

## BABERGH DISTRICT COUNCIL

<b>TO:</b> Council	<b>REPORT NUMBER:</b> <b>BC/20/24</b>
<b>FROM:</b> Councillor John Ward, Cabinet Member for Finance	<b>DATE OF MEETING:</b> 23 February 2021
<b>OFFICER:</b> Katherine Steel, Assistant Director, Corporate Resources	<b>KEY DECISION REF NO.</b> N/A

### GENERAL FUND BUDGET 2021/22 AND FOUR-YEAR OUTLOOK

#### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the General Fund Budget for 2021/22 and four-year outlook.
- 1.2 To enable Members to consider key aspects of the 2021/22 Budgets, including Council Tax and to approve the final Budget.

#### 2. OPTIONS CONSIDERED

- 2.1 Setting a balanced budget is a statutory requirement, therefore no other options are appropriate in respect of this.

#### 3. RECOMMENDATIONS

- 3.1 That the General Fund Budget proposals for 2021/22 and four-year outlook set out in the report be approved.
- 3.2 That the General Fund Budget for 2021/22 is based on an increase to Council Tax of £5 per annum (10p per week) for a Band D property, which is equivalent to 2.96%.
- 3.3 That the Flexible Use of Capital Receipts Strategy at Appendix E be approved.
- 3.4 Subject to approval by Council, notify the Ministry of Housing, Communities and Local Government (MHCLG) of the adoption of the Strategy.

#### REASON FOR DECISION

**To bring together all the relevant information to enable Members to approve the Councils General Fund budget.**

## **4. KEY INFORMATION**

### **Strategic Context**

- 4.1 The 2021/22 budget has been prepared during one of the most challenging and uncertain times due to the ongoing impacts of Covid19 on the Council's finances, staff, residents, and local economy.
- 4.2 Government spending to combat Covid19 and mitigate its impact on businesses and individuals has led to record levels of public sector borrowing, and there is continuing uncertainty over the core funding that will be available to local authorities over the medium term.
- 4.3 One of the key outcomes of the Corporate Plan is achieving a robust financial strategy, the 2021/22 budget and medium-term financial strategy has been aligned to the Council's 6 Strategic Priorities:
- Environment
  - Economy
  - Housing
  - Wellbeing
  - our Customers and;
  - our Communities
- 4.4 Further details on the Councils medium term financial strategy can be found in section 6 of this report.

### **Financial Impact of Covid19**

- 4.5 The Council has played a significant role in responding to Covid19, in supporting businesses and the most vulnerable in our communities as well as running essential services.
- 4.6 The financial impact of Covid19 has been an evolving picture throughout 2020/21 and this will continue into 2021/22. The Council is forecasting additional costs in 2020/21 in the region of £1.4m including homelessness prevention, redeployment costs, support for the two Leisure Centres, additional PPE, community grants and cleaning costs.
- 4.7 The Council's income streams have also been affected, with projected losses in the region of £1m including trade and garden waste, car parking, planning income, rental income and council tax and business rates losses.
- 4.8 The Government has provided support to local authorities through £4.6bn, new burdens funding, and £3.2m towards homelessness. However, Babergh District Council's share of this £2m, falls short of the projected costs and losses in 2020/21.
- 4.9 The Council's capital programme has also been severely impacted by COVID19 with several projects falling behind schedule and supply difficulties, for example increased costs from suppliers to cover the cost of additional PPE.
- 4.10 The financial impact of Covid19 for 2021/22 and beyond is difficult to predict, income streams have been reviewed and revised where appropriate and minimal costs are anticipated at this stage.

## **Economic Background**

- 4.11 In November 2020, the Office for Budget Responsibility (OBR) published its independent economic and fiscal forecasts.
- 4.12 The coronavirus pandemic has delivered the largest peacetime shock to the global economy on record. It has required the imposition of severe restrictions on economic and social life; driven unprecedented falls in national income; fuelled rises in public deficits and debt surpassed only in wartime; and created considerable uncertainty about the future. The UK economy has been hit relatively hard by the virus and by the public health restrictions required to control it.
- 4.13 In the central forecast, the combined impact of the virus on the economy and the Government's fiscal policy response pushes the deficit this year to £394 billion (19% of GDP), its highest level since 1944-45, and debt to 105% of GDP, its highest level since 1959-60. Borrowing falls back to around £102 billion (3.9% of GDP) by 2025-26, but even on the loosest conventional definition of balancing the books, a fiscal adjustment of £27 billion (1% of GDP) would be required to match day-to-day spending to receipts by the end of the five-year forecast period.
- 4.14 The support provided to households and businesses has prevented an even more dramatic fall in output and attenuated the likely longer-term adverse effects of the pandemic on the economy's supply capacity. The Government's furlough scheme has prevented a larger rise in unemployment. Grants, loans, and tax holidays and reliefs to businesses have helped them to hold onto workers, keep up to date with their taxes, and avoid insolvencies. Nonetheless, OBR anticipate a significant rise in unemployment – to 7.5% in our central forecast – as this support is withdrawn in the spring.
- 4.15 The economic outlook remains highly uncertain and depends upon the future path of the virus, the stringency of public health restrictions, the timing and effectiveness of vaccines, and the reactions of households and businesses to all of these. It also depends on the outcome of the continuing Brexit negotiations. In such circumstances, the value of a single 'central' forecast is limited.
- 4.16 CPI inflation falls from 1.8% last year to 0.8% in 2020, due in part to lower indirect taxes and energy prices, as well as increased slack in the economy. Thanks primarily to relatively weak average earnings growth, inflation remains subdued over the next three years, returning to the 2% target by the end of 2024. Whole economy inflation (as measured by the GDP deflator) is erratic in the short term, driven by the statistical treatment of public sector output (for example, school closures and the cancellation of non-virus-related operations are treated as raising the implicit price of education and health services). In the medium term, GDP deflator inflation settles at 2%.

## **Spending Review 2020 (SR20) 2021/22**

- 4.17 The Government's three year Comprehensive Spending Review (CSR) was planned to conclude in July 2020, however, on 24 March 2020 the Chancellor announced that the CSR would be delayed 'to enable the Government to remain focussed on responding to the public health and economic emergency'

4.18 On 21 October 2020, the Chancellor announced the decision to provide a one-year Spending Review in order to prioritise the response to Covid19 and focus on supporting jobs. Details of this SR20 were published on 25 November 2020. The key points that are relevant to Local Government are as follows:

- a) Core spending power for local authorities in 2021/22 is estimated to increase by 4.5% in cash terms. In calculating CSP, it has been assumed that authorities will increase Band D by the maximum amount, and that each authority's taxbase has increased in line with their average taxbase growth since 2016-17.
- b) £3bn worth of financial support to local authorities in 2021/22 in relation to Covid19 pressures as follows:
  - £1.55bn of grant funding to meet additional expenditure pressures as a result of Covid19.
  - £670m grant funding to help households that are least able to afford council tax payments.
  - Estimated £762m compensation payments for 75% of irrecoverable loss of council tax and business rates revenues in 2020/21.
  - Extending the current sales, fees and charges reimbursement scheme for a further 3 months until the end of June 2021.
- c) Maintaining the existing New Homes Bonus scheme for a further year with no new legacy payments. This was confirmed in the final settlement on 10 February 2021 as two payments in respect of years 8 and 9 as planned, and a further one-off payment (year 11), this can be seen in the chart in paragraph 8.11 table 5. The Government is inviting views on a replacement for NHB.
- d) Continuation of the option for shire districts with the lowest council tax levels allowed increases in council tax of up to 2% or £5 whichever is higher, the £5 was confirmed in the final settlement.
- e) Rural Services Delivery Grant (RSDG) will continue in 2021/22
- f) £254m of additional resource funding to tackle homelessness and rough sleeping in 2021/22.
- g) The Government have indicated that they are unlikely to extend further Covid19 related support through business rates reliefs, outline plans for 2021/22 reliefs are expected in the New Year.
- h) Public sector pay freeze in 2021/22 for some workforces, pay rises for NHS workers and increases for the lowest paid. The Government has no formal role in the decisions around annual local government pay increases, these are developed through negotiations between the LGA and the relevant trade unions.

- i) Confirmation that the Fair Funding Review, Business Rates Review and business rates reset will be delayed. A fundamental review of the business rates system will be undertaken, and the Government are considering responses to the call for evidence. A final report with conclusions of this review is expected spring 2021.
- j) To support businesses in the near-term, the Government has decided to freeze the business rates multiplier in 2021/22, saving businesses in England an estimated £575m over the next five years. Local authorities will be fully compensated through S31 grants.
- k) Reform of the Public Works Loan Board (PWLB) lending terms, ending the use of the PWLB for investment property bought primarily for yield. The Government cut PWLB lending rates to gilts + 100bps for Standard Rate and gilts + 80bps for Certainty Rate, with effect from 26 November 2020.
- l) The government is launching a new Levelling Up Fund worth £4bn (£600m in 2021/22), to invest in local infrastructure that has a visible impact on people and their communities and will support economic recovery. Bids for projects of around £20m that can be delivered in 2-3 years will be considered. The Prospectus is likely to be released early in the New Year.
- m) £300 million of new grant funding for adult and children's social care, in addition to the £1bn announced at SR19 that is being maintained in 2021/22. In addition, local authorities will be able to levy a 3% adult social care precept.
- n) Negative Revenue Support Grant is now fully funded.

4.19 The Final Finance Settlement was announced on the 10 February 2021 and provided Babergh with additional funding £724k of which £199k has been built into the 2021/22 budget. The remainder is to be transferred to either earmarked reserves or reallocated to cover Business Rates or Council Tax losses. This can be broken down as follows:

4.20 The headlines are as follows:

- Additional Rural Services Delivery Grant increased by 4.9%, for Babergh this is an additional £11k.
- New for 2021/22 only, a Lower Tier Services grant introduced of £111m to ensure no council sees a reduction in core spending power as a result of the £285m reduction to the 'final year' of New Homes Bonus payments. Babergh's allocation of the Lower Tier Services grant is £91k.
- New Homes Bonus was £18k less than originally estimated mainly due an increase in the number of empty properties, this element of the allocation was not included in the original estimate.
- No increase to the Business rates baseline funding - as part of the Council's own forecast budget additional income of £251k (including renewable energy business rates income of £30k) is expected.

- Part of the S31 grant allocation is £150m compensation for under-indexing the Business Rates multiplier, of which Babergh's share is £111k. Again, after calculating all elements of the S31 grant as part of the Council's own forecast, the net impact, is an overall reduction in S31 grants of £91k.
- The Business Rates Levy and Suffolk Business Rates Pool information has now been received from the other Local Authorities in Suffolk, for Babergh this has resulted in a net reduction to funding of £59k for 2021/22. The Business Rates Levy has increased by £48k and the benefit from the Suffolk Business Rates Pool has reduced by £11k.
- Babergh's share of the £1.55bn 5<sup>th</sup> tranche of Covid19 grant funding has been confirmed at £414k. This has not been included in the funding at this stage, the financial impacts of Covid19 will be assessed during 2021/22, in the meantime this grant will be placed in the Covid19 earmarked reserve.
- New Local Council Tax Support Grant £670m – outside the core settlement and is to fund authorities for the expected increase in Local Council Tax Support in 2021/22. This grant is to be allocated between Suffolk County Council, Suffolk Police and Crime Commissioner and Babergh. Provisional allocations are as follows:

	£
Babergh	115,290
Suffolk County Council	610,224
Suffolk Police and Crime Commissioner	101,166
<b>Total</b>	<b>826,680</b>

- Of the £115k allocated to Babergh, £39k will be distributed to Town and Parish Councils as part of the first instalment of their precept payment in April 2021. See Appendix C for a detailed breakdown. The remaining £76k will be transferred to the Business Rates and Council Tax Collection Fund earmarked reserve to help mitigate the impact of expected increases in Local Council Tax Support during 2021/22.

4.21 Table 1 below shows the Final Finance Settlement compared to the budget for 2021/22.

**Table 1: Final Finance Settlement**

	2021/22 Assumed	2021/22 Settlement	(Increase)/ Decrease
	£'000	£'000	£'000
New Homes Bonus	853	835	18
Rural Services Delivery Grant	227	238	(11)
Lower Tier Services Grant	-	91	(91)
Council Tax increase - £5, LCTRS & Growth	39	39	-
LCTS grant	-	115	(115)
<b>Included as funding</b>	<b>1,119</b>	<b>1,318</b>	<b>(199)</b>
<b>Other funding announced</b>			
5th Tranche of COVID19 funding	-	414	(414)
Compensation for under-indexing the business rates multiplier. Included as part of S31 grants	-	111	(111)
<b>Total</b>	<b>1,119</b>	<b>1,843</b>	<b>(724)</b>

**5. HOW IS THE COUNCIL'S REVENUE BUDGET BEING SPENT IN 2020/21?**

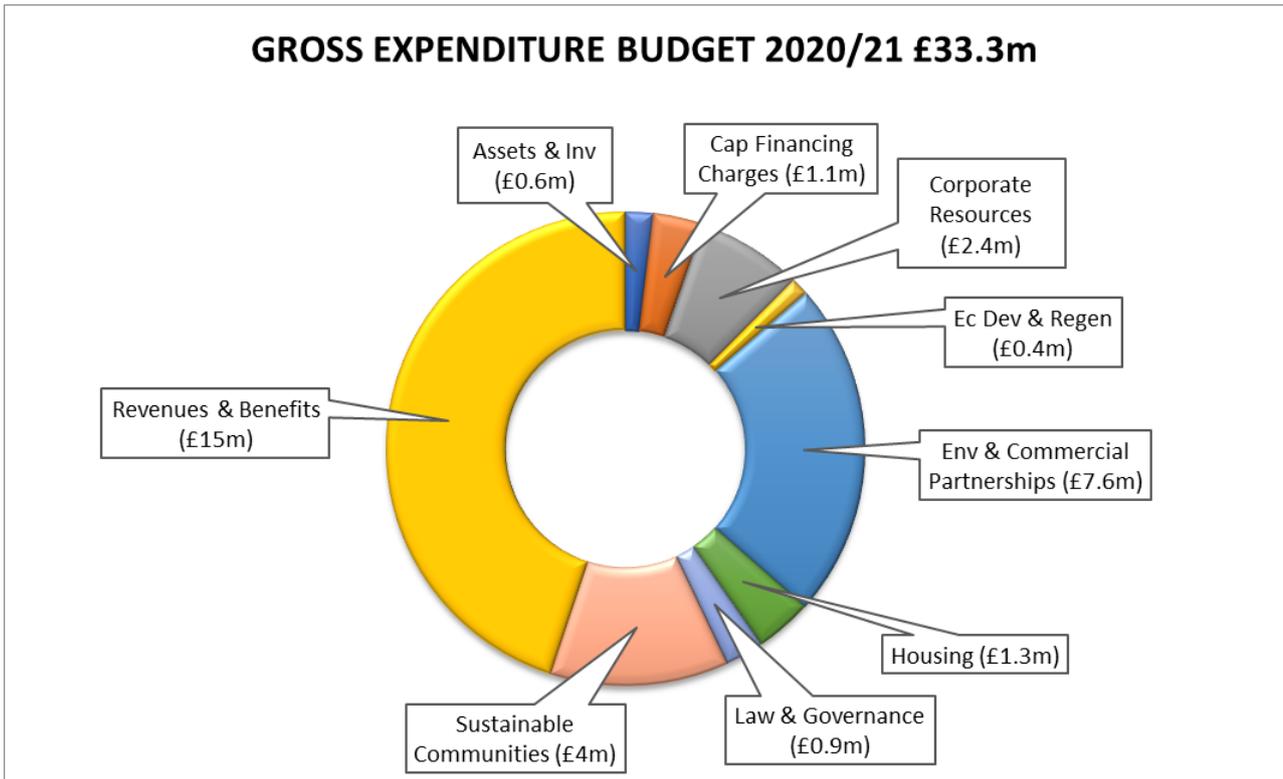
5.1 The Council's 2020/21 gross expenditure is £33.3m and Income is £23.3m giving a net cost of service of £9.9m. Table 2 below shows how this is funded.

**Table 2: Revenue Budget 2020/21**

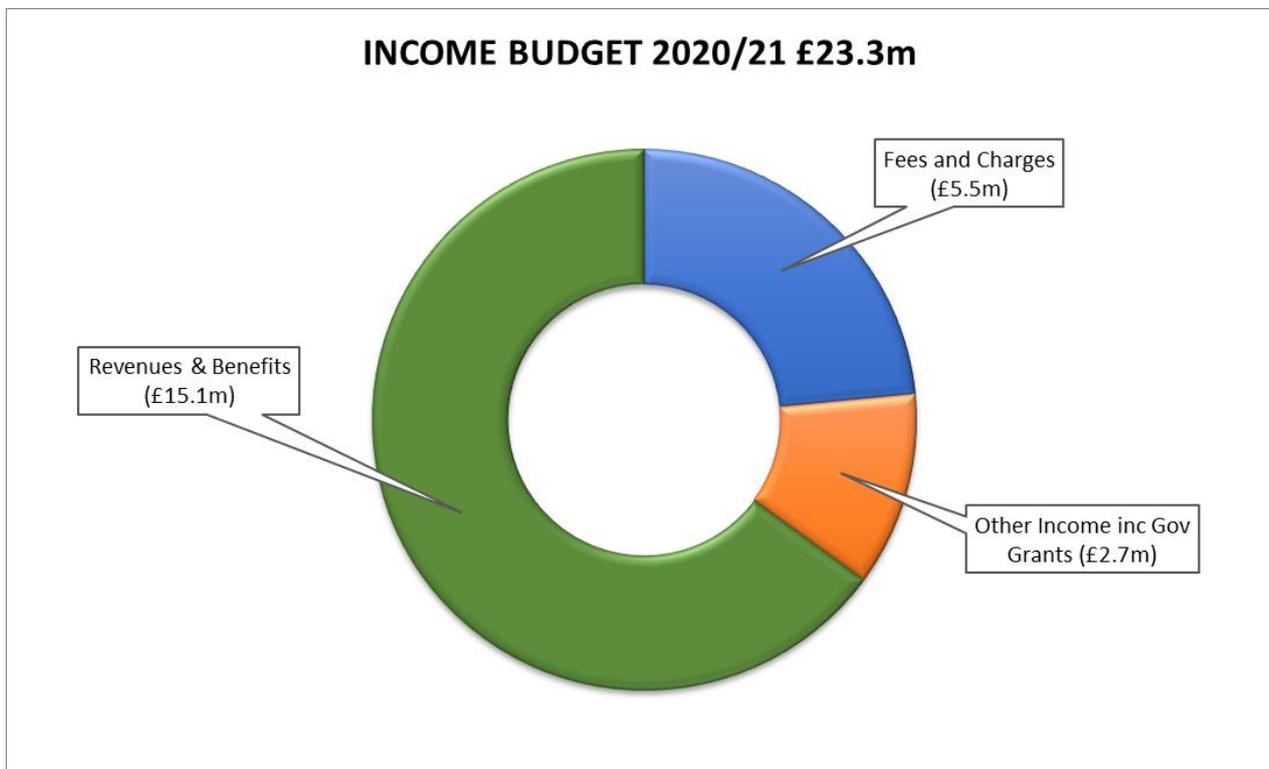
	<b>£,000</b>
<b>Gross Expenditure</b>	<b>33,301</b>
<b>Income</b>	<b>(23,332)</b>
<b>Net expenditure 2020/21</b>	<b>9,969</b>
<b>Funded by:</b>	
Earmarked Reserves	(278)
New Homes Bonus	(1,055)
S31 Grant	(1,577)
Business Rates	(1,760)
Collection Funds (Surplus)	(9)
Rural Services Delivery Grant	(227)
Council Tax	(5,774)
<b>Total Funding</b>	<b>(10,680)</b>
<b>Total surplus transferred to reserves</b>	<b>(711)</b>

5.2 Graph 1 below shows how the £33.3m gross expenditure is allocated across the services and Graph 2 below shows the breakdown of the £23.3m income. The funding element is not shown in these graphs.

**Graph 1 Gross Expenditure by service area in 2020/21**



**Graph 2 Income by service area in 2020/21**



5.3 The Revenues and Benefits element (£15m) in both the expenditure and the income charts above includes housing benefit paid out to claimants and reimbursed from the Government.

- 5.4 The forecast position for 2020/21 at quarter 2 reported to Cabinet in December 2020 showed a projected surplus of £728k. However, there almost certainly will be further variances that occur throughout the remainder of the year. An updated position will be reported to Cabinet in March 2021 and the final outturn position in July 2021.

## **6. MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2021-2025**

### **Strategic Aims**

- 6.1 In order to achieve the Council's Vision, the Council needs to take a medium-term view of the budget through a robust financial strategy that is focused on delivering the 6 corporate strategic priorities.
- 6.2 The Council's main strategic financial aim remains to become self-financing i.e. not reliant on Government funding. The Council's parallel aim is to generate more funds than are required purely for core services, in order to enable additional investment into the district.
- 6.3 There are 3 key elements that need to be carefully balanced to ensure success. These are:
1. Cost management;
  2. Income generation; and
  3. Service levels.

### **Principles**

- 6.4 The approach over the medium term is to transform the Council into an organisation that is thriving and not just surviving, by continuously reviewing, remodelling and reinventing the way the Council operates. In order for the Council to thrive, a strong focus is placed on the wellbeing of our staff.

The following overarching principles are considered when evaluating ideas and opportunities for change:

- Reduce our costs (both internally and across the wider system)
- Increase our income
- Provide better / "best" value
- Increased social value
- Provide a better service for our customers
- Reduction in administration costs, without compromising service
- Reduced climate change and biodiversity impact

- 6.5 The focus is on:

- internal efficiencies and improvements;
- continuously streamlining work and reducing waste in processes;
- greater cross-functional working and multi-skilling;
- improving ways of working to move away from 'professional silos' and toward integrated services for the public;
- customer demand understood, analysed and met through new services and business models;

- demand is re-shaped and managed while engaging service users to ascertain priorities.

6.6 The approach below shows in more detail for each element the methodology that will be adopted to achieve this.



6.7 Work is underway across the Council re-designing our service delivery using these three underpinning strands. However, during 2020/21 the focus for many service areas was diverted to responding swiftly and effectively to needs of our communities, residents and businesses to help mitigate the impact of the Covid19 pandemic.

#### 6.8 Achievements during 2020/21

- Business process reengineering programme of work
- Customer transformation programme
- ICT review and new strategy
- Reviewed complaints and FOI processes
- Review of performance framework
- New model for Disabled Facilities Grants
- Development of the Asset Management Plan
- Staff survey action plan
- Commissioning and procurement review
- New economic evidence base, refreshed strategy and action plan

6.9 Further work will continue in 2021/22 and is likely to require a longer-term approach and may require additional resources and investment. The Council will continue this approach in order to transform the way it operates over the next three years.

## 7. RESERVES

- 7.1 When setting the budget for the forthcoming year the Council must have regard to the level of reserves needed to provide enough resources to finance estimated future expenditure plus any appropriate allowances that should be made for contingencies.
- 7.2 The Council has been making significant savings for a number of years and with each year the challenge gets more difficult without negatively impacting on service standards. The approach outlined above will deliver savings or generate income to help close the medium-term budget gap. However, some of these will not be realised until 2022/23 onwards and investment from reserves may be required to deliver them.
- 7.3 Reserves only provide one-off funding, so the Council should avoid using reserves to meet regular recurring financial commitments.
- 7.4 In 2021/22 the Council is using £335k from earmarked reserves against specific service expenditure, this includes £64k for Locality budgets from the Transformation Fund. The Council is using all the £1.5m S31 grants and £692k of the £835k New Homes Bonus to balance the budget. The remainder of the New Homes Bonus, £143k is being transferred to a new Climate Change and Biodiversity earmarked reserve and will be used to invest in sustainable travel and other projects that will support the Council's commitment to be carbon neutral by 2030.
- 7.5 Table 3 below shows the earmarked reserves balance from 31 March 2020, forecast through to 31 March 2022. This shows that the level of reserves (excluding CIL) increases by 14% over the two years.

**Table 3: Forecast Earmarked Reserve Levels**

BABERGH									
Transfers to / from Earmarked Reserves	Balance 31 March 2020	Trf between	Forecast trf to	Forecast trf from	Balance 31 March 2021	Trf between	Forecast trf to	Forecast trf from	Balance 31 March 2022
Transformation Fund	(538)	140	(3,343)	2,866	(874)		(2,321)	2,421	(775)
Business Rates Retention Pilot	(1,138)			237	(901)			81	(820)
Business Rates and Council Tax	(1,216)	140	(4,447)		(5,523)		(77)	4,541	(1,059)
Climate Change and Biodiversity					-		(143)		(143)
Government Grants	(204)			39	(165)		(5)		(170)
Commuted Maintenance Payments	(478)		(376)		(854)				(854)
COVID19	-	(280)			(280)		(414)		(694)
Elections Fund	(20)		(20)		(40)		(20)		(60)
Elections Equipment	(35)				(35)				(35)
Homelessness	(241)		(41)	97	(185)		(60)	35	(209)
Temporary Accommodation	(74)			9	(65)			14	(50)
Planning (Legal)	(263)			58	(205)				(205)
Neighbourhood Planning Grants	(76)		(46)	25	(97)		(68)	23	(142)
Community Housing Fund	(195)			27	(168)			26	(142)
Strategic Planning	(55)			40	(15)				(15)
Joint Local Plan	(118)			72	(46)				(46)
Planning Enforcement	(88)			15	(73)				(73)
Well-being	(275)			1	(274)			56	(217)
Waste	(9)			9	-				-
<b>Total Earmarked Reserves excluding CIL</b>	<b>(5,014)</b>	<b>-</b>	<b>(8,272)</b>	<b>3,488</b>	<b>(9,799)</b>	<b>-</b>	<b>(3,109)</b>	<b>7,197</b>	<b>(5,710)</b>
Community Infrastructure Levy (CIL)	(6,378)				(6,378)				(6,378)
<b>Total Earmarked Reserves</b>	<b>(11,392)</b>	<b>-</b>	<b>(8,272)</b>	<b>3,488</b>	<b>(16,177)</b>	<b>-</b>	<b>(3,109)</b>	<b>7,197</b>	<b>(12,088)</b>

- 7.6 There is an agreed process for CIL bids, however nothing has been included in this table for CIL income and expenditure for 2021/22 as this is difficult to predict.

7.7 In addition to the earmarked reserves, the Council also holds a general fund reserve of £1.2m, which equates to approximately 12% of the net cost of service. This is a prudent level of reserve to hold, as has been evidenced by the Covid19 pandemic this year, to mitigate against unexpected financial risks that cannot be offset by savings during the year or with use of the earmarked reserves in Table 3.

## 8. FORECAST BUDGET GAP TO 2024/25

8.1 To establish the medium-term position several assumptions have been made as to the expected level of funding and a number of cost pressures and savings have been identified over the period.

### Funding

8.2 Funding arrangements for councils have changed significantly in recent years, the revenue support grant has been completely removed for the Council and New Homes Bonus (NHB) legacy payments continue to be phased out. Government has indicated that a consultation paper on the future of NHB will be published shortly.

8.3 2019/20 was the last year of the four-year Comprehensive Spending Review where councils had some certainty about their funding levels. 2020/21 and 2021/22 continue to be one off Spending Reviews, therefore the medium-term position continues to be more difficult to forecast.

8.4 MHCLG is still committed to delivering the wider reforms to local government funding however whether this is achievable for 2022/23 remains to be seen, as fully worked proposals for consultation would need to be ready before Summer 2021.

8.5 Government has recognised that councils are now more reliant on council tax and business rates as the main sources of funding. A full review of the business rates system is expected to be published in Spring 2021. This is needed now more than ever with the impact of Covid19 on the economy.

8.6 Since NHB was introduced in 2011/12 the Council has received £11m in total. The Council continues to be reliant on NHB to support the budget, but in the last two years has been able to use some to supplement the Transformation Fund. For 2021/22, reliance on NHB to balance the budget equates to £692k.

8.7 As shown in Table 4 below, the use of NHB to balance the budget increased from 99% in 2017/18 to 100% in 2018/19 and 2019/20 and then reduces to 83% in 2021/22.

**Table 4: New Homes Bonus used from 2017/18 to 2021/22**

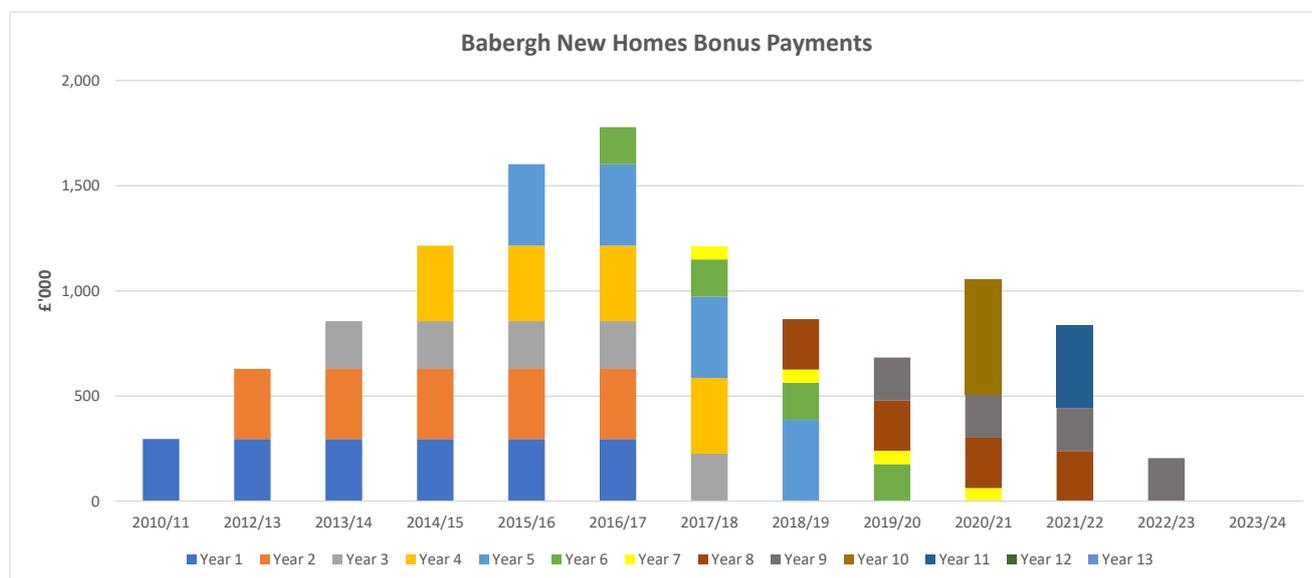
	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Amount of NHB received	1,212	866	683	1,055	835	4,651
NHB used to balance the budget	1,197	866	683	343	692	3,781
% of NHB allocation to balance budget	99%	100%	100%	33%	83%	81%

- 8.8 Table 5 and Graph 3 below shows the NHB over the last ten years plus the estimated allocations for 2021/22 to 2023/24. This assumes 0.7% growth over and above the 0.4% threshold, one more year's growth for 2021/22 only and the legacy payments being phased out from 2020/21 year on year with nothing being received in 2023/24.
- 8.9 This shows how NHB has declined from a peak of £1.8m in 2016/17 to £835k in 2021/22, after the Government announced it would reduce the allocation from 6 years to 5 years in 2017/18 and to 4 years in 2018/19, as well as introducing a 0.4% growth baseline in 2017/18.
- 8.10 For 2021/22 the 0.4% growth for Babergh means that the first 156 new homes built will receive no payment.

**Table 5: New Homes Bonus sums per year**

Payments												Estimated	
	2010/11	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Year 1	295	295	295	295	295	295							
Year 2		334	334	334	334	334							
Year 3			226	226	226	226	226						
Year 4				360	360	360	360						
Year 5					387	387	387	387					
Year 6						177	177	177	177				
Year 7							63	63	63	63			
Year 8								239	239	239	239		
Year 9									205	205	205	205	
Year 10										548			
Year 11											391		
Year 12													
Year 13													
<b>Total</b>	<b>295</b>	<b>630</b>	<b>856</b>	<b>1,215</b>	<b>1,602</b>	<b>1,779</b>	<b>1,212</b>	<b>866</b>	<b>683</b>	<b>1,055</b>	<b>835</b>	<b>205</b>	

**Graph 3: New Homes Bonus Payments - Estimated for 2021/22 to 2023/24**



- 8.11 In calculating the expected level of funding across all sources, the following assumptions have been made:
- Minimal use of reserves after 2023/24.
  - NHB as per Table 5 above.
  - Growth in business rates income of £251k

- d) Nothing has been included for forecast Business Rates surplus or deficit beyond 2020/21 based on the assumption that the collection fund earmarked reserve will accommodate this. The 2020/21 forecast deficit of £658k, has been spread over three years as required by Government.
- e) Rural Services Delivery grant has increased from £227k to £238k and will continue at the higher level for the next three years.
- f) Council Tax £5 increase every year for the next three years, generating on average an incremental additional £171k per annum.
- g) Tax base growth of 1% every year for the next four years, which generates approximately £60k per annum.
- h) The impact of Covid19 has resulted in a lower taxbase for 2021/22 due to an increase in LCTRS caseload and an assumed lower collection rate. It is anticipated that this will start to recover from 2022/23 to 2023/24.

8.12 Table 6 below shows the forecast funding from 2021/22 to 2024/25. Ignoring the use of reserves, funding increases slightly by 1.1% over the 4-year period. This is mainly due to the forecast increase in business rates as mentioned in section 4.20 above.

8.13 By 2023/24 Government funding is expected to reduce significantly except for Rural Services Delivery Grant. The main sources of funding for the Council are Business Rates and Council Tax.

8.14 In 2021/22 the Council will be using 100% of S31 grant and 83% of NHB to achieve a balanced budget.

**Table 6: Forecast Funding 2021/22 – 2024/25**

Description	2020/21	2021/22	2022/23	2023/24	2024/25
	Budget	Budget	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000
<b>Funding:</b>					
Other Earmarked Reserves	(278)	(271)	(335)	(267)	(49)
Transformation Fund - Community Capacity Building	-	(64)	(64)	(64)	(64)
New Homes Bonus - provisional 2022/23 onwards	(1,055)	(835)	(205)	-	-
S31 Business Rates Grant	(1,577)	(1,486)	(1,486)	(1,486)	(1,486)
Government Support					
(a) Baseline business rates	(1,880)	(2,131)	(2,131)	(2,131)	(2,131)
(b) B/Rates – levy	527	576	576	576	576
(c) B/Rates – growth/pooling benefit	(323)	(312)	(312)	(312)	(312)
(d) B/Rates prior yr deficit / (surplus)	(85)	222	218	218	-
(e) Rural Services Delivery Grant	(227)	(238)	(238)	(238)	(238)
(f) Lower Tier Services Grant	-	(91)	-	-	-
Council Tax Collection Fund deficit	(9)	64	46	46	-
Council Tax - £5 increase per annum	(5,637)	(5,942)	(5,983)	(6,250)	(6,523)
(Growth) / Reduction in taxbase - 1% 2022/23 onwards	(137)	59	(130)	(99)	(63)
Impact of LCTRS on taxbase	-	69	36	-	-
Local Council Tax Support Grant - Babergh		(77)			
Local Council Tax Support Grant - Town & Parish Councils	-	(39)	-	-	-
<b>Total Funding</b>	<b>(10,680)</b>	<b>(10,494)</b>	<b>(10,008)</b>	<b>(10,007)</b>	<b>(10,290)</b>

## 2021/22 Budget

The summary in Table 7 below shows breakdown of the Council's net cost of service for 2021/22 (£10.352m) compared to 2020/21 (£9.969m), an increase of £383k. The Council's 2021/22 gross expenditure is £33.7m and Income is £23.3m.

**Table 7**

<b>GENERAL FUND REVENUE BUDGET SUMMARY</b>			
	<b>2020/21</b>	<b>2021/22</b>	<b>Movement</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
1 Employee Costs - excl grant & reserve funding 21/22 £257k	7,878	8,230	351
2 Premises	1,036	1,164	128
3 Supplies & Services	4,369	4,334	(36)
4 Transport	144	207	63
5 Contracts	4,531	4,925	394
6 Revenues and Benefits	14,654	13,795	(858)
<b>Capital Financing Charges</b>			
7 Interest Payable (Pooled Funds)	30	30	-
8 Interest Payable (CIFCO)	596	289	(307)
9 Interest Payable (CIFCO - further investment)	106	91	(15)
10 MRP	1,136	1,266	130
11 Charge to HRA	(1,200)	(1,243)	(43)
12 Charge to Capital	(4)	(4)	(0)
13 Transfers to Reserves	25	645	619
<b>14 Gross Expenditure</b>	<b>33,301</b>	<b>33,729</b>	<b>428</b>
15 Revenues and Benefits Income	(15,127)	(14,260)	867
16 Other Income	(5,865)	(6,353)	(488)
<b>Investment Income</b>			
17 Pooled Funds	(569)	(569)	-
18 Interest Receivable (Cash Surplus)	(15)	(15)	-
19 Interest Receivable (CIFCO)	(1,162)	(1,156)	6
20 Interest Receivable (CIFCO - further investment)	(594)	(1,023)	(430)
<b>21 Gross income</b>	<b>(23,332)</b>	<b>(23,377)</b>	<b>(45)</b>
<b>22 Net Service Cost</b>	<b>9,969</b>	<b>10,352</b>	<b>383</b>
23 Transfers from Reserves - earmarked	(278)	(271)	7
24 Transformation Fund - Community Capacity Building	-	(64)	(64)
25 New Homes Bonus	(1,055)	(835)	219
26 S31 Business Rates Grant - to balance the budget	(1,577)	(1,486)	91
27 Baseline business rates	(1,880)	(2,131)	(251)
28 Business rates levy	527	576	48
29 Business rates – growth/pooling benefit	(323)	(312)	11
30 Business rates – collection fund deficit / (surplus)	(85)	222	307
31 Rural Services Delivery Grant	(227)	(238)	(11)
32 Lower Tier Services Grant	-	(91)	(91)
33 Council Tax	(5,774)	(5,813)	(39)
34 Surplus on Council Tax Collection fund	(9)	64	73
35 Local Council Tax Support Grant - Babergh	-	(77)	(77)
36 Local Council Tax Support Grant - Town & Parish Councils	-	(39)	(39)
<b>37 Total Funding</b>	<b>(10,680)</b>	<b>(10,494)</b>	<b>186</b>
38 Transfer to Transformation Fund	711	-	(711)
39 Transfer to Climate Change & Biodiversity earmarked reserve	-	143	143

- 8.15 The approach for the 2021/22 budget setting included “budget challenge sessions” which consisted of Corporate Managers taking a group of peers (comprising other Corporate Managers and Assistant Directors) through their budgets line by line. The peer group provided challenge and review to the budgets. As a result, a number of savings were identified, as shown in the explanations below.
- 8.16 This work will continue throughout 2021/22 as there were a number of areas that were identified that are aligned to the approach set out in section 6 of this report and will require further work in order to deliver efficiencies.
- 8.17 With the net cost of service increasing and Government funding reducing in particular, NHB which the Council is still reliant on to balance the budget some difficult decisions have had to be made.
- 8.18 Funding for free swims for children under 16 over the school holidays has been removed saving £38k. The contribution to Sudbury Town Council has been reduced by £30k and the introduction of short-term car parking (detailed below) are all proposals that have been built into the 2021/22 budget.
- 8.19 In calculating the 2021/22 budget, the following assumptions have been made:

### **Staffing**

- Grant funding and reserves of £257k is being used to fund staffing costs in 2021/22.
- 2% pay award, however this will depend on the agreement between LGA and the relevant trade unions, this amounts to £161k.
- Incremental progression through grades to the value of £109k have been included.
- Pension fund assumptions
  - future rate contribution - 23%, no change from 2020/21.
  - pension deficit lump sum – 1% per annum reduction from 2021/22, saving £58k.
  - The staffing budgets do not yet reflect any changes as a result of the Public Realm contract ceasing and moving to an in-house service during 2021/22, however the cost of the contract has been included as the impact should be cost neutral.

### **Premises**

- Insurance premium for theft from unoccupied buildings £18k increase.
- An increase in the repairs costs to PV Panels has been identified totalling £60k
- Development of the former Council offices has been delayed as a result of Covid19, therefore the security costs have been extended for a further period in 2021/22 at a cost of £57k.

## **Supplies & Services**

- ICT cost savings have been identified of £128k as a result of migrating to Microsoft Teams, a review of licences and digital transformation.
- Costs associated with the implementation of short-term car parking charges including signage, wayfinding, maintenance and improved cycle parking £69k.
- Increase to service charges for Endeavour house £43k, subject to discussions with Suffolk County Council.
- Savings to print post and stationery have been identified totalling £27k.

## **Transport**

- Proposal to convert the Council's fleet to hydrogenated vegetable oil (HVO) to reduce the Council's carbon emissions, if approved, will increase vehicle running costs by £88k.
- Reduction to travel costs including essential user and disturbance allowances, saving £64k, but also contributing to the Council's reduction in carbon emissions.

## **Contracts**

- Contracts – general 2% increase totalling £116k including Leisure, SRP and some ICT contracts.
- Major contracts – Waste increase of £210k.

## **Income**

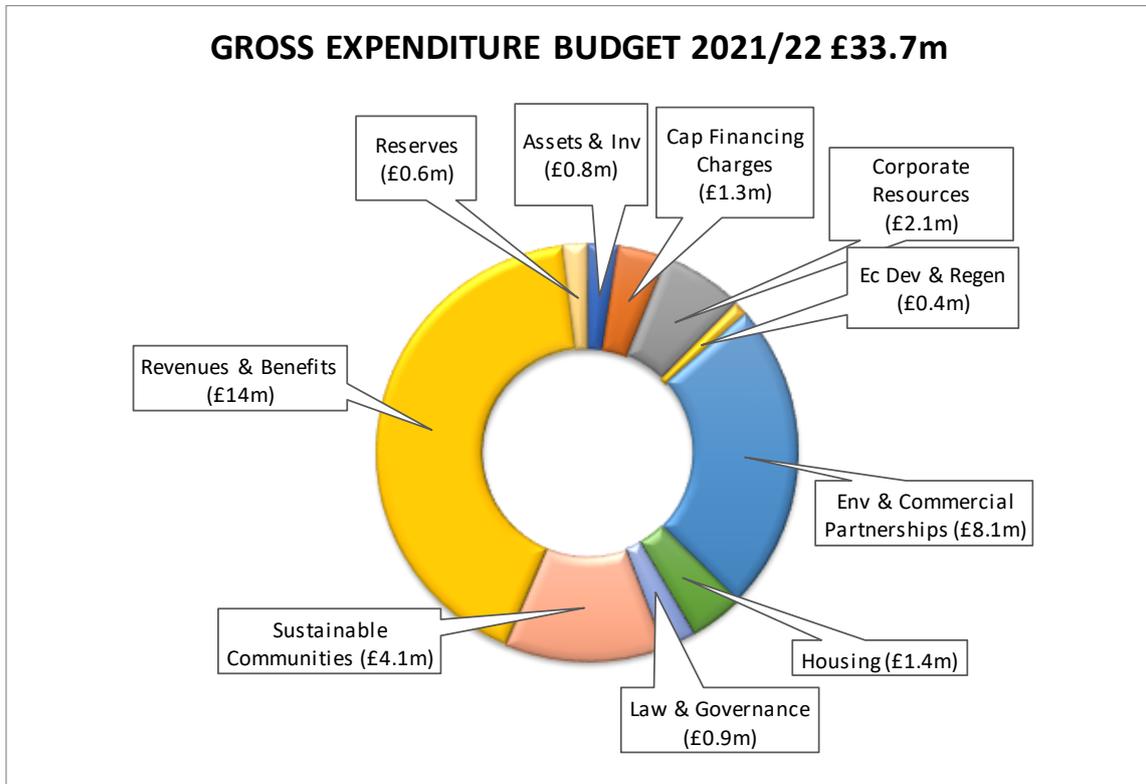
- As a result of Covid19 car parking income projections have been reduced by 30%, resulting in a reduction to income of £148k.
- The implementation of short-term car parking charges from October 2021 across the District generating £56k additional income.
- Increase of £2.50 to Garden Waste Subscription generating an additional £60k, an increase to the volumes of subscription has also been included, generating £18k.
- Fees and charges inflationary increase of 3% totalling £62k for services including food and safety, street naming and numbering, public rights of way, rents, emptying of dog and litter bins, waste, licensing, and land charges.

## **Capital Financing charges and Investment Income**

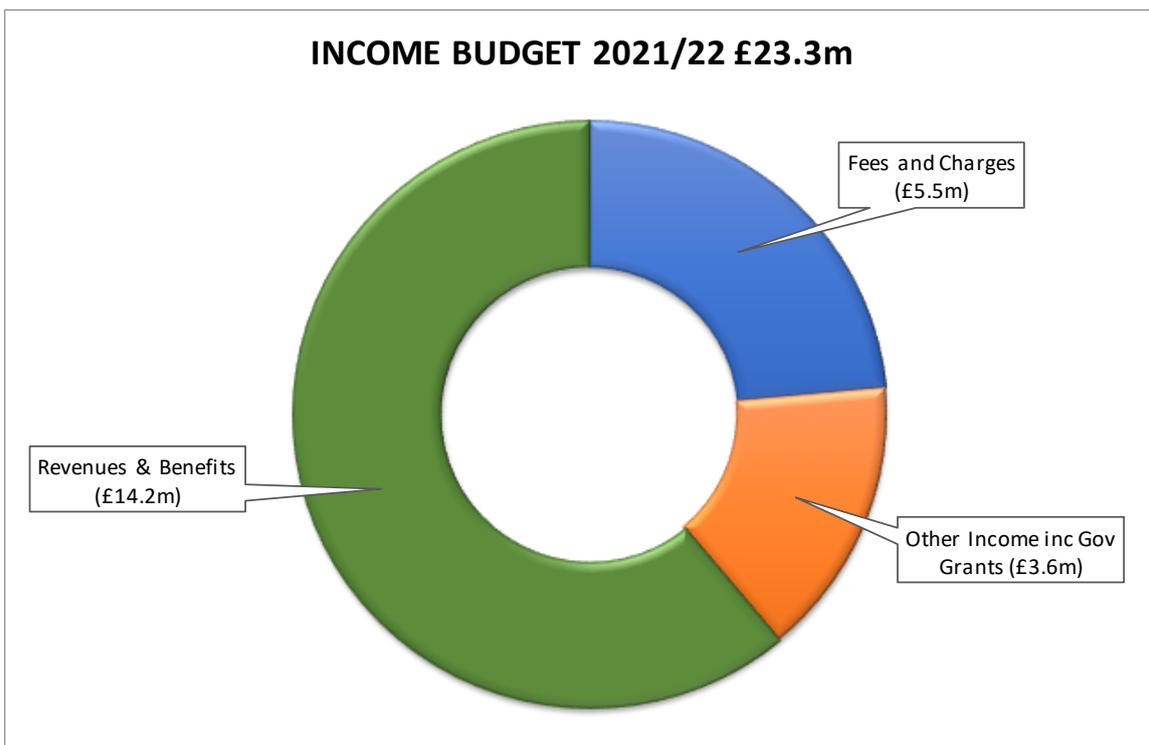
- An increase to the Council's borrowing requirements to fund the Capital Programme in 2021/22 has resulted in additional Minimum Revenue Provision (MRP) of £130k.
- The Council is continuing to take advantage of low short-term interest rates for another year, saving £307k.
- With the full investment of CIFCO expected by the end of 2020/21, additional income has been included of £424k.

8.20 Graph 4 below shows how the £33.7m gross expenditure is allocated across the services and Graph 7 below shows the breakdown of the £23.3m income. The funding element is not shown in these graphs.

**Graph 4 Gross Expenditure by service area in 2021/22**



**Graph 5 Income by service area in 2021/22**



8.21 The Revenues and Benefits element (£14m) in both the expenditure and the income charts above includes housing benefit paid out to claimants and reimbursed from the Government.

### Budget Gap

8.22 Table 8 below shows the forecast deficit for 2022/23 - 2024/25 with and without New Homes Bonus.

8.23 The position for 2021/22 is a £143k surplus. This is achieved by using £692k New Homes Bonus, £1.5m S31 grant, £238k Rural Service Delivery Grant, £91k Lower Tier Services Grant and £335k from reserves.

8.24 Over the next three years the net cost of service increases by £1.7m, mainly due to pay award, increments and inflationary increases on major contracts. The £5 increase in council tax and taxbase growth over the same period (£773k) only covers 47% of this increase. Use of reserves reduces by £222k and the Council loses £835k in NHB funding, leaving a budget gap of £1.7m. Table 8 below assumes the previous years budget deficit has been closed within the net cost of service line.

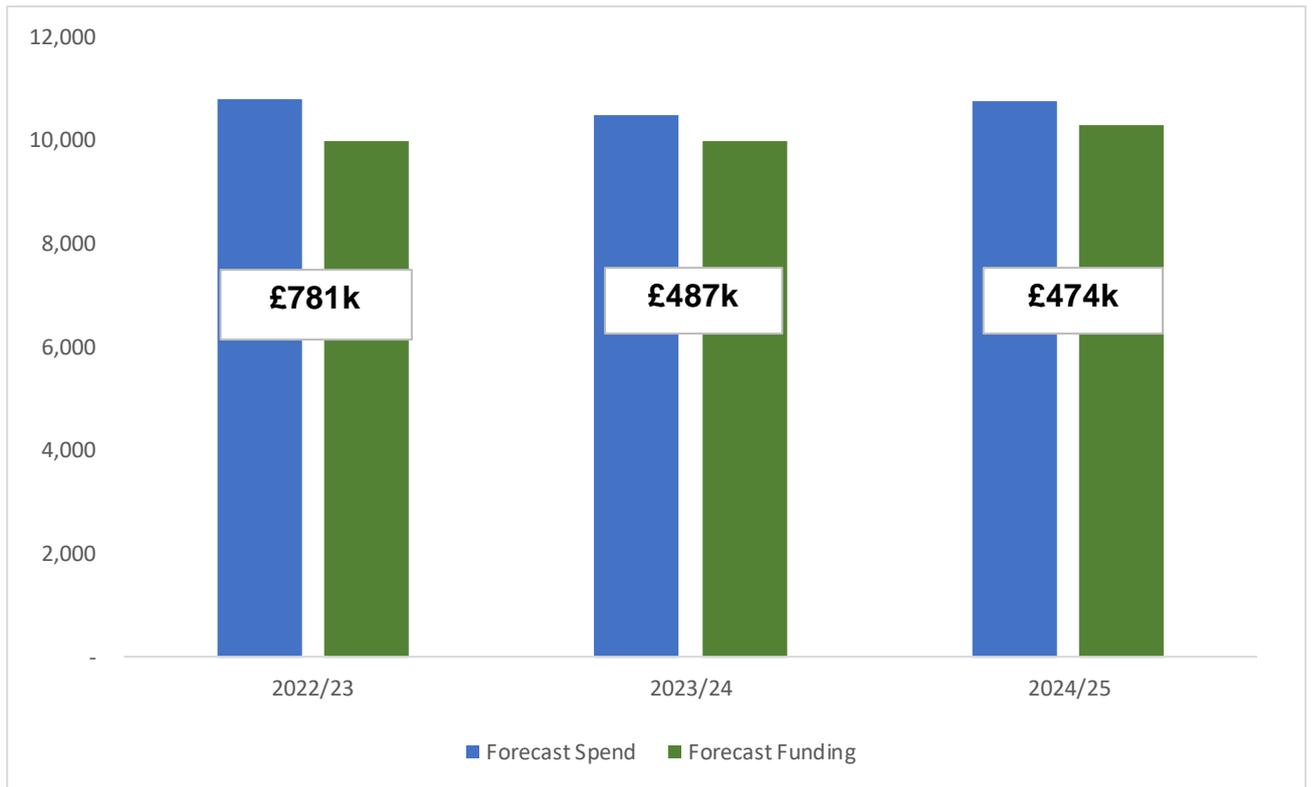
8.25 Over the three-year period from 2022/23 the Council's cumulative deficit of £1.7m must be addressed. The Council will need to deliver significant income or savings, with the key objective to become self-financing and to have more than enough funds to invest within the Council itself and across the district.

**Table 8: Forecast Budget Gap 2022/23 - 2024/25**

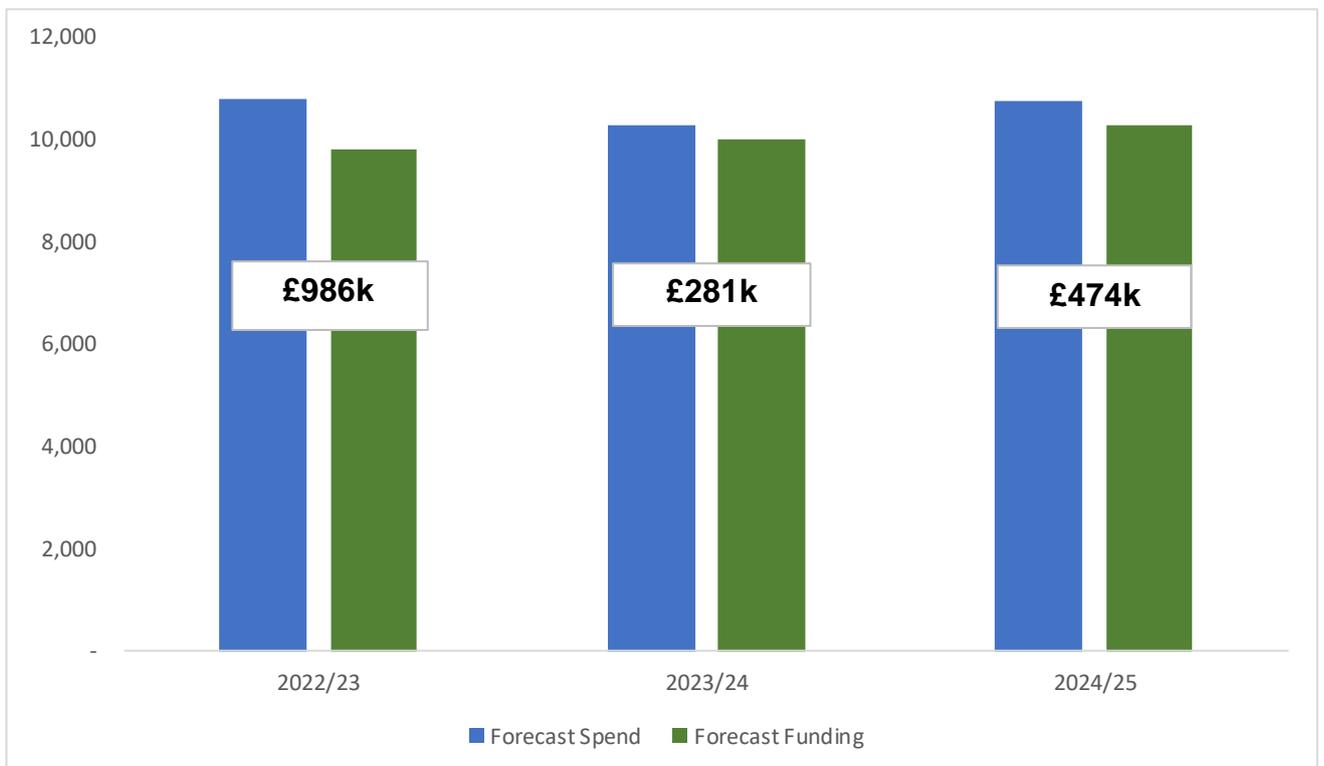
	Babergh		
	2022/23	2023/24	2024/25
<b>Net Service Cost current year</b>	<b>10,790</b>	<b>10,494</b>	<b>10,764</b>
Funding	(10,008)	(10,007)	(10,290)
<b>Annual Deficit /(Surplus)</b>	<b>781</b>	<b>487</b>	<b>474</b>
<b>Cummulative Deficit/(Surplus)</b>	<b>781</b>	<b>1,268</b>	<b>1,742</b>

	Babergh		
	2022/23	2023/24	2024/25
<b><u>Excluding NHB</u></b>			
<b>Net Service Cost current year</b>	<b>10,790</b>	<b>10,288</b>	<b>10,764</b>
Funding	(9,803)	(10,007)	(10,290)
<b>Annual Deficit /(Surplus)</b>	<b>986</b>	<b>281</b>	<b>474</b>
<b>Cummulative Deficit/(Surplus)</b>	<b>986</b>	<b>1,268</b>	<b>1,742</b>

**Graph 4: Forecast Budget Gap including NHB (annual) 2022/23 - 2024/25**



**Graph 5: Forecast Budget Gap excluding NHB (annual) 2021/22 - 2024/25**



## **9. CIPFA RESILIENCE INDEX**

- 9.1 CIPFA's Financial Resilience Index, made publicly available for the first time in 2019, aims to support good practice in the planning of sustainable finance. The index does not come with CIPFA's own scoring, ranking or opinion on the financial resilience of an authority. However, users of the index can undertake comparator analysis drawing their own conclusions.
- 9.2 The 2020 index, which will provide the relative position for the 2019/20 financial year, will be made publicly available shortly. Councils performance will be ranked relative to those in the selected 'comparator group'.
- 9.3 As part of the audit work for the 2018/19 and 2019/20 financial statements, a going concern review was undertaken in light of Covid19. The Council has demonstrated that it is currently in a strong financial position with the level of reserves it has and the funding received from the Government mitigating the financial impact forecast at this stage.
- 9.4 The Council will continue to strive to become self-financing over the next three years, using reserves as a last resort. Earmarked Reserves may be drawn on for their intended function, such as to mitigate the impact of Covid19, Climate Change initiatives, and funding specific projects. As such, the reserves indicators within the resilience index could move either way in future years.

### **CIPFA FM Code of Practice**

- 9.5 CIPFA has developed the Financial Management Code (FM Code) 'designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.' The FM code has several components including six Principles of Good Financial Management, setting the benchmark against which all financial management should be judged.
- 9.6 CIPFA expect the first full year of compliance with the FM Code to be 2021/22 and it is for individual authorities to determine whether they meet the standards. The Extended Leadership Team have taken part in the first workshop to develop awareness and understanding of the requirements of the code. Work will continue throughout 2021/22 to ensure the Council adopts best practice.

## **10. FEES AND CHARGES**

- 10.1 Fees and charges have been reviewed by budget holders as part of this budget setting process and a separate report was presented and approved by Cabinet in January 2021. The impact of the charges has been built into the budget for 2021/22.

## **11. CAPITAL PROGRAMME**

- 11.1 The detailed Capital Programme is attached at Appendix A, the 2021/22 budget totals £6.2m.
- 11.2 The Capital and Investment Strategy has further details of the Council's borrowing capacity and the impacts of the capital programme and has been reviewed by Joint Audit and Standards Committee in January 2021. The Strategy is an item on the agenda for discussion and approval at this meeting.

## **12. FLEXIBLE USE OF CAPITAL RECEIPTS**

- 12.1 The Secretary of State issued guidance and a Direction under section 15 (1) (a) of the Local Government Act 2003, effective from 1st April 2016 in respect of the 'Flexible use of Capital Receipts' and subsequently issued a further Direction under the same Act in February 2018 – Sections 16(2)(b) and 20.
- 12.2 The current guidance and Direction will apply to the financial year 2021/22. It is possible the guidance may be extended to future years.
- 12.3 The Direction makes it clear that local authorities cannot borrow to finance the revenue costs of service reform. The Direction allows the Authority the freedom to use capital receipts (excluding Right to Buy) to help fund the revenue costs of transformation projects and release savings.
- 12.4 Local Authorities can only use capital receipts from the disposal of property, plant and equipment assets received in the years in which the flexibility is offered. Local authorities may not use their existing stock of capital receipts to finance revenue costs of service reform.
- 12.5 The Secretary of State has said that individual authorities are best placed to decide which projects will be most effective in their areas. A key criterion to use when deciding whether expenditure can be funded by capital receipts flexibility is the requirement it will generate ongoing revenue savings in the delivery of public services and/or transform service delivery in a way that reduces costs or demand for services in future years.
- 12.6 Authorities are required to demonstrate the highest standards of accountability and transparency and should disclose to full council the individual projects that will be funded, or part funded, through capital receipts flexibility.
- 12.7 It is a requirement to notify the Ministry of Housing, Communities and Local Government (MHCLG) of the Strategy and any updates to the Strategy.
- 12.8 The guidance and Direction do not exempt local authorities from any other obligations, for example in relation to Right to Buy receipts.
- 12.9 Clearly the extent to which the flexibilities can be applied is driven by the value of capital receipts received in year.
- 12.10 The initial Strategy and any further revisions to the Strategy will, in accordance with the guidance, be made available on-line.

## **13. LINKS TO THE CORPORATE PLAN**

- 13.1 Ensuring that the Council makes best use of its resources is what underpins the ability to achieve the priorities set out in the Corporate Plan and aligns to the corporate outcomes against a backdrop of efficiency, and sound financial robustness. The underlying principle of the Medium-Term Financial Strategy is to be financially sustainable.

## **14. FINANCIAL IMPLICATIONS**

- 14.1 These are detailed in the report.

## 15. LEGAL IMPLICATIONS

- 15.1 The provisions of the Local Government Finance Act 1992 (LGFA 1992) requires the Council to set a balanced budget with regard to the advice of its Chief Finance Officer (Section 151).
- 15.2 The Direction for use of the Flexible use of Capital Receipts is set out in the Local Government Act 2003 Sections 16(2)(b) and 20: Treatment of Costs as Capital Expenditure.

## 16. RISK MANAGEMENT

- 16.1 This report is most closely linked with the Council's Significant Risk No. 13 – We may be unable to respond in a timely and effective way to financial demands and also Corporate Risk No. 5E05 – if the Finance Strategy is not in place with a balanced position over the medium term the Councils will not be able to deliver the core objectives and service delivery may be at risk of not being delivered. Other key risks are set out below:

<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation Measures</b>
If the Council does not plan and identify options to meet the medium-term budget gap, then it will have a detrimental impact on the resources available to deliver services and the strategic priorities.	Unlikely - 2	Bad - 3	Clear priority outcomes and robust business cases for investment plus use of the Transformation Fund to support the MTFs and an Investment Strategy. The S151 Officer will submit the Section 25 report on the robustness of estimates and adequacy of reserves in February 2021.
If economic conditions and other external factors like Covid19 are worse than budgeted for it could have an adverse effect on the Councils 2021/22 and medium-term financial position	Probable – 3	Noticeable - 2	Maintain the focus and momentum on reducing the budget gap throughout the financial year. Announcement about additional Covid19 funding from the Government into 2021/22.  Maintain sufficient minimum reserve level to withstand the impact.

<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation Measures</b>
If the Council does not plan for the impact of Brexit, then there could be additional unexpected financial costs and a negative impact on the Councils funding.	Unlikely - 2	Bad - 3	The Council has nominated a Brexit lead to work with Government and to plan for the impacts of Brexit across the Council.  A corporate Brexit risk register has been created in consultation with all service areas.

## **17. CONSULTATIONS**

- 17.1 Consultations have taken place with Assistant Directors, Corporate Managers and other Budget Managers as appropriate.

## **18. EQUALITY ANALYSIS**

- 18.1 An equality impact assessment will be undertaken with each Assistant Director for any changes within the budget.

## **19. ENVIRONMENTAL IMPLICATIONS**

- 19.1 Assistant Directors, Corporate Managers and other Budget Managers will consider the environmental impact of any savings proposals and throughout the year as they manage their budgets.
- 19.2 A number of initiatives are in progress to support the Council's Climate Change ambitions, including HVO fuel being introduced across the Councils fleet and reduced travel and printing as a result of a large majority of staff working from home.

## **20. APPENDICES**

Title	Location
<b>Appendix A</b> – Capital Programme	Attached
<b>Appendix B</b> - Budget, Funding and Council Tax Requirements and Robustness of Estimates and Adequacy of Reserves	Attached
<b>Appendix C</b> – Grant allocations to Town and Parish Councils	Attached
<b>Appendix D</b> - Budget Book 2021/22	Attached
<b>Appendix E</b> – Flexible use of Capital Receipts Strategy	Attached

## **21. BACKGROUND DOCUMENTS**

Provisional Local Government Finance Settlement

General Fund Financial Monitoring 2020/21 – Quarter 2 - BCa/20/11

APPENDIX A

CAPITAL PROGRAMME 2021/22 TO 2024/25

BABERGH CAPITAL PROGRAMME 2021/22 to 2024/25	2020/21 Anticipated Carry Forwards  (A) £'000	2021/22 Budget for Approval  (B) £'000	2021/22 Total Spend Required  (A + B) £'000	2022/23 Forecast  £'000	2023/24 Forecast  £'000	2024/25 Forecast  £'000	Total Spend Required 2021/22 - 2024/25  £'000
<b>Housing</b>							
Mandatory Disabled Facilities Grant	1,225	760	1,984	409	409	409	3,212
Renovation/Home Repair Grants		100	100	100	100	100	400
Empty Homes Grant	149	100	249	100	100	100	549
Grants for Affordable Housing	400		400				400
<b>Total Housing</b>	<b>1,774</b>	<b>960</b>	<b>2,733</b>	<b>609</b>	<b>609</b>	<b>609</b>	<b>4,561</b>
<b>Environment and Projects</b>							
Replacement Refuse Freighters - Joint Scheme				2,060		231	2,291
Bins		65	65	75	75	75	290
Hydrotreated Vegetable Oil (HVO) Fuel Storage Tanks		50	50				50
Vehicle and Plant Renewals		715	715				715
Planned Maintenance / Enhancements-Car Parks	82	55	137	7	45	5	194
<b>Total Environment and Projects</b>	<b>82</b>	<b>885</b>	<b>967</b>	<b>2,142</b>	<b>120</b>	<b>311</b>	<b>3,540</b>
<b>Sustainable Communities</b>							
Play equipment		129	129	50	50	50	279
Community Development Grants		117	117	117	117	117	468
<b>Total Sustainable Communities</b>		<b>246</b>	<b>246</b>	<b>167</b>	<b>167</b>	<b>167</b>	<b>747</b>
<b>Leisure Contracts</b>							
Kingfisher Leisure Centre Improvements		100	100	100	100	100	400
Hadleigh Pool Improvements		50	50	50	50	50	200
Kingfisher Leisure Centre Refurbishment	625		625				625
Hadleigh Pool Refurbishment	576		576				576
Solar Car Ports		600	600				600
<b>Total Leisure Contracts</b>	<b>1,202</b>	<b>750</b>	<b>1,952</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>2,402</b>
<b>Assets and Investments</b>							
Planned Maintenance / Enhancements - Corporate Buildings	36	30	66	30	30	30	156
Leases on Property (under new IFRS16) Borehamgate		64	64	439	64	64	439
Strategic Investment Fund	3,000		3,000				256
Regeneration Fund	6,321		6,321				3,000
Regeneration Fund - HQ Sites		2,979	2,979				6,321
<b>Total Assets and Investments</b>	<b>9,357</b>	<b>3,073</b>	<b>12,430</b>	<b>533</b>	<b>94</b>	<b>94</b>	<b>2,979</b>
<b>Customers, Digital Transformation and Improvement</b>							
ICT - Hardware / Software costs	248	250	498	250	250	250	1,248
<b>Total Customers, Digital Transformation and Improvement</b>	<b>248</b>	<b>250</b>	<b>498</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>1,248</b>
<b>TOTAL General Fund Capital Spend</b>	<b>12,662</b>	<b>6,163</b>	<b>18,826</b>	<b>3,801</b>	<b>1,390</b>	<b>1,581</b>	<b>25,598</b>
<b>BABERGH CAPITAL PROGRAMME 2021/22 to 2024/25</b>							
	2020/21 Anticipated Carry Forwards  (A) £'000	2021/22 Budget for Approval  (B) £'000	2021/22 Total Spend Required  (A + B) £'000	2022/23 Forecast  £'000	2023/24 Forecast  £'000	2024/25 Forecast  £'000	Total Spend Required 2021/22 - 2024/25  £'000
<b>General Fund Financing</b>							
External Grants and contributions	1,225	1,060	2,284	409	409	409	3,512
s106		79	79	50			129
Borrowing	11,438	4,975	16,412	3,392	981	1,172	21,957
<b>Total General Fund Capital Financing</b>	<b>12,662</b>	<b>6,113</b>	<b>18,776</b>	<b>3,851</b>	<b>1,390</b>	<b>1,581</b>	<b>25,598</b>

## Budget and Council Tax Resolutions 2021/22

## Summary of Budget 2021/22

	2021/22 Budget Requirement £	2021/22 Council Tax at Band D £	2020/21 Budget Requirement £
<b>Babergh District Council</b>			
General Fund Budget Requirement District Council Purposes	7,768,914	232.34	7,995,210
Estimated Parish/Town Council Precepts (net of Council Tax Support Scheme Grant)	2,942,895	88.01	2,906,381
	<b>10,711,809</b>	<b>320.37</b>	<b>10,901,591</b>
Settlement Funding from Government	(1,798,000)	(53.77)	(1,900,310)
Rural Services Delivery Grant	(237,959)	(7.12)	(226,760)
Lower Tier Services Grant	(91,081)	(2.72)	-
Local Council Tax Support Grant	(115,290)	(3.45)	-
Adjustment for anticipated deficit on Business Rates Collection Fund	222,476	6.65	(84,700)
Adjustment for anticipated surplus on Council Tax Collection Fund	64,320	1.92	(9,070)
<b>Babergh's basic amount under section 33 of the 1992 Local Government Act</b>	<b>8,756,275</b>	<b>261.87</b>	<b>8,680,751</b>
LESS: <i>Estimated</i> Parish/Town Council Precepts	(2,942,895)	(88.01)	(2,906,381)
Basic amount under s. 34 of the 1992 Act for dwellings to which no special items relate. (see section 3 below)	<b>5,813,380</b>	<b>173.86</b>	<b>5,774,370</b>
<i>Anticipated</i> Suffolk County Council precept requirement (see section 7 below)	46,717,035	1,397.16	45,946,397
<i>Anticipated</i> Police and Crime Commissioners Requirement (see section 7 below)	7,947,674	237.69	7,617,210
<b><i>Estimated</i> Basic amount for areas where there are no special items.</b>	<b>60,478,088</b>	<b>1,808.71</b>	<b>59,337,977</b>

## APPENDIX B

### Council Tax Resolution 2021/22

1. It is a requirement for the billing authority to calculate a council tax requirement for the year as opposed to its budget requirement.
2. It be noted that the Council, as delegated to the Section 151 Officer, calculated the taxbase:
  - a) for the whole Council area as 33,437.14 and,
  - b) for dwellings in those parts of its area to which a Parish precept relates as further detailed in Appendix B.
3. The council tax requirement for the Council's own purposes for 2021/22 (excluding Parish precepts) is £5,813,380.
4. That the following amounts be calculated for the year 2021/22 in accordance with Sections 31 to 36 of the Act:

(a)	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by parish councils (gross expenditure)	50,995,116
(b)	Being the aggregate of the amounts which the Council estimates for items set out in Section 31(A)(3) of the Act (gross income)	-42,238,841
(c)	Being the amount by which the aggregate at 3 a) above exceeds the aggregate at 3 b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31A(4) of the Act) (net expenditure)	8,756,275
(d)	Being the amount at 3 c) above (item R) all divided by item T (2 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 (including Parish precepts) (average council tax)	261.87
(e)	Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act	2,942,895
(f)	Being the amount at 3 (d) above less the result given by dividing the amount at 3 e) above by item T (2 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 Parish precept relates (basic council tax)	173.86

5. To note that Suffolk County Council and the Police and Crime Commissioner have issued precepts to the Council in accordance with section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in Section 7 below.
6. That the Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below

and further in Appendix B as the amounts of council tax for 2021/22 for each part of its area and for each of the categories of dwellings.

7. Since the Cabinet meeting on 4 February 2021, the precept levels of other precepting bodies have been received. These are detailed below;

**a) Suffolk County Council**

Suffolk County Council met on 11 February 2021 and set their precept at £46,717,035. This is adjusted for the Collection Fund contribution of £340,461 and results in a Band D council tax of £1,397.16.

**b) Suffolk Police and Crime Commissioner**

The Police and Crime Commissioner has set their precept at £7,947,674, adjusted by a Collection Fund contribution of £56,443. This results in a Band D council tax of £237.69.

**c) Babergh District Council**

The General Fund council tax requirement for Babergh District Council is based on an increase in council tax from £168.86 to £173.86 for a Band D property.

**d) Aggregated council tax requirement**

The aggregated council tax requirement for Suffolk County Council, Suffolk Police and Crime Commissioner and Babergh District Council results in a Band D council tax of £1,808.71.

	<b>Suffolk County Council</b>	<b>Police and Crime Commissioner</b>	<b>Babergh District Council</b>	<b>Aggregated Council Tax requirement</b>
<b>Valuation Bands</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>A</b>	931.44	158.46	115.91	<b>1,205.81</b>
<b>B</b>	1,086.68	184.87	135.22	<b>1,406.77</b>
<b>C</b>	1,241.92	211.28	154.54	<b>1,607.74</b>
<b>D</b>	1,397.16	237.69	173.86	<b>1,808.71</b>
<b>E</b>	1,707.64	290.51	212.50	<b>2,210.65</b>
<b>F</b>	2,018.12	343.33	251.13	<b>2,612.58</b>
<b>G</b>	2,328.60	396.15	289.77	<b>3,014.52</b>
<b>H</b>	2,794.32	475.38	347.72	<b>3,617.42</b>

8. The Town and Parish Council Precepts for 2021/22 are detailed further in Appendix B and total £2,942,895. The increase in the average Band D for Town and Parish Councils is 3.55% and results in an average Band D council tax figure of £88.01 for 2021/22.

## Council Taxbase for Parishes and District – 2021/22

Parish	COUNCIL TAX BASE		% Change	Parish	COUNCIL TAX BASE		% Change
	20/21	21/22			20/21	21/22	
Acton	632.80	627.19	-0.89%	Holton St Mary	107.40	108.24	0.78%
Aldham	86.24	82.93	-3.99%	Kersey	182.02	178.78	-1.81%
Alpheton	107.72	108.03	0.29%	Kettlebaston	38.46	38.43	-0.08%
Erwarton	53.17	54.06	1.65%	Lavenham	907.67	864.81	-4.96%
Assington	216.32	213.14	-1.49%	Lawshall	398.51	383.45	-3.93%
Belstead	103.85	106.97	2.92%	Layham	250.40	249.67	-0.29%
Bentley	341.42	342.87	0.42%	Leavenheath	589.73	578.07	-2.02%
Bildeston	386.17	386.73	0.14%	Lindsey	87.09	85.36	-2.03%
Boxford	541.93	535.54	-1.19%	Little Cornard	143.19	143.52	0.23%
Boxted	50.39	50.23	-0.32%	Little Waldingfield	154.75	151.08	-2.43%
Brantham	902.14	870.79	-3.60%	Little Wenham	18.46	19.99	7.65%
Brent Eleigh	81.95	80.33	-2.02%	Long Melford	1,564.45	1,539.51	-1.62%
Brettenham	128.61	132.62	3.02%	Milden	57.90	57.54	-0.63%
Bures St Mary	406.43	399.87	-1.64%	Monks Eleigh	258.53	251.32	-2.87%
Burstall	98.72	98.72	0.00%	Nayland with Wissington	525.28	526.22	0.18%
Capel St Mary	1,201.17	1,189.76	-0.96%	Nedging with Naughton	182.38	178.03	-2.44%
Chattisham	86.29	83.28	-3.61%	Newton	219.71	225.28	2.47%
Chelmondiston	409.95	398.04	-2.99%	Pinewood	1,445.72	1,402.45	-3.09%
Chelsworth	87.73	84.31	-4.06%	Polstead	387.83	388.47	0.16%
Chilton	155.48	147.44	-5.45%	Preston St Mary	100.89	103.55	2.57%
Cockfield	421.03	407.04	-3.44%	Raydon	224.16	222.92	-0.56%
Copdock & Washbrook	448.30	442.69	-1.27%	Semer	67.13	67.71	0.86%
East Bergholt	1,148.91	1,113.52	-3.18%	Shelley	33.77	32.18	-4.94%
Edwardstone	163.90	165.46	0.94%	Shimpling	189.08	192.18	1.61%
Elmsett	335.03	320.72	-4.46%	Shotley	754.63	752.75	-0.25%
Freston	55.55	55.30	-0.45%	Somerton	39.95	39.57	-0.96%
Glemsford	1,267.40	1,247.34	-1.61%	Sproughton	608.41	598.65	-1.63%
Great Cornard	2,875.71	2,784.00	-3.29%	Stanstead	159.83	159.67	-0.10%
Great Waldingfield	613.42	603.67	-1.62%	Stoke by Nayland	297.11	291.61	-1.89%
Great Wenham	55.03	54.43	-1.10%	Stratford St Mary	324.24	321.54	-0.84%
Groton	132.25	130.57	-1.29%	Stutton	346.89	332.29	-4.39%
Hadleigh	2,992.03	2,876.53	-4.02%	Sudbury	4,470.46	4,301.99	-3.92%
Harkstead	118.94	123.14	3.41%	Tattingstone	225.40	230.13	2.06%
Hartest	236.59	230.30	-2.73%	Thorpe Morieux	123.38	126.98	2.84%
Higham	74.85	74.69	-0.21%	Wattisham	46.78	46.24	-1.17%
Hintlesham	263.00	263.90	0.34%	Whatfield	139.99	136.04	-2.90%
Hitcham	303.02	293.62	-3.20%	Wherstead	117.83	115.44	-2.07%
Holbrook	717.05	706.18	-1.54%	Woolverstone	106.33	109.53	2.92%
					<b>34,196.23</b>	<b>33,437.14</b>	<b>-2.27%</b>

## Precepts and Council Tax Band D for Parishes

Parish	2020/21 Parish Precept	Tax Base	Council Tax Band D	2021/22 Parish Precept	Tax Base	Council Tax Band D	Increase / Decrease (-)
	£		£	£		£	£
Acton	45,000.00	632.80	71.11	45,000.00	627.19	71.75	0.64
Aldham	1,272.00	86.24	14.75	1,231.00	82.93	14.84	0.09
Alpheton	3,755.00	107.72	34.86	5,412.00	108.03	50.10	15.24
Erwarton	-	53.17	-	-	54.06	-	0.00
Assington	10,000.00	216.32	46.23	10,000.00	213.14	46.92	0.69
Belstead	7,000.00	103.85	67.40	7,350.00	106.97	68.71	1.31
Bentley	14,500.00	341.42	42.47	14,500.00	342.87	42.29	-0.18
Bildeston	25,400.00	386.17	65.77	26,425.00	386.73	68.33	2.56
Boxford	38,869.00	541.93	71.72	39,178.00	535.54	73.16	1.44
Boxted	400.00	50.39	7.94	400.00	50.23	7.96	0.02
Brantham	49,346.00	902.14	54.70	48,585.00	870.79	55.79	1.09
Brent Eleigh	2,295.00	81.95	28.00	2,350.00	80.33	29.25	1.25
Brettenham	4,599.00	128.61	35.76	4,623.80	132.62	34.87	-0.89
Bures St Mary	30,435.00	406.43	74.88	30,435.00	399.87	76.11	1.23
Burstable	4,824.00	98.72	48.87	7,361.74	98.72	74.57	25.70
Capel St Mary	95,472.00	1,201.17	79.48	94,554.00	1,189.76	79.47	-0.01
Chattisham	2,048.05	86.29	23.73	2,087.40	83.28	25.06	1.33
Chelmondiston	26,829.00	409.95	65.44	26,829.00	398.04	67.40	1.96
Chelsworth	900.00	87.73	10.26	3,000.00	84.31	35.58	25.32
Chilton	10,000.00	155.48	64.32	11,500.00	147.44	78.00	13.68
Cockfield	47,075.00	421.03	111.81	45,251.14	407.04	111.17	-0.64
Copdock & Washbrook	27,756.00	448.30	61.91	30,532.00	442.69	68.97	7.06
East Bergholt	163,000.00	1,148.91	141.87	157,979.00	1,113.52	141.87	-0.00
Edwardstone	5,938.00	163.90	36.23	5,995.00	165.46	36.23	0.00
Elmssett	10,400.00	335.03	31.04	10,400.00	320.72	32.43	1.39
Freston	2,500.00	55.55	45.00	2,575.00	55.30	46.56	1.56
Glemsford	97,512.00	1,267.40	76.94	99,364.00	1,247.34	79.66	2.72
Great Cornard	235,262.00	2,875.71	81.81	234,592.00	2,784.00	84.26	2.45
Great Waldingfield	46,500.00	613.42	75.80	60,000.00	603.67	99.39	23.59
Great Wenham	-	55.03	-	-	54.43	-	0.00
Groton	4,375.00	132.25	33.08	4,375.00	130.57	33.51	0.43
Hadleigh	337,969.80	2,992.03	112.96	368,081.00	2,876.53	127.96	15.00
Harkstead	2,500.00	118.94	21.02	2,500.00	123.14	20.30	-0.72
Hartest	12,047.28	236.59	50.92	12,404.00	230.30	53.86	2.94
Higham	-	74.85	-	-	74.69	-	0.00
Hintlesham	6,242.15	263.00	23.73	6,614.60	263.90	25.06	1.33
Hitcham	7,500.00	303.02	24.75	7,267.00	293.62	24.75	-0.00
Holbrook	30,000.00	717.05	41.84	31,000.00	706.18	43.90	2.06
Holton St Mary	8,175.00	107.40	76.12	8,016.00	108.24	74.06	-2.06

## Precepts and Council Tax Band D for Parishes

Parish	2020/21 Parish Precept	Tax Base	Council Tax Band D	2021/22 Parish Precept	Tax Base	Council Tax Band D	Increase / Decrease (-)
	£		£	£		£	£
Kersey	8,716.00	182.02	47.88	9,533.00	178.78	53.32	5.44
Kettlebaston	2,662.00	38.46	69.21	2,662.00	38.43	69.27	0.06
Lavenham	80,000.00	907.67	88.14	78,967.00	864.81	91.31	3.17
Lawshall	8,581.00	398.51	21.53	8,838.00	383.45	23.05	1.52
Layham	11,000.00	250.40	43.93	11,000.00	249.67	44.06	0.13
Leavenheath	19,490.00	589.73	33.05	19,105.00	578.07	33.05	0.00
Lindsey	4,342.00	87.09	49.86	4,487.00	85.36	52.57	2.71
Little Cornard	6,212.00	143.19	43.38	7,000.00	143.52	48.77	5.39
Little Waldingfield	8,668.00	154.75	56.01	8,668.00	151.08	57.37	1.36
Little Wenham	-	18.46	-	-	19.99	-	0.00
Long Melford	145,000.00	1,564.45	92.68	145,000.00	1,539.51	94.19	1.51
Milden	943.79	57.90	16.30	943.79	57.54	16.40	0.10
Monks Eleigh	19,000.00	258.53	73.49	18,470.00	251.32	73.49	-0.00
Nayland with Wissington	39,000.00	525.28	74.25	39,812.00	526.22	75.66	1.41
Nedging with Naughton	5,380.00	182.38	29.50	5,478.00	178.03	30.77	1.27
Newton	10,258.00	219.71	46.69	10,518.00	225.28	46.69	0.00
Pinewood	168,109.72	1,445.72	116.28	163,078.00	1,402.45	116.28	-0.00
Polstead	18,596.00	387.83	47.95	19,500.00	388.47	50.20	2.25
Preston St Mary	5,669.00	100.89	56.19	5,840.00	103.55	56.40	0.21
Raydon	15,400.00	224.16	68.70	15,800.00	222.92	70.88	2.18
Semer	3,500.00	67.13	52.14	3,500.00	67.71	51.69	-0.45
Shelley	-	33.77	-	-	32.18	-	0.00
Shimpling	9,743.00	189.08	51.53	9,986.44	192.18	51.96	0.43
Shotley	63,991.00	754.63	84.80	64,311.00	752.75	85.43	0.63
Somerton	490.00	39.95	12.27	490.00	39.57	12.38	0.11
Sproughton	53,900.00	608.41	88.59	54,236.00	598.65	90.60	2.01
Stanstead	8,976.00	159.83	56.16	9,246.00	159.67	57.91	1.75
Stoke by Nayland	13,300.00	297.11	44.76	13,300.00	291.61	45.61	0.85
Stratford St Mary	16,100.00	324.24	49.65	16,100.00	321.54	50.07	0.42
Stutton	11,130.00	346.89	32.09	11,030.00	332.29	33.19	1.10
Sudbury	704,100.00	4,470.46	157.50	691,100.00	4,301.99	160.65	3.15
Tattingstone	12,420.00	225.40	55.10	12,800.00	230.13	55.62	0.52
Thorpe Morieux	3,455.00	123.38	28.00	3,308.00	126.98	26.05	-1.95
Wattisham	1,750.00	46.78	37.41	2,000.00	46.24	43.25	5.84
Whatfield	3,231.00	139.99	23.08	3,231.00	136.04	23.75	0.67
Wherstead	2,800.00	117.83	23.76	3,018.00	115.44	26.14	2.38
Woolverstone	2,771.00	106.33	26.06	2,771.00	109.53	25.30	-0.76
<b>Total</b>	<b>2,906,380.79</b>	<b>34,196.23</b>	<b>84.99</b>	<b>2,942,894.91</b>	<b>33,437.14</b>	<b>88.01</b>	<b>3.02</b>

## APPENDIX B

### Precept for each banding by Parish

	Valuation Bands (£)							
	A	B	C	D	E	F	G	H
Babergh District Council	115.91	135.22	154.54	173.86	212.50	251.13	289.77	347.72
Suffolk County Council	931.44	1,086.68	1,241.92	1,397.16	1,707.64	2,018.12	2,328.60	2,794.32
Police and Crime Commissioner	158.46	184.87	211.28	237.69	290.51	343.33	396.15	475.38
Aggregate of Council Tax Requirements	<b>1,205.81</b>	<b>1,406.77</b>	<b>1,607.74</b>	<b>1,808.71</b>	<b>2,210.65</b>	<b>2,612.58</b>	<b>3,014.52</b>	<b>3,617.42</b>
Parish	Total Amount of Council Tax for 2021/22							
	6/9 ths	7/9 ths	8/9 ths		11/9 ths	13/9 ths	15/9 ths	18/9 ths
	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Acton	1,253.64	1,462.58	1,671.52	1,880.46	2,298.34	2,716.22	3,134.10	3,760.92
Aldham	1,215.70	1,418.32	1,620.93	1,823.55	2,228.78	2,634.02	3,039.25	3,647.10
Alpheton	1,239.21	1,445.74	1,652.28	1,858.81	2,271.88	2,684.95	3,098.02	3,717.62
Erwarton	1,205.81	1,406.77	1,607.74	1,808.71	2,210.65	2,612.58	3,014.52	3,617.42
Assington	1,237.09	1,443.27	1,649.45	1,855.63	2,267.99	2,680.35	3,092.72	3,711.26
Belstead	1,251.61	1,460.22	1,668.82	1,877.42	2,294.62	2,711.83	3,129.03	3,754.84
Bentley	1,234.00	1,439.67	1,645.33	1,851.00	2,262.33	2,673.67	3,085.00	3,702.00
Bildeston	1,251.36	1,459.92	1,668.48	1,877.04	2,294.16	2,711.28	3,128.40	3,754.08
Boxford	1,254.58	1,463.68	1,672.77	1,881.87	2,300.06	2,718.26	3,136.45	3,763.74
Boxted	1,211.11	1,412.97	1,614.82	1,816.67	2,220.37	2,624.08	3,027.78	3,633.34
Brantham	1,243.00	1,450.17	1,657.33	1,864.50	2,278.83	2,693.17	3,107.50	3,729.00
Brent Eleigh	1,225.31	1,429.52	1,633.74	1,837.96	2,246.40	2,654.83	3,063.27	3,675.92
Brettenham	1,229.05	1,433.90	1,638.74	1,843.58	2,253.26	2,662.95	3,072.63	3,687.16
Bures St Mary	1,256.55	1,465.97	1,675.40	1,884.82	2,303.67	2,722.52	3,141.37	3,769.64
Burstable	1,255.52	1,464.77	1,674.03	1,883.28	2,301.79	2,720.29	3,138.80	3,766.56
Capel St Mary	1,258.79	1,468.58	1,678.38	1,888.18	2,307.78	2,727.37	3,146.97	3,776.36
Chattisham	1,222.51	1,426.27	1,630.02	1,833.77	2,241.27	2,648.78	3,056.28	3,667.54
Chelmondston	1,250.74	1,459.20	1,667.65	1,876.11	2,293.02	2,709.94	3,126.85	3,752.22
Chelsworth	1,229.53	1,434.45	1,639.37	1,844.29	2,254.13	2,663.97	3,073.82	3,688.58
Chilton	1,257.81	1,467.44	1,677.08	1,886.71	2,305.98	2,725.25	3,144.52	3,773.42
Cockfield	1,279.92	1,493.24	1,706.56	1,919.88	2,346.52	2,773.16	3,199.80	3,839.76
Copdock & Washbrook	1,251.79	1,460.42	1,669.05	1,877.68	2,294.94	2,712.20	3,129.47	3,755.36
East Bergholt	1,300.39	1,517.12	1,733.85	1,950.58	2,384.04	2,817.50	3,250.97	3,901.16
Edwardstone	1,229.96	1,434.95	1,639.95	1,844.94	2,254.93	2,664.91	3,074.90	3,689.88
Elmsett	1,227.43	1,432.00	1,636.57	1,841.14	2,250.28	2,659.42	3,068.57	3,682.28
Freston	1,236.85	1,442.99	1,649.13	1,855.27	2,267.55	2,679.83	3,092.12	3,710.54
Glemsford	1,258.91	1,468.73	1,678.55	1,888.37	2,308.01	2,727.65	3,147.28	3,776.74
Great Cornard	1,261.98	1,472.31	1,682.64	1,892.97	2,313.63	2,734.29	3,154.95	3,785.94
Great Waldingfield	1,272.07	1,484.08	1,696.09	1,908.10	2,332.12	2,756.14	3,180.17	3,816.20
Great Wenham	1,205.81	1,406.77	1,607.74	1,808.71	2,210.65	2,612.58	3,014.52	3,617.42
Groton	1,228.15	1,432.84	1,637.53	1,842.22	2,251.60	2,660.98	3,070.37	3,684.44
Hadleigh	1,291.11	1,506.30	1,721.48	1,936.67	2,367.04	2,797.41	3,227.78	3,873.34
Harkstead	1,219.34	1,422.56	1,625.79	1,829.01	2,235.46	2,641.90	3,048.35	3,658.02
Hartest	1,241.71	1,448.67	1,655.62	1,862.57	2,276.47	2,690.38	3,104.28	3,725.14
Higham	1,205.81	1,406.77	1,607.74	1,808.71	2,210.65	2,612.58	3,014.52	3,617.42
Hintlesham	1,222.51	1,426.27	1,630.02	1,833.77	2,241.27	2,648.78	3,056.28	3,667.54
Hittham	1,222.31	1,426.02	1,629.74	1,833.46	2,240.90	2,648.33	3,055.77	3,666.92
Holbrook	1,235.07	1,440.92	1,646.76	1,852.61	2,264.30	2,675.99	3,087.68	3,705.22

## APPENDIX B

### Precept for each banding by Parish

	Valuation Bands (£)							
	A	B	C	D	E	F	G	H
<b>Baberg District Council</b>	115.91	135.22	154.54	173.86	212.50	251.13	289.77	347.72
<b>Suffolk County Council</b>	931.44	1,086.68	1,241.92	1,397.16	1,707.64	2,018.12	2,328.60	2,794.32
<b>Police and Crime Commissioner</b>	158.46	184.87	211.28	237.69	290.51	343.33	396.15	475.38
<b>Aggregate of Council Tax Requirements</b>	<b>1,205.81</b>	<b>1,406.77</b>	<b>1,607.74</b>	<b>1,808.71</b>	<b>2,210.65</b>	<b>2,612.58</b>	<b>3,014.52</b>	<b>3,617.42</b>
<b>Holton St Mary</b>	1,255.18	1,464.38	1,673.57	1,882.77	2,301.16	2,719.56	3,137.95	3,765.54
<b>Kersey</b>	1,241.35	1,448.25	1,655.14	1,862.03	2,275.81	2,689.60	3,103.38	3,724.06
<b>Kettlebaston</b>	1,251.99	1,460.65	1,669.32	1,877.98	2,295.31	2,712.64	3,129.97	3,755.96
<b>Lavenham</b>	1,266.68	1,477.79	1,688.91	1,900.02	2,322.25	2,744.47	3,166.70	3,800.04
<b>Lawshall</b>	1,221.17	1,424.70	1,628.23	1,831.76	2,238.82	2,645.88	3,052.93	3,663.52
<b>Layham</b>	1,235.18	1,441.04	1,646.91	1,852.77	2,264.50	2,676.22	3,087.95	3,705.54
<b>Leavenheath</b>	1,227.84	1,432.48	1,637.12	1,841.76	2,251.04	2,660.32	3,069.60	3,683.52
<b>Lindsey</b>	1,240.85	1,447.66	1,654.47	1,861.28	2,274.90	2,688.52	3,102.13	3,722.56
<b>Little Cornard</b>	1,238.32	1,444.71	1,651.09	1,857.48	2,270.25	2,683.03	3,095.80	3,714.96
<b>Little Waldingfield</b>	1,244.05	1,451.40	1,658.74	1,866.08	2,280.76	2,695.45	3,110.13	3,732.16
<b>Little Wenham</b>	1,205.81	1,406.77	1,607.74	1,808.71	2,210.65	2,612.58	3,014.52	3,617.42
<b>Long Melford</b>	1,268.60	1,480.03	1,691.47	1,902.90	2,325.77	2,748.63	3,171.50	3,805.80
<b>Milden</b>	1,216.74	1,419.53	1,622.32	1,825.11	2,230.69	2,636.27	3,041.85	3,650.22
<b>Monks Eleigh</b>	1,254.80	1,463.93	1,673.07	1,882.20	2,300.47	2,718.73	3,137.00	3,764.40
<b>Nayland with Wissington</b>	1,256.25	1,465.62	1,675.00	1,884.37	2,303.12	2,721.87	3,140.62	3,768.74
<b>Nedging with Naughton</b>	1,226.32	1,430.71	1,635.09	1,839.48	2,248.25	2,657.03	3,065.80	3,678.96
<b>Newton</b>	1,236.93	1,443.09	1,649.24	1,855.40	2,267.71	2,680.02	3,092.33	3,710.80
<b>Pinewood</b>	1,283.33	1,497.21	1,711.10	1,924.99	2,352.77	2,780.54	3,208.32	3,849.98
<b>Polstead</b>	1,239.27	1,445.82	1,652.36	1,858.91	2,272.00	2,685.09	3,098.18	3,717.82
<b>Preston St Mary</b>	1,243.41	1,450.64	1,657.88	1,865.11	2,279.58	2,694.05	3,108.52	3,730.22
<b>Raydon</b>	1,253.06	1,461.90	1,670.75	1,879.59	2,297.28	2,714.96	3,132.65	3,759.18
<b>Semer</b>	1,240.27	1,446.98	1,653.69	1,860.40	2,273.82	2,687.24	3,100.67	3,720.80
<b>Shelley</b>	1,205.81	1,406.77	1,607.74	1,808.71	2,210.65	2,612.58	3,014.52	3,617.42
<b>Shimpling</b>	1,240.45	1,447.19	1,653.93	1,860.67	2,274.15	2,687.63	3,101.12	3,721.34
<b>Shotley</b>	1,262.76	1,473.22	1,683.68	1,894.14	2,315.06	2,735.98	3,156.90	3,788.28
<b>Somerton</b>	1,214.06	1,416.40	1,618.75	1,821.09	2,225.78	2,630.46	3,035.15	3,642.18
<b>Sproughton</b>	1,266.21	1,477.24	1,688.28	1,899.31	2,321.38	2,743.45	3,165.52	3,798.62
<b>Stanstead</b>	1,244.41	1,451.82	1,659.22	1,866.62	2,281.42	2,696.23	3,111.03	3,733.24
<b>Stoke by Nayland</b>	1,236.21	1,442.25	1,648.28	1,854.32	2,266.39	2,678.46	3,090.53	3,708.64
<b>Stratford St Mary</b>	1,239.19	1,445.72	1,652.25	1,858.78	2,271.84	2,684.90	3,097.97	3,717.56
<b>Stutton</b>	1,227.93	1,432.59	1,637.24	1,841.90	2,251.21	2,660.52	3,069.83	3,683.80
<b>Sudbury</b>	1,312.91	1,531.72	1,750.54	1,969.36	2,407.00	2,844.63	3,282.27	3,938.72
<b>Tattingstone</b>	1,242.89	1,450.03	1,657.18	1,864.33	2,278.63	2,692.92	3,107.22	3,728.66
<b>Thorpe Morieux</b>	1,223.17	1,427.04	1,630.90	1,834.76	2,242.48	2,650.21	3,057.93	3,669.52
<b>Wattisham</b>	1,234.64	1,440.41	1,646.19	1,851.96	2,263.51	2,675.05	3,086.60	3,703.92
<b>Whatfield</b>	1,221.64	1,425.25	1,628.85	1,832.46	2,239.67	2,646.89	3,054.10	3,664.92
<b>Wherstead</b>	1,223.23	1,427.11	1,630.98	1,834.85	2,242.59	2,650.34	3,058.08	3,669.70
<b>Woolverstone</b>	1,222.67	1,426.45	1,630.23	1,834.01	2,241.57	2,649.13	3,056.68	3,668.02

**Budget, Funding and Council Tax Requirements**

- 1) The precept requirements of Parish / Town Councils must be aggregated with the requirement of this authority to arrive at an average Council Tax figure for the district / parish purposes. This figure however is totally hypothetical and will not be paid by any taxpayer (other than by coincidence). A schedule of the precept requirements from Parish / Town Councils is included within this report.
- 2) The County and the Police and Crime Commissioner’s precept requirements are added to this.
- 3) The legally required calculation is set out below:
  - 1) The General Fund Budget requirement for the District Council purposes in 2021/22 will be £173.86, based on an increase to Council Tax of £5 per annum for a Band D property which is the equivalent to 2.96%.
  - 2) The County Council precept requirement will be £1,397.16 for a Band D property in 2021/22, an increase of 4%.
  - 3) The Police and Crime Commissioner’s precept requirement is £237.69 an increase of 6.7%.
  - 4) All Parish / Town Councils have supplied formal notification of their 2021/22 precept.
- 4) Babergh is a billing authority and collects council tax and non-domestic rates on behalf of the other precepting authorities i.e. Suffolk County Council, Suffolk Police and Crime Commissioner and Parish / Town Councils. The dates that monies collected are paid over to the County Council, and the Police and Crime Commissioner (“precept dates”) need to be formally agreed under Regulation 5(i) of the Local Authorities (Funds) (England) Regulations 1992.
- 5) Established practice is for payments to be made in 12 equal instalments on the 15th of each month or the next banking day if the 15th falls on a weekend or bank holiday. Accordingly, the precept dates applicable for 2021/22 are expected to be as follows:

15 April 2021	17 May 2021	15 June 2021	15 July 2021
16 August 2021	15 September 2021	15 October 2021	15 November 2021
15 December 2021	17 January 2022	15 February 2022	15 March 2022

**Section 25 report on the robustness of estimates and adequacy of reserves**

**1. Background**

- 1.1 Section 25 of the Local Government Act 2003 requires Councils, when setting its annual General Fund budget and level of council tax, to take account of a report from its Section 151 Officer on the robustness of estimates and adequacy of reserves. This report fulfils that requirement for the setting of the budget and council tax for 2021/22.
- 1.2 This is to ensure that when deciding on its budget for a financial year, Members are made aware of any issues of risk and uncertainty, or any other concerns by the Chief Financial Officer (CFO). The local authority is also expected to ensure that its budget provides for a prudent level of reserves to be maintained.
- 1.3 Section 26 of the Act empowers the Secretary of State to set a minimum level of reserves for which a local authority must provide in setting its budget. Section 26 would only be invoked as a fallback in circumstances in which a local authority does not act prudently, disregards the advice of its CFO and is heading for financial difficulty. The Section 151 Officer and Members, therefore, have a responsibility to ensure in considering the budget that:
  - It is realistic and achievable and that appropriate arrangements have been adopted in formulating it.
  - It is based on clearly understood and sound assumptions and links to the delivery of the Council's strategic priorities.
  - It includes an appropriate statement on the use of reserves and the adequacy of these.

**2. Basis of Advice for Section 25 Report**

- 2.1 In forming the advice for this year's Section 25 report, the CFO has considered the following:
  - a) The role of the Chief Finance Officer
  - b) The effectiveness of financial controls
  - c) The effectiveness of budget planning and budget management
  - d) The adequacy of insurance and risk management
  - e) The mitigation of strategic financial risks
  - f) The Capital Programme

**a) Role of the Chief Finance Officer**

- 2.2 The statutory role of the Chief Finance Officer in relation to financial administration and stewardship of the Council, and its role in the organisation are both key to ensuring that financial discipline is maintained.
- 2.3 The statutory duties of the Chief Finance Officer are set out in the Financial Regulations which form part of the Council's Constitution. These include the requirement to report to council if there is an unbalanced budget (under Section 114 of the Local Government Act 1988).

2.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) published a Statement on the Role of the Chief Financial Officer (CFO) in Local Government. The Statement requires that in order to meet best practice the CFO:

- a) is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest;
- b) must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy; and
- c) must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the CFO:

- d) must lead and direct a finance function that is resourced to be fit for purpose; and
- e) must be professionally qualified and suitably experienced.

2.5 In October 2019, CIPFA published The CIPFA Financial Management Code, introduced in April 2020 and fully operational from April 2021. This code complements the Statement on the Role of the Chief Financial Officer, developing a set of financial management standards to be complied with. The standards emphasise how financial management is a collective responsibility of the Council's Corporate Leadership Team, acting alongside the CFO, stating that "it is for the leadership team to ensure that the authority's governance arrangements and style of financial management promote financial sustainability. Although not yet adopted these standards have been considered in drafting this statement.

## **b) Financial Controls**

2.6 In December 2019, CIPFA provided the Council's Section 151 Officer with analysis relating to Babergh District Council from its newly developed 'Resilience Index' tool, designed to support and improve discussions surrounding local authority financial resilience. The tool is based on a series of indicators relating to the sustainability of reserves, external debt, fees & charges and income from local taxation (business rates and council tax). The information is based on the latest available annual data and reserves measures. The 2020 version has yet to be published by CIPFA and it is anticipated for some time in February. Information will be provided in the final report for Council if it is published in time. The following paragraphs describe how Babergh compared to its nearest neighbours last year, which are the councils that are statistically similar and is likely to be similar to what will be published this year.

2.7 The tool showed that Babergh was higher risk on external debt and interest payable compared to its nearest neighbours. This reflected the fact that we had to take on a significant amount of debt in relation to our housing stock in 2012 and our strategy to borrow money to generate a return to the council e.g.

CIFCO to replace reduced government funding. Based on this, I would expect Babergh to be higher than other authorities, but the decisions taken have been based on robust business cases and full consideration of the risks.

2.8 Babergh was higher risk in relation to its reserve levels. This is a known factor and one that has shown some improvement during 2020/21 and again further with the budget proposals for 2021/22, but further work will need to be done over the medium-term to improve the Council's resilience in this area. Despite the impact of Covid-19 during 2020/21, Babergh is still projected to make transfers to reserve at the end of the year, thereby helping to reduce this risk.

2.9 The other area that was shown as higher risk was the relatively low level of service expenditure that is covered by fees and charges income. Babergh's percentage is the lowest of its comparator group of authorities. A contributing factor to this is likely to be around car parking charges income. Proposals around this are included within the 2021/22 budget, but the net impact will not materially change the risk level due to implementation costs offsetting the additional income.

2.10 Alongside the statutory role of the CFO the Council has in place a number of financial management policies and financial controls which are set out in the Financial Regulations.

2.11 Other safeguards which ensure that the Council does not over-commit financially include:

- a) the statutory requirement for each local authority to set and arrange their affairs to remain within prudential limits for borrowing and capital investment;
- b) the balanced budget requirement of the Local Government Finance Act 1992 (Sections 32, 43 and 93); and
- c) the auditors' consideration of whether the authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources (the value for money conclusion).

2.11 The Council conducts an annual review of the effectiveness of the system of internal control and reports on this in the "Annual Governance Statement".

2.12 The internal and external audit functions play a key role in ensuring that the Council's financial controls and governance arrangements are operating satisfactorily. This is backed up by the review processes of Cabinet and the Joint Audit and Standards Committee undertaking the role of the Council's Audit Committee.

**c) Budget Planning and Budget Management**

2.13 The financial planning process is Councillor-led as Cabinet decides the principles and policies that underpin budget planning. The Budget Report describes the strategy for 2021/22 and beyond.

- 2.14 Cost pressures and variations in key areas of income and expenditure have been carefully considered and reflected in the budget.
- 2.15 Key assumptions have been made and updated during the budget process to reflect the changing economic position and latest information. The continuing impact of Covid-19 on the Council's finances and budget assumptions for 2021/22 has also been considered and included in the process.
- 2.16 Detailed scrutiny, review and challenge of budgets has been undertaken by finance officers and the Senior Leadership Team.
- 2.17 There has been an examination by the Overview and Scrutiny Committee in advance of the budget being approved. The recommendations made by the Committee are considered by Cabinet before the budget is presented to Council.
- 2.18 A key factor in effective budget management is the Council's regular monitoring of spending against budgets throughout the year and at year-end. Budget managers are required to update their forecasts during the year and these are subject to review by Cabinet on a quarterly basis. The development of budget managers and initiatives to strengthen budgetary control and financial management throughout the Council is an ongoing process.
- 2.19 The Council has a proven track record on budget management, which is confirmed by Ernst & Young in their Annual Audit Letter. The auditors are required to form a conclusion on the arrangements the Council has put in place to secure economy, efficiency and effectiveness in its use of resources. There has been a delay in the external audit process for 2019/20, but an unqualified opinion was achieved for 2018/19 and is expected again for 2019/20.
- 2.20 As part of the audit work for the 2018/19 and 2019/20 financial statements, a going concern review was undertaken in light of Covid19. The Council has demonstrated that it is currently in a strong financial position with the level of reserves it has and the funding received from the Government mitigating the financial impact forecast at this stage.

**d) Adequacy of Insurance and Risk Management**

- 2.21 The Council's insurance arrangements are in the form of external insurance premiums with regular reviews being undertaken of the level at which risks are insured.
- 2.22 A critical area where risk management thinking can add significant value is to enhance the planning and budgeting process. Utilising a risk-based approach directly links to the Council's risk appetite to its core financial and economic performance, supported by the Council's Significant Risk Register. The goal when integrating risk management into budget planning is to understand the assumptions that the budget is based on.
- 2.23 The effective application of the Council's risk management principles enhances many processes within the context of managing its services and enables management to make better and more informed decision.

2.24 Our approach is to identify the major line items of each service budget, the personnel who contributed to them and the basis of estimation and then to ask key questions such as:

- What are the potential risks that could interfere with the accuracy of the estimate?
- What is the likelihood of these risks materialising?
- What would the impact on the organisation be if they did materialise?

e) **Mitigation of Strategic Financial Risk**

2.25 No budget can be completely free from risk and this is especially true with the ongoing Covid-19 pandemic affecting the Councils finances. Some comments on the areas of the budget having key financial impacts or significant changes for 2021/22 are set out below:

- **Covid-19** – With the prolonged duration of the Covid-19 pandemic there is likely to be an ongoing financial impact into 2021/22 and beyond in terms of increased costs and reduced income. The cost pressures are likely to be seen for homelessness, leisure provision and community grants. The reduced income is likely to be seen for car parking, council tax and business rates, but depending upon the extent of the continuing impacts it could also be seen in terms of trade and garden waste, planning income and commercial income. The Government has announced that funding support measures will continue into the first quarter of 2021/22 to assist with these impacts.
- **Pay and Pensions** – The budget includes provision for pay increases of 2% for each of the 4 years to 2024/25 and continues to provide for annual progression through pay scales where employees are not at the top of their grades. A public sector pay freeze was announced as part of the provisional local government financial settlement, but as local authorities are part of a different pay agreement the allowance at 2% has been retained. A 1% change in pay amounts to around £81k per annum.

Based on the 2019 triennial pension fund valuation a decrease of 1% per annum has been included for each of the three years that commenced from 2020/21.

The Council's establishment budget is based on a full establishment. To allow for in-year vacancy savings the budget includes an annual vacancy saving of £410k, which equates to 5%.

- **Price Increases** – Allowances for price increases have been made on some budgets including major contracts, where there is a contractual requirement to do so. For other areas the budget assumes any price inflation is absorbed by the service. A 1% change in the refuse and ICT contracts and the Shared Revenues Partnership is around £37k.
- **Income from Fees and Charges** – A significant part of the Council's costs continues to be met from fees and charges. For some of these headings it is difficult to predict the level of income to be received e.g. planning fees, so progress against these income targets will need to be monitored throughout the year, particularly in the light of continuing

economic volatility as a result of the Covid-19 pandemic. A 30% reduction in the car parking income has been built into the budget to reflect an anticipated reduction in visitor numbers to car parks during 2021/22. A 1% change in income from planning, building control, garden waste, car park and recycling performance payments income is around £41k.

- **Investment Income and Interest Payable** – Since 2009 interest rates have produced low returns from investments, but the Council has diversified its investments into a property fund and other pooled funds, following advice from Arlingclose, to increase the return on investment. Following implementation of International Financial Reporting Standards (IFRS) and how changes to the year-end values of pooled funds have to be treated could encourage the redemption of holdings and reduce the anticipated level of return, but this will not come into force until April 2023.

The Council has made other commercial investments to generate income or regenerate an area, but the income generation aspect will be restricted in future following the changes to the lending terms of the Public Works Loan Board (PWLB) from November 2020. Where this investment is relying on borrowing as the funding source then any return will be subject to changes in interest rates. The 2021/22 budget includes the full year effect of the second £25m investment in CIFCO to generate additional income, but no further investments will be made, enabling the Council to access the PWLB for housing and other economic development and regeneration purposes.

- **Business Rate Retention** – As business rates is an increasingly important source of income for the Council, measures for closer monitoring have been put in place. Under the current retention system, the General Fund's exposure to variances can come from economic decline, cessation of business from a major ratepayer and appeals to rateable values, all of which have been seen during the Covid-19 pandemic in the current year. The Council operates a Business Rates and Council Tax Collection Fund Reserve to cover for this possibility as appropriate and the Government is providing some funding to cover irrecoverable tax losses.

The change to 75% retention of business rates and the reset have been deferred and a more fundamental review of the system may take place during 2021/22. The figures beyond 2021/22 assume a continuation of resources at the current level, but this is unknown. If baseline funding levels should reduce, the Business Rates and Council tax Collection Fund Reserve could be used to support a short-term reduction, but medium-term plans and resources would need to be reviewed.

- **Council Tax Income and the Tax Base** - The increasing numbers of people claiming Council Tax Reduction Support (LCTRS) during the current year and increasing arrears from collection have had a negative impact on the tax base calculation for 2021/22. A 2.2% reduction has been calculated and used in the budget process, but if LCTRS numbers increase more than anticipated at the end of the furlough scheme, this will have a negative impact on council tax income. The Government

has provided an LCTRS grant for 2021/22 to mitigate the impact, but this may not be sufficient.

- **Government Funding** – The Council's share of Revenue Support Grant (RSG) ended after 2018/19 and in theory is now in a negative RSG position i.e. money to be paid to the Government for redistribution. This has again been offset by centrally retained business rates money for 2021/22 as it was for 2019/20 and 2020/21. The Council's core Government funding is now reduced to Rural Services Delivery Grant (RSDG), New Homes Bonus (NHB) and a new Lower Tier Services Grant for 2021/22 only. 2021/22 is a further one-year settlement from the Government with a new 4-year Comprehensive Spending Review expected during 2021/22. Funding levels beyond 2021/22 are therefore currently uncertain, so the medium-term figures are based on the current level of RSDG continuing and NHB reducing each year and disappearing by 2023/24.
- **Welfare Reforms, Benefits and Council Tax Reductions** – At a forecast of £14m for 2021/22, housing benefit remains one of the Council's largest financial transactions, which due to the welfare reforms and introduction of Universal Credit and the Council Tax Reduction scheme is subject to increasing risk and change. This will continue to be closely monitored in order to protect the Council from any emerging risks and liabilities.

#### f) **Capital Programme**

2.26 The Council's capital programme for the next 4 years is £9.9m which is largely funded through borrowing and is based upon reasonable estimates of cost and capacity to deliver the programme. The programme has been developed to support the key deliverables of the Council and its ambition through the Joint Corporate Plan.

2.27 A key risk therefore to consider in the Council's budget planning is the interest cost and provision for repayment of debt (Minimum Revenue Provision – MRP) that it will need to meet commitments on the borrowing it undertakes for capital purposes.

2.28 Review of the capital programme on an ongoing basis is required to ensure that future borrowing is targeted on projects that deliver the most for the district and are affordable within the current revenue resources.

2.29 The borrowing strategy and MRP policy are set out in detail in the Capital, Investment and Treasury Management Strategies document.

#### **Conclusion**

2.30 Taking all of the above into consideration, the Section 151 Officer's opinion is that the Council's budget and estimates are reasonable based on the assumptions and available information, but cannot be absolutely robust, so a full assurance cannot be given that there will be no unforeseen adverse variances.

2.31 This is an expected and acceptable situation for any organisation that is dealing with a large number of variables. Also, the general economic situation resulting from the ongoing Covid-19 pandemic continues to impact on expenditure and income. The minimum safe level of reserves proved to be sufficient to manage the impact of the Covid-19 pandemic in 2020/21, alongside the support provided by the Government, which has been the single largest impact on local authorities finances in recent years, so provided this is maintained, any variations arising as a result of lack of robustness in the estimates should be manageable.

### **3 Adequacy of Reserves**

- 3.1 There is no available guidance on the minimum level of reserves that should be maintained. Each authority should determine a prudent level of reserves based upon their own circumstances, risk and uncertainties. Regard has been had to guidance that has been issued to CFO's and the risks and uncertainties faced.
- 3.2 The Council is required to maintain adequate financial reserves to meet the needs of the authority. This is the General Reserve and provides a safe level of contingency.
- 3.3 The CFO's opinion is that the minimum level of unearmarked reserves should be maintained at the current level of £1.2m without increasing the risk to the Council, as this has proven to be sufficient during the Covid-19 pandemic alongside the level of support provided by the Government. This represents 12% of the annual General Fund Budget, so no action is required as part of the 2021/22 budget. This is partly based on the understanding that there are further sums available in earmarked reserves that will not be fully spent during 2021/22 as set out below.
- 3.4 Levels of earmarked reserves (excluding those relating to the Housing Revenue Account but including the Transformation Fund) are forecast to be £5.7m as at 31 March 2022. The Transformation Fund is continuing to support the delivery of the Council's Joint Corporate Plan in 2021/22.

### **4. Background Documents**

Local Government Act 2003; Guidance Note on Local Authority Reserves and Balances – CIPFA 2003; Medium Term Financial Strategy

Katherine Steel  
Assistant Director, Corporate Resources  
(Section 151 Officer)

## LCTRS Grant allocations to Town and Parish Councils

Town & Parish Council	LCTS Grant Allocation £
Acton	675.00
Aldham	81.00
Alpheton	112.00
Assington	167.00
Belstead	72.00
Bentley	258.00
Bildeston	573.00
Boxford	531.00
Boxted	27.00
Brantham	924.00
Brent Eleigh	77.00
Brettenham	79.00
Bures St Mary	498.00
Burstall	80.00
Capel St Mary	995.00
Chattisham	62.00
Chelmondiston	454.00
Chelsworth	75.00
Chilton	151.00
Cockfield	381.00
Copdock & Washbrook	471.00
East Bergholt	1,115.00
Edwardstone	163.00
Elmsett	282.00
Erwarton	0.00
Freston	38.00
Glemsford	1,482.00
Great Cornard	4,218.00
Great Waldingfield	710.00
Great Wenham	0.00
Groton	98.00
Hadleigh	3,639.00
Harkstead	101.00
Hartest	156.00
Higham	0.00
Hintlesham	276.00
Hitcham	290.00
Holbrook	632.00

## LCTRS Grant allocations to Town and Parish Councils

<b>Town &amp; Parish Council</b>	<b>LCTS Grant Allocation £</b>
Holton St Mary	67.00
Kersey	164.00
Kettlebaston	18.00
Lavenham	1,084.00
Lawshall	338.00
Layham	209.00
Leavenheath	491.00
Lindsey	78.00
Little Cornard	106.00
Little Waldingfield	157.00
Little Wenham	0.00
Long Melford	2,037.00
Milden	44.00
Monks Eleigh	205.00
Nayland with Wissington	495.00
Nedging with Naughton	174.00
Newton	256.00
Pinewood	1,594.00
Polstead	312.00
Preston St Mary	72.00
Raydon	224.00
Semer	47.00
Shelley	0.00
Shimpling	150.00
Shotley	887.00
Somerton	35.00
Sproughton	439.00
Stanstead	131.00
Stoke by Nayland	383.00
Stratford St Mary	257.00
Stutton	402.00
Sudbury	7,114.00
Tattingstone	195.00
Thorpe Morieux	110.00
Wattisham	44.00
Whatfield	162.00
Wherstead	95.00
Woolverstone	81.00
<b>TOTAL TOWN &amp; PARISH COUNCIL ALLOCATION</b>	<b>38,600.00</b>