

Minutes

Performance Management Scrutiny Committee (Budget) 2nd February 2022



Present

Councillors	Present	Councillors	Present
J Coleridge	Apologies	S Rehman	Yes
G Courtauld	Yes	B Rose	Yes
Mrs C Dervish	Yes	P Schwier (Vice-Chairman)	Yes
T Everard	Yes	N Unsworth	Apologies
M Radley (Chairman)	Yes		

The following Councillors were also in attendance at the meeting: J Abbott, Mrs J Beavis, K Bowers, G Butland, Mrs M Cunningham, P Euesden, Mrs D Garrod, A Hensman, S Hicks, P Horner, D Hume, W Korsinah, D Mann, Mrs J Pell, I Pritchard, F Ricci, Mrs J Sandum, Mrs W Scattergood, Mrs W Schmitt, Mrs G Spray, P Tattersley, R van Dulken, Miss Weeks, J Wrench and B Wright.

28 **DECLARATIONS OF INTEREST**

INFORMATION: There were no interests declared.

29 **MINUTES**

DECISION: The Minutes of the meeting of the Performance Management Scrutiny Committee held on 5th January 2022 were approved as a correct record.

30 **PUBLIC QUESTION TIME**

INFORMATION: There were no questions asked, or statements made.

31 **SCRUTINY OF THE COUNCIL'S BUDGET FOR 2022-2023 - UPDATE**

INFORMATION: Prior to the commencement of the Item, the Chairman advised Members that the report had been prepared for the meetings of Cabinet and Full Council on 7th February 2022 and 21st February 2022 respectively. Once the updated report had been presented, the Committee Members would be given the first opportunity to ask their questions of the Cabinet Members and officers, followed by questions from the non-Committee Members as part of the wider Member Development Programme.

Councillor G Butland, Leader of the Council, made a general statement on the Council's updated Budget position. In his statement, Councillor Butland referred to two specific

issues that were raised at the previous meeting of the Committee on 5th January 2022, namely the Collection Fund Surplus and the Councillor Community Grant Scheme. An update was also provided on the Authority's position in respect of the provisional Local Government Finance Settlement and Council Tax.

Members were advised that the baseline for Business Rates had been proposed at £3.5million. Overall, the Council's estimated share of Business Rates income for 2022/23 would be £5.2million as reflected in the report. There had been some changes in respect of grant allocations to the Council: with regard to the Revenue Support Grant (RSG), the amount of £555 was allocated as a result of the Government rolling into the distribution formula a grant previously paid separately. The Lower Tier Services Grant had also been allocated to the Council for a second year at an amount of £156k. Thirdly, a new non-ring fenced grant of £240k had been introduced by the Government for 2022/23; known as a Services Grant, in recognition of the vital services provided across all levels of Local Government, and to meet the increase in Employer National Insurance contributions from April 2022.

The three grants combined resulted in an additional £397k of income for 2022/23 for the Authority over what had previously been anticipated. It was noted that the Financial Settlement was a single-year settlement and as such, the Council's financial resources in this respect beyond 2022/23 remained uncertain. A review of local authorities' needs and resources was to be undertaken over the coming months with consultation on any potential changes. At the meeting of 5th January, a budgetary shortfall of £427k was projected for 2022/23, and across the Medium-Term Financial Strategy (MTFS), a base budget gap of £1.2million. In light of the changes in grant funding that the Council had since been informed of, the budgetary shortfall had been reduced to £93k. It was proposed that the estimated shortfall would be met initially from the unallocated General Fund Balance in order to enable a budget and Council Tax level to be set. Given the uncertainties over future funding, the improved financial position for 2022/23 was considered to be 'one-off'; therefore, the projected base budget shortfall over the MTFS remained at £1.2million and had been profiled at £925k in 2023/24, £119k in 2024/25 and £198k in 2025/26.

The Council had now received confirmation that the Essex Business Rates Pool would continue for 2022/23. The Council's fees and charges had also been reviewed, with some changes where this was unavoidable. In respect of New Homes Bonus (NHB), the Government had proposed to continue with allocating NHB using the same methodology applied in 2021/22; on this basis, the Council had been allocated £1.4million. Furthermore, it was announced that the Council's outstanding legacy payments of £225k, would also be paid. These amounts were to be added to the current uncommitted balance of the NHB received in previous years and provide a total of £3.8million. An outline plan on the potential use of NHB would be brought forward to Full Council on 21st February 2022.

With regard to the Collection Fund Surplus (the Surplus), Members were provided with some background context as to how the Surplus was first introduced in 2015/16 as a one-off payment to Parish and Town Councils (Local Councils) as a reflection of the Council Tax collection, the levels of which were higher than had been expected following the introduction of the Local Council Tax Scheme. A share of the estimated Collection Fund Balance had been allocated to Local Councils each year since this time, following a decision made annually by Full Council. It was explained that only billing Authorities, such as the Council, and the major preceptors (e.g. Essex County Council) benefited directly from any surplus in the Collection Fund, and it was only these Authorities that faced the

risk of a deficit should the required amount of Council Tax not be collected. Local Councils precept on the General Fund of the District Council and as such, the amount they received through Council Tax was essentially guaranteed, irrespective of the performance of the Collection Fund, thereby omitting the risk of any potential deficit for Local Councils. The amount paid to Local Councils by the District Council since 2015/16 through the voluntary sharing arrangement was over £200k. Given the Authority's position in respect of the MTFS and the financial uncertainties, it had been necessary to review the Collection Fund Surplus; on this occasion, the proposals being made to Full Council was not to make any allocation to Local Councils for 2022/23.

On the subject of the Councillor Community Grant Scheme, Councillor F Ricci, Cabinet Member for Communities, advised Members that the comments made in regard to the Scheme at the last meeting on 5th January 2022 had been taken into account. The new proposal was to increase from the original allocation of £1,000 per Councillor, up to £1,250. Although this increase was proposed, the expenditure of Members in this respect would be examined carefully throughout the year and would be kept under review. Members were subsequently encouraged to make use of the Scheme and the monies available over the course of the next year.

Finally, Councillor Butland informed Members that the Cabinet would be giving consideration to an increase in Council Tax. It was recognised that there would be some difficulties with this approach, which coincided with other increases in living costs for citizens nationally. It was added that the Council's proposed increase of £4.95 for the year represented an increase of 2.68%, which was below that of inflation.

The statement in full was available to view on the Council's YouTube Channel:
<http://www.braintree.gov.uk/youtube>

The following information was provided in response to the questions raised by Members of the Performance Management Scrutiny Committee:-

- The tonnage of unwanted electrical equipment collected in the District in 2020 was incorrect in the news publication "Tell Me More"; the figure should read 7 tonnes, not 7,000 tonnes.
- Local Councils should not have made any budgetary considerations in anticipation that they would receive monies from the Collection Fund Surplus, as the Surplus itself was not agreed until brought before Full Council. Local Councils would as such be advised that it was unlikely that allocations from the Surplus would be agreed for the current year.
- The Council had established an Investment Group to examine how the Council used its capital resources, the resources of which could be used in one of two ways: the first was to invest solely in projects which generated 'social' return, and the second option was to invest in projects such as Horizon 120 in order to generate a financial return. For the Council, there was a need to strike a balance between funding community initiatives as well as those with financial gains.
- In regard to Building Control charges, it was acknowledged that a higher rise than in previous years was being proposed, which is due largely to increased costs whilst also having regard to the prevailing market for this service.

- Councillor Butland encouraged those Members who had not already done so to read the 'Levelling Up' document published by Essex County Council in January 2022. Within the document, six priority areas across the County had been identified, one of which was rural Braintree. It was noted that issues such as social deprivation and loneliness were potentially rife in rural areas than they were in urban areas. Given this, it was highlighted that Members might start to give consideration as to how they could use their Councillor Community Grant monies to support the programmes which would be emerging from the 'Levelling Up' agenda for Essex within their local areas and help address such issues (e.g. through improvements to rural transport links).
- It was stressed that all representations received in respect of the Collection Fund Surplus were given due consideration, and that Local Councils did not have a statutory right to the Surplus monies.

The following information was provided in response to questions raised by non-Committee Members:-

- On the subject of Capital Expenditure, Members were reminded that the Council had stated that it would write to all Members at the start of the new Civic Year to ask for proposals as to how this might be used, thereby allowing enough time for any suggestions to be evaluated for potential inclusion in the budgetary considerations for 2023/24.
- Councillor Butland acknowledged that although the level of Council Tax was lower than that of inflation, it was nonetheless an increase on previous years. It was also expected that there would be significant increases from the larger precepting Authorities, such as Essex County Council, where the largest precept related to social care. Local Authorities across all tiers would be experiencing similar financial challenges with regard to setting their precepts, and it was recognised that there would be a financial burden on residents as a result, with some residents more affected than others.
- It was acknowledged that the budget for the new Members' Forum was to emerge later than had originally been anticipated, which could be attributed to other pressures within the Planning function experienced towards the end of the previous year. It was expected that the Members' Forum would be brought before Full Council in March for approval. Furthermore, a departmental review was currently underway on Planning fees and charges, and the fees for the Members' Forum were to be incorporated within this.
- Members were assured that unspent balances in respect of the Community Grant Scheme for the current year would be rolled over to the next year. It was added that the progress of the Councillor Community Grant Scheme, and its value to the organisation, would be kept under review over the next 12 months.
- Members were advised that all budgetary underspends had been reviewed as part of the budget process; however, inevitably, variances did occur in-year which are one-offs.
- Councillor Ricci, Cabinet Member for Communities, was pleased to report that the Council had held the first of its planning meetings for the Jubilee. Officers had also been in contact with Parish and Town Councils throughout the District in respect of any events that were to be held locally in order to mark the Jubilee; a number of

events were confirmed, including fetes, concerts, lunch events, etc.

- Allowances had been made within the Budget for a projected increase in energy and fuel costs, the figures for which would be kept under review. With regard to energy costs, the Council engaged an external company for advice on future estimated costs; although it was acknowledged that this was an area of spend that would need to be kept under review.
- In respect of the Jubilee celebrations, Members were advised that Parish and Town Councils were contacted by Council Officers in order to ascertain what events were being planned to mark the occasion in local areas, thus avoiding any duplication in terms of future events organised by the Council and to offer legal advice where appropriate (e.g. in respect of road closures if required).

Further to the questions raised, it was agreed that the following written response would be provided:-

- Councillor van Dulken, Cabinet Member for Operations and Commercialisation, agreed to provide a written response to Councillor Rose further to his question which was in respect of any costs to the Council in regard to electrical waste recycling.
- Councillor Mrs G Spray, Cabinet Member for Planning and Infrastructure, agreed to speak with Planning officers and obtain further detail as to the level of fees in respect of the budget for the Members' Forum.
- Councillor F Ricci, Cabinet Member for Communities, agreed to confirm the date that the Council went out to Parish and Town Councils to inquire as their plans in respect of the Jubilee Celebrations.

A webcast of the full discussion is available via YouTube at the following link:
<http://www.braintree.gov.uk/youtube>

The meeting commenced at 7.15pm and closed at 8.33pm.

Councillor M Radley
(Chairman)