

The
FINANCIAL PLAN 2020/2025
and
COUNCIL TAX RESOLUTION
2021/2022

The Financial Plan 2020/2025 and Council Tax Resolution 2021/2022

CONTENTS

Paragraph

- 1 Introduction
- 2 Financial Plan 2020/2025
- 3 Parish Precepts and Special Expenses 2021/2022
- 4 General Fund Balances
- 5 Council Tax Resolution 2021/2022 (including recommendations)

Appendix

- 1 Financial Plan 2020/2025
- 2 Internal Drainage Board Levies 2021/2022
- 3 Parish Taxbases and Parish Precepts 2021/2022
- 4 Summary of Expenditure and Income 2021/2022

The Financial Plan 2020/2025 and Council Tax Resolution 2021/2022

1. Introduction

- 1.1 This booklet presents a summary of the Financial Plan 2020/2025 as presented to Cabinet on 2 February 2021. It updates the revenue budgets for 2021/2022 and projections for 2022/2023, 2023/2024 and 2024/2025 for changes since the report was presented to Cabinet.
- 1.2 The booklet also details the Council Tax Resolution for 2021/2022 as required by the Local Government Finance Act 1992.

2. Financial Plan 2020/2025

- 2.1 On 2 February 2021, Cabinet were presented with details of the Council's medium-term financial plan in the document "The Financial Plan 2020/2025". This document set out in detail the General Fund revenue budgets and projections for 2020/2025. An updated summary of the projections can be found at Appendix 1. The report and the associated recommendations were subsequently approved by Cabinet.
- 2.2 On 4 February 2021, the Ministry of Housing, Communities and Local Government laid the statutory reports in the House of Commons and published the documents online for the 2021-2022 local government finance settlement. This follows on from the provisional settlement consultation announced in December. Full details can be found on the gov.uk website at <https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2021-to-2022>. The final settlement was debated and approved by the House of Commons on 10 February 2021.
- 2.3 There are a few changes to the allocations for Rural Services Delivery Grant and the Lower Tier Services Grant which can be seen in the below table. This has resulted in a reduction in grant income of £8,190 which has been factored into the revised summary in Appendix 1:

	Provisional Allocation £	Revised Allocation £	Difference £
Rural Services Delivery Grant	493,940	485,690	(8,250)
Lower Tier Services Grant	233,860	233,920	60
Total	727,800	719,610	(8,190)

- 2.3 There has also been an amendment to the budget in relation to Alive West Norfolk. When the budget proposals were presented to Cabinet on 2 February 2021, there was provision for £2,000,000 financial support to Alive West Norfolk which was in recognition of the loss of income they were suffering due to the pandemic. Since then, additional work has been undertaken to assess the additional impact of the more recent restrictions and lockdown imposed by Government. It is not yet known what the roadmap will look like for leisure provision as we come out of the current lockdown period. The estimated loss going into 2021/2022 is estimated to be around £2,900,000. However, there may be further support from Government or the recovery could be better than currently anticipated. Therefore, it is recommended that a grant facility agreement is agreed for drawdown of up to £2,900,000 which is anticipated to cover the maximum required and will only be drawn against as and when necessary.

2.4 The council is contracted to receive a management fee from Alive West Norfolk each year. Under the current financial circumstances, the council has not been able to collect this fee. However, there has been some compensation in the current financial year from the Governments' Sales, Fees and Charges Scheme where the council has been able to claim some reimbursement against this loss. The Government has confirmed that this scheme will continue into the first quarter of 2021/2022. It is therefore necessary to ensure that the management fee income remains reflected in the financial plan.

2.5 The result of the movements in relation to Alive West Norfolk are set out below:

	2021/2022 £	2022/2023 £	2023/2024 £	2024/2025 £
Increase in Financial Support	900,000	0	0	0
Management Fee Income	(345,000)	(412,000)	(412,000)	(412,000)
Total	555,000	(412,000)	(412,000)	(412,000)

2.6 The Council has received confirmed figures from seven of the seventeen Internal Drainage Boards (IDBs) in respect of the special levies for 2021/2022. Where seven of those ten outstanding IDBs are administered by Middle Level Commissioners, the council has been advised that it would look to make every effort to ensure that should an above inflation rate be required for normal maintenance operations, it will be kept to a minimum. The estimated IDB levies have been updated with actual levy figures where they have been received since the Cabinet meeting. This has resulted in the IDBs levies increasing from £2,863,330 (reported to Cabinet) to £2,868,510. The Internal Drainage Board levies are detailed in Appendix 2.

2.7 There are no further changes to the Fees and Charges since these were presented to Cabinet on 2 February 2021.

3. Parish Precepts and Special Expenses 2021/2022

3.1 There has been an amendment to the Special Expenses figures since they were presented to Cabinet on 2 February 2021. The special expenses figures have been reduced in order to remain within the £5 council tax increase permissible as set out in the Referendums Relating to Council Tax Increases (Principles) (England) Report 2021/2022 where any increase above this would trigger a referendum. The revised total for special expenses is as follows:

Gross Special Expenses costs	£761,410
Less Central Government Support Grant	(£9,078)
Net Special Expenses Charge	£752,332

3.2 The Council has now received all parish precept requests for 2021/2022 and figures included in the budget are now formally approved by all Parish/Town Councils as detailed in Appendix 3.

4. General Fund Balances

4.1 The amendments detailed in section 2 are summarised in the table below. It can be seen that whilst there is a moderate surplus to transfer to the general fund balance in

2021/2022, the working balances of the Council will be used to support the budget requirements during the period 2022/2025. These balances are reduced to the minimum required level in 2024/2025 leaving a budget gap to be addressed. However, with the amendments set out in this report, the budget gap is now estimated at £3,397,030 rather than £4,099,800 reported to Cabinet on 2 February 2021.

4.2 The revised General Fund Balances are as follows:

Projected Movements in General Fund Balances	2020/21	2021/22	2022/23	2023/24	2024/25
	£	£	£	£	£
Balance b/f	9,998,740*	6,357,520	6,612,910	4,573,260	1,553,390
Estimated Contribution To/(From) General Fund Balance	(3,641,220)	255,390	(2,039,650)	(3,019,870)	(391,780)
Balance c/f	6,357,520	6,612,910	4,573,260	1,553,390	1,161,610
Minimum Reserve Level Requirement:					
5% of Budget Requirement (Balance Required)	1,071,648	1,086,160	963,361	969,378	1,161,615

*Subject to completion of audit for 2019/2020

5. COUNCIL TAX RESOLUTION 2021/2022

- 5.1 The Council Tax Resolution 2021/2022 deals with the recommendations of the Cabinet meeting on 2 February 2021 and the resolution to set the Council Tax for 2021/2022.
- 5.2 Norfolk County Council met on the 22 February 2021 to set its Council Tax and have approved a general council tax increase of 1.99% and a 2% increase in the Adult Social Care precept from the 2020/2021 levels for both.
- 5.3 The Norfolk Police and Crime Panel met on 2 February 2021 and endorsed an increase in Council Tax for the Norfolk Police and Crime Commissioner of 5.68% (£14.94) on a Band D property.
- 5.4 The Referendums Relating to Council Tax Increases (Principles) (England) Report 2021/2022 presented to the House of Commons pursuant to section 52ZD(1) of the Local Government Finance Act 1992 as inserted by Schedule 5 to the Localism Act 2011 makes provision for Council Tax referendums to be held if an authority increases its basic amount of Council Tax in excess of principles determined by the Secretary of State.
- 5.5 The excessiveness principles are set each year and the Secretary of State has determined that:
 - For 2021-2022, the relevant basic amount of council tax for Norfolk County Council is excessive if the authority's relevant basic amount of council tax for 2021-2022 is 5% (comprising 3% for expenditure on adult social care, and 2%

for other expenditure), or more than 5%, greater than its relevant basic amount of council tax for 2020-2021.

- For 2021-2022, the relevant basic amount of council tax for the Borough Council of King's Lynn and West Norfolk is excessive if the authority's relevant basic amount of council tax for 2021-2022 is:
 - 2%, or more than 2%, greater than its relevant basic amount of council tax for 2020-2021; and
 - more than £5.00 greater than its relevant basic amount of council tax for 2020-2021.
- For 2021-2022, the relevant basic amount of council tax for the Norfolk Police and Crime Commissioner is excessive if the authority's relevant basic amount of council tax for 2021-2022 is more than £15 greater than its relevant basic amount of council tax for 2020-2021.
- Local precepting authorities (parish and town councils) are not subject to Council Tax referendums in 2021/2022 (but could be in future years depending on the excessiveness principles which may apply in those years).

5.6 The first six of the following recommendations deal with the approval of the Budget, Special Expenses, Fees and Charges, minimum requirement of the general fund balance and the Policy on Earmarked Reserves and General Fund Working Balance.

5.7 Recommendation 7 deals with the funding agreement between the Council and Alive West Norfolk.

5.8 The recommendations 8 to 11 deal with the final recommendation of the Cabinet – the setting of the council tax. Recommendations 12 and 13 provide for officers to properly demand and take action to recover council tax.

Pursuant to Minute CAB228: Financial Plan 2020/2025, of the Cabinet Meeting held on 2 February 2020 Council is requested to:

- 1) Approve the revision to the Budget for 2020/2021** (as set out in Appendix 1 of this report).
- 2) Reaffirm the Policy on Earmarked Reserves and General Fund Working Balance and the maximum balances set for the reserves** as detailed in Appendix 6 of "The Financial Plan 2020/2025" as reported to Cabinet on 2 February 2021
- 3) Approve the budget of £21,723,190 for 2021/2022 and note the projections for 2022/2023, 2023/2024 and 2024/2025** (as set out in Appendix 1 of this report).
- 4) Approve the level of Special Expenses for Town/ Parish Councils** as detailed in Appendix 5 of "The Financial Plan 2020/2025" as reported to Cabinet on 2 February 2021
- 5) Approve the Fees and Charges for 2021/2022** as detailed in Appendix 3 of "The Financial Plan 2020/2025" as reported to Cabinet on 2 February 2021

- 6) **Approve a minimum requirement of the General Fund balance for 2021/2022 of £1,086,160.**
- 7) Council is requested to approve the delegated authority to Assistant Director Resources (Section 151 Officer) in consultation with the Leader of the Council to finalise and sign the Grant Agreement to Alive West Norfolk on behalf of Borough Council of King's Lynn & West Norfolk
- 8) The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 contain rules for the calculation of the Council Tax Base, which is an amount required by the Local Government Finance Act 1992 to be used in the calculation of the tax by the Council as the billing authority, and Norfolk County Council and the Norfolk Police and Crime Commissioner as major precepting authorities, and in the calculation of the precept payable by the Council to the County Council and Norfolk Police and Crime Commissioner. **Under Officer Delegated Decision the Council Tax Base was calculated as follows for the year 2021/2022:**

Number of dwellings in each Council Tax band; taking into account the multipliers, discounts, exemptions, rate of collection and Council Tax Support.

- (a) 52,048 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as its Council Tax Base for the year.

The tax base for each Parish

- (b) the amounts listed on pages 11-13, (Column headed - Taxbase) being the amounts calculated by the Council, in accordance with Regulation 6 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as the amount of its Council Taxbase for the year for dwellings in those parts of its area to which one or more special items relate.
- 9) **Approve that the following amounts be now calculated by the Council for the year 2021/2022 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992 (as amended by S74 of the Localism Act 2011):**

Total expenditure

- (a) £93,100,948 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act. (See Appendix 4 of this report).

Total income

- (b) £82,573,110 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act. (See Appendix 4 of this report).

The difference between expenditure and income

- (c) £10,527,838 being the amount by which the aggregate at 8(a) above exceeds the aggregate at 8(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its total budget for the year. (See Appendix 4 of this report).

Average Council Tax for Band D property (Borough and Parish)

- (d) £202.27 being the amount at 9(c) above divided by the amount at 8(a) above, calculated by the Council in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year.

The total of Parish Precepts and Special Expenses

- (e) £3,508,128 being the aggregate amount of all special items referred to in Section 34(1) of the Act.

The Borough Council's Council Tax for a Band D property (excluding Parish Precepts and Special Expenses)

- (f)(1) £134.87 being the amount at 9(d) above less the result given by dividing the amount at 9(e) above by the amount at 8(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

The Borough Council's Council Tax for each valuation band

(f)(2)

A	B	C	D	E	F	G	H
£ 89.91	£ 104.90	£ 119.88	£ 134.87	£ 164.84	£ 194.81	£ 224.78	£269.74

The Borough, Special Expenses and Parish Councils' Council Tax for a Band D property in each Parish

- (g) the amounts listed in Col (4), pages 11-13 Special Expenses and pages 14-16 Parish Precepts, when added to the amount at 9(f)(1) above being the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned divided in each case by the taxbases on pages 11-13 calculated by the Council, in accordance with Section 34(3) of the Act, gives the basic amounts of its Council Tax for

the year for dwelling in those parts of its area to which one or more special items relate.

The Borough and Parish Councils' Council Tax for each tax band in each Parish

- (h) the amounts listed in Cols (1) to (8), pages 11-13 Special Expenses and pages 14-16 Parish Precepts, together with the amounts shown above in 9(f)(2) as valuation bands A to H - being the amounts given by multiplying the amounts at 9(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band, divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36 of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 10) Note that for the year 2021/2022 Norfolk County Council and the Norfolk Police and Crime Commissioner have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Valuation Band	Norfolk County Council Non-Adult Social Care charge	Norfolk County Council Adult Social Care Precept	Norfolk Police and Crime Commissioner	Charge in Relation to Band D
A	£880.98	£100.98	£185.34	6/9ths
B	£1,027.81	£117.81	£216.23	7/9ths
C	£1,174.64	£134.64	£247.12	8/9ths
D	£1,321.47	£151.47	£278.01	9/9ths
E	£1,615.13	£185.13	£339.79	11/9ths
F	£1,908.79	£218.79	£401.57	13/9ths
G	£2,202.45	£252.45	£463.35	15/9ths
H	£2,642.94	£302.94	£556.02	18/9ths

The total Council Tax for each band in each parish (pages 17-19)

- 11) Approve that, having calculated the aggregate in each case of the amounts at 9(h) and 10) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets these as the amounts of Council Tax for the year 2021/2022 for each of the categories of dwellings shown.
- 12) Approve that the Assistant Director Resources (S151 Officer), Revenues and Benefits Manager, Revenues Manager, Revenues Team Leaders, Committal Manager, Committal Officer, Generic Revenues and Benefits Officers, Revenues Officers and Revenues Assistants be authorised to demand and recover, in accordance with the Local Government Finance Act 1992, the Council Tax set

by this resolution, the Non Domestic Rates payable by Ratepayers and the annual Business Improvement District Levy, and be authorised to appear on behalf of the Council in Magistrates' Courts in respect of recovery proceedings.

- 13) Approve that the Officers be authorised to give notice of the setting of the Council Tax in accordance with Section 96 of the Local Government Finance Act 1992.**