

**Policy, Finance & Performance Management Committee, Tuesday 3<sup>rd</sup> November 2020**

**Budget Setting 2021/22 – Agreement of Budget Principles**

Over the next few months, the budget setting process for 2021/22 and projections for the two financial years beyond will take place.

The final submission of Estimates will be made to full Council on 18<sup>h</sup> January 2021, where the budgets and precept for 2021/22 will be agreed.

Committee meetings will take place between now and the Estimates meeting where the fees and charges appropriate to that committee will be discussed, as well as discussion around the revenue and capital budgets. A draft budget is due to be discussed at the Policy, Finance & Performance Management Committee on 8<sup>th</sup> December, combining the results of the discussions that have been held in the various Committee meetings.

In order to facilitate the initial submission of fees and charges and budgets, the table below shows the main factors influencing the increases, or decreases that will affect the budgets.

	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
<b>Expenditure</b>			
Employee Costs	2.5%	2%	2%
Pension-Employers Contribution	22%	22%	22%
CPI	2%	2%	2%
NNDR	2%	2%	2%
Utilities	2%	2%	2%
<b>Income</b>			
Fees & Charges (rounded)	2%	2%	2%
Council Tax Precept	2%	2%	2%

**Main points to note:**

**Pension-Employers Contributions:** The employer contribution rate for the next two financial years has been set at 22%. This percentage rate will also be used for 2023/24.

**NNDR (Business Rates):** The Bill to provide 100% mandatory relief from business rates for public lavatories in England and Wales has been passed by the House of Commons, but still needs to be approved by the House of Lords. An assumption that business rates will not be charged to public toilets rated as a separate hereditament will be made.

**Fees & Charges:** A general inflationary increase is usually applied to the Council’s fees and charges. The main exception is the car parking tariffs, which will be discussed at the Roads & Transport Committee meeting to be held on 25<sup>th</sup> November 2020. Beach Hut charges were approved by Council on 14<sup>th</sup> September 2020, with a freeze having been recommended. A general increase of 2%, or rounded to an appropriate amount, is suggested on other charges.

**Precept:** The Precept has usually been projected with a 2% increase per annum in the first instance. The tax base, provided by Dorset Council, is not known at this point but initial indications are that this may see a 0.5% decrease. It is anticipated that this figure will be given by 11<sup>th</sup> December and the Precept figure will be revised according to need.