

**Report to** Mousehold Heath Conservators  
15 January 2021  
**Report of** Chief finance officer (Section 151 Officer)  
**Subject** Budget and Precept 2021/22

**Item**

**6**

---

### **Purpose**

The purpose of this report is for the Conservators to set the budget and approve the precept for the Mousehold Heath Conservators budget 2021/22.

### **Recommendation**

To:

- 1) Review the forecast balances position set out in paragraphs 3-4;
- 2) Consider the risk management arrangements set out in paragraphs 5-9;
- 3) Review the budget proposals set out in paragraph 10 and approve or amend the budgets in Appendix A accordingly;
- 4) To place a precept on Norwich City Council for the relevant amount for the financial year 2021/22 as per paragraph 11.

### **Corporate and service priorities**

The report helps to meet the corporate priority a healthy organisation.

### **Financial implications**

The agreed precept will be for the financial year beginning 1<sup>st</sup> April 2021. This forms part of the General Fund budget requirement for Norwich City Council.

**Ward/s:** Crome

**Cabinet member:** Councillor Kendrick - Resources

### **Contact officers**

Vicki Reynolds (Service accountant)

01603 987667

### **Background documents**

None

## Report

1. Each year Conservators are required to determine and approve the budget for Mousehold Heath, and to make a levy on Norwich City Council.
2. This report also sets out details of the budget and forecast outturn for the current financial year, 2020/21, which informs the precept and budget proposals within this report.

### Balances

3. The current forecast is for a net underspend of £1,598 in 2020/21 to be added to the balance brought forward from previous years' precepts. The balances position for 1st April 2021 is therefore estimated at:

Balance brought forward at 1st April 2020	18,270
Impact of forecast outturn 2020/21	1,598
Use of reserves - pension deficit charge 2020/21	(2,808)
<b>Forecast Balance at 31st March 2021</b>	<b>17,060</b>

- The pension deficit charge is a repayment to the council relating to pension deficit costs charged to Mousehold Heath. At their meeting of 21 June 2013, the Conservators' opted to take up the council's offer to spread the £28,077 pension deficit charge, incurred as a result of a contractor's failure, over 10 years. The Conservators' balance will therefore be reduced by the amount of £2,808 each year (2020/21 will be the eighth of ten instalments).
4. This level of balances represents 7.2% of the proposed budgeted expenditure (including accounting adjustments). Conservators may wish to consider the adequacy of this level in the light of the risks referred to in paragraphs below.

### Risk Management

5. The Conservators have previously expressed their wishes to consider, in conjunction with the budget and precept, risks to the financial position. These risks to the Conservators as the statutory decision-making body for the Heath, and to the council in implementing conservators' decisions, are incorporated within the council's own Risk Management Strategy (RMS).
6. The RMS requires that risks are considered at operational, tactical, and strategic levels, and escalated to an appropriate level for mitigation to be agreed and implemented.
7. Risks are managed and mitigation provided through, among other measures:
  - Ensuring that appropriate systems and procedures are in place to safeguard the health & safety of staff, residents, and visitors;
  - Taking steps to reduce the likelihood of adverse events occurring, through planning and risk assessment;
  - Mitigating against the financial impact through insurance against adverse events;

- Holding sufficient reserves, both in the revenue Contingency and through the maintenance of a prudent minimum level of balances, to meet unexpectedly arising costs. The adequacy of these reserves is itself risk-assessed annually.
8. Financial risks, such as overspends resulting from adverse events, are therefore considered and provided for by the council at a corporate level.
  9. The Conservators' reserves are expected to amount to £17,060 (see paragraphs 3-4) which represents 7.2% of the proposed budgeted expenditure (including accounting adjustments). This provides an initial level of internal risk management resource, mitigating any need to call on the council for further support.

## Budgets

10. The following table summarises the proposed movements in the budget between the base budget carried forward from 2020/21, and the proposed budget for the 2021/22 financial year.

Base Budget 2020/21	241,642
A: Salary & pension cost increase	4,248
B: Contractual increases	(11,056)
C: Changes in overhead recharges	637
<b>Proposed Budget 2021/22</b>	<b>235,471</b>

Reasons for these changes can be summarised as follows:

- A. The majority of this is due to increased pension charges to the council, both for added years and deficit. It also includes a staff pay increase.
- B. This is mainly due to expected contract savings.
- C. This is due to increased staff support costs council wide.

These changes can be seen in the detailed proposed budget for 2021/22 set out in Appendix 1.

## Precept

11. The precept required to fund this expenditure would be **£235,471** (20/21 £240,107). This would be a decrease of £4,636 from the 2020/21 precept.
12. Should the Conservators wish to increase or decrease the level of balances, in light of the risk environment as discussed above, the proposed precept would need to be amended accordingly.

# APPENDIX 1

421020 - Mousehold Heath Conservators							
		Current Budget	Changes to Budget				New Budget
			Adjustment to Base	Inflation	Growth Add'l Expenditure	Central Dept Support	
421020	Mousehold Heath Conservators	241,642	(11,060)	3,843	409	637	235,471
2000	Salaries	73,210	0	1,086	0	0	74,296
2011	Employers Pension C'tributions	9,632	0	144	0	0	9,776
2015	Annual Added Years Payments	4,229	0	(61)	0	0	4,168
2018	Pension Deficit Recovery	14,526	0	2,674	0	0	17,200
2090	Employee/Public Liab Insurance	55	0	0	405	0	460
2285	Water Charges Metered	78	0	0	0	0	78
2103	General Repairs & Mtce	15,000	0	0	0	0	15,000
2170	Programmed Maint(ES/Prop Grp)	326	0	0	0	0	326
2171	Day to Day Reps (ES/Prop Grp)	1,209	0	0	0	0	1,209
2207	Contract Cleaning	7,710	1,805	0	0	0	9,515
2216	Electricity	1,493	0	0	0	0	1,493
2231	Grounds General Mtce & Upkeep	2,204	0	0	0	0	2,204
2239	Rechge from GMO main contract	78,724	(16,598)	0	0	0	62,126
2240	Treeworks	4,467	3,733	0	0	0	8,200
2255	Fire Insurance Buildings/Conts	30	0	0	4	0	34
2400	Car and Cycle Allowances	800	0	0	0	0	800
2600	Clothing and Uniforms General	500	0	0	0	0	500
2658	Equipment - Purchase	450	0	0	0	0	450
2659	Equip-Repairs/Mtce	650	0	0	0	0	650
2663	Other Equipment and Tools	550	0	0	0	0	550
2682	Refreshments	745	0	0	0	0	745
2684	Staff Conference & Course Fees	500	0	0	0	0	500
2710	Specialist Supplies	445	0	0	0	0	445
2832	Projects	4,046	0	0	0	0	4,046
2849	Other Contractual Services	7,110	0	0	0	0	7,110
4000	I.T. Services recharge	5,874	0	0	0	(429)	5,445
4002	Personnel Services Support	4,370	0	0	0	396	4,766
4003	Financial Services Support	8,103	0	0	0	(403)	7,700
4006	Management Support	7,484	0	0	0	976	8,460
4007	Communications support	2,530	0	0	0	97	2,627
4015	Recharge from AHOs	5,000	0	0	0	0	5,000
1061	Football	1,404	0	0	0	0	1,404
1146	Other Rents	15,000	0	0	0	0	15,000
1148	Catering Concessn Pitch & Putt	1,800	0	0	0	0	1,800
1412	Government Grants - Specific	2,204	0	0	0	0	2,204