

# **Council Budget and Council Tax 2016/17 and Medium-Term Financial Strategy 2016/17 to 2019/20**

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the following meetings:

Overview and Scrutiny Committee – 27<sup>th</sup> January 2016

Cabinet – 4<sup>th</sup> February 2016

Council – 22<sup>nd</sup> February 2016

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Nicola Beach  
Chief Executive



CABINET – 4<sup>th</sup> February 2016  
COUNCIL – 22<sup>nd</sup> February 2016



<b>Council Budget and Council Tax 2016/17 and Medium-Term Financial Strategy 2016/17 to 2019/20</b>		<b>Agenda No: 7a</b>
<b>Portfolio Area:</b> Finance and Performance <b>Corporate Priority:</b> Deliver excellent customer service and provide value for money <b>Report presented by:</b> Councillor David Bebb, Cabinet Member for Finance and Performance <b>Report prepared by:</b> Trevor Wilson, Head of Finance		
<b>Background Papers:</b>  Medium-Term Financial Strategy 2016/17 to 2019/20 Update report to Cabinet 30 <sup>th</sup> November 2015.  Notification of the provisional Local Government Finance Settlement received by email from the Department for Communities and Local Government on 17 <sup>th</sup> December 2015.		<b>Public Report</b>
<b>Options:</b>  To accept or amend the budget, council tax level and capital projects for 2016/17 for recommendation to Full Council.		<b>Key Decision: No</b>
<b>Executive Summary:</b>  <b>1 Background</b>  1.1 The annual process of reviewing and rolling the strategy forward by one year commenced with a report to Cabinet on 28 <sup>th</sup> September 2015.  1.2 The Cabinet accepted an initial update to the Council's Financial Profile for 2016/17 to 2019/20. This revealed a shortfall on the revenue account over the next three years of £2.24million, based on anticipated reductions in the Government's Funding Settlement Assessment to the Council.  1.3 On 30 <sup>th</sup> November 2015, the Cabinet agreed to change the Government funding assumption to a reduction of 40% over the four-year period. This change, which followed HM Treasury's invitation to government departments to plan for resource cuts of 25% and 40%, increased the amount of savings required by £1.1million and resulted in the amount of Revenue Support Grant reducing to almost zero in 2019/20.		

- 1.4 The Cabinet agreed the Council's draft Medium-Term Financial Strategy for the period 2016/17 to 2019/20, which included initial revenue budget and council tax proposals for 2016/17, and that the proposals be subject to consultation as appropriate.
- 1.5 Council agreed the Local Council Tax Support scheme for 2016/17 on 14<sup>th</sup> December 2015.
- 1.6 The Council received detail of the provisional Local Government Finance Settlement for 2016/17 together with indicative figures for the three following years on 17th December 2015. In addition to updating the Financial Profile for this information, Cabinet Members and Senior Management have reviewed: the Council's discretionary fees and charges; capital resources and the proposed capital programme for 2016/17; and the Council's earmarked reserves.

## **2 Central Government Funding**

- 2.1 The Council's provisional allocation of Settlement Funding Assessment (SFA) for 2016/17 is £4,793,675. This represents a reduction of £927,132 or 16.21% compared to the SFA for 2015/16.
- 2.2 Indicative SFA figures for the following three years were also received: £4,031,292 for 2017/18, £3,622,419 for 2018/19 and £3,165,526 for 2019/20. The reduction in SFA between the current year and 2019/20 is £2.555million or 44.7%.
- 2.3 The Government is offering to make a four-year funding settlement to 2019/20 available to any council providing it publishes an efficiency plan and uses the multi-year settlement to strengthen financial management including by maximising value in arrangements with suppliers and making strategic use of reserves in the interests of residents.
- 2.4 In addition to publishing SFA allocations the Government provides Core Spending Power figures for each council. Core Spending Power (CSP) for district councils consists of: Settlement Funding Assessment; Council Tax; New Homes Bonus and Rural Services Delivery grant. This Council's CSP is £15.72million for 2016/17 which is marginally lower (0.85%) than the figure for 2015/16. The CSP for 2019/20 reduces to £13.788million and represents a reduction of 13.1% over the four-year period.
- 2.5 The SFA includes an assessment of the business rates baseline (£3.191million) which the Government expects the Council to retain under the Business Rates Retention scheme. An estimate of the amount of business rates to be retained in 2016/17 is £3.99million: which includes a 0.83% increase determined by the Government; net of discounts and exemptions; and allowance for rateable valuation reductions determined by the Valuation Office following appeal. This is an estimated benefit over the baseline of £800,000.
- 2.6 The Council has agreed to participate with ten other Essex authorities in the Business Rates Pooling arrangement, which it is anticipated will bring additional resources to the County and be shared between the eleven authorities. The decision to join is based on the assessment that estimated business rates

income for 2016/17 will exceed the baseline amount. Under the sharing arrangement the Council could receive an additional amount of business rates of approximately £366,000. The determination and receipt of the actual amount of the share will be made in 2017/18; i.e. after year-end returns have been collated from each of the authorities in the Essex Pool.

- 2.7 Notification has been received that the amount of New Homes Bonus receivable for year 6 of the scheme is £680,527. The total amount receivable in 2016/17 is £2,782,134; this covers instalments for years 1 to 6.
- 2.8 In addition to the SFA the Council receives subsidies from two Government Departments for the administration of the housing benefit and local council tax support schemes. The subsidy for housing benefit for 2016/17 has been set at £464,012, a reduction of £116,008 or 20% over the current year. Notification of the subsidy for local council tax support is still to be received.
- 2.9 The detail of the provisional settlement is broadly in line with the assumption included in the initial budget proposals agreed by Cabinet on 30th November 2015, and confirms the significant challenge for the Council to provide the services required by residents and communities across the district and balance its finances particularly in the years after 2016/17.
- 2.10 Notification of the actual settlement for 2016/17 will follow consideration of responses to consultation and representations made to the Government, and is expected on 3<sup>rd</sup> February 2016.

### **3 New Investment and Unavoidable Budget Demands**

- 3.1 It is proposed to make a provision of £180,000 within the budget for a Councillor Grant Scheme to be trialled over the next two years. This alternative approach to providing financial support to organisations across the district replaces the Mi-Community Fund which is in its final year, with awards from the final round due to be announced in March 2016.
- 3.2 The details of this scheme are currently being determined with the scheme proposed to be launched in September 2016, but will give each Councillor £1,500 to award to projects in their ward.
- 3.3 The estimated surplus on the Council Tax Collection Fund at the end of 2015/16 is to be allocated between the Town/Parish Councils and this Council. Town/Parish councils will receive a total amount of £20,362 in 2016/17.
- 3.4 Requests for revenue funding to meet unavoidable budget demands total £260,580 for 2016/17, all of which are required to be added to the base budget:

#### **Environment and Place**

- Refuse and Recycling – the Council is required to provide a statutory service for the collection of medical waste where residents receive treatment in their own homes – Introduce a chargeable Clinical Waste Service – £30,000;

## Finance and Performance

- Efficiency Savings Target – annual budget included for savings to be identified during the course of the year. The achievement of the budget becomes more difficult as staff numbers and budgets are reduced – Propose a reduction in the target from £325,880 down to £150,000 – Adjustment required £175,880;

## Corporate Services and Asset Management

- Elections – Individual Electoral Registration will require an increase in postage cost budget – £21,100;
- Asset Management – Budget for minor repairs to the Council's assets, the costs of which are individually small and cannot be capitalised – £25,000; and
- Members Allowances – Members serving on the Local Plan Sub Committee are entitled to a minor special responsibility allowance – recommendation of Independent Remuneration Panel agreed by Council on 14<sup>th</sup> December 2015 – £8,600.

## **4 Financial Assumptions and Budget Changes Previously Agreed**

- 4.1 The Financial Profile, agreed in February 2015, included savings planned for 2016/17 to 2018/19. These savings have been reviewed to ensure that they are still deliverable. The outcome of the review is that three of the savings require adjustment reducing the savings to £78,844 in 2016/17 and £19,830 in 2017/18.
- 4.2 Adjustment to the base budget in 2016/17, for planned priority investments and unavoidable budget changes identified in previous years, is a reduction totalling £2,126,016.
- 4.3 Whilst local government pay is negotiated between the Employers Organisation and the trade unions it is considered appropriate to limit the annual increases to 1% for financial planning purposes in accord with the Government's announcement for public sector pay over the next four years. A provision, of £216,890, has been made for the change to employer National Insurance (contracted out) contributions from April 2016, announced in the 2013 Budget. Whilst there is no direct impact on the Council regarding the introduction of the National Living Wage from April 2016 regarding its staff a provision has been made for increased costs regarding the engagement of agency staff.
- 4.4 The Council's pension deficit contribution and employer contribution rate for 2016/17 was determined by the Triennial Review of the Essex Pension Fund, conducted as at 31<sup>st</sup> March 2013. The next Triennial Review will be conducted as at 31<sup>st</sup> March 2016 and will set the contributions for 2017/18 to 2019/20. The financial profile 2016/17 to 2019/20 includes budget increases based on the results of the triennial review: £76,530 for 2016/17 and estimated budget increases of £99,820 for 2017/18, £61,410 for 2018/19 and £63,270 for 2019/20.
- 4.5 Allowances for inflationary increases have been provided only on specific budget headings e.g. business rates, contracts, energy, etc. based on the relevant elements of the Consumer Prices Index as at September 2015 and forecast energy cost increases from Concept Energy Solutions, an energy

management company engaged by the Council.

## **5 Budget Savings and Additional income**

5.1 The savings/additional income proposals included in the initial budget proposals agreed by Cabinet on 30th November 2015 were divided into three categories:

a) saving proposals which will have an impact on residents, customers or local organisations are:

### **Environment and Place**

- Private sector housing grants – charge an agency fee for administration of the Disabled Facilities Grants – proposed 10% charge will be taken from the funding provided through the Better Care Fund. Saving to the revenue account of £41,800 per annum.
- Domestic garden waste – suspend the garden waste collection service over the three months, December to February. Saving of £35,000 per annum.

### **Planning and Housing**

- Dedham Vale Area of Outstanding Natural Beauty and Stour Valley project – reduce grant payable from £16,000 down to £12,000. Saving of £4,000 per annum.

### **Health and Communities**

- Citizens Advice Bureau – reduce annual grant payable over the next three years in line with the estimated reduction in the Council's Settlement Funding Assessment. Saving of £47,120 over the three year period.
- Braintree District Voluntary Support Agency – reduce annual grant payable over the next three years in line with the estimated reduction in the Council's Settlement Funding Assessment. Saving of £6,230 over the three year period.
- Braintree District Museum Service – 10% budget reduction in the grant to the Trust. Saving of £22,390.

### **Finance and Performance**

- Parish and Town Councils - Localism Fund – phase out the Localism Fund payments over the next three years; in line with the withdrawal of the Council's revenue grant funding from the Government. Saving of £291,010 against the 2015/16 budget by 2019/20.
- Council tax – to introduce a 50% premium chargeable on dwellings which have been unoccupied and substantially unfurnished for two years or more (see section 8.6 below).

The values of the saving proposals across the four years are: £132,250 in 2016/17; £84,190 in 2017/18; £111,340 in 2018/19; and £84,450 in 2019/20

b) A substantial increase in income budgets, of £685,724, over current budget levels is expected in 2016/17:

- Development Control – Planning application fees and Pre-application advice fees - £125,000;

- Land Charges – search fees - £30,000;
- Trade/Commercial Waste – collection fees - £50,000;
- Council Tax sharing agreement – arrangement with Essex County Council, Essex Police & Crime Commissioner and Essex Fire Authority - £130,000;
- Business rates retained – the growth in business rates collectable for the district results in an increase in the amount that the Council will retain. Additional income of £252,934;
- Commercial and Industrial property – anticipated additional income from rent reviews - £54,770 in 2016/17; and
- The balance of £43,020 of additional income in 2016/17 is spread across eight service budget areas.

The values of additional income across the four years are: £685,724 in 2016/17 (of which £252,934 is shown under the 'Retained Business Rates – Growth above baseline' in the Financial Profile); £181,710 in 2017/18; £11,470 in 2018/19; and £7,000 in 2019/20

- c) Management Savings – a number of savings have been identified which will not have an adverse impact on residents or customers. The total values of these savings across the years are: £485,250 in 2016/17; £6,350 in 2017/18; and £1,750 in 2018/19.

## **6 Fees and Charges**

- 6.1 A schedule of the discretionary fees and charges, detailing current and proposed levels for 2016/17, is provided at Appendix A. No change is proposed to car parking charges and the 10p after 3:00pm initiative is to continue for 2016/17.
- 6.2 Housing rents for the Council's four properties in Bradford Street, Braintree, are to be reduced by 1%: in line with that prescribed by the Government to Registered Social Landlords. Service charges for these properties are to remain at the current levels.
- 6.3 It is proposed to continue the current arrangement for the appropriate Cabinet Member to have delegated authority to vary some fees and charges to ensure competitiveness of Council services.

## **7 Business Rates**

- 7.1 The Council's Business Rates Taxbase for 2016/17 was calculated as at 7<sup>th</sup> January 2016 and agreed by the Corporate Director under delegated authority. The net collectable amount, after mandatory and discretionary reliefs, allowances for losses on collection and rating appeals, is £42,480,952.
- 7.2 The Cabinet, on 31<sup>st</sup> March 2014, agreed to extend the Council's policy for discretionary business rate relief (under section 47 of the Local Government Finance Act 1988) to include three new schemes as recommended and funded in full by the Government: retail relief for 2014-15 and 2015-16; relief for re-occupation of empty property formerly used for retail purposes during the period 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2016; and new build empty property relief for new



structures completed but unoccupied between 1<sup>st</sup> October 2013 and 30<sup>th</sup> September 2016.

7.3 As the Government has not announced an extension to the funding after the current periods these schemes will cease.

7.4 The Government has set the business rates multipliers for 2016/17 at 48.4p per pound of rateable value for the small business multiplier (48.0p in current year) and 49.7p per pound of rateable value for the standard multiplier (49.3p in current year).

## **8 Council Tax**

8.1 The initial budget proposal and council tax level were subject to the receipt of the financial settlement figures. On the basis that the figures received from Government on 17th December were broadly in line with those anticipated in the report the proposed council tax level for 2016/17 is confirmed at £162.72 (Band D property); an increase of £3.15 per annum or 6 pence per week (Band D).

8.2 The Council's taxbase for 2016/17, calculated as at 30<sup>th</sup> November 2015, is 50,667. This was determined under delegated authority by the Corporate Director responsible for Finance.

8.3 It is estimated that the balance on the Collection Fund as at 31<sup>st</sup> March 2016 will be a surplus of £886,050. The Council's proportion of the council tax surplus, to be returned to council taxpayers in 2016/17 is £114,990.

8.4 As for the current year it is proposed that the surplus is allocated between the Town/Parish Councils and this Council. The allocation is made pro-rata the 2015/16 precepts.

8.5 Since 1<sup>st</sup> April 2013 the Council has exercised discretionary powers to set the discounts for empty properties and second homes. The current agreed levels of these discounts are as follows:

- Properties undergoing extensive repair – 0% for twelve months;
- Properties unfurnished – 0% for 6 months;
- Second homes – 0%

It is not proposed to make any changes to these levels for 2016/17.

8.6 The Council decided initially against the introduction of a premium, of up to 50%, to be applied to long-term empty properties (defined as over two years). However, there are currently 271 properties in the district which have been empty for two years or more. In view of the demand for homes in the district it is considered that the introduction of a premium charge may provide an incentive to get these long-term empty properties to be brought back into use. It is proposed therefore that a premium of 50%, in addition to the current full charge, be introduced from 1<sup>st</sup> April 2016.

## **9 Financial Profile 2016/17 to 2019/20**

- 9.1 The budget proposals as presented in the report result in an addition to balances of £352,500 in 2016/17. Shortfalls are projected for the three following years of: £703,384, £355,174 and £433,377, respectively.
- 9.2 The proposed budget for each year includes assumptions based on the best information available at the time but it is inevitable that these will change particularly those affecting 2017/18 onwards. At this time the Council has options to:
- look for savings and additional income. A programme of reviews of a number of services has been commissioned over the next nine months to identify savings and/or additional income. In addition the identification of opportunities to improve returns on investments will continue to be sought going forward;
  - applying New Homes Bonus to support the revenue account; or
  - use balances; or
  - a combination of these options.

## **10 Pay Policy 2016/17**

- 10.1 The report includes the Pay Policy Statement for 2016/17 which the Council is required to agree and publish by 31<sup>st</sup> March 2016. The Policy is designed to give an overview of the Council's framework regarding pay and rewards for staff within the Council. The framework is based on the principle of fairness and that reward should be proportional to the weight of each role and each individual's performance.

## **11 Balances and Reserves**

- 11.1 Details of the Council's balances, taking account of all of the proposals, are provided and show that they continue to be above the minimum recommended level. Details of the proposed use and transfers between earmarked reserves are also provided.

## **12 Capital Investment**

- 12.1 New Homes Bonus – the Council will receive £2.78million in 2016/17 and will have a cumulative balance of £9.364million, after allowing for allocations for revenue spend of £452,300, as at 31<sup>st</sup> March 2017.
- 12.2 The Council agreed to set-aside £5.75million of New Homes Bonus for infrastructure and housing projects in the district. An allocation of a minimum of £750,000 for affordable homes and £5million for infrastructure projects. After accounting for the allocations above an unallocated balance of £3,614,100 will exist as at 31<sup>st</sup> March 2017.
- 12.3 Proposed capital projects for funding in 2016/17 have a total value of £1,304,400. Anticipated capital requirements for subsequent years are: £1,270,000 for 2017/18, £1,270,000 for 2018/19 and £1,215,000 for 2019/20.
- 12.4 The proposed capital programme can be funded from the estimated capital resource available for 2016/17. In addition the anticipated capital requirements for 2017/18 to 2019/20 can also be funded but this will be dependent on the sale of assets identified producing the anticipated amount of capital receipts.

### **13 Treasury Management**

13.1 The Council's borrowing and investment requirements for 2016/17 are contained in the Treasury Management Strategy Statement provided in this report.

### **14 Robustness of the estimates and the adequacy of the proposed financial reserves**

14.1 Finally, the Corporate Director (Section 151 Officer) provides confirmation of the robustness of the estimates and the adequacy of the proposed financial reserves as presented in this report.

#### **Decision:**

**That it be Recommended To Council that the following be approved:**

1. Delegated authority is given to the Corporate Director responsible for Finance, in consultation with the Cabinet Member for Finance and Performance, to determine whether the Council accepts the Government's offer of a four-year settlement;
2. The budget variations to the current base budget as detailed in Section 3 of the main report;
3. The savings as detailed in Section 6 of the main report;
4. The Investment bids for a provision of £180,000 for a Councillor Grant scheme and associated administrative costs, and the allocation of £20,362 of the estimated surplus on the Council Tax Collection Fund to Town/Parish Councils, as detailed in Section 4 of the main report;
5. The unavoidable budget demands, totalling £260,580 in 2016/17, as detailed in Section 5 of the main report;
6. The package of support to claimants experiencing difficulties through changes in the Local Council Tax Support scheme as detailed in Section 10.7 of the main report;
7. The Council's discretionary fees and charges for 2016/17 as detailed in Appendix A to the main report;
8. Delegated authority is given to the appropriate Cabinet Member to determine the level of Trade Waste charges, Planning pre-application fees, land charges and Environmental permits for 2016/17;
9. The Council's housing rents are reduced by 1% for 2016/17, as detailed in Appendix A to the main report;
10. That delegated authority is given to the appropriate Cabinet Member to agree variations to Trade Waste, Town Hall Centre, Building Control and Car Parking fees and charges for commercial purposes;
11. Discretionary council tax discounts and exemptions for 2016/17 are set as detailed in Appendix D to the main report;
12. The Council's Pay Policy for 2016/17 as detailed in Appendix F to the main report;
13. A transfer of £352,500 to the General Fund unallocated balance in 2016/17;
14. Transfers between earmarked reserves and estimated drawdown from

earmarked reserves for 2016/17 as detailed in Appendix J to the main report;

### **Capital**

15. The General Fund Capital bids for 2016/17 listed in Appendix K to the main report;

### **Treasury Management**

16. The Prudential Indicators and limits set out in Appendix M to the main report;
17. The Policy on Minimum Revenue Provision as recommended in Appendix M to the main report;
18. The Treasury Management Strategy, including annual investment strategy, for 2016/17 (Appendix M to the main report);

### **Council Tax**

19. The proposed estimates (producing a budget requirement for council tax purposes of £13,542,557) as detailed in Appendix G and the Council Tax for 2016/17 of £162.72 for a Band D property, having taking into consideration:
- The consultation feedback received (Appendix E to the main report);
  - The assessment of risks in the budget assumptions;
  - The Equalities Impact Assessments and
  - The Section 151 Officer's report on the robustness of the estimates and the adequacy of balances (Appendix O to the main report).

### **Purpose of Decision:**

To determine the budget and council tax level proposals for 2016/17 to be submitted to Full Council for consideration, in accordance with the Budget and Policy Framework Procedure Rules contained in the Constitution.

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

#### **Financial:**

The budget proposed for 2016/17 includes: a 1.97% increase in council tax; savings and additional income of £1.13million; additional spend of £200,362 planned new investment; allowance for unavoidable growth and reduced subsidies of £386,640; increases in discretionary fees and charges; and the Government's Settlement Funding Assessment confirmed at £4.79million (a reduction of £0.927million over the current year) resulting in an addition to balances of £352,500.

The financial position forecast for 2017/18 to 2019/20 is savings required of £703,384, £355,174 and £433,377 respectively. The Council has options to identify

	<p>additional savings, generate additional income, utilise New Homes Bonus, use balances or a combination of these options.</p> <p>A programme of reviews of a number of services has been commissioned over the next nine months to identify savings and/or additional income. In addition the identification of opportunities to improve returns on investments will continue to be sought going forward.</p> <p>Capital projects with an estimated value of £1.304million are to be added to the capital programme, to be delivered in 2016/17. The estimated amount of capital resources available over the period 2017/18 to 2019/20 is sufficient to meet anticipated annual requirements averaging £1.25million.</p>
<b>Legal:</b>	<p><u>Local Government Finance Act 1992 – Section 106</u> Will any members affected by Section 106 please note that any declarations to that effect should be made on the commencement of the meeting or immediately on arrival if this is later.</p> <p><i>Under Section 106 a member who has not paid an amount due in respect of their Council Tax for at least two months after it became payable is precluded from voting on any matters affecting the level of Council Tax or the arrangements for administering the Council Tax. (The member is, however, entitled to speak).</i></p>
<b>Safeguarding</b>	None.
<b>Equalities/Diversity</b>	Having considered the equality impact of the decision to reduce the Localism Fund and grants to the Museum Trust, BDVSA and the CAB, the funds may well be used by third parties to assist people with protected characteristic as defined by the Equality Act 2010 which may have an impact on those persons. The impact of any decisions made by funded bodies would be subject to their own assessments of need and their duties under the equality framework.
<b>Customer Impact:</b>	Impact on customers has been considered in relation to the proposals, as appropriate. The savings agreed by management have been assessed as not having a direct impact on customers.
<b>Environment and Climate Change:</b>	None.
<b>Consultation/Community Engagement:</b>	Consultation on the initial budget proposals for 2016/17 was undertaken via Contact magazine (delivered to 63,124 households in the district), the People's panel

	<p>(455 residents) and targeted with individual organisations where directly impacted by a proposal. In total 84 responses were received.</p> <p>Businesses were informed of the Budget Consultation and how to respond via an article in the winter 2015 edition of Council's Economic Development Newsletter.</p> <p>The Overview and Scrutiny Committee considered the budget proposals on 25<sup>th</sup> November 2015 and 27<sup>th</sup> January 2016. The Chairman extended an open invitation for all Members of the Council to attend the meetings.</p>
<b>Risks:</b>	The Council's Medium-Term Financial Strategy is identified as a strategic risk. An extract from the Strategic Risk Register is included at Appendix I to the report, giving the vulnerability and the action plan to mitigate the risk.
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## 1. Background

- 1.1 The Medium-Term Financial Strategy (MTFS) 2015/16 to 2018/19 was agreed by Full Council on 16<sup>th</sup> February 2015.
- 1.2 The annual process of reviewing and rolling the strategy forward by one year commenced with a report to Cabinet on 28<sup>th</sup> September 2015.
- 1.3 The Cabinet accepted an initial update to the Council's Financial Profile for 2016/17 to 2019/20. This revealed a shortfall on the revenue account over the next three years of £2.24million, based on anticipated reductions in the Government's Funding Settlement Assessment to the Council. Cabinet also agreed:
  - To consult on a number of potential changes to the Council's Council Tax Support scheme for 2016/17 as it was calculated that the funding received from Government will not cover the estimated cost of the support awarded; and
  - For the Council to join, in principle, an Essex Business Rates Pool for 2016/17.
- 1.4 On 30<sup>th</sup> November 2015, the Cabinet received an update to the MTFS which anticipated that the level of funding to local government from Central Government would be lower than previously expected following HM Treasury's invitation to government departments to plan for resource cuts of 25% and 40%.
- 1.5 It was agreed to change the Government funding assumption to a reduction of 40% over the four-year period. This change increased the amount of savings required by £1.1million and resulted in the amount of Revenue Support Grant reducing to almost zero in 2019/20.
- 1.6 Proposed savings identified as those impacting on residents, customers or local organisations and therefore requiring Member decision; and those which have no direct impact on residents or customers and have been agreed by Management Board, together with details of expected additional income and updates to the various financial assumptions were received.
- 1.7 The Cabinet agreed the Council's draft Medium-Term Financial Strategy for the period 2016/17 to 2019/20, which included initial revenue budget and council tax proposals for 2016/17, and that the proposals are subject to consultation as appropriate.
- 1.8 Since the agenda for the Cabinet meeting on 30<sup>th</sup> November 2015 was published:
  - The Leader of the Council and Members of the Cabinet presented and answered questions on the initial budget proposals for 2016/17 at the Overview and Scrutiny Committee on 25<sup>th</sup> November 2015;
  - The Council received, on 17<sup>th</sup> December, detail of the provisional Local Government Finance Settlement for 2016/17 together with indicative figures for the three following years; and

- Cabinet Members and Senior Management have reviewed: the Council's discretionary fees and charges; capital resources and the proposed capital programme for 2016/17; and the Council's earmarked reserves.
- 1.9 This report consolidates all of this information, including final refinements to the assumptions, resulting in: proposed budgets for revenue and capital; level of council tax for 2016/17; and a financial profile and Medium-Term Financial Strategy for 2016/17 to 2019/20.

## **2. Central Government Funding**

- 2.1 The provisional Local Government Finance Settlement for 2016/17 was announced on 17<sup>th</sup> December 2015. The notification also provided indicative figures for the subsequent three years: 2017/18 to 2019/20. The provisional settlement was subject to statutory consultation which closed on 15<sup>th</sup> January 2016. The Ministerial announcement on the final Settlement figures for 2016/17 was awaited at the time of writing this report.
- 2.2 The Government has indicated that it will offer any council that wishes to take it up a four-year funding settlement to 2019-20. This the Government sees as part of the move to a more self-sufficient local government, providing the funding certainty and stability to enable more proactive planning of service delivery and to support strategic collaboration with local partners.
- 2.3 Whilst full details of the offer are awaited the Government has indicated that councils wishing to accept the offer will be required to have a published efficiency plan. It is proposed that authority is delegated to the Corporate Director responsible for Finance, in consultation with the Cabinet Member for Finance and Performance, to determine whether the Council accepts the Government's offer of the four-year settlement.
- 2.4 The Government indicated in the consultation document that 'in practice, the final determination of the local government finance settlement for any given year cannot be made until calculations are completed taking account of the business rates multiplier, which is based on the Retail Price Index in September each year. The Government will also need to take account of future events such as the transfer of functions to local government, transfers of responsibility for functions between local authorities, mergers between authorities and any other unforeseen events. However, barring exceptional circumstances and subject to the normal statutory consultation process for the local government finance settlement, the Government expects these to be the amounts presented to Parliament each year'.
- 2.5 **Core Spending Power**
- 2.5.1 The Spending Review 2015 set out the expected available revenue for local government spending through to 2019-20, using Office of Budget Responsibility (OBR) estimates. The Government indicated that the purpose is to provide local government with an understanding of the resources available to the whole sector to deliver services over the next four years.



- 2.5.2 The local authority Core Spending Power figures set out indicative figures for the potential income from core components that could be available to authorities over the period 2016-17 through to 2019-20.
- 2.5.3 For district councils the Core Spending Power consists of: Settlement Funding Assessment; Council Tax; New Homes Bonus and Rural Services Delivery grant. The Core Spending Power figures for this Council are provided in the table below:

Core Spending Power	2015/16 Adjusted	2016/17	2017/18	2018/19	2019/20
	£	£	£	£	£
Settlement Funding Assessment	5,804,726*	4,793,675	4,031,292	3,622,419	3,165,526
Council Tax	7,937,331	8,134,854	8,378,444	8,637,805	8,913,933
New Homes Bonus	2,111,997	2,789,835	2,804,865	1,762,199	1,690,810
Rural Services Delivery Grant	4,234	5,463	9,560	13,657	17,754
<b>Total Core Spending Power</b>	<b>15,858,288</b>	<b>15,723,827</b>	<b>15,224,161</b>	<b>14,036,080</b>	<b>13,788,023</b>
Percentage reduction year-on-year		<b>-0.85%</b>	<b>-3.18%</b>	<b>-7.80%</b>	<b>-1.77%</b>

Note: \* SFA £ 5,720,807 plus council tax freeze grant 2015/16 of £87,460 and Smoke and Carbon Monoxide Alarm Grant of £693 and less the Rural Services Delivery Grant of £4,234 as now shown separately.

- 2.5.4 The Government's assessment of this Council's Core Spending Power for 2016/17 is £15.72million a reduction of £134,000 (0.85%) over 2015/16.
- 2.5.5 The key features of the interaction between the elements of the Core Spending Power for 2016/17 is the reduction in the Settlement Funding Assessment to fund the increases in the New Homes Bonus and that the level of council tax is expected to increase. The impact for the Council is a reduction in the Settlement Funding Assessment of £1.01million and an increase in the New Homes Bonus payment of £678,000 resulting in a net cut in funding between these two items of £332,000. Offset partially by an assumed increase in council tax of £198,000.
- 2.5.6 The reduction in the Council's Core Spending Power over the four-year period is £2,070,265 or 13.1%.

## 2.6 Settlement Funding Assessment (SFA)

- 2.6.1 The two elements constituting the Settlement Funding Assessment for district councils are the Revenue Support Grant and Business Rates Baseline Funding. The Council Tax Freeze grant for 2015/16 has been subsumed within the overall SFA.
- 2.6.2 The table below shows the breakdown of the provisional SFA for the Council for 2016/17 and indicative figures for 2017/18 to 2019/20, together with the Settlement for 2015/16 for comparison:

<b>Settlement Funding Assessment</b>					
<b>Provisional Settlement</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Government Grant - Revenue Support Grant	2,556,001	1,602,495	777,347	272,480	-
Retained Business Rates - Baseline amount	3,164,806	3,191,180	3,253,945	3,349,939	3,457,008
Business Rates - Tariff adjustment					- 291,482
<b>Total Settlement Funding Assessment</b>	<b>5,720,807</b>	<b>4,793,675</b>	<b>4,031,292</b>	<b>3,622,419</b>	<b>3,165,526</b>
Percentage reduction year-on-year		16.21%	15.90%	10.14%	12.61%

- 2.6.3 The Government allocates funding on the basis of the core resources available to local authorities, taking into account business rates and council tax as well as Revenue Support Grant. Where councils have less Revenue Support Grant in later years the Government is proposing that the councils will need to contribute funding from other elements of their settlement in order to meet the overall reductions in Local Government spending. This will be achieved by adjusting the councils' tariff or top-up under the business rates retention scheme.
- 2.6.4 The table shows that the Council will not receive any Revenue Support Grant in 2019/20 and in addition will have its business rates tariff, payable to the Government, increased by £291,482.
- 2.6.5 The reduction in SFA over the four-year period is £2.555million (or 44.7%) which compares to an estimated reduction of £2.29million (40%) provided in the MTFS report received by Cabinet on 30<sup>th</sup> November.
- 2.6.6 Homelessness Prevention grant has been rolled into the local government finance settlement since 2013. The Government has however published as part of councils' core spending power the funding allocation of Homelessness Prevention grant for each council. This is to signal the priority the Government attaches to this issue and to encourage local prioritisation. The allocations included within the Council's SFA are: £69,901 for 2016/17; £69,997 for 2017/18; £70,133 for 2018/19 and £70,368 for 2019/20.

## 2.7 Business Rates Baseline

- 2.7.1 The Business Rates Baseline is the Government's assessment of a local authority's spending need which is expected to be received through the business rates retention scheme.
- 2.7.2 The actual amount retained is dependent on actual business rate income collected in the relevant year. An estimate of the business rates to be retained in 2015/16 (revised) and 2016/17 is provided at section 7 below.

## 2.8 Rural Services Delivery Grant

- 2.8.1 Since 2013/14 the Government has provided additional funding to recognise the additional costs associated with service delivery in rural areas. For 2015/16 the amount allocated for rural funding was £15.5million. The Government has decided, following consideration of independent research

that the additional funding will continue; with £20million to be allocated to the upper quartile of authorities based on the super-sparsity indicator in 2016/17 and that this will rise to £65million by 2019/20.

- 2.8.2 The Council has been allocated £5,463 for 2016/17 and rising annually to £17,754 for 2019/20.

## **2.9 Local Council Tax Support and Housing Benefit Administration Subsidy**

- 2.9.1 On 18<sup>th</sup> December 2015 the Department for Work and Pensions (DWP) issued the allocations of Housing Benefit Administration Subsidy for 2016/17. The actual allocation for this Council is £464,012: a reduction of £116,008, or 20%, compared to the allocation of £580,020 for 2015/16.

- 2.9.2 The majority of the reduction reflects the transfer of Housing Benefit fraud investigations to the Single Fraud Investigations Service operated by the DWP.

- 2.9.3 The Council transferred one of its two Fraud Investigators to the new service on 1<sup>st</sup> September 2015. A total budget saving of £38,500 per annum has been achieved and this is included within the management agreed savings identified at section 6.4 below.

- 2.9.4 The allocation of the Local Council Tax Support Administration Subsidy for 2016/17 receivable from the Department for Communities and Local Government is awaited. The amount of subsidy received for 2015/16 was £138,130. An estimated reduction of £10,050 has been included for 2016/17 in the profile.

## **2.10 Other Grants**

- 2.10.1 The Government has announced that it will continue to compensate local authorities for the 2% cap on the small business rates multiplier which it applied in 2014/15 and 2015/16. The effect of the cap has been to reduce the amount of business rates collectable in each of those years and this will continue to impact on local authorities in future years. In 2016/17 this compensation will be paid as a single Section 31 grant payment and is shown within the analysis of the Business Rates Retention scheme at section 7.6 below.

## **2.11 New Homes Bonus**

- 2.11.1 Notification has been received that the amount of New Homes Bonus receivable for year 6 of the scheme is £680,527. The total amount receivable in 2016/17 is £2,782,134; this covers instalments for years 1 to 6.

- 2.11.2 The amount of New Homes Bonus receivable for years 1 to 6 is detailed in the table below. Allocations to meet budgeted spend, totalling £662,300, have been agreed. These allocations have provided additional funding toward the costs of the Local Plan; Economic Development: Project Management and Economic Development Manager; and for the reviews of empty properties undertaken in 2013 and 2015.

<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>2018/19</b>	<b>2019/20</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>	<b>£'000</b>	<b>£'000</b>
<b>Year 1 (2011/12)</b>	509.0	509.0	509.0	509.0	509.0	509.0				<b>3,054.0</b>
<b>Year 2 (2012/13)</b>		472.6	472.6	472.6	472.6	472.6	472.6			<b>2,835.6</b>
<b>Year 3 (2013/14)</b>			606.0	606.0	606.0	606.0	606.0	606.0		<b>3,636.0</b>
<b>Year 4 (2014/15)</b>				266.9	266.9	266.9	266.9	266.9	266.9	<b>1,601.4</b>
<b>Year 5 (2015/16)</b>					247.1	247.1	247.1	247.1	247.1	<b>1,235.5</b>
<b>Year 6 (2016/17)</b>						680.5	680.5	680.5	680.5	<b>2,722.0</b>
<b>Total per annum</b>	<b>509.0</b>	<b>981.6</b>	<b>1,587.6</b>	<b>1,854.5</b>	<b>2,101.6</b>	<b>2,782.1</b>	<b>2,273.1</b>	<b>1,800.5</b>	<b>1,194.5</b>	<b>15,084.5</b>
Less: Allocations agreed	-79.0	-79.0	-66.4	-32.5	-125.4	-70.0	-70.0	-70.0	-70.0	<b>- 662.3</b>
<b>Totals</b>	<b>430.0</b>	<b>902.6</b>	<b>1,521.2</b>	<b>1,822.0</b>	<b>1,976.2</b>	<b>2,712.1</b>	<b>2,203.1</b>	<b>1,730.5</b>	<b>1,124.5</b>	<b>14,422.2</b>

2.11.3 The Government, on 17<sup>th</sup> December, published the consultation document: New Homes Bonus 'Sharpening the incentive'. Responses are required by 10<sup>th</sup> March 2016. The background in the Consultation states:

*'Proposed changes to the distribution of the Bonus should be seen in the context of the outcome of the 2015 Spending Review. This confirmed the intention to move to full retention of business rates by 2020 and a preferred option for savings of at least £800 million, which can be used for social care. Savings in the overall cost of the Bonus will be redistributed with the local government settlement, in particular to support authorities with specific pressures, such as in adult social care budget.'*

*Although the Government is not proposing changes for 2016-17 payments, reductions in payments will be necessary in order to stay within this new funding envelope from 2017-18 onwards. This can be combined with reforms to both sharpen its incentive effect and free up resources for authorities with particular pressures, such as adult social care.'*

*This consultation, therefore, seeks views on the options for change to two aspects of the Bonus: reducing overall costs by moving from 6 years to 4 of payments and reform of the Bonus in order to better reflect local authorities' performance on housing growth.'*

2.11.4 Proposed changes to reflect 'performance on housing growth' include:

- withholding new Bonus allocations in areas where no Local Plan has been produced in accordance with the Planning and Compulsory Purchase Act 2004;
- reducing payments for homes built on appeal; and
- only making payments for delivery above a baseline representing deadweight.

2.11.5 The Cabinet Member for Planning and Housing will respond on behalf of the Council by the required deadline.

### 3 Financial Assumptions Update

#### 3.1 Review of Budget Savings identified in previous years.

3.1.1 The Financial Profile, agreed in February 2015, included savings planned for 2016/17 to 2018/19. These savings have been reviewed to ensure that they are still deliverable. The outcome of the review is that three of the savings require adjustment:

- Installation of solar panels at George Yard Car Park and the additional panels at Witham Leisure Centre has been halted following the change in Feed in Tariff with the consequence that £40,000 of anticipated income will not now be received;
- Waste Management – as reported to the Cabinet in September, the review of the new routes, which were introduced in February 2015, has identified the need for two of the six vehicles withdrawn under the re-routing to be reinstated. The estimated additional cost for vehicle and staffing is £150,000; and
- Staffing and Management Restructuring savings have been achieved earlier than planned and exceed the amount of the proposed saving in 2016/17 by £29,430.

3.1.2 A summary of the value of the planned savings and the agreed adjustments is provided in the table below:

	2016/17 £	2017/18 £	2018/19 £
Savings planned	240,414	19,830	0
Net value of adjustments	(160,570)	0	0
Revised Value of Savings	79,844	19,830	0

#### 3.2 Review of Priority Investments and Unavoidable Budget Changes identified in previous years

3.2.1 The Financial Profile includes the consequences for 2016/17 of the planned priority investments and unavoidable budget changes which were identified in previous years. The majority of the investments were one-off budget requests in 2015/16 and these are therefore being removed from the base budget in 2016/17. These have been reviewed and no adjustments are required. The value of the net budget reductions to be made in 2016/17 is £2,126,016 (£2,101,106 and £24,910).

#### 3.3 Provision for Inflation

3.3.1 **Pay Award.** The Government announced in the July 2015 Budget that public sector pay would increase by 1% per annum over the four years starting 2016/17. Whilst local government pay is negotiated between the Employers Organisation and the trade unions it is considered appropriate to limit the annual increases to 1% for financial planning purposes. Allowances are provided for annual incremental progression for staff who are not at the top of their grade (payment is subject to achievement of satisfactory performance).

- 3.3.2 The budget provisions included for pay award and incremental progression are: £189,590 for 2016/17, £255,790 for 2017/18, £213,230 for 2018/19 and £202,520 for 2019/20.
- 3.3.3 On 9<sup>th</sup> December 2015 the Employers Organisation wrote to the trade unions with an offer of a two-year pay increase from 1<sup>st</sup> April 2016. The majority of employees would receive an uplift of 1% on 1<sup>st</sup> April 2016 and a further 1% on 1<sup>st</sup> April 2017, with those on lower salaries receiving higher increases to take account of the new National Living Wage.
- 3.3.4 All posts included in the Council's staffing establishment are budgeted for; however, historically a financial allowance has been made to recognise staff turnover and vacancies. For 2015/16 the allowance, to be achieved during the course of the year, is £325,880, which equates to 2.3% of the total salary budget (£14.107million). In recent years the allowance has proved difficult to achieve by reduced expenditure on the salary budgets and therefore in recognition of this the allowance to be achieved in 2016/17 is set at £150,000: the reduction of £175,880 is shown under unavoidable budget demands at section 5.2 below.
- 3.3.5 Whilst the Council will not have any financial consequences from the introduction of the National Living Wage from April 2016 with regard to its employees there is potential for increased costs regarding the engagement of agency staff. Discussions are ongoing with the agency to determine and agree the additional cost; however, a provision of £18,960 (increase of 7.46%) has been included for 2016/17 under Other Expenditure inflation in the Finance Profile.
- 3.3.6 **Employers National Insurance Contributions.** A provision has been made for the change to employer National Insurance contributions from April 2016, announced in the 2013 Budget. The reduced rate currently paid by the Council in respect of staff who are members of the Local Government Pension Scheme is being abolished. This will add an estimated £216,890 to staffing costs. The reduced National Insurance contributions rate payable by staff is also abolished from the same date.
- 3.3.7 **Members Allowances.** Provision has been included for annual increases in line with the pay award for staff.

### 3.4 Pension Fund Contributions

- 3.4.1 The last Triennial Review of the Essex Pension Fund was conducted as at 31<sup>st</sup> March 2013 and determined the pension fund assets and liabilities applicable for the Council and set the deficit contribution and employer contribution rate for the three years: 2014/15 to 2016/17.
- 3.4.2 The deficit contribution and employer contribution rate for 2017/18 to 2019/20 will be determined by the next Triennial Review which will be undertaken as at 31<sup>st</sup> March 2016. The results of this review will be issued in October/November 2016.

- 3.4.3 The financial profile 2016/17 to 2019/20 includes an inflationary increase applied to the deficit contribution determined under the triennial review for 2016/17. Whilst provisions for inflationary increases have also been included for 2017/18 to 2019/20 the actual change to the contributions payable will be determined by the next Triennial Review, which it should be noted could be significantly different depending on the Actuary's assessment of a number of factors including: investment returns, mortality rates, inflation, pay awards, the number of years over which the deficit is to be recovered, etc. applicable to the Essex Pension Fund.
- 3.4.4 The financial profile 2016/17 to 2019/20 includes budget increases based on the results of the triennial review: £76,530 for 2016/17 and estimated budget increases of £99,820 for 2017/18, £61,410 for 2018/19 and £63,270 for 2019/20.

### **3.5 Other Expenditure**

- 3.5.1 Allowances for inflationary increases have been provided only on specific budget headings e.g. business rates, contracts, energy, etc. based on the relevant elements of the Consumer Prices Index as at September 2015 and forecast energy cost increases from Concept Energy Solutions, an energy management and monitoring company engaged by the Council.

### **3.6 Fees and Charges**

- 3.6.1 The general principle of the Council's Charging Policy for discretionary fees and charges is that service users should make a direct contribution to the cost of providing services at their point of use.
- 3.6.2 The majority of the discretionary fees and charges are reviewed annually. The exception is car park fees and charges which are reviewed on a three-yearly basis. The next review of car park fees and charges will be for 2017/18. There are, therefore, no proposed changes to car parking charges for 2016/17. The 10p after 3:00pm initiative will continue to operate in 2016/17.
- 3.6.3 A schedule of the discretionary fees and charges, detailing current and proposed levels for 2016/17, is provided at Appendix A.
- 3.6.4 Proposed levels of trade waste charges, planning pre-application advice fees, land charges and environmental permits for 2016/17 are not available at the current time due to either information required from a third party or due to an ongoing time/activity review. It is proposed that authority is delegated to the appropriate Cabinet Member to determine the level of these fees for 2016/17.
- 3.6.5 For financial planning purposes a nominal provision, of £10,000 per annum, is included for increases, in the years which car park fees are not reviewed, and a provision of £50,000 in the year when these fees are reviewed.
- 3.6.6 In order for a number of the Council's services to be competitive, authority has been granted to the appropriate Cabinet Member to vary certain charges

and/or discount rates. The main services which this arrangement applies are Trade Waste, Town Hall room lettings, Building Control and Car Parks. It is proposed that this arrangement continues with the appropriate Cabinet Member having delegated authority to agree variations to charges for commercial purposes.

### **3.7 Rents**

- 3.7.1 Housing rents for the Council's four properties in Bradford Street, Braintree, are to be reduced by 1%: in line with that prescribed by the Government to Registered Social Landlords. Service charges for these properties are to remain at the current levels. Details of the rents and service charges are shown in Appendix A.
- 3.7.2 Increase in rental income from the Council's commercial and industrial properties is determined by rent reviews as provided within the terms of each lease. An assessment of likely variation in rents on those property leases subject to review in 2016/17 onwards has been undertaken. The estimated increases are £54,770 in 2016/17, £7,710 in 2017/18 and £3,470 in 2018/19; these are included in the additional income totals referred to in section 6.3 below.

### **3.8 Third Party Contributions**

- 3.8.1 A significant amount of the Council's income is received from Essex County Council under a number of agreements and across a number of service areas.
- 3.8.2 The Inter Authority Agreement on Waste Management is the largest at £1.91million (2015/16 budget). Other agreements are for Community Transport (£105,540) and for a council tax sharing arrangement (£237,830).
- 3.8.3 The agreements are for defined periods:
- Inter Authority Agreement, signed in January 2010, is for a period of 25 years;
  - Community Transport – the current 1-year agreement terminates on 31<sup>st</sup> March 2016;
  - Council Tax sharing agreement – a new 3-year agreement between Essex CC and each of the Essex borough/district/city councils commenced on 1<sup>st</sup> April 2015. The agreement contains a break clause under which Essex CC can give four months' notice prior to the start of a financial year to terminate the agreement early. The amount anticipated to be received in 2016/17 is £355,750.
- 3.8.4 A decision is awaited from Essex CC on the future agreement and funding for the Community Transport service. For budget setting purposes it is assumed that the funding for 2016/17 onwards will be cash-limited at the 2015/16 level.



## **4 New Investment**

- 4.1 The budget does not provide further funding for the continuation of the Mi Community Grant scheme. The final round of which is currently being decided. However, it is proposed to make a provision of £180,000 within the budget for a Councillor Grant Scheme to be trialled over the next two years.
- 4.2 The details of this scheme are currently being established with the scheme proposed to be launched in September 2016, but will give each Councillor £1,500 to award to projects in their ward. Similar schemes are operated by other Councils and those are being researched in establishing the processes for the BDC scheme. The provision also makes allowance for the required development, administration and support to Councillors with the introduction and operation of the scheme.
- 4.3 It is proposed to allocate a proportion of the estimated surplus on the Council Tax Collection Fund from 2015/16 between the Town/Parish Councils and this Council. The total value of the allocations to be paid to the Town/Parish Councils in 2016/17 is £20,362 (see Section 11 below for further detail).

## **5 Unavoidable Budget Demands**

- 5.1 Requests for revenue funding to meet unavoidable budget demands total £260,580 for 2016/17, all of which are required to be added to the base budget.
- 5.2 Five requests for ongoing revenue funding are:

### **Environment and Place**

- Refuse and Recycling – the Council is required to provide a statutory service for the collection of medical waste where residents receive treatment in their own homes – Introduce a chargeable Clinical Waste Service – £30,000;

### **Finance and Performance**

- Efficiency Savings Target – annual budget included for savings to be identified during the course of the year. The achievement of the budget becomes more difficult as staff numbers and budgets are reduced – Propose a reduction in the target from £325,880 down to £150,000 – Adjustment required £175,880;

### **Corporate Services and Asset Management**

- Elections – Individual Electoral Registration will require an increase in postage cost budget – £21,100;
- Asset Management – Budget for minor repairs to the Council's assets, the costs of which are individually small and cannot be capitalised – £25,000; and
- Members Allowances – Members serving on the Local Plan Sub Committee are entitled to a minor special responsibility allowance – recommendation of Independent Remuneration Panel agreed by Council on 14<sup>th</sup> December 2015 – £8,600.

- 5.3 With regard to future years, it is expected that the renewal of the sale of recyclates contract in April 2017 will result in the current income budget of £515,100 reducing to nil, as a minimum. This is based on the experience of other Essex authorities which have re-tendered their contracts recently. An adjustment of £515,100 is therefore included in 2017/18.
- 5.4 Other areas where changes are likely to have an impact on the Council's finances in future years but it is too early to assess and provide for at this time include:
- ICT contract has an initial termination date of 1<sup>st</sup> April 2017; discussions are currently in progress regarding the options for the service; and
  - Completion of the implementation of Universal Credit. The phased transfer of responsibility for awarding housing benefit to working age claimants is expected to be complete by 2021. Discussions about the transfer are being undertaken on behalf of local government by the Local Government Association.

## **6 Budget Saving Proposals**

### **6.1 Equalities Impact Assessments**

- 6.1.1 The Council has a responsibility for ensuring that an equalities impact assessment is undertaken on the proposals, where appropriate, and that these are taken into account in the decision making process.
- 6.1.2 An Equalities Impact Assessment has been undertaken, where appropriate, on the savings/additional income proposals requiring Member decision and on the proposed increases on the Council's discretionary fees and charges. These Equalities Impact Assessments can be viewed on the Council's website.

### **6.2 Budget Saving/Additional Income Proposals**

- 6.2.1 The savings/additional income proposals included in the initial budget proposals agreed by Cabinet on 30<sup>th</sup> November 2015 were divided into three categories: savings which would have an impact on residents, customers or local organisations (requiring Member decision); additional income and savings agreed by Management Board.
- 6.2.2 Consultation has been undertaken on a number of the proposed savings requiring Member decision, see section 15 below.
- 6.2.3 The saving proposals which will have an impact on residents, customers or local organisations are:

#### **Environment and Place**

- Private sector housing grants – charge an agency fee for administration of the Disabled Facilities Grants – proposed 10% charge will be taken from the funding provided through the Better Care Fund. Saving to the revenue account of £41,800 per annum.
- Domestic garden waste – suspend the garden waste collection service over the three months, December to February. Saving of £35,000 per annum.

#### Planning and Housing

- Dedham Vale Area of Outstanding Natural Beauty and Stour Valley project – reduce grant payable from £16,000 down to £12,000. Saving of £4,000 per annum.

#### Health and Communities

- Citizens Advice Bureau – reduce annual grant payable over the next three years in line with the estimated reduction in the Council's Settlement Funding Assessment. Saving of £47,120 over the three year period.
- Braintree District Voluntary Support Agency – reduce annual grant payable over the next three years in line with the estimated reduction in the Council's Settlement Funding Assessment. Saving of £6,230 over the three year period.
- Braintree District Museum Service – 10% budget reduction in the grant to the Trust. Saving of £22,390.

#### Finance and Performance

- Parish and Town Councils - Localism Fund – phase out the Localism Fund payments over the next three years. Saving of £291,010 against the 2015/16 budget by 2019/20. Further details are provided at Section 14 below.
- Council tax – to introduce a 50% premium chargeable on dwellings which have been unoccupied and substantially unfurnished for two years or more. The objective is to bring long-term empty dwellings back into use. Additional council tax will be generated but this will only be sustainable whilst the owners continue to keep their dwellings unoccupied. Detail of the scheme is provided at Section 12.5 below.

#### Corporate Services and Asset Management

- Member Development – reduce budget from £10,000 to £6,000 as the majority of development events are presented and facilitated by council officers. Saving of £4,000 per annum.

6.2.4 The values of the saving proposals across the four years are: £132,250 in 2016/17; £84,190 in 2017/18; £111,340 in 2018/19; and £84,450 in 2019/20.

6.3 A substantial increase in income budgets, of £685,724, over current budget levels is expected in 2016/17.

6.3.1 Four of the sources of the additional income are already having a beneficial impact in the current year (to a greater or lesser extent):

- Development Control – Planning application fees and Pre-application advice fees - £125,000;
- Land Charges – search fees - £30,000;
- Trade/Commercial Waste – collection fees - £50,000; and
- Council Tax sharing agreement – arrangement with Essex County Council, Essex Police & Crime Commissioner and Essex Fire Authority - £130,000.

#### 6.3.2 The other income sources with a significant increase are:

- Business rates retained – the growth in business rates collectable for the district results in an increase in the amount that the Council will retain. Additional income of £252,934 (see section 7 below); this is included within the 'Retained Business Rates – Growth above baseline' in the Financial Profile ;
- Commercial and Industrial property – anticipated additional income from rent reviews - £54,770 in 2016/17, see section 3.7.2 above; and
- The balance of £43,020 of additional income in 2016/17 is spread across eight service budget areas.

#### 6.3.3 The values of additional income across the four years are: £685,724 in 2016/17 (of which £252,934 is shown under the 'Retained Business Rates – Growth above baseline' in the Financial Profile); £181,710 in 2017/18; £11,470 in 2018/19; and £7,000 in 2019/20.

#### 6.4 Management Savings – a number of savings have been identified which will not have an adverse impact on residents or customers.

##### 6.4.1 The savings will be made across a variety of services and budget types, the larger by value include:

- Staffing restructure in the Community Services and Housing Policy areas – estimated saving of £45,000;
- Insurance premia – re-tendered in October 2015, saving £40,000 per annum;
- Provisions for contract variations (ICT and Leisure Management) – budget reductions totalling £40,000;
- HB Fraud Investigator transferred to the DWP – saving £35,410;
- Staffing restructure in Operations – net saving of £32,310;
- Building Control Officer – reduced hours - £21,900; and
- Printing and despatch of council tax and business rate bills at main billing – saving £15,000.

##### 6.4.2 The other lower value budget reductions can be categorised:

- Staffing and associated budgets will be reduced by a total of £125,820; and
- A miscellany of other budget headings will be reduced by a total of £129,810.

##### 6.4.3 The total values of these savings across the years are: £485,250 in 2016/17; £6,350 in 2017/18; and £1,750 in 2018/19.

## 7 Business Rates Retention Scheme

### 7.1 The Business Rates Retention scheme was introduced for 2013/14. Under the scheme the Government calculates an individual baseline amount of business rates which it would allow a local authority to retain. The baseline amount is included within the Settlement Funding Assessment (Section 2.6 above).

- 7.2 The baseline was calculated using the average of business rates collected in 2010/11 and 2011/12 together with a number of adjustments. The Council's baseline figure for 2013/14 was £3,046,139. The Government's original intention was to uprate the baseline amount annually by the change in the small business multiplier (RPI as at September). However, for 2014/15 and 2015/16 the Government decided that the increase would be set at 1.95% and 1.91% respectively, rather than the September RPI figures. The Council's baseline for 2015/16 is £3,164,806.
- 7.3 The baseline amount for 2016/17 has been set at £3,191,180, an increase of 0.83%.
- 7.4 The amount of business rates actually collected in the year will inevitably vary from the baseline: a higher amount collected will increase the amount that the Council is able to retain (although the actual amount of the increase retained will be subject to a levy of 50% payable to the Essex Pool rather than to the Government: see section 9 below) whilst a lower amount collected will require the Council to meet the shortfall up to a maximum of 7.5% of the baseline amount: any shortfall more than this will be met by the Essex Pool.
- 7.5 An assessment of the business rates collectable and collected up to 31<sup>st</sup> December 2015 has been undertaken, in order to provide a revised estimate for 2015/16 and an estimate for 2016/17 of the amount of business rates to be retained by the Council.
- 7.6 The revised estimate for 2015/16 and an estimate for 2016/17 are shown in summary below:

	<b><i>Revised 2015/16 £</i></b>	<b><i>2016/17 £</i></b>
Business Rates collectable – due to BDC	16,509,581	16,992,381
Less: estimated deficit(-)/surplus on business rates collection fund for previous year	325,570	-411,135
Transfer from Business Rates Retention Reserve		411,135
<b>Retained Business Rates</b>	<b>16,835,151</b>	<b>16,992,381</b>
Tariff payable to Government	-12,905,986	-13,013,536
Levy payable to Essex Pool	-706,661	-733,132
Section 31 grant for Small Business rates Relief scheme extension	1,041,298	745,960
<b>Estimated value of Retained Business Rates</b>	<b>4,263,802</b>	<b>3,991,673</b>
Business Rates Baseline	3,164,806	3,191,180
<b>Business Rates Growth above Baseline</b>	<b>1,098,996</b>	<b>800,493</b>

- 7.7 The estimated amount of business rates to be retained in 2015/16 is £4,263,802, an increase of £199,492 against the budgeted figure. This

results from a higher increase in the Gross Yield (including backdated rates liabilities) than originally expected due to the Valuation Office issuing assessments for a number of new business premises identified across the district.

- 7.8 For 2016/17, the estimate is determined on the basis that any outstanding appeals will be contained within the provision already set aside by the Council and the Small Business Rate Relief scheme will continue at 100%, announced in the Autumn Statement 2015. The estimated amount of business rates retained by the Council will be £3,991,673 i.e. £800,493 more than the Baseline amount.
- 7.9 The estimated Business Rates Retained for 2016/17 is £252,934 higher than the figure in the Medium-Term Financial Strategy agreed by Council in February 2015.
- 7.10 A schedule providing details of the revised estimate for 2015/16 and the estimate for 2016/17 is provided at Appendix B.

## **8 Business Rates Taxbase**

- 8.1 The Council's Business Rates Taxbase for 2016/17 was calculated as at 7<sup>th</sup> January 2016 and agreed by the Corporate Director under delegated authority. The net collectable amount, after mandatory and discretionary reliefs, allowances for losses on collection and rating appeals is £42,480,952 as shown in Appendix B.
- 8.2 The Cabinet, on 31<sup>st</sup> March 2014, agreed to extend the Council's policy for discretionary business rate relief (under section 47 of the Local Government Finance Act 1988) to include three new schemes as recommended by the Government: retail relief for 2014-15 and 2015-16; relief for re-occupation of empty property formerly used for retail purposes during the period 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2016; and new build empty property relief for new structures completed but unoccupied between 1<sup>st</sup> October 2013 and 30<sup>th</sup> September 2016.
- 8.3 Relief granted under these schemes, during the defined periods, are reimbursed in full by the Government.
- 8.4 The retail relief was agreed for a two year period and therefore ceases on 31<sup>st</sup> March 2016. The estimated amount awarded to retail businesses in the district in the current year is £704,474, with businesses receiving variable amounts of relief; up to the maximum of £1,500.
- 8.5 The Re-occupation relief was also agreed for a two year period and therefore ceases for new applications on 31<sup>st</sup> March 2016. Businesses in receipt of this relief as at 31<sup>st</sup> March 2016 will continue to receive their entitlement of 50% relief for 18 months from the date the premises are re-occupied, as appropriate.
- 8.6 The unoccupied relief will continue into 2016/17 until the agreed end date of 30<sup>th</sup> September 2016. Unoccupied properties entitled to 100% relief as at

30<sup>th</sup> September 2016 will continue to receive the relief for the full 18 month period allowed under the scheme, as appropriate.

- 8.7 The Council's policy on discretionary rate reliefs to charities, Community Amateur Sports Clubs and other not-for-profit organisations, will be reviewed during 2016. A proposed new policy for 2017/18 will be considered by Cabinet in due course. Recipients of discretionary relief will be informed that they will continue to receive relief under the current scheme for 2016/17 but will be required to submit a new application for Business Rate relief in 2016 in readiness for the new policy which will apply for 2017/18.

## **9 Business Rates – Essex Pool arrangement**

- 9.1 The Cabinet, on 28<sup>th</sup> September 2015, agreed in principle for the Council to join an Essex Pool for business rates for 2016/17. The decision was on the basis that the Council would be no worse off in the pool than if it had not joined.

- 9.2 The Cabinet Member for Finance and Performance agreed that the Council should join with ten other Essex authorities to submit an application to the Secretary of State for Communities and Local Government to establish a new Essex Pool for 2016/17. On 30<sup>th</sup> November 2015 the Secretary of State confirmed that the current Essex Pool had been revoked and a new Essex Pool was duly designated to commence from 1st April 2016.

- 9.3 The eleven authorities are:

Braintree DC	Epping Forest DC	Rochford DC
Brentwood BC	Essex CC	Tendring DC
Castle Point DC	Essex Fire Authority	Uttlesford DC
Colchester BC	Maldon DC	

- 9.4 The authorities were given until 15<sup>th</sup> January 2016 to consider if they still wished to be designated as a Pool. Each of the other ten authorities has agreed to participate in the Essex Pool.

- 9.5 The decision to join was based on the assessment that estimated business rates income for 2016/17 will exceed the baseline amount, as outlined at paragraph 7.8 above, and that on the proposed sharing arrangement the Council could receive an additional amount of business rates of approximately £366,000, i.e. a proportion of the estimated levy of £733,132 which will be paid into the Essex Pool.

- 9.6 It is anticipated that the Council will receive approximately £350,000 from the Essex Pool for the current financial year.

- 9.7 The determination and receipt of the actual amount of the shares due from the Pool will be made after the year-end Business Rate returns have been collated from each of the authorities in the Essex Pool. Due to a level of uncertainty regarding the overall performance of the Essex Pool the anticipated shares for both 2015/16 and 2016/17 have not been included in

the Finance Profile. A decision on the use of these additional resources will be made following notification of the actual amounts to be received.

## **10 Local Council Tax Support Scheme**

- 10.1 The Council agreed the details of its Local Council Tax Support Scheme for 2016/17 on 14<sup>th</sup> December 2015. The scheme forms part of the Council's policy on reductions to the amount of council tax payable as required under Section 13a of the Local Government Finance Act 1992. Details of the scheme for 2016/17 can be found on the Council's website at [http://www.braintree.gov.uk/info/200302/benefits/367/housing\\_benefit\\_and\\_council\\_tax\\_support](http://www.braintree.gov.uk/info/200302/benefits/367/housing_benefit_and_council_tax_support).
- 10.2 The scheme agreed for 2016/17 includes four changes to the current scheme, these being:
- Increase the minimum liability that working age claimants have to pay to 24%;
  - Introduce a minimum level of income for claimants who are self-employed, the level to be the National Living Wage;
  - Remove the Family Premium for new claims after 1st May 2016; and
  - Reduce the amount of time a claim can be backdated from three months to one month.
- 10.3 The council tax support is accounted for as a discount rather than a benefit. The Council's taxbase is reduced by an estimate of the amount of support that will be awarded in the year. For 2016/17 this has been estimated to be £7.1million. 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.
- 10.4 Since the introduction of the Local Council Tax Support scheme the Council has agreed that an Exceptional Hardship Fund would be provided for short-term assistance to households facing exceptional financial difficulties. The Fund is financed from contributions from the major precepting authorities; in proportion to their council tax precept.
- 10.5 The Council's process for dealing with requests for assistance from the Fund involves a referral to the Citizens Advice Bureau (CAB) for an assessment of the claimant's finances. The Council currently has a service level agreement with the Citizens Advice Bureau for this money advice service until 31<sup>st</sup> March 2016.
- 10.6 In addition to the money advice service provided by the CAB the Council has employed an officer to work with claimants experiencing difficulty in paying their council tax with the objective of offering support and advice, gaining agreement to pay and/or referring them to the CAB for money advice.
- 10.7 The combination of these approaches has been beneficial to those claimants experiencing financial hardship and for the Council in maintaining a good collection rate and it is recommended that both of these services together with the Exceptional Hardship Fund are retained for 2016/17. The other



three major preceptors have already agreed to provide funding contributions for 2016/17.

- 10.8 The value of the Exceptional Hardship Fund for 2016/17 will be £14,200: set at 0.2% of the estimated value of council tax support for 2016/17, which provides a consistent approach across all Essex authorities and has been agreed with the major preceptors.

## **11 Council Tax – Collection Fund – Surplus/Deficit**

- 11.1 The budget setting process includes estimating the amount of council tax expected to be collected. Variation from the estimate results in either a surplus or deficit in the Collection Fund which must be either returned to or requested from council taxpayers in the following year. The surplus or deficit is allocated between the four major preceptors: Essex County Council, Braintree District Council, Essex Police and Crime Commissioner and Essex Fire Authority.
- 11.2 It is estimated that the balance on the Collection Fund as at 31<sup>st</sup> March 2016 will be a surplus of £886,050. The surplus will be allocated to:
- Essex County Council – £644,420
  - Braintree District Council – £114,990
  - Essex Police & Crime Commissioner – £87,260
  - Essex Fire Authority – £39,380
- 11.3 The Council's proportion of the council tax surplus, to be returned to council taxpayers in 2016/17 is £114,990. This compares to the surplus returned to council taxpayers of £172,300 in 2015/16 (of which £30,356 was returned via payments to the town and parish councils). The main reason for the reduction compared to the previous year is that the allowance for losses on collection was reduced from 1.5% to 1% in 2015/16 specifically to reduce the estimated amount of surplus expected in the year.
- 11.4 As for the current year it is proposed that the surplus is allocated between the Town/Parish Councils and this Council. The allocation is pro-rata the 2015/16 precepts. A schedule providing the amount allocated to each council is provided at Appendix C. The total amount allocated to Town and parish Councils in 2016/17 is £20,362.

## **12 Council Taxbase**

- 12.1 The Council's taxbase for 2016/17, calculated as at 30<sup>th</sup> November 2015, is 50,667. This was determined under delegated authority by the Corporate Director responsible for Finance. This compares to a taxbase for 2015/16 of 49,742; an increase of 925 or 1.86%.
- 12.2 The council taxbase takes into account estimated allowances for discounts and exemptions; including the local council tax support scheme, single persons discount and for losses on collection.

12.3 Since 1<sup>st</sup> April 2013 the Council has exercised discretionary powers to set the discounts for empty properties and second homes.

12.4 The current agreed levels of these discounts are as follows:

- Properties undergoing extensive repair – 0% for twelve months;
- Properties unfurnished – 0% for 6 months;
- Second homes – 0%

It is not proposed to make any changes to these levels for 2016/17.

12.5 The Council decided initially not to introduce a premium, of up to 50%, to be applied to long-term empty properties (defined as over two years). However, there are currently 271 properties in the district which have been empty for two years or more and have a total council tax liability of £360,551 for 2015/16. In view of the demand for homes in the district it is considered that the introduction of a premium charge may provide an incentive to get these long-term empty properties to be brought back into use.

12.6 It is proposed therefore that a premium of 50%, in addition to the current full charge, be introduced from 1<sup>st</sup> April 2016 on properties which have been unoccupied and substantially unfurnished for two years or more. Detail of the proposed new policy is provided at Appendix D.

12.7 The Council also has discretionary power, under section 13A 1c of the Local Government Finance Act 1992, to enable it to reduce council tax liability where statutory discounts, exemptions and reductions do not apply. Detail of the process for considering requests for assistance is included in the 'Council Tax – Discretionary Reduction in Liability Policy' which was approved by Council on 15<sup>th</sup> December 2014.

12.8 It is proposed to maintain the allowance for losses on collection at 1% for 2016/17.

12.9 A summary of the taxbase calculation is provided in the table below:

	Total number of Dwellings	Discounts and exemptions including local council tax support	Equivalent no. of dwellings after discounts, exemptions, etc.	Multiplier	Relevant amount (equivalent amount x multiplier)	Taxbase at assumed collection rate of 99.0%
AR		2	2	5/9	1	1
A	5,914	-2,363	3,551	6/9	2,368	2,344
B	16,451	-4,297	12,154	7/9	9,453	9,359
C	18,601	-3,054	15,547	8/9	13,820	13,681
D	9,166	-969	8,197	9/9	8,197	8,115
E	6,941	-490	6,451	11/9	7,884	7,805
F	4,054	-197	3,857	13/9	5,571	5,515
G	2,195	-106	2,089	15/9	3,482	3,447
H	210	-18	192	18/9	383	379
				Add contributions in Lieu		20
	63,532	-11,492	52,040		51,159	50,667

- 12.10 With the anticipated housing growth in the District over the coming years it is considered appropriate to increase the allowance for growth in the council taxbase, included in the financial profile, from the current level of 0.5% per annum to 1% per annum for 2017/18 and to 1.5% per annum for 2018/19 and 2019/20.

### 13 Council Tax Levels and Referendums

- 13.1 **Council Tax Levels.** The initial budget proposal agreed by Cabinet on 30<sup>th</sup> November 2015 proposed an increase of 1.97% in the level of council tax for 2016/17 and indicated for financial planning purposes an increase of between 1.95% and 1.99% per annum proposed for 2017/18 onwards.
- 13.2 The initial budget proposal and council tax level were subject to the receipt of the financial settlement figures. On the basis that the figures received from Government on 17<sup>th</sup> December were broadly in line with those anticipated in the report the proposed council tax level for 2016/17 is confirmed at £162.72 (Band D property); an increase of £3.15 per annum or 6 pence per week (Band D).
- 13.3 The table below identifies the estimated budget shortfall to be addressed in 2017/18 to 2019/20. The table also shows that the last time the Council increased the level of council tax (Band D) was 2010/11.

Year	Council Tax at Band D	Percentage increase	Estimated budget shortfall to be addressed
2010/11	£162.81	2.5%	
2011/12	£162.81	0%	
2012/13	£162.81	0%	
2013/14	£161.19	-1%	
2014/15	£159.57	-1%	
2015/16	£159.57	0%	
<b>2016/17</b>	<b>£162.72</b>	<b>1.97%</b>	<b>0*</b>
2017/18	£165.96	1.99%	703,384
2018/19	£169.20	1.95%	355,174
2019/20	£172.53	1.97%	433,377

Note: \* An addition to balances, of £352,500, for 2016/17 will result from the proposals in this report

- 13.4 For financial planning purposes an increase in council tax of between 1.95% and 1.99% per annum is assumed for 2017/18 onwards.
- 13.5 **Council Tax Referendums.** The Localism Act 2011 gives local communities the power to decide whether to accept an excessive council tax increase. The Secretary of State determines the level of increase above which a proposed increase in council tax is deemed excessive and must be subject to a referendum. The Secretary for State for Communities and Local Government announced in his statement to Parliament on 17<sup>th</sup> December 2015 that the threshold for the majority of district councils would be set at 2% for 2016/17. A threshold of £5.00 has been set for the 'lowest cost district councils': 51 councils have been identified by the Government which meet this description. For reference, Uttlesford DC is the only Essex district

council and of neighbouring councils South Cambridgeshire DC and Babergh DC are included on the list.

- 13.6 Local precepting authorities, i.e. town and parish councils, are currently not subject to the requirement for a referendum for a proposed increase in council tax precept above the level set by the Secretary of State.

## **14 Localism Fund**

- 14.1 The Localism Fund was established on 1<sup>st</sup> April 2013 and is for the payment of an unconditional grant to each town and parish council in the district.
- 14.2 On 8<sup>th</sup> April 2013 the Cabinet agreed that the amount paid in future years will increase or reduce in line with the funding received by this Council from the annual Central Government financial settlement.
- 14.3 On the basis of the provisional Financial Settlement information received for 2016/17, the town and parish councils were informed on 18<sup>th</sup> December that the level of Localism Fund payment for 2016/17 will be 16.21% less than the current year.
- 14.4 With the challenges for local government and those facing this Council in particular it is proposed that the Localism Fund be phased out by 2019/20, that is, commensurate with the Council's receipt of Revenue Grant from the Government. In order to provide a level of certainty and enable local parish and town councils to plan for the reduction in this source of funding it is proposed that the Localism Fund payments for 2016/17 be cut by one-third in each of the three subsequent years.

## **15 Budget Consultation**

### **15.1 Overview and Scrutiny Committee**

- 15.1.1 The Overview and Scrutiny Committee, on 25<sup>th</sup> November 2015, received presentations from the Leader of the Council on Council priorities for 2016/17 and from the Cabinet Member for Finance and Performance on the initial budget position. Cabinet Members attended and all Members were invited to attend and participate in the meeting.
- 15.1.2 Budget Scrutiny will continue at the Overview and Scrutiny Committee meeting scheduled for 27<sup>th</sup> January 2016 at which this finance report and budget proposals will be considered. The Chairman of Overview and Scrutiny has again invited all Members to attend the meeting. Recommendations and/or comments from that meeting will be circulated at tonight's Cabinet meeting.

### **15.2 Businesses in the Braintree District**

- 15.2.1 Information about the Council's budget consultation was included in the Winter 2015 edition of the Council's Economic Development Newsletter. The newsletter was sent to 2,842 business contacts. Any comments received will

be included within the overall responses to the consultation exercise, reported below.

### **15.3 Stakeholders and Service Users**

- 15.3.1 Consultation on the budget proposals commenced on 7<sup>th</sup> December 2015 and closed on 15<sup>th</sup> January 2016.
- 15.3.2 The consultation was promoted, through a double page spread entitled 'Balancing the budget', in the residents magazine 'Contact' which is delivered to every household within the Braintree District. The consultation was also sent to the Peoples Panel. An e-mail was sent to the panel with a link to the on-line form. Peoples Panel residents without e-mail addresses or who do not have access to the internet received a posted paper copy of the consultation.
- 15.3.3 A summary of the responses to the budget consultation questions is provided at Appendix E.
- 15.3.4 Council officers have met with representatives of the Citizens Advice Bureau and the Braintree District Voluntary Support Agency to discuss the proposed reduction in the level of council grant. Agreement has been reached on the phasing of a 30% reduction over the three-year period of the new service level agreements commencing 1<sup>st</sup> April 2016.

## **16 Staffing and Pay Policy**

### **16.1 Impact on Staffing Establishment.**

- 16.1.1 The proposed budget for 2016/17 presented in this report provides for:
- the deletion of a Housing Benefit Officer post, which is currently vacant;
  - Deletion of a Housing Benefit Fraud Investigator post following the TUPE transfer to the DWP on 1<sup>st</sup> September 2015;
  - the reduction of one full-time post following the rationalising of two posts into one post in Community and Housing services, both posts are currently vacant;
  - the deletion of a part-time post in Customer Services, the post is currently vacant;
  - a staffing restructure in the Operations Department, currently subject to consultation, proposes a net reduction of one post; and
  - reduced hours for a number posts following mutual agreement between staff and managers in the Environment and Finance departments.
- 16.1.2 The Council's Managing Change process is used for all staff restructuring proposals.

### **16.2 Pay Policy for 2016/17**

- 16.2.1 Section 38 (1) of the Localism Act 2011 requires the Council to produce a pay policy statement for each financial year.
- 16.2.2 The Pay Policy statement:

- Must be approved formally by Full Council
- May be amended during the course of the financial year
- Must be published on the Council's website
- The statutory pay policy statement must include the Council's policy on:
  - The level and elements of remuneration for each Chief Officer
  - The remuneration of its lowest-paid employees (together with its definition of 'lowest paid employees' and its reasons for adopting that definition)
  - The relationship between the remuneration of its Chief Officers and other Officers
  - Other specific aspects of Chief Officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments and transparency

16.2.3 Remuneration is defined widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases, enhancement of pension entitlements and termination payments.

16.2.4 The Pay Policy Statement 2016/17 has been designed to give an overview of the Council's framework regarding pay and rewards for staff within the Council. The framework is based on the principle of fairness and that reward should be proportional to the weight of each role and each individual's performance.

16.2.5 The information contained within the Pay Policy Statement detailed in Appendix F reflects the Council's current pay position.

## **17 Financial Profile 2016/17 to 2019/20**

17.1 It is proposed that a total of £352,500 is added to the unallocated balance in 2016/17.

17.2 An updated Financial Profile for 2016/17 to 2019/20 taking account of the savings is provided at Appendix G.

17.3 A summary, analysed by business plan, of the net budgets for 2016/17 is also provided at Appendix H.

17.4 The updated financial profile for the years 2017/18 to 2019/20 shows:

2017/18 – shortfall of £703,384  
 2018/19 – shortfall of £355,174; and  
 2019/20 – shortfall of £433,377.

17.5 The proposed budget for each year includes assumptions based on the best information available at the time but it is inevitable that these will change particularly those affecting 2017/18 onwards. At this time the Council has options to:

- look for savings and additional income. A programme of reviews of a number of services has been commissioned over the next nine months to identify savings and/or additional income. In addition the identification of opportunities to improve returns on investments will continue to be sought going forward;
- applying New Homes Bonus to support the revenue account; or
- use balances; or
- a combination of these options.

## 18 Risk Assessment

- 18.1 Providing projections on the Council's finances into the future is subject to a high degree of uncertainty, which makes it important that an assessment of the risks is undertaken.
- 18.2 A review of risks on the budget proposals has been undertaken by Management Board. A summary of the risks, controls and mitigation identified is provided at Appendix I.

## 19 Balances and Reserves

- 19.1 The **Unallocated General Fund** balance as at 31<sup>st</sup> March 2015 was £7.829million.

Agreed movements on the balances for 2015/16 are:

	£'000
<b>General Fund</b>	
Planned use from balances in setting 15/16 budget	(894)
Anticipated surplus in 2015/16	738
Property searches new burdens payment from DCLG	203
Balance as at 31 <sup>st</sup> March 2016	<u>7,876</u>

- 19.2 The estimated transfer to balances for 2016/17 is £352,500, as shown in Appendix G, which provides an estimated balance of £8.229million as at 31<sup>st</sup> March 2017.
- 19.3 Earmarked reserves are established to either meet specific requirements/ purposes in the future or to make provision for issues that are likely to occur but the timing is not predictable. The total amount of money in earmarked reserves as at 31<sup>st</sup> March 2015 was £11.929million.
- 19.4 A schedule showing the various reserves, including estimated use of the monies over the four years, 2016/17 to 2019/20, is provided in Appendix J. The schedule classifies the earmarked reserves as either for revenue or capital and by Cabinet Portfolio area.
- 19.5 A summary of movements is provided in the table below:

	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>
<b>Earmarked Reserves - Revenue</b>					
Additions/Withdrawals	-317	-920	-417	-129	-277
<b>Balance at Year End</b>	<b>6,391</b>	<b>5,471</b>	<b>5,054</b>	<b>4,925</b>	<b>4,648</b>
<b>Earmarked Reserves - Capital</b>					
Additions/Withdrawals	2,650	2,212	-1,333	1,457	1,165
<b>Balance at Year End</b>	<b>7,870</b>	<b>10,082</b>	<b>8,749</b>	<b>10,206</b>	<b>11,371</b>

## **20 Capital Programme**

### **20.1 Capital Resources 2016/17 to 2019/20**

#### **20.1.1 The anticipated resources consist of:**

- Share of Right to Buy sales income with Greenfields Community Housing;
- Capital receipts from the sale of assets, including: a proportion of the proceeds from the sale of land assembled east of High Street, Halstead and the sale of the site of the former Bramston Sports Centre, Witham.
- Share of the VAT Sharing arrangement with Greenfields Community Housing;
- Capital grant for Disabled Facilities Grants;
- Balance of Growth Area Fund;
- Earmarked reserves; and
- Section 106 contributions – where identified to a specific project which meets the requirements specified in the relevant Section 106 agreement.

#### **20.1.2 In addition to the anticipated resources, identified above, the Council is able to:**

- Borrow monies to finance capital projects. If borrowing is to be used then it is important that the capital project is income generating in order to cover the loan repayment costs;
- Use unallocated balances, subject to maintaining a minimum level of £1.5million (in accordance with policy);
- Use the balance of unallocated Section 106 monies, of £451,000, but this is only available for projects that meet the requirements specified in each Section 106 agreement;
- Use New Homes Bonus monies which have been allocated for major projects, as detailed below; and
- Utilise the Opportunity Purchase Fund of £500,000 established in 2015/16 to enable the purchase of investment property and land.



## **20.2 New Homes Bonus**

- 20.2.1 Detail of the New Homes Bonus receivable is provided at paragraph 2.11.2 above. This shows that the Council will receive £2.78million in 2016/17 and will have a cumulative balance of £9.364million, after allowing for allocations for revenue spend of £452,300, as at 31<sup>st</sup> March 2017.
- 20.2.2 The Council agreed to set-aside £5.75million of New Homes Bonus for infrastructure and housing projects in the district. An allocation of a minimum of £750,000 for affordable homes (of which £0.249million was utilised in 2014/15) and £5million for infrastructure projects. After accounting for the allocations above an unallocated balance of £3,614,100 will exist as at 31st March 2017.
- 20.2.3 Cabinet on 2<sup>nd</sup> June 2014 allocated £5million of the New Homes Bonus for infrastructure to the following:
- Witham Enterprise Centre – £500,000
  - A120 Access Improvement Package – £2,500,000
  - Business Broadband – £250,000
  - Re-investment Fund – £1,250,000 (Utilised in 2014/15 to purchase land at Chapel Hill, Braintree)
  - Feasibility/Project Development Fund – £500,000
- 20.2.4 A key principle in the Council's approach in utilising the New Homes Bonus is to act as a catalyst to attract investment from others in the public and private sectors.

## **20.3 Other External Funding Sources**

- 20.3.1 The Council is also working with other public organisations to seek opportunities to provide funding for infrastructure projects which would enable an earlier commencement date on site of some major planned developments in the district.
- 20.3.2 One of the main sources is the South East Local Enterprise Partnership (SELEP) from which the Council will be seeking loan funding from the Single Local Growth Fund operated by the partnership. The projects being considered are Panfield Lane, Eastlink 120, Braintree Town Centre Regeneration and Witham Enterprise Centre.
- 20.3.3 The other main source of external funding which will provide benefits to the residents and communities in the district is the CHIP Fund. This Fund is managed jointly with Greenfields Community Housing. Discussions are ongoing regarding the equal division of the CHIP Fund between the Council and Greenfields Community Housing.

## **20.4 Asset Management Plan**

- 20.4.1 The Council's Asset Management Plan details the objectives for property in the short to medium term as:

- Contribute to the economic and physical regeneration of the District and provide opportunity to increase job prospects and support business.
- Support the delivery of our services and our overall community and corporate objectives;
- Wherever possible be used as a joint resource with our partners to deliver better public services on the most efficient basis possible;
- Be environmentally sustainable and be energy and carbon efficient;
- Be efficient in their running costs;
- Not consume any more capital than is absolutely necessary for the delivery of our objectives and to release capital from the portfolio to support the Council's capital programme; and
- Identify opportunities to expand the investment portfolio.

## 20.5 Capital Programme

- 20.5.1 Details of the proposed capital projects are contained at Appendix K. The total value of the projects in 2016/17 is £1,304,400.
- 20.5.2 The Overview and Scrutiny Committee, on 25<sup>th</sup> November 2015, received a bid for capital funding from Councillor Abbott. The bid related to an extension to the football pavilion in Silver End. The Committee determined that it was unable to recommend to Cabinet the inclusion in the 2016/17 Capital Programme at this time, however, it agreed to consider a more comprehensive bid submission at a later date should Councillor Abbott wish to pursue the scheme.
- 20.5.3 The schedule at Appendix K includes anticipated requirements for 2017/18 to 2019/20. These total £1,270,000 for 2017/18, £1,270,000 for 2018/19 and £1,215,000 for 2019/20.

## 20.6 Capital Funding Summary

- 20.6.1 A schedule detailing the capital resources and schemes/provisions already approved together with the recommended schemes/provisions for 2016/17 to 2019/20 is provided at Appendix L.
- 20.6.2 A summary showing the capital resources and the proposed capital schemes for 2016/17 and the anticipated requirements for 2017/18 onwards is provided below:

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Balance of Resources – Brought Forward	7,063	4,135	5,778	5,233
Resources in year	2,805	3,588	1,388	1,318
Total Resources	9,868	7,723	7,166	6,551
Approved Capital Programme	4,429	675	663	663
Proposed Capital Programme	1,304	1,270	1,270	1,215
Balance of Resources for Carry Forward to next year	4,135	5,778	5,233	4,673

- 20.6.3 The summary shows that the proposed capital programme can be funded from the estimated capital resource available for 2016/17. In addition the anticipated capital requirements for 2017/18 to 2019/20 can also be funded but this will be dependent on the sales of assets identified producing the anticipated amount of capital receipts.

## **21 Prudential Indicators and Treasury Management Strategy 2016/17**

- 21.1 Local authorities are required to determine on an annual basis the following:

- Treasury Management Strategy (incorporating an annual investment strategy)
- Prudential Indicators – establish limits and summarise expectations of capital and treasury management related activities.
- Minimum Revenue Provision policy – i.e. set a policy on the methodology for making provision for the repayment of debt.

- 21.2 Each of these areas is covered in the Treasury Management Strategy Statement (TMSS) which is provided at Appendix M. The Governance Committee considered a draft copy of this TMSS at its meeting on 13<sup>th</sup> January 2016. A reference from the Governance Committee will be included on this Cabinet meeting agenda.

- 21.3 The indicators and strategy have been drawn up based on the revenue and capital plans set out within this report for 2016/17 and over the medium term.

## **22 Virement Levels and Policy Framework**

- 22.1 The Council's Constitution requires that Members agree annually the Policy Framework and virement levels used for financial control. The Finance Procedure rules, which incorporate the virement levels, were reviewed and adopted by Full Council on 6<sup>th</sup> December 2010. These limits continue to be appropriate and are detailed at Appendix N.

## **23 Robustness of the Estimates and the Adequacy of the Proposed Financial Reserves**

- 23.1 The Local Government Act 2003 (Part 2, sections 25 and 26) require the Chief Financial Officer (as defined under Section 151 of the Local Government Act 1972) to report on the robustness of the estimates and the adequacy of the proposed financial reserves. Members are required to have regard to the report when making decisions on the budget. The report is detailed at Appendix O.

## **Council Budget and Council Tax 2016/17 and Medium-Term Financial Strategy 2016/17 to 2019/20**

### **Appendices**

- A Schedule of Proposed Fees and Charges for 2016/17
- B Business Rates Retention scheme – Revised 2015/16 Estimate and 2016/17 Estimate
- C Allocation of the estimated Surplus on the Council Tax Collection Fund as at 31<sup>st</sup> March 2016
- D Council Tax Discretionary Discounts applicable from 1<sup>st</sup> April 2016
- E Summary of Consultation Responses (7<sup>th</sup> December 2015 to 15<sup>th</sup> January 2016)
- F Pay policy Statement 2016/17
- G Revenue Profile 2016/17 to 2019/20
- H 2016/17 Net Budget by Business Plan
- I Strategic risk
- J Earmarked Reserves
- K Capital Schemes/Projects
- L Capital Resources
- M Treasury Management Strategy Statement
- N Virement Levels
- O Statement on the Robustness of the Estimates and the Adequacy of the Proposed Financial Reserves

## Fees & Charges - Proposed 2016/17

## APPENDIX A

Service	Service Detail	Details of Charge	2014/15 Price incl VAT (£)	2015/16 Price incl VAT (£)	PROPOSED 2016/17 Price Incl VAT (£)	Unit	% increase 15/16 to 16/17	Notes
Asset Management	Legal Fee	Checking legal ownership and drafting the Undertaking	120.00	120.00	120.00	Each	0.0%	
Asset Management	Monitoring of Section 106 Agreements	Monitoring charge for a single clause S.106 agreement.	300.00	300.00	300.00	Each	0.0%	
Asset Management	Monitoring of Section 106 Agreements	Monitoring charge for each additional clause in S.106 agreement.	125.00	125.00	125.00	Each	0.0%	
Community Transport	Dial-A-Ride Scheme	Annual Registration/ Renewal Fee	15.00	15.00	15.00	Each	0.0%	
Community Transport	Dial-A-Ride Scheme	Social/Welfare Mileage rate per mile (paid to driver)	0.60	0.60	0.60	per mile	0.0%	
Community Transport	Minibus Hire	Casual User Daily Charge for Journeys over 100 miles (including Diesel) own driver	37.00	37.00	37.00	Each	0.0%	
Community Transport	Minibus Hire	Casual User Daily Charge for Journeys over 100 miles (including Diesel) volunteer driver	37.00	37.00	37.00	Each	0.0%	
Community Transport	Minibus Hire	Casual User Annual Registration fee own driver	20.00	20.00	20.00	Each	0.0%	
Community Transport	Minibus Hire	Casual User Annual Registration fee volunteer driver	20.00	20.00	20.00	Each	0.0%	
Community Transport	Minibus Hire	Casual User Hire Cost - Over 100 miles (including Diesel) own driver	0.85	0.85	0.85	Each	0.0%	
Community Transport	Minibus Hire	Casual User Hire Cost - Over 100 miles (including Diesel) volunteer driver	0.85	0.85	0.85	Each	0.0%	
Community Transport	Minibus Hire	Casual User Hire Cost - Up to 100 miles (including Diesel) own driver	1.25	1.25	1.25	Each	0.0%	
Community Transport	Minibus Hire	Casual User Hire Cost - Up to 100 miles (including Diesel) volunteer driver	1.25	1.25	1.25	Each	0.0%	
Community Transport	Minibus Hire	Casual User Minimum Charge for Journeys up to 20 miles (including Diesel) own driver	25.00	25.00	25.00	Each	0.0%	
Community Transport	Minibus Hire	Casual User Minimum Charge for Journeys up to 20 miles (including Diesel) volunteer driver	25.00	25.00	25.00	Each	0.0%	
Community Transport	Minibus Hire	Cancellation charge of community Transport facilities where less than 5 working days notice given own driver	25.00	25.00	25.00	Each	0.0%	
Community Transport	Minibus Hire	Cancellation charge of community Transport facilities where less than 5 working days notice given volunteer	25.00	25.00	25.00	Each	0.0%	
Community Transport	Social Car Scheme	Social Car Scheme Registration/ Renewal Fee	15.00	15.00	15.00	Mile	0.0%	
Community Transport	Social Car Scheme	Social/Welfare Mileage rate minimum fare per (paid to driver)	3.00	3.00	3.00	Mile	0.0%	
Community Transport	Social Car Scheme	Social/Welfare Mileage rate per mile (paid to driver) - outside Braintree	0.60	0.60	0.60	Mile	0.0%	
Community Transport	Social Car Scheme	Social/Welfare Mileage rate per mile (paid to driver) - within Braintree	0.60	0.60	0.60	Mile	0.0%	
Community Transport	Social Car Scheme	Social/Welfare Mileage rate per mile (paid to driver) per additional passenger	0.50	0.50	0.50	Journey	0.0%	
Community Transport	Social Car Scheme	Social/Welfare Mileage rate up to 5 miles (paid to driver)	3.00	3.00	3.00	Journey	0.0%	
Community Transport	Social Car Scheme	Non payment of fares	3.00	3.00	3.00	Journey	0.0%	

## Fees & Charges - Proposed 2016/17

## APPENDIX A

Service	Service Detail	Details of Charge	2014/15 Price incl VAT (£)	2015/16 Price incl VAT (£)	PROPOSED 2016/17 Price incl VAT (£)	Unit	% increase 15/16 to 16/17	Notes
Cultural Services	Public Hall - Braintree Town Hall	Wedding / Civil Ceremony	421.00	450.00	475.00	Hour	5.6%	
Cultural Services	Public Hall - Braintree Town Hall	Wedding / Civil Ceremony per additional hour or part thereof		235.00	250.00	Hour	6.4%	
Cultural Services	Public Hall - Braintree Town Hall	Courtauld Room (formerly Art Gallery)	22.50	23.00	23.50	Hour	2.2%	In 2016/17 day rate 10% discount; multiple booking rate 15% discount; multiple booking day rate 25% discount.
Cultural Services	Public Hall - Braintree Town Hall	Chairman's Room	17.50	18.00	18.50	Hour	2.8%	In 2016/17 day rate 10% discount; multiple booking rate 15% discount; multiple booking day rate 25% discount.
Cultural Services	Public Hall - Braintree Town Hall	Council Chamber	27.50	28.00	28.50	Hour	1.8%	In 2016/17 day rate 10% discount; multiple booking rate 15% discount; multiple booking day rate 25% discount.
Cultural Services	Public Hall - Braintree Town Hall	Lounge	17.50	18.00	18.50	Hour	2.8%	In 2016/17 day rate 10% discount; multiple booking rate 15% discount; multiple booking day rate 25% discount.
Cultural Services	Public Hall - Braintree Town Hall	North Committee Room (formerly Room 1)	14.50	15.00	15.50	Hour	3.3%	In 2016/17 day rate 10% discount; multiple booking rate 15% discount; multiple booking day rate 25% discount.
Cultural Services	Public Hall - Braintree Town Hall	Courtauld Annexe (formerly Room 2)	12.50	13.00	13.50	Hour	3.8%	In 2016/17 day rate 10% discount; multiple booking rate 15% discount; multiple booking day rate 25% discount.
Cultural Services	Public Hall - Braintree Town Hall	South Committee Room	14.50	15.00	15.50	Hour	3.3%	In 2016/17 day rate 10% discount; multiple booking rate 15% discount; multiple booking day rate 25% discount.
Cultural Services	Public Hall - Braintree Town Hall	Bartram Room (formerly the Tourist Office)	22.50	23.00	23.50	Hour	2.2%	In 2016/17 day rate 10% discount; multiple booking rate 15% discount; multiple booking day rate 25% discount.
Cultural Services	Public Hall - Braintree Town Hall	Harris Room (formerly Tourism Manager Office)	12.50	13.00	13.50	Hour	3.8%	In 2016/17 day rate 10% discount; multiple booking rate 15% discount; multiple booking day rate 25% discount.
Cultural Services	Public Hall - Braintree Town Hall	Rushbury Room (formerly first floor Office)	12.50	13.00	13.50	Hour	3.8%	In 2016/17 day rate 10% discount; multiple booking rate 15% discount; multiple booking day rate 25% discount.
Cultural Services	Public Hall - Braintree Town Hall	Event fee	100.00	100.00	100.00	Per event	0.0%	
Cultural Services	Public Hall - Braintree Town Hall	Building hire		950.00	950.00	Per day	0.0%	
Cultural Services	Public Hall - Braintree Town Hall	Kitchen hire		21.00	21.50	Per hire	2.4%	
Cultural Services	Public Hall - Braintree Town Hall	Refreshments		0.65	0.65	Per cup	0.0%	
Cultural Services	Public Hall - Braintree Town Hall	Photocopy		0.20	0.20	Per copy	0.0%	
Environment	Pest Control	Commercial Visits Commercial - Eradication fees (per visit)	90.00	90.00	95.00	Each	5.6%	This should be for fleas and wasps only. Rats and mice require 4 visits for successful treatment so a contract would be more cost effective.

## Fees & Charges - Proposed 2016/17

## APPENDIX A

Service	Service Detail	Details of Charge	2014/15 Price incl VAT (£)	2015/16 Price incl VAT (£)	PROPOSED 2016/17 Price incl VAT (£)	Unit	% increase 15/16 to 16/17	Notes
Environment	Pest Control	Commercial - Advisory/call out visit, no treatment	40.00	40.00	40.00	Each	0.0%	
Environment	Pest Control	Commercial Preventative pest control contract	Individually negotiated	Individually negotiated	Individually negotiated			
Environment	Pest Control	Domestic - Eradication fees (per visit) Fleas & Wasps & Ants	45.00	45.00	50.00	Each	11.1%	Price not increased for 3 years, reflects increased costs.
Environment	Pest Control	Domestic - Eradication fees (per room inc 3 visits) Bed bugs	100.00	100.00	Withdrawn	Per Room inc 3 visits		With only one pest officer it is not cost effective to offer this treatment -
Environment	Pest Control	Domestic - Eradication fees (per 4 visits) Cockroaches	80.00	80.00	Withdrawn	per 4 visits		The cost of the product is expensive and has a short shelf life. The number of calls for cockroach treatment does not warrant offering this service.
Environment	Pest Control	Domestic - Eradication fees (per room inc 3 visits) ) Bed bugs Client in receipt of benefit	75.00	75.00	Withdrawn	Per Room inc 3 visits		With only one pest officer it is not cost effective to offer this treatment -
Environment	Pest Control	Domestic - Eradication fees (per visit) Cockroaches Client in receipt of benefit	60.00	60.00	Withdrawn	per 4 visits		The cost of the product is expensive and has a short shelf life. The number of calls for cockroach treatment does not warrant offering this service.
Environment	Pest Control	Domestic - Eradication fees 'Rats & Mice	45.00	45.00	50.00	Each	11.1%	Price not increased for 3 years, reflects increased costs.
Environment	Pest Control	Domestic - Advisory/call out visit, no treatment	25.00	25.00	25.00	Each	0.0%	
Environment	Pest Control	Domestic - Eradication fees (per visit) Fleas & Wasps & Ants Client in receipt of benefit	35.00	35.00	Withdrawn	Each		Delete item. Subsidy to benefit recipients to be withdrawn.
Environment	Pest Control	Domestic - Eradication fees (per visit) Rats & Mice Client in receipt of benefit	35.00	35.00	Withdrawn	Each		Delete item. Subsidy to benefit recipients to be withdrawn.
Environment	Animal Boarding	Animal Boarding & breeding - Variations to an existing licence	60.00	60.00	60.00	Each variation	0.0%	
Environment	Basic food Hygiene course	Public/Commercial Course fees (one day course)	60.00	60.00	60.00	One day course fee	0.0%	
Environment	Water analysis	Risk Assessment	30.00	30.00	30.00	Per hour	0.0%	Up to the maximum £500
Environment	Water analysis	Sampling visit	30.00	30.00	30.00	Per hour	0.0%	Up to the maximum £100
Environment	Water analysis	Investigation	30.00	30.00	30.00	Per hour	0.0%	Up to the maximum £100
Environment	Water analysis	Granting an authorisation	60.00	60.00	60.00	Per hour	0.0%	Up to the maximum £100
Environment	Water analysis	Analysing a sample taken under regulation 10	Actual lab costs up to the maximum £25	Actual lab costs up to the maximum £25	Actual lab costs up to the maximum £25	Recover costs	0.0%	
Environment	Water analysis	Analysing a sample taken during check monitoring	Actual lab costs up to the maximum £100	Actual lab costs up to the maximum £100	Actual lab costs up to the maximum £100	Recover costs	0.0%	
Environment	Water analysis	Analysing a sample taken during audit monitoring	Actual lab costs up to the maximum £500	Actual lab costs up to the maximum £500	Actual lab costs up to the maximum £500	Recover costs	0.0%	
Environment - Env Permits	Contaminated Land Enquiries	Public/Commercial Service charge (per enquiry)	123.00	125.00	128.00	Per Enquiry	2.4%	
Environment - Env Permits	Copy of Contaminated Land Strategy	Commercial Copying charge (per copy)	92.00	95.00	95.00	Per copy	0.0%	
Environment - Env Permits	Environmental Protection Payment for the return of abandoned shopping trollies.	Storage & return of abandoned shopping trollies	100.00	100.00	100.00	Per trolley	0.0%	

## Fees & Charges - Proposed 2016/17

## APPENDIX A

Service	Service Detail	Details of Charge	2014/15 Price incl VAT (£)	2015/16 Price incl VAT (£)	PROPOSED 2016/17 Price Incl VAT (£)	Unit	% increase 15/16 to 16/17	Notes
Environment - EPHS	3-Day First Aid at Work	Cost per candidate (maximum of 12 per course)	141.66	141.66	141.66	per candidate	0.0%	No increase in charges as services needs to remain competitive in the local market
Environment - EPHS	2-Day FAW Refresher	Cost per candidate (maximum of 12 per course)	101.07	101.07	101.07	per candidate	0.0%	No increase in charges as services needs to remain competitive in the local market
Environment - EPHS	1-Day Emergency First Aid Level 2	Cost per candidate (maximum of 12 per course)	61.85	61.85	61.85	per candidate	0.0%	No increase in charges as services needs to remain competitive in the local market
Environment - EPHS	Emergency First Aid Annual Refresher	Cost per candidate (maximum of 12 per course)	36.23	36.23	36.23	per candidate	0.0%	No increase in charges as services needs to remain competitive in the local market
Environment - EPHS	2-Day Paediatric- Level 2	Cost per candidate (maximum of 12 per course)	105.95	105.95	105.95	per candidate	0.0%	No increase in charges as services needs to remain competitive in the local market
Environment - EPHS	1-Day Defibrillator User	Cost per candidate (maximum of 12 per course)	54.25	54.25	54.25	per candidate	0.0%	No increase in charges as services needs to remain competitive in the local market
Environment - EPHS	1-Day Fire Marshal	Cost per candidate (maximum of 16 per course)	46.97	46.97	46.97	per candidate	0.0%	No increase in charges as services needs to remain competitive in the local market
Environment - EPHS	1/2 Day Fire Marshal Refresher	Cost per candidate (maximum of 16 per course)	32.29	32.29	32.29	per candidate	0.0%	No increase in charges as services needs to remain competitive in the local market
Environment - EPHS	1 - Day Fire Safety @ Level 2	Cost per candidate (maximum of 16 per course)	62.08	62.08	62.08	per candidate	0.0%	No increase in charges as services needs to remain competitive in the local market
Environment - EPHS	1-Day Manual Handling	Cost per candidate (maximum of 16 per course)	46.97	46.97	46.97	per candidate	0.0%	No increase in charges as services needs to remain competitive in the local market
Environment - EPHS	Basic Risk Assessment Training	Cost per candidate (maximum of 16 per course)	52.89	52.89	52.89	per candidate	0.0%	No increase in charges as services needs to remain competitive in the local market
Environment - EPHS	Health & Safety in the Workplace - Level 2	Cost per candidate (maximum of 16 per course)	62.08	62.08	62.08	per candidate	0.0%	No increase in charges as services needs to remain competitive in the local market
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	1 Plot - Plan Charge	235.00	235.00	242.00	Each	3.0%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	1 Plot - Inspection Charge	438.00	438.00	451.00	Each	3.0%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	1 Plot - Building Notice charge	706.56	706.56	728.00	Each	3.0%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	1 Plot - Regularisation Charge	740.00	740.00	762.00	Each	3.0%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	2 Plots - Plan Charge	306.00	306.00	315.00	Each	2.9%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	2 Plots - Inspection Charge	714.00	714.00	735.00	Each	2.9%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	2 Plots - Building Notice charge	1071.00	1071.00	1103.00	Each	3.0%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	2 Plots - Regularisation Charge	1122.00	1122.00	1155.00	Each	2.9%	



## Fees & Charges - Proposed 2016/17

## APPENDIX A

Service	Service Detail	Details of Charge	2014/15 Price incl VAT (£)	2015/16 Price incl VAT (£)	PROPOSED 2016/17 Price Incl VAT (£)	Unit	% increase 15/16 to 16/17	Notes
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	3 Plots - Plan Charge	390.00	390.00	402.00	Each	3.1%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	3 Plots - Inspection Charge	914.00	914.00	941.00	Each	3.0%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	3 Plots - Building Notice charge	1369.20	1369.20	1411.00	Each	3.1%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	3 Plots - Regularisation Charge	1434.00	1434.00	1477.00	Each	3.0%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	4 Plots - Plan Charge	485.00	485.00	500.00	Each	3.1%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	4 Plots - Inspection Charge	1113.00	1113.00	1146.00	Each	3.0%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	4 Plots - Building Notice charge	1677.50	1677.50	1729.00	Each	3.1%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	4 Plots - Regularisation Charge	1758.00	1758.00	1811.00	Each	3.0%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	5 Plots - Plan Charge	561.00	561.00	578.00	Each	3.0%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	5 Plots - Inspection Charge	1258.00	1258.00	1296.00	Each	3.0%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	5 Plots - Building Notice charge	1909.94	1909.94	1968.00	Each	3.0%	
Environment Building Control	New Houses or Bungalows not exceeding 300m2 & less than 4 storeys	5 Plots -Regularisation Charge	2000.00	2000.00	2061.00	Each	3.1%	
Environment Building Control	New Flats -not exceeding 300m2	1 Flat - Inspection Charge	235.00	235.00	242.00	Each	3.0%	
Environment Building Control	New Flats -not exceeding 300m2	1 Flat - Plan Charge	430.00	430.00	443.00	Each	3.0%	
Environment Building Control	New Flats -not exceeding 300m2	1 Flat - Building Notice Charge	698.40	698.40	719.00	Each	2.9%	
Environment Building Control	New Flats -not exceeding 300m2	1 Flat - Regularisation Charge	731.00	731.00	753.00	Each	3.0%	
Environment Building Control	New Flats -not exceeding 300m2	2 Flats -Inspection Charge	312.60	312.60	321.00	Each	2.7%	
Environment Building Control	New Flats -not exceeding 300m2	2 Flats - Plan Charge	714.00	714.00	735.00	Each	2.9%	
Environment Building Control	New Flats -not exceeding 300m2	2 Flats -Building Notice Charge	1080.44	1080.44	1109.00	Each	2.6%	
Environment Building Control	New Flats -not exceeding 300m2	2 Flats -Regularisation Charge	1131.00	1131.00	1162.00	Each	2.7%	
Environment Building Control	New Flats -not exceeding 300m2	3 Flats - Inspection Charge	407.00	407.00	419.00	Each	2.9%	
Environment Building Control	New Flats -not exceeding 300m2	3 Flats - Plan Charge	882.00	882.00	908.00	Each	2.9%	
Environment Building Control	New Flats -not exceeding 300m2	3 Flats -Building Notice Charge	1353.60	1353.60	1393.00	Each	2.9%	
Environment Building Control	New Flats -not exceeding 300m2	3 Flats - Regularisation Charge	1417.00	1417.00	1460.00	Each	3.0%	
Environment Building Control	New Flats -not exceeding 300m2	4 Flats -Inspection Charge	485.00	485.00	500.00	Each	3.1%	
Environment Building Control	New Flats -not exceeding 300m2	4 Flats -Plan Charge	1040.00	1040.00	1071.00	Each	3.0%	
Environment Building Control	New Flats -not exceeding 300m2	4 Flats - Building Notice Charge	1600.80	1600.80	1650.00	Each	3.1%	
Environment Building Control	New Flats -not exceeding 300m2	4 Flats - Regularisation Charge	1677.00	1677.00	1728.00	Each	3.0%	
Environment Building Control	New Flats -not exceeding 300m2	5 Flats - Inspection Charge	561.00	561.00	578.00	Each	3.0%	
Environment Building Control	New Flats -not exceeding 300m2	5 Flats - Plan Charge	1180.00	1180.00	1215.00	Each	3.0%	
Environment Building Control	New Flats -not exceeding 300m2	5 Flats - Building Notice Charge	1827.96	1827.96	1883.00	Each	3.0%	
Environment Building Control	New Flats -not exceeding 300m2	5 Flats - Regularisation Charge	1915.00	1915.00	1972.00	Each	3.0%	
Environment Building Control	Conversion to a single dwelling	Plan Charge	189.00	189.00	195.00	Each	3.2%	
Environment Building Control	Conversion to a single dwelling	Inspection Charge	491.00	491.00	506.00	Each	3.1%	
Environment Building Control	Conversion to a single dwelling	Building Notice charge	714.00	714.00	736.00	Each	3.1%	
Environment Building Control	Conversion to a single dwelling	Regularisation Charge	748.00	748.00	771.00	Each	3.1%	
Environment Building Control	Conversion in to a single Flat	Plan Charge	216.00	216.00	222.00	Each	2.8%	
Environment Building Control	Conversion in to a single Flat	Inspection Charge	453.00	453.00	467.00	Each	3.1%	
Environment Building Control	Conversion in to a single Flat	Building Notice charge	702.36	702.36	723.00	Each	2.9%	
Environment Building Control	Conversion in to a single Flat	Regularisation Charge	735.00	735.00	758.00	Each	3.1%	

## Fees & Charges - Proposed 2016/17

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Service	Service Detail	Details of Charge	2014/15 Price incl VAT (£)	2015/16 Price incl VAT (£)	PROPOSED 2016/17 Price Incl VAT (£)	Unit	% increase 15/16 to 16/17	Notes
Environment Building Control	Works to a single dwelling - extension or new build - floor area not exceeding 40m²	Plan Charge	169.99	169.99	175.00	Each	2.9%	
Environment Building Control	Works to a single dwelling - extension or new build - floor area not exceeding 40m²	Inspection Charge	327.00	327.00	337.00	Each	3.1%	
Environment Building Control	Works to a single dwelling - extension or new build - floor area not exceeding 40m²	Building Notice charge	521.82	521.82	538.00	Each	3.1%	
Environment Building Control	Works to a single dwelling - extension or new build - floor area not exceeding 40m²	Regularisation Charge	546.00	546.00	563.00	Each	3.1%	
Environment Building Control	Works to a single dwelling - extension or new build - floor area exceeding 40m² but not exceeding 100m²	Plan Charge	169.99	169.99	175.00	Each	2.9%	
Environment Building Control	Works to a single dwelling - extension or new build - floor area exceeding 40m² but not exceeding 100m²	Inspection Charge	484.99	484.99	500.00	Each	3.1%	
Environment Building Control	Works to a single dwelling - extension or new build - floor area exceeding 40m² but not exceeding 100m²	Building Notice charge	687.74	687.74	709.00	Each	3.1%	
Environment Building Control	Works to a single dwelling - extension or new build - floor area exceeding 40m² but not exceeding 100m²	Regularisation Charge	720.00	720.00	742.00	Each	3.1%	
Environment Building Control	Separate extension with some part 2 or 3 storeys in height and with a total floor area not exceeding 40m².	Plan Charge	186.00	186.00	192.00	Each	3.2%	
Environment Building Control	Separate extension with some part 2 or 3 storeys in height and with a total floor area not exceeding 40m².	Inspection Charge	370.00	370.00	381.00	Each	3.0%	
Environment Building Control	Separate extension with some part 2 or 3 storeys in height and with a total floor area not exceeding 40m².	Building Notice charge	583.80	583.80	602.00	Each	3.1%	
Environment Building Control	Separate extension with some part 2 or 3 storeys in height and with a total floor area not exceeding 40m².	Regularisation Charge	611.00	611.00	630.00	Each	3.1%	
Environment Building Control	Separate extension with some part 2 or 3 storeys in height and with a total floor area exceeding 40m².up to 100m²	Plan Charge	186.00	186.00	192.00	Each	3.2%	
Environment Building Control	Separate extension with some part 2 or 3 storeys in height and with a total floor area exceeding 40m².up to 100m²	Inspection Charge	550.80	550.80	567.00	Each	2.9%	
Environment Building Control	Separate extension with some part 2 or 3 storeys in height and with a total floor area exceeding 40m².up to 100m²	Building Notice charge	773.82	773.82	797.00	Each	3.0%	
Environment Building Control	Separate extension with some part 2 or 3 storeys in height and with a total floor area exceeding 40m².up to 100m²	Regularisation Charge	810.00	810.00	835.00	Each	3.1%	
Environment Building Control	A building or extension comprising SOLELY of a garage, carport or store- total floor area not exceeding 100m²	Plan Charge	130.80	130.80	135.00	Each	3.2%	
Environment Building Control	A building or extension comprising SOLELY of a garage, carport or store- total floor area not exceeding 100m²	Inspection Charge	260.40	260.40	268.00	Each	2.9%	

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Environment Building Control	A building or extension comprising SOLELY of a garage, carport or store- total floor area not exceeding 100m <sup>2</sup>	Building Notice charge	410.54	410.54	423.00	Each	3.0%	
Environment Building Control	A building or extension comprising SOLELY of a garage, carport or store- total floor area not exceeding 100m <sup>2</sup>	Regularisation Charge	430.00	430.00	443.00	Each	3.0%	
Environment Building Control	Detached non-habitable domestic building with total floor area not exceeding 50m <sup>2</sup>	Plan Charge	132.00	132.00	136.00	Each	3.0%	
Environment Building Control	Detached non-habitable domestic building with total floor area not exceeding 50m <sup>2</sup>	Inspection Charge	303.60	303.60	313.00	Each	3.1%	
Environment Building Control	Detached non-habitable domestic building with total floor area not exceeding 50m <sup>2</sup>	Building Notice charge	456.74	456.74	471.00	Each	3.1%	
Environment Building Control	Detached non-habitable domestic building with total floor area not exceeding 50m <sup>2</sup>	Regularisation Charge	478.00	478.00	494.00	Each	3.3%	
Environment Building Control	First floor & second floor loft conversions	Plan Charge	151.99	151.99	157.00	Each	3.3%	
Environment Building Control	First floor & second floor loft conversions	Inspection Charge	349.20	349.20	360.00	Each	3.1%	
Environment Building Control	First floor & second floor loft conversions	Building Notice charge	526.04	526.04	543.00	Each	3.2%	
Environment Building Control	First floor & second floor loft conversions	Regularisation Charge	551.00	551.00	569.00	Each	3.3%	
Environment Building Control	Other work (e.g. garage conversions)	Plan Charge	75.00	75.00	77.00	Each	2.7%	
Environment Building Control	Other work (e.g. garage conversions)	Inspection Charge	190.00	190.00	196.00	Each	3.2%	
Environment Building Control	Other work (e.g. garage conversions)	Building Notice charge	278.24	278.24	287.00	Each	3.1%	
Environment Building Control	Other work (e.g. garage conversions)	Regularisation Charge	291.00	291.00	300.00	Each	3.1%	
Environment Building Control	Renovation of a thermal element	Plan Charge	102.00	102.00	105.00	Each	2.9%	
Environment Building Control	Renovation of a thermal element	Inspection Charge	88.00	88.00	91.00	Each	3.4%	
Environment Building Control	Renovation of a thermal element	Building Notice charge	199.20	199.20	206.00	Each	3.4%	
Environment Building Control	Renovation of a thermal element	Regularisation Charge	210.00	210.00	216.00	Each	2.9%	
Environment Building Control	Replacement of windows, roof lights, roof windows or external glazed doors between 1 to 3	Plan Charge	60.00	60.00	62.00	Each	3.3%	
Environment Building Control	Replacement of windows, roof lights, roof windows or external glazed doors between 1 to 3	Inspection Charge	88.00	88.00	91.00	Each	3.4%	
Environment Building Control	Replacement of windows, roof lights, roof windows or external glazed doors between 1 to 3	Building Notice charge	155.40	155.40	161.00	Each	3.6%	
Environment Building Control	Replacement of windows, roof lights, roof windows or external glazed doors between 1 to 3	Regularisation Charge	163.00	163.00	168.00	Each	3.1%	
Environment Building Control	Replacement of windows, roof lights, roof windows or external glazed doors greater than 3.	Plan Charge	102.00	102.00	105.00	Each	2.9%	
Environment Building Control	Replacement of windows, roof lights, roof windows or external glazed doors greater than 3.	Inspection Charge	88.00	88.00	91.00	Each	3.4%	
Environment Building Control	Replacement of windows, roof lights, roof windows or external glazed doors greater than 3.	Building Notice charge	199.20	199.20	206.00	Each	3.4%	
Environment Building Control	Replacement of windows, roof lights, roof windows or external glazed doors greater than 3.	Regularisation Charge	210.00	210.00	216.00	Each	2.9%	
Environment Building Control	Cost of works between £0 to £2,000	Plan Charge	172.00	172.00	177.00	Each	2.9%	
Environment Building Control	Cost of works between £0 to £2,000	Inspection Charge	no charge	no charge	no charge			

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Service	Service Detail	Details of Charge	2014/15 Price incl VAT (£)	2015/16 Price incl VAT (£)	PROPOSED 2016/17 Price Incl VAT (£)	Unit	% increase 15/16 to 16/17	Notes
Environment Building Control	Cost of works between £0 to £2,000	Building Notice charge	180.60	180.60	186.00	Each	3.0%	
Environment Building Control	Cost of works between £0 to £2,000	Regularisation Charge	189.00	189.00	195.00	Each	3.2%	
Environment Building Control	Cost of work exceeding £2,000 & not exceeding £5,000 (Renewable Energy systems - 50% discount applies)	Plan Charge	102.00	102.00	105.00	Each	2.9%	
Environment Building Control	Cost of work exceeding £2,000 & not exceeding £5,000 (Renewable Energy systems - 50% discount applies)	Inspection Charge	129.60	129.60	133.00	Each	2.6%	
Environment Building Control	Cost of work exceeding £2,000 & not exceeding £5,000 (Renewable Energy systems - 50% discount applies)	Building Notice charge	242.40	242.40	250.00	Each	3.1%	
Environment Building Control	Cost of work exceeding £2,000 & not exceeding £5,000 (Renewable Energy systems - 50% discount applies)	Regularisation Charge	254.00	254.00	262.00	Each	3.1%	
Environment Building Control	Cost of work exceeding £5,000 & not exceeding £25,000	Plan Charge	124.99	124.99	128.00	Each	2.4%	
Environment Building Control	Cost of work exceeding £5,000 & not exceeding £25,000	Inspection Charge	289.99	289.99	300.00	Each	3.5%	
Environment Building Control	Cost of work exceeding £5,000 & not exceeding £25,000	Building Notice charge	435.74	435.74	449.00	Each	3.0%	
Environment Building Control	Cost of work exceeding £5,000 & not exceeding £25,000	Regularisation Charge	456.00	456.00	471.00	Each	3.3%	
Environment Building Control	Cost of work exceeding £25,000 & not exceeding £100,000	Plan Charge	192.00	192.00	198.00	Each	3.1%	
Environment Building Control	Cost of work exceeding £25,000 & not exceeding £100,000	Inspection Charge	358.80	358.80	370.00	Each	3.1%	
Environment Building Control	Cost of work exceeding £25,000 & not exceeding £100,000	Building Notice charge	578.54	578.54	596.00	Each	3.0%	
Environment Building Control	Cost of work exceeding £25,000 & not exceeding £100,000	Regularisation Charge	606.00	606.00	625.00	Each	3.1%	
Environment Building Control	Notifiable Electrical works - (Where a satisfactory certificate will not be issued by a Part P registered electrician)		235.20	235.20	242.00	Each	2.9%	
Environment Building Control	Extension or new build Single storey with floor area not exceeding 40m2	Plan Charge	187.00	187.00	193.00	Each	3.2%	
Environment Building Control	Extension or new build Single storey with floor area not exceeding 40m2	Inspection Charge	365.00	365.00	376.00	Each	3.0%	
Environment Building Control	Extension or new build Single storey with floor area not exceeding 40m2	Regularisation Charge	607.19	607.19	625.00	Each	2.9%	
Environment Building Control	Extension or new build Single storey with floor area exceeding 40m2 but not exceeding 100m2	Plan Charge	207.00	207.00	213.00	Each	2.9%	
Environment Building Control	Extension or new build Single storey with floor area exceeding 40m2 but not exceeding 100m2	Inspection Charge	499.00	499.00	514.00	Each	3.0%	
Environment Building Control	Extension or new build Single storey with floor area exceeding 40m2 but not exceeding 100m2	Regularisation Charge	776.60	776.60	800.00	Each	3.0%	
Environment Building Control	Extension or new build with some part 2 or 3 storey in height and a total floor area not exceeding 40m2	Plan Charge	196.20	196.20	202.00	Each	3.0%	

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Service	Service Detail	Details of Charge	2014/15 Price incl VAT (£)	2015/16 Price incl VAT (£)	PROPOSED 2016/17 Price Incl VAT (£)	Unit	% increase 15/16 to 16/17	Notes
Environment Building Control	Extension or new build with some part 2 or 3 storey in height and a total floor area not exceeding 40m2	Inspection Charge	436.00	436.00	449.00	Each	3.0%	
Environment Building Control	Extension or new build with some part 2 or 3 storey in height and a total floor area not exceeding 40m2	Regularisation Charge	695.42	695.42	716.00	Each	3.0%	
Environment Building Control	Extension or new build with some part 2 or 3 storey in height and a total floor area exceeding 40m2 but not exceeding 100m2	Plan Charge	229.00	229.00	236.00	Each	3.1%	
Environment Building Control	Extension or new build with some part 2 or 3 storey in height and a total floor area exceeding 40m2 but not exceeding 100m2	Inspection Charge	583.00	583.00	600.00	Each	2.9%	
Environment Building Control	Extension or new build with some part 2 or 3 storey in height and a total floor area exceeding 40m2 but not exceeding 100m2	Regularisation Charge	893.19	893.19	920.00	Each	3.0%	
Environment Building Control	Alteration where the cost of work not exceeding £5,000	Plan Charge	118.00	118.00	121.00	Each	2.5%	
Environment Building Control	Alteration where the cost of work not exceeding £5,000	Inspection Charge	127.99	127.99	132.00	Each	3.1%	
Environment Building Control	Alteration where the cost of work not exceeding £5,000	Regularisation Charge	270.60	270.60	278.00	Each	2.7%	
Environment Building Control	Replacement of windows, roof lights, roof windows or external glazed doors (not exceeding 20 units)	Plan Charge	118.00	118.00	121.00	Each	2.5%	
Environment Building Control	Replacement of windows, roof lights, roof windows or external glazed doors (not exceeding 20 units)	Inspection Charge	127.99	127.99	132.00	Each	3.1%	
Environment Building Control	Replacement of windows, roof lights, roof windows or external glazed doors (not exceeding 20 units)	Regularisation Charge	270.60	270.60	278.00	Each	2.7%	
Environment Building Control	Renewable Energy systems (not covered by an appropriate competent persons scheme)	Plan Charge	118.00	118.00	121.00	Each	2.5%	
Environment Building Control	Renewable Energy systems (not covered by an appropriate competent persons scheme)	Inspection Charge	127.99	127.99	132.00	Each	3.1%	
Environment Building Control	Renewable Energy systems (not covered by an appropriate competent persons scheme)	Regularisation Charge	270.60	270.60	278.00	Each	2.7%	
Environment Building Control	Installation of new shop front	Plan Charge	118.00	118.00	121.00	Each	2.5%	
Environment Building Control	Installation of new shop front	Inspection Charge	127.99	127.99	132.00	Each	3.1%	
Environment Building Control	Installation of new shop front	Regularisation Charge	270.60	270.60	278.00	Each	2.7%	
Environment Building Control	Cost of work exceeding £5,000 & not exceeding £25,000	Plan Charge	154.00	154.00	159.00	Each	3.2%	
Environment Building Control	Cost of work exceeding £5,000 & not exceeding £25,000	Inspection Charge	220.99	220.99	228.00	Each	3.2%	
Environment Building Control	Cost of work exceeding £5,000 & not exceeding £25,000	Regularisation Charge	413.00	413.00	426.00	Each	3.1%	
Environment Building Control	Replacement of windows, roof lights, roof windows or external glazed doors (exceeding 20 units)	Plan Charge	154.00	154.00	159.00	Each	3.2%	
Environment Building Control	Replacement of windows, roof lights, roof windows or external glazed doors (exceeding 20 units)	Inspection Charge	220.99	220.99	228.00	Each	3.2%	

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Environment Building Control	Replacement of windows, roof lights, roof windows or external glazed doors (exceeding 20 units)	Regularisation Charge	413.00	413.00	426.00	Each	3.1%	
Environment Building Control	Renovation of thermal elements	Plan Charge	154.00	154.00	159.00	Each	3.2%	
Environment Building Control	Renovation of thermal elements	Inspection Charge	220.99	220.99	228.00	Each	3.2%	
Environment Building Control	Renovation of thermal elements	Regularisation Charge	413.00	413.00	426.00	Each	3.1%	
Environment Building Control	Installation of a Raised Storage Platform within an existing building	Plan Charge	154.00	154.00	159.00	Each	3.2%	
Environment Building Control	Installation of a Raised Storage Platform within an existing building	Inspection Charge	220.99	220.99	228.00	Each	3.2%	
Environment Building Control	Installation of a Raised Storage Platform within an existing building	Regularisation Charge	413.00	413.00	426.00	Each	3.1%	
Environment Building Control	Cost of works exceeding £25,000 & not exceeding £100,000	Plan Charge	222.00	222.00	229.00	Each	3.2%	
Environment Building Control	Cost of works exceeding £25,000 & not exceeding £100,000	Inspection Charge	409.00	409.00	421.00	Each	2.9%	
Environment Building Control	Cost of works exceeding £25,000 & not exceeding £100,000	Regularisation Charge	694.00	694.00	715.00	Each	3.0%	
Environment Building Control	Fit out of building up to 100m2	Plan Charge	222.00	222.00	229.00	Each	3.2%	
Environment Building Control	Fit out of building up to 100m2	Inspection Charge	409.00	409.00	421.00	Each	2.9%	
Environment Building Control	Fit out of building up to 100m2	Regularisation Charge	694.00	694.00	715.00	Each	3.0%	
Environment - Licensing	Licensing - HC & PH	Hackney Carriage or Private Hire Driver - 3 year	n/a	263.00	262.00	Each	-0.4%	Changes in legislation introduced 3 year Driver licences. The fee was changed to £263.00 in September 2015.
Environment - Licensing	Licensing - HC & PH	Dual Hackney Carriage or Private Hire Driver - 3 year	n/a	263.00	262.00	Each	-0.4%	Changes in legislation introduced 3 year Driver licences. The fee was changed to £263.00 in September 2015.
Environment - Licensing	Licensing - HC & PH	Hackney Carriage Vehicle - 1 year	340.00	336.00	338.00	Each	0.6%	
Environment - Licensing	Licensing - HC & PH	Private Hire Vehicle - 1 year	280.00	279.00	282.00	Each	1.1%	
Environment - Licensing	Licensing - HC & PH	Hackney Carriage or Private Hire Vehicle Test	35.75	35.75	35.75	Each	0.0%	
Environment - Licensing	Licensing - HC & PH	Private Hire Operator - 5 years	n/a	515.00	515.00	Each	0.0%	Changes in legislation introduced 5 year Private Hire Operator Licences. The fee was changed to £515.00 in September 2015.
Environment - Licensing	Licensing - HC & PH	Replacement ID card for a driver	15.00	0.00	0.00	Each		
Environment - Licensing	Licensing - HC & PH	Replacement plate (Rear)	21.00	0.00	0.00	Each		
Environment - Licensing	Licensing - HC & PH	Replacement plate (Front)	19.00	0.00	0.00	Each		
Environment - Licensing	Licensing - HC & PH	Trailer Inspection	18.00	18.00	18.00	Each	0.0%	
Environment - Licensing	Licensing - HC & PH	Trailer licence	48.00	47.00	47.00	Each	0.0%	
Environment - Licensing	Licensing - HC & PH	Hackney Carriage Business Transfer	143.00	141.00	141.00	Each	0.0%	
Environment - Licensing	Licensing - HC & PH	Change of Vehicle (inc Plate) not at renewal	81.00	81.00	81.00	Each	0.0%	
Environment - Licensing	Licensing - HC & PH	Replacement door stickers (Single)	11.00	0.00	0.00	Each		
Environment - Licensing	Licensing - HC & PH	Knowledge Test	25.00	25.00	26.00	Each	4.0%	
Environment - Licensing	Licensing - Street Trading	Street Trading (1 days' trading per week per annum)	108.00	108.00	108.00	Each	0.0%	
Environment - Licensing	Licensing - Street Trading	Street Trading (2 days' trading per week per annum)	189.00	189.00	189.00	Each	0.0%	

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Environment - Licensing	Licensing - Street Trading	Street Trading (3 days' trading per week per annum)	259.00	259.00	259.00	Each	0.0%	
Environment - Licensing	Licensing - Street Trading	Street Trading (4 days' trading per week per annum)	324.00	324.00	324.00	Each	0.0%	
Environment - Licensing	Licensing - Street Trading	Street Trading (5 days' trading per week per annum)	431.00	431.00	431.00	Each	0.0%	
Environment - Licensing	Licensing - Street Trading	Street Trading (6 days' trading per week per annum)	486.00	486.00	486.00	Each	0.0%	
Environment - Licensing	Licensing - Street Trading	Street Trading (7 days' trading per week per annum)	540.00	540.00	540.00	Each	0.0%	
Environment - Licensing	Licensing - Street Trading	Street Trading - 1 Days Trading	22.00	22.00	22.00	Each	0.0%	
Environment - Licensing	Licensing - Street Trading	Street Trading Up to 10 traders	43.00	43.00	43.00	Each	0.0%	
Environment - Licensing	Licensing - Street Trading	Street Trading Between 11 and 19 traders	59.00	59.00	59.00	Each	0.0%	
Environment - Licensing	Licensing - Street Trading	Street Trading Over 20 traders	75.00	75.00	75.00	Each	0.0%	
Environment - Licensing	Licensing - Casino	Small casino -Application to vary	2500.00	2500.00	2500.00	Each	0.0%	
Environment - Licensing	Licensing - Casino	Small casino - Application to Transfer	1000.00	1000.00	1000.00	Each	0.0%	
Environment - Licensing	Licensing - Casino	Small casino - Application Re-Instatement.	1000.00	1000.00	1000.00	Each	0.0%	
Environment - Licensing	Licensing - Casino	Small casino - Application Provisional Statement	5000.00	5000.00	5000.00	Each	0.0%	
Environment - Licensing	Licensing - Casino	Small casino - Application (provisional Statement holders.	1000.00	1000.00	1000.00	Each	0.0%	
Environment - Licensing	Licensing - Casino	Large casino -Application to vary	3000.00	3000.00	3000.00	Each	0.0%	
Environment - Licensing	Licensing - Casino	Large casino - Application to Transfer	1500.00	1500.00	1500.00	Each	0.0%	
Environment - Licensing	Licensing - Casino	Large casino - Application Re-Instatement.	1500.00	1500.00	1500.00	Each	0.0%	
Environment - Licensing	Licensing - Casino	Large casino - Application Provisional Statement - building not built	6500.00	6500.00	6500.00	Each	0.0%	
Environment - Licensing	Licensing - Casino	Large casino - Application (provisional Statement holders). Once building completed	3250.00	3250.00	3250.00	Each	0.0%	
Environment - Licensing	Licensing - Casino	Regional casino -Application to vary	4125.00	4125.00	4125.00	Each	0.0%	
Environment - Licensing	Licensing - Casino	Regional casino - Application to Transfer	4275.00	4275.00	4275.00	Each	0.0%	
Environment - Licensing	Licensing - Casino	Regional casino - Application Re-Instatement.	4275.00	4275.00	4275.00	Each	0.0%	
Environment - Licensing	Licensing - Casino	Regional casino - Application Provisional Statement	9000.00	9000.00	9000.00	Each	0.0%	
Environment - Licensing	Licensing - Casino	Regional casino - Application (provisional Statement holders).	6000.00	6000.00	6000.00	Each	0.0%	
Environment - Licensing	Licensing - Bingo	Bingo Clubs -Application to vary	800.00	800.00	800.00	Each	0.0%	
Environment - Licensing	Licensing - Bingo	Bingo Clubs - Application to Transfer	500.00	500.00	500.00	Each	0.0%	
Environment - Licensing	Licensing - Bingo	Bingo Clubs - Application Provisional Statement	1500.00	1500.00	1500.00	Each	0.0%	
Environment - Licensing	Licensing - Bingo	Bingo Club - Application Re-Instatement.	500.00	500.00	500.00	Each	0.0%	
Environment - Licensing	Licensing - Bingo	Bingo Club - Application (provisional Statement holders.	500.00	500.00	500.00	Each	0.0%	
Environment - Licensing	Licensing - Betting Premises	Betting Premises - Application to vary	700.00	700.00	700.00	Each	0.0%	
Environment - Licensing	Licensing - Betting Premises	Betting Premises - Application to Transfer	400.00	400.00	400.00	Each	0.0%	

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Environment - Licensing	Licensing - Betting Premises	Betting Premises - Application Re-Instatement.	400.00	400.00	400.00	Each	0.0%	
Environment - Licensing	Licensing - Betting Premises	Betting Premises - Application Provisional Statement	1000.00	1000.00	1000.00	Each	0.0%	
Environment - Licensing	Licensing - Betting Premises	Betting Premises - Application (provisional Statement holders.	400.00	400.00	400.00	Each	0.0%	
Environment - Licensing	Licensing - Tracks	Tracks- Application to vary	800.00	800.00	800.00	Each	0.0%	
Environment - Licensing	Licensing - Tracks	Tracks - Application to Transfer	500.00	500.00	500.00	Each	0.0%	
Environment - Licensing	Licensing - Tracks	Tracks - Application Re-Instatement.	500.00	500.00	500.00	Each	0.0%	
Environment - Licensing	Licensing - Tracks	Tracks - Application Provisional Statement	1500.00	1500.00	1500.00	Each	0.0%	
Environment - Licensing	Licensing - Tracks	Tracks - Application (provisional Statement holders.	500.00	500.00	500.00	Each	0.0%	
Environment - Licensing	Licensing - Family Entertainment Centres	Family Entertainment Centres - Application to vary	400.00	400.00	400.00	Each	0.0%	
Environment - Licensing	Licensing - Family Entertainment Centres	Family Entertainment Centres - Application to Transfer	250.00	250.00	250.00	Each	0.0%	
Environment - Licensing	Licensing - Family Entertainment Centres	Family Entertainment Centres - Application Provisional Statement	750.00	750.00	750.00	Each	0.0%	
Environment - Licensing	Licensing - Family Entertainment Centres	Family Entertainment Centres - Application Re-Instatement.	250.00	250.00	250.00	Each	0.0%	
Environment - Licensing	Licensing - Family Entertainment Centres	Family Entertainment Centres - Application (provisional Statement holders.	200.00	200.00	200.00	Each	0.0%	
Environment - Licensing	Licensing - Adult Gaming Centre	Adult Gaming Centre - Application to vary	400.00	400.00	400.00	Each	0.0%	
Environment - Licensing	Licensing - Adult Gaming Centre	Adult Gaming Centre - Application to Transfer	250.00	250.00	250.00	Each	0.0%	
Environment - Licensing	Licensing - Adult Gaming Centre	Adult Gaming Centre - Application Re-Instatement.	250.00	250.00	250.00	Each	0.0%	
Environment - Licensing	Licensing - Adult Gaming Centre	Adult Gaming Centres - Application Provisional Statement	750.00	750.00	750.00	Each	0.0%	
Environment - Licensing	Licensing - Adult Gaming Centre	Adult Gaming Centre - Application (provisional Statement holders.	200.00	200.00	200.00	Each	0.0%	
Environment - Licensing	Licensing - Sex Establishment	Sex Establishment - Grant	2136.00	2140.00	2134.00	Each	-0.3%	
Environment - Licensing	Licensing - Sex Establishment	Sex Establishment - Renewal	816.00	803.00	794.00	Each	-1.1%	
Environment - Licensing	Licensing - Sex Establishment	Sex Establishment - Transfer	306.00	296.00	289.00	Each	-2.4%	
Environment - Licensing	Licensing - Pavement Permit	Pavement permits	263.00	265.00	309.00	Each	16.6%	Increase following annual review.
Environment - Licensing	Licensing - Scrap Metal Dealers	(Grant Site)	449.00	434.00	431.00	Each	-0.7%	
Environment - Licensing	Licensing - Scrap Metal Dealers	(Grant Collectors)	208.00	203.00	206.00	Each	1.5%	
Environment - Licensing	Licensing - Scrap Metal Dealers	(Renewal Site)	340.00	325.00	331.00	Each	1.8%	
Environment - Licensing	Licensing - Scrap Metal Dealers	(Renewal Collectors)	175.00	170.00	173.00	Each	1.8%	
Environment - Licensing	Licensing - Scrap Metal Dealers	(Variation Site)	95.00	94.00	100.00	Each	6.4%	
Environment - Licensing	Licensing - Scrap Metal Dealers	(Variation Collectors)	95.00	94.00	100.00	Each	6.4%	
Environment - Licensing	Licensing - Scrap Metal Dealers	Replacement/Extra licence	17.00	16.00	16.00	Each	0.0%	
Housing	Rent	Bradford Street (1 bed flat)	75.19	76.84	76.07	Per Week	-1.0%	In line with Govt instruction to registered social landlords
Housing	Rent	Bradford Street (Bedsit)	63.73	65.13	64.48	Per Week	-1.0%	In line with Govt instruction to registered social landlords
Housing	Service Charges	Furnishings - Bradford Street	2.20	2.25	2.25	Per Week	0.0%	
Housing	Service Charges	Fuel - Bradford Street	16.51	16.87	16.87	Per Week	0.0%	
Housing	Service Charges	Water - Bradford Street (1 bed flat)	9.68	9.89	9.89	Per Week	0.0%	



## Fees & Charges - Proposed 2016/17

## APPENDIX A

Service	Service Detail	Details of Charge	2014/15 Price incl VAT (£)	2015/16 Price incl VAT (£)	PROPOSED 2016/17 Price incl VAT (£)	Unit	% increase 15/16 to 16/17	Notes
Housing	Service Charges	Water - Bradford Street (Bedsit)	8.68	8.87	8.87	Per Week	0.0%	
Operations	Allotments	Rental of Allotments	0.30	0.35	0.40	M²	14.3%	% increase by Prior Agreement
Operations	Cemeteries	Additional Inscription on memorial	60.50	60.50	62.00	Each	2.5%	
Operations	Cemeteries	Cremated Remains - Planting	66.00	66.00	67.50	Each	2.3%	
Operations	Cemeteries	Child's Grave - Planting	66.00	66.00	67.50	Each	2.3%	
Operations	Cemeteries	Cremated Remains - Two individual remains in one casket	183.00	183.00	187.50	Each	2.5%	
Operations	Cemeteries	Cremated Remains - Two interments in one plot	183.00	183.00	187.50	Each	2.5%	
Operations	Cemeteries	Cremated Remains - Under 16	No charge	No charge	No charge	No charge		
Operations	Cemeteries	Cremated Remains - 16 and over	138.50	138.50	142.00	Each	2.5%	
Operations	Cemeteries	Cremated Remains, Childs Memorial, Additional Inscription	55.50	55.50	57.00	Each	2.7%	
Operations	Cemeteries	Exclusive Right of Burial under 16 or Cremated Remains - Grave Space next in rotation	199.00	199.00	204.00	Each	2.5%	
Operations	Cemeteries	Exclusive Right of Burial 16 or over - Grave Space next in rotation	718.00	718.00	736.00	Each	2.5%	
Operations	Cemeteries	Exclusive Right of Burial under 16 or Cremated Remains - Grave Space selected by customer	259.00	259.00	265.48	Each	2.5%	
Operations	Cemeteries	Exclusive Right of Burial 16 or over - Grave Space selected by customer	931.50	931.50	955.00	Each	2.5%	
Operations	Cemeteries	Exhumation Fee	1259.00	1259.00	1290.00	Each	2.5%	
Operations	Cemeteries	Full Grave - Planting	105.00	105.00	108.00	Each	2.9%	
Operations	Cemeteries	Full Memorial	183.00	183.00	188.00	Each	2.7%	
Operations	Cemeteries	Grave Maintenance - Neat & Tidy p.a.	79.00	79.00	81.00	Each	2.5%	
Operations	Cemeteries	Interment of Cremated Remains with a Full Burial	66.00	66.00	68.00	Each	3.0%	
Operations	Cemeteries	Interments - Single plot	469.50	469.50	481.00	Each	2.4%	
Operations	Cemeteries	Interments - Double plot	609.00	609.00	624.00	Each	2.5%	
Operations	Cemeteries	Interments - Under 16 years of age	No charge	No charge	No charge			
Operations	Cemeteries	Lawn Headstone	132.50	132.50	136.00	Each	2.6%	
Operations	Cemeteries	Lawn Section - Planting	80.00	80.00	82.00	Each	2.5%	
Operations	Cemeteries	Transfer of deeds and cancellation of	89.50	89.50	92.00	Each	2.8%	
Operations	Cemeteries	Transfer of ERB certificate	N/A	N/A	50.00	Each		New Charge
Operations	Cemeteries	Use of Cemetery Chapel	118.00	118.00	121.00	Each	2.5%	
Operations	Cemeteries	Memorial Bench - installation onto concrete base of customer's own bench	184.00	184.00	188.50	Each	2.4%	
Operations	Cemeteries	Memorial Bench - collection &/or assembly of customers bench if required	52.50	52.50	54.00	Each	2.9%	
Operations	Cemeteries	All interment fees are charged at double the rate where the deceased is a non-resident of the Braintree District	Double fees	Double fees	Double fees			
Operations	Cemeteries	Family search of burial records	15.00	15.00	15.50	per hour	3.3%	
Operations	Market Charity Stalls - Braintree (On Street)	Hire of Stall - Flat fee for pre-booking Charity	11.00	11.00	11.50	Each	4.5%	
Operations	Market Charity Stalls - Witham (Off Street)	Hire of Stall - Flat fee for pre-booking Charity	11.00	11.00	11.50	Each	4.5%	

## Fees & Charges - Proposed 2016/17

## APPENDIX A

Service	Service Detail	Details of Charge	2014/15 Price incl VAT (£)	2015/16 Price incl VAT (£)	PROPOSED 2016/17 Price Incl VAT (£)	Unit	% increase 15/16 to 16/17	Notes
Operations	Market stalls - Braintree Saturday	Braintree Pitch Rent - Commercial Hire per foot	1.70	1.70	1.75	Each	2.9%	
Operations	Market stalls - Braintree Wednesday	Braintree Pitch Rent - Commercial Hire per foot	1.95	1.95	2.00	Each	2.5%	
Operations	Market stalls - Witham Saturday	Witham Pitch Rent - Commercial Hire per foot	1.70	1.70	1.75	Each	2.9%	
Operations	Sports Pitch Bookings	Football/Rugby - 7 a side with Changing (Marked)	26.00	26.00	26.65	Match	2.5%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	Sports Pitch Bookings	Football/Rugby - 7 a side without changing (Marked)	20.00	20.00	20.50	Match	2.5%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	Sports Pitch Bookings	Football/Rugby junior -without Changing	26.00	26.00	26.65	Match	2.5%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	Sports Pitch Bookings	Football/Rugby - without changing	42.00	42.00	43.00	Match	2.4%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	Sports Pitch Bookings	Football/Rugby junior -with Changing	33.50	33.50	34.50	Match	3.0%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	Sports Pitch Bookings	Football/Rugby -with Changing	58.00	58.00	59.50	Match	2.6%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	Sports Pitch Bookings	Football - 9 a side with changing	30.50	30.50	31.50	Match	3.3%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	Sports Pitch Bookings	Football - 9 a side without changing	23.50	23.50	24.00	Match	2.1%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	Sports Pitch Bookings	Football - 5 a side with changing	20.00	20.00	20.50	Match	2.5%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	Sports Pitch Bookings	Football - 5 a side without changing	15.50	15.50	16.00	Match	3.2%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	Sports Pitch Bookings	Football - training on grass pitch	22.50	22.50	23.00	Match	2.2%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	AGP Gt Notley Country Park	Adult (Peak Period) Half Pitch	17.00	17.00	17.50	Hour	2.9%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	AGP Gt Notley Country Park	Adult (Peak Period) Full Pitch	28.00	28.00	28.50	Hour	1.8%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	AGP Gt Notley Country Park	Under 18 (Peak Period) Half Pitch	15.50	15.50	16.00	Hour	3.2%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	AGP Gt Notley Country Park	Under 18 (Peak Period) Full Pitch	22.50	22.50	23.00	Hour	2.2%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria

## Fees & Charges - Proposed 2016/17

## APPENDIX A

Service	Service Detail	Details of Charge	2014/15 Price incl VAT (£)	2015/16 Price incl VAT (£)	PROPOSED 2016/17 Price Incl VAT (£)	Unit	% increase 15/16 to 16/17	Notes
Operations	AGP Gt Notley Country Park	Adult (Off-Peak Period) Half Pitch	14.00	14.00	14.50	Hour	3.6%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	AGP Gt Notley Country Park	Adult (Off-Peak Period) Full Pitch	22.50	22.50	23.00	Hour	2.2%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	AGP Gt Notley Country Park	Under 18 (Off-Peak Period) Half Pitch	12.00	12.00	12.50	Hour	4.2%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	AGP Gt Notley Country Park	Under 18 (Off-Peak Period) Full Pitch	17.00	17.00	17.50	Hour	2.9%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	MUGA Gt Notley Country Park	Adult Football, Basketball, Netball	11.50	11.50	12.00	Hour	4.3%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	MUGA Gt Notley Country Park	Adult Tennis	6.00	6.00	6.50	Hour	8.3%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	MUGA Gt Notley Country Park	Under 18 Football, Basketball, Netball	9.50	9.50	10.00	Hour	5.3%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	MUGA Gt Notley Country Park	Under 18 Tennis	4.00	4.00	4.20	Hour	5.0%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	AGP Gt Notley Country Park	Floodlight Half Pitch	8.50	8.50	9.00	Hour	5.9%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	AGP Gt Notley Country Park	Floodlight Full Pitch	12.00	12.00	12.50	Hour	4.2%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	MUGA Gt Notley Country Park	Floodlight	5.00	5.00	5.50	Hour	10.0%	Exempt of VAT if block booking of 10 or more sessions and meet certain criteria
Operations	Waste - Domestic	Public/Domestic - Removal Fee Special Collection (between six and twelve items)	68.00	69.50	72.00	Each	3.6%	
Operations	Waste - Domestic	Public/Domestic - Removal Fee Special Collection (up to six items)	34.00	35.00	36.00	Each	2.9%	
Operations	Waste - Domestic	Public/Domestic - Removal Fee Special Collection (up to six items) for those residents in receipt of a statutory benefit	25.00	25.50	26.00	Each	2.0%	
Operations	Waste - Domestic	Hire of Amenity Vehicle by Parish Councils (up to 2 hours)	191.52	195.60	200.40	Each	2.5%	
Operations	Waste - Domestic	Hire of Amenity Vehicle by Parish Councils (up to 3 hours)	236.16	242.40	248.40	Each	2.5%	
Operations	Waste - Domestic	Hire of Amenity Vehicle by Parish Councils (up to 4 hours)	279.36	285.60	292.80	Each	2.5%	
Operations	Waste - Domestic	Hire of Amenity Vehicle by Parish Councils (up to 5 hours)	331.20	339.60	348.00	Each	2.5%	
Operations	Waste - Domestic	Purchase of additional 180 litre garden waste bin	25.20	25.20	26.40	Each	4.8%	

## Fees & Charges - Proposed 2016/17

## APPENDIX A

Service	Service Detail	Details of Charge	2014/15 Price incl VAT (£)	2015/16 Price incl VAT (£)	PROPOSED 2016/17 Price Incl VAT (£)	Unit	% increase 15/16 to 16/17	Notes
Operations	Waste - Domestic	Annual fee for emptying additional garden waste bin on scheduled garden waste collections days only.	43.20	43.20	44.40	Year	2.8%	
Operations	Car parking Pay & Display - Short Stay	Tariff for 0 up to 1hr	0.90	0.90	0.90	Each	0.0%	
Operations	Car parking Pay & Display - Short Stay	Tariff for 1hr up to 3hrs	1.80	1.80	1.80	Each	0.0%	
Operations	Car parking Pay & Display Concession	CONCESSION from 3pm to 7pm	0.10	0.10	0.10	Each	0.0%	
Operations	Car parking Pay & Display - Short Stay	Tariff for 3hrs up to 6hrs	3.00	3.00	3.00	Each	0.0%	
Operations	Car parking Pay & Display - Short Stay	Tariff for 6hrs+	5.50	5.50	5.50	Each	0.0%	
Operations	Car parking Pay & Display - Short Stay	Tariff for Sundays - 7am - 6.59pm	0.50	0.50	0.50	Each	0.0%	
Operations	Car parking Pay & Display - Long Stay: White Horse Lane Only	Tariff - Mon-Sat	5.00	5.00	5.00	Day Rate	0.0%	
Operations	Car parking Pay & Display - Long Stay: White Horse Lane Only	Tariff - Sunday 7am - 6.59pm	0.50	0.50	0.50	Day Rate	0.0%	
Operations	Car parking Pay & Display - Long Stay: Victoria St & Station Approach	Tariff - Mon-Sat	4.00	4.00	4.00	Day Rate	0.0%	
Operations	Car parking Pay & Display - Long Stay: Victoria St & Station Approach	Tariff - Sunday - 7am - 6.59pm	0.50	0.50	0.50	Day Rate	0.0%	
Operations	Car parking Pay & Display - All Car Parks: OVERNIGHT	Valid from 7pm to 6.59am next day	0.50	0.50	0.50	Each	0.0%	
Operations	Season Tickets (Commuters) for Lockram Lane Car Park	Valid Mon-Fri & Sun. Tariff = Quarterly	110.00	110.00	110.00	Each	0.0%	
Operations	Season Tickets (Commuters) for Lockram Lane Car Park	Valid Mon-Fri & Sun. Tariff = Annual	430.00	430.00	430.00	Each	0.0%	
Operations	Season Tickets (Commuters) for All Other Car Parks	Valid Mon-Sun. Tariff = Quarterly	130.00	130.00	130.00	Each	0.0%	
Operations	Season Tickets (Commuters) for All Other Car Parks	Valid Mon-Sun. Tariff = Annual	500.00	500.00	500.00	Each	0.0%	
Operations	Season Tickets - Residents	Valid from 7pm to 6.59am next day, 7 days per week. Tariff = Quarterly	30.00	30.00	30.00	Each	0.0%	
Operations	Season Tickets - Residents	Valid from 7pm to 6.59am next day, 7 days per week. Tariff = Six Monthly	55.00	55.00	55.00	Each	0.0%	
Operations	Season Tickets - Residents	Valid from 7pm to 6.59am next day, 7 days per week. Tariff = Annual	100.00	100.00	100.00	Each	0.0%	
Operations	Open Market Trade Vehicles: Braintree	Valid on Wednesdays and Saturdays - Day Rate	1.50	1.50	1.50	Day Rate	0.0%	
Operations	Open Market Trade Vehicles: Witham	Valid on Saturdays only - Day Rate	1.50	1.50	1.50	Day Rate	0.0%	
Operations	Car parking Pay & Display - Long Stay: Easton Road Only	Tariff - Mon-Fri, 4am - 9.30am (Valid until 4am next day)	6.00	6.00	6.00	Day Rate	0.0%	
Operations	Car parking Pay & Display - Long Stay: Easton Road Only	Tariff - Mon-Fri, 9.30am - 7.00am (Valid until 4am next day)	3.00	3.00	3.00	Day Rate	0.0%	
Operations	Car parking Pay & Display - Long Stay: Easton Road Only	Tariff - Sat-Sun (Valid until 4am next day)	2.00	2.00	2.00	Day Rate	0.0%	
Operations	Car parking Pay & Display - Long Stay: Easton Road Only	Tariff - Evening all days (Valid 7pm-4am next day)	1.00	1.00	1.00	Each	0.0%	
Operations	Over night Parking	Tariff - Evening all days (Valid 7pm-7am next day)	0.50	0.50	0.50	Each	0.0%	
Operations	Events	Charitable & Fund-raising events for local community groups	50.00	50.00	51.25	each	2.5%	
Operations	Events	All events - site damage deposit or event clean up	300.00	300.00	307.50	each	2.5%	
Operations	Events	Small Fun Fair for young children - setting up	35.00	35.00	36.00	per day	2.9%	

## Fees & Charges - Proposed 2016/17

## APPENDIX A

Service	Service Detail	Details of Charge	2014/15 Price incl VAT (£)	2015/16 Price incl VAT (£)	PROPOSED 2016/17 Price incl VAT (£)	Unit	% increase 15/16 to 16/17	Notes
Operations	Events	Small Fun Fair for young children - in operation	103.00	103.00	105.50	per day	2.4%	
Operations	Events	Large Fun Fair for all ages - setting up	103.00	103.00	105.50	per day	2.4%	
Operations	Events	Large Fun Fair for all ages - in operation	308.00	308.00	316.00	per day	2.6%	
Operations	Events	Small Circus - setting up	51.50	51.50	53.00	per day	2.9%	
Operations	Events	Small Circus - in operation	103.00	103.00	105.50	per day	2.4%	
Operations	Events	Large Circus - setting up	103.00	103.00	105.50	per day	2.4%	
Operations	Events	Large Circus - in operation	205.50	205.50	210.50	per day	2.4%	
Operations	Events	Annual licence for Boot Camp/Dog training/Fitness Class or similar activity conducted on public open space	150.00	150.00	154.00	Year	2.7%	
Operations	Abandoned Vehicles	Responsible Vehicle Disposal Scheme	52.50	54.00	55.50	Each	2.8%	
Operations	Stray Dogs	Kennelling fees (set by RSPCA)	13.00	13.00	13.50	(per dog) per 24 hrs kennelling	3.8%	
Operations	Stray Dogs	Fee for the collection and transportation of Stray dogs	40.00	42.00	43.00	(per dog)	2.4%	
Operations	Stray Dogs	Combined Fee for 1 day or less	53.00	55.00	56.50	(per dog)	2.7%	
Operations	Stray Dogs	Combined Fee for 2 days	66.00	68.00	70.00	(per dog)	2.9%	
Operations	Stray Dogs	Combined Fee for 3 days	79.00	81.00	83.00	(per dog)	2.5%	
Operations	Stray Dogs	Combined Fee for 4 days	92.00	94.00	96.50	(per dog)	2.7%	
Operations	Stray Dogs	Combined Fee for 5 days	105.00	107.00	109.50	(per dog)	2.3%	
Operations	Stray Dogs	Combined Fee for 6 days	118.00	120.00	123.00	(per dog)	2.5%	
Operations	Stray Dogs	Combined Fee for 7 days	131.00	133.00	136.50	(per dog)	2.6%	
Operations	Stray Dogs	Those Owners on Benefit Combined Fee for 1 day or less	40.00	40.00	41.00	(per dog)	2.5%	
Operations	Stray Dogs	Those Owners on Benefit Combined Fee for 2 days	50.00	50.00	51.50	(per dog)	3.0%	
Operations	Stray Dogs	Those Owners on Benefit Combined Fee for 3 days	60.00	60.00	61.50	(per dog)	2.5%	
Operations	Stray Dogs	Those Owners on Benefit Combined Fee for 4 days	70.00	70.00	72.00	(per dog)	2.9%	
Operations	Stray Dogs	Those Owners on Benefit Combined Fee for 5 days	80.00	80.00	82.00	(per dog)	2.5%	
Operations	Stray Dogs	Those Owners on Benefit Combined Fee for 6 days	90.00	90.00	92.50	(per dog)	2.8%	
Operations	Stray Dogs	Those Owners on Benefit Combined Fee for 7 days	100.00	100.00	102.50	(per dog)	2.5%	
Operations	Stray Dogs	Microchipping	15.00	15.00	15.50	(per dog)	3.3%	
Planning	Street Naming & Numbering	House Name/ Number Change	40.00	40.00	40.00	Each	0.0%	
Planning	Street Naming & Numbering	1 dwelling	40.00	40.00	40.00	Each	0.0%	
Planning	Street Naming & Numbering	(1) 2-5 dwellings	30.00	30.00	30.00	Each	0.0%	
Planning	Street Naming & Numbering	6-25 dwellings	25.00	25.00	25.00	Each	0.0%	
Planning	Street Naming & Numbering	26-75 dwellings	20.00	20.00	20.00	Each	0.0%	
Planning	Street Naming & Numbering	76 plus dwellings	15.00	15.00	15.00	Each	0.0%	
Planning	Street Naming & Numbering	New street name	75.00	75.00	75.00	Each	0.0%	
Planning	Street Naming & Numbering	Name of building or block or flats or industrial estate	50.00	50.00	50.00	Each	0.0%	
Planning	Street Naming & Numbering	1-5 units (cost per unit)	30.00	30.00	30.00	Each	0.0%	
Planning	Street Naming & Numbering	6 15 units (Cost per unit)	20.00	20.00	20.00	Each	0.0%	
Planning	Street Naming & Numbering	16plus units (Cost per unit)	15.00	15.00	15.00	Each	0.0%	

## Fees & Charges - Proposed 2016/17

## APPENDIX A

Service	Service Detail	Details of Charge	2014/15 Price incl VAT (£)	2015/16 Price incl VAT (£)	PROPOSED 2016/17 Price Incl VAT (£)	Unit	% increase 15/16 to 16/17	Notes
Planning	Street Naming & Numbering	Confirmation of plot of postal address for utility company (charged to utility companies only)	30.00	30.00	30.00	Each	0.0%	
PR & Marketing	Advertising Frames - George Yard	Advertisement - Advertisement size A4 per month	3.60	3.60	4.80	Per month	33.3%	
PR & Marketing	Advertising Frames - George Yard	Advertisement - Advertisement size A3 per month	6.00	6.00	8.40	Per month	40.0%	
PR & Marketing	Advertising Frames - George Yard	Advertisement - Advertisement size A2 per month	12.00	12.00	15.60	Per month	30.0%	
PR & Marketing	Advertising Frames - George Yard	Advertisement - Advertisement size A1 per month	16.80	16.80	21.60	Per month	28.6%	
PR & Marketing	Advertising Frames - George Yard	Advertisement - Advertisement size A0 per month	21.60	21.60	28.80	Per month	33.3%	

# APPENDIX B

## BUSINESS RATE RETENTION SCHEME

	<u>Outturn</u> <u>NNDR3 13/14</u>	<u>Outturn</u> <u>NNDR3 14/15</u>	<u>Budget</u> <u>NNDR1 15/16</u>	<u>Latest</u> <u>2015/16</u>	<u>Forecast</u> <u>2016/17</u>
<b>Gross Yield</b>	46,994,799	48,812,703	49,592,721	51,252,147	50,931,623
<b><u>Mandatory Reliefs</u></b>					
Add Yield to fund Small Business Rate Relief	752,338	927,115	951,750	1,128,754	1,122,986
Cost of Small Business Rate Relief (SBRR)	-2,887,596	-3,372,747	-3,177,100	-3,416,003	-3,301,000
Cost of relief to Charities/CASC/Rurals	-2,673,450	-2,920,918	-2,958,490	-2,930,390	-2,994,299
Cost of relief partly occupied	-42,359	-113,537	-78,000	-15,349	-15,000
Cost of relief for empty premises	-1,483,509	-1,616,721	-1,603,730	-1,603,730	-1,551,779
<b>Total Mandatory Reliefs</b>	<b>-6,334,576</b>	<b>-7,096,807</b>	<b>-6,865,570</b>	<b>-6,836,718</b>	<b>-6,739,092</b>
<b><u>Discretionary Reliefs</u></b>					
Cost of relief to Charities/Non Profit/CASC/Rurals	-241,039	-236,848	-281,507	-283,976	-288,908
New empty property relief (New Start)		0	0	-15,847	-10,043
Long-term empty property relief (Fresh Start)		-3,183	-3,210	-21,346	-23,957
Retail relief		-459,042	-551,190	-704,474	
Flooding relief		-51,565	0	0	0
Discretionary transitional relief		0	0	-11,508	-12,000
<b>Total Discretionary Reliefs</b>	<b>-241,039</b>	<b>-750,638</b>	<b>-835,907</b>	<b>-1,037,153</b>	<b>-334,908</b>
<b>Net Rates Payable</b>	<b>40,419,184</b>	<b>40,965,259</b>	<b>41,891,244</b>	<b>43,378,277</b>	<b>43,857,623</b>
Amounts written off	-437,833	-458,474		-163,888	
Estimated losses on collection (prov)	17,941	118,960	-653,000	-489,112	-450,000
<b>Losses on collection</b>	<b>-419,892</b>	<b>-339,513</b>	<b>-653,000</b>	<b>-653,000</b>	<b>-450,000</b>
<b>Estimate of adjustment due to appeals (prov)</b>	<b>-1,350,000</b>	<b>-2,250,000</b>	<b>-452,000</b>	<b>-1,056,120</b>	<b>-732,000</b>
<b>Collectable Rates</b>	<b>38,649,292</b>	<b>38,375,745</b>	<b>40,786,244</b>	<b>41,669,157</b>	<b>42,675,623</b>
Transitional protection - due to/ -due from	2,639	12,479		-207,100	
Allowance for cost of collection	-186,394	-188,604	-188,104	-188,104	-194,671
<b>Non-Domestic Rating Income</b>	<b>38,465,537</b>	<b>38,199,620</b>	<b>40,598,140</b>	<b>41,273,952</b>	<b>42,480,952</b>
<b>BDC Share @ 40%</b>	<b>15,468,163</b>	<b>15,279,848</b>	<b>16,239,256</b>	<b>16,509,581</b>	<b>16,992,381</b>
<b>Tariff paid to Government</b>	<b>-12,422,011</b>	<b>-12,663,998</b>	<b>-12,905,986</b>	<b>-12,905,986</b>	<b>-13,013,536</b>
<b>Levy Payment due to Government/ Essex Business Rate Pool</b>	<b>-238,050</b>	<b>-180,797</b>	<b>-512,822</b>	<b>-706,661</b>	<b>-733,132</b>
<b>S31 Grants for SBRR and Autumn Statement measures</b>	<b>558,095</b>	<b>888,015</b>	<b>918,291</b>	<b>1,041,298</b>	<b>745,960</b>
<b>Collection Fund surplus/ -deficit b/fwd</b>		<b>-407,590</b>	<b>325,570</b>	<b>325,570</b>	<b>-411,135</b>
<b>Transfer from Business Rate Retention Reserve</b>					<b>411,135</b>
<b>TOTAL GENERAL FUND</b>	<b>3,366,197</b>	<b>2,915,478</b>	<b>4,064,309</b>	<b>4,263,802</b>	<b>3,991,673</b>

Allocation of the estimated Surplus on the Council Tax Collection Fund as at 31st March 2016

Parish/Town Councils and District Council	District/ Parish Precept 2015/16 £	Allocation £
Braintree District Council	£7,937,331	94,628
Alphamstone and Lamarsh	£2,800	33
Ashen	£4,071	49
Belchamp Otten	£1,000	12
Belchamp St Paul	£3,000	36
Belchamp Walter	£4,529	54
Birdbrook	£11,382	136
Black Notley	£48,000	572
Borley	£1,269	15
Bradwell	£7,569	90
Bulmer	£4,494	54
Bures Hamlet	£24,507	292
Castle Hedingham	£22,369	267
Coggeshall	£154,213	1,838
Colne Engaine	£21,802	260
Cressing	£31,147	371
Earls Colne	£48,187	574
Feering	£38,660	461
Finchingfield	£36,319	433
Foxearth and Liston	£6,403	76
Gestingthorpe	£4,715	56
Gosfield	£28,136	335
Great Bardfield	£27,300	325
Great Maplestead	£3,561	42
Great Notley	£60,655	723
Great Saling	£5,149	61
Great Notley	£38,922	464
Greenstead Green	£4,784	57



# APPENDIX C

Parish/Town Councils and District Council	District/ Parish Precept 2015/16 £	Allocation £
Halstead	£136,447	1,627
Hatfield Peverel	£53,274	635
Helions Bumpstead	£11,810	141
Hennys, Middleton & Twinstead	£4,565	54
Kelvedon	£75,943	905
Little Maplestead	£2,605	31
Little Yeldham	£4,930	59
Tibury Juxta Clare & Ovington		
Panfield	£16,054	191
Pebmarsh	£6,550	78
Pentlow	£5,000	60
Rayne	£36,091	430
Ridgewell	£13,073	156
Rivenhall	£9,450	113
Shalford	£12,784	152
Sible Hedingham	£85,332	1,017
Silver End	£55,473	661
Stambourne	£4,397	52
Steeple Bumpstead	£34,777	415
Stisted	£8,904	106
Sturmer	£5,255	63
Terling & Fairstead	£14,261	170
Toppesfield	£11,068	132
Wethersfield	£22,000	262
White Colne	£9,516	113
White Notley and Faulkbourne	£11,026	131
Wickham St Paul	£10,629	127
Witham	£402,239	4,795
Total	£9,645,727	£114,990
Total allocated to Parish/Town Councils		20,362

**Braintree District Council  
Council Tax**

**Policy for Second Homes, Long Term Empty Properties and determining discounts for certain dwellings from 1<sup>st</sup> April 2016**

## 1.0 Definitions

### Interpretation – an explanation of the terms used within this policy

#### 1.1 In this policy

**'Caravan'** shall be construed in accordance with Part I of the Caravan Sites and Control of Development Act 1960;

**'Class A exemption'** shall be construed in accordance with the Council Tax (Exempt Dwellings) Order 1992;

**'Class C exemption'** shall be construed in accordance with the Council Tax (Exempt Dwellings) Order 1992

**'Class C discount'** shall be construed in accordance with The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003;

**'Class D discount'** shall be construed in accordance with The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003;

**'Empty Homes Premium'** shall be construed in accordance with Section 11b Local Government Finance Act 1992;

**'Job-related accommodation'** shall be construed in accordance with the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003;

**'Long term empty premises'** means all dwellings, which remain unoccupied and substantially unfurnished for a period in excess of six months;

**'Second Homes'** shall be construed in accordance with The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003;

**'Substantially unfurnished'** means premises where it has been decided by the Council that it has insufficient items to be considered as furnished – each case is determined on an individual basis;

**'Technical Reforms'** means the changes applied to the Council Tax regime by Central Government effective from 1<sup>st</sup> April 2013;

**'Unoccupied Dwelling'** shall be construed in accordance with The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012

## 2.0 Introduction

2.1 The Local Government Finance Act 2012 amended the Local Government Finance Act 1992 allowing local discretion over the implementation of certain discounts in place of statutory exemptions and also allows for the use of premiums for certain long term empty premises. The intention of Central Government is to allow Councils the flexibility in raising additional Council Tax. In addition, Government is keen to ensure that premises do not remain unoccupied or unused for extensive periods and to encourage the maximum use of all available premises within Council areas.

2.2 The following policy details the current approach taken by the Council and also details the proposed changes with effect from 1<sup>st</sup> April 2016.

### Legislation

2.3 The relevant legislation is as follows:

- Section 11a Local Government Finance Act 1992 - **Power to determine further discounts for certain dwellings;**
- Section 11b Local Government Finance Act 1992 - **Higher amount for long-term empty dwellings: England;**
- The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by **The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012;** and
- **The Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012**

2.4 In addition to the amended legislation, Central Government has provided a number of documents to assist local authorities in the implementation of the new powers. These are:

- Technical Reforms of Council Tax - A consultation
- Technical Reforms for Council Tax – A summary of responses;
- Council Tax Information Letter: Council Tax – Definitions of Empty Homes and Second Homes;
- Council Tax - Empty homes premium - Guidance for properties for sale and letting.

2.5 In effect the changes can be summarised as follows:

- a. The ability for the Council to charge up to 100% for all second homes (premises which are furnished but have no ones sole or main residence). Previously powers allowed Councils to charge up to 90% only;
- b. The removal of Class A exemption (unoccupied, substantially unfurnished and subject to major repair) and replacement by a locally determined discount for a 12 month period;
- c. The removal of Class C exemption (unoccupied and substantially unfurnished) and replacement by a locally determined discount;
- d. Introduce a locally set empty homes premium of up to 50% of the charge, which can be charged in addition to the 100% already chargeable for long-term empty premises. This applies to premises that have been unoccupied and substantially unfurnished for more than two years.

### 3.0 The Current and Proposed position

- 3.1 Since 1<sup>st</sup> April 2013, the Council has adopted a number of the technical changes available to and these are detailed below together with proposed alterations to the policy, which will be effective from 1<sup>st</sup> April 2016:

#### Second Homes – Policy effective from 1<sup>st</sup> April 2013

- 3.2 Within the Council Tax legislation, a second home is defined as a dwelling, which is no one's sole or main residence but which is furnished. The Council, under this policy, has determined that from 1<sup>st</sup> April 2013, a charge of 100% will be applied for second homes (a discount of 0%). The charge applies to all cases except where the legislation determines otherwise and in those cases (as follows) a charge of 50% will apply (rather than the 100%) as required by legislation:
- Dwellings which are furnished but unoccupied because the owner is liable to a Council Tax elsewhere in job-related<sup>1</sup> accommodation;
  - Empty but furnished dwellings of service personnel resident in accommodation provided by the Ministry of Defence;
  - If the dwelling is a caravan or houseboat; or
  - Where members of the clergy are required to live in accommodation provided by their employer to perform the duties of their office

<sup>1</sup> 'Job related' is defined within paragraph 2.12

3.3 For the purposes of the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by the Council Tax (Prescribed Classes of Dwellings)(England)(Amendment) Regulations 2012 the Council is required to determine the classes under which a discount will be granted. For the purposes of this policy the classes and discounts granted by the Council from 1<sup>st</sup> April 2013 are as follows:

Class	Description	Discount
A	A dwelling; a. Which is not the sole or main residence of an individual; b. Which is furnished; and c. The occupation of which is restricted by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year	0%
B	A dwelling; a. Which is not the sole or main residence of an individual; b. Which is furnished; and c. The occupation of which is not restricted by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year;	0%

#### **Empty dwellings – Policy effective from 1<sup>st</sup> April 2013**

3.4 For Council Tax purposes, the legislation determines that an empty dwelling is one which is unoccupied and substantially unfurnished dwellings. Up until 31<sup>st</sup> March 2013, where premises fell into this category, an exemption (Class C) would be

granted from Council Tax, which would allow a period of up to six months free. The exemption could only be re-granted if the premises became re-occupied for a period of six weeks or more.

- 3.5 From the 1<sup>st</sup> April 2013, the exemption was abolished and Councils have been given the discretion to introduce a discount of between 0% and 100%. The rules for this are based on the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by the Council Tax (Prescribed Classes of Dwellings)(England)(Amendment) Regulations 2012. During this time the Council can determine (in accordance with Class C of the regulations) the level of discount between 0% and 100%.
- 3.6 The Council has resolved that, from 1<sup>st</sup> April 2013, if a dwelling becomes unoccupied and substantially unfurnished no discount is given and a full charge (100%) is payable. The 100% charge will then continue until such time as it becomes re-occupied.

**Empty dwelling, requiring or undergoing structural alterations or major repair works to make it habitable - Policy effective from 1<sup>st</sup> April 2013**

- 3.7 Up until 31<sup>st</sup> March 2013, any premises falling within the above category would be granted an exemption (Class A) for a maximum period of 12 months so long as the conditions applied. As with Class C exemption, a further exemption could not be granted unless the premises were reoccupied for a period of six weeks or more.
- 3.8 From 1<sup>st</sup> April 2013, the exemption was abolished and Councils were given the discretion to introduce a discount of between 0% and 100% for a period of 12 months. The rules for this are based on the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by the Council Tax (Prescribed Classes of Dwellings)(England)(Amendment) Regulations 2012. During this time the Council can determine (in accordance with Class D of the regulations) the level of discount between 0% and 100%. Class D is defined as every chargeable dwelling:
- a. Which satisfies the requirement set out in paragraph (b) unless it has been such a dwelling for a continuous period of twelve months or more ending immediately before the day in question;
  - b. The requirement referred to in paragraph (a) is that the dwelling is vacant and:
    - i. Requires or is undergoing major repair work to render it habitable, or
    - ii. Is undergoing structural alteration; or

- iii. Has undergone major repair work to render it habitable, if less than six months have elapsed since the date on which the alteration was substantially completed and the dwelling has continuously remained vacant since that date;
- c. For the purposes of paragraph b. above 'major repair work' includes structural repair work;
- d. For the purposes of Class D a dwelling is vacant on any day if on the day;
  - i. In the case of a dwelling consisting of a pitch occupied by a caravan or a mooring occupied by a boat, the caravan or boat is unoccupied;
  - ii. In any other case, the dwelling is unoccupied and substantially unfurnished; and
  - iii. In considering whether a dwelling has been vacant for any period, any one period, not exceeding six weeks, during which it was not vacant shall be disregarded

3.9 The Council has resolved that from 1<sup>st</sup> April 2013 no discount is to be given in respect of Class D and that a full charge (100%) would be payable for any premises falling within the category.

#### **Long Term Empty premises – Empty Homes Premium – Policy effective from 1<sup>st</sup> April 2016**

- 3.10 The amendments to the legislation from April 2013, allowed Councils the discretion to introduce an Empty Homes Premium which would, in effect, allow for a further 50% to be charged (in addition to the 100% charge already levied in respect of empty premises). In its consultation document '*Technical Reforms of Council Tax – A consultation*' the policy aim was to encourage owners to bring empty properties back into use more quickly. Central Government stated in the document that '*it remains the case that a distressing number of dwellings are being left empty, at a time when there is an overall housing shortage. There are over 300,000 long-term empty homes across England. As well as being an unused resource when 1.7 million people are on social housing waiting lists, long-term empty properties attract squatters, vandalism and anti-social behaviour, and are a blight on the local community*'.
- 3.11 Legislation allowing for the premium was introduced in 2012, which inserted **Section 11b Local Government Finance Act 1992 - Higher amount for long-term empty dwellings**. Liability for the Empty Homes Premium is determined by the length of time that the property has been empty. An individual who purchases a property, which has already been empty for two-years, may be required to pay the premium as soon as they take ownership. A period of occupation of over six weeks qualifies as a break in the empty period, 'resetting the clock' for the purposes of the Empty Homes Premium.



3.12 The consultation examined a number of potential exceptions from the premium including where premises were being offered for sale or let **but only** the following exemptions were applied in the legislation (Council Tax (Prescribed Class of Dwellings) Regulations 2003 as amended by the Council Tax (Prescribed Classes of Dwellings)(England)(Amendment) Regulations 2012:

**Armed Forces Accommodation or Job related accommodation (Class E)**

- Is the sole or main residence of an individual where that individual is a qualifying person in relation to another dwelling provided by the Secretary of State for Defence for the purposes of armed forces accommodation, and which for that individual is job-related; or
- Would be the sole or main residence of an individual if that individual were not a qualifying person in relation to another dwelling provided by the Secretary of State for Defence for the purposes of armed forces accommodation, and which for that individual is job-related

**Annexes (Class F)**

Every chargeable dwelling:

- Which forms part of a single property which includes at least one other dwelling; and
- Which is being used by a resident of that other dwelling, or as the case may be, one of those other dwellings, as part of their sole or main residence

**Definition of Job Related dwelling**

The definition of job related dwellings is determined by the Council Tax (Prescribed Class of Dwellings Regulations) 2003 as follows:

- A dwelling is job-related for a person if it is provided for him by reason of his employment or for his spouse by reason of the spouse's employment, in any of the following cases:
  - a. Where it is necessary for the proper performance of the duties of the employment that the employee should reside in that dwelling;
  - b. Where the dwelling is provided for the better performance of the duties of the employment, and it is one of the kinds of employment in the case of which it is customary for employers to provide dwellings to employees;

- c. Where, there being a special threat to the employee's security, special security arrangements are in force and the employee resides in the dwelling as part of those arrangements.
- If the dwelling is provided by a company and the employee is a director of that or an associated company, the definition shall not apply unless:
  - a. The employment is as a full-time working director,
  - b. The company is non-profit making, that is to say, it does not carry on a trade nor do its functions consist wholly or mainly in the holding of investments or other property, or
  - c. The company is established for charitable purposes only.
- A dwelling is job-related for a person if he or his spouse is required, under a contract to live in that dwelling. This does not apply if the dwelling concerned is in whole or in part provided by any other person or persons together with whom the person or spouse carries on a trade or business in partnership.

3.13 **The Council has resolved that from 1<sup>st</sup> April 2016**, an Empty Homes Premium of 50% will be applied, in addition to the full (100%) charge, for all premises which has been unoccupied and substantially unfurnished (empty) for a period of two years or more on or after 1<sup>st</sup> April 2016.

3.14 In deciding whether to implement the premium, consideration has been given to both the legislation and also the guidance given by Central Government in *Council Tax – Empty Homes Premium – Guidance for properties for sale and letting*. The Council has also considered the case law arising from the legislation in particular *K v. Wolverhampton City Council*, *F v. Wychavon District Council*, *J v. South Staffordshire Council*. Taking all of the guidance into account, the Council feels that there is need to bring empty premises into use in the area and that all taxpayers should be encouraged to bring premises back into use. The Council has decided that only the statutory exemptions should apply and therefore from 1<sup>st</sup> April 2016 the Empty Homes Premium set at 50%, will apply to all premises, which have been unoccupied for a period of two years or more.

#### 4.0 Publication of the changes

4.1 The Council, in accordance with the legislation, will publish the changes to the Council Tax regime within 21 days of making such a resolution.

## Budget Consultation – ‘Balancing the Budget’

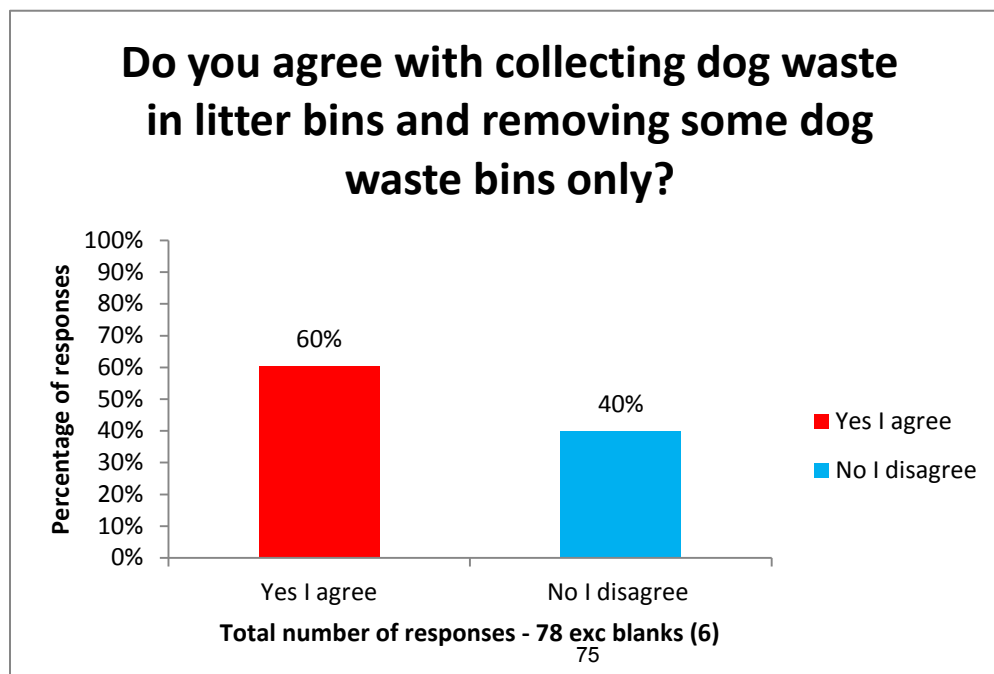
Consultation on the budget proposals commenced on 7<sup>th</sup> December 2015 and closed on 15<sup>th</sup> January 2016.

The consultation was promoted, through a double page spread entitled ‘Balancing the budget’, in the residents magazine ‘Contact’ which is delivered to every household within the Braintree District.

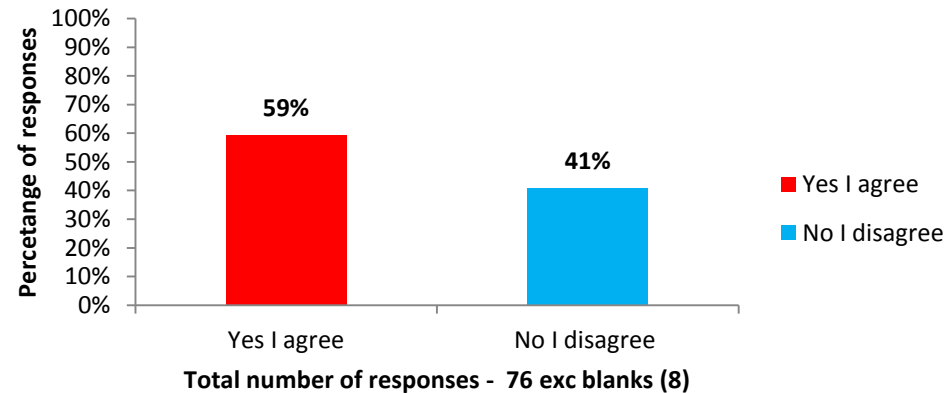
The consultation was also sent to the Peoples Panel. An e-mail was sent to the panel with a link to the on-line form. Peoples Panel residents without e-mail addresses or who do not have access to the internet received a posted paper copy of the consultation.

In total 84 responses were received

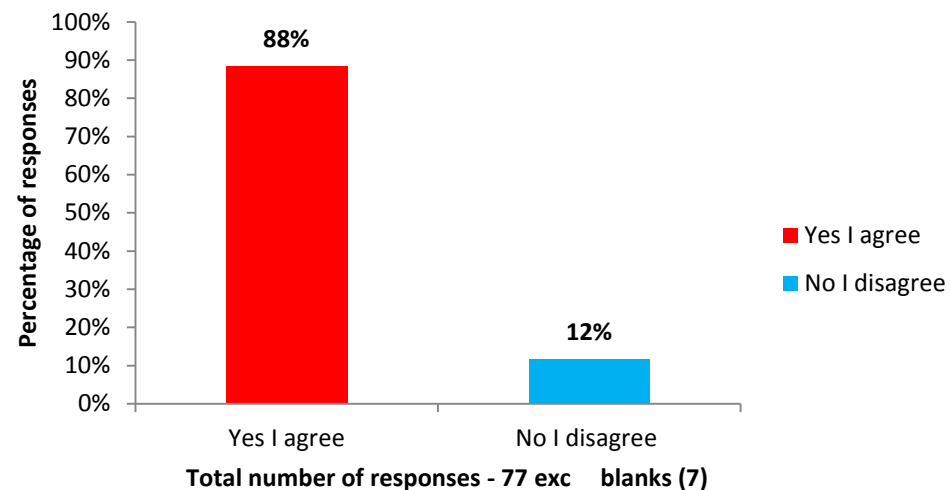
- Contact magazine (63,124) – 25 responses
- Peoples Panel (455) – 59 responses



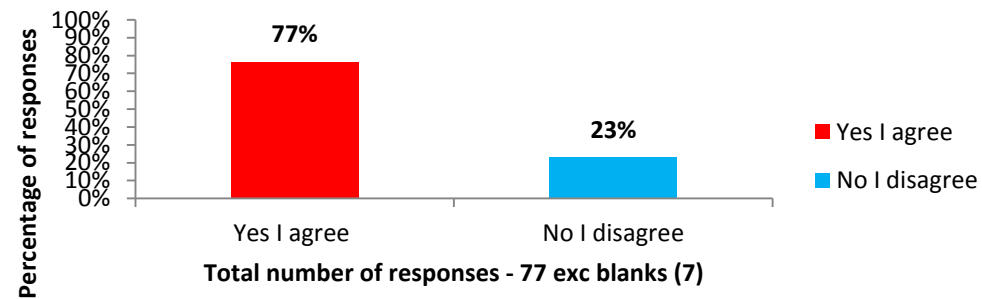
**Do you agree with focusing our attention on cleaning key areas, such as town centres, strategic routes and gateways?**



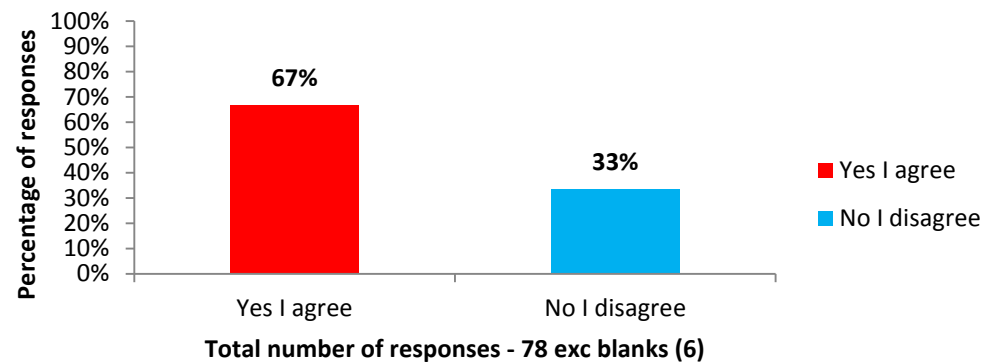
**Do you agree with planting low maintenance shrub beds?**

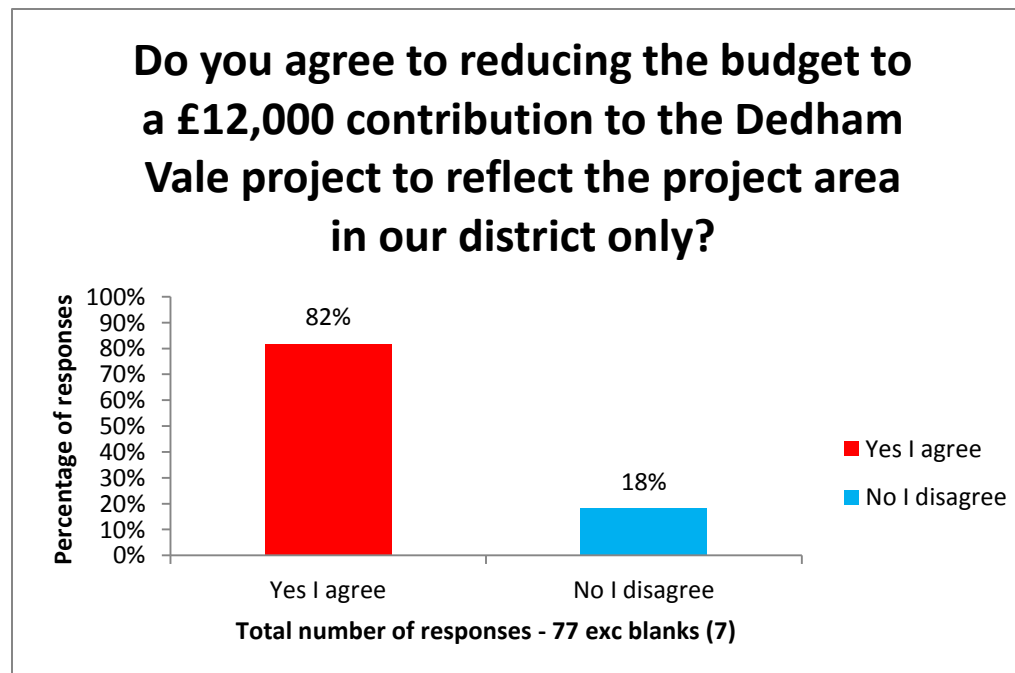
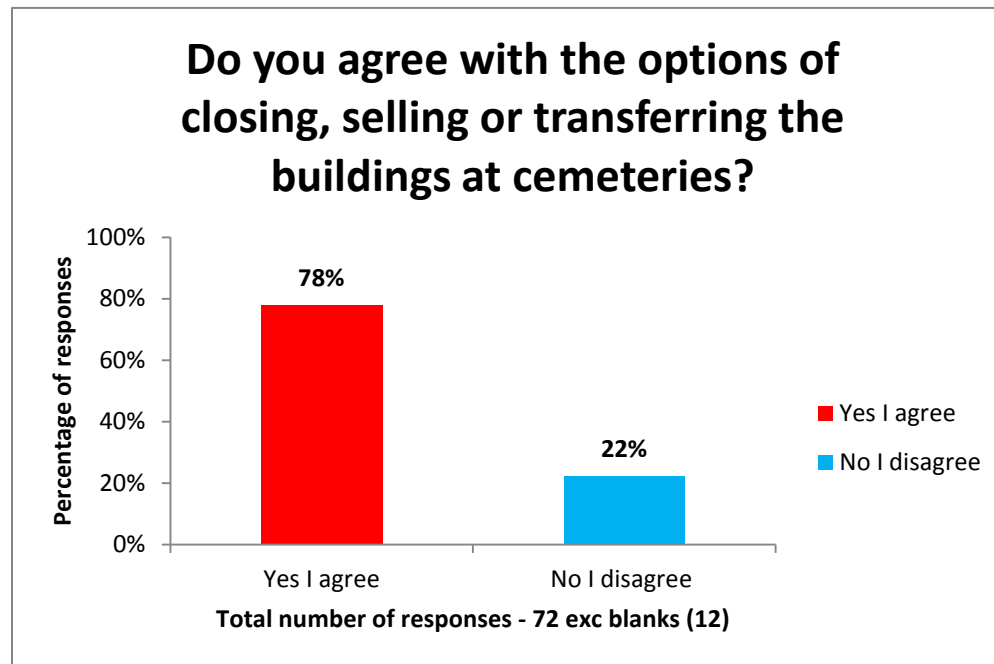


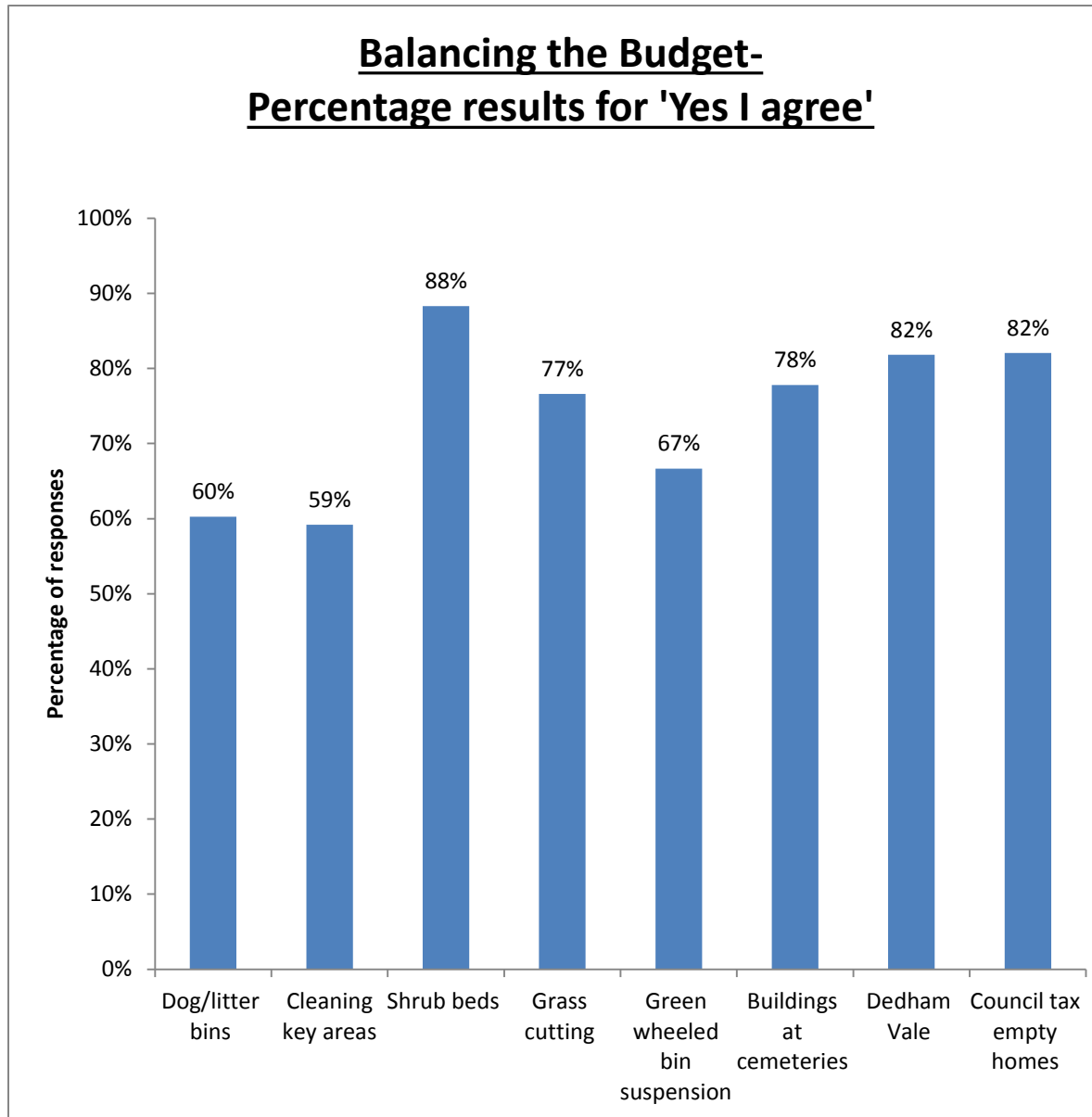
**Do you agree with reducing the number of times the grass needs cutting by moving from every 10 days to 15/20 days?**



**Do you agree with the suspension of the kerbside garden waste collection service between the months of December and February inclusive?**







## **PAY POLICY STATEMENT 2016/17**

### **Introduction**

This Pay Policy Statement is produced in accordance with Chapter 8 of the Localism Act 2011. The Policy will be considered for approval by a meeting of Braintree District Council on 22<sup>nd</sup> February, 2016. It is made available on the Council's website together with other separately published data on salary and pensions relating to Directors, Heads of Service and other Senior Managers.

### **Managing Remuneration**

#### **1. Remuneration of Employees**

- 1.1 For employees subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council for Local Government Services' (commonly known as the 'Green Book'), the Council uses a pay spine that commences at national Spinal Column Point (SCP) 5 (until October 2015) and ends at locally agreed SCP 2115 (Senior Management Grade - SMG 2). This pay spine is divided into 8 pay grades. Grade 1A is the lowest and SMG 2 is the highest of these pay grades. Posts are allocated to a pay band through a process of job evaluation using the national scheme.
- 1.2 For the purpose of this Policy Statement, employees on Grade 1A are defined as our lowest-paid employees. This is because no employee of the Council is paid at a SCP that is lower than a point contained in Grade 1A. The bottom of Grade 1A is national SCP 5 and the top is national SCP 9. Whilst the Grade begins at SCP 5, the Council's lowest paid employees are currently paid at SCP 6. At 31<sup>st</sup> March 2016, the full-time equivalent (FTE) annual values of SCPs 6 and 9 are £13,752 and £14,217 respectively.
- 1.3 The values of the SCPs in these pay grades are uprated by the pay awards notified from time to time by the National Joint Council for Local Government Services.
- 1.4 The Council also benchmarks and reviews salary profiles within the job market

#### **2. Remuneration of Chief Officers**

##### **2.1 Chief Executive**

- 2.1.1 The Chief Executive is the Council's Head of Paid Service. As at 31<sup>st</sup> March 2016, the annual FTE range for the grade of this post is £120,129 - £129,066. There is an option to convert £5,000 p.a. of the salary for the purpose of accessing the Council's lease car scheme. Business mileage is paid at the locally agreed lease car rate, currently 16p per mile.



- 2.1.2 National advice states that a Chief Executive's salary range should not be more than 20X the FTE salary range of a Grade 1 'Green Book' employee. It is the Council's policy that the FTE salary range for the post of Chief Executive will not be greater than the nationally advised level. The Chief Executive's salary is well within this multiple – currently 9.1X.
- 2.1.3 Notwithstanding 2.1.2, the value of the SCPs in the Chief Executive's grade will be uprated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Executives of Local Authorities.
- 2.1.4 The Chief Executive also receives a Returning Officer fee in respect of District Council, County Council, Parliamentary and European elections and for other national and local referenda. The fee for undertaking this role in respect of District and Parish Councillors is calculated by reference to the Scale of Fees and Expenses which is approved by Full Council. In respect of the election of County Councillors, reference is made to the Scale of Fees and Expenses supplied by Essex County Council. Fees for conducting Parliamentary and European elections and national referenda are determined by way of Statutory Instrument.

### 2.2 Corporate Directors

- 2.2.1 The Corporate Directors report to the Chief Executive. As at 31<sup>st</sup> March 2016, the annual FTE range for the grade of this post is £92,700 - £101,787. There is an option to convert £4,000 p.a. for the purpose of accessing the Council's lease car scheme. Business mileage is paid at the locally agreed lease car rate, currently 16p per mile.
- 2.2.2 It is the Council's policy that the FTE salary range for the post of Corporate Director will normally be no greater than between 75% and 80% of the FTE salary range of the Chief Executive. The current differential is 78.9% at the top of the grade.
- 2.2.3 Notwithstanding 2.2.2, the value of the point range in the Corporate Director Grade will be uprated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Officers of Local Authorities.
- 2.2.4 The Council's Section 151 Officer is one of the Corporate Directors and receives no additional remuneration for this responsibility.

### 2.3 Heads of Service and Senior Managers

- 2.3.1 Heads of Service and Senior Managers are not subject to the Conditions of Service determined by the Joint Negotiating Committee for Chief Officers of Local Authorities, as they are 'Green Book' employees.

- 2.3.2 Because they are 'Green Book' employees, our various Head of Service and Senior Manager posts are job evaluated using the national scheme before a pay band is allocated. As at 31 March 2015, Head of Service and Senior Manager posts are on: Grade SMG 3 (SCPs 3105 – 3115, £51,918 - £56,844 p.a. FTE), SMG 4 (SCPs 4001– 4006, £59,301 - £65,196 p.a. FTE) or SMG 5 (SCPs 5001 – 5006, £65,229 - £71,166 p.a. FTE).
- 2.3.3 The Heads of Service and Senior Managers report to a Corporate Director.
- 2.3.4 The values of the SCPs in these pay grades are updated by the pay awards notified from time to time by the National Joint Council for Local Government Services.
- 2.3.5 The Council's Monitoring Officer is one of the Council's Heads of Service and receives an additional remuneration of £2,000.00 p.a. for this responsibility.

### 3. **General Principles Applying to Remuneration of all Employees**

- 3.1 On recruitment, individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to. Access to appropriate elements of the Council's Relocation Scheme may also be granted in certain cases, when new starters need to move to the area.
- 3.2 Individuals will normally receive an annual increment, subject to the top of their grade not being exceeded. In exceptional circumstances (e.g. examination success), individuals will receive accelerated increments. Again, this is subject to the top of their grade not being exceeded.
- 3.3 The minimum point of a pay grade will not be lower than the maximum point of the preceding pay grade.
- 3.4 On ceasing to be employed by the Council, individuals will only receive compensation:
- (a) in circumstances that are relevant (e.g. redundancy) and
  - (b) that is in accordance with our flexible retirement policy. This details how the Council exercises the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or
  - (c) that complies with the specific term(s) of a compromise agreement.
- 3.5 Any decision to re-employ an individual, who was previously employed by the Council and, on ceasing to be employed, was in receipt of a severance or redundancy payment, will be made on merit. The Council will not, however, normally engage such an individual under a contract for services.

- 3.6 Any Market Supplement that is paid will be in accordance with the procedure detailed in the Council's Total Reward Policy.
- 3.7 If it is appropriate for an honorarium to be paid, this will be in accordance with the procedure detailed in the Council's Total Reward Policy.
- 3.8 The Council operates a lease car scheme in accordance with the Lease Car Policy.
- 3.10 The Council pays Lease and Casual Car User allowances in appropriate circumstances. These allowances are determined locally.
- 3.11 Any excess travelling allowance that is paid will be in accordance with the procedure detailed in the Council's Total Reward Policy
- 3.12 Subsistence allowances are not paid to any employees of the Council.

#### **4. Transparency**

- 4.1 The Council's Annual Statement of Accounts includes a detailed analysis of the pay and pension entitlements for Corporate Directors and Heads of Service. It also includes details of the number of staff earning more than £50,000 p.a. and a summary of the number and value of exit packages in the year, analysed by cost banding.
- 4.2 The Council will continue to publish this information on an annual basis and it is readily available to view on the Council's website [www.braintree.gov.uk](http://www.braintree.gov.uk)

#### **5. Review**

- 5.1 The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. Our next Statement is scheduled to be for 2017/18 and will be submitted to Full Council for approval by 31<sup>st</sup> March 2017.
- 5.2 If it should be necessary to amend this 2016/17 Statement during the year that it applies, an appropriate resolution will be made by Full Council.

## General Fund Revenue Profile 2015/16 to 2019/20

## APPENDIX G

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£	£	£	£	£
Base Budget brought forward from previous year	15,317,986	15,624,426	13,601,192	13,340,366	13,251,322
<b><u>Inflation:</u></b>					
Pay - annual award and incremental progression	256,100	189,590	255,790	213,230	202,520
Other Expenditure Inflation	66,040	74,910	68,770	82,330	102,890
Income Inflation	0	0	(50,000)	(10,000)	(10,000)
Pension Fund and National Insurance contribution adjustments	80,710	293,420	99,820	61,410	63,270
<b><u>New Demands:</u></b>					
Priority Area Investment, Bids and Unavoidable Budget Changes previously profiled	(1,078,360)	(24,910)	0	0	0
New Bids Ongoing	272,380				
One-off Growth Items 2015/16	2,101,106	(2,101,106)			
Reduction of Council Tax Support and Housing Benefit Administration Subsidy	97,920	126,060	46,750	43,480	43,480
Allowance for Reduced Income/Increased costs		260,580	515,100		
Priority Investment - one-off provision		200,362	(200,362)		
<b><u>Reductions:</u></b>					
Savings/Additional Income agreed previously profiled	(1,490,290)	(79,844)	(19,830)	0	0
Proposed savings - Members' decision		(131,340)	(85,420)	(111,100)	(84,450)
New savings - Agreed by Management		(485,250)	(6,350)	(1,750)	
New additional income		(432,790)	(181,710)	(11,470)	(7,000)
<b>Council Tax Freeze Grant 2014/15 and 2015/16</b>	834	87,084	0		
<b>Additional Savings Required</b>	<b>0</b>		<b>(703,384)</b>	<b>(355,174)</b>	<b>(433,377)</b>
<b>Updated Base Budget</b>	<b>15,624,426</b>	<b>13,601,192</b>	<b>13,340,366</b>	<b>13,251,322</b>	<b>13,128,655</b>

## General Fund Revenue Profile 2015/16 to 2019/20

## APPENDIX G

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£	£	£	£	£
(Use of) / Addition to Balances	(864,574)	352,500			
Contribution from Balances for one-off growth items / Investment Bids 2013/14 and 2014/15	(29,910)	0			
Contribution from Earmarked reserves		(411,135)			
<b>Budget Requirement</b>	<b>14,729,942</b>	<b>13,542,557</b>	<b>13,340,366</b>	<b>13,251,322</b>	<b>13,128,655</b>
Government Grant - Revenue Support Grant	(2,556,001)	(1,602,495)	(777,347)	(272,480)	0
Retained Business Rates - Baseline amount	(3,164,806)	(3,191,180)	(3,253,945)	(3,349,939)	(3,457,008)
- Growth above baseline	(573,934)	(800,493)	(816,237)	(840,317)	(575,693)
Collection Fund Balance - Business Rates (Surplus)/Deficit	(325,570)	411,135			
Collection Fund Balance - Council Tax (Surplus)/Deficit	(172,300)	(114,990)			
<b>BDC Requirement from Council Taxpayers</b>	<b>7,937,331</b>	<b>8,244,534</b>	<b>8,492,837</b>	<b>8,788,586</b>	<b>9,095,954</b>
Tax base (+1% p.a growth in properties for 2017/18 and +1.5% for 2018/19 and 2019/20 and collection rate of 99%)	49,742	50,667	51,174	51,942	52,721
Council Tax (Band D)	£ 159.57	£ 162.72	£ 165.96	£ 169.20	£ 172.53
Council Tax per week	£ 3.07	£ 3.13	£ 3.19	£ 3.25	£ 3.32
<b>Percentage Increase</b>	<b>0.0%</b>	<b>1.97%</b>	<b>1.99%</b>	<b>1.95%</b>	<b>1.97%</b>
Increase per week	£ -	£ 0.06	£ 0.06	£ 0.06	£ 0.07

## GENERAL FUND NET BUDGETS 2016/17 - BUSINESS PLAN SUMMARY

	Controllable Budgets						Reversal Use of Earmarked Reserves	Capital Financing Charges	Service Unit Charges	Recharges	Proposed Net Budget 2016/17
	Base Budget 2015/16 (Updated)	Budget Variations & Requests for Funding	Reductions and Savings	Pay, Pension Fund, Inflation & Recharges	Other Budget Changes	Proposed Controllable Budget 2016/17					
<b>Business Plan</b>											
Asset Management	(1,818,660)	(27,350)	(80,180)	8,990	0	(1,917,200)	15,000	55,160	253,370	(200,160)	(1,793,830)
Business Solutions	1,961,580	(15,000)	(133,480)	27,740	0	1,840,840	0	297,190	441,810	(2,509,460)	70,380
Community Services	540,100	80,000	(63,320)	7,660	0	564,440	39,870	27,550	279,220	(135,240)	775,840
Corporate Management Plan	1,319,200	0	0	42,450	0	1,361,650	(39,350)	0	1,831,900	(1,363,430)	1,790,770
Cultural Services	265,080	0	(28,390)	3,140	0	239,830	0	17,960	80,540	0	338,330
Environment	746,780	0	(160,380)	40,880	0	627,280	(8,000)	278,950	737,570	(256,970)	1,378,830
Finance	1,308,000	126,060	(161,190)	77,300	0	1,350,170	(6,800)	17,700	1,535,100	(1,906,460)	989,710
Governance	947,240	29,700	(22,920)	32,970	0	986,990	(27,000)	5,790	937,640	(445,100)	1,458,320
Housing Services	752,650	0	(5,000)	21,000	0	768,650	72,360	607,050	946,110	(652,850)	1,741,320
Human Resources	364,900	(30,000)	(40,100)	14,690	0	309,490	73,800	0	97,640	(382,130)	98,800
Leisure Services	(33,300)	0	(25,530)	4,640	0	(54,190)	0	1,091,500	113,510	0	1,150,820
Marketing & Communications	457,990	(23,400)	(12,000)	9,680	0	432,270	8,580	0	146,380	(587,230)	0
Operations	4,138,490	35,000	(39,410)	141,590	0	4,275,670	(64,280)	1,091,140	2,239,270	(1,587,700)	5,954,100
Sustainable Development	2,102,230	(1,309,910)	(172,560)	48,600	0	668,360	456,780	118,160	1,034,510	(647,840)	1,629,970
<b>NET COST OF SERVICES</b>	<b>13,052,280</b>	<b>(1,134,900)</b>	<b>(944,460)</b>	<b>481,330</b>	<b>0</b>	<b>11,454,250</b>	<b>520,960</b>	<b>3,608,150</b>	<b>10,674,570</b>	<b>(10,674,570)</b>	<b>15,583,360</b>
Reversal of Capital Charges								(3,608,150)			(3,608,150)
Corporate Financing	50,053	0	(147,114)	76,590	(180,243)	(200,714)					(200,714)
Corporate Efficiency Provisions	(325,880)	175,880	0	0	0	(150,000)					(150,000)
Parish and Town Council Grants	321,366	(9,994)	(37,650)	0	0	273,722					273,722
Transfer to/ (from) Earmarked Reserves	2,526,607	(570,000)	0	0	(143,808)	1,812,799	(520,960)				1,291,839
<b>BASE BUDGET</b>	<b>15,624,426</b>	<b>(1,539,014)</b>	<b>(1,129,224)</b>	<b>557,920</b>	<b>(324,051)</b>	<b>13,190,057</b>	<b>0</b>	<b>0</b>	<b>10,674,570</b>	<b>(10,674,570)</b>	<b>13,190,057</b>
Contribution to/(from) Balances	(894,484)	0	0	0	1,246,984	352,500					352,500
<b>BRAINTREE BUDGET</b>	<b>14,729,942</b>	<b>(1,539,014)</b>	<b>(1,129,224)</b>	<b>557,920</b>	<b>922,933</b>	<b>13,542,557</b>	<b>0</b>	<b>0</b>	<b>10,674,570</b>	<b>(10,674,570)</b>	<b>13,542,557</b>
Revenue Support Grant	(2,556,001)	0	0	0	953,506	(1,602,495)					(1,602,495)
Retained Business Rates	(4,064,310)	0	(250,560)	0	734,332	(3,580,538)					(3,580,538)
Collection Fund Surplus	(172,300)	0	0	0	57,310	(114,990)					(114,990)
<b>AMOUNT TO BE MET FROM COUNCIL TAX PAYERS</b>	<b>7,937,331</b>	<b>(1,539,014)</b>	<b>(1,379,784)</b>	<b>557,920</b>	<b>2,668,081</b>	<b>8,244,534</b>	<b>0</b>	<b>0</b>	<b>10,674,570</b>	<b>(10,674,570)</b>	<b>8,244,534</b>

## Strategic Risk - Medium-Term Financial Strategy

Risk Rating C2 (C2 Feb. 15)

Management Board Owner – Corporate Director (CF)

Vulnerability	Trigger	Consequence
<p>The Council sets a Medium-Term Financial Strategy (MTFS), covering a four-year period, which is reviewed and updated annually.</p> <p>Assumptions are made about anticipated changes on the revenue account e.g. government grant levels, income levels, inflation, pay awards, council tax collection rates, etc. together with planned and anticipated efficiency savings, council tax levels and the use of balances.</p> <p>Assumptions are also made regarding capital resources with a capital programme being planned and agreed against these resources.</p> <p>The Government issued, on 17<sup>th</sup> December 2015, provisional Settlement Funding Assessment allocations for the Council the four-year period 2016/17 to 2019/20. The reduction on 2015/16 is £2.55million or 44.7%.</p> <p>The Government has issued proposals to change the New Homes Bonus from 2017/18 which are aimed at reducing the amounts payable to councils. Consultation closes on 10<sup>th</sup> March 2016.</p>	<ul style="list-style-type: none"> <li>• Other organisations which provide significant contributions to the Council face their own funding pressures and may require greater reductions than expected.</li> <li>• Circumstances change which render the planned savings unachievable.</li> <li>• Other financial assumptions prove incorrect. Including income budgets not achieved, particularly interest receivable from the £12m invested in equity and property funds.</li> <li>• Economic conditions and market fluctuations cause changes at or before contract renewal e.g. contract for sale of recyclates.</li> <li>• Capital receipts are not received as planned.</li> <li>• Capital resources insufficient to finance capital programme.</li> <li>• Business rates collected are less than expected due to successful appeals being greater than the provision made.</li> </ul>	<ul style="list-style-type: none"> <li>• Priorities and projects are not delivered.</li> <li>• Cuts necessary to services</li> <li>• Rushed decisions to find other savings</li> <li>• Staff unsettled and de-motivated.</li> <li>• Financial savings are not achieved; balances used more than planned.</li> <li>• Assets not fit for purpose</li> <li>• Satisfaction levels with the Council fall</li> <li>• Cannot implement low council tax strategy</li> </ul>

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>Robust budget review and setting process involving Management Board and Cabinet members developed over a number of years</p> <p>Unallocated balances significantly exceed minimum level of £1.5million.</p> <p>Regular Budgetary Control and monitoring processes in place, including:</p> <ul style="list-style-type: none"> <li>• Amount of council tax support awarded</li> <li>• awards made from the Exceptional Hardship Fund; and</li> <li>• Business rates and council tax collection rates.</li> </ul> <p>Action Plan developed and agreed following Peer Challenge, managed by the Local Government Association, in October 2013.</p> <p>Monitoring of investment counter-parties and returns on investments by Arlingclose, the Council's Treasury Management advisor.</p>	<p>Continue work to improve financial modelling for business rates income, cashflow and New Homes Bonus grant.</p> <p>Improve monitoring and forecasting of income.</p> <p>Delivery against the workstreams contained in the Action Plan consisting of:</p> <ul style="list-style-type: none"> <li>• Commercialisation and 'Better at Business';</li> <li>• Grow our economy – increase business rate pot and secure external funds;</li> <li>• Finance and Investment Strategy;</li> <li>• Review contracts and procurement;</li> <li>• Increase our income;</li> <li>• Management and Service Reviews; and</li> <li>• Sharing services or joint work.</li> </ul>	Corporate Director (CF)	<p>Financial savings delivered on time and as budgeted.</p> <p>Setting a balanced base budget and having plans to meet funding shortfalls in subsequent years of MTFS.</p> <p>Service and performance levels delivered as planned.</p> <p>Collection rates of council tax and business rates achieve planned levels.</p> <p>Budget variations reported in timely manner with explanation and action plan, where appropriate</p>	Monthly	Feb. 2016 – Full Council sets council tax and budgets for 2016/17	<p>MTFS updated with the final financial settlement figure for 2016/17.</p> <p>MTFS provides a plan to provide a balanced base budget with the proposed increase in council tax for 2016/17 at £162.72 (Band D). For planning purposes an increase in council tax of 2% is included for 2017/18 onwards.</p> <p>Estimated unallocated balance as at 31<sup>st</sup> March 2017 is £8.249million.</p> <p>Investment Strategy reviewed with £12m invested in equity and property funds and utilising borrowed monies, of £6m, to fund investments (e.g. commercial property and solar panels) to achieve improved rate of return over the medium-term.</p>



## Earmarked Reserves 2015/16 to 2019/20

	2015/16				2016/17		2017/18		2018/19		2019/20	
	Opening Balance 2015/16	Movements in Year 2015/16	Trf between reserves/ back to balances	Proj Closing Balance 2015/16	Movements in Year 2016/17	Proj Closing Balance 2016/17	Movements in Year 2017/18	Proj Closing Balance 2017/18	Movements in Year 2018/19	Proj Closing Balance 2018/19	Movements in Year 2019/20	Proj Closing Balance 2019/20
<b>EARMARKED RESERVES (REVENUE)</b>												
<b>Corporate Strategy &amp; Direction</b>												
Approved Carry Forwards	2,340	-2,340	0	0	0	0	0	0	0	0	0	0
Corporate Improvement programme	54,969	-16,000	164,123	203,092	39,350	242,442	16,390	258,832	0	258,832	0	258,832
Member Support & Development	94,916	-31,159	-30,000	33,758	0	33,758	0	33,758	0	33,758	0	33,758
Greater Essex Devolution project	60,000	-60,000	0	0	0	0	0	0	0	0	0	0
Braintree Town FC relocation	40,828	0	0	40,828	0	40,828	0	40,828	0	40,828	0	40,828
Investment Fund (Peer Challenge)	0	14,000	-14,000	0	0	0	0	0	0	0	0	0
Management of Change	54,649	14,994	-69,642	0	0	0	0	0	0	0	0	0
	<b>307,702</b>	<b>-80,505</b>	<b>50,480</b>	<b>277,678</b>	<b>39,350</b>	<b>317,028</b>	<b>16,390</b>	<b>333,418</b>	<b>0</b>	<b>333,418</b>	<b>0</b>	<b>333,418</b>
<b>Environment &amp; Place</b>												
Approved Carry Forwards	71,750	-37,410	0	34,340	-5,000	29,340	0	29,340	0	29,340	0	29,340
Green Heart Initiatives	59,824	-5,600	0	54,224	0	54,224	0	54,224	0	54,224	0	54,224
Risk management - Land Drainage (on BDC land)	28,087	0	-28,087	0	0	0	0	0	0	0	0	0
Carbon Management	41,737	0	0	41,737	0	41,737	0	41,737	0	41,737	0	41,737
House Survey (Private)	21,533	-8,520	0	13,013	3,000	16,013	3,000	19,013	3,000	22,013	3,000	25,013
Unmet Taxi Demand Survey	11,300	-10,000	0	1,300	5,000	6,300	5,000	11,300	-11,300	0	0	0
Operations	10,383	0	0	10,383	0	10,383	0	10,383	0	10,383	0	10,383
Essex Building Control project	55,132	-55,132	0	0	0	0	0	0	0	0	0	0
Recycling Reward Scheme	491,475	-225,875	0	265,600	0	265,600	0	265,600	0	265,600	0	265,600
Flooding Relief	96,315	-10,024	0	86,291	0	86,291	0	86,291	0	86,291	0	86,291
Commuted Maintenance	437,518	130,435	0	567,953	-98,110	469,843	-98,110	371,733	-98,110	273,623	-98,110	175,513
	<b>1,325,053</b>	<b>-222,126</b>	<b>-28,087</b>	<b>1,074,839</b>	<b>-95,110</b>	<b>979,729</b>	<b>-90,110</b>	<b>889,619</b>	<b>-106,410</b>	<b>783,209</b>	<b>-95,110</b>	<b>688,099</b>
<b>Planning &amp; Housing</b>												
Approved Carry Forwards	26,587	-16,000	0	10,587	0	10,587	0	10,587	0	10,587	0	10,587
Local Plan	98,945	300,340	0	399,285	-174,680	224,605	-174,600	50,005	-50,005	0	0	0
Housing Needs Survey	33,982	4,000	0	37,982	4,000	41,982	-26,000	15,982	4,000	19,982	0	19,982
Local Council Tax Support	112,739	-18,893	0	93,846	-1,150	92,696	-1,150	91,546	0	91,546	0	91,546
Unilateral Undertakings	305,359	57,998	0	363,356	0	363,356	0	363,356	0	363,356	0	363,356
Housing Welfare Reforms	150,000	-40,900	0	109,100	-76,360	32,740	-32,740	0	0	0	0	0
Planning Appeals	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000
Community Infrastructure Levy	100,000	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000
Homelessness Funds	43,163	0	0	43,163	0	43,163	-43,163	0	0	0	0	0
	<b>870,774</b>	<b>586,545</b>	<b>0</b>	<b>1,457,319</b>	<b>-248,190</b>	<b>1,209,129</b>	<b>-277,653</b>	<b>931,476</b>	<b>-46,005</b>	<b>885,471</b>	<b>0</b>	<b>885,471</b>
<b>Economic Development</b>												
Approved Carry Forwards	0	0	0	0	0	0	0	0	0	0	0	0
Discretionary Business Rate Relief	100,000	-17,255	0	82,745	0	82,745	0	82,745	0	82,745	0	82,745

## Earmarked Reserves 2015/16 to 2019/20

	2015/16				2016/17		2017/18		2018/19		2019/20	
	Opening Balance 2015/16	Movements in Year 2015/16	Trf between reserves/ back to balances	Proj Closing Balance 2015/16	Movements in Year 2016/17	Proj Closing Balance 2016/17	Movements in Year 2017/18	Proj Closing Balance 2017/18	Movements in Year 2018/19	Proj Closing Balance 2018/19	Movements in Year 2019/20	Proj Closing Balance 2019/20
Portas Pilot Reserve	18,150	-18,150	0	0	0	0	0	0	0	0	0	0
Economic Development and Town Centre Improvements	277,331	-124,500	0	152,831	-113,000	39,831	-10,000	29,831	-10,000	19,831	0	19,831
	<b>395,480</b>	<b>-159,905</b>	<b>0</b>	<b>235,576</b>	<b>-113,000</b>	<b>122,576</b>	<b>-10,000</b>	<b>112,576</b>	<b>-10,000</b>	<b>102,576</b>	<b>0</b>	<b>102,576</b>
<b>Health &amp; Communities</b>												
Mi Community	160,746	-60,746	0	100,000	-10,000	90,000	-90,000	0	0	0	0	0
Localism Reserve	18,315	-7,000	0	11,315	0	11,315	0	11,315	0	11,315	0	11,315
Public Health Agenda	23,557	-23,557	0	0	0	0	0	0	0	0	0	0
Community Facilities	5,000	0	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000
Community Projects	132,663	-32,310	0	100,353	-29,870	70,483	0	70,483	0	70,483	0	70,483
Leisure	687,770	0	0	687,770	0	687,770	0	687,770	0	687,770	0	687,770
	<b>1,028,051</b>	<b>-123,613</b>	<b>0</b>	<b>904,438</b>	<b>-39,870</b>	<b>864,568</b>	<b>-90,000</b>	<b>774,568</b>	<b>0</b>	<b>774,568</b>	<b>0</b>	<b>774,568</b>
<b>Finance &amp; Performance</b>												
Insurance Fund	53,352	0	0	53,352	0	53,352	0	53,352	0	53,352	0	53,352
Risk management - H&S element	22,393	0	-22,393	0	0	0	0	0	0	0	0	0
Management Training & Org. Development	26,635	-10,000	0	16,635	0	16,635	0	16,635	0	16,635	0	16,635
Treasury Management	276,159	30,780	0	306,939	36,200	343,139	35,700	378,839	27,600	406,439	4,300	410,739
Benefits Overpaid & Adpens	984,820	0	0	984,820	0	984,820	0	984,820	0	984,820	0	984,820
Business Rate Retention Scheme Equalisation	629,159	-74,758	0	554,401	-411,135	143,266	0	143,266	0	143,266	0	143,266
Modern Apprenticeships	83,548	9,600	0	93,148	-73,800	19,348	0	19,348	0	19,348	0	19,348
Marketing & Communications	32,120	8,290	0	40,410	-8,580	31,830	-8,580	23,250	0	23,250	0	23,250
Partnership & Developer contributions	41,631	-21,165	0	20,467	0	20,467	0	20,467	0	20,467	0	20,467
	<b>2,149,818</b>	<b>-57,253</b>	<b>-22,393</b>	<b>2,070,172</b>	<b>-457,315</b>	<b>1,612,857</b>	<b>27,120</b>	<b>1,639,977</b>	<b>27,600</b>	<b>1,667,577</b>	<b>4,300</b>	<b>1,671,877</b>
<b>Corporate Services &amp; Asset Management</b>												
District Elections	254,425	-160,413	0	94,012	27,000	121,012	27,000	148,012	27,000	175,012	-163,000	12,012
Planned Maintenance (Revenue)	54,355	15,000	0	69,355	-15,000	54,355	0	54,355	0	54,355	0	54,355
Procurement Hub	130,485	-830	0	129,655	-17,750	111,905	-19,450	92,455	-21,240	71,215	-23,000	48,215
Corporate Technology Requirements	118,356	-40,000	0	78,356	0	78,356	0	78,356	0	78,356	0	78,356
Approved Carry Forwards	74,060	-74,060	0	0	0	0	0	0	0	0	0	0
	<b>631,681</b>	<b>-260,303</b>	<b>0</b>	<b>371,378</b>	<b>-5,750</b>	<b>365,628</b>	<b>7,550</b>	<b>373,178</b>	<b>5,760</b>	<b>378,938</b>	<b>-186,000</b>	<b>192,938</b>
<b>TOTAL - EARMARKED RESERVES (REVENUE)</b>	<b>6,708,560</b>	<b>-317,160</b>	<b>0</b>	<b>6,391,400</b>	<b>-919,885</b>	<b>5,471,515</b>	<b>-416,703</b>	<b>5,054,812</b>	<b>-129,055</b>	<b>4,925,757</b>	<b>-276,810</b>	<b>4,648,947</b>
<b><u>EARMARKED RESERVES (CAPITAL)</u></b>												
Capital Reserve (general)	1,495,862	-13,801	0	1,482,061	0	1,482,061	-30,000	1,452,061	-30,000	1,422,061	-30,000	1,392,061
Financial systems replacement	79,874	0	0	79,874	-10,500	69,374	0	69,374	0	69,374	0	69,374
Vehicle and Plant replacement	389,746	147,890	0	537,636	147,890	685,526	-111,000	574,526	-114,000	460,526	0	460,526

## Earmarked Reserves 2015/16 to 2019/20

	2015/16				2016/17		2017/18		2018/19		2019/20	
	Opening Balance 2015/16	Movements in Year 2015/16	Trf between reserves/ back to balances	Proj Closing Balance 2015/16	Movements in Year 2016/17	Proj Closing Balance 2016/17	Movements in Year 2017/18	Proj Closing Balance 2017/18	Movements in Year 2018/19	Proj Closing Balance 2018/19	Movements in Year 2019/20	Proj Closing Balance 2019/20
Discovery Centre All Weather Pitch	77,240	19,500	0	96,740	19,500	116,240	19,500	135,740	19,500	155,240	0	155,240
Opportunity Purchase Fund	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000
Business Investment Fund	0	500,000	0	500,000	-100,000	400,000	-200,000	200,000	-100,000	100,000	0	100,000
New Homes Bonus Years 1&2 (Allocated)	1,774,136	497,356	0	2,271,492	423,435	2,694,927	-2,694,927	0	0	0	0	0
New Homes Bonus Years 3-5 (Unallocated)	1,403,095	999,112	0	2,402,207	1,731,399	4,133,606	1,683,779	5,817,385	1,681,379	7,498,764	1,194,541	8,693,305
<b>TOTAL - EARMARKED RESERVES (CAPITAL)</b>	<b>5,219,953</b>	<b>2,650,057</b>	<b>0</b>	<b>7,870,010</b>	<b>2,211,724</b>	<b>10,081,734</b>	<b>-1,332,648</b>	<b>8,749,086</b>	<b>1,456,879</b>	<b>10,205,965</b>	<b>1,164,541</b>	<b>11,370,506</b>

**TRANSFERS BETWEEN RESERVES**

£

Member Support & Development	Transfer from	-30,000
Investment Fund (Peer Challenge)	Transfer from	-14,000
Management of Change	Transfer from	-69,642
Risk management - Land Drainage (on BDC land)	Transfer from	-28,087
Risk management - H&S element	Transfer from	-22,393
Corporate Improvement programme	Transfer to	164,123

# Requests for Capital Funding 2016-17

Date Produced: 7th January 2016

## APPENDIX K

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital (net of external funding)				Net Revenue	
					2016/17	2017/18	2018/19	2019/20	2016/17	2017/18 onwards
1	Corporate Services and Asset Management	<b>Planned Maintenance of Council properties</b> - This relates to the annual planned maintenance of those properties where BDC has a repairing obligation. The budget sum is reviewed annually.	This investment is required to ensure that the Council's properties are maintained to a good standard to support service delivery and sustain or improve the physical condition and value of the asset. The condition surveys are reviewed and updated by the 31st August each year and identify the priority planned maintenance works required to be carried out in following financial year.	The key expenditure items for 2016/17 are: a) repairs to rear boundary wall at St Marys' church, Bocking b) structural repairs to Cemetery Chapel, Braintree; c) works to 1 bed flat at 129-135 Bradford Street ; d) Warners Mill - roof repairs; e) maintenance to council owned roads ; various miscellaneous repairs and consultants fees. Of the works identified a number are minor repairs and maintenance and therefore revenue in nature, these have a value of £25,000.	476,400	400,000	400,000	400,000	25,000	25,000
2	Corporate Services and Asset Management	<b>Computer Equipment</b> - Annual technology replacement programme.	Our hardware and software estate needs to be kept up to date to ensure that it can continue to be supported by our ICT service provider and continues to be fit for purpose	Hardware and software that meets the needs of users and is up-to-date and secure.	40,000	40,000	40,000	40,000		
3	Health & Communities	<b>Community Transport</b> - Replacement of minibuses in the Community Transport Fleet.	Maintaining the reliability and safety of the service; supporting vulnerable people in our community	Ensuring the fleet is reliable, modern and fit for purpose. Maintaining the service function. Reducing ongoing repair/ maintenance costs.	45,000	45,000	45,000	45,000		
4	Environment & Place	<b>House Renovation Grants</b> - As a housing authority we have a duty to maintain housing standards for the benefit of those less able to look after their own property.	Providing financial support through a repayable grant scheme to ensure those under financial pressure can afford to adequately heat their homes and when it is impractical to carry out disabled adaptations to a property, offer the occupier a relocation grant to enable them to move to a more suitable (adapted) property.	Health benefits for those living in substandard housing which will be improved through the repayable grant scheme. To provide adequate heating for the most vulnerable, including raising those occupiers out of fuel poverty and improving energy efficiency of the housing stock. Ensuring that occupiers live in the best suitable accommodation that meets their needs.	30,000	30,000	30,000	30,000		
5	Planning & Housing	<b>Procurement of New Affordable Housing</b> - Local Authority Social Housing Grant. A balance of resources, of £1,000,000, is available for schemes in 2016/17 due in part to the Rayne Road scheme being significantly less expensive than originally budgeted.	By working with Registered Social Landlords, we can normally provide a new affordable home for around £25,000 – this varies from site to site and between smaller and larger units. However, we would expect an investment of £500,000 per year to yield around 20 units assuming no other public subsidy is available. Frequently our investment has drawn in additional funding from the HCA and so provided many more units.	New affordable homes in the district.		500,000	500,000	500,000		
6	Environment & Place	<b>Car Park Refurbishment programme</b> - Infrastructure and planned improvements works including better disabled access to various car parks in Braintree and Witham, final year of the three year Off-Street Car Parking Action Plan.	This investment is required to ensure that the Council's car parks are maintained to a high standard to support service delivery including better access for disabled drivers and to improve the physical condition and value of the assets.	Car parks will meet the needs of a diverse range of customers using them. They will provide a safer environment.e.g. resurfacing, better access for disabled drivers, with bays and ticket machines sited appropriately. On-going maintenance costs will also be lower.	75,000					

# Requests for Capital Funding 2016-17

Date Produced: 7th January 2016

## APPENDIX K

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital (net of external funding)				Net Revenue	
					2016/17	2017/18	2018/19	2019/20	2016/17	2017/18 onwards
7	Environment & Place	<b>Re-decoration Works at George Yard Multi-storey Car Park</b> - Re-decoration of George Yard Multi-Storey Car Park including all walls, columns, stair wells, doors (wood work) and gates.	The general condition of the decor has deteriorated over the past 5 years with the main contributor being water leaking down from the top (open) floor. Sealing works were completed in 2014/15 which now provides an opportunity to undertake redecoration works. Customer feedback (Off-street Parking Review 2013/14) includes comments regarding the need to update the decor (repaint) thereby making the car park 'brighter' and more attractive to use.	The project will provide both aesthetic and minor structural (sealing of hairline cracks in walls) improvement to the fabric of the car park.	55,000	55,000	55,000			
8	Environment & Place	<b>Security Barrier for Staff Car Park at Lakes Road Depot</b> - Supply and installation of a security barrier at the staff car park at Lakes Road depot to prevent unauthorised parking.	Currently the car park is accessible without any restrictions and is frequently used by visitors to other businesses. This is causing parking problems i.e lack of spaces for both Operations staff and visitors to Operations' office (Unit 4).	Secure parking facilities for BDC Operations staff and visitors.	5,000					
9	Environment & Place	<b>New Push Walls at Cordons Farm</b> - Replacement of 'Push walls' at Cordons Farm to remain compliant with the handling of waste.	Cordons Farm has been of service for many years as a valuable support to our waste and recycling operation. The walls that are currently standing/leaning/patchy have been in service throughout. These 'Push walls' are past the repair stage and will need replacing for Cordons farm to remain compliant with the handling of waste.	The replacement of the pushwalls will ensure Cordons Farm remains an asset rather than a non compliance.	34,000					
10	Environment & Place	<b>Halstead Cemetery Perimeter Fencing</b> - Steel palisade fencing will be installed along the eastern boundary of Halstead Cemetery to replace the existing field hedge line.	The Cemetery is currently unsecured along its eastern boundary which is next to a public footpath from which children and pets can freely access the cemetery. This has led to unwanted anti-social activity and complaints from funeral groups and general visitors.	The appearance and security of the cemetery will be improved and the rationalisation of the eastern boundary will make land available for burials (potential income of up to £29,550) which is currently overgrown by the field hedge and the adjacent soil bank.	38,000					
11	Environment & Place	<b>Sports Ground Drainage System</b> - To install a piped drainage system to the football pitches on the Deanery Gardens Sports Ground and the rugby pitch on the King George V Playing Field in Braintree	The football and rugby pitches at the above grounds are prone to water-logging during the winter months and this has led to many matches being cancelled in the past with a resultant loss of income to the Council and a great deal of inconvenience being caused to our customers.	The project will result in the sports pitches at these two sites remaining in a playable condition throughout the winter ensuring that we achieve the maximum level of income to the Council. It will also lead to an increase in customer satisfaction levels and a decrease in customer complaints received by the Council.	50,000					
12	Environment & Place	<b>Open Space Path Repairs</b> - The repair and re-surfacing of the path network around six public open spaces in Witham and Braintree. The sites in question are at Fisher Field, Mill Park Drive and London Road Cemetery in Braintree and Sauls Bridge sports ground, Bramble Road open space and Manor Road Cemetery in Witham.	The work is urgently required as much of the path surfaces are already in a unsafe condition and will continue to deteriorate posing a health & safety risk to the public.	The scheme will result in a better and safer environment to visitors to our open spaces, sports grounds and Cemeteries. Existing paths and hard-standings at six of our public open spaces currently in an unsafe condition will be re-surfaced. The benefits of the project can be measured by an increase in customer satisfaction levels and a reduced risk of insurance claims made against the Council.	156,000					

# Requests for Capital Funding 2016-17

Date Produced: 7th January 2016

## APPENDIX K

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital (net of external funding)				Net Revenue	
					2016/17	2017/18	2018/19	2019/20	2016/17	2017/18 onwards
13	Environment & Place	<b>Play Area Refurbishment</b> - To refurbish and upgrade two play area sites in Braintree to include the installation of new equipment complete with safety surfacing, dog-proof fencing, self-closing gates, litter bins and picnic benches. The sites are: 1. Goldingham Drive 2. Milton Green	The existing play equipment at some of the sites is old and obsolete and needs to be replaced before it becomes a health and safety risk to the children and young people using the play areas. The sites have some equipment that is now at the end of its life and requires removal and replacement and we intend to consult with local residents to gain their view as to how they would like to have these play areas improved.	Play equipment and safety surfacing in these refurbished areas will comply with current National Playing Field Association standards and European Standards EN 1176 + EN 1177. The scheme will result in a better play experience for local children & will be measured by the results of our annual independent safety inspection of our play areas.	80,000					
14	Environment & Place	<b>Mobile Cameras for Vehicles</b> - Introducing mobile cameras linked with the in cab technology already fitted to waste collection vehicles.	Braintree waste collection vehicles have benefited from in cab technology, improving customer service and communications for all involved within the collection service. Introducing mobile cameras linked with this in cab technology could take this a step further and save on costs for returning for "missed bins".	The system can protect against fraudulent claims or incidents and will bookmark events for review, massively reducing the time needed investigating. This can improve on our insurance premium, employee safety and protection from fraudulent activity.	20,000					
15	Environment & Place	<b>Disabled Facilities Grants</b> - The grant allocation for 2016-17 from the Better Care Fund is assumed to be £418,000, as received in 2015-16. The proposal is for a Capital bid of an additional £200,000 for next year.	The Council has a legal duty to manage and provide disabled facilities grants in accordance with Part 1 of the Housing Grants, Construction and Regeneration Act 1996. The aim of the grant is to provide financial assistance to the applicant in order to provide suitable adaptations to their properties, as far as is practical, to meet their specific needs.	Ensure that there are sufficient funds to cover the increasing demand on the budget and ensure our residents have access to adaptations to their properties	200,000	200,000	200,000	200,000		
<b>Totals</b>					<b>1,304,400</b>	<b>1,270,000</b>	<b>1,270,000</b>	<b>1,215,000</b>	<b>25,000</b>	<b>25,000</b>

# Capital Programme 2015/16 to 2019/20

Update: 7th January 2016

## APPENDIX L

### Resources

Balance of Resources B/fwd from previous year

#### **Capital Receipts**

B/fwd

Additions:

Preserved Right to Buys

Land East of High St. Halstead

Vicarage Meadow properties recoup past capital exp.

Forest Road

Bramston SC site

John Barr House

Miscellaneous receipts

Repaid Home Renovation Grants

Vat Shelter - sharing arrangement with GCH

#### **Growth Area Funding**

B/Fwd

#### **Specified Grant:**

Disabled Facilities Grant

#### **New Homes Bonus:**

Balance allocated for housing

#### **Reserves:**

#### **Special Reserve:**

#### **ICT Reserve**

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Balance of Resources B/fwd from previous year		7,063	4,135	5,778	5,233
<b>Capital Receipts</b>					
B/fwd	6,124				
Additions:					
Preserved Right to Buys	1,662	500	500	500	500
Land East of High St. Halstead		600			
Vicarage Meadow properties recoup past capital exp.		715			
Forest Road	500				
Bramston SC site		-	2,200		
John Barr House		-	-	-	-
Miscellaneous receipts	25				
Repaid Home Renovation Grants	16				
Vat Shelter - sharing arrangement with GCH	600	470	470	470	400
	8,927	2,285	3,170	970	900
<b>Growth Area Funding</b>					
B/Fwd	1,719				
<b>Specified Grant:</b>					
Disabled Facilities Grant	418	418	418	418	418
<b>New Homes Bonus:</b>					
Balance allocated for housing	501				
<b>Reserves:</b>					
<b>Special Reserve:</b>	1,496				
<b>ICT Reserve</b>	56				

## Capital Programme 2015/16 to 2019/20

Update: 7th January 2016

## APPENDIX L

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
<b>Section 106 Agreements applied:</b>	119	2			
<b>Contributions</b>	42	100			
<b>Revenue</b>	40				
<b>Total Resources</b>	<b>13,318</b>	<b>9,868</b>	<b>7,723</b>	<b>7,166</b>	<b>6,551</b>
<b><u>Programme</u></b>					
<b><u>Housing Investment</u></b>					
Disabled Facility Grants	708	418	418	418	418
Social Housing	595	1,368			
Housing renovation grants	60				
<b><u>General Fund</u></b>					
Current Programme	4,535	1,272			
<b>16/17 Estimate Process - Future Year Bids</b>		1,304	1,270	1,270	1,215
Growth Area Fund - Provisions		464			
Provision for Community Facility in Halstead		636			
Capital Salaries	357	271	257	245	245
<b>Programme Total</b>	<b>6,255</b>	<b>5,733</b>	<b>1,945</b>	<b>1,933</b>	<b>1,878</b>
<b>Resources - Carried Forward</b>	<b>7,063</b>	<b>4,135</b>	<b>5,778</b>	<b>5,233</b>	<b>4,673</b>



## Treasury Management Strategy Statement 2016/17

### 1. Introduction

- 1.1. The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year.
- 1.2. The CIPFA *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) requires the Council to ensure that its capital investment plans are affordable, prudent, and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code requires that a number of indicators are approved by the Council and monitored each year.
- 1.3. In addition, the Department for Communities and Local Government (CLG) has previously issued *Guidance on Local Council Investments* that requires the Council to approve an investment strategy before the start of each financial year, and *Guidance on Minimum Revenue Provision* (MRP) which requires the Council to approve an annual MRP statement setting out its policy on the methodologies adopted for making provision for the repayment of debt.
- 1.4. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Codes and the CLG Guidance.
- 1.5. Through its treasury management activities the Council is exposed to a range of financial risks and the successful identification, monitoring and control of these risks are therefore central to the Council's treasury management strategy.

### 2. External Context

- 2.1. **Economic background:** Domestic demand has grown robustly, supported by sustained real income growth and a gradual decline in private sector savings. Low oil and commodity prices were a notable feature of 2015, and contributed to the low annual CPI inflation. Wages are growing at 3% a year, and the unemployment rate has dropped to 5.4%. Mortgage approvals have risen to over 70,000 a month and annual house price growth is around 3.5%. These factors have boosted consumer confidence, helping to underpin retail spending and hence GDP growth, which was an encouraging 2.3% a year in the third quarter of 2015. Although speeches by the Bank of England's Monetary Policy Committee (MPC) members sent signals that some were willing to

countenance higher interest rates, the MPC held policy rates at 0.5% for the 81st consecutive month at its meeting in November 2015. Quantitative easing (QE) has been maintained at £375bn since July 2012.

- 2.2. The outcome of the UK general election, which was largely fought over the parties' approach to dealing with the deficit in the public finances, saw some big shifts in the political landscape and put the key issue of the UK's relationship with the EU at the heart of future politics. Uncertainty over the outcome of the forthcoming referendum could put downward pressure on UK GDP growth and interest rates.
- 2.3. China's growth has slowed and its economy is performing below expectations, reducing global demand for commodities and contributing to emerging market weakness. US domestic growth has accelerated but the globally sensitive sectors of the US economy have slowed. Strong US labour market data and other economic indicators however suggest recent global turbulence has not knocked the American recovery off course. The Federal Reserve did not raise policy rates at its meetings in October and November, but the statements accompanying the policy decisions have made a rate hike in December 2015 a real possibility. In contrast, the European Central Bank finally embarked on QE in 2015 to counter the perils of deflation.
- 2.4. **Credit outlook:** The varying fortunes of different parts of the global economy are reflected in market indicators of credit risk. UK Banks operating in the Far East and parts of mainland Europe have seen their perceived risk increase, while those with a more domestic focus continue to show improvement. The sale of most of the government's stake in Lloyds and the first sale of its shares in RBS have generally been seen as credit positive.
- 2.5. Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the UK, USA and Germany. The rest of the European Union will follow suit in January 2016, while Australia, Canada and Switzerland are well advanced with their own plans. Meanwhile, changes to the UK Financial Services Compensation Scheme and similar European schemes in July 2015 mean that most private sector investors are now partially or fully exempt from contributing to a bail-in. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Council, although this does not appear to be adequately reflected in the returns from cash deposits.
- 2.6. **Interest rate forecast:** The Council's treasury advisor Arlingclose projects the first 0.25% increase in UK Bank Rate in the third quarter of 2016, rising by 0.5% a year thereafter, finally settling between 2% and 3% in several years' time. Persistently low

inflation, subdued global growth and potential concerns over the UK's position in Europe mean that the risks to this forecast are weighted towards the downside.

2.7. A shallow upward path for medium term gilt yields is forecast, as continuing concerns about the Eurozone, emerging markets and other geo-political events weigh on risk appetite, while inflation expectations remain subdued. Arlingclose projects the 10 year gilt yield to rise from its current 2.0% level by around 0.3% a year. The uncertainties surrounding the timing of UK and US interest rate rises are likely to prompt short-term volatility in gilt yields.

## 3. Local Context

3.1. At 31 March 2015, the Council had £10.759 million of borrowing and other long-term liabilities, and £28.003 million of investments (including cash and cash equivalents). Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance Sheet Summary and Forecast

	31-Mar-15 Actual £m	31-Mar-16 Estimate £m	31-Mar-17 Estimate £m	31-Mar-18 Estimate £m	31-Mar-19 Estimate £m	31-Mar-20 Estimate £m
<b>CFR</b>	<b>8.822</b>	<b>8.663</b>	<b>8.504</b>	<b>8.345</b>	<b>6.186</b>	<b>6.027</b>
Less other long-term liabilities *	-4.759	-4.759	-4.759	-4.759	-3.759	-3.759
<b>Borrowing CFR</b>	<b>4.063</b>	<b>3.904</b>	<b>3.745</b>	<b>3.586</b>	<b>2.427</b>	<b>2.268</b>
External borrowing	-6.000	-6.000	-6.000	-6.000	-6.000	-6.000
<b>Borrowing in excess of CFR</b>	<b>-1.937</b>	<b>-2.096</b>	<b>-2.255</b>	<b>-2.414</b>	<b>-3.573</b>	<b>-3.732</b>
Usable reserves	-27.845	-28.560	-27.280	-27.247	-28.030	-28.455
Working capital	1.779	1.779	1.779	1.779	1.779	1.779
<b>Investments</b>	<b>28.003</b>	<b>28.877</b>	<b>27.756</b>	<b>27.882</b>	<b>29.824</b>	<b>30.408</b>

\* Includes amounts owed on finance leases and a repayable advance from Essex County Council as part funding towards the Braintree Local Authority Mortgage Scheme

- 3.2. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.
- 3.3. The Borrowing CFR reflects the amount of capital expenditure incurred which has not been financed from capital receipts or other resources and, therefore, is an indicator of the level of borrowing required for capital purposes. The table above shows that actual borrowing is greater than the Borrowing CFR – a position that has been created from activity in the past when the Council borrowed to fund capital investment. This excess borrowing contributes to the cash balances available for investment and in recent years has enabled the Council to acquire investment property assets as well as undertake a number of “invest to save” projects which have generated additional revenue income or savings on expenditure.
- 3.4. CIPFA’s *Prudential Code for Capital Finance in Local Authorities* recommends that the Council’s total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation.

#### **4. Capital Expenditure and Borrowing Strategy**

- 4.1. The Council’s planned capital expenditure and financing plans are set out in the table below with further detail provided in the capital programme section of report on the *Council Budget and Council Tax 2016/17 and Medium-Term Financial Strategy 2016/17 to 2019/20*.

Table 2: Capital Expenditure and Financing Plans

	2015/16 Latest £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
<b>Capital Programme</b>	<b>6.255</b>	<b>5.733</b>	<b>1.945</b>	<b>1.933</b>	<b>1.878</b>
<b>Funded by:</b>					
Capital Receipts	(3.670)	(4.628)	(1.497)	(1.485)	(1.430)
Better Care Funding	(0.418)	(0.418)	(0.418)	(0.418)	(0.418)
Growth Area Funding	(1.165)	(0.555)	0.000	0.000	0.000
Third Party Contributions	(0.386)	(0.100)	0.000	0.000	0.000
New Homes Bonus	(0.501)	0.000	0.000	0.000	0.000
Revenue & Reserves	(0.115)	(0.032)	(0.030)	(0.030)	(0.030)
<b>Total Finance</b>	<b>(6.255)</b>	<b>(5.733)</b>	<b>(1.945)</b>	<b>(1.933)</b>	<b>(1.878)</b>
<b>Change in CFR</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

4.2. Table 2 shows that the Council's capital expenditure plans are expected to be self-funded resulting in no increase in the underlying need to borrow. In the event that capital resources raised are lower than estimated, or their receipt delayed, the Council has the option to borrow either temporarily or on a longer-term basis, subject to this being affordable, prudent, and sustainable.

4.3. In response to the Peer Challenge, undertaken in October 2003, an action plan was developed which would focus the Council's actions in addressing its projected budget shortfall. The action plan is based around three work streams: commercialisation; growing our economy; and investment strategy. It has been recognised that in advancing opportunities identified under each of these work streams there may be a need to undertake new borrowing on the basis of "invest to save".

4.4. The following tables set out the Prudential Indicators required to support the Council's view that its current capital expenditure plans are affordable and sustainable in terms of their impact on the revenue account and Council Tax:

Table 3: Ratio of Financing Costs to Net Revenue Stream

	2015/16 Latest £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
<b>Ratio</b>	<b>-1.10%</b>	<b>-2.04%</b>	<b>-2.16%</b>	<b>-2.20%</b>	<b>-2.12%</b>

4.5. The above ratio identifies the trend in net financing cost (i.e. the cost of borrowing and other long term liabilities, less interest and dividend income from investments) against the Council's budget (or net revenue stream). The estimates of net financing costs include current and planned commitments and demonstrate that over the medium term investment income is expected to exceed borrowing costs. As an indicator of affordability, Table 4 shows the incremental impact of capital investment decisions on Council Tax. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the budget requirement arising from the proposed capital programme (i.e. the impact of new schemes added to the capital programme).

Table 4: Incremental Impact of Capital Expenditure Plans on Council Tax

	Proposed Budget 2016/17	Forward Projection 2017/18	Forward Projection 2018/19	Forward Projection 2019/20
<b>Incremental Impact</b>	<b>£7,000</b>	<b>£13,000</b>	<b>£19,000</b>	<b>£26,000</b>
<b>Band D Equivalent</b>	<b>£0.13</b>	<b>£0.26</b>	<b>£0.38</b>	<b>£0.49</b>

4.6. The incremental impact on Council Tax takes account of any direct revenue costs that the capital projects might incur along with the opportunity cost of funding i.e. the reduction in interest income that would otherwise be obtained from investment; offset by any savings or additional income that proposed capital projects are expected to generate.

- 4.7. The figures in Table 3 and 4 above do not provide for any new borrowing arising from “invest to save” projects; however, before such borrowing is undertaken the relevant schemes will have to be able to demonstrate that they can at least repay the associated interest and loan repayments (applying the Council’s policy on Minimum Revenue Provision) and therefore should at a minimum have an overall neutral impact on the Council’s budget.
- 4.8. The Council currently holds £6 million of loans. The balance sheet forecast in Table 1 and capital expenditure plans in Table 2 shows that, subject to any future “invest to save projects” the Council does not anticipate increasing its borrowing in 2016/17. Capital finance may be raised by utilising operating and finance leases for short-life assets (e.g. replacement vehicles and plant).
- 4.9. The Council’s current borrowing is in the form of two £3 million LOBO (Lender’s Option Borrower’s Option) type loans where the lender has the option to propose an increase in the interest rate at set intervals that, if exercised, means the Council has the option to either accept the new rate or to repay the loan at no additional cost. The loan agreements provide for these options at six monthly intervals (March and September) providing a potential refinancing risk; however, in the current low interest rate environment it is unlikely that the lender will exercise their option. In certain circumstances the Council may be able to negotiate premature redemption terms with the lender. The Council, in conjunction with Arlingclose continues to keep this option under review but will only proceed where any exit penalty is considered fair value and leads to an overall cost saving or a reduction in risk.
- 4.10. The Council is required to approve limits on borrowing activity by setting two indicators:

**The Authorised Limit** – this is the maximum (statutory) level of external borrowing determined by the Council. A total limit of £25 million will apply for 2016/17 and each subsequent year covered by the latest Medium Term Financial Strategy (MTFS), comprising both borrowing and other long-term liabilities. This limit provides some headroom to undertake new borrowing for invest to save schemes where this can be supported by a fully costed business case.

**The Operational Boundary** – this is the probable level of external debt during the course of a year. Actual external debt could vary above or below this boundary for short periods, therefore, it is used as a means of monitoring debt to ensure that the authorised limit is not breached. The boundary is set by reference to the estimates of capital expenditure, the capital financing requirement, and cash flow requirements. An overall limit of £11 million will apply for 2016/17 and each subsequent year of the MTFS comprising both borrowing and other long-term liabilities.

## 5. Annual Minimum Revenue Provision Policy 2016/17

- 5.1. Where a local authority has financed capital expenditure by debt, it must put aside revenue resources to repay that debt in later years. The amount charged to the revenue budget (and hence against Council Tax) is known as Minimum Revenue Provision (or MRP) and it is this requirement that ensures borrowing is affordable and sustainable.
- 5.2. Statutory guidance requires that the Council sets an annual policy with regards to the basis on which MRP is determined. The broad aim of the Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits (or where borrowing is supported by Government funding, MRP is aligned with the period over which grant will be received). There are different methodologies for calculating MRP depending upon circumstances, and the following are those that will be applied by this Council:

**Regulatory method** – applies Regulations to any pre-2008 capital expenditure. As the Council's CFR on pre-2008 expenditure is negative there is no requirement for MRP to be made on this past expenditure (i.e. effectively the Council has over provided for past debt).

**Asset life method** – for new unsupported borrowing. MRP will be determined by charging the expenditure over the expected useful life of the relevant assets in equal instalments (or where appropriate on an annuity basis calculated using an annual interest rate equivalent to any related loan). MRP on purchases of freehold land will be charged over a maximum of 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over a maximum of 20 years.

**Lease life method** – for assets acquired using finance lease arrangements. MRP will match the portion of the annual lease payment used to write-down the lease liability.

**Capital loans** – where capital loans are made to other bodies no MRP will be charged as there is an expectation of a subsequent repayment. If loans have been financed by borrowing then capital receipts generated by any annual repayments will be set aside to repay debt.

- 5.3. Based on the Council's latest estimates of its CFR on 31 March 2016, the budget for MRP has been set as follows:



Table 5: Budget for MRP 2016/17

	31-Mar-16 Est. CFR £m	2016/17 Est. MRP £
Capital Expenditure before 01-04-2008	-0.933	-
Unsupported Capital Expenditure after 31-03-2008	4.330	159,300
Finance Leases *	3.425	334,000
Loans to Other Bodies	2.000	-
<b>Total</b>	<b>8.822</b>	<b>493,300</b>

\* MRP on finance leases is included in the budgeted annual lease rentals

## 6. Investment Strategy

6.1. The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In 2014/15 the average sum invested across the year was £38.52 million and peaked at just over £50 million. In the current year the estimated average invested is currently around £46 million with a peak of over £54 million. Similar levels are expected to be maintained in the forthcoming year.

6.2. **Objectives:** Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

6.3. **Strategy:** Given the increasing risk and continued low returns from short-term unsecured bank investments, the Council has diversified into more secure and/or higher yielding asset classes during 2014/15 a position that will be maintained throughout 2015/16 and into future years.

6.4. **Approved Counterparties:** The Council may invest its surplus funds with any of the counterparty types shown in the table below, subject to the cash limits (per counterparty) and the time limits shown.

Table 6: Approved Investment Counterparties and Limits

Credit Rating	Financial Institutions: Unsecured	Financial Institutions/ Securities: Secured	Government/ Local Authorities	Registered Providers e.g. Housing Associations
UK Govt./ Local Authorities			Unlimited	
A or higher	£3m 13 months	£5m 5 years		£5m 5 years
A-	£3m 6 months	£4m 2 years		
BBB+	£2m 100 days	£3m 6mths		
BBB	£1m overnight/ call	£2m 100 days		
Unrated Building Societies	£1m 6 months			
MMFs & Pooled Funds	£5m per fund			

This table must be read in conjunction with the notes below

6.5. **Credit Rating:** Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

6.6. **Financial Institution Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

6.7. **Financial Institution Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one financial institution will not exceed the cash limit for secured investments.

6.8. **UK Government/ local authorities :** Loans, bonds and bills issued or guaranteed by the UK Government or local authorities. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Deposits will be placed with the Debt Management Office where insufficient other counterparties are available and/ or for short-term cash flow.

6.9. **Registered Providers:** Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain a high likelihood of receiving government support if needed.

6.10. **Money Market Funds (MMF) and Pooled Funds:** Shares in diversified investment vehicles consisting of different investment instruments, including equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Pooled Funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

6.11. **Risk Assessment and Credit Ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,

- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn at short notice will be made with that organisation until the outcome of the review is announced. This policy will not apply to “negative outlooks”, which indicate a long-term direction of travel rather than an imminent change of rating.

**6.12. Other Information on the Security of Investments:** Regard will be given to other available information on the credit quality of organisations in which the Council invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

**6.13. Specified Investments:** The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - the UK Government,

- a UK local Council, parish council or community council, or
- a body or investment scheme of “high credit quality”.

The Council defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher.

**6.14. Non-specified Investments:** Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as acquisition of company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are contractually due to mature 12 months or longer from the date of arrangement, or are held with the intention of being long-term even where shorter notice can be given; or investments with bodies and schemes not meeting the Council’s definition of high credit quality. Limits on non-specified investments are shown in the table below.

Table 7: Non-Specified Investment Limits

	Cash limit
Total long-term investments	£15m
Total investments without credit ratings or rated below the Council’s definition of high credit quality	£10m
<b>Total Non-Specified Investments</b>	<b>£25m</b>

**6.15. Investment Limits:** The Council’s revenue reserves available to cover investment losses are forecast to be around £22 million over the medium-term, within which the General Fund unallocated balance is expected to be around £8 million. On this basis the maximum that will be lent to any one organisation (other than the UK Government or other local authority) will be £5 million, which leaves a buffer on the General Fund balance of circa £3 million which is double the current minimum level assessed as required by the Corporate Director. A group of banks under the same ownership will be treated as a single organisation for limit purposes.

Limits are for investment purposes and are in addition to any sums held with Lloyds Bank Plc (Lloyds) for the purposes of day-to-day banking activities. These sums will normally be held at no more than £1.5million, however, for practical purposes sums maybe higher for short periods to meet cash flow requirements. Limits also exclude the deposit with Lloyds held as a cash-backed indemnity for the Braintree Local Authority Mortgage Scheme.

**6.16.Liquidity Management:** The Council prepares a summarised cash flow forecast linked to its medium term financial strategy to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to these forecasts.

A detailed in-year cash flow statement is maintained to manage short-term liquidity requirements

### **7. Treasury Management Indicators**

7.1. The Council measures and manages its exposures to treasury management risks using the following indicators.

7.2. **Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk and applies for 2016/17 and the subsequent three financial years. In determining the limits the following local circumstances have been taken into account:

7.3. The Council's outstanding borrowing is currently subject to six monthly call options when the interest rate could be varied; consequently this debt is treated as being at variable rate. The interest rate on lease finance and other long-term liabilities is set at the time of entering into the arrangement and therefore these are deemed fixed rate.

7.4. Investments are treated as variable where the period to maturity of an investment is up to 364 days, or have no set maturity date e.g. money market funds and pooled funds. Investments with a known maturity date greater than 364 days will be deemed fixed.

7.5. The following limits shall apply:

- The upper limit on exposure to fixed interest rates will be 100% for debt, and £5 million for investments.
- The upper limit on exposure to variable interest rates will be 80% for debt and 100% for investments.

**7.6. Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limit on the long-term principal sum invested to final maturities beyond 364 days, or where the intention is to hold the investment for more than one-year, will be £15m.

### 8. Other Items

**8.1. Policy on Use of Financial Derivatives:** Financial derivatives may be embedded into loans and investments entered into by the Council where the objective is either to reduce interest rate risk and/ or to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits).

8.2. The Council does not intend to use standalone financial derivatives (such as swaps, forwards, futures and options) unless it can be clearly demonstrated that their use reduces the overall level of financial risks and only having taken appropriate specialist advice.

**8.3. Treasury Management Training:** The Corporate Director (Finance) will ensure that all Members with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

8.4. Relevant Members will be involved in strategy and other meetings with the Council's external treasury advisors; and provided with information and guidance as is deemed appropriate by the Corporate Director.

8.5. Senior staff with responsibility for the treasury management function have a professional responsibility to ensure that they are aware of, and apply the Codes and Guidance covering the treasury management function. In addition, all are subject to mandatory continuing professional development requirements.

8.6. The Council's external treasury advisor provides regular training events and workshops covering a variety of treasury management and related matters which officers attend. These events also provide opportunities to network with other local authorities and share best practice.

**8.7. Investment Advisers:** The Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues.

**9. Financial Implications**

9.1. The budget for investment income in 2016/17 is £671,000. The budget for debt interest to be paid in 2016/17 is £282,000, with a further £167,000 estimated interest payable within the annual rental payment made on finance leases.

9.2. The Council will receive £60,800 interest on its deposit with Lloyds for the Braintree LAMS of which Essex County Council is paid half.



## **FINANCIAL LIMITS**

The following Authority wide limits were approved by Council on 6<sup>th</sup> December 2010.

### **Revenue Virement**

The levels of authorisation for budget head revenue virements are:

	Virement to be approved by:				
Financial Limits	Chief Officer (notification to Head of Finance)	Corporate Director (Finance)	Cabinet Portfolio Member	Cabinet	Council
Up to £10,000	Y	Y	Y	Y	Y
£10,001- £25,000		Y	Y	Y	Y
£25,001- £50,000			Y	Y	Y
£50,001- £100,000				Y	Y
Over £100,001					Y

Note: These limits apply to the budget head (this means CIPFA subjective budget group total e.g. employees, supplies and services, etc.), which is being increased.

In addition, virements are subject to the following requirement:-

If more than one virement action is required on a single budget head in a financial year, then the accrued value of such virement action shall be in line with the level of authorisation as detailed above.

The exceptions to the above framework are that:

- a) Virement is not permitted in relation to capital finance charges on service committees or where a proposal would adversely affect the long term revenue commitments of the Council.

- b) The Cabinet approval is not required when the virement is between an income head and an expenditure head which are directly related and is approved by the Corporate Director (Finance).
- c) These virement rules are not applicable between the General and Housing Revenue Funds or between the revenue accounts and the capital programme.

An approved income/expenditure head will be defined each year as part of the budget approval.

### **Capital Virement**

The levels of authorisation for virement of capital programme provision are:

	Virement to be approved by:			
Current Limits	Corporate Director (Finance)	Cabinet Portfolio Member	Cabinet	Council
Up to £50,000	Y	Y	Y	Y
£50,001 to £100,000		Y	Y	Y
£100,001 to £250,000			Y	Y
Over £250,001				Y

Note: The limits apply to the programme head being increased.

### **Debts and Stock Write-offs**

Chief Officers shall submit a request to write off a debt and materials surplus to a department's requirements, subject to the limits and approvals prescribed below. The Corporate Director (Finance) shall issue procedures for the authorisation and recording of the debts to be written off.

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	Write off	to be	approved	by:
Current Limits	Corporate Director (Finance)	Cabinet Portfolio Member	Cabinet	Council
Up to £25,000	Y	Y	Y	Y
£25,001 to £50,000		Y	Y	Y
£50,001 to £100,000			Y	Y
Over £100,001				Y

The exception to the above framework is that:

The Corporate Director (Finance) has delegated authority to write off debts for reason of bankruptcy, insolvency and ceased trading without limit.

## **Robustness of the Proposed 2016/17 Estimates and Adequacy of the Level of Reserves**

### **1. Introduction**

Under Section 25 of the Local Government Act 2003 the Council's Chief Financial Officer is required to report to the Council on:

- The robustness of the estimates made for the purposes of the budget requirement calculations, and
- The adequacy of the proposed financial reserves

The Council must have regard to this report when making decisions on the budget requirement calculations.

In addition, Sections 32 and 43 of the Local Government Finance Act 1992 also require authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the net budget requirement.

### **2. Robustness of the Proposed Budgets**

The proposed budgets have been subjected to detailed review, both at officer and Member level. Allowance has been made for any known additional demands, including provision for the recent offer from the Employers Organisation to trade unions for a two-year pay settlement from 1st April 2016 amounting to 1% p.a. for the majority of staff with higher increases for those on lower salaries in line with the new National Living Wage. In addition, incremental progression has also been provided, where appropriate, and allowance has been made for the increase in employer's National Insurance Contributions from 1 April 2016 arising from changes to State Pension arrangements and the consequential cessation of "contracted-out" status of the Local Government Pension Scheme. Estimates have been made for inflationary factors across the services, including business rates, pension liabilities, insurances and interest rates payable and receivable, as detailed in the Medium Term Financial Strategy. Where planned savings for 2016/17 and future years had previously been identified these have been reviewed and adjustments made where necessary. Allowance has been made for £696,000 of budget reductions and £686,000 of increased income following the detailed budget review process. Other provisions for increased costs or reduced income have been made where these are considered unavoidable or reflect past experience. Taking all these factors into consideration, together with the level of unallocated reserves, the budgets proposed are considered robust.

However, the preparation of any budget for the future inevitably involves assumptions that may prove to be inaccurate. The potential risks are further detailed in this report when considering the adequacy of reserves.

### **3. Risk Management**

Risk Registers are in operation, providing details of operational and strategic risks identified. For each risk identified there is: an assessment of likelihood of occurrence and impact; control measures in place; control measures proposed with timescale for implementation and accountability.

Strategic Risks have been identified by Management Board and validated by the Cabinet. The risks are reviewed twice per year to ensure that they remain current and that those with a high risk rating are being actively managed.

Identification and management of risks form an integral part of the business planning process with details of operational risks being identified and included in all business plans.

Reports to Committees include, where appropriate, an assessment and consideration of risks involved.

### **4. Adequacy of Reserves and Balances**

Reserves can be held for three main purposes:-

- A working balance to help cushion the impact of uneven cash flow and avoid unnecessary temporary borrowing
- A contingency to cushion the impact of unexpected events or emergencies
- Earmarked reserves to meet known or predicted liabilities

The Medium Term Financial Strategy currently recommends that General Fund unallocated balances should not fall below £1.5million.

The unallocated General Fund balance as at 31<sup>st</sup> March 2015 was £7.829million. The budget for 2015/16 was based on a withdrawal from balances of £894,000. The current projection of net expenditure in 2015/16 as reported in the Performance Monitor for Quarter 2 shows an expected increase in balances of £738,000, with a further addition of £203,000, being an unbudgeted new burden payment from the Department for Communities and Local Government for Property Search claims previously settled by the Council. Taking the above into account this will provide a balance of approximately £7.876million by the end of this year.

The proposed budget for 2016/17 provides for an addition to balances of £352,500, a result of the early action that the Council has taken to addressing the predicted revenue budget shortfalls over the medium-term.

In order to assess the adequacy of unallocated balances when setting the budget, the Council needs to take account of the strategic, operational and functional risks facing the Council.

There is little guidance on what is considered to be an adequate level of balances, but the Chartered Institute of Public Finance Accountancy (CIPFA) states the following factors should be taken into account, when considering the overall level of reserves.

- Assumptions regarding inflation and interest rates
- Estimates of the level and timing of capital resources
- Treatment of demand led pressures
- Treatment of savings
- Risks inherent in any new partnerships and major capital developments
- Availability of other funds
- Financial standing of the Council (i.e. level of borrowing, debt outstanding)
- Track record in budget management
- Capacity to manage in year budget pressures
- Virement and year end procedures in relation to under and overspends
- The adequacy of insurance arrangements

Comments on each of these are detailed below:

### **5. Treatment of Inflation and Interest Rates**

The budget provides for the proposed pay settlement, of around 1% per annum, which covers the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2018. Allowances for contractual inflation, business rate increases and inflation on specific budget heads have been made on the basis of consumer price indices increases and, where relevant, the advice of the Council's energy management advisors.

Changes to the levels of some of the Council's discretionary fees and charges are proposed following review. For some services no increase is proposed as the charge levels had been subject to a full review and increases implemented in previous years. These service areas include car parks, land charges and community transport. For some services the charge levels are being

changed to reflect recovery of the cost of provision and others are to be increased in line with a forecast rate of increase in the Retail Price Index for 2016/17 of 2.5%.

Strategic investments totalling £12 million (£10 million in 2014/15 and £2 million added in December 2015) into a combination of equity and property Pooled Funds is estimated to yield an average return over the long-term of around 5% or £600,000 per annum, albeit returns (as well as market valuations) on these funds are likely to be more volatile over the short-term. The residual balance of cash for investment will comprise capital and revenue reserves earmarked for spending in the short-medium term, and in-year cash flows. Under the current interest rate environment these funds are estimated to yield a return of around 0.5% or £85,000 per annum as these funds will be concentrated in investments of relatively short periods, for example, call accounts, money market funds, and held with own bank. The overall return expected on investments can be volatile due to both changes in financial markets but also variations in the level of cash balances from that anticipated. The Treasury Management earmarked reserve, however, provides a means of managing some of this volatility over the medium-term and retain some budget stability. The balance on the reserve as at 31<sup>st</sup> March 2015 was £276,159.

## **6. Estimates of the Level and Timing of Capital Resources**

The capital programme anticipates significant capital receipts from the disposal of surplus assets, share of Council house sale income and a share of VAT recovered by Greenfields Community Housing. Each of these is subject to possible variation to either the estimated amount and/or timing of the receipt.

A negative variation from or a delay in the estimated sum receivable would not impact on the programme for 2016/17 due to capital receipts in hand and the levels of the Special Capital Reserve and the unallocated General Fund balance. However, a reduction of the estimated receipts, if significant, would have an impact on the resources available for the programme in later years. In this instance, action would involve a review of the future programme and possible alternative funding options.

Significant capital receipts are anticipated from the sales of: land assembled for development to the east of High Street, Halstead in 2016/17; and the former Bramston Sports Centre site in 2017/18.

Capital resources also include Central Government grants: Growth Area Fund and New Homes Bonus. There is no issue over the timing of receipt of these grants as the Growth Area Fund has already been received in full and the New Homes Bonus is to be paid by regular monthly instalment during 2016/17. At present a small amount of New Homes Bonus has been allocated to on-going support for the revenue budget and £5.75 million of the monies received to date ring-fenced for capital investment. There remains

an unallocated balance of around £3 million which at present would mitigate some of the risks around the timing of either anticipated capital receipts and/ or the progress towards identifying and achieving the savings required to close the revenue budget gap currently forecast for the period 2017/18 to 2019/20. Against this, however, the Government has recently published the consultation document: New Homes Bonus 'Sharpening the incentive' which sets out proposals for both reducing the overall amount allocated in New Homes Bonus to local authorities by £800 million (out of a current total allocation of circa £1.5 billion) – reinvesting the savings into the adult social care budget – and changing the basis of distribution to reflect performance on housing growth taking into account one or more different factors. In this context future allocations of New Homes Bonus to the Council are uncertain.

Capital resources and spend is monitored with reports; monthly to service managers; quarterly to Management Board and the Cabinet; and to the Cabinet Member for Efficiency and Resources, as necessary.

## **7. Treatment of Demand Led Pressures**

Estimates are based on the latest budgetary information available, with changes made to the base estimates carried forward from 2015/16 as appropriate.

Housing Benefit costs represent a significant amount of demand led cost, albeit substantially funded from government subsidy. The costs and anticipated subsidy are monitored closely during the year.

The Local Council Tax Support scheme for 2016/17 was agreed by Full Council on 14<sup>th</sup> December 2015. Changes were made to the scheme from that operating in 2015/16, in particular increasing the minimum amount of council tax paid by working age claimants to 24%, an increase over the previous amount of 20%. The amount of support awarded to-date in the current year is approximately £500,000 less than budgeted. This lower level of support awarded, and the changes approved to the scheme have been used in the calculation of the Council Taxbase for 2016/17. The amount of support awarded will be regularly monitored and if the level exceeds estimate then consideration will be given to changing the award criteria for 2017/18.

Business rates – an increase in 2015/16 of the provision required for a reduction in the amount collectable as a result of successful appeals and which will reduce the business rate liabilities is anticipated mainly due to the uncertainty surrounding the extent to which a recent Valuation Tribunal decision on purpose built surgeries will impact on the outcome of a large number of outstanding appeals lodged by doctor's surgeries and other medical centres against the Council's Valuation List. The provision includes an



allowance for refunds of previous years' business rates, as appropriate, as the appeals will be against either the 2005 or 2010 Valuation List. An increase in allowance is also included in the estimate of business rates for 2016/17 on the basis that appeals already lodged will carry over into the 2016/17 year before resolution by the Valuation Office Agency (VOA). Information is received from the VOA on a monthly basis of the appeals received, decisions made and appeals outstanding. This information is used in the monitoring of business rates income and ultimately the amount of business rates retained by the Council.

The Council has once again agreed to participate, with ten other Essex authorities, in an Essex Business Rates Pool for 2016/17. This will enable growth in business rates to be retained by the Essex authorities, rather than be paid to the Government. Based on initial estimates the Council's share could be around £350,000, however, as the amount will not be finalised until after the year-end position for the Pool has been determined no estimated share has been included in the Financial Profile.

## **8. Treatment of Planned Efficiency Savings**

All posts included in the Council's staffing establishment are budgeted for; however, historically a financial allowance has been made to recognise staff turnover, vacancies and other staffing efficiencies. For 2015/16 the allowance, to be achieved during the course of the year, was £325,880, which equated to 2.3% of the total salary budget. With the reduction in staffing numbers over recent years achievement of the target solely through staffing changes has proved difficult and therefore in recognition of this the allowance for 2016/17 is set at £150,000, or approximately 1% of the salary budget. The position will continue to be closely monitored and reported to Members in the quarterly performance monitor report.

A procurement savings target, to be achieved through rebates received from the use of the Hub's framework agreements, is included within the financial arrangements for the Essex Procurement Hub: which the Council runs on behalf of six Essex district councils. Whilst the amount of rebates received has over the last three years exceeded the target the use of the Hub's frameworks is demand led and there is therefore a possibility that the target may not always be achieved. The amounts achieved in excess of the target are held in a Procurement reserve and used as a means of balancing variations against target over the medium-term and therefore retain budget stability. The balance on the reserve as at 31<sup>st</sup> March 2015 is £130,484.

The MTFS includes for each year a schedule of planned savings and efficiencies. The delivery of the plans is monitored by means of the quarterly performance report to Members.

## **9. Risks Inherent in Partnership Arrangements, Capital Developments, etc.**

The Council entered into partnership arrangements with CAPITA, for IT services, and Fusion, for leisure management in June and September 2012 respectively. The anticipated savings from 2012/13 from the new IT contract have been included in the financial profile as the contract is based on a set level of charges and does not include a provision for inflationary increases. The Council is to receive a net income per annum under the leisure management contract. The payment has been averaged across the term of the contract. The Council has funded the investment in the gymnasiums at Braintree Leisure Centre and Braintree Swimming Pool in return for a higher income stream from Fusion. The payments from Fusion are provided in the financial profile.

The Council receives significant financial contributions, over £2.0million per annum, from Essex County Council, mainly in respect of Waste Management but also Community Transport and a council tax sharing arrangement. The two councils work closely together and any proposed changes to the level of contributions are discussed and agreed in advance.

The proposed Capital Programme provides for a number of projects, the larger ones include play area refurbishments, provision for affordable housing, disabled facility grants and works to a number of council owned properties and land. Financing of these is mainly from capital receipts, as previously discussed.

In addition to these projects the Council has selected a development partner, Henry Boot, for a redevelopment project in Braintree town centre. It is anticipated that the Council's input will be limited to the development taking place on land owned by the Council. The date by which Henry Boot Developments Limited were required to prepare and submit the Specification and the Scheme Drawings in accordance with the terms of the Development Agreement had been extended to 31st December 2015, the approval of which would then trigger the provisions and timetable in the Development Agreement to progress the scheme including submission of a formal planning application.

The revenue account takes account of the consequential impact of the use of capital receipts.

## **10. Availability of Other Funds**

In addition to unallocated balances and capital receipts, the Council has a number of earmarked reserves set up for a number of reasons:

- To provide a source of capital funding;
- To manage risks;
- To provide medium term financial stability;
- To provide funds for efficiency reviews and “invest to save” schemes; and
- To fund service improvements without ongoing base budget implications.

Details of the balances and expected movements are shown in Section 19 of the main report.

### **11. Overall Financial Standing (Borrowing, Debt and Collection Rates)**

The Council's external debt consists of two loans totalling £6million at 31<sup>st</sup> March 2015. The average rate of interest payable on the debt is 4.7% for 2016/17. Variation of the rate of interest rests with the Lender. If the Lender requests an increase in the rate the Council can refuse and repay the loans. The Council can seek to negotiate repayment with the Lender. The Treasury Management Strategy Statement proposes that the position regarding early repayment of this borrowing is kept under review as currently the estimated penalty payment that would be required would not give value for money. With interest rates expected to remain low for the foreseeable future it is likely opportunity to repay these loans will not arise for some time. As such the Council has agreed and entered into a variety of investment opportunities to achieve improved returns which will be used to offset the interest payable on the loans. The budgets of the income generated from the investments are shown net of the annual repayment of the principal sum used to finance the schemes.

The amount available for investment fluctuates during the course of the year, such that the Council's average investments are expected to be in excess of £40 million during 2016/17; with investments at the beginning and end of the year being around £25 million. Current projections show that the level of investments is expected to reduce after March 2017 but then remain fairly consistent thereafter over the medium-term. However, these forecast are subject to a high degree of fluctuation as they depend on a complex mix of revenue and capital cash flows and levels of related balances and reserves. A total of £12 million has been invested in Pooled Funds. The balance of monies available for investment will be placed for relatively short periods in call accounts, money market funds or deposited with Lloyds, the Council's banking services provider.

The Council Taxbase for 2015/16 was calculated with the allowance for variation set at 1.0% (a reduction of 0.5% from previous years) which was to allow for a number of changes including the Local Council Tax Support scheme, cessation of discounts on empty dwellings and the cessation of the discount for second homes. The estimated balance on the Council Tax Collection Fund

as at 31<sup>st</sup> March 2016 is a positive balance of £886,050. This balance is to be returned to council taxpayers in 2016/17. After review it is considered appropriate to maintain the Council Taxbase allowance for 2016/17 at 1%.

The In-Year collection rates of Council Tax and Business Rates are expected to achieve the target for 2015/16 of 98%. Current year performance of both income sources is monitored and reported to the Cabinet member for Performance and Efficiency on a monthly basis, Cabinet on a quarterly basis in the Performance monitoring report and to each meeting of the Governance Committee.

The collection of ground rents, leases, charges for services and housing benefit overpayments and other debts has improved in recent years as action has been taken to reduce longer term debts and prompt attention given to new debt raised. The volume of and balance outstanding on housing benefit overpayments have however increased over the last year. A member of the Recovery team continues to focus on the recovery of this debt type. Details of debts outstanding are reported at each meeting of the Governance Committee.

## **12. Track Record in Budget Management**

The Council has consistently been commended by the external auditor for its sound financial management. The Annual Audit Letter for 2014/15 from the External Auditor records that unqualified opinions were issued for both the financial statements and the value for money conclusion. The External Auditor also noted that whilst there is a recognised funding gap in the Medium Term Financial Strategy, the Council has appropriate arrangements to continue to remain financially sustainable over the period covered.

For many years the year-end outturn has been within approved budget levels. Expenditure budgets have generally been on target and whilst in the past some income budgets, particularly those demand led services, have proved difficult to achieve, more recently with the improving economic climate the Council has seen an upturn in a number of its major income streams. However, budgets continue to be closely monitored, with remedial action taken as appropriate, during the year and any ongoing impact, positive or negative, is taken into account when planning for the following year's budgets.

## **13. Capacity to Manage In-year Budget Pressures**

All budgets are profiled across the year and budgetary information is supplied to managers seven working days after the end of the month. Full monitoring reports are produced each quarter with projected outturns. Where necessary the Council has shown in the

past that it can apply appropriate controls on discretionary spending where in-year projections have forecast a shortfall to bring about corrective action on the budget.

#### **14. Virement and Year End Procedures in Relation to Under and Overspends**

The virement procedure, was reviewed and updated in December 2010, is detailed in the Constitution. A procedure of carrying forward underspends is in place, but only if there is a specific proposal and date for the delayed spend. Other underspends are added to balances. Overspends will be met from balances with reasons for the over spends being reported to the Cabinet. Following the determination of the financial outturn for a year, the current year's budgets are reviewed to assess whether any variances in the previous year's outturn are ongoing and will impact on those budgets. Budget adjustments are also made in year, as necessary, as a result of the quarterly financial monitoring reports.

#### **15. Adequacy of Insurance Arrangements**

All major identified risks are covered by insurance and minor risks could be met from the Insurance Fund. The level of cover is reviewed annually and amended to reflect previous claims experience.

Specific cover is in place which was introduced following the housing stock transfer to cover risks associated with property title/ land searches and environmental pollution in relation to the land and property subject to the transfer.