

# CABINET MEETING

The CABINET will meet in the COUNCIL CHAMBER, CAUSEWAY HOUSE, BOCKING END, BRAINTREE, ESSEX CM7 9HB, on Monday 30<sup>th</sup> September 2013 at 7:15pm.

## **Membership**

Portfolio	
Leader of the Council	Councillor G Butland (Chairman)
People and Participation	Councillor Mrs J Beavis Councillor P Tattersley
Performance and Efficiency	Councillor D L Bebb Councillor J T McKee
Place	Councillor Mrs W Schmitt Councillor R G S Mitchell
Planning and Property	Councillor Lady Newton Councillor J O'Reilly-Cicconi
Prosperity and Growth	Councillor C Siddall (Deputy Leader of the Council)

## **Invitees**

Other invitees:- Group Leaders and the Chairmen of the Overview and Scrutiny Committee, Governance Committee and Licensing Committee.

For enquiries on this agenda please contact:

Alastair Peace, 01376 551414

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This agenda is available on

[www.braintree.gov.uk/Braintree/councildemocracy](http://www.braintree.gov.uk/Braintree/councildemocracy)

## **PUBLIC INFORMATION**

### **Question Time**

Immediately after the Minutes of the previous meeting have been approved there will be a period of up to 30 minutes when members of the public can speak about Council business or other matters of local concern. Whilst members of the public can remain to observe the whole of the public part of the meeting, Councillors with a Disclosable Pecuniary Interest or other Pecuniary Interest must withdraw whilst the item of business in question is being considered.

Members of the public wishing to speak should contact the Member Services Officer on (01376) 552525 or email [alastair.peace@braintree.gov.uk](mailto:alastair.peace@braintree.gov.uk) prior to the meeting. The Council's "Question Time" leaflet explains the procedure and copies of this may be obtained at the Council's office.

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### **Webcast**

Please note that this meeting will be webcast.

## **INFORMATION FOR MEMBERS**

### **Declarations of Disclosable Pecuniary Interest, Other Pecuniary Interest or Non-Pecuniary Interest:-**

- To declare the existence and nature of any Disclosable Pecuniary Interest, other Pecuniary Interest or Non-Pecuniary Interest relating to items on the agenda having regard to paragraphs 6 to 10 [inclusive] of the Code of Conduct for Members and having taken appropriate advice where necessary before the meeting.
- Any member with a Disclosable Pecuniary Interest or other Pecuniary Interest to indicate in accordance with paragraphs 10.1(a)(i)&(ii) and 10.2(a)&(b) of the Code of Conduct. Such Member must not participate in any discussion of the matter in which they have declared a Disclosable Pecuniary Interest or other Pecuniary Interest or participate in any vote, or further vote, taken on the matter at the meeting. In addition, the Member must withdraw from the chamber where the meeting considering the business is being held unless the Member has received a dispensation from the Monitoring Officer.

## **AGENDA**

<b>1. APOLOGIES FOR ABSENCE</b>			
<b>2. DECLARATIONS OF INTEREST</b>			
<b>3. PUBLIC QUESTION TIME</b>			
<b>4. MINUTES OF LAST MEETING</b>			
(i) To approve as a correct record the minutes of the meeting held on 15 <sup>th</sup> July 2013 (Copy previously circulated).			
<b>No</b>	<b>Title &amp; Purpose of Report</b>	<b>Executive Summary</b>	<b>Additional Papers</b>
<b>5. PARTNERSHIP &amp; OVERALL CORPORATE STRATEGY AND DIRECTION</b>			
5a	<b>Leader Update – The Leader of the Council to give a brief update on Key issues and activities.</b>	-----	-----
<b>6. PLACE</b>			
6a	<b>Cabinet Response to the recommendations from the Overview &amp; Scrutiny Committee on the Braintree District Community Safety Partnership.</b>  <b>Presented by: Cllr W Schmitt</b> <b>Officer Contact:</b> Helena Goodwin	Page 1	-----
6b	<b>Cabinet Response to Recommendations arising from the Member Review of Recycling</b>  <b>Presented by: Cllr W Schmitt</b> <b>Officer Contact:</b> Paul Partridge	Page 5	-----
6c	<b>Scrap Metal Dealers Act 2013 - Licence Fees and Scheme of Delegation</b>  <b>Presented by: Cllr W Schmitt</b> <b>Officer Contact:</b> Daniel Mellini	Page 11	-----
6d	<b>Climate Local Commitment</b>  <b>Presented by: Cllr R Mitchell</b> <b>Officer Contact:</b> Mark Wilson	Page 20	-----

<b>7. PLANNING AND PROPERTY</b>			
7a	<b>Homelessness Strategy and Review 2013 to 2018</b>  <b>Presented by: Cllr Lady Newton</b> <b>Officer Contact: Joanne Albini</b>	Page 34	1 to 20
<b>8. Prosperity and Growth</b>			
8a	<b>Discretionary Business Rates Relief</b>  <b>Presented by: Cllr C Siddall and Cllr D Bebb</b> <b>Officer Contact: Peter Smith and Trevor Wilson</b>	Page 39	-----
<b>9. PERFORMANCE AND EFFICIENCY</b>			
9a	<b>First Quarter Performance Management Report 2013/14</b>  <b>Presented by: Cllr D Bebb</b> <b>Officer Contact: Tracey Headford</b>	Page 44	Page 21 to 44
9b	<b>Medium-Term Financial Strategy 2013/14 to 2016/17 Update</b>  <b>Presented by: Cllr D Bebb</b> <b>Officer Contact: Trevor Wilson</b>	Page 47	Page 45 to 50
9c	<b>Statement of Accounts 2012/13</b>  <b>Presented by: Cllr D Bebb</b> <b>Officer Contact: Trevor Wilson</b>	Page 71	-----
<b>10. CABINET MEMBERS'UPDATES</b>			
<p><b>- to receive Cabinet Members' verbal reports on key issues within their portfolio:</b></p> <ul style="list-style-type: none"> <li><b>Councillor Lady Newton – Essex County Council Minerals Plan - Update</b></li> <li><b>Councillor C Siddall – Economic Development Prospectus 2013/2026 – Update</b></li> </ul>			

11. REFERENCES FROM COUNCIL/COMMITTEES/GROUPS			
11a	<p><b>To receive recommendations from the Task and Finish Group's review of Braintree, Halstead and Witham Citizens' Advice Bureau and Braintree District Voluntary Support Agency</b></p> <p><b>Presented by: Cllr Dr. R Evans</b>  <b>Contact Officer: Angela Verghese</b></p>	Page 82	Page 51 to 99
11b	<p><b>Licensing Committee – 11th September 2013 – Hackney Carriage and Private Hire Drivers' knowledge test – Exemptions Policy.</b></p> <p><i>Members are directed to the Council's website for the Licensing Report <a href="http://www.braintree.gov.uk/meetings/meeting/497/licensing">http://www.braintree.gov.uk/meetings/meeting/497/licensing</a></i></p> <p><b>Presented by: Cllr M Banthorpe, Chairman of the Licensing Committee</b>  <b>Contact Officer: Daniel Mellini</b></p>	Page 86	-----
11c	<p><b>Governance Committee - 18th September 2013 – Treasury Management Annual Report 2012/13 And Mid-Year Report 2013/14</b></p> <p><b>Presented by: Cllr H Johnson, Chairman of the Governance Committee</b>  <b>Contact Officer: Phil Myers</b></p>	Page 87	Page 100 to 120
11d	<p><b>Governance Committee – 18th September 2013 – Annual Governance Report 2012/13</b></p> <p><b>Presented by: Cllr H Johnson, Chairman of the Governance Committee</b>  <b>Contact Officer: Phil Myers</b></p>	Page 88	Page 121 to 152
12. REPORTS/ DELEGATED DECISIONS/MINUTES TO BE NOTED			
12a	<p><b><u>Minutes from Cabinet Sub Groups</u></b>  To receive the minutes of the following</p> <ul style="list-style-type: none"> <li>Local Development Framework Sub-Committee – 11<sup>th</sup> July 2013</li> <li>Local Development Framework Sub-Committee – 24<sup>th</sup> July 2013</li> </ul>	-----	Page 153 to 173

12b	<b><u>Delegated Decisions</u></b> – to note recently made delegated decisions	Page 89	-----
<b>13. URGENT BUSINESS AUTHORISED BY THE CHAIRMAN</b>			
<b>14. EXCLUSION OF PUBLIC AND PRESS TO CONSIDER REPORTS IN PRIVATE SESSION – for reasons set out in Paragraph 3 of Part 1 of Schedule 12(A) of the Local Government Act 1972</b>			

At the time of publication there are no items for private session.

The last page of the public agenda is numbered 89.

Nicola Beach  
Chief Executive

<b>Cabinet Response to the recommendations from the Overview &amp; Scrutiny Committee on the Braintree District Community Safety Partnership.</b>		<b>Agenda No: 6a</b>
<b>Corporate Priority:</b> Supporting vulnerable people in our community Promoting safe and healthy living <b>Portfolio Area:</b> Place <b>Report presented by:</b> Cllr W Schmitt <b>Report prepared by:</b> Helena Goodwin, Community Services Manager		
<b>Background Papers:</b>  Report, Overview & Scrutiny Committee, May 2013 Overview & Scrutiny Panel, July 2013 Minutes of Council Meeting, 29 <sup>th</sup> July 2013		<b>Public Report</b>
<b>Options:</b>  To consider the recommendations from the Overview & Scrutiny Report, and decide upon whether to: Support or not support the proposed responses		<b>Key Decision: No</b>
<b>Executive Summary:</b>  At the Council meeting held on 29 <sup>th</sup> July 2013, the Chairman of the Overview & Scrutiny Committee presented their report which made five recommendations. Council agreed that the report be referred to Cabinet for the Cabinet Member to consider the report in more detail.  Cllr Schmitt, Cabinet Member (Place) has prepared this response to the recommendations.  Attached to this report is a summary of the recommendations made by the committee together with the proposed response.  Cabinet would like to thank the Overview & Scrutiny Committee for the work they have done and the recommendations made.		
<b>Decision:</b>  That Cabinet approves the responses outlined in the attached summary and delegates the actions to the Corporate Director to take forward.		

**Purpose of Decision:**

**To consider and respond to the proposed recommendations arising from the Overview & Scrutiny Committee.**

**Any Corporate implications in relation to the following should be explained in detail**

<b>Financial:</b>	Actions will be delivered within existing resources
<b>Legal:</b>	The Community Safety Partnership is a statutory partnership, so must adhere to legislation.
<b>Equalities/Diversity</b>	Taken into account within the report
<b>Customer Impact:</b>	Enhancement of information available to the public
<b>Environment and Climate Change:</b>	None
<b>Consultation/Community Engagement:</b>	The priorities from the annual Strategic Assessment are available to the public. Twice yearly Police & Crime Commissioner (PCC) Public Engagement Events are held locally. These involve the PCC, Police and representatives from the Community Safety Partnership.
<b>Risks:</b>	Reduced partnership working in the current economic climate as resources diminish across the CSP.
<b>Officer Contact:</b>	Helena Goodwin
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**Cabinet Response to the recommendations from the Overview & Scrutiny Committee on the Braintree District Community Safety Partnership**

	<b>RECOMMENDATION</b>	<b>CABINET RESPONSE</b>
1.	That consideration is given in the Community Safety Partnership's (CSP) priorities to provide greater prominence to other community safety issues outside of the Police and Criminal Justice System. E.g. Anti-Social Behaviour	The priorities of the Community Safety Partnership (CSP) are derived from an annual Strategic Assessment of Crime & Disorder. This is a legislative requirement and with diminishing resources and significant changes to each organisation the CSP has to be very focussed on addressing the key priorities the assessment identifies. The CSP does however regularly monitor crime levels in the District and respond to any spikes as appropriate. This would include Anti-Social Behaviour. As a Council, there are some statutory responsibilities the Council adheres to, and this is in partnership with CSP colleagues wherever appropriate.
2.	That the Annual Partnership Plan of the CSP be published and that all publically available CSP documents are reviewed to ensure the use of plain English throughout with the aim of encouraging the public to take a greater interest in the CSP.	Since the production of the Report from Scrutiny, the CSP has a new Community Safety Manager and Chairman. Hence, this recommendation is noted and will be discussed at a future Responsible Authority Group meeting and a way forward agreed. The Annual Partnership Plan that is published each year, has been reviewed to ensure that this and all other information is in plain English.
3.	That the Council, through the Overview & Scrutiny Committee, receives an annual report on the performance of the CSP which takes account of how the CSP has delivered against the Council's objectives.	The CSP tracks and monitors its performance and provides an annual report to the CSP. This report will also be presented to Overview & Scrutiny Committee on an annual basis.

	<b>RECOMMENDATION</b>	<b>CABINET RESPONSE</b>
4.	That in the case of the Fire Break project, follow up arrangements are put in place with the aim of ensuring that those young people who have gained certain experiences and qualities as a result of attending the project maintain these positive outcomes.	Whilst those attending Fire Break are tracked and monitored for a period of three months, it is not possible to guarantee or monitor these long-term to ensure that the young people maintain these positive outcomes.
5.	That in the case of the Domestic Abuse projects, the benefits of the projects are drawn out in terms of the number of people referred to the service and those able to build a new life as a result of using the service.	The CSP is part of a domestic abuse pilot, the aim of which is to engage with both high and medium risk victims. The project outcomes and benefits will be monitored on a quarterly basis.

<b>Cabinet Response to Recommendations Arising from the Member Review of Recycling</b>		<b>Agenda No: 6b</b>
<b>Corporate Priorities:</b> Protecting our Environment <b>Portfolio Areas:</b> Place <b>Report presented by:</b> Cllr Wendy Schmitt <b>Report prepared by:</b> Paul Partridge, Head of Operations		
<b>Background Papers:</b>  Informal Member Review of Recycling reported to Cabinet on 15 July 2013.		<b>Public Report</b>
<b>Options:</b>  To support or not support the proposed response.		<b>Key Decision: No</b>
<b>Executive Summary:</b>  <p>At its meeting on 15 July 2013, Cabinet received a report from an informal Member Review of Recycling, chaired by Cllr. James Abbott, to look at ways of increasing the Council's recycling performance beyond 60%. Cabinet agreed to consider the report in more detail and asked Cllr. Schmitt, Cabinet Member (Place), to provide a formal response to this meeting.</p> <p>Attached to this report is a summary of the recommendations made by the Group, together with Cabinet's response. Some of the actions were already being developed as the review was in progress and it is pleasing to see that the Group has formally endorsed these actions within their recommendations.</p> <p>The response takes into account the fact that the Council is already delivering high levels of recycling and customer satisfaction, at relatively low cost, against a backdrop of ongoing financial constraints. It is therefore important to ensure that resources are focused on actions that will have the greatest impact/benefit in increasing recycling levels, without incurring additional costs to the Council Tax Payer as far as is practicable.</p> <p>Cabinet would like to thank the Member Recycling Group for undertaking the review and for the recommendations made.</p>		

<b>Decision:</b>	
That Cabinet approves the response outlined in the attached summary and delegates the actions to the Corporate Director to take forward.	
<b>Purpose of Decision:</b>	
To consider and respond to the proposed recommendations arising from the informal Member Review of Recycling.	

Any Corporate implications in relation to the following should be explained in detail	
<b>Financial:</b>	Actions will be delivered within existing resources as far as possible; any that require additional funding will be subject to a business case.
<b>Legal:</b>	N/A
<b>Equalities/Diversity</b>	Taken into account within the report.
<b>Customer Impact:</b>	More user friendly recycling service for residents of flats Better understanding of need for recycling Improved choice in respect of size of bins available New recycling service for trade waste customers which also offers them better value for money
<b>Environment and Climate Change:</b>	Reduction in waste to landfill Reduced need for virgin materials Reduced greenhouse gas emissions and energy consumption.
<b>Consultation/Community Engagement:</b>	Communication strategy included within recommendations.
<b>Risks:</b>	Inadequate resources to deliver the action plan alongside existing corporate priorities. No guarantee that the actions identified will increase the amount of recycling. Inability to change public behaviour/attitude towards recycling.
<b>Officer Contact:</b>	
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Head of Operations	
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## Cabinet response to recommendations arising from informal Member Review of Recycling 2013

	Recommended Priority Actions	Cabinet Response
1.	<p><b>Develop a two-year door-stepping programme to reduce the amount of recyclable waste (especially food waste) going into grey bins.</b></p> <p><b>Explore opportunities with Essex County Council (ECC) to establish a dedicated team that can be piloted in the Braintree District and rolled out to other districts/boroughs as a model of excellence.</b></p>	<p>Plans were already in hand to undertake a pilot door-stepping exercise and this was carried out from 22 August to 30 September 2013. The trial has yet to be evaluated.</p> <p>Targeted door-stepping, within existing resources, will continue as part of the operation of the service.</p> <p>Initial discussions had already taken place with ECC prior to the County elections in May. These have been resumed with ECC's new Cabinet Member to explore what opportunities there are for developing joint working.</p>
2.	<p><b>In conjunction with (1) above, and ECC's Communications &amp; Marketing Team, develop and deliver a strong programme of high profile recycling campaigns to improve people's behaviour and attitude towards recycling to increase capture and participation rates. This could include local 'human interest' articles/stories commending people and groups who have achieved high recycling performance.</b></p>	<p>The Essex Recycling Forum is currently working on a county-wide Joint Communications Strategy for Essex (in conjunction with all Essex Authorities), which will include key messages about recycling, together with high profile campaigns.</p> <p>We propose to make our own recycling newsletters more engaging and interactive and make better use of technology to communicate more effectively – for example, using Facebook and Twitter and adding an app to the newsletter that can be downloaded onto a smart phone to provide tips and information. This can be developed if we install in-cab technology (which is subject to funding). If funding is approved, the first 'inter-active' newsletter could be published in Autumn 2014 (to be delivered with the new calendars).</p>
3.	<p><b>Based on consultation with local residents, Braintree District Council (BDC) should develop a Recycling Charter that clearly defines the Council's aims and objectives and service standards for refuse and recycling.</b></p>	<p>We will produce a simple, easy to understand, document to inform the public and make this available on the Council's website by 31 March 2014.</p>

	Recommended Priority Actions	Cabinet Response
4.	<p><b>Working with ECC, Greenfields and other housing associations, BDC should establish local recycling champions on estates who can work with BDC to maximise recycling through local community engagement and empowerment.</b></p> <p><b>Links with Letting Agencies should be established to ensure Recycling Information Packs are sent out to new tenants and a review of individual residents' needs should be undertaken within one month of them moving in, including the size and type of bins allocated.</b></p>	<p>ECC already has a team of 'Champions' known as The Wastebusters, who encourage waste minimisation and recycling county-wide.</p> <p>Discussions have already commenced with Greenfields Community Housing on the idea of recruiting Recycling Champions on estates. Further dialogue will take place with them to develop a series of initiatives over the next 18 months – 2 years - to increase recycling within their community generally. If successful, this can be tailored to suit other social and private housing providers.</p> <p>We are working with Greenfields to incorporate recycling information within their tenants' welcome packs. This will be used as a model that could potentially be rolled out to other landlords.</p>
5.	<p><b>Introduce pilots to recycle waste from flats and consider extending this across the District, where appropriate.</b></p>	<p>A 6-month pilot had already been introduced in Malyon Way/Chadwick Drive and initial results have been very positive. The scheme will be fully evaluated by the end of the year. If successful, it could be rolled out to other flats in the District, subject to funding.</p> <p>We will also explore with Greenfields Community Housing (see 4 above) the option of introducing a recycling pilot at flats for which they are responsible.</p>
6.	<p><b>Offer smaller bins as part of the Council's bin replacement policy.</b></p>	<p>Smaller bins are already provided on request. We will raise awareness of this option by including it in the Charter referred to in (3) above.</p>

	Recommended Priority Actions	Cabinet Response
7.	<b>Explore the potential of launching an annual community recycling seminar specifically aimed at increasing public awareness of recycling and recognising the work of Local Neighbourhood Recycling Champions to encourage even more people, businesses and town and parish councils to recycle.</b>	A good idea in principle. We will explore the feasibility of an event being held to coincide with the National Recycling Week, cost permitting.
8.	<b>Consider the outcomes from the ongoing BDC review of bring banks and feedback from the survey undertaken with Parish Councils and implement improvements where required.</b>	The results of the survey will be considered and actioned where appropriate. A requirement for 4-5 new sites has already been identified in Witham, and we are working in conjunction with Witham Town Council to provide these.
9.	<b>Consider new materials to be collected kerbside including textiles, waste electrical materials and hard plastics.</b>	Our current approach is to maximise participation in the <i>existing</i> kerbside service before considering any changes. Any decision to expand the range of materials collected would be subject to a business case.
10.	<b>Undertake a consultation exercise with local residents to seek their views on the option of moving from a bi-weekly to a monthly collection of green waste in December, January and February each year, when there is much less green waste presented.</b>	A question on whether residents put their garden waste out for collection all year round has been included in the Refuse and Recycling Customer Satisfaction Survey which is being delivered with the new collection calendars in September 2013. This will help inform a decision on the merits of this proposal.

	Recommended “Nice to Do” Actions	Cabinet Response
1.	<b>Investigate the potential of introducing a monthly prize competition (sponsored by Viridor) that rewards residents for their recycling. The prize (value to be agreed) can be retained by the residents or donated to a local charity or community group.</b>	This will be considered on the basis that all set-up and ongoing costs are covered by sponsorship.
2.	<b>In conjunction with ECC, hold an annual competition for Schools Recycling Champion of the Year.</b>	We will discuss with ECC how we might be able to link into their existing programme with local schools.
3.	<b>Lobby the Government to introduce a levy on plastic bags and complex plastics.</b>	It is considered that it would be more prudent for a collective response to be sought from all members of the Essex Waste Partnership and this matter will be raised at the officer and member meetings.

	Recommended Trade Waste Action	Cabinet Response
1.	<b>Introduce a mixed recycling service for Trade Waste customers to divert more waste from landfill and increase income available to the Council from the sale of the materials collections.</b>	A dry recycling scheme had already been introduced in Braintree using existing resources. The extent to which this can be extended to other areas of the District will be subject to a business case.



<b>Scrap Metal Dealers Act 2013 Licence Fees and Scheme of Delegation</b>		<b>Agenda No: 6c</b>
<b>Corporate Priority:</b> Protecting our Environment. <b>Portfolio Area:</b> Place <b>Report presented by:</b> Cllr Wendy Schmitt <b>Report prepared by:</b> Daniel Mellini		
<b>Background Papers:</b>  Information Report to Licensing Committee of 17 <sup>th</sup> July 2013 - Scrap Metal Dealers Act 2013. Scrap Metal Dealers Act 2013. Scrap Metal Dealers Act 2013: guidance on Licence fee charges. LGA guide to the Scrap Metal Dealers Act 2013: Applications		<b>Public Report</b>
<b>Options:</b>  None		<b>Key Decision: No</b>
<b>Executive Summary:</b>  The Scrap Metal Dealers Act 2013 ("the Act") received Royal Assent on 28th February 2013 and is due to come into force from 1st October 2013.  The Act repeals the Scrap Metal Dealers Act 1964 (and linked legislation) and Part 1 of Vehicles (Crime) Act 2001, creating a revised regulatory regime for the scrap metal recycling and vehicle dismantling industries. The Act maintains local authorities as the principal regulator but gives them the power to better regulate these industries by allowing them to refuse to grant a licence to 'unsuitable' applicants and a power to revoke Licences if the dealer becomes 'unsuitable'.  Schedule 1(6) of ("the Act") provides that an application must be accompanied by a fee set by the local authority. In setting a fee, the authority must have regard to any guidance issued by the Secretary of State with approval of the treasury and case law.  Cabinet are requested to consider the report and recommend to Full Council the approval of the fees for 2013/14 with an effective date of 1 <sup>st</sup> October 2013 and the proposed amendments to the Council's constitution.		

**Decision:**

1. The Leader designates the Cabinet Member with the responsibility for regulatory services to have overall responsibility for the Council's function under the Act.
2. To agree the Scheme of Delegation as set out in section 3.3 of the report
3. It is **RECOMMENDED** to Full Council to
  - a) agree the proposed fees set out in section 4 of this report and to agree the fees to come into effect from 1<sup>st</sup> October 2013.
  - b) amend the Constitution as set out in this report

**Purpose of Decision:**

To ensure that the Council has procedures and fees in place in order to discharge the licensing function under the Scrap Metal Dealers Act 2013 for 2013/14.

**Any Corporate implications in relation to the following should be explained in detail****Financial:**

The authority must ensure that any fees generated are used to manage the process of administration only and that the overall costs are neutral to this authority (excluding any enforcement costs), which must be accounted for separately.

**Legal:**

Schedule 1(6) of the Act provides that an application must be accompanied by a fee set by the local authority.

In setting a fee, the authority must have regard to any guidance issued by the Home Office. Guidance on setting the fees was published on 12 August 2013.

The authority must also be mindful of the principles of the EU Services Directive (Directive 2006/123/EC of The European Parliament and of the Council of 12 December 2006 on services in the internal market) which states "a Licence fee can only be used to pay for the cost associated with the licensing process".

The authority must be aware of case law, of which the recent case in the Court of Appeal of R (Hemming (t/a Simply Pleasure Ltd) and others) v Westminster City Council [2013] EWCA Civ 591; [2013] WLR (D) 203 is relevant.

The Act and the statutory guidance are ambiguous in terms of the functions of Cabinet in setting the licensing fees. In accordance with the Council's Constitution – Article

	A6.5.2 Cabinet cannot take a decision which is contrary to the Council's Budget. These fees are outside the approved Budget and therefore in accordance with Article A6.5.3.1 the Cabinet can only recommend the proposed fees to Full Council.
<b>Equalities/Diversity</b>	No implications arising from this report.
<b>Customer Impact:</b>	It is intended to manage the scrap metal licensing regime within existing resources. Should the number of applications significantly exceed the authority's estimate then there may be a requirement to bring in an additional resource to cover any peak work demands.
<b>Environment and Climate Change:</b>	No implications arising from this report
<b>Consultation/Community Engagement:</b>	No implications arising from this report
<b>Risks:</b>	<p>The authority must be prepared to receive applications by 1<sup>st</sup> October 2013. Applicants wishing to take advantage of the transitional arrangements specified in the Act must submit an application to the authority by 15 October 2013.</p> <p>The Council must have in place procedures to discharge its obligations under the Act.</p> <p>If the fees do not reflect the true cost of managing the licence process then the Authority could be open to legal challenge.</p> <p>The Authority has undertaken a comprehensive fee setting exercise in accordance with published guidance issued by the Secretary of State, EU Services Directive (Directive 2006/123/EC of The European Parliament and of the Council of 12 December 2006 on services in the internal market) and principles laid down by the Court of Appeal of R (Hemming (t/a Simply Pleasure Ltd) and others) v Westminster City Council case.</p>
<b>Officer Contact:</b>	Daniel Mellini
<b>Designation:</b>	Environmental Health Manager (Food, Health & Safety and Licensing)
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<b>E-mail:</b>	daniel.mellini@braintree.gov.uk

## **1. Background**

- 1.1 The increased value of metal has caused a growing problem of metal thefts throughout the U.K. The Home Office has provided an estimate that there were between 80,000 – 100,000 reported metal theft offences in 2010/11 alone and is costing the economy up to an estimated £260 million per year. A wide range of sectors have been targeted, which includes transport infrastructure, electricity and telephone links, street furniture, memorials, commercial and residential buildings including churches and schools.
- 1.2 In late 2012 the Government introduced initial measures to prohibit cash payments for scrap metal, amend Police powers of entry into unregistered scrap metal sites; and increase the existing financial penalties for offences under the Scrap Metal Dealers Act 1964. These changes were contained in the Legal Aid, Sentencing and Punishment of Offenders Act 2012.
- 1.3 The Scrap Metal Dealers Act 2013 (“the Act”) received Royal Assent on 28<sup>th</sup> February 2013 and will come into force from 1<sup>st</sup> October 2013.
- 1.4 The Act repeals the Scrap Metal Dealers Act 1964 (and linked legislation) and Part 1 of Vehicles (Crime) Act 2001, creating a revised regulatory regime for the scrap metal recycling and vehicle dismantling industries. The Act maintains local authorities as the principal regulator but gives them the power to better regulate these industries by allowing them to refuse to grant a Licence to ‘unsuitable’ applicants and a power to revoke Licences if the dealer becomes ‘unsuitable’.
- 1.5 The Act is clearly regulatory in nature and as such the functions under the Act would normally be performed by the Council’s Licensing Committee. However unusually (possibly uniquely) for legislation of this type the functions have not been excluded from being executive functions. This is being queried with the government by the LGA and the reported response indicates that this may well have been an oversight by the parliamentary draftsman. However the situation is that unless and until there is an amendment to the legislation functions under the Act fall to be performed by the Cabinet.
- 1.6 As the functions under the Act are executive functions they may be performed by the Leader, the Cabinet, a committee of the Cabinet or an individual Cabinet member or officer under delegated powers. In accordance with the Constitution all executive functions are vested in the Leader of the Council and he may arrange for executive functions to be discharged by the Cabinet, Cabinet Member, by a sub-committee of the Cabinet or an officer. The Leader cannot arrange for this function to be discharged by the Licensing Committee.
- 1.7 Under other regulatory regimes unopposed applications are dealt with by officers. It is recommended that it is appropriate to delegate the decision to officers to grant licences where no adverse representations are received from consultees and there is no evidence that the applicant or site manager have been convicted of a relevant offence or been the subject of relevant enforcement action. Where the officer is not minded to grant the licence for those reasons or for on any other grounds or where grounds exist whereby officers consider that an existing licence should be revoked the applicant/licensee must be given the opportunity to make representations and may request a hearing. It is recommended that the Cabinet Member with the responsibility determines the procedures to deal with such matters when representations are received and/or a hearing is requested.

- 1.8 The Act contains provisions for the conduct of scrap metal dealerships monitoring of which will be the responsibility of the Licensing Enforcement Officers.

## **2. Summary of the Act**

- 2.1 The Act defines a “scrap metal dealer” as a person who is for the time being carrying on a business as a scrap metal dealer, whether or not authorised by a Licence.
- 2.2 (“The Act”) states that “scrap metal” includes:
- Any old, waste or discarded metal or metallic material, and
  - Any product, article or assembly which is made from or contains metal and is broken, worn out or regarded by its last holder as having reached the end of its useful life.
- 2.3 The following is not considered to be “scrap metal”
- gold
  - silver, and
  - any alloy of which 2 per cent or more by weight is attributable to gold or silver.
- 2.4 There are two types of Licence specified within the Act. The first is for a Site Licence and the second is for a Mobile Collector Licence carrying on business otherwise than at a site. The Licence will authorise the Licensee to carry on business as a Scrap Metal Dealer at the sites listed in it (in the case of a Site Licence) or within the Local Authority area (in the case of a Mobile Collectors Licence). However licensees may hold licences issued by more than one Council.

## **3. Scheme of Delegation:**

- 3.1 The Council is required to have procedures to deliver this licensing regime. Notwithstanding the awaited clarification on the classification of this licensing function as an executive function, the Council must have the right delegations in place to make decisions and hear appeals if the Council is to avoid legal challenge.
- 3.2 A further report will be presented to Cabinet upon the further guidance and clarification from the Home Office .
- 3.3 The Leader is requested to amend his cabinet portfolios to include the following:

### **Delegation to the Cabinet Member**

- To have overall responsibility for the Council's responsibilities and functions under Scrap Metal Dealers Act 2013 including agreeing a procedure for the determining of applications which are subject to representations.

- The Cabinet Member in consultation with the Corporate Director to determine any matter arising from any further subordinate legislation including regulations and statutory Guidance.

#### **Delegations to the relevant Corporate Director:**

- To receive applications for a licence, or the variation, or revocation of a licence, under the Scrap Metal Dealers Act 2013.
- Granting, varying, reviewing, or refusing all unopposed licences under the Scrap Metal Dealers Act 2013.
- To issues notices under paragraph 7 of Schedule 1 of Scrap Metal Dealers Act 2013
- To request (either when an application is made or later) that the applicant provides such further information as considered relevant for the purpose of considering the application under the Scrap Metal Dealers Act 2013.
- To decline to proceed with an application in the event of requested information not being produced.
- The inclusion of conditions under Section 3(8) of the Scrap Metal Dealers Act 2013
- The variation/imposition of conditions on a licence under Section 4, in the event that a hearing is not requested.
- Revocation of a licence in the event that a hearing is not requested.
- In respect of unlicensed sites to issue closure notices in accordance with S9 and Schedule 2 of the Scrap Metal Dealers Act 2013.
- To determine and carryout any enforcement action under the Scrap Metal Dealers Act 2013.

#### **General delegation**

- Delegate authority to the Monitoring Officer to make any consequential minor amendments to the Constitution.

#### **Determination of Licence fees**

- 4.1 Schedule 1(6) of the Act provides that an application must be accompanied by a fee set by the local authority. The power to raise a fee is designed to ensure that local authorities have the necessary funding to administer the regime and ensure compliance.
- 4.2 In setting a fee, the authority must have regard to any guidance issued by the Home Office. Guidance on setting fees was published on 12 August 2013 and provides a general principle as to what can be included in the cost of a Licence.

- 4.3 The authority is anticipating that further detailed guidance be provided in the future which will help with the fee setting process. This guidance has not been forthcoming at the time this Report was prepared.
- 4.4 The authority must be mindful of the principles of the EU Services Directive (Directive 2006/123/EC of The European Parliament and of the Council of 12 December 2006 on services in the internal market) which states “a Licence fee can only be used to pay for the cost associated with the licensing process. In effect, the authority must ensure that the income from fees does not exceed the costs of the administration and issue of the Licence.
- 4.5 Fees are required to be set for three categories of Licence. This would include a fee for the assessment of an application for a new Licence, the assessment of an application to vary an existing Licence, and the assessment of an application for Licence renewal.
- 4.6 Guidance issued states that the cost of the Licence should reflect the time spent on:
- All the activity required with processing and granting a Licence such as considering applications and assessing the suitability of the applicant.
  - The costs of staff associated with supporting the service, including senior staff with managerial responsibility for the service.
  - Support provided by other parts of the authority to the Licensing Team such as legal services and any other general charges recharges there might be for rooms, heating and lighting etc.
  - The cost of providing advice and guidance to applicants on what will be a new process.
  - Carrying out inspections and ensuring compliance with the law.
  - Training for staff and councillors in the requirements of the new legislation.
  - Costs associated with consulting other agencies and bodies when considering if an applicant is a suitable person.
  - Working with partners in ensuring compliance.
  - Making and reviewing any policies in relation to the operation of the new licensing regime.
  - Issuing the Licence.
  - Hearings
  - Any officer time spent providing information for inclusion in the register of dealers.
- 4.7 The authority must be aware of case law, of which the Court of Appeal case of R (Hemming (t/a Simply Pleasure Ltd) and others) v Westminster City Council [2013] EWCA Civ 591; [2013] WLR (D) 203 is especially relevant.
- 4.8 The decision determined that the costs associated with enforcement should not be included in the Licence fee.
- 4.9 A further consideration from the Hemming case is that local authorities cannot demand a fee where it has not been determined. The case highlighted that there were a number of years where in effect the fee was carried over from the previous year without being considered in detail by a committee or the authority. This point highlights the importance of regularly reviewing the fees and also making sure that when committees come to determine fees they have all the

relevant information before them, otherwise the authority could be subject to legal challenge.

- 4.10 The authority will benefit from one of the decisions of the Hemming case which allows deficits or surpluses to be carried over into the next financial year.
- 4.11 Home Office guidance states that fees cannot be used to pay for enforcement action against unlicensed dealers (particularly collectors) or as an economic deterrent or to raise funds for the local authority.
- 4.12 The limitation placed by the EU Services Directive around enforcement means that local authority's cannot recover the cost of issuing closure notices to unlicensed dealers and applying for closure orders from the magistrates' court.
- 4.13 There is no requirement in ("the Act") to consult on fees, and would not be practical to do so during the transitional arrangements. Guidance, however, recommends that consultation should take place when fees are reviewed and any consultation may assist in reducing the potential for challenge where there has been a transparent and open process for setting them.

## **5 Fees 2013/14**

- 5.1 A consideration in setting fees will include an estimation of the number of Licences the Authority is likely to issue.
- 5.2 An assessment has been undertaken of all Scrap Metal Dealers and Motor Salvage Operators currently registered with the Authority and it is anticipated that the Authority will issue approximately ten new site and twenty new Collectors' Licences after 1<sup>st</sup> October 2013. It is, however, not possible to anticipate the number of applications that may be received from Scrap Metal Dealers that are either not currently registered or will enter the industry in the future.
- 5.3 Based on the assumptions made in 5.2 above and the cost of a licence stated in 4.5 below, it is possible that the Authority will receive over £7000 to cover the costs of administering the system.
- 5.4 In deriving the unit cost of each Licence, the cost will be affected by the total number of new Licences issued from October 1<sup>st</sup> 2013.
- 5.5 Based on the principles detailed in section 4 of this report and 5.1 to 5.4, fees for 2013/14 have been determined and are shown in the table below.

<b>Licence Type</b>	<b>Site £</b>	<b>Collector £</b>
New	385	165
Renewal	255	130
Variation	70	70
Replacement Licence	10.50	10.50

Table of fees 2013/2014

- 5.6 The fees shown in 5.5 above will be reviewed on an annual basis. The authority must be mindful that the total income generated through the collection of fees must not exceed the anticipated costs of issuing Licences or vice versa. It is intended to submit to Cabinet a proposed fee for the following financial year



within the fees and charges appendix of the annual budget setting process based on this cost recovery methodology.

- 5.7 Should the accounts highlight any surplus or deficit then this amount will be transferred to the following financial year. It is necessary to retain the flexibility to amend fees part way through a financial year should there be very significant variances to service expenditure. In the unlikely event that this occurs a separate report to Cabinet will be produced at that time with recommendations as to a revised fee.

<b>Climate Local Commitment</b>		<b>Agenda No: 6d</b>
<b>Corporate Priority:</b> Protecting our Environment <b>Portfolio Area:</b> Place <b>Report presented by:</b> Cllr Robert Mitchell <b>Report prepared by:</b> Mark Wilson Sustainability Manager		
<b>Background Papers:</b>  Appendix 1. Climate Local - Information Pack for Councils Appendix 2. Internal & external carbon reduction achievements. Appendix 3 Climate Local Action Plan – Proposed High level actions		<b>Public Report</b>
<b>Options:</b>  1. That Braintree Council sign up to the Climate Local Commitment (set out in Appendix 1) to this report or considers not to 2. That a Climate Change Strategy and Action Plan be prepared to set out Braintree District Council's commitment to climate change action. Decide not to consider a strategy or action plan.		<b>Key Decision: No</b>
<b>Executive Summary:</b>  1.1 This report provides information on the Climate Local Commitment developed by the Local Government Association (LGA), and the rationale for signing up to this non-statutory commitment. This report also sets out our progress to date since signing the Nottingham Declaration in 2006 on energy saving and carbon reduction, fuel poverty, sustainable development and climate change impacts.  1.2 This LGA initiative has been developed in response to the government's assessment of the role of local authorities in addressing climate change. The government have identified a clear local role for local authorities to tackle climate change impacts and carbon reduction. The LGA initiative therefore provides a framework for local authorities to deliver this role. In addition, it assists local authorities in reporting on the Home Energy Conservation Act (HECA) that requires regular statutory reporting by local authorities on plans to address carbon reduction and fuel poverty and how progress will be monitored.  1.3 The Climate Local initiative comprises two elements. Firstly, a Climate Local Commitment (attached information pack as Appendix 1 to this report) for Councils to sign to demonstrate their commitment to addressing climate change and associated issues and to challenge themselves to build on their existing		

achievements.

1.4 The second element is a set of guides and framework to develop a Climate Change Strategy and Action Plan for Braintree District Council, setting out local commitments and milestones for reaching our goals.(Attached appendix 3 is an example of our proposed high level actions which will form the basis of our action plan)

1.5 The Cabinet is being asked to join the Climate Local Commitment to demonstrate the Council's continued commitment, leadership and ambition, to tackle climate change. The commitment will provide an opportunity for this Council to work with the LGA, other local authorities and partners, e.g. Environment Agency, and be involved in emerging initiatives, including those from central government, as well as the on-going development of Climate Local through participation in the Climate Local Network.

**Decision:**

1. That the Cabinet supports the Council joining the Climate Local Commitment, affirming the Council's leadership role on climate change;
2. Support the preparation of a new Climate Local Strategy and Action Plan for consideration by Cabinet later in the year.

**Purpose of Decision:**

1. To establish Braintree District Council's proactive commitment on action to tackle climate change and associated issues.
2. To enable a new Climate Local Strategy and Action Plan to be prepared for Braintree District Council to address the commitments of 'Climate Local'

**Any Corporate implications in relation to the following should be explained in detail**

**Financial:**

The preparation of the Climate Local Commitment and the Climate Local Strategy and Action Plan has been planned and budgeted for within the Business Plan for the Sustainability Team in Environmental Services.

Should there be any financial implications associated with the implementation of the Climate Local Strategy actions, these will be subject to further consideration of Cabinet.

**Legal:**

CLC is not a statutory obligation

<b>Equalities/Diversity</b>	<p>An Equality Impact Assessment will be completed as a part of the Climate Local Strategy process. Identified so far is that a commitment to Climate Local contributes to the council's equality and diversity agenda through,</p> <ul style="list-style-type: none"> <li>• Raising awareness of and mitigating the impact of severe weather (flooding, drought, storms) on the district's most vulnerable residents;</li> <li>• Targeting fuel poverty across our district.</li> </ul>
<b>Customer Impact:</b>	Will be considered and addressed in the Climate Change Strategy consultation and communication process.
<b>Environment and Climate Change:</b>	By signing the Climate Local Commitment and producing the Climate Local Strategy & Action Plan this will contribute towards carbon reduction, addressing fuel poverty and adapting to climate change
<b>Consultation/Community Engagement:</b>	The Climate Local Strategy and Action Plan consultation process will include all key stakeholders: Statutory consultees, local community groups, local businesses and interest groups.
<b>Risks:</b>	<p>The risks associated with signing the Commitment are:</p> <ul style="list-style-type: none"> <li>• Competing priority with other service pressures.</li> <li>• There are likely impacts on service delivery and customers if services do not adapt to climate change impacts;</li> <li>• Reputational and perception issues in the event that the Council does not progress the Climate Change agenda.</li> <li>• Having sufficient budget to deliver the strategy.</li> </ul> <p>The risks of not signing are:</p> <ul style="list-style-type: none"> <li>• Braintree District would lack leadership on addressing climate change;</li> <li>• Interruption to services/increased costs on Council by not being prepared as an organisation for climate impacts in delivering our services and maintaining our estate (flooding/droughts etc.);</li> <li>• Pressures on budgets from increasing utility prices if energy reducing measures not implemented;</li> <li>• No support for households in fuel poverty, numbers will increase across the district;</li> <li>• Fuel poverty related effects of increased winter mortality and cold related illness among residents;</li> <li>• Communities and businesses would be vulnerable by not making our communities and local businesses aware of the impacts of climate change;</li> <li>• Increased carbon emissions - failure to meet national targets;</li> <li>• Not responding to the government's agenda for local</li> </ul>

	authorities; <ul style="list-style-type: none"> <li>• Being left behind by our peers.</li> </ul>
<b>Officer Contact:</b>	Mark Wilson
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## **1. Background**

- 1.1. The Climate Local Commitment is a Local Government Association initiative established to drive and support local authority action on an increasingly changing climate. It has evolved in response to the cessation of the National Indicator set, so now rather than national targets it enables setting locally owned and determined targets. It is set up to support Councils' efforts to both reduce their own carbon emissions and district wide emissions and to improve authority and community resilience to the effects of the changing climate and extreme weather. It has clear links to the key strategic priority of health & wellbeing and the socio-economic agenda in tackling the social issues surrounding fuel poverty.
- 1.2 Braintree District Council signed the local authority Nottingham Declaration on Climate Change back in 2006 and its commitments need updating to respond to the latest climate data and legislation changes. In addition Our Climate Change Strategy is due for review and our Local Authority Carbon Management programme also comes to a close in 2013. This initiative offers a timely opportunity to build on the work that has been done to date and put together a new action plan to map out our future actions.

## **2. What we have achieved internally since 2006**

- 2.1 The Council has successfully implemented measures to reduce its own CO2 emissions by over 1350 tonnes, some 23% from its 2006 baseline across its estate and operations (our original target was 1613 tonnes or 25%).
- 2.2 The focus for our carbon reduction has been on reducing gas, electricity and fuel across the Council's estate and operations, the reductions are as a result of a combination of implementing energy reduction initiatives and reducing the size of our estate. Below are some key achievements a more detailed summary is contained in appendix 2.
  - Gas – we have reduced our consumption of gas since 2006 by **38%** across our estate, providing a financial saving of £135,975/pa.
  - Electricity - we have reduced our consumption of electricity since 2006 by **12%** across our estate, providing a financial saving of £35,696/pa.
  - Transport (fuel) – Between 2008 to 2013 we have seen a 7% reduction in fuel consumption across all our vehicles.
  - Renewable Energy - we have generated 21,500kWh of green electricity and saving 9.5 tonnes carbon during last year through the solar panels on Causeway House.
  - Climate Change - The Council has an internal climate impact risk assessment for its organisation based on 2009 UK Climate Projection data.

## **3. What we have achieved externally since 2006**

- 3.1 The Council has facilitated reductions in the districts energy usage and carbon emissions, below are some key achievements a more detailed summary is contained in appendix 2.

- 3.2 We have implemented energy and carbon reduction measures in homes across the district. Over 3000 homes have been insulated under the Council's own externally funded insulation scheme since 2006, saving residents over potentially £3.3m on their heating bills and 1500 tonnes carbon.
- 3.3 Energy saving Devices - We have distributed 358,985 energy saving light bulbs and other energy saving devices which have contributed to reducing domestic energy costs and CO2 emissions by an estimated 18,423 tonnes since 2006.
- 3.4 Renewable energy installation - we have administered grants to 106 homes in the district for solar photovoltaic panels, solar thermal, heat pumps and wind turbines reducing domestic CO2 emissions by 70 tonnes and saving residents £9000 since 2006.
- 3.5 Waste – we have increased our recycling rate to 56% in 2012
- 3.6 Trees - The Council has planted of 56,922 trees since 2006, which will lock away an estimated 28,460 tonnes CO2.
- 3.7 Transport - we have installed 4.6km of new cycleway since 2007. We have built over 1km of new footpaths on Council owned land.

#### **4. Previous Decisions and Commitments**

- 4.1 On 27th January 2006 the Chief Executive and Leader of the Council signed the Nottingham Declaration making a public declaration of its commitment to reduce its impact on climate change. This provided the overarching commitment across the Council to address climate change. In March 2008 the Council launched the Local Authority Carbon Management Programme (LACM) to run from 2008-13 to reduce carbon emissions and finally in December 2009 the Cabinet endorsed the first Climate Change Strategy, which was for the period 2009-2013.
- 4.2 Within the Council's Corporate Strategy 2012-16, Climate Change and tackling fuel poverty sits under the corporate priority of 'Place'
- 4.3 A new commitment and Climate Local Strategy will make a strong contribution to the achievements of the Council's Corporate Plan. This sets out a commitment to maintain the Council's leading role in local efforts to reduce the impacts of Climate Change.

#### **5. Benefits of Signing up to Climate Local**

- 5.1 This national commitment allows Braintree District Council to align itself with its peers and other authorities across the UK, presenting a united approach to addressing climate change. Since its launch this summer 50 authorities have signed up to the commitment, each producing their action plan tailored to local issues and needs.
- 5.2 Key to the success of Climate Local is partnership working, both through the network of local authority partners and support of relevant national organisations, with the intended outcome being the ability for each individual Council to build their capacity to manage climate risks.

- 5.3 There are a number of drivers for engaging the Climate Local initiative including:
- 12 of the last 14 years have been the warmest globally since records began;
  - 4 of the 5 UK's wettest years on record have been since 2000;
  - Statutory local authority reporting on HECA;
  - Changes in legislation and climate data;
  - Need to build resilience from increasing changes in weather patterns;
  - Urgent need to reduce carbon emissions;
  - Potential for energy shortages from 2015 onwards
  - Government identification of local authority role;
  - National carbon budgets, but no local targets in place;
  - The Council's Climate Change Strategy is due for review;
  - Local Authority Carbon Management Programme ends April 2013;
  - Progressing the Health and Wellbeing agenda;
  - Supports economic growth by encouraging local employment in the green sector and investment in green businesses.

## **6. Next steps following signing of Climate Local Commitment**

- 6.1 Should members decide to sign up to Climate Local commitment then the Council will be required to carry out the following within six months of signing up:
- Set out what actions they intend to undertake locally to reduce carbon emissions (See appendix 3 for proposed high level actions)
  - Set out what actions they intend to undertake to respond to climate change. (including internal actions plus actions to protect the local communities as well) (See appendix 3 for proposed high level actions)
  - Set out their level of ambition and how they are going to monitor and demonstrate their achievements;
  - Much of the actions will have been planned and budgeted for within the Business Plan. However, should there be any major financial implications these will be put before Cabinet for further consideration.
- 6.2 In addition to the above we will also need to:
- Review and conclude the current internal LACM carbon management programme;
  - Review the existing climate change strategy and action plan; and produce new Climate Local Strategy and Action Plan using the Climate Local Commitment and Framework.



The climate local information pack for Council's has been uploaded to the Members Portal.

Follow the following link to access this document:

[http://www.braintree.gov.uk/members/downloads/86/member\\_information](http://www.braintree.gov.uk/members/downloads/86/member_information)

## What we have achieved internally since 2006

### 1. Gas

- 1.1 In 2006 our gas consumption was 12,195,748kWh, by 2012 this dropped to 7,663,221kWh, which is a reduction of almost **38%** across our estate, a financial saving of £135,975/pa. The refurbishment of Causeway House is a good example of how implementing energy saving measures reduces gas consumption, which has seen a 45% drop of 265,000 kWh in gas use for the building.

### 2. Electricity

- 2.1 In 2006 our annual consumption was 3,367,429kWh, by 2012 this has reduced to 2,970,909kWh, a reduction of **12%** across our estate, a financial saving of £35,696/pa. Key examples of how this has been achieved include a comprehensive switch to low energy lighting in our buildings eg, in George Yard car park and Causeway House. Office equipment has been reduced in number and replaced with low energy options, pumps have been upgraded with variable speed drives and where appropriate equipment has been put on timers.
- 2.1 Our leisure centres are managed by our external partner Fusion who are committed to saving energy. One of the first actions implemented with our new partner has been the installing of remote smart metering to enable Fusion and ourselves to understand and manage gas and electric energy consumption at the sites.

### 3.0 Transport (fuel)

- 3.1 Transport related emissions account for a substantial proportion of emissions both within the Council and across the district.
- 3.2 We have reviewed the staff lease car scheme replacing it with a low CO2 vehicle requirement, we have implemented green driver training for over 300 staff to reduce fuel use, secure cycle facilities have been provided for staff / public. Waste fleet vehicles have been replaced with a fuel efficient fleet and for other services smaller vehicles have been introduced where applicable.
- 3.3 While all these measures have sought to reduce fuel consumption, the changes in waste collection extending services to include food waste have increased fleet vehicle movements. Overall we have seen only a 7% reduction in fuel consumption, dropping from 713,084 to 667,644 litres between 2008-2013, Business mileage has reduced from 407,121km to 307,801km between 2006 - 2013, a reduction of 25% or £44,694/pa.

### 4.0 Renewable Energy

- 4.1 Further to reducing our consumption we have installed solar panels at Causeway House, generating 21,500kWh of green electricity and saving 9.5 tonnes carbon during the wettest year on record. This is enough electricity to run 5 average UK households. This has produced an external

income/electricity saving of £9,709 for the Council in the first year of a 25 year FiT contract (predicted payback of 7 years on £68k installation cost).

- 4.2 In 2011 we identified 37 sites in the Council's estate for consideration for solar panels. On further investigation we have dispensed with a substantial number of these buildings on the grounds that they are unsuitable because of roof orientation, pitch of roof or structural constraints. The Council has also gone through a process of transferring ownership of a number of our properties, primarily to the community or sold on the open market.
- 4.3 We are currently in the process of assessing 7 sites that have suitable elevations for solar panels in order to take advantage of the current low price of solar panels, this work is contained in another report going to Cabinet on 30<sup>th</sup> September.

## **5. Climate Change**

- 5.1 The Council carried out an internal climate impact risk assessment for its organisation based on 2009 UK Climate Projection data. We identified risks, which are being built into business plans and the corporate risk register, to enable the authority to build resilience in its estate and in the delivery of its services and operations to extreme climatic conditions.

## **What we have achieved externally since 2006**

- 6.0 We have implemented energy and carbon reduction measures in homes across the district. Over 3000 homes have been insulated under the Council's own externally funded insulation scheme since 2006, saving residents over £3.3m on their heating bills and 1500 tonnes carbon.
- 6.1 We have distributed 358,985 energy saving light bulbs and other energy saving devices through schemes, advice on saving energy has been given to residents, we have made over 1 million contacts (phone, face to face, email, advice leaflets since 2006, all of which is estimated to contribute to reducing domestic energy costs and CO2 emissions by an estimated 18,423 tonnes since 2006.
- 6.2 The Council has distributed renewable energy installation grants to 106 homes in the district for solar photovoltaic panels, solar thermal, heat pumps and wind turbines reducing domestic CO2 emissions by 70 tonnes and saving residents £9000 since 2006.

## **7. Waste**

- 7.1 The Council has increased its recycling rate to 56% in 2012, compared to 35% in 2006. A total of 40,000 tonnes of waste was taken to landfill in 2006, in 2012 the total was reduced to 18,000 tonnes, substantially reducing the amount of waste going to landfill.

## **8. Sustainable Development**

- 8.1 Since 2006 Braintree District Council planning policy has required new homes to reach the Code for Sustainable Homes level 3 energy efficiency standard. Affordable housing has been built to the Code for Sustainable Homes level 4 energy efficiency standard. Commercial development is required to meet

BREEAM very good rating. The result of which has reduced energy consumption and water consumption for new development in the district.

- 8.2 The Council has been responsible through its planting schemes and planning conditions for the planting of 56,922 trees since 2006, that will lock away an estimated 28,460 tonnes CO<sub>2</sub> (assuming 50% grow to maturity).

## **9. Transport**

- 9.1 Transport related emissions account for a substantial proportion of emissions both within the Council and across the district.
- 9.2 In the Council's role of Local Planning Authority we have installed 4.6km of new cycle ways since 2007. We have built over 1km of new footpaths on Council owned land. This is coupled with utilising S106 monies from new development to support public transport facilities and road traffic improvements. The Council applies planning policies to new development that discourages car ownership/use in town centre residential developments and facilities access to public transport.

## **10. Fuel Poverty**

- 10.1 Energy efficiency measures have wider health and wellbeing implications, reducing domestic energy consumption is directly linked to tackling fuel poverty. While we have been very proactive, we have 2010 fuel poverty figures of 14.9%, some 8,796 households in our district. Therefore we urgently need to build on this energy efficiency work. The Government have predicted the national figure will rise from currently 4.5m households to 8.5m by 2020. With oil, gas and electricity prices rising at over 7% a year, this pushes an increasing number of households into fuel poverty. When this is coupled with the financial changes affecting low income households under the new Welfare Reform and universal credit, we recognise there is still much work to do.

## **11. Home Energy Conservation Act**

- 11.1 All local authorities have a newly imposed statutory requirement starting in 2013, reporting progress on local authority internal and district wide carbon reduction measures. It also requires local authorities to set out its programme on the Green Deal and how it will tackle fuel poverty with progress to be monitored and reported to Government in future years.

## **12. Green Deal/Energy Company Obligation (ECO)**

- 12.1 In 2013 the Government launched its energy efficiency scheme for residential properties in partnership with the energy companies. Braintree District Council is involved in developing the Essex Energy Partnership with other local authority partners and social housing providers across Essex to implement the government scheme. It is a collective approach to develop opportunities, procure delivery partners and secure grants and funding across all tenures.
- 12.2 The outcome of this work will support local strategic priorities, including better health outcomes, carbon reduction and improving the energy efficiency of both private and public sector stock. Underpinning this is a requirement to use local contractors and installers wherever possible, creating new employment opportunities within Essex.

### **13. Carbon emissions**

- 13.1 In May 2012 the Government department DECC commissioned a report by the Committee on Climate Change: *'How local authorities can reduce emissions and manage climate risk'*. It identified that local authorities have a crucial role in contributing to carbon emissions reductions and helping the Government meet its UK carbon budgets (milestone targets for reducing carbon emissions up to 2050).

### **14. Climate change impacts (floods/droughts/extreme weather events)**

- 14.1 The 2012 DECC report recognised that building resilience to the impacts of climate change (flooding, heat waves, extreme weather events) must be addressed at a local level. Local authorities have a crucial role in increasing the resilience of buildings and infrastructure in their localities, managing and extending natural resources to promote biodiversity and reduce the risk of flooding, as well as protecting their populations from the health impacts of a changing climate. The Climate Local initiative focuses Council's efforts to reduce flood risks, heat stress, managing the impacts of extreme weather, manage water supply risk and protect our natural environment.

## Climate Local Action Plan (high level actions only)

This draft action plan identifies the areas on which we intend to focus in implementing the Climate Local Strategy and how we will address these issues through future actions and activities.

Issues	High Level Actions
Energy and Carbon Reduction	<b>Internal:</b> Identify further internal CO2 reduction opportunities within our estate, services and operations. Develop actions and business cases for their implementation.
	<b>External:</b> Work with external organisations, local communities and businesses to identify and develop actions and implement carbon reduction measures and renewable energy generation opportunities across the district.
	Work with external organisations, local communities and businesses to identify and implement decentralised energy and renewable energy generation opportunities across the district.
Climate change impacts	As an authority we need to build on the climate risks and adaptation measures identified for our own organisation. Carry out update to reflect latest modelling data, share this data and identified risks with our local communities and businesses. Provide support in applying adaptation measures and build resilience throughout our district.
Home Energy Conservation Act	Develop new climate local strategy and action plan.
	Develop and deliver Green Deal/Energy Company Obligation scheme (ECO). These will provide the basis for delivering the local authority requirements of the Home Energy Conservation Act (HECA) and provide a structure for statutory annual reporting on HECA.

Issues	High Level Actions
Fuel Poverty	Develop a new climate change strategy and action plan, coupled with a Green Deal/ECO delivery programme to target energy inefficient properties and deliver better health outcomes for residents in the district, essential to reduce cold weather related illness and winter mortality.
	Forge stronger relationships with key organisations (including NHS, public health authority, Clinical Commissioning Group, Citizens Advice Bureau, AgeUK, Rural Community Council for Essex, Parish Councils) to enable information to be shared where vulnerable residents are identified to ensure they are able to benefit from grants and support available.
	Work with housing providers to ensure that new affordable housing is built to the highest possible energy efficiency standard to minimise heating costs for residents, especially the vulnerable and those on low incomes.
Green Deal/Energy Company Obligation (ECO)	Develop scheme with local authority partners to secure external funding under Green Deal and ECO.

<b>Homelessness Strategy and Review 2013 to 2018</b>		<b>Agenda No: 7a</b>
<b>Corporate Priority:</b> Supporting vulnerable people in our community <b>Portfolio Area:</b> Planning and Property <b>Report presented by:</b> Cllr Lady Newton <b>Report prepared by:</b> Joanne Albini, Head of Housing		
<b>Background Papers:</b>  Homelessness Strategy and Review 2013 to 2018		<b>Public Report</b>
<b>Options:</b>  To accept the Homelessness Strategy and Review 2013 to 2018 and the associated Delivery Plan.		<b>Key Decision: No.</b>
<b>Executive Summary:</b>  <p>The Council produced its first Homelessness Strategy in 2003 which was updated in 2008 with a strategy to 2013.</p> <p>The existing Homelessness Strategy is due to expire in 2013 and therefore an assessment of the current situation has been necessary to inform the strategic direction of the homelessness priorities and actions for the next five years, 2013 - 2018.</p> <p>The Draft Homelessness Strategy 2013 to 2018 identifies the following three Key Priorities:</p> <ol style="list-style-type: none"> <li>1. Prevention of homelessness</li> <li>2. Provision of accommodation; and</li> <li>3. Managing the impacts of Welfare Reform and the Localism Act.</li> </ol> <p>A number of consultation meetings were held with key partners in 2012 as part of the homelessness review process with the comments contributing to the development of the Homelessness Strategy.</p> <p>The Homelessness Strategy 2013 to 2018 went out to public consultation as a draft document for three months from 17<sup>th</sup> May 2013 to 9<sup>th</sup> August 2013.</p> <p>Only a few comments were received during this period resulting in minor changes being made.</p> <p>Please follow this link to the Homelessness Strategy and Review 2013 to 2018 and associated documents: <a href="#">Homelessness Strategy and Review 2013 to 2018</a></p>		



<b>Decision:</b>
Members are asked to approve the Homelessness Strategy and Review 2013 to 2018.
<b>Purpose of Decision:</b>
To seek the Cabinets approval to Homelessness Strategy and Delivery Plan.

Any Corporate implications in relation to the following should be explained in detail	
<b>Financial:</b>	Homelessness is statutory function and there are direct costs to the Council associated with the provision of the service and temporary accommodation. For 2013/14 and 14/15 the Council has set aside a total provision of £150,000 to help address housing needs which are anticipated to increase as a result of Welfare Reform changes.
<b>Legal:</b>	The Council can be subject to legal challenges in a number of areas relating to the homelessness decisions that it makes.
<b>Equalities/Diversity</b>	An Equality Impact Assessment has been undertaken for this strategy and is available on the councils website: <a href="#">Draft Homelessness Strategy 2013 to 2018 EqIA</a>
<b>Customer Impact:</b>	The Homelessness Strategy aims to prevent homelessness and support customer that become homelessness.
<b>Environment and Climate Change:</b>	N/A
<b>Consultation/Community Engagement:</b>	The Draft Homelessness Strategy 2013 to 2018 went out to public consultation for 3 months from 17 <sup>th</sup> May to 9 <sup>th</sup> August 2013.
<b>Risks:</b>	The Strategy and Delivery Plan aim to manage the risks associated with homelessness.
<b>Officer Contact:</b>	Jo Albini or Donna Goodchild
<b>Designation:</b>	Head of Housing/Housing Options Manager
<b>Ext. No.</b>	2118
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# Homelessness Strategy 2013 to 2018

## **1.0 Review of the Homelessness Strategy 2008 to 2013**

- 1.1 The Council produced its first Homelessness Strategy in 2003 which was updated in 2008 with a strategy for the following 5 years.
- 1.2 The Homelessness Strategy 2008 - 2013 provided guidance for embedding protocols for use of emergency overnight accommodation, moving young people on from supported temporary housing units and making better use of the private rented sector for meeting housing needs.
- 1.3 The existing Homelessness Strategy is due to expire in 2013 and therefore an assessment of the current situation has been necessary to inform the strategic direction of the homelessness function for the next five years, 2013 - 2018.

## **2.0 Homelessness Strategy 2008 - 2013: Achievements**

- 2.1 Implementation of the Gateway to Homechoice sub-regional choice based lettings scheme.
- 2.2 The Government target for the Council to halve the number of households resident in temporary accommodation by December 2010 was achieved, with 31 households in temporary against a target of 57 or under. However, there were 64 households in temporary accommodation at the end of July 2013.
- 2.3 Established a Joint Referral Panel (JRP) to consider referrals to supported accommodation schemes in the district for single people. Considerable reduction in duplication of work achieved and simpler process for applicants. This also includes a pre – eviction panel to ensure eviction is an absolute last resort.
- 2.4 Housing Options Officer with specialism in Mortgage Rescue Scheme established.
- 2.5 Programme of quarterly Housing Breakfast Briefings established, on the topic areas of the work of the Housing Options Team and the Housing Register aimed at key stakeholder groups.
- 2.6 Severe Weather Emergency Protocol established to help rough sleepers in very cold weather.
- 2.7 Restructure of the Council's Housing Advice and Homelessness teams to a single Housing Options Team. This provides greater continuity of service to the client.
- 2.8 The restructure also enabled a post in the team to be re-designated as an Accommodation Officer to work with private landlords and increase opportunities for using this sector to meet housing needs.
- 2.9 The re-provision of a NACRO run supported housing scheme based at Trinity House, Halstead to a new build scheme was achieved in July 2013.

- 2.10 An 'Enhanced Housing and Work Advice' online tool developed to help support people in identifying their housing, employment and training opportunities.
- 2.11 In 2009 a Council owned supported housing scheme for vulnerable young parents was transferred to Family Mosaic Housing Association, who have invested in and improved the accommodation. Also two additional units of temporary accommodation secured via Family Mosaic.
- 2.12 'Housing StatNav' - This is a partnership project between Greenfields Community Housing and the Council. Housing StatNav is an innovative on line tool providing housing needs information for all towns and parishes across the Braintree District.

### **3.0 The New Review and Strategy Documents**

- 3.1 The Homelessness Review and Strategy 2013 - 2018 is contained within one document and provides an assessment of the current situation regarding homelessness, both nationally and locally, and a five year action plan for meeting the strategic objectives identified as part of the review.
- 3.2 Section 153 of the Localism Act 2011 came into force by commencement order on 7th June 2012 and prescribes the relationship between schemes and strategies that local authorities must have regard to in developing or modifying their local preventing homelessness strategies:

*In formulating or modifying a homelessness strategy, a local housing authority in England shall have regard to—*

- (a) its current allocation scheme under section 166A of the Housing Act 1996,*
- (b) its current tenancy strategy under section 150 of the Localism Act 2011*

- 3.3 The main objectives/priorities of the Homelessness Strategy will feed into the district Housing Strategy. The key priorities of the strategy are:
  - 1. Prevention of homelessness
  - 2. Provision of accommodation; and
  - 3. Managing the impacts of Welfare Reform and the Localism Act.
- 3.4 The Homelessness Strategy Delivery Plan and monitoring will be facilitated by the Council's online performance management system, Covalent. We expect the Homelessness Strategy 2013 - 2018 to be identified as a "Key Service project" and therefore quarterly project update reports will be required for consideration by the Cabinet Members.

### **4.0 Public Consultation**

- 4.1 The Draft Homelessness Strategy 2013 to 2018 was out to public consultation for three months from 17<sup>th</sup> May 2013 to 9<sup>th</sup> August 2013. This was facilitated by:
  - Email alerts to members, parish council clerks and stakeholder groups including:
    - Local housing associations
    - Safer Places
    - Braintree District Voluntary Sector Agency (BDVSA)
    - First Stop

- Essex County Council
  - Salvation Army; and
  - Citizens Advice Bureau (CAB)
  - Press releases to local media
  - Information and alerts on the councils website
- 4.2 A second round of publicity was undertaken mid-July and included recirculation of email alerts and documentation, a second press release and alerts on the council's homepage.
- 4.3 Responses to the invitation to consultation were received from the Salvation Army, One Support and Toppesfield Parish Council and where appropriate these have been included.
- 4.4 Comments have resulted in minor changes being made to wording. There was no comment about the aims and key priorities of the strategy.

<b>Discretionary Business Rates Relief</b>		<b>Agenda No: 8a</b>
<p><b>Corporate Priority:</b> Boost employment, skills and support business Securing appropriate infrastructure and housing growth Promoting and improving our town centres</p> <p><b>Portfolio</b> Prosperity and Growth  <b>Report presented by:</b> Councillor Chris Siddall/ Councillor David Bebb  <b>Report prepared by:</b> Peter Smith, Head of Economic Development and Regeneration / Trevor Wilson, Head of Finance</p>		
<b>Background Papers:</b>		<b>Public Report</b>
<p><b>Options:</b></p> <ol style="list-style-type: none"> <li>1. To approve or not approve criteria for offering Discretionary Business Rates relief</li> <li>2. To approve or not approve delegation of authority to approve applications for Relief to the Corporate Director</li> <li>3. To approve or not approve a budget of £100,000 (from balances) to fund Discretionary Business Rate Relief</li> </ol>		<b>Key Decision: Yes</b>
<p><b>1. Background</b></p> <p>1.1 The Localism Act 2011 provides a discretionary power for local authorities to reduce business rates, subject to this being in the interest of Council Tax payers, and this being compliant with State Aid rules. This power came into effect on 1st April 2012. This is on top of a range of mandatory and discretionary relief that was already available (see below).</p> <p>1.2 The Government introduced the Business Rates Retention scheme, under the Local Government Finance Act 2012, with effect from April 2013. In summary, under the scheme the Government has calculated a baseline figure of business rates that each local authority is to retain (£3,046,279 for Braintree District in 2013/14). Business rates collected above this baseline are split initially 50:50 with the Government, with the District Council entitled to 80% of this amount (18% goes to Essex County Council and 2% to Essex Fire and Rescue). The District Council's entitlement is then subject to a levy of 50% by the Government. The District Council consequently retains 20% of the additional business rates collected. Conversely, if rates collected drop below the baseline amount, the Council must contribute toward a share of the loss but this is not open ended as there is a safety net set at 7.5% (i.e. the Council would pay no more than £228,471).</p>		

## **2. Business Rates in Braintree District**

2.1. As at May 2013 the Council, as billing authority has 4,391 properties on the business rate system. The total of the rateable values, determined by the Valuation Office, for these properties is £103.2million and the net business rate liability for the current year is £41.49million. Key facts and figures are:

- The highest business rates paid are £514,000
- 3 of the 4 highest rates are paid by the major supermarkets
- 60% of business properties are in the 2 lowest Rateable Value (RV) categories (up to £12,000 RV)
- 25% of rates payable are for businesses in the £18,000 - £50,000 RV category - typical businesses in this category are retail
- Larger businesses are typically in the £100,000- £500,000 RV category but represent only 1% of businesses and generate around 17% of rates income

## **3. Current mandatory/discretionary business rate relief**

3.1. Business Rate relief is currently available for the following businesses:

### **Mandatory**

- Small businesses – up to 50% mandatory relief depending on rates payable (temporarily increased to 100% for 2013/14) – (Council liability 40% of relief granted)
- Rural businesses – 50% mandatory relief for pubs and petrol stations, shops and post offices dependent on rates payable and conditional on being the only such business in a settlement (Council liability 40%)
- Empty property exempt from business rates for 3-6 months depending on function (empty shops would normally be exempt for 3 months, empty industrial units for 6 months)
- Unoccupied new build exempt for up to 18 months if built between 1<sup>st</sup> October 2013 and 30<sup>th</sup> September 2016.

### **Discretionary**

- Hardship relief – up to 100% discretionary relief (Council liability 40%)
- Rural businesses – the Council has discretion to top-up the 50% mandatory relief to 100% (Council liability 40%)

## **4. Proposal for Discretionary Business Rate Relief**

4.1 Discretionary relief, granted under the Localism Act 2011, can only be granted if it is in the interest of Council Tax payers. In an impact assessment on the new powers, DCLG stated that ‘ if a business could be encouraged to start up, expand, or simply stay solvent as a result of a business rate discount, this would have spill-over effects for the communities in which they operated, improving prospects for employment and growth.

4.2 A survey by Local Government Chronicle in 2012 revealed that the vast majority of authorities have not taken the opportunity to create bespoke business rate discount schemes in their areas. Only 18 of the 326 authorities have taken the opportunity to draw up their own 'discretionary rate relief' schemes. Of those 18 local authorities, 10 were in London and the South – none of Braintree's neighbouring Districts have introduced a scheme.

4.3 As a discretionary scheme, it is recommended that relief is made available to businesses on a case by case basis against the criteria set out below, rather than against defined categories where relief would be payable.

4.4 Those criteria include where relief would contribute to the delivery of priorities set out in the District Economic Development prospectus. This would give the option of targeting relief to:

1. Support significant expansion of existing businesses
2. Attract inward investment
3. Support the occupation of empty commercial/industrial/retail premises where this would contribute to regeneration
4. Support the growth of rural businesses

4.5 The cost of the relief granted will be met in full by the Council.

## **5. Criteria for agreeing Discretionary Business Rate Relief**

5.1 Non Domestic Rate relief would be discretionary. It is proposed that applications for relief be assessed against the economic benefits that would be achieved with the following criteria be taken into account:

1. Whether discretionary relief would create employment
2. Whether relief would lead to displacement – i.e. businesses moving within the District
3. Whether relief would contribute to delivering the priorities of the District Economic Development Prospectus
4. Whether there is a credible business plan to demonstrate that the business (and jobs created) is (are) sustainable
5. Whether relief would lead to an overall uplift in business rates in the District which (if retained through the Business Rates Retention Scheme) would at least offset the relief provided

## **6. Budget and approval**

6.1 To be effective, Discretionary Business Rate Relief would need to be agreed only for proposals with significant economic impact. It is therefore recommended that £100,000 be set aside from balances to fund this Discretionary Business Rate Relief.

6.2 It is recommended that proposals for Discretionary Business Rate Relief are assessed by officers against the above criteria and approved by the Corporate Director, in consultation with the Cabinet Member for Prosperity and Growth; the Cabinet Member for Performance and Efficiency.

**Decision:**

1. To approve criteria for the use of Discretionary Business Rate Relief as set out in the report.
2. To delegate authority to approve applications for Relief to the Corporate Director, in consultation with the Cabinet Member for Prosperity and Growth; the Cabinet Member for Performance and Efficiency.
3. To approve a budget of £100,000 be set aside from balances to fund this Discretionary Business Rate Relief. The £100k is for a 12 month period commencing 1st Oct 2013, to be reviewed after that period as to its effectiveness and value for money.

**Purpose of Decision:** to seek Member approval for the use of Discretionary Business Rate Relief, delegation of approval to agree applications for Relief to the Corporate Director, and agree the source of funding for the relief.

**Any Corporate implications in relation to the following should be explained in detail**

<b>Financial:</b>	It is proposed that £100,000 be allocated from balances to provide a fund to meet the cost of this discretionary rate relief. The level of relief to be granted, if any, will range from 0% to 100% of the ratepayers liability. Given the continuing reduction in government grant funding to the Council, awards of this discretionary rate relief will be made for a fixed period and reviewed on an annual basis.
<b>Legal:</b>	The proposed extension to the Council's Discretionary Rate Relief Policy will enable the Council to be able to respond to requests for rate relief from those organisations as now permitted under changes introduced by the Localism Act 2011.
<b>Equalities/Diversity</b>	The Discretionary Rate Relief Policy clearly shows the criteria on which premises could be eligible so that all potential applicants are aware of why their application has been either accepted or refused.
<b>Customer Impact:</b>	The proposed policy extension is devised to protect or increase employment opportunities.
<b>Environment and Climate Change:</b>	The ratepayer must show that the organisation will comply with all legislative requirements and operate in an ethical, sustainable and environmentally friendly manner at all times.
<b>Consultation/Community Engagement:</b>	The District Business Group has been consulted in the past on the impact of Business Rates on business survival and growth. The draft District Economic Prospectus (currently out for consultation) also highlights as a potential action providing targeted business rate relief to stimulate investment and jobs growth.



<b>Risks:</b>	<p>Risk that the relief granted to organisations will exceed the budget available.</p> <p>Risk that economic benefits used to assess applications for relief are not delivered</p> <p>Risk that businesses offered relief fail</p>
<b>Officer Contact:</b>	Peter Smith/ Trevor Wilson
<b>Designation:</b>	Head of Economic Development and Regeneration/ Head of Finance
<b>Ext. No.</b>	2580 / 2801
<b>E-mail:</b>	<a href="mailto:peter.smith@braintree.gov.uk">peter.smith@braintree.gov.uk</a> / <a href="mailto:trevor.wilson@braintree.gov.uk">trevor.wilson@braintree.gov.uk</a>

First Quarter Performance Management Report 2013/14		Agenda No: 9a
Corporate Priority:	Providing value for money and delivering excellent customer service	
Portfolio Area:	Performance and Efficiency	
Report presented by:	Cllr David Bebb	
Report prepared by:	Tracey Headford – Performance Improvement Officer	
Background Papers:	Public Report	
First Quarter Performance Management Report 2013/14		
Options:	Key Decision: No	
To endorse the report.		
<b>Executive Summary:</b>		
<p>The purpose of the report is to summarise the performance of the Council at the end of the first quarter (April to June 2013) in relation to the publication of ‘Our plans for the District 2013/14’ which sets out our key activities and measures used to check our performance for the forthcoming year and along with the Corporate Strategy 2012-16 sets out the priorities we are working towards.</p>		
<b><i>In summary at the end of the first quarter: Projects</i></b>		
<ul style="list-style-type: none"><li>• There are 35 projects in total of which:<ul style="list-style-type: none"><li>○ 1 project is completed</li><li>○ 32 projects are on track</li><li>○ 2 projects have an amber status</li></ul></li></ul>		
<b><i>In summary at the end of the first quarter: Performance Indicators</i></b>		
<ul style="list-style-type: none"><li>• There are 13 performance indicators reported on of which:<ul style="list-style-type: none"><li>○ 5 performance indicators have achieved target</li><li>○ 5 performance indicator has missed target by less than 5%</li><li>○ 2 performance indicators have missed target by more than 5%</li><li>○ 1 performance indicator is for information purposes only and does not have any target set</li></ul></li></ul>		
<p>It has been a good start to the year in respect of the projects with the majority of them on track and progressing well.</p>		

Where we have been measuring our performance against a set of key performance indicators, there have been a number of factors that have affected the overall performance. The main reasons for not meeting performance are the adverse weather conditions at the start of the quarter and the changes to the benefit systems causing delays in processing times.

The Council faces some tough challenges ahead but remains as committed as ever to delivering high quality services which are responsive to customer needs, whilst supporting our communities and boosting our local economy.

### **Financial Performance**

- The Council is forecasting an overall overspend for the year of £197,000 (1%) against the budget of £15.841 million.
- The budget variance includes a projected under-achievement of income of £198,000. This includes a one-off anticipated refund of previous year tipping away payments paid to the Council in error of £104,000. Shortfalls in fees and charges for services are predicted in Development Control, Building Control, and the Town Hall Centre, whereas other service areas, such as Waste Management, Community Transport, and Asset Management, are anticipating an over-achievement of income. Additional income is also expected from precepting authorities under the agreement to share increased council tax income arising from changes to property exemptions and discounts introduced from April 2013.
- Whilst salary budgets are predicted to be underspent by £103,000, this represents a shortfall of £284,000 against the corporate efficiency target of £387,000. Projections are based on staffing changes known at the time of review; therefore, staff changes effective in the latter part of the year and merit awards paid in August will affect the projected shortfall.
- Services are currently forecast to underspend against their non-staffing expenditure budgets by £285,000. This includes a one-off back-dated refund of business rates of £107,000 for Causeway House following a reduction in rateable value after appeal, and lower external transport costs for Waste Management (£52,000) due to changes in service arrangements for green waste.

For a detailed explanation of the financial performance, please refer to page 16 onwards of the full report.

### **Decision:**

To note and endorse the report

### **Purpose of Decision:**

To inform the Cabinet of the performance of the Council

<b>Corporate implications [should be explained in detail]</b>	
<b>Financial:</b>	See page 16 of the report
<b>Legal:</b>	N/A
<b>Equalities/Diversity</b>	N/A
<b>Customer Impact:</b>	N/A
<b>Environment and Climate Change:</b>	N/A
<b>Consultation/Community Engagement:</b>	N/A
<b>Risks:</b>	N/A
<b>Officer Contact:</b>	Tracey Headford
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<b>Medium-Term Financial Strategy 2013/14 to 2016/17 Update</b>		<b>Agenda No: 9b</b>
<b>Corporate Priority:</b> Deliver excellent customer service and Provide value for money <b>Portfolio Area:</b> Performance and Efficiency <b>Report presented by:</b> Cllr David Bebb <b>Report prepared by:</b> Trevor Wilson		
<b>Background Papers:</b>  Council Budget and Council Tax 2013/14 and Medium Term Financial Strategy report to Cabinet 4 <sup>th</sup> February 2013 and Full Council 20 <sup>th</sup> February 2013.		<b>Public Report</b>
<b>Options:</b>		<b>Key Decision: No.</b>
<b>Executive Summary:</b>  <b>1. Background and Purpose of report</b>  The MTFS 2013/14 to 2016/17 was agreed by Council on 20 <sup>th</sup> February 2013. The budgets for 2013/14 and 2014/15 were balanced with net allocations from the general balance to meet one-off investment in priority areas.  Shortfalls in funding were identified for 2015/16 of £708,193 and 2016/17 of £588,625, based on assumptions on the best information available at the time and recognising that it is inevitable that these will change particularly those affecting 2015/16 onwards. At the time it was identified that the Council would have options to: <ul style="list-style-type: none"> <li>• look for additional savings;</li> <li>• generate additional income;</li> <li>• apply some or all of the New Homes Bonus to support the revenue account;</li> <li>• use balances; or</li> <li>• a combination of each of the above.</li> </ul> As work commences on developing the budget for 2014/15 and rolling the MTFS period forward to 2014/15 to 2017/18, it is appropriate to review the following: <ul style="list-style-type: none"> <li>• assumptions regarding the funding resources from central government following the 2013 Budget Statement and the outcome of the Spending Round 2013;</li> <li>• expenditure and income in the current year against the agreed budget, using actual data for the first quarter to predict the outturn for the year;</li> </ul>		

- achievement to-date of the savings and efficiencies planned for 2013/14;
- details of any pressures which may increase cost or reduce income in the current year;
- assumptions made for 2014/15 to 2016/17, including pay and prices inflation, interest rates, etc.; and
- progress with the delivery of the capital programme and an update on capital resources

and finally to agree the budget process and consultation timetable between now and the council tax and budget setting meeting of the Full Council on 17<sup>th</sup> February 2014.

## **2. Central Government Funding**

### **2.1 Local Government Finance Settlement**

The government announced in the 2013 Budget that further reductions would be made to the local government spending control total for 2014/15 and outlined in the 2013 Spending Round the reductions in Local Government Departmental Expenditure Limits for 2015/16.

The proposed change to the provisional Financial Settlement for 2014/15 is to reduce the amount of grant the Council receives to £6.668million (a reduction of £70,000 over the amount notified in February 2013).

The provisional Financial Settlement for 2015/16 is £5.645million a reduction against 2014/15 of £1.023million (equates to 15.3%). This consists of a combination of a reduction in Revenue Support Grant of £1.112million or 31.6% and an increase in Business Rates Baseline of £89,000 or 2.8%.

As the government has not provided detail of the financial settlement for 2016-17 and 2017-18 the current assumption of a 7% reduction per annum is retained. This provides reductions of grant of £395,000 and £367,000 for 2016-17 and 2017-18 respectively.

### **2.2 New Homes Bonus and the Local Growth Fund**

In Spending Round 2013 (SR 13) the government announced that it intends to take £400million per annum from New Homes Bonus allocations to part-fund the Single Local Growth Fund. This will be an ongoing deduction that is due to start in 2015/16.

The £400million will be passed to Local Enterprise Partnerships (LEPs), with the intention that it is used for housing and local growth priorities.

An estimate of the Council's New Homes Bonus receivable in 2015-16 is £2.694million. The Government proposed two methods for reducing local authorities New Homes Bonus from 2015-16. Under option 1 the Council's NHB would reduce by £944,000 and under option 2 the reduction would be £508,000.

Following consultation with the Corporate Director (Finance) the Cabinet Member for Performance and Efficiency has responded on behalf of the Council that of the two options presented option 2 is preferred, as this ensures a lesser amount is taken away from the district where the new homes have been provided.

### **2.3 Business Rates Retention – Pooling**

The Government has announced that the next opportunity for local authorities to enter into a pooling arrangement will be for the financial year 2014/15. The expected deadline for the submission final pooling groups is 31<sup>st</sup> October 2013.

By local authorities in an area combining to operate a pooling arrangement it is possible to retain more of the additional funds from growth in business rates within a county wide area. The possibility of Pooling was considered in Essex for 2013/14 but was not pursued.

It is proposed that this Council participates in the development of a pooling scheme for Essex that closely follows the Suffolk county model which has been operating since 1<sup>st</sup> April 2013, i.e. on the basis that no authority can be worse off in the pool than they would have been outside it, and minimises the amount of growth in business rates that is paid to the central pool.

## **2.4 Local Council Tax Support Scheme**

In determining the Local Council Tax Support scheme (LCTS) to replace the national Council Tax Benefit scheme from 2013/14 the Council agreed that one of the key drivers would be to match the reduction in Government funding with a reduction in the amount of council tax support given to working age claimants.

Whilst the government specified the funding for the LCTS scheme to each of the precepting authorities for 2013-14, this will not be the case for 2014-15, as the grant is being subsumed within the Revenue Support Grant.

Applying the estimated reduction, to this Council's financial settlement for 2014-15 of 13.5%, to the grants received for the LCTS scheme by the precepting authorities in 2013-14 this would reduce the total amount receivable to £7.555million (a reduction of £1.179million).

The difference between the estimated amount of grant receivable for 2014-15 (of £7.555million) and the current amount of LCTS awarded uplifted by 1% for annual change in living allowances, used in the calculation of LCTS, (of £8.264million) is a shortfall of £709,000. This amount would increase further if the level of council tax for the Braintree district is increased for 2014-15.

However, at this time it is not proposed to change the LCTS scheme for 2014-15, for the following reasons:

- The current scheme has only been in operation for five months, at the time of writing, and the full effect on the Council's finances has not as yet been determined; and
- The objective of the Government's Welfare Reforms, of which LCTS is a part, is to encourage people to gain employment. If successful this will reduce the number of working age claimants. The Council's focus on economic development and for improving employment in the district supports this objective.

## **3. Financial Update 2013-14**

The predicted outturn for 2013-14 is an overspend for the year of £197,000 (+1.0%) and is a combination of a net under-achievement of income of £198,000 offset partially by a small underspend against expenditure budgets of £1,000.

A total of £1.695million of savings/efficiencies and additional income is included in the budget for 2013/14. The majority of these have been or will be delivered in the year as planned.

The Business Rates Retention scheme was introduced for 2013/14. Under the scheme the Government calculated a baseline amount of business rates which it would allow local authorities to retain as part of its funding for local government. The Council's baseline figure for 2013/14 is £3,046,279.

The actual amount to be retained for the year will depend on three key variables:

- Losses on collection;
- Growth or reduction in rateable;
- Rateable values changed as a result of Appeal to the Valuation Office.

As at the end of July 2013 the gross yield had reduced by £426,000 to £47.299million, indicating that a number of appeals have been successful. Mandatory reliefs are £250,000 higher than estimated and this is mainly due to a number of schools in the district achieving Academy status (schools under Essex County Council are not entitled to rate relief). In addition the amount of relief for empty properties is also higher than estimated.

A full review of these key variables is currently in progress and the position at the end of September will be used to update the current year's estimate and to determine the expected amount of business rates to be retained in 2014-15.

#### **4. Financial Profile 2014-15 to 2017-18 – Assumptions Update**

No changes to the assumptions regarding pay award, inflation, interest rates, fees, charges, rents, third party contributions are proposed at this time but these will be subject to ongoing review during the budget setting process.

#### **5. Localism Fund**

The Localism Fund was established with a budget of £397,190 for 2013/14. Cabinet agreed that in future years, the amount paid will increase or reduce in line with the funding received by this Council from the annual Central Government grant settlement. This means that all of the information required by the Town and Parish Councils, i.e. Localism Fund payment and the council taxbase figure for the next financial year, will be provided to them in early December (subject to the District Council receiving its grant notification from Central Government).

#### **6. Priority Area Investment**

Funds provided for investment in priority areas were agreed for up to a maximum of two years, this was to ensure that no ongoing commitment was created.

#### **7. Council Tax levels**

The current financial profile assumes no increase in council tax for 2014/15 and 2015/16. An increase of 2% per annum is assumed for financial planning purposes for 2016/17 onwards. The Government has set the local authority tax referendum threshold at 2%.

#### **8. Triennial Review of Essex Pension Fund**

The pension fund deficit contribution and the employer's ongoing contribution rate for the three year period 2014/15 to 2016/17 are currently being determined by Essex County Council, as administrator of the Essex Pension Fund. The outcome of this triennial review is expected in October 2013.



## 9. Updated Financial Profile

In summary, the impact on the Council's Financial Profile 2013/14 to 2017/18 of the changes identified at this first stage in the budget setting process is:

2014-15	£100,000 addition to balances
2015-16	£850,000 savings required
2016-17	£653,000 savings required
2017-18	To Be Determined

## 10. Budget Process

Following the notification from Government of the proposed changes to funding for local government and the assessment of the impact on the Council's Medium-Term Financial Strategy the Leader of the Council and the Chief Executive determined that the development of options to address the budget shortfalls should start immediately.

On 20<sup>th</sup> August 2013 the Chief Executive wrote to all staff and Members to inform them of the challenge to make savings of approximately £1.5million by 2016/17, the proposed process and timetable.

### Decision:

Members are asked:

- a) To endorse the action taken by the Leader of the Council and Chief Executive to commence a process to identify £1.5million of savings required by 2016-17;
- b) To note the 2014-15 budget process timetable as detailed in the report;  
**Business Rates pooling:**
- c) That in principle agreement be given to joining an Essex pool for non-domestic rates for 2014-15;
- d) That a scheme similar to that in existence in Suffolk be pursued, on the basis that no authority can be worse off in the pool than they would have been outside it;
- e) That the work on developing a county wide pool be supervised through the Essex Strategic Leaders Finance Group; and
- f) That authority be delegated to the Cabinet Member for Performance and Efficiency and the Corporate Director (Finance) to give final agreement of the Council's participation in an Essex pooling arrangement.

**Purpose of Decision:**

Good governance arrangements through the proactive management of the Council's finances over the short and medium term.

**Any Corporate implications in relation to the following should be explained in detail****Financial:**

The Government's provisional financial settlements for 2014/15 and 2015/16 for the Council result in reductions over the previous year of £1.045million and £1.023million. For 2016/17 and 2017/18 reductions of £395,000 and £367,000 are predicted. Provision has been allowed for inflation in each year on certain items of expenditure and income. Levels of council tax are currently based on nil increase in 2014/15 and 2015/16 and a 2% increase in the following years.

The results of the triennial review of the Essex Pension Fund are expected in October/November 2013 and these will determine the Council's contributions for 2014/15 to 2016/17. No financial provisions have been allowed at this time.

On the basis that savings and budget reductions for 2014/15 already identified are deliverable the budget for that year is currently balanced. However, the budget position for 2015/16 and 2016/17 show shortfalls of £849,580 and £653,160 respectively.

It is proposed that the process to identify options for making savings to meet the £1.5million shortfall for the two years should be commenced immediately.

The Council has opportunity to join with other local authorities in Essex to enter into a pooling arrangement which will make it possible to retain more of the additional funds from growth in business rates within the county wide area. It is estimated that an additional resource of £3.2million could be retained within Essex in 2014/15 as opposed to being paid to the government.

**Legal:**

None at this stage but legal implications will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.

<b>Equalities/Diversity</b>	None at this stage but equalities and/or diversity implications will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.
<b>Customer Impact:</b>	None at this stage but customer impact will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.
<b>Environment and Climate Change:</b>	None at this stage but environment and/or climate change implications will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.
<b>Consultation/Community Engagement:</b>	Identified in the report.
<b>Risks:</b>	The assumptions made prove to be incorrect resulting in either an increase or reduction in the savings required.
<b>Officer Contact:</b>	Trevor Wilson
<b>Designation:</b>	Head of Finance
<b>Ext. No.</b>	2801
<b>E-mail:</b>	Trevor.wilson@braintree.gov.uk

## 1. Background

1.1 The strategic approach in setting financial plans over the medium-term follows a set of principles developed over the last few years. The key elements in identifying areas for efficiencies and savings being:

- Focussing on the services and functions over which the Council has discretion;
- Focus on improving efficiencies in the back office functions and processes;
- Maintaining frontline services;
- Identifying other areas for detailed review and improvement over the following three years of the Strategy period; and
- Maintaining the focus on residents' priorities.

The Council's budget strategy is to:

- be a low council tax rate authority;
- have plans to deliver a balanced budget over the four-year period of the Medium Term Financial Strategy (MTFS); and
- maintain a minimum level of unallocated balances of £1.5million

1.2 The MTFS 2013/14 to 2016/17 was agreed by Council on 20<sup>th</sup> February 2013. The budgets for 2013/14 and 2014/15 were balanced with net allocations from the general balance to meet one-off investment in priority areas.

1.3 Shortfalls in funding were identified for 2015/16 of £708,193 and 2016/17 of £588,625, based on assumptions on the best information available at the time and recognising that it is inevitable that these will change particularly those affecting 2015/16 onwards. At the time it was identified that the Council would have options to:

- look for additional savings;
- generate additional income;
- apply some or all of the New Homes Bonus to support the revenue account;
- use balances; or
- a combination of all.

1.4 As work commences on developing the budget for 2014/15 and rolling the MTFS period forward to 2014/15 to 2017/18, it is appropriate to review the following:

- assumptions regarding the funding resources from central government following the 2013 Budget Statement and the outcome of the Spending Round 2013;
- expenditure and income in the current year against the agreed budget, using actual data for the first quarter to predict the outturn for the year;
- achievement to-date of the savings and efficiencies planned for 2013/14;
- details of any pressures which may increase cost or reduce income in the current year;
- assumptions made for 2014/15 to 2016/17, including pay and prices inflation, interest rates, etc.; and

- progress with the delivery of the capital programme and an update on capital resources

and finally to agree the budget process and consultation timetable between now and the council tax and budget setting meeting of the Full Council on 17<sup>th</sup> February 2014.

## **2. Central Government Funding**

- 2.1 The government announced in the 2013 Budget that further reductions would be made to the local government spending control total for 2014/15 and outlined in the 2013 Spending Round the reductions in Local Government Departmental Expenditure Limits for 2015/16.
- 2.2 As a consequence of the announcements the Department for Communities and Local Government (DCLG) on 25<sup>th</sup> July 2013 issued three consultation documents:
  - Local Government Finance Settlement 2014-15 and 2015-16 – Technical Consultation – consultation period closes on 2<sup>nd</sup> October 2013.
  - New Homes Bonus and the Local Growth Fund – Technical Consultation – consultation period closes on 19<sup>th</sup> September 2013.
  - Proposals for the use of capital receipts from asset sales to invest in reforming services – Consultation Document – consultation period closes on 24<sup>th</sup> September 2013.

And two Guidance Notes documents:

- Business Rates Retention – Pooling Prospectus
- Capitalisation Directions 2013-14 Policy and Procedures

## **3. Local Government Finance Settlement 2014-15 and 2015-16**

### **3.1 Summary of changes to the 2014-15 settlement**

- 3.1.1 The government published the illustrative 2014-15 settlement on 4 February 2013. Since then, two changes have affected the overall quantum of funding:
- 3.1.2 An announcement in the 2013 Budget that further reductions would be made to the local government spending control total. This resulted in a reduction of Revenue Support Grant of £219million, or 1.73%.
- 3.1.3 Offsetting this, the Retail Price Index (RPI), used to calculate the local share of aggregate business rates in 2014-15, is now projected to be 0.19% higher than at the time of the illustrative settlement. Including business rates, the overall reduction in funding (relative to the illustrative settlement) is reduced to £198million, or 0.83%.
- 3.1.4 In 2014-15, the government is proposing to increase the amount of Revenue Support Grant that is held back to fund the safety net, by £95million. This may be offset by a reduction in the amount held back to fund capitalisation by £50million.

### **3.2 Summary of changes to the 2015-16 settlement**

- 3.2.1 The 2013 Spending Round set out reductions in Local Government Departmental Expenditure Limits (DEL) of 2.3% in 2015-16. This translates to an annual reduction in Revenue Support Grant of £3.2 billion, or 24.2%. As business rates are projected to increase by 2.8%, this gives an overall reduction in funding of £2.9 billion, or 11.9%.
- 3.2.2 The majority of New Homes Bonus funding (all but the first £250million per annum) is provided by local authorities, through a reduction to Revenue Support Grant. By 2015/16, the National Audit Office (NAO) estimates that New Homes Bonus will distribute £1,140million in funding, £890million of which will be taken from Revenue Support Grant.
- 3.2.3 The consultation sets out the proposed reductions that will be applied to each element of the Revenue Support Grant in 2015-16.
- 3.2.4 The consultation concludes with proposals for rolling the 2013-14 Council Tax Freeze Grant into the 2015-16 settlement, and for reducing funding for those authorities no longer eligible to participate in the Carbon Reduction Commitment Energy Efficient Scheme (CRCEES).
- 3.2.5 Impact on the Council of the Financial Settlement proposals for 2014-15 and 2015-16 is summarised in the table below:

<b>Government Funding - Proposals for Financial Settlements 2014-15 and 2015-16</b>							
		<b>2012/13 Adjusted £'000</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>
<b>MTFS - Profile - Council 20 Feb 2013</b>							
Formula Funding:		6,679					
Business Rates Baseline			3,046	3,140	2,698	2,203	
Revenue Support Grant			3,142	3,221	3,218	3,299	
Local Council Tax Support Grant		1,150	1,148				
Council Tax Freeze Grant 2011/12		218	218	218			
Homelessness Prevention Grant		71	71	71	71	71	
Council Tax Freeze Grant 2013/14			88	88			
		<b>8,118</b>	<b>7,713</b>	<b>6,738</b>	<b>5,987</b>	<b>5,573</b>	<b>-</b>
Change over previous year - %				-12.6%	-11.1%	-6.9%	
Change over previous year -£'000				-£975	-£751	-£414	
<b>Update for SR2013</b>							
Formula Funding:		6,679					
Business Rates Baseline			3,046	3,145	3,234	3,325	3,418
Revenue Support Grant			3,142	3,435	2,411	1,925	1,465
Local Council Tax Support Grant		1,150	1,148				
Council Tax Freeze Grant 2011/12		218	218				
Homelessness Prevention Grant		71	71				
Council Tax Freeze Grant 2013/14			88	88			
		<b>8,118</b>	<b>7,713</b>	<b>6,668</b>	<b>5,645</b>	<b>5,250</b>	<b>4,883</b>
Percentage terms				-13.5%	-15.3%	-7.0%	-7.0%
Monetary value (£'000)				-£1,045	-£1,023	-£395	-£367

- 3.2.6 The proposed change to the provisional Financial Settlement for 2014/15 is to reduce the amount of grant the Council receives to £6.668million (a reduction of £70,000 over the amount notified in February 2013).
- 3.2.7 The provisional Financial Settlement for 2015/16 is £5.645million a reduction against 2014/15 of £1.023million (equates to 15.3%). This consists of a combination of a reduction in Revenue Support Grant of £1.112million or 31.6% and an increase in Business Rates Baseline of £89,000 or 2.8%.
- 3.2.8 With regard to the financial settlement for 2016-17 and 2017-18 the current assumption of a 7% reduction per annum is retained.

### **3.3 New Homes Bonus and the Local Growth Fund**

- 3.3.1 In Spending Round 2013 (SR 13) the government announced that it intends to take £400million per annum from New Homes Bonus allocations to part-fund the Single Local Growth Fund. This will be an ongoing deduction that is due to start in 2015/16.
- 3.3.2 The £400million will be passed to Local Enterprise Partnerships (LEPs), with the intention that it is used for housing and local growth priorities.
- 3.3.3 The technical consultation paper proposes a method for reducing local authority New Homes Bonus Funding by £400million. It also proposes a possible variation of this method for two tier authority areas.
- 3.3.4 For both methods, the New Homes Bonus scheme would be calculated on its current basis but a special condition would be placed on the resulting Section 31 grant that would require local authorities to pool a prescribed amount of the funding with Local Enterprise Partnerships.
- 3.3.5 The methodology applies a flat rate percentage on all New Homes Bonus allocations which would be passed on to authorities' LEPs. The percentage would be based on £400million divided by the national New Homes Bonus allocation each year. For 2015/16, based on the National Audit Office forecast for the scheme of £1,140million, a top slice of 35.09% would be required.
- 3.3.6 The variant to the proposed methodology for authorities in two tier areas (i.e. for single tier authorities, the loss in funding will be the same under both methodologies) would see upper tier authorities contribute 100% of their New Homes Bonus to the LEP, with lower tier authorities contributing a lower amount, in order to reach the overall top-slice figure. Therefore, for 2015/16, of the 35.1%, upper tier authorities would contribute 20% (i.e. their entire allocation) and lower tier authorities' 15.1% (this equates to 18.9% of their actual allocation).
- 3.3.7 The impact of the two options is illustrated in the table below:

<b>New Homes Bonus</b>								
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Totals</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Year 1 (2011/12)	509	509	509	509	509	509		<b>3,054</b>
Year 2 (2012/13)		473	473	473	473	473	473	<b>2,838</b>
<b>Sub Total</b>	<b>509</b>	<b>982</b>	<b>982</b>	<b>982</b>	<b>982</b>	<b>982</b>	<b>473</b>	<b>5,892</b>
Year 3 (2013/14)			606	606	606	606	606	<b>3,030</b>
Year 4 (2014/15) Estimate				606	606	606	606	<b>2,424</b>
Year 5 (2015/16) Estimate					500	500	500	<b>1,500</b>
Year 6 (2016/17) Estimate						500	500	<b>1,000</b>
Year 7 (2017/18) Estimate							500	<b>500</b>
<b>Totals</b>	<b>509</b>	<b>982</b>	<b>1,588</b>	<b>2,194</b>	<b>2,694</b>	<b>3,194</b>	<b>3,185</b>	<b>14,346</b>
<b>Methodology for Top-slicing</b>								
<b>Option 1</b>					35.05%	29.03%	28.27%	
Value of Reduction (£'000)					<b>£944</b>	<b>£927</b>	<b>£900</b>	<b>£2,772</b>
<b>Option 2</b>					18.86%	11.36%	10.43%	
Value of Reduction (£'000)					<b>£508</b>	<b>£363</b>	<b>£332</b>	<b>£1,203</b>

3.3.8 Following consultation with the Corporate Director (Finance) the Cabinet Member for Performance and Efficiency has responded on behalf of the Council that of the two options presented option 2 is preferred, as this ensures a lesser amount is taken away from the district where the new homes have been provided.

3.3.9 When the New Homes Bonus scheme was first established, the government decided to provide £950million to fund the scheme across the Spending Review 2010 period, as follows:

- 2011/12 - £200m
- 2012/13 - £250m
- 2013/14 - £250m
- 2014/15 - £250m

3.3.10 The government also decided that any additional funding required above these amounts, would, in future, be deducted from the general local government funding pot (i.e. originally Formula Grant, and for 2013/14 onwards, it will be a deduction from Revenue Support Grant).

3.3.11 For 2013/14, £500million was initially top-sliced from the Revenue Support Grant funding. The actual requirement was £418million and the balance of £82million was redistributed back to local authorities.

3.3.12 For 2014/15 the government has determined that £800million will be top-sliced from the Revenue Support Grant funding and this is one of the main reasons for the estimated reduction of 13.5% in the funding to be received by this Council.

### **3.4 Proposals for the use of capital receipts from asset sales to invest in reforming services – Consultation**



3.4.1 On 27 June 2013, the Government published a spending review document 'Investing in Britain's future', in which it was stated that:

*"To incentivise asset sales and support investment in transforming local services, the Government will also consult on allowing local authorities some flexibility to use their receipts from asset sales to pay for the one-off costs of service reforms".*

3.4.2 The consultation aims to gather opinion to see if the idea of allowing part or even the whole of a capital receipt(s) from new asset sales to be used for a one-off revenue purpose to stimulate organisational change, is a viable and realistic option for local government to reconfigure their service areas, to bring down their ongoing revenue costs and to deliver improved services.

3.4.3 The proposal has two broad aims:

- Encourage good asset management planning and incentivise the appropriate sale of local authority assets so that they are put into productive use and support growth; and
- To enable additional resources, from local authority asset sales, to give a capital receipt flexibility for the one-off cost of reforming, integrating or restructuring services.

3.4.4 Whilst the proposal will allow local authorities increased flexibility over financing one-off revenue costs and is therefore welcomed this Council's current capital resources position is such that all capital receipts from the sale of assets would be required to fund capital projects for the foreseeable future.

3.4.5 The Government has indicated that it is committed to ensuring local government sector has the tools that it needs to reconfigure and redesign its vital service areas, to benefit both local people and to maximise efficiency savings within local government and the broader public sector. The Government also wishes to continue to encourage active and efficient management of local assets.

3.4.6 In March 2013, the Government invited bids from local authorities to access a £9million Transformation Challenge Award scheme. The aim of this is to support local authorities that are at the cutting edge of innovation for service transformation, so that they are going further and faster in re-engineering service delivery and achieving efficiency savings. The Council has submitted a bid to fund potential innovative service changes to its Waste Collection service.

3.4.7 On the 26 June 2013, the Government announced as part of the spending review for 2015/16 that it will be investing £3.8billion for integrated Health and Social Care, including £2billion of new money from the NHS, and in addition will be establishing a new fund of £330million for Transforming Services, comprising:

- £200million for Troubled Families;
- £100million for Service Transformation;
- £30million fund for Fire and Rescue Service to drive transformational change.

- 3.4.8 The establishment of a £100million Service Transformation Fund will incentivise greater efficiency in local authorities, by enabling local authorities to meet up-front costs for shared services and other cost saving measures.

### **3.5 Business Rates Retention – Pooling**

- 3.5.1 The Local Government Finance Act 2012 changed how local authorities are financed by introducing local retention of non-domestic rates (business rates). In previous years any increase in business rates within an area has been paid into a central pool with no direct benefit to the local authority itself. The Government felt it important to incentivise authorities to pursue economic growth by allowing them to retain some of the benefit from growth in business rates.
- 3.5.2 Under the new system of local business rate retention some authorities collect more rates than the Government has determined they need to fund their activities and these authorities are required to pay over the excess to the central pool. Because these authorities are paying in to the central pool they are known as ‘tariff’ authorities and most district councils are in this position. Those authorities with insufficient income in their own area get payments from the central pool and are known as ‘top up’ authorities. The most common group of authorities receiving top ups is county councils.
- 3.5.3 For growth in this and the majority of other district Councils’ business rates above a determined Baseline the additional funds retained by the Council is subject to a levy payment to the Government at the rate of 50%.
- 3.5.4 By combining in a pool it is possible to retain more of the additional funds from growth in business rates within a county wide area. The possibility of Pooling was considered in Essex for 2013/14 but was not pursued. However, Suffolk has implemented a pooling scheme and the modelling of this scheme currently indicates that £2.376million of funding will be retained in Suffolk which would otherwise have been lost to the central pool.
- 3.5.5 The Suffolk scheme has been constructed on the basis that no authority can be worse off as a result of joining the pool.
- 3.5.6 An initial assessment of the position for Essex shows that if all authorities (County, Unitaries, Fire & Rescue and Districts/Boroughs) were included in a pool the levy rate could reduce to 14%. Which would potentially provide an additional sum of £3.2million being retained in the county.
- 3.5.7 The next opportunity for local authorities to enter into a pooling arrangement will be for the financial year 2014/15. The expected deadline for the submission final pooling groups is 31<sup>st</sup> October 2013.
- 3.5.8 On 26<sup>th</sup> July 2013, the Essex Strategic Leaders Finance Group (ESLF), a sub-group established by the Essex Leaders and Chief Executives to take forward work on financial collaboration across the county, considered a report on Business Rates Pooling in Essex. The Group agreed that those authorities wishing to join a pool needed to seek approval through their normal governance arrangements to facilitate an initial decision being made before the 31<sup>st</sup> October deadline. A copy of the report to the ESLF is attached at Appendix A.

- 3.5.9 It is proposed that this Council participates in the development of a pooling scheme for Essex that closely follows the Suffolk model, i.e. on the basis that no authority can be worse off in the pool than they would have been outside it, and minimises the amount of growth in business rates that is paid to the central pool.
- 3.5.10 In view of the timescale for the development of a proposal to be submitted to the Department for Communities and Local Government by 31<sup>st</sup> October 2013 it is proposed that authority be delegated to the Cabinet Member for Performance and Efficiency and the Corporate Director (Finance) to determine the Council's participation in an Essex pooling arrangement which will be developed by the ESLF.

### **3.6 Capitalisation Directions 2013-14 Policy and Procedures**

- 3.6.1 Capitalisation is the process through which the government allows local authorities to treat revenue costs as capital costs. This allows authorities to finance one-off costs through capital receipts or borrowing, rather than through revenue resources.
- 3.6.2 In general, capitalisation must be intended for unavoidable, one-off costs. Specific criteria apply, depending on whether the costs relate to transformation and restructuring (e.g. redundancy payments), or other costs. The guidance also applies to the capitalisation of equal pay liabilities and pension fund payments. These costs are subject to some additional conditions, including the requirement that authorities must first attempt to manage these costs through existing "flexibilities" contained in amended regulations.
- 3.6.3 Applications for capitalisation must be submitted by 31 October 2013.
- 3.6.4 The Council has no planned revenue costs in 2013-14 for which it would need to seek a capital direction.

### **3.7 Local Council Tax Support Scheme**

- 3.7.1 In determining the Local Council Tax Support scheme (LCTS) to replace the national Council Tax Benefit scheme from 2013/14 the Council agreed that the scheme should meet the following key drivers:
- Match the reduction in Government funding with a reduction in the amount of council tax support given to working age claimants;
  - Ensure that all working age claimants in the district make a minimum payment toward their council tax;
  - Provide positive incentives for claimants to seek employment;
  - Provide some support to families with children; and
  - Provide some support to claimants with savings.
- 3.7.2 Whilst the actual LCTS scheme retained a significant proportion of the principles and elements of the previous Council Tax Benefit scheme the following changes were agreed to address the reduction in the amount of Government funding:
- The calculation of support is based on 80% of the Council Tax liability rather than the full amount as under council tax benefit;

- A limit on the council tax banding, on which support will be calculated, is set at Band D;
- Child Benefit for the first child only will be excluded from the assessment of a claimant's income;
- Removal of the current Second Adult Rebate scheme;
- The deduction for non-dependants in the household is set at £10.00 per week;
- The period of backdating a claim (with good cause) is three months;
- Minor change to treatment of changes of circumstances with the removal of the requirement to calculate and award "underlying entitlement" when overpayments occur; and
- To incentivise work: the amount of earnings excluded from a claimant's overall income is increased to £40.00 per week (currently ranges from £5.00 to £25.00 per week depending on the claimant's circumstances) with an additional earnings allowance for those claimants in receipt of working tax credit (where working a minimum of 30 hours) set at £5.00 per week.

### 3.7.3 The new scheme retained existing policies of:

- excluding the full amount of War Widows pension from the assessment of the claimant's income; and
- maintaining the limit on savings held by the claimant at £16,000. Savings above this limit precludes the claimant from support under the scheme.

3.7.4 The new LCTS scheme is accounted for as a discount rather than a benefit and as such the Council's taxbase was reduced by an estimate of the amount that would be awarded in the year. For 2013-14 this was estimated to be £8.433million. As at 31<sup>st</sup> July 2013 the value of LCTS awarded for the year was £8.182million. The variation between the actual and estimated amounts awarded will be reflected in the balance on the Council Tax Collection Fund at the year end. The balance on the Collection Fund will however also be affected by changes to other discounts and exemptions, for example empty properties and second homes, and ultimately the amount of council tax actually collected in the year.

3.7.5 With regard to the funding of the amount of LCTS awarded, the government provided a cash-limited grant to each of the major precepting authorities. For 2013-14 the amount of the grant was specified for each of the major precepting authorities. The total grant for the Braintree district is £8.734million, of which £1.148million is receivable by this Council (see table below).

3.7.6 Whilst the government specified the funding for the LCTS scheme for 2013-14, this will not be the case for 2014-15, as the grant is being subsumed within the Revenue Support Grant.

3.7.7 Applying the estimated reduction, to this Council's financial settlement for 2014-15 of 13.5%, to the grants received by the precepting authorities in 2013-14 this would reduce the total amount receivable by £1.179million, as shown in the table below:

	<b>LCTS Grant 2013/14</b>	<b>13.5% Reduction</b>	<b>Estimated value of LCTS grant 2014/15</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Essex County Council	6,391	863	5,528
Essex Police	804	109	695
Essex Fire & Rescue	391	53	338
Braintree District Council	1,148	155	993
<b>Total LCTS Grant</b>	<b>8,734</b>	<b>1,179</b>	<b>7,555</b>

3.7.8 The difference between the estimated amount of grant receivable for 2014-15 (of £7.555million) and the current amount of LCTS awarded uplifted by 1% for annual change in living allowances (used in the calculation of LCTS) (of £8.264million) is a shortfall of £709,000. It should be noted that this amount would increase further if the level of council tax for the Braintree district is increased for 2014-15.

3.7.9 The principal element in the LCTS scheme that could be changed is the maximum council tax liability for the dwelling on which the support is calculated, which is currently 80%. A reduction of the maximum to 66% would reduce the estimated amount of LCTS awards by approximately £700,000.

3.7.10 If a proposal to change the LCTS scheme for 2014-15 is to be made then it is a requirement that this is subject to consultation over a minimum period of six weeks.

3.7.11 However, at this time it is not proposed to change the LCTS scheme for 2014-15, for the following reasons:

- The current scheme has only been in operation for five months, at the time of writing, and the full effect on the Council's finances has not as yet been determined; and
- The objective of the Government's Welfare Reforms, of which LCTS is a part, is to encourage people to gain employment. If successful this will reduce the number of working age claimants. The Council's focus on economic development and for improving employment in the district supports this objective.

3.7.12 The government requires that the LCTS scheme for 2014-15 is agreed by Full Council by 31<sup>st</sup> January 2014.

## **4. Financial Update 2013-14**

### **4.1 First quarter and predicted Financial Outturn for 2013-14**

4.1.1 Service managers have reviewed the monies expended and received during the first quarter ended 30<sup>th</sup> June 2013 on the services for which they are responsible and have used this information to predict an outturn position for the year.

- 4.1.2 The predicted outcome is an overspend for the year of £197,000 (+1.0%) and is a combination of a net under-achievement of income of £198,000 offset partially by a small underspend against expenditure budgets of £1,000.
- 4.1.3 More details of the predicted outturn for 2013/14 are contained in the Quarterly Performance report which is a separate item on this meeting agenda.
- 4.1.4 The predicted net change on the General Fund balance, after allowing for the budgeted transfer from balances of £315,519, is a withdrawal of £512,519, giving a projected closing balance of £7.191 million as at 31<sup>st</sup> March 2014.

## **4.2 Planned Savings and Efficiencies 2013-14**

- 4.2.1 A total of £1.695million of savings/efficiencies and additional income is included in the budget for 2013/14. The majority of these have been or will be delivered in the year as planned.
- 4.2.2 Two areas which are however under pressure and are unlikely to be delivered are:
- A budget of £90,610 was included for efficiency savings to be identified through Efficiency Reviews. At the current time the efficiency reviews undertaken have not delivered cashable savings.
  - The 2013/14 budget for Development Control fees included an anticipated increase of £40,000. The Quarter 1 financial performance predicts a shortfall of Development Control fees of £75,000 for the year.

## **4.3 Business Rates Retention**

- 4.3.1 The Business Rates Retention scheme was introduced for 2013/14. Under the scheme the Government calculated a baseline amount of business rates which it would allow local authorities to retain as part of its funding for local government. The baseline was calculated on the average of business rates collected for 2010/11 and 2011/12 together with a number of adjustments. The Council's baseline figure for 2013/14 is £3,046,279.
- 4.3.2 An assessment of the business rates that the Council may expect to receive in the year was undertaken to determine that the Government's baseline figure was achievable.
- 4.3.3 The assessment focused on three key variables:
- Losses on collection – an allowance of £638,630 was provided, which was based on previous years' actual losses;
  - Growth or reduction in rateable value – no business growth in the district was anticipated in the first year of this new arrangement. Allowances for mandatory and discretionary reliefs and empty premises relief were provided based on previous years' awards;
  - Rateable values changed as a result of Appeal to the Valuation Office – an allowance equivalent to 6% of the appeals lodged with the Valuation Office being successful was provided.
- 4.3.4 The assessment determined that the Government's baseline should be achievable.

- 4.3.5 As at the end of July 2013 the gross yield had reduced by £426,000 to £47.299million, indicating that a number of appeals have been successful. Mandatory reliefs are £250,000 higher than estimated and this is mainly due to a number of schools in the district achieving Academy status (schools under Essex County Council are not entitled to rate relief). In addition the amount of relief for empty properties is also higher than estimated.
- 4.3.6 A full review of these key variables is currently in progress and the position at the end of September will be used to update the current year's estimate and to determine the expected amount of business rates to be retained in 2014-15.

## **5. Financial Profile 2014-15 to 2017-18 – Assumptions Update**

### **5.1 Pay Award, Inflation and Interest Rates**

- 5.1.1 Pay – The current financial profile includes a provision of 1% pay award for 2014/15 and 2015/16 and a provision of 2% per annum for 2016/17 onwards. This is in accord with the Chancellor's Spending Round 2013 speech on 26<sup>th</sup> June 2013 that public sector pay rises will be limited to an average of up to one per cent for 2015-16. Allowance is also provided for annual incremental progression for staff who are not at the top of their grade (payment is subject to achievement of satisfactory performance).
- 5.1.2 Inflation – An annual allowance of a 2% increase (Government target for inflation) has been provided in the financial profile. This will however be updated for 2014/15 to reflect the published CPI inflation rates as at September 2013.
- 5.1.3 Interest Rates – The financial profile provides for the continuation of the low level of interest rates, with returns of 0.7% in 2014/15 and 0.8% in 2015/16 onwards. The rates will be reviewed to take account of the recent change to the Investment Policy, agreed by Council on 29<sup>th</sup> July 2013.

### **5.2 Provisional Savings for 2014-15 to 2016-17**

- 5.2.1 The MTFS 2013/14 to 2016/17 identified provisional savings for 2014/15 to 2016/17, these are summarised as follows:

	2014/15 £	2015/16 £	2016/17 £
Provisional Savings (included in financial profile)	1,219,520	245,820	72,580

- 5.2.2 The provisional savings will be reviewed with senior managers during the next month to ensure that they are still deliverable as planned.

### **5.3 Income – Fees, Charges, Rents and third party contributions**

- 5.3.1 Fees and Charges – a general provision of £50,000 per annum is included in the financial profile for increases in fees and charges. Discretionary fees and charges for services are will be reviewed in accordance with the Council's Charging Policy: the general principle of which is that service users should make a direct contribution to the cost of providing services at their point of use.

A review of car parking charges is currently in progress: these charges have been frozen at 2010-11 levels.

- 5.3.2 Rents and service charges – these are chargeable in respect of the small number of properties retained by the Council to meet temporary housing needs. No allowance for an increase is included in the current financial profile. It is proposed that the increase will, as in previous years, be as prescribed by the Government for rent increases by Registered Social Landlords such as Greenfields CH and by other councils with retained housing stock. For 2014/15 the calculation will continue to be defined as the Retail Prices Index for September 2013 +0.5%. However, the definition will change to the Consumer Price Index for September +1.0% with effect from 2015/16 (as announced in the Spending Round 2013).
- 5.3.3 Rents from Commercial and Industrial Properties – variations to rental income are determined at rent reviews as provided in the lease terms. An assessment will be made of the likely variation in rent for those properties which are subject to rent review in 2013/14 and 2014/15.
- 5.3.4 Third party contributions – it is assumed in the current financial profile that the service level agreement with Greenfields Community Housing for its use of Cordons Farm would cease on 31<sup>st</sup> March 2014. In May 2013, a new contract was negotiated covering the five-year period to 31<sup>st</sup> March 2018, the agreed income is £95,000 in 2013/14 with a phased reduction to £80,000 in 2017/18.
- 5.3.4.1 Significant financial contributions from Essex County Council are included in the base budget: these include Waste Management (£2.04million), Community Transport (£105,000) and council tax sharing arrangement (£206,000). The agreements have defined periods, the current Community Transport agreement terminates on 31<sup>st</sup> March 2014, and some include break clauses, for example the council tax sharing agreement runs to 31<sup>st</sup> March 2016 but a break can be invoked by ECC on giving notice by 30<sup>th</sup> November in either 2013 or 2014.

## **6. Localism Fund**

- 6.1 On 8<sup>th</sup> April 2013 the Cabinet agreed to abolish the Parish Support Grant and replace it with the Localism Fund. The Fund was established with a budget of £397,190 for 2013/14. Cabinet agreed that in future years, the amount paid will increase or reduce in line with the funding received by this Council from the annual Central Government grant settlement.
- 6.2 Consequently, this means that all of the information required by the Town and Parish Councils, i.e. Localism Fund payment and the council taxbase figure for the next financial year, will be provided to them in early December (subject to the District Council receiving its grant notification from Central Government).

## **7. Priority Area Investment**

- 7.1 Funds provided for investment in priority areas were agreed for up to a maximum of two years, this was to ensure that no ongoing commitment was created. Budgets totalling £894,540 were approved for schemes and are included over the three years 2013/14 to 2015/16 as follows:

- 2013/14            £696,360



- 2014/15            £168,270
- 2015/16            £29,910

7.2 No allowance for new investment has been included in the financial profile for future years.

## **8. Council Tax levels**

8.1 The current financial profile assumes no increase in council tax for 2014/15 and 2015/16. An increase of 2% per annum is assumed for financial planning purposes for 2016/17 onwards.

8.2 The Government has set the local authority tax referendum threshold at 2%.

## **9. Local Government Pension Scheme**

### **9.1 Triennial Review of Essex Pension Fund**

9.1.1 The pension fund deficit contribution and the employer's ongoing contribution rate for the three year period 2014/15 to 2016/17 are currently being determined by Essex County Council, as administrator of the Essex Pension Fund. The outcome of this triennial review is expected in October 2013.

9.1.2 The Council currently has a policy to address the pension fund deficit over a twenty year period.

### **9.2 Changes to Statutory Local Government Pension Scheme**

9.2.1 Consultation on proposed changes to the Local Government Pension Scheme including the introduction of career average earnings to replace final salary; normal scheme pension age will be state pension age and average member contributions of 6.5%, closed on 2<sup>nd</sup> August 2013. The new scheme will start on 1<sup>st</sup> April 2014.

9.2.2 The impact of the new scheme will be a key element for the Actuary to assess in the Triennial review of the Essex Pension Fund and an important determinant of the Council's deficit contribution and ongoing employer's contribution rate.

### **9.3 Auto Enrolment**

9.3.1 Employers are required to enrol all eligible 'jobholders' into a qualifying pension scheme between October 2012 and October 2017.

9.3.2 Within this five-year period each employer is given a 'staging date', which is the date from which the employer must auto enrol all new employees into a pension scheme. The staging date for this Council is November 2013.

9.3.3 The Council is to introduce the scheme for existing eligible jobholders on 1<sup>st</sup> October 2017. However, existing employees who are not in the Pension Scheme will still be able to join the scheme at any time before this date. This has been communicated to all members of staff.

9.3.4 The scheme will mean that all eligible jobholders will be enrolled into the pension scheme, requiring contributions to be made by both the employee and

employer. The employee will have an opportunity to opt out of the pension scheme within one month of being enrolled.

- 9.3.5 An assessment of the Council's staff shows that if all members of staff who are not currently in the pension fund were to join, then the additional employer's cost would be in the region of £145,000 per annum.

## **10. Updated Financial Profile, Budget Process and Timetable**

### **10.1 Updated Financial Profile**

10.1.1 In summary, the impact on the Council's Financial Profile 2013/14 to 2017/18 of the changes identified at this first stage in the budget setting process is:

- 2014-15 £100,000 addition to balances
- 2015-16 £850,000 savings required
- 2016-17 £653,000 savings required
- 2017-18 To Be Determined

A copy of the updated financial profile for 2013-14 to 2017-18 is provided at Appendix B.

### **10.2 Budget Process**

10.2.1 Following the notification from Government of the proposed changes to funding for local government and the assessment of the impact on the Council's Medium-Term Financial Strategy the Leader of the Council and the Chief Executive have determined that the development of options to address the budget shortfalls should start immediately.

10.2.2 On 20<sup>th</sup> August 2013 the Chief Executive wrote to all staff and Members to inform them of the challenge to make savings of approximately £1.5million by 2016/17, the proposed process and timetable. A copy of the letter can be accessed at: [https://www.braintree.gov.uk/downloads/file/2489/chief\\_executive\\_s\\_letter](https://www.braintree.gov.uk/downloads/file/2489/chief_executive_s_letter) and a copy of the accompanying 'Budget Planning 2015/16 – approach and framework' document is attached at Appendix C.

### **10.3 Timetable**

10.3.1 Key dates for the proposed Budget process 2014/15 to 2016/17 are provided in the table below:

20 <sup>th</sup> August 2013	Staff, Members and Press	Letter from Chief Executive. Commencement of process to identify options to address budget shortfalls
30 <sup>th</sup> September 2013	Cabinet	Updated budget position and timetable for 2014/15
4 <sup>th</sup> November 2013	Strategy Workshop	Priorities, Finances and Savings

4 <sup>th</sup> December 2013	Overview and Scrutiny Committee	Initial budget proposals - Cabinet to present - All members invited
9 <sup>th</sup> December 2013	Cabinet	Initial budget proposals
16 <sup>th</sup> December 2013	Council	
Mid December 2013		Government Finance Settlement received
January 2014	Braintree District Business Group	Consultation
29 <sup>th</sup> January 2014	Overview and Scrutiny Committee	Consultation on final budget proposals and updated MTFS - All members invited
3 <sup>rd</sup> February 2014	Cabinet	Final budget proposals and updated MTFS
17 <sup>th</sup> February 2014	Council	2014/15 Budget and Council Tax approved

## 11. Capital Programme and Resources

### 11.1 Capital Programme and Resources Update

11.1.1 An update of the capital resources and capital programme for 2013/14 to 2017/18 is summarised as follows:

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Balance of Resources – Brought Forward	17,833	4,935	2,003	3,860	4,396
Resources in year	3,141	2,276	2,615	1,303	1,187
Total Resources	20,974	7,211	4,618	5,163	5,583
Approved Capital Programme	16,039	5,208	758	767	776
Balance of Resources for Carry Forward to next year	4,935	2,003	3,860	4,396	4,807

11.1.2 The total balance of capital resources available to fund capital projects in the years 2014/15 to 2017/18 is £4,807,000.

### 11.2 Capital Programme

11.2.1 The summary of the approved capital programme in the table above includes provisions of £500,000 for improvements to town centres and £686,000 for a community facility in Halstead.

11.2.2 Bids for funding capital projects in 2014/15 are currently being developed; however, each year as a minimum there are requests for capital funding of £1.115million, in respect of:

- Works to the Council's assets to ensure they continue to be fit for purpose (£400,000 per annum);
- Home improvement grants (£175,000 per annum);
- Affordable housing projects (£500,000 per annum); and
- Technology Replacement programme (£40,000 per annum).

11.2.3 Assuming the requests above are repeated each year then the balance of capital resource available over the four-year period for other new capital projects would be £347,000.

11.2.4 The table above excludes the New Homes Bonus resource which it was agreed would be set aside to meet infrastructure and housing projects in the district. Detail of the estimated New Homes Bonus over the period ending 31<sup>st</sup> March 2018 including the effect of the government's proposed top slicing reduction is provided at section 3.3 above (page 57).

<b>Statement of Accounts 2012/13</b>		<b>Agenda No: 9c</b>
<b>Corporate Priority:</b> Provide Value for Money <b>Portfolio Area:</b> Performance and Efficiency <b>Report presented by:</b> Cllr David Bebb <b>Report prepared by:</b> Trevor Wilson, Head of Finance		
<b>Background Papers:</b>  Statement of Accounts 2012/13 Accounts & Audit (England) Regulations 2011		<b>Public Report</b>
<b>Options:</b>  None		<b>Key Decision: No</b>

#### **Executive Summary:**

The Statement of Accounts for the financial year to 31 March 2013 were compiled and signed as representing a 'true and fair view' by Chris Fleetham, Corporate Director, on 28 June 2013. This authorisation is in accordance with section 8(2) of the Accounts and Audit (England) Regulations 2011 ("the 2011 Regulations").

The Council's External Auditor, BDO, commenced the audit of the accounts on Monday 8 July 2013, the findings from which were reported to the Governance Committee on 18 September 2013, in line with the requirement of the 2011 Regulations that the Statement of Accounts are subject to scrutiny by a committee of members with the benefit of having received the external auditor's report.

The Statement of Accounts was available for public inspection between 3 and 30 July 2013 and a final approved audited version of the Statement of Accounts must be published by no later than 30 September 2013.

A copy of the Statement of Accounts can be found on the Council's website at:  
[http://www.braintree.gov.uk/Braintree/councildemocracy/acc\\_info/](http://www.braintree.gov.uk/Braintree/councildemocracy/acc_info/)

The Statement of Accounts is produced in accordance with International Financial Reporting Standards (IFRS) but reconciled back to a basis under statutory regulations to determine the real level of resources (revenue and capital) available to the Council for future decisions about spending and Council Tax setting.

At the time of preparing this report the findings of the External Auditor were still being considered, therefore, changes may be required to the final version of the Statement of Accounts the details of which will be reported verbally to Cabinet.

This report summarises a number of key issues included in the Statement of Accounts:

- a. The Foreword which provides a summary of the financial statements, adding further explanation to some of the numbers contained in the Accounts, as well as reconciling to the budget outturn. Further information is also provided around the longer term financial issues faced by the Council.
- b. The Comprehensive Income and Expenditure Statement (CI+ES) which shows a deficit of £6.185 million for the year. This deficit is largely due to the accounting requirements of IFRS that requires inclusion of a number of 'paper' debits and credits and unrealised gains and losses. The real change in the Council's available resources is shown in the Movement in Reserve Statement (MIRS), which shows a net reduction of £1.037 million in usable reserves.
- c. The change in usable reserves is divided between an increase in revenue balances of £1.372 million, and decrease of £2.409 million in capital reserves. The majority of the balance of capital reserves carried forward (£16.248 million) is committed to funding the Council's capital investment plans.
- d. The change in revenue balances includes: £314,000 addition to General Fund balances and £1.058 million addition to earmarked reserves. Detail of the movement on earmarked reserves was reported to Cabinet at the meeting held on 20 May 2013 as part of the Provisional Financial Outturn.
- e. The £5.778 million reduction in unusable reserves relates mainly to an unrealised loss on the Pension Fund due to changes in actuarial assumptions and estimates.
- f. The Balance Sheet indicates total Net Assets of £39.43 million matched by the balance of usable and unusable reserves.
- g. Pension Contributions and Pension Fund Liabilities are significant items within the Accounts. A change in discount rate used to value liabilities has had a negative effect in the year of £15.701 million, although this has been offset by investment returns exceeding expectation by £5.897 million. The cost of pensions charged to the CI+ES under IFRS amounted to £13.429 million, whereas contributions paid according to statutory rules were £3.436 million. In 2013/14 the estimated amount to be paid to the Fund is £3.514 million. A new funding strategy will be implemented from April 2014 after the results of the Actuarial Valuation as at 31 March 2013 are known.

Disclosures show that in total Members' allowances and expenses paid in the year were £416,014 – this was higher than the previous year due to a general inflationary increase across all allowances, along with additional payments to chairs of two new Task & Finish Groups. The previous year costs were also lower than expected due to ward vacancies that were filled in March 2012. The cost of Senior and Other Officers earning more than £50,000 in the year reduced by £121,222, with the total number in post at the end of the year remaining at 15. The number of exit packages agreed in the year was 6 at an estimated cost of £82,000, compared to 15 the previous year with an estimated cost of £210,000. These packages have been agreed as part of the Council's plans to implement savings and efficiencies under its Medium Term Financial Strategy

#### **Decision:**

Members are asked to receive and note the Council's Statement of Accounts for 2012/13

**Purpose of Decision:**

To formally receive the Council's Statement of Accounts for 2012/13 following the external audit and consideration by the Governance Committee.

**Any Corporate implications in relation to the following should be explained in detail**

<b>Financial:</b>	No new financial implications.
<b>Legal:</b>	The Statement of Accounts and the approval and public inspection processes are requirements of the Accounts and Audit (England) Regulations 2011.
<b>Equalities/Diversity</b>	None
<b>Customer Impact:</b>	None
<b>Environment and Climate Change:</b>	None
<b>Consultation/Community Engagement:</b>	The draft Statement of Accounts was made available for public inspection between 3 and 30 July 2013. On the 31 July 2013 and until conclusion of the audit any local government elector for the district (or their representative) may raise questions with the External Auditor and / or raise an objection to an item(s) in the Council's accounts.
<b>Risks:</b>	None.
<b>Officer Contact:</b>	Trevor Wilson
<b>Designation:</b>	Head of Finance
<b>Ext. No.</b>	2801
<b>E-mail:</b>	<a href="mailto:Trevor.Wilson@braintree.gov.uk">Trevor.Wilson@braintree.gov.uk</a>

## **Statement of Accounts 2012/13**

### **1) Background**

The Statement of Accounts for the financial year to 31 March 2013 were compiled and signed as representing a 'true and fair view' by Chris Fleetham, Corporate Director, on 28 June 2013. This authorisation process is in accordance with section 8(2) of the Accounts and Audit (England) Regulations 2011 ("the 2011 Regulations").

The Council's External Auditor, BDO, commenced the audit of the accounts on Monday 8 July 2013, the findings from which were reported to the Governance Committee on 18 September 2013, in line with the requirement of the 2011 Regulations that the Statement of Accounts are subject to scrutiny by a committee of members with the benefit of having received the external auditor's report

Member training on the Statement of Accounts was held on 9 September 2013, to aid the process of scrutiny.

The accounts were available for public inspection between 3 and 30 July 2013, with the 31 July designated as the "day of rights". From this date up to the conclusion of the audit any local government elector for the district (or their representative) can ask the auditor questions and/ or raise an objection to an item(s) in the accounts.

A final approved audited version of the Statement of Accounts must be published by no later than 30 September 2013.

### **2) Statement of Accounts 2012/13**

The Statement of Accounts ("the Accounts") has been produced in accordance with International Financial Reporting Standards (IFRS) in so far as they are applied to UK local authorities according to the Code of Practice on Local Authority Accounting issued by the Chartered Institute of Public Finance and Accountancy ("the Code"). There were no new significant accounting requirements introduced by the Code for 2012/13.

The requirements of IFRS result in a number of additional 'paper' transactions and adjustments being put through the income and expenditure account, however, these items are ultimately replaced with credits or debits to reconcile the Council's revenue and capital resources to those determined under statutory regulations.

A copy of the Statement of Accounts can be found on the Council's website at: [http://www.braintree.gov.uk/Braintree/councildemocracy/acc\\_info/](http://www.braintree.gov.uk/Braintree/councildemocracy/acc_info/)

At the time of preparing this report the findings of the External Auditor were still being considered, therefore, changes may be required to the final version of the Statement of Accounts the details of which will be reported verbally to Cabinet.

The following sections provide a summary of the main financial statements.



### 3) Foreword

The Foreword is a useful starting point for the reader of the Accounts, providing a brief description of the financial statements that are included, along with extracts highlighting key figures. In addition extra information is provided to give further analysis and explanation. The Foreword contains Information about the budget outturn and a statement showing how this reconciles with the movement on the General Fund balance as reflected in the Accounts. Further information is also provided around the longer term financial issues faced by the Council.

### 4) Comprehensive Income and Expenditure Account (CI+ES)

The CI+ES shows the total change in the Council's net worth, measured on an IFRS basis. It is the Council's equivalent to the private sector "profit and loss" account and covers all the functions of the Council in providing services. The cost of services reflected in the CI+ES include charges for depreciation of property, vehicles, plant and equipment used in the delivery of services, and pension fund costs measured under accounting standards rather than being based purely on the amount of employer contributions. Charges or credits are made to the CI+ES for unrealised gains or losses on property and pension fund assets and liabilities.

For 2012/13 the CI+ES reports a deficit of £6.815 million, summarised as follows:

<b>2011/12</b>		<b>2012/13</b>
<b>£000</b>		<b>£000</b>
80,793	Gross Service Expenditure	82,705
(61,239)	Services Income	(63,101)
<b>19,554</b>	<b>Net Cost of Services</b>	<b>19,604</b>
(21,314)	Net Corporate income and expenditure	(21,446)
<b>(1,760)</b>	<b>Surplus on Provision of Services</b>	<b>(1,842)</b>
15,963	Net Unrealised gains/ losses	8,657
<b>14,203</b>	<b>Total CI+ES</b>	<b>6,815</b>

The Net Cost of service is similar to that for the previous year; however, the total deficit is significantly lower than reported in 2011/12, with the main difference being due to a reduction in the amount of unrealised losses relating to the pension fund.

### 5) Movement in Reserves Statement (MIRS)

The MIRS reconciles the CI+ES determined on an IFRS basis with the real change in the year in the Council's financial resources on a statutory basis and which are available to spend in the future. The MIRS separates reserves into usable and unusable:

#### **Usable Reserves**

These are the reserves that are available to the Council to determine future revenue and capital spending, and/or council tax levels:

<b>Usable Reserves</b>	<b>1 April 2012</b>	<b>Surplus on Provision of Services</b>	<b>Adj. to reconcile IFRS with statute</b>	<b>Transfers</b>	<b>Increase/ (Decrease)</b>	<b>31 Mar 2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
General Fund balance	7,390	1,842	(470)	(1,058)	314	7,704
Earmarked Reserves	5,718	-	-	1,058	1,058	6,776
<b>Total Revenue Reserves</b>	<b>13,108</b>	<b>1,842</b>	<b>(470)</b>	<b>-</b>	<b>1,372</b>	<b>14,480</b>
Capital receipts reserve	14,964	-	(1,379)	-	(1,379)	13,585
Capital grants unapplied	3,693	-	(1,030)	-	(1,030)	2,663
<b>Total Capital reserves</b>	<b>18,657</b>	<b>-</b>	<b>(2,409)</b>	<b>-</b>	<b>(2,409)</b>	<b>16,248</b>
<b>Total Usable Reserves</b>	<b>31,765</b>	<b>1,842</b>	<b>(2,879)</b>	<b>-</b>	<b>(1,037)</b>	<b>30,728</b>

This shows that after taking account of statutory adjustments the Surplus on Provision of Services of £1.842 million converts to a net reduction in usable resources of £1.037 million made up of £1.372 million increased revenue and a decrease of £2.409 million capital.

The majority of the balance of capital reserves carried forward is committed to funding the agreed capital programme.

Earmarked reserves increased overall by a net £1.058 million giving a total carried forward of £6.776 million. This total is made up by a number of individual reserves set aside for a specific purpose, summarised as follows:

<b>Earmarked Reserves</b>	<b>1 April 2012</b>	<b>Transfers Out</b>	<b>Transfers In</b>	<b>31 Mar 2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Capital investment	2,177	(555)	1,548	3,170
Risk Management	269	(39)	71	301
Service Reserves	2,761	(1,357)	1,526	2,930
Change Management	511	(158)	22	375
<b>Total</b>	<b>5,718</b>	<b>(2,109)</b>	<b>3,167</b>	<b>6,776</b>

The Provisional Financial Outturn report to Cabinet on 20 May 2013, set out the proposed changes to earmarked reserves to be reflected in the 2012/13 Accounts, including creation of a number of new reserves. More detail about earmarked reserves is provided in the Notes to the Accounts.

## Unusable Reserves

These reserves hold the unrealised gains/ (losses) of the Council. The net amount of unrealised losses shown in the CI+ES of £8.657 million, is partially offset by contra adjustments totalling £2.879 million made to usable reserves to reflect the differences between IFRS and statute, giving a net movement of £5.778 million reduction:

<b>Unusable Reserves</b>	<b>1 April 2012</b>	<b>Net Unrealised gains/ (losses) in the CI+ES</b>	<b>Adj. to reconcile IFRS with statute</b>	<b>31 Mar 2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Revaluation reserve	12,480	1,236	(599)	13,117
Capital Adjustment Account	59,675	-	3,540	63,215
Deferred capital receipts (Loans and mortgages)	158	-	(16)	142
Pensions Reserve	(57,669)	(9,893)	(115)	(67,677)
Collection Fund Adjustment Account	(8)	-	64	56
Accumulating Absence Account (employee leave accrual)	(156)	-	5	(151)
<b>Total Unusable Reserves</b>	<b>14,480</b>	<b>(8,657)</b>	<b>2,879</b>	<b>8,702</b>

The three main unusable reserves relate to:

**Revaluation reserve** (£13.117 million) – accumulated unrealised gains arising from changes in the book value of property assets since 1 April 2007. Assets contributing to the net upward movement in 2012/13 were mainly sports and leisure facilities valued on a depreciated replacement cost basis.

**Capital Adjustment Account** (£63.215 million) - which reflects the timing difference between resources set aside to finance capital expenditure and the accounting charges made to services for those assets via depreciation and impairments (mainly revaluation losses either where there is not a previous revaluation gain held in the Revaluation Reserve, or the reduction in value exceeds the balance of any gains held in the Revaluation Reserve).

**Pension Fund Reserve** – (negative reserve of -£67,677 million) which mirrors the Council's estimated liability (or shortfall) in the Local Government Pension Fund.

A breakdown of the adjustments between the IFRS accounting basis and funding under Regulations, along with movements in unusable reserves are given in the Notes to the Accounts.

## 6) Balance Sheet

The Balance Sheet shows how the resources available to the Council are held in the form of assets and liabilities. The net assets are matched by the usable and unusable reserves, summarised as follows:

<b>31 Mar 2012</b>	<b>Summary Balance Sheet</b>	<b>31 Mar 2013</b>
<b>£000</b>		<b>£000</b>
73,045	Long Term Assets	<b>80,775</b>
44,396	Current Assets	<b>40,553</b>
(4,074)	Current Liabilities	<b>(4,403)</b>
(67,122)	Long Term Liabilities	<b>(77,495)</b>
<b>46,245</b>	<b>Net Assets</b>	<b>39,430</b>
31,765	Usable Reserves	<b>30,728</b>
14,480	Unusable Reserves	<b>8,702</b>
<b>46,245</b>	<b>Total Reserves</b>	<b>39,430</b>

Long Term Assets include Property Plant & Equipment, Heritage Assets, Investment Property, and Intangible Assets, for which extensive additional disclosures are made in the Notes to the Accounts. Also included in this total are long-term debtors, which increased between years by £2.158 million, due mainly to the accounting treatment of new operating leases entered into in the year which requires upfront costs and stepped rentals to be amortised over the life of the leases.

Current assets include short-term investments of £20.465 million, along with balances classified as cash and cash equivalents (£13.651 million), both of which are managed in accordance with the Council's Treasury Management Policy. Also included is the balance of debtors (amounts owed to the Council) repayable within one year, which total £6.405 million (after allowance for impairment of £1.493 million), a slight reduction from the balance at the previous year end of £6.723 million. Assets held for sale previously shown under current assets have been reclassified as long-term following the withdrawal by Tesco from the purchase of land to East of High Street and properties in Vicarage Meadow, which are now being re-marketed, the sale of which is now expected to be delayed beyond the end of the next financial year.

Current liabilities comprises mainly short-term creditors (amounts owed by the Council), which total £3.213 million, which is a small reduction from the previous year's balance of £3.362 million.

Long Term Liabilities include the current assessment of the Council's Pension Fund liability by the actuary – further details are given below. Other long term liabilities include outstanding market loans (£6 million), and future commitments on lease payments (£2.710 million).

## 7) Pension Contributions and Pension Fund Liabilities

Pensions are a significant item within the Accounts. The CI+ES include pension costs assessed under IFRS the total of which was £13.429 million. This includes £9.879 million charged to the CI+ES due to the following:

- A reduction in the discount interest rate from 4.6% to 4.0%, which is used by the Actuary for calculating the present day value of pension fund liabilities. This rate is determined from the financial returns on corporate bonds and is therefore susceptible to movement in the financial markets. The lower the discount rate applied, the higher the current day cost of future liabilities based on the principle that money today has a greater value than the same amount paid/ received in the future. This change added £15.701 million to the estimated liabilities.
- Investment returns on the Fund's assets exceeded expectation with a return of 12% compared to an assumed return of 5.8%, resulting in interest earned being £5.897 million higher.

The actual amount charged to Council Tax for pension contributions in 2012/13 was £3.436 million, based on levels of contributions set at the March 2010 actuarial valuation. Employees paid £623,000 into their pensions based on contribution rates of between 5.5% and 7.5%, depending on individual salary.

The net amount of the above items are reflected in the overall change in the pension fund liability (shown under long term liabilities), resulting in an estimated liability of £67.677 million at 31 March 2013. This is an increase of £10.008 million over the position at 31 March 2012. Whilst this liability has a significant impact on the net worth of the Council, in the short-term the cost of pensions to the Council will remain as set at the last actuarial review. The Council's pension contribution to be paid for 2013/14 is estimated to be £3.514million. A review of the fund as at 31 March 2013 is being conducted by the Actuary, which will also take into account the estimated financial impact on employers from the Government's proposed changes to the Local Government Pension Scheme to be introduced from April 2014. This will result in a new funding strategy and determine the Council's pension fund contributions chargeable against Council Tax for the period April 2014 to March 2017.

## 8) Cash Flow Statement

This statement shows how the movement in capital and revenue resources has been reflected in cash flows of the Council and ultimately the net increase of £1.89 million in the balance of cash and cash equivalents.

<b>Cash &amp; cash equivalents</b>	<b>31 March 2012 £000</b>	<b>Change £000</b>	<b>31 March 2013 £000</b>
Cash held by officers	1	-	1
Co-operative Bank	2,760	890	3,650
Call Accounts	9,000	1,000	10,000
<b>Total</b>	<b>11,761</b>	<b>1,890</b>	<b>13,651</b>

Under IFRS, the definition of cash and cash equivalents captures monies that internally are regarded as part of the Council's investment portfolio – these being amounts held overnight with the Council's own bank (for immediate liquidity purposes), and “on call” accounts which, whilst containing funds not immediately required, have been paying interest at favourable rates.

## 9) Collection Fund

The Collection Fund is a statutory account that records the accounting entries of the Council as billing authority for the collection of Council Tax and business rates, including amounts for Essex County Council, Essex Police Authority, Essex Fire and Rescue Authority, local parish and town councils, and central government. Balances retained are held on behalf of local taxpayers and taken into account when calculating future Council Tax rates.

Income from Council Tax was £80.304 million. After taking account of precepts and demands, and an allowance for non-collection, a surplus for the year was generated of £490,000. With the deficit brought forward of £58,000, the net balance on the Fund at the end of the year was £432,000. For the purpose of setting the 2013/14 Council Tax an estimated balance at 31 March 2013 of £234,000 was allowed. The difference of £198,000 will be taken into account when estimating the balance at 31 March 2014, for setting the Council Tax for 2014/15.

The Collection Fund also reflects business rate income of £38.539 million the majority of which is paid over to central government for pooling nationally and redistributing back to local authorities. The Council received £6.767 million of business rates as part of its overall government support. This is the final year that national pooling will apply, with the Business Rate Retention Scheme being introduced from April 2013 whereby income will be shared between Government (the “central” share) and major precepting local authorities (the “local” share).

## 10) Members Allowances and Expenses Reimbursed

The amount of Member Allowances and Expenses Reimbursed for 2012/13 and 2011/12 is summarised in the table below:

<b>2011/12</b>		<b>2012/13</b>
<b>£</b>		<b>£</b>
259,075	Basic Allowances	265,434
123,161	Special Responsibility Allowances	129,830
17,844	Expenses Reimbursed	20,750
400,080	Total	416,014

Basic and Special Responsibility Allowances increased between years due to an inflationary increase of 1% from April 2012, and due to two additional Special Responsibility payments being made for the Chairs of the Local Highway Liaison and the Braintree, Halstead and Witham Citizens Advice Bureau and Braintree District Voluntary Support Agency Task and Finish Groups. In 2011/12 the amount of basic allowances paid was less than anticipated due to ward vacancies which were filled in March 2012. Further details of payments to individual Members is given in the Additional Information section of the Accounts.

## 11) Officers' Remuneration and Exit Packages

A summary of remuneration to Senior Managers and other officers earning more than £50,000 per annum is provided in the table below:

	2012/13		2011/12	
	Total remuneration in year including pension contributions (£)	Number of staff as at 31 <sup>st</sup> March	Total remuneration in year including pension contributions (£)	Number of staff as at 31 <sup>st</sup> March
Senior Managers	704,518	9	869,364	10
Other Officers earning over £50,000	339,688	6	285,418	5
Senior Managers left during the year	102,250	3	112,896	1
Other Officers earning over £50,000 left during the year	0	0	0	0

(Note: individual amounts in the Accounts are rounded to nearest £000)

There was a reduction in the overall cost of Senior Managers and other officers earning more than £50,000 by £121,222 between the years. The total number of officers subject to disclosure in-post at the end of March remained at 15.

The number of exit packages agreed in the year was 6, the majority having a value under £20,000, with an estimated total cost of £82,000. In the previous year 15 exit packages had been agreed with an estimated total cost of £210,000. These packages have been agreed as part of the Council's plans to implement savings and efficiencies under its Medium Term Financial Strategy.

## 12) Revenue Expenditure by Service

A table in the Additional Information section provides the gross expenditure, income, and net expenditure listed by service for 2012/13 and 2011/12.



<b>References from Full Council – 29<sup>th</sup> July 2013</b>	<b>Agenda No: 11a</b>
<b>To receive recommendations from the Task and Finish Group's review of Braintree, Halstead and Witham Citizens' Advice Bureau and Braintree District Voluntary Support Agency</b>	
<b>Background Papers:</b>	<b>Public Report</b>

**Minute Extract:**

**COUNCIL – 29<sup>TH</sup> JULY 2013**

**32. RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEE – 29<sup>TH</sup> MAY 2013 – TASK AND FINISH GROUP REVIEW OF BRAINTREE, HALSTEAD AND WITHAM CITIZENS ADVICE BUREAU AND BRAINTREE DISTRICT VOLUNTARY SUPPORT AGENCY**

**DECISION:** That the report and the following recommendations be referred to Cabinet:

**BRAINTREE CITIZENS ADVICE BUREAU (CAB):**

**1. Recommendations for Braintree District Council:**

- **Financial Support:** To continue to provide its core funding contribution and to maintain close partnership working with the CAB. This funding and support is essential for the CAB to provide its services to benefit local residents, who are amongst some of the most vulnerable people in the District;
- **Non-Financial Support:** To identify ways to increase its non-financial support to the CAB including:
  - In addition to the Council's representative on the Trustee Board, a deputy should be available to make sure Braintree District Council is always represented by one/two people. Both of these representatives to have voting rights;
  - In-kind support eg. PR advice, administrative assistance;
  - To provide a Member representative on the Essex-wide Group of Citizens Advice Bureaux;
- **Partnership Working:** To continue to work in partnership with the CAB and to seek opportunities to develop joint solutions to meet



emerging needs;

- **Awareness Raising:**

- To increase Parish Councils' awareness of the scope and limitations of the CAB's services;
- To increase Members' awareness of the scope and limitations of the CAB's services through wider dissemination of its monitoring information and through the Members' Portal, Member Induction Training and Members' Evenings;

## **2. Recommendations for Braintree, Halstead and Witham Citizens Advice Bureau (through Cabinet):**

- **Gateway Assessment Process:** To implement this process for handling enquiries as quickly as possible with the support of all staff and volunteers. This was strongly supported by the Task & Finish Group who felt that this new procedure should be able to be implemented as quickly as possible and would seem to be the way forward to progress the future increase in enquiries in a shorter amount of time;
- **Volunteers:** To investigate opportunities to recruit volunteers for appropriate tasks that do not require extensive, lengthy training as advisers, eg. administrative tasks;
- **Fund-raising:** They should develop a fund-raising strategy to enable the CAB to identify potential sources of funding and achieve increased income from a wider range of sources;
- **Opening Hours:** To investigate whether it is feasible to extend opening hours for appointments at weekends, and/or evenings in order to increase access;
- **Premises:** To seek a satisfactory solution to the problems arising from the Braintree premises through further discussions with the Council's Estates Department.

## **BRAINTREE DISTRICT VOLUNTARY SUPPORT AGENCY (BDVSA)**

### **1. Recommendations for Braintree District Council**

- **Financial Support:** To continue to provide its core funding contribution and to maintain close partnership working that sustains and values both BDVSA and the local voluntary sector;
- **Non-Financial Support:** To identify ways in which it could provide non-financial support to BDVSA including:
  - In addition to the Council's representative on the Executive Committee, a deputy should be available to make sure Braintree District Council is always represented by one/two people. Neither of these representatives would have voting rights;

- To make representations on BDVSA's behalf to support them in securing funding from Essex County Council and the NHS Clinical Commissioning Group;
- **Awareness Raising:**
  - To increase Members' awareness of the services BDVSA provides through wider dissemination of its Newsletter, monitoring;
  - Information and through Member Induction Training and Members' Evenings;
  - To provide more information and improved links to BDVSA on the Council's website.

## 2. Recommendations for BDVSA (through Cabinet)

- **New Premises:** To investigate alternative premises to provide a higher standard of accommodation and a more positive environment. This would greatly enhance BDVSA's image, presence and working conditions for its staff. It is the Task and Finish Group's opinion that this could help to re-energize the organisation and encourage it to be more proactive in promoting its services to the voluntary sector. It will enable staff to work more productively in less cramped conditions, with room for volunteers to be used to undertake work to support, or expand the activities of BDVSA eg. volunteers working on publicity and promotion. Possible accommodation options to be investigated include:
  - The Council's property portfolio: an initial discussion has taken place between the Chair of the Task and Finish Group and the Council's Head of Asset Management;
  - Accommodation at Greenfields Community Housing offices: The Chair of the Task and Finish Group has met Greenfields' Community Empowerment Manager who will make further enquiries;
  - Empty shop premises in a town centre;
  - Creation of a community hub for a variety of voluntary organisations (including BDVSA) to operate from;

However, it is noted that BDVSA may struggle to secure adequate premises without incurring additional costs (rent, heat, etc.) as they enjoy a peppercorn rent of £620 per annum, excluding electricity, at their current premises.

- **Profile Raising/Publicity:** To consider ways to ensure that more organisations that could benefit from their services are made aware of them eg. use of in-kind specialist advice and/or volunteer support for publicity campaigns.

**REASON FOR DECISION:** To consider the Task and Finish Group's report and to refer it to Cabinet.

<b>Reference from Licensing Committee – 11<sup>th</sup> September 2013</b>	<b>Agenda No: 11b</b>
<b>Hackney Carriage and Private Hire Drivers' Knowledge Test – Exemptions Policy</b>	
<b>Background Papers:</b>	<b>Public Report</b>
Report to the Licensing Committee 17 <sup>th</sup> July 2013 - <a href="http://www.braintree.gov.uk/meetings/meeting/497/licensing">http://www.braintree.gov.uk/meetings/meeting/497/licensing</a>	

**Minute Extract:**

**LICENSING COMMITTEE – 11<sup>TH</sup> SEPTEMBER 2013**

17 **MINUTES**

**DECISION:** That the Minutes of the meeting of the Licensing Committee held on 17<sup>th</sup> July 2013 be approved as a correct record and signed by the Chairman, subject to the Decision in Minute 13 – 'Hackney Carriage and Private Hire Drivers' Knowledge Test – Exemptions Policy' being amended to a Recommendation to Cabinet as follows:-

**DECISION: That it be Recommended to Cabinet:-**

- (1) That the policy set out at Appendix 1 to the report to exempt drivers undertaking limousine or executive work and/or school contracts from the topographical aspects of the Braintree District Council licensed driver's knowledge test be approved.
- (2) That the Braintree District Council Penalty Point scheme be amended to include an additional offence category – '17. Drivers failing to comply with a knowledge test exemption (5-10 points)', as set out at Appendix 2 to the report.

<b>Recommendations from the Governance Committee – 18<sup>th</sup> September 2013 - Treasury Management Annual Report 2012/13 And Mid-Year Report 2013/14</b>	<b>Agenda No: 11c</b>
<b>Background Papers:</b>	<b>Public Report</b>

**Minute Extract:**

**GOVERNANCE COMMITTEE – 18<sup>TH</sup> SEPTEMBER 2013**

**22. TREASURY MANAGEMENT ANNUAL REPORT 2012/13 AND MID-YEAR  
REPORT 2013/14**

**DECISION:** That it be recommended to Cabinet that the Treasury Management Combined Annual Report 2012/13 and Mid-Year Report 2013/14 be recommended to Council for acceptance.

**REASON FOR DECISION:** The Council has adopted the CIPFA Code of Practice for Treasury Management in Public Services which requires that Full Council receive an annual report and mid-year review of its treasury management function

<b>Recommendations from the Governance Committee – 18<sup>th</sup> September 2013- Annual Governance Report 2012/13</b>	<b>Agenda No: 11d</b>
<b>Background Papers:</b>	<b>Public Report</b>

**Minute Extract:**

**GOVERNANCE COMMITTEE – 18<sup>TH</sup> SEPTEMBER 2013**

20. **ANNUAL GOVERNANCE REPORT 2012/13**

**INFORMATION:** The External Auditor representatives outlined plans to resolve outstanding matters in the Annual Governance Report in order that they could issue an unqualified opinion. Members agreed that subject to the planned resolution of the outstanding matters, the Annual Governance Report 2012/13 be accepted and recommended to Cabinet for approval.

**DECISION:** That it be recommended to Cabinet:

1. That subject to the planned resolution of the outstanding matters, the Annual Governance Report 2012/13 be accepted.
2. That the unadjusted misstatement identified in the report is not adjusted.

**REASON FOR DECISION:** To comply with the Accounts and Audit Regulations which require Councillors to receive the findings of the external auditor before approving the Statement of Accounts.

<b>Cabinet Member Decisions made under Delegated Powers</b>		<b>Agenda No: 12b</b>
<b>Portfolio Area:</b>		
<b>Report presented by:</b>		<b>Not applicable – For noting only</b>
<b>Report prepared by:</b>		<b>Emma Wisbey, Local Governance Manager</b>
<b>Background Papers:</b>		<b>Public Report</b>
Cabinet Decisions made by individual Cabinet Members under delegated powers (signed copies retained by Member Services)		
<b>Options:</b>		<b>Key Decision: No</b>
<b>For noting only</b>		
<b>Executive Summary:</b>		
All delegated decision taken by individual Cabinet Members are required to be published and listed for information on next Cabinet Agenda following the decision.		
Since the last Cabinet meeting the following Cabinet Members have taken delegated decisions:-		
<b>Delegated Decisions - to note recently made delegated decisions:</b>		
<b>Councillor Bebb – Cabinet Member (Performance and Efficiency)</b>		
<b>Delegated Decision taken on 9<sup>th</sup> August 2013</b> - Local Authority Mortgage Scheme - To confirm the maximum loan amount available under the Local Authority Mortgage Scheme is £250,000 per application		
Cabinet Decisions made by individual Cabinet Members under delegated decisions can be viewed on the Access to Information page on the Council's website. <a href="http://www.braintree.gov.uk">www.braintree.gov.uk</a>		
<b>Decision:</b>		
For Members to note the delegated decisions		
<b>Purpose of Decision:</b>		
The reasons for each decision can be found in the individual Delegated Decisions		
<b>Officer Contact:</b>	Emma Wisbey	
<b>Designation:</b>	Local Governance Manager	
<b>Ext. No.</b>	2610	
<b>E-mail:</b>	<a href="mailto:emma.wisbey@braintree.gov.uk">emma.wisbey@braintree.gov.uk</a>	