



Initial Budget Proposals 2018/19

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

**Overview & Scrutiny Committee
22nd November 2017**

Priorities for 2018/19

- 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

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

Financial Position

September Cabinet

Anticipated Position:-

2018/19 - £529,000 shortfall

2019/20 - £524,000 shortfall

2020/21 - £237,000 shortfall

Local Government Finance Settlement Consultation

- Closed 26th October
- **LGF Settlement** – propose to use figures from the 4-year settlement for 2018/19 for the 97% of authorities which produced an Efficiency Plan
- 100% Business Rate Retention Pilots for 2018/19 – call for pilots in 2 Tier areas

Local Government Finance Settlement Consultation

New Homes Bonus

- Baseline (currently set at 0.4%) to be determined following review of housing stock figures (due to be published in November)
- Proposal to reduce NHB payment by number of homes allowed on appeal – is still under consideration
- county councils in two tier areas, receive 20% of NHB payments – should they be included in the calculation of any adjustments

Local Government Finance Settlement Consultation

Council Tax Referendum principles

- shire district councils would be allowed increases of less than 2% or up to and including £5, whichever is higher
- a continuation of the Adult Social Care precept of an additional 2% with additional flexibility to increase the precept by 1% to 3% in 2018-19, provided that increases do not exceed 6% between 2017-18 and 2019-20
- challenge to town and parish councils to demonstrate restraint when setting precept increases

Multi-Year Settlement

- Revenue Support Grant, Transitional Grant and Rural Services Delivery Grant allocations
- Tariff payments will not be altered for reasons related to the relative needs of local authorities

	17/18	18/19	19/20
• RSG:	£0.78m	£0.27m	Nil
• Tariff Adj.	-	-	-£0.29m

Budget Changes - Positive

- Operations income including car parking, waste management and grounds maintenance
- Planning application and pre-app fees
- Commercial property rents
- Individual Electoral Registration funding

Budget Changes - Positive

- Staff costs including Corporate Management, Building Control, Housing Benefits
- Operations – Diesel fuel costs
- Operations – Green Waste Winter Collection suspension
- External Audit fees

Budget Changes - Positive

- Pension Added Years cost reduction
- Efficiency Target increase from £150k to £200k
- Council Tax increase of £4.95 per annum at Band D (subject to confirmation of Referendum Limit from the Government)

Unavoidable Budget Demands

- Waste Management – Recyclable materials disposal, Agency staff costs, additional vehicle and crew due to district growth and recycling from flats
- Car wash facility in George Yard – not seek replacement tenant
- Reduced market stall rental income
- Apprenticeships target increase

Unavoidable Budget Demands

- Procurement framework rebate income
- Microsoft Office 365 – eMail upgrade
- BACs system upgrade
- Insurances – premium increases
- Disaster Recovery Contract
- Land Charges – Data management work prior to transfer of service to the Land Registry

Budget Demands

- Waste Management – Small Utility Compaction Vehicle
- Share Council Tax Collection Fund surplus with town and parish councils
- Provision for Planning Appeal Costs - £300k proposed funded from additional planning fees in 2017/18

Proposed Changes

- Sponsorship Programme phase II (£5k rising to £30k)
- Land Charges – fee increase to cover data management costs (£50k)
- Cease issuing refuse/recycling calendars (£10k)
- Car park charges – increase level of short and long stay charges (£71k)

Proposed Changes

- Cease voluntary MRP payments (£51k)
- Investment Income – Pooled funds (£45k per £m investment)

Total for 2018/19

£232k

Council Tax Support Scheme

Proposal to keep same as current year

- Minimum payment - 24%
- Non dependent deduction - £10 pw
- Back dated claims – Max 1 month
- Self employed minimum – Living Wage
- Earnings excluded - £40 per week
- Savings limit - £16,000

Updated Position

- 2018/19 - £174,000 addition to balances
- 2019/20 - £514,000 shortfall
- 2020/21 - £210,000 shortfall
- 2021/22 - £8,000 addition to Balances

Issues Outstanding

- Autumn Budget – Today
- Essex CC contributions – Community Transport, Waste Management
- Essex CC – Supporting People
- Major Preceptors – council tax sharing agreement – one year extension for 2018/19
- Universal Credit – roll-out by 2020

Issues Outstanding

- New Homes Bonus – results of consultation outstanding
- 100% Business Rates Retention – New Scheme 2020/21 and Fair Funding review
- Business Rates – appeals, growth, revaluation, pooling, etc.
- Council Tax taxbase (as at 30th November)

Issues Outstanding

- Homelessness – new responsibilities v New Burdens Grant
- Impact of District Growth on services

Business Rates Retention

LGA/DCLG Technical working group on
Needs and Redistribution (Fair Funding
Review)

Opportunity to apply to be a pilot for 100%
Retention of Growth for 2018/19

Business Rate Retention Pilot

- Opportunity for 2 Tier areas to be pilot for 2018/19
- 50% levy on growth currently paid to Government would be retained
- Forego RSG and Rural Delivery Grant – but will be adjusted in revised tariffs and top-ups
- No detriment clause included
- Safety net arrangements change from 92.5% to 97%
- Application required by 27th October

Business Rate Retention Pilot

- All Essex Authorities with exception of Thurrock agreed to participate (15 in total)
- Potential growth retained within Essex - £25million
- Council's share could be £2.2million
- If Bid is unsuccessful – propose new Essex Rates Pool with 15 authorities
- Council's share of Pool could be £465k

Balancing the books

Deliver the 'Road Map to 2020' which encompasses:

- Better at Business
- Smart Working
- Investment Programme

A large, faded watermark of the Braintree coat of arms is visible on the left side of the page. It features a shield with a cross, a lion, and a dog, with a banner below.

Capital Programme

Capital Bids 2018/19

	£'000
• Maintain Council assets	330
• Food Waste Collection vehicles	490
• Utility Compaction vehicle	75
• ECHO devices for Streetscene & Hort.	25
• Parks & Open spaces – footpath survey	30
• Youth Facilities – refurb 2 play areas and provision for repairs	120
• Refurbishment of Unit 4	20

Capital Bids 2018/19

	£'000
• Compaction Litter bins	40
• Silver End Pavilion	40
• Technology Replacement Programme	40
• Disaster Recovery Set-up costs	30
• Microsoft Office 365 eMail – set-up cost	45
• Online Booking system	30

Capital Bids 2018/19

	£'000
• House Renovation Grants	60
• Disabled Facilities Grants (addition to Better Care Fund allocation via ECC)	150
• Braintree Museum – Replacement heating system	100
• Town Hall Centre – redecorations	12
Total	1,637

Capital Bids 2019/20

	£'000
•ECHO devices for Streetscene & Hort.	25
•Technology Replacement Programme	40
Provisions:	
•House Renovation Grants	30
•Disabled Facilities Grants	250
•Maintain council assets	400
Total	745

Existing Capital Programme

Balance of Provision allocated for:

	£'000
•Halstead Community Facility	686

New Homes Bonus

- Cash received up to 31st Mar 2018 - £11.95m
- Allocated - £10.01m
- Garden Communities - £0.25m
- Balance at 31st Mar 2018 - £1.69m

- Estimated amount receivable in 2018/19:
 - Years 5-7 £1.256m
 - Year 8 (2018/19) Nil
- Allocated for Economic Development & Project Delivery £0.215m per annum

Budget Process Timetable

- Autumn Statement 22nd November 2017
- O/S Committee 22nd November 2017
- Cabinet 27th November 2017
- Council 11th December 2017
- Business group consultation (tbc)
- O/S Committee 31st January 2018
- Cabinet 5th February 2018
- Council 19th February 2018