

Council – 20th February 2023

Amendments Pack

Agenda Item 7 – Council Budget and Council Tax
2023/24 and Medium-Term Financial Strategy 2023/24
to 2026/27

Report Title: Amendment to Motion by Councillor James Abbott	
Council Budget and Council Tax 2023/24 and Medium-Term Financial Strategy 2023/24 to 2026/27 and related Addendum Report	
Report to: Council	
Date: 20 th February 2023	For: Debate
Key Decision: No	Decision Planner Ref No: N/A
Motion Presented by:	Councillor James Abbott
Motion Seconded and Supported by:	Councillors Stevie Hicks, Mrs Jenny Sandum, Paul Thorogood, Miss Michelle Weeks and Bob Wright
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Amendment 1

Recommendation 2.1.17 to be replaced with the following:

A Council Tax Requirement of £10,687,006 resulting in a Council Tax rate for 2023/24 of £191.52 for a Band D Property.

This is in accordance with the recommendations by the Joint Scrutiny Review on Cost-of-Living measures. The shortfall of £155,685 generated from the difference in the proposed 2.5% increase and the 1% increase set out above to be funded by using available New Homes Bonus funds.

Technical guidance on the impact of proposed amendment from the Head of Finance:

Impact on Budget 2023/24

The amendment would result in a reduction of £155,685 in the expected amount of council tax income and an increase in the use of reserves of an equivalent sum. There would be no change in the planned use of the General Fund unallocated balance for the year. The amount of unallocated New Homes Bonus (NHB) from prior year allocations after taking account of Recommendation 2.1.12 is £1m. If this amendment is approved the remaining NHB balance would reduce by £155,685.

Impact on Medium-Term Financial Strategy

Changes in the level of Council Tax rate is a Base Budget adjustment. By limiting the increase in the Band D rate to 1% in 2023/24, this will increase the MTFS budget gap of £2.03m. The impact will be compounded by the increases in future Council Tax rates and taxbase. Additional ongoing annual savings or increased income totaling £175,926 would be required by 2026/27 for this amendment to have no long-term detrimental impact on the MTFS. In the meantime, reserves or General Fund unallocated balances would be required to meet the annual shortfall in Council Tax income from that already assumed in the MTFS.

Impact on Council Tax Resolution 2023/24

This amendment will result in a revised Council Tax Resolution – this will be circulated ahead of the meeting once all local precepts have been received and confirmed.

Amendment 2

That the budget includes a provision for the Council to continue to publish and deliver the annual recycling calendars to each property within the district at an estimated cost of £25,000. This to be funded by using available New Homes Bonus funds.

Technical guidance on the impact of proposed amendment from the Head of Finance:

Impact on Budget 2023/24

The amendment would increase the amount of budgeted expenditure by £25,000. As the proposal is to meet this from NHB, there would be an equivalent increase in the use of earmarked reserves in 2023/24. The unallocated NHB reserve would be reduced by £25,000. There would be no change in the planned use of the General Fund unallocated balance for the year.

Impact on Medium-Term Financial Strategy

By continuing with the recycling calendars, this will add £25,000 to the Base Budget which will increase the MTFS budget gap of £2.03m by an equivalent amount plus annual inflation and which will need to be found from additional savings or income.

Impact on Council Tax Resolution 2023/24

Whilst not changing the Council Tax Requirement for the year the proposed amendment to the Budget for 2023/24 will require an increase to both the amount of Gross Expenditure and Income in Section 2.1 of the Council Tax Resolution by £25,000.

Amendment 3

That the Council confirms an intention that funding from available New Homes Bonus across the above 2 items, plus maintaining the parish council street cleaning payments at current levels funded in 2022/23, namely £87,980, will be included within the MTFS to ensure funding across these three provisions in 2024/25, totaling £210k (plus allowance for inflation).

Technical guidance on the impact of proposed amendment from the Head of Finance:

Impact on Budget 2023/24

The amendment would not impact the 2023/24 budget.

Impact on Medium-Term Financial Strategy

The MTFS would need to provide for the planned use of the NHB reserve by the estimated sum of £218k, including allowance for inflation and council taxbase growth currently assumed for 2024/25. Combined with the proposal to use the reserve in 2023/24, the total planned drawdown on the available NHB reserve would be £428k, leaving a balance of £572k.

Impact on Council Tax Resolution 2023/24

The amendment would not impact the 2023/24 Council Tax Resolution.

Amendment 4

That the proposed allocation of up to £200k from General Fund balances will not be made to fund one-off initial costs related to the proposed introduction of charging for the collection of garden waste.

Technical guidance on the impact of proposed amendment from the Head of Finance:

Impact on Budget 2023/24

This would effectively remove Recommendation 2.1.13. As this recommendation relates to a decision that is subject to further approval by the Cabinet to the introduction of a charge for garden waste collection at its meeting to be held on 13th March 2023, this amendment has no immediate impact on the 2023/24 budget other than to remove the 'ringfencing' of General Fund balances. If Cabinet later agree to introduce a charge for this service, this will require a recommendation to be made at that time to Full Council to allocate the £200k from the General Fund unallocated balance.

The budget for 2023/24 makes no further financial allowance for the potential impact of introducing a charge for garden waste collection.

Impact on Medium-Term Financial Strategy

No immediate impact on the MTFS. The future financial impact on the MTFS is dependent on the approval of Cabinet to proceed with the introduction of a charge for garden waste collection at its meeting to be held on 13th March 2023.

Impact on Council Tax Resolution 2023/24

No impact on the Council Tax Resolution.

Amendment 5

That in respect of the revoked (ref. addendum Budget report) ringfencing of the allocation of £2.5 million for the Millennium Way slips, the Reserve established from the balance of funds remaining from the Millennium Way Slips provision after the deduction of the cost of a New Homes & Growth Dividend, of approximately £850,000, is allocated to investment projects in cycling routes (aligned with the Cycling Strategy) and investment in sustainable local capital projects in rural parts of the district. The reallocation to cycling and rural projects will support local communities and BDC's Climate Change commitments.

Technical guidance on the impact of proposed amendment from the Head of Finance:

Impact on Budget 2023/24 & Medium-Term Financial Strategy

This proposed amendment would result in the repurposing of the estimated remaining balance of the Millennium Slips reserve (est. £850k) away from that being proposed, i.e., to fund Transformation projects that are intended to improve the way the Council operates and address the £2.03 million structural budget gap. The proposed decision not to continue to hold the Millennium Way slip reserve creates an opportunity to provide additional resource to this program and achieve the desired outcomes earlier.

Impact on Council Tax Resolution 2023/24

No impact on the Council Tax Resolution.