Braintree District Council

PERFORMANCE MANAGEMENT BOARD
AGENDA

Wednesday, 27th November 2019 at 7:15pm

Council Chamber, Braintree District Council, Causeway House, Bocking End, Braintree, CM7 9HB

THIS MEETING IS OPEN TO THE PUBLIC
(Please note this meeting will be audio recorded)
www.braintree.gov.uk

Members of the Performance Management Board are requested to attend this meeting to transact the business set out in the Agenda.

Councillor J Coleridge	Councillor S Rehman
Councillor G Courtauld	Councillor B Rose
Councillor Mrs C Dervish	Councillor P Schwier (Vice Chairman)
Councillor T Everard	Councillor N Unsworth (Chairman)
Councillor M Radley	

Members unable to attend the meeting are requested to forward their apologies for absence to the Governance and Members Team on 01376 552525 or email governance@braintree.gov.uk by 3pm on the day of the meeting.

A WRIGHT
Chief Executive

INFORMATION FOR MEMBERS - DECLARATIONS OF INTERESTS

Declarations of Disclosable Pecuniary Interest, Other Pecuniary Interest or Non-Pecuniary Interest

Any member with a Disclosable Pecuniary Interest, other Pecuniary Interest or Non-Pecuniary Interest must declare the nature of their interest in accordance with the Code of Conduct. Members must not participate in any discussion of the matter in which they have declared a Disclosable Pecuniary Interest or other Pecuniary Interest or participate in any vote, or further vote, taken on the matter at the meeting. In addition, the Member must withdraw from the chamber where the meeting considering the business is being held unless the Member has received a dispensation from the Monitoring Officer.

Question Time
The Agenda allows for a period of up to 30 minutes when members of the public can speak. Members of the public wishing to speak are requested to register by contacting the Governance and Members Team on 01376 552525 or email governance@braintree.gov.uk by midday on the working day before the day of the Committee meeting. For example, if the Committee Meeting is due to be held on a Tuesday, the registration deadline is midday on Monday, (where there is a bank holiday Monday you will need to register by midday on the previous Friday).

The Council reserves the right to decline any requests to register to speak if they are received after this time. Members of the public can remain to observe the public session of the meeting.

Please note that there is public Wi-Fi in the Council Chamber, users are required to register in order to access this. There is limited availability of printed agendas.

Health and Safety
Any persons attending meetings in the Council offices are requested to take a few moments to familiarise themselves with the nearest available fire exit, indicated by the fire evacuation signs. In the event of an alarm you must evacuate the building immediately and follow all instructions provided by officers. You will be assisted to the nearest designated assembly point until it is safe to return to the building.

Mobile Phones
Please ensure that your mobile phone is switched to silent during the meeting in order to prevent disturbances.

Webcast and Audio Recording
Please note that this meeting will be audio recorded only.

Documents
Agendas, reports and minutes for all the Council's public meetings can be accessed via www.braintree.gov.uk

We welcome comments from members of the public to make our services as efficient and effective as possible. If you have any suggestions regarding the meeting you have attended, you can send these via governance@braintree.gov.uk

PUBLIC SESSION **Page**

1 Apologies for Absence

2 Member Declarations

1. To declare the existence and nature of any interests relating to items on the agenda having regard to the Code of Conduct for Members and having taken appropriate advice (where necessary) before the meeting.

2. To declare the existence and nature of any instruction given by or on behalf of a political group to any Councillor who is a member of that group as to how that Councillor shall speak or vote on any matter before the Committee or the application or threat to apply any sanction by the group in respect of that Councillor should he/she speak or vote on any particular matter.

3 Public Question Time

(See paragraph above)

4 Minutes of the Previous Meeting

To approve as a correct record the minutes of the meeting of the Performance Management Board held on 3rd September 2019 (copy previously circulated).

5 Scrutiny of the Priorities for 2020-2021 and Initial Budget Position

To receive a presentation from the Cabinet on the priorities for 2020-21 and to consider the Medium Term Financial Strategy; 2020-21 to 2023-24.

Presentation Slides are to follow.

Note:

1) The attached report (pages 5 - 48 of the Agenda) for this Item is prepared for the publication of the Agenda for the meeting of the Cabinet on 18th December 2019.

2) All Members of the Council are invited to attend for this Item as part of the Member Development Programme to enable them to understand the Council's priorities for 2020/21 and to receive details of the initial budget proposal to meet these priorities.

3) Only Members of the Performance Management Board can vote on this Item.

6 First Quarter Performance Management Report 2019 20 **49 - 79**

7 Local Plan Project and Risk Management 80 - 98

8 Urgent Business - Public Session
To consider any matter which, in the opinion of the Chairman, should be considered in public by reason of special circumstances (to be specified) as a matter of urgency.

PRIVATE SESSION

At the time of the Agenda publication there were no Items for Private Session.

CABINET
18th December 2019

Braintree District Council

Medium-Term Financial Strategy 2020/21 to 2023/24	Agenda No: 5

Portfolio	**Finance and Performance Management**
Corporate Outcome:	**A high performing organisation that delivers excellent and value for money services** **Delivering better outcomes for residents and businesses and reducing costs to taxpayers**
Report presented by:	**Cllr. David Bebb, Cabinet Member for Finance and Performance Management**
Report prepared by:	**Trevor Wilson, Head of Finance**

Background Papers:	**Public Report**
Council Budget and Council Tax 2019/20 and Medium-Term Financial Strategy 2019/20 to 2022/23 report to Cabinet 11th February 2019 and Full Council 25th February 2019; Medium-Term Financial Strategy 2019/20 to 2022/23 Update report to Cabinet 9th September 2019; Local government finance settlement 2020/21 consultation issued by the Ministry for Housing, Communities and Local Government (MHCLG) on 3rd October 2019. MHCLG issued an invitation to local authorities in England to indicate their preferred pooling arrangements for the forthcoming financial year, 2020/21, by email on 17th September 2019	**Key Decision: No**

Executive Summary:

1. Background and Purpose

1.1 The process of rolling forward the Council's four-year financial plan commenced with a report to Cabinet, on 9th September 2019, with an initial review of the Medium-Term Financial Strategy (MTFS) 2019/20 to 2022/23; which had been agreed by Council on 25th February 2019.

1.2 This report provides detail of the progress with the updating of the Financial Profile and the Medium-Term Financial Strategy 2020/21 to 2023/24; unavoidable cost pressures; and work on identifying options for revenue cost reductions/additional income to meet the anticipated funding shortfalls over the next four years and the initial budget proposals, both revenue and capital, for 2020/21.

2. Budget Strategy

2.1 The Council's Budget Strategy is to:

- Be a low council tax authority;
- Have plans to deliver a balanced budget over the medium-term; and
- Maintain a minimum level of unallocated balances of £1.5million.

2.2 With the period of austerity following the global financial crisis the Council anticipated that the shortfalls in its finances would grow due to: annual reductions in Government grant resulting eventually in no grant being received; annual inflationary pressures; new responsibilities; and increasing demand for services. In October 2013 the Council requested a Peer Challenge to help it formulate an approach to address the anticipated shortfalls over the medium-term.

2.3 The approach has delivered cost reductions and additional income without impacting on customers and service delivery, including:

- Property purchases providing a rental income stream;
- Causeway House shared with mix of four private and public sector organisations producing rental income;
- Responsibility for running the Enterprise Centre, Springwood Industrial Estate, and developed four grow-on units adjacent to the Centre;
- Invested in solar panels on council property reducing energy costs and producing an income;
- Invested monies in pooled funds achieving an improved return over short-term interest rates;
- Service reviews have delivered cost reductions;
- Agreed a District Investment Strategy with development proposals which will deliver benefits over the medium to long-term;

2.4 The Council determined from the inception of the New Homes Bonus scheme, the funding mechanism to support development and delivery of homes, that it would be used for investment in infrastructure projects and affordable homes and not used to support the Council's day to day spending.

2.5 Over the period the Council has had and continues to respond to increasing costs not only from inflationary and market pressures but also from increased demand on services and new responsibilities. The Planning service has had to respond to an increase in planning applications, many of which are for major developments, and as a consequence an increase in work on appeals.

3. Government Funding

3.1 The Ministry of Housing, Communities and Local Government (MHCLG) published a Technical Consultation on the 2020-21 Local Government Finance Settlement. A response was submitted on behalf of the Council by the Cabinet Member for Finance and Performance.

3.2 The Government in the consultation paper proposes:

- A new £1.41 billion Social Care Grant for adult and children's services, including £1 billion of new funding;
- Uprating the 2019/20 Settlement Funding Assessment in line with the change in the small business non-domestic rating multiplier. It is proposed that Negative Revenue Support Grant allocations be eliminated, as in the last three years;

- A core council tax referendum principle of up to 2%; an adult social care precept of 2% on top of the core principle; and no referendum principles for parish councils and mayoral combined authorities. A proposed exception is included for comment for district councils of an option to increase by £5 or 2%, whichever is the higher;
- Committing to retain the top-slice of Revenue Support Grant to fund New Homes Bonus in 2020/21 at £900 million. It is proposed that allocations for 2020/21 will not result in legacy payments being made in subsequent years, as this funding scheme will be subject to the 2020 Spending Review;
- Maintaining existing improved Better Care Fund funding at 2019/20 levels, as well as rolling the £240 million which was allocated as Winter Pressures Grant this year into the improved Better Care Fund, with the same distribution as this year; and
- Continuing Rural Services Delivery Grant at £81 million, with all recipients receiving the same amount as in 2019/20.

3.3 On 17th September 2019, the MHCLG issued an invitation to local authorities to indicate their preferred Business Rate pooling arrangements for the financial year, 2020/21. All fifteen authorities in the current Essex Business Rate Pool for 2019/20 have agreed that the Pool should continue for 2020/21. The Cabinet Member for Finance and Performance Management agreed to this Council's participation under delegated authority, approved at the Cabinet meeting on 9th September 2019.

3.4 A provisional Financial Settlement for 2020/21 was expected to be published in early December 2019, however, given the announcements of the postponement of the Budget and calling of a General Election on 12th December this creates uncertainty. The Local Government Association is urging the Government to publish the provisional settlement as soon as possible after 12th December and no later than when Parliament rises for the Christmas recess

4. Update on Financial assumptions in the current MTFS

4.1 The Financial Profile, agreed in February 2019, included movements on cost reductions and additional income planned for 2020/21 to 2022/23. These have been reviewed and updated. The main changes include the removal of the changes (positive and negative) relating to interest earned from investments as these have been re-assessed based on an updated estimated cashflow over the next four years and the removal of the increase in sponsorship income.

4.2 The Financial Profile includes the consequences for 2020/21 of the planned priority investments and unavoidable budget changes which were identified in previous years. Of the six changes, four were one-off budget requests in 2019/20 and these are therefore being removed from the base budget in 2020/21. The total value of these budget reductions to be made in 2020/21 is £1,071,040. Of the two unavoidable budget changes identified for 2020/21 onwards the administrative subsidy figures will be updated when the actual allocations for 2020/21 are received with regard to the second, discussions have been held with Essex County Council regarding the sharing agreement and it is anticipated that the share will continue at 14% (subject to performance targets being achieved) for 2020/21. Therefore, the reduction initially anticipated of £65,730 is to be removed. This leaves a single budget requirement of £88,500 in 2020/21 and this is included in the Financial Profile.

4.3 The Financial Profile includes provision for an annual pay award of 2% which is in line with the last negotiated agreement agreed in April 2018 and which covered a two-year period.

4.4 The result of the Triennial Review of the Essex Pension Fund, as at 31st March 2019, was received on 1st November 2019. The review determines the pension fund assets and liabilities applicable for each employer in the fund and sets the deficit contribution and employer contribution rate for the three years 2020/21 to 2022/23.

4.5 The review shows that the Essex Pension Fund has performed very well over the three year period, between 2016 and 2019, with this Council's part of the Fund having moved from a funding level of 89.2% to 103.4%. This represents a snap shot at a point in time as the deficit is planned to be addressed in 7½ years for this Council (12 years on average for all organisations in the Essex Pension Fund). As a result of the performance of the Fund the deficit recovery rate has been re-assessed with the rate required over the next three years reduced from 5.2% to 1.5%.

4.6 The ongoing employer contribution rate (primary rate) is set to rise to 20.3% from the current level of 16.5%. This is due principally to changes in the Actuary's financial assumptions (+5.3%) including an increase in the rate of inflation (from 2.4% to 2.6%) and a reduction in the discount rate from 5.1% to 4.5%, and this offset partially by a reduction in the estimated life expectancy of members (-1.6%).

4.7 It is proposed that the Council opts to pay the total deficit payment, of £2,468,311, on 1st April 2020. The accounting requirement for this is that the total payment is accountable in 2020/21; the implication of this is that two thirds of the payment (re 2021/22 and 2022/23) will need to be funded from the unallocated balance in 2020/21 with this resource being repaid over the two following years.

4.8 The impact on the financial profile of these results is a net saving on the base budget of £295,820 for 2020/21 followed by small increases for 2021/22 and 2022/23.

5. Unavoidable Budget Demands and New Investments

5.1 Bids for revenue funding to meet unavoidable budget demands and new investments total £1,174,450, in 2020/21 and £179,930 in 2021/22. Just under half of these, £514,000 in 2020/21, are an ongoing requirement and therefore are needed to be added to the base budget. Six requests, totalling £660,450 in 2020/21 and £50,000 in 2021/22, are for one-off budget requirements.

5.2 The unavoidable budget demands include a proposal to allocate a proportion of the estimated surplus on the Council Tax Collection Fund from 2019/20 of £155,120 between the Town/Parish Councils and this Council. The proportion payable to the Town/Parish Councils is £29,450 and applies to 2020/21 only. This proposal was considered by the Cabinet on 2nd December with a recommendation to Full Council on 16th December 2019, this early consideration was necessary in order that the parish/town councils could be notified in sufficient time to enable this resource to be discussed as part of their budget and precept setting for 2020/21.

6. Cost Reduction/Additional Income Proposals

6.1 Senior Managers have reviewed their service budgets to identify possible cost reductions and/or additional income generation, in particular with reference to the projected outturn for the current year.

6.2 The review of service budgets has identified budget adjustments with a total of £553,330. These have been agreed by Management Board as they do not have a direct impact on customers or service delivery

7. Business Rates Retention Scheme and Business Rate Taxbase

7.1 Under the Business Rates Retention the Government calculates a baseline amount of business rates which it allows local authorities to retain as part of the Government's funding for local government.

7.2 The baseline figure currently assumed for 2020/21 is £3,496,215. The actual baseline figure will be included in the Local Government Finance Settlement. 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 whilst a lower amount will require the Council to meet the shortfall up to a maximum of 7.5% of the baseline amount. The estimated figure for Business Rates retained in 2020/21 is £4,946,980.

7.3 The final determination of the Business Rates Taxbase for 2020/21 will be agreed by the Corporate Director (Finance) under delegated authority prior to the deadline of 31st January 2020.

7.4 The estimated balance on the Business Rates Collection Fund as at 31st March 2020 is a surplus of £472,387. The proportion attributable to this Council is £188,955 and this is included in the Finance Profile. As the position can vary both in year and between years it is proposed that this surplus is transferred to the Business Rates Retention Reserve.

7.5 The estimate of Retained Business Rates for 2021/22 onwards includes a 2% uplift to reflect an anticipated increase in the Rating Multiplier. However, the position for 2021/22 onwards is very difficult to predict as the Government continues to work with Local Government representatives on the Fair Funding Review, which will result in a resetting of the Business Rates Retained Baseline for each authority and also the introduction of the proposed 75% Business Rate Retention scheme which has been delayed from 2020/21 to 2021/22. One of the key issues regarding the new 75% Business Rate Retention scheme for this Council will be the amount of growth in business rates, above the baseline, achieved to-date which the Council will be able to retain.

7.6 On 17th September 2019 the MHCLG wrote to the lead authority of each current Business Rate Pool with an invitation to indicate the preferred pooling arrangements for 2020/21. All of the member authorities of the current Essex Pool have confirmed their willingness for the Pool to continue. Based on the average share received in previous years the Council could receive an additional amount of business rates of approximately £560,000 for 2020/21.

8. Local Council Tax Support Scheme

8.1 The Council's Local Council Tax Support (LCTS) scheme was introduced on 1st April 2013. The scheme is only applicable to working age claimants and it retains a significant proportion of the principles and elements of the previous Council Tax Benefit scheme.

8.2 The level of council tax liability on which LCTS awards are based was changed from 80% to 76% for 2016/17 and was made with reference to the Council's financial position over the medium-term and with the aim to limit the frequency of changes thereby providing a degree of stability and continuity in the scheme for claimants.

8.3 An analysis of the council tax accounts of working age claimants and specifically the recovery stages shows that the number of requests made for an attachment to benefit as a method of recovering outstanding arrears rose from 271 in 2015/16 to 464 in 2017/18. The weekly amount recovered from ongoing benefit is set nationally (currently £3.70 per week) and only one attachment to benefit can be applied at a time and therefore attachments for subsequent year's council tax are held as 'pending'. At the end of 2018/19, 517 requests for an attachment to benefit were 'pending' and in the current year to 1st October 371 requests are held as 'pending'.

8.4 Taking the above into consideration it is proposed to leave the existing scheme unchanged. As no changes are proposed to the Council's LCTS scheme for 2020/21 there is therefore no requirement for consultation.

9. Council Tax – Collection Fund Surplus and Taxbase

9.1 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 on 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 and Essex Police, Fire and Crime Commissioner for Policing & Community Safety and for Fire and Rescue Authority.

9.2 It is estimated that the balance on the Collection Fund available for distribution is a surplus of £1,229,000. This Council's proportion of the council tax surplus, to be returned to council taxpayers in 2020/21 is £155,120. It has been proposed that £29,450 of this surplus is allocated to town and parish councils in 2020/21.

9.3 The Council's taxbase for 2020/21 is required to be calculated as at 30th November 2019 and will be agreed, under delegated authority, by the Corporate Director responsible for Finance. However, prior to this determination and for financial planning purposes the council taxbase for 2020/21 is estimated to be 53,046 (increase of 1% over 2019/20 taxbase) and is based on an assessment undertaken as at 11th September 2019 required by the Government.

9.4 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.

9.5 The Council sets the levels of discounts/premia for empty properties and second homes under discretionary powers. It is not proposed to vary any of these levels for 2020/21.

9.6 As the Government's proposed referendum limit for 2020/21 is 2%, with the exception for district councils, of 2% or £5 whichever is higher, being subject to consultation, it is considered appropriate to limit increases in the Financial Profile to the 2% maximum. The increases in the level of council tax provided in the Finance Profile for 2020/21 to 2023/24 for planning purposes are:

- 2020/21 – 1.95% providing a Band D level of £183.24;
- 2021/22 – 1.96% providing a Band D level of £186.84;
- 2022/23 – 1.97% providing a Band D level of £190.53;
- 2023/24 – 1.98% providing a Band D level of £194.31

10. Financial Profile

10.1 The updated financial profile 2020/21 to 2023/24 shows:

- 2020/21 – addition to Balances of £5,414;
- 2021/22* – shortfall of £629,702;
- 2022/23* – shortfall of £82,521; and
- 2023/24* – shortfall of £327,520.

10.2 It should be noted that these years* are after the single-year Finance Settlement and are likely to be subject to significant changes due to the Fair Funding Review and the Government's decision regarding the proposed new 75% Business Rates Retention scheme and also the 2020 Spending Review.

10.3 The position for 2020/21 will be updated following receipt of the Settlement Funding Assessment.

11. Balances and Reserves

11.1 The estimated Unallocated General Fund balance as at 31st March 2020 is £7.419million.

11.2 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 31st March 2019 was £22.625million. A schedule detailing the planned use of the earmarked reserves over the four-year period of the MTFS will be included in the Finance report to Cabinet on 10th February 2020.

12. Capital Resources and Investment

12.1 New Homes Bonus (NHB) – As part of the roll-forward financial settlement the Government proposes to retain the £900million top-slice of Revenue Support Grant to fund New Homes Bonus payments in 2020/21. In addition to funding legacy payments associated with previous allocations, the Government is minded to make a new round of allocations for 2020/21.

12.2 The net increase of dwellings in the District, expressed as Band D equivalent, between October 2019 and October 2018 is 459, an increase of 0.75%. If the Governments maintains the baseline at 0.4% then the Council will receive NHB on 214 dwellings for 2020/21.

12.3 Capital Programme – details of the proposed capital projects are contained in the report. The value of the proposed projects in 2020/21 is £2,746,750 and £80,000 in 2021/22 and anticipated requirements for 2021/22 to 2023/24 of £1,981,000 per year.

Recommended Decision:

Cabinet to agree that:

a) No changes are proposed to the Local Council Tax Support Scheme for 2020/21 and consequently there is no requirement for consultation to be undertaken; and
b) The Revenue Budget and Capital Programme for 2020/21, as presented in this report, constitute the initial Budget proposals and that views are sought as appropriate.

Purpose of Decision:

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

Any Corporate implications in relation to the following should be explained in detail.	
Financial:	The initial budget proposals provide a balanced budget for 2020/21 which includes: an increase of 1.95% in the level of council tax; additional income and cost reductions of £581,710; additional spend and reductions in income of £1.174million on unavoidable demands and new investment; provision for inflation increases of £560,990; a withdrawal from balances and reserves of £826,500 for one-off expenditure; an addition to balances of £5,414; and an assumed Settlement Funding Assessment of £3.496million. The financial position forecast for 2021/22 to 2023/24: shows savings of £630,000, £83,000 and £328,000 will be required respectively. The positions for these years are, however, difficult to predict as there is uncertainty over the outcome of the Fair Funding Review, the Government's plans for 75% Business Rate Retention and the 2020 Spending Review. The Council has indicated that it wishes to continue in the Essex Business Rate Pool for 2020/21. The potential benefit for this Council is a share of £560,000. Capital projects with a total value of £2,746,750 are proposed for inclusion in the 2020/21 Capital Programme. Anticipated projects for 2021/22 to 2023/24 total £1.98million per year. An assessment of available capital resources shows that there will be sufficient to fund the proposed capital programme.
Legal:	None at this stage but legal implications will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.
Safeguarding:	There are no safeguarding issues raised by this report.
Equalities/Diversity:	It is considered that none of the people with protected characteristics, under the Equalities Act, will be disproportionately impacted by the proposal to continue with the current Local Council Tax Support scheme for 2020/21. The Council will consider retaining the Exceptional Hardship Fund, for council taxpayers experiencing financial hardship, at the meeting on 17th February 2020.

	Equalities and/or diversity implications will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.
Customer Impact:	Assessment of customer impact, where appropriate, will be included in the savings proposals reported to Cabinet in the Finance report on 10th February 2020.
Environment and Climate Change:	There are no environmental and Climate Change issues raised by this report.
Consultation/Community Engagement:	The Performance Management Board will examine and consider the budget proposals as contained in this report on 27th November 2019. The Chairman of the Committee extends an open invitation to all members to attend this meeting.
Risks:	The assumptions made prove to be incorrect resulting in savings not being achieved as planned, costs rising by more than the provision allowed for inflation, increased income budgets not being achieved. The provisional financial settlement figures and other grants for 2020/21 from Government expected in late December 2019, are less than the assumptions made in the Financial profile. Proposed financing of the capital programme is dependent on income being received from planned sales of a number of assets, these include: land east of High Street, Halstead; land off Maldon Road, Witham; serviced plots on Horizon 120; a number of small housing sites and residential properties on the Manor Street Development. Increased borrowing costs could be incurred if the receipts are not received.
Officer Contact:	Trevor Wilson
Designation:	Head of Finance
Ext. No:	2801
E-mail:	Trevor.wilson@braintree.gov.uk

1. Background

1.1 The process of rolling forward the Council's four-year financial plan commenced with a report to Cabinet, on 9th September 2019, with an initial review of the Medium-Term Financial Strategy (MTFS) 2019/20 to 2022/23; which had been agreed by Council on 25th February 2019.

1.2 The report to Cabinet included:

- An update on the progress of the Government's proposed 75% Business Rate Retention scheme, the Fair Funding Review and 2019 Spending Review;
- an initial review of the assumptions contained in the current MTFS;
- the approach on developing the budget for 2020/21 and rolling the MTFS period forward to cover the period 2020/21 to 2023/24;
- approaches to addressing the financial shortfalls;
- Option, if the Government offers an opportunity, to participate with Essex authorities to operate an Essex Business Rates pooling arrangement for 2020/21; and
- the timetable to achieve the setting of the council tax and budget for 2020/21 at the meeting of the Full Council on 17th February 2020.

1.3 This report provides detail of the progress with the updating of the Financial Profile and the Medium-Term Financial Strategy 2020/21 to 2023/24; unavoidable cost pressures; and work on identifying options for revenue cost reductions/additional income to meet the anticipated funding shortfalls over the next four years and the initial budget proposals, both revenue and capital, for 2020/21.

2. Budget Strategy

2.1 The Council's Budget Strategy is to:

- Be a low council tax authority;
- Have plans to deliver a balanced budget over the medium-term; and
- Maintain a minimum level of unallocated balances of £1.5million.

2.2 With the period of austerity following the global financial crisis the Council anticipated that the shortfalls in its finances would grow due to: annual reductions in Government grant resulting eventually in no grant being received; annual inflationary pressures; new responsibilities; and increasing demand for services. In October 2013 the Council requested a Peer Challenge to help it formulate an approach to address the anticipated shortfalls over the medium-term.

2.3 The approach adopted has been to focus on a number of workstreams:

- Commercialisation and 'Better at Business';
- Grow our economy – increase our share of the business rate pot and secure external funds;
- Finance and Investment Strategy;
- Review contracts and procurement;
- Increase our income;

- Management and Service Reviews; and
- Sharing services or joint work.

2.4 The approach has delivered cost reductions and additional income without impacting on customers and service delivery including:

- Property purchases providing a rental income stream, including: Connaught House, Colchester; property at Church Lane, Braintree for a doctors surgery; offices at 3 & 4 Century Drive, Freeport Office Village; Doctors surgery, Silver End;
- Office accommodation at Causeway House shared with a mix of four private and public sector organisations producing rental income;
- Responsibility for running the Enterprise Centre, Springwood Industrial Estate, and developed four grow-on units adjacent to the Centre;
- Invested in solar panels on council property reducing energy costs and producing an income;
- Invested monies in pooled funds (mix of equities, property and multi-assets) achieving an improved return over short-term interest rates;
- Service reviews have delivered cost reductions. Changes have included the combining of the domestic refuse, recycling and trade waste collections across the District; staff reductions resulting from restructures in a number of service areas; reduction to 49 councillors following Boundary Commission review;
- Agreed a District Investment Strategy with development proposals which will deliver benefits over the medium to long-term; including Manor Street development; Horizon 120 employment site at Great Notley; I-Construct facility at the Enterprise Centre, Springwood Industrial Estate to provide business support programme; Witham Enterprise Centre; Healthcare facility on the former Premdor Site, Sible Hedingham.

2.5 The Council determined from the inception of the New Homes Bonus scheme, the funding mechanism to support development and delivery of homes, that it would be used for investment in infrastructure projects and affordable homes and not used to support the Council's day to day spending. This is providing part of the funding for the projects, and associated project management, in the District Investment Strategy.

2.6 Over the period the Council has had and continues to respond to increasing costs not only from inflationary and market pressures but also from increased demand on services and new responsibilities. The Planning service has had to respond to an increase in planning applications, many of which are for major developments, and as a consequence an increase in work on appeals.

2.7 The level of unallocated balance has consistently remained above £1.5million: the balance at 31st March 2019 was £5.787million. This will increase in the current year mainly due to an allocation from the balance used in April 2017 to pay the Pension Deficit payments for three years in a single payment being repaid in 2018/19 and 2019/20 at £1.411million per year. The estimated balance as at 31st March 2020 is £7.419million (based on the second quarter Finance Performance report).

3. Government Funding

3.1 On 4th September 2019 the Government announced the results of its 2019 Spending Round and set out its spending plans for 2020/21.

3.2 The change from a full 2019 Spending Review to the one-year Spending Round has resulted in the Government proposing to implement a 'roll forward' settlement for 2020-21.

3.3 The Government remains committed, however, to reforming local government finance. In 2020 the Government *'plans to carry out a multi-year Spending Review, which will lay the groundwork for the reforms, which include:*

- *increasing the proportion of business rates retained by the sector, to ensure local authorities have more control over the money they raise and powerful incentives to grow and reinvest in their local economies;*
- *introducing reforms to the business rates retention system, to increase stability and certainty; and*
- *reviewing the funding formula that determines funding allocations through the annual local government finance settlement, based on a fairer and more up-to-date assessment of councils' relative needs and resources.*

The aim is to implement these reforms in 2021/22, including a full reset of business rates retention baselines'.

3.4 The Ministry of Housing, Communities and Local Government (MHCLG) published a Local Government Finance Settlement 2020/21 Technical Consultation, on 3rd October 2019 (closing date of 31st October 2019), which outlines the Government's proposed approach to the 2020-21 settlement. The main headlines being:

- A new £1.41 billion Social Care Grant for adult and children's services, including £1 billion of new funding;
- Uprating the 2019/20 Settlement Funding Assessment in line with the change in the small business non-domestic rating multiplier. It is proposed that Negative Revenue Support Grant allocations be eliminated, as in the last three years;
- A core council tax referendum principle of up to 2%; an adult social care precept of 2% on top of the core principle; and no referendum principles for parish councils and mayoral combined authorities. A proposed exception is included for comment for district councils of an option to increase by £5 or 2%, whichever is the higher;
- Committing to retain the top-slice of Revenue Support Grant to fund New Homes Bonus in 2020/21 at £900 million. It is proposed that allocations for 2020/21 will not result in legacy payments being made in subsequent years, as this funding scheme will be subject to the 2020 Spending Review;
- Maintaining existing improved Better Care Fund funding at 2019/20 levels, as well as rolling the £240 million which was allocated as Winter Pressures Grant this year into the improved Better Care Fund, with the same distribution as this year; and

- Continuing Rural Services Delivery Grant at £81 million, with all recipients receiving the same amount as in 2019/20.

A response on behalf of the Council was provided by the Cabinet Member for Finance and Performance Management.

3.5 A provisional Financial Settlement for 2020/21 was expected to be published in early December 2019, however, given the announcements of the postponement of the Budget (6th November) and calling of a General Election on 12th December this creates uncertainty. The Local Government Association is urging the Government to publish the provisional settlement as soon as possible after 12th December and no later than when Parliament rises for the Christmas recess.

3.6 On 17th September 2019, the MHCLG issued an invitation to local authorities to indicate their preferred Business Rate pooling arrangements for the financial year, 2020/21.

3.7 All fifteen authorities[1] in the current Essex Business Rate Pool for 2019/20 have agreed that the Pool should continue for 2020/21. The Cabinet Member for Finance and Performance Management agreed to this Council's participation under delegated authority, approved at the Cabinet meeting on 9th September 2019.

3.8 The other significant funding streams received from Central Government Departments are in respect of administrative subsidies for Local Council Tax Support and Housing Benefit schemes (total of £532,170 in 2019/20). It is expected that the allocations for 2020/21 will be received shortly after the Provisional Finance Settlement announcement in December. The MTFS currently anticipates a reduction of £88,500 per year for 2020/21 and 2021/22: the main reason being that working age claimants are expected to have transferred from housing benefit to Universal Credit during this period.

4. Update on Financial assumptions in the current MTFS

4.1 The Financial Profile, agreed in February 2019, included movements on cost reductions and additional income planned for 2020/21 to 2022/23. These have been reviewed and updated. The main changes include the removal of the changes (positive and negative) relating to interest earned from investments as these have been re-assessed based on an updated estimated cashflow over the next four years (included at section 9.3) and the removal of the increase (of £10,000) in sponsorship income.

4.2 A summary of the value of the planned savings/additional income and the proposed adjustment required is provided in the table below:

[1] Essex CC' Southend-on-Sea BC, all twelve District, Borough and City councils and Essex Fire Authority.

	2020/21 £	2021/22 £	2022/23 £
Savings/Additional Income Planned	3,620	(56,950)	(61,000)
Less: Proposed Adjustment	(32,000)	24,000	47,000
Revised Value of Savings/Additional Income	(28,380)	(32,950)	(14,000)

.

5. Review of Priority Investments and Unavoidable budget changes identified in previous years

5.1 The Financial Profile includes the consequences for 2020/21 of the planned priority investments and unavoidable budget changes which were identified in previous years.

5.2 Of the six changes, four were one-off budget requests in 2019/20 and these are therefore being removed from the base budget in 2020/21. Details of these four budget requests are:

- An allocation of £500,000 to the Planning Appeals reserve;
- A provision of £500,000 for Housing Development and Local Growth;
- Surplus on Council Tax Collection Fund – allocation of part of the estimated 2018/19 surplus to town and parish councils in the Braintree District of £21,040; and
- Provision of £50,000 for technical skills and expertise to develop our in-house IT services' knowledge.

5.3 The total value of these budget reductions to be made in 2020/21 is £1,071,040.

5.4 The two unavoidable budget changes identified for 2020/21 onwards which were expected to impact on the base budget are:

- Council Tax Sharing Agreement with major Essex precepting authorities, based on a proposed revision of the terms of the agreement from 16% in 2018/19 to 14% for 2019/20 and then to 12% for 2020/21, a reduction of £65,730 was included; and
- Council Tax Support and Housing Benefit Administrative Subsidies – anticipated reduction of £88,500 per annum, for 2020/21 and 2021/22, as caseload will drop as housing benefit claimants, of working age, are migrated across to Universal Credit, administered by the Department for Work and Pensions.

5.5 Whilst the administrative subsidy figures will be updated when the actual allocations for 2020/21 are received in December 2019, discussions have been held with Essex County Council regarding the sharing agreement and it is anticipated that the share will continue at 14% (subject to performance targets being achieved) for 2020/21. Therefore, the reduction of £65,730 is to be removed. This leaves a single budget requirement of £88,500 in 2020/21 and this is included in the Financial Profile.

6. Financial Performance at half-year and predicted Outturn for 2019/20

6.1 Service managers have reviewed their budgets against the monies expended and incomes received during the first half of the current financial year and have used this information to predict the outturn for the year. The prediction takes account of the delivery of the planned cost reductions, efficiencies and additional income, totalling £1,190,930, included in the 2019/20 budget.

6.2 The outcome of the review is a predicted positive variance for the year of £715,000 (4.9% against the net budget of £14.54million): this is due principally to additional income of £502,000, an underspend against the salaries budget of £21,000 and an underspend on other expenditure budgets of £192,000.

6.3 Details of this predicted outturn for 2019/20 are contained in the Quarterly Performance report; included as a separate item on the agenda of this meeting.

6.4 For some service areas the changes in the levels of income and expenditure are expected to be ongoing and therefore budget adjustments are proposed for 2020/21. These are included in the Cost Reduction/Additional Income at section 9 below.

7. Finance Profile 2019/20 to 2022/23 – Assumptions Update

7.1 Pay

7.1.1 The Financial Profile includes provision for an annual pay award of 2% which follows the last agreement of the two-year pay award agreed in April 2018, providing a 2% increase for the majority of the pay points in the grading structure but higher increases for the lower pay points in order to continue to close the gap with the National Living Wage. The actual increase will determined through negotiations at a national level between the Employers Organisation and the unions. 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).

7.1.2 Whilst it is not anticipated that the Council will have any financial consequences from the increase in the National Living Wage from April 2020 with regard to its employees, there is potential for increased costs regarding agency staff. An allowance for an increase of 5.1% or 42p per hour (to £8.63) on the agency staff budget has been included for 2020/21 under Pay inflation in the Finance Profile.

7.2 Members Allowances. A provision of 2% per annum has been included in the Finance Profile.

7.3 Pension Fund Contributions

7.3.1 The result of the Triennial Review of the Essex Pension Fund, as at 31st March 2019, was received on 1st November 2019. The review determines the pension fund assets and liabilities applicable for each employer in the fund

and sets the deficit contribution and employer contribution rate for the three years 2020/21 to 2022/23. The results of the review are summarised in the table below; for the Essex Pension Fund as a whole and for Braintree DC's portion together with the results at 31st March 2016 for comparison:

	Braintree DC part of Fund				Essex Pension Fund			
	31st March 2019		31st March 2016		31st March 2019		31st March 2016	
	£m		£m		£m		£m	
Assets	156.652		119.878		6,711		4,993	
Liabilities	-151.454		-134.347		- 6,917		- 5,598	
Net Position (surplus/deficit(-))	5.198		-14.469		-206		-605	
Funding Level		103.4%		89.2%		97.0%		89.2%
Deficit Recovery Period		7.5 years		10.5 years		12 years		15 years
Deficit Recovery Rate		1.5%		5.2%		1.5%		5.2%
Employer Primary Rate		20.3%		16.5%		20.0%		16.3%
Overall Contribution Rate		21.8%		21.7%		21.5%		21.5%

7.3.2 The review shows that the Essex Pension Fund has performed very well over the three year period, between 2019 and 2016, with this Council's part of the Fund having moved from a funding level of 89.2% to 103.4%. This represents a snap shot at a point in time as the deficit is planned to be addressed in 7½ years for this Council (12 years on average for all organisations in the Essex Pension Fund). As a result of the performance of the Fund the deficit recovery rate has been re-assessed and as a consequence the rate required over the next three years has been reduced from 5.2% to 1.5%.

7.3.3 The ongoing employer contribution rate (primary rate) is set to rise to 20.3% from the current level of 16.5%. This is due principally to changes in the Actuary's financial assumptions (+5.3%) including an increase in the rate of inflation (from 2.4% to 2.6%) and a reduction in the discount rate from 5.1% to 4.5%, and this offset partially by a reduction in the estimated life expectancy of members (-1.6%).

7.3.4 The Funding Strategy of the Essex Pension Fund endeavours to maintain consistency of overall contributions paid into the fund between triennial reviews. Although the ongoing employer contribution rate is increasing the deficit on the Council's part of the Fund has been reduced such that the combined elements are only marginally higher than that at the previous review in 2016: total contribution rate of 21.8% compared to 21.7%. This Strategy has not impacted adversely for the Council on the planned period over which the deficit is to be addressed. The triennial reviews in 2010, 2013 and 2016 determined recovery periods of 20, 14 and 10½ years, respectively. The current review has determined the recovery period has reduced to 7½ years: a reduction in line with the anticipated reduction following 3 years of deficit payments.

7.3.5 The estimated contribution payments to the Pension Fund over the three year period 2020/21 to 2022/23, with the deficit payment being made on 1st April 2020, are shown in the table below:

	2019 Valuation		
	2020/21 £	**2021/22 £**	**2022/23 £**
Ongoing Rate (estimate)	2,575,100	2,631,780	2,691,280
Deficit Payment	2,468,311		
Total Payment to Fund	5,043,411	2,631,780	2,691,280
Deficit Period	7½ years		

7.3.6 The figures in the table above are based on the same option payment plan agreed for the 2016 Valuation payments i.e. a one-off upfront payment, of all three years' deficit payments, on 1st April of the first year. This produces, a saving, of £112,250, against paying deficit payments on the 1st April of each of the three years.

7.3.7 It is proposed that the Council opts to pay the total deficit payment, of £2,468,311, on 1st April 2020. The accounting requirement for this is that the total payment is accountable in 2020/21; the implication of this is that two thirds of the payment (re 2021/22 and 2022/23) will need to be funded from the unallocated balance in 2020/21 with this resource being repaid over the two following years.

7.3.8 The adjustments required to the Financial Profile in respect of the proposed pension payments detailed above are:

	2020/21 £	**2021/22 £**	**2022/23 £**	**2023/24 £**
Increase for Deficit Payment (3 years on 1/4/20)	867,610			956,580
Increase for Employer Contribution	482,110	10,980	11,240	8,910
Use of balances to fund years 2 & 3 deficit payments	(1,645,540)			
Net Adjustment	(295,820)	10,980	11,240	965,490

The increase to the budget in 2023/24 provides an estimated deficit payment of £956,580 which is the 2022/23 figure based on the single annual payment option. The actual deficit payment for 2023/24 will be determined by the Triennial Review to be undertaken as at 31st March 2022.

7.4 Other Expenditure

7.4.1 Allowances for inflationary increases have been provided but only on specific budget headings e.g. business rates, contracts, energy, etc. based on the Office of Budget Responsibility's forecast of the Consumer Prices Index for

2020/21 and forecasts of energy cost increases received from Concept Energy Solutions, an energy management and monitoring company engaged by the Council.

7.5 Fees and Charges, Rents and Third Party Contributions

7.5.1 Fees and Charges

The general principle of the Charging Policy for the Council's discretionary fees and charges is that service users should make a direct contribution to the cost of providing services at their point of use.

The majority of the discretionary fees and charges are reviewed annually and this process is currently in progress. An exception is car parking fees and charges which are reviewed on a minimum of a three-year basis and these were increased for the current financial year.

A schedule detailing the proposed levels of discretionary fees and charges for 2020/21 will be presented in the Finance report to Cabinet on 10th February 2020.

7.5.2 Rents

It is proposed that the housing rents and service charges for the four properties in Bradford Street, Braintree, be changed in line with that prescribed by the Government to Registered Social Landlords. Details of the proposed rents and service charges will be included in the schedule of proposed discretionary fees and charges for 2020/21 to be presented in the Finance report to Cabinet on 10th February 2020.

Increases in rental income from the Council's commercial and industrial properties are determined by rent reviews, as provided within the lease terms. An assessment of the likely increases which can be expected in 2020/21 to 2022/23 are included in section 9.3 below.

7.5.3 Third Party Contributions

A significant amount of income is received from Essex County Council under a number of service level agreements and across a number of service areas.

The Inter Authority Agreement for Waste Management is the most significant at £1.975million (2019/20 budget). Other agreements are for Community Transport (£90,330) and for a council tax sharing arrangement (£460,000).

The agreements are for defined periods:

- Inter Authority Agreement, signed in January 2010, is for a period of 25 years;
- Community Transport – the current 2-year agreement terminates on 31st March 2020;
- Council Tax sharing agreement – the 1 year agreement between the three major preceptors (Essex CC, Essex Police and Essex Fire &

Rescue) and each of the Essex borough/district/city councils ceases on 31st March 2020. Essex CC has proposed a new single year agreement which maintains the share to the districts at 14% on the basis that performance targets are met, if the targets are not achieved then the share reduces incrementally down to 12%.

8. Unavoidable Budget Demands and New Investments

8.1 Bids for revenue funding to meet unavoidable budget demands and new investments total £1,174,450, in 2020/21 and £179,930 in 2021/22. Just under half of these, £514,000 in 2020/21, are an ongoing requirement and therefore are needed to be added to the base budget. Six requests, totalling £660,450 in 2020/21 and £50,000 in 2021/22, are for one-off budget requirements.

8.2 The bid requests to be added to base for unavoidable budget demands and new investment are:

Corporate Transformation

- Marketing & Communications – Income budgets for advertising are challenging with difficulties experienced in particular in selling space on the Council's refuse vehicles however this is partly mitigated with income generated from providing sales support to Basildon District Council. Budget request of £10,790.

Environment and Place

- Waste Management – recyclable materials: gate fees charged for disposal are determined in part by quarterly reference to market indices and these are now higher than the current year budget. Budget request of £150,000;
- Fleet Management – Comparability of driver's rate of pay to reflect responsibilities for their vehicle, HGV or LGV, included under the Operator's Licence – budget request £20,000;
- Operations – increase in rent payable for the depot/offices at Lakes Road. Budget request £16,000;
- Waste Management – Revenue costs for an additional vehicle and three staff members due to growth in the District. Budget request £155,000 in 2021/22;
- Community Services – the Community Safety Officer post is currently funded from an earmarked reserve. Partners in the Community Safety Partnership that are able are prepared to part fund the post from September 2020 when the reserve is fully expended. Budget request is £9,130 in 2020/21 and £9,130 in 2021/22, which will meet 50% of the full cost;

Finance and Performance Management

- Governance – Elections – Increase contribution to reserve to ensure sufficient resource to fund District Elections in 2023. Budget request of £3,000;
- Governance – Governance and Information Lawyer post was engaged on a two-year fixed term contract to assist with the introduction of the General Data Protection Regulations however the workload has not

decreased as expected. Work includes advising on and agreeing a significant number of data sharing agreements with partners and other agencies, increased data access requests and the need to meet strict timescales for reporting and managing breaches of data security. Budget requests for £19,110 in 2020/21 and £15,800 in 2021/22;

- Governance – Democratic Services – dedicated Scrutiny Officer to support the three inquiry led scrutiny committees. The work will be research and report preparation as well as overall programme management. Budget request of £42,000;
- Governance – Members Allowances recommendations of the Independent Remuneration Panel were agreed by Full Council after 2019/20 Budget was set. Budget request of £72,000;
- Finance – Insurance premia increase due to higher asset valuations, claims history and inflation. Budget request of £24,000;

Planning

- Sustainable Development – Planning Enforcement – additional Senior Enforcement Officer Post required to meet increasing demand and to enable the service to become more pro-active in enforcement activity and monitoring. Budget request of £56,490;
- Sustainable Development – Landscape Services – increased staffing capacity with an additional Tree & Landscape Officer post and extend part-time Administrative Support post to full-time to meet increased workload on the service together with an increase in the tree management budget for additional tree management works and to undertake survey work to update the tree data base records. Budget requests of £50,480 for staffing and £30,000 for works and survey;
- Sustainable Development – Software package (PlanX) – self-service system for customers to be able to check planning requirements for their proposal. Budget request of £11,000 for annual running costs (a bid for capital funding is included for the initial purchase of the system).

8.3 The bid requests for unavoidable budget demands and new investment, which are one-off in nature, are:

Communities, Culture and Tourism

- Town Hall – Upgrade CCTV system as the existing system is over 10 years old and replacement parts are difficult to obtain. Budget request of £6,000;

Economic Development and Infrastructure

- Economic Development – Provision to enable the implementation of the North Essex Economic Growth strategy – this is subject to other Councils matching the request and a suitable action plan being approved. Budget request £20,000 (propose funding from unallocated New Homes Bonus).

Environment and Place

- Waste Management – Undertake a fundamental review of the District's Waste Collection Services, embedding the principles of the circular economy into our activities and consider innovative ways of reducing, reusing and recycling the waste. Identify new collection systems and

technologies that actively encourages residents to recycle more of their waste whilst reducing the size of residual waste bins and/or frequency of residual waste collections service. Budget request for £100,000 (propose funding from Corporate Improvement earmarked reserve);

Finance and Performance Management

- Town/Parish Councils –proposal to allocate a proportion of the estimated surplus on the Council Tax Collection Fund from 2019/20, of £155,120, to the Town/Parish Councils. The proportion payable to the Town/Parish Councils is £29,450 and is for 2020/21 only. A schedule of the proposed allocation to each parish and town council is provided at Appendix A. This proposal was considered by the Cabinet on 2nd December with a recommendation to Full Council on 16th December 2019.
- Governance – Legal Services – Case Management System is no longer supported by the supplier, propose to review and either upgrade existing system or purchase new system. Budget request of £8,000;

Planning

- Sustainable Development – Infrastructure Project Officer – the role will provide an infrastructure lead for the local authority, working with partners and stakeholders both internally and externally to provide a single liaison point working across a whole of the Growth Directorate. The role would be the lead BDC officer for national highway improvement schemes such as the A120 and A12 as well as smaller community infrastructure schemes with improvements and contributions secured through S106 contributions. Budget request £47,000 propose funding from the Housing Development and Local Plan Growth Reserve; and
- Housing Development and Local Plan Growth – It is proposed that a provision of £500,000 be allocated to the Housing Development and Local Plan Growth reserve. The reserve was established in the current year to meet the costs associated with the delivery of housing growth in the District as required in the Local Plan. An allocation of £350,000 from the reserve was agreed in September for phased drawdowns to the North Essex Garden Communities Ltd following formal requests by way of a NEGC Board resolution in accordance with the agreed milestones. It is proposed that funding be allocated from the unallocated New Homes Bonus.

8.4 The proposed funding arrangements for the one-off requests are summarised in the table below:

	Council Tax Collection Fund Surplus	General Fund Unallocated Balance	Housing Development and Local Plan Growth Reserve	Corporate Improvement earmarked reserve	Unallocated New Homes Bonus Balance
Town Hall – Upgrade CCTV system		£6,000			
Economic Development - NE Economic Growth strategy					£20,000

Review of waste collection				£50,000 per annum for two years	
Town/Parish Councils – share of collection fund surplus	£29,450				
Legal Services – Case Management System		£8,000			
Infrastructure Project Officer			£47,000 per annum for three years		
Addition to Housing Development and Local Plan Growth					£500,000

9. Cost Reduction/Additional Income Proposals

9.1 At the meeting of Cabinet on 9th September it was noted that Senior Managers were in the process of reviewing their service budgets to identify possible cost reductions and/or additional income generation, in particular with reference to the projected outturn for the current year.

9.2 The review of service budgets has identified budget adjustments with a total of £553,330. These have been agreed by Management Board as they do not have a direct impact on customers or service delivery.

9.3 A summary of the adjustments is provided in the table below:

Cabinet Portfolio	Business Plan	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Corporate Transformation	Asset Management	33.61	0.86	24.35	
	Marketing & Communications	20.00			
Environment & Place	Operations	55.00			
Finance & Performance Management	Finance	344.72	-71.00	55.00	24.00
	Human Resources	10.00			
	Governance	50.00			
Planning	Sustainable Development	40.00			
	Totals	**553.33**	**-70.14**	**79.35**	**24.00**

10. Business Rates – Essex Region pooling arrangement

10.1 The Council has participated in an Essex Business Rates Pool since 2015/16. Under this arrangement growth in business rates, above a baseline figure, which would normally be passed to the Government is retained and shared between the authorities in the Essex Pool. Over the four years, 2015/16 to 2018/19, the Council has received a total of £2.171million from the Essex Pooling arrangements. The Council has agreed to allocate £1.5million of this amount to fund the I-Construct building at Springwood Industrial Estate.

10.2 Fifteen authorities are participating in 2019/20. This includes Essex County Council, the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority, Southend Unitary Authority as well as all twelve district councils.

10.3 Whilst final shares for 2019/20 will not be determined until early October 2020 it is anticipated that the Council could receive approximately £634,000. No budget provision has been included in base budget for this, as the shares are dependent on the business rates collected in each of the participating districts and also the arrangements are offered for a single year at a time by the MHCLG.

10.4 On 17th September 2019 the MHCLG wrote to the lead authority of each current Pool with an invitation to indicate the preferred pooling arrangements for 2020/21. All of the member authorities of the current Essex Pool have confirmed their willingness for the Pool to continue. The Cabinet Member for Finance and Performance Management agreed this Council's continued participation under delegated authority agreed by Cabinet on 9th September 2019. Based on the average share received/anticipated the Council could receive an additional amount of business rates of approximately £560,000 for 2020/21.

11. Business Rates Retention Scheme and Business Rate Taxbase

11.1 The Business Rates Retention scheme has been in operation in its current form since April 2013. Under the scheme the Government calculates a baseline amount of business rates which it allows local authorities to retain as part of the Government's funding for local government.

11.2 The baseline figure currently assumed for 2020/21 is £3,496,215. The actual baseline figure will be included in the Local Government Finance Settlement.

11.3 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 whilst a lower amount will require the Council to meet the shortfall up to a maximum of 7.5% of the baseline amount: any shortfall greater than this will be met from the Essex Pool.

11.4 The final determination of the Business Rates Taxbase for 2020/21 will be agreed by the Corporate Director (Finance) under delegated authority prior to the deadline of 31st January 2020. The estimate will be determined on the basis that the Government continues to provide grant funding for the additional 50% uplift, to 100%, to the Small Business Rate Relief scheme.

11.5 The estimated figure for Business Rates retained in 2020/21 is £4,946,980.

11.6 The estimate of Retained Business Rates for 2021/22 onwards includes a 2% uplift to reflect an anticipated increase in the Rating Multiplier. However, the position for 2021/22 onwards is very difficult to predict as the Government continues to work with Local Government representatives on the Fair Funding Review, which will result in a resetting of the Business Rates Retained Baseline for each authority and also the introduction of the proposed 75%

Business Rate Retention scheme which has been delayed from 2020/21 to 2021/22.

11.7 One of the key issues regarding the new 75% Business Rate Retention scheme for this Council will be the amount of growth in business rates, above the baseline, which the Council will be able to retain. Since 2013, this has built up annually and is estimated to be £1.451million for 2020/21 and is included in the base budget.

11.8 The estimated balance on the Business Rates Collection Fund as at 31st March 2020 is a surplus of £472,387. The proportion attributable to this Council is £188,955 and this is included in the Finance Profile. As the position can vary both in year and between years it is proposed that this surplus is transferred to the Business Rates Retention Reserve. This reserve is held to equalise variations on the Business Rates Collection Fund between years.

12. Local Council Tax Support Scheme

12.1 The Council has operated a Local Council Tax Support (LCTS) scheme since 1st April 2013. The scheme retains a significant proportion of the principles and elements of the previous Council Tax Benefit scheme. The main elements of the scheme, which applies to claimants of working age only, are as follows:

- The calculation of support is based on 76% (reduced from 80% for 2015/16) of the Council Tax liability rather than the full amount as under council tax benefit;
- An upper limit on the council tax banding, on which support will be calculated, is set at Band D;
- Child Benefit for the first child only will be excluded from the assessment of a claimant's income;
- The deduction for non-dependants in the household is set at £10.00 per week;
- The period of backdating a claim (with good cause) is one month;
- The amount of earnings excluded from a claimant's overall income is set at £40.00 per week with an additional earnings allowance for those claimants in receipt of working tax credit (where working a minimum of 30 hours) set at £5.00 per week;
- The full amount of War Widows pension is excluded from the assessment of the claimant's income;
- The limit on savings held by the claimant is £16,000. Savings above this limit precludes the claimant from support under the scheme;
- Minimum level of income for claimants who are self-employed is set at National Living Wage; and
- Removal of the Family Premium for new claims after 1st May 2016.

12.2 Support given to claimants of pensionable age continues to be calculated using the rules as existed under the former Council Tax Benefit scheme.

12.3 The LCTS scheme is accounted for as a discount rather than a benefit: with the Council's council taxbase being reduced by an estimate of the amount of support that will be awarded each year. For 2019/20 this was estimated to be

£7.104million. The variation between the actual and estimated amount awarded is reflected in the balance on the Council Tax Collection Fund at the year-end.

12.4 A snap shot of the number of claims, split between claimants of working age and pensioners, and the respective value of LCTS awarded for the year as at 1st October 2019 is provided in the table below:

	Pensioners		Working Age		Totals
	£		£		£
Local Council Tax Support awarded	3,858,319	55.79%	3,057,909	44.21%	6,916,228
Number of awards	3,894	45.14%	4,732	54.86%	8,626

12.5 If any changes to the scheme are proposed then these must be subject of consultation for a minimum of six weeks.

12.6 A change in the level of council tax liability on which LCTS awards are based from 80% to 76% was introduced for 2016/17 and was made with reference to the Council's financial position over the medium-term and with the aim to limit the frequency of changes thereby providing a degree of stability and continuity in the scheme for claimants.

12.7 An analysis of the council tax accounts of working age claimants and specifically the recovery stages shows that the number of requests made for an attachment to benefit as a method of recovering outstanding arrears rose from 271 in 2015/16 to 464 in 2017/18. The weekly amount recovered from ongoing benefit is set nationally (currently £3.70 per week) and only one attachment to benefit can be applied at a time and therefore attachments for subsequent year's council tax are held as 'pending'. At the end of 2018/19 517 requests for an attachment to benefit were 'pending' and in the current year to 1st October 371 requests are held as 'pending'.

12.8 Taking the above into consideration it is proposed to leave the existing scheme unchanged. As no changes are proposed to the Council's LCTS scheme for 2020/21 there is therefore no requirement for consultation.

13. Council Tax – Collection Fund – Surplus/Deficit

13.1 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 on 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 and Essex Police, Fire and Crime Commissioner for Policing & Community Safety and for Fire and Rescue Authority.

13.2 It is estimated that the balance on the Collection Fund available for distribution is a surplus of £1,229,000. The surplus will be allocated to:

- Essex County Council – £888,303
- Braintree District Council – £155,120
- Essex Police, Fire and Crime Commissioner– Policing & Community Safety – £134,919
- Essex Police, Fire and Crime Commissioner – Fire and Rescue Authority – £50,658

13.3 This Council's proportion of the council tax surplus, to be returned to council taxpayers in 2020/21 is £155,120. It is proposed that £29,450 of this surplus is allocated to town and parish councils in 2020/21 (see section 8.3 above). This compares to the surplus returned to council taxpayers of £113,625 in 2019/20 (of which £21,040 was returned via payments to the town and parish councils).

14. Council Taxbase

14.1 The Council's taxbase for 2020/21 is required to be calculated as at 30th November 2019 and will be agreed, under delegated authority, by the Corporate Director responsible for Finance. However, prior to this determination and for financial planning purposes the council taxbase for 2020/21 is estimated to be 53,046 (increase of 1% over 2019/20 taxbase) and is based on an assessment undertaken as at 11th September 2019 required by the Government.

14.2 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.

14.3 The Council has exercised its discretionary powers to set the discounts/premia for empty properties and second homes.

14.4 The current levels of these discounts are as follows:

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

At this time it is not proposed to vary any of these levels for 2020/21.

14.5 The current level of premia on long-term empty properties is as follows:

- Properties which have been unoccupied and substantially unfurnished for two years or more – 100% premium.

With the following changes agreed for the following two years, as permitted under the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018:

- From 1st April 2020, Empty Homes Premiums of:
  - 100% 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 less than 5 years: and
  - 200% if the period is at least 5 years on or after 1st April 2020

- From 1st April 2021, Empty Homes Premiums of:
  - 100% 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 less than 5 years;
  - 200% if the period is at least 5 years but less than 10 years; and
  - 300% if the period is at least 10 years on or after 1st April 2021.

As an incentive when a property is brought back into use and occupied a refund of the new premium charged (i.e. the amount above 50%) for the previous 12 months will be made.

14.6 An analysis of the 219 properties that are currently being charged the 100% premium shows that 114 will be liable for the 200% premium from 1st April 2020 and that from 1st April 2021 83 will be liable for the 300% premium and 47 liable for the 200% premium. It is noted that 51 of the 219 properties are in Finchingfield and are owned by the Ministry of Defence.

14.7 It is proposed to maintain the allowance for losses on collection at 1% for 2020/21.

14.8 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. Current policy is to consider each application on its merit. The cost of an award under the policy has to be met from the General Fund. No changes or amendments to this policy are proposed.

14.9 Discussions are currently being held with other Essex billing authorities and Essex County Council regarding the potential introduction of a council tax exemption for care leavers, aged 24 and under, from 1st April 2020. This exemption is currently only applicable in Wales but can be introduced under discretionary powers. If a proposal is agreed in principle by all Essex billing authorities then this will be presented for consideration in the report to Cabinet and Full Council in February 2020.

14.10 With the anticipated housing growth in the District over the coming years the allowance, included in the financial profile, for growth in the council taxbase is set at 1.5% per annum for 2021/22 onwards. This provides estimated council taxbases of 53,842, 54,650 and 55,470 in 2021/22 to 2023/24 respectively.

15. Council Tax Levels and Referendums

15.1 **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 must be subject to a referendum. For shire district councils the threshold for 2019/20 was set at the higher of 3% or up to and including £5. The Government proposes, in the technical consultation paper on the 2020/21 Local Government Finance Settlement, a core threshold of 2% but has posed a question as to whether an exception should be made for district councils with a threshold of 2% of £5 whichever is the higher. An increase of £4.95 on this Council's Band D for 2020/21 would equate to a percentage increase of 2.75%.

15.2 With regard to the Referendum limit and town/parish councils the Government has stated, in the technical consultation paper on the 2020/21 Local Government Finance Settlement, the following:

'*In 2018/19, the Government announced it did not intend to set referendum principles for town and parish councils for three years. This period ends in 2020/21.*

This was contingent on:

- *the sector taking all available steps to mitigate the need for council tax increases, including the use of reserves where they are not already earmarked for other uses or through "invest to save" projects which are intended to lower on-going costs; and*
- *the Government seeing clear evidence of restraint in the increases set by the sector.*

In 2019-20 the average Band D parish precept is £67.18, an increase of 4.9%. This is the same percentage increase as in 2018/19 and compares to an increase of 6.3% in 2015-16. The Government remains concerned about the pressure placed on taxpayers from thousands of town and parish councils across England and expects them to exercise even greater restraint in 2020/21.

On this basis, the Government proposes to continue with no referendum principles for town and parish councils in 2020/21 but will keep this matter under active review for future years'.

15.3 **Council Tax Levels**. As the Government's proposed referendum limit for 2020/21 is 2%, with the exception for district councils, of 2% or £5 whichever is higher, being subject to consultation, it is considered appropriate to limit increases in the Financial Profile to the 2% maximum. The increases in the level of council tax provided in the Finance Profile for 2020/21 to 2023/24 for planning purposes are:

- 2020/21 – 1.95% providing a Band D level of £183.24;
- 2021/22 – 1.96% providing a Band D level of £186.84;
- 2022/23 – 1.97% providing a Band D level of £190.53;
- 2023/24 – 1.98% providing a Band D level of £194.31.

16. Financial Profile 2020/21 to 2023/24

16.1 An updated Financial Profile for 2020/21 to 2023/24 taking account of the proposed savings and revised assumptions is provided at Appendix B.

16.2 In summary the updated financial profile 2020/21 to 2023/24 shows:

2020/21 – addition to Balances of £5,414;
2021/22* – shortfall of £629,702;
2022/23* – shortfall of £82,521; and
2023/24* – shortfall of £327,520.

Note: these years are after the single-year Finance Settlement and are likely to be subject to significant changes due to the Fair Funding Review and the Government's decision regarding the proposed new 75% Business Rates Retention scheme and also the 2020 Spending Review.*

16.3 The position for 2020/21 will be updated following receipt of the Settlement Funding Assessment.

16.4 The approach to address the anticipated budget shortfalls over the period of the MTFS will be the continuation of the workstreams under the Better at Business of:

- Maximising value from third party spend;
- Increasing income including from investments;
- Service efficiency; and
- Contract management

16.5 In addition, a cross-disciplinary project team has recently been created to support heads of service reviewing their services. The team, under the direction of the relevant head of service, will apply a structured approach designed to provide consistency to the process while reducing the resource impact to each service. The project team will identify the right tools to meet the specific challenges of each area and will work with service team members to ensure an understanding of:

- Customer expectations and how they are met
- Whether the current demand for the service is resourced appropriately, and if there are opportunities to create efficiencies in the current delivery model?
- Whether the service could be delivered collaboratively with other departments or other organisations?
- How technology could play a greater part in delivery of services? and
- Whether smarter working could be effectively used?

The information collected will then be analysed, with the project team and potential cost savings which could be achieved.

16.6 Estimated revenue income and expenditure implications of the projects agreed in the Investment Programme are included in the budget and financial profile. Other projects currently outlined in the Investment Programme are being developed and will be included in the budget and financial profile as and when the projects and the cashflow projections are agreed by the Council.

17. Balances and Reserves

17.1 The Unallocated General Fund balance as at 31st March 2019 was £5.787million.

Agreed and anticipated movements on the balances are:

	£'000
General Fund	
Planned addition to balances in setting 19/20 Budget	128
Anticipated surplus in 2019/20 (based on Q2)	715
Planned repayment re Pension Deficit	1,411
Planned use to meet one-off expenditure in 2019/20	(622)
Estimated Balance as at 31st March 2020	**7,419**

17.2 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 31st March 2019 was £22.625million, analysed in summary for the following purposes:

	£'000
Capital Investment	13,121
Risk Management	4,288
Service Reserves	4,956
Change Management	260
Total	**22,625**

17.3 A schedule detailing the planned use of the earmarked reserves over the four-year period of the MTFS will be included in the Finance report to Cabinet on 10th February 2020.

18. Financial Resilience

18.1 The initial budget proposals include estimates of income receivable from a variety of sources to finance the cost of delivering the Council's services in 2020/21. The total estimated income, excluding Housing Benefit Subsidy, is £31.48million. It is important to have an understanding of the level of reliance on each of these different sources. A breakdown of the sources is provided below:

- Council Tax - £9.72million (30.9%)

- Sales, fees and charges - £6.21million (19.7%)
- Retained Business Rates - £5.14million (16.3%)
- Rents - £3.47million (11.0%)
- Other grants and reimbursements - £2.59million (8.2%)
- Joint financing contributions – £1.91million (6.1%)
- Interest – £1.07million (3.4%)
- Government grants – £0.76million (2.4%)
- Miscellaneous – £0.61million (2.0%)
- Revenue Support Grant - Nil

18.2 The summary shows that council tax is the largest revenue source, £9.72million (30.9%), and this is considered the most stable of the revenue sources.

18.3 The second and third largest sources are sales, fees and charges (£6.21million or 19.7%) and Retained Business Rates (£5.14million or 16.3%). Fees and charges are relatively stable as the Council sets the majority of the levels and these are directly linked to service delivery. Retained business rates has also been a relatively stable source over recent years however the Government's proposed introduction of a 75% Business Rates Retention scheme for 2021/22 together with the resetting of the baseline and the potential loss of the element of growth currently retained means that 28% of this source is at risk. Whilst at this time, detail of the proposed scheme and the outcomes of the Fair Funding Review and 2020 Spending Review are unknown there will be consultation before implementation and also transitional arrangements have been promised to phase potentially large reductions over a number of years. In addition the Business Rates Retention Reserve (currently £1.44million) is held to equalise fluctuations in the amount of business rates retained between years.

18.4 Estimated rental income from commercial property is £3.47million (11.0%): this is received in accord with the terms of the leases. Other grants and reimbursements total £2.59million (8.2%): the main items include recycling credits from Essex County Council under the Inter Authority Agreement and the recovery of housing benefit overpayments. Joint financing arrangements £1.91million (6.1%) includes arrangements with Essex County Council for a council tax sharing agreement and for the food waste collection service, the latter is also undertaken through the Inter Authority Agreement. Interest earned from investments is estimated to be £1.07million (3.4%) and whilst this is subject to fluctuations in the global equity and money markets and UK property market a specific reserve (currently £985,400) is held to manage fluctuations in interest received against budget.

19. New Homes Bonus

19.1 The Government outlined its proposed approach to the New Homes Bonus scheme for 2020/21 in the technical consultation paper on the 2020/21 Local Government Finance Settlement, as follows:

19.1.1 '*As part of our roll-forward settlement the Government proposes to retain the £900million top-slice of Revenue Support Grant to fund New Homes Bonus payments in 2020/21. In addition to funding legacy payments associated with*

previous allocations, the Government is minded to make a new round of allocations for 2020/21.

19.1.2 *New Homes Bonus calculations are based on additional housing stock reported through council tax base statistics published in November. For any new allocations made in 2020/21 the Government will retain the option of adjusting the baseline in 2020/21 to reflect significant additional housing growth and spending limits. The Government will set out proposals on the baseline for 2020/21 at the provisional settlement alongside any new allocations. Any funding intended for New Homes Bonus payments in 2020/21 that is not used for this purpose will be returned to local government*.

19.1.3 *It is the Government's intention to look again at the New Homes Bonus and explore the most effective way to incentivise housing growth. We will consult widely on proposals prior to implementation. As the roll forward is for one year, with any funding beyond 2020/21 subject to the 2020 Spending Review and potential new proposals, any new allocations in 2020/21 will not result in legacy payments being made in subsequent years on those allocations'.*

19.2 The net increase of dwellings in the District, expressed as Band D equivalent, between October 2019 and October 2018 is 459, an increase of 0.75%. If the Government maintains the baseline at 0.4% then the Council will receive NHB on 214 dwellings for 2020/21.

19.3 Whilst a decision on the scheme baseline for 2020/21 will be included with the Funding Settlement Assessment the table below shows a summary of the monies received up to 31st March 2020 together with allocations agreed and the balance currently unallocated. The shaded areas in the table show the periods when payments will not be made as a consequence of the Government reducing the payment period from 6 to 5 and then to 4 years:

New Homes Bonus Summary - 2011/12 to 2020/21

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Year 1 (2011/12)	509.0	509.0	509.0	509.0	509.0	509.0					3,054.2
Year 2 (2012/13)		472.6	472.6	472.6	472.6	472.6					2,363.0
Year 3 (2013/14)			606.0	606.0	606.0	606.0	606.0				3,029.8
Year 4 (2014/15)				266.9	266.9	266.9	266.9				1,067.5
Year 5 (2015/16)					247.1	247.1	247.1	247.1			988.5
Year 6 (2016/17)						680.5	680.5	680.5	680.5		2,722.1
Year 7 (2017/18)							328.7	328.7	328.7	328.7	1,314.8
Year 8 (2018/19)								16.2	16.2	16.2	48.6
Year 9 (2019/20)									224.7	224.7	449.4
Year 10 (2020/21)										?	?
Total receivable in Year	**509.0**	**981.6**	**1,587.6**	**1,854.5**	**2,101.6**	**2,782.1**	**2,129.2**	**1,272.5**	**1,250.1**	**569.6**	**15,037.9**
Less:											
Allocations Agreed	79.0	79.0	66.4	32.3	99.7	95.7	70.0	70.0	70.0	70.0	732.1
Economic Development & Project Delivery							144.8	144.8	144.8	144.8	579.2
Allocated to District Investment	430.0	152.6	1,521.2	1,822.2	2,001.9	2,072.1					8,000.0
Allocated for Affordable Homes		750.0									750.0
Garden Communities						250.0	250.0	100.0			600.0
Grow-on Units, Springwood							86.8				86.8
Broadband						250.0		356.0			606.0
Premdor site - feasibility								80.0			80.0
Housing Development & Local Plan									500.0		500.0
Strategic Investment Team								1,991.2			1,991.2
Resource Available	**0.0**	**0.0**	**- 0.0**	**0.0**	**- 0.0**	**114.3**	**1,577.6**	**- 1,469.5**	**535.3**	**354.8**	**1,112.6**

20. Capital Programme and Resources

20.1 Details of the proposed capital projects are provided in the schedule at Appendix C. The total value of the projects in 2020/21 is £2,746,750 and £80,000 in 2021/22.

20.2 The schedule also includes anticipated requirements of £1,031,000 for Housing Services and £950,000 for Other Services in each of the years 2021/22 to 2023/24.

20.3 A summary of the capital resources and capital programme for 2019/20 to 2023/24 is provided below:

Capital Summary 2019/20 to 2024/25							
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Provisions
	£m	£m	£m	£m	£m	£m	£m
Capital Resources							
B/fwd	18.561	18.455	11.920	15.539	14.386	14.629	14.872
Anticipated capital receipts	4.994	14.017	7.095	6.196	4.711	4.711	1.070
Capital grants & contributions	1.722	1.862	0.931	0.931	0.931	0.931	
Earmarked reserves	1.361	7.833	0	0	0	0	
Borrowing (internal/ external)	3.227	9.471	4.874	-3.211	-3.211	-3.211	
Total Resources	**29.865**	**51.638**	**24.820**	**19.455**	**16.817**	**17.060**	**15.942**
Capital Programme							
Approved programme:							
Housing	1.348	1.036	0	0	0	0	
Other Services	2.683	1.029	0.050	0	0	0	0.636
Strategic Investments	7.006	32.014	6.332	0	0	0	
Capital salaries	0.373	0.400	0.228	0.207	0.207	0.207	
Proposed/ bids							
Housing		0.931					
Other Services		1.816	0.080				
Anticipated (incl. recurring items)							
Housing			1.031	1.031	1.031	1.031	
Other Services			0.950	0.950	0.950	0.950	
Strategic Investments		2.492	0.610	2.881	0.000	0.000	4.471
Total Expenditure	**11.410**	**39.718**	**9.281**	**5.069**	**2.188**	**2.188**	**5.107**
C/fwd	**18.455**	**11.920**	**15.539**	**14.386**	**14.629**	**14.872**	**10.835**

20.4 It should be noted that the majority of the anticipated balance of resources of £10.835million at the end of 2024/25 (and after allowing for provisions) is dependent on income from planned sales of a number of assets being received, these include: land east of High Street, Halstead; land off Maldon Road, Witham; serviced plots on Horizon 120; a number of small housing sites and residential properties on the Manor Street Development.

20.5 The Leader of the Council requested that all councillors have an opportunity to identify any local capital projects that they would like to see included in the Council's Capital Programme for 2020/21. All councillors were duly emailed on 10th October. A small number of councillors sought clarification on eligibility for projects in their areas but unfortunately these related to assets that were either not owned by or not the responsibility of this Council.

20.6 Two requests/endorsements were received as follows:

- Councillor Mann – support for a programme of works to Bocking Windmill which had been presented to a recent meeting of the Bocking Windmill volunteers and to seek assurance that the timescale of works of 2020/21 to 2025/26 would not slip. The proposed capital programme at Appendix C includes a bid for repairs and maintenance

works identified in a conditions survey of the Council's assets (item 7) and this includes an estimate of £54,500 for all of the works identified for Bocking Windmill to be undertaken in 2020/21.

- Councillors Mrs Sandum and Thorogood – request consideration of the purchase of an Environmentally Friendly Weedkiller System - Foamstream Equipment, which could be used principally by this Council but also be hired to parish councils. The smallest size equipment costs £19,000 which is not affordable by Kelvedon Parish Council. It is proposed that this request is considered as part of the current review into the Council's weed killing approach and practices requested by the Cabinet Member for Environment and Place.

21. Long-Term Investments – Garden Communities

21.1 Feasibility work continues in respect of the Garden Communities an opportunity which would have significant impacts, both cost and reward, on the Council's finances over the long-term i.e. thirty years plus.

21.2 The Council is working together with Colchester BC, Tendring DC and Essex CC on the North Essex Garden Communities project. The project is to establish the feasibility and funding requirements of delivering three garden communities across North Essex.

21.3 At present each of the four councils has agreed contributions totalling £950,000 toward the cost of the development of the North Essex Garden Communities project. This Council agreed to fund its contribution from New Homes Bonus.

21.4 Cabinet considered and agreed the 2019/20 Interim Business Plan and Budget of North Essex Garden Communities Ltd at its meeting on 9th September 2019. The report highlighted that assuming the Local Plans, for the authorities, are approved, and then adopted, additional funding in the range of £16m to £20m will be required over the subsequent two years in order to progress master planning, preparation for land acquisitions and set-up the preferred delivery vehicle.

21.5 It is noted that securitised external finance will be sought, however, it is recognised that funding options may be limited until infrastructure is developed which will provide an asset that can be used to underwrite the financial risk. In a worse-case scenario, if no external funding were to be secured in the two year period to 2021/22, the four authorities would need to fund the full estimated cost of between £16m and £20m. A report in respect of funding requirements and financing options for this medium-term will be presented at a future Cabinet meeting.

Allocation of the estimated Surplus on the Council Tax Collection Fund as at 31st March 2020

Parish/Town Council	Precept 2019/20 £	Allocation £
Alphamstone and Lamarsh	4,179	**56**
Ashen	4,584	**61**
Belchamp Otten	1,000	**13**
Belchamp St Paul	3,000	**40**
Belchamp Walter	5,315	**71**
Birdbrook	13,685	**182**
Black Notley	48,000	**639**
Borley	1,289	**17**
Bradwell	7,965	**106**
Bulmer	9,782	**130**
Bures Hamlet	28,817	**384**
Castle Hedingham	26,684	**355**
Coggeshall	161,923	**2,155**
Colne Engaine	24,364	**324**
Cressing	38,136	**508**
Earls Colne	87,287	**1,162**
Feering	54,206	**722**
Finchingfield	42,133	**561**
Foxearth and Liston	6,791	**90**
Gestingthorpe	7,500	**100**
Gosfield	34,019	**453**
Great Bardfield	37,499	**499**
Great Maplestead	5,804	**77**
Great Notley	87,269	**1,162**
Great Yeldham	44,631	**594**
Greenstead Green	9,046	**120**
Halstead	179,014	**2,383**
Hatfield Peverel	61,849	**823**
Helions Bumpstead	14,580	**194**
Hennys, Middleton & Twinstead	4,991	**66**
Kelvedon	108,072	**1,439**
Little Maplestead	3,778	**50**
Little Yeldham, Tilbury Juxta Clare & Ovington	5,700	**76**
Panfield	16,472	**219**
Pebmarsh	8,525	**113**
Pentlow	5,000	**67**
Rayne	42,396	**564**
Ridgewell	17,628	**235**
Rivenhall	11,500	**153**
Shalford	19,600	**261**
Sible Hedingham	105,854	**1,409**
Silver End	72,000	**958**
Stambourne	8,222	**109**
Steeple Bumpstead	42,350	**564**
Stisted	12,460	**166**
Sturmer	7,907	**105**
Terling & Fairstead	21,148	**282**
The Salings	9,700	**129**
Toppesfield	16,300	**217**
Wethersfield	29,180	**388**
White Colne	11,339	**151**
White Notley and Faulkbourne	13,500	**180**

APPENDIX A

Allocation of the estimated Surplus on the Council Tax Collection Fund as at 31st March 2020

Parish/Town Council	Precept 2019/20 £	Allocation £
Wickham St Paul	11,160	**149**
Witham	557,278	**7,419**
Total		**29,450**

General Fund Revenue Profile 2019/20 to 2023/24

APPENDIX B

	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£
Base Budget brought forward from previous year	12,419,820	14,189,390	17,311,000	14,373,098	14,747,047
Inflation:					
Pay - annual award and incremental progression	517,720	429,090	454,840	451,420	414,470
Other Expenditure Inflation	109,510	119,930	111,780	126,060	129,630
Income Inflation	0	0	0	0	0
Pension Fund adjustments (added years)	14,770	11,970	12,840	13,100	13,360
Pension Fund Deficit - Triennial payment adjustment					
Base Budget provision		1,600,700	-2,468,310		956,580
Increase to allow one-off payment in year to Pension Fund		867,610			
Increase in Employer pension contributions (from 16.5% to 20.3%)		482,110	10,980	11,240	8,910
New Demands:					
Allowance for Reduced Income/Increased costs previously profiled	1,073,000	67,460	104,500	0	
Priority Investment - one-off provision	1,245,500	-1,050,000	-188,500	-2,000	
New Budget Pressures - add to base budget		514,000	179,930	0	90,000
New Budget Pressures - one-off provision		660,450	-563,450	-50,000	-47,000
Reductions:					
Savings/Additional Income agreed previously profiled	-1,190,930	-28,380	-32,950	-14,000	
New Savings/Additional Income - Management		-553,330	70,140	-79,350	-24,000
Ongoing net change in income/expenditure identified in 2017/18					
New Savings/Additional Income - Members		0	0	0	0
Additional Savings Required	**0**	**0**	**-629,702**	**-82,521**	**-327,520**
Updated Base Budget	**14,189,390**	**17,311,000**	**14,373,098**	**14,747,047**	**15,961,477**
Addition to Balances - Base budget	127,947	5,414			
Use of Balances - Pension Fund Deficit - Triennial payment adjustment	1,410,890	-1,645,540	822,770	822,770	
Contribution from Balances for one-off New Investment	-622,000	-136,000			
Contribution from-/to+ Earmarked reserves	-566,466	-501,545	-97,000	-47,000	
Budget Requirement	**14,539,761**	**15,033,329**	**15,098,868**	**15,522,817**	**15,961,477**
Government Grant - Revenue Support Grant					
Retained Business Rates - Baseline amount	-3,431,026	-3,496,215	-3,566,139	-3,637,462	-3,710,211
- Growth above baseline	-1,423,714	-1,450,765	-1,450,765	-1,450,765	-1,450,765
Transition and Rural Services grants and returned funding	-22,125	-22,125	-22,125	-22,125	-22,125
Levy Account Adjustment (2019/20 only)	-52,638				
Collection Fund Balance - Business Rates (Surplus-)/Deficit+	-57,034	-188,955			
Collection Fund Balance - Council Tax (Surplus-)/Defict+	-113,625	-155,120			
BDC Requirement from Council Taxpayers	**9,439,599**	**9,720,149**	**10,059,839**	**10,412,465**	**10,778,376**
Tax base (+1.5% for 2021/22 onwards and collection rate of 99%)	52,521	53,046	53,842	54,650	55,470
Council Tax (Band D)	£179.73	£183.24	£186.84	£190.53	£194.31
Council Tax per week	£3.46	£3.52	£3.59	£3.66	£3.74
Percentage Increase	**2.99%**	**1.95%**	**1.96%**	**1.97%**	**1.98%**
Increase per week	£0.30	£0.06	£0.07	£0.07	£0.08

Requests for Capital Funding 2020-21

APPENDIX C

Date Produced: 6th October 2019

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost (gross of external funding)				External Funding
					2020/21	2021/22	2022/23	2023/24	
1	Health & Wellbeing	**Resurfacing of the 3G Artificial Grass Pitch at Braintree Sports & Health Club** Remove existing artificial grass surface and replace with 3G 60mm FIFA Quality carpet.	The current 3G AGP surface is now over 10 years old and has significant footfall from community use in the evenings and weekends and also for school curricular use. The carpet is now in need of replacement as the seams are starting to rise, creating a trip hazard. Significant repairs have been made in the last 18months costing Fusion and the Academy over £13k.	• Improved playing surface that is safe and fit for use for all bookings and the Academies curricular use. • Increased revenue for the facility through affiliated match use especially at weekends during the winter months when grass pitches are un-playable • Support the Council to meet the demand for football pitches able to accommodate match day fixtures as highlighted in the FA's football facility strategy	260,000				
2	Health & Wellbeing	**Hammer and Discus Cage Adaptations, Braintree Athletic Facility, Braintree Sport & Health Club**	The Hammer & Discus Cage at Braintree Sports & Health Athletic facility is over 25 years old and is in need of essential refurbishment to ensure the Braintree & District Athletics Club (BDAC), the primary user, can continue to develop and compete in the eastern region league. Following a potentially serious incident at another venue, UK Athletics has introduced a new specification for all hammer and discus cages. For the cage to be used it MUST be replaced or modified to meet IAAF specification.	• BDAC can continue to have a throws section within the club • BDAC can continue to host UKA eastern region competition • Improved facilities for club training and athlete development	15,000	-			
3	Health & Wellbeing	**Athletics Track Surface Refurbishment, Braintree Sport & Health Club** Repair and refurbishment of the track to include repairs to the cracks in the surface, over-spraying the inside lane and the main straight and re-marking the track.	The Braintree Athletic track facility at Braintree Sport & Health Club is over 25 years old and is in need of essential refurbishment to ensure the Braintree & District Athletics Club, the primary user, can continue to develop and compete in the eastern region league. To do this, the track facility needs to meet "Trackman Level 2 standard" as part of the "UK Athletics facility standard scheme".	• Ensures the track meets Trackman Level 2 accreditation so BDAC can continue to host Eastern region fixtures which brings important revenue to both the club and Fusion • Improves Health & Safety and ensures pay & play and other casual club use of the track can continue • Ensures continued use of the track for schools District Sports events	35,000				
4	Corporate Transformation	**Server Room Review and Feasibility Study** (Consultants Fees) Conduct review of server room and infrastructure to identify whether to upgrade or move to Cloud. Implement recommendations in 2021/22.	The Council has a number of physical servers located in the server room at Causeway House. Some of these have been upgraded but there are 8 which will go End of Life (EOL) in August 2021 and the 4 hosts that constitute the computing virtual environment go EOL in June 2021.	• More efficient computing capacity and throughput	10,000	80,000			

Requests for Capital Funding 2020-21

APPENDIX C

Date Produced: 6th October 2019

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost (gross of external funding)				External Funding
					2020/21	2021/22	2022/23	2023/24	
5	Environment & Place	**CCTV Camera Upgrade** Replace the obsolete CCTV cameras, replace analogue cameras with digital ones where appropriate and upgrade the fibre-optic links.	BDC have a number of CCTV cameras located in Braintree Town Centre, Halstead Town Centre and Causeway House. Some of these cameras have been in place since the installation of CCTV in the council. A number of the older cameras are now starting to fail and some of them are irreparable as there no spare parts for them. They have reached End of Life (EOL) status. Technology has also moved on and modern cameras use digital technology instead of analogue giving improved imaging thereby making the CCTV more effective and useful to the authorities.	• Improved CCTV images • More effective policing • Improved perception of safety and security in the District	30,000				
6	Corporate Transformation	**Digital Services** Upgrading Web platform.	Web accessibility regulations from September 2020. Current platform cannot meet new regulation requirements. Upgrading will provide more functionality to accommodate new requirements.	Future proof platform. Ensure Accessibility Regulations are met.	60,000				
7	Corporate Transformation	**Planned Maintenance of Council Properties 2020/21** The annual investment required to maintain those properties owned, leased and managed by the Council where the Council has a repairing obligation.	The Council reviews and updates the condition surveys relating to those properties where it has a repairing obligation by the 31st August each year. These surveys identify the priority planned maintenance works required to be carried out in following financial year. The identified 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, rental income and value of the asset.	• Sustain and improve the rental income achieved from the Council's property investment portfolio to support the delivery of Council services. Income levels can be compared year on year. • Ensure that income is maximised to help reduce the Council's revenue deficit and contribute to the corporate target to be financially self-sufficient by 2020. • Prevent the build-up of a significant level of backlog maintenance in the future which the Council may not be able to afford to fund. This could result in buildings deteriorating and not being fit for purpose, negatively impact on service delivery and lead to a loss of income.	578,750	410,000	410,000	410,000	
8	Corporate Transformation	**Computer Equipment** 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	
9	Environment & Place	**Housing Renovation Grant**	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 adaptions to a property, offer the occupier a relocation grant to enable them to move to a more suitable (adapted) property. Balance of funding available to meet demand in 2020/21,	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.	-	100,000	100,000	100,000	

Requests for Capital Funding 2020-21

APPENDIX C

Date Produced: 6th October 2019

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost (gross of external funding)				External Funding
					2020/21	2021/22	2022/23	2023/24	
10	Environment & Place	**Disabled Facilities Grant** (Better Care Grant funded)	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.	931,000	931,000	931,000	931,000	-£931,000 Better Care Fund p.a. (Based on 2019/20 allocation)
11	Environment & Place	**New footpath & re-surfacing to the rear of Rivenhall Village Hall** To improve accessibility to community facilities through the construction of a formal footpath linking Albert Moss car park to the Village Hall and playing fields in Rivenhall.	The Rivenhall Playing Fields Association (RPFA) have requested that the Council improves the access from Albert Moss Playing Field car park to Rivenhall Village Hall car park which is located on BDC land. The village hall was transferred to the RPFA a number of years ago, however, the Council retained ownership of the adjoining open space including the access. The existing access is a well-used informal track which is not suitable for elderly and disabled users and really needs to be upgraded. The RPFA and Rivenhall Parish Council and Councillor James Abbott (through his Community Grant) have agreed to offer funding which means that 50% the cost of the new pathway would be met. This bid is for the remaining 50% of the cost.	• The open space is much valued and the provision of a formal footpath would bring significant benefit to the local community including those with disabilities. • It would reduce the risk of personal injury to users of the existing track from trips and falls and thus potential claims to the Council. • It will enhance the open space by facilitating easier access and improving the aesthetics of the local area.	30,000				- 15,000
12	Environment & Place	**Protection of Public Open Spaces** (Illegal encampments) To date, some 19 open spaces have been protected through the use of either knee rail fencing or earth bunds and a further 4 sites have been identified as vulnerable: • Wentworth Crescent, Braintree • Gershwin Boulevard, Witham • Honeysuckle Way, Witham • Bocking and Blackwater Nature Reserve and Open Space, Braintree	To protect the most vulnerable public open spaces from unauthorised encampments.	• Reduction in damage to the asset and avoidable clearance costs • Reduced inconvenience and disruption for local residents • Maintenance of public open space for its intended purpose	50,000				

Requests for Capital Funding 2020-21

APPENDIX C

Date Produced: 6th October 2019

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost (gross of external funding)				External Funding
					2020/21	2021/22	2022/23	2023/24	
13	Environment & Place	**Play Area Refurbishment** Partial refurbishment/equipment upgrades at the following play area sites: • Albert Moss Recreational Gdns, Rivenhall (installed in 2003). • Bramble Road, Witham (equipment installed in 1997). • Braintree Public Gardens, Braintree (part refurbished in 2009). • Notley Community Hall, Notley Green (equipment installed in 1999).	The Council has 52 play areas around the District. All of the play areas are visually inspected on a monthly basis by trained staff and annually by an independent external assessor. The refurbishment programme ensures a high standard at our play areas for our residents and visitors to enjoy, as well as meeting the health and safety requirements for the equipment.	• Attractive, good quality and safe play equipment will encourage young people to participate in physical activity and thus contribute to their health and wellbeing. • Play areas are regarded as valuable community facilities that contribute to people's quality of life. They form an important part of the open space network in the Braintree District and create a sense of pride in local areas. • Having high quality and well maintained play areas helps to improve the Council's reputation and creditability through securing nationally recognized awards such as National Playing Fields Association, whilst also demonstrating a commitment to maintaining recreational open space for all to enjoy.	80,000				
14	Environment & Place	**Cordon's Farm Waste Transfer Station Resurfacing and Drainage Works** • Reinforcement to the hard standing area located to the left of the Portacabin on entering the site • Widening of the drainage channel that runs across the centre of the site between the Sweepings Bay and the Green Waste Recycling Bay, to allow for an improved flow rate for surface water drainage into the interceptors on site, reducing the risk of flooding.	This work is necessary in order to maintain compliance with the environmental permit issued by the Environment Agency. Improved site drainage and repaired concrete surface area at the site, will also result in: • an improved drainage infrastructure • reduced flooding in front of the green waste bay during wet weather • the ability to accurately record the payloads of green waste leaving the site (currently excess surface water is absorbed by the green waste, making it heavier) • improved quality of green waste (pooling of water in this area causes it to decompose more quickly than if kept dry) • reduced trip hazards on site • improved safety for vehicles manoeuvring, as well as Reversing Assistants and site staff carrying out their duties • improved safety for pedestrians visiting site • physically and aesthetically improve the overall condition of the site • improved safety for road users by not transferring unwanted detritus and debris from the Transfer Station to the public highway and neighbouring businesses. • enhanced professional perception of BDC's operation at this site, as well as the health, safety and wellbeing of visitors, contractors, drivers / loaders and site operatives.	• Maintain compliance with the environmental permit and reduce the risk of any potential accidents in relation to the poor surface area by site staff, contractors and other visitors to the site.	17,000				

Requests for Capital Funding 2020-21

APPENDIX C

Date Produced: 6th October 2019

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost (gross of external funding)				External Funding
					2020/21	2021/22	2022/23	2023/24	
15	Environment & Place	**Depot Refurbishment Works** Refurbish the Male toilets to provide additional facilities at Unit 4 and replace the redundant heating in the area used by front-line operational staff.	The proposal will double existing provision to cater for the increase in male staff based at Unit 4 and visitors. In some periods over the winter the temperature falls below that which is required for the workplace under statutory guidance.	• Meet the employer duty of care for the health, safety and welfare of its staff • Improved working environment and better facilities for staff and visitors to Unit 4 • Improved morale and motivation for male staff	50,000				
16	Environment & Place	**Gardens of Remembrance in our Cemeteries** To provide opportunities for memorials (Infrastructure costs - footpaths, fencing, seating, etc.) within a Garden of Remembrance which will generate ongoing income to the Council.	This is an 'invest to save' project to create Gardens of Remembrance and sell memorial space (either a one-off cost or leased over periods of time e.g. 5-10 years) to relatives or friends of the deceased. It will discourage the sporadic placement of memorials throughout our cemeteries which is difficult to control given the sensitivity of the subject matter	• Enhanced facilities for customers of our Cemeteries Service who will be able to enjoy quiet, peaceful contemplation and reflection in a high quality, well maintained public space. • Invest to Save opportunity for the Council (Income generation from year 2)	50,000	-			
17	Planning	**Purchase & set-up of new software called PlanX to assist with duty Planning** Proposed procurement of PlanX for Development Management, to provide an online self-service system for Customers to check whether they require planning permission for a particular proposal.	Currently a Duty Planning Service is operated on two mornings per week. The Service is resourced by a Planning Officer . The Duty Planner provides informal advice on whether planning permission is required, assistance with the completion of planning application forms and the plans that need to be submitted with a formal application, and general information and advice on national and local planning policy and processes. The Duty Planner does not give a view on the acceptability of the proposal. Customers are instead directed towards the Council's Pre-application service.	Improve the duty planner service for customers. o Customers would be able to resolve many enquiries themselves, 24 hours a day making the service more accessible. o Help customers to understand the process o Reduces the sense of subjectivity behind advice. • Reduce pressure on Planning Officers, allowing more of their time to be focused on the assessment of planning applications and pre-applications. • More consistency and removes the risk of 'human error'. • Provides a clear audit trail for the Customer and the Local Planning Authority.	10,000				
18	Economic Development	**Pedestrianisation of Braintree Town Centre** Pedestrianisation scheme to convert existing highway into a valuable, high-quality and multi-purpose place that would have the flexibility to adapt to the modern needs of locals and visitors.	The surface quality of the High Street is very poor and demands full reconstruction to carriageways, footways and drainage. A bid for funding has been submiited to the Department for Transport 'Challenge Funds'. In addition ECC are in the process of confirming the full extent of their investment. A separate report on the December Cabinet's agenda seeks the use of some of the existing Town Centre Improvement budget and request for an additional sum of £500k. This will meet our contribution to the highway improvements and also deliver a range of public realm enhancements and also extend key elements of the project along Fairfield road outside the Town Hall as well as public realm adjacent to the Museum.	The aim is to increase footfall; increase visitor dwell time; increase the regularity with which people visit; to positively influence spend in the town, improve its value to the community and help it evolve.	500,000				
19		Allowance for bids in future years				500,000	500,000	500,000	
				Totals	**2,746,750**	**2,061,000**	**1,981,000**	**1,981,000**	**- 946,000**

PERFORMANCE MANAGEMENT BOARD
27th November 2019

Braintree District Council

First Quarter Performance Management Report 2019/20	Agenda No: 6

Portfolio	**Finance and Performance**
Corporate Outcome:	**A high performing organisation that delivers excellent and value for money services**
Report prepared by:	**Tracey Headford – Business Solutions Manager**

Background Papers:	**Public Report**
First Quarter Performance Management Report 2019/20	**Key Decision: No**

Executive Summary:
The purpose of the attached report is to summarise the performance of the Council at the end of the first quarter (April 2019 to June 2019).

As at the end of June 2019, two projects are complete and a further 50 projects are on track and progressing well. Two projects have an amber status in respect of the Local Plan and the project to develop a digital platform for health.

Ten performance indicators have met or exceeded target and four performance indicators have missed their target, of which three missed by less than 5% and one missed by more than 5%. The areas where performance has missed target are in relation to recycling rates (>5%) and collection rates for council tax and business rates and percentage of invoices paid within 30 days (<5%). Outturns in these areas are being monitored closely.

Financial Performance
This part of the report provides an updated review of the financial position for the year up to the end of June 2019. It examines the latest forecast for spending on day-to-day service provision compared to the budget for the year. Also included is a summary of treasury management activities; projected movements on the General Fund balance; and a summary of spending to date on capital projects.

Summary

- An overall positive variance is projected for the year of £642,000 (-4.4%) against budget.
- Across all services staffing budgets are forecast to be underspent by £191,000; and after allowing for the corporate efficiency target of £200,000, this results in a projected variance of +£9,000.
- Other expenditure is projected to be underspent by £72,000.
- Income is projected to be overachieved by £579,000.
- The projected variances will be reviewed to assess whether or not they are likely to be ongoing into future years so that necessary adjustments can be made as part of the initial planning for the Council's 2020/21 budget.

For a detailed explanation of the financial performance, please refer to page 17 onwards of the full report.

Recommended Decision

Members of the Performance Management Board are asked to note the report.

Purpose of Decision:

To inform Members of the performance of the Council.

Any Corporate implications in relation to the following should be explained in detail	
Financial:	An assessment of the Council's financial position against the agreed budget for the year is provided and is based on income and expenditure during the year.
Legal:	There are no legal issues raised by this report.
Safeguarding:	There are no safeguarding issues raised by this report.
Equalities/Diversity:	Equalities and diversity issues are considered fully in the Council's key projects, where appropriate.
Customer Impact:	Performance of front line services, including Customer Services, Housing Benefits and Council Tax, for the quarter is provided. A summary of complaints received each quarter, analysed by outcome (justified, partially justified or not justified) is provided.
Environment and Climate Change:	The report provides details of progress in the delivery of the Council's key projects. This will include supporting residents and businesses in lowering the cost of their energy bills and energy consumption, anti-litter campaigns, campaigns encouraging recycling and responding to the consultations on the new Government Resource and Waste Strategy for England.
Consultation/Community Engagement:	Consultation is considered fully in the Council's key projects, as appropriate.
Risks:	Risks regarding the assumptions used in determining the predicted financial outturn for the year are identified.
Officer Contact:	Tracey Headford
Designation:	Business Solutions Manager
Ext. No.	2442
E-mail:	tracey.headford@braintree.gov.uk

FIRST QUARTER

PERFORMANCE MANAGEMENT REPORT

1st April 2019 to 30th June 2019

Braintree District Council

Contents

Section 1: Introduction and Summary	**page**
• Purpose of the Report	3
• Summary of the Projects	3
• Summary of the Performance Indicators	4
Section 2: Delivering our Corporate Strategy	5
Environment and Place	5
Strategic Growth and Infrastructure	6
Economic Development	7
Health and Communities	9
Finance and Performance	10
Overall Strategy and Direction	12
Section 3: Managing the business	
• Performance Indicators in detail	13
Environment and Place	13
Strategic Growth and Infrastructure	13
Health and Communities	13
Finance and Performance	13
• Complaints	14
• Our Organisation	15
• Health and Safety	16
• Financial Performance	17
Financial Position Statement	17
Capital Investment	26

Section 1: Introduction and Summary

Purpose of the Report

The purpose of the report is to demonstrate the performance of the Council at the end of the first quarter in relation to the publication of the 'Annual Plan 2019/20'. This sets out the key activities and measures used to check our performance for the year and along with the Corporate Strategy 2016-20 sets out the priorities we are working towards. We have also signed up to 'The Future of Essex' which is a vision shared by more than 100 partners, all dedicated to improving the county over the next 18 years. The projects that are supporting this vision are marked with **(E)**. Further detail is given in relation to a set of business performance indicators covering finances, customer focus, our people and health and safety.

This report does not contain details of the numerous activities ongoing in each service area that also contribute to delivering what is important and will make a difference to all in the District. Full details of all projects and performance indicators used to measure the outcomes are available upon request.

Summary of the Corporate Projects current position for the end of the first quarter

The following table provides updates for the end of the first quarter in relation to the key activities in the 'Annual Plan 2019/20'

Corporate Priorities	**Status of projects and actions**				
Environment and Place	0	7	0	0	0
Strategic Growth and Infrastructure	0	9	1	0	0
Economic Development	0	10	0	0	0
Heath and Communities	1	12	0	0	0
Finance and Performance	1	6	1	0	0
Overall Strategy and Direction	0	6	0	0	0
TOTAL	**2**	**50**	**2**	**0**	**0**

KEY:

- Project completed
- Project on target
- Project scope/target date requires attention
- Project requires amendment
- Project aborted/closed

Summary of the Performance Indicators position for the end of the first quarter

The following table shows the performance for the end of the first quarter in relation to the quarterly and annually reported Performance Indicators that have targets set as defined in the 'Annual Plan 2019/20'.

Corporate Priorities	**Status of indicators**			
	✅	⚠	🛑	Data Only
Environment and Place	2	0	1	0
Strategic Growth and Infrastructure	2	0	0	0
Health and Communities	2	0	0	0
Finance and Performance	4	3	0	0
TOTAL	**10**	**3**	**1**	**0**

KEY:

- ✅ Performance Indicator has achieved target
- ⚠ Performance Indicator is up to 5% below target
- 🛑 Performance Indicator is 5% or more off target

Summary Position

We have seen a good start to the first quarter of the year with two projects completed and the majority of the remaining projects progressing well. Two projects have an amber status in respect of the Local Plan and the project to develop a digital platform for health. The Local Plan is marked as amber as decisions of neighbouring authorities and the Planning Inspector continue to be a major risk to this project. The project to develop a digital platform enabling resident's access to health information and initiatives to support their health is amber as the bid to fund this project was unsuccessful and we are investigating what we can do to deliver this using existing resources.

Ten performance indicators have met or exceed target and four performance indicators have missed their target of which three missed by less than 5% and one missed by more than 5%. The areas where performance has missed target are in relation to recycling rates (>5%), collection rates for council tax and business rates and percentage of invoices paid within 30 days (<5%). Outturns in these areas are being monitored closely.

As we enter the last year of our corporate strategy, we will continue to monitor our performance and focus our resources accordingly to deliver and achieve our corporate objectives.

Environment and Place

Project description and comments	Target Date	Status
Respond to the consultations on the new Government Resource and Waste Strategy for England and consider proposals in relation to the Council's refuse and recycling service		
The Council has provided a response in May 2019 to the consultation published by the Department for Environment, Food and Rural Affairs (DEFRA) outlining the Governments proposal on plastic packaging tax. We are currently awaiting the outcome of the consultation to understand the potential implications for the Council's waste collection service	**March 2020**	
Continue to promote and raise awareness of the importance of minimisation, reuse and recycling to both residents and businesses to reduce the amount of waste sent to landfill		
A number of promotional activities including talks to community groups have taken place in the last quarter and we continue to doorstep in new blocks of flats to inform residents what can be recycled	**March 2020**	
Refurbish the four play areas at St Mary's Road in Rivenhall, Ashpole Road in Bocking, Mill Chase in Halstead and Clare Road in Braintree		
The refurbishment of the play areas is currently in the planning stage	**December 2019**	
Continue to protect our larger open spaces from illegal encampments by creating earth bunds and ditches to prevent disruption and inconvenience to local residents		
Additional security fencing at Bramble Road in Witham is now compete and works are currently being planned at Rickstones Recreational Ground in Witham, Marshalls Park in Braintree and Millennium Way in Braintree	**September 2019**	
Replace the benches in parks and open spaces ensuring they are fit for purpose allowing residents and visitors to enjoy recreational time		
Arrangements to replace three benches in Halstead public gardens and four benches in Halstead cemetery are underway	**August 2019**	
Continue to investigate and enforce littering, dog fouling and fly-tipping offences to help keep the district looking clean and tidy		
In the first quarter of the year, 25 fixed penalty notices have been served for littering and the Council has successfully taken legal action against 2 people for fly tipping and associated offences	**March 2020**	
Deliver a car litter campaign to support the introduction of new legislation		
Braintree District Council will be participating in a district wide 'Love Essex' campaign to reduce car litter which is expected to go live in September	**March 2020**	

Strategic Growth and Infrastructure

Project description and comments	Target Date	Status
(E) Continue to work towards completing the examination and adoption of the Local Plan		
The North Essex Authorities have been carrying out additional work on the evidence base and additional sustainability appraisal to address the Inspectors concerns regarding the new Garden Communities proposed as part of the Section 1 Local Plan for North Essex. The findings of the revised and new Local Plan evidence will be considered by Local Plan Committees across the three authorities, through July, and then by full council meetings in Braintree and Tendring ahead of a period of consultation. The project is marked up as amber as the decisions of neighbouring authorities and the Planning Inspector continue to be a major risk to this project	**December 2020**	
(E) Formally adopt the first Neighbourhood Plan in the district		
The examination on the Bradwell with Pattiswick Neighbourhood Plan has been completed and the document approved for referendum by Cabinet. The referendum took place on the 27th June 2019 and was passed with 90% of voters in favour. The plan will be adopted by Full Council in July	**July 2019**	
(E) Continue to work with partners to provide housing, employment and supporting infrastructure to address our long term housing and community needs		
Work continues with partners on the Garden Communities looking at a long term strategy which will contribute to meeting the needs of North Essex's growing population ensuring that new developments come with the infrastructure, affordable homes, schools, doctor's surgeries and facilities needed for new communities. Part 1 of the Local Plan will be considered by Local Plan Committees and by full Council meetings in July and August	**March 2020**	
(E) Develop Council owned sites to deliver additional mixed tenure homes across the district and consider establishing a Council owned Housing Development Company		
Approval will be sought at a future Cabinet meeting for funds to develop up to five Council sites to submit planning applications in a twin track approach to run alongside the development of the Business Case for the Development Company	**March 2020**	
(E) Commence construction of the regeneration of Braintree Town Centre enhancing the appeal of the town to residents and visitors		
Planning consent was granted on the 12th March 2019 and tender documents were issued on 25th March with three tenders received, Officers are now working with the Council's employer's agent in negotiation with the three contractors regarding costs and it is anticipated that a further report and recommendations will be submitted to Cabinet in September 2019	**December 2019**	
(E) Continue to work with Essex County Council to reduce congestion on the local road network in Braintree		
Essex County Council is looking at different options and working with our Planning Department on the works required to the roundabout as part of the S106 for land West of Panfield Lane, which should be granted planning approval subject to S106 in July 2019. In the interim Essex County Council have relined the 'keep clear' markings on the roundabout which had been requested by the businesses based on the estate	**March 2020**	
(E) Work with Essex County Council and Highways England to secure planning consent and commence construction of new slip roads linking the A120 to Millennium Way alleviating congestion		

at Galleys Corner		
A planning application was submitted to Essex County Council in May 2019 with construction due to commence Spring/Summer 2020. Essex County Council will lead the project and a project team has been established and design works commenced	**March 2020**	
(E) Continue to work with Essex County Council on securing improvements to the strategic highway network including the A120 and A12		
The favoured route option for the A120 was announced in June 2018 which has been recommended to Highways England and the Department of Transport for inclusion in the Road Investment Strategy 2, which is the next funding period for the strategic road network. An announcement as to whether this has been included is expected later this year	**March 2020**	
(E) Commence construction of an improved bus interchange as part of the Manor Street regeneration		
Planning consent for the regeneration of Manor Street has been agreed and discussions have started with Essex County Council around leasing the bus interchange	**March 2020**	
(E) Create a high quality business community through the development of the Horizon 120 business and innovation park		
A website (www.Horizon120.com) has been launched and the site is now being advertised to businesses interested in relocating to the site. The Marshgate Group, a commercial property developer, has announced plans to develop up to 20 acres of land to deliver the vision for Horizon 120. The park will offer a multitude of commercial uses for a number of sectors including professional services, research, digital and development, distribution and advanced manufacturing. Details of the proposal will be subject to formal consideration and approval at Cabinet in July 2019	**March 2020**	

Economic Development

Project description and comments	Target Date	Status
(E) Complete the acquisition of strategic employment land in Witham supporting business creation and growth		
A suitable site has been identified and will be acquired at nil capital cost to the public purse through the prudent use of the planning system. The site is due to transfer early 2020. This commitment is underpinned by an allocation of £500,000 of funding to support the project via the District Investment Strategy	**July 2021**	
Complete physical improvements to key industrial estates including new signage and branding		
The planning application for the improved signage on the Springwood Industrial Estate has now been submitted and is out for consultation. Comments can be submitted up until 24th July. Details of this planning application have been distributed by email to the Springwood Industrial Estate businesses and publicised on the Springwood Industrial Estate Facebook Group	**March 2020**	
Work with existing and form new partnerships to increase levels of targeted business and skills support		
A Business Support Roadshow was delivered at Springwood Industrial Estate in April supporting over 20 businesses by providing relevant updates and information. As a result of this event, monthly updates will be emailed to	**March 2020**	

businesses and further roadshows will be scheduled bi-annually. A fully funded workshop was delivered in June by Invest Essex to businesses on maximising their web presence and meetings have been held with Halstead and Witham Chambers of Commerce to explore delivering the next Business Support Roadshows and to identify other partnership opportunities. Officers are working with several new partners to support and deliver the countywide Essex 2020 initiative to celebrate Science, Technology, Engineering, Arts and Maths		
Secure planning consent and commence construction of the I-construct Innovation in Construction Hub at the Braintree Enterprise Centre		
A planning application has been submitted in June for construction of the I-construct Innovation Hub which will support businesses and create jobs across the Greater South East region	**December 2019**	
(E) Work with the Braintree Education and Skills board to secure funding and develop projects to increase skills across the district providing a workforce that meets employers' needs		
To celebrate International Women in Engineering Day officers arranged for Alec Hunter and Maltings Academy's female students to visit Stansted Airport. In total 40 girls attended the event where they met women working in STEM related roles at the airport. The interactive event was held at the Aerozone and created to celebrate women who work in engineering careers to inspire more young women to consider a future in the sector	**March 2020**	
(E) Deliver physical improvements to the town centres of Braintree, Witham and Halstead		
An on-site survey of the street furniture in Halstead and Witham has been carried out in conjunction with Essex County Council and plans will be drawn up following the results of the survey	**December 2020**	
(E) Establish a Tourism Partnership to promote the district, support businesses and increase tourism		
The Tourism Partnership was launched in June with 25 external stakeholders and was well received. The next meeting is scheduled for September with ongoing engagement until that date	**March 2020**	
Supporting markets across the district including continuing to develop the street market concept		
Street Markets are planned for each month in Braintree, and three have been run so far. Street Markets are also planned for Witham in July, August and September, with one having been run so far. The Street Markets in Braintree continue to attract a high level of trader, business and public acclaim	**March 2020**	
Working through the Town Centre Partnership, deliver schemes to improve the vibrancy of Braintree Town Centre		
Braintree District Council is providing support to the Braintree Town Centre Partnership which now has a logo, website and a draft version of the organisation structure and annual objectives and is moving towards agreeing a formal type of organisational constitution. The meetings of the partnership will be taking place on the first Tuesday of each month	**March 2020**	
A programme of events is being planned for Braintree Town Centre including preparations for Christmas and discussions are being held with stakeholders to ensure a co-ordinated town wide event	**March 2020**	

Health and Communities

Project description and comments	Target Date	Status
(E) Continue to deliver the Livewell child project working with families with young children providing support and advice on nutrition and healthy activities in an attempt to locally halt the rise in childhood obesity		
The Play Champions scheme in Richard de Clare School has now finished and a presentation made at the school to congratulate the efforts the children had put into the training. A potential food partner has been identified for the 'Meal Time' initiative to provide school parents with a healthy meal for all the family at pick-up times. This is to help those parents who don't have time to cook, can't afford to buy ingredients, children enjoy takeaways or the parents don't know how to cook	**March 2020**	
Improve the play experience at Great Notley Country Park and Halstead Leisure Centre by replacing the artificial pitches		
Planning permission has been granted to replace the artificial pitch at Halstead Leisure Centre and the Football Foundations have agreed the funding for the project	**March 2020**	
The replacement of the artificial grass pitch as Great Notley Country Park is out for tender, closing in July when the tenders will be evaluated and a contract awarded	**August 2019**	
(E) Work in partnership with local GP surgeries, the NHS and Mid Essex Clinical Commissioning Group (MECCG) to develop a new modern healthcare facility in Sible Hedingham		
The Council is working with the NHS and MECCG to develop a modern healthcare facility, which will provide a new combined premises for existing surgeries in Castle Hedingham and Sible Hedingham. The design team have met with GPs and a final scheme design has been costed, and a pre-app meeting held with the Planning Department	**September 2019**	
(E) Work with partners to improve emotional health and wellbeing and identify improvements to access mental health services for residents		
A Mental Health workshop will be taking place in July to discuss the action plan and to receive presentations around Health in Mind, Emotional Wellbeing, First Stop and Horizons. A mapping exercise is also underway to identify the services already available in our district	**March 2020**	
Develop a Rough Sleeping Strategy setting out how we will provide specialist support for vulnerable people on the street		
The Council's Homelessness Strategy addresses rough sleeping and has been renamed as the Homelessness and Rough Sleeping Strategy to comply with Government requirements. We are currently working in partnership with local authorities across Essex and CHESS to help prevent rough sleeping	**May 2019**	
(E) Continue to raise awareness of child exploitation through the 'spot-it, stop-it' campaign		
We are working alongside Essex Police and the Licensing Team to organise and attend Pubwatch meetings in Braintree, Halstead and Witham to promote the scheme and identify those that wish for their staff to receive training	**March 2020**	
(E) Continue to promote events and provide opportunities that would benefit those living with dementia and their carers		
A number of events have taken place across the district in the last quarter	**March 2020**	

including the dementia cinema in Halstead which had 263 attendees and the walk & talk group had 30 attendees. A seated exercise run by Sport for Confidence has begun with 8 attendees so far. The Braintree District Dementia Alliance has been relaunched and is now led by Community 360		
In partnership with Fusion, encourage inactive over 60's to become active again by developing the Age well sessions at our local sports centres		
A meeting has been arranged with Fusion to look at the age well sessions at the local sport centres. Seated exercise classes have started in Witham	**March 2020**	
(E) Continue to support community groups to deliver local projects and activities through the Councillor Community Grant Scheme		
Four grants have been made to date to the value of £2,250. Grants could not be made in April and May due to local and European elections	**March 2020**	
(E) Work with partners to raise awareness and identify ways to combat social isolation and loneliness		
We continue to attend the Essex Social Isolation and Loneliness Forum. Essex County Council have recently commissioned Provide as a strategic partner and the Rural Community Council of Essex (RCCE) as the delivery partner for Mid Essex. We have met with RCCE, Community360 and Greenfields Community Housing to gain an understanding of the work commissioned by Essex County Council, what partners are doing relating to this agenda and how we can work together moving forward. Four businesses are currently providing a venue for Meet Up Mondays	**March 2020**	
Continue to work with key local groups to develop plans for a community facility in Witham		
Meetings have taken place with two organisations interested in being the anchor tenant to discuss the development, how they would like to be involved and the next steps	**March 2020**	
Promote volunteering opportunities to work with young people and promote activities and clubs available to young people in our district		
The annual volunteer awards took place on 6th June with 84 people in attendance including award winners and their guests, dignitaries and sponsors	**March 2020**	

Finance and Performance

Project description and comments	Target Date	Status
Review our services and processes to ensure they continue to provide value for money		
An organisation wide review is taking place as part of our ongoing commitment to ensure all our services deliver value for money to our customers, preparing the Council for the financial challenges anticipated over the next few years. Each department has identified a number of projects with the aim to improve efficiency and reduce operating costs. These will shortly be considered and prioritised by the Authority's leadership team, before moving forward	**March 2020**	

Develop our commercial programme to generate income that can be reinvested in front line services		
We continue to develop the Council's commercial approach and in the first quarter of the year, a catering offer has been introduced to the Essex Enterprise Centre, we have embedded the shared payroll service into the organisation and developed a growth strategy and increased advertising and sponsorship revenue to £40k. An Essex Commercial Network has been developed which will identify opportunities to explore in sharing resource including an agreement to continue with a shared sales resource	**March 2020**	
Identify and progress investment opportunities that help us to deliver our corporate strategy whilst providing a return on investment to strengthen our financial independence		
We are currently working with Marshgate to develop 20 acres of the site at Horizon 120. As and when investment opportunities are identified, further information will be provided which may include opportunities at Horizon 120	**March 2020**	
Respond to the anticipated Government consultation on its proposed 75% Business Rate retention scheme and the Fair Funding Review which will impact on the Council's finances from April 2020		
We are currently awaiting consultation from Government on the proposed scheme, although timescale are unknown at this time	**March 2020**	
Continue to identify improvements in customer focused services using the Customer Service Excellence Standard as a framework		
The Customer Service Excellence assessment will be taking place on the 5th, 6th and 7th November looking at consultation and engagement, satisfaction surveys, customer service standards, how we improve our written, verbal and web based information, benchmarking and best practice and how we improve our delivery of service	**December 2019**	
Implement the Council's discretionary Business Rate relief scheme for independent retail businesses		
The new retail rate scheme approved by Full Council in February 2019. The new relief was awarded to eligible retail businesses and included in the business rate bills for 2019/20. Any further businesses meeting the criteria will be assessed throughout the year and the reduced rate applied	**May 2019**	
Expand our online booking and payment systems enabling residents to book and pay for more services through our website.		
Online bookings are being developed and testing of the system will be taking place over the summer	**March 2020**	
Develop a digital platform enabling residents to access health information, initiatives and support to improve their health and wellbeing		
The bid to fund this project from the Government "Trail Blazer" programme was unsuccessful and we are currently investigating what we can do to deliver this using existing resources	**March 2020**	

Overall Strategy and Direction

Project description and comments	Target Date	Status
(E) Continue to deliver projects under the District Investment Strategy to achieve better outcomes for the district and a return for the taxpayers' purse by: • **Working in partnership to improve health provision across the district** • **Facilitating the need for housing by providing homes and supporting infrastructure** • **Improving our most congested roads and journeys across the district** • **Planning for growth by providing jobs delivering increased opportunities for new business and employment** • **Delivering investment opportunities that support growth and provide a return for the District Council**		
The Council continues to work with the NHS, Mid Essex Clinical Commissioning Group and other healthcare partners to develop modern healthcare facilities in Sible Hedingham, the Newlands Centre in Witham and Braintree Town Centre as part of the Manor Street regeneration	**March 2020**	
The Manor Street regeneration includes the provision of 35 new homes and approval is being sought at a future Cabinet meeting to develop up to five Council owned sites. Pre-app meetings have taken place in May to provide four temporary accommodation units in Braintree	**March 2020**	
Work continues on a number of projects reported under the Strategic Growth and Infrastructure section such as the A120 Millennium Slip roads and improvements to Springwood Drive roundabout	**March 2020**	
A number of projects and actions are underway to ensure delivery of the Braintree Plan for Growth to provide jobs such as working with developers to bring forward strategic employment land at Witham, developing the first 20 acres of Horizon 120 and submitting a planning application for a Construction Innovation Centre. Five businesses have also moved into the office suites at Osier House, the recently built rural business hub in Sible Hedingham supporting new and existing businesses to develop	**March 2020**	
There are a number of projects reported on throughout this report that provide an update on current investment opportunities under the District Investment Strategy. As and when new opportunities arise, projects will be set up accordingly	**March 2020**	
Work with partner authorities (Tendring District Council, Colchester Borough Council and Essex County Council) and other public and private sector organisations to plan for and enable sustainable growth in homes and jobs in the north Essex area		
Work with Tendring and Colchester continues on the Joint section 1 Local Plan and a meeting has taken place between senior executives in the lead up to Uttlesford Local Plan. We have also been working with Essex County Council on Housing Infrastructure Bids (HIF) to support the development of Garden Communities and are awaiting outcomes. Essex wide work is underway on a number of evidence documents and guidance including the Essex wide Recreational Avoidance Mitigation Strategy (RAMS) study	**March 2020**	

Section 3: Managing the Business

Our Performance Indicators in Detail

Performance Indicator	2019/20						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
Environment and Place							
Percentage of land that falls below cleanliness standards for litter	n/a				n/a	n/a	*Recorded three times a year – July, November and March*
Percentage of household waste sent for reuse, recycling and composting	52.26%				60%		*The annual recycling target of 60% is a target adopted by the Essex Waste Partnership to be achieved by 2020. The tonnage of residual waste has met target this quarter and the Council continues to focus on waste minimisation and recycling initiatives throughout the year as well as actively engaging in the consultation on the Government's new Resources and Waste Strategy.*
Tonnage of residual household waste not recycled	114kgs				117kgs		
Number and percentage of non-hazardous fly tips on public land cleared within 24 hours of being reported	100% (211)				100%		
Number of fuel poverty and domestic energy reduction installations carried out	Annually reported indicator					n/a	
Strategic Growth and Infrastructure							
Number of affordable homes delivered	13				13		
Number of homes granted planning permission	1,103				250		
Health and Communities							
Average waiting time for applicants on the Disabled Facilities Grant	78 days				90 days		
Achieve a 2% increase on the contract baseline in participation levels across all our sports centres	238,842				231,981		
Achieve at least a 1% increase in adults being active for 150 minutes per week	Annually reported indicator					n/a	
Finance and Performance							
Average call answer time in the Customer	14 seconds				15 seconds		

Performance Indicator	2019/20						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
Service Centre							
Time taken to process housing benefit/council tax benefit new claims	16.25 days				20 days		
Time taken to process housing benefit claim changes	5.28 days				6 days		
Percentage of Stage 1 complaints responded to within target	94.07%				90%		
Collection rate for Council Tax	30.46%				31.06%		*Collection rates are slightly down in the first quarter of the year and are being monitored closely.*
Collection rate for Business Rates	31.13%				31.40%		*Collection rates are slightly down in the first quarter of the year and are being monitored closely.*
Percentage of invoices paid within 30 days of receipt	98.82%				99.25%		*Performance is slightly below target. The relevant sections have been reminded of the importance of passing invoices for payment in a timely manner.*

Complaints

The quarterly complaints analysis for the first quarter of 2019/20 is detailed below. This is compared with 2018/19 figures shown in brackets. The figures represent all three stages of the complaints process.

Complaint Category	Q1 2019/20	Q2 2019/20	Q3 2019/20	Q4 2019/20	TOTAL
Justified	45 (110)	(92)	(61)	(60)	(323)
Not Justified	54 (76)	(88)	(59)	(54)	(277)
Partially Justified	22 (24)	(26)	(21)	(28)	(100)
Not known	0 (0)	(1)	(0)	(0)	(1)
Total	**121 (210)**	**(207)**	**(141)**	**(142)**	**(701)**

Comments
The number of complaints received in the first quarter of 2019/20 is lower than previous quarters. This is due to a reduction in the number of complaints within the Operations service and the Planning service.

Around 45% of the complaints received are not justified. For the complaints that are justified, the main reasons are missed waste collections. The waste crews endeavour to return to collect the missed waste within 48 hours of being reported and the service continues to monitor issues with missed collections.

In the first quarter of 2019/20, of the 121 complaints received:

- 118 are stage one complaints
- 1 is a stage two complaint
- 2 are stage three complaints

A summary of Local Government Ombudsman (LGO) cases:
In the first quarter of 2019/20, the LGO has received two new complaints both of which the LGO have declined to investigate.

Three investigations from previous quarters are still being looked into and a final decision has been issued on a complaint submitted in the previous quarter where the LGO have decided not to go through the formal complaints process.

Our Organisation

The following is a selection of our people performance measures:

People: Indicators of Performance	Q1 19/20	Q2 19/20	Q3 19/20	Q4 19/20	Change on previous period	Yearly Target
Total headcount	480				- 1	-
Number of temporary staff	28				-	-
Total staff FTE	435.42				+ 0.38	-
Level of employee turnover	2.5%				+ 0.63%	-
Number of leavers	12				+ 3	-
Number of starters	11				- 1	-
Working days lost to sickness per employee	1.83 days				- 0.82 days	8.0 days
Percentage of staff with nil sickness	79.8%				Cumulative	-
Number of learning hours	1748				New calculation	-
Number of delegates	63				New calculation	-
Number of apprentices **	18				- 2	-

Year on Year Headcount Analysis	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	466	478	472	470	464	466

** BDC's apprenticeship programme runs from September each year. The figures reflect level 2 and level 3 apprenticeships.

Health & Safety

The following is a selection of our health and safety performance measures. The data is for information purposes only.

Health and safety is a crucial responsibility of everyone within the organisation. This information is used to improve the management of health and safety of staff, our customers, residents and other non-employees we come into contact with. Monitoring is undertaken by the corporate health and safety committee and action plans will be put in place where necessary.

Health & Safety: Indicators of Performance	**Q1**	**Q2**	**Q3**	**Q4**	
	(2019/20 figure in brackets)				
Total number of reported accidents/ incidents, calculated from:	11 (10)	(6)	(9)	(13)	
Accidents/ incidents to employees	9 (6)	(6)	(9)	(11)	*Main injury this quarter was hand injuries*
Accidents/ incidents to contractors	1 (0)	(0)	(0)	(1)	
Accidents/ incidents to non-employees	1 (1)	(0)	(0)	(1)	*A member of public fainted in the Town Hall WC and hit her head on the toilet door*
Time lost in days due to employee accidents/ incidents	6 (85)	(19)	(48)	(24.5)	*Number of days lost are due to back injuries and hand injuries*
Number of reported verbal/ physical incidents to employees	1 (2)	(1)	(1)	(1)	*Altercation between a waste driver and car driver*
Number of near miss incidents	1 (1)	(1)	(0)	(1)	*Contents of a bin caused a small fire in the back of one of the waste vehicles which was immediately put out by the crew*
Number of Accidents/ incidents registered resulting in insurance/ compensation claim	1 (1)	(3)	(1)	(1)	
Number of claims settled	1 (0)	(0)	(0)	(0)	

Financial Performance

This part of the report provides an updated review of the financial position for the year up to the end of June 2019. It examines the latest forecast for spending on day-to-day service provision compared to the budget for the year. Also included is a summary of treasury management activities; projected movements on the General Fund balance; and a summary of spending to date on capital projects.

Background

Full Council approved a net budget of £14.540 million for the 2019/20 financial year. This included planned spending across all services totalling £13.247 million; corporate items amounting to £1.493 million; and an overall efficiency target to be achieved in-year of £200,000.

Financing of the budget was to be from a combination of: general government grants (£22,000); business rates (£4.965 million); and Council Tax (£9.553 million).

During the year individual budgets may be updated in accordance with the Council's Budget and Policy Framework Procedure, and against which quarterly performance is monitored.

During the quarter, virements totalling £171,680 were approved by Cabinet Member delegated decision between the Development Management and Planning Policy income budgets and staffing budgets for these service areas.

Summary Financial Position at the First Quarter (Q1)

- An overall positive variance is projected for the year of £642,000 (-4.4%) against budget.
- Across all services staffing budgets are forecast to be underspent by £191,000; and after allowing for the corporate efficiency target of £200,000, this results in a projected variance of +£9,000.
- Other expenditure is projected to be underspent by £72,000.
- Income is projected to be overachieved by £579,000.
- The projected variances will be reviewed to assess whether or not they are likely to be ongoing into future years so that necessary adjustments can be made as part of the initial planning for the Council's 2020/21 budget.

Revenue Spending

Service	Updated Budget £'000	Projected Spend £'000	Adverse (Positive) variance against budget				RAG Status
			Staffing £'000	Other Expenditure £'000	Gross Income £'000	Total £'000	
Asset Management	(2,387)	(2,406)	(6)	12	(25)	(19)	G
Community Services	362	348	2	(20)	4	(14)	G
Corporate Management	1,385	1,468	94	0	(11)	83	R
Economic Development	187	184	0	0	(3)	(3)	G
Environment & Leisure	904	824	(30)	(12)	(38)	(80)	G
Finance	1,412	936	(136)	(121)	(219)	(476)	G
Governance	1,026	1,090	34	38	(8)	64	R
Housing Services	889	835	(25)	(17)	(12)	(54)	G
Human Resources	346	337	(1)	(8)	0	(9)	G
ICT & Facilities	1,576	1,568	(8)	0	0	(8)	G
Marketing and Communications	529	506	12	(24)	(11)	(23)	G
Operations	5,736	5,683	(34)	116	(135)	(53)	G
Strategic Investment	11	11	0	0	0	0	G
Sustainable Development	1,247	1,060	(93)	19	(113)	(187)	G
Service Total	**13,223**	**12,444**	**(191)**	**(17)**	**(571)**	**(779)**	G
Corporate Financing	1,517	1,454	0	(55)	(8)	(63)	G
Efficiency target	(200)	0	200	0	0	200	
Total	**14,540**	**13,898**	**9**	**(72)**	**(579)**	**(642)**	G

RAG Status: G = favourable or nil variance, A = up to 5% adverse variance or <£50k, R = > 5%
Budget = controllable expenditure budget net of direct service income

Staffing
Staffing budgets include both directly employed staff, and bought-in/ agency staff, the latter being used where additional resources are required to meet increased service demands and/ or the need for specialist skills; to provide cover in cases of absence (e.g. vacancies, holidays, sickness, maternity etc.); or where in-house staff are assigned to work on other projects and priorities.

Further detail of the projected staffing budget variances is provided in the following table:

Service – Staffing Budgets	Updated Budget £'000	Projected Spend £'000	Adverse/ (Positive) variance £'000	RAG Status
Asset Management	296	290	(6)	G
Community Services	374	376	2	A
Corporate Management	1,370	1,464	94	R
Economic Development	194	194	0	G
Environment & Leisure	1,623	1,593	(30)	G
Finance	2,785	2,649	(136)	G
Governance	636	670	34	A
Housing Services	966	941	(25)	G
Human Resources	308	307	(1)	G
ICT & Facilities	784	776	(8)	G
Marketing & Communications	394	406	12	A
Operations	5,686	5,652	(34)	G
Strategic Investment	564	564	0	G
Sustainable Development	1,795	1,702	(93)	G
Service Total	**17,775**	**17,584**	**(191)**	G
Corporate Financing	0	0	0	G
Efficiency	(200)	0	200	
Total	**17,575**	**17,584**	**9**	A

RAG Status: G = favourable or nil variance, A = up to 5% adverse variance or <£50k, R = > 5%

Commentary on staffing variations:

Based on information known at the end of Q1, and across all service areas there is a projected underspend on staffing budgets of £191,000.

The largest service with a projected underspend is **Finance** (-£136,000). These savings are expected to be achieved from a combination of vacant posts in Local Tax and Systems Control; along with other reductions in contracted hours and appointments being made at lower grades/ scale points. Efficiencies have also been made where staff have been able to undertake additional activities around tax collection and fraud initiatives where the budget originally assumed additional staff would be required.

Sustainable Development is showing an overall projected net underspend of £93,000. The service continues to face challenges in appointing and retaining staff within its Development Management service to meet the current demands on this service. Agency/ contracted staff are being used to maintain capacity; however, these arrangements are more costly than directly employed staff. Part of the additional cost associated with these temporary arrangements is being met from funds brought forward from the previous financial year. Changes have also been made to contracts for some directly employed staff in order to help future recruitment and retention.

Recent changes in senior management responsibilities along with the requirement for an interim director means that there is currently a net additional cost forecast for **Corporate Management** for the year of £94,000.

Governance is forecasting overspends on staffing of £34,000 due to a combination of agency staff being used to cover a vacancy and maternity leave. An unsuccessful attempt has been made to recruit a permanent Major Projects and Planning Lawyer, the recruitment of which is now not expected until January 2020.

The **Strategic Investment Team** continues to operate largely on interim staffing arrangements and with reduced capacity. Whilst this means that there is a projected underspend on salaries, this is negated by a commensurate reduction in recharges to capital projects, where such recharges are dependent on progress of individual projects and the activities being undertaken; and also to a potential housing development company, the establishment of which has yet to be confirmed.

The approved budget provided for a **Corporate Efficiency Target** which in previous years has been achieved from in-year staffing variances. The amount included in the budget for 2019/20 was £200,000, which based on this quarter's review is not yet achieved, leaving an overall projected staffing underspend of £9,000. Previous experience suggests that this position would normally improve as further staffing changes become apparent during the year.

Other Service Expenditure

In total there is a projected overspend against non-staffing expenditure budgets of £72,000. The main service areas contributing to the latest forecast are:

- **Finance** (-£121,000): The net cost of **Housing Benefits** to the Council is determined by the amount of benefit paid to claimants less an amount recovered through government subsidy. The overall amount of benefits paid has been reducing over recent years due in part to a transfer of claimants onto Universal Credits, which is administered by the Department for Works and Pensions. The amount of benefit to be paid for the current year is estimated to be around £28 million (last year payments totalled £33 million). The level of subsidy receivable can vary depending on the profile and circumstances of the payments being made, and recently this recovery rate has varied between 98.8% and 99.5%. The assumption for the current year is a subsidy rate of 99.1%. The combined effect is a reduction in net cost to the Council of £45,000. In addition, the government has been reducing the amount of grant paid towards administration costs. The budget anticipated a higher reduction than was finally made in the grant determination for 2019/20 and hence a provision of £62,000 is no longer required.

- **Operations** (+£116,000): a forecast overspend in **Waste Management** on recycling activities. From 16th May 2019, the Council joined the Materials Recycling Facility (MRF) contract procured by Suffolk County Council (SCC) on behalf of the Suffolk Waste Partnership. Under this new contract the Council pays contractors for the processing and haulage of materials, along with a contract management charge to SCC, all of which is then partially offset by income calculated from a weighted "basket price" using the mix of materials collected and applying market indices. As with the previous contractual arrangement, this means the net cost to the Council will be subject to fluctuations +/-. A review of the contract at the end of Q1, suggests that currently the net cost is higher than the budget allowed (£66.07 per tonne compared with the budget provision of £52.46 per tonne), which extrapolated to the end of the financial year would indicate an estimated overspend of £133,000. This position is likely to change as the basket price is reviewed during the year. The new contract is also linked to an expectation of future significant capital investment by the contractor in the MRF which should then result in a higher quality of recyclates, generating more income, along with other operational efficiencies. During this period of investment the Council is required to transport materials to an

alternative MRF which attracts a higher haulage fee.

- **Governance** (+£38,000): Post approval of the Budget, Full Council received the report and recommendations of the Independent Remuneration Panel at its meeting in March 2019, which led to some changes being approved to the Members' Scheme of Allowances. Furthermore, at the Council's Annual General Meeting in May 2019, changes were agreed to the arrangements for scrutiny. Consequently, there is a projected additional cost in 2019/20 of £52,000. It was recognised that in the short-term this cost would need to be met from the overall General Fund balance, with the ongoing financial implications being reflected in base budget from the 2020/21 Budget.

- **Corporate Financing** (-£55,000): includes a saving on annual Minimum Revenue Provision (MRP) of £25,000 which was provided in the budget for funding the acquisition of an investment property acquired last year. As the purchase was financed from capital receipts (as opposed to borrowing) this negated the need for MRP. Additional savings are also projected from the purchase of annual leave by staff amounting to £20,000.

External Income
A significant proportion of the Council's budget is reliant on external income. Grants and subsidies from government, alongside income from business rates are major elements, totalling around £35million.

The amount of business rates ultimately retained by the Council depends on the actual amounts collectable (taking into account changes in the Valuation List, exemptions and reliefs granted, and provisions for non-collection and rating appeals). Variances are accounted for via the Collection Fund and taken into account when determining future budgets and council tax setting. Fluctuations from those elements which have a direct impact on the General Fund revenue account, e.g. the levy payable on growth or grants received from Government to fund certain discretionary reliefs, are managed via the Business Rate Retention reserve.

As a participant in the Essex Business Rates Pool the Council is entitled to a share of the extra business rates retained "locally" which will be rebated against the 2019/20 levy. The final determination and receipt of the actual amount of the Council's share will be made after year-end returns have been collated from each of the participating authorities. At the start of the year it was anticipated that Braintree's share for 2019/20 could be around £646,000. The benefits received from being a member of the Pool have to date been held in the Business Rate Retention reserve.

Other external income for which the Council has budgeted £16.070million comes from a variety of sources that are subject to external demands and other influences, meaning these are more susceptible to variations against budget. It is currently forecast that services will over achieve against their income budgets by a net £579,000, as shown in the table below:

Service	Updated Budget £000	Joint Financing & Other Reimburs.	Sales, Fees & Charges	Rents	Other Income	Total	RAG status
		5,350	5,765	3,127	1,828	16,070	
		Adverse (Positive) Variance £000 against Budget :					
Asset Management	3,292	(5)	-	(13)	(7)	(25)	G
Community Services	192	-	2	-	2	4	A
Corporate Management Plan	-	(11)	-	-	-	(11)	G
Economic Development	-	-	-	-	(3)	(3)	G
Environment & Leisure	1,305	1	21	-	(60)	(38)	G
Finance	2,624	(10)	-	-	(209)	(219)	G
Governance	197	-	12	-	(20)	(8)	G
Housing	51	-	(8)	(4)	-	(12)	G
Human Resources	-	-	-	-	-	-	G
ICT & Facilties	2	-	-	-	-	-	G
Marketing & Communications	151	-	10	-	(21)	(11)	G
Operations	4,988	-	(38)	13	(110)	(135)	G
Strategic Investment	449	-	-	-	-	-	G
Sustainable Development	1,613	-	(113)	-	-	(113)	G
Service Total	14,864	**(25)**	**(114)**	**(4)**	**(428)**	**(571)**	G
Corporate Financing	1,206	-	-	-	(8)	(8)	G
Total	16,070	**(25)**	**(114)**	**(4)**	**(436)**	**(579)**	G

RAG Status: G = positive or nil variance, A = up to 5% adverse variance or <£50k, R = adverse variance greater than 5% and >£50k at Individual Business Plan level

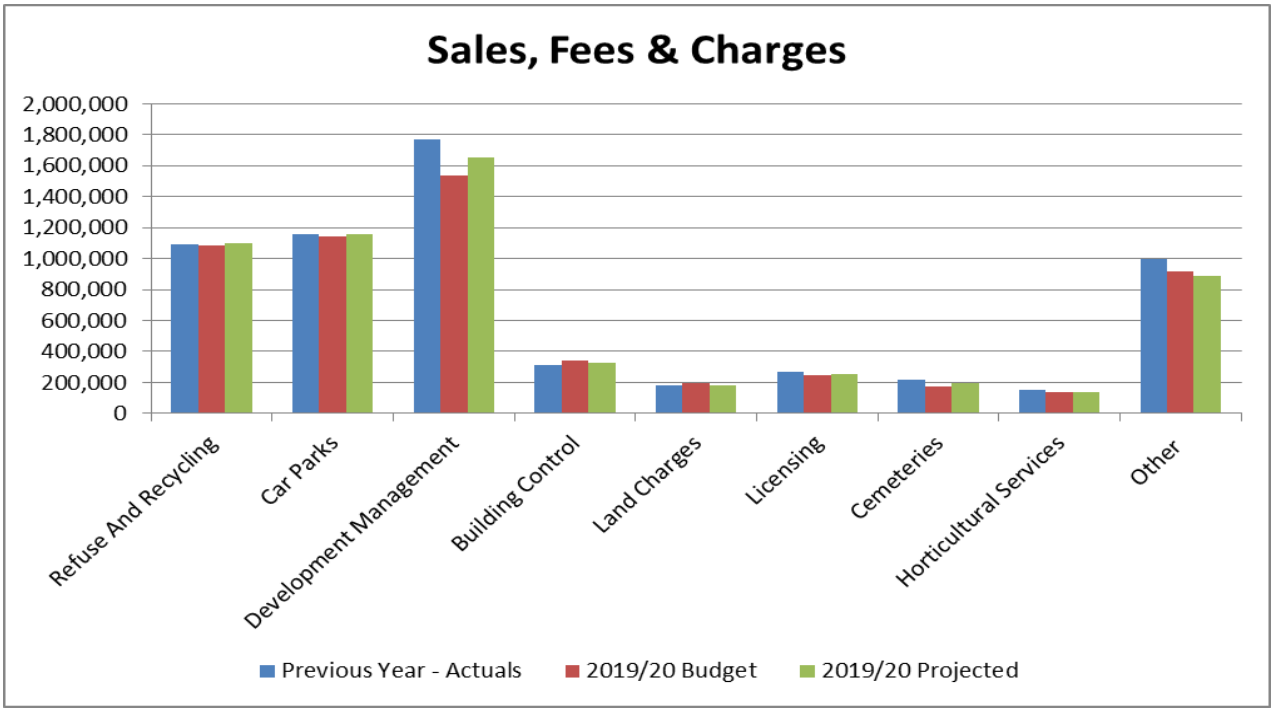
Joint Financing & Other Reimbursements

The total budget for income from joint financing and other reimbursements is £5.350million, the main sources of which are: Essex County Council contributions towards service costs (£2.441million); estimated benefit from the Essex Business Rate Pool (£646,000); Council Tax sharing and investment agreement with the major precepting bodies (£559,000); Housing Benefit (HB) overpayment recoveries and Local Tax costs recovered (£733,000); subscriptions to the Procurement Hub (£350,000); and business rate collection allowance (£193,000).

At Q1 a positive variance for the year is predicted of £25,000 across all services, including net additional income of £20,000 from HB and Local Tax recoveries.

Sales, Fees & Charges

The budget for income from sales, fees & charges is £5.765million which is projected to be over achieved by a net £114,000. The following chart shows the main income streams:



***Commentary on Fees and Charges*:**

- **Car Parks:** The current projection is for income to be broadly similar to the previous year. The original budget included a provision for potential loss of income as a consequence of the proposed Manor Street regeneration project. This provision has currently been reversed pending further clarification regarding the timescale for development (**see Other Service and Corporate Income**).
- **Development Management:** The original budget provided for an increase in planning application fee income of £156,560, with a further in-year increase to budget of £128,500 taking the overall budget to £1.397million. Whilst actual income is slightly down on the previous year for the same period, it is still expected to overachieve the updated budget by £103,000 resulting in a forecast income for the year of £1.5million. Additional income is also projected from the Street Naming and Numbering service of £10,000.
- **Building Control:** The service anticipates slightly higher income this year than the previous year due in part to the transfer of work in progress from another external service provider that has recently ceased trading. However, overall income is still expected to be below budget by £20,000.
- **Local Land Charges:** As a result of a reduction in the number of chargeable searches being requested, the income budget was reduced by £78,000 for the 2019/20 budget. Income received in the first quarter is similar to last year for the same period, therefore, the assumption is that full year income will similar (£183,000) which is £11,000 lower than the budget of £194,000.
- **Other Income –** Includes projected income from the following services or activities: Community Transport (£90,000); the Town Hall Centre (£106,000); Commercial Property service charges (£242,000); and income received from the Leisure Management operator (£194,000). Overall income is projected lower than budget by £32,000 – the main variances being a reduction in income from the All Weather Pitch at Great Notley Country Park due to surface replacement works (-£17,000); and advertising income (-£11,000), this latter variance being offset by recharging time of the Commercial Sales Manager role to another Essex local authority (included under Other Service and Corporate Income). Income in 2018/19 was higher due to a one-off retrospective adjustment in relation to advertising rights on council-owned bus shelters.

Rental Income

The budget for rental income from land & property is £3.127million – comprising the investment and commercial property portfolio, markets, housing properties, and other let properties. The current projected outturn for the year is a small net over achievement of £4,000.

***Commentary on Rental Income*:**

- **Asset Management**: The investment and commercial property budget for rental income was increased by £284,000 during the 2019/20 budget process leading to an overall budget of £2.987million. This reflected the transfer back to the Council of the management of the Braintree Enterprise Centre and Corner House, along with new commercial property: the completed grow-on units at Springwood Drive; and new acquisitions at Osier House, Sible Hedingham, and premises in Silver End. At the end of June a high proportion of the portfolio was let with only 3 assets vacant. The overall projection is currently an overachievement of income of £13,000.

- **Operations – Markets**: The service projects a shortfall in income of £13,000 in line with that experienced in 2018/19. Markets continue to be promoted and incentives offered to traders in efforts to seek to reverse the decline in income.

Other Service & Corporate Income
Total budgeted Other Income is £1.828million of which £810,000 is internal recharges including staffing costs that are expected to be charged against capital projects (£627,000). Other external income is projected to be overachieved by £436,000.

Other external income includes the following streams:

- **Investment & Other Interest Income:** The budgeted amount is £1million, which is expected to be overachieved by a net £170,000. This is due mainly to higher cash balances being held – the effect of both higher/ earlier receipt of capital receipts in respect of the previous financial year, and slippage in spending against the Council's strategic investment and other capital projects.
- **Solar Panel Feed-in-Tariffs**: a projection of £96,000 (against budget of £93,000) is expected from past investment in solar panels at various Council facilities.
- **Manor Street Income Provision:** the original budget provided an allowance for the potential loss of income on car parking and Town Hall bookings as a result of the proposed works at Manor Street which would reduce the availability of facilities during development. At present the exact timing and impact is uncertain pending appointment of a contractor. Consequently, the provision has been reversed, after some allowance for a small loss of income from future Town Hall bookings, leading to an overall positive variance of £117,000. Subject to further clarification an element of this provision may still be required in the latter part of this financial year.

Other variances projected include a number of unbudgeted government grants (£67,000) where either the related activity has been met from existing staff resources, or there are currently no plans to incur any additional expenditure.

Treasury Management
The Council's treasury management activity to the end of the quarter is summarised in the table below:

Amount Invested at start of the year	Activity to the end June		Amount Invested at end of the quarter
	New Investments	Investments Sold or Matured	
£46.97m	**£32.50m**	**£16.63m**	**£62.84m**
Average amount invested for the period			**£61.08m**
Highest amount invested			**£64.83m**

The total amount invested in long-term pooled fund investments was £18 million spread across seven funds. The remaining investments have been in short-term instruments including call accounts and term deposits with UK and Non-UK financial institutions, deposits with other local authorities and the UK Government, and liquid Money Market Funds (MMF).

Interest and dividends earned to the end of the quarter total £285,000, which is equivalent to an annualised rate of return of 1.87%:

Investments	Average Amount Invested	Interest & Dividends Earned	Annualised Return %
Long-Term Pooled Funds	£18.00m	£194,000	4.32%
Short-Term	£43.08m	£91,000	0.85%
Total	**£61.08m**	**£285,000**	**1.87%**

Investment returns have been increased by the dividend income earned from long-term investments. In addition, being exposed to equities and property, the value of these funds fluctuate based on prevailing market conditions. At the end of the quarter the market valuation for all the long-term pooled funds was £19.408million, representing an unrealised gain of £1.408million on the original amounts invested.

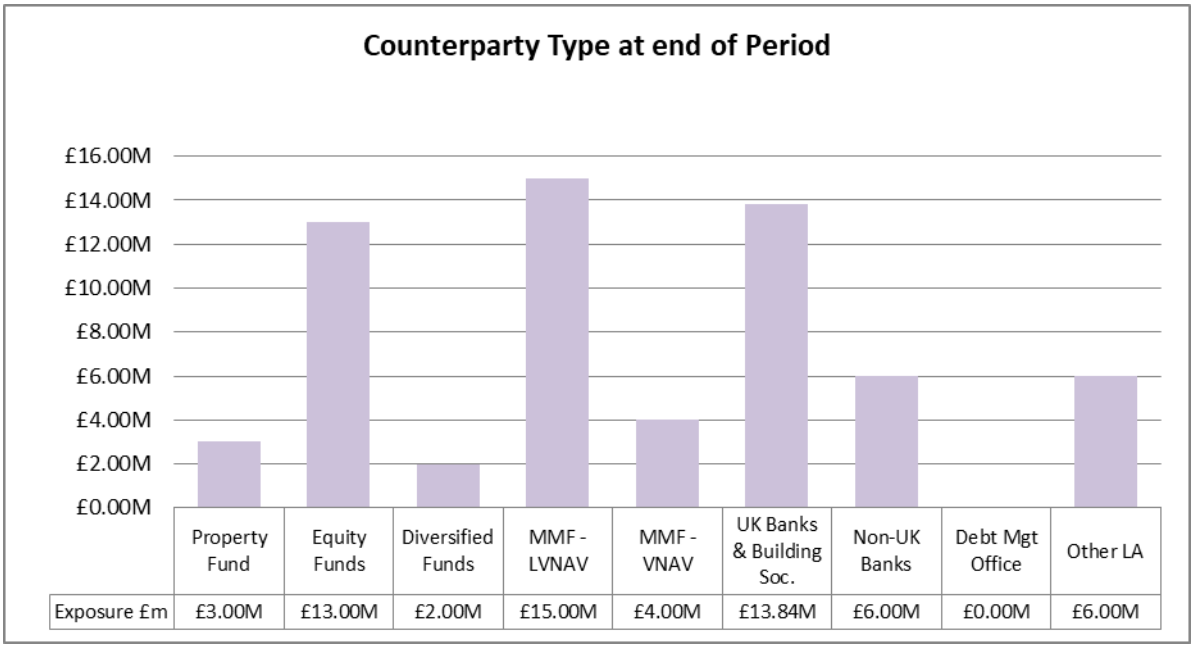
Reflecting a revised forecast of cash balances, it is currently projected that investment returns will be £172,000 higher than budget.

Market Commentary

Since the beginning of 2019 markets have rallied, and the FTSE 100 is up over 10% in pure price terms for the first 6 months of the calendar year. Nearly all of these gains were realised in the last quarter of FY 2018/19, as Q1 2019/20 has only seen a modest increase of around 2%.

UK gilt yields continued to display significant volatility over the period on the back of ongoing economic and political uncertainty in the UK and Europe. Money markets rates stabilised with 1-month, 3-month and 12-month LIBID (London Interbank Bid) rates averaged 0.60%, 0.68% and 0.92% respectively over the period.

At the end of the quarter the Council's investment portfolio comprised the following:



	Property Fund	Equity Funds	Diversified Funds	MMF - LVNAV	MMF - VNAV	UK Banks & Building Soc.	Non-UK Banks	Debt Mgt Office	Other LA
Exposure £m	£3.00M	£13.00M	£2.00M	£15.00M	£4.00M	£13.84M	£6.00M	£0.00M	£6.00M

LVNAV = Low Volatility Net Asset Value i.e. the Fund value is expected to remain fairly constant
VNAV = Variable Net Asset Value i.e. the Fund value can fluctuate meaning that investors may receive back more or less than invested

General Fund Balances

General Fund balances are held for the following reasons:

- As a contingency against unforeseen events
- To meet short-term or non-recurrent one-off costs that are not provided in the base budget and/ or are incurred to achieve future savings and efficiencies.

Based on the projected outturn set out above, the movement on the General Fund balance is estimated to be:

	£'000
Balance at 1 April 2019	**5,787**
Add:	
Budgeted addition	128
Pension Fund triennial payment	1,411
Projected in-year variance	642
Less:	
One-off investment	(622)
Estimated Balance at 31 March 2020	**7,346**

Movements shown on the General Fund balance are in respect of:

- The budget approved by Council for 2019/20 included an anticipated addition to balances of £127,947, reflecting savings anticipated being made in advance of future years' budget shortfalls.
- In 2017/18 the Council made a one-off payment to the Essex Pension Fund covering the period April 2017 to March 2020, which was in part funded from General Fund balances. A repayment back into balances was expected in 2018/19 and 2019/20.
- The projected outturn variance for the year would mean an additional £642,000 being added to balances (subject to any future decisions regarding approvals for services to carry forward underspends for use in 2020/21).
- An allocation from General Fund balances was approved by Full Council in February 2019, to meet one-off budget requirements: £500,000 to replenish the Planning Appeals reserve; and a total of £122,000 provision for loss of income during redevelopment of Manor Street.

Risks and Assumptions

The forecasts reflect service managers' "best estimate" of the predicted outturn for the year. The previous year outturn and trends in-year have been considered; however, as always, these are subject to changing circumstances and unforeseen events. Directors and service managers continue to scrutinise all expenditure commitments in light of the planned savings set out in the Medium Term Financial Strategy. External income is inherently difficult to predict as it is substantially demand led and impacted by external factors.

Planning application fee projections are based on the best information available regarding when developers are likely to submit planning applications for growth locations within the district - this could change and income could be significantly higher or lower than projected. Projections are based on historical trends and will be influenced by both the number and type of planning applications received.

The net cost of housing benefit to the Council is ultimately subject to the total amount of payments made to claimants and the profile and circumstances of such payments, the latter effecting the extent to which costs are recovered from government subsidy. The level of subsidy has varied over recent years between 98.8% and 99.5%. A 0.1% variation +/- could result in a change in net cost of +/-£28,000 (assuming £28million of payments).

Investment income is influenced by the overall level of cash balances held, which in turn are dependent upon the progress of strategic investment and other capital projects, and the level of future capital receipts generated. Interest rates will impact on short-term investment, where a 0.25% change in rate +/- would change the amount of interest earned by +/- £105,000 per annum (based on average investment balances of £42million). Market sentiment will impact on the value of the Council's long-term pooled fund investments; whereas general economic conditions in both the UK and globally will influence the on-going dividend returns.

Payments made by the Council for processing its recycling material collected from households are subject to regular review of market indices.

The budget assumes that £627,000 of staffing costs can be recharged to capital projects. The actual amount recharged will depend on the extent to which projects progress and staff are working on activities that can properly be treated as capital under accounting rules.

There remains a high level of uncertainty about the implications of the UK leaving the European Union. Depending upon the outcome a range of activities undertaken by the Council could be affected and consequently lead to a differing outcome from position currently projected, for example:

- Income generating activities, particularly those which could be influenced by economic conditions, e.g. planning, building control, local land charges, commercial property rents, etc.
- Income and total returns from financial investments through changes in interest rates, financial markets, and market sentiment
- Regulatory services where these currently operate to EU standards e.g. Environmental Services
- Business, housing and other community support services which provide advice, guidance and direct support
- Strategic investment and general capital programme – impact on costs, income, and resources for current and pipe-line projects.

Capital Investment

Taking into account projects which were in progress and carried forward from earlier years, new projects approved as part of the Budget agreed in February 2019, and the subsequent decisions taken by Council on some major growth and infrastructure projects, the overall capital programme currently totals £44.3million. Delivery of significant projects will span a number of years, therefore, the amount expected to be spent in the current year is currently £23.427million. The following table shows how much has been spent at the end of Q1.

	Profiled Spend 2019/20 £000	Actual Spend at Quarter 1 £000	Actual Spend at Quarter 1 % of 19/20 Profile
Commercial and investment property	2,767	872	32%
Horizon 120	3,472	206	6%
Manor Steet regeneration	12,821	33	0%
Town Centre improvements	100	-	0%
Planned maintenance to Council premises	582	81	14%
Replacement vehicles and plant	142	-	0%
Information technology systems	576	24	4%
Play areas, parks and open spaces	500	1	0%
Spa Road environmental improvements	10	-	0%
John Ray Park improvement	282	-	0%
Operational equipment	248	86	35%
Sports and leisure facilities improvements	107	61	57%
Cordons Farm waste transfer station	23	-	0%
Grants to registered social landlords	13	-	0%
Grants to private home owners – disabled facilities grants	1,257	133	11%
Capital salaries	527	112	21%
Total	**23,427**	**1,609**	**7%**

The percentage actual spend to the end of Q1 is relatively low; however, this is affected by the inclusion in the programme of a number of commercial and investment property developments which are not expected to incur significant expenditure until the latter part of the year. Adjusting for these items the spend to Q1 is around 12% of the remaining programme which is broadly in line with previous years as the rate of capital spend tends to increase towards the latter quarters.

An assessment at the first quarter suggests that the amount of capital salaries that might be recharged from revenue to capital across the whole year could be lower than is provided for in the budget by £82,000. This projected variance also reflects in the forecast General Fund revenue position, albeit offset by related staffing underspends.

Capital resources

The original estimate was to generate £4.976million of capital resources from the sale of council-owned assets. However, one site completed earlier than expected, with the capital receipt being received in the previous financial year. A sale of land was completed in June resulting in a capital receipt of £1.317million. A further disposal which is expected to complete in the year is subject to planning.

Estimated resources to be generated in the year included £1million from preserved right-to-buy (RTB) receipts. Greenfields has reported that 5 RTB sales have been completed up to the end of Q1 generating approximately £633,000 for the Council. Greenfields have also advised that a further 30 applications are in progress. Based on the timing and likelihood of progression to completion, experience suggests an estimated total of 16 sales may complete this year generating circa £2.026million of resources. This compares to 27 sales completed last year which generated £3.756million for the Council.

VAT shelter monies due to the Council via an agreement with Greenfields were £45,000 at the end of Q1.

The Council has received £931,000 grant from the Better Care Fund, which is used to fund the Council's disabled facilities grant scheme. This is an increase of £68,000 over that originally anticipated for the year.

Performance Management Board
27th November 2019

Braintree District Council

Local Plan Project and Risk Management	Agenda No: 7
Portfolio	**Planning**
Corporate Outcome:	**A well connected and growing district with high quality homes and infrastructure** **A prosperous district that attracts business growth and provides high quality employment opportunities**
Report presented by:	**Emma Goodings, Head of Planning and Economic Growth**
Report prepared by:	**Emma Goodings, Head of Planning and Economic Growth**
Background Papers: Draft Local Plan 2017 Local Development Scheme 2019 – 2022 Braintree District Council Strategic Risk Register	**Public Report** **Key Decision: No**
Executive Summary: The reports sets out the project planning, risk identification and management and contingency planning which has been undertaken as part of the Local Plan programme.	
Recommended Decision: To note the contents of the report	
Purpose of Decision: To provide details of risk identification and management to the Performance Management Board.	

Any Corporate implications in relation to the following should be explained in detail.	
Financial:	No matters arising out of this report
Legal:	No matters arising out of this report
Safeguarding:	No matters arising out of this report
Equalities/Diversity:	No matters arising out of this report
Customer Impact:	No matters arising out of this report
Environment and Climate Change:	No matters arising out of this report
Consultation/Community Engagement:	No matters arising out of this report.
Risks:	No matters arising out of this report
Officer Contact:	Emma Goodings
Designation:	Head of Planning and Economic Growth
Ext. No:	2511
E-mail:	Emma.Goodings@braintree.gov.uk

1 Introduction

1.1 The Development Plan is a statutory document and therefore is required to be produced and updated by the Local Planning Authority in line with the relevant legislation.

1.2 The purpose of the Development Plan is to provide a positive vision for the future of each area; a framework for addressing housing needs and other economic social and environmental priorities; and a platform for local people to shape their surroundings. The current Development Plan for Braintree District is made up of the Local Plan Review 2005 and the Core Strategy 2011.

1.3 Work on a new Local Plan and its evidence base began in late 2014 and following three rounds of consultation was submitted to the Independent Planning Inspectorate in October 2017 for examination on behalf of the Government. The Local Plan is made up of two parts, a strategic Section 1 which is shared with Colchester and Tendring and deals with cross boundary strategic issues across the North Essex area and a Section 2 which includes local policies and allocations specifically to Braintree District.

1.4 Hearing sessions on the Local Plan commenced in January 2018 and a letter received in June 2018 required more work to be undertaken if the Garden Communities elements of the Local Plan were to progress. This work was undertaken and the Inspector has set a timetable to reopen the examination hearing sessions in January 2020.

2 Local Development Scheme

2.1 The Local Development Scheme or LDS is the project management document for Development Plan Documents to be produced by the Council. The Plan covers a three year forward period and provides a detailed timetable for the Development Plan Documents the Council is intending to produce in that period.

2.2 The LDS also includes a broad overview of the current and proposed Supplementary Planning Documents to be produced; detail of the evidence base documents which have been produced and an update on the progress of Neighbourhood Plans in the District. The LDS also continues an overview of the key risks to the achievement of the timetable set out in the LDS.

2.3 Whilst covering a three year period, the LDS has been updated at least yearly and each update is considered by the Local Plan Sub Committee. The latest version of the LDS was considered and approved by the committee members in January 2019 and can be found here.

3 Strategic Risk Register

3.1 The Council maintains a corporate strategic risk register. This risk register is considered at Cabinet on a yearly basis. The next update to the Strategic Risk Register is scheduled for discussion at Cabinet on 10th February 2020. The

Strategic Risk Register is also subject to informal member involvement at a regular scheduled members evening.

3.2 The Local Plan is a project which is considered in the Strategic Risk Register and is included as project 3. A Management Board lead is identified for each project which is this case the Corporate Director of Growth. The risk rating of the Local Plan is currently B2, raised from C2 at the last review in March 2019 following the Local Plan examination. B2 is above the tolerance line and as such a management action plan is also produced. The Local Plan together with the medium term financial strategy is the strongest rated risk for the Council at present.

3.3 The management action plan includes details of actions and controls already in place, new management action and controls, who is responsibility for the actions, critical success factors, key dates and progress to date.

4 Local Plan Risk Register and Actions

4.1 A further team level risk register has been created for the Local Plan which sets more granularity of individual project risk, the detailed mitigation levels proposed and highlights those risks which remain key, even with mitigation proposals in place. The Register is regularly reviewed and updated and shared amongst the team. The current Local Plan team risk register is attached as Appendix 1 to this report.

4.2 At the current time as well as the direct work undertaken to continue to progress and prepare the Local Plan there is the need to consider the impact not having the Local Plan has on other areas including the Housing Land Supply position and the determination of planning applications. Actions are therefore identified to ensure the Council has sufficient resources to deal with some more difficult situations in these areas.

4.3 In the case of Development Management the team resources have been stretched and therefore it has been agreed to provide additional resources into the team to ensure that the increase in number and complexity of applications can be dealt with appropriately. Consultants and interim staff have been brought in to cover staff sickness and vacancies and new posts have been created in the team, including at the Principal Planner level to deal with the largest and most complex applications.

4.4 At the same time there is an increase in appeals work which requires both work from with the Planning Policy and Development Management Team but also external specialist consultants and legal representation. A budget of £500,000 has been set aside to fund this work. This budget will be kept under review to ensure it remains appropriate.

4.5 The Council must also meet the housing delivery tests which are set out by the government and has produced an action plan which sets out how the District can deliver more homes to reach the targets set out by the government. This was considered and approved by the Local Plan Sub-Committee meeting of 17th October 2019 and will need to be updated annually.

5 Contingency Planning

5.1 As part of prudent project planning there is also work continuously undertaken to consider what appropriate action should be taken if the Plan is not able to be found sound by the Planning Inspector or is withdrawn from examination.

5.2 There are many different ways in which a Plan or elements of a Plan can be found unsound and the nature of any Inspectors comments or concerns will be key in advising Councillors of the appropriate way forward for the Council. Nevertheless a series of broad options have been worked up, timetabled and resourced. This can be found at Appendix 2 to this report. The alternative ways forward are regularly reviewed in light of any new evidence or advice from the Inspector or relevant legal advice. It should be noted that not all options are entirely within the gift of the authority with some needing actions to be undertaken or agreed by the Planning Inspector. The expediency of all proposals is also reliant on the resources that the Planning Inspectorate can give to examination of the Local Plan.

5.3 Appropriate contingency plans for resourcing are also considered as part of each budget setting round. The Local Plan maintains a reserve which is partly to allow for the cyclical nature of the costs of the Local Plan but also currently provides a buffer which would fund the first year's evidence base work on a new Local Plan. It would also be available to defend a judicial review of the adoption of the Plan if this was required. Additional requirements are considered each year and for the 2019/20 budget a further £500,000 was made available if necessary to support strategic housing growth.

Appendix 1

Local Plan Team Risk Register

Topic	Risk	Score	Mitigation measures in place	Score with mitigation
Staffing	Loss of staff	C2	Speedy recruitment and replacement of staff. Use of contractors in the short term. 2 month notice period for staff.	D3
Security	That misleading or out of context information is released, which could damage the public perception of the Local Plan and Council	C2	That documents are appropriately controlled, and clearly marked as being in draft before final versions are issued. For the most sensitive documents, unique reference codes should be added to them which links to a specific person or department.	D3
	Threats to the Council, Members and Staff, and public	C2	Review of any incidents or threatening comments made in person or online as and when they arise. Issue clarifications to counter miss-leading or false information as and when it occurs. Compare Potential Violence to Staff Register prior to public events with those making threats.	C3
	Disruption to examination sessions	D2	Assess potential threat level and determine if additional security is needed.	E3

Topic	Risk	Score	Mitigation measures in place	Score with mitigation
	Terrorism -Examination is likely to attract a large number of members of the public in an enclosed area, making it a potential target.	F1	Assess potential threat level and determine if additional security is needed.	F1
Weather	Examination sessions are being held in January meaning ice/snow or other sever weather events are likely which could impact on hearing sessions	C3	Check Met office long range forecasts when they are available for the examination period. https://www.metoffice.gov.uk/weather/long-range-forecast. Ensure back up session days are available if days are lost due to severe weather conditions.	C3
Housing Delivery Test/Five Year Supply	Housing completions under perform resulting in failure to meet the necessary targets for the housing delivery test. Or the affordability ratio changes significantly resulting in a steeper target. Could trigger early review of Local Plan with associated budget impact, and undermine policies within the Plan.	**C2**	Ensure sites obtain planning permission as quickly as possible. That all s106 agreements are agreed promptly.	**C2**
Economic	Economic recession leads to drop in housing completions or non-delivery of sites, impacting the Local Plans ability to deliver housing.	**C2**	Provide a buffer of sites above minimum housing target number to ensure a diverse range of sites are available for development.	**C2**

Topic	Risk	Score	Mitigation measures in place	Score with mitigation
Evidence Base Work	That the consultants undertaking additional evidence base documents fail to deliver work on time	E2	Key lead liaison officer from the three authorities is identified for each evidence base document, alongside officers from each authority, who are in regular contact with consultants. Time and reporting mechanisms for each report are agreed in advance with the consultants and regularly reviewed to ensure that they are achievable. Any additional work or resource requirements are brought to the attention of the lead officer and planning policy leads for each local authority and mitigation measures are put in place	F2
	That the consultants key staff, who produced the evidence base, have moved on and are no longer able to attend the examination.	D2	Regular contact with consultants should be maintained in the run up to examination.	C3

Topic	Risk	Score	Mitigation measures in place	Score with mitigation
	That consultants undertaking work do not deliver the necessary quality of work	E2	Consultants appointed are thoroughly considered and references checked to ensure previous good record of delivery. Lead officer for the project in regular discussion with consultants who provide regular progress updates and provide draft parts of documents where appropriate to ensure satisfactory quality throughout the process. Any issues are escalated to the planning policy leads for each authority to be dealt with.	F2
	That the work undertaken raises further questions we need to be answered	D2	Report authors raise questions or issues which may need further work immediately with lead officers/planning policy leads rather than wait until the end of the process.	D2

Topic	Risk	Score	Mitigation measures in place	Score with mitigation
	That internal evidence based documents are not produced on time	D2	A lead officer is identified for each internally produced document to take responsibility for the production of the work. Time and reporting mechanism are agreed in advance and regularly reviewed to ensure they are achievable. Any additional work of resource requirements are brought to the attention of the local plan leads for each authority and additional resources agreed as appropriate.	D2
	That adequate public engagement is not carried out	D2	Formal consultation on the Local Plan carried out in line with current legislation and the Statements of Community Involvement. Consultation for the Inspector agreed with the Inspector including timings, contents and format of consultation. Publication of the consultation as wide as possible. Officers throughout the Council are informed of the consultation events and can signpost customers to the running consultations. All responses to consultations (both past and present) published on the examination website in full.	D2

Topic	Risk	Score	Mitigation measures in place	Score with mitigation
Local Plan Programming				
	That the Inspector asks for further information to be complete which will delay the process	D2	Ensure that all requests for information from the Inspector are dealt with promptly. Keep consultants/specialists fully updated and involved so any new requests can be dealt with as soon as practically possible. Advise Inspector of resource consequences of the requests if appropriate.	D2
	That the Local Plan process is delayed due to Inspector or Programme Officer availability	E2	Continued liaison with programme officer re their availability at rescheduled examination sessions. Liaison through the programme officer with the Inspector and/or PINs re the timing of further sessions on section 1 and the section 2 examinations	E2

Topic	Risk	Score	Mitigation measures in place	Score with mitigation
	That the examination is delayed by a changed BDC political position	D2	Senior leadership of the authority is kept regularly up to date on Local Plan progress and key issues. Council and members as a whole are kept up to date through Council and correspondence as appropriate. Decisions relating to the progress of the Local Plan are considered by Full Council	D2
	That the examination is delayed by a changing national political position	D2	The transitional arrangements for Local Plan submission and examination are enacted for this Local Plan. Regular liaison with the Inspector (through the programme officer), PINs or MHCLG as appropriate dependent on the nature of any emerging national issue	D2

Topic	Risk	Score	Mitigation measures in place	Score with mitigation
	That one or more of the NEA's decides not to continue with the Local Plan	D2	Excellent relationship at senior leadership, Councillor and officer perspective with the partners. Problems and issues shared with partners as early as possible. The Local Plan was been submitted as 3 separate plans and maybe capable of continued examination without a partner (subject to changes) but would be dependent on the advice of the Planning Inspector which would be sort as soon as possible.	D2
	That the NEAs do not have the necessary resources to complete work on time	D2	Strong liaison with the programme officer to ensure all requests for work, processing, information are received and understood as soon as practically possible. NEA officers work together, in one place if necessary to ensure work is undertaken appropriately. Liaison officer appointed to act on all emails between the programme officer and the local authority to ensure they are all dealt with. Short term resources available from other parts of the organisation or through temporary staff if required	E2

Topic	Risk	Score	Mitigation measures in place	Score with mitigation
Decision Making				
	That the Local Plan can be given limited weight in decision making and therefore applications for speculative development are received	C2	Ensure that planning applications are considered in line with policies and sustainable development is preferred. Ensuring that there is an appropriate buffer applied to housing allocations.	C2
	That the Council cannot demonstrate a 5 year supply of new homes due to the absence of the Local Plan	C2	As new housing supply rules have been tested, allocations within the Local Plan without planning permission have been deemed inappropriate in the 5 year supply. Therefore it could be argued the Local Plan has little discernible impact on the housing supply position.	C2
	That sites within the emerging Local Plan do not come forward as early as predicted in the trajectory due to the delay in the Local Plan process	D2	Continued liaison with landowners and agents representing draft emerging allocations. 15year housing supply updated at regular interviews taking on board new information	D2
	That the local authority must deal with emerging Local Plan allocations outside of the formal Local Plan approval process.	C3	Continued liaison with landowners and agents representing draft emerging allocations.	C3

Other				
	That the Uttlesford Local Plan is found unsound at examination, particularly in relation to the West of Braintree Garden Community	D3	Close working relationship at all levels with UDC. Signed statement of common ground between UDC and BDC and appearance at the examination on their behalf. Garden Community at West of Braintree has been proposed and tested by evidence just in BDC land and therefore it is not necessary for the allocation in the UDC Plan to take the GC forward.	D3
	That the Inspector fails to find the Local Plan Sound	E1	Legal advice and guidance is sought both internally and externally at all stages of the Local Plan production and current progress. Specialist consultants are appointed with an outstanding record in their field to ensure work and appropriate advice is undertaken. Signed statements of common ground with all statutory consultees and strong and continuous liaison through formal or informal meetings. Signed statements of common ground with neighbouring authorities and continuous engagement via the Duty to Corporate	E1
Landowner	Aspirations of landowners change.	E2	Could impact on site delivery or how a site is to be delivered.	E2

Appendix 2

Options for next steps on the Local Plan

All scenarios based on a January 2020 examination and Inspectors advise being received in late February/March 2020. Timescales are based on the most ambitious and assume that resources of the Planning Inspectorate, Braintree District Council and partners are used to the fullest. However it is worth noting that current timelines being achieved by other Authorities for Local Plan examinations are significant and therefore timelines in all scenarios could be lengthened.

All timetables assume that there is no judicial review of Secretary of State call in to the Local Plan. If there is this could lead to a significant delay (in an extreme example the Stevenage Local Plan was delayed for 15months due to a holding direction from the Secretary of State).

1. Current trajectory

Inspector advises that the Section 1 Local Plan is found sound subject to modifications

Next Steps:

Consult on modifications, approve and adopt the Section 1 Local Plan in Summer 2020

Review and consider amendments necessary to take into account any changes since submission (eg with housing supply) and changes made to section 1 (Ongoing) Examination, approval and adoption of the Section 2 Local Plan undertaken in a timely manner by PINs shortly thereafter.

Timescale:

Estimated Completion date Autumn/Winter 2020

Key Risks:

Purdah for Colchester could affect the timings of modifications consultation or Council decisions.
PINs resources to quickly consider the submitted Section 2 examination.

2. Unsound/Withdrawn Plan

Inspector advises to withdraw or finds the Plan unsound. One or more Local Authorities decides to withdraw the Local Plan. The Inspector's advice makes clear there are no further steps that will allow this Local Plan to continue.

Next Steps

Prepare a new Local Plan. This would need to be complaint with the NPPF and new housing methodology therefore a review of all evidence, policies and allocations would need to be undertaken, given the time elapsed and policy context in which the evidence was created. There are approximately 100 evidence base documents support the current Local Plan and is expected that evidence would need to be updated in the following key areas;

- Sustainability Appraisal
- Habitats Regulation Assessment
- Appropriate Assessment
- Employment Need and Land Availability
- Retail Need and Availability
- Housing Need and Land Availability (SHLAA)
- Affordable Housing Need study
- Water flood risk and potable water availability
- Review provision of Community Facilities
- Review provision of Open Space and provide standards
- Various environmental, heritage and landscape studies related to new allocations
- Existing Development Boundary Review
- Equalities Impact Assessment

Much evidence is required to be undertaken by expert external consultees and therefore a competitive tender process would be entered into. The estimated cost of the additional work is between £250,000 - £400,000 depending on the exact scope of the work needed and the ability to save costs by working with partners.

Garden Communities excluded and hence unlikely to be a need for a joint planning document. Assume a single Local Plan examination at a cost of around £100,000. A new spatial strategy would need to be formulated and tested through evidence including Sustainability Appraisal and highway modelling. Alternatives would need to be appraised and pros and cons considered carefully through the Local Plan Sub-Committee process.

The Plan period would need to be rolled forward to at least 2037 and therefore new housing, retail, employment and gypsy and traveller allocations would need to be sought to meet the additional identified needs. A further Call for Sites would therefore need to be undertaken to seek new potential sites.

Detailed policies and smaller allocations which have not yet been built could be rolled forward into the new document subject to a review of their compliance with the revised NPPF which could be done in house.

Assume undertake the minimum 2 rounds of consultation (instead of the more traditional 3) to provide the quickest possible route back to examination. However this would need to be a member decision

<u>Timescale:</u>

Estimated completion date by mid/late 2022

Key Risk:
Leaves the Local Authority exposed without an up to date Local Plan in place for the longest period.

Appropriate monetary and staff resources need to be in place at the local authority to complete the work in a timely manner.

3. Garden Communities only unsound

Inspector advises the authorities to remove the Garden Communities from the Plan, but the rest of the Section 1 policies regarding strategic housing and employment numbers, design and infrastructure can be found sound subject to modifications.

Next Steps:

Consultation on modifications, approval and adoption of the Section 1 Local Plan without Garden Communities. (Given the scale of the changes proposed there is a chance that the Inspector may need to reopen the examination hearing sessions to discuss the proposal).

Consider changes necessary to Section 2. This will need to include additional housing allocations, employment and retail allocations and gypsy and traveller allocations which were to be provided on the Garden Communities. Updated Sustainability Appraisal and updated evidence base documents to take account of the new allocations (such as new highway assessments and landscape impacts). Depending on the scale of changes these could cost between £50,000 and £100,000 and take between 3 and 6 months to complete.

Dependent on advice from the appointed Inspector it is likely consultation on the new evidence before the section 2 examination would be required for a 6 week period. Section 2 examined and adopted and Local Plan completed.

Timescale:

Estimated Completion date Spring/Summer 2021
Key Risk:

The risk of legal challenge and/or submission of a non-plan complaint planning application by Garden Community landowner/developers.

4. One Garden Community Removed

Inspector advises the authorities that one of the Garden Communities is unsound and should be removed but the strategic policies within the Plan and other Garden Communities allocations can progress.

Next Steps

Consultation on modifications, approval and adoption of the Section 1 Local Plan without Garden Communities. (Given the scale of the changes proposed there is a chance that the Inspector may need to reopen the examination hearing sessions to discuss the proposal).

Consider changes necessary to Section 2. The scale of change would be less than having both Garden Communities removed but could include additional housing allocations, employment and retail allocations and gypsy and traveller allocations which were to be provided on the removed Garden Community. Updated Sustainability Appraisal and updated evidence base documents to take account of the new allocations (such as new highway assessments and landscape impacts). Depending on the scale of changes these could cost between £50,000 and £100,000 and take between 3 and 6 months to complete.

Dependent on advice from the appointed Inspector it is likely consultation on the new evidence before the section 2 examination would be required for a 6 week period. Section 2 examined and adopted and Local Plan completed.

Timescale:

Estimated Completion date Spring/Summer 2021

Key Risk:

The risk of legal challenge and/or submission of a non-plan complaint planning application by Garden Community landowner/developers.