



Initial Budget Proposals 2020/21

**Introduction by the Deputy Leader of the Council
Presentation by the Portfolio Holders for Finance
& Performance Management and Corporate
Transformation**

**Performance Management Board
27th November 2019**

Priorities for 2020/21

Focus continues to be:

- Investment in Economic Growth & Infrastructure
- Supporting our businesses
- Improving Health & Wellbeing
- Housing growth and affordable new homes
- Keeping our district clean
- Supporting our most vulnerable people
- Improving key frontline services
- Keeping costs down - reasonable charges
- Commercialisation

Budget Strategy

- Medium–Term Plan covering 4 year period
- Use New Homes Bonus for investment
- Reduce costs & increase income
- Maintain our good services
- Minimise impact on customers
- Manage our risks
- Deliver Investment Strategy
- Deliver the ‘Project 2020’ programme

Local Government Finance Settlement

- 2019 Spending Review became Spending Round setting spending plans for 2020/21 only
- Govt. proposal is to simply roll-forward 2019/20 settlement
- Technical consultation undertaken during October:

Local Government Finance Settlement

- Core council tax referendum principle of up to 2%, but exception proposed for districts of 2% or £5.00;
- Top slice £900m for New Homes Bonus scheme but no legacy payments relating to 2020/21 allocation in subsequent years;
- Rural Services Delivery Grant continues at 2019/20 level.

Local Government Finance Settlement

Date for receipt of provisional settlement is
not known at this time.



Financial Position

Cabinet – 9th September

- Anticipated financial position for 2020/21 was a shortfall of £235,000

Budget Changes - Positive

- Commercial property rents (£34k)
- Interest earned on investments (£70k)
- Planning fees income (£40k)
- Housing Benefits subsidy (£100k)
- Land Charges – provision for data cleansing (£50k)
- Efficiency Factor – increase by £150k to £350k

Budget Changes - Positive

- Operations – income from green bins, cemeteries and from TREE; reduced costs on calendar delivery, recycling sacks, Cordons Farm maintenance and cleaning cemetery buildings (£55k)
- Minor budget changes – annual leave purchase, postages and capital financing (£55k)

Budget Changes – Previously Planned

Positive

- Phased reduction in grant to Museum Trust (£13.5k)
- Commercial rent increases (£6k)
- Shared payroll service reduced costs (£4k)
- Graphic Design and Print increased income (£5k)

Negative

- Reduction in Housing Benefit Administration Grant (£88.5k)

Unavoidable Budget Demands

Income reduction:

- Advertising income (£11k);

Expenditure increase:

- Recyclable materials (£150k);
- Rate of pay for drivers of LGV's (£20k);
- Rent increase payable for offices/depot at Lakes Road (£16k);

Unavoidable Budget Demands

Expenditure increase cont'd:

- Elections – annual contribution to reserve for district elections (£3k);
- Members Allowances – increase agreed in March 2019 and increased number of special responsibility allowances (£72k);
- Insurance Premia costs (£24k)

Budget Demands

- Additional Senior Enforcement Officer and Tree & Landscape Officer posts and increased hours in Landscape services administration (£107k)
- Tree Management – works and survey (£30k)
- Community Safety Officer post – currently funded from reserve (£9k);
- Governance and Information Lawyer (currently funded from reserve) and new Scrutiny Officer post (£61k);
- New Planning software system – annual subscription cost (£11k)

Budget Demands

Proposed meet following from reserves/
balances:

- Council tax collection fund surplus to Town & Parish Councils (£29k);
- Town Hall – Upgrade CCTV (£6k);
- North Essex Economic Growth Strategy – provision re implementation (£20k);
- Waste Collection services – review (£50k)

Budget Demands

Proposed meet following from reserves/
balances, cont'd:

- Legal Services – case management system (£8k);
- Infrastructure Project officer – new post (£47k);
- Addition to the Housing Development and Local Plan Growth reserve (£500k)

Pension Fund

Essex Pension Fund – Triennial Review

- Report received 1st November
- Fund performed very well over last three years
- Report sets out employer contributions and deficit payments required over next three years

Pension Fund

- Deficit payments reduced to £2.46m from £4.23m for 17/18 to 19/20
- Proposal to pay annual deficits in single payment on 1st April 2020 – saving £112k over annual payment option
- Employer contributions increase from 16.5% to 20.3%
- Net effect is a positive adjustment to the Budget in 2020/21 of £296k

Council Tax

- Council tax (Band D) increased to £183.24 (£3.51 or 1.95%) for 2020/21
- No changes proposed to the Local Council Tax Support scheme for 2020/21

Updated Position

- 2020/21 - £5,000 addition to balances
- 2021/22* - £630,000 shortfall
- 2022/23* - £83,000 shortfall
- 2023/24* - £327,000 shortfall

*Note * Based on current Business Rate*

Retention scheme

Balances

Estimated Unallocated Balance

£'000

As at 31st March 2020 7,419

Planned addition 20/21 Budget 5

Pension deficit payments re
21/22 & 22/23 (1,646)

Proposed withdrawal for one-off (136)

As at 31st March 2021 5,642

Issues Outstanding for 2020/21

- LG Finance Settlement announcement
- New Homes Bonus, Business Rate Pool and HB Administrative subsidy announcements on or shortly after Settlement date
- Annual Pay Award effective 1st April 2020

Issues Outstanding 2020/21

- Council tax and Business Rate taxbases for 2020/21 to be finalised
- Confirmation of ECC Contributions – Waste, Community Transport and Council Tax sharing agreement

Emerging Issues for 2021/22 Onwards

- Spending Review 2020
- Fair Funding Review
- 75% Business Rates Retention – treatment of growth achieved to-date
- Business Rates – appeals
- Impact of District Growth on services

Business Rate Pool

- All 15 authorities in the current Essex Business Rates Pool have requested the Pool continues for 2020/21
- Estimated share for Braintree is £560,000 (as in previous years not included in budget)

Capital Bids 2020/21

£'000

- Maintain Council assets 579
- Computer equipment 40
- Digital Services – upgrade web platform 60
- IT Server Room – Feasibility Review 10
- CCTV camera upgrade 30
- Public Open Spaces – earth bunds/
ditches 50
- New footpath & resurfacing to rear of
Rivenhall Village Hall 30

Capital Bids 2020/21

£'000

- Play Areas refurbishment 80
- Braintree Sports & Health Club –
artificial pitch and athletics track 310
- Pedestrianisation Braintree town centre 500
- Cemeteries Gardens of Remembrance 50
- Cordons Farm Waste Station – works 17
- Depot, Lakes Rd – refurbishment works 50
- Duty Planning new software system 10
- Disabled Facilities Grants 931

Total

2,747

Capital Bids 2020/21

Two requests from Members

- Bocking Windmill works – assurance on timescale for works (Cllr Mann)
- Environmentally Friendly Weedkiller System – equipment available for hire by town/parish councils (Cllr Mrs Sandum and Cllr Thorogood)

Capital Bids 2021/22

	£'000
IT Server Room	80
Provisions:	
• House Renovation Grants	100
• Disabled Facilities Grants	931
• Maintain council assets	410
• Computer equipment	40
• Allowance for Bids	500
Total	2,061

Current Capital Programme 2020/21

	£'000
• Housing Services	1,036
• Other Services	1,029
• Strategic Investments	34,506
• Capital salaries	400
Total	36,971

Capital Programme – schemes not profiled

£'000

Provisions:

- Halstead Community Facility 636
- Manor Street Development (5%) 1,471
- Witham Investments 3,000

New Homes Bonus

Cash received up to 31st Mar 2020 is £14.47m

- Allocated is £13.71m
- Unallocated Balance at 31st Mar 2020 is £0.76m

Estimated amount receivable in 2020/21:

- Years 7-9 £0.57m
- Year 10 (2020/21) TBA
- Allocated for Economic Development
& Project Delivery £0.22m per annum
- Net unallocated for year 10 (2020/21) is £0.35m

Budget Process – Timetable

- Performance Management Board – 27th Nov
- Cabinet – 2nd and 18th December
- Council – 16th December
- 2020/21 Funding Settlement Assessment – December/January
- Consultation – Businesses - January
- Performance Management Board – 29th Jan
- Cabinet – 10th February
- Council – 17th February