



Initial Budget Proposals 2019/20

**Presentation by Portfolio Holders for
Performance & Efficiency and Corporate
Services & Asset Management**

**Overview & Scrutiny Committee
21st November 2018**

Priorities for 2019/20

Focus continues to be:

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

Budget Strategy

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

Local Government Finance Settlement Consultation

Council responded:

- **LGF Settlement** – proposal to confirm 4th and final year of settlement agreement – **AGREE**;
- **Council Tax Referendum Principles** – increase of up to 3% or up to and including £5, whichever is higher – suggested Districts should be allowed an increase of up to 3% or £10;
- **Negative RSG** – proposed removal for 2019/20 – **AGREE**;

Financial Position

September Cabinet

Anticipated financial position for 2019/20
was a shortfall of £465,000

Budget Changes - Positive

- Commercial property rents (£237k)
- Staffing costs – Housing Benefits and Revenues services (£114k)
- Interest earned on short-term investments (£121k)
- Planning Application fee income (£157k)
- Housing Benefits net subsidy increase (£70k)

Budget Changes - Positive

- Operations – vehicle maintenance return to in-house service; special collections income; lower costs for waste sacks, bring banks and Cordons Farm; sinking fund contribution at Gt Notley Country Park (£91k)
- Minor budget changes – Business Solutions, Revenues, Environment, Graphic Design, Marketing & Comms, and Community Safety, Finance (£81k)

Budget Changes – Previously Agreed

- Phased reduction in grant to Museum Trust (£8k)
- Phasing out of the Localism Fund (£81k)

Unavoidable Budget Demands

Expenditure increase:

- Recyclable materials – gate fees (£296k)
- Vehicle Fuel (£50k)

Income reduction:

- Procurement framework rebate income (£36k)
- HB/LCTS administration grant (£43k)

Unavoidable Budget Demands

Income Reduction cont'd:

- Council tax sharing agreement (£66k)
- Council tax/business rate court costs levied (£70k)
- Land Charges and Environmental Protection fees (£81k)

Budget Demands

- Business Support Service (£20k)
- Fleet Management – Fleet Manager (£25k)
- 3rd Litter pick of Braintree Bypass (£20k)
- Development Management – Staffing (£232k)
- Council tax collection fund surplus to Town & Parish Councils (£21k)

Budget Demands

Provisions for:

- Planning Appeal costs - £500k
- Manor St Development – temporary loss of service income during 2-year construction phase - £122k pa

Proposal to meet these from the General Fund Unallocated Balance

Proposed Changes

- Increase investments pooled funds (£65k)
- Planning Performance Agreements (£75k)
- Increase administration charge Disabled Facilities Grants (£18k)
- Councillors grant scheme ceases after current year
- Council tax (Band D) increased to £179.73 (2.99%) for 2019/20

Updated Position

- 2019/20 - £45,000 addition to balances
- 2020/21* - £508,000 shortfall
- 2021/22* - £10,000 addition to Balances
- 2022/23* - £230,000 shortfall

*Note * Based on current Business Rate*

Retention scheme

Balances

Estimated Unallocated Balance

	£'000
Transfer from Earmarked reserves	600
As at 31 st March 2019	5,007
Pension deficit repayment	1,411
Estimated addition 2019/20	45
Proposed withdrawal for one-off	(622)
As at 31 st March 2020	5,841

Issues Outstanding for 2019/20

- LG Finance Settlement due to be published on 6th December
- New Homes Bonus, Business Rate Pilot and HB Administrative subsidy announcements on or shortly after this date
- Payscale changes to be agreed with unions

Issues Outstanding 2019/20

- Council tax and Business Rate taxbases for 2019/20 to be finalised
- Confirmation of ECC Contributions – Waste, Community Transport and Council Tax sharing agreement

Emerging Issues for 2020/21 Onwards

- Spending Review 2019
- Fair Funding Review
- 75% Business Rates Retention – treatment of growth achieved to-date
- Business Rates – appeals
- Homelessness – new responsibilities v Grant
- Impact of District Growth on services

Emerging Issues for 2020/21 Onwards

- Pension Triennial review implemented for 2020/21 to 2022/23 (outcome in Oct/Nov 2019)
- Planning Appeals Costs Reserve – replenish annually?

Business Rates Retention

Opportunity to apply to be a pilot for 75%
Business Rates Retention for 2019/20

- 15 of 16 authorities making Greater Essex have submitted a bid
- £15.5million new resource to Essex

New Resource allocated:

- 10% allocated to authorities for financial sustainability purposes
- 90% for investment for growth purposes

Business Rate Retention Pilot

Potential benefit to Braintree:

- £86,000 for financial sustainability
- A share of £4.26million allocated to North Essex authorities: Braintree, Colchester and Tendring, to:
 - support the development of major infrastructure schemes;
 - infrastructure investment to unlock commercial space
 - investment to support employer-led skills provision

Business Rate Retention

If Pilot Bid is unsuccessful:

- The 15 authorities will participate in an Essex Business Rates Pool (as in the current year)
- Estimated share for Braintree is £646,000 (as in previous years not included in budget)

Capital Bids 2019/20

	£'000
• Maintain Council assets	425
• IDOX Scanners	40
• Computer equipment	40
• IDOX mobile working apps and enterprise	35
• Play Area refurbishment	80
Public Open Spaces:	
• Footpath resurfacing	50
• Earth bunds/ditches	50

Capital Bids 2019/20

£'000

• Replacement park benches	15
• Cemetery memorial repairs	25
• Gt. Notley country park – Artificial Grass pitch	155
• House Renovation Grants	100
• Disabled Facilities Grants	
Better Care Fund allocation via ECC	863
Total	1,878

Capital Bids 2020/21

£'000

Provisions:

- House Renovation Grants 100
- Disabled Facilities Grants 863
- Maintain council assets 425
- Computer equipment 40
- Footpath resurfacing 50

- Allowance for Bids 500

Total

1,978

Existing Capital Programme 2019/20

	£'000
• Housing Services	1,664
• Other Services	531
• Strategic Investments	18,270
• Capital salaries	267
Total	20,732

Capital Programme – schemes not profiled

£'000

Provisions:

- Witham Investments 3,000
- Halstead Community Facility 636
- Town Centre Improvements 966
- Maltings Lane – Access 90

New Homes Bonus

Cash received up to 31st Mar 2019 is £13.22m

- Allocated is £12.90m
- Unallocated Balance at 31st Mar 2019 is £0.32m

Estimated amount receivable in 2019/20:

- Years 6-8 £1.025m
- Year 9 (2019/20) TBA
- Allocated for Economic Development & Project Delivery £0.215m per annum
- Net unallocated for year 9 (2019/20) is £0.81m

Budget Process – Timetable

- Overview & Scrutiny – 21st November
- Cabinet – 26th November
- 2019/20 Funding Settlement Assessment announced – 6th December
- Council – 10th December
- Consultation – Businesses - January
- Overview & Scrutiny – 6th February
- Cabinet – 11th February
- Council – 25th February