	£292k	£89k
Withdraw from Balances	-£122k	-	-	-
Savings Required	-	£1,062k	£292k	£89k

*Anticipated shortfalls for 2022/23 onwards are subject to change - 75% Business Rate Retention scheme and outcomes of the Fair Funding Review and Spending Review 2021*

# Council Tax Options

Council Tax (Band D)	£189.63	£188.37	£186.48	£184.68
Increase	2.86%	2.00%	1.00%	0%

## Revenue A/C Shortfalls (£'000)

• 2021/22	54	122	223	320
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Propose 2021/22 shortfall met from unallocated Balance

• 2022/23	993	1,062	1,164	1,262
• 2023/24	291	292	293	298
• 2024/25	88	89	90	97
<b>Total</b>	<b>1,372</b>	<b>1,443</b>	<b>1,547</b>	<b>1,657</b>

Option to utilise the unallocated Balance in 2022/23 to meet part of the shortfall

# Council Tax

## Long-Term Empty Homes Premium

- Current premium charge of 100% on homes empty for 2 years+

## Maximum charges from April 2020 at council's discretion:

- 1<sup>st</sup> April 2020 maximums of 100% (2 to 5 years) and 200% (over 5 years)
- 1<sup>st</sup> April 2021 maximums of 100% (2 to 5 years), 200% (5 to 10 years) and 300% (over 10 years)

Reaffirm decision to implement maximums together with the offer to refund the increase for the 12 months prior to the home being occupied



# Reserves & Balances

- Anticipated earmarked reserves  
as @31<sup>st</sup> March 2022 £16.058m
- Anticipated unallocated balances  
as @ 31<sup>st</sup> March 2022 £4.767m

# Capital Programme

## Capital Programme 2021/22

- Proposed new schemes - total value - £3.178million
- Estimated value of Programme is £35.917million

Projects proposed to be added to the Capital Programme are as presented in the Initial Budget proposals.

# Next stages

- Cabinet 8<sup>th</sup> February 2021
- Council 22<sup>nd</sup> February 2021