Appendix A

<u>Mid Ulster District Council Rate Estimates 2021/22</u>

Supplementary paper

Recommendations included within the Rate Estimates report presented to the Council at its Special meeting on Monday, 1 March 2021

1.0	**Purpose of Paper**
1.1	To provide Members with supplementary information in relation to the Rates Estimates process for 2021/22.
2.0	**Background**
2.1 2.2 2.3 2.4	Members will recall previous discussions in relation to progress being made in the preparation of 2021/22 Rates Estimates. This paper has been prepared for inclusion with the report to be presented to Members to inform their discussion in relation to the 2021/22 Rates Estimates process and the striking of the 2021/22 district Rate at the Special Council meeting scheduled to be held on Monday, 1 March 2021. The paper is intended to provide Members with sufficient information to make informed judgements in relation to Council's statutory responsibilities concerning its estimates of income and expenditure for the financial year 2020/21 and to enable Council to strike its District Rate at its Special Meeting, which is (following the legislative deferral of the statutorily "prescribed date") scheduled to be held on Monday, 1 March 2021. Council's responsibilities in relation to its 2021/22 Rate Estimates are governed by Section 3 of the Local Government Finance Act (Northern Ireland) 2011 which states: "**Annual budget** **3** (1) In each financial year a council shall cause to be submitted to it estimates of the income and expenditure of the council during the next financial year. (2) A council, before the **prescribed date** in each year— (a)shall consider the estimates for the next financial year; (b)may revise the estimates in such manner as the council thinks fit; (c)shall approve the estimates, subject to any revision under paragraph (b); (d)shall authorise the expenditure included in the estimates; and (e)shall fix for the next financial year the amount estimated to be required to be raised by means of rates made by the council. (3) No expenditure shall be incurred by or on behalf of a council unless— (a)previously authorised in accordance with the estimates approved by the council; or (b)otherwise previously authorised by the council; or (c)if not so authorised, necessarily incurred in circumstances of emergency;

	but any expenditure under paragraph (c) shall, as soon as reasonably practicable, be reported to the council with a view to being approved by the council.” (emphasis added)
2.5	As the “prescribed date” referred to in Section 3(2) (above) would normally be expected to be 15th February 2021, Council had made arrangements to strike its district Rate by 15th February 2021. The timetable (agreed at the November 2020 Council meeting) for the 2021/22 Rate estimates process previously approved by Council provides for the striking of the district Rate by 15 February.
2.6	However, following discussions between SOLACE, ALGFO and the Departments for Community (DfC) and Finance (DoF), it was agreed that legislative amendments would be made to postpone the 2021/22 prescribed date to 1st March 2021. This potential change was previously reported to Members at the January 2021 Policy and Resources Committee, where it was recommended that, pending confirmation of dates, etc., the Council would continue to work towards striking its district Rate for 2021/22 at a Special Meeting of Council scheduled to be held on Monday, 8 February 2021.
2.7	Council is also required to approve its Minimum Revenue Provision (MRP) policy for 2021/22. However, it is proposed that Council will simply continue to apply its existing policy.
2.8	Members may be interested to learn that the implementation of IFRS 16, the MRP consequences of which had been anticipated when the Council approved its MRP policy for 2020/21, has been deferred until 1 April 2022.
3.0	**Substantive Issues**
3.1	Prior to considering the estimates for 2021/22 and striking the Rate, Council is required to have regard to the report submitted by the Chief Executive under section 4 (1) of the Local Government Finance Act (Northern Ireland) 2011 (the 2011 Act) on the robustness of the estimates when considering the estimates under section 3(2)(a) of the 2011 Act.
3.2	Similarly, section 6(3) of the 2011 Act requires Council to have regard to the report submitted by the Chief Executive under section 6(2) of the 2011 Act on the adequacy of any proposed financial reserves for a financial year.
3.3	The reports to be submitted by the Chief Executive under sections 4(1) and 6(2) of the 2011 Act (above) are included as part of the agenda for the meeting at which the district Rate shall be struck.
3.4	Council has also a duty under Regulation 6 of the Local Government (Capital Accounting and Finance) Regulations (Northern Ireland) 2011 which states: “During the financial year beginning on 1st April 2012 and every subsequent financial year, a council shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent and— (a)shall charge to the general fund that minimum revenue provision for that financial year; and

	(b)may charge to the general fund any amount in addition to that minimum revenue provision, in respect of the financing of capital expenditure incurred by the council in that year or in any financial year prior to that year.”
3.5	Consequently, Council shall, prior to considering the estimates for 2021/22, reflect on its minimum revenue provision (MRP) policy and consider its appropriateness.
3.6	A report seeking approval of the officer recommended MRP policy, which is to be considered prior to the Council’s consideration of the 2021/22 Rate estimates, is also included as part of the agenda for the meeting at which the district Rate shall be struck.
3.7	As previously notified to Members, the officers would advise that Council has not yet received any formal indication of the amount of Rates Support Grant (RSG) that will be payable in 2021/22.
3.8	As RSG is not statutorily protected, although it is possible that the Department for Communities (DfC) could decide not to distribute any RSG in 2020/21, it is the officers’ clear understanding that the DfC do not intend reducing the aggregate RSG budget from its 2020/21 level. However, if a significant budget reduction were to happen, Council would see a corresponding hole in the funding of its 2021/22 services from the aggregate income available to it. This would inevitably result in Council overspending by (up to) several million pounds with the overspend having to be funded from Council’s reserves, some of which are, of course, already been previously earmarked for other purposes such as funding Council’s capital programme and closure of its landfill sites (as councils are unable to borrow to fund landfill site closures).
3.9	Although the officers have received no confirmation in relation to how much RSG Council will receive in 2021/22, they have accepted the DfC officers’ representations and assumed that it is highly likely that the Council will receive the same amount of RSG in 2021/22 as it was initially allocated in 2020/21. The reference to “initially allocated” reflects the fact that it is possible, although unlikely in the current circumstances, that the DfC could effect an in-year reduction in RSG allocations; this happened in 2017/18 when other councils (not this Council) had their RSG allocations reduced on foot of the Council’s success at Court of Appeal regarding the RSG allocation methodology.
3.10	As Members will appreciate, the Minister of Finance’s recent announcement (that there will be no increase in regional Rate in 2021/22) means that, unlike in previous years, the Council is not ‘in the dark’ about what the regional rate will be in 2021/22.
3.11	This means (for a welcome change) that, as the Council inevitably receives all the criticism for <u>all</u> the Rate increase borne by ratepayers despite 58% of the total domestic rates (54% of the total non-domestic rates) collected going to Stormont as opposed to the Council to fund services in the Mid Ulster district, the Council should benefit from a slight publicity benefit from the mathematical impact on the aggregate (district and regional) Rate (payable by individual ratepayers) of the increase in regional Rate being nil. This will result in ratepayers seeing a slightly lower aggregate Rate (which is what they actually pay) than what the district Rate increase would result in them paying if that was the only Rate in play (which it never is).
3.12	The effect of the regional Rate being frozen (on the aggregate Rate payable by individual ratepayers) is illustrated below:

3.13	Domestic ratepayers • If the domestic regional Rate represents 57.56% (as is the case in Mid Ulster) of the aggregate domestic Rate liability (and the district domestic Rate therefore represents 42.44%), and the **regional domestic Rate shows a zero percent increase** from 2020/21, and the **district domestic Rate shows a (say) 2% increase**, the **aggregate Rate liability paid by an individual domestic Ratepayer (on a property with the same Capital Value as in 2020/21) will increase by less than 2%**; • In the above example, **the aggregate Rate liability paid by the domestic ratepayer will increase by 0.84%;** • Therefore, **as the average capital value of a domestic property in Mid Ulster is £125,000**, if the Council were to strike a domestic Rate for 2021/22, which showed a 2% increase on its 2020/21 domestic Rate, a domestic ratepayer in a property with an average capital value would see their aggregate Rate liability increase by 0.84%, i.e. **they would pay Rates in the amount of £1,001.75 in 2021/22 compared with £993.38 – an increase of £8.37 per annum (84p per month if paid for by direct debit)**
3.14	Non-domestic ratepayers • If the non-domestic regional Rate represents 54.31% (as is the case in Mid Ulster) of the aggregate non-domestic Rate liability (and the district non-domestic Rate therefore represents 45.69%), and the **regional non-domestic Rate shows a zero percent increase** from 2020/21, and the **district non-domestic Rate shows a (say) 2% increase**, the **aggregate Rate liability paid by an individual non-domestic Ratepayer (on a property with the same Net Rental Value as in 2020/21) will increase by less than 2%**; • In the above example, **the aggregate Rate liability paid by the non-domestic ratepayer will increase by 0.91%;** • Although, as the non-domestic sector is analysed into different primary property classes (such as Licensed Premises, and Shops, Showrooms, Supermarkets, etc.), it is not practicable to talk about a non-domestic property with an average net rental value, it is possible to consider a non-domestic ratepayer in a property with an average net rental value for its property class; • **Therefore, as the average net rental value of a licensed premise in Mid Ulster is £9,828.54**, if the Council were to strike a non-domestic Rate for 2021/22, which showed a 2% increase on its 2020/21 non-domestic Rate, a non-domestic ratepayer in a licensed premises with an average net rental value would, disregarding potential rate reliefs that may be available), see their aggregate Rate liability increase by 0.91%, i.e. **they would pay (subject to potential rate relief) Rates in the amount of £5,095.55 in 2021/22 compared with £5,095.55 – an increase of £46.15 per annum (£4.62 per month if paid for by direct debit)**
3.15	As previously reported to Members, at its simplest, the most significant figures included within the calculation to strike the district Rate will be the:

	• Estimated net cost of Council services in 2021/22, which will be contingent on the financial effects of the Covid 19 pandemic; • The extent to which the DfC and other central government departments provide financial support • Rate Support Grant (RSG) allocated by the Department for Communities (DfC) to Council; • Estimated Penny Product (EPP), which, as always is calculated in advance of the Actual Penny Product (APP) being calculated (towards the end of 2021/22) (the APP anticipated to be significantly impacted by the pandemic); and • De-rating Grant (DRG).
3.16	As the above factors have been discussed at length in previous Committee reports dealing with the 2021/22 Rate estimates, this report will not seek to restate in detail the full calculation but will address the significant issues impacting on Committee's consideration of the 2021/22 Rate estimates.
3.17	The presentation attached to the report being considered at the Special Council meeting at which the district Rate shall be struck was delivered (by TEAMS) to all party political groupings and independent Members since the date of the January Committee meeting as part of the ongoing engagement with Members in relation to the Rate estimates process; the presentation sets the current Rate estimates process in the context of the Council's current reserves and cash balances, the thus far relative inability of the Council to effect significant recurrent savings from a considerable portion of the Council's budgets due to the relative inflexibility and often uncontrollable nature of elements of those budgets, and the officers' efforts to date in analysing anticipated future service needs and the major savings and pressures identified during the officers' efforts to present an affordable Rate to Committee for recommendation to Council.
3.18	Subsequent to the most recent engagement with Members, the officers have reflected on Members' comments and, in particular, Members' desire to strike as an affordable Rate as possible for all its ratepayers.
3.19	In reflecting on Members' comments, the officers have had due regard to three points in particular, i.e. the recent additional £517,704 RSG allocated by the Minister on 10 February 2021 for 2020/21, the amounts specifically discussed with Members relating to anticipated financial pressures in 2021/22, and the recently announced legislative "discretion", which allows councils, for the first time to strike a district domestic Rate that is completely independent of its non-domestic Rate.
3.20	In relation to these considerations, the officers would recommend that: 1. As the additional RSG relates to 2020/21 and they have been advised by the DfC that the uplift to the "normal" RSG allocation will not be repeated in 2021/22, defraying part of the 2021/22 Rate increase by application of these funds, would both be technically inappropriate and result in an unfunded deficit going forward into 2021/22 and beyond; 2. Having reviewed the individual anticipated financial pressures, they do not think that, having identified such pressures, it would be prudent to simply "airbrush" them out of existence; and 3. The Council does <u>not</u> exercise its discretion to strike two separate independent Rates. This recommendation reflects several concerns that the officers have in relation to the newly advised discretion:

	a. Although the discretion was foreshadowed to some extent by the previous two (apparently currently in stasis) business rates consultation exercises issued by the DoF, its introduction has not neither consulted upon or supplemented by any departmental guidance; b. Informal discussion with DfC officers suggest that the DoF did not fully discuss the legislative change with the DfC prior to its introduction; this has manifested in apparent uncertainty within the DfC in relation to how the two independent Rates will be reported to the DfC as the current reporting template is constructed on the basis of the previous statutorily connected Rates; c. The officers are concerned that Members may not be sufficiently apprised of the financial consequences of redistributing the rate burden between the non-domestic and domestic sectors; d. The discretion is based on an apparent "devaluation" of the statutory conversion factor, which currently provides the link between the non-domestic and domestic Rates. Being independently calculated under statute by the DoF, the conversion factor provides a proved and tested methodology that affords all sections of the rate base transparency and equity in relation to how their district Rate is calculated; in this regard, the officers are uncertain as to whether the new legislative discretion has been equality assessed and rural proofed by the DoF. It is the officers' opinion that, if the Council were to wish to exercise the discretion, it would first have to subject the proposal to equality screening under section 75 of the Northern Ireland 1998 Act and, thereafter potentially subject it to an equality impact assessment, which would require a formal consultation exercise; and e. As the statutory conversion factor underpins the statutory formula governing the distribution of the RSG, the officers are concerned that the apparent "devaluation" could signal the end of the statutory conversion factor, which would, if effected, lead to the end of the current methodology for distributing RSG (on which the Council is financially dependent) between eligible councils.
3.21	However, being mindful of the Members' desire to strike an affordable Rate, and having regard to the Members' and officers' previously stated desire to identify and effect real cash releasing efficiencies through transformation of the Council's entire expenditure profile, the officers consider it both appropriate and motivational, to quantify a financial target for cash releasing efficiencies in 2021/22 that can, with effort, be realised as s a minimum.
3.22	In quantifying this minimum target, the officers are mindful of the Council's statutory obligation to strike a balanced budget and the risks associated with applying balances, something that this Council has, in the officers' opinion, wisely resisted to date.
3.23	Accordingly, the officers recommend that the Council settles upon a cash releasing efficiency target of £200,000.
3.24	If accepted, the recommended target would result in the officers reducing the previously reported 2.05% increase in district Rate to 1.59%.

3.25	Further to the analysis at paragraphs 3.11 to 3.14 above, the officers would advise Members that, if the Council strikes a district Rate for 2021/22 that reflects a 1.59% increase from the 2020/21 district Rate, domestic and non-domestic ratepayers will experience a 0.68% and 0.73% respectively increase in the rates payable (prior to any Rate relief that may be available).
3.26	In practical terms, as explained above, a domestic ratepayer in a property with an average capital value of £125,000, would therefore see their annual rates bill increase by £6.75 (68p per month, if paid by direct debit).
3.27	As referenced in paragraph 3.15 above, the Council will be aware of the significant uncertainties pertaining to the financial effects of the continuing pandemic. In particular, the Members will be aware that the Rate estimates have been prepared on the assumption that the DfC and other central government departments will continue to provide sufficient financial support during 2021/22 to compensate the Council for financial losses associated with the pandemic (income losses currently estimated at £1,032,217 with potential additional costs unquantified).
3.28	The Rate estimates before the Council also reflect the uncertainty, as estimated by the University of Ulster's Economic Policy Centre (in a specially commissioned analysis) to potentially see the Council suffer a loss of non-domestic rate income during 2021/22 in the amount of £1,045,216.
3.29	Unfortunately, it is simply impracticable for the Council to attempt to insulate itself against a potential loss of rate income in the order of £1,045,216. Instead, it will be reliant upon the continued support of the DfC and other central government departments.
3.30	Although there is no official correspondence to the Council in relation to continued financial support, the officers are encouraged by the ongoing discussion between the Association of Local Government Officers (ALGFO) and SOLACE, which appear to suggest that sufficient financial support will be made available to councils in 2021/22 to enable them to sustain the financial pressures associated with the pandemic.
3.31	As detailed in paragraph 2.4 above, in order to strike a district Rate, the Council must first: • Approve the estimates; • Authorise the expenditure included in the estimates; and • Fix for the next financial year (2021/22) the amount estimated to be required to be raised by means of rates made by the Council.
3.32	Accordingly, notwithstanding the uncertainties referred to above, the officers recommend that the Council: • Approve the estimates as presented (both previously and as amended in this paper) to the Members, a summary of which is attached to the report being considered by the Members at the meeting at which the district Rate shall be struck; • Authorise the expenditure within the estimates (gross expenditure £57,276,592, net expenditure £47,456,366); • Fix for 2021/22 the amount of £38,971,712 as the amount estimated to be required to be raised by means of rates made by the Council; and

	• Strike non-domestic and domestic Rates of 23.8484 and 0.3427 respectively, reflecting a 1.59% increase on the Rates struck in 2020/21.
4.0	**Other Considerations**
4.1	**Financial, Human Resources & Risk Implications**
	Financial: See above
	Human: N/A
	Risk Management: See above re continuance of ongoing NI Assembly financial support for losses due to the Covid 19 pandemic and RSG
4.2	**Screening & Impact Assessments**
	Equality & Good Relations Implications: N/A
	Rural Needs Implications: N/A
5.0	**Recommendation(s) to be considered by the Council**
5.1	That Members consider the above and that the Council: 1. Approve the estimates as presented; 2. Authorise the expenditure within the estimates; 3. Strike non-domestic and domestic Rates which will reflect a 1.59% increase respectively from the equivalent 2020/21 district Rates; 4. Authorise the Chief Executive to vire such amounts between budget headings as he deems necessary to secure Council's objectives in 2021/22.
6.0	**Documents Attached & References**
6.1	N/A

Mid Ulster District Council
Members' Meetings

Interim Financial Considerations – 2021/22

A little perspective

- Currently 2nd lowest district Rate of all 11 district councils
- Never applied a balance – i.e. never used its reserves (cash balances) to bale out its recurrent revenue expenditure - more detail later
- **Lowest cost of services per head of population – TBC as DfC no longer publish statistics but 2020/21 MUDC cost = £310.91** – average cost in 2017/18 £348.58, next lowest council in 2017/18 £294.47 (MUDC £279.78 in 2017/18 & 3rd lowest district Rate (compared to 2nd lowest district Rate in 2020/21))
- Rate income differential to next lowest council – TBC but most recent figures published by Department indicate £2,115,628 (in 2017/18)
- Rate income differential to average council – TBC but most recent figures published by Department indicate £9,901,816 (in 2017/18)

Things to remember

- Rate should be:
  - Based upon robust estimates – statutory obligation
  - Supported by adequate reserves – statutory obligation
  - Affordable – common sense
  - Sustainable – common sense

- Applying a balance is generally to be avoided – more detail later

- **Foresight is better than hindsight – affordability should never trump sustainability – only postponing the inevitable**

Cost fundamentals

- Aside from waste management and staff costs most budget lines have not seen even an inflationary increase in last 2 years

- Generally the following costs are uncontrollable:
    - Pay rises – set by NJC Employer Side following negotiation with Trade Unions
    - Employer NIC and Superannuation costs
    - Third party recycling and waste disposal costs
    - Energy, utility and IT support costs

- Staff costs constitute approximately **55%** of total budget
- Third party recycling and waste disposal costs constitute approximately **12%** of total budget
- Capital financing costs (incl. unavoidable loan repayments and interest) constitute approximately **10**% of the budget
- Previous (and frequently noted) recognition that maintenance expenditure is underfunded
- Committed to capital investment programme
- Curtailing capital programme generally doesn't result in significant revenue savings

- **In absence of staff & recycling cost reductions – attempting to make 100% of savings from 23% of total budget – where 23% includes <u>both</u> services and corporate overheads (incl. insurance, IT, etc. <u>but not staff</u>) – is <u>challenging</u> to say the least**

Competing considerations

- Obligation to deliver statutory services
- Obligation to adhere to statutory duties as public body
- Desire to continue to maximise discretionary services for benefit of community and local economy
- Desire to provide quality accessible affordable services
- Desire to provide services in-house in so far as practicable
- Desire to be a quality employer
- Desire to provide a safe and welcoming environment for staff and public
- **Desire to strike an affordable district Rate – not entirely compatible with <u>all</u> the other considerations**

Current situation – ignoring the detail

- Minister's Statement – expectation that district councils will strike same district Rate as they did last year, i.e. 0% increase

- **Only 3 things in play**:
    - **Costs – contractual obligations**:
        - **Waste – initially 2% on Rate – now 1.2%**
        - **Payroll – unknown but <u>absolute</u> minimum (assumes no 2021/22 pay award) is 1.4% on Rate**
        - **Superannuation – 0.6% on Rate**
    - **Income – lockdown followed by what?**
        - Assembly support baseline again? – <u>no</u> opportunity to reduce Rate
    - **EPP – 0.3% benefit** but <u>only</u> if Assembly underwrite Rate income

So what does that mean?

- Approximately **unavoidable pressures equating to minimum 2.9% increase on Rate**
- **In absence of reducing workforce and recycling costs, we're attempting to find reduction in costs equivalent to expenditure (£1.226m)** causing a **2.9%** increase in district Rate **from expenditure roughly equivalent to 23% of the budget (£13.360m)**
- That's equivalent to a **9.2%** reduction in the expenditure actually delivering services and corporate overheads (incl. insurance, IT, etc. <u>but not staff</u>)
- **If that was achieved, what would we be delivering? – please note <u>big</u> "if"**

Now for the numbers

- This was originally intended to show Financial position at date of last Policy & Resources Committee meeting (13 January 2021) – 6.44%

- Was originally going to run through pressure etc. as existed then

- Of limited benefit now

- Better to have slide after “So what next?” slide

So what next?

- Propose eliminating the following pressures:
  - Reval 2020 challenges - £408,000 – discussed with LPS and am reasonably comfortable that we could manage from reserves (but could be £2m reduction in cash)
  - Domestic Rate income bad debt provision - £440,000 – discussed with LPS – probably too uncertain to quantify so suggest wait and see what materialises
  - Increase in property Rates - £11,460 – in light of Minister’s statement
  - Reverse £136,122 RSG notional pressure (November 2020 P&R Committee)
  - Reduce overtime budget - £100,000
  - Reduce staff mileage budget - £100,000

- Provide for increase in estimated insurance costs (despite having several long-term agreements):
  - Covid impact on property insurances - £60,000 – increased reinstatement value of insured property due to inflation and Covid construction costs
  - Wage roll impact - £10,000 – inevitable because of how premiums are calculated
  - New cyber insurance policy - £20,000 – insurance broker strongly recommends

- **Where would that leave us?**
  - **See Table X – 2.05% increase (consistent with high level analysis above)**

- **Consideration of potential for 2020/21 £1.7m “savings due to Covid” to be repeated in 2021/22:**
  - **Review will take time – initial indications are that savings will not be realizable, e.g. E&P savings not likely to be replicated in 2021/22**

- **Further work on quantification of transformation benefits**

Now for the numbers

- Spreadsheet to be presented – currently 2.05%

- Will explain movements since last P&R Committee meeting
  - Pay rise – estimate reduced from 1% to zero
  - Waste management increases – reduced from £841k to £500k
  - Insurance – increased by £100k
  - Removed Reval 2020 appeals - £408k
  - Removed domestic Rates bad debt - £440k
  - Reduced overtime and mileage budgets - £100k each
  - Further revenue savings (formerly 2 staff posts) - £82,000
  - Reduced IT support (contractual) increases - from £250k to £200k
  - Updated EPP

Initial consideration of potential for 2020/21 "Covid savings" to be replicated in 2021/22

- Will take time to complete review

- Already anticipated Waste tonnage savings due to recycling centres being closed are now known to not have materialised - centres were reopened and kerbside tonnages increased

- Recycling centres now open

- Savings in maintenance budgets won't be replicated as our staff now largely back to work

So what’s the bottom line?

- **You tell us**

- We can strike any district Rate but will estimates be robust and reserves adequate?

- Probably, but **will the Rate be sustainable?**

- Not in the absence of identifiable quantifiable deliverable recurring financial savings within a short time scale – potentially 2 years

- **Really in a spend to save situation – aka transformation**

Is there any good news?

- Very well placed to transform
- Healthy reserves and cash position (largely due to legal victories)
- Capital investment programme funded on sustainable basis
- Another (one-off) legal victory anticipated (but not guaranteed) re Rate Support Grant
- **Members are fully informed – therefore decisions should be rational and taken with due regard to all relevant considerations – Council will not simply strike a Rate with 0% increase without appreciation of risks and challenges**

Appendix C - Attachment 6.3 - Special Council Meeting - Monday, 1 March 2021

Rate Estimates Process - 2021/22

Summary Rate Estimates Schedule

2021/22 Rate estimates			**Pressures £**	**2021/22 Total MUDC expenditure £**
Gross expenditure 2020/21				55,854,471
2021/22 Expenditure Pressures				
Payroll:				
Payrise underbudgeted in 2020/21 Rate estimates	0.75%		210,380	
Payrise anticipated in 2021/22	0.00%		0	
Payrise £250 - employees < £24,000 - per Chancellor' statement			148,773	
NIC increases anticipated			281,557	
Increments			39,692	
HR amendments			(1,595)	
			678,807	
Employer superannuation			250,000	
			928,807	928,807
Energy costs:				
Oil, electricity, biomass, gas			100,000	
			100,000	100,000
Fuel cost:				
Derv, red diesel incl fuel duty			100,000	
			100,000	100,000
IT maintenance/support:				
Contractual increases			200,000	
			200,000	200,000
Waste Management:				
Contractual increases			500,714	
			500,714	500,714
Other:				
DfI SLA			10,000	
Termination of APC contracts			(60,000)	
HMRC & other employee related costs (non-payroll)			24,600	
Mileage			(100,000)	
Overtime			(100,000)	
Insurance			100,000	
Other revenue savings			(282,000)	
			(407,400)	(407,400)
		Total Expenditure Pressures	**1,422,121**	57,276,592
	% Redn.	2020/21 budgets		
Income - Leisure	30.00%	(3,471,731)	1,041,519	(2,430,212)
Leisure VAT saving (reduced due to anticipated income redn.)	30.00%		(280,000)	(280,000)
Income - Tourism	30.00%	(584,326)	175,298	(409,028)
Income - Planning		(1,657,000)	0	(1,657,000)
Income - Building Control		(826,000)	128,400	(697,600)
Income - Off Street Parking		(455,000)	(30,000)	(485,000)
Income - Other		(1,022,814)	0	(1,022,814)
Income - Other - Trade Waste			35,000	35,000
Income - Other			(3,000)	(10,000)
NI Exec Support - basis as per 2020/21 (reduction in income due to Covid)			(1,032,217)	(1,032,217)
Grants		(1,838,355)	0	(1,838,355)
Total income		(9,855,226)	35,000	(9,820,226)
		Total Income Pressures	**35,000**	
Net expenditure		**Total Net Pressures**	**1,457,121**	47,456,366
De Rating Grant				(4,421,497)
Transferred Functions Grant				(660,114)
Rates Support Grant				(3,403,043)
To be raised by Rates				38,971,712
Composite EPP (including TFG and DRG EPP)				1,847,220
To be raised by Rates (using composite EPP)				44,053,323
Proposed Non-domestic district Rate			1.59%	**23.8484**
Conversion factor				0.0143680
Proposed Domestic district Rate			1.59%	**0.3427**