

# Cabinet AGENDA

**Monday, 27th November 2017 at 7:15 PM**

**Council Chamber, Braintree District Council, Causeway House,  
Bocking End, Braintree, CM7 9HB**

**THIS MEETING IS OPEN TO THE PUBLIC**

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**Members of the Cabinet are requested to attend this meeting to transact the business set out in the Agenda.**

**Membership:-**

**Portfolio**

Leader of the Council	Councillor G Butland (Chairman)
Environment and Place	Councillor Mrs W Schmitt (Deputy Leader of the Council) Councillor R van Dulken
Planning and Housing	Councillor Mrs L Bowers-Flint Councillor Mrs G Spray
Economic Development	Councillor T Cunningham Councillor K Bowers
Health and Communities	Councillor P Tattersley Councillor F Ricci
Finance and Performance	Councillor D Bebb
Corporate Services and Asset Management	Councillor J McKee

**Invitees**

Representatives of the Labour Group, Halstead Residents Association Group and Green Party, Chairman of the Overview and Scrutiny Committee and Councillor Mrs Wilson as Chairman of the Task and Finish Group Scrutiny Review into Obesity.

Members unable to attend the meeting are requested to forward their apologies for absence to the Governance and Members Team on 01376 552525 or email [governance@braintree.gov.uk](mailto:governance@braintree.gov.uk) by 3pm on the day of the meeting.

A WRIGHT  
Acting Chief Executive

## **INFORMATION FOR MEMBERS - DECLARATIONS OF INTERESTS**

### **Declarations of Disclosable Pecuniary Interest, Other Pecuniary Interest or Non-Pecuniary Interest**

Any member with a Disclosable Pecuniary Interest, other Pecuniary Interest or Non-Pecuniary Interest must declare the nature of their interest in accordance with the Code of Conduct. Members must not participate in any discussion of the matter in which they have declared a Disclosable Pecuniary Interest or other Pecuniary Interest or participate in any vote, or further vote, taken on the matter at the meeting. In addition, the Member must withdraw from the chamber where the meeting considering the business is being held unless the Member has received a dispensation from the Monitoring Officer.

### **Question Time**

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# **AGENDA**

<b>No</b>	<b>Title and Purpose of Report</b>	<b>Pages</b>
<b>1</b>	<b>Apologies for Absence</b>	
<b>2</b>	<b>Declarations of Interest</b> To declare the existence and nature of any Disclosable Pecuniary Interest, other Pecuniary Interest or Non-Pecuniary Interest relating to items on the agenda having regard to the Code of Conduct for Members and having taken appropriate advice where necessary before the meeting.	
<b>3</b>	<b>Minutes of the Previous Meeting</b> To approve as a correct record the minutes of the meeting of Cabinet held on 9th October 2017 (copy previously circulated).	
<b>4</b>	<b>Public Question Time</b> (See paragraph above)	
<b>5</b>	<b>OVERALL CORPORATE STRATEGY AND DIRECTION</b>	
<b>5a</b>	<b>Leader Update</b> Leader of the Council to give a brief update on key issues and activities.	
<b>6</b>	<b>FINANCE AND PERFORMANCE</b>	
<b>6a</b>	<b>Recommendations from the Governance Committee, 6th September 2017 – Treasury Management Mid- Year Report 2017-18</b>	<b>6 - 7</b>
<b>6b</b>	<b>Medium-Term Financial Strategy 2018-19 to 2021-22</b>	<b>8 - 58</b>
<b>6c</b>	<b>Statement of Accounts 2016-17</b>	<b>59 - 61</b>
<b>6d</b>	<b>Second Quarter Performance Management Report 2017-18</b>	<b>62 - 92</b>

## **7 HEALTH AND COMMUNITIES**

**7a Braintree District Museum Trust Funding and Management Arrangements 93 - 102**

**7b Cabinet Response to the Recommendations from the Overview and Scrutiny Committee's Task and Finish Group Scrutiny Review into Obesity in the Braintree District 103 - 110**

## **8 ECONOMIC DEVELOPMENT**

**8a The Braintree District Plan for Growth 2017-22 111 - 132**

## **9 CORPORATE SERVICES AND ASSET MANAGEMENT**

**9a Proposed Disposal of Land to Provide Access to Residential Development Site off Maldon Road, Witham - PUBLIC 133 - 141**

**9b Digital Strategy 2018-2021 and Digital Plan 2018-2019 142 - 162**

## **10 REPORTS/ DELEGATED DECISIONS/MINUTES TO BE NOTED**

## **11 URGENT BUSINESS AUTHORISED BY THE CHAIRMAN**

## **12 EXCLUSION OF PUBLIC AND PRESS TO CONSIDER REPORTS IN PRIVATE SESSION**

**for reasons set out in Paragraph 3 of Part 1 of Schedule 12(A) of the Local Government Act 1972.**

## **AGENDA – PRIVATE SESSION**

<b>No</b>	<b>Title and Purpose of Report</b>	<b>Pages</b>
<b>13</b>	<b>CORPORATE SERVICES AND ASSET MANAGEMENT</b>	
<b>13a</b>	<b>Proposed Disposal of Land to Provide Access to Residential Development Site off Maldon Road, Witham - PRIVATE</b>	

<b>Recommendations from the Governance Committee, 6<sup>th</sup> September 2017</b>	<b>Agenda No: 6a</b>
<b>Treasury Management Mid- Year Report 2017/18</b>	
<b>Background Papers:</b> <a href="#">Treasury Management Mid-Year Report 2017/18</a>	<b>Public Report</b>

**Minute Extract:**

**GOVERNANCE COMMITTEE – 6TH SEPTEMBER 2017**

**8 TREASURY MANAGEMENT MID-YEAR REPORT 2017/18**

**INFORMATION:** The Council’s treasury management activities were regulated by statutory requirements and by a Code of Practice (“the Code”) issued by the Chartered Institute of Public Finance (CIPFA). One of the key requirements of the Code was that the Council should receive at least one mid-year report on its treasury management activities.

The Treasury Management Strategy Statement (TMSS) for the 2017/18 financial year was originally approved by Council at its meeting held on 22 February 2017.

As part of the mid-year report an updated economic and market commentary was provided.

Members were updated on the following:

- The capital programme for 2017/18 was currently expected to be £6.897million, which was £4.722million lower than set out in the TMSS. This reduction was mainly due to a number of schemes within the broad plans of the District Investment Strategy still being subject to a business case and formal approval.
- The updated capital expenditure and financing plans show £356,000 of unfinanced expenditure relating to the replacement vehicles which would be met from “internal borrowing”.
- It was projected that at 31<sup>st</sup> March 2018, the Capital Financing Requirement would be £8.817million, compared to borrowing expected of £9.861million. Members were advised that this excess borrowing was due to legacy debt.
- For the period April to end July 2017, investment balances had averaged

£52.696million, although these were projected to reduce to £39.285million by the end of the current financial year. An additional £1million had been added to the M&G Extra Income Fund (an equity fund) taking the total invested in long-term pooled funds to £15million, the maximum currently permitted under the TMSS.

- The overall investment return to the end of July was £315,825 or 1.79% (annualised). In addition, the market value of the Council's investments in long-term pooled funds was £16.412million, representing an unrealised gain of £1.412million.
- There had been some minor changes to counterparty duration limits in light of the potential restructuring of some UK banks. New European Union regulations were likely to change the future status of Money Market Funds, and the second Markets in Financial Instruments Directive (MiFID II) would mean that from early January 2018, local authorities would automatically be treated as retail clients for certain investments unless they opted-up to be treated as professional clients.

Members were advised that following the UK vote to leave the EU there was still a great deal of uncertainty, and whilst inflation was expected to rise further in the coming months exceeding the Government's target, it was likely that interest rates would continue to remain low for the foreseeable time.

**DECISION:** That Members agreed:

1. To recommend to Cabinet acceptance of the Treasury Management Mid-Year Report 2017/18 prior to its submission to Full Council.
2. To note the intention of the Corporate Director (Finance) to opt-up to professional status for the Council in dealing with investment counterparties.

**REASON FOR DECISION:** The Council has adopted the CIPFA Code of Practice for Treasury Management in Public Services which requires the Council to receive at least one mid-year report on its treasury management activities. This report is to be considered first by the Governance Committee before being recommended on to Cabinet and then Full Council.

To note the intention to maintain the Council's classification as professional client for regulated investment activity.

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**Recommended Decision:**

1. To consider the Treasury Management Mid-Year Report 2017/18 (available to view at the link above).
2. Refer the Treasury Management Mid-Year Report 2017/18 to Full Council

Medium-Term Financial Strategy 2018/19 to 2021/22		Agenda No: 6b
Portfolio	Finance and Performance	
Corporate Outcome:	A high performing organisation that delivers excellent and value for money services Delivering better outcomes for residents and businesses and reducing costs to taxpayers	
Report presented by:	Cllr. David Bebb, Cabinet Member for Finance and Performance	
Report prepared by:	Trevor Wilson, Head of Finance	
Background Papers:	Public Report	
Council Budget and Council Tax 2017/18 and Medium-Term Financial Strategy 2017/18 to 2020/21 report to Cabinet 6 <sup>th</sup> February 2017 and Full Council 22 <sup>nd</sup> February 2017; Medium-Term Financial Strategy 2017/18 to 2020/21 Update report to Cabinet 5 <sup>th</sup> September 2017; 100% business rates retention pilots 2018 to 2019: prospectus issued by the Department for Communities and Local Government (DCLG) on 1 <sup>st</sup> September 2017; Local government finance settlement 2018 to 2019: technical consultation issued by the DCLG on 14 <sup>th</sup> September 2017.	Key Decision: No	
Executive Summary:		
1. Background and Purpose		
1.1	The process of rolling forward the Council's four-year financial plan commenced with a report to Cabinet, on 5 <sup>th</sup> September 2017, with an initial review of the Medium-Term Financial Strategy (MTFS) 2017/18 to 2020/21; which had been agreed by Council on 22 <sup>nd</sup> February 2017.	
1.2	This report provides detail of the progress with the updating of the Financial Profile and the Medium-Term Financial Strategy 2018/19 to 2021/22; unavoidable cost pressures; and work on identifying options for revenue cost reductions/additional income to meet the anticipated funding shortfalls over the next four years.	
2. Government Funding		
2.1	The Department for Communities and Local Government (DCLG) published, on 14 <sup>th</sup> September 2017, a technical consultation paper on the 2018/19 Local Government Finance Settlement. A response was submitted on behalf of the Council as agreed	

by the Cabinet Members for Finance & Performance and Planning & Housing.

**2.2 The Government in the consultation paper:**

- outlines the third year of the multi-year settlement offer for those councils that accepted the offer, and arrangements for those that did not;
- outlines the method for distributing New Homes Bonus funding following implementation of reforms announced at the time of the 2017-18 provisional settlement and a proposal for further incentives to support the delivery of housing growth;
- outlines the Government's proposals for the council tax referendum principles for 2018-19; and
- confirms the approach being taken for adjusting business rates tariff and top-ups to cancel out, as far as is practicable, the impact of the 2017 business rates revaluation on local authorities' income.

**2.3 The Settlement Funding Assessment figures will be confirmed in the weeks following the Autumn Budget, scheduled for 22<sup>nd</sup> November.**

**2.4 The other significant funding stream received from Central Government is an administrative subsidy for Local Council Tax Support and Housing Benefit schemes (total of £646,610 in 2017/18). It is expected that the allocations for 2018/19 will also be received in the weeks following the Autumn Budget. The MTFS currently anticipates a reduction of approximately £44,000 per annum to these subsidies.**

**2.5 Notifications have been received regarding new funding from the Government allocated for homelessness responsibilities. This funding will be ring-fenced for this purpose however the actual budget requirements in particular regarding additional staffing will not become clear until after 1<sup>st</sup> April 2018 when the new responsibilities commence and the volume of the additional work becomes evident.**

**3. Update on Financial assumptions in the current MTFS**

**3.1 The Financial Profile, agreed in February 2017, included cost reductions and additional income planned for 2018/19 to 2019/20. These have been reviewed to ensure that they are still deliverable. The outcome is the planned additional income at the Town Hall Centre of £3,000 in 2018/19 and £2,000 in 2019/20 will be difficult to achieve and has therefore been withdrawn.**

**3.2 The Financial Profile includes the consequences for 2018/19 of the planned priority investments and unavoidable budget changes which were identified in previous years. The two priority investments were both one-off budget requests in 2017/18 and these are therefore being removed from the base budget in 2018/19.**

**3.3 Two unavoidable budget changes were also identified for 2018/19 onwards. These were:**

- Funding for two Housing Options posts added to base budget, previously funded from an earmarked reserve; and
- Reductions expected to Council Tax Support and Housing Benefit Administrative Subsidies.

**3.4 A review of the current year budget, as at 30<sup>th</sup> September, is a predicted positive variance for the year of £406,000 (2.8% against the net budget of £14.389million):**

this is due principally to additional income of £666,000 reduced partially by an overspend on expenditure budgets of £260,000. For some service areas the changes in the levels of income and expenditure are expected to be ongoing and therefore budget adjustments are proposed for 2018/19.

- 3.5 Since the review at the half-year, a tender exercise has been undertaken for the renewal of an insurance policy covering the Council's Environmental Impairment liabilities, which are a consequence of the Housing Stock transfer agreement with Greenfields Community Housing in November 2007. The outcome of the tender exercise is that the lowest insurance premium is £98,560. It is recommended that an Environmental Insurance Policy be undertaken with Zurich Insurance for a period of 10 years. With the original premium being an upfront payment for the 10-year term no provision was made for the renewal and as a consequence it is also recommended that the cost of the premium be met from the unallocated balance.
- 3.6 The Financial Profile includes provision for an annual pay award of 1%. This is in recognition of the announcement in the July 2015 Budget that public sector pay would increase by 1% per annum over the four years starting 2016/17. However in recent months the Government has relaxed this for some sectors of the public sector. Ultimately, for the majority of local government the pay award will be determined by negotiation between the Employers Organisation and the unions.
- 3.7 Whilst it is not anticipated that the Council will have any financial consequences from an expected increase in the National Living Wage from April 2018 with regard to its employees there is potential for increased costs regarding agency staff. An allowance for an increase is included for 2018/19 under Pay inflation in the Finance Profile.
- 3.8 The Triennial Review of the Essex Pension Fund conducted as at 31<sup>st</sup> March 2016 determined the pension fund assets and liabilities applicable for the Council and set the deficit contribution and employer contribution rate for the three years: 2017/18 to 2019/20. The Council opted to pay the total deficit payment, of £4,232,683, on 1<sup>st</sup> April 2017. The accounting requirement for this is that the total payment is accountable in 2017/18; the consequential impact of this was that two thirds of the payment (re 2018/19 and 2019/20) would be funded from the unallocated balance in 2017/18 with this source being repaid over the two following years. The ongoing employer contribution rate was set at 16.5%.
- 3.9 A schedule detailing the proposed discretionary fees, charges and rents for 2018/19 for the service areas currently subject to review will be presented in the Finance report to Cabinet on 5th February 2018.
- 3.10 The majority of the discretionary fees and charges are reviewed annually and this process is currently in progress. An exception is car park fees and charges which are reviewed on a minimum of three-year basis. The last review was undertaken for 2014/15. A review has recently been undertaken. It is proposed that charges are increased: short term charges for up to 1hour and between 1hour and 3hours by 10p and 20p respectively. Longer stay charges, which have not been increased since April 2011, are proposed to be increased by 50p. A 10% increase in season ticket prices is also proposed. No change is proposed to the 10p after 3:00pm initiative.

- 3.11 It is proposed that Land Charges search fees are increased to enable the recovery of additional costs of data management required in advance of the transfer of the major part of the service to the Land Registry.
- 3.12 A schedule detailing the proposed levels of discretionary fees, charges and rents for 2018/19, including car park charges and search fees, will be presented in the Finance report to Cabinet on 5<sup>th</sup> February 2018.

#### **4. Unavoidable Budget Demands and New Investments**

- 4.1 Bids for revenue funding to meet unavoidable budget demands and new investments total £657,720, in 2018/19 and £36,000 in 2019/20. The majority of this is an ongoing requirement and is therefore needed to be added to base budget. Two requests, totalling £38,170, are for a one-off budget in 2018/19. In addition, a request is made to add further funding to the Planning Appeal Costs reserve which will be fully expended during the current year. It is proposed that this be funded from the additional Planning Application fee income in the current year.
- 4.2 The unavoidable budget demands include a proposal to allocate a proportion of the estimated surplus on the Council Tax Collection Fund from 2017/18 of £181,609 between the Town/Parish Councils and this Council. The proportion payable to the Town/Parish Councils is £33,170 and is for 2018/19 only. It is proposed that this is recommended for approval by Full Council in order that the parish/town councils can be notified in sufficient time to enable this resource to be discussed as part of their budget and precept setting for 2018/19. A schedule of the payments is provided at Appendix A.

#### **5. Cost Reduction/Additional Income Proposals**

- 5.1 Senior Managers have reviewed their service budgets to identify possible cost reductions and/or income generation, in particular with reference to the projected outturn for the current year.
- 5.2 The review of service budgets has identified budget adjustments with a total of £695,740 for 2018/19. These have been agreed by Management Board as they do not have a direct impact on customers or service delivery.
- 5.3 In addition to the agreed budget adjustments there are a number of proposals for cost reductions and additional income which will either have an impact on residents, customers or local organisations or involve policy issues and will therefore require decision by the Council. These proposals have a total value of £232,050 in 2018/19 and are as follows:

##### **Corporate Services & Asset Management**

- Marketing & Communications – Generate additional income by expanding the current advertising and sponsorship programme;
- Land Charges – It is proposed that the cost of the data management work required in advance of the transfer of the major part of the service to the Land Registry be met by an increase in the search fee;

##### **Environment and Place**

- Waste Management – Cease issuing refuse/recycling collection calendars

with effect from 2018/19;

- Car Park Charges – increase short and long stay charges and season ticket prices with effect from 1<sup>st</sup> April 2018;

#### Finance & Performance

- Investment returns – a net increase of £45,000 is estimated for the dividends receivable per £1million invested in pooled funds. The limit on the amount which can be invested in pooled funds was increased by £5million to £20million by Council in October;
- Voluntary repayment of internal resources. It was agreed that funds used to purchase two properties would be repaid from revenue over a 25 year period to provide funding for future capital projects. As this is a voluntary arrangement it is proposed to reverse this decision which will provide a revenue saving;

#### Health & Communities

- A proposal for a new Funding and Management Agreement with Braintree District Museum Trust from 1st April 2018 is included in a separate report on this Cabinet agenda. The funding agreement provides for reductions in grant funding over the years 2019/20 to 2021/22.

### **6. Business Rates Retention**

- 6.1 The Council has participated in an Essex Business Rates Pool for each of the last three years. The Cabinet agreed, on 5<sup>th</sup> September 2017, that authority be delegated to the Cabinet Member for Finance and Performance and the Corporate Director (Finance) to determine the Council's participation in an Essex pooling arrangement for 2018/19.
- 6.2 Also in early September the DCLG issued an *Invitation to Local Authorities in England to pilot 100% Business Rates Retention in 2018/19 and to pioneer new pooling and tier-split models*.
- 6.3 With the request for two-tier areas to apply, 14 of the Essex local authorities together with the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority agreed to work on an application for Pilot status for 2018/19. The potential additional business rates that could be retained within the county are circa £25million.
- 6.4 The proposed methodology of allocating the additional business rates retained under the Pilot Bid is the same as that currently used for the Essex Business Rates Pool. This Council's potential share of this sum plus the saving of not making a levy payment to the Government is £2.2million.
- 6.5 The Government anticipates a number of areas will apply for the Pilot status and has therefore established a selection process. As a consequence areas applying are requested to state their fallback position should their bid not be successful. The Essex authorities have agreed that the fallback is for an expanded Essex Business Rate Pool for 2018/19, incorporating the 15 authorities. The Essex wide Pool could result in this Council receiving an estimated sum of £465,000.
- 6.6 The Cabinet Member for Finance and Performance agreed this Council's

participation in the application for Pilot status for 2018/19.

## **7. Business Rates Retention Scheme and Business Rate Taxbase**

- 7.1 The Business Rates Retention scheme has been in operation in its current form since April 2013. Under the scheme the Government calculates a baseline amount of business rates which it allows local authorities to retain as part of the Government's funding for local government. The Council's provisional baseline figure for 2018/19 is £3,361,095 as provided in the updated four-year settlement.
- 7.2 The amount of business rates actually collected in the year will inevitably vary from the baseline: a higher amount collected will increase the amount that the Council is able to retain whilst a lower amount collected will require the Council to meet the shortfall up to a maximum of 7.5% of the baseline amount: any shortfall greater than this will be met by the Government (under the safety net arrangements) or from either the Essex Pilot arrangement or the Essex Pool (as appropriate).
- 7.3 The determination of the Business Rates Taxbase for 2018/19 will be agreed by the Corporate Director (Finance) under delegated authority prior to the deadline of 31<sup>st</sup> January 2018. The estimate will be determined on the basis that the Government continues to provide grant funding for the additional 50% uplift, to 100%, to the Small Business Rate Relief scheme.
- 7.4 At this time the estimated figure of Business Rates retained in 2018/19 is £4,302,205.

## **8. Local Council Tax Support Scheme**

- 8.1 The Council's Local Council Tax Support (LCTS) scheme was introduced on 1<sup>st</sup> April 2013. The scheme, which applies to claimants of working age, retains a significant proportion of the principles and elements of the previous Council Tax Benefit scheme.
- 8.2 On 5<sup>th</sup> September 2017, the Cabinet determined that it would not propose any changes to the Council's LCTS scheme for 2018/19; this was on the basis of limiting the frequency of changes thereby providing a level of stability and continuity in the scheme for claimants – the last agreed changes were effective for 2016/17. With no proposed changes there was no requirement to undertake a consultation exercise.
- 8.3 The Council is required to agree the detail of its Local Council Tax Support Scheme for the ensuing financial year by 31<sup>st</sup> January. Details of the scheme for 2018/19 to be recommended for approval by Council can be found on the Council's website at: [https://www.braintree.gov.uk/info/200302/benefits/1078/what\\_is\\_the\\_local\\_council\\_tax\\_support\\_scheme](https://www.braintree.gov.uk/info/200302/benefits/1078/what_is_the_local_council_tax_support_scheme)
- 8.4 Since the introduction of the Local Council Tax Support scheme it has been agreed that an Exceptional Hardship Fund would be provided for short-term assistance to households facing exceptional financial difficulties. The Fund is financed from contributions from the major precepting authorities; in proportion to their council tax precept. The process for dealing with requests for assistance from this Fund involves a referral to the Citizens Advice Bureau (CAB) for money advice and an

assessment of the claimant's finances.

- 8.5 In addition to the money advice service provided by the CAB the Council has employed an officer to work with claimants who experience difficulty in paying their council tax with the objective of offering support and advice and to ultimately gain agreement to pay.
- 8.6 The combination of these approaches has been beneficial to those claimants experiencing exceptional financial hardship and for the Council in maintaining a good collection rate and it is recommended that both of these services together with the Exceptional Hardship Fund are retained for 2018/19. The funding of these services is shared between the four major precepting authorities, including the Council. It is expected that the other three preceptors will agree to continue to provide funding for 2018/19.

## **9. Council Tax – Collection Fund Surplus and Taxbase**

- 9.1 The budget setting process includes estimating the amount of council tax expected to be collected. Variation from the estimate results in either a surplus or deficit in the Collection Fund which must be either returned to or requested from council taxpayers in the following year. The surplus or deficit is allocated between the four major preceptors: Essex County Council, Braintree District Council and Essex Police, Fire and Crime Commissioner Fire and Rescue Authority (the new authority from 1<sup>st</sup> October 2017 which has responsibility for Essex Police and the Essex Fire Service).
- 9.2 It is estimated that the balance on the Collection Fund available for distribution is a surplus of £1,398,936. The Council's proportion of the council tax surplus, to be returned to council taxpayers in 2018/19 is £181,609. It is proposed that £33,170 of this surplus is paid to town and parish councils in 2018/19.
- 9.3 The Council's taxbase for 2018/19 is required to be calculated as at 30<sup>th</sup> November 2017 and will be agreed, under delegated authority, by the Corporate Director responsible for Finance. However, prior to this determination and for financial planning purposes the council taxbase for 2018/19 is estimated to be 51,900 (increase of 0.68% over 2017/18 taxbase) and is based on an assessment undertaken as at 11<sup>th</sup> September 2017 required by the Government.
- 9.4 The council taxbase takes into account estimated allowances for discounts and exemptions; including the local council tax support scheme, single persons discount and for losses on collection.
- 9.5 The Council sets the levels discounts/premia for empty properties and second homes under discretionary powers. It is not proposed to vary any of these levels for 2018/19.
- 9.6 The Localism Act 2011 gives local communities the power to decide whether to accept an excessive council tax increase. The Secretary of State determines the level of increase above which a proposed increase in council tax must be subject to a referendum. For shire district councils the threshold for 2017/18 was set at the higher of 2% or £5. The Government proposes, in the technical consultation paper on the 2018/19 Local Government Finance Settlement, to keep this threshold for

2018/19.

- 9.7 In anticipation of the referendum limit being confirmed by the Government at the current level it is proposed that the council tax increase for 2018/19 be £4.95 (at Band D): this is considered necessary to help address the anticipated budget shortfalls over the medium-term and due to the uncertainty over future changes to Local Government funding. The increases in the level of council tax provided in the Finance Profile for 2018/19 to 2021/22 for planning purposes are:

- 2018/19 – 2.92% providing a Band D level of £174.42;
- 2019/20 – 1.96% providing a Band D level of £177.84;
- 2020/21 – 1.97% providing a Band D level of £181.35;
- 2021/22 – 2.00% providing a Band D level of £184.98.

## **10. Financial Profile**

- 10.1 The updated financial profile 2018/19 to 2021/22 shows for:

2018/19 – addition to Balances of £173,929;  
2019/20 – shortfall of £513,616;  
2020/21\* – a shortfall of £209,620; and  
2021/22\* – addition to balances of £8,038.

- 10.2 It should be noted that these years\* are after the current 4 year Finance Settlement ends and are likely to be subject to significant changes including the Fair Funding Review and the Government's decision regarding 100% Business Rates Retention.

- 10.3 The position, particularly for 2018/19 and 2019/20 will be updated following receipt of the Funding Settlement Assessment in December 2017.

- 10.4 The approach to address the anticipated budget shortfalls will be the delivery of the 'Roadmap to 2020'; which encompasses:

### **Better at Business**

- Commercialisation
- Business Awareness & Skills
- Procurement
- Contract Management

### **Smart Working**

- Service Improvements
- Digital Strategy
- Accommodation Review
- Mobile & Flexible working

### **Investment Programme**

- District Investment Strategy
- Asset Management Strategy
- Treasury Management Strategy

- 10.5 Revenue income and expenditure implications of the projects currently being

developed and outlined in the Investment Programme will be included in the budget and financial profile as and when the projects, and the cashflow projections, are agreed by the Council.

## **11. Capital Resources and Investment**

- 11.1 New Homes Bonus – the DCLG has consulted on potential changes to the scheme. The consultation was included in the technical paper on Local Government Finance Settlement for 2018/19 and closed on 26<sup>th</sup> October.
- 11.2 The Council's baseline for the year 8 allocation has been calculated at 243, based on the current level of 0.4%. The actual growth in the number of dwellings in the District between October 2016 and 2017 was 240. Therefore, no New Homes Bonus is anticipated for Year 8 of the scheme (receivable from 2018/19 to 2021/22). The Council will however still receive the allocations for Years 5 to 7 in 2018/19: a total of £1.256million. Allocations of New Homes Bonus agreed for 2018/19 total £214,800 and are primarily for staffing in Economic Development and Project Delivery service teams.
- 11.3 Capital Programme – details of the proposed capital projects are contained in the report. The value of the proposed projects in 2018/19 is £1,636,800 and anticipated requirements for 2019/20 to 2021/22 total £745,000, £720,000 and £720,000 respectively.
- 11.4 Projects being developed as part of the Council's Investment Programme together with the associated funding resources are excluded from the summary statement above. These will be added to the capital programme as and when the projects are approved by the Council.
- 11.5 Long-Term Investments – As work progresses on the Local Plan for the Braintree District, the Council has been actively looking at opportunities for the delivery of the required housing numbers. In this respect two opportunities are being explored which would have significant impacts, both cost and reward, on the Council's finances over the long-term i.e. thirty years plus.
- 11.6 Brief detail of current funding allocations agreed by the Council for the two opportunities: Garden Community and Housing Development Company are provided. Reports will be presented to Members as the projects progress and decisions on next stages are required to be made.

### **Recommended Decision:**

Cabinet recommends to Full Council to agree:

- a) The Braintree District Council's Local Council Tax Support scheme for 2018/19 as detailed on the Council's website:  
[https://www.braintree.gov.uk/info/200302/benefits/1078/what\\_is\\_the\\_local\\_council\\_tax\\_support\\_scheme](https://www.braintree.gov.uk/info/200302/benefits/1078/what_is_the_local_council_tax_support_scheme)
- b) That the surplus on the Council Tax Collection Fund be allocated between the District and parish/town councils as detailed in Appendix A to this report;
- c) That £300,000 of the anticipated over achievement against budget of planning application fees in the current year be vired to the reserve for Planning Appeal

Costs; and

Cabinet to agree that:

- d) the Environmental Insurance policy, relating to warranties given by the Council as part of the Housing Stock Transfer, be renewed and that this be with Zurich Insurance in the sum of £98,560, covering the 10-year period to November 2027, and that this be funded from the unallocated balance; and
- e) The Revenue Budget and Capital Programme for 2018/19, as presented in this report, constitute the initial Budget proposals and that views are sought as appropriate.

**Purpose of Decision:**

Good governance arrangements through the proactive management of the Council's finances over the short and medium term.

To recommend to Council to agree the Local Council Tax Support scheme for 2018/19 for the Braintree District.

**Any Corporate implications in relation to the following should be explained in detail.**

<b>Financial:</b>	<p>The initial budget proposals provide a balanced budget for 2018/19 which includes: an increase of 2.92% in the level of council tax; additional income and cost reductions of £0.928million; additional spend and reductions in income of £0.658million on unavoidable demands and new investment; a net addition to balances of £0.174million; and the Government's Settlement Funding Assessment at the provisional figure of £3.63million (a reduction of £0.4million over the current year).</p> <p>The financial position forecast for 2019/20 to 2021/22: shows savings of £513,616 and £209,620 will be required to be found in 2019/20 and 2020/21 respectively. The positions for 2020/21 and 201/22 are difficult to predict as there is uncertainty over the outcome of the Fair Funding Review and the Government's plans for 100% Business Rate Retention. The approach to address the shortfalls is to deliver the 'Roadmap to 2020'.</p> <p>The Council is participating with 14 Essex authorities to bid to be a Pilot for 100% Business Rate Retention in 2018/19. The potential benefit for this Council is £2.2million. The Government will announce the successful Pilot areas as part of the Settlement Funding Assessment in early December.</p> <p>Capital projects with a total value of £1,636,800 are proposed for inclusion in the 2018/19 Capital Programme. The anticipated projects for 2019/20 to 2021/22 have values of £745,000, £720,000 and £720,000 respectively.</p> <p>As assessment of available capital resources shows that there will be sufficient to fund the proposed capital programme.</p>
<b>Legal:</b>	<p>Adoption of LCTS is a statutory requirement. Failure to do so could lead to a default scheme being imposed by the Government.</p>
<b>Safeguarding:</b>	<p>There are no safeguarding issues raised by this report.</p>
<b>Equalities/Diversity:</b>	<p>It is proposed to continue with the current Local Council Tax Support scheme for 2018/19. The Equalities Impact Assessment produced for the 2017/18 scheme continues to be relevant. This identified that the scheme provides a positive impact for older people but potential negative impact for people with disabilities. The potential impact is minimised as Disability Benefits are disregarded thereby</p>

	<p>providing additional support to those with specific long-term conditions. Support for people with mental health issues may be available by means of an exemption from Council Tax liability under SMI (Severely Mentally Impaired) legislation.</p> <p>The Council has a responsibility for ensuring that an equalities impact assessment is undertaken on proposed changes, where appropriate, and that this is taken into account in the decision making process. Equalities impact assessments, where appropriate, will be included in the savings proposals reported to Cabinet in the Finance report on 5<sup>th</sup> February 2018.</p>
<b>Customer Impact:</b>	Assessment of customer impact, where appropriate, will be included in the savings proposals reported to Cabinet in the Finance report on 5 <sup>th</sup> February 2018.
<b>Environment and Climate Change:</b>	There are no environmental and Climate Change issues raised by this report.
<b>Consultation/Community Engagement:</b>	The Overview and Scrutiny Committee will examine and consider the budget proposals as contained in this report on 22 <sup>nd</sup> November 2017. The Chairman of the Committee extends an open invitation to all members to attend this meeting.
<b>Risks:</b>	<p>Failure to adopt a local Council Tax Support scheme in time would lead to the Government imposing a default scheme.</p> <p>The assumptions made prove to be incorrect resulting in savings not being achieved as planned, costs rising by more than the provision allowed for inflation, increased income budgets not being achieved.</p> <p>The provisional financial settlement figures for 2018/19 from Government, included in the Financial Profile, are reduced following presentation of the Autumn Budget to Parliament on 22<sup>nd</sup> November 2017.</p>
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## **1. Background**

- 1.1 The process of rolling forward the Council's four-year financial plan commenced with a report to Cabinet, on 5<sup>th</sup> September 2017, with an initial review of the Medium-Term Financial Strategy (MTFS) 2017/18 to 2020/21; which had been agreed by Council on 22<sup>nd</sup> February 2017.
- 1.2 The report to Cabinet included:
- an update on the Government's proposal for local government to retain 100% of business rates;
  - an initial review of the assumptions contained in the current MTFS;
  - the approach on developing the budget for 2018/19 and rolling the MTFS period forward to cover the period 2018/19 to 2021/22;
  - approaches to addressing the financial shortfalls;
  - an option to participate in an Essex Business Rates pooling arrangement for 2018/19;
  - the proposed Local Council Tax Support scheme for 2018/19;
  - request for budget increase for an agreed capital project and an update on capital resources; and
  - the timetable to achieve the setting of the council tax and budget for 2018/19 at the meeting of the Full Council on 19<sup>th</sup> February 2018.
- 1.3 This report provides detail of the progress with the updating of the Financial Profile and the Medium-Term Financial Strategy 2018/19 to 2021/22; unavoidable cost pressures; and work on identifying options for revenue cost reductions/additional income to meet the anticipated funding shortfalls over the next four years.

## **2. Government Funding**

- 2.1 The Department for Communities and Local Government (DCLG) published, on 14<sup>th</sup> September 2017, a technical consultation paper on the 2018/19 Local Government Finance Settlement. A response was submitted on behalf of the Council as agreed by the Cabinet Members for Finance & Performance and Planning & Housing.
- 2.2 The Government in the consultation paper:
- outlines the third year of the multi-year settlement offer for those councils that accepted the offer, and arrangements for those that did not;
  - outlines the method for distributing New Homes Bonus funding following implementation of reforms announced at the time of the 2017-18 provisional settlement and a proposal for further incentives to support the delivery of housing growth;
  - outlines the Government's proposals for the council tax referendum principles for 2018-19; and
  - confirms the approach being taken for adjusting business rates tariff and top-ups to cancel out, as far as is practicable, the impact of the 2017 business rates revaluation on local authorities' income.

- 2.3 The Settlement Funding Assessment figures for 2017/18 (actual) and for 2018/19 and 2019/20 (provisional) are:

	2017/18	2018/19	2019/20
Revenue Support Grant	£777,347	£272,480	Nil
Retained Business Rates - Baseline	£3,256,331	£3,361,095	£3,480,650
Business Rates tariff adjustment			-£291,482
<b>Total Settlement Funding Assessment</b>	<b>£4,033,678</b>	<b>£3,633,575</b>	<b>£3,189,168</b>

- 2.4 Whilst the actual Settlement Funding Assessment figures will not be confirmed until the weeks following the Autumn Budget, scheduled for 22<sup>nd</sup> November, the figures as detailed in the table above have been included in the updated Financial Profile.
- 2.5 The other significant funding stream received from Central Government is an administrative subsidy for Local Council Tax Support and Housing Benefit schemes (total of £646,610 in 2017/18). It is expected that the allocations for 2018/19 will also be received in the weeks following the Autumn Budget. The MTFS currently anticipates a reduction of approximately £44,000 per annum to these subsidies.
- 2.6 From 1<sup>st</sup> April 2017 the Government changed the method of providing financial support for temporary accommodation: from the Department for Work and Pensions allowing a management fee for specific types of accommodation and claimed via housing benefit subsidy to the DCLG allocating a grant: the Flexible Homelessness Support Grant. The Council has been allocated £150,127 for 2017/18 and £169,995 for 2018/19.
- 2.7 On 16<sup>th</sup> October 2017 the DCLG announced allocations of a New Burdens Grant in respect of the implementation of the Homelessness Reduction Act. The Act introduces a number of new duties on local authorities, most substantially new duties to prevent and relieve homelessness. The amounts allocated to this Council are £52,355 for 2017/18; £47,957 for 2018/19; and £55,115 for 2019/20. Notification is awaited of a further New Burdens Grant (£3million available nationally) to contribute toward the cost of upgrading data systems to be used to monitor the impact of the Homelessness Reduction Act. These allocations are to be ring-fenced for Housing to meet the anticipated costs for implementing the new responsibilities.

### 3. Update on Financial assumptions in the current MTFS

- 3.1 The Financial Profile, agreed in February 2017, included cost reductions and additional income planned for 2018/19 to 2019/20. These have been reviewed to ensure that they are still deliverable. The outcome is the planned additional income at the Town Hall Centre of £3,000 in 2018/19 and £2,000 in 2019/20 will be difficult to achieve. This is a consequence of a VAT Tribunal case earlier this year that determined that the VAT status of the hire of facilities for weddings, where a wedding licence is held, is standard rated and not exempt as previously recorded.

- 3.2 A summary of the value of the planned savings/additional income and the proposed adjustment required is provided in the table below:

	<b>2018/19 £</b>	<b>2019/20 £</b>
Savings/Additional Income Planned	(114,110)	(82,990)
Less: Proposed Adjustment	3,000	2,000
Revised Value of Savings/Additional Income	(111,110)	(80,990)

#### **4. Review of Priority Investments and Unavoidable budget changes identified in previous years**

- 4.1 The Financial Profile includes the consequences for 2018/19 of the planned priority investments and unavoidable budget changes which were identified in previous years.
- 4.2 The two priority investments were both one-off budget requests in 2017/18 and these are therefore being removed from the base budget in 2018/19. The two items are:
- A provision of £150,000 set aside for Housing Services as Welfare Reforms, increased Homelessness responsibilities, changes to Housing Benefit regulations, lower Benefit Cap, etc. will put pressure on the service's ability to find accommodation for families and single people, particularly those under 35 years of age; and
  - Surplus on Council Tax Collection Fund – allocation of part of the 2016/17 surplus to town and parish councils in the Braintree District of £34,820.
- 4.3 The total value of these budget reductions to be made in 2018/19 is £184,820.
- 4.4 Two unavoidable budget changes were also identified for 2018/19 onwards. These were:
- Funding for two Housing Options posts added to base budget, previously funded from an earmarked reserve. Budget agreed for 2018/19 is £73,640; and
  - Council Tax Support and Housing Benefit Administrative Subsidies – anticipate a reduction of £43,480 per annum.
- 4.5 These budget changes are included in the Financial Profile.

#### **5. Financial Performance at half-year and predicted Outturn for 2017/18**

- 5.1 Service managers have reviewed their budgets against the monies expended and incomes received during the first half of the current financial year and have used this information to predict the outturn for the year. The prediction takes account of the delivery of the planned cost reductions, efficiencies and additional income, totalling £877,280, included in the 2017/18 budget.

- 5.2 The outcome of the review is a predicted positive variance for the year of £406,000 (2.8% against the net budget of £14.389million): this is due principally to additional income of £666,000 reduced partially by an overspend on expenditure budgets of £260,000.
- 5.3 Details of this predicted outturn for 2017/18 are contained in the Quarterly Performance report; included as a separate item on the agenda of this meeting.
- 5.4 For some service areas the changes in the levels of income and expenditure are expected to be ongoing and therefore budget adjustments are proposed for 2018/19. These are included in the Cost Reduction/Additional Income at section 8 below.
- 5.5 Since the review at the half-year, a tender exercise has been undertaken for the renewal of an insurance policy covering the Council's Environmental Impairment liabilities, which are a consequence of the Housing Stock transfer agreement with Greenfields Community Housing in November 2007. A paper providing brief detail of the liabilities and the tender exercise is attached at Appendix A.
- 5.6 The outcome of the tender exercise is that the lowest insurance premium is £98,560, this compares to the premium in November 2007 of £164,188.50. Whilst the Council could opt to accept the risk and self-fund should any claims be made within the final 20 years outstanding on the warranty period, it is recommended that an Environmental Insurance Policy be undertaken for a further period of 10 years and that this be with Zurich Insurance: on the basis of a £10m maximum limit and a loss deductible of £100,000 for each loss. With the original premium being an upfront payment for the 10-year term no provision was made for the renewal. It is therefore recommended that the cost of the premium, of £98,560, be met from the unallocated balance.

## **6. Finance Profile 2017/18 to 2020/21 – Assumptions Update**

### **6.1 Pay**

- 6.1.1 The Financial Profile includes provision for an annual pay award of 1%. This is in recognition of the announcement in the July 2015 Budget that public sector pay would increase by 1% per annum over the four years starting 2016/17. However in recent months the Government has relaxed this for some sectors of the public sector. Ultimately, for the majority of local government the pay award will be determined by negotiation between the Employers Organisation and the unions. At this time it is considered prudent to limit the annual increases to 1% for financial planning purposes. Allowances are provided for annual incremental progression for staff who are not at the top of their grade (payment is subject to achievement of satisfactory performance).
- 6.1.2 Whilst it is not anticipated that the Council will have any financial consequences from an expected increase in the National Living Wage from April 2018 with regard to its employees, there is potential for increased costs regarding agency staff. An allowance for an increase of 5.3% or 40p per hour

(to £7.90) has been included for 2018/19 under Pay inflation in the Finance Profile.

## **6.2 Members Allowances**

- 6.2.1 Provision has been included for annual increases in line with the pay award for staff.

## **6.3 Pension Fund Contributions**

- 6.3.1 The Triennial Review of the Essex Pension Fund conducted as at 31<sup>st</sup> March 2016 determined the pension fund assets and liabilities applicable for the Council and set the deficit contribution and employer contribution rate for the three years: 2017/18 to 2019/20.
- 6.3.2 The review indicated that whilst this Council's part of the Fund continues to be in deficit, i.e. liabilities of £134.084m exceed assets of £119.627m; this has reduced such that the funding level is 89.2%, compared to 82.4% as at the last review conducted as at 31<sup>st</sup> March 2013.
- 6.3.3 The ongoing employer contribution rate was set at 16.5%.
- 6.3.4 The Funding Strategy of the Essex Pension Fund endeavours to maintain consistency of overall contributions paid into the fund between triennial reviews. Although the ongoing employer contribution rate increased the deficit on the Council's part of the Fund has been reduced such that the combined elements are only marginally higher than that at the previous review in 2013: total contribution rate of 31.4% compared to 31.3%. This Strategy has however not impacted adversely for the Council on the planned period over which the deficit is to be addressed. The triennial reviews in 2010 and 2013 determined recovery periods of 20 years and 14 years, respectively. The current review has determined the recovery period has reduced to 10½ years: a reduction of 3½ years representing an improvement against the anticipated reduction following 3 years of deficit payments.
- 6.3.5 The Council opted to pay the total deficit payment, of £4,232,683, on 1<sup>st</sup> April 2017. The accounting requirement for this is that the total payment is accountable in 2017/18; the consequential impact of this was that two thirds of the payment (re 2018/19 and 2019/20) would be funded from the unallocated balance in 2017/18 with this source being repaid over the two following years.
- 6.3.6 An adjustment of £189,810 to the budget in 2020/21 provides for an estimated deficit payment of £1,600,700; which is the notional 2019/20 deficit figure plus an annual uplift of 3.9%. The actual deficit payment for 2020/21 and the two subsequent years will however be determined by the Triennial Review to be undertaken as at 31<sup>st</sup> March 2019.

## **6.4 Other Expenditure**

- 6.4.1 Allowances for inflationary increases have been provided only on specific budget headings e.g. business rates, contracts, energy, etc. based on the Office of Budget Responsibility's forecast of the Consumer Prices Index for

2018/19 and forecast energy cost increases from Concept Energy Solutions, an energy management and monitoring company engaged by the Council.

## **6.5 Fees and Charges, Rents and Third Party Contributions**

### **6.5.1 Fees and Charges**

The general principle of the Charging Policy for the Council's discretionary fees and charges is that service users should make a direct contribution to the cost of providing services at their point of use.

The majority of the discretionary fees and charges are reviewed annually and this process is currently in progress. An exception is car park fees and charges which are reviewed on a minimum of three-year basis. The last review was undertaken for 2014/15. A review has recently been undertaken. It is proposed that charges are increased: short term charges for up to 1 hour and between 1 hour and 3 hours by 10p and 20p respectively. Longer stay charges, which have not been increased since April 2011, are proposed to be increased by 50p. A 10% increase in season ticket prices is also proposed. No change is proposed to the 10p after 3:00pm initiative. The estimated amount of additional income generated is included at section 8.4 below.

In addition it is proposed that Land Charges search fees are increased to enable the recovery of additional costs of data management required in advance of the transfer of the major part of the service to the Land Registry (see section 7.2 below).

A schedule detailing the proposed levels of discretionary fees and charges for 2018/19, including car park charges and search fees, will be presented in the Finance report to Cabinet on 5<sup>th</sup> February 2018.

### **6.5.2 Rents**

Proposed housing rents and service charges for the four properties in Bradford Street, Braintree, will be included in the schedule of proposed discretionary fees and charges for 2018/19 to be presented in the Finance report to Cabinet on 5<sup>th</sup> February 2018.

Increases in rental income from the Council's commercial and industrial properties are determined by rent reviews as provided within the lease terms. An assessment of the likely increases due from the reviews in 2018/19 are included in section 8.2 below.

### **6.5.3 Third Party Contributions**

A significant amount of income is received from Essex County Council under a number of service level agreements and across a number of service areas.

The Inter Authority Agreement for Waste Management is the most significant at £1.842million (2017/18 budget). Other agreements are for Community Transport (£90,332) and for a council tax sharing arrangement (£440,140).

The agreements are for defined periods:

- Inter Authority Agreement, signed in January 2010, is for a period of 25 years;
- Community Transport – the current 1-year agreement terminates on 31st March 2018;
- Council Tax sharing agreement – the existing 3-year agreement between Essex CC and each of the Essex borough/district/city councils ceases on 1st April 2018. Essex CC and the other two major preceptors have proposed a one-year extension for 2018/19, with a view to negotiating a further three-year agreement commencing 2019/20.

The agreement for Waste Management includes a revenue contribution, of £590,000 (2017/18 budget), which funds the food waste collection service. This includes the repair and maintenance costs of the seven food waste collection vehicles. Whilst ECC provided capital funding for the purchase of the vehicles the cost of replacing them is now the responsibility of this Council. A bid for capital resource is included for 2018/19 as the vehicles will have been in operation for over 7 years and reaching the end of their useful life.

## **7. Unavoidable Budget Demands and New Investments**

7.1 Bids for revenue funding to meet unavoidable budget demands and new investments total £657,720, in 2018/19 and £36,000 in 2019/20. The majority of this is an ongoing requirement and therefore needed to be added to base budget. Two requests, totalling £38,170, are for a one-off budget in 2018/19. In addition, a request is made to add further funding to the Planning Appeal Costs reserve which will be fully expended during the current year. It is proposed that this be funded from the additional Planning Application fee income in the current year.

7.2 The bid requests for unavoidable budget demands are:

### **Environment and Place**

- Waste Management – recyclable materials: gate fees charged for the disposal are determined quarterly by reference to market indices and these have increased dramatically in the current year. Budget request of £155,000;
- Waste Management – additional vehicle and labour due to district growth, implementation of recycling from flats and increase in customer base on commercial waste. (£85,000);
- Waste Management – Agency staff costs have increased as a consequence of the Agency meeting the requirements of IR35 (off-payroll working through an intermediary) from April 2017. (£35,000);
- Markets – rental income has been in decline against budget for a number of years. Budget reduction of £15,000 requested;
- Car Parks – Car wash service located in George Yard Car Park has closed which will result in the loss of rent of £11,500 p.a. Given the number of facilities offering this service in Braintree it is not proposed to seek a replacement tenant;

## Corporate Services and Asset Management

- ICT Services – requirement to upgrade the Council's email and Microsoft Office software by 2020. Proposal to upgrade to Microsoft Office 365 for email as a first phase which will enable access to emails for all Council members and staff from any device which has access to the internet. Revenue budget request for £40,000, a bid is also made for capital resources to fund set-up costs;
- ICT Services – Disaster recovery contract – Council's servers will be replicated at an alternative site enabling the Council's various systems to be operational in a short time period in the event of the servers in Causeway House not being useable. Revenue budget request for £25,000, a bid is also made for capital resources to fund set-up costs;
- Human Resources – Apprenticeships – Part 4 of the Enterprise Act 2016 sets the criteria for public sector apprenticeship targets. The target for the Council is 12 new starts per annum, current budget provides for 7. (£15,500);
- Governance – Membership subscription for the Whole Essex Information Sharing Framework – network for joint working and best practice for compliance with the General Data Protection Regulations (GDPR). (£5,000);
- Land Charges – Data management work required in advance of the transfer of the major part of the service to the Land Registry and enabling electronic delivery of the residual service. Estimated cost of £50,000 per annum over a four-year period. It is proposed that this cost be recovered by an increase in the search fee;
- Governance – Provision to meet the cost of delivering Member Induction programme following the District Council election in May 2019. A one-off budget of £5,000 is requested.

## Finance and Performance

- Insurance premia – A 12% increase in premia for Employers Liability and Public Liability cover has been incurred, with effect from October 2017. This is a consequence of a review conducted by the Lord Chancellor which resulted in a change to the discount rate used by all insurers in the process by which damages paid to seriously injured individuals is calculated. In addition the insurance premia in respect of the Council's vehicle fleet has also risen. Budget increase of £37,550;
- Procurement Service – in recent years the cost of service has been covered by rebate income received under framework agreements used by public sector bodies. Rebate income has however dropped significantly over the last couple of years to a level which does not cover the costs. Budget request for £25,000 in 2018/19 and a further increase of £36,000 in 2019/20.
- Finance system upgrade – system used to process direct debits and BACS payments. System supplier has given notice of moving customers to a hosted service within 2 years. Market testing will be undertaken to ensure value for money. Budget request £15,000;
- Capital salaries – Budget for the recharge from revenue to capital for members of staff working on capital projects has been higher than actually required in recent years. Income budget to be reduced by £85,000.

- Town/Parish Councils – it is proposed to allocate a proportion of the estimated surplus on the Council Tax Collection Fund from 2017/18, of £181,609, between the Town/Parish Councils and this Council. The proportion payable to the Town/Parish Councils is £33,170 and is for 2018/19 only. A schedule of the proposed payment to each parish and town council is provided at Appendix B. It is proposed that this is recommended for approval by Full Council in order that the parish/town councils can be notified in sufficient time to enable this resource to be discussed as part of their budget and precept setting for 2018/19.

#### Planning and Housing

- Planning Appeal costs – A provision, of £300,000, was agreed by Council in February 2015. It is expected that the provision will be fully utilised during the current year. It is anticipated that there will be appeals in the coming years and therefore it proposed to replenish the provision with a further sum of £300,000. This can be funded from the additional planning application fee income anticipated in the current year. Use of the provision would continue to be determined under delegated authority to the Corporate Director responsible for Planning.

7.3 One bid is requested for a new investment, as follows:

#### Environment and Place

- Waste Management – acquisition of a small utility compaction vehicle to deal with fly tips and assist with missed bin collections which will be essential in order to continue to meet the published service standards. Estimated cost for contract hire and maintenance is £20,000.

7.4 At this time, there is no request for additional base budget from the Housing Service as it prepares to meet the requirements of the Homelessness Reduction Act 2017. The additional funding to be received from Government (as mentioned at sections 2.6 and 2.7 above) will be used in the first instance for this purpose. The actual requirements in particular regarding potential additional staffing will not be determined until after 1<sup>st</sup> April 2018 when the new responsibilities commence and the volume of the additional work becomes evident.

### **8. Cost Reduction/Additional Income Proposals**

- 8.1 At the meeting of Cabinet on 5<sup>th</sup> September it was noted that the anticipated budget shortfalls had increased to £529,000 for 2018/19 and to £1.29million over the three years 2018/19 to 2020/21. It was also noted that Senior Managers were in the process of reviewing their service budgets to identify possible cost reductions and/or income generation, in particular with reference to the projected outturn for the current year.
- 8.2 The review of service budgets has identified budget adjustments with a total of £695,740. These have been agreed by Management Board as they do not have a direct impact on customers or service delivery.
- 8.3 A summary of the adjustments is provided in the table below:

<b>Cabinet Portfolio</b>	<b>Business Plan</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>
Corporate Services & Asset Management	Asset Management	16.09	6.52	6.03	6.45
	Business Solutions	31.00			
	Governance	21.10			
	Marketing & Communications	5.00	5.00	5.00	
Environment & Place	Environmental Services	61.40			
	Operations	210.00			
Finance & Performance	Finance	61.50			
Health & Communities	Community Services	4.98	4.00		
Planning & Housing	Housing Services	20.00			
	Sustainable Development	125.00			
Overall Strategy & Direction	Corporate Management	47.91			
	Corporate Finance	91.76			
	<b>Totals</b>	<b>695.74</b>	<b>15.52</b>	<b>11.03</b>	<b>6.45</b>

- 8.4 In addition to the agreed budget adjustments there are a number of proposals for cost reductions and additional income which will either have an impact on residents, customers or local organisations or involve policy issues and therefore will require decision by the Council. These proposals have a total value of £232,050 in 2018/19 and are as follows:

#### Corporate Services & Asset Management

- Marketing & Communications – Generate additional income by expanding the current advertising and sponsorship programme. Estimate additional income of £5,000 in 2018/19, a further £15,000 in 2019/20 and £10,000 in 2020/21;
- Land Charges – It is proposed that the cost of the data management work required in advance of the transfer of the major part of the service to the Land Registry be met by an increase in the search fee. Additional income, averaging £50,000 per annum, will be required to meet the estimated costs over a four-year period;

#### Environment and Place

- Waste Management – Cease issuing refuse/recycling collection calendars with effect from 2018/19. Estimated cost reduction of £10,000;
- Car Park Charges – increase short and long stay charges and season ticket prices with effect from 1<sup>st</sup> April 2018, as outlined in section 6.5.1 above. Estimated increased income of £70,800;

#### Finance & Performance

- Investment returns – a net increase of £45,000 is estimated for the dividends receivable per £1million invested in pooled funds. The limit

on the amount which can be invested in pooled funds was increased by £5million to £20million by Council in October;

- Voluntary repayment of internal resources. It was agreed that the funds used to purchase 3/4 Century Drive and 15 Springwood Drive would be repaid from revenue over a 25 year period to provide funding for future capital projects. As this is a voluntary arrangement it is proposed to reverse this decision which will provide a revenue saving of £51,250 per annum;

#### Health & Communities

- A proposal for a new Funding and Management Agreement with Braintree District Museum Trust from 1<sup>st</sup> April 2018 is included in a separate report on this Cabinet agenda. This will cover the management and operation of the Braintree District Museum and the Warner Visitor Centre. Reductions in grant funding are included in the agreement of £8,500 in 2019/20 and £13,500 in both 2020/21 and 2021/22.

8.5 A summary of the proposed cost reductions and additional income is provided in the table below:

<b>Cabinet Portfolio</b>	<b>Business Plan</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>
Corporate Services & Asset Management	Marketing & Communications	5.00	15.00	10.00	
	Land Charges	50.00			
Environment & Place	Waste Management	10.00			
	Car Parks	70.80			
Finance	Investment Returns	45.00			
	Voluntary repayment of internal resources	51.25			
Health & Communities	Museum Service		8.50	13.50	13.50
	<b>Totals</b>	<b>232.05</b>	<b>23.50</b>	<b>23.50</b>	<b>13.50</b>

## 9. Business Rates – Essex Region pooling arrangement

- 9.1 The Council has participated in an Essex Business Rates Pool for each of the last three years. Under this arrangement growth in business rates, above a baseline figure, which would normally be passed to the Government is retained and shared between the authorities in the Essex Pool. This includes Essex County Council and the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority (the new authority from 1<sup>st</sup> October 2017 which has responsibility for the Essex Fire Service) as well as a number of district councils.
- 9.2 Eleven authorities participated in 2016/17 and 2017/18. Whilst final shares will not be determined for 2017/18 until early October 2018 it is anticipated that the Council could receive approximately £450,000. No ongoing budget

provision has been included in base budget for this, as the shares are dependent on the business rates collected in each of the participating districts and the Government determines annually whether the opportunity is to be offered for groups of authorities to form a Pool for the coming year.

- 9.3 The Cabinet agreed, on 5<sup>th</sup> September 2017, that authority be delegated to the Cabinet Member for Finance and Performance and the Corporate Director (Finance) to determine the Council's participation in an Essex pooling arrangement for 2018/19.
- 9.4 Also in early September the DCLG issued an *Invitation to Local Authorities in England to pilot 100% Business Rates Retention in 2018/19 and to pioneer new pooling and tier-split models*.
- 9.5 The purpose of the invitation is *'to give local authorities greater control over the money they raise locally. It is in this context that the Government has decided to proceed with the already announced expansion of the pilot programme for 100% business rates retention for 2018/19. These will run alongside the five current 100% pilots which have been in operation since 1<sup>st</sup> April 2017'* and added *'The 2018/19 pilots are an opportunity for the Department to test more technical aspects of the 100% business rates retention system, such as tier-splits'*. The Government has agreed a 'no detriment' clause for the 2018/19 pilots, guaranteeing that the selected areas will not be worse off as a result of participating in the pilot.
- 9.6 With the request for two-tier areas to apply, 14 of the Essex local authorities together with the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority agreed to submit an application for Pilot status for 2018/19. The potential additional business rates that could be retained within the county are circa £25million.
- 9.7 The proposed methodology of allocating the additional business rates retained under the Pilot Bid is the same as that currently used for the Essex Business Rates Pool. This Council's potential share of this sum plus the saving of not making a levy payment to the Government is £2.2million.
- 9.8 The Government anticipates a number of areas will apply for the Pilot status and has therefore established a selection process. As a consequence areas applying are requested to state their fallback position should their bid not be successful. The Essex authorities have agreed that the fallback is for an expanded Essex Business Rate Pool for 2018/19, incorporating the 15 authorities. The Essex wide Pool could result in this Council receiving an estimated sum of £465,000.
- 9.9 The Cabinet Member for Finance and Performance agreed this Council's participation in the application for Pilot status for 2018/19. The application was signed by Chris Fleetham, Section 151 Officer, and was submitted by Essex County Council (as the designated Lead Authority) on 26<sup>th</sup> October 2017. A copy of the application is attached as Appendix C.

## **10. Business Rates Retention Scheme and Business Rate Taxbase**

- 10.1 The Business Rates Retention scheme has been in operation in its current form since April 2013. Under the scheme the Government calculates a baseline amount of business rates which it allows local authorities to retain as part of the Government's funding for local government.
- 10.2 The Council's provisional baseline figure for 2018/19 is £3,361,095 as provided in the updated four-year settlement.
- 10.3 The amount of business rates actually collected in the year will inevitably vary from the baseline: a higher amount collected will increase the amount that the Council is able to retain whilst a lower amount collected will require the Council to meet the shortfall up to a maximum of 7.5% of the baseline amount: any shortfall greater than this will be met by the Government (under the safety net arrangements) or from either the Essex Pilot arrangement or the Essex Pool (as appropriate).
- 10.4 An assessment of the business rates collectable and collected for the first half-year of 2017/18 has been undertaken, in order to provide a revised estimate and to provide an indication of the amount of business rates to be retained by the Council for 2018/19.
- 10.5 The assessment shows the amount of business rates retained, including growth above baseline, for 2017/18 will be £4,327,260, an increase of £148,272 against the budgeted figure.
- 10.6 The final determination of the Business Rates Taxbase for 2018/19 will be agreed by the Corporate Director (Finance) under delegated authority prior to the deadline of 31<sup>st</sup> January 2018. The estimate will be determined on the basis that the Government continues to provide grant funding for the additional 50% uplift, to 100%, to the Small Business Rate Relief scheme.
- 10.7 At this time the estimated figure of Business Rates retained in 2018/19 is £4,302,205 as provided in the current Financial Profile.
- 10.8 The estimate of Retained Business Rates for 2019/20 includes a 2% uplift to reflect an anticipated increase in the Rating Multiplier together with a reduction of £291,482 for the tariff adjustment included in the four-year settlement. The position for 2020/21 and 2021/22 are particularly difficult to predict as the Government is currently working with Local Government representatives on a Fair Funding Review, which will result in a resetting of the Business Rates Retained Baseline for each authority in 2020/21.
- 10.9 The estimated balance on the Business Rates Collection Fund as at 31<sup>st</sup> March 2018 is a surplus of £1,814,716. The proportion attributable to this Council is £725,670 and this is included in the Finance Profile. This surplus is to be transferred to the Business Rates Retention Reserve. This reserve is held to equalise variations on the Business Rates Collection Fund between years.

## 11. Local Council Tax Support Scheme

11.1 The Council has operated a Local Council Tax Support (LCTS) scheme since 1<sup>st</sup> April 2013. The scheme retains a significant proportion of the principles and elements of the previous Council Tax Benefit scheme. The main elements of the scheme, which applies to claimants of working age only, are as follows:

- The calculation of support is based on 76% of the Council Tax liability rather than the full amount as under council tax benefit;
- An upper limit on the council tax banding, on which support will be calculated, is set at Band D;
- Child Benefit for the first child only will be excluded from the assessment of a claimant's income;
- The deduction for non-dependants in the household is set at £10.00 per week;
- The period of backdating a claim (with good cause) is one month;
- The amount of earnings excluded from a claimant's overall income is set at £40.00 per week with an additional earnings allowance for those claimants in receipt of working tax credit (where working a minimum of 30 hours) set at £5.00 per week;
- The full amount of War Widows pension is excluded from the assessment of the claimant's income;
- The limit on savings held by the claimant is £16,000. Savings above this limit precludes the claimant from support under the scheme;
- Minimum level of income for claimants who are self-employed introduced for 2016/17: the level set being the National Living Wage; and
- Family Premium is excluded for new claims received after 1<sup>st</sup> May 2016.

11.2 The Government specified that support given to claimants of pensionable age will continue to be calculated using the same rules as existed under the former Council Tax Benefit scheme.

11.3 The LCTS scheme is accounted for as a discount rather than a benefit: with the Council's council taxbase being reduced by an estimate of the amount of support that will be awarded each year. For 2017/18 this was estimated to be £6.93million. As at 30<sup>th</sup> September 2017, the value of support awarded for the year was £6.741million. The variation between the actual and estimated amount awarded is reflected in the balance on the Council Tax Collection Fund at the year-end.

11.4 On 5<sup>th</sup> September 2017, the Cabinet determined that it would not propose any changes to the Council's LCTS scheme for 2018/19; this was on the basis of limiting the frequency of changes thereby providing a level of stability and continuity in the scheme for claimants – the last agreed changes were effective for 2016/17. With no proposed changes there was no requirement to undertake a consultation exercise.

11.5 The Council is required to agree the detail of its Local Council Tax Support Scheme for the ensuing financial year by 31<sup>st</sup> January. Details of the scheme

for 2018/19 to be recommended for approval by Council can be found on the Council's website at:  
[https://www.braintree.gov.uk/info/200302/benefits/1078/what\\_is\\_the\\_local\\_council\\_tax\\_support\\_scheme](https://www.braintree.gov.uk/info/200302/benefits/1078/what_is_the_local_council_tax_support_scheme)

- 11.6 Since the introduction of the Local Council Tax Support scheme it has been agreed that an Exceptional Hardship Fund would be provided for short-term assistance to households facing exceptional financial difficulties. The Fund is financed from contributions from the major precepting authorities; in proportion to individual council tax precept levels.
- 11.7 The Council's process for dealing with requests for assistance from the Fund involves a referral to the Citizens Advice Bureau (CAB) for an assessment of the claimant's finances. Detail of the process is contained in the 'Council Tax – Discretionary Reduction in Liability Policy'. The Council currently has a service level agreement with the Citizens Advice Bureau for this money advice service until 31<sup>st</sup> March 2018.
- 11.8 As at 27<sup>th</sup> October the Council has made awards to 23 claimants in the current year, with a value of £6,391.20, and each was supported with a recommendation from the CAB. In the year to-date 108 referrals have been made to the CAB, of which: 59 were returned as the claimant had not engaged in the advice and assessment process; 23 were awarded financial support and the balance of 26 remain with the CAB and are work in progress.
- 11.9 In addition to the money advice service provided by the CAB the Council has employed an officer to work with claimants who experience difficulty in paying their council tax with the objective of offering support and advice and to ultimately gain agreement to pay.
- 11.10 The combination of these approaches has been beneficial to those claimants experiencing exceptional financial hardship and for the Council in maintaining a good collection rate and it is recommended that both of these services together with the Exceptional Hardship Fund are retained for 2018/19. The funding of these is shared between the four major precepting authorities, including the Council. It is expected that the other three preceptors will agree to continue to provide funding for 2018/19.
- 11.11 The value of the Exceptional Hardship Fund for 2018/19 will continue to be set at 0.2% of the estimated value of council tax support for the year; this provides a consistent approach across all Essex authorities and has been agreed with the major preceptors.

## **12. Council Tax – Collection Fund – Surplus/Deficit**

- 12.1 The budget setting process includes estimating the amount of council tax expected to be collected. Variation from the estimate results in either a surplus or deficit in the Collection Fund which must be either returned to or requested from council taxpayers in the following year. The surplus or deficit is allocated between the four major preceptors: Essex County Council, Braintree District Council and Essex Police, Fire and Crime Commissioner Fire and Rescue Authority.

- 12.2 It is estimated that the balance on the Collection Fund available for distribution is a surplus of £1,398,936. The surplus will be allocated to:
- Essex County Council – £1,019,301
  - Braintree District Council – £181,609
  - Essex Police, Fire and Crime Commissioner Fire and Rescue Authority re Essex Police – £137,562
  - Essex Police, Fire and Crime Commissioner Fire and Rescue Authority re Essex Fire – £60,464
- 12.3 The Council's proportion of the council tax surplus, to be returned to council taxpayers in 2018/19 is £181,609. It is proposed that £33,170 of this surplus is paid to town and parish councils in 2018/19 (see section 7.2 above). This compares to the surplus returned to council taxpayers of £194,255 in 2017/18 (of which £34,820 was returned via payments to the town and parish councils).

### **13. Council Taxbase**

- 13.1 The Council's taxbase for 2018/19 is required to be calculated as at 30<sup>th</sup> November 2017 and will be agreed, under delegated authority, by the Corporate Director responsible for Finance. However, prior to this determination and for financial planning purposes the council taxbase for 2018/19 is estimated to be 51,900 (increase of 0.68% over 2017/18 taxbase) and is based on an assessment undertaken as at 11<sup>th</sup> September 2017 required by the Government.
- 13.2 The council taxbase takes into account estimated allowances for discounts and exemptions; including the local council tax support scheme, single persons discount and for losses on collection.
- 13.3 The Council has exercised its discretionary powers to set the discounts/premia for empty properties and second homes.
- 13.4 The current levels of these discounts/premia are as follows:
- Properties undergoing extensive repair – 0% discount for twelve months;
  - Properties unfurnished – 0% discount for 6 months;
  - Second homes – 0% discount;
  - Properties which have been unoccupied and substantially unfurnished for two years or more – 50% premium.

It is not proposed to vary any of these levels for 2018/19.

- 13.5 It is proposed to maintain the allowance for losses on collection at 1% for 2018/19.
- 13.6 The Council also has discretionary power, under section 13A 1c of the Local Government Finance Act 1992, to enable it to reduce council tax liability where statutory discounts, exemptions and reductions do not apply. Current policy is to consider each application on its merit. The cost of an award under the

policy has to be met from the General Fund. No changes or amendments to this policy are proposed.

- 13.7 With the anticipated housing growth in the District over the coming years the allowance, included in the financial profile, for growth in the council taxbase is set at 1.5% per annum for 2019/20 onwards. This provides estimated taxbase's of 52,679, 53,469 and 54,271 in 2019/20 to 2021/22 respectively.

#### **14. Council Tax Levels and Referendums**

- 14.1 **Council Tax Referendums.** The Localism Act 2011 gives local communities the power to decide whether to accept an excessive council tax increase. The Secretary of State determines the level of increase above which a proposed increase in council tax must be subject to a referendum. For shire district councils the threshold for 2017/18 was set at the higher of 2% or £5. The Government proposes, in the technical consultation paper on the 2018/19 Local Government Finance Settlement, to keep this threshold for 2018/19. An increase of £4.95 on this Council's Band D would equate to a percentage increase of 2.92% for 2018/19.
- 14.2 With regard to Referendum limit and town/parish councils the Government has stated in the technical consultation paper on the 2018/19 Local Government Finance Settlement: *'Last year, the Government issued a challenge to town and parish councils to demonstrate restraint when setting precept increases that are not a direct result of taking on additional responsibilities, and to make precept decisions more transparent to local tax-payers. The continuation of this position in 2018-19 is contingent upon the Government receiving clear evidence of how the sector is responding to this challenge. The Government expects parishes, in setting their precepts, to consider all available options to mitigate the need for council tax increases, including the use of reserves where they are not already earmarked for particular purposes or for "invest to save" projects which will lower on-going revenue costs. Any revised proposals will be set out at the time of the provisional local government finance settlement later in the year.'*
- 14.3 **Council Tax Levels.** In anticipation of the referendum limit being confirmed by the Government at the current level it is proposed that the council tax increase for 2018/19 be £4.95 (at Band D). This is considered necessary to help address the anticipated budget shortfalls over the medium-term and due to the uncertainty over future changes to Local Government funding. The increases in the level of council tax provided in the Finance Profile for 2018/19 to 2021/22 for planning purposes are:
- 2018/19 – 2.92% providing a Band D level of £174.42;
  - 2019/20 – 1.96% providing a Band D level of £177.84;
  - 2020/21 – 1.97% providing a Band D level of £181.35;
  - 2021/22 – 2.00% providing a Band D level of £184.98.

#### **15. Financial Profile 2018/19 to 2021/22**

- 15.1 An updated Financial Profile for 2018/19 to 2021/22 taking account of the proposed savings and revised assumptions is provided at Appendix D.

15.2 The updated financial profile 2018/19 to 2021/22 shows for:

2018/19 – addition to Balances of £173,929;  
2019/20 – shortfall of £513,616;  
2020/21\* – a shortfall of £209,620; and  
2021/22\* – addition to balances of £8,038.

*Note: \* these years are after the current Finance Settlement ceases and are likely to be subject to significant changes including the Fair Funding Review and the Government's decision regarding 100% Business Rates Retention.*

15.3 The position, particularly for 2018/19 and 2019/20, will be updated following receipt of the Funding Settlement Assessment in December 2017.

15.4 The approach to address the anticipated budget shortfalls will be the delivery of the 'Roadmap to 2020'. The 'Roadmap to 2020' incorporates the Action Plan developed following the Peer Review in October 2013, which was focussed on the Council being grant free over the medium-term.

15.5 The 'Roadmap 2020' encompasses:

Better at Business

- Commercialisation
- Business Awareness & Skills
- Procurement
- Contract Management

Smart Working

- Service Improvements
- Digital Strategy
- Accommodation Review
- Mobile & Flexible working

Investment Programme

- District Investment Strategy
- Asset Management Strategy
- Treasury Management Strategy

15.6 Revenue income and expenditure implications of the projects currently outlined in the Investment Programme and being developed will be included in the budget and financial profile as and when the projects and the cashflow projections are agreed by the Council.

## **16. Balances and Reserves**

16.1 The Unallocated General Fund balance as at 31<sup>st</sup> March 2017 was £2.036million.

Agreed and anticipated movements on the balances are:

	£'000
<b>General Fund</b>	
Planned addition to balances in setting 17/18 Budget	179
Anticipated surplus in 2017/18	406
Proposed transfer to Planning Appeal Costs reserve	(300)
Proposed allocation for Environmental Insurance	(99)
Estimated Balance as at 31 <sup>st</sup> March 2018	<u>2,222</u>
Planned repayment re Pension Deficit	1,411
Estimated Balance as at 31 <sup>st</sup> March 2019	<u>3,633</u>
Planned repayment re Pension Deficit	1,411
Estimated Balance as at 31 <sup>st</sup> March 2020	<u>5,044</u>

- 16.2 Earmarked reserves are established to either meet specific requirements/ purposes in the future or to make provision for issues that are likely to occur but the timing is not predictable. The total amount of money in earmarked reserves as at 31<sup>st</sup> March 2017 was £21.778million. A schedule detailing the planned use of the earmarked reserves over the four-year period of the MTFS will be included in the Finance report to Cabinet on 5<sup>th</sup> February 2018.

## 17. New Homes Bonus

- 17.1 The Department for Communities and Local Government has consulted on potential changes to the New Homes Bonus scheme. The consultation was included in the technical paper on Local Government Finance Settlement for 2018/19 and closed on 26<sup>th</sup> October.
- 17.2 Potential changes to the scheme for 2018/19 include:
- Retaining the option of making adjustments to the baseline (current level is 0.4%) in future years to reflect significant and unexpected housing growth;
  - Withholding New Homes Bonus from local authorities that are not planning effectively, making positive decisions on planning applications and delivering housing growth;
  - Withholding payments for homes that are built following an appeal.
- 17.3 Whilst a decision on the future of the scheme is expected to be announced in the Autumn Budget the table below shows a summary of the cash received up to 31<sup>st</sup> March 2018, the anticipated receipt for 2018/19 (based on the recent council tax taxbase return made to the DCLG), allocations agreed/proposed and balance available. The shaded areas in the table show the periods when payments will not be made as a consequence of the Government reducing the payment period from 6 to 5 and ultimately to 4 years:

<b>New Homes Bonus Summary - 2011/12 to 2018/19</b>									
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Year 1 (2011/12)	509.0	509.0	509.0	509.0	509.0	509.0			3,054.2
Year 2 (2012/13)		472.6	472.6	472.6	472.6	472.6			2,363.0
Year 3 (2013/14)			606.0	606.0	606.0	606.0	606.0		3,029.8
Year 4 (2014/15)				266.9	266.9	266.9	266.9		1,067.5
Year 5 (2015/16)					247.1	247.1	247.1	247.1	988.5
Year 6 (2016/17)						680.5	680.5	680.5	2,041.6
Year 7 (2017/18)							328.7	328.7	657.4
Year 8 (2018/19) Estimate								-	-
<b>Total receivable in Year</b>	<b>509.0</b>	<b>981.6</b>	<b>1,587.6</b>	<b>1,854.5</b>	<b>2,101.6</b>	<b>2,782.1</b>	<b>2,129.2</b>	<b>1,256.4</b>	<b>13,202.0</b>
<b>Less:</b>									
<b>Allocations Agreed</b>	79.0	79.0	66.4	32.3	99.7	95.7	70.0	70.0	592.1
<b>Economic Development &amp; Project Delivery</b>							144.8	144.8	289.6
<b>Net Resource for Capital</b>	<b>430.0</b>	<b>902.6</b>	<b>1,521.2</b>	<b>1,822.2</b>	<b>2,001.9</b>	<b>2,686.4</b>	<b>1,914.4</b>	<b>1,041.6</b>	<b>12,320.3</b>
<b>Allocated to District Investment</b>	<b>430.0</b>	<b>152.6</b>	<b>1,521.2</b>	<b>1,822.2</b>	<b>2,001.9</b>	<b>2,572.1</b>			<b>8,500.0</b>
<b>Allocated for Affordable Homes</b>		<b>750.0</b>							<b>750.0</b>
<b>Proposed allocations:</b>									
<b>Garden Communities</b>							250.0		250.0
<b>Grow-on Units, Springwood</b>							86.8		86.8
<b>Resource Available</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114.3</b>	<b>1,577.6</b>	<b>1,041.6</b>	<b>2,733.5</b>

17.4 The Council's baseline for the year 8 allocation has been calculated at 243, based on the current level of 0.4%. The actual growth in the number of dwellings in the District between October 2016 and 2017 was 240. Therefore, no New Homes Bonus is anticipated for Year 8 of the scheme (receivable from 2018/19 to 2021/22). The Council will however still receive the allocations for Years 5 to 7 in 2018/19: a total of £1.256million. Allocations agreed for 2018/19 total £214,800 and are primarily for staffing in Economic Development and Project Delivery service teams.

## 18. Capital Resources

18.1 An update of the capital resources and capital programme for 2017/18 to 2021/22 is summarised as follows:

	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>
Balance of Resources – Brought Forward	10,200	8,330	5,811	7,184	7,276
Resources in year	4,778	2,754	3,037	1,730	1,730
Total Resources	14,978	11,084	8,848	8,914	9,006
Approved Capital Programme	6,648	3,636	919	918	902
Proposed Programme (per section 20 below)		1,637	25		
Anticipated			720	720	720
Balance of Resources for Carry Forward to next year	8,330	5,811	7,184	7,276	7,384

18.2 Projects being developed as part of the Council's District Investment Strategy together with the associated funding resources are excluded from the summary statement above. These will be added to the capital programme as and when the projects are approved by the Council.

## **19. Capital Programme**

19.1 Details of the proposed capital projects are contained at Appendix E. The total value of the projects in 2018/19 is £1,636,800 and £25,000 in 2019/20.

19.2 The schedule also includes anticipated requirements of £720,000 for each of the years 2019/20 to 2021/22.

## **20. Long-Term Investments**

20.1 As work progresses on the Local Plan for the Braintree District, the Council has been actively looking at opportunities for the delivery of the required housing numbers. In this respect two opportunities are being explored which would have significant impacts, both cost and reward, on the Council's finances over the long-term i.e. thirty years plus.

20.2 Brief details of the two opportunities are provided below. This includes detail of current funding allocations agreed by the Council. Reports will be presented to Members as the projects progress and decisions on next stages are required to be made.

### **20.3 Garden Communities**

20.3.1 The Council is working together with Colchester BC, Tendring DC and Essex CC on the North Essex Garden Communities project. The project is to establish the feasibility and funding requirements of delivering three garden communities across North Essex. Funding of £640,000 has been secured from the DCLG with a further supplementary award of £648,000 anticipated in the current year.

20.3.2 In addition to these sums each of the four councils has agreed a total capital contribution of £500,000 toward the cost of the development of the North Essex Garden Communities project. The Council agreed to fund its contribution from New Homes Bonus.

20.3.3 These resources are expected to be sufficient to take the work programme forward to a key milestone of September 2018 when there will be decision points on:

- Adoption of the Local Plan by individual Local Authorities;
- Viability review / business case position for market procurement to secure external funding/delivery partners;
- Contingent on the Local Plan adoption and viability, the formal establishment of Development Corporation;
- Initiation of Compulsory Purchase Order processes;
- Taking the lead on preparation of site-specific planning applications.
- Depending on the outcome of the New Town Development Corporation regulations it may be possible to use a development order process to grant planning permission which would potentially reduce the cost.

Details of the project milestones were provided in the 'North Essex Garden Communities – Progress to date and key developments' report to Cabinet on 5<sup>th</sup> September 2017.

#### **20.4 Housing Development Company**

20.4.1 A full business case relating to the establishment of a Housing Development Company (HDC) is currently in progress.

20.4.2 The proposed HDC has the potential to bring forward a robust delivery programme of new homes across the District, to include a range of tenures, such as private sale, affordable rent, private rent, keyworker and starter homes. It would also contribute to wider objectives, including the generation of a financial return, the development of under-utilised Council-owned land and the stimulation of economic growth through the provision of high-quality training and employment opportunities through on-site developments.

20.4.3 The total resource allocated for this project is £130,000: of which £100,000 was agreed from the New Homes Bonus pot set aside for Project Feasibility and Development.

## ENVIRONMENTAL IMPAIRMENT LIABILITY

In November 2007, the Housing stock was transferred to Greenfields Community Housing (GCH). As part of the transfer agreement there was a requirement for BDC to provide warranties to GCH and their lenders as a result of the Council retaining similar environmental liabilities for the housing for a period of up to 30 years but without ongoing control of the housing stock together with no Housing Revenue Account post – transfer from which it could meet any losses/costs arising from these liabilities.

Prior to the transfer, the Council commissioned an environmental survey and associated remedial costs estimate report from Enviros Consulting Ltd. The survey revealed no known contamination or proven environmental liabilities, but identified 44 Potentially Affected Areas - comprising 319 dwellings, 6 associated buildings/ building clusters (e.g. garages) and 13,928 m2 of open land - where they consider there to be a Low-Moderate, Moderate, Moderate-High or High risk of contamination being present that could result in the Council facing environmental liabilities post-transfer.

Heath Lambert Group were engaged as brokers to produce an Environmental Liabilities and Risk Management Options Assessment.

This Assessment indicated the principal options for specific financial protection measures, as being:

1. By transfer of liability to GCH and/or their lenders along with an appropriate reduction of the Transfer value
2. Through an environmental insurance policy
3. Through some specific fund established for this purpose
4. A combination of some or all of the above.

The Council determined that an environmental insurance policy was its preferred option and accordingly following a competitive process a policy was taken with ACE (now Chubb) insurers: £10m limit, 10 year policy period, £25k deductible for each loss, at a cost of **£156,370 + Insurance Premium Tax (IPT)**.

The cover has now expired (on 11<sup>th</sup> November 2017). The original brokers have been engaged and tenders have been submitted for a further 10 year period.

Zurich Insurance submitted the best premium costs of:

£10k each loss deductible	£98,000 + IPT of 12% = <b>£109,760</b>
£25k each loss deductible	£95,000 + IPT of 12% = <b>£106,400</b>
£100k each loss deductible	£88,000 + IPT of 12% = <b>£98,560</b>

The Council could decide to accept the risk and self-fund should any claims be made within the final 20 years outstanding on the warranty period.

However, having initially taken the option of insuring against the risk it is RECOMMENDED that an Environmental Insurance Policy be undertaken for a further period of 10 years and that this be with Zurich Insurance and on the basis of a £10m maximum limit and a loss deductible of £100k. The cost of the premium, of £98,560, is to be met from balances.

## Allocation of the estimated Surplus on the Council Tax Collection Fund as at 31st March 2018

Parish/Town Councils and District Council	District/ Parish/Town Precept 2017/18 £	Allocation £
Braintree District Council	£8,735,670	148,439
Alphamstone and Lamarsh	£3,509	60
Ashen	£4,261	72
Bardfield Saling	£0	-
Belchamp Otten	£1,000	17
Belchamp St Paul	£3,000	51
Belchamp Walter	£4,856	83
Birdbrook	£12,691	216
Black Notley	£48,000	816
Borley	£1,249	21
Bradwell	£7,965	135
Bulmer	£9,146	155
Bures Hamlet	£25,968	441
Castle Hedingham	£24,523	417
Coggeshall	£154,213	2,620
Colne Engaine	£22,722	386
Cressing	£35,782	608
Earls Colne	£68,906	1,171
Feering	£52,087	885
Finchingfield	£38,867	660
Foxearth and Liston	£6,858	117
Gestingthorpe	£5,400	92
Gosfield	£31,848	541
Great Bardfield	£30,809	524
Great Maplestead	£4,508	77
Great Notley	£76,301	1,297
Great Saling	£6,488	110
Great Yeldham	£43,085	732

## Allocation of the estimated Surplus on the Council Tax Collection Fund as at 31st March 2018

Parish/Town Councils and District Council	District/ Parish/Town Precept 2017/18 £	Allocation £
Greenstead Green	£6,129	104
Halstead	£167,206	2,841
Hatfield Peverel	£57,523	977
Helions Bumpstead	£12,052	205
Hennys, Middleton & Twinstead	£4,780	81
Kelvedon	£96,047	1,632
Little Maplestead	£3,136	53
Little Yeldham, Tilbury Juxta Clare & Ovington	£5,703	97
Panfield	£16,098	274
Pebmarsh	£7,859	134
Pentlow	£5,000	85
Rayne	£39,164	665
Ridgewell	£16,600	282
Rivenhall	£9,500	161
Shalford	£17,031	289
Sible Hedingham	£97,386	1,655
Silver End	£58,358	992
Stambourne	£7,177	122
Steeple Bumpstead	£39,599	673
Stisted	£9,176	156
Sturmer	£6,179	105
Terling & Fairstead	£17,477	297
Toppesfield	£13,013	221
Wethersfield	£28,000	476
White Colne	£10,404	177
White Notley and Faulkbourne	£11,418	194
Wickham St Paul	£10,629	181
Witham	£455,232	7,737
<b>Total</b>	<b>£10,687,588</b>	<b>£181,609</b>
<b>Total allocated to Parish/Town Councils</b>		<b>33,170</b>

### **Essex Business Rate Retention Pilot Bid**

This proposal is on behalf of fifteen of the authorities in Essex (see Appendix), comprising the County Council, 12 district / borough / city council's, a unitary council and the fire authority. The scale and diversity of Essex means this is a valuable area to pilot, with an economy that covers both rural and urban areas, a high proportion of business start-ups and clear aspirations to grow and retain larger employers within Essex in order to raise our growth rate. We have the capacity and capability to hit the ground running, evidenced by our long standing record of cross-boundary collaboration which includes our highly effective pan-Essex Council Tax collection agreement which has delivered £50m of extra income and incentivised partner authorities to invest in services, work together and share risk and reward.

#### **Who are we?**

Essex has 1.7m residents, making it the third largest county area in population terms. The geographical area has a variety of rural and urban areas and boasts the longest coastline in England and yet it sits on the outskirts of London. Our economy is resilient and spans a broad range of sectors located in five large centres - Basildon, Chelmsford, Colchester, Harlow, and Southend. These centres form a network of overlapping travel to work areas.

Almost a quarter of residents travel outside of the county to work, taking with them significant taxable revenues, notably to London. Enhancing local prosperity through greater connectivity, skills and housing is key; but we also need to ensure the Essex workforce have the local infrastructure and services to support their families to live prosperous and productive lives.

Essex has a diverse mix of businesses, with over 70% of the land area classified as rural, with over 4,000 agricultural holdings. We have two international airports, a major port, three universities, several world leading firms and a variety of both large industrial and retail businesses located throughout the region. Furthermore we have many of the best performing schools in the country producing future leaders of business.

#### **Our bid – why Essex?**

Outside London, Essex is the eighth largest economy in the UK. Essex has many strengths:

- We lead the UK on new enterprise start-ups: Essex had an average of 235 start-ups for each £1bn of GVA between 2009 and 2014 – well ahead of the UK average of 175
- The population of Essex is projected to rise by 20% over the next 20 years an increase of 350,000 and ahead of the UK's projected 15% growth
- Economic inactivity at 20% is lower than the UK average
- We have strong connectivity with two major airports, a port and links to London, including Crossrail.

But we face challenges:

- The Essex growth rate is below the UK average (0.6% between 2004 and 2014, compared to the UK's 1.3%): our business start-ups are not delivering growth fast enough
- Productivity levels are well below some counties in the South East – GVA per person employed is £52,300 in Essex, compared to over £60,000 in Surrey, Buckinghamshire and Hampshire and £70,000 in Berkshire
- Essex has relatively few large businesses for the size of its economy: if Essex were to be in line with the UK average it would need to have nearly 100 additional firms with more than 250 employees
- Many Essex authorities report a shortage of suitable commercial office space constraining growth
- Local Plans show that districts are planning to grow housing by 136,000 to over 150,000 houses in the next 20 years. Yet we are only funded 60 pence in every pound of infrastructure required, we need to find new ways to reinvest in infrastructure for growth.

There is a clear, shared imperative to raise the growth rate in Essex. If successful, our pilot would enable us to focus resources on how we tackle these challenges to make Essex a more attractive place to invest and do business:

- Expanding high quality commercial office space
- Delivering the infrastructure needed to support accelerated housing growth
- Attracting and retaining more large employers.

We recognise the importance of our businesses in shaping and creating a strong economy and we aim to support them from start-ups to established nationals, however we recognise that we cannot do this alone. The pilot will provide us with the opportunity and enable us to move forward with our ambitions for Essex.

### **Our record of partnership and innovation**

Essex is different. We have one of the most complex systems of local authorities in the country, with one county, twelve districts and two unitary authorities together with newly combined governance for Police and Fire Services. But this diverse group works well together in partnership. We have a proven track record of working together on a wide range of issues including the delivery of infrastructure, maximising Council Tax collection through joint initiatives and eliminating fraud within the system, and we can build on this approach to implement 100% business rate retention.

We are a county of “firsts” with strong ambitions and we are constantly striving to build on this. The Essex Assembly signed up to the Essex Vision focussing on what we can deliver together to improve the lives of our residents and the opportunities for our businesses. We work together closely to understand our long term infrastructure needs, producing a joint Growth and Infrastructure Framework in 2017, which is now used to prioritise investment.

Authorities are already coming together to deliver housing and employment land across the area with several new garden communities planned across the county.

Essex has the mature established relationships and governance in place to make the pilot work. Our diverse economy – with a variety of centres and a rural/ urban mix – offers a range of opportunities to pilot approaches which could provide valuable learning to other parts of the country.

### **Systems and governance**

Essex County Council will operate as the lead authority for the pilot, and will act as a point of contact for communications with Government with regards to matters relating to the Pilot. This is a tried, tested and successful arrangement - the existing Essex Pool, led by Essex County Council already has the people, capability and mature governance arrangements embedded. We already operate a pan Essex data collation system for outcomes from both the current council tax and NNDR pooling arrangements. This requires information from all of the authorities included within this bid, these established channels of communication will underpin the administration of the piloting arrangements.

The Essex Finance Officers Association meets on a bi-monthly basis and includes representatives covering the entire pilot area. The association currently oversees financial management of our existing arrangements which would widen to incorporate governance of the pilot. A standing agenda item would be included at each meeting to discuss the progress of the pilot, including any risks or opportunities arising. A quarterly report would be produced to update all parties on the growth achieved in year.

The local councillors responsible for finance from the respective authorities have also met to discuss this pilot and they will continue to do this – building on the excellent relationships which already exist and providing the political oversight to the pilot.

We note and welcome the recent announcement that the no detriment clause applied to the first round of pilots will also apply to this cohort

### **Plans for additional income**

The member authorities have agreed that there will be a 'no worse off' clause within the pilot agreement. This clause will mean that no authority at an individual level will be worse off in the pilot compared to the existing 50% arrangement (under pooling where appropriate) subject to there being sufficient benefit within the pilot. This will be the first call upon additional income achieved.

Beyond this initial allocation of funds, there are three areas that would be targeted:

1. Several partnerships and frameworks are already established which will be utilised to prioritise investment in accordance with agreed economic growth criteria which includes focus on attracting and retaining businesses, boosting growth, unlocking jobs and delivering additional housing and infrastructure.
2. Build on Local Plan aspirations to convert currently unusable land into developable sites which have suitable infrastructure to attract businesses. Businesses within Essex believe that there is a lack of 'grow on' space across the county; more facilities are needed to allow small businesses to grow into medium and then large businesses, creating local jobs.
3. Promoting our joint aspiration for inclusive economic growth by targeting some of the financial benefits to the most vulnerable people in our communities through the provision of additional support to our adult and children's social care services.

### **Supporting evidence**

Extensive modelling has been undertaken to establish the financial case for participation in a pilot scheme. This modelling indicates a retention of circa £25m of growth above baseline in business rates within Essex.

We are proposing a split of 80% district, 19% county and 1% fire (alongside a 99%/1% split for the unitary). A local distribution methodology will be applied to determine how the 50% of net additional growth is utilised as follows:

- 25% of the growth will be distributed using each authority's baseline funding level
- 25% of the growth will be distributed using each authority's local share of Business Rates income (based on the audited NDR3)
- 50% of the growth will be distributed on the growth in Business Rates income achieved in each authority

This methodology of distribution ensures that authorities that achieve growth are rewarded but at the same time building financial sustainability and incentivising further business rates growth.

### **Our ask of government**

We would welcome the opportunity to collaborate with central government to address issues within the business rate system. Tackling rates avoidance and the resourcing issues at the Valuation Office Agency through joint investment is an option we would like to explore further.

### **If this bid is unsuccessful**

In the event this bid is unsuccessful, the fifteen authorities would like to operate as a pool, replacing the existing Essex Business Rates Pool.

### Appendix – participating authorities

#### Authority

Basildon Borough Council  
Braintree District Council  
Brentwood Borough Council  
Castle Point Borough Council  
Chelmsford City Council  
Colchester Borough Council  
Epping Forest District Council  
Essex County Council  
Essex Police, Fire and Crime Commissioner Fire and Rescue Authority  
Harlow District Council  
Maldon District Council  
Rochford District Council  
Southend-on-Sea Borough Council  
Tendring District Council  
Uttlesford District Council

**General Fund Revenue Profile 2017/18 to 2021/22**

	<b><u>2017/18</u></b>	<b><u>2018/19</u></b>	<b><u>2019/20</u></b>	<b><u>2020/21</u></b>	<b><u>2021/22</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Base Budget brought forward from previous year	13,601,192	13,777,550	13,648,420	13,535,284	13,863,454
<b><u>Inflation:</u></b>					
Pay - annual award and incremental progression	236,080	219,910	259,300	228,920	199,660
Other Expenditure Inflation	93,530	88,940	86,520	96,480	95,690
Income Inflation	0	-3,480	0	0	0
Pension Fund and National Insurance contribution adjustments	1,040	14,380	13,360	203,440	13,900
<b><u>New Demands:</u></b>					
Allowance for Reduced Income/Increased costs previously profiled	561,850	117,120	163,480	43,480	43,480
Priority Investment - one-off provision previously profiled	-200,362	-184,820	0	0	
New Budget Bids	191,820				
New Budget Pressures	169,680	657,720	-2,170	0	0
<b><u>Reductions:</u></b>					
Savings/Additional Income agreed previously profiled	-877,280	-111,110	-80,990	0	
New Savings/Additional Income - Management		-695,740	-15,520	-11,030	-6,450
New Savings/Additional Income - Members		-232,050	-23,500	-23,500	-13,500
<b>Additional Savings Required</b>	<b>0</b>	<b>0</b>	<b>-513,616</b>	<b>-209,620</b>	<b>8,038</b>
<b>Updated Base Budget</b>	<b>13,777,550</b>	<b>13,648,420</b>	<b>13,535,284</b>	<b>13,863,454</b>	<b>14,204,272</b>
Addition to Balances	329,125	173,929			0
Contribution from Balances for one-off New Investment	-150,000				
Contribution from/to Earmarked reserves	432,142	725,670			
<b>Budget Requirement</b>	<b>14,388,817</b>	<b>14,548,019</b>	<b>13,535,284</b>	<b>13,863,454</b>	<b>14,204,272</b>
Government Grant - Revenue Support Grant	-777,347	-272,480	0	0	0

**General Fund Revenue Profile 2017/18 to 2021/22**

	<b><u>2017/18</u></b>	<b><u>2018/19</u></b>	<b><u>2019/20</u></b>	<b><u>2020/21</u></b>	<b><u>2021/22</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Retained Business Rates - Baseline amount	-3,256,331	-3,361,095	-3,480,650	-3,480,650	-3,480,650
- Growth above baseline	-922,657	-941,110	-668,447	-668,447	-668,447
Transition and Rural Services grants and returned funding	-70,415	-13,657	-17,754	-17,754	-17,754
Collection Fund Balance - Business Rates (Surplus)/Deficit	-432,142	-725,670			
Collection Fund Balance - Council Tax (Surplus)/Deficit	-194,255	-181,609			
<b>BDC Requirement from Council Taxpayers</b>	<b>8,735,670</b>	<b>9,052,398</b>	<b>9,368,433</b>	<b>9,696,603</b>	<b>10,037,421</b>
Tax base (+1.5% for 2019/20 onwards and collection rate of 99%)	51,547	51,900	52,679	53,469	54,271
Council Tax (Band D)	£169.47	£174.42	£177.84	£181.35	£184.98
Council Tax per week	£3.26	£3.35	£3.42	£3.49	£3.56
<b>Percentage Increase</b>	<b>3.01%</b>	<b>2.92%</b>	<b>1.96%</b>	<b>1.97%</b>	<b>2.00%</b>
Increase per week	£0.10	£0.09	£0.07	£0.07	£0.07

## Requests for Capital Funding 2018-19

Date Produced: 10th November 2017

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost			
					2018/19	2019/20	2020/21	2021/22
1	Corporate Services and Asset Management	<b>Planned Maintenance of Council properties</b> - This relates to the annual planned maintenance of those properties where BDC has a repairing obligation. The budget sum is reviewed annually.	Annual planned maintenance of those properties where BDC has a repairing obligation.  The condition surveys are reviewed and updated by the 31st August each year and identify the priority planned maintenance works required to be carried out in following financial year.	This investment is required to ensure that the Council's properties are maintained to a good standard to support service delivery and sustain or improve the physical condition, rental income and value of the asset.	330,000	400,000	400,000	400,000
2	Corporate Services and Asset Management	<b>Computer Equipment</b> - Annual technology replacement programme.	Our hardware and software estate needs to be kept up to date to ensure that it can continue to be supported by our ICT service provider and continues to be fit for purpose.	Hardware and software that meets the needs of users and is up-to-date and secure.	40,000	40,000	40,000	40,000
3	Corporate Services and Asset Management	<b>Computer Systems Servers - Business Continuity/Disaster Recovery arrangements</b> - Set up costs	To provide ICT facilities to the BDC users to allow the council to function as normal and support the community in the event of a disaster or an emergency affecting the main workplace and/or the systems they use.	The council will continue to operate its business as usual systems on a day to day basis as quickly as possible after a major failure.	30,000			
4	Corporate Services and Asset Management	<b>Microsoft Office 365</b> - set-up costs	BDC has to upgrade its MS eMail and MS Office software by 2020 when the current versions go end of life. The physical servers on which the MS eMail application resides are reaching end of life and will need to be replaced by 2020. The council is planning to upgrade its physical server room to a cloud solution and is targeting 2020/21 as commencement for this activity. A subset driver is to provide secure eMail facilities to BDC staff and councillors outside of the office environment and make it available anywhere with an Internet connection.	To provide an eMail facility which is independent of the Causeway House server room. Email will be accessible to all users from any device which has access to the Internet regardless of location, device or browser. If the user has Internet access then Braintree District Council email will be accessible	45,000			

## Requests for Capital Funding 2018-19

Date Produced: 10th November 2017

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost			
					2018/19	2019/20	2020/21	2021/22
5	Corporate Services and Asset Management	<b>Online Booking System</b>	To enable customers to book and pay for an activity or service through our website. Customers will be able to access bookable services and activities 24 hours a day, 7 days a week, from anywhere with internet access, using any device. Payment will be made at the time of booking, greatly reducing the need to generate and chase invoices. The Council offers a range of services that can be booked: <ul style="list-style-type: none"> <li>• Pest control visits</li> <li>• Sports pitches</li> <li>• Town Hall meeting rooms</li> <li>• Taxi knowledge tests</li> <li>• Community transport services</li> <li>• Other miscellaneous appointments</li> <li>• Courses or events such as health &amp; safety, fire safety etc</li> </ul>	With one standardised method of booking services and activities it will add resilience and reduce administration for staff and simply the process for our customers.	30,000			
6	Environment & Place	<b>Compaction Bins</b> - To trial the use of 4 x Bigbelly duo compaction litter/recycling bins in Braintree Town Centre to assess their suitability to roll-out to all town centres in order to reduce collection costs.	Our existing floor-mounted bins have a 90L capacity (post-mounted have 40L), whereas the Bigbelly compaction bins are a 180L bin with a massive 800L capacity. They are solar-powered, complete with a technology that provides real time alerts and data as to when the bins are reaching capacity and need to be emptied, thus avoiding the need for frequent inspection/monitoring/emptying.	Efficiencies through freeing up a resource in the town centre to focus on other street cleansing activities, e.g. litter-picking, removal of fly-posting, weed spraying, sweeping, etc	40,000			
7	Environment & Place	<b>Handheld ECHO devices for Streetscene and Horticulture</b> Following the introduction of the ECHO in-cab technology within Waste Management, it is proposed to roll this out over the next two years to include the remaining front-line services (Street Cleansing, Highway Rangers and Grounds Maintenance).	This proposal is in line with the Council's digital strategy and would negate the need for the Council to look at a replacement large-scale CRM system (Siebel).	The ECHO system will facilitate two-way communication with front-line staff, enabling crews to receive work requests electronically and feedback real-time information on their status to improve information to the customer. It will also allow the review and restructuring of operational routes in order to maximise resources and provide a range of management information used to monitor the performance of these services.	25,000	25,000		

## Requests for Capital Funding 2018-19

Date Produced: 10th November 2017

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost			
					Capital Cost			
					2018/19	2019/20	2020/21	2021/22
8	Environment & Place	<b>Footpaths on public open space</b> - undertake a conditions survey.	The survey is required to determine the condition of all of the footpaths on public open space and use this to develop a programme of work. Need to ensure that there is no health & safety risk to the public using the open spaces.		30,000			
9	Environment & Place	<b>New Utility Compaction vehicle</b> As part of a service enhancement and to maintain the service standard for dealing with missed bins, it is proposed to procure a utility vehicle that can be used across the whole of Operations to deal with service issues including removal of fly-tips.	The current arrangement of sending operational crews back (26t vehicle + 3 staff) is not cost effective since the majority of reports received are made after the crew has left the area and often the day after that when the crew are no longer in proximity to where the missed bin(s) is. This impacts on the operational performance of the service and in some cases has delayed completion of work on scheduled days when crews have gone back to collect missed waste.	The purpose of the utility vehicle is to provide a timely service whilst minimising costs and improving the operational efficiency of the service. This smaller vehicle has the added advantage of being able to rectify missed collections arising from restricted access where larger vehicles cannot always get through. In addition, it is considered that this type of vehicle is better suited to send to weekend events (fayres/community events) as part of the clean-up operation, including chargeable works.	75,000			
10	Environment & Place	<b>Refurbishment work at Unit 4</b>	Operations' back office support staff and management team were relocated from Millennium Tower to Unit 4 in 2011/12. Since the move, the building's fixtures and fittings e.g carpets and internal decor have not been updated and signs of wear and tear are now clearly visible.	Improved staff morale and provide a 'fresher' working environment, with the offices at Unit 4 being better suited to accommodate clients/visitors, as well as improving things for staff	20,000			

## Requests for Capital Funding 2018-19

Date Produced: 10th November 2017

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost			
					2018/19	2019/20	2020/21	2021/22
11	Environment & Place	<b>Youth Facilities Maintenance and Refurbishment</b> - To refurbish and upgrade two play area sites in Braintree to include the installation of new 'fitness' equipment to replace original stock which is discontinued and can no longer be serviced. The sites being included in the project are as follows: 1. Meadowside, Braintree 2. Spa Road, Witham A provision for potential refurbishment work to youth facilities across the District which may be required as a result of the annual independent safety inspection which is in progress.	The existing safety surfaces at some of the sites needs to be replaced before it becomes a health and safety risk to the children and young people using the play areas.	Safety surfacing in these areas will comply with current National Playing Field Association standards and European Standards EN 1176 + EN 1177. The scheme will result in a better play experience for local children & will be measured by the results of our annual independent safety inspection of our play areas.	120,000			
12	Environment & Place	<b>Replacement Food Waste Collection Vehicles</b>	In 2010, ECC provided capital funding for the purchase of collection vehicles for the food waste service. This was part of the Waste Inter Authority Agreement. In return, BDC undertook to carry out a weekly food waste collection service rather than co-mingle garden and food waste. The main thrust behind this and the payment from ECC (including annual revenue funding of £590k) was that it was cheaper to process the two waste streams separately. The vehicles for this service have now reached their end of life and require replacement.	Food waste vehicles replaced and operational in Summer 2018.	490,000			
13	Environment & Place	<b>Silver End Pavilion</b> The Council is working with a newly constituted group - the Francis Crittall Pavilion Association (FCPA) - who have expressed an interest in taking on the management and operation of the Pavilion and sports ground at Silver Street, Silver End. • Phase 1 of the project involves some internal refurbishment works to accommodate a small nursery and pre-school provision within the building.	The existing Pavilion is used for only one day a week during the football season and stands empty for the remainder of the year. In its current form, it is not suitable for any other purpose.	The primary purpose is to enable the FCPA to carry out a phased project to maximise use of the Pavilion for the benefit of the wider community. This is in addition to maintaining the existing facility including changing rooms that are available for use in conjunction with the pitches on this site.	40,000			

## Requests for Capital Funding 2018-19

Date Produced: 10th November 2017

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost			
					2018/19	2019/20	2020/21	2021/22
14	Environment & Place	<b>House Renovation Grants</b> - As a housing authority we have a duty to maintain housing standards for the benefit of those less able to look after their own property.	Providing financial support through a repayable grant scheme to ensure those under financial pressure can afford to adequately heat their homes and when it is impractical to carry out disabled adaptations to a property, offer the occupier a relocation grant to enable them to move to a more suitable (adapted) property.	Health benefits for those living in substandard housing which will be improved through the repayable grant scheme. To provide adequate heating for the most vulnerable, including raising those occupiers out of fuel poverty and improving energy efficiency of the housing stock. Ensuring that occupiers live in the best suitable accommodation that meets their needs.	60,000	30,000	30,000	30,000
15	Environment & Place	<b>Disabled Facilities Grants</b> - The grant allocation for 2017-18 from the Better Care Fund is £796,000. It is assumed that the allocation will be a minimum of £700,000 for 2018/19. The proposal is for a Capital bid of an additional £150,000 for next year.	The Council has a legal duty to manage and provide disabled facilities grants in accordance with Part 1 of the Housing Grants, Construction and Regeneration Act 1996. The aim of the grant is to provide financial assistance to the applicant in order to provide suitable adaptations to their properties, as far as is practical, to meet their specific needs.	Ensure that there are sufficient funds to cover the increasing demand on the budget and ensure our residents have access to adaptations to their properties	150,000	250,000	250,000	250,000
16	Health & Communities	<b>Braintree Town Hall décor refurbishment</b> - Floor restoration in the Council Chamber, Chairman's room, the Lounge and the Bartrum Room. To fit new voiles and curtains in the Chairman's room and Council Chamber; this will improve the control over lighting levels and will visually improve the appearance of these rooms whilst complementing the ornate décor.	To improve the user experience and quality of these rooms whilst complying with Health and safety requirements. There is also an added bonus with the enhancement of the appearance of the rooms in particularly the rooms used for weddings which now account for 30% of the total income for the Town Hall.	It is planned that the capital improvements to the rooms will see an increased number of bookings over the forthcoming years.	11,800			
17	Health & Communities	<b>Provision for replacement heating system at the Braintree Museum</b>	A conditions survey of the Museum premises, undertaken during the negotiations for the proposed new Braintree District Museum Trust Funding and Management Arrangements, identified that the boiler and heating system needs to be repalced.	Continued operation of the Museum and the management of the Museum collection.	100,000			
				<b>Totals</b>	<b>1,636,800</b>	<b>745,000</b>	<b>720,000</b>	<b>720,000</b>

<b>Statement of Accounts 2016/17</b>		<b>Agenda No: 6c</b>
<b>Portfolio</b>	<b>Finance and Performance</b>	
<b>Corporate Outcome:</b>	<b>A high performing organisation that delivers excellent and value for money services</b>	
<b>Report presented by:</b>	<b>Councillor David Bebb, Cabinet Member for Finance and Performance</b>	
<b>Report prepared by:</b>	<b>Trevor Wilson, Head of Finance</b>	
<b>Background Papers:</b>		<b>Public Report</b>
Braintree District Council's Statement of Accounts 2016/17 <a href="https://www.braintree.gov.uk/downloads/download/438/accounts">https://www.braintree.gov.uk/downloads/download/438/accounts</a> Accounts and Audit (England) Regulations 2015 Governance Committee Agenda and Minutes 6 <sup>th</sup> September 2017		<b>Key Decision: No</b>
<b>Executive Summary:</b>		
<p>A draft set of Statement of Accounts were signed on 30<sup>th</sup> May 2017 by Chris Fleetham, Corporate Director as representing a "true and fair view" of the Council's financial position at the reporting date, and of its income and expenditure for the year ended 31<sup>st</sup> March 2017. This was ahead of the statutory date of 30<sup>th</sup> June and reflects the preparations made towards meeting the earlier statutory deadline of 31<sup>st</sup> May which will apply from the 2017/18 accounting year.</p> <p>Whilst there were no changes to accounting policies for 2016/17, the Council applied the new requirement to present the financial statements on the basis of how resources are managed and reported internally, rather than using the previously prescribed set of service headings. This change also introduces a new note to the accounts, the Expenditure and Funding Analysis, which reconciles how resources are controlled internally against budget and ultimately chargeable to General Fund balances, with the position reported in accordance with generally accepted accounting practices. These presentational changes also required restatement of elements of the 2015/16 comparators.</p> <p>The Council's External Auditor, Ernst &amp; Young LLP (EY), commenced the audit of the accounts on Monday 17<sup>th</sup> July 2017. The accounts were available for public inspection between 5<sup>th</sup> June and 14<sup>th</sup> July 2017. During this time no requests to inspect the accounts or any questions for the external auditor were received.</p> <p>The Statement of Accounts for 2016/17 together with the External Auditor's Audit Results Report were received and approved by the Governance Committee on 6<sup>th</sup> September 2017.</p> <p>The External Auditor's Audit Results Report included:</p> <ul style="list-style-type: none"> <li>• An Unqualified Opinion that the financial statements give a true and fair view of the</li> </ul>		

financial position of the Council as at 31<sup>st</sup> March 2017 and of its expenditure and income for the year then ended; and

- an unqualified conclusion that the Council has in place proper arrangements to secure value for money in its use of resources.

The Statement of Accounts were published on 12<sup>th</sup> September and can be viewed on the Council's website at:

<https://www.braintree.gov.uk/downloads/download/438/accounts>

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**Recommended Decision:**

Members are asked to receive and note the Council's Statement of Accounts for 2016/17.

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**Purpose of Decision:**

To formally receive the Council's Statement of Accounts for 2016/17 following the external audit and approval by the Governance Committee.

**Any Corporate implications in relation to the following should be explained in detail.**

<b>Financial:</b>	No new financial implications. The Financial Outturn 2016/17 was reported to Cabinet on 10 July 2017, and this position has not changed as a result of the preparation and audit of the Statement of Accounts.
<b>Legal:</b>	The approval process for the Statement of Accounts is required under statutory rules set out in the Accounts and Audit Regulations. For 2016/17 the audited and approved Statement of Accounts must be published by 30 September 2017.
<b>Safeguarding:</b>	None
<b>Equalities/Diversity:</b>	None
<b>Customer Impact:</b>	None
<b>Environment and Climate Change:</b>	None
<b>Consultation/Community Engagement:</b>	The draft Statement of Accounts was made available for public inspection over the period 5 June to 14 July 2017.
<b>Risks:</b>	None
<b>Officer Contact:</b>	Trevor Wilson
<b>Designation:</b>	Head of Finance
<b>Ext. No:</b>	2801
<b>E-mail:</b>	<a href="mailto:Trevor.wilson@braintree.gov.uk">Trevor.wilson@braintree.gov.uk</a>

<b>Second Quarter Performance Management Report 2017/18</b>		<b>Agenda No: 6d</b>
<b>Portfolio</b>	<b>Finance and Performance</b>	
<b>Corporate Outcome:</b>	<b>A high performing organisation that delivers excellent and value for money services</b>	
<b>Report presented by:</b>	<b>Councillor David Bebb, Cabinet Member for Finance and Performance</b>	
<b>Report prepared by:</b>	<b>Tracey Headford, Performance and Improvement Manager</b>	
<b>Background Papers:</b> Second Quarter Performance Management Report 2017/18		<b>Public Report</b>
		<b>Key Decision: No</b>
<b>Executive Summary:</b>		
<p>The purpose of the attached report is to summarise the performance of the Council at the end of the second quarter (July 2017 to September 2017).</p> <p>As at the end of the second quarter, ten projects have been completed and a further 49 projects are on track and progressing well.</p> <p>Ten performance indicators have achieved or exceeded target, four have missed target by less than 5% and four have missed target by more than 5%.</p> <p>The performance indicators that have missed target by less than 5% relate to the tonnage of waste not recycled, the time taken to process housing benefit claim changes, time taken to process housing benefit/council tax new claims and the collection rate for Business Rates.</p> <p>The performance indicators that have missed target by more than 5% are in relation to the number of visits to our leisure facilities which includes participation levels for the under 16's, the number of passenger journeys on the community transport scheme and the average call answer time in the Customer Service Centre.</p> <p>Full reasons for missing targets are detailed in the report.</p>		
<b>Financial Performance</b>		
<p>This part of the report provides an updated review of the financial position for the year up to the end of September 2017. It examines the latest forecast for spending on day-to-day service provision compared to the budget for the year. Also included is a summary of treasury management activities; projected movements on the General Fund balance; and a summary of spending to date on capital investment projects.</p>		

**Summary:**

- An overall positive variance for the year of £406,000 (2.8%) is projected against the budget
- Income is projected to be overachieved by £666,000; with an overall overspend of £260,000 forecast on Staffing and Other Expenditure.
- Compared to the position reported at the first quarter, the overall forecast positive variance has reduced by £137,000.
- A review carried out following the first quarter identified a number of in-year variances that are expected to be on-going and have, therefore, been included in draft budget proposals, contributing towards eliminating the £0.5million budget shortfall identified for 2018/19 in the Medium Term Financial Strategy.

For a detailed explanation of the financial performance, please refer to page 18 onwards of the full report.

**Recommended Decision:**

To note and endorse the report.

**Purpose of Decision:**

To inform the Cabinet of the performance of the Council.

<b>Any Corporate implications in relation to the following should be explained in detail</b>	
<b>Financial:</b>	An assessment of the Council's financial position against the agreed budget for the year is provided and is based on income and expenditure during the year.
<b>Legal:</b>	There are no legal issues raised by this report.
<b>Safeguarding</b>	There are no safeguarding issues raised by this report.
<b>Equalities/Diversity</b>	Equalities and diversity issues are considered fully in the Council's key projects, where appropriate.
<b>Customer Impact:</b>	Performance of front line services, including Customer Services, Housing Benefits and Planning, for the quarter is provided. A summary of complaints received each quarter is analysed by outcome (justified, partially justified or not justified) is provided.
<b>Environment and Climate Change:</b>	The report provides details of progress in the delivery of the Council's key projects. This will include supporting residents and businesses in lowering the cost of their energy bills and energy consumption , anti-litter campaigns, expansion of our recycling service and campaigns encouraging recycling.
<b>Consultation/Community Engagement:</b>	Consultation is considered fully in the Council's key projects, as appropriate.
<b>Risks:</b>	Risks regarding the assumptions used in determining the predicted financial outturn for the year are identified
<b>Officer Contact:</b>	Tracey Headford
<b>Designation:</b>	Performance and Improvement Manager
<b>Ext. No.</b>	2442
<b>E-mail:</b>	Tracey.headford@braintree.gov.uk

# SECOND QUARTER PERFORMANCE MANAGEMENT REPORT

1st July to 30th September 2017



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## Section 1: Introduction and Summary






### Purpose of the Report

The purpose of the report is to demonstrate the performance of the Council at the end of the second quarter in relation to the publication of the 'Annual Plan 2017/18'. This sets out the key activities and measures used to check our performance for the year and along with the Corporate Strategy 2016-20 sets out the priorities we are working towards. Further detail is given in relation to a set of business performance indicators covering finances, customer focus, our people and health and safety.






This report does not contain details of the numerous activities ongoing in each service area that also contribute to delivering what is important and will make a difference to all in the District. Full details of all projects and local and national indicators used to measure the outcomes are available upon request.

### Summary of the Corporate Projects current position for the end of the second quarter

The following table provides updates for the end of the second quarter in relation to the key activities in the 'Annual Plan 2017/18'.




Corporate Priorities	Status of projects and actions				
					
Environment and Place	0	8	0	0	0
Strategic Growth and Infrastructure	1	9	0	0	0
Economic Development	2	11	0	0	0
Health and Communities	3	10	0	0	1
Finance and Performance	4	6	0	0	0
Overall Strategy and Direction	0	5	0	0	0
<b>TOTAL</b>	<b>10</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>1</b>

#### KEY:




-  Project completed
-  Project on target
-  Project scope/target date requires attention
-  Project requires amendment
-  Project aborted/closed

### **Summary of the Performance Indicators position for the end of the second quarter**

The following table shows the performance for the end of the second quarter in relation to the quarterly and annually reported Performance Indicators that have targets set as defined in the 'Annual Plan 2017/18'.

Corporate Priorities	Status of indicators			
				Data Only
Environment and Place	2	1	0	0
Strategic Growth and Infrastructure	2	0	0	0
Health and Communities	3	0	3	0
Finance and Performance	3	3	1	0
<b>TOTAL</b>	<b>10</b>	<b>4</b>	<b>4</b>	<b>0</b>

#### **KEY:**

-  Performance Indicator has achieved target
-  Performance Indicator is up to 5% below target
-  Performance Indicator is 5% or more off target

### **Summary Position**

Progress in the second quarter of the year has been steady with ten projects now complete and remaining projects on track and progressing well.

Ten performance indicators have exceeded target, four performance indicators have missed target by less than 5% and four performance indicators have missed target by more than 5%.

The council has set themselves a number of ambitious projects to support communities and businesses and face a number of challenges to do things differently to reduce costs, increase income, maintain services with minimal impact on customers. As a result of this, some services are experiencing an increase in demand and we need to ensure that we strive to deliver our corporate objectives whilst focussing our resources to maximise the benefits to the community and businesses in the months ahead.



## Environment and Place

Project description and comments	Target Date	Status
<b>Continue to support the Essex Waste Management Partnership to reduce waste, increase recycling and participate in countywide campaigns</b>		
Currently exploring opportunities with Uttlesford District Council regarding developing a shared vehicle maintenance service. Essex County Council has issued a tender for the processing of recycling and street sweeping waste for the Authorities across Essex who has agreed to participate in a framework agreement.	March 2018	▶
<b>Upgrade and improve recycling bring bank sites in the Braintree District to ensure they are fit for purpose and meet customer demand</b>		
A programme of works being undertaken by Street Scene to maintain and tidy the existing bring bank sites.	March 2018	▶
<b>Increase recycling by working with businesses to review their waste disposal requirements and provide a high quality commercial waste and recycling service</b>		
A new database has been implemented and historic data has now been transferred. Collection crews are now able to see details of the type of container used by businesses to assist in reviewing requirements.	March 2018	▶
<b>Protect larger public open spaces in the District from unauthorised access, including illegal encampments, to maintain the quality of the local area and prevent disruption and inconvenience to local residents</b>		
Protection works to nine sites across the District are now complete at Meadowside, Weavers Park, Bramble Road, Fisher Field and Riverside providing fencing and bollards to protect them from illegal encampments.	March 2018	▶
<b>Organise energy switching schemes throughout the year for both residents and businesses in the District to lower the cost of their energy bills, to address fuel poverty</b>		
Auctions for the energy switching schemes are held throughout the year in February, May and October. The latest scheme has just come to a close with over 900 registrations received.	March 2018	▶
<b>Work with other Essex Councils and the Environment Agency to tackle fly tipping in the District and across the County to keep the area clear of rubbish</b>		
Essex Authorities launched the campaign #crimenottocare in September to raise awareness to the public over their duty of care regarding fly tips. In the first quarter of the year, 203 fly tips have been cleared within 24 hours of being reported.	March 2018	▶
<b>Maintain a focus on investigating and enforcing littering and dog fouling incidents to help keep the District looking clean and tidy</b>		
Braintree District Council continues to maintain a focus on investigating and enforcing littering and dog fouling incidents. 22 fixed penalty notices have been issued in the second quarter of the year.	March 2018	▶
<b>Deliver a dog fouling campaign to change the behaviour of irresponsible dog owners</b>		
The Council will be going live with their dog fouling campaign at the end of October 2017 as there is a noticeable increase in dog fouling when the nights draw in.	March 2018	▶



# Strategic Growth and Infrastructure








Project description and comments	Target Date	Status
<b>Produce a Draft Local Plan to submit to Government for examination</b>		
The evidence base to support the Local Plan has now been completed and is published to support the current consultation on the Draft Local Plan.	June 2017	✓
The responses to the Local Plan have been analysed and a report published for the Local Plan Subcommittee. The Council will be submitting the Local Plan to the Planning Inspectorate in October 2017.	October 2017	▶
<b>Continue to explore the development of Garden Communities alongside the decisions in the Local Plan to provide housing, employment and supporting infrastructure to address our long term housing and community needs</b>		
In respect of the submission for the west of Braintree Garden Community, background work has begun to support the production of a development plan document and is published on our website. We are working with Uttlesford District Council to produce a joint development plan document which will be published in October and a consultation period will start in November.	November 2018	▶
Background works undertaken by AECOM to support the development plan document for the Garden Community for the west of Colchester have been published on our website and further concept work is currently underway. A joint document produced on behalf of Colchester and Braintree is on track to be published in late October and a consultation period will start in November.	November 2018	▶
<b>Explore the viability of setting up a Housing Development Company to deliver new mixed-tenure homes across the District.</b>		
A strategic project manager has been appointed to lead on the business plan for the Housing Development Company.	March 2022	▶
<b>Develop a new Homelessness Strategy for 2018 to 2023 to prevent and alleviate homelessness</b>		
Workshops will be held with partner organisations in October to enable officers to understand the key issues facing them, share information about legislative changes and to consider options for future delivery of services. Training will be provided to staff on the Homelessness Reduction Act and discussions will take place around the strategic issues which need to be addressed when considering how best to deliver the service under the new legislation: this will also help to inform the Strategy Action Plan.	March 2018	▶
<b>Work with partner agencies to continue to drive forward strategic improvements to the Braintree and Witham rail link</b>		
Governance for Railway Investment Projects (GRIP) study has now restarted in partnership with Network Rail and Essex County Council. A Meeting was held in August to discuss the next steps and potential costs for the second stage of the study. Essex County Council attended an output definition and strategic risk assessment workshop in September.	March 2018	▶
<b>Continue to work with Essex County Council and Highways England to identify and deliver improvements to the A120 and A12</b>		
Essex County Council Highways are now leading on this project, and they have submitted a bid for the Government's National Productivity Investment fund (NPIF) for the A120 Millennium Slip roads. Braintree District Council have submitted a bid for the Government's Housing Infrastructure Fund (HIF) for this scheme. Essex County Council have instructed Jacobs to progress the scheme.	March 2018	▶

<b>Work with Essex County Council to tackle congestion at Springwood Drive and Panfield Lane</b>		
Essex County Council is looking at different options for the Springwood Drive roundabout and now has indicative costs. These options are being looked at in conjunction with the S106 requirements for the land West of Panfield Lane, Braintree.	March 2018	▶
A planning application has been submitted for the provision of a spine road at Panfield Lane and indicative costs have been received.	March 2018	▶




## Economic Development











Project description and comments	Target Date	Status
<b>Improve existing industrial estates and business parks to retain businesses within the District and support business growth</b>		
A planning application has been submitted for the signage improvements for Springwood Industrial Estate to improve the appearance of the site and to assist visitors in finding businesses.	March 2018	▶
<b>Attract investment to the District by delivering the Braintree Enterprise Centre grow-on space and securing at least one pre-let tenant from within one of the District's key sectors</b>		
Outline planning consent for the Braintree Enterprise Centre has now been granted. The second stage of the tender exercise has been completed and the contract will be awarded shortly. The revised programme demonstrates completion by the end of April 2018.	April 2018	▶
<b>Secure the required funding package to deliver the Witham Enterprise Centre</b>		
Braintree District Council is working with Haven Gateway who has submitted a bid from the European Regional Development Fund (ERDF) to fund an Innovation Centre and grow on space units. A decision is expected in October as to whether we have been successful to go onto round two. An architect has been engaged to prepare a feasibility and capacity study for the site.	March 2018	▶
<b>Strengthen business engagement by delivering a programme of business events and monthly visits to ensure two way communications with businesses</b>		
A number of events to engage businesses have taken place in the second quarter such as Grape and Grain engaging local businesses to promote tourism, twenty five businesses signed up to take part in the school for witchcraft and Wizardry trail and local businesses facilitated a STEM taster day at Colchester Institute's STEM Innovation Centre. Over 70 Businesses also attended a Braintree Careers Fair.	March 2018	▶
<b>Support the Haven Gateway Partnership in establishing a Sectoral Business Network that has strong engagement from Braintree businesses</b>		
At the Haven Gateway meeting in September, specialist consultants presented their report on the sectoral analysis recently carried out. The report determined the sectoral headings and identified where within these sectors in the Haven Gateway there is room for potential growth and emerging new sectors.	March 2018	▶
<b>Launch an Employment and Skills Partnership Board to address educational attainment and employment skills needs within the District</b>		
The Employment and Skills Partnership Board has been established and the first meeting held in June was attended by eight external stakeholders.	June 2017	✔

<b>Ensure businesses understand the Apprenticeship Levy and utilise it for the best outcome for young people</b>		
Detailed guides have been published and events held with businesses to raise awareness of the Apprenticeship Levy. The Braintree District Education and Skills Board will continue to work with employers on Apprenticeships.	<b>September 2017</b>	
<b>Engage with schools to encourage students to realise the benefits of apprenticeships and vocational further education in STEM (Science, Technology, Engineering and Maths) subjects</b>		
A taster day held at Colchester Institute's STEM Innovation Centre in July was attended by 150 students. The event focused on Engineering with students taking part in activities facilitated by local employees. Eight pupil STEM engagement events have been planned for academic year 2017/2018 which will be offered to all secondary schools in the District.	<b>March 2018</b>	
<b>Agree a vision and strategy for Braintree Town Centre to complement the regeneration of Manor Street and to enhance the appeal of the town centre to visitors</b>		
The detailed design phase for the regeneration of Manor Street commenced in May based on a GP surgery, pharmacy, hotel, residential scheme, bus interchange, car park and public realm improvements. Further exhibitions will be held in the new year and a fully costed business case will be submitted to a future Cabinet.	<b>March 2020</b>	
<b>In partnership with Essex County Council, deliver the regeneration schemes in Witham and Halstead</b>		
In respect of the improvements for Halstead, spatial plans for the improvements have been prepared and are being issued to the Highways Authority for a principle decision	<b>March 2018</b>	
A series of studies and reports have been completed to look at the impact of the proposals on the highway network, market rights and other private rights that relate to the site area in Witham. A summary report recommending options to proceed has been prepared for a decision on the next steps.	<b>March 2018</b>	
<b>Deliver the business hub on the Premdor site in Sible Hedingham</b>		
The business hub is currently being constructed with completion expected by the end of the year.	<b>December 2017</b>	
<b>Continue to work with Essex County Council on implementation of the Superfast Essex programme to increase superfast broadband coverage across the District</b>		
Braintree District Council will not be investing in phase III of the project as this is not financially viable. However, we continue to work with Superfast Essex and Braintree District Council is considering options for a final whole district solution that will tackle the mix of urban and rural areas not yet covered in our District.	<b>August 2017</b>	



## Health and Communities

<b>Project description and comments</b>	<b>Target Date</b>	<b>Status</b>
<b>Introduce the 'Livewell Child' project in selected schools across the District to support children and families to make healthy lifestyle choices, with the ambition of halting the accelerated growth in childhood obesity</b>		
In September, the Children's Food Trust held a 'let's get cooking' training day for people to set up 14 'cook well, eat well' clubs based in primary schools, Family Hubs and community groups in the Braintree, Halstead and Witham	<b>March 2019</b>	

areas. 'Cook Well, Eat Well' clubs will work with parents and children and focus on understanding the components of a healthy diet, planning and cooking healthy balanced meals on a budget as well as the importance of portion size and minimising food waste.		
<b>Install state of the art disability access hoists at Halstead and Braintree swimming pools</b>		
The disability access hoists are now installed at Halstead and Braintree Swimming Pools enabling easy access in and out of the water for individuals with reduced mobility.	August 2017	
<b>Install a drainage system at the sports pitches in Deanery Gardens and King George V playing field to ensure the pitches can be used throughout the year</b>		
This project has been transferred into next year's delivery plan as the installation of a piped drainage system needs to take place outside the football season to minimise the impact on residents using the facilities.	May 2017	
<b>Improve the playing experience at Witham Sports Ground by replacing the artificial surface and installing a new 2G surface</b>		
The artificial surface at Witham sports ground has now been installed providing clubs using the facilities with an improved playing experience.	September 2017	
<b>Replace the safety surfacing where needed at various play areas across the District to provide a better and safer environment for visitors</b>		
Surveys have taken place assessing the surfacing at play areas across the district. Quotations to complete the works are currently being evaluated.	March 2018	
<b>Recognise the contribution volunteers make to our District by holding a Community Awards event to celebrate success in this field</b>		
More than 50 nominations were received highlighting people who make a great contribution to their communities. At an event held in April, six winners were celebrated with one person crowned as the overall winner.	April 2017	
<b>Continue to invest in local health facilities across the District by providing doctors surgeries that can meet current and future needs as the District grows including towns and rural areas, e.g. Witham and Sible Hedingham</b>		
We continue to facilitate discussions between the NHS, Mid Essex CCG and New River Retail regarding the provision of modern healthcare facilities in Witham. The project team are due to meet in November to discuss preferred locations.	March 2018	
Braintree District Council is continuing discussions with doctors, Mid Essex CCG and the NHS to explore the opportunity to bring forward a new health facility at the Premdor site in Sible Hedingham.	March 2018	
<b>Develop and deliver better ways of providing support for disabled and frail residents by improving the allocation of the Better Care Fund</b>		
Meetings have been held with Essex County Council looking at where the need is across the District to better allocate funding and resources. Officers are also exploring how other authorities use the handyman service to support vulnerable and frail residents.	March 2018	
<b>Deliver an awareness campaign and initiatives to support isolated and lonely residents</b>		
Meetings with Essex County Council have taken place to discuss what is currently being delivered across the County, share good practice and share ideas. The 'Live well, Keep safe' event being held in Witham in October is now fully booked. This event will provide vulnerable residents with information on fire safety, tips on saving money and crime prevention advice whilst also providing lunch and refreshments and a tea dance demonstration.	March 2018	
<b>Develop the Braintree District Community Transport Scheme Action Plan 2017-2019 to ensure we have a scheme to support our residents with their travel needs</b>		
Following the review of the Community Transport Scheme, an action plan has been formulated and agreed at Cabinet in May. A review of processes within	March 2018	

the Community Transport team has been carried out recommending a number of improvements which the team are currently implementing. A consultation of the fees and charges imposed by Community Transport was carried out between July and September.		
<b>Deliver a range of 'age well' activities across the District to encourage inactive over 60's to become active again</b>		
A number of 'age well' activities have been introduced across the District such as walking football, racket ball, chair based exercise, sports for confidence and a seated dance. All activities continue to be well attended with over 600 people participating each quarter.	March 2018	▶
<b>Support community groups to deliver local projects and activities through the Councillors' Community Grant Scheme</b>		
Since April 2017, 37 Councillors have awarded 54 grants totalling £39,428 through the Councillors Community Grant Scheme.	March 2018	▶
<b>Work with the Braintree District Dementia Action Alliance to develop a dementia friendly community to raise awareness and transform the lives of people living with dementia</b>		
An event was held at Witham Leisure Centre in partnership with Sport for Confidence for World Alzheimer's Day. The event saw the launch of the new weekly dementia friendly swimming sessions as well as taster sessions for other activities including singing for the brain, bocchia and dancing.	March 2018	▶



## Finance and Performance





Project description and comments	Target Date	Status
<b>Increase the amount of Council Tax collected by participating in an Essex wide initiative to compare data to help detect and address errors or possible fraud</b>		
A data matching system is now in operation with data from a number of sources within the Council being compared to investigate anomalies with the aim of reducing the number of Council Tax discounts and exemptions granted. No errors have been identified to date.	March 2018	▶
<b>Implement a new discretionary business rate relief scheme for charities and not-for-profit organisations which is clear and transparent to all applicants supporting the organisation's activities which directly benefit Braintree District residents</b>		
The revised discretionary business rate scheme for charities has been implemented. Organisations which have completed the new application form have been assessed against the new scheme criteria and have been informed of their award and a revised bill issued during September. The new scheme is effective from 1st October 2017. Discretionary relief has been removed from this date from those organisations which have not completed the new application form.	October 2017	✓
<b>Take a commercial approach to how we operate to protect front line services by maximising the potential to generate income</b>		
An outline business case has been completed and reviewed considering options for establishing a public open space management company to undertake grounds maintenance works. Income continues to be generated through sponsorship and advertising opportunities.	March 2018	▶

<b>Support local businesses by offering sponsorship and advertising opportunities</b>		
Officers promoted sponsorship and advertising opportunities at a business breakfast event held in July and attended by over 30 local businesses. A planning application has been submitted for advertising in car parks.	March 2018	▶
<b>Use our assets (e.g. land, buildings, money) to deliver value for money for taxpayers whilst seeking to generate a reasonable revenue return for reinvestment</b>		
A proposal to increase the limit on the amount which can be invested in Pooled Funds, from £15m to £20m, is to be considered by Full Council in October.	March 2018	▶
<b>Improve customer focused services by delivering a programme of continuous improvement to maintain the Customer Service Excellence accreditation</b>		
The Council has successfully achieved the Customer Service Excellence accreditation for a further year gaining full compliance in all areas assessed and nine areas of compliance plus. The certificate will be presented at Full Council in July.	July 2017	✓
<b>Raise awareness of the services available on-line and support customers to be able to use them</b>		
A Digital Strategy is currently being developed to look at how we can meet the needs of customers and support them to transact with us online.	March 2018	▶
<b>Improve our website and associated technologies to ensure they are convenient and easy for customers to use</b>		
A business case to procure an online booking system has been developed to enable customers to self-serve and to increase the number of services available on line. Process reviews will be undertaken in October for all booking processes currently used across services.	March 2018	▶
A review of a Customer Relationship Manager (CRM) system to enable better engagement with customers has been completed and will now be picked up under the Digital Strategy project.	March 2018	✓
A new email service called 'tell me more' was launched in July with over 1700 subscriptions received from residents wanting to receive information that really matters to them such as refuse, recycling or street cleaning updates, planning news, health and well-being tips and events, job vacancies or event emergency alerts. The updates will help residents stay informed and be signposted to the growing range of services and information that is available online.	July 2017	✓












## Overall Strategy and Direction










Project description and comments	Target Date	Status
<b>Deliver projects under the District Investment Strategy to achieve better outcomes for the District and a return for the taxpayers purse by:</b> <ul style="list-style-type: none"> <li>Working in partnership to improve health provision across the District</li> <li>Carrying out improvements to our three Town Centres</li> <li>Providing increased opportunity for new business and employment</li> <li>Identifying and delivering improvements to our most congested roads</li> <li>Delivering investment opportunities that support growth and provide a return for the District Council</li> </ul>		
Braintree District Council continues to work in partnership to provide modern healthcare facilities in Witham, Sible Hedingham, and Braintree. Essex County Council will be announcing the preferred way forward in November regarding the A120 options and widening of the A12 following extensive analysis of the	March 2018	▶

consultation results. Funding options continue to be explored to deliver the Millennium Way slip roads and options are being considered on the works required to the roundabout at Springwood Drive to relieve congestion. Further stakeholder consultation and public exhibitions will take place in the new year in respect of the regeneration of Manor Street in Braintree and works continue on plans for physical improvements to Halstead and Witham Town Centres. Outline planning consent for the Braintree Enterprise Centre has been granted for construction of four commercial grow on units. Projects under the District Investment Strategy are reported on throughout this report and will ensure a reasonable level of return.		
<b>Work effectively with Highways England, Essex County Council and other key partners to support the planned A12 widening scheme from Chelmsford to A120 and the campaign for improvements to the A120 (Braintree Town to A12) with the recommendation of a preferred option to be considered by Government for inclusion in the next Road Investment Strategy (runs from 2020 to 2025)</b>		
Further technical work on the consultations for the preferred routes for the A120 and preferred widening schemes for the A12 is being undertaken by Essex County Council who are considering all responses. Essex County Council is due to announce the preferred way forward via their cabinet meeting in November 2017. A member's forum was held in September on the A120 attended by Essex County Council, Braintree District Council and Parish Councils.	March 2018	
<b>To continue to work collaboratively with partner authorities (Tendring District Council, Colchester Borough Council and Essex County Council) and other public and private sector organisations to plan for and enable sustainable growth in homes and jobs in the north Essex area</b>		
Braintree District Council continues to work with three other local authorities on proposals for North Essex Garden Community projects to deliver over 40,000 homes and 10,000 jobs in the north Essex area which includes a shared part one of the proposed Local Plan. In September, the partnership appointed a Managing Director to move the project forward.	March 2018	
<b>Create the conditions for economic growth by refreshing the Economic Growth Prospectus which sets out how we intend to grow existing businesses and attract new businesses in key sectors</b>		
Consultation for the Economic Growth Prospectus closed on the 30 <sup>th</sup> September and results are currently being analysed.	March 2018	
<b>Undertake a review in conjunction with Essex County Council to identify opportunities to enhance the visitor experience at Great Notley Country Park making full use of the leisure, recreational and natural facilities the park has to offer and to improve and sustain the Park financially for future generations to use and enjoy</b>		
In November 2017 the Great Notley Country Park Joint Governance Board is due to receive a presentation on the proposed Adventure Theme Park including the strengths, opportunities and key issues. Subject to Member agreement further dialogue will take place with the external provider as well as consideration being given to moving the project to a formal stage to enable a full Business Case to be developed.	March 2018	

## Section 3: Managing the Business

### Our Performance Indicators in Detail

	2017/18						Comments
Performance Indicator	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
Environment and Place							
Percentage of land that falls below cleanliness standards for litter	n/a	3%				n/a	Recorded three times a year – July, November and March
Percentage of household waste sent for reuse, recycling and composting	54.69%	53.00%			52.00%		
Tonnage of residual household waste not recycled	110kgs	111kgs			108kgs		The tonnage of residual household waste is slightly higher than targeted and the outturn is still to be verified by Essex County Council. We continue to experience issues with side waste and the service will be reviewing how they deal with side waste in the near future.
Number and percentage of fly tips cleared within 24 hours of being reported	100% (163)	100% (203)			100%		203 fly tips have been cleared within 24 hours of being reported in the second quarter of the year
Number of fuel poverty and domestic energy reduction installations carried out	Annually reported indicator					n/a	
Strategic Growth and Infrastructure							
Number of affordable homes delivered	34	2			0		
Number of homes granted planning permission	279	420			250		
Health and Communities							
Percentage of substantial Disabled Facilities Grants approved within timescales	88%	86%			80%		24 out of 28 substantial grants have been approved within timescales in the first quarter
Percentage of critical Disabled Facilities Grants approved within timescales	100%	83%			80%		5 out of 6 critical grants have been approved within timescales in the second quarter
Total number of visits to our Leisure facilities	217,193	229,306			252,095		Fusion is still feeling the effects of the loss of customers following the closure of Braintree Swimming Pool. Campaigns are underway by Fusion to increase participation levels.
Number of passenger journeys on the Community Transport Scheme	13,067	10,878			12,631		The minibus hire scheme did not meet its target which was set based on a fleet of six buses which has since been reduced to

Performance Indicator	2017/18						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
							<i>five. A high proportion of minibus hire is attributed to wheelchair users which reduces the capacity for group hire. Whilst this service is vital to wheelchair users it provides low statistics in terms of passenger journeys.</i>
Participation of over 60's in sport and health activities across the District	16,154	17,388			15,000		
Participation of under 16's in sport and health activities across the District	36,931	41,226			62,400		<i>Fusion is still feeling the effects of the loss of swim school customers following the closure of Braintree Swimming Pool. A campaign is underway by Fusion to increase participation levels.</i>
<b>Finance and Performance</b>							
Average call answer time in the Customer Service Centre	15 seconds	17 seconds			15 seconds		<i>Resource issues and an increase in calls being received at peak times has meant the call answering target has not been met this quarter.</i>
Time taken to process housing benefit/council tax benefit new claims	17.68 days	18.31 days			18 days		<i>Performance was marginally above target in July and August in the second quarter due to the amount of real time information (RTI) received from HMRC for new claims and changes. This is coupled with staff taking leave.</i>
Time taken to process housing benefit claim changes	6.1 days	6.16 days			6 days		<i>Performance for both indicators is back on track in September and is expected to remain on track</i>
Percentage of Stage 1 complaints responded to within target	93%	97.65%			90%		
Collection rate for Council Tax	30.82%	59.25%			59.25%		
Collection rate for Business Rates	30.84%	58.07%			58.43%		<i>Target has been missed by less than half a percent. It is expected that the target collection rate will be achieved for the year.</i>
Percentage of invoices paid within 30 days of receipt	99.49%	99.66%			99%		

## **Complaints**

The quarterly complaints analysis for the second quarter of 2017/18 and the end of the year is detailed below. This is compared with 2016/17 figures shown in brackets. The figures represent all three stages of the complaints process.

<b>Complaint Category</b>	<b>Q1 2017/18</b>	<b>Q2 2017/18</b>	<b>Q3 2017/18</b>	<b>Q4 2017/18</b>	<b>TOTAL</b>
Justified	64 (112)	67 (52)	(46)	(63)	(273)
Not Justified	69 (72)	79 (104)	(73)	(62)	(311)
Partially Justified	27 (31)	31 (24)	(23)	(15)	(93)
Not known	0 (0)	1 (3)	(0)	(0)	(3)
<b>Total</b>	<b>160 (215)</b>	<b>178 (183)</b>	<b>(142)</b>	<b>(140)</b>	<b>(680)</b>

## ***Comments***

The number of complaints received in the second quarter of the year has increased slightly from the first quarter.

The majority of complaints received relate to missed waste collections due to restricted access or road closures. The service continues to monitor issues with missed waste collections and endeavour to return within 48 hours of the missed bin being reported.

At the time of writing the report, one stage 3 complaint was still being investigated and responded to.

In the second quarter of 2017/18, of the 178 complaints received:

- 171 are stage one complaints
- 5 are stage two complaints
- 2 is a stage three complaint

## **A summary of Local Government Ombudsman cases:**

In the second quarter of 2017/18, the LGO has received three new complaints. One complaint is currently being investigated and two final decisions were issued for the other complaints received which the LGO declined to investigate due to one complaint being from a public body and the other complaint having the right to appeal the decision of the LPA. The LGO continues to investigate one complaint received in the previous quarter.

## **Our Organisation**

The following is a selection of our people performance measures:

<b>People: Indicators of Performance</b>	<b>Q1 17/18</b>	<b>Q2 17/18</b>	<b>Q3 17/18</b>	<b>Q4 17/18</b>	<b>Change on previous period</b>	<b>Yearly Target</b>
Total headcount	467	468			+1	-
Total number of posts	477	479			+2	-
Number of temporary staff	33	26			-7	-
Total staff FTE	421.71	423.41			+1.7	-
Level of employee turnover	1.93%	2.56%			+0.63%	-
Number of leavers	9	12			+3	-
Number of starters	12	16			+4	-
Working days lost to sickness per employee	1.93 days	1.91 days			-0.02	8.0 days
Percentage of staff with nil sickness	75.8%	61.9%			N/A	-
Number of learning hours	6329	7762			+ 1433	-
Number of delegates	221	243			+ 22	-
Number of apprentices **	11	17			+ 6	-

Year on Year Headcount Analysis	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	485	466	478	472	470	464

\*\* BDC's apprenticeship programme runs from September each year. The figures reflect level 2 and level 3 apprenticeships.

## **Health & Safety**

The following is a selection of our health and safety performance measures. The data is for information purposes only.

Health and safety is a crucial responsibility of everyone within the organisation. This information is used to improve the management of health and safety of staff, our customers, residents and other non-employees we come into contact with. Monitoring is undertaken by the corporate health and safety committee and action plans will be put in place where necessary.

<b>Health &amp; Safety: Indicators of Performance</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	
	(2016/17 figure in brackets)				
Total number of reported accidents/ incidents, calculated from:	10 (11)	10 (12)	(6)	(10)	
<i>Accidents/ incidents to employees</i>	8 (8)	8 (9)	(6)	(10)	<i>The majority of accidents relate to muscular skeletal injuries sustained by officers within the waste service due to slips and/or trips</i>
<i>Accidents/ incidents to contractors</i>	1 (1)	2 (1)	(0)	(0)	<i>One agency worker tripped and another sustained a back injury whilst collecting waste</i>
<i>Accidents/ incidents to non-employees</i>	1 (2)	0 (2)	(0)	(0)	
Time lost in days due to employee accidents/ incidents	0 (105)	20 (16)	(40)	(2)	<i>This relates to one member of staff who sustained a back injury</i>
Number of reported verbal/ physical incidents to employees	0 (1)	2 (1)	(0)	(1)	<i>staff were verbally abused whilst working out and about in the District</i>
Number of near miss incidents	0 (0)	0 (0)	(1)	(1)	
Number of Accidents/ incidents registered resulting in insurance/ compensation claim	0 (0)	0 (0)	0 (0)	(1)	
Number of claims settled	0 (0)	0 (0)	(0)	(0)	

## Financial Performance

This part of the report provides an updated review of the financial position for the year. It examines the latest forecast for spending on day-to-day service provision compared to the budget for the year. Also included is a summary of treasury management activities; projected movements on the General Fund balance; and a summary of spending to date on capital investment projects.

### Background

Full Council approved a Budget of £14.389 million for the 2017/18 financial year. This included planned spending across all services totalling £11.964 million; corporate items amounting to £2.575 million; and an overall efficiency target to be achieved in-year of £150,000.

The Budget was to be financed from a combination of: general government grants (£848,000); business rates (£4.611 million); and Council Tax (£8.930 million).

During the year individual budgets may be updated in accordance with the Council's Budget and Policy Framework Procedure, and against which quarterly performance is monitored.

### Summary Financial Position at Quarter 2

- An overall positive variance for the year of £406,000 (2.8%) is projected against the budget.
- Income is projected to be overachieved by £666,000; with an overall overspend of £260,000 forecast on Staffing and Other Expenditure.
- Compared to the position reported at the first Quarter, the overall forecast positive variance has reduced by £137,000.
- A review carried out following the first Quarter identified a number of in-year variances that are expected to be on-going and have, therefore, been included in draft budget proposals, contributing towards eliminating the £0.5million budget shortfall identified for 2018/19 in the Medium Term Financial Strategy.

### Revenue Spending

Service	Budget £'000	Projected Spend £'000	Adverse (Positive) variance against budget				RAG Status
			Staffing £'000	Other Expenditure £'000	Gross Income £'000	Total £'000	
Asset Management	(2,066)	(1,967)	(4)	20	83	99	A
Business Solutions	1,907	1,880	(8)	(19)	0	(27)	G
Community Services	376	377	2	(20)	19	1	A
Corporate Management Plan	1,270	1,245	(23)	(2)	0	(25)	G
Cultural Services	245	253	3	0	5	8	A
Environment	664	633	(30)	12	(11)	(29)	G
Finance	1,235	1,184	(77)	5	21	(51)	G
Governance	1,017	983	(12)	27	(49)	(34)	G
Housing Services	874	869	2	(13)	6	(5)	G
Human Resources	319	325	5	1	-	6	A
Leisure Services	(44)	(47)	(4)	1	-	(3)	G
Marketing and Communications	399	381	8	1	(27)	(18)	G
Operations	4,905	4,765	(32)	72	(182)	(142)	G
Sustainable Development	863	457	(24)	135	(517)	(406)	G
<b>Service Total</b>	<b>11,964</b>	<b>11,338</b>	<b>(194)</b>	<b>220</b>	<b>(652)</b>	<b>(626)</b>	<b>G</b>
Corporate Financing	2,575	2,648	130	(43)	(14)	73	A
Efficiency target	(150)	(3)	150	(3)	-	147	
<b>Total</b>	<b>14,389</b>	<b>13,983</b>	<b>86</b>	<b>174</b>	<b>(666)</b>	<b>(406)</b>	<b>G</b>

RAG Status: G = favourable or nil variance, A = up to 5% adverse variance or <£50k, R = > 5%

## Staffing

A further detail of the staffing budget variances is provided in the following table:

Service – Staffing Budgets	Budget	Projected Spend	Adverse/ (Positive) variance	RAG Status
	£'000	£'000	£'000	
Asset Management	282	278	(4)	G
Business Solutions	961	953	(8)	G
Community Services	358	360	2	A
Corporate Management Plan	1,228	1,205	(23)	G
Cultural Services	163	166	3	A
Environment	1,314	1,284	(30)	G
Finance	2,412	2,335	(77)	G
Governance	473	461	(12)	G
Housing Services	762	764	2	A
Human Resources	254	259	5	A
Leisure Services	144	140	(4)	G
Marketing and Communications	322	330	8	A
Operations	4,969	4,937	(32)	G
Sustainable Development	1,898	1,874	(24)	G
<b>Service Total</b>	<b>15,540</b>	<b>15,346</b>	<b>(194)</b>	<b>G</b>
Corporate Financing	(245)	(115)	130	R
Efficiency target	(150)	0	150	
<b>Net Total</b>	<b>15,145</b>	<b>15,231</b>	<b>86</b>	<b>A</b>

RAG Status: G = favourable or nil variance, A = up to 5% adverse variance or <£50k, R = > 5%

### Commentary on staffing variations:

Savings on staffing budgets are expected to be achieved through a combination of retirements, vacant posts, reductions in contracted hours, appointments being made at lower grade/ scale points, and through other service restructures and efficiency reviews. Based on the information known at the end of the quarter it is projected that across all services there will be a net underspend of £194,000 for the year against staffing budgets.

At Quarter 1 it was reported that savings were expected from **Corporate Management** following the resignation of the Chief Executive and implementation of interim arrangements for the remainder of the year, and as a result of the flexible retirement of a Corporate Director. Since then, it has been agreed by Management Board that these savings will be used to part fund a new Commercial Manager post that will raise the levels of business awareness across the Council, help services to maximise their potential for income generation, and generally embed a culture of commercialism in the organisation whilst maintaining the Council's public service values.

Savings are being made in **Finance** including holding a post vacant pending further clarification about the administrative arrangements required once Universal Credit is fully implemented by the Department for Work and Pensions (DWP).

Whilst **Operations** is showing a net underspend of £32,000 this is comprised of extra costs incurred on the **Waste Management** service of £87,000. This is due to a combination of reasons: agency staff rates have been increased by the supplier following the introduction by HMRC of new off-payroll worker rules from April; sickness levels remaining abnormally higher than allowed for in the budget; and additional catch-up costs as the current year includes an additional Bank Holiday (the base budget provides for the normal 8 days). These projected increased costs are expected to be more than offset by a forecast saving of £107,000 on **Operations' Management & Administration** where external funding has been applied to meet the costs of three posts, and other savings are expected from vacancies/ retirements.

The projected total service variance is offset by the following:

- **Capital salaries** - a reduction of £130,000 in staff costs attributable to time spent on capital projects (which would otherwise be funded from capital resources as opposed to being a charge against the General Fund). The original budget made an allowance for the value of this time which inevitably varies depending upon progress of capital projects and the nature of the works being carried out. The variance is based on the latest assessment of the capital programme expected to be completed in the current year.
- **Corporate Efficiency Target** - the approved budget provided for a corporate efficiency target of £150,000 to be achieved from in-year staffing variances.

Taking these two items into account overall staffing budgets are currently projected to be £86,000 over budget for the year.

### Other Service Expenditure

In total there is a projected overspend against non-staffing expenditure budgets of £174,000. The main issues arising are:

- **Waste Management** - increased costs are forecast on gates fees payable to the Council's material recovery facility (MRF) operator. Under a new contract which came into effect from April fees payable are now linked to market indices and reviewed quarterly. The budget was set based on an assumed fee of £7.60 per tonne. At Quarter 1 this increased to £11.33, subsequently rising to £22.83 from Quarter 2. The price for Quarter 3 has now been established and has increased further to £24.36. The forecast assumes the current prices will continue to be paid for the remainder of the year (subject to the next quarterly review) and results in a forecast spend for the year of £210,000 compared to the budget of £77,000. Partially offsetting this predicted overspend are: £35,000 savings on green waste collections as the Council has decided to continue the December-February suspension; £18,000 saving on medical waste collections due to a lower take-up of the service (the Council had previously approved a bid of £30,000 for the introduction of this new service); and a reduction in the cost of recycling sacks (£37,000) due to a combination of lower usage and compensation from the supplier due to past quality issues.
- **Development Management** - the service is currently experiencing an increased number of planning applications (see comments under the income section below) which has resulted in the need to engage more temporary consultancy support leading to a projected spend that is £101,000 higher than the budget and £35,000 higher than reported at the first Quarter.
- **Planning Appeals** - As previously reported, the increased planning activity over the last couple of years has resulted in increased exposure to potential appeals against decisions made and the related costs incurred. The latest forecast is that costs in the current year could be £203,000, which is a reduction of £76,000 from that projected at the first Quarter. The majority of this cost can be met from the balance of the appeals reserve brought forward at 1 April 2017, meaning the impact on the General Fund Balance in the current year is minimal. This will, however, leave only a small balance on the reserve.
- **Procurement Hub** – The Hub provides services to the Council and five other Essex local authorities and has been self-financing for a number of years. Due to increased competition income from Framework Agreements has declined and a reserve built up from previous year surpluses is expected to be fully utilised in 2018/19. Consequently, a charge to Hub members is being introduced and phased in commencing in the current year leading to an additional charge against the budget of £25,000.

- **Corporate Financing** – the Council's pension fund contributions relating to retirements approved in prior years is expected to be £42,000 lower than provided in the budget.

## External Income

A significant proportion of the Council's budget is reliant on external income. Grants and subsidies from government, alongside income from business rates are major elements, totalling over £49 million. These income streams are either fairly predictable as they are determined at the start of the year as part of the annual Local Government Finance Settlement; or variations can be largely offset by commensurate changes in expenditure, e.g. subsidy received on housing benefits is related to the level of payments made.

The amount of business rates ultimately retained depends on the actual amounts collectable (taking into account changes in the Valuation List, exemptions and reliefs granted, and provisions for non-collection and rating appeals). Variances are accounted for via the Collection Fund and taken into account when determining future budgets and council tax setting. Fluctuations from those elements which have a direct impact on the General Fund revenue account, e.g. the levy payable on growth or grants received from Government to fund certain discretionary reliefs, are managed via the Business Rate Retention reserve.

As a participant in the Essex Business Rates Pool the Council is entitled to a share of the extra business rates retained "locally" which will be rebated against the 2017/18 levy. The final determination and receipt of the actual amount of the Council's share will be made after year-end returns have been collated from each of the participating authorities. Based on the latest estimate of the Pool it is anticipated that Braintree's share for 2017/18 could be around £450,000, which will be transferred to the Business Rate Retention reserve (adding to the £881,675 already received for 2015/16 and 2016/17).

Other external income for which the Council has budgeted £13.369million comes from a variety of sources that are subject to external demands and other influences, meaning these are more susceptible to variations against budget. It is currently forecast that services will over achieve against their income budgets by a net £666,000, as shown in the table below:

Service	Updated Budget £000	Joint Financing & Other Reimburs.	Sales, Fees & Charges	Rents	Other Income	Total	RAG status
		4,955	4,605	2,815	994	13,369	
		<i>Adverse (Positive) Variance £000 against Budget :</i>					
Asset Management	2,857	-	66	19	(2)	83	A
Business Solutions	15	-	-	-	-	-	G
Community Services	205	10	11	-	(2)	19	A
Corporate Management Plan	-	-	-	-	-	-	G
Cultural Services	114	-	8	-	(3)	5	A
Environment	774	-	(7)	-	(4)	(11)	G
Finance	2,396	21	-	-	-	21	A
Governance	36	(13)	1	-	(37)	(49)	G
Housing	56	-	(1)	7	-	6	A
Human Resources	-	-	-	-	-	-	G
Leisure Services	351	-	-	-	-	-	G
Marketing & Communications	100	-	(15)	-	(12)	(27)	G
Operations	4,759	(52)	(137)	20	(13)	(182)	G
Sustainable Development	1,180	(17)	(500)	-	-	(517)	G
<b>Service Total</b>	<b>12,843</b>	<b>(51)</b>	<b>(574)</b>	<b>46</b>	<b>(73)</b>	<b>(652)</b>	<b>G</b>
Corporate Financing	526	(6)	-	-	(8)	(14)	G
<b>Total</b>	<b>13,369</b>	<b>(57)</b>	<b>(574)</b>	<b>46</b>	<b>(81)</b>	<b>(666)</b>	<b>G</b>

RAG Status: G = positive or nil variance, A = up to 5% adverse variance or <£50k, R = adverse variance greater than 5% and >£50k at Individual Business Plan level

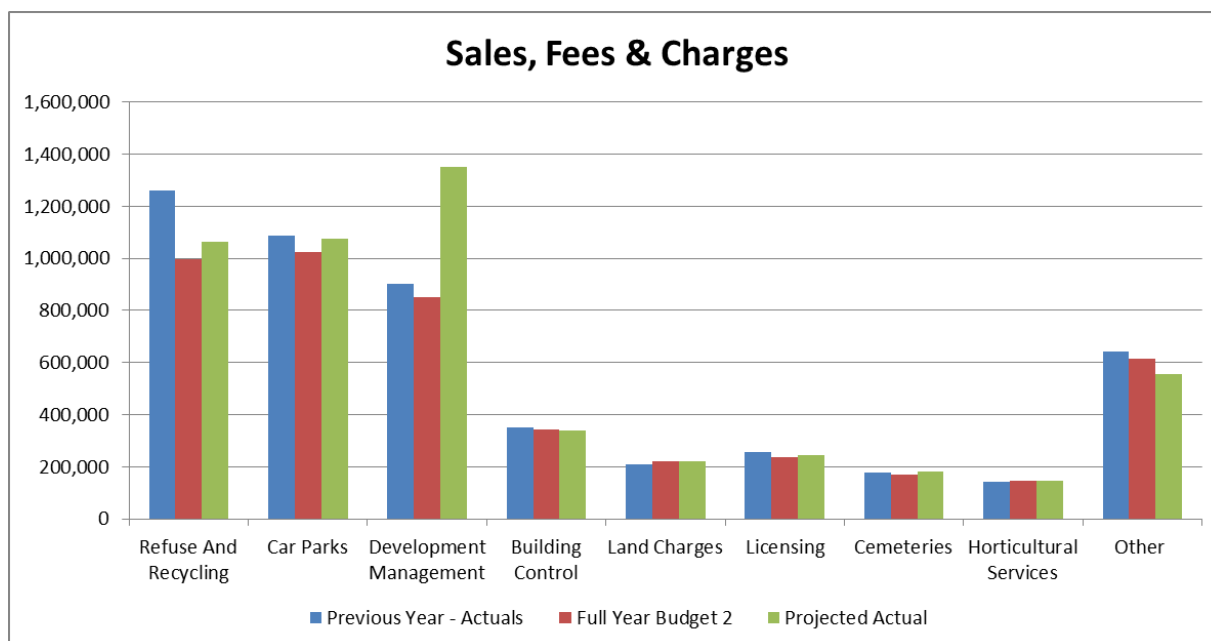
## Joint Financing & Other Reimbursements

The total budget for income from joint financing and other reimbursements is £4.955million, against which it is currently predicted to be over-achieved by £57,000. The main sources of income and forecast outturn are:

- **Essex County Council:** a £2.135million budget for contributions towards services such as community transport, horticultural services, food waste service, and recycling. An overall positive variance of £41,000 is currently forecast, after allowing for a reduction in grant funding for community transport. Additional income is expected under the Waste Management Inter-Authority Agreement; from verge maintenance; and recharges for the Highway Ranger service.
- **Procurement Hub:** subscriptions from participating authorities along with rebates receivable from the use by other organisations of the procurement frameworks set-up by the Hub give a total budget of £463,000. Arrangements with the participating authorities provide for refunds (shown as expenditure) against their subscriptions based on the overall financial performance of the Hub in the year. The amount of rebates received from frameworks is currently lower than budgeted and whilst in the short-term this can be met from the Procurement Hub reserve, an agreement has been reached with Hub members to introduce a phased subscription requirement (See comments under Other Service Expenditure variances).
- **Council Tax sharing and other collection investment arrangements:** £526,000 was provided in the budget as Braintree's share from the major precepting bodies of additional council tax being collected – this was increased by £100,000 from the previous year budget to reflect the level of improved performance being achieved. In addition, the Council has budgeted for arrangements with the major precepting bodies to provide £112,000 towards the temporary costs incurred in improving council tax collection arrangements, including prevention and detection of fraud, and partial funding towards the exceptional hardship fund.
- **Benefit overpayment recoveries and administrative penalties:** Currently it is projected that £471,000 of recoveries will be achieved – this is £48,000 higher than the budget which was increased for 2017/18 by £140,000 based on past performance.
- **Costs recovered and allowances:** The Council is able to recover costs across many aspects of service activity which for 2017/18 is budgeted to be £1.295million but currently is forecast to be £1.260million. Sources of income includes: local taxation recovery costs (£308,000); the business rate collection allowance (£193,000); charges levied for providing planning pre-application advice (£120,000); fees payable to the Council by the leisure management operator (£189,000); and other recoveries and income (£377,000). The main area contributing to the lower forecast is local taxation recovery (forecast income to be lower by £72,000) where earlier intervention, including sending text reminders, is reducing the number of ratepayers reaching the recovery stages where costs can be levied when compared with same period last year. Whilst reducing costs recovery it is expected this action will help towards the overall level of council tax collected in-year.

## Sales, Fees & Charges

The budget for income from sales, fees & charges is £4.605million which is projected to be over achieved by a net £574,000. The following chart shows the main income streams:



### Commentary on Fees and Charges:

- Refuse & Recycling:** The budget for income is £998,000, which is significantly lower than that achieved in 2016/17 as the Council now pays a gate fee for the processing of its recycling material, whereas before the Council received income. Against this reduced budget it is currently projected that there will be an over achievement of £66,000, mainly due to increased income from trade waste and bulky waste collections where the service has been successful in targeting resources to increase the number of customers.
- Car Parks:** In light of the increased income achieved in recent years the budget for 2017/18 was increased by £70,000 to an overall total of £1.024million. Current forecasts indicate an over achievement by around £31,000 coupled with additional income from penalty charge notices of £20,000.
- Development Management:** Planning application income received up to the end of the second quarter was £641,000 compared to £368,000 received for the same period last year. Based on historical trends, the projection for the whole of 2017/18 is for income of £1.341million which is £500,000 over the budget of £841,000. Actual income over recent years has fluctuated with £883,000 in 2016/17 and £1.24 million in 2015/16. The higher number and complexity of applications received has meant an increase in the requirement to buy-in external support, and potentially increases the risk associated with incurring appeal costs as reflected in the variances reported above under Other Service Expenditure.
- Other – Causeway House Letting:** Following Essex County Council's vacation of part of the second floor in June, income from the service charge element of the rental agreement is predicted to be lower by £56,000 as the majority of this space is expected to remain vacant for the remainder of the year whilst a new tenant is found.

## Rental Income

The budget for rental income from land & property is £2.815million – comprising the investment & commercial property portfolio, markets, housing properties, and other let properties. The current projected outturn for the year is £2.769million, an overall under achievement of £46,000, which is a slight improvement from the position reported at the first Quarter.

### ***Commentary on Rental Income:***

**Causeway House Letting:** The main variance predicted for the year is due to the partial vacation of the second floor of Causeway House by Essex County Council, reducing the rent receivable for the year by £26,000 (after allowing for a small part of the area to be re-let). Agents have been engaged to seek an alternative tenant for the remainder of the unoccupied area.

**Market rents:** Rents collected from market stalls for the first half of the year is down 18% on the amount received for the same period last year. This appears to indicate a continued downward trend as seen over the last three years: £106,000 in 2014/15, £90,000 in 2015/16, and £85,000 in 2016/17). The projection for the current year is an outturn of £75,000 which is £20,000 lower than the budget.

## Other Service & Corporate Income

Total budgeted Other Income is £994,000 which comprises mainly the following streams:

- **Investment & Other Interest Income:** The budgeted amount is £813,000, which is expected to be achieved, principally through the Council's investments in long-term pooled funds.
- **Solar Panel Feed-in-Tariffs:** the budget provides for an expected £93,000 of income from investment in solar panels at various Council facilities.

The overall projection is for Other Income to be over achieved by £81,000, mainly due to a number of unbudgeted government grants (£41,000) and increased work undertaken by the graphic and reprographics team (£12,000).

## **Treasury Management**

The Council's treasury management activity for the year is summarised in the table below:

Amount Invested at start of the year	Activity to the end Sept		Amount Invested at end of the quarter
	New Investments	Investments Sold or Matured	
£39.32m	£44.87m	£26.00m	£58.19m
Average amount invested for the period			£54.43m
Highest amount invested			£60.00m

The Council has £15 million invested for the long-term spread across a mixture of property and equity funds. Remaining investments have been in short-term instruments including call accounts and term deposits with UK and Non-UK financial institutions, deposits with other local authorities, and Money Market Funds (MMF).

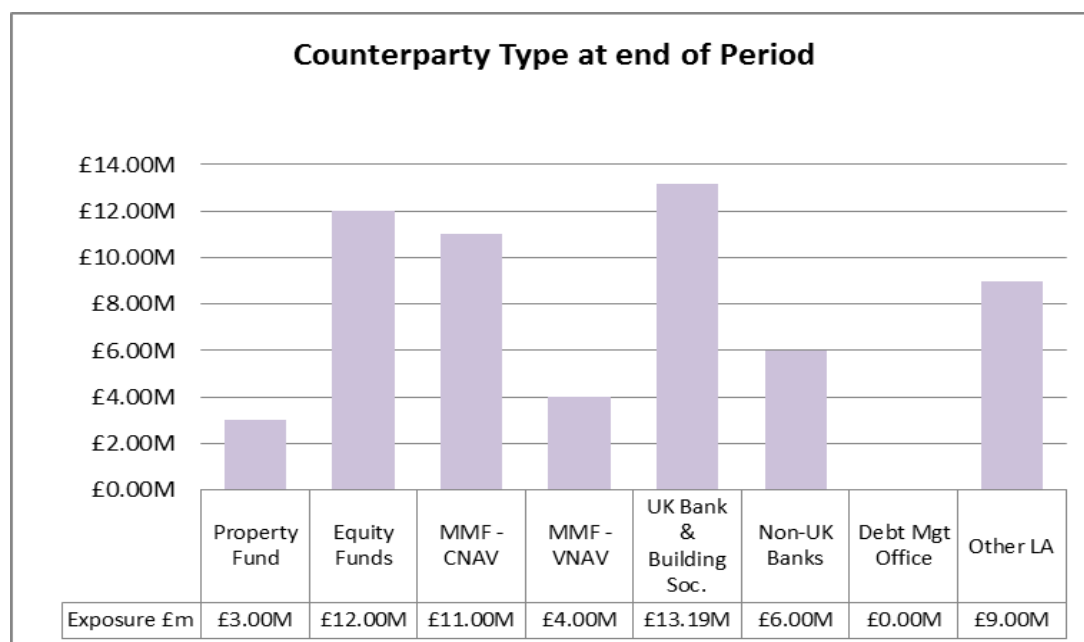
Interest and dividends earned to the end of the quarter total £504,000, which is equivalent to an annualised rate of return of 1.85%:

Investments	Average Amount Invested	Interest & Dividends Earned	Annualised Return %
Long-Term Pooled Funds	£14.97m	£427,000	5.68%
Short-Term	£39.46m	£77,000	0.39%
<b>Total</b>	<b>£54.43m</b>	<b>£504,000</b>	<b>1.85%</b>

Investment returns have been increased by the dividend income from the long-term investments. In addition, being exposed to equities and property, the value of these funds fluctuate based on prevailing market conditions. At the end of the quarter the market valuation for all the long-term pooled funds was £16.49million, representing an unrealised gain of £1.49million on the original amounts invested.

The FTSE 100 reached a record high of 7548 in May but dropped back to 7377 at the end of September. Money markets rates have remained low: 1-month, 3-month and 12-month London Inter-Bank Bid (LIBID) rates have averaged 0.25%, 0.30% and 0.65% over the period since January.

At the end of the quarter the Council's investment portfolio comprised the following:



CNAV = Constant Net Asset Value i.e. the Fund value is expected to remain constant

VNAV = Variable Net Asset Value i.e. the Fund value and therefore amounts invested can fluctuate

## **General Fund Balances**

General Fund balances are held for the following reasons:

- As a contingency against unforeseen events
- To meet short-term or non-recurrent one-off costs that are not provided in the base budget and/ or are incurred to achieve future savings and efficiencies.

Based on the projected outturn set out above, the movement on the General Fund balance is estimated to be:

	<b>£'000</b>
<b>Balance at 1 April 2017</b>	<b>2,036</b>
Add:	
Budgeted addition	179
Projected in-year variance	406
<b>Estimated Balance at 31 March 2018</b>	<b>2,621</b>

Movements shown on the General Fund balance are in respect of:

- The budget approved by Council for 2017/18 included an anticipated addition to balances of £179,125.
- The projected outturn variance for the year is currently a £406,000 addition.

## **Risks and Assumptions**

The forecasts reflect service managers' "best estimate" of the predicted outturn for the year. The previous year outturn and trends in-year have been considered; however, as always, these are subject to changing circumstances and unforeseen events. Directors and service managers continue to scrutinise all expenditure commitments in light of the planned savings set out in the Medium Term Financial Strategy.

External income is inherently difficult to predict as it is substantially demand led and impacted by external factors.

Planning application fee projections are based on the best information available regarding when developers are likely to submit planning applications for growth locations within the district - this could change and income could be significantly higher or lower than projected. Projections are based on historical trends and will be influenced by both the number and type of planning applications received.

Payments made by the Council for processing its recycling material collected from households are subject to quarterly review of market indices. Consequently gate fees may fluctuate +/- from that currently projected changing the overall cost to the Council.

## **Capital Investment**

In February 2017 the Council approved new capital projects totalling £2.252million. Taking into account projects which were in progress and carried forward from earlier years and in-year approvals, the overall programme totals £20.124million. The amount expected to be spent in the current year is £6.729million:

	<b>Total Programme  £000</b>	<b>Profiled into Future Years £000</b>	<b>Profiled Spend 2017/18 £000</b>	<b>Actual Spend to end of Quarter £000</b>	<b>Actual Spend as % of 2017/18 Profiled Spend</b>
Braintree town centre regeneration	11,427	11,077	350	189	54%
Town centre improvements	979	968	11	11	100%
Springwood Drive “grow-on” units and parking	1,069	-	1,069	17	2%
Planned maintenance to Council operated premises	773	105	668	38	6%
Commercial and investment property acquisitions	498	-	498	497	99%
Replacement vehicles and plant	906	45	861	-	-
Sports and leisure facilities improvements	441	50	391	395	101%
Refurbishment of play areas and parks and open spaces	356	131	225	53	24%
Environmental improvements – Spa Road	298	150	148	4	3%
Paths, cycleways and other infrastructure	214	90	124	42	34%
Information technology systems	150	-	150	32	21%
Industrial estate improvements	143	-	143	21	15%
Operational equipment	76	20	56	1	2%
Cordons Farm waste transfer station	63	-	63	6	10%
Grants to registered social landlords	1,169	759	410	-	-
Grants to private home owners –disabled facilities and heating systems	1,168	-	1,168	410	35%
Capital salaries	394	-	394	132	33%
<b>Total</b>	<b>20,124</b>	<b>13,395</b>	<b>6,729</b>	<b>1,848</b>	<b>27%</b>

Overall the profiled spend for 2017/18 has reduced since the last quarter by £168,000, as a result of the following changes:

### **Additions**

- Replacement light commercial vehicles (£425,000)
- Increased budget for Springwood Drive “grow-on” units as final tender prices were higher than originally anticipated (£122,000)
- Other small additions to the programme largely funded from revenue contributions and reserves (£44,000)

### **Reductions**

- Re-profiling into future years of financial support expected to be given in grants to registered social landlords (£759,000)

The main projected variance at the current time is a reduction of £130,000 in respect of staff time charged to capital projects leading to additional costs falling on the General Fund revenue account.

## Capital resources

The main sources of new capital resources anticipated for the year was from the sale of Council owned assets (£4.981million), preserved right-to-buy (RTB) receipts (£1million) and the Council's share of the VAT shelter operating in conjunction with Greenfields Community Housing (£350,000).

Greenfields has reported that 8 RTB sales have been completed so far this year generating £695,000 for the Council, with a further 46 RTB applications in progress. Based on the timing and likelihood of progression to completion, experience indicates an estimated 20 RTB sales for the year, which would generate approximately £1.5million. This compares to 38 sales completed last year generating £3.907million.

VAT shelter monies due to the Council currently total £140,000. The works programme planned by Greenfields for the year would suggest that the final total for the year may fall short of the amount budgeted by up to £100,000.

The Council has also received £796,000 grant from the Better Care Fund via Essex County Council to fund the majority of the Council's disabled facility grant programme. This is an increase of £378,000 against the budgeted sum of £418,000.

<b>Braintree District Museum Trust Funding and Management Arrangements</b>		<b>Agenda No: 7a</b>
<b>Portfolio</b>	<b>Health and Communities</b>	
<b>Corporate Outcome:</b>	<b>Delivering better outcomes for residents and businesses and reducing costs to taxpayers</b>	
<b>Report presented by:</b>	<b>Cllr Peter Tattersley, Cabinet Member for Health and Communities</b>	
<b>Report prepared by:</b>	<b>Lee Crabb Head of Environment &amp; Leisure</b>	
<b>Background Papers:</b>	<b>Public Report</b>	
Funding and Management Agreement Business Transfer Agreement	<b>Key Decision: Yes</b>	
<b>Executive Summary:</b>		
<p>At present the Council’s Museum Services, which include the operation of the Braintree Museum, Warner Archive and the management and preservation of the Council’s artefacts and collections, is provided by Braintree Museum Trust (The Trust). This service has been successfully developed over a number of years and as a result there are a number of areas of the current arrangements which require reviewing.</p> <p>These include:</p> <ul style="list-style-type: none"><li>• The funding and management agreements</li><li>• Staffing arrangements</li><li>• Historical debt</li><li>• Future management and direction of the Trust</li></ul> <p>The attached paper sets out the detail of the negotiations and proposed new arrangements that will provide a sustainable future for the Trust. The long-term objective, shared by both organisations, is for the Trust to become a commercially independent, sustainable organisation and to become self-financing. This proposed continuation of the existing arrangements represents an opportunity for both parties to move towards this objective.</p> <p>The recommendation for the continuation of this arrangement represents a careful balance of judgement as to the best way forward for the Council’s Museum Service. It builds upon a legacy of a successful partnership that already exists between the Council and the Trust and represents the best opportunity for the Council to sustain a viable museum service using experienced staff who have knowledge of the collections and the rich history of our District.</p> <p>Whilst the Council is handing over direct control of service delivery to the Trust, the Council will have an ongoing and long term commitment to the service and will have an opportunity to influence the development of the service through the approval of the</p>		

Trust's Annual Business Plan and the monitoring of performance measures.

The proposed funding arrangements are designed to provide an ongoing reduction in cost to the taxpayer for the Museum Service at a rate that allows the Trust to continue to identify and develop its own funding streams.

The staffing arrangements are currently complex, with some staff employed by the Council and others by the Trust. The proposed revised arrangements will involve transferring the two members of Council staff over to the Trust to give greater clarity and focus under one governing body.

There is also an historic debt of £116,550 which relates to the early operating costs of the Warner Textile Archive. This was intended to be repaid through the achievement of surplus income, but this has not been financially viable to date for the Trust and it is unlikely that this position will change in the near future. The outstanding debt is having a detrimental impact on the Trust being able to obtain funding from other sources and therefore the review has recommended that this debt be written off. This debt has been accounted for in the doubtful debts provision for the purposes of Braintree District Council accounts.

There are currently three appointed District Council Members to the Trust. As part of the move toward a more independent organisation, it is proposed that the number of District Council Members is reduced from three to two.

The arrangements for the management of the Warner Visitor Centre building would continue to be the responsibility of the Council as owner of the buildings. As the Trust owns one of the Museum buildings and is seeking to remove custodianship from the Charity Commission for the other Museum building, the Trust would be responsible for maintenance of these buildings. To ensure financial sustainability, it is recommended that there is a provision in the Funding and Management Agreement that if the Trust is unable to find funding from other sources for major planned works to the buildings, that it can approach the Council for funding through the Capital programme. The Council would need to review the merits of the application at the time and would not be obliged to fund.

During the process of the negotiation, a significant issue has been identified with the heating system and boiler in the main Museum building. This will require immediate replacement to ensure the continued operation of the Museum and the management of the Museum Collection. The Trust has requested funding to replace the boiler and related heating systems. There is a reserve for Leisure and Culture which has sufficient funds to make a contribution of up to £100,000 to the Trust for this purpose.

#### **Recommended Decision:**

1. To enter into the new Funding and Management Agreement with Braintree District Museum Trust from 1<sup>st</sup> April 2018 for the management and operation of the following sites:
  - a. Braintree District Museum
  - b. Warner Visitor Centre
2. To enter into a Business Transfer Agreement with Braintree District Museum Trust that will enable the transfer of two members of staff in to the Trust as well

as the transfer of IT equipment and the agreement of pension arrangements.

3. The Council to act as a financial guarantor for the Trust's admission to the Local Government Pension Scheme in relation to the two members of staff transferring into the Trust.
4. The proposed funding levels for the next four years are agreed as follows:

Year	Period	Amount
1	1 April 2018 to 31 March 2019	£207,190
2	1 April 2019 to 31 March 2020	£198,690
3	1 April 2020 to 31 March 2021	£185,190
4	1 April 2021 to 31 March 2022	£171,690

5. To contribute up to £100,000 towards a replacement heating system for the Museum subject to the provision of a business case by the Trust.
6. To delegate authority to the Portfolio Holder for Health and Communities for any final negotiation of the Funding and Management Agreement and Business Transfer Agreement that does not impact the financial obligations of the Council.

To recommend to Council:

1. To reduce the number of Braintree District Council Members on the Trust's Board from three to two from the date of the Braintree District Council Annual General Meeting in 2018.
2. To write off an historic outstanding debt that the Trust owes the Council totalling £116,550.

**Purpose of Decision:**

To facilitate a successful, long term arrangement with Braintree District Museum Trust to operate the Council's Museum Services.

**Any Corporate implications in relation to the following should be explained in detail.**

<b>Financial:</b>	<p>There is no additional revenue cost to the Council in year 1 of the agreement. There would be a reduction in grant over the four year period of £35,500.</p> <p>£39,360 worth of apportioned costs associated with this budget will remain with the Council.</p> <p>There is an outstanding debt totalling £116,550 that the Trust owes the Council. This would be written off within the attached recommendations.</p> <p>To minimise the financial risk for the Trust of any major repairs, the report seeks approval for the Council to provide a financial contribution towards major repairs and maintenance of the museum buildings, subject to the approval of a business case through the Capital Programme.</p> <p>The funding towards a heating system replacement would have a one-off impact of up to £100,000.</p>
<b>Legal:</b>	<p>The new arrangement with the Trust will be governed by the new Funding and Management Agreement.</p> <p>The transfer arrangements will be covered by the Business Transfer Agreement.</p> <p>These documents have been drafted by external legal advisors to the Council and have been approved by the Trust's own solicitors, subject to receipt of final versions and approval of the Trust.</p>
<b>Safeguarding:</b>	No issues that require addressing have been identified.
<b>Equalities/Diversity:</b>	Equalities and diversity are incorporated in the performance indicators which the Trust is required to report to the Council on a quarterly basis.
<b>Customer Impact:</b>	Initially there will be no impact on the current service levels but through the development of the new Funding and Management Agreement it is envisaged that an improved museum offer can be provided for visitors.
<b>Environment and Climate Change:</b>	No discernible impact on the environment or climate change.

<b>Consultation/Community Engagement:</b>	The Council is following the necessary consultation with the two members of staff in terms of the TUPE process. The development of the Funding and Management Agreement and the Business Transfer Agreement has been in full consultation with the Trust.
<b>Risks:</b>	<p>To ensure that the service remains sustainable, there are a number of financial risks which have been considered as part of the Funding and Management Agreement:</p> <ul style="list-style-type: none"> <li>• The Council will act as guarantor for the pension scheme in respect of the two staff transferring over to the Trust.</li> <li>• If the Council terminates the contract voluntarily or by Council default, it shall be liable for contract breakage costs.</li> <li>• The Council is currently responsible for any major structural defects at the Warner Visitor Centre. The agreement also allows the Trust to approach the Council for help to fund major repairs to the Museum buildings.</li> <li>• The Council will manage and maintain the Braintree Town Hall Collection.</li> <li>• The Funding and Management Agreement will be agreed in advance every three years, following the initial four year term.</li> </ul> <p>By not agreeing these recommendations, there is a risk that the Trust will not be financially sustainable in the future. This would require the Council to find alternative management arrangements for the Collection and access to it by the public.</p> <p>If the Trust was no longer able to meet its commitments under the Funding and Management Agreement, then there are some joint and several liabilities which the Council will need to discharge either through step-in or repayment. The most significant of these is the contract with the National Heritage Memorial Fund, which contributed £1,908,500 towards the purchase of the Warner Textile Archive.</p>
<b>Officer Contact:</b>	Lee Crabb
<b>Designation:</b>	Head of Service Environment & Leisure
<b>Ext. No:</b>	2227
<b>E-mail:</b>	lee.crabb@braintree.gov.uk

## 1. Background

- 1.1 The Council has negotiated a new funding agreement with Braintree District Museum Trust (The Trust) for the Trust to manage the Council's collections and operate both Braintree District Museum and the Warner Textile Archive. This new agreement will include the transfer of two members of Braintree District Council staff to the Trust.
- 1.2 There is currently a hybrid arrangement for staff management between the Council and the Trust. It is complicated and hampers the efficient delivery of the Museum Services as there is no clear guidance on service delivery or accountability for staff. Whilst the Trust employs the majority of staff directly, the Council employs two members of staff who work exclusively in the Museum Service. The proposed new Funding and Management Agreement will give greater clarity and focus under one governing body. The Trust will control the use and priority of resources and will have greater autonomy in decision making and the allocation of resources across both sites.
- 1.3 There are financial benefits of the Trust operating the services, as its charitable status can enable it to obtain funding from sources which are not open to the Council. It is also eligible for discretionary business rate relief, gift aid etc. The Trust also has the ability as a charity to attract additional resources from voluntary groups and individuals.
- 1.4 This proposed arrangement represents an opportunity to sustain a viable Museum Service going forward and provide visitors with a more extensive and dynamic service offer. It builds upon the existing legacy of the partnership that already exists between the Council and the Trust and provides the continued delivery of services using experienced staff that have knowledge of the collections and the rich history of our District.
- 1.5 The recommendation to continue with the existing arrangements with the Trust represents a careful balance of judgement as to the best way forward for the Museum Service. Whilst the Council will hand over direct control of service delivery to the Trust, the Council will have an ongoing and long-term commitment to the Museum Service. The Council will continue to influence the service through approval of the Trust's Annual Business Plan and monitoring of performance measures, both necessary prior to funding being released.
- 1.6 Braintree District Museum Trust is a charitable company limited by guarantee, governed by a group of unpaid directors (three of whom are Braintree District Council Members.) The Trust employs a number of full and part time staff who operate the Museum Service, including the Warner Textile Archive. The paid staff are supported by volunteers and The Friends of Braintree District Museum, a registered charity that supports and promotes the work of Braintree District Museum and the Warner Textile Archive.
- 1.7 The Trust has adapted well to the grant reductions from Braintree District Council over recent years and is developing its commercial activity in respect of the Warner Textile Archive.
- 1.8 The success of the Trust's financial position is dependent upon the management of a number of risks associated with the proposed new

agreement. These risks are focussed on the ability of the Trust to finance the initial transfer costs such as IT and pension contributions and the funding of medium to long term capital costs associated with the museum buildings. In this report there are some recommendations which are specifically designed to mitigate the impact of the transfer on the Trust to support the Trust's financial future.

## 2. Legal

- 2.1 To provide clarity to the relationship between the Council and the Trust a new Funding and Management Agreement has been drawn up to replace the existing agreement the Council has with the Trust. This new document is much more comprehensive and clearly sets out the necessary detail required for the two parties to effectively operate in a partnership.
- 2.2 External legal support has been procured (Winckworth Sherwood LLP) to provide the necessary legal expertise to draft both the Funding and Management Agreement and the Business Transfer Agreement. These agreements provide the necessary legal documentation required for the new management arrangements and the transfer of staff.
- 2.3 The Funding and Management Agreement includes the amount of grant funding, performance indicators, management standards etc. The Business Transfer Agreement contains all the one-off elements of the transfer such as TUPE conditions, pensions and the list of those assets which will and will not transfer to the Trust. Both documents have been developed in full consultation with the Trust.
- 2.4 The Trust has given the necessary approval of both the Funding and Management Agreement and the Business Transfer Agreement subject to approval of the final documents.

## 3. TUPE

- 3.1 At the point of completion and transfer, the TUPE Regulations will apply in respect of the transfer of the services from the Council to the Trust.
- 3.2 The Trust will apply to become an Admitted Body of the Essex Pension Fund under the Local Government Pension Scheme, choosing a closed scheme. Therefore, only the two TUPE staff transferring will be eligible to join the Scheme. The Council will act as guarantor in relation to the two TUPE staff only. The Business Transfer Agreement sets out the detail on how the risk will be shared in relation to the Local Government Pension Scheme.

## 4. Finance and Resources

- 4.1 Under the current agreement, the Trust manages Braintree District Museum and the Warner Textile Archive on behalf of the Council. In return the Council is paying the Trust a grant of £127,670 in 2017/18 for managing these services.

- 4.2 The intention of the transfer is for the Trust to take on the employment of the two remaining Council Museum Services employees and enter in to a new Funding and Management Agreement the detail of which is set out below:

The 2018/19 proposed grant of:	£129,020
Current BDC staffing costs :	£77,590
The accompanying service budget of:	£580

In total the Council will be paying the Trust: £207,190

- 4.3 There is £39,360 worth of apportioned costs associated with this budget and it is unlikely that the Council can realise any direct savings from these on-costs in the short term. These will remain with the Council and will not be transferred.
- 4.4 With the new management agreement and transfer, there is the aspiration on behalf of the Council that there should be a financial saving going forward. It has been agreed with the Trust that a total saving of £35,500 can be achieved over the next four years.
- 4.5 However, in order to allow the Trust to finance the one-off capital costs involved in taking on the new responsibilities, it has been agreed that the grant reductions will not start until 2019/2020. The proposed grant payments are as follows:

Year	Period	Amount
1	1 April 2018 to 31 March 2019	£207,190
2	1 April 2019 to 31 March 2020	£198,690
3	1 April 2020 to 31 March 2021	£185,190
4	1 April 2021 to 31 March 2022	£171,690

- 4.6 There is also an historic debt of £116,550 which relates to the early operating costs of the Warner Textile Archive. This was intended to be repaid through the achievement of surplus income, but this has not been financially viable to date for the Trust and it is unlikely that this position will change in the near future. The outstanding debt is having a detrimental impact on the Trust being able to obtain funding from other sources and therefore the review has recommended that this debt be written-off.

The write-off will not impact on the Council's revenue account in 2017/18 as given the long term nature of this debt, a provision was made previously as a doubtful debt in the Council's accounts.

It is proposed that this outstanding debt be written off once the new agreement has been signed. This will enable the Trust to start the new arrangement unencumbered.

## 5. Property Arrangements

- 5.1 Braintree District Museum is housed in two former Victorian school buildings, the Infants School building (incorporating the café) the freehold of which is owned by the Trust, and the Junior School building which is managed by the Trust on behalf of the Charity Commission with the Trust retaining the responsibility for repairs and maintenance of the building.
- 5.2 To minimise the financial risk for the Trust of major repairs to either of the buildings a mechanism has been written in to the Funding and Management agreement which gives the Trust the ability to apply to the Council for funding for major works to the buildings if the Trust is unable to raise funds from any other source. There is no obligation on the Council to provide funding however it should consider the merits of any bid made.
- 5.3 There are long term benefits for the Council to consider with this arrangement as it minimises the financial burden on the Trust of any expensive repairs required to the fabric of the museum buildings. Such repair costs could put extreme financial pressure on the Trust and could put the viability of the Trust at risk. This could then impact on the ability of the Council to deliver its Museum Services.
- 5.4 During the process of the negotiation, a significant issue has been identified with the heating system and boiler in the main Museum building. This will require immediate replacement to ensure the continued operation of the Museum and the management of the Museum Collection. The Trust has requested funding to replace the boiler and related heating systems. There is a reserve for Leisure and Culture which has sufficient funds to make a contribution of up to £100,000 to the Trust for this purpose

## 6. Governance Arrangements

- 6.1 To allow the Trust more flexibility in its operations and decision making and to reinforce its independence from the Council, there is a recommendation that the number of appointed Braintree District Council Members on the Trust Board be reduced from three to two. If this recommendation is approved the reduction of Braintree District Council Members will take place from the date of the Annual General Meeting of Braintree District Council in 2018.

## 7. Summary of Obligations and Risks for the Council

- 7.1 In entering into this new agreement with the Trust there are a number of new obligations and risks as well as the existing risks which the Council will be exposed to. Below is a summary of all the obligations and risks:

## 7.2 New Liabilities

- 7.2.1 In entering into the new agreement, the Council will undertake to pay the Pension Authority any sums owing to them in the event that the Trust defaults in its payment. Therefore, in the event that the Trust is wound up, then the Council will remain liable for any pension losses.
- 7.2.2 The Council will have a responsibility to manage the “Braintree Town Hall Collection”. Original furniture, chairs, desks, tables and other non-original decorative items used in the Town Hall rooms will be the responsibility of the Town Hall team to maintain. Guidance will be provided by the Trust on how this can be achieved.
- 7.2.3 The Council has a right, every four years to voluntarily terminate the Agreement with the Trust. Should the Council decide to end the agreement contract breakage costs will be payable to the Trust by the Council.

## 7.3 Existing Liabilities

- 7.3.1 The Council will remain responsible for any external repairs and maintenance at the Warner Visitor Centre.
- 7.3.2 The Council will remain responsible for obtaining building insurance for the Warner Visitor Centre and will recover the cost from the Trust.
- 7.3.3 The Council will agree an Annual Business Plan and Forward Plan prepared by the Trust by the end of March each year. The agreed plan must set out a programme of work which will be undertaken by the Trust and also include short and medium term financial projections. Only upon the approval of the Trust’s Business Plan will the annual funds will be released to the Trust.

## 8. Timescales

- 8.1 The aim is for the TUPE transfer and agreements to commence on 1<sup>st</sup> April 2018.

<b>Cabinet Response to the Recommendations from the Overview &amp; Scrutiny Committees Task and Finish Group - Scrutiny Review into Obesity in the Braintree District.</b>		<b>Agenda No: 7b</b>
<b>Portfolio</b>	<b>Overall Corporate Strategy and Direction</b>	
<b>Corporate Outcome:</b>	<b>Health and Communities</b>	
<b>Report presented by:</b>	<b>Residents live well in healthy and resilient communities where residents feel supported.</b>	
<b>Report prepared by:</b>	<b>Cllr Peter Tattersley Cabinet Member for Health &amp; Communities</b>	
	<b>Lee Crabb Head of Environment &amp; Leisure</b>	
<b>Background Papers:</b>		<b>Public Report</b>
Reports and Minutes of the Task and Finish Group - Scrutiny Review into Obesity in the Braintree District of: 26th October 2016 8th December 2016 7th February 2017 1st March 2017 Minutes of Council held on 24 <sup>th</sup> July 2017		<b>Key Decision: No</b>
<b>Executive Summary:</b>		
<p>The Review into Obesity in the Braintree District by a Task and Finish Group of the Overview &amp; Scrutiny Committee was presented to Full Council in July of this year. In line with corporate process, the Council referred the report to Cabinet to respond to the recommendations. The Cabinet Member for Health &amp; Communities has considered these and has provided a considered response to each of the recommendations.</p> <p>The Cabinet is asked to consider the responses and request Officers to take forward any recommendations.</p> <p>For ease of reference the recommendations are set out in the attached table. The table includes the Cabinet Member's response and any subsequent response from our partner organisations.</p> <p>A number of the recommendations do not require formal Cabinet approval but these have been included in the schedules for information and to progress the review earlier than through the formal timetable.</p>		

**Recommended Decision:**

The Cabinet approves appropriate responses put forward by the Cabinet Member for Health & Communities and delegates any actions to the Corporate Director and/or Head of Environment & Leisure to take forward.

**Purpose of Decision:**

To consider and respond to the recommendations made by the Overview & Scrutiny Committee to Full Council on improvements that can be made to reduce the increasing levels of obesity in the Braintree District.

**Any Corporate implications in relation to the following should be explained in detail.**

<b>Financial:</b>	The Council as part of its District Investment Strategy has made a pledge to improve health facilities in the District. Significant sums are being made available to strengthen the local General Practice provision in the District.
<b>Legal:</b>	No significant impact.
<b>Safeguarding:</b>	No significant impact.
<b>Equalities/Diversity:</b>	All the recommendations will act to reduce health inequalities where they exist in the District.
<b>Customer Impact:</b>	The actions taken by key partners in response to the recommendations will only serve to improve the Health & Wellbeing of the residents in the Braintree District.
<b>Environment and Climate Change:</b>	No significant impact.
<b>Consultation/Community Engagement:</b>	The recommendations contained in this report have been prepared in full consultation with the contributing presenters.
<b>Risks:</b>	No significant risks have been identified.
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## **The Cabinet Response**

- 1.1 The Cabinet wishes to thank the Overview & Scrutiny Committee and its Task & Finish Group for its comprehensive and timely report on obesity issues affecting the District and notes the recommendations made by the Task & Finish Group.
- 1.2 The Cabinet is also grateful for the input from our partner organisations into the Task and Finish Group's review.
- 1.3 Most of the recommendations arise from the following organisations and individuals including Braintree District Council developing strategies.
  - Essex County Council (ECC)
  - The Council's Bewell Strategy (pending)
  - Braintree District Council (BDC) Members
  - Braintree District Council Internal Actions
  - Fusion Lifestyle
  - Mid Essex CCG
- 1.4 The recommendations have therefore been collated as identified by the consultees. The left hand column reference represents the reference assigned by the Overview and Scrutiny Committee.

O/S Ref	Overview & Scrutiny Recommendation	Cabinet Members response	Partner Response
<b>Essex County Council</b>			
4.	Encourage ECC to further invest in the "Tuck In project" as it is important to concentrate our resources on our take-away establishments around portion sizes, fat and salt content.	I have discussed the future funding arrangements for the Tuck In project with Dr Mike Goharty, Director for Wellbeing, Public Health and Communities. I have asked for feedback on the effectiveness of this project and the value he feels they have in combatting obesity issues.	<p>Mike Gogarty, Director of Wellbeing, Public Health and Communities, Essex County Council.</p> <p><i>"The Tuck In project has been successful in getting 16 establishments in Braintree, and nearly 200 establishments total across Essex signed up, and we can make a reasonable assumption that these establishments have healthier cooking practices based on inspections required to gain the award."</i></p> <p><i>"Tuck In project was set up with seed funding money from public health on the assumption that it would be taken on by districts as part of their public health/environmental health core service offer, so it effectively becomes business as usual"</i></p>
5.	Lobby ECC to make it a standard obligation for all schools to accurately report actual take-up figures in respect of free school meals, rather than estimating the figure. This will avoid the current practice of wasteful overpayments being made.	I have written to the Director of Education requesting an explanation of the current process of assessing funding levels for the provision of free school meals and will respond accordingly to any answer that I may receive.	Still awaiting a response
6.	Lobby ECC to introduce a "healthy packed lunch policy" for all schools, to regulate a healthy daily diet amongst the majority of school children who have a home produced packed lunch.	In the same letter referred to 4. above, I have also asked the authority to consider introducing a "Healthy Packed Lunch" policy in to all ECC funded schools.	<p>Mike Gogarty, Director of Wellbeing, Public Health and Communities, Essex County Council.</p> <p><i>"Firstly great idea and something worth pursuing through Live Well Child. We do not have a strong influence over schools, so it would come down to the strength of the relationship with each local school and the extent to which each individual school wanted to pursue this. I've asked Jason Walmsley, ECC School Meals Service Advisor as</i></p>

			<i>he'll have a useful view on this."</i>
11.	To encourage more residents to take up walking, the Council should do more to promote ECC's P3 footpath adoptions scheme amongst our Parish Councils.	<p>I have asked ECC's footpath officer for more details about the P3 footpath adoption scheme. If it meets with the aim and our objectives of getting more residents active I will ask more of our Parish Councils to adopt the scheme.</p> <p>I have now been informed by the Footpath team that.</p>	<p>ECC Footpath Team</p> <p><i>"The P3 Footpath scheme is extensively promoted amongst Parish Councils and there has been a fairly high take up in the North of the Braintree District."</i></p>
<b>Pending Bewell Strategy</b>			
1.	The Council must focus its emerging physical activity strategy (Bewell Strategy) on encouraging those 23.8% of inactive residents (4 <sup>th</sup> worst in Essex) to be more active. Focussing on non-competitive, more informal activities, taking place in familiar community locations around the District.	With the recent release of Active Essex's strategy which is based on getting 1 million residents active in Essex by 2021, the Council's emerging strategy will be strongly based on the same theme of encouraging inactive residents to become more active. The target for our District will be to achieve 4,624 currently inactive residents to become active. How we intend to do this will be detailed in accompanying action plans to the Strategy.	<i>No external partners involved BDC response only.</i>
2.	The Council needs to continue to use more innovative means of educating residents of the benefits of a healthy lifestyle and making residents aware of the facilities and events that are available and how to access them.	One fundamental theme of the pending Bewell Strategy which underpins the strategy is raising awareness of the benefits of being active and encouraging people and families to take responsibility for their own health & wellbeing by living active lifestyles. Our Marketing and Graphic departments have a fantastic track record and I am certain they will come up with some novel ideas and campaigns to adopt more healthy lifestyles.	<i>No external partners involved BDC response only.</i>
7.	Ensure that the key features of the Council's developing Bewell Strategy include making sure children and young people are provided with every opportunity to enjoy the benefits of sport and physical activity, and that there is	The pending Bewell Strategy will be centred on Government targets of inactive residents becoming active. Through the efforts of the Livewell Child project we are already trialling various interventions within schools to increase children's activity with the main aim being the adoption of the school daily mile.	<i>No external partners involved BDC response only.</i>

	better access to rural activities and facilities for residents living in our rural communities.	I will continue to advise Members of the progress of the Strategies through my Cabinet Member report to Cabinet and the Livewell bulletin produced quarterly by the Health and Wellbeing Manager.	
<b>BDC Members</b>			
3.	Local ward Members should be encouraged at every opportunity to promote the Livewell Child project to engender more local support to tackle childhood obesity and also where necessary promote the take up of the daily mile in primary schools in their Ward.	Obesity could have a significant impact on our lives if it is allowed to go unchecked. I would therefore ask all Members to get involved at every opportunity to encourage residents to get active and lead more healthy lifestyles. One example is for those Members whose ward contains a primary school to promote the daily mile, with the aim of it becoming part of the routine of the school.	<i>No external partners involved BDC response only.</i>
12.	Officers should concentrate some of their efforts to encourage Members to adopt a healthier lifestyle.	I encourage all Members to consider adopting a healthier lifestyle; such as carrying out 30 minutes of physical activity at least five times per week (any activity that slightly raises the heart rate). I have asked officers to always consider including Members in any healthy lifestyle staff activities.	<i>No external partners involved BDC response only.</i>
<b>BDC Internal Actions</b>			
10.	When developing the Council's Open Spaces Action Plan more emphasis should be given to developing facilities for older children such as multi-use games areas.	It is open to individuals, Parish Councils and other organisations to put forward schemes for inclusion in the Opens Spaces Action plan.	<i>No external partners involved BDC response only.</i>
15.	Officers review the contents of vending machines in the Council offices with a view to including healthier options for staff and to comply with the Government's Childhood Obesity Strategy.	I have asked the senior management team to consider the current vending machine provision in Council owned premises with a view to providing a greater choice in more healthy products.	<i>No external partners involved BDC response only.</i>

Fusion Lifestyle			
14.	Promote the staff Livewell Fitness scheme to encourage BDC staff to take up the discounted membership offer and adopt more active lifestyles.	I have asked Fusion to continue to promote the Livewell fitness scheme amongst the staff at BDC. As in recommendation 12, I have asked Fusion to promote the scheme amongst the Council's Members as they are also eligible for discounted membership of the Leisure Centres.	<p>Fusion lifestyle response</p> <p><i>We will be looking to run a campaign in January to attract staff and members to take up a Livewell membership".</i></p>
8.	<p>Explore the possibility with Fusion Lifestyle of:</p> <p>(1) Offering free access to our leisure facilities for people on a limited income.</p> <p>(2) Consider subsidising the cost to a parent who accompanies a child taking part in a free swimming session.</p> <p>(3) Offering more choice for residents who are referred in to the exercise referral programme.</p> <p>(4) To consider offering more fun sessions for children in our leisure centres.</p>	<p>This will require new funding and will be dependent on the success of a Sport England funding bid. In addition I will continue to explore new and innovative leisure activities with Fusion Lifestyle.</p> <p>I have discussed this with Fusion Lifestyle and their response is attached.</p> <p>Officers are currently working on reviewing and improving the current scheme and re-launching as "Activity for Health Referral Scheme".</p> <p>I have discussed this with Fusion Lifestyle.</p>	<p>Fusion lifestyle response</p> <p><i>"We do currently offer a variety of packages inclusive of peak, off peak and concessions but these do involve a fee."</i></p> <p><i>"This would have a big financial impact on wet sites when you consider children under 3 are free at the moment, under 8's must be accompanied by an adult and both Braintree swim and Fitness &amp; Witham Leisure Centre are selling out sessions and are having to operate on a band system at moment."</i></p> <p><i>"We are currently reviewing the activities on offer for the exercise referral programme and will work with Provide in re-launching the scheme in the new year."</i></p> <p><i>"Very achievable we will look at putting on more fun sessions during low pool usage at weekends."</i></p>

Mid Essex CCG			
9.	Ask officers to work with local health organisations (CCG) to better signpost access to health services in the District and County.	The work currently underway by MECCG to create "Health Hubs" in the District is heavily reliant on sign posting residents to the most effective and appropriate care provider, i.e. not everyone needs to see a GP for a medical problem.	No response required from partner
13.	After seeing the benefits of BDC staff being more active, efforts should be made to encourage more local businesses to sign up to the "Work Place Challenge".	I will ask Provide, the commissioning agent for "Work Place Challenge", to see if they can encourage greater participation of the scheme by employers in the District and, with the support of the Cabinet Member for Economic Development, encourage our Economic Development team to publicise the scheme amongst local businesses.	Provide (who deliver work place challenge)  <i>"we will be launching a new campaign to sign up to work place challenge in the new year"</i>

<b>The Braintree District Plan for Growth 2017-22</b>		<b>Agenda No: 8a</b>
<b>Portfolio</b>	<b>Economic Development</b>	
<b>Corporate Outcome:</b>	<b>A prosperous district that attracts business growth and provides high quality employment opportunities</b> <b>A well connected and growing district with high quality homes and infrastructure</b>	
<b>Report presented by:</b>	<b>Cllr Tom Cunningham, Cabinet Member for Economic Development</b>	
<b>Report prepared by:</b>	<b>Emma Goodings, Head of Economic Development and Planning Policy</b>	
<b>Background Papers:</b> <ul style="list-style-type: none"><li>• Cabinet agenda and minutes 15<sup>th</sup> May 2017</li><li>• Draft Plan for Growth published for consultation August 2017</li></ul>		<b>Public Report</b>
		<b>Key Decision: No</b>
<b>Executive Summary:</b>		
<p>Braintree District Council’s Economic Prospectus was published in 2013, it is now the right time to refresh the Economic Prospectus.</p> <p>The refreshed document – the Plan for Growth, attached at Appendix A – outlines the Braintree district economy and incorporates economic development interventions required for growth alongside those of infrastructure, encompassing:</p> <ul style="list-style-type: none"><li>• Skills</li><li>• Business support</li><li>• Transport infrastructure</li><li>• Digital infrastructure</li><li>• Grow-on office space</li><li>• Outline Annual Pan approach – attached at Appendix B and C</li></ul> <p>The Draft Plan for Growth was approved by Cabinet in May 2017 and was subject to a public consultation in August and September 2017. Four comments were received during the consultation period. These comments and further internal discussions have led to a number of changes to the document. The most significant of these are the addition of a new section which sets the scene on the forecast housing growth in the District as set out in the Local Plan and a realigned Annual Action Plan for 2018 – 2019.</p> <p>If the Plan for Growth is approved by Cabinet it will become the guide for Economic Development work in the Council for the next five years.</p>		

<b>Recommended Decision:</b>
1 To approve the adoption of the Braintree District Plan for Growth 2017 -2022
2 To delegate the approval of Annual Plans to support the Plan for Growth to the Cabinet Member for Economic Development
<b>Purpose of Decision:</b>
To adopt the Plan for Growth to guide economic development in the District over the next five years.

Any Corporate implications in relation to the following should be explained in detail.	
<b>Financial:</b>	There are financial implications from the provision of business support interventions
<b>Legal:</b>	None arising out of this report
<b>Safeguarding:</b>	None arising out of this report
<b>Equalities/Diversity:</b>	The Plan for Growth seeks to create a more equitable economy in Braintree and particularly focuses on the provision of opportunity to those who are, for example, not currently achieving high levels of skills attainment and accessing high-quality employment opportunities.
<b>Customer Impact:</b>	There will be a significant impact on our customers – both businesses and the public – as a result of the delivery of the Plan for Growth. It is intended that this impact will be positive but the Plan will be monitored and evaluated annually to ensure that this positive impact is delivered.
<b>Environment and Climate Change:</b>	The argument for increased transport infrastructure does have an impact on Environment and Climate Change but seeks to remedy the current congestion problems which lead to a detrimental impact on the environment and climate change.
<b>Consultation/Community Engagement:</b>	The Plan for Growth has been subject to public consultation.
<b>Risks:</b>	There is a reputational risk associated with the Plan for Growth, particularly if the Council does not deliver in partnership with businesses and skills providers. However, that risk is mitigated as far as possible through the consultation exercise and the intention to deliver in partnership.
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## **1. Introduction**

- 1.1 The Council's ambition for the economy of the Braintree District is of a productive economy that provides opportunities for all its residents. The Plan for Growth, therefore, seeks to identify where the barriers to growth currently exist in the district's economy and what can be done to overcome them. The Plan for Growth cannot be delivered in isolation by the Council and requires partnership working with the private sector alongside other public sector bodies such as Essex County Council and skills providers in order to be successful.
- 1.2 The Plan for Growth has identified that the most sustainable form of growth is both through a focus on our existing key sectors and on growing our existing businesses. It focuses on the relatively low skills attainment in the district and the low levels of productivity as well as the fact that Braintree is starting from a position of some strength with regard to its strategic location between London and Cambridge; the fact that it has the physical space in which to grow; and, that it has key sector strengths which could be the vital sectors of the future economy.
- 1.3 The Plan for Growth suggests that the Council's business advice activity is focused on enabling our existing businesses to grow and to encourage innovation and growth in emerging sectors to ensure that the district's economy is prepared for the future. This is not to ignore the other sectors in the district, for example retail and professional services, but the support to them is to provide strong core sectors which will enable these other sectors to grow. This includes preparing our communities for the opportunities through increased skills attainment and training that suits the needs of employers now and in the future. Braintree District Council has been clear that any proposed Garden Communities, which are subject to the Local Plan, need to be locations of employment potential as well as housing. The Plan for Growth will also be a means of readying the Braintree district economy for the economic plans for any proposed Garden Communities and ensuring that the whole of the district benefits from them rather than isolated areas.
- 1.4 The Draft Plan for Growth was approved by Cabinet on the 15<sup>th</sup> May 2017 for public consultation

## **2. Consultation on the Draft Braintree District Plan for Growth**

- 2.1 The Draft Plan for Growth has been subject to a consultation period throughout August and September this year. Whilst the consultation started in August, this was a 'soft' launch with a further push in September when people may have returned from holiday. The consultation asked for respondees to read the document and comment on the Plan for Growth by filling in an on line survey. The questions in the survey depended on whether the respondent was

a local business, a Braintree residents or another interested partner or stakeholder. Extensive publicity of the consultation included;

- Coverage in the Braintree & Witham Times and Halstead Gazette featuring on our Council Page on the 24<sup>th</sup> and 25<sup>th</sup> August, 7<sup>th</sup> and 8<sup>th</sup> September and 21<sup>st</sup> and 22<sup>nd</sup> September 2017
- Sent directly to the 3,000 businesses on the business database
- Sent directly to 546 local residents on the People's panel.
- A press release was issued on the 12<sup>th</sup> September 2017
- Featured on the front page of the Braintree District Council website for three weeks
- Promoted on social media which resulted in
  - **Facebook**
  - Impressions – 2,663
  - Engagement – 55
  - **Twitter**
  - Impressions – 3,484
  - Engagement – 37

- 2.2 Four responses were received to the consultation. These were received from the Campaign Against Urban Sprawl in Essex (CAUSE) and three local residents who were located in Bocking, Witham and Coggeshall.
- 2.3 The response from CAUSE supports the priorities for the Plan for Growth but suggests that a further five should be added around Garden Communities, rural growth, understanding Braintree's unique offer and deliverables. It also notes concerns that it believes are not highlighted adequately in the report around the levels of out commuting for work which will lead to greater congestion, infrastructure requirements for new developments being required to prevent this being a constraint on businesses and that being next to economic growth areas is not an advantage as there is no unique proposition of its own.
- 2.4 In terms of housing, whilst the Plan for Growth is not about housing growth per se, the two are linked, and the amendments to the text of the Plan help to draw out the relationship of these two sides of growth, including preparing the District's economy to take advantages of standalone new garden communities. The garden communities are proposed to be built outside of the period which the Plan for Growth is covering, but work on the infrastructure and employment uses in the garden communities continues, notably the site specific Plans for each garden community, which will be closely aligned with the Plan for Growth and its successor documents.
- 2.5 The point regarding the unique selling point of Braintree is noted. The section on locational advantage sets out that location is a competitive advantage, located close to major businesses such as Stansted Airport and major growth

centres such as Cambridge and Colchester as well as its proximity to London. This gives Braintree the opportunity to tap into already established and in some cases overheating markets but further work is being done to understand the key sectors which already exist within Braintree District itself and their priorities and growth requirements, which is now reflected within the text of the Plan. There is an existing priority task around branding and attracting businesses to the area.

- 2.6 Two of the local residents responses agreed with the proposals in the Plan for Growth, with one noting that large empty town centre units could be split into smaller ones to aid smaller businesses. This is a positive suggestion which the Council would generally be supportive of, but as the Council does not own or manage retail units in the town centres, is beyond our control.
- 2.7 The third local resident provided more detailed comments across the document with a particular focus on infrastructure improvements, including the A120 and a new rail line to Stansted Airport, which could help support the introduction of employment related to the airport and to more high tech industries and other new employment land to create affordable new business premises. Skills development linked with the business community and more funding from ECC and central Government were also mentioned. There was also the point made that new housing should only be built when the infrastructure is in place and that the aging population is not a barrier to growth but if well dealt with could be a positive to promote growth with extra spending power. Overall there was support for the priorities identified but suggested more ambition for particularly rail infrastructure schemes.
- 2.8 The respondent rightly highlights the role that the infrastructure development will need to play in the growth and development of the District and this is reflected in the Plan for Growth as one of three priorities for development. The proposed rail route from the District to Stansted is not part of any current programme at a national level at this time. However through work on the garden communities and with Uttlesford District Council, work is underway to look at major public transport network upgrades between the proposed garden communities along the A120 corridor with the potential to link in to Stansted to the west and Braintree town to the east. Whilst investigate work is underway now, this would likely to be developed outside the time period covered by the Plan for Growth. However changes have been proposed to the text of the Plan for Growth to recognise the garden community work progressing.
- 2.9 The point on skills is noted and agreed and as part of the priority work identified in the Plan for Growth, employers and education providers are already being brought together through the Braintree District Education and Skills board which was launched earlier this year. More detail of this work has been brought out in the text.

### **3. Changes Proposed to the Plan for Growth**

- 3.1 As a result of the consultation responses received and by the development of several other key Braintree District policy documents, several changes are proposed to the Plan for Growth. These are generally minor wording changes to aid clarity in the document. An additional section has also been added to the Plan to set the context in terms of the housing growth the District is facing and the future development of Garden Communities. Whilst the garden communities are not proposed to be developed within the 5 year time period of the Plan for Growth, it is important the local economy is ready to embrace the opportunities which the garden communities will offer.
- 3.2 The most substantial change to the document is a review of the annual delivery plan. The draft document included an annual delivery plan for 2017 – 2018. However as the Plan will not be approved until the end of November, it is considered more appropriate for the annual plan to reflect the next year 2018 – 2019. This will also be in line with the Digital Strategy, whose priorities around broadband are shared with the Plan for Growth. There is a draft annual plan set out within the document and it is proposed to seek further engagement with the business community on this draft action plan before it is finalised.
- 3.3 The introduction of the 2018 – 2019 annual plan will not mean that projects currently being delivered are being slowed down or halted, but that a realistic timetable for the delivery of important projects is set out and can be reflected within the business plan and annual monitoring of the Plan for Growth and the Digital Strategy.

### **4 Next Steps**

- 4.1 If approved by Councillors this evening, the Plan for Growth will be published on the Councils website and will guide the work of the Economic Development team, and other teams in the Council in delivering the Infrastructure and Economic Growth for the District over the next five years.
- 4.2 Further engagement with businesses will be undertaken on the draft annual plan for 2018 – 2019 to ensure that it accurately reflects the needs and requirements of businesses. The final annual plan for 2018 – 2019 will then be agreed and published by the end of February 2018.
- 4.3 An updated Action Plan will be published to support the Plan for Growth on an annual basis and yearly reports on the progress of the projects identified in the Action Plan will be published.

## **Recommendation**

- 1 To approve the adoption of the Braintree District Plan for Growth 2017 - 2022**
- 2 To delegate the approval of Annual Plans to support the Plan for Growth to the Cabinet Member for Economic Development**

### Five-Year Delivery Plans

#### *Priority 1 – Infrastructure & Connectivity*

##### Road

- Work with the Haven Gateway Partnership to lobby Central Government for inclusion within RIS2 of the new A120 between Braintree and the new A12 Expressway by December 2018
- Work with the Haven Gateway Partnership, Essex County Council, District partners and Highways England to secure the start of delivery of the new A12 Expressway
- Work with Essex County Council and where appropriate Highways England to secure improvements to the local road network, taking advantages of funding opportunities.
- Work with Essex County Council to undertake improvements to signage in and around Braintree

##### Broadband

- Work with Essex County Council and Superfast Essex for superfast broadband improvements and how they will be delivered across all residential properties in the District
- Work with Haven Gateway Partnership to lobby Central Government for **at least** superfast broadband with 100% coverage across all existing business premises
- Ensuring that digital infrastructure is considered as part of new developments through the implementation of policies in the new Local Plan

##### Rail

- Work with the Haven Gateway Partnership to lobby Network Rail for improved tracks and links across the region.
- Work with Essex County Council and Network Rail to undertake a study to establish outcomes to provide two trains an hour to Braintree
- Work with the Haven Gateway Partnership to lobby Abellio for improved rail services
- Work with Abellio to improve station car parking and cycle parking numbers and condition.

##### Employment Sites and Premises

- Work with developers to bring appropriate employment sites forward, including Eastlink 120
- Invest, with partners, in incubation and start-up space including the opening of grow-on space at Braintree and Witham
- Working with businesses, identify the potential of securing additional Business Improvement Districts for our industrial and business estates

##### Regeneration in our Town Centres

- Work with businesses and Essex County Council partners to identify and deliver a suite of activities to increase footfall and spend in the Town Centres
- Deliver the Manor Street regeneration scheme in Braintree Town Centre.
- Work towards achieving a Business Improvement District for one of our Town Centres

### Housing

- Create a Housing Delivery Company to secure the provision of appropriate and adequate mixed tenure housing for the District
- Provide key worker housing to support the recruitment and retention of staff in areas such as health and teaching

### Public Transport

- Continue to work with partners to improve links between Stansted Airport, Braintree, Witham and the rail network
- Work with developers to secure sustainable transport solutions for communities accessing employment opportunities

### *Priority 2 – Business Support*

- Continue to work with the BEST Growth Hub along with other business support organisations to increase levels of targeted business support in order to generate more new business start-ups and business success rates to increase growth in our key sectors
- Establish a programme of business support; business advice, access to finance, access to markets for our economic sectors and promoting this to gain awareness and take-up of available support.
- Work with Higher Education Institutions to encourage innovation within businesses to help them grow
- Raise the profile of the Braintree District as a place to do business
- Identify the opportunities for Tourism within the district and how the Council can best support its sustainable growth
- Work with partners to secure external funding opportunities to support businesses to grow

### *Priority 3 – Skills Development*

- Work with schools, education providers and Essex County Council towards improvements in attainment levels at all stages
- Work with businesses to help them communicate their skills needs to education providers and help those providers ensure the needs are met
- Work with businesses to help exploit best use of the Apprenticeship Levy
- Work with partners to secure external funding opportunities to support skills attainment

### **Draft Annual Delivery Plan 2018 -19:**

#### *Priority 1 – Infrastructure & Connectivity*

##### Road Infrastructure

- Secure funding to carry out junction improvements and an additional road to alleviate the congestion around the Springwood Drive Industrial Estate to improve conditions for businesses on the estate and attract additional businesses to it
- To work with Essex County Council and Highways England on the planning and implementation of the new slip roads joining Millennium Way to the A12 to alleviate peak hour congestion around Galley's Corner
- Support Essex County Council to secure a preferred route for the improved A120 between Braintree and the A12, ensure it is included within the Government's Road Investment Strategy 2020-2025

##### Broadband

- Continuing to promote high speed and reliable broadband across the district through the support of phase 4 of the Superfast Essex rollout
- Ensuring that digital infrastructure is considered as part of new developments through the implementation of policies in the new Local Plan
- To work with the Haven Gateway Partnership to lobby for additional funding from the BDUK programme to look at options for ultrafast provision to major employment and business sites

##### Rail

- Complete the GRIP 2 Study and agree measures with Essex County Council and Network Rail to improve the frequency and reliability of trains between Braintree and London

##### Employment Sites and Premises

- Invest our own resources and secure match-funding from external sources to deliver a Witham Enterprise Centre
- Complete the construction of four new grow-on units at Braintree Enterprise Centre
- Engage with market experts to establish the requirement for further grow-on space in the District and seek opportunities to deliver grow-on space accordingly

##### Regeneration of our key towns

- Secure detailed planning consent for the delivery of the Manor Street Regeneration project
- Create the Plan for Braintree, informed by the Braintree Vision
- Set out a Plan to deliver improvements to Witham and Halstead Town Centres in accordance with Highways Authority guidance and permissions
- Deliver a plan for new signage and wayfinding for the Town Centres

#### *Priority 2 - Business Support*

- Establish and maintain a programme of business support, business advice, access to finance, access to markets for our key economic growth sectors, promoting this to gain awareness and take-up of the support

- Identify Key Performance Indicators to measure the success of our interventions to ensure our resources are always appropriately targeted
- Undertake a Place Branding exercise, in partnership with the private sector, and deliver the recommendations collectively
- Work with Higher Education providers to secure support for businesses with innovation potential to ensure it is maximised to best effect, seeking to match business needs with Higher Education strengths through, for example, Knowledge Transfer Partnerships
- Establish a Communications Plan to ensure that information is cascaded to businesses as effectively as possible
- Continue to deliver the Industrial Estates Improvement Programme
- Deliver a Tourism Strategy and detailed Action Plan for delivery

### *Priority 3 - Skills*

- Work with internal colleagues and Essex County Council to deliver the Early Years Programme to ensure our young people have the best possible start into education
- Work with Sixth Form Colleges and other Further Education providers along with schools to broker stronger engagement between them and businesses to provide a workforce that meets employers' needs through curriculum development, work placements and awareness-raising activity of career opportunities and skills requirements
- Better understand the skills requirements of the key economic sectors for the districts, seeking to raise awareness of this amongst the education providers
- Work with the third sector to encourage participation, particularly amongst our deprived communities, in work-based education programmes that enable re-training or access to work programmes for the long-term unemployed post-19
- Identify external funding opportunities to better deliver skills programmes with partners.
- Working with education providers and Essex County Council to promote the development of digital skills to young people across the district, providing a pipeline of talent which will attract digital businesses to our district.



# BRAINTREE PLAN FOR GROWTH

2017 - 2022

# INTRODUCTION

The Braintree District Plan for Growth is a refreshed Economic Prospectus. It sets out what has been achieved since the original document's publication in 2013; what we have learned about the Braintree District economy since then; what the future plans to support growth are and how the Council is seeking to help deliver them between 2017-2022. Annual delivery plans and further five-year plans will be published in the future.

*The Council is fully aware that it cannot deliver growth on its own. To this end, this Plan for Growth is intended to be delivered in partnership with other public sector organisations and, crucially, the private sector.*

The refreshed Plan is based upon new economic data which continues to inform and sometimes shift our priorities and measure our performance against targets.

The Council continues to focus on its Corporate Strategy priority of Infrastructure and Economic Development and to invest its resources to deliver as well as seek to attract external funding. The Plan for Growth remains the key component of our delivery of **9,000 jobs by 2026**.



## COMPETITIVE ADVANTAGE – LOCATION



*The Braintree District has one significant competitive advantage – its location. Lying between the regional growth centres of Chelmsford and Colchester; Cambridge as a global technology research and development centre; and the international transport hubs of Stansted Airport and the Haven Ports, the district enjoys a superb location to attract and grow businesses. London is 45 minutes away by rail; and the A120 and A12 trunk roads cross the district giving access to the Haven and Thames ports; Stansted and Southend airports; and, the M11, London and the M25.*

This locational advantage is complemented by a high quality natural and historic environment and a supportive and entrepreneurial business environment where employment land is competitively priced. The Council and its partners are serious about enabling investment and helping businesses establish and grow.

This competitive advantage provides Braintree District with a 'head start' compared with other places seeking to grow the economy and provides a positive context for overcoming the challenges and barriers to growth highlighted within this Plan. Working with our private and public sector partners, the Council needs to create the conditions for the effective delivery of interventions if it is to deliver on its job growth targets and ensure growth in the district is sustainable and complimentary to this prime location.

Braintree District is bordered by what a recent Localis report, "The Making of an Industrial Strategy", called 'stuck' and 'stifled' Local Authority areas. Babergh, in terms of its economic demographics has been identified as 'stuck' in its ability to grow whereas Colchester's growth, it is argued, has become 'stifled' due to its geographic constraints. The impact of our neighbouring authorities being identified in these ways is potentially beneficial insofar as at some point there could be business overspill from Colchester, if the appropriate infrastructure is in place, but is also potentially negative as there is a constrained economy to the north. The district is currently neither 'stuck' nor 'stifled' and this Plan for Growth is aimed at sustainable growth to ensure it does not become so.

## INDUSTRIAL STRATEGY

*In January 2017, Central Government published its "Building Our Industrial Strategy Green Paper" which seeks to enhance UK economic growth through a focus on productivity and innovation, providing support to those functions which encourage both skills and infrastructure as well as support to the commercialisation of innovation.*

Braintree District Council submitted a response to the Green Paper highlighting how the proposed Garden Communities, and the intention to exploit new technology to support communities living within them to be resilient and self-reliant, helps the Government to deliver its Industrial Strategy. The Council has made the case that, in order for the new communities to be delivered and successful, significant investment is required from the public sector in infrastructure, skills and economic growth. The Council has committed to work in partnership with Central Government, other public sector bodies and the private sector to encourage sustainable, productive economic growth within the district. However, Government funding schemes outlined within the Green Paper, such as the Housing Infrastructure Fund and National Challenge Fund, need to be as targeted to areas such as Braintree District as they are to, for example, the Northern Powerhouse and the Midland's Engine for Growth.

**Delivery of  
9,000 jobs  
by 2026**



# BRAINTREE'S ECONOMIC PROFILE

Braintree District's economic performance since 2013 has continued in a positive trajectory. It has, like much of Essex, performed relatively well during the economic recovery though, as with the rest of Essex, this recovery is fragile and there are systemic issues that will need to be addressed in the coming years if the full growth potential is to be realised.



## Overall Economic Statistics for Braintree <sup>1</sup>

The District's Gross Value Added (GVA) is £2.7bn, representing 10% of the Essex County Council area's total GVA. This represents an increase for Braintree of £390m since 2013. The working age population has increased by 1,000 since 2013 at 94,400 whilst jobs have increased by almost 7,000. The unemployment rate for Braintree has fallen by 1,200 since 2013 leaving the District with low unemployment levels at 1.1%. In employment terms, the overall net commuting rate for residents is -13.9%. This has fallen from -16% in 2013 though it is projected to rise again to -15.5% by 2022 with no intervention to reverse the trend. These figures for 2017 show that Braintree businesses are providing more employment opportunities than there are unemployed people to work in them, a positive trend. However in terms of productivity these are not necessarily high-skilled, high-quality employment opportunities. The main rise in employment has been seen in Construction and Professional Services (defined as occupations requiring special training such as lawyers, accountants, architects and engineers).

	2013	2017	2022 (estimated)
GVA (millions £s)	2,222.2	2,723.3	2,935.9
Working Age Population	93,000	94,400	96,400
Unemployment (000's)	2,300	1,100	1,100
Net Out -commuting	-16%	-13.9%	-15.5%

<sup>1</sup> East of England Forecasting Model

# PRODUCTIVITY

In the Government's Industrial Strategy Green Paper the ambition is to improve the UK economy equitably through improved productivity levels. The UK's global position in terms of productivity (producing more value for each hour of people's time and thereby increasing their earning power) is significantly behind France, Germany and the US with workers in those countries producing more in four days than workers in the UK do in five . The Industrial Strategy Green Paper highlights the imbalance within the UK economy in terms of productivity levels and, as part of this analysis, ranks the East of England as fourth in the UK in terms of productivity. What this statistic hides is the fact that Essex ranks second from bottom out of the six counties in the East of England region:

## Productivity as per Labour Productivity (County-level) <sup>3</sup>

County	2013	2017	2022 (estimated)
Bedfordshire	£50,200	£53,900	£57,150
Cambridgeshire	£50,300	£52,300	£55,670
Essex	£46,700	£49,140	£52,440
Hertfordshire	£51,350	£53,880	£56,920
Norfolk	£43,210	£44,580	£47,580
Suffolk	£44,350	£46,210	£49,520

Productivity in the Braintree District is lower than the Greater Essex average. As of 2017, at £41,200 Labour Productivity, Braintree is ranked 6th in Greater Essex which shows the relatively low-skilled employment and job opportunities within the district. This compares with the highest productivity level in Essex, in Braintree's neighbouring district, Uttlesford, which has £52,100 Labour Productivity. The common link with these high productivity levels seen in neighbouring districts and counties is the high-tech business dominance of Cambridge which has spread to neighbouring areas and the impact of life sciences, principally Uttlesford and Stevenage in Hertfordshire. There will also be an impact from London, which in itself has high-tech excellence amongst other sectors, though the spread of influence does not seem to impact on all of its neighbouring districts, including Braintree which does export its workforce to London.

Braintree's economy is broadly made up of Micro businesses (0-9 employees) with 89.5% of the total business base. Small and Medium Enterprises (SMEs, 10-249 employees) make up 10% of the economy with businesses employing over 250 staff making up around 0.3% of the business base. This is broadly in line with the East of England average.

<sup>2</sup> Building Our Industrial Strategy, Green Paper January 2017

<sup>3</sup> East of England Forecasting Model

# SKILLS

The district has, as can be identified from the productivity levels highlighted in the previous table, a low skills attainment average. In terms of NVQ1 and NVQ2 levels, Braintree is generally on a par with the East of England and UK averages but there is a drop from NVQ3 onwards, with Braintree lagging behind the regional and UK averages. This correlates to the percentage of people employed in Managers, Directors and Senior Official roles than the East of England and UK average as well as residents employed in the Professional Occupations.

## Skills Attainment Levels <sup>5</sup>

	Braintree	East of England	UK
NVQ1	88.7%	84.9%	84.9%
NVQ2	71.8%	71.5%	73.6%
NVQ3	45.2%	53.5%	57.4%
NVQ4	27.4%	33.6%	37.1%
Job			
Senior Roles	6.4%	10.3%	10.4%
Professional Occupations	12.3%	19.0%	19.9%

However Braintree has a higher percentage of jobs than the regional and UK averages in other jobs types as set out in the table below.

## Braintree Skills Strengths <sup>6</sup>

	Braintree	East of England	UK
Associated Professional and Technical	18.4%	14.7%	14.1%
Skilled Trades	15.6%	11.3%	10.5%
Process Plant & Machine Operatives	9.9%	6.5%	6.4%

The data does not interrogate these categories in enough detail to show whether or not these are skilled employment opportunities in growth sectors or declining sectors which could affect the future stability of the Braintree economy.

The data is, however, reflective of the skills required in one of the largest sectors of the Braintree economy, the Advanced Manufacturing and Engineering sector which employs nearly 7,500 staff. <sup>7</sup>

The median salary for Braintree residents is almost £600 per week which is probably reflective of the levels of out-commuting, probably to London, as the median wage of employees within the district is £514, lower than the Essex and UK average (£520 and £529 respectively). <sup>8</sup>

# POPULATION AND HOUSING GROWTH

*Whilst the Plan for Growth is focused on economic development, the population and housing growth in the District will be closely linked to its economic prosperity. The new Local Plan for the period 2017 to 2033 sets out that 716 new homes are required in the District each year to meet the demand from increased population and lower numbers of people living in each home. This is a level of growth which has not been sustained in the District over a long period.*

These new homes will be located adjacent to existing urban areas such as Braintree and along the A12 and Great Eastern Mainline railway line. These are the areas which already have the most facilities, infrastructure and employment opportunities, and they will be supported by enhanced facilities including new employment space.

As the scale of housing growth is so great, the Council is proposing stand-alone new garden communities to meet the development needs of the District in the long term. These are located to the West of Braintree, close to the A120 and to the east of Feering and Coggeshall on the junction of the A12 and A120, along the mainline railway line. Whilst the delivery of the garden communities sits outside the time period covered by the Plan for Growth, this Plan will help prepare the economy for the opportunities that will be delivered as part of the garden communities.

5 Greater Essex Employment & Skills Board research  
6 Greater Essex Employment & Skills Board research  
7 Greater Essex Employment & Skills Board research  
8 East of England Forecasting Model

# BARRIERS TO GROWTH

*The district economy will likely, barring any further major external economic shocks, continue to grow at an average rate without significant public sector investment. It will not, though, reach its full potential without intervention by the public sector.*

*Braintree District does face barriers to growth which require public and private sector intervention to overcome*



## Ageing Population

One such barrier is an ageing population which will, in future years, inhibit growth due to a decreased workforce. By 2025, it is anticipated that the over 65's age group will increase by 30% and represent almost a quarter of the Braintree District population. This ageing population could place a greater demand on health, social care and housing needs, but may also have free time and disposable income. Whilst, by 2025, the working age population (identified as age 16-64) will see a moderate 3% decrease, the demands of housing from an increased overall population will create a greater demand for employment in the district. In order to meet the demands of an ageing population and provide for the workforce required to generate economic growth, there is a need to create additional, adequate, housing.

## Infrastructure and Connectivity

In order to meet the demands of businesses and new housing, improvements to the district's infrastructure is a necessity. The A120 is only dualled from Stansted to Braintree and the A12 is above capacity with both suffering serious peak hour congestion; the rail connection from Braintree to the East Coast mainline at Witham is single track, limiting the frequency of service.

The rural parts of the district in particular lack access to superfast broadband – essential if we are to foster innovative Micro businesses and SME's.

## Skills

A further requirement of economic growth is a skilled workforce that meets the needs of employers. As has been highlighted, Braintree District communities do not achieve particularly high skills levels, particularly over NVQ2 level which is evident in the economy and its productivity levels. Very often, high skills attainment is linked with prosperous households whereas on average, children from areas of deprivation tend to have low levels of skills attainment.

This lower level of skills attainment, as has been seen above, leads to relatively low productivity levels and employment in senior management and professional occupations which could be a deterrent for businesses locating to the district. The existing businesses in Braintree District could also struggle to grow through the lack of a skilled workforce and could, therefore, choose to move out of the area. We need to better understand the low attainment levels to work with our partners in overcoming it.

## Economic Sectors

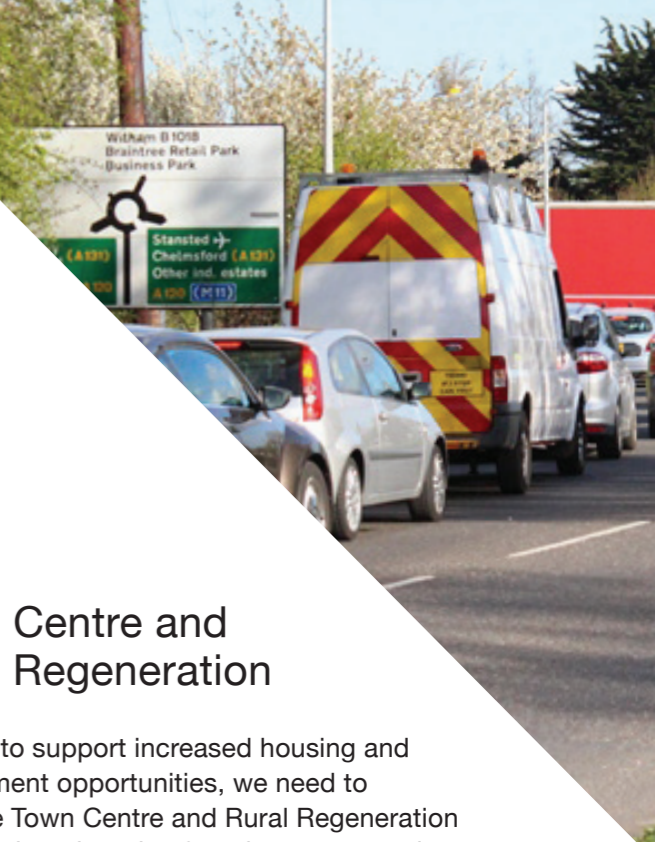
We need to stimulate our businesses to grow, particularly in key economic sectors. We know that the strongest sectors of the Braintree economy are Construction; IT, Digital and Creative; Advanced Manufacturing and Engineering; Health and Social Care; and, Logistics. We need to understand more about these businesses to ensure that public sector support for them is targeted to best meet their needs. By growing them, we know that the supporting sectors of Professional Services; Retail; and, Accommodation and Food will also grow and generate further employment and growth.

## Town Centre and Rural Regeneration

In order to support increased housing and employment opportunities, we need to continue Town Centre and Rural Regeneration to strengthen the role of our key towns and villages in providing services and the cultural and social heart of the district. This would also be supported by a coherent Tourism offer that will, in addition, provide employment and support the positive image of the district.

## Employment Sites

A further inhibitor to growth is the lack of grow-on office space for businesses and general employment premises and sites that are at the point of being delivered. The result of this lack is that businesses already in the district either do not grow in order to remain within their manageable spaces, or leave the district to grow elsewhere. This also represents a significant barrier to attracting businesses from outside the area to locate in Braintree.



# ACHIEVING GROWTH

*Braintree District Council and its public and private sector partners want to realise the ambitious plans for growth, particularly to increase the economy. The most fundamental route to achieve this is for more businesses to operate sustainably in the district to employ people and create a supply chain that, in turn, employs more people still. The delivery of infrastructure improvement requires an economic impact to secure funding and the development of housing requires an end user who is generally in employment and therefore in a position to afford the property for developers to deliver.*

*This employment creation can be delivered through assisting the existing business base to grow and expand within the district and to attract businesses from outside the district to relocate or set up for the first time in the District.*

## Indigenous Growth

The growth of businesses already located within the district is one of the most sustainable and preferable ways to grow the economy in the first instance. In order to do this, as well as access to a ready market, businesses need:

- A skilled workforce
- Suitable premises

Businesses within the district are, as outlined above, therefore currently constrained as there is a lack of a highly-skilled workforce and suitable physical grow-on space to accommodate growth.

## Inward Investment

The principal requirement for companies when considering whether to relocate or expand in another area is whether or not they can do business in that area and therefore improve the balance sheet of the company. In order to satisfy that question, the evidence required, in no particular order, is:

- Skilled workforce
- Appropriate business premises at a reasonable cost
- Adequate/good infrastructure
- Good quality housing stock availability
- Lifestyle opportunities

As can be seen from the barriers to growth highlighted above, currently the Braintree District cannot answer many of these key questions adequately. There is a real opportunity to capture certain businesses from London and Cambridge so action has to be taken to genuinely deliver the above evidence requirements in order to ensure this is realised for the benefit of sustainable economic growth. We cannot, therefore, create a comprehensive inward investment proposition without addressing the problems highlighted.

Growth in itself, however, is not enough for a strong and sustainable economy. It needs to be a targeted growth, in key sectors, that improves levels of productivity. In order to realise such growth, therefore, there is a need for the public and private sectors to intervene, particularly in the following areas:

- Encouraging businesses in growth sectors to flourish in the district through targeted business support programmes
- Creating a high-skilled workforce that is fit-for-purpose for the requirements of business
- Creation of employment sites and a range of office accommodation that are fit-for-purpose for business needs
- Upgrading of key infrastructure and connectivity (road, rail and broadband)
- Delivery of a range of suitable homes

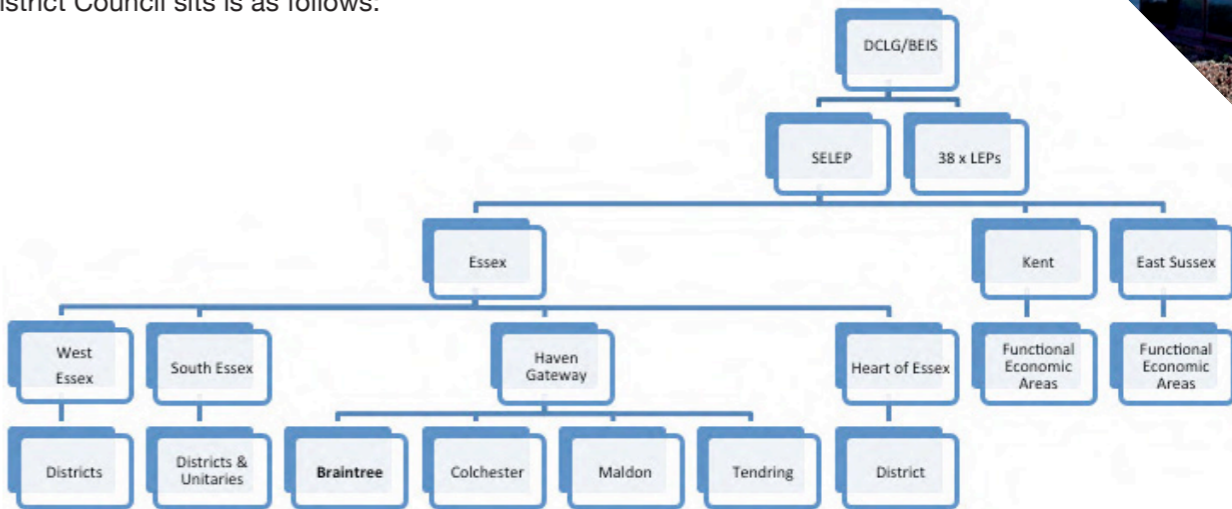
# FUNDING THE GROWTH

*The Council has great ambition for the district and its growth but the delivery of these ambitions is currently constrained for a number of reasons. The interventions required to overcome these constraints require funding for delivery which will be from a combination of public and private sector sources with the Council setting the context through its District Investment Strategy that will deliver infrastructure improvements for existing and future residents, The District Investment Strategy will provide:*



- Partnership working to improve health provision in the district, improving primary health facilities across the district in Witham, Sible Hedingham and as part of a new regeneration scheme in Braintree Town Centre We will continue to work with health partners on any further opportunities that arise in the future.
- Improvements to our three Town Centres, with the Council already having committed funding to capital improvements.
- Identification and delivery of improvements to our most congested roads through working in partnership with Essex County Council and Highways England to relieve congestion at Galley’s Corner on the A120 and improve access to Braintree Town Centre through a slip road onto Millennium Way.
- Increased opportunity for new business growth and employment investment which could fund support for business growth through, for example, business start-up and grow-on facilities and generate inward investment by bringing forward strategic employment sites and new commercial units. This includes investing £500k into new incubation and growth facilities in Witham and £960k into grow-on units in Braintree.

It is anticipated that additional funds will be secured from Essex County Council to deliver the growth priorities as well as bids submitted to, for example, Central Government via the South East Local Enterprise Partnership (SELEP). We will achieve this by working with the Haven Gateway Partnership in supporting its Whitehall and Westminster Engagement Strategy to effectively raise our profile and lobby Central Government for funds and highlight the importance of the functional economic area. In this respect, the partnership structure within which Braintree District Council sits is as follows:



In addition, it is expected that the private sector development that the Growth Plan will unlock will generate around £300m of investment providing a greater than 10:1 return on the Council's investment.



# STRATEGIC PRIORITIES

Our number one economic priority is to grow GVA beyond the projected level of £2.9bn by 2022 to £3.5bn and improve our projected productivity as measured by GVA per capita level of £18,200 by 2022 to £19,500. In order to achieve this, a number of strategic priorities need to be delivered within the life of this Growth Plan, namely Infrastructure, Skills and Business Support.



# DELIVERY

An underpinning theme of the activity within this Prospectus is one of lobbying to ensure that Braintree District is at the centre of investment from the wider public sector, especially Essex County Council, SELEP and Central Government. We will actively promote Braintree District to these potential funders as well as create the evidence base to construct the business cases required to secure investment. In order to achieve this, we will work in partnership with bodies such as the Haven Gateway Partnership as well as Essex County Council and SELEP.

A further underpinning theme of this Plan for Growth is partnership working with the private sector. The Council will deliver against this Plan in the best way for business as it is business that will ultimately deliver the growth and prosperity for the district. This means that we will particularly work through business networks and partnerships to secure support and engagement for our activity.



# REVIEW AND EVALUATION

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This success of activity will be measured on an annual basis, though the ultimate success of the Plan for Growth will take some years to fully impact the district's economy, through the establishment of agreed Key Performance Indicators, including:

- Monitoring GVA growth and productivity improvement
- Monitoring business growth in key sectors
- Monitoring skills attainment levels
- Monitoring the economic impact of tourism activity
- Submission of, and success of, funding bids

An annual review and evaluation report will be published.

<b>Proposed Disposal of Land to Provide Access to Residential Development Site off Maldon Road, Witham.</b>		<b>Agenda No: 9a</b>
<b>Portfolio Corporate Priority:</b>	<b>Corporate Services and Asset Management</b> <b>A well connected and growing district with high quality homes and infrastructure.</b>	
<b>Report presented by:</b>	<b>Cllr. John McKee, Cabinet Member for Corporate Services and Asset Management</b>	
<b>Report prepared by:</b>	<b>Andrew Epsom, Head of Asset Management</b>	
<b>Background Papers:</b>	<b>Public Report</b>	
	<b>Key Decision: Yes</b>	
<b>Executive Summary:</b>		
<p>Braintree District Council has received a request from Bellway Homes Limited (Bellway Homes) to secure access over the Council’s land at Riverview, Witham (as shown hatched black and coloured black on the attached plan at Appendix 1) to enable Bellway Homes to bring forward a 78 unit residential development scheme (on the land as shown outlined in black at Appendix 1).</p> <p>The purpose of this report is to provide Members with details of the proposed disposal terms and obtain Members’ approval to the disposal of the Council’s land. This will enable Bellway Homes to bring forward a residential development scheme on the land situated off Maldon Road in Witham which will help to meet local demand for housing and contribute towards the projected housing growth targets in the District as set out in the emerging District Local Plan (2016 – 2033).</p>		
<b>Recommended Decision:</b>		
<p>1) That Members approve the disposal of the site subject to the consultation decision at 4 below on terms agreed with Bellway Homes, as set out in this report, to enable Bellway Homes to secure access over the Council’s land and bring forward their proposed residential development scheme on the land situated off Maldon Road in Witham.</p> <p>2) That powers be delegated to the Corporate Director of Sustainable Development in consultation with the Cabinet Member for Corporate Services and Asset Management to agree any amendments or variations to the disposal terms set out in this report.</p> <p>3) That Members approve the completion of an Agreement for Surrender and an Agreement for Lease with the Trustees of the Witham and District Sports</p>		

Association for the surrender of their lease of The Sauls Bridge Sports Ground, to release the small area of land required by Bellway for access, and the re-grant of a lease to the Trustees for remainder of The Sauls Bridge Sports Ground.

- 4) That powers be delegated to the Cabinet Member for Corporate Services and Asset Management to consider any representations received by the Council following the legal requirement to advertise the disposal of the area of open space which is included within the land being sold to Bellway and to approve or stop the transaction based on these.

**Purpose of Decision:**

To approve the disposal of the Council's land for access purposes to enable a residential development scheme to come forward on the adjoining site.

**Any Corporate implications in relation to the following should be explained in detail**

<b>Financial:</b>	<p>The Council will receive a consideration upon disposal of its land to Bellway Homes. The total site comprises three separate landowners (including the Council). A large detached house is located on one of the parcels of land and the consideration received by the Council has taken into account the existing use value of this house when arriving at the apportionment of the total sale price between the landowners i.e., the land with the house on it will have a higher value than a comparable area of vacant land.</p> <p>The proposed development scheme will also help to grow the Council Tax base with the potential to assist in achieving future New Homes Bonus.</p> <p>Bellway Homes will be making a capped contribution towards the Council's legal costs incurred in connection with this transaction.</p> <p>The Council's valuation consultant has confirmed that the consideration payable to the Council represents a fair market value for the Council's interest. The fees to be incurred by the Council for valuation advice, negotiation of the disposal terms and associated advice relating to the completion of the legal documentation will be off-set against the sale proceeds.</p>
<b>Legal:</b>	<p>The Council's Legal Service and Asset Management Service will seek to ensure the disposal terms satisfactorily protect the Council's interest.</p> <p>The Council's Legal Service has reviewed the disposal terms and can confirm that these are within the powers of the Council.</p>
<b>Safeguarding</b>	<p>This report raises no safeguarding issues.</p>
<b>Equalities/Diversity</b>	<p>The employment of staff on the development site will need to comply with all equalities and diversity legislation.</p> <p>Equalities issues with respect to a future use for the location will need to be considered within the scheme design and through the planning process.</p>
<b>Customer Impact:</b>	<p>The residential development scheme will provide housing opportunities for residents of the District.</p> <p>A capital receipt will be received by the Council which will</p>

	contribute to future investment in the District and support the delivery of Council services.
<b>Environment and Climate Change:</b>	Any newly constructed buildings will need to comply with current environmental and climate change requirements.
<b>Consultation/Community Engagement:</b>	<p>Management Board and Cabinet Members have been consulted on the principle of disposing of the Council's land to provide access into the proposed residential development scheme. Appropriate public consultation will take place when the planning application is submitted.</p> <p>The disposal of public open space is required to be advertised in the Braintree and Witham Times for 2 weeks in accordance with S.123 of the Local Government Act 1972 and the Council will consider any representations received.</p>
<b>Risks:</b>	<ol style="list-style-type: none"> <li>1) Economic conditions decline</li> <li>2) Build costs increase</li> <li>3) Financial soundness of Bellway Homes declines</li> <li>4) Bellway Homes or the adjoining landowners fail to simultaneously complete the disposal of their interests.</li> <li>5) The Trustees of the Witham and District Sports Association do not agree to surrender a small part of the adjoining land they lease from the Council required for part of the access road or seek to change the terms agreed for the surrender of the land.</li> </ol>
<b>Officer Contact:</b>	Andrew Epsom
<b>Designation:</b>	Head of Asset Management
<b>Ext. No.</b>	2921
<b>E-mail:</b>	andrew.epsom@braintree.gov.uk

## **1. Background**

- 1.1 Braintree District Council has received a request from Bellway Homes to acquire the Council's land at Riverview off Maldon Road in Witham to provide access to the vacant land to the west commonly referred to as "Gimsons" (please refer to the attached plan at Appendix 1 showing the Council's land hatched black and coloured black and the residential development land outlined in black).
- 1.2 Bellway Homes would like to bring forward a 78 unit residential development scheme comprising a mix of flats and houses and including 30% affordable housing.
- 1.3 Bellway Homes has, therefore, written to the Council with a request to acquire the Council's land once a planning consent has been obtained to provide access into the adjoining residential development site.

## **2.0 Proposed Disposal Terms**

- 2.1 Braintree District Council is the vendor and Bellway Homes is the purchaser of the Council's land as shown hatched black on the plan attached at Appendix 1. The parties shall enter into a conditional sale and purchase contract subject to the receipt by Bellway Homes of a satisfactory planning consent.
- 2.2 Bellway Homes will also be contracting with the two vendors of the adjoining land comprised within the residential development site and all three contracts will be simultaneously exchanged and completed.
- 2.3 Bellway Homes has agreed a total purchase price for all of the land included with the residential development site and the Council will be receiving a proportion of this price for its access land.
- 2.4 The Contract will run for an initial 12 month period and will be able to be extended for an additional 6 months if the planning application or a planning appeal is outstanding, the Challenge Period of 6 weeks is outstanding or there is an outstanding Judicial Review or Legal Challenge.
- 2.5 Bellway Homes shall pay a deposit on the exchange of contracts which shall be held by the Council's Solicitor as Stakeholder.
- 2.6 The balance of the purchase price shall be payable on completion of the purchase of the land by Bellway Homes following receipt of a satisfactory planning consent.
- 2.7 Following the exchange of contracts, Bellway Homes shall use its reasonable endeavours to submit a planning application to secure a scheme of 78 dwellings including the provision of affordable housing or such other scheme that is acceptable to the purchaser.

- 2.8 Bellway Homes will covenant to pay an overage should a higher density planning application be submitted by the developer after the property is sold, for which planning permission is granted within 20 years of exchange of contracts.
- 2.9 Bellway Homes shall make a capped contribution towards the Council's reasonable legal fees incurred in connection with this matter including any abortive fees should this matter not proceed. This sum is estimated to be sufficient to cover the Council's reasonable legal costs incurred in relation to this transaction.
- 2.10 Part of the land (as shown coloured black on the plan attached at Appendix 1) which is owned by the Council and required for the access is contained in a lease to the Trustees of the Witham and District Sports Association (the Trustees). The land leased to the Trustees is referred to as The Sauls Bridge Sports Ground.
- 2.11 The Council has agreed terms for the surrender of this small piece of land from the Trustees in exchange for Bellway Homes making an agreed payment to the Trustees and erecting a 1.8m weldmesh fence along the western boundary of the Sauls Bridge Sports Ground.
- 2.12 It should be noted that the disposal of the areas of open space which are included in the land being sold to Bellway Homes together with the re-grant of the lease of the retained area of The Sauls Bridge Sports Ground to the Trustees of Witham and District Sports Association will need to be advertised in the Braintree and Witham Times for two weeks in accordance with S.123 of the Local Government Act 1972. It is proposed that powers will be delegated to the Cabinet Member for Corporate Services and Asset Management to consider any representations received by the Council to these proposals.
- 2.13 Vacant possession of the Council's land will be required on completion.
- 2.14 Within the Heads of Terms, Bellway Homes has requested rights to be granted over the Council's retained land to allow the safe construction of the scheme and to connect into existing services and lay new services, subject to the approval of the Council.

### **3.0 Planning Position**

- 3.1 The Council is currently in the process of producing a new Local Plan for the period 2016 - 2033. The majority of the site has been allocated for residential development in the publication draft Local Plan which is due to be submitted to the planning inspector later this year and a small part of the site is 'white land' which is currently unallocated. The whole of the site is situated within the town development boundary.
- 3.2 The developable land is privately owned, vacant (apart from a single dwelling house) and situated centrally within Witham just to the east of the High Street. The land is ideally located and suited to residential development.

#### **4.0 Current Market Value**

- 4.1 The Council's valuation consultant has confirmed that the price being paid by Bellway Homes to secure the land for its proposed 78 unit residential development scheme represents a fair market value for the site.
- 4.2 The Council's land is effectively a ransom strip and as such the Council has negotiated a consideration for its interest in line with standard commercial practice.

#### **5.0 Risks**

	<b><u>Item:</u></b>	<b><u>Issue:</u></b>	<b><u>Action:</u></b>
5.1	Economic conditions decline	Bellway Homes would review its development proposals to assess if viable to proceed. This would result in delays in bringing forward development.	Economic conditions are currently very positive and there is a housing supply shortage. This is a good site in a good location that would attract a high level of buyer demand.
5.2	Build costs increase	Any skills or material shortages in the construction industry could result in construction cost increases.	Bellway Homes will have carried out its due diligence and viability appraisals and will have included a contingency provision/allowances for potential cost increases.
5.3	Financial soundness of Bellway Homes declines	Bellway Homes is unable to progress the development scheme due to financial difficulties.	Bellway Homes is a substantial house builder but if it was under financial pressure it could readily dispose of this site with a planning consent in the open market.
5.4	Bellway Homes does not obtain a satisfactory planning consent	The sale of the land is unlikely to complete unless the purchaser secures a satisfactory planning consent.	Bellway Homes has undertaken a pre-application meeting with planning officers and has an understanding of the development potential

		for the site and the requirements of a policy compliant scheme.
5.5	<p>The Council cannot provide full vacant possession of all of its land.</p>	<p>The Trustees of the Witham and District Sports Association do not agree to surrender a small part of the adjoining land they lease from the Council required for part of the access road or seek additional payments or benefits to enable them to agree to the surrender.</p> <p>The Council has agreed terms with the Trustees to surrender a small piece of land they currently lease from the Council in exchange for Bellway Homes making a payment to the Trustees and erecting a 1.8m weldmesh fence along the western boundary of the sports ground. This is a very fair arrangement; however, the lease to the Trustees does permit the Council to terminate the lease on 12 months' notice at any time which could be used to resolve any impasse.</p> <p>The Council could not enter into an agreement with Bellway Homes until an Agreement for Surrender had been entered into with the Trustees.</p>

## 6.0 **Next Steps**

- 6.1 The proposed disposal terms are considered by Cabinet on the 27<sup>th</sup> November 2017.
- 6.2 If Members are minded to approve the proposed disposal terms then Solicitors will be instructed to prepare and exchange a conditional sale and purchase contract with an aim that this be entered into by the 31<sup>st</sup> January 2018 that will be subject to the conditions set out in the report..

## APPENDIX 1



<b>Digital Strategy 2018-2021 and Digital Plan 2018-2019</b>		<b>Agenda No:9b</b>
<b>Portfolio</b>	<b>Corporate Services and Asset Management</b>	
<b>Corporate Outcome:</b>	<b>A high performing organisation that delivers excellent and value for money services</b> <b>Delivering better outcomes for residents and businesses and reducing costs to taxpayers</b>	
<b>Report presented by:</b>	<b>Cllr John McKee, Cabinet Member for Corporate Services and Asset Management</b>	
<b>Report prepared by:</b>	<b>Cherie Root, Acting Corporate Director</b>	
<b>Background Papers:</b>		<b>Public Report</b>
Digital Strategy 2018-2021 Digital Plan 2019-2019		<b>Key Decision: No</b>
<b>Executive Summary:</b>		
<p>The internet and digital technology are an ever increasing part of our everyday lives at work and at home. Our customers have changing needs in terms of the way they access our services and how they would like to be communicated with. As an organisation, we need to use technology innovatively to reduce costs and improve productivity and efficiency. As a District, we need to have the infrastructure and skills to ensure that we are in the best position to use digital to support growth in a sustainable way.</p> <p>Focusing on digital will mean putting our customers at the centre of digital change, and developing and maintaining an internal digital culture. We must also be aware of the digitally excluded and ensure that there remain non-digital methods of contact for those who really need them. We want to inspire confidence in our digital services for all of our customers and for going online to be their first preference when they interact with us.</p> <p>As an organisation we have been responsive to technology and have used it to shape the way we deliver services, to drive efficiency and improve productivity. However the rate of change in the technological environment is increasing, and we need to be able to harness technology to continue to work smarter</p> <p>Our Digital Strategy sets out the vision for digital services over the next four years. The strategy sets out how we will meet our challenges and make the best use of technology to deliver better outcomes for our customers.</p> <p>There are three key themes to our digital strategy:</p> <ul style="list-style-type: none"> <li>• <b>Digital Council</b> - Improve productivity and performance of our services and our people through the use of technology</li> <li>• <b>Digital Customer</b> - Redesign our digital services to meet the needs of all of our</li> </ul>		

customers regardless of age, gender, ability or location, making them so good, convenient and easy to use that people make them their first choice of contact.

- **Digital District** - Improve digital skills and promote access across the district, ensuring that everyone has the capability to access and use digital services.

To deliver our four year Digital Strategy, there will be an annual Digital Plan, which sets out the key actions and measures required in that year to achieve the objectives of the overall strategy. Authority to sign off each year's plan will be delegated to the Cabinet Member responsible for Corporate Services and Asset Management.

#### **Recommended Decision:**

1. To agree the Digital Strategy 2018-2021 and the Digital Plan 2018-19.
2. To delegate the approval of the Digital Strategy and the Digital Plan to support the Plan for Growth to the Cabinet Member for Economic Development.

#### **Purpose of Decision:**

To agree the priorities that will allow the Council to make maximum use of technology to support our customers across the District; and, to make the Council more flexible and responsive through its use of digital technology.

**Any Corporate implications in relation to the following should be explained in detail.**

<b>Financial:</b>	<p>This strategy will be part funded from the earmarked reserve set aside for digital services of £198,000. Large projects will be funded through the capital programme and business cases will be developed and considered on a case by case basis.</p>
<b>Legal:</b>	<p>There are no anticipated legal implications to the overall strategy.</p> <p>The organisation will be required to be compliant with General Data Protection Regulations by May 2018. There are provisions within the strategy to support the achievement of this.</p> <p>Individual projects will consider legal implications separately.</p>
<b>Safeguarding:</b>	<p>The digital strategy will support our approach to safeguarding in terms of information management and how we use technology to help us to safeguard those in need.</p>
<b>Equalities/Diversity:</b>	<p>This strategy aims to tackle some of the issues existing through digital exclusion, particularly around skills and access to technology.</p> <p>We will also look to ensure that those who cannot access services digitally are not disadvantaged.</p> <p>It is worth noting that some customers who are physically disadvantaged may have improved access as they no longer have to make physical contact but can request some services/make some payments on-line – these will grow with time.</p>
<b>Customer Impact:</b>	<p>Customer impact is considered specifically as part of the digital customer and digital district sections of the strategy. This strategy is aimed at improving digital services to customers.</p> <p>There will also be indirect benefits through the digital council section, particularly focussed on improving value for money of services and reducing time taken to access services.</p> <p>Individual projects will be assessed in terms of their customer impact.</p> <p>It offers an additional means of access to Council services</p>

	<p>for our customers.</p> <p>Where customers have to input information this will be done by them: this reduces transposition errors and re-input time as well as the potential for misunderstanding.</p>
<b>Environment and Climate Change:</b>	<p>By using digital, we rely less on travel for customer interaction and meetings. There will be a reduction in the paper and other physical materials used and therefore a positive environmental impact from the implementation of this strategy and plan.</p>
<b>Consultation/Community Engagement:</b>	<p>Customer feedback from surveys, individual feedback and staff feedback has been used to develop this strategy and associated plan.</p> <p>There has also been consultation with other local authorities and the Essex Online Partnership during the development of the strategy and priorities and projects have been shared to identify where projects could be delivered more effectively in partnership.</p>
<b>Risks:</b>	<p>There are a number of risks that may materialise if we do not deliver the strategy, including:</p> <ul style="list-style-type: none"> <li>• The organisation will not be able to make the best use of technology to deliver value for money services and may not be able to meet the needs of its customers in the way that they access or want to access services.</li> <li>• The ability to generate income to invest in frontline services will be diminished as services cannot be accessed as easily.</li> <li>• Some savings will not be able to be realised due to inefficient processes not being updated and improved.</li> <li>• The organisation may be at increased risk from cyber security threats.</li> <li>• The organisation is less resilient and able to adapt to change in the future.</li> </ul> <p>Non-delivery of the strategy could become a barrier to growth for the District.</p> <p>There is a risk that some staff and customers will find it difficult to adapt to a more digital approach. It will be important to provide effective consultation, training and engagement throughout the delivery of the strategy to ensure that this risk is mitigated.</p>

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<b>Designation:</b>	Acting Corporate Director
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# Digital Strategy

2017-2021

[www.braintree.gov.uk](http://www.braintree.gov.uk)



# Introduction

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**Digital technology has become a major part of our everyday lives at work and at home. More people are now using the internet to interact with organisations. We are using online services for shopping, banking, information and entertainment because they tend to be quicker and cheaper to use. There are now more smart phones than landlines and people want to access services when it's convenient to them. Consequently we need to respond to these changing needs to ensure our customers remain well served.**

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Focusing on digital will mean putting our customers at the centre of digital change, and developing and maintaining an internal digital culture. We must also be aware of the digitally excluded and ensure that there remain non-digital methods of contact for those who really need them.

We want to inspire confidence in our digital services for all of our customers so going online is the first preference they choose to interact with us. For customers to trust our services online and actively choose them first, we need to create truly accessible, good quality digital services, and to do that we need to transform how we work, starting with continually listening to our customers and incorporating their feedback when making improvements and changes.

As an organisation we have been responsive to technology and have used it to shape the way we deliver services, to drive efficiency and improve productivity. The technological environment is changing, and we need to be able to harness technology to continue to work smarter. We must find ways to drive better services at lower cost, which means using new technology to the very best advantage.

With the increased use of technology and larger amounts of information stored comes an increase of the impact created through cyber security threats. We need to ensure that we keep our customers information safe and ensure business continuity through strong management of our information and systems.

This strategy sets out how we will meet our challenges and make the best use of technology to deliver better outcomes for our customers.

# Our Digital Landscape

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**The digital age is changing what we do, how we work and how we communicate. The world has been transformed by the Internet and our customers are embracing technology in all its forms.**

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## **Where are we now?**

- We receive over 66,000 visits to our website each month, with over a quarter of a million page views
- Mobile device users make up 47% of our online visitors
- Over 79,000 online transactions are made each year by our customers
- 74 online services are available through our website, including 60 online forms
- In 2016/17 31% of all transactions with the Council were made online.

## **The drive to make more services available online is already a priority for us and we have made great progress to:**

- Make access to our services easier and more convenient
- Improve the customer experience of our online services
- Reduce waiting and be more efficient in dealing with requests
- Meet customer expectations for online services

## **In 2016/17 we made the following improvements:**

- Launched our new website in March 2016, which is designed for all device types, improved the navigation, content and online forms making information easier to find and understand.
- Moved more services online including 'Open Access e-billing' for Council Tax and Business Rates, enabling customers to receive and review their bills online.
- Improved our technical and user Cyber Security knowledge and skills and upgraded our infrastructure to provide enhanced security, flexibility and performance.
- Launched a 'Do It Online' campaign to encourage customers to move to our digital channels.

# Digital Council

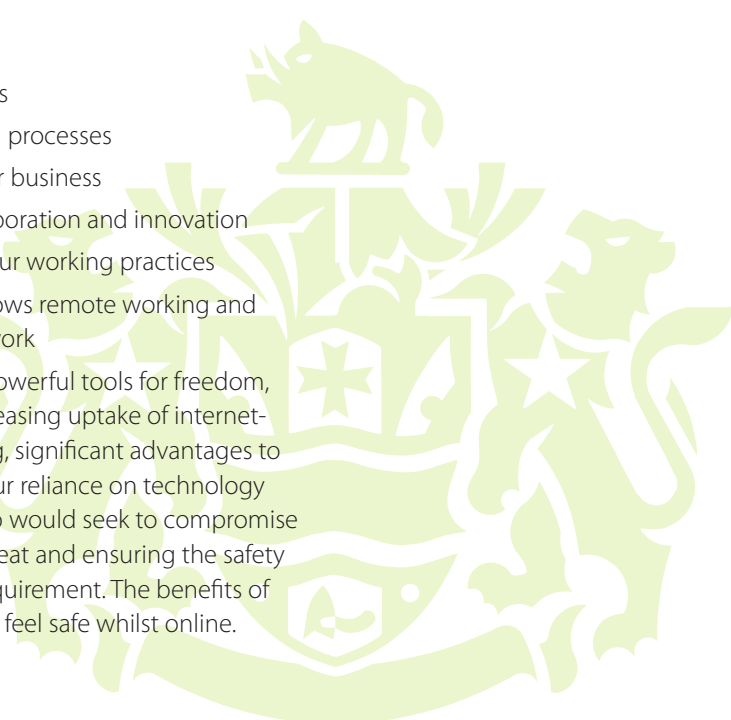
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**As a Council, the way we work is changing. Becoming more flexible and working smarter is at the heart of transforming and streamlining our business.**

## **Our aim is to:**

- Increase the effectiveness of our activities
- Focus our work on outcomes rather than processes
- Reduce the financial costs of running our business
- Create environments that facilitate collaboration and innovation
- Reduce the environmental footprint of our working practices
- Create an environment which readily allows remote working and reduces the need to be in the office to work

The internet and digital transformation are powerful tools for freedom, innovation, growth and knowledge. The increasing uptake of internet-based technologies has brought, or will bring, significant advantages to our Council, Customers and District. But as our reliance on technology grows, so do the opportunities for those who would seek to compromise our systems and data. Responding to this threat and ensuring the safety and security of our systems is an essential requirement. The benefits of digital will continue if people and businesses feel safe whilst online.



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## **What we will do:**

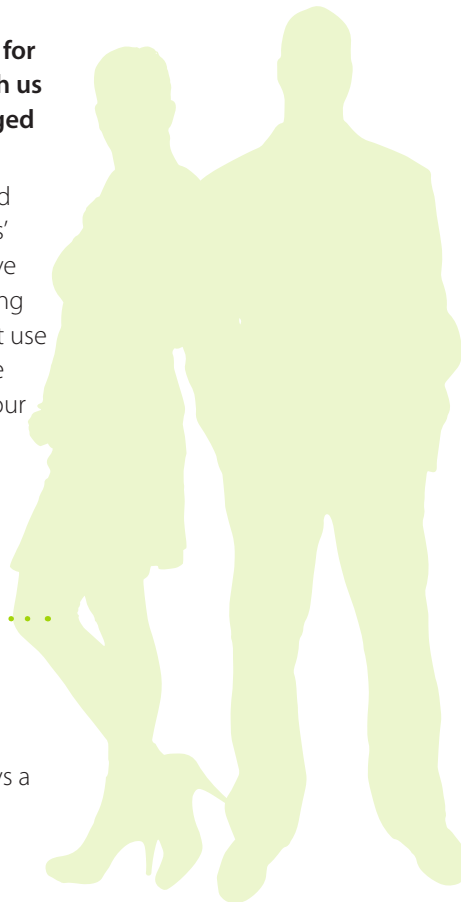
- Improve mobility and flexibility of our workforce through the use of technology; enabling our teams to spend more time adding value to our customers
- Improve the way we handle and use information to make decisions that create better outcomes for our customers
- Reduce the cost of service delivery through the use of technology improving how our systems integrate and reducing duplication in our processes and data collection
- Regularly review cyber security threats, ensuring that our organisation is well protected and that we have strong business continuity plans in place in the event of an issue
- Improve our digital skills across the organisation to make the best use of technology for our staff and members
- Improve our interactions with other authorities, our knowledge sharing and the tools we use for these
- Ensure the management and handling of customer data is compliant with the General Data Protection Regulation (GDPR)

# Digital Customer

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**We look to provide excellent services to our customers and value for money to the taxpayer. The ways in which customers interact with us are a critical part of the service we provide and need to be managed effectively and efficiently for everyone.**

Our customers want and expect access to services using a method and time that suits them. We need to be agile and responsive to customers' needs but also ensure that we deliver services in the most cost effective manner. We must balance treating customers individually and according to need, with continued pressure on finances and a drive to make best use of the most financially efficient methods of contact. Our customers are always at the heart of what we do and therefore improving access to our services through the use of technology is our priority.



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**We currently provide access to services through a number of existing channels:**

- Face to face visits
- Telephone
- Email
- Online services

We know that the demand for digital services is growing and so are the expectations of our customers.

We need to continue to offer contact methods that meet the needs of our customers; however our overheads will reduce and we'll see an improvement in how we deliver services if every one of us adopts this strategy and thinks 'Digital First'.

**We will do this by:**

- Making digital services available 24hrs a day, 7 days a week, from anywhere with internet access, using any device
- Increasing the number of services available online
- Continuously reviewing the customer experience of our digital services and improving content and navigation so that information is easy to find and understand
- Promoting and encouraging use of our digital services so that our customers know what services are available and how to access them
- Supporting customers to use our digital services effectively

# Digital District

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**As digital is becoming a bigger part of our society, it is important for our District to ensure that it is in the best position to use digital to support growth in a sustainable way.**

The UK's digital infrastructure must be able to support the rapid increase in internet traffic predicted, providing coverage with sufficient capacity to ensure data can flow at the volume, speed and reliability required to meet the demands of modern life. This will play a crucial role in ensuring that everyone, wherever they live and however they connect, can make full use of digital services and benefit from participation in the digital economy.

Improved connectivity also increases innovation and productivity across the economy, bringing significant economic rewards and supports the large number of small and medium businesses within the District.

Although we live in an increasingly online world, a significant part of the population remains digitally excluded. One in 10 adults have never used the Internet and many more are missing out on the opportunities the digital world offers. Many jobs have a digital element, and effective digital skills provision is essential to ensure the workforce is prepared for this and future technological changes.

We need to work with our partners to increase the digital capability of those who are digitally excluded, as well as those who are online but lacking the confidence and knowledge to make the most of it.



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## **We will do this by:**

- Promoting high speed and reliable broadband development across the District for domestic and business use
- Ensuring that digital infrastructure is considered as part of the development of new communities
- Promoting digital skills for businesses across the District
- Working with education providers to improve the quality of digital apprenticeships

## **The research suggests that there are four key barriers to digital inclusion, and more than one may affect individuals at any one time:**

- Access – the ability to connect to the internet and go online
- Skills – the ability to use the internet and online services
- Confidence – a fear of crime, lack of trust or not knowing where to start online
- Motivation – understanding why using the internet is relevant and helpful

# Digital Strategy 2017-21

DIGITAL COUNCIL	DIGITAL CUSTOMER	DIGITAL DISTRICT
<p><b>Becoming more flexible and working smarter</b></p> <p><b>We will:</b></p> <ul style="list-style-type: none"> <li>• Improve technology to allow our workforce to be more mobile and flexible</li> <li>• Improve the way we handle and use information to make decisions</li> <li>• Reduce the cost of service delivery by improving how our systems integrate and improving processes in data collection</li> <li>• Ensure our organisation is well protected against cyber security threats</li> <li>• Improve the digital skills of our staff and members</li> <li>• Improve how we interact with other authorities, our knowledge sharing and the tools we use for these</li> </ul> 	<p><b>Improving access to services through the use of technology</b></p> <p><b>We will:</b></p> <ul style="list-style-type: none"> <li>• Ensure digital services are available 24hrs a day, 7 days a week</li> <li>• Increase services available online</li> <li>• Continuously review the customer experience of our digital services</li> <li>• Support customers in using our digital services</li> <li>• Engage with customers to design, review and improve services</li> <li>• Promote and encourage the use of our digital services</li> <li>• Provide people with access to the internet, technology and equipment and help them to learn the skills they need</li> </ul> 	<p><b>Supporting growth in a sustainable way</b></p> <p><b>We will:</b></p> <ul style="list-style-type: none"> <li>• Promote high speed and reliable broadband development across the district</li> <li>• Ensure the digital infrastructure is considered as part of the development of new communities</li> <li>• Promote digital skills for businesses across the district</li> <li>• Work with education providers to improve the quality of digital apprenticeships</li> </ul> 

## Delivering the Strategy

This strategy will be delivered through an annual digital plan that will align with the corporate business planning process.

This will identify our key projects for each year of the strategy and will also set out the key indicators designed to measure the success of the Strategy.

**Braintree District Council**

Causeway House  
Bocking End  
Braintree  
Essex CM7 9HB

10/2017



# Digital Plan

2018-2019

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# Digital Plan 2018/19

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**Our Digital Strategy sets out the vision for digital services over the next four years. The strategy sets out how we will meet our challenges and make the best use of technology to deliver better outcomes for our customers.**

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**Our vision is to deliver excellent digital services by:**

- Improving productivity and performance of our services and our people through the use of technology
- Redesigning our digital services to meet the needs of our all customers regardless of age, gender, ability or location, making them so good, convenient and easy to use that people make them their first choice of contact.
- Improving digital skills and promoting access across the district, ensuring that everyone has the capability to access and use digital services.

**There are three key themes to our digital strategy:**

- Digital Council
- Digital Customer
- Digital District

This plan sets out the actions that we will undertake each year to deliver the strategy and how we will measure our success.





## **Introduce new technology that improves communication and our ability to work flexibly including:**

- Implementing Office 365 to improve the flexibility and resilience of our email services
- Introducing improved online conferencing facilities including web, video and teleconferencing
- Moving our telephones to internet based calls to improve resilience and reduce costs
- Continuing to move our physical technical infrastructure to cloud based services to improve resilience and ease of access remotely
- Continuing to move from fixed to portable devices for staff to give them the freedom to work in any location
- Introducing collaboration tools that allow people to communicate in groups online, reducing the need for face to face meetings

## **Improve our business continuity and disaster recovery solution to reduce the time taken for the organisation to recover its services in the event of an emergency**

### **Respond to emerging cyber security threats and protect our network and information by:**

- Reviewing our firewalls and improving resilience
- Undertaking an external review of our cyber security to identify further improvements
- Developing our intruder detection and protection systems to protect ourselves from attacks
- Reviewing our cyber security policies and procedures to ensure that they remain fit for purpose
- Delivering a cyber awareness campaign for staff and members to keep them abreast of developments and threats

## **Develop an organisation wide programme to ensure that everyone is aware of latest developments in technology and how this can be used to improve their service.**

## **Support services to review, implement and make the best use of technology in their areas to improve productivity, performance and efficiency.**

# Digital Customer

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## **Use technology to improve the customer experience including:**

- Improving our online payment option to include all goods and services offered by the Council
- Implement an online booking system to allow customers to book and pay for goods & services
- Investigate a single sign on account to enable customers to view personal information, carry out transactions, track the progress of their enquiries or orders and interact with us online.

## **Increase our ability to improve our online services for customers by:**

- Implementing new standards for web content and ensuring that relevant staff have been trained to write for the web
- Providing training for our front facing staff to enable them to better promote our online services
- Considering adoption of the Local Government Digital Service Standard as our methodology for designing and implementing digital services

## **Improve the online experience for our customers to make Digital their first choice**

- Using our customer feedback, analytics data and user testing to continuously improve our digital services and using our business networks to understand the needs of the business users to improve our service to them.
- Reviewing all of our online forms to ensure they are concise, relevant, the information requested is not excessive and is kept for no longer than is necessary
- Improving the website navigation to make information quicker and easier to find.
- Working with accessibility specialists and our web developers to improve the accessibility of our website for our customers
- Reviewing our website content to ensure that it is easy to understand, concise and fit for purpose.

# Digital District

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## **Help more of our customers go online and be confident using our digital services by:**

- Promoting our web services to customers through our 'Do It Online' campaign
- Considering the introduction of a weekly 'drop in day' for our customers to get practical assistance using our digital services.
- Working with others to assist our customers with using our online services, including UK Online centres and key business partners
- Continuing to promote high speed and reliable broadband across the district through the support of phase 4 of the Superfast Essex rollout

## **Ensuring that digital infrastructure is considered as part of new developments through the implementation of policies in the new Local Plan**

**Working with education providers and Essex County Council to promote the development of digital skills to young people across the district, providing a pipeline of talent which will attract digital businesses to our district.**

# Measuring Success

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**Progress against each of the actions in this plan will be reported to management board and the portfolio holder on a monthly basis. Any key corporate projects will be reported through the annual plan reporting process. In addition to this, there are a number of measures that will be used to monitor the impact of the plan against the objectives of the Digital Strategy.**

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## KEY PERFORMANCE INDICATORS

- 1.** Availability of technology services across the organisation
  - a)** Data Network
  - b)** Telephone Network
  - c)** Key Systems
  - d)** Internet connection
  - e)** Web services
- 2.** Response times to ICT support calls
  - a)** Incidents
  - b)** Service Requests
- 3.** Length of downtime caused by cyber security incidents
- 4.** Number of visits to the website
- 5.** Number of online transactions
- 6.** Percentage of households in the district with access to superfast broadband
- 7.** Number of young people who have accessed digital training opportunities
- 8.** Successful adoption of the Local Plan

Targets for these indicators will be reviewed as part of the business planning process and added into the digital plan from April 2018.

In addition to these measures, there will be customer satisfaction surveys carried out for ICT Services and Web Services to review success of the strategy and identify further improvement



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