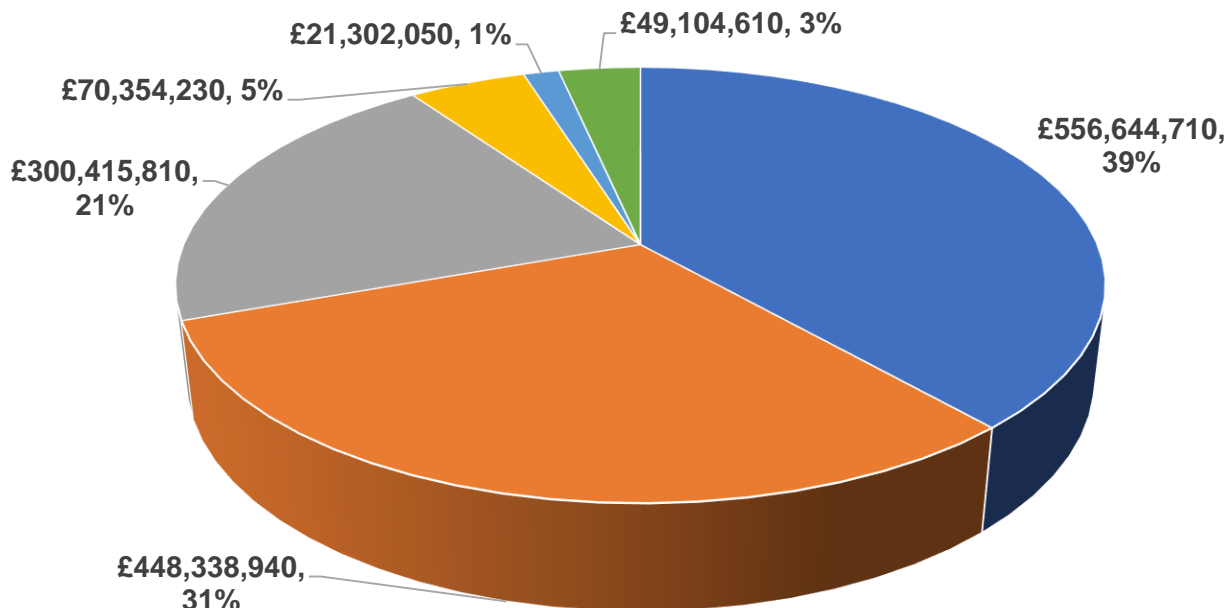


Business ratepayers update: Budget 2021-22

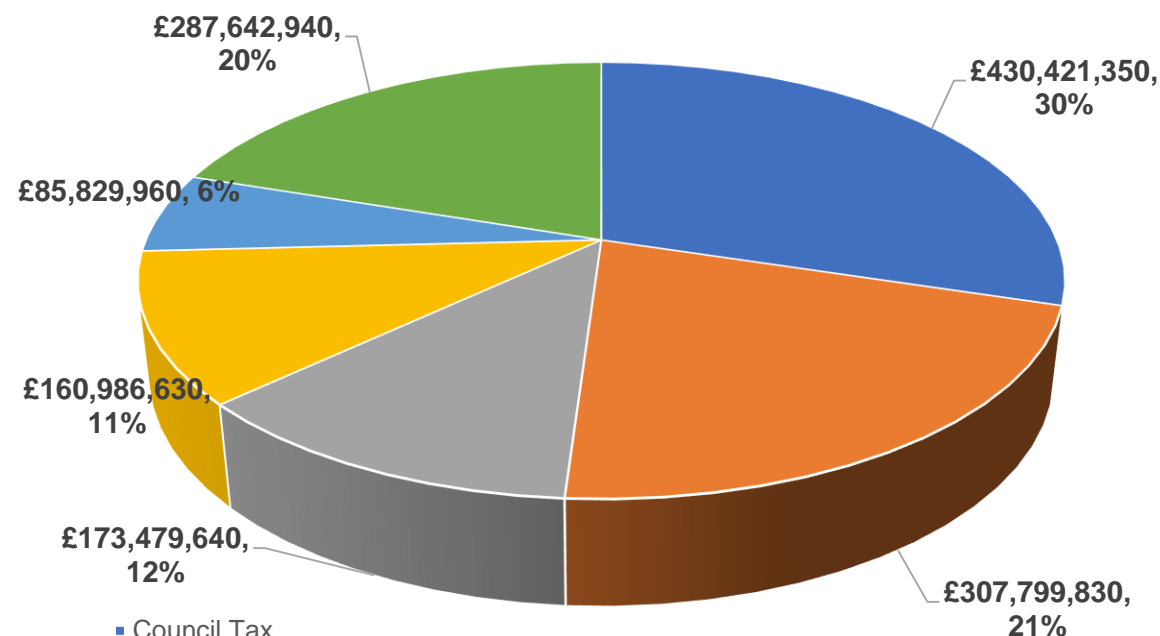
Gross budget 2020-21 (£1.446bn)

Where the money is spent 2020-21



- Children's Services including schools
- Adult Social Services
- Community and Environmental Services
- General Finance – includes money set aside for interest and repayment of loans for capital projects (eg schools and roads) and pension payments
- Running the council (including HR, communications, legal and democratic services)
- Finance and Commercial Services

Where the money comes from 2020-21



- Council Tax
- Schools funding
- Government grants including Social Care funding
- Business rates
- Other grants, contributions from other organisations and income for joint projects
- Other income, including generated by sales, fees and charges and investment interest

Key issues and funding context for the County Council in setting 2021-22 Budget

- Major uncertainty about government funding beyond 2021-22, including uncertainty linked with impact of COVID-19 and leaving the EU.
- Proposing to increase council tax by 3.99% in 2021-22 (including 2% Adult Social Care precept), with a further 1% increase in Adult Social Care precept deferred to 2022-23.
- Significant uncertainty around impact of COVID-19 on council tax and business rates income 2021-22.
- Continued reliance on one-off or short term funding for social care, with significant uncertainty about future allocations.
- Implementation of major reforms to local government funding including 75% Business Rates Retention, Fair Funding Review, and reform of Social Care assumed to be delayed until at least 2022-23.

The County Council is due to agree the 2021-22 Revenue Budget and Capital Programme 22 February 2020

2021-22 Proposed Revenue Budget and Capital Programme

A **balanced Net Revenue Budget of £439.094m** is proposed for 2021-22. The proposed Budget includes:

- A proposed **Council Tax increase of 3.99%** (1.99% general council tax and 2% Adult Social Care precept). This is **less** than the maximum 5% permitted by Government (1% of Adult Social Care precept increase is proposed to be deferred to 2022-23).
- Total **savings of £41.179m** for 2021-22.
- Budget growth pressures and **investment into services of £45.723m**, including £1.5m provision to establish a flooding response reserve, pressures within Adults to support the care market, the impact of demographic growth across Adults and Children's budgets, and inflationary pressures.
- **£18.829m for COVID-19** cost pressures in 2021-22.

A **Capital Programme of £537.660m** is proposed for 2021-25+ reflecting significant capital investment in major projects including:

- Great Yarmouth Third River Crossing.
- Long Stratton bypass.
- Programme to improve SEND school provision.

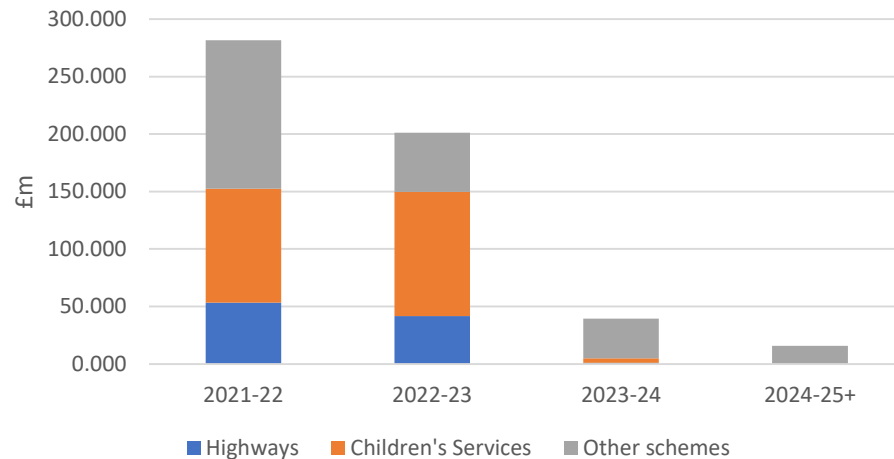
A remaining **£91.414m gap to be closed in future** years of the Medium Term Financial Strategy 2021-25.

Savings proposed for 2021-22

Saving proposals 2021-22	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	Total £m
Adult Social Services	-17.858	4.275	2.000	0.000	-11.583
Children's Services	-11.300	-6.900	-3.500	-2.500	-24.200
Community and Environmental Services	-8.288	-0.466	0.000	0.000	-8.754
Strategy and Transformation	-0.553	-0.180	0.000	0.000	-0.733
Governance Department	-0.353	0.000	0.000	0.000	-0.353
Finance and Commercial Services	-1.927	0.026	-0.100	0.000	-2.001
Finance General	-0.900	1.000	0.000	0.000	0.100
Total	-41.179	-2.245	-1.600	-2.500	-47.524

Proposed Capital Programme: £537.660m

Capital spend 2021-25+



A **Capital Programme of £537.660m** is proposed for 2021-25+ reflecting significant capital investment in major projects including:

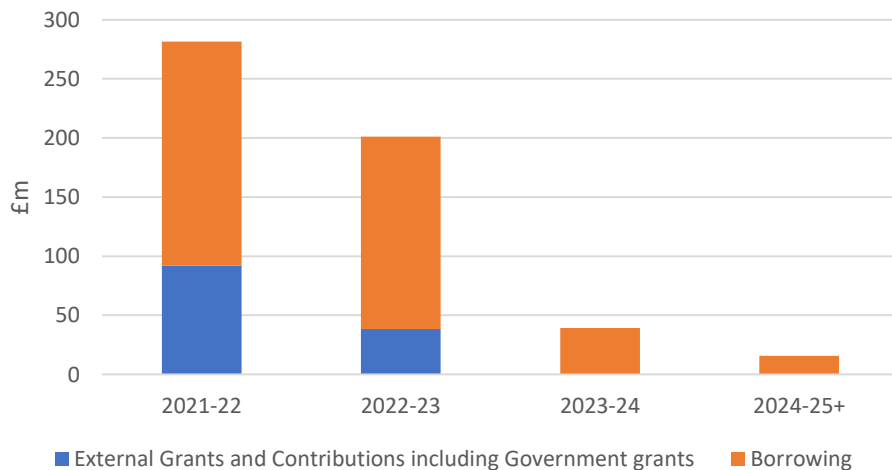
- Great Yarmouth Third River Crossing.
- Programme to improve SEND school provision.
- Norwich Western Link.
- Better Broadband.

New schemes to be added to the programme total £102.468m, including:

- Children's residential homes (£4m).
- Supported housing for young adults (£11.5m).
- Improvements to greenways, footpaths and trails (£3m).
- Significant funding for new replacement libraries (£4m).

Other additions include the **Long Stratton Bypass**, and provision for **flood repairs**.

Paying for the programme



Business Rates

- Business Rates are set nationally by central government (via the business rates multiplier).
- The multiplier is updated annually by inflation (CPI from April 2018, previously RPI). In **2021-22 the multiplier is to be frozen at the 2020-21 level.**
- Business Rates are collected by District Councils, who also provide reliefs. There are a number of mandatory and discretionary reliefs. **Significant additional reliefs have been provided in 2020-21 as part of the COVID-19 response. It is unclear whether these will be maintained in 2021-22** and announcements are expected in the Government's March 2021 Budget.
- Norfolk County Council receives a share of Business Rates collected to fund the delivery of local services.
- Reliefs are given by the Billing Authority, the County Council has no discretion but bears part of the cost.

Full details of Proposed Revenue Budget, savings plans, and Capital Programme can be found in the Council's [February Cabinet papers](#)

Feedback on these is welcome via: HaveYourSay@Norfolk.gov.uk