

**Agenda Item:**

<b>Report Title:</b> Council Budget and Council Tax 2023/24 and Medium-Term Financial Strategy 2023/24 to 2026/27 – <b>Addendum Report</b>	
<b>Report to:</b> Council	
<b>Date:</b> 20 <sup>th</sup> February 2023	<b>For:</b> Decision
<b>Key Decision:</b> No	<b>Decision Planner Ref No:</b> DP/2022/25
<b>Report Presented by:</b> Councillor Graham Butland, Leader of the Council and Councillor John McKee, Cabinet Member for Finance and Corporate Transformation	
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**1. Purpose of the Report**

- 1.1 To provide an update to the Council Tax Budget and Council Tax 2023/24 and Medium-Term Financial Strategy 2023/24 to 2026/27 report.
- 1.2 To update the recommendations to be made to Full Council by the Cabinet at its meeting held on 6<sup>th</sup> February 2023, to reflect recent information regarding funds reserved by the Council. The updated recommendations within this report amend the initial recommendations contained within the report published on 27 January 2023 (the Initial Budget Report). Where required, revised or new appendices to support the relevant changes in recommendations are appended to this report. New or revised recommendations are **highlighted in bold** within this report.

**2. Recommendations (to replace those set out in the original budget report)**

- 2.1 The following recommendations replace those recommendations to Council as set out in the Initial Budget Report.

Cabinet **Recommend to Council** that the following be approved:

- 2.1.1 The revenue budget for 2023/24 as set out in **Appendices A and B to this Addendum Report**.
- 2.1.2 **To revoke the ringfencing of £2.5m of previously allocated New Homes Bonus for the A120 Access Improvement Package (Millennium Slips).**
- 2.1.3 The Braintree District Council's Local Council Tax Support Scheme for 2023/24 as detailed on the Council's website at [Local Council Tax Support Scheme](#).
- 2.1.4 The Council Tax Support Fund as set out in Section 15 of the report and in accordance with Government Guidance, and to delegate to the Cabinet Member for Finance and Corporate Transformation, in consultation with the

Section 151 Officer, to determine the administration of any discretionary element.

- 2.1.5 The Council's discretionary fees and charges for 2023/24 as detailed in Appendix C to the report.
- 2.1.6 Delegated authority is given to the appropriate Cabinet Members to determine the level of charges where these are subject to third party information or agreed with external partners, or where in-year variations are required for commercial or concessionary reasons.
- 2.1.7 The Council's policy for Discretionary Business Rate Relief Schemes (under section 47 of the Local Government Act 1988, as amended), as detailed in Section 12 of the report, for 2023/24.
- 2.1.8 The Discretionary Council Tax discounts and exemptions, and premiums as detailed in Section 17 of the report, for 2023/24.
- 2.1.9 The Council's Pay Policy for 2023/24 as detailed in Appendix D to the main, report, subject to the amounts of pay included being updated in line with the final agreed settlement for the cost-of-living award to be implemented with effect from 1<sup>st</sup> April 2023.
- 2.1.10 Establish the following new earmarked reserves: Cost of Living Reserve of £1m and an Economic Growth and Healthy Housing Strategies reserve of £427k, from the Council's 2023/24 allocation of New Homes Bonus; **and a new Transformation Reserve is established from the balance of funds remaining from the Millennium Slips provision after the deduction of the cost of a New Homes & Growth Dividend as set out in paragraph 2.1.18 below.**
- 2.1.11 The estimated movements on earmarked reserves as detailed in **Appendix C to the Addendum Report**, and the transfer of the residual balance held in the Covid-19 Contingency reserve to the General Fund unallocated balance.
- 2.1.12 The allocation of £500k of the unallocated New Homes Bonus reserve to provide interim funding for the Strategic Investment Team, including the feasibility reserve.
- 2.1.13 The allocation of up to £200k from General Fund balances to fund one-off initial costs related to the proposed introduction of charging for the collection of garden waste, such allocation is subject to the introduction of charging for the collection of garden waste being approved by Cabinet.

## **Capital**

- 2.1.14 The Capital bids for 2023/24 listed in Appendix G to the report.

- 2.1.15 A Disabled Facilities Grants programme which matches the resources allocated to the Council from the Better Care Fund for 2023/24.

### **Capital and Investment Strategy and Treasury Management Strategy**

- 2.1.15 The Capital and Investment Strategy as detailed in Appendix H to the report.
- 2.1.16 The Treasury Management Strategy as detailed in Appendix I to the report.

### **Council Tax**

- 2.1.17 A Council Tax Requirement of £10,842,691 resulting in a Council Tax rate for 2023/24 of £194.31 for a Band D property.

### **Growth Dividend**

- 2.1.18 A £25 New Homes & Growth Dividend to be made to eligible households in 2023/24 in accordance with the Dividend Policy (Appendix D to the Addendum Report) estimated cost to be £1.65m.**
- 2.1.19 To delegate to the Section 151 Officer to make technical policy amendments to ensure the Dividend Policy meets the criteria set by the Council.**

Note for the sake of clarity unless it states **Addendum Report**, the reference to report (or appendices) in the above recommendations relate to the original Council Budget and Council Tax 2023/24 and Medium-Term Financial Strategy 2023/24 to 2026/27 report distributed with the agenda.

## **3. Summary of Issues**

### **A120 Access Improvement Package (Millennium Slips)**

- 3.1 On 2<sup>nd</sup> June 2014, the Cabinet agreed allocations of almost £5m of New Homes Bonus for pipeline infrastructure projects which included £2.5m for an A120 Access Improvement Package. The objective of this allocation was to leverage in additional funding that could be used to alleviate traffic congestion at Galleys Corner. Any improvements would be delivered by Essex County Council (ECC) as the Highways Authority.
- 3.2 A project has been developed by ECC which secured an allocation from Department for Transport's National Productivity Investment Fund (NPIF) for the Local Road Network and further funding was allocated to the project from Highways England and ECC themselves. However, the Project was not fully funded and therefore additional funding was required for the project.
- 3.3 The Council submitted a Levelling Up Round 2 (LU R2) Bid for this project seeking an additional £10m. On 19<sup>th</sup> January 2023, the Council received notification that the LU R2 Bid had been unsuccessful ECC has since carried out a stringent review of their capital programme as part of their own budget

setting process. Subsequently the Council has received notification from ECC that the A120 Access Improvement Package is very unlikely to remain within their capital programme at this time.

- 3.4 On the basis of the communication received from ECC, it is proposed that the decision to ringfence the £2.5m that is held in reserve for this project is revoked. This decision will result in the Council's unallocated reserves increasing by an equivalent sum. The Council will be able to reconsider whether it wishes to provide new financial support to the project should the project be brought forward by ECC at a future date.
- 3.5 ECC, in the communication to the Council, emphasised a shared determination to secure improvements to the A120 route between Braintree town and the A12, establishing a new route from Galleys Corner to join the A12 at Junction 23 just south of Kelvedon (known as option D in ECC's 2017 options appraisal) to make the network safer, support the flow of traffic and encourage economic growth.

### **Position on Unallocated Reserves**

- 3.6 The increase in unallocated reserves by £2.5m would further strengthen the Council's financial resilience; however, the level of unallocated General Fund balances already exceed the recently approved minimum level of £3m (doubled from £1.5m), therefore holding additional balances could be considered overly prudent and not recognising the economic context that the Council's residents face at this time, the financial challenges facing the Council and the costs of a programme of change that is inevitable to address the current structural budget gap projected in the Medium-Term Financial Strategy.

### **Braintree District Council New Homes & Growth Dividend**

- 3.7 Households continue to face significant challenges due to the cost-of-living crisis. The budget for 2023/24 includes a recommendation to allocate £1m of New Homes Bonus expected to be received for 2023/24 to support vulnerable households through these exceptional circumstances. This financial support will be targeted by working closely with existing community partners. This is in addition to the significant work that the Council is already undertaking to support communities. There is also a new Council Tax Support Fund for 2023/24 for those council taxpayers that are in receipt of Local Council Tax Support, and which is being funded by government grant.
- 3.8 Recognising the growth that has occurred across the district over the last few years which has contributed towards increases in council tax base and additional funding through incentive schemes as New Homes Bonus, it is proposed that part of the £2.5m that would have gone into unallocated reserves is used to provide a 'New Homes & Growth Dividend' of up to £25 to council taxpayers against their 2023/24 council tax liability. This would represent a universal support to households where they have a liability to council tax during the current cost-of-living crisis.

3.9 It is proposed that the dividend will be awarded based on a Dividend Policy a draft of which is attached as **Appendix D** to this report. In summary, the criteria for allocating the proposed dividend to council taxpayer's is as follows (Nb. the Policy set out in the Appendix will be the final determining factor):

- The taxpayer must be known by the Council to be liable to pay council tax on 1<sup>st</sup> March 2023 and continue to have a council tax liability for 2023/24 on 1<sup>st</sup> April 2023. If this criterion is not met there will be no entitlement to a dividend. For example, new taxpayers moving into the district after 1<sup>st</sup> March 2023 will not receive the dividend. Council taxpayers that move after 1<sup>st</sup> March 2023 within the district and continue to have a liability to council tax on 1<sup>st</sup> April 2023 will receive a dividend. Only one dividend will be awarded to any council taxpayer.
- The council taxpayer must have a liability on 1<sup>st</sup> April 2023 after deducting the normal council tax discounts and disregards, Local Council Tax Support Scheme, and the Council Tax Support Fund. If there is no liability, there will be no award of dividend.
- Properties falling into the following categories will not be eligible for the dividend: empty properties, second homes, exempt properties/occupiers, or where council tax is the responsibility of the landlord/owner, e.g., Housing in Multiple Occupation and care homes.
- The dividend awarded will be up to a maximum of £25. A council taxpayer that has a liability less than £25 on 1<sup>st</sup> April 2023, will only receive a dividend up to the amount of their liability.
- Where the liability of a council taxpayer changes after 1<sup>st</sup> April 2023, and this would mean they would not have been entitled to the level of dividend awarded, no recovery will be made unless the change is due to fraud, error, or misrepresentation of information.

3.10 The dividend will be shown on council tax bills as a category of payment described as 'BDC Homes & Growth Dividend'. This will apply to paper bills, and on-line bills.

3.11 The dividend is estimated to benefit around 64,000 council taxpayers with an estimated cost of c£1.6m. There will additional administration and system costs that are estimated to be no more than £50k.

### **Resources for Transformation**

3.12 The Council continues to face a significant structural deficit in its medium-term financial position of over £2m. Whilst there several reviews and actions already underway, nevertheless the Council is going to have to review and adapt how it provides services and works as an organisation in future, including taking full advantage of the opportunities of shared services and collaboration.

3.13 It is essential that plans for transformation can be progressed at pace which will require upfront investment. There is limited staffing capacity and

resources internally within existing budgets and reserves to support a programme that could quickly deliver significant outcomes. Therefore, it is proposed that the balance of the funds after deduction of the cost of the dividend is allocated to a new Transformation Reserve. The exact amount of funding that could be made available without further recourse to other balances will depend on the final cost of the growth dividend but is currently estimated to be c£850k.

- 3.14 The proposed transformation reserve would be used to fund one-off costs associated with the change programme required to improve the way the Council operates and address the structural budget gap. This could include third party support to provide capacity and capability , one off investments in technology and pump-priming/other one-off costs to develop and deliver the case for change.

### **Local Government Finance Settlement 2023/24 and Other Budget Changes**

- 3.15 Detail of the final Local Government Finance Settlement (LGFS) were received on 6<sup>th</sup> February 2023. The Council has been allocated additional Services Grant and Rural Services Delivery Grant over the amounts included in the provisional finance settlement; however, an equivalent reduction has been made in the amount of Funding Guarantee that the Council will receive.
- 3.16 It was also announced that the accumulated surplus of £100m currently held by the government in the business rates levy account will be returned to local authorities and this will be distributed on a one-off basis based on each local authority's 2013/14 Settlement Funding Assessment. The amount allocated to Braintree is £29,243. This is extra funding received in respect of 2022/23 which was not included in the original budget.
- 3.17 On the basis of the additional one-off funding to be received by the Council it is proposed that £29,000 is used to maintain the current level of funding to parish councils under the Street Cleaning Agreement for 2023/24 only. This one-off deferral to the proposed funding reduction is reflected in the proposed budget for 2023/24 as set out in the Appendices to this report.
- 3.18 The recommendations set out in this report will help the Council to deliver the following Corporate Objectives:
- Residents live well in healthy and resilient communities where residents feel supported;
  - A high performing organisation that delivers excellent and value for money services; and
  - Delivering better outcomes for residents and businesses and reducing costs to taxpayers.
- 3.19 The growth dividend will support council taxpayers at a time of a cost-of-living crisis and will supplement the additional funding and activities that are being proposed or are already in place.

- 3.20 The allocation of funding for transformation projects will contribute towards meeting the Council's financial challenge and objective for continuous service improvement and changing the way the Council works which will all benefit residents and businesses. This will help the Council to avoid having to cut priority services and continue to deliver on the wider objectives of the Corporate Strategy, whilst dealing with its future budget shortfalls.

#### **4. Options**

- 4.1 There is the option that the funding released by removing the provision for Millennium Slips is not allocated towards a growth dividend and/ or supporting transformation, or a lower amount is allocated. In this case the balance retained in unallocated reserves would continue to be invested as part of treasury management, until such time a decision is made to allocate the reserve for an alternative purpose. Lowering the growth dividend below £25 is not considered appropriate as this amount aligns with that which government is providing as support to those on Local Council Tax Support.
- 4.2 A higher amount could be allocated for the growth dividend; however, as referred to above the £25 does align with other funding support being provided. The Council is already providing an extra £1m from New Homes Bonus towards targeted support for vulnerable households on cost-of living. A £25 growth dividend is therefore considered an appropriate sum to allocate as universal support to council taxpayers, balancing this against the benefits that could be obtained through alternative use of the funding. By using the balance of funding for supporting transformational change this will help address the longer-term financial challenge facing the Council and result in benefits to residents.
- 4.3 The Council could determine to keep the £2.5m ringfenced, which would allow it to be used should the A120 Improvement Package receive additional investment and be returned to ECC's capital programme in future years. This is not the recommended option at this time. In light of the cost of living crisis, the Council considers that it would not be beneficial at this time to keep the monies in reserve, at a time when it is possible to bring forward a more beneficial use for council taxpayers.
- 4.4 The preferred option is therefore to repurpose the Millennium Slips provision to provide for a New Homes & Growth Dividend of £25 based on the Dividend Policy attached in Appendix D and use the balance to fund an accelerated transformation programme.

#### **5. Financial Implications**

- 5.1 Removing the provision for Millennium Slips increases the Council's unallocated reserves by £2.5m.

- 5.2 The proposal to pay a dividend of £25 to council taxpayers based on the Dividend Policy set out in Appendix D is estimated to cost c£1.6m plus system and administration costs of up to £50k.
- 5.3 The balance of the reserve to be allocated for supporting a transformation programme is c£850k but this amount will be finalised once the actual cost of the dividend has been ascertained. This increase in resources will enable the pace of transformation to be achieved earlier than existing resources would allow and realise financial benefits quicker, as well as the potential improvements in service delivery.
- 5.4 The final Local Government Finance Settlement retains Core Spending Power for the Council to the amount set out in the provisional finance settlement. An additional one-off amount of £29,243 is to be received being the Council's share of the surplus held by the government on the business rate levy account. It is proposed to use £29,000 to maintain the level of funding to parish councils under the Street Cleaning Agreement for 2023/24 only, with the balance of £243 being adjusted against the movement on the unallocated General Fund balance. The Medium-Term Financial Strategy assumes this saving is implemented from 2024/25 onwards.

## **6. Legal Implications**

- 6.1 Any Member affected by Section 106 of the Local Government Finance Act must note that any declarations to the following effect should be made on the commencement of the meeting or immediately on arrival if this is later.

*'Under Section 106 a Member who has not paid an amount due in respect of their Council Tax for at least two months after it became payable is precluded from voting on any matters affecting the level of Council TAX or the arrangements for administering the Council Tax. (The Member is, however, entitled to speak)'*

- 6.2 Adoption of the Local Council Tax Support Scheme (LCTS) is a statutory requirement. Failure to do so could lead to a default scheme being imposed by the Government.
- 6.3 The general power of competence as set out in the Localism Act 2011, gave local authorities greater powers to act for their communities, provided in doing so the actions were not prohibited by other legislation. The introduction of the New Homes & Growth Dividend is in line with the provisions of the general power of competence.

## **7. Equality and Diversity Implications**

- 7.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when the Council makes decisions it must have regard to the need to:



- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

7.3 The dividend is being applied universally to council taxpayers that meet the eligibility criteria. The scheme has been designed specifically to treat residents Council taxpayers fairly, irrespective of any protected characteristics. Those due to pay less than £25 to the Council will receive an amount equivalent to the amount due. Residents who do not pay Council tax will not receive a dividend. The scheme has been designed to balance fairness against having a scheme that is cost effective to implement and does not introduce a disproportionate element of complexity and can be easily understood.

## **8. List of Appendices**

8.1 Appendix A – Revised General Fund Revenue Profile 2023/24 to 2026/27

8.2 Appendix B – Revised Controllable Budget Summary 2023/24

8.3 Appendix C – Revised Earmarked Reserves

8.4 Appendix D – Dividend Policy

## **9. Background Papers**

9.1 [Council Budget and Council Tax 2023/24 and Medium-Term Financial Strategy 2023/24 to 2026/27 report to Cabinet 6<sup>th</sup> February 2023.](#)

**General Fund Revenue Profile 2022/23 to 2026/27**

February Cabinet 2022

**ADDENDUM REPORT - APPENDIX A**

	<u>2022/23</u> £000	<u>2023/24</u> £000	<u>2024/25</u> £000	<u>2025/26</u> £000	<u>2026/27</u> £000
<b>Base Budget brought forward from previous year</b>	<b>15,879</b>	<b>17,057</b>	<b>18,023</b>	<b>17,216</b>	<b>17,670</b>
<b><u>Pay, Inflation, &amp; Treasury Management:</u></b>					
Pay & Pension Fund	1,220	557	540	533	514
Energy, Fuel, and Other Income & Expenditure Inflation	176	401	197	67	104
Increase in Dividends & Interest	-100	-220	-30	-	-
<b><u>New Demands:</u></b>					
Budget Demand & Growth - previously agreed	590	31	38	25	-
New Cost Pressures & Reduced Income	-	985	2	104	-
Options for New Growth	-	222	65	136	-
<b><u>Reductions:</u></b>					
Savings/Additional Income previously profiled	-709	-31	-88	-	-
New Management Savings/Additional Income	-	-393	-4	-	-
Options for Savings/Additional Income	-	-460	-50	-5	-
Discretionary Fees & Charges Review (provision)	-	-125	-	-	-
Green Waste Charging	-	-	Tbc	-	-
<b>Ongoing Savings Required</b>	<b>-</b>	<b>Note 1</b>	<b>-1,477</b>	<b>-406</b>	<b>-151</b>
<b>Updated Base Budget</b>	<b>17,057</b>	<b>18,023</b>	<b>17,216</b>	<b>17,670</b>	<b>18,136</b>
<b><u>One-Off or Short-Term Demands</u></b>					
One-off items previously agreed	681	196	-	-	-
Councillor Community Grants/ Parish Street Cleansing	61	90	-	-	-
Strategic Investment Resources (short-term)	173	327	-	-	-
New Homes & Growth Dividend	-	1,650	-	-	-
In-year Recovery Plan	-654	-	-	-	-
<b>Budget including One-off Items</b>	<b>17,319</b>	<b>20,287</b>	<b>17,216</b>	<b>17,670</b>	<b>18,136</b>
Addition/(-withdrawal) from Balances & Reserves	-904	-1,846	-	-	-
Use of Balances to cover Budget Gap	-	-644	-	-	-
Contributions from the Business Rates Equalisation Reserve	-2,737	-	-	-	-
Existing NHB allocated to Strategic Investment	-173	-327	-	-	-
<b>Budget Requirement</b>	<b>13,504</b>	<b>17,469</b>	<b>17,216</b>	<b>17,670</b>	<b>18,136</b>
Revenue Support Grant (excl. new rolled in grants)	-1	-1	-1	-1	-1
Retained Business Rates - Baseline	-3,487	-3,617	-3,690	-3,764	-3,839
- Growth & S31 Compensation	-1,712	-2,050	-2,091	-2,133	-2,175
Rural Services Grant	-23	-26	-23	-23	-23
Lower Tier Services Grant (repurposed 23/24)	-160	-	-	-	-
Services Grant	-240	-141	-135	-135	-135
Funding Guarantee 23/24 only	-	-440	-	-	-
Business Rates Levy Account surplus (iro 22/23)	-	-29	-	-	-
Collection Fund Balance - Business Rates Deficit /(Surplus)	2,737	-100	-	-	-
Collection Fund Balance - Council Tax Surplus	-198	-222	-	-	-
<b>BDC Requirement from Council Taxpayers</b>	<b>10,421</b>	<b>10,843</b>	<b>11,276</b>	<b>11,614</b>	<b>11,963</b>
Tax base	54,957	55,801	56,359	56,923	57,492
Council Tax (Band D) £.p	£189.63	£194.31	£200.07	£204.03	£208.08
Council Tax increase per annum £.p	£4.95	£4.68	£5.76	£3.96	£4.05
<b>Percentage Increase</b>	<b>2.7%</b>	<b>2.5%</b>	<b>3.0%</b>	<b>2.0%</b>	<b>2.0%</b>
Increase per week £.p	£0.10	£0.09	£0.11	£0.08	£0.08

**Figures and totals rounded and presented to nearest whole**

Note 1 - Budget gap in 23/24 met from General Fund balances and therefore £644k saving requirement rolls over into 2024/25

Note 2 - Excludes NHB receivable in 23/24 proposed to be earmarked for Cost of Living support and Growth & Economic Strategies

Note 3 - Planned use of reserves excludes items that have net nil revenue impact e.g. use of revenue reserves for capital programme

GENERAL FUND BUDGETS 2023/24 - BUSINESS PLAN SUMMARY

	Controllable Budgets							Reversal Use of Earmarked Reserves	Planned Spend 2023/24
	Base Budget 2022/23 (Updated)	Ongoing Demands	One-off or Short-Term Demands	Reductions and Savings	Pay, Pension Fund, Inflation & Recharges	Other Budget Changes <sup>1</sup>	Proposed Controllable Budget 2023/24		
	£	£	£	£	£	£	£		
<b>Business Plan</b>									
Asset Management	-2,504,330	291,000	0	-19,250	79,500	0	-2,153,080	0	-2,153,080
Community & Leisure	752,970	0	0	-30,970	49,740	0	771,740	2,180	773,920
Corporate Management Plan	1,633,480	0	0	-72,650	57,930	0	1,618,760	14,700	1,633,460
Economic Development	229,150	0	-25,000	0	1,610	25,000	230,760	281,560	512,320
Environment	837,510	3,350	0	-3,000	70,820	3,000	911,680	47,370	959,050
Finance	1,152,200	244,150	-100,000	-220,730	148,320	-8,280	1,215,660	4,170	1,219,830
Governance	1,279,370	62,050	0	-81,430	47,400	0	1,307,390	170,000	1,477,390
Housing Services	862,920	0	0	-9,000	67,400	0	921,320	67,230	988,550
Business Solutions	883,050	90,000	0	-6,250	36,130	0	1,002,930	0	1,002,930
ICT & Facilities	1,873,460	6,000	0	-15,500	145,390	0	2,009,350	18,500	2,027,850
Marketing & Communications	618,110	25,000	0	-33,800	32,470	0	641,780	9,100	650,880
Operations	6,771,970	466,000	29,000	-563,440	502,020	8,000	7,213,550	98,110	7,311,660
Strategic Investment	23,550	0	160,000	0	12,060	-160,000	35,610	159,970	195,580
Sustainable Development	1,324,160	0	-150,000	-2,500	126,910	150,000	1,448,570	178,510	1,627,080
<b>COST OF SERVICES</b>	<b>15,737,570</b>	<b>1,187,550</b>	<b>-86,000</b>	<b>-1,058,520</b>	<b>1,377,700</b>	<b>17,720</b>	<b>17,176,020</b>	<b>1,051,400</b>	<b>18,227,420</b>
Corporate Financing	-975,658	650,490	-188,020	0	-354,830	1,732,688	864,670		864,670
Corporate Efficiency Provision	-300,000	0	0	0	0	0	-300,000		-300,000
Transfer to/(from) Earmarked Reserves	-1,320,090	0	0	0	0	163,930	-1,156,160	-1,051,400	-2,207,560
Contribution to/(from) Balances - Base Budget	-89,494	0	0	0	0	-554,642	-644,136		-644,136
Contribution to/(from) Balances - One-off Investment	-370,620	0	0	0	0	249,270	-121,350		-121,350
Contribution to/(from) Balances - Pension Fund Deficit	822,770	0	0	0	0	-822,770	0		0
New Homes & Growth Dividend	0	0	0	0	0	1,650,000	1,650,000		1,650,000
<b>BUDGET REQUIREMENT</b>	<b>13,504,478</b>	<b>1,838,040</b>	<b>-274,020</b>	<b>-1,058,520</b>	<b>1,022,870</b>	<b>2,436,196</b>	<b>17,469,044</b>	<b>0</b>	<b>17,469,044</b>
Revenue Support Grant	-555	0	0	0	0	-56	-611		-611
Retained Business Rates	-5,198,763	0	0	0	0	-468,617	-5,667,380		-5,667,380
Rural Services Grant	-23,217	0	0	0	0	-2,732	-25,949		-25,949
Lower Tier Services Grant	-159,517	0	0	0	0	159,517	0		0
Services Grant	-240,380	0	0	0	0	99,354	-141,026		-141,026
Funding Guarantee 23/24	0	0	0	0	0	-440,309	-440,309		-440,309
Business Rates Levy Account surplus (22/23)	0	0	0	0	0	-29,243	-29,243		-29,243
Collection Fund Surplus - Business Rates	2,737,178	0	0	0	0	-2,837,253	-100,075		-100,075
Collection Fund Surplus - Council Tax	-197,728	0	0	0	0	-24,032	-221,760		-221,760
<b>BDC REQUIREMENT FROM COUNCIL TAXPAYERS</b>	<b>10,421,496</b>	<b>1,838,040</b>	<b>-274,020</b>	<b>-1,058,520</b>	<b>1,022,870</b>	<b>-1,107,175</b>	<b>10,842,691</b>	<b>0</b>	<b>10,842,691</b>

<sup>1</sup> "Other Budget Changes" reflects changes arising from use of balances/ reserves; Collection Fund items; reversal of prior year one-off investment; treasury management; and Local Government Finance Settlement

Earmarked Reserves 2022/23 to 2026/27 - Current Projections<sup>1</sup>

	2022/23				2023/24		2024/25		2025/26		2026/27	
	Opening Balance 2022/23	Movements in Year 2022/23	Trf between reserves/ back to balances	Proj Closing Balance 2022/23	Movements in Year	Proj Closing Balance 2023/24	Movements in Year	Proj Closing Balance 2024/25	Movements in Year	Proj Closing Balance 2025/26	Movements in Year	Proj Closing Balance 2026/27
<b>EARMARKED RESERVES (REVENUE)</b>												
<b>Overall Strategy</b>												
Corporate Improvement programme	222,275	-196,652	0	25,623	0	25,623	0	25,623	0	25,623	0	25,623
District Elections	202,426	30,000	0	232,426	-170,000	62,426	30,000	92,426	30,000	122,426	30,000	152,426
Marketing & Communications	22,452	-13,300	0	9,152	-9,100	52	0	52	0	52	0	52
Cost of Living (New 23/24) <sup>2</sup>	0	0	0	0	500,000	500,000	-500,000	0	0	0	0	0
Member Support & Development	33,880	0	0	33,880	0	33,880	0	33,880	0	33,880	0	33,880
	<b>481,032</b>	<b>-179,952</b>	<b>0</b>	<b>301,080</b>	<b>320,900</b>	<b>621,980</b>	<b>-470,000</b>	<b>151,980</b>	<b>30,000</b>	<b>181,980</b>	<b>30,000</b>	<b>211,980</b>
<b>Climate Change and the Environment</b>												
Approved Carry Forwards	135,807	-114,407	0	21,400	0	21,400	0	21,400	0	21,400	0	21,400
House Survey (Private)	31,013	-31,000	0	13	3,000	3,013	3,000	6,013	3,000	9,013	3,000	12,013
Climate Change	455,897	-116,000	0	339,897	-52,870	287,027	-10,230	276,797	0	276,797	0	276,797
Commuted Maintenance	315,178	-105,610	0	209,568	-105,610	103,958	-103,950	8	0	8	0	8
	<b>937,895</b>	<b>-367,017</b>	<b>0</b>	<b>570,878</b>	<b>-155,480</b>	<b>415,398</b>	<b>-111,180</b>	<b>304,218</b>	<b>3,000</b>	<b>307,218</b>	<b>3,000</b>	<b>310,218</b>
<b>Operations and Commercialisation</b>												
Approved Carry Forwards	52,281	-52,281	0	0	0	0	0	0	0	0	0	0
Unmet Taxi Demand Survey	28,581	2,500	0	31,081	2,500	33,581	2,500	36,081	2,500	38,581	2,500	41,081
Recycling Income	361,000	0	0	361,000	0	361,000	0	361,000	0	361,000	0	361,000
Operations	10,896	-10,896	0	0	0	0	0	0	0	0	0	0
	<b>452,757</b>	<b>-60,676</b>	<b>0</b>	<b>392,081</b>	<b>2,500</b>	<b>394,581</b>	<b>2,500</b>	<b>397,081</b>	<b>2,500</b>	<b>399,581</b>	<b>2,500</b>	<b>402,081</b>
<b>Planning and Infrastructure</b>												
Approved Carry Forwards	90,180	-69,500	0	20,680	0	20,680	0	20,680	0	20,680	0	20,680
Local Plan	293,232	50,000	0	343,232	40,000	383,232	0	383,232	0	383,232	0	383,232
Development Control	179,646	-61,016	0	118,630	-61,010	57,620	-57,620	0	0	0	0	0
Planning Appeals	281,473	-75,000	0	206,473	-100,000	106,473	-106,473	0	0	0	0	0
Housing Development & Local Growth	111,410	-51,190	0	60,220	-55,950	4,270	-4,270	0	0	0	0	0
Planning Enforcement	150,000	-50,000	0	100,000	-50,000	50,000	-50,000	0	0	0	0	0
Unilateral Undertakings	518,035	0	0	518,035	0	518,035	0	518,035	0	518,035	0	518,035
	<b>1,623,976</b>	<b>-256,706</b>	<b>0</b>	<b>1,367,270</b>	<b>-226,960</b>	<b>1,140,310</b>	<b>-218,363</b>	<b>921,947</b>	<b>0</b>	<b>921,947</b>	<b>0</b>	<b>921,947</b>
<b>Housing, Assets and Skills</b>												
Approved Carry Forwards	111,450	-84,930	0	26,520	-22,590	3,930	-3,930	0	0	0	0	0
Planned Maintenance (Revenue)	78,622	0	0	78,622	0	78,622	0	78,622	0	78,622	0	78,622
Homelessness Funds	996,613	-67,264	0	929,349	-44,640	884,709	0	884,709	0	884,709	0	884,709
	<b>1,186,686</b>	<b>-152,194</b>	<b>0</b>	<b>1,034,492</b>	<b>-67,230</b>	<b>967,262</b>	<b>-3,930</b>	<b>963,332</b>	<b>0</b>	<b>963,332</b>	<b>0</b>	<b>963,332</b>
<b>Economic Growth</b>												
Growth and Economic Strategy (New 23/24) <sup>2</sup>	0	0	0	0	226,669	226,669	-226,669	0	0	0	0	0
Economic Development	648,078	-112,240	0	535,838	-225,610	310,228	-163,720	146,508	0	146,508	0	146,508
	<b>648,078</b>	<b>-112,240</b>	<b>0</b>	<b>535,838</b>	<b>1,059</b>	<b>536,897</b>	<b>-390,389</b>	<b>146,508</b>	<b>0</b>	<b>146,508</b>	<b>0</b>	<b>146,508</b>

**Earmarked Reserves 2022/23 to 2026/27 - Current Projections<sup>1</sup>**

	2022/23				2023/24		2024/25		2025/26		2026/27	
	Opening Balance 2022/23	Movements in Year 2022/23	Trf between reserves/ back to balances	Proj Closing Balance 2022/23	Movements in Year	Proj Closing Balance 2023/24	Movements in Year	Proj Closing Balance 2024/25	Movements in Year	Proj Closing Balance 2025/26	Movements in Year	Proj Closing Balance 2026/27
<b>Health &amp; Wellbeing</b>												
Approved Carry Forwards	14,000	-14,000	0	0	0	0	0	0	0	0	0	0
Public Health Agenda	125,013	-35,290	0	89,723	0	89,723	0	89,723	0	89,723	0	89,723
Leisure	66,870	0	0	66,870	0	66,870	0	66,870	0	66,870	0	66,870
	<b>205,883</b>	<b>-49,290</b>	<b>0</b>	<b>156,593</b>	<b>0</b>	<b>156,593</b>	<b>0</b>	<b>156,593</b>	<b>0</b>	<b>156,593</b>	<b>0</b>	<b>156,593</b>
<b>Communities</b>												
Approved Carry Forwards	1,000	-1,000	0	0	0	0	0	0	0	0	0	0
Councillor Grants Scheme	48,177	0	0	48,177	0	48,177	0	48,177	0	48,177	0	48,177
Community Projects	158,082	-76,920	0	81,162	-2,180	78,982	0	78,982	0	78,982	0	78,982
	<b>207,259</b>	<b>-77,920</b>	<b>0</b>	<b>129,339</b>	<b>-2,180</b>	<b>127,159</b>	<b>0</b>	<b>127,159</b>	<b>0</b>	<b>127,159</b>	<b>0</b>	<b>127,159</b>
<b>Finance &amp; Corporate Transformation</b>												
Approved Carry Forwards	63,500	-63,500	0	0	0	0	0	0	0	0	0	0
Insurance Fund	96,087	-9,860	0	86,227	-9,860	76,367	-9,860	66,507	-9,860	56,647	-9,860	46,787
Training & Development	60,201	-19,790	0	40,411	0	40,411	0	40,411	0	40,411	0	40,411
Treasury Management Risk	1,069,237	0	0	1,069,237	0	1,069,237	0	1,069,237	0	1,069,237	0	1,069,237
HB risk from Universal Credit migration	953,788	0	0	953,788	0	953,788	0	953,788	0	953,788	0	953,788
Business Rate Retention Scheme	4,956,448	-2,737,178	0	2,219,270	0	2,219,270	0	2,219,270	0	2,219,270	0	2,219,270
Business Rate Pool	1,136,341	736,000	0	1,872,341	0	1,872,341	0	1,872,341	0	1,872,341	0	1,872,341
Pension Reserve	0	0	0	0	553,700	553,700	553,700	1,107,400	553,700	1,661,100	-1,661,100	0
Land Charges	100,000	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000
Local Council Tax Support	540,129	0	0	540,129	0	540,129	0	540,129	0	540,129	0	540,129
Modern Apprenticeships	123,629	-9,090	0	114,539	0	114,539	0	114,539	0	114,539	0	114,539
Procurement Hub	91,169	-18,570	0	72,599	-14,700	57,899	-16,720	41,179	-18,790	22,389	-20,900	1,489
Payroll Shared Service	42,962	0	0	42,962	-4,170	38,792	-4,170	34,622	-4,170	30,452	-4,170	26,282
Dividend/ Transformation Reserve <sup>2</sup>	0	0	2,500,000	2,500,000	-2,075,000	425,000	-425,000	0	0	0	0	0
Partnership & Developer funds	3,960	0	0	3,960	0	3,960	0	3,960	0	3,960	0	3,960
	<b>9,237,451</b>	<b>-2,121,988</b>	<b>2,500,000</b>	<b>9,615,463</b>	<b>-1,550,030</b>	<b>8,065,433</b>	<b>97,950</b>	<b>8,163,383</b>	<b>520,880</b>	<b>8,684,263</b>	<b>-1,696,030</b>	<b>6,988,233</b>
<b>Covid-19</b>												
Covid-19 LA Support Grants	660,189	-190,000	0	470,189	0	470,189	0	470,189	0	470,189	0	470,189
Covid-19 Contingency	1,000,000	-77,000	-923,000	0	0	0	0	0	0	0	0	0
	<b>1,660,189</b>	<b>-267,000</b>	<b>-923,000</b>	<b>470,189</b>	<b>0</b>	<b>470,189</b>	<b>0</b>	<b>470,189</b>	<b>0</b>	<b>470,189</b>	<b>0</b>	<b>470,189</b>
<b>EARMARKED RESERVES (REVENUE)</b>	<b>16,641,206</b>	<b>-3,644,983</b>	<b>1,577,000</b>	<b>14,573,223</b>	<b>-1,677,421</b>	<b>12,895,802</b>	<b>-1,093,412</b>	<b>11,802,390</b>	<b>556,380</b>	<b>12,358,770</b>	<b>-1,660,530</b>	<b>10,698,240</b>

Earmarked Reserves 2022/23 to 2026/27 - Current Projections<sup>1</sup>

	2022/23				2023/24		2024/25		2025/26		2026/27	
	Opening Balance 2022/23	Movements in Year 2022/23	Trf between reserves/ back to balances	Proj Closing Balance 2022/23	Movements in Year	Proj Closing Balance 2023/24	Movements in Year	Proj Closing Balance 2024/25	Movements in Year	Proj Closing Balance 2025/26	Movements in Year	Proj Closing Balance 2026/27
<b>EARMARKED RESERVES (CAPITAL)</b>												
Capital Reserve	9,567,022	-50,000	-229,162	9,287,860	-3,741,838	5,546,022	-2,050,000	3,496,022	-750,000	2,746,022	-150,000	2,596,022
Financial systems reinvestment	162,194	0	0	162,194	0	162,194	0	162,194	0	162,194	0	162,194
Vehicle and Plant replacement	290,452	288,684	0	579,136	0	579,136	0	579,136	0	579,136	0	579,136
Discovery Centre All Weather Pitch	42,055	0	0	42,055	0	42,055	0	42,055	0	42,055	0	42,055
Corporate Technology Requirements	253,334	-150,000	0	103,334	-18,500	84,834	0	84,834	0	84,834	0	84,834
Strategic Investment funding	1,259,459	-1,210,655	500,000	548,804	-160,000	388,804	0	388,804	0	388,804	0	388,804
New Homes Bonus (balance)	2,118,086	1,656,948	-2,770,838	1,004,196	0	1,004,196	0	1,004,196	0	1,004,196	0	1,004,196
<b>EARMARKED RESERVES (CAPITAL)</b>	<b>13,692,601</b>	<b>534,977</b>	<b>-2,500,000</b>	<b>11,727,578</b>	<b>-3,920,338</b>	<b>7,807,240</b>	<b>-2,050,000</b>	<b>5,757,240</b>	<b>-750,000</b>	<b>5,007,240</b>	<b>-150,000</b>	<b>4,857,240</b>

<sup>1</sup>Movements on certain reserves are determined as part of the year-end process and therefore final movements may differ from those set out in this schedule - this will be reflected in regularly monitoring

<sup>2</sup>Use of new reserves for Cost-of-Living, Growth & Economic Strategies and Transformation subject to further development of programme of spend - currently assumed to be used equally over two-years

## Appendix D

### Draft Dividend Policy for the Proposed 'Braintree New Homes & Growth Dividend'

#### **1. Purpose of the Scheme**

- 1.1 The dividend is a one-off payment of **up to £25** for each Council Taxpayer who meets the eligibility criteria.
- 1.2 The dividend shall be awarded for the 2023/24 financial year only.
- 1.3 The dividend shall be described as the '**BDC Homes & Growth Dividend**' and will be shown on the Council Tax demand notices including those accessed via OpenPortal.

#### **2. Funding**

- 2.1 The cost of the dividend will be met from the Council's General Fund and borne solely by Braintree DC.

#### **3. Eligibility criteria and awards**

- 3.1 Dividend to be awarded automatically onto a taxpayer's account where the eligibility criteria are met in full. Where any taxpayer fails to meet the criteria, no dividend shall be payable, likewise where, after an award being made, it is established that the eligibility criteria were not met in full, any amount awarded shall be reclaimed.
- 3.2 The dividend will only be made to resident council taxpayers of Braintree District Council who, **on 1<sup>st</sup> March 2023**, are known by the Councils Revenues and Benefits service to be liable to pay council tax on 1<sup>st</sup> April 2023 in respect of a dwelling listed on the Valuation Officer's valuation list.

#### **4. Effective Date**

- 4.1 This policy will apply to a council tax liability as at 1<sup>st</sup> April 2023 in respect of the 2023/24 financial year only. To receive a dividend, the eligibility criteria stated below must be met in full.

#### **5. Eligibility**

- 5.1 To receive an award of a dividend **all** the following criteria must be met on the effective date:
  - a) The taxpayer must have been on the council tax system as at **1<sup>st</sup> March 2023** and must have a council tax liability in respect of the 2023/24 financial year remaining on the account through to 1<sup>st</sup> April 2023.

- b) The premises must be shown as a chargeable dwelling on the Braintree District Council Tax Valuation List.
- c) The chargeable dwelling must be considered the taxpayer's sole or main residence
- d) The taxpayer must be the liable person as defined by Section 6 of the Local Government Finance Act 1992
- e) The dwelling must not be exempt from Council Tax

## **6. Awards**

- 6.1 Where the Council determines that a dividend shall be awarded, the amount will be a single one-off payment of up to £25. For the dividend to be awarded, the taxpayer must be liable to pay a net amount of Council Tax greater than zero for the financial year 2023/24 or part thereof on 1<sup>st</sup> April 2023.
- 6.2 The dividend shall be credited directly to the taxpayer's Council Tax and will be used to reduce the Council Tax liability for the financial year 2023/24 only.
- 6.3 Where there is no Council Tax liability for 2023/24 no award shall be made.
- 6.4 For the purposes of calculating Council Tax liability for 2023/24, any credit or overpayments carried over from a prior year's liability will be ignored. Likewise, where an outstanding debt is due in relation to a prior year, this will be ignored for the purposes of determining if there is a Council Tax liability for 2023/24.

## **7. Subsequent Changes to Liability**

- 7.1 Any changes to the Valuation List (in terms of either Council Tax band or the inclusion of a chargeable dwelling) after the effective date, including changes backdated to this date, will be ignored for the purpose of eligibility.
- 7.2 Any changes to Council Tax liability will be ignored for the purposes of eligibility, except where the liability ends prior to 1<sup>st</sup> April 2023.
- 7.3 Where a dividend has been awarded for the 2023/24 financial year and the Council is made aware that Council Tax liability ceased either on or before 31<sup>st</sup> March 2023, any dividend awarded shall be reclaimed.
- 7.4 Where a dividend has been awarded for the 2023/24 financial year, there shall be no reduction or increase in dividend if the Council Tax liability for that year increases or decreases on or after 1<sup>st</sup> April 2023.

## **8. Exclusions**

- 8.1 For the avoidance of doubt, no dividend shall be paid whatsoever where:
  - The taxpayer does not have their sole or main residence in the chargeable dwelling e.g., where the owner is liable to pay the Council Tax (e.g., under the Council Tax (Liability for Owners) Regulations 1992 as amended; or



- the premises are unoccupied; or
- the Council determines the premises to be a second home (as defined by the Council Tax (Prescribed Class of Dwellings) Order 2003 as amended); or
- a Council Tax exemption has been applied to the dwelling which would result in no liability for the 2023/24 financial year; or
- an amount of Council Tax Support or any other discount, or reduction has been granted which would result in no liability for the 22/23 financial year.

## **9. Who can receive the dividend?**

- 9.1 In all cases, only persons named as the Council Tax liable person on 1<sup>st</sup> March 2023 shall be awarded a dividend.
- 9.2 Where two or more persons are jointly and severally liable, only one dividend shall be awarded.
- 9.3 Where the Council has reason to believe that the information it holds about the taxpayer or applicant at the effective date is inaccurate, it may withhold or recover the dividend and take reasonable steps to identify the correct taxpayer.
- 9.4 Where it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any dividend incorrectly awarded.
- 9.5 Where any person misrepresents information or contrives to take advantage of the policy, the Council will recover any dividend awarded.

## **10. How will the dividend be provided to taxpayers?**

- 10.1 Where practicable, the dividend will be awarded directly on to Council Tax accounts. There will be no application process.
- 10.2 Where the information held by the Council is insufficient, the Council reserves the right to request any supplementary information from taxpayers, and they should look to provide this, where requested, as soon as possible.

## **11. Scheme of Delegation**

- 11.1 A full resolution of the Council has approved the award of the dividend
- 11.2 Officers of the Council will administer the scheme and the Section 151 Officer is authorised to make technical policy amendments to ensure it meets the criteria set by the Council.

## **12. Notification of Decisions**

- 12.1 All awards on behalf of the Council shall be made by the Revenues and Benefits Service.

- 12.2 All decisions made shall be notified to the taxpayer either in writing or by email. This will normally take the form of a Council Tax demand showing an award of dividend being applied.

### **13. Review of Decisions**

- 13.1 The Council will operate an internal review process and will accept a taxpayer's request for a review of its decision.
- 13.2 All such requests must be made in writing to the Council and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the taxpayer's review.
- 13.3 The case will be reconsidered by the Revenues & Benefits Manager as soon as practicable, and the taxpayer informed in writing or by email of the decision. That decision shall be final.

### **14. Taxation and the provision of information to HMRC**

- 14.1 The Council does not accept any responsibility in relation to a taxpayer's HMRC tax liabilities and all taxpayers should make their own enquiries to establish any tax position.

### **15. Recovery of amounts incorrectly paid**

- 15.1 If it is established that any award has been made incorrectly due to error, fraud, misrepresentation, or incorrect information provided to the Council by a taxpayer or their representative(s), the Council will look to recover the amount in full.

### **16. Data Protection and use of data**

- 16.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Policies which are available on the Council's website: [Here](#)