

Minutes

Performance Management Board (Budget)

18th November 2020



Present

Councillors	Present	Councillors	Present
J Coleridge	Yes	S Rehman	No
G Courtauld	Yes	B Rose	Yes
Mrs C Dervish	Yes	P Schwier (Vice-Chairman)	Yes
T Everard	Yes	N Unsworth	Yes
M Radley (Chairman)	Yes		

The following Councillors were also in attendance at the meeting: J Abbott, J Baugh, D Bebb, K Bowers, G Butland, Mrs M Cunningham, T Cunningham, P Euesden, Mrs D Garrod, A Hensman, S Hicks, P Horner, D Hume, D Mann, J McKee, Mrs I Parker, Mrs J Pell, I Pritchard, Mrs W Scattergood, Mrs W Schmitt, Mrs G Spray, P Tattersley, P Thorogood, R van Dulken, D Wallace, Mrs L Walters, Miss M Weeks, Mrs S Wilson, J Wrench and B Wright.

12 **DECLARATIONS OF INTEREST**

INFORMATION: There were no interests declared.

13 **PUBLIC QUESTION TIME**

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

14 **MINUTES**

DECISION: The Minutes of the meeting of the Performance Management Board held on 16th September 2020 were approved as a correct record.

15 **SCRUTINY OF THE PRIORITIES FOR 2021/22 AND INITIAL BUDGET POSITION**

INFORMATION: Prior to the commencement of the item, the Chairman advised Members that the report had been prepared for the publication of the next Cabinet Agenda and that the presentation slides for the evening were circulated to all Members in advance. Councillor G Butland, Leader of the Council, was then invited to introduce the report on the priorities of the Council for 2021/22 and its initial budget position. In his opening statement, Councillor Butland acknowledged the unprecedented challenges that the Council had experienced over the year as a result of the Covid-19 pandemic, and expressed his grateful thanks to all staff across the organisation for their hard work in addressing those challenges and adapting to such new ways of working.

Members then received a joint presentation on the budget position and proposals from Councillor Butland, Councillor D Bebb, Cabinet Member for Finance and Performance Management, and Councillor J McKee, Cabinet Member for Corporate Transformation.

The presentation slides can be viewed at:

<https://braintree.cmis.uk.com/braintree/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1016/Committee/18/Default.aspx>

The full presentation to Members can also be viewed via YouTube at the following link:
<http://www.braintree.gov.uk/youtube>

Further to the presentation, the Chairman thanked all Cabinet Members and officers involved in the preparation of the initial budget report, especially in light of the current climate and associated financial challenges.

Members of the Performance Management Board were given the opportunity to ask their questions of the Cabinet Members and officers first, followed by questions from the non-Committee Members that were present. The information below was subsequently provided in response to the questions raised:-

- Consideration was being given to various options for the generation of additional income that would help offset the amount proposed from the Council's unallocated balance to cover unprecedented financial shortfalls, such as commercial opportunities for investment.
- Members were advised that were it not for the impact of the Covid-19 pandemic, a number of budgetary allocations and various changes (e.g. the Fair Funding Review and Business Rate Retention) would have been made by the Government. However, it was important to note that the changes had merely been delayed in response to the focus placed on addressing the impact of Covid-19, as well as the vast amount of work that finance departments across all Local Authorities were undertaking in order to support local residents and businesses.
- It was likely that going forward, the amount of space required at Causeway House for use by Council staff would need to be reassessed, should more staff continue to work effectively from home in response to the pandemic.
- Members were informed that the Essex Business Rate Pool was an arrangement where the monies received from the growth of business rates in the District that would normally be paid to the Government in the form of a levy, were instead paid to a central 'Pool' managed by Essex County Council and distributed between Essex County Council, District Authorities and Fire Service. The sums received from the Essex Rate Pool provided the Council with an additional resource. It was added that the Essex Rate Pool did not form part of the formal budget process, as the amount to be received was determined on the level of growth within the District and that of the other Essex Authorities.
- It was confirmed that North Essex Garden Communities Ltd (NEGC) was in the process of being liquidated and that no further costs would be incurred by the Council.
- In response to a query raised about increasing the budgetary allocation of £500,000 towards supporting the Climate Change Emergency, it was advised that although this

amount could be added to, a suitable funding resource would need to first be identified.

- The return that the Council received from its investment through the Suffolk Waste Partnership was derived from improvement in the amount of recycled materials from the recycling centre which results in a reduction in the gate fee charged by Viridor, the contractor and operator of the centre.
- Members were advised that the savings that the Council had made by paying the Pension Fund Deficit payment, for three years, in advance amounted to £112,000.
- It was explained that the unallocated balance was derived from the movement between the budget and the actual outturn for the year. The Council had experienced positive variance on the budget in most years, which allowed the balance to build up over time. Earmarked reserves were established to either meet specific requirements/ purposes in the future or to make provision for issues that were likely to occur, but the timing was not predictable.
- Although the Council would face further economic challenges in 2021/22, it was reported that as it was difficult to predict the impact service by service, the majority of budget heads had been prepared on the assumption that the expenditure and levels of income would return to pre-Covid levels. However, a provision of £1m had been proposed in order to account for any losses of income or additional expenditure that might not be offset by Government support.
- Members were informed that the Authority would continue to carry out the rolling programme of refurbishing/ updating play area equipment across the District. The work was undertaken on an annual basis and was done so in rotation, with those play areas most in need addressed first.
- Members were reassured that the presentation for the evening, and thus the projects referred to within the meeting, was available on the website as a public document; however, the presentation noted that the budget was still in its initial draft stages and as such, was not yet set.
- In response to a query raised about the Council's Treasury Management Reserve, Members were informed that as of 31st March 2020, the reserve had a balance of £1.272m. It was proposed to use £350,000 of this reserve in 2021/22 to meet an anticipated shortfall in dividend and interest income, with the further possibility that £250,000 may be required in 2022/23.
- The Council's Asset Management Team was responsible for the majority of the Council's commercial and industrial assets; some of these were subject to rent reviews, and some had opportunities for lease renegotiation due to their duration. Although the Council was not currently experiencing a downward pressure of income in respect of those premises, there was potential that continuing home working patterns could present less demand for offices. However, it was highlighted that many of the assets were often manufacturing industry based, the staff of which were generally unable to work remotely.
- It was acknowledged that income generated from market funds had decreased in the first few months of the year in response to the pandemic; however, these funds were beginning to recover. The Council's financial advisers, Arlingclose, had also advised

the Authority not to materialise any losses of the market fund assets, as it was expected that these would recover over time.

- In response to a suggestion that New Homes Bonus monies be used to fund local highway schemes, Members were advised that the Council had already committed £2.5m of this towards the Millennium Slipways. Given this, there was a degree of reluctance to expend resources any further to support other areas that were largely the responsibility of Essex County Council, such as those identified by the Local Highways Panel.
- In response to a question about a capital scheme currently being discussed with officers, Members were advised to submit any new bid schemes for potential inclusion within the budget. Although there was no guarantee that such proposals could be approved, it was noted that other resources and funding streams were sometimes available that could help support new schemes.
- The Council would give consideration to any new schemes for the planting of wildflowers in the District, but effective maintenance programmes would need to be in place in order to support such schemes.
- Further to a question about the Council's council taxbase, Members were informed that within the current year, there were approximately 66,000 properties within the District; around 10,000 of these properties fell into the category of 'Band D' for Council Tax; however, the majority of the District's properties fell into Band B (17,000) and Band C (19,000) out of the total of the eight Bands A to H.

In response to questions raised by Members, Cabinet Members agreed to provide the following information by means of a written response:-

- Councillor Mrs W Schmitt, Cabinet Member for Environment and Place, agreed to provide a written response further to a query raised as to how the savings that the Council received from its waste contract with Suffolk were derived, and what the exact figures were.

Following the conclusion of the discussion, the Chairman expressed his gratitude to the Leader, Cabinet Members and all other Members present for their attendance and contribution to the meeting.

A webcast of the full discussion is available via Youtube at the following link:

<http://www.braintree.gov.uk/youtube>

16 **DECISION PLANNER**

INFORMATION: Members considered the Decision Planner for the period of 1st December 2020 to 31st March 2021.

DECISION: That Members noted the Decision Planner for the period 1st December 2020 to 31st March 2021.

The meeting commenced at 7.15pm and closed at 8.39pm.

Councillor M Radley
(Chairman)