Braintree District Council

Cabinet

AGENDA

Wednesday, 18th December 2019 at 7.15pm

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

Overall Vision and Strategic Direction	Councillor G Butland (Leader of the Council)
Economic Development and Infrastructure	Councillor T Cunningham (Deputy Leader of the Council)
Communities, Culture and Tourism	Councillor F Ricci
Corporate Transformation	Councillor J McKee
Environment and Place	Councillor Mrs W Schmitt
Finance and Performance Management	Councillor D Bebb
Health and Wellbeing	Councillor P Tattersley
Homes	Councillor K Bowers
Planning	Councillor Mrs G Spray

Invitees
Representatives of the Green Party and Independent Group, Halstead Residents Association and Labour Group.

Councillor Unsworth, Chairman of the Performance Management Board for Item 7a, Medium-Term Financial Strategy 2020-21 to 2023-24.

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 by 3pm on the day of the meeting.

A WRIGHT
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
The Agenda allows for a period of up to 30 minutes when members of the public can speak. Members of the public wishing to speak are requested to register by contacting the Governance and Members Team on 01376 552525 or email governance@braintree.gov.uk by midday on the working day before the day of the Committee meeting. For example, if the Committee Meeting is due to be held on a Tuesday, the registration deadline is midday on Monday, (where there is a bank holiday Monday you will need to register by midday on the previous Friday).

The Council reserves the right to decline any requests to register to speak if they are received after this time. Members of the public can remain to observe the public session of the meeting.

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AGENDA

No	Title and Purpose of Report	Pages
1	**Apologies for Absence**	
2	**Declarations of Interest** 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.	
3	**Minutes of the Previous Meeting** To approve as a correct record the minutes of the meeting of Cabinet held on 2nd December 2019 (copy previously circulated).	
4	**Public Question Time** (See paragraph above)	
5	**HEALTH & WELLBEING**	
5a	**Fusion Annual Presentation to Cabinet** To receive a presentation from Carl Bentley, Regional Business Manager, Fusion and Jon Richardson, Contract Business Manager, Fusion.	
6	**COMMUNITIES, CULTURE & TOURISM**	
6a	**Presentation to Cabinet of the Braintree District Museum Trusts Business Plan for 2019 to 2024** To receive a presentation from Shelia Carrington, Chair of the Braintree Museum Trust and Robert Rose, Braintree Museum Manager.	
7	**FINANCE & PERFORMANCE MANAGEMENT**	
7a	**Medium-Term Financial Strategy 2020-21 to 2023-24**	**5 - 48**

7b	**Recommendation from the Corporate Governance Group – 24th October 2019 – Treasury Management Mid-Year Report 2019-20**	**49 - 51**
7c	**Second Quarter Performance Management Report 2019-20**	**52 - 83**
8	**ECONOMIC DEVELOPMENT & INFRASTRUCTURE**	
8a	**North Essex Economic Growth Strategy**	**84 - 122**
8b	**Pedestrianisation of Braintree Town Centre - Consultation Report and Feasibility Studies - PUBLIC**	**123 - 143**
9	**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

No	Title and Purpose of Report	Pages
10	**ECONOMIC DEVELOPMENT & INFRASTRUCTURE**	
10a	**Pedestrianisation of Braintree Town Centre - Consultation Report and Feasibility Studies - PRIVATE**	

CABINET
18th December 2019

Braintree District Council

Medium-Term Financial Strategy 2020/21 to 2023/24	Agenda No: 7a

Portfolio	**Finance and Performance Management**
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 Management**
Report prepared by:	**Trevor Wilson, Head of Finance**

Background Papers:	**Public Report**
Council Budget and Council Tax 2019/20 and Medium-Term Financial Strategy 2019/20 to 2022/23 report to Cabinet 11th February 2019 and Full Council 25th February 2019; Medium-Term Financial Strategy 2019/20 to 2022/23 Update report to Cabinet 9th September 2019; Local government finance settlement 2020/21 consultation issued by the Ministry for Housing, Communities and Local Government (MHCLG) on 3rd October 2019. MHCLG issued an invitation to local authorities in England to indicate their preferred pooling arrangements for the forthcoming financial year, 2020/21, by email on 17th September 2019	**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 9th September 2019, with an initial review of the Medium-Term Financial Strategy (MTFS) 2019/20 to 2022/23; which had been agreed by Council on 25th February 2019.

1.2 This report provides detail of the progress with the updating of the Financial Profile and the Medium-Term Financial Strategy 2020/21 to 2023/24; 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 and the initial budget proposals, both revenue and capital, for 2020/21.

2. Budget Strategy

2.1 The Council's Budget Strategy is to:

- Be a low council tax authority;
- Have plans to deliver a balanced budget over the medium-term; and
- Maintain a minimum level of unallocated balances of £1.5million.

2.2 With the period of austerity following the global financial crisis the Council anticipated that the shortfalls in its finances would grow due to: annual reductions in Government grant resulting eventually in no grant being received; annual inflationary pressures; new responsibilities; and increasing demand for services. In October 2013 the Council requested a Peer Challenge to help it formulate an approach to address the anticipated shortfalls over the medium-term.

2.3 The approach has delivered cost reductions and additional income without impacting on customers and service delivery, including:

- Property purchases providing a rental income stream;
- Causeway House shared with mix of four private and public sector organisations producing rental income;
- Responsibility for running the Enterprise Centre, Springwood Industrial Estate, and developed four grow-on units adjacent to the Centre;
- Invested in solar panels on council property reducing energy costs and producing an income;
- Invested monies in pooled funds achieving an improved return over short-term interest rates;
- Service reviews have delivered cost reductions;
- Agreed a District Investment Strategy with development proposals which will deliver benefits over the medium to long-term;

2.4 The Council determined from the inception of the New Homes Bonus scheme, the funding mechanism to support development and delivery of homes, that it would be used for investment in infrastructure projects and affordable homes and not used to support the Council's day to day spending.

2.5 Over the period the Council has had and continues to respond to increasing costs not only from inflationary and market pressures but also from increased demand on services and new responsibilities. The Planning service has had to respond to an increase in planning applications, many of which are for major developments, and as a consequence an increase in work on appeals.

3. Government Funding

3.1 The Ministry of Housing, Communities and Local Government (MHCLG) published a Technical Consultation on the 2020-21 Local Government Finance Settlement. A response was submitted on behalf of the Council by the Cabinet Member for Finance and Performance.

3.2 The Government in the consultation paper proposes:

- A new £1.41 billion Social Care Grant for adult and children's services, including £1 billion of new funding;
- Uprating the 2019/20 Settlement Funding Assessment in line with the change in the small business non-domestic rating multiplier. It is proposed that Negative Revenue Support Grant allocations be eliminated, as in the last three years;

- A core council tax referendum principle of up to 2%; an adult social care precept of 2% on top of the core principle; and no referendum principles for parish councils and mayoral combined authorities. A proposed exception is included for comment for district councils of an option to increase by £5 or 2%, whichever is the higher;
- Committing to retain the top-slice of Revenue Support Grant to fund New Homes Bonus in 2020/21 at £900 million. It is proposed that allocations for 2020/21 will not result in legacy payments being made in subsequent years, as this funding scheme will be subject to the 2020 Spending Review;
- Maintaining existing improved Better Care Fund funding at 2019/20 levels, as well as rolling the £240 million which was allocated as Winter Pressures Grant this year into the improved Better Care Fund, with the same distribution as this year; and
- Continuing Rural Services Delivery Grant at £81 million, with all recipients receiving the same amount as in 2019/20.

3.3 On 17th September 2019, the MHCLG issued an invitation to local authorities to indicate their preferred Business Rate pooling arrangements for the financial year, 2020/21. All fifteen authorities in the current Essex Business Rate Pool for 2019/20 have agreed that the Pool should continue for 2020/21. The Cabinet Member for Finance and Performance Management agreed to this Council's participation under delegated authority, approved at the Cabinet meeting on 9th September 2019.

3.4 A provisional Financial Settlement for 2020/21 was expected to be published in early December 2019, however, given the announcements of the postponement of the Budget and calling of a General Election on 12th December this creates uncertainty. The Local Government Association is urging the Government to publish the provisional settlement as soon as possible after 12th December and no later than when Parliament rises for the Christmas recess

4. Update on Financial assumptions in the current MTFS

4.1 The Financial Profile, agreed in February 2019, included movements on cost reductions and additional income planned for 2020/21 to 2022/23. These have been reviewed and updated. The main changes include the removal of the changes (positive and negative) relating to interest earned from investments as these have been re-assessed based on an updated estimated cashflow over the next four years and the removal of the increase in sponsorship income.

4.2 The Financial Profile includes the consequences for 2020/21 of the planned priority investments and unavoidable budget changes which were identified in previous years. Of the six changes, four were one-off budget requests in 2019/20 and these are therefore being removed from the base budget in 2020/21. The total value of these budget reductions to be made in 2020/21 is £1,071,040. Of the two unavoidable budget changes identified for 2020/21 onwards the administrative subsidy figures will be updated when the actual allocations for 2020/21 are received with regard to the second, discussions have been held with Essex County Council regarding the sharing agreement and it is anticipated that the share will continue at 14% (subject to performance targets being achieved) for 2020/21. Therefore, the reduction initially anticipated of £65,730 is to be removed. This leaves a single budget requirement of £88,500 in 2020/21 and this is included in the Financial Profile.

4.3 The Financial Profile includes provision for an annual pay award of 2% which is in line with the last negotiated agreement agreed in April 2018 and which covered a two-year period.

4.4 The result of the Triennial Review of the Essex Pension Fund, as at 31st March 2019, was received on 1st November 2019. The review determines the pension fund assets and liabilities applicable for each employer in the fund and sets the deficit contribution and employer contribution rate for the three years 2020/21 to 2022/23.

4.5 The review shows that the Essex Pension Fund has performed very well over the three year period, between 2016 and 2019, with this Council's part of the Fund having moved from a funding level of 89.2% to 103.4%. This represents a snap shot at a point in time as the deficit is planned to be addressed in 7½ years for this Council (12 years on average for all organisations in the Essex Pension Fund). As a result of the performance of the Fund the deficit recovery rate has been re-assessed with the rate required over the next three years reduced from 5.2% to 1.5%.

4.6 The ongoing employer contribution rate (primary rate) is set to rise to 20.3% from the current level of 16.5%. This is due principally to changes in the Actuary's financial assumptions (+5.3%) including an increase in the rate of inflation (from 2.4% to 2.6%) and a reduction in the discount rate from 5.1% to 4.5%, and this offset partially by a reduction in the estimated life expectancy of members (-1.6%).

4.7 It is proposed that the Council opts to pay the total deficit payment, of £2,468,311, on 1st April 2020. The accounting requirement for this is that the total payment is accountable in 2020/21; the implication of this is that two thirds of the payment (re 2021/22 and 2022/23) will need to be funded from the unallocated balance in 2020/21 with this resource being repaid over the two following years.

4.8 The impact on the financial profile of these results is a net saving on the base budget of £295,820 for 2020/21 followed by small increases for 2021/22 and 2022/23.

5. Unavoidable Budget Demands and New Investments

5.1 Bids for revenue funding to meet unavoidable budget demands and new investments total £1,174,450, in 2020/21 and £179,930 in 2021/22. Just under half of these, £514,000 in 2020/21, are an ongoing requirement and therefore are needed to be added to the base budget. Six requests, totalling £660,450 in 2020/21 and £50,000 in 2021/22, are for one-off budget requirements.

5.2 The unavoidable budget demands include a proposal to allocate a proportion of the estimated surplus on the Council Tax Collection Fund from 2019/20 of £155,120 between the Town/Parish Councils and this Council. The proportion payable to the Town/Parish Councils is £29,450 and applies to 2020/21 only. This proposal was considered by the Cabinet on 2nd December with a recommendation to Full Council on 16th December 2019, this early consideration was necessary in order that the parish/town councils could be notified in sufficient time to enable this resource to be discussed as part of their budget and precept setting for 2020/21.

6. Cost Reduction/Additional Income Proposals

6.1 Senior Managers have reviewed their service budgets to identify possible cost reductions and/or additional income generation, in particular with reference to the projected outturn for the current year.

6.2 The review of service budgets has identified budget adjustments with a total of £553,330. These have been agreed by Management Board as they do not have a direct impact on customers or service delivery

7. Business Rates Retention Scheme and Business Rate Taxbase

7.1 Under the Business Rates Retention 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.

7.2 The baseline figure currently assumed for 2020/21 is £3,496,215. The actual baseline figure will be included in the Local Government Finance Settlement. 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 will require the Council to meet the shortfall up to a maximum of 7.5% of the baseline amount. The estimated figure for Business Rates retained in 2020/21 is £4,946,980.

7.3 The final determination of the Business Rates Taxbase for 2020/21 will be agreed by the Corporate Director (Finance) under delegated authority prior to the deadline of 31st January 2020.

7.4 The estimated balance on the Business Rates Collection Fund as at 31st March 2020 is a surplus of £472,387. The proportion attributable to this Council is £188,955 and this is included in the Finance Profile. As the position can vary both in year and between years it is proposed that this surplus is transferred to the Business Rates Retention Reserve.

7.5 The estimate of Retained Business Rates for 2021/22 onwards includes a 2% uplift to reflect an anticipated increase in the Rating Multiplier. However, the position for 2021/22 onwards is very difficult to predict as the Government continues to work with Local Government representatives on the Fair Funding Review, which will result in a resetting of the Business Rates Retained Baseline for each authority and also the introduction of the proposed 75% Business Rate Retention scheme which has been delayed from 2020/21 to 2021/22. One of the key issues regarding the new 75% Business Rate Retention scheme for this Council will be the amount of growth in business rates, above the baseline, achieved to-date which the Council will be able to retain.

7.6 On 17th September 2019 the MHCLG wrote to the lead authority of each current Business Rate Pool with an invitation to indicate the preferred pooling arrangements for 2020/21. All of the member authorities of the current Essex Pool have confirmed their willingness for the Pool to continue. Based on the average share received in previous years the Council could receive an additional amount of business rates of approximately £560,000 for 2020/21.

8. Local Council Tax Support Scheme

8.1 The Council's Local Council Tax Support (LCTS) scheme was introduced on 1st April 2013. The scheme is only applicable to working age claimants and it retains a significant proportion of the principles and elements of the previous Council Tax Benefit scheme.

8.2 The level of council tax liability on which LCTS awards are based was changed from 80% to 76% for 2016/17 and was made with reference to the Council's financial position over the medium-term and with the aim to limit the frequency of changes thereby providing a degree of stability and continuity in the scheme for claimants.

8.3 An analysis of the council tax accounts of working age claimants and specifically the recovery stages shows that the number of requests made for an attachment to benefit as a method of recovering outstanding arrears rose from 271 in 2015/16 to 464 in 2017/18. The weekly amount recovered from ongoing benefit is set nationally (currently £3.70 per week) and only one attachment to benefit can be applied at a time and therefore attachments for subsequent year's council tax are held as 'pending'. At the end of 2018/19, 517 requests for an attachment to benefit were 'pending' and in the current year to 1st October 371 requests are held as 'pending'.

8.4 Taking the above into consideration it is proposed to leave the existing scheme unchanged. As no changes are proposed to the Council's LCTS scheme for 2020/21 there is therefore no requirement for consultation.

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 on 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 for Policing & Community Safety and for Fire and Rescue Authority.

9.2 It is estimated that the balance on the Collection Fund available for distribution is a surplus of £1,229,000. This Council's proportion of the council tax surplus, to be returned to council taxpayers in 2020/21 is £155,120. It has been proposed that £29,450 of this surplus is allocated to town and parish councils in 2020/21.

9.3 The Council's taxbase for 2020/21 is required to be calculated as at 30th November 2019 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 2020/21 is estimated to be 53,046 (increase of 1% over 2019/20 taxbase) and is based on an assessment undertaken as at 11th September 2019 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 of discounts/premia for empty properties and second homes under discretionary powers. It is not proposed to vary any of these levels for 2020/21.

9.6 As the Government's proposed referendum limit for 2020/21 is 2%, with the exception for district councils, of 2% or £5 whichever is higher, being subject to consultation, it is considered appropriate to limit increases in the Financial Profile to the 2% maximum. The increases in the level of council tax provided in the Finance Profile for 2020/21 to 2023/24 for planning purposes are:

- 2020/21 – 1.95% providing a Band D level of £183.24;
- 2021/22 – 1.96% providing a Band D level of £186.84;
- 2022/23 – 1.97% providing a Band D level of £190.53;
- 2023/24 – 1.98% providing a Band D level of £194.31

10. Financial Profile

10.1 The updated financial profile 2020/21 to 2023/24 shows:

- 2020/21 – addition to Balances of £5,414;
- 2021/22* – shortfall of £629,702;
- 2022/23* – shortfall of £82,521; and
- 2023/24* – shortfall of £327,520.

10.2 It should be noted that these years* are after the single-year Finance Settlement and are likely to be subject to significant changes due to the Fair Funding Review and the Government's decision regarding the proposed new 75% Business Rates Retention scheme and also the 2020 Spending Review.

10.3 The position for 2020/21 will be updated following receipt of the Settlement Funding Assessment.

11. Balances and Reserves

11.1 The estimated Unallocated General Fund balance as at 31st March 2020 is £7.419million.

11.2 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 31st March 2019 was £22.625million. 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 10th February 2020.

12. Capital Resources and Investment

12.1 New Homes Bonus (NHB) – As part of the roll-forward financial settlement the Government proposes to retain the £900million top-slice of Revenue Support Grant to fund New Homes Bonus payments in 2020/21. In addition to funding legacy payments associated with previous allocations, the Government is minded to make a new round of allocations for 2020/21.

12.2 The net increase of dwellings in the District, expressed as Band D equivalent, between October 2019 and October 2018 is 459, an increase of 0.75%. If the Governments maintains the baseline at 0.4% then the Council will receive NHB on 214 dwellings for 2020/21.

12.3 Capital Programme – details of the proposed capital projects are contained in the report. The value of the proposed projects in 2020/21 is £2,746,750 and £80,000 in 2021/22 and anticipated requirements for 2021/22 to 2023/24 of £1,981,000 per year.

Recommended Decision:

Cabinet to agree that:

a) No changes are proposed to the Local Council Tax Support Scheme for 2020/21 and consequently there is no requirement for consultation to be undertaken; and
b) The Revenue Budget and Capital Programme for 2020/21, 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.

Any Corporate implications in relation to the following should be explained in detail.	
Financial:	The initial budget proposals provide a balanced budget for 2020/21 which includes: an increase of 1.95% in the level of council tax; additional income and cost reductions of £581,710; additional spend and reductions in income of £1.174million on unavoidable demands and new investment; provision for inflation increases of £560,990; a withdrawal from balances and reserves of £826,500 for one-off expenditure; an addition to balances of £5,414; and an assumed Settlement Funding Assessment of £3.496million. The financial position forecast for 2021/22 to 2023/24: shows savings of £630,000, £83,000 and £328,000 will be required respectively. The positions for these years are, however, difficult to predict as there is uncertainty over the outcome of the Fair Funding Review, the Government's plans for 75% Business Rate Retention and the 2020 Spending Review. The Council has indicated that it wishes to continue in the Essex Business Rate Pool for 2020/21. The potential benefit for this Council is a share of £560,000. Capital projects with a total value of £2,746,750 are proposed for inclusion in the 2020/21 Capital Programme. Anticipated projects for 2021/22 to 2023/24 total £1.98million per year. An assessment of available capital resources shows that there will be sufficient to fund the proposed capital programme.
Legal:	None at this stage but legal implications will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.
Safeguarding:	There are no safeguarding issues raised by this report.
Equalities/Diversity:	It is considered that none of the people with protected characteristics, under the Equalities Act, will be disproportionately impacted by the proposal to continue with the current Local Council Tax Support scheme for 2020/21. The Council will consider retaining the Exceptional Hardship Fund, for council taxpayers experiencing financial hardship, at the meeting on 17th February 2020.

	Equalities and/or diversity implications will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.
Customer Impact:	Assessment of customer impact, where appropriate, will be included in the savings proposals reported to Cabinet in the Finance report on 10th February 2020.
Environment and Climate Change:	There are no environmental and Climate Change issues raised by this report.
Consultation/Community Engagement:	The Performance Management Board will examine and consider the budget proposals as contained in this report on 27th November 2019. The Chairman of the Committee extends an open invitation to all members to attend this meeting.
Risks:	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. The provisional financial settlement figures and other grants for 2020/21 from Government expected in late December 2019, are less than the assumptions made in the Financial profile. Proposed financing of the capital programme is dependent on income being received from planned sales of a number of assets, these include: land east of High Street, Halstead; land off Maldon Road, Witham; serviced plots on Horizon 120; a number of small housing sites and residential properties on the Manor Street Development. Increased borrowing costs could be incurred if the receipts are not received.
Officer Contact:	Trevor Wilson
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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 9th September 2019, with an initial review of the Medium-Term Financial Strategy (MTFS) 2019/20 to 2022/23; which had been agreed by Council on 25th February 2019.

1.2 The report to Cabinet included:

- An update on the progress of the Government's proposed 75% Business Rate Retention scheme, the Fair Funding Review and 2019 Spending Review;
- an initial review of the assumptions contained in the current MTFS;
- the approach on developing the budget for 2020/21 and rolling the MTFS period forward to cover the period 2020/21 to 2023/24;
- approaches to addressing the financial shortfalls;
- Option, if the Government offers an opportunity, to participate with Essex authorities to operate an Essex Business Rates pooling arrangement for 2020/21; and
- the timetable to achieve the setting of the council tax and budget for 2020/21 at the meeting of the Full Council on 17th February 2020.

1.3 This report provides detail of the progress with the updating of the Financial Profile and the Medium-Term Financial Strategy 2020/21 to 2023/24; 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 and the initial budget proposals, both revenue and capital, for 2020/21.

2. Budget Strategy

2.1 The Council's Budget Strategy is to:

- Be a low council tax authority;
- Have plans to deliver a balanced budget over the medium-term; and
- Maintain a minimum level of unallocated balances of £1.5million.

2.2 With the period of austerity following the global financial crisis the Council anticipated that the shortfalls in its finances would grow due to: annual reductions in Government grant resulting eventually in no grant being received; annual inflationary pressures; new responsibilities; and increasing demand for services. In October 2013 the Council requested a Peer Challenge to help it formulate an approach to address the anticipated shortfalls over the medium-term.

2.3 The approach adopted has been to focus on a number of workstreams:

- Commercialisation and 'Better at Business';
- Grow our economy – increase our share of the business rate pot and secure external funds;
- Finance and Investment Strategy;
- Review contracts and procurement;
- Increase our income;

- Management and Service Reviews; and
- Sharing services or joint work.

2.4 The approach has delivered cost reductions and additional income without impacting on customers and service delivery including:

- Property purchases providing a rental income stream, including: Connaught House, Colchester; property at Church Lane, Braintree for a doctors surgery; offices at 3 & 4 Century Drive, Freeport Office Village; Doctors surgery, Silver End;
- Office accommodation at Causeway House shared with a mix of four private and public sector organisations producing rental income;
- Responsibility for running the Enterprise Centre, Springwood Industrial Estate, and developed four grow-on units adjacent to the Centre;
- Invested in solar panels on council property reducing energy costs and producing an income;
- Invested monies in pooled funds (mix of equities, property and multi-assets) achieving an improved return over short-term interest rates;
- Service reviews have delivered cost reductions. Changes have included the combining of the domestic refuse, recycling and trade waste collections across the District; staff reductions resulting from restructures in a number of service areas; reduction to 49 councillors following Boundary Commission review;
- Agreed a District Investment Strategy with development proposals which will deliver benefits over the medium to long-term; including Manor Street development; Horizon 120 employment site at Great Notley; I-Construct facility at the Enterprise Centre, Springwood Industrial Estate to provide business support programme; Witham Enterprise Centre; Healthcare facility on the former Premdor Site, Sible Hedingham.

2.5 The Council determined from the inception of the New Homes Bonus scheme, the funding mechanism to support development and delivery of homes, that it would be used for investment in infrastructure projects and affordable homes and not used to support the Council's day to day spending. This is providing part of the funding for the projects, and associated project management, in the District Investment Strategy.

2.6 Over the period the Council has had and continues to respond to increasing costs not only from inflationary and market pressures but also from increased demand on services and new responsibilities. The Planning service has had to respond to an increase in planning applications, many of which are for major developments, and as a consequence an increase in work on appeals.

2.7 The level of unallocated balance has consistently remained above £1.5million: the balance at 31st March 2019 was £5.787million. This will increase in the current year mainly due to an allocation from the balance used in April 2017 to pay the Pension Deficit payments for three years in a single payment being repaid in 2018/19 and 2019/20 at £1.411million per year. The estimated balance as at 31st March 2020 is £7.419million (based on the second quarter Finance Performance report).

3. Government Funding

3.1 On 4th September 2019 the Government announced the results of its 2019 Spending Round and set out its spending plans for 2020/21.

3.2 The change from a full 2019 Spending Review to the one-year Spending Round has resulted in the Government proposing to implement a 'roll forward' settlement for 2020-21.

3.3 The Government remains committed, however, to reforming local government finance. In 2020 the Government *'plans to carry out a multi-year Spending Review, which will lay the groundwork for the reforms, which include:*

- *increasing the proportion of business rates retained by the sector, to ensure local authorities have more control over the money they raise and powerful incentives to grow and reinvest in their local economies;*
- *introducing reforms to the business rates retention system, to increase stability and certainty; and*
- *reviewing the funding formula that determines funding allocations through the annual local government finance settlement, based on a fairer and more up-to-date assessment of councils' relative needs and resources.*

The aim is to implement these reforms in 2021/22, including a full reset of business rates retention baselines'.

3.4 The Ministry of Housing, Communities and Local Government (MHCLG) published a Local Government Finance Settlement 2020/21 Technical Consultation, on 3rd October 2019 (closing date of 31st October 2019), which outlines the Government's proposed approach to the 2020-21 settlement. The main headlines being:

- A new £1.41 billion Social Care Grant for adult and children's services, including £1 billion of new funding;
- Uprating the 2019/20 Settlement Funding Assessment in line with the change in the small business non-domestic rating multiplier. It is proposed that Negative Revenue Support Grant allocations be eliminated, as in the last three years;
- A core council tax referendum principle of up to 2%; an adult social care precept of 2% on top of the core principle; and no referendum principles for parish councils and mayoral combined authorities. A proposed exception is included for comment for district councils of an option to increase by £5 or 2%, whichever is the higher;
- Committing to retain the top-slice of Revenue Support Grant to fund New Homes Bonus in 2020/21 at £900 million. It is proposed that allocations for 2020/21 will not result in legacy payments being made in subsequent years, as this funding scheme will be subject to the 2020 Spending Review;
- Maintaining existing improved Better Care Fund funding at 2019/20 levels, as well as rolling the £240 million which was allocated as Winter Pressures Grant this year into the improved Better Care Fund, with the same distribution as this year; and

- Continuing Rural Services Delivery Grant at £81 million, with all recipients receiving the same amount as in 2019/20.

A response on behalf of the Council was provided by the Cabinet Member for Finance and Performance Management.

3.5 A provisional Financial Settlement for 2020/21 was expected to be published in early December 2019, however, given the announcements of the postponement of the Budget (6th November) and calling of a General Election on 12th December this creates uncertainty. The Local Government Association is urging the Government to publish the provisional settlement as soon as possible after 12th December and no later than when Parliament rises for the Christmas recess.

3.6 On 17th September 2019, the MHCLG issued an invitation to local authorities to indicate their preferred Business Rate pooling arrangements for the financial year, 2020/21.

3.7 All fifteen authorities[1] in the current Essex Business Rate Pool for 2019/20 have agreed that the Pool should continue for 2020/21. The Cabinet Member for Finance and Performance Management agreed to this Council's participation under delegated authority, approved at the Cabinet meeting on 9th September 2019.

3.8 The other significant funding streams received from Central Government Departments are in respect of administrative subsidies for Local Council Tax Support and Housing Benefit schemes (total of £532,170 in 2019/20). It is expected that the allocations for 2020/21 will be received shortly after the Provisional Finance Settlement announcement in December. The MTFS currently anticipates a reduction of £88,500 per year for 2020/21 and 2021/22: the main reason being that working age claimants are expected to have transferred from housing benefit to Universal Credit during this period.

4. Update on Financial assumptions in the current MTFS

4.1 The Financial Profile, agreed in February 2019, included movements on cost reductions and additional income planned for 2020/21 to 2022/23. These have been reviewed and updated. The main changes include the removal of the changes (positive and negative) relating to interest earned from investments as these have been re-assessed based on an updated estimated cashflow over the next four years (included at section 9.3) and the removal of the increase (of £10,000) in sponsorship income.

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

[1] Essex CC' Southend-on-Sea BC, all twelve District, Borough and City councils and Essex Fire Authority.

	2020/21 £	2021/22 £	2022/23 £
Savings/Additional Income Planned	3,620	(56,950)	(61,000)
Less: Proposed Adjustment	(32,000)	24,000	47,000
Revised Value of Savings/Additional Income	(28,380)	(32,950)	(14,000)

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5. Review of Priority Investments and Unavoidable budget changes identified in previous years

5.1 The Financial Profile includes the consequences for 2020/21 of the planned priority investments and unavoidable budget changes which were identified in previous years.

5.2 Of the six changes, four were one-off budget requests in 2019/20 and these are therefore being removed from the base budget in 2020/21. Details of these four budget requests are:

- An allocation of £500,000 to the Planning Appeals reserve;
- A provision of £500,000 for Housing Development and Local Growth;
- Surplus on Council Tax Collection Fund – allocation of part of the estimated 2018/19 surplus to town and parish councils in the Braintree District of £21,040; and
- Provision of £50,000 for technical skills and expertise to develop our in-house IT services' knowledge.

5.3 The total value of these budget reductions to be made in 2020/21 is £1,071,040.

5.4 The two unavoidable budget changes identified for 2020/21 onwards which were expected to impact on the base budget are:

- Council Tax Sharing Agreement with major Essex precepting authorities, based on a proposed revision of the terms of the agreement from 16% in 2018/19 to 14% for 2019/20 and then to 12% for 2020/21, a reduction of £65,730 was included; and
- Council Tax Support and Housing Benefit Administrative Subsidies – anticipated reduction of £88,500 per annum, for 2020/21 and 2021/22, as caseload will drop as housing benefit claimants, of working age, are migrated across to Universal Credit, administered by the Department for Work and Pensions.

5.5 Whilst the administrative subsidy figures will be updated when the actual allocations for 2020/21 are received in December 2019, discussions have been held with Essex County Council regarding the sharing agreement and it is anticipated that the share will continue at 14% (subject to performance targets being achieved) for 2020/21. Therefore, the reduction of £65,730 is to be removed. This leaves a single budget requirement of £88,500 in 2020/21 and this is included in the Financial Profile.

6. Financial Performance at half-year and predicted Outturn for 2019/20

6.1 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 £1,190,930, included in the 2019/20 budget.

6.2 The outcome of the review is a predicted positive variance for the year of £715,000 (4.9% against the net budget of £14.54million): this is due principally to additional income of £502,000, an underspend against the salaries budget of £21,000 and an underspend on other expenditure budgets of £192,000.

6.3 Details of this predicted outturn for 2019/20 are contained in the Quarterly Performance report; included as a separate item on the agenda of this meeting.

6.4 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 2020/21. These are included in the Cost Reduction/Additional Income at section 9 below.

7. Finance Profile 2019/20 to 2022/23 – Assumptions Update

7.1 Pay

7.1.1 The Financial Profile includes provision for an annual pay award of 2% which follows the last agreement of the two-year pay award agreed in April 2018, providing a 2% increase for the majority of the pay points in the grading structure but higher increases for the lower pay points in order to continue to close the gap with the National Living Wage. The actual increase will determined through negotiations at a national level between the Employers Organisation and the unions. 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).

7.1.2 Whilst it is not anticipated that the Council will have any financial consequences from the increase in the National Living Wage from April 2020 with regard to its employees, there is potential for increased costs regarding agency staff. An allowance for an increase of 5.1% or 42p per hour (to £8.63) on the agency staff budget has been included for 2020/21 under Pay inflation in the Finance Profile.

7.2 Members Allowances. A provision of 2% per annum has been included in the Finance Profile.

7.3 Pension Fund Contributions

7.3.1 The result of the Triennial Review of the Essex Pension Fund, as at 31st March 2019, was received on 1st November 2019. The review determines the pension fund assets and liabilities applicable for each employer in the fund

and sets the deficit contribution and employer contribution rate for the three years 2020/21 to 2022/23. The results of the review are summarised in the table below; for the Essex Pension Fund as a whole and for Braintree DC's portion together with the results at 31st March 2016 for comparison:

	Braintree DC part of Fund				Essex Pension Fund			
	31st March 2019		31st March 2016		31st March 2019		31st March 2016	
	£m		£m		£m		£m	
Assets	156.652		119.878		6,711		4,993	
Liabilities	-151.454		-134.347		- 6,917		- 5,598	
Net Position (surplus/deficit(-))	5.198		-14.469		-206		-605	
Funding Level		103.4%		89.2%		97.0%		89.2%
Deficit Recovery Period		7.5 years		10.5 years		12 years		15 years
Deficit Recovery Rate		1.5%		5.2%		1.5%		5.2%
Employer Primary Rate		20.3%		16.5%		20.0%		16.3%
Overall Contribution Rate		21.8%		21.7%		21.5%		21.5%

7.3.2 The review shows that the Essex Pension Fund has performed very well over the three year period, between 2019 and 2016, with this Council's part of the Fund having moved from a funding level of 89.2% to 103.4%. This represents a snap shot at a point in time as the deficit is planned to be addressed in 7½ years for this Council (12 years on average for all organisations in the Essex Pension Fund). As a result of the performance of the Fund the deficit recovery rate has been re-assessed and as a consequence the rate required over the next three years has been reduced from 5.2% to 1.5%.

7.3.3 The ongoing employer contribution rate (primary rate) is set to rise to 20.3% from the current level of 16.5%. This is due principally to changes in the Actuary's financial assumptions (+5.3%) including an increase in the rate of inflation (from 2.4% to 2.6%) and a reduction in the discount rate from 5.1% to 4.5%, and this offset partially by a reduction in the estimated life expectancy of members (-1.6%).

7.3.4 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 is increasing 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 2016: total contribution rate of 21.8% compared to 21.7%. This Strategy has not impacted adversely for the Council on the planned period over which the deficit is to be addressed. The triennial reviews in 2010, 2013 and 2016 determined recovery periods of 20, 14 and 10½ years, respectively. The current review has determined the recovery period has reduced to 7½ years: a reduction in line with the anticipated reduction following 3 years of deficit payments.

7.3.5 The estimated contribution payments to the Pension Fund over the three year period 2020/21 to 2022/23, with the deficit payment being made on 1st April 2020, are shown in the table below:

	2019 Valuation		
	2020/21 £	**2021/22 £**	**2022/23 £**
Ongoing Rate (estimate)	2,575,100	2,631,780	2,691,280
Deficit Payment	2,468,311		
Total Payment to Fund	5,043,411	2,631,780	2,691,280
Deficit Period	7½ years		

7.3.6 The figures in the table above are based on the same option payment plan agreed for the 2016 Valuation payments i.e. a one-off upfront payment, of all three years' deficit payments, on 1st April of the first year. This produces, a saving, of £112,250, against paying deficit payments on the 1st April of each of the three years.

7.3.7 It is proposed that the Council opts to pay the total deficit payment, of £2,468,311, on 1st April 2020. The accounting requirement for this is that the total payment is accountable in 2020/21; the implication of this is that two thirds of the payment (re 2021/22 and 2022/23) will need to be funded from the unallocated balance in 2020/21 with this resource being repaid over the two following years.

7.3.8 The adjustments required to the Financial Profile in respect of the proposed pension payments detailed above are:

	2020/21 £	**2021/22 £**	**2022/23 £**	**2023/24 £**
Increase for Deficit Payment (3 years on 1/4/20)	867,610			956,580
Increase for Employer Contribution	482,110	10,980	11,240	8,910
Use of balances to fund years 2 & 3 deficit payments	(1,645,540)			
Net Adjustment	(295,820)	10,980	11,240	965,490

The increase to the budget in 2023/24 provides an estimated deficit payment of £956,580 which is the 2022/23 figure based on the single annual payment option. The actual deficit payment for 2023/24 will be determined by the Triennial Review to be undertaken as at 31st March 2022.

7.4 Other Expenditure

7.4.1 Allowances for inflationary increases have been provided but 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

2020/21 and forecasts of energy cost increases received from Concept Energy Solutions, an energy management and monitoring company engaged by the Council.

7.5 Fees and Charges, Rents and Third Party Contributions

7.5.1 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 parking fees and charges which are reviewed on a minimum of a three-year basis and these were increased for the current financial year.

A schedule detailing the proposed levels of discretionary fees and charges for 2020/21 will be presented in the Finance report to Cabinet on 10th February 2020.

7.5.2 Rents

It is proposed that the housing rents and service charges for the four properties in Bradford Street, Braintree, be changed in line with that prescribed by the Government to Registered Social Landlords. Details of the proposed rents and service charges will be included in the schedule of proposed discretionary fees and charges for 2020/21 to be presented in the Finance report to Cabinet on 10th February 2020.

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 which can be expected in 2020/21 to 2022/23 are included in section 9.3 below.

7.5.3 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 £1.975million (2019/20 budget). Other agreements are for Community Transport (£90,330) and for a council tax sharing arrangement (£460,000).

The agreements are for defined periods:

- Inter Authority Agreement, signed in January 2010, is for a period of 25 years;
- Community Transport – the current 2-year agreement terminates on 31st March 2020;
- Council Tax sharing agreement – the 1 year agreement between the three major preceptors (Essex CC, Essex Police and Essex Fire &

Rescue) and each of the Essex borough/district/city councils ceases on 31st March 2020. Essex CC has proposed a new single year agreement which maintains the share to the districts at 14% on the basis that performance targets are met, if the targets are not achieved then the share reduces incrementally down to 12%.

8. Unavoidable Budget Demands and New Investments

8.1 Bids for revenue funding to meet unavoidable budget demands and new investments total £1,174,450, in 2020/21 and £179,930 in 2021/22. Just under half of these, £514,000 in 2020/21, are an ongoing requirement and therefore are needed to be added to the base budget. Six requests, totalling £660,450 in 2020/21 and £50,000 in 2021/22, are for one-off budget requirements.

8.2 The bid requests to be added to base for unavoidable budget demands and new investment are:

Corporate Transformation

- Marketing & Communications – Income budgets for advertising are challenging with difficulties experienced in particular in selling space on the Council's refuse vehicles however this is partly mitigated with income generated from providing sales support to Basildon District Council. Budget request of £10,790.

Environment and Place

- Waste Management – recyclable materials: gate fees charged for disposal are determined in part by quarterly reference to market indices and these are now higher than the current year budget. Budget request of £150,000;
- Fleet Management – Comparability of driver's rate of pay to reflect responsibilities for their vehicle, HGV or LGV, included under the Operator's Licence – budget request £20,000;
- Operations – increase in rent payable for the depot/offices at Lakes Road. Budget request £16,000;
- Waste Management – Revenue costs for an additional vehicle and three staff members due to growth in the District. Budget request £155,000 in 2021/22;
- Community Services – the Community Safety Officer post is currently funded from an earmarked reserve. Partners in the Community Safety Partnership that are able are prepared to part fund the post from September 2020 when the reserve is fully expended. Budget request is £9,130 in 2020/21 and £9,130 in 2021/22, which will meet 50% of the full cost;

Finance and Performance Management

- Governance – Elections – Increase contribution to reserve to ensure sufficient resource to fund District Elections in 2023. Budget request of £3,000;
- Governance – Governance and Information Lawyer post was engaged on a two-year fixed term contract to assist with the introduction of the General Data Protection Regulations however the workload has not

decreased as expected. Work includes advising on and agreeing a significant number of data sharing agreements with partners and other agencies, increased data access requests and the need to meet strict timescales for reporting and managing breaches of data security. Budget requests for £19,110 in 2020/21 and £15,800 in 2021/22;

- Governance – Democratic Services – dedicated Scrutiny Officer to support the three inquiry led scrutiny committees. The work will be research and report preparation as well as overall programme management. Budget request of £42,000;
- Governance – Members Allowances recommendations of the Independent Remuneration Panel were agreed by Full Council after 2019/20 Budget was set. Budget request of £72,000;
- Finance – Insurance premia increase due to higher asset valuations, claims history and inflation. Budget request of £24,000;

Planning

- Sustainable Development – Planning Enforcement – additional Senior Enforcement Officer Post required to meet increasing demand and to enable the service to become more pro-active in enforcement activity and monitoring. Budget request of £56,490;
- Sustainable Development – Landscape Services – increased staffing capacity with an additional Tree & Landscape Officer post and extend part-time Administrative Support post to full-time to meet increased workload on the service together with an increase in the tree management budget for additional tree management works and to undertake survey work to update the tree data base records. Budget requests of £50,480 for staffing and £30,000 for works and survey;
- Sustainable Development – Software package (PlanX) – self-service system for customers to be able to check planning requirements for their proposal. Budget request of £11,000 for annual running costs (a bid for capital funding is included for the initial purchase of the system).

8.3 The bid requests for unavoidable budget demands and new investment, which are one-off in nature, are:

Communities, Culture and Tourism

- Town Hall – Upgrade CCTV system as the existing system is over 10 years old and replacement parts are difficult to obtain. Budget request of £6,000;

Economic Development and Infrastructure

- Economic Development – Provision to enable the implementation of the North Essex Economic Growth strategy – this is subject to other Councils matching the request and a suitable action plan being approved. Budget request £20,000 (propose funding from unallocated New Homes Bonus).

Environment and Place

- Waste Management – Undertake a fundamental review of the District's Waste Collection Services, embedding the principles of the circular economy into our activities and consider innovative ways of reducing, reusing and recycling the waste. Identify new collection systems and

technologies that actively encourages residents to recycle more of their waste whilst reducing the size of residual waste bins and/or frequency of residual waste collections service. Budget request for £100,000 (propose funding from Corporate Improvement earmarked reserve);

Finance and Performance Management

- Town/Parish Councils –proposal to allocate a proportion of the estimated surplus on the Council Tax Collection Fund from 2019/20, of £155,120, to the Town/Parish Councils. The proportion payable to the Town/Parish Councils is £29,450 and is for 2020/21 only. A schedule of the proposed allocation to each parish and town council is provided at Appendix A. This proposal was considered by the Cabinet on 2nd December with a recommendation to Full Council on 16th December 2019.
- Governance – Legal Services – Case Management System is no longer supported by the supplier, propose to review and either upgrade existing system or purchase new system. Budget request of £8,000;

Planning

- Sustainable Development – Infrastructure Project Officer – the role will provide an infrastructure lead for the local authority, working with partners and stakeholders both internally and externally to provide a single liaison point working across a whole of the Growth Directorate. The role would be the lead BDC officer for national highway improvement schemes such as the A120 and A12 as well as smaller community infrastructure schemes with improvements and contributions secured through S106 contributions. Budget request £47,000 propose funding from the Housing Development and Local Plan Growth Reserve; and
- Housing Development and Local Plan Growth – It is proposed that a provision of £500,000 be allocated to the Housing Development and Local Plan Growth reserve. The reserve was established in the current year to meet the costs associated with the delivery of housing growth in the District as required in the Local Plan. An allocation of £350,000 from the reserve was agreed in September for phased drawdowns to the North Essex Garden Communities Ltd following formal requests by way of a NEGC Board resolution in accordance with the agreed milestones. It is proposed that funding be allocated from the unallocated New Homes Bonus.

8.4 The proposed funding arrangements for the one-off requests are summarised in the table below:

	Council Tax Collection Fund Surplus	General Fund Unallocated Balance	Housing Development and Local Plan Growth Reserve	Corporate Improvement earmarked reserve	Unallocated New Homes Bonus Balance
Town Hall – Upgrade CCTV system		£6,000			
Economic Development - NE Economic Growth strategy					£20,000

Review of waste collection				£50,000 per annum for two years	
Town/Parish Councils – share of collection fund surplus	£29,450				
Legal Services – Case Management System		£8,000			
Infrastructure Project Officer			£47,000 per annum for three years		
Addition to Housing Development and Local Plan Growth					£500,000

9. Cost Reduction/Additional Income Proposals

9.1 At the meeting of Cabinet on 9th September it was noted that Senior Managers were in the process of reviewing their service budgets to identify possible cost reductions and/or additional income generation, in particular with reference to the projected outturn for the current year.

9.2 The review of service budgets has identified budget adjustments with a total of £553,330. These have been agreed by Management Board as they do not have a direct impact on customers or service delivery.

9.3 A summary of the adjustments is provided in the table below:

Cabinet Portfolio	Business Plan	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Corporate Transformation	Asset Management	33.61	0.86	24.35	
	Marketing & Communications	20.00			
Environment & Place	Operations	55.00			
Finance & Performance Management	Finance	344.72	-71.00	55.00	24.00
	Human Resources	10.00			
	Governance	50.00			
Planning	Sustainable Development	40.00			
	Totals	**553.33**	**-70.14**	**79.35**	**24.00**

10. Business Rates – Essex Region pooling arrangement

10.1 The Council has participated in an Essex Business Rates Pool since 2015/16. 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. Over the four years, 2015/16 to 2018/19, the Council has received a total of £2.171million from the Essex Pooling arrangements. The Council has agreed to allocate £1.5million of this amount to fund the I-Construct building at Springwood Industrial Estate.

10.2 Fifteen authorities are participating in 2019/20. This includes Essex County Council, the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority, Southend Unitary Authority as well as all twelve district councils.

10.3 Whilst final shares for 2019/20 will not be determined until early October 2020 it is anticipated that the Council could receive approximately £634,000. No 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 also the arrangements are offered for a single year at a time by the MHCLG.

10.4 On 17th September 2019 the MHCLG wrote to the lead authority of each current Pool with an invitation to indicate the preferred pooling arrangements for 2020/21. All of the member authorities of the current Essex Pool have confirmed their willingness for the Pool to continue. The Cabinet Member for Finance and Performance Management agreed this Council's continued participation under delegated authority agreed by Cabinet on 9th September 2019. Based on the average share received/anticipated the Council could receive an additional amount of business rates of approximately £560,000 for 2020/21.

11. Business Rates Retention Scheme and Business Rate Taxbase

11.1 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.

11.2 The baseline figure currently assumed for 2020/21 is £3,496,215. The actual baseline figure will be included in the Local Government Finance Settlement.

11.3 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 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 from the Essex Pool.

11.4 The final determination of the Business Rates Taxbase for 2020/21 will be agreed by the Corporate Director (Finance) under delegated authority prior to the deadline of 31st January 2020. 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.

11.5 The estimated figure for Business Rates retained in 2020/21 is £4,946,980.

11.6 The estimate of Retained Business Rates for 2021/22 onwards includes a 2% uplift to reflect an anticipated increase in the Rating Multiplier. However, the position for 2021/22 onwards is very difficult to predict as the Government continues to work with Local Government representatives on the Fair Funding Review, which will result in a resetting of the Business Rates Retained Baseline for each authority and also the introduction of the proposed 75%

Business Rate Retention scheme which has been delayed from 2020/21 to 2021/22.

11.7 One of the key issues regarding the new 75% Business Rate Retention scheme for this Council will be the amount of growth in business rates, above the baseline, which the Council will be able to retain. Since 2013, this has built up annually and is estimated to be £1.451million for 2020/21 and is included in the base budget.

11.8 The estimated balance on the Business Rates Collection Fund as at 31st March 2020 is a surplus of £472,387. The proportion attributable to this Council is £188,955 and this is included in the Finance Profile. As the position can vary both in year and between years it is proposed that this surplus is transferred to the Business Rates Retention Reserve. This reserve is held to equalise variations on the Business Rates Collection Fund between years.

12. Local Council Tax Support Scheme

12.1 The Council has operated a Local Council Tax Support (LCTS) scheme since 1st 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% (reduced from 80% for 2015/16) 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 is set at National Living Wage; and
- Removal of the Family Premium for new claims after 1st May 2016.

12.2 Support given to claimants of pensionable age continues to be calculated using the rules as existed under the former Council Tax Benefit scheme.

12.3 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 2019/20 this was estimated to be

£7.104million. The variation between the actual and estimated amount awarded is reflected in the balance on the Council Tax Collection Fund at the year-end.

12.4 A snap shot of the number of claims, split between claimants of working age and pensioners, and the respective value of LCTS awarded for the year as at 1st October 2019 is provided in the table below:

	Pensioners		Working Age		Totals
	£		£		£
Local Council Tax Support awarded	3,858,319	55.79%	3,057,909	44.21%	6,916,228
Number of awards	3,894	45.14%	4,732	54.86%	8,626

12.5 If any changes to the scheme are proposed then these must be subject of consultation for a minimum of six weeks.

12.6 A change in the level of council tax liability on which LCTS awards are based from 80% to 76% was introduced for 2016/17 and was made with reference to the Council's financial position over the medium-term and with the aim to limit the frequency of changes thereby providing a degree of stability and continuity in the scheme for claimants.

12.7 An analysis of the council tax accounts of working age claimants and specifically the recovery stages shows that the number of requests made for an attachment to benefit as a method of recovering outstanding arrears rose from 271 in 2015/16 to 464 in 2017/18. The weekly amount recovered from ongoing benefit is set nationally (currently £3.70 per week) and only one attachment to benefit can be applied at a time and therefore attachments for subsequent year's council tax are held as 'pending'. At the end of 2018/19 517 requests for an attachment to benefit were 'pending' and in the current year to 1st October 371 requests are held as 'pending'.

12.8 Taking the above into consideration it is proposed to leave the existing scheme unchanged. As no changes are proposed to the Council's LCTS scheme for 2020/21 there is therefore no requirement for consultation.

13. Council Tax – Collection Fund – Surplus/Deficit

13.1 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 on 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 for Policing & Community Safety and for Fire and Rescue Authority.

13.2 It is estimated that the balance on the Collection Fund available for distribution is a surplus of £1,229,000. The surplus will be allocated to:

- Essex County Council – £888,303
- Braintree District Council – £155,120
- Essex Police, Fire and Crime Commissioner– Policing & Community Safety – £134,919
- Essex Police, Fire and Crime Commissioner – Fire and Rescue Authority – £50,658

13.3 This Council's proportion of the council tax surplus, to be returned to council taxpayers in 2020/21 is £155,120. It is proposed that £29,450 of this surplus is allocated to town and parish councils in 2020/21 (see section 8.3 above). This compares to the surplus returned to council taxpayers of £113,625 in 2019/20 (of which £21,040 was returned via payments to the town and parish councils).

14. Council Taxbase

14.1 The Council's taxbase for 2020/21 is required to be calculated as at 30th November 2019 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 2020/21 is estimated to be 53,046 (increase of 1% over 2019/20 taxbase) and is based on an assessment undertaken as at 11th September 2019 required by the Government.

14.2 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.

14.3 The Council has exercised its discretionary powers to set the discounts/premia for empty properties and second homes.

14.4 The current levels of these discounts are as follows:

- Properties undergoing extensive repair – 0% discount for twelve months;
- Properties unfurnished – 0% discount for 6 months;
- Second homes – 0% discount;

At this time it is not proposed to vary any of these levels for 2020/21.

14.5 The current level of premia on long-term empty properties is as follows:

- Properties which have been unoccupied and substantially unfurnished for two years or more – 100% premium.

With the following changes agreed for the following two years, as permitted under the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018:

- From 1st April 2020, Empty Homes Premiums of:
  - 100% will be applied, in addition to the full (100%) charge, for all premises which has been unoccupied and substantially unfurnished (empty) for a period of less than 5 years: and
  - 200% if the period is at least 5 years on or after 1st April 2020

- From 1st April 2021, Empty Homes Premiums of:
  - 100% will be applied, in addition to the full (100%) charge, for all premises which has been unoccupied and substantially unfurnished (empty) for a period of less than 5 years;
  - 200% if the period is at least 5 years but less than 10 years; and
  - 300% if the period is at least 10 years on or after 1st April 2021.

As an incentive when a property is brought back into use and occupied a refund of the new premium charged (i.e. the amount above 50%) for the previous 12 months will be made.

14.6 An analysis of the 219 properties that are currently being charged the 100% premium shows that 114 will be liable for the 200% premium from 1st April 2020 and that from 1st April 2021 83 will be liable for the 300% premium and 47 liable for the 200% premium. It is noted that 51 of the 219 properties are in Finchingfield and are owned by the Ministry of Defence.

14.7 It is proposed to maintain the allowance for losses on collection at 1% for 2020/21.

14.8 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.

14.9 Discussions are currently being held with other Essex billing authorities and Essex County Council regarding the potential introduction of a council tax exemption for care leavers, aged 24 and under, from 1st April 2020. This exemption is currently only applicable in Wales but can be introduced under discretionary powers. If a proposal is agreed in principle by all Essex billing authorities then this will be presented for consideration in the report to Cabinet and Full Council in February 2020.

14.10 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 2021/22 onwards. This provides estimated council taxbases of 53,842, 54,650 and 55,470 in 2021/22 to 2023/24 respectively.

15. Council Tax Levels and Referendums

15.1 **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 2019/20 was set at the higher of 3% or up to and including £5. The Government proposes, in the technical consultation paper on the 2020/21 Local Government Finance Settlement, a core threshold of 2% but has posed a question as to whether an exception should be made for district councils with a threshold of 2% of £5 whichever is the higher. An increase of £4.95 on this Council's Band D for 2020/21 would equate to a percentage increase of 2.75%.

15.2 With regard to the Referendum limit and town/parish councils the Government has stated, in the technical consultation paper on the 2020/21 Local Government Finance Settlement, the following:

'*In 2018/19, the Government announced it did not intend to set referendum principles for town and parish councils for three years. This period ends in 2020/21.*

This was contingent on:

- *the sector taking all available steps to mitigate the need for council tax increases, including the use of reserves where they are not already earmarked for other uses or through "invest to save" projects which are intended to lower on-going costs; and*
- *the Government seeing clear evidence of restraint in the increases set by the sector.*

In 2019-20 the average Band D parish precept is £67.18, an increase of 4.9%. This is the same percentage increase as in 2018/19 and compares to an increase of 6.3% in 2015-16. The Government remains concerned about the pressure placed on taxpayers from thousands of town and parish councils across England and expects them to exercise even greater restraint in 2020/21.

On this basis, the Government proposes to continue with no referendum principles for town and parish councils in 2020/21 but will keep this matter under active review for future years'.

15.3 **Council Tax Levels**. As the Government's proposed referendum limit for 2020/21 is 2%, with the exception for district councils, of 2% or £5 whichever is higher, being subject to consultation, it is considered appropriate to limit increases in the Financial Profile to the 2% maximum. The increases in the level of council tax provided in the Finance Profile for 2020/21 to 2023/24 for planning purposes are:

- 2020/21 – 1.95% providing a Band D level of £183.24;
- 2021/22 – 1.96% providing a Band D level of £186.84;
- 2022/23 – 1.97% providing a Band D level of £190.53;
- 2023/24 – 1.98% providing a Band D level of £194.31.

16. Financial Profile 2020/21 to 2023/24

16.1 An updated Financial Profile for 2020/21 to 2023/24 taking account of the proposed savings and revised assumptions is provided at Appendix B.

16.2 In summary the updated financial profile 2020/21 to 2023/24 shows:

2020/21 – addition to Balances of £5,414;
2021/22* – shortfall of £629,702;
2022/23* – shortfall of £82,521; and
2023/24* – shortfall of £327,520.

Note: these years are after the single-year Finance Settlement and are likely to be subject to significant changes due to the Fair Funding Review and the Government's decision regarding the proposed new 75% Business Rates Retention scheme and also the 2020 Spending Review.*

16.3 The position for 2020/21 will be updated following receipt of the Settlement Funding Assessment.

16.4 The approach to address the anticipated budget shortfalls over the period of the MTFS will be the continuation of the workstreams under the Better at Business of:

- Maximising value from third party spend;
- Increasing income including from investments;
- Service efficiency; and
- Contract management

16.5 In addition, a cross-disciplinary project team has recently been created to support heads of service reviewing their services. The team, under the direction of the relevant head of service, will apply a structured approach designed to provide consistency to the process while reducing the resource impact to each service. The project team will identify the right tools to meet the specific challenges of each area and will work with service team members to ensure an understanding of:

- Customer expectations and how they are met
- Whether the current demand for the service is resourced appropriately, and if there are opportunities to create efficiencies in the current delivery model?
- Whether the service could be delivered collaboratively with other departments or other organisations?
- How technology could play a greater part in delivery of services? and
- Whether smarter working could be effectively used?

The information collected will then be analysed, with the project team and potential cost savings which could be achieved.

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

17. Balances and Reserves

17.1 The Unallocated General Fund balance as at 31st March 2019 was £5.787million.

Agreed and anticipated movements on the balances are:

	£'000
General Fund	
Planned addition to balances in setting 19/20 Budget	128
Anticipated surplus in 2019/20 (based on Q2)	715
Planned repayment re Pension Deficit	1,411
Planned use to meet one-off expenditure in 2019/20	(622)
Estimated Balance as at 31st March 2020	**7,419**

17.2 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 31st March 2019 was £22.625million, analysed in summary for the following purposes:

	£'000
Capital Investment	13,121
Risk Management	4,288
Service Reserves	4,956
Change Management	260
Total	**22,625**

17.3 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 10th February 2020.

18. Financial Resilience

18.1 The initial budget proposals include estimates of income receivable from a variety of sources to finance the cost of delivering the Council's services in 2020/21. The total estimated income, excluding Housing Benefit Subsidy, is £31.48million. It is important to have an understanding of the level of reliance on each of these different sources. A breakdown of the sources is provided below:

- Council Tax - £9.72million (30.9%)

- Sales, fees and charges - £6.21million (19.7%)
- Retained Business Rates - £5.14million (16.3%)
- Rents - £3.47million (11.0%)
- Other grants and reimbursements - £2.59million (8.2%)
- Joint financing contributions – £1.91million (6.1%)
- Interest – £1.07million (3.4%)
- Government grants – £0.76million (2.4%)
- Miscellaneous – £0.61million (2.0%)
- Revenue Support Grant - Nil

18.2 The summary shows that council tax is the largest revenue source, £9.72million (30.9%), and this is considered the most stable of the revenue sources.

18.3 The second and third largest sources are sales, fees and charges (£6.21million or 19.7%) and Retained Business Rates (£5.14million or 16.3%). Fees and charges are relatively stable as the Council sets the majority of the levels and these are directly linked to service delivery. Retained business rates has also been a relatively stable source over recent years however the Government's proposed introduction of a 75% Business Rates Retention scheme for 2021/22 together with the resetting of the baseline and the potential loss of the element of growth currently retained means that 28% of this source is at risk. Whilst at this time, detail of the proposed scheme and the outcomes of the Fair Funding Review and 2020 Spending Review are unknown there will be consultation before implementation and also transitional arrangements have been promised to phase potentially large reductions over a number of years. In addition the Business Rates Retention Reserve (currently £1.44million) is held to equalise fluctuations in the amount of business rates retained between years.

18.4 Estimated rental income from commercial property is £3.47million (11.0%): this is received in accord with the terms of the leases. Other grants and reimbursements total £2.59million (8.2%): the main items include recycling credits from Essex County Council under the Inter Authority Agreement and the recovery of housing benefit overpayments. Joint financing arrangements £1.91million (6.1%) includes arrangements with Essex County Council for a council tax sharing agreement and for the food waste collection service, the latter is also undertaken through the Inter Authority Agreement. Interest earned from investments is estimated to be £1.07million (3.4%) and whilst this is subject to fluctuations in the global equity and money markets and UK property market a specific reserve (currently £985,400) is held to manage fluctuations in interest received against budget.

19. New Homes Bonus

19.1 The Government outlined its proposed approach to the New Homes Bonus scheme for 2020/21 in the technical consultation paper on the 2020/21 Local Government Finance Settlement, as follows:

19.1.1 '*As part of our roll-forward settlement the Government proposes to retain the £900million top-slice of Revenue Support Grant to fund New Homes Bonus payments in 2020/21. In addition to funding legacy payments associated with*

previous allocations, the Government is minded to make a new round of allocations for 2020/21.

19.1.2 *New Homes Bonus calculations are based on additional housing stock reported through council tax base statistics published in November. For any new allocations made in 2020/21 the Government will retain the option of adjusting the baseline in 2020/21 to reflect significant additional housing growth and spending limits. The Government will set out proposals on the baseline for 2020/21 at the provisional settlement alongside any new allocations. Any funding intended for New Homes Bonus payments in 2020/21 that is not used for this purpose will be returned to local government*.

19.1.3 *It is the Government's intention to look again at the New Homes Bonus and explore the most effective way to incentivise housing growth. We will consult widely on proposals prior to implementation. As the roll forward is for one year, with any funding beyond 2020/21 subject to the 2020 Spending Review and potential new proposals, any new allocations in 2020/21 will not result in legacy payments being made in subsequent years on those allocations'.*

19.2 The net increase of dwellings in the District, expressed as Band D equivalent, between October 2019 and October 2018 is 459, an increase of 0.75%. If the Government maintains the baseline at 0.4% then the Council will receive NHB on 214 dwellings for 2020/21.

19.3 Whilst a decision on the scheme baseline for 2020/21 will be included with the Funding Settlement Assessment the table below shows a summary of the monies received up to 31st March 2020 together with allocations agreed and the balance currently unallocated. 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 then to 4 years:

New Homes Bonus Summary - 2011/12 to 2020/21

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
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	680.5		2,722.1
Year 7 (2017/18)							328.7	328.7	328.7	328.7	1,314.8
Year 8 (2018/19)								16.2	16.2	16.2	48.6
Year 9 (2019/20)									224.7	224.7	449.4
Year 10 (2020/21)										?	?
Total receivable in Year	**509.0**	**981.6**	**1,587.6**	**1,854.5**	**2,101.6**	**2,782.1**	**2,129.2**	**1,272.5**	**1,250.1**	**569.6**	**15,037.9**
Less:											
Allocations Agreed	79.0	79.0	66.4	32.3	99.7	95.7	70.0	70.0	70.0	70.0	732.1
Economic Development & Project Delivery							144.8	144.8	144.8	144.8	579.2
Allocated to District Investment	430.0	152.6	1,521.2	1,822.2	2,001.9	2,072.1					8,000.0
Allocated for Affordable Homes		750.0									750.0
Garden Communities						250.0	250.0	100.0			600.0
Grow-on Units, Springwood							86.8				86.8
Broadband						250.0		356.0			606.0
Premdor site - feasibility								80.0			80.0
Housing Development & Local Plan									500.0		500.0
Strategic Investment Team								1,991.2			1,991.2
Resource Available	**0.0**	**0.0**	**- 0.0**	**0.0**	**- 0.0**	**114.3**	**1,577.6**	**- 1,469.5**	**535.3**	**354.8**	**1,112.6**

20. Capital Programme and Resources

20.1 Details of the proposed capital projects are provided in the schedule at Appendix C. The total value of the projects in 2020/21 is £2,746,750 and £80,000 in 2021/22.

20.2 The schedule also includes anticipated requirements of £1,031,000 for Housing Services and £950,000 for Other Services in each of the years 2021/22 to 2023/24.

20.3 A summary of the capital resources and capital programme for 2019/20 to 2023/24 is provided below:

Capital Summary 2019/20 to 2024/25							
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Provisions
	£m	£m	£m	£m	£m	£m	£m
Capital Resources							
B/fwd	18.561	18.455	11.920	15.539	14.386	14.629	14.872
Anticipated capital receipts	4.994	14.017	7.095	6.196	4.711	4.711	1.070
Capital grants & contributions	1.722	1.862	0.931	0.931	0.931	0.931	
Earmarked reserves	1.361	7.833	0	0	0	0	
Borrowing (internal/ external)	3.227	9.471	4.874	-3.211	-3.211	-3.211	
Total Resources	**29.865**	**51.638**	**24.820**	**19.455**	**16.817**	**17.060**	**15.942**
Capital Programme							
Approved programme:							
Housing	1.348	1.036	0	0	0	0	
Other Services	2.683	1.029	0.050	0	0	0	0.636
Strategic Investments	7.006	32.014	6.332	0	0	0	
Capital salaries	0.373	0.400	0.228	0.207	0.207	0.207	
Proposed/ bids							
Housing		0.931					
Other Services		1.816	0.080				
Anticipated (incl. recurring items)							
Housing			1.031	1.031	1.031	1.031	
Other Services			0.950	0.950	0.950	0.950	
Strategic Investments		2.492	0.610	2.881	0.000	0.000	4.471
Total Expenditure	**11.410**	**39.718**	**9.281**	**5.069**	**2.188**	**2.188**	**5.107**
C/fwd	**18.455**	**11.920**	**15.539**	**14.386**	**14.629**	**14.872**	**10.835**

20.4 It should be noted that the majority of the anticipated balance of resources of £10.835million at the end of 2024/25 (and after allowing for provisions) is dependent on income from planned sales of a number of assets being received, these include: land east of High Street, Halstead; land off Maldon Road, Witham; serviced plots on Horizon 120; a number of small housing sites and residential properties on the Manor Street Development.

20.5 The Leader of the Council requested that all councillors have an opportunity to identify any local capital projects that they would like to see included in the Council's Capital Programme for 2020/21. All councillors were duly emailed on 10th October. A small number of councillors sought clarification on eligibility for projects in their areas but unfortunately these related to assets that were either not owned by or not the responsibility of this Council.

20.6 Two requests/endorsements were received as follows:

- Councillor Mann – support for a programme of works to Bocking Windmill which had been presented to a recent meeting of the Bocking Windmill volunteers and to seek assurance that the timescale of works of 2020/21 to 2025/26 would not slip. The proposed capital programme at Appendix C includes a bid for repairs and maintenance

works identified in a conditions survey of the Council's assets (item 7) and this includes an estimate of £54,500 for all of the works identified for Bocking Windmill to be undertaken in 2020/21.

- Councillors Mrs Sandum and Thorogood – request consideration of the purchase of an Environmentally Friendly Weedkiller System - Foamstream Equipment, which could be used principally by this Council but also be hired to parish councils. The smallest size equipment costs £19,000 which is not affordable by Kelvedon Parish Council. It is proposed that this request is considered as part of the current review into the Council's weed killing approach and practices requested by the Cabinet Member for Environment and Place.

21. Long-Term Investments – Garden Communities

21.1 Feasibility work continues in respect of the Garden Communities an opportunity which would have significant impacts, both cost and reward, on the Council's finances over the long-term i.e. thirty years plus.

21.2 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.

21.3 At present each of the four councils has agreed contributions totalling £950,000 toward the cost of the development of the North Essex Garden Communities project. This Council agreed to fund its contribution from New Homes Bonus.

21.4 Cabinet considered and agreed the 2019/20 Interim Business Plan and Budget of North Essex Garden Communities Ltd at its meeting on 9th September 2019. The report highlighted that assuming the Local Plans, for the authorities, are approved, and then adopted, additional funding in the range of £16m to £20m will be required over the subsequent two years in order to progress master planning, preparation for land acquisitions and set-up the preferred delivery vehicle.

21.5 It is noted that securitised external finance will be sought, however, it is recognised that funding options may be limited until infrastructure is developed which will provide an asset that can be used to underwrite the financial risk. In a worse-case scenario, if no external funding were to be secured in the two year period to 2021/22, the four authorities would need to fund the full estimated cost of between £16m and £20m. A report in respect of funding requirements and financing options for this medium-term will be presented at a future Cabinet meeting.

Allocation of the estimated Surplus on the Council Tax Collection Fund as at 31st March 2020

Parish/Town Council	Precept 2019/20 £	Allocation £
Alphamstone and Lamarsh	4,179	**56**
Ashen	4,584	**61**
Belchamp Otten	1,000	**13**
Belchamp St Paul	3,000	**40**
Belchamp Walter	5,315	**71**
Birdbrook	13,685	**182**
Black Notley	48,000	**639**
Borley	1,289	**17**
Bradwell	7,965	**106**
Bulmer	9,782	**130**
Bures Hamlet	28,817	**384**
Castle Hedingham	26,684	**355**
Coggeshall	161,923	**2,155**
Colne Engaine	24,364	**324**
Cressing	38,136	**508**
Earls Colne	87,287	**1,162**
Feering	54,206	**722**
Finchingfield	42,133	**561**
Foxearth and Liston	6,791	**90**
Gestingthorpe	7,500	**100**
Gosfield	34,019	**453**
Great Bardfield	37,499	**499**
Great Maplestead	5,804	**77**
Great Notley	87,269	**1,162**
Great Yeldham	44,631	**594**
Greenstead Green	9,046	**120**
Halstead	179,014	**2,383**
Hatfield Peverel	61,849	**823**
Helions Bumpstead	14,580	**194**
Hennys, Middleton & Twinstead	4,991	**66**
Kelvedon	108,072	**1,439**
Little Maplestead	3,778	**50**
Little Yeldham, Tilbury Juxta Clare & Ovington	5,700	**76**
Panfield	16,472	**219**
Pebmarsh	8,525	**113**
Pentlow	5,000	**67**
Rayne	42,396	**564**
Ridgewell	17,628	**235**
Rivenhall	11,500	**153**
Shalford	19,600	**261**
Sible Hedingham	105,854	**1,409**
Silver End	72,000	**958**
Stambourne	8,222	**109**
Steeple Bumpstead	42,350	**564**
Stisted	12,460	**166**
Sturmer	7,907	**105**
Terling & Fairstead	21,148	**282**
The Salings	9,700	**129**
Toppesfield	16,300	**217**
Wethersfield	29,180	**388**
White Colne	11,339	**151**
White Notley and Faulkbourne	13,500	**180**

APPENDIX A

Allocation of the estimated Surplus on the Council Tax Collection Fund as at 31st March 2020

Parish/Town Council	Precept 2019/20 £	Allocation £
Wickham St Paul	11,160	**149**
Witham	557,278	**7,419**
Total		**29,450**

General Fund Revenue Profile 2019/20 to 2023/24

APPENDIX B

	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£
Base Budget brought forward from previous year	12,419,820	14,189,390	17,311,000	14,373,098	14,747,047
Inflation:					
Pay - annual award and incremental progression	517,720	429,090	454,840	451,420	414,470
Other Expenditure Inflation	109,510	119,930	111,780	126,060	129,630
Income Inflation	0	0	0	0	0
Pension Fund adjustments (added years)	14,770	11,970	12,840	13,100	13,360
Pension Fund Deficit - Triennial payment adjustment					
Base Budget provision		1,600,700	-2,468,310		956,580
Increase to allow one-off payment in year to Pension Fund		867,610			
Increase in Employer pension contributions (from 16.5% to 20.3%)		482,110	10,980	11,240	8,910
New Demands:					
Allowance for Reduced Income/Increased costs previously profiled	1,073,000	67,460	104,500	0	
Priority Investment - one-off provision	1,245,500	-1,050,000	-188,500	-2,000	
New Budget Pressures - add to base budget		514,000	179,930	0	90,000
New Budget Pressures - one-off provision		660,450	-563,450	-50,000	-47,000
Reductions:					
Savings/Additional Income agreed previously profiled	-1,190,930	-28,380	-32,950	-14,000	
New Savings/Additional Income - Management		-553,330	70,140	-79,350	-24,000
Ongoing net change in income/expenditure identified in 2017/18					
New Savings/Additional Income - Members		0	0	0	0
Additional Savings Required	**0**	**0**	**-629,702**	**-82,521**	**-327,520**
Updated Base Budget	**14,189,390**	**17,311,000**	**14,373,098**	**14,747,047**	**15,961,477**
Addition to Balances - Base budget	127,947	5,414			
Use of Balances - Pension Fund Deficit - Triennial payment adjustment	1,410,890	-1,645,540	822,770	822,770	
Contribution from Balances for one-off New Investment	-622,000	-136,000			
Contribution from-/to+ Earmarked reserves	-566,466	-501,545	-97,000	-47,000	
Budget Requirement	**14,539,761**	**15,033,329**	**15,098,868**	**15,522,817**	**15,961,477**
Government Grant - Revenue Support Grant					
Retained Business Rates - Baseline amount	-3,431,026	-3,496,215	-3,566,139	-3,637,462	-3,710,211
- Growth above baseline	-1,423,714	-1,450,765	-1,450,765	-1,450,765	-1,450,765
Transition and Rural Services grants and returned funding	-22,125	-22,125	-22,125	-22,125	-22,125
Levy Account Adjustment (2019/20 only)	-52,638				
Collection Fund Balance - Business Rates (Surplus-)/Deficit+	-57,034	-188,955			
Collection Fund Balance - Council Tax (Surplus-)/Defict+	-113,625	-155,120			
BDC Requirement from Council Taxpayers	**9,439,599**	**9,720,149**	**10,059,839**	**10,412,465**	**10,778,376**
Tax base (+1.5% for 2021/22 onwards and collection rate of 99%)	52,521	53,046	53,842	54,650	55,470
Council Tax (Band D)	£179.73	£183.24	£186.84	£190.53	£194.31
Council Tax per week	£3.46	£3.52	£3.59	£3.66	£3.74
Percentage Increase	**2.99%**	**1.95%**	**1.96%**	**1.97%**	**1.98%**
Increase per week	£0.30	£0.06	£0.07	£0.07	£0.08

Requests for Capital Funding 2020-21

APPENDIX C

Date Produced: 6th October 2019

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost (gross of external funding)				External Funding
					2020/21	2021/22	2022/23	2023/24	
1	Health & Wellbeing	**Resurfacing of the 3G Artificial Grass Pitch at Braintree Sports & Health Club** Remove existing artificial grass surface and replace with 3G 60mm FIFA Quality carpet.	The current 3G AGP surface is now over 10 years old and has significant footfall from community use in the evenings and weekends and also for school curricular use. The carpet is now in need of replacement as the seams are starting to rise, creating a trip hazard. Significant repairs have been made in the last 18months costing Fusion and the Academy over £13k.	• Improved playing surface that is safe and fit for use for all bookings and the Academies curricular use. • Increased revenue for the facility through affiliated match use especially at weekends during the winter months when grass pitches are un-playable • Support the Council to meet the demand for football pitches able to accommodate match day fixtures as highlighted in the FA's football facility strategy	260,000				
2	Health & Wellbeing	**Hammer and Discus Cage Adaptations, Braintree Athletic Facility, Braintree Sport & Health Club**	The Hammer & Discus Cage at Braintree Sports & Health Athletic facility is over 25 years old and is in need of essential refurbishment to ensure the Braintree & District Athletics Club (BDAC), the primary user, can continue to develop and compete in the eastern region league. Following a potentially serious incident at another venue, UK Athletics has introduced a new specification for all hammer and discus cages. For the cage to be used it MUST be replaced or modified to meet IAAF specification.	• BDAC can continue to have a throws section within the club • BDAC can continue to host UKA eastern region competition • Improved facilities for club training and athlete development	15,000	-			
3	Health & Wellbeing	**Athletics Track Surface Refurbishment, Braintree Sport & Health Club** Repair and refurbishment of the track to include repairs to the cracks in the surface, over-spraying the inside lane and the main straight and re-marking the track.	The Braintree Athletic track facility at Braintree Sport & Health Club is over 25 years old and is in need of essential refurbishment to ensure the Braintree & District Athletics Club, the primary user, can continue to develop and compete in the eastern region league. To do this, the track facility needs to meet "Trackman Level 2 standard" as part of the "UK Athletics facility standard scheme".	• Ensures the track meets Trackman Level 2 accreditation so BDAC can continue to host Eastern region fixtures which brings important revenue to both the club and Fusion • Improves Health & Safety and ensures pay & play and other casual club use of the track can continue • Ensures continued use of the track for schools District Sports events	35,000				
4	Corporate Transformation	**Server Room Review and Feasibility Study** (Consultants Fees) Conduct review of server room and infrastructure to identify whether to upgrade or move to Cloud. Implement recommendations in 2021/22.	The Council has a number of physical servers located in the server room at Causeway House. Some of these have been upgraded but there are 8 which will go End of Life (EOL) in August 2021 and the 4 hosts that constitute the computing virtual environment go EOL in June 2021.	• More efficient computing capacity and throughput	10,000	80,000			

Requests for Capital Funding 2020-21

APPENDIX C

Date Produced: 6th October 2019

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost (gross of external funding)				External Funding
					2020/21	2021/22	2022/23	2023/24	
5	Environment & Place	**CCTV Camera Upgrade** Replace the obsolete CCTV cameras, replace analogue cameras with digital ones where appropriate and upgrade the fibre-optic links.	BDC have a number of CCTV cameras located in Braintree Town Centre, Halstead Town Centre and Causeway House. Some of these cameras have been in place since the installation of CCTV in the council. A number of the older cameras are now starting to fail and some of them are irreparable as there no spare parts for them. They have reached End of Life (EOL) status. Technology has also moved on and modern cameras use digital technology instead of analogue giving improved imaging thereby making the CCTV more effective and useful to the authorities.	• Improved CCTV images • More effective policing • Improved perception of safety and security in the District	30,000				
6	Corporate Transformation	**Digital Services** Upgrading Web platform.	Web accessibility regulations from September 2020. Current platform cannot meet new regulation requirements. Upgrading will provide more functionality to accommodate new requirements.	Future proof platform. Ensure Accessibility Regulations are met.	60,000				
7	Corporate Transformation	**Planned Maintenance of Council Properties 2020/21** The annual investment required to maintain those properties owned, leased and managed by the Council where the Council has a repairing obligation.	The Council reviews and updates the condition surveys relating to those properties where it has a repairing obligation by the 31st August each year. These surveys identify the priority planned maintenance works required to be carried out in following financial year. The identified 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.	• Sustain and improve the rental income achieved from the Council's property investment portfolio to support the delivery of Council services. Income levels can be compared year on year. • Ensure that income is maximised to help reduce the Council's revenue deficit and contribute to the corporate target to be financially self-sufficient by 2020. • Prevent the build-up of a significant level of backlog maintenance in the future which the Council may not be able to afford to fund. This could result in buildings deteriorating and not being fit for purpose, negatively impact on service delivery and lead to a loss of income.	578,750	410,000	410,000	410,000	
8	Corporate Transformation	**Computer Equipment** 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	
9	Environment & Place	**Housing Renovation Grant**	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 adaptions to a property, offer the occupier a relocation grant to enable them to move to a more suitable (adapted) property. Balance of funding available to meet demand in 2020/21,	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.	-	100,000	100,000	100,000	

Requests for Capital Funding 2020-21

APPENDIX C

Date Produced: 6th October 2019

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost (gross of external funding)				External Funding
					2020/21	2021/22	2022/23	2023/24	
10	Environment & Place	**Disabled Facilities Grant** (Better Care Grant funded)	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.	931,000	931,000	931,000	931,000	-£931,000 Better Care Fund p.a. (Based on 2019/20 allocation)
11	Environment & Place	**New footpath & re-surfacing to the rear of Rivenhall Village Hall** To improve accessibility to community facilities through the construction of a formal footpath linking Albert Moss car park to the Village Hall and playing fields in Rivenhall.	The Rivenhall Playing Fields Association (RPFA) have requested that the Council improves the access from Albert Moss Playing Field car park to Rivenhall Village Hall car park which is located on BDC land. The village hall was transferred to the RPFA a number of years ago, however, the Council retained ownership of the adjoining open space including the access. The existing access is a well-used informal track which is not suitable for elderly and disabled users and really needs to be upgraded. The RPFA and Rivenhall Parish Council and Councillor James Abbott (through his Community Grant) have agreed to offer funding which means that 50% the cost of the new pathway would be met. This bid is for the remaining 50% of the cost.	• The open space is much valued and the provision of a formal footpath would bring significant benefit to the local community including those with disabilities. • It would reduce the risk of personal injury to users of the existing track from trips and falls and thus potential claims to the Council. • It will enhance the open space by facilitating easier access and improving the aesthetics of the local area.	30,000				- 15,000
12	Environment & Place	**Protection of Public Open Spaces** (Illegal encampments) To date, some 19 open spaces have been protected through the use of either knee rail fencing or earth bunds and a further 4 sites have been identified as vulnerable: • Wentworth Crescent, Braintree • Gershwin Boulevard, Witham • Honeysuckle Way, Witham • Bocking and Blackwater Nature Reserve and Open Space, Braintree	To protect the most vulnerable public open spaces from unauthorised encampments.	• Reduction in damage to the asset and avoidable clearance costs • Reduced inconvenience and disruption for local residents • Maintenance of public open space for its intended purpose	50,000				

Requests for Capital Funding 2020-21

APPENDIX C

Date Produced: 6th October 2019

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost (gross of external funding)				External Funding
					2020/21	2021/22	2022/23	2023/24	
13	Environment & Place	**Play Area Refurbishment** Partial refurbishment/equipment upgrades at the following play area sites: • Albert Moss Recreational Gdns, Rivenhall (installed in 2003). • Bramble Road, Witham (equipment installed in 1997). • Braintree Public Gardens, Braintree (part refurbished in 2009). • Notley Community Hall, Notley Green (equipment installed in 1999).	The Council has 52 play areas around the District. All of the play areas are visually inspected on a monthly basis by trained staff and annually by an independent external assessor. The refurbishment programme ensures a high standard at our play areas for our residents and visitors to enjoy, as well as meeting the health and safety requirements for the equipment.	• Attractive, good quality and safe play equipment will encourage young people to participate in physical activity and thus contribute to their health and wellbeing. • Play areas are regarded as valuable community facilities that contribute to people's quality of life. They form an important part of the open space network in the Braintree District and create a sense of pride in local areas. • Having high quality and well maintained play areas helps to improve the Council's reputation and creditability through securing nationally recognized awards such as National Playing Fields Association, whilst also demonstrating a commitment to maintaining recreational open space for all to enjoy.	80,000				
14	Environment & Place	**Cordon's Farm Waste Transfer Station Resurfacing and Drainage Works** • Reinforcement to the hard standing area located to the left of the Portacabin on entering the site • Widening of the drainage channel that runs across the centre of the site between the Sweepings Bay and the Green Waste Recycling Bay, to allow for an improved flow rate for surface water drainage into the interceptors on site, reducing the risk of flooding.	This work is necessary in order to maintain compliance with the environmental permit issued by the Environment Agency. Improved site drainage and repaired concrete surface area at the site, will also result in: • an improved drainage infrastructure • reduced flooding in front of the green waste bay during wet weather • the ability to accurately record the payloads of green waste leaving the site (currently excess surface water is absorbed by the green waste, making it heavier) • improved quality of green waste (pooling of water in this area causes it to decompose more quickly than if kept dry) • reduced trip hazards on site • improved safety for vehicles manoeuvring, as well as Reversing Assistants and site staff carrying out their duties • improved safety for pedestrians visiting site • physically and aesthetically improve the overall condition of the site • improved safety for road users by not transferring unwanted detritus and debris from the Transfer Station to the public highway and neighbouring businesses. • enhanced professional perception of BDC's operation at this site, as well as the health, safety and wellbeing of visitors, contractors, drivers / loaders and site operatives.	• Maintain compliance with the environmental permit and reduce the risk of any potential accidents in relation to the poor surface area by site staff, contractors and other visitors to the site.	17,000				

Requests for Capital Funding 2020-21

APPENDIX C

Date Produced: 6th October 2019

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost (gross of external funding)				External Funding
					2020/21	2021/22	2022/23	2023/24	
15	Environment & Place	**Depot Refurbishment Works** Refurbish the Male toilets to provide additional facilities at Unit 4 and replace the redundant heating in the area used by front-line operational staff.	The proposal will double existing provision to cater for the increase in male staff based at Unit 4 and visitors. In some periods over the winter the temperature falls below that which is required for the workplace under statutory guidance.	• Meet the employer duty of care for the health, safety and welfare of its staff • Improved working environment and better facilities for staff and visitors to Unit 4 • Improved morale and motivation for male staff	50,000				
16	Environment & Place	**Gardens of Remembrance in our Cemeteries** To provide opportunities for memorials (Infrastructure costs - footpaths, fencing, seating, etc.) within a Garden of Remembrance which will generate ongoing income to the Council.	This is an 'invest to save' project to create Gardens of Remembrance and sell memorial space (either a one-off cost or leased over periods of time e.g. 5-10 years) to relatives or friends of the deceased. It will discourage the sporadic placement of memorials throughout our cemeteries which is difficult to control given the sensitivity of the subject matter	• Enhanced facilities for customers of our Cemeteries Service who will be able to enjoy quiet, peaceful contemplation and reflection in a high quality, well maintained public space. • Invest to Save opportunity for the Council (Income generation from year 2)	50,000	-			
17	Planning	**Purchase & set-up of new software called PlanX to assist with duty Planning** Proposed procurement of PlanX for Development Management, to provide an online self-service system for Customers to check whether they require planning permission for a particular proposal.	Currently a Duty Planning Service is operated on two mornings per week. The Service is resourced by a Planning Officer . The Duty Planner provides informal advice on whether planning permission is required, assistance with the completion of planning application forms and the plans that need to be submitted with a formal application, and general information and advice on national and local planning policy and processes. The Duty Planner does not give a view on the acceptability of the proposal. Customers are instead directed towards the Council's Pre-application service.	Improve the duty planner service for customers. o Customers would be able to resolve many enquiries themselves, 24 hours a day making the service more accessible. o Help customers to understand the process o Reduces the sense of subjectivity behind advice. • Reduce pressure on Planning Officers, allowing more of their time to be focused on the assessment of planning applications and pre-applications. • More consistency and removes the risk of 'human error'. • Provides a clear audit trail for the Customer and the Local Planning Authority.	10,000				
18	Economic Development	**Pedestrianisation of Braintree Town Centre** Pedestrianisation scheme to convert existing highway into a valuable, high-quality and multi-purpose place that would have the flexibility to adapt to the modern needs of locals and visitors.	The surface quality of the High Street is very poor and demands full reconstruction to carriageways, footways and drainage. A bid for funding has been submiited to the Department for Transport 'Challenge Funds'. In addition ECC are in the process of confirming the full extent of their investment. A separate report on the December Cabinet's agenda seeks the use of some of the existing Town Centre Improvement budget and request for an additional sum of £500k. This will meet our contribution to the highway improvements and also deliver a range of public realm enhancements and also extend key elements of the project along Fairfield road outside the Town Hall as well as public realm adjacent to the Museum.	The aim is to increase footfall; increase visitor dwell time; increase the regularity with which people visit; to positively influence spend in the town, improve its value to the community and help it evolve.	500,000				
19		Allowance for bids in future years				500,000	500,000	500,000	
				Totals	**2,746,750**	**2,061,000**	**1,981,000**	**1,981,000**	**- 946,000**

CABINET
18th December 2019

Braintree District Council

Recommendation from the Corporate Governance Group – 24th October 2019 – Treasury Management Mid-Year Report 2019-20	Agenda No: 7b

Portfolio	**Finance and Performance Management**
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:	**Councillor David Bebb, Cabinet Member for Finance and Performance**
Report prepared by:	**Phil Myers, Financial Services Manager**

Background Papers:	**Public Report**
Treasury Management Strategy Statement 2019/20 – approved by Full Council on 25th February 2019 as part of the Council's Budget for 2019/20 Council Budget and Council Tax 2019-20 and Medium-Term Financial Strategy 2019-20 to 2022-23 Report and Minutes of the Corporate Governance Group – 24th October 2019	**Key Decision:**

Members are requested to note that there is an addendum to this report which is set out after the Minute Extract

Minute Extract – Corporate Governance Group – 24th October 2019

17 **TREASURY MANAGEMENT MID-YEAR REPORT 2019-20**

INFORMATION: Consideration was given to a report on the Council's treasury management activities. 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. A key requirement of the Code was that, along with an annual strategy, the Council would also receive at least one mid-year report on its treasury management activities.

It was reported that capital expenditure and financing were forecast to be £11.603m, which represented a £18.738m reduction from what had been estimated originally under the Treasury Management Strategy Statement (TMSS). This slippage was attributed to a number of District Investment Strategy (DIS) projects (such as the Manor Street Regeneration and Horizon 120 projects)

and as such, was largely reflected in the reduced amount of borrowing expected to be required in 2019/20.

Members were advised that the Council's Capital Financing Requirement (CFR) represented a measure of what the Authority could potentially justify for borrowing in order to meet its capital expenditure requirements. As at the end of the financial year, the CFR was expected to be lower than what had originally been predicted under the original TMSS at £14.951m, although this was nonetheless higher than the CFR at the start of the year; this being due to an amount of internal borrowing for the Horizon 120 project. Whilst the CFR was expected to increase, it was not anticipated that this would have an immediate impact on the Minimum Revenue Provision (MRP) charge to revenue as this project was still in the development stage, and it was still expected to generate capital receipts from the sale of serviced land plots. In respect of borrowing and other long-term liabilities, it was reported that there were no changes expected to external borrowing, although finance lease liabilities were expected to reduce in line with contracted annual payments.

With regard to investment activity, investments had averaged £64.403m with a peak of £71.414m for the period 1st April 2019 to 30th September 2019. The current forecast was that investments would average around £60m for the year, which was higher than the amount that had been originally assumed in the TMSS at £41m. It was anticipated that these balances would reduce in the medium-term as the programme for the District Investment Strategy progressed. Two new Money Market Fund (MMF) accounts had also been opened; these were the CCLA Public Sector Deposit Fund and a short-term fund with Federated Prime. It was explained that the accounts were opened as the Council's cash balances were higher in the year and there had, as such, been a need to increase the range of counterparties available. Also, as both of the funds selected were domiciled in the UK, this action was also in line with the advice given by Arlingclose regarding preparing for a potential "no-deal" Brexit, and any subsequent short-term liquidity issues that could arise from non-UK domiciled funds. Members were advised that on 8th October 2019, an additional £1m had been invested in the Kames Diversified Fund, and that a further £1m would be invested in mid-November, subject to the outcome of a further review at that time.

In respect of investment returns, it was stated that the overall return to 30th September 2019 was £681,044, or 2.11%. Dividends from long-term pooled funds were paid quarterly and subject to variation, and up to the end of September, amounts received or declared were £491,766, or 5.45%. The budget for investment income was £996,000 and it was currently expected that this would be overachieved by £157,000 to give a projected income of £1.153m. At the present time, changes in the market value of the Council's long-term pooled fund investments were unrealised and would have no effect on the General Fund revenue account until such time that the investments were sold. As at 30th September 2019, the overall valuation of funds was £19.456m, which represented an unrealised gain of £1.456m.

The Council's investments compared favourably in terms of overall income return, although the total return was lower than the average, and this reflected the recent volatility experienced in equity markets. With regard to non-treasury investments, it was reported that the Council held direct property investments with a market value of £36.303m; these comprised industrial land and units, shops, offices and

other commercial property. For the period 2019/20, the net rental income was expected to be in excess of £2m, which represented a return of approximately 6%. Further income was also generated from non-commercial property, such as through the mixed usage of Causeway House. As at 31st March 2019, the amount outstanding on the Council's loans provided for service reasons was £0.325m. It was explained that a mortgage loan of £0.047m had now been repaid early and a further loan of £0.200m was expected to be repaid in November; this would leave two loans outstanding which were being repaid in monthly instalments.

Lastly, reference was made to the continued volatility in the treasury gilt market, and also the recent action taken by the Government to increase Public Works Loan Board lending rates to local authorities by 1%. It was reported that Arlingclose expected gilt yields to remain at lower levels for the foreseeable future, and volatility would continue to generate longer-term opportunities for future borrowing by the Council when the need arose for this.

DECISION: Members recommended that Cabinet accepted the Treasury Management Mid-Year Report 2019/20, prior to its submission to Full Council.

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

Addendum to the Treasury Management Mid-Year Report 2019-20

Further to the meeting of the Corporate Governance Group on 24th October 2019, the following commentary from Arlingclose has been provided to update Members.

Outlook for the remainder of the year 2019-20

With Brexit not delivered by 31 October 2019, and the Government's withdrawal bill now abandoned, uncertainty surrounding Brexit remains. The Country is now only weeks away from a General Election, the results of which will be key since it may deliver an outcome that hastens completion of Brexit, or kicks it so far down the road it disappears completely. Given all this uncertainty then there is one thing that is likely to stay the same, and that is a lower for longer outlook for interest rates.

Recommended Decision:

That Cabinet accepts the Treasury Management Mid-Year Report for 2019-20 and recommends that Full Council accepts the Treasury Management Mid-Year Report.

Purpose of Decision:

The Council has adopted the CIPFA Code of Practice for Treasury Management in Public Services which required the Council to receive at least one Mid-Year Report on its Treasury Management activities. This report was considered first by the Corporate Governance Committee before being recommended on to Cabinet and Full Council.

CABINET
18th December 2019

Braintree District Council

Second Quarter Performance Management Report 2019/20	Agenda No:7c

Portfolio	**Finance and Performance Management**
Corporate Outcome:	**A high performing organisation that delivers excellent and value for money services**
Report presented by:	**Councillor David Bebb, Cabinet Member for Finance & Performance Management**
Report prepared by:	**Tracey Headford – Business Solutions Manager**

Background Papers:	**Public Report**
Second Quarter Performance Management Report 2019/20	**Key Decision: No**

Executive Summary:
The purpose of the attached report is to summarise the performance of the Council at the end of the second quarter (July 2019 to September 2019).

As at the end of September 2019, five projects are complete and a further 48 projects are on track and progressing well. One project has been cancelled due to the Government delaying the consultation on its proposed 75% Business Rate retention scheme and the Fair Funding Review which will impact on the Council's finances.

Ten performance indicators have met or exceed target and five performance indicators have missed their target of which one missed by less than 5% and four missed by more than 5%. The areas of underperformance are in relation to the cleanliness standards across the district in respect of litter (>5%), recycling rates (>5%), average waiting time for disabled facility grants (>5%), average call answering time in the Customer Service Centre (>5%) and the percentage of invoices paid within 30 days (<5%). Outturns in these areas are being monitored closely.

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 projects.

Summary

- An overall positive variance is projected for the year of £715,000 (-4.9%) against budget.
- Across all services staffing budgets are forecast to be underspent by £221,000; and after allowing for the corporate efficiency target of £200,000, this results in a net projected variance of -£21,000.
- Other expenditure is projected to be underspent by £192,000.

- Income is projected to be overachieved by £502,000.
- The forecast variance for the year has changed by £73,000 from that reported at Q1, which projected a positive variance of £642,000. The change is mainly due to an improvement in the overall amount of income expected (+£47,000) along with further reduced net spending: Staffing costs (-£30,000) and Other Expenditure (+£4,000).
- Variances identified at this quarter have been assessed in terms of their potential impact on the Council's emerging proposals for the 2020/21 Budget.

Recommended Decision:

Cabinet is asked to note and endorse the Council's performance as at the end of the year, as detailed in the attached report.

Purpose of Decision:

To inform the Cabinet of the performance of the Council.

Any Corporate implications in relation to the following should be explained in detail	
Financial:	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.
Legal:	There are no legal issues raised by this report.
Safeguarding	There are no safeguarding issues raised by this report.
Equalities/Diversity	Equalities and diversity issues are considered fully in the Council's key projects, where appropriate.
Customer Impact:	Performance of front line services, including Customer Services, Housing Benefits and Council Tax, for the quarter is provided. A summary of complaints received each quarter, analysed by outcome (justified, partially justified or not justified) is provided.
Environment and Climate Change:	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, campaigns encouraging recycling and responding to the consultations on the new Government Resource and Waste Strategy for England
Consultation/Community Engagement:	Consultation is considered fully in the Council's key projects, as appropriate.
Risks:	Risks regarding the assumptions used in determining the predicted financial outturn for the year are identified.
Officer Contact:	Tracey Headford
Designation:	Business Solutions Manager
Ext. No.	2442
E-mail:	Tracey.headford@braintree.gov.uk

SECOND QUARTER

PERFORMANCE MANAGEMENT REPORT

1st July 2019 to 30th September 2019

Braintree District Council

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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 2019/20'. 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. We have also signed up to 'The Future of Essex' which is a vision shared by more than 100 partners, all dedicated to improving the county over the next 18 years. The projects that are supporting this vision are marked with **(E)**. 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 performance 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 2019/20'

Corporate Priorities	**Status of projects and actions**				
Environment and Place	1	6	0	0	0
Strategic Growth and Infrastructure	1	9	0	0	0
Economic Development	0	10	0	0	0
Heath and Communities	2	11	0	0	0
Finance and Performance	1	6	0	0	1
Overall Strategy and Direction	0	6	0	0	0
TOTAL	**5**	**48**	**0**	**0**	**1**

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 reported Performance Indicators that have targets set as defined in the 'Annual Plan 2019/20'.

Corporate Priorities	**Status of indicators**			
	✅	⚠	🛑	Data Only
Environment and Place	2	0	2	0
Strategic Growth and Infrastructure	2	0	0	0
Health and Communities	1	0	1	0
Finance and Performance	5	1	1	0
TOTAL	**10**	**1**	**4**	**0**

KEY:

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

Summary Position

The Council continues to perform well in the second quarter of the year with the completion of a further three projects and the majority of remaining projects on track and progressing well. One project has been cancelled due to the Government delaying the consultation on its proposed 75% Business Rate retention scheme and the Fair Funding Review which will impact on the Council's finances.

Ten performance indicators have met or exceed target and five performance indicators have missed their target. One has missed target by less than 5% and four missed their target by more than 5%. The areas of underperformance are in relation to the cleanliness standards across the district in respect of litter (>5%), recycling rates (>5%), average waiting time for disabled facility grants (>5%), average call answering time in the Customer Service Centre (>5%) and the percentage of invoices paid within 30 days (<5%).

We will continue to monitor our performance and focus our resources accordingly to deliver and achieve our corporate objectives.

Environment and Place

Project description and comments	Target Date	Status
Respond to the consultations on the new Government Resource and Waste Strategy for England and consider proposals in relation to the Council's refuse and recycling service		
The Council has provided a response in May 2019 to the consultation published by the Department for Environment, Food and Rural Affairs (DEFRA) outlining the Governments proposal on plastic packaging tax. We are currently waiting for a further consultation on the Deposit Return Scheme which is likely to take place in early 2020.	**March 2020**	
Continue to promote and raise awareness of the importance of minimisation, reuse and recycling to both residents and businesses to reduce the amount of waste sent to landfill		
The recycling calendars have been refreshed using a pictorial approach to list what goes in each bin and the calendars have been delivered throughout the district. For recycle week in September, we worked with Love Essex to encourage and change people's recycling behaviours and we are currently working on a campaign called 'say no to plastic' which will be launched in the new year.	**March 2020**	
Refurbish the four play areas at St Mary's Road in Rivenhall, Ashpole Road in Bocking, Mill Chase in Halstead and Clare Road in Braintree		
The contract for refurbishment of the play areas has been awarded and works are due to start shortly.	**December 2019**	
Continue to protect our larger open spaces from illegal encampments by creating earth bunds and ditches to prevent disruption and inconvenience to local residents		
All sites are now complete with the exception of Marshalls Park where hedge planting will take place in November. A change control has been processed to amend the end date of the project accordingly.	**November 2019**	
Replace the benches in parks and open spaces ensuring they are fit for purpose allowing residents and visitors to enjoy recreational time		
Benches have been replaced in Halstead public gardens and Halstead cemetery allowing residents and visitors somewhere to sit and enjoy recreational time.	**August 2019**	
Continue to investigate and enforce littering, dog fouling and fly-tipping offences to help keep the district looking clean and tidy		
Since April, 51 fixed penalty notices have been served for littering, dog fouling and fly-tipping offences.	**March 2020**	
Deliver a car litter campaign to support the introduction of new legislation		
Braintree District Council are participating in a district wide 'Love Essex' campaign to highlight the recently increased fines that people throwing litter from their car face and to encourage people to dispose of their litter responsibly.	**March 2020**	

Strategic Growth and Infrastructure

Project description and comments	Target Date	Status
(E) Continue to work towards completing the examination and adoption of the Local Plan		
The evidence base has now been approved and suggested modifications have been made to the Local Plan by all three authorities involved. A consultation on the additional evidence base in supporting the development of Garden Communities started in August for six weeks closing on the 30th September 2019. This has now been sent to the Planning Inspector to consider the timetable for the reopening of the examination.	**December 2020**	
(E) Formally adopt the first Neighbourhood Plan in the district		
The first Neighbourhood Plan in the district has been formally adopted at a meeting of Full Council in July 2019. The Bradwell and Pattiswick Neighbourhood Plan can now be used when considering planning applications within the parish of Bradwell and Pattiswick.	**July 2019**	
(E) Continue to work with partners to provide housing, employment and supporting infrastructure to address our long term housing and community needs		
Work continues with partners on the Garden Communities looking at a long term strategy which will contribute to meeting the needs of North Essex's growing population ensuring that new developments come with the infrastructure, affordable homes, schools, doctor's surgeries and facilities needed for new communities.	**March 2020**	
(E) Develop Council owned sites to deliver additional mixed tenure homes across the district and consider establishing a Council owned Housing Development Company		
At Cabinet in September 2019, members granted delegated authority for the disposal of seven sites subject to planning. Members also noted that the business case for a wholly owned housing development company is not proven and that the concept will be postponed for future consideration in the context of the proposed Garden Communities.	**March 2020**	
(E) Commence construction of the regeneration of Braintree Town Centre enhancing the appeal of the town to residents and visitors		
Three tenders were received but unfortunately were in excess of the pre-tender estimate. At Cabinet on the 9th September, members approved the capital budget for all professional, construction and associated scheme costs and granted delegated authority to execute a design and build construction contract with Kier Construction Limited. A letter of intent with Kier has been signed for approval at Full Council in October.	**December 2019**	
(E) Continue to work with Essex County Council to reduce congestion on the local road network in Braintree		
Essex County Council is looking at different options and working with our Planning Department on the works required to the roundabout as part of the S106 for land West of Panfield Lane, which was granted planning approval subject to S106 in July 2019. In the interim Essex County Council have relined the 'keep clear' markings on the roundabout which had been requested by the businesses based on the estate.	**March 2020**	
(E) Work with Essex County Council and Highways England to secure planning consent and commence construction of new slip roads linking the A120 to Millennium Way alleviating congestion at Galleys Corner		

A planning application was submitted to Essex County Council in May 2019 with construction due to commence Spring/Summer 2020. We are currently awaiting the outcome of the planning application.	**March 2020**	
(E) Continue to work with Essex County Council on securing improvements to the strategic highway network including the A120 and A12		
Government are set to make key decisions in the Autumn on the future investment in major roads. Priti Patel, Essex County Council and regional businesses are showing their support for the favoured option of the A120 dual carriageway proposals by establishing a business board and creating A120 campaign champions to persuade the Government to include the dualling scheme in the Government's Road Investment Strategy 2.	**March 2020**	
(E) Commence construction of an improved bus interchange as part of the Manor Street regeneration		
Planning consent for the regeneration of Manor Street has been agreed and discussions have started with Essex County Council around leasing the bus interchange.	**March 2020**	
(E) Create a high quality business community through the development of the Horizon 120 business and innovation park		
A detailed planning application has been submitted for all Infrastructure works to the Horizon 120 site including highways, main estate roads, drainage, stats and earthworks. Consultation on the Local Development Order commenced with a public drop in session held on the 30th September at Gt. Notley Village. The consultation will run until the 24th October 2019. Grid serve have received planning permission to build an Electric Forecourt in Braintree, the first of over 100 sites across the UK. This will be sited next to the Horizon Business and Innovation Park.	**March 2020**	

Economic Development

Project description and comments	Target Date	Status
(E) Complete the acquisition of strategic employment land in Witham supporting business creation and growth		
The investment opportunity identified in Witham has been put on hold due to a cautious approach being adopted in considering any new property investment opportunities in the district owing to Brexit uncertainty and the potential negative impact on the market and property values.	**July 2021**	
Complete physical improvements to key industrial estates including new signage and branding		
The planning application for the improved signage on the Springwood Industrial Estate has now been approved and the works due to commence in the third quarter.	**March 2020**	
Work with existing and form new partnerships to increase levels of targeted business and skills support		
In partnership with Witham Chambers of Commerce, a business support roadshow was delivered in September for Witham businesses, involving Superfast Essex, BEST Growth Hub, North Essex Parking Partnership and Essex Highways. 16 businesses signed up and eight attended. A Business Support Roadshow is now being planned for the Halstead area.	**March 2020**	

Officers and members continue to meet businesses across the district as part of the district business tour to find out more about local businesses, their challenges and offer funding opportunities and support services.		
Secure planning consent and commence construction of the I-construct Innovation in Construction Hub at the Braintree Enterprise Centre		
Planning approval was granted in September for the construction of the I-construct Innovation Hub. The project will be funded by the Council and by a grant from the European Regional Development fund. The hub will consist of workshop and demonstration spaces, a technology lab, conference and networking facilities, a café and meeting areas. It will become home to a team offering business support, grant schemes and advice to firms connected to the construction industry across the Greater South East region but it will also be a place where innovative construction ideas, technology and techniques are shared and celebrated. It is anticipated that construction will commence in December 2019.	**December 2019**	
(E) Work with the Braintree Education and Skills board to secure funding and develop projects to increase skills across the district providing a workforce that meets employers' needs		
The Braintree Education and Skills board are supportive of developing another case study video to promote apprenticeships in the district, this time focussing on the construction sector. This will be used to promote the local opportunities and highlight the importance of construction in our district. The September meeting of the board highlighted the reduced number of funding bids that had been received and officers are working on a plan to promote this.	**March 2020**	
(E) Deliver physical improvements to the town centres of Braintree, Witham and Halstead		
A plan for Halstead high street de-clutter has been drawn up and passed through its first review by highway officers, which has produced a range of amendments to make. Initial designs for wayfinding are being investigated.	**December 2020**	
(E) Establish a Tourism Partnership to promote the district, support businesses and increase tourism		
A brief has been provided to the Tourism Partnership on the Government Tourism Sector Deal and how our work links into this. Members were also provided with information on regional and national projects that they can take part in to promote tourism within the district. The second Tourism Partnership meeting will be held in October at Colne Valley Railway where the branding and new website format will be shown to attendees.	**March 2020**	
Supporting markets across the district including continuing to develop the street market concept		
Six street markets have been run so far in Braintree and three in Witham. The Street Markets in Braintree continue to provide a high level of trader, business and public acclaim, and the council is starting to work with traders to produce a performance report after each one.	**March 2020**	
Working through the Town Centre Partnership, deliver schemes to improve the vibrancy of Braintree Town Centre		
The Council is actively working to develop and support the Braintree Town Partnership, which now has a logo, website and draft versions of organisation structure, annual objectives and is now a limited company with two Vice Chairs. The meetings of the partnership now have a settled pattern on the first Tuesday of the month and they are discussing a range of projects around improving the vibrancy of the Town Centre.	**March 2020**	
Christmas preparations are well advanced and discussions are being held with stakeholders to ensure a co-ordinated town wide event. We are also working with Braintree Village to set up a series of workshops to develop the 'Day out in Braintree' concept connecting Braintree Village with events in the Town Centre.	**March 2020**	

Health and Communities

Project description and comments	Target Date	Status
(E) Continue to deliver the Livewell child project working with families with young children providing support and advice on nutrition and healthy activities in an attempt to locally halt the rise in childhood obesity		
Six Xplorer events held in August across Braintree, Witham and Halstead parks were well attended keeping children active during the school holidays. The Healthy Habits programme, designed to improve the health of school children and educate parents has started in Becker's Green School with the assistance of Community 360. The Council is also exploring how to link the Livewell child project with the Essex Healthy Schools Programme.	**March 2020**	
Improve the play experience at Great Notley Country Park and Halstead Leisure Centre by replacing the artificial pitches		
Planning permission has been granted to replace the artificial pitch at Halstead Leisure Centre and the Football Foundations have agreed the funding for the project. We are currently awaiting the closure of the section 77 application to the Secretary of State to proceed.	**March 2020**	
A new artificial pitch surface and associated equipment has been installed at Great Notley Country Park allowing players of all ages to enjoy the facilities.	**August 2019**	
(E) Work in partnership with local GP surgeries, the NHS and Mid Essex Clinical Commissioning Group (MECCG) to develop a new modern healthcare facility in Sible Hedingham		
The Council continues to work with the NHS and MECCG to develop a modern healthcare facility, which will provide a new combined premises for existing surgeries in Castle Hedingham and Sible Hedingham. The design team have met with GPs and a final scheme design has been costed. A pre-app meeting has been held with the Planning Department where changes to the design were requested. This has pushed back the end date of the project and a change control has been processed to amend the end date to January 2020.	**January 2020**	
(E) Work with partners to improve emotional health and wellbeing and identify improvements to access mental health services for residents		
Regular mental health workshops have been held in the second quarter bringing together partner organisations. The group are carrying out a mapping exercise to understand the gaps in support for children and young people. The Braintree Community Tree, a network of partner organisations providing support for people experiencing mental ill-health and/or related problems will be sending out leaflets in October providing information on a variety of support services available across the district on a range of matters. Officers have also met with Walk & Talk 4 Men which aims to give men a safe place to talk without judgement to avoid bottling up and suffering in silence. Braintree District Council will also be taking part in the national mental health campaign called 'Every Mind Matters' when it launches in October.	**March 2020**	
Develop a Rough Sleeping Strategy setting out how we will provide specialist support for vulnerable people on the street		
The Council's Homelessness Strategy addresses rough sleeping and has been renamed as the Homelessness and Rough Sleeping Strategy to comply with Government requirements. We are currently working in partnership with	**May 2019**	

local authorities across Essex and CHESS to provide a rough sleeper outreach service guiding rough sleepers to the help and support they need to make positive change.		
(E) Continue to raise awareness of child exploitation through the 'spot-it, stop-it' campaign		
Pubwatch meetings have been held to promote the 'spot-it, stop-it' campaign and to provide training. Despite encouraging landlords to attend by speaking to them at events and sending invites, no landlords attended. Officers are now considering how they can engage with landlords and promote the scheme more widely and deliver further training sessions.	**March 2020**	
(E) Continue to promote events and provide opportunities that would benefit those living with dementia and their carers		
On-going activities include the three walks in Braintree, Witham and Halstead and the dementia friendly cinema at Halstead Empire who have also set up a workshop to form a Dementia Friendly Choir in partnership with the Big Sing and Colne View Care UK with the aim of giving a public performance in December. A dementia friendly cream tea took place at the Town Hall with 70 people attending and a meeting was held with the Community Rail Partnership at Braintree Railway station to look at ways of making the station more dementia friendly.	**March 2020**	
In partnership with Fusion, encourage inactive over 60's to become active again by developing the Age well sessions at our local sports centres		
A meeting has taken place with Fusion to look at the age well sessions at the local sport centres. Fusion have proposed an agewell programme from September to increase participation in activities for the over 60's.	**March 2020**	
(E) Continue to support community groups to deliver local projects and activities through the Councillor Community Grant Scheme		
Eleven grants were awarded in August and September to the value of £10,087 bringing the total for the year to £14,987.These included contributions to Community Iron for the costs of a mental health first aid train the trainer course and the Rayne School PSA for traffic cones to help manage traffic safety in and around the school.	**March 2020**	
(E) Work with partners to raise awareness and identify ways to combat social isolation and loneliness		
A bench in Braintree Town centre has become a Chat a While bench, encouraging residents and visitors to speak to each other in an effort to combat loneliness. The bench was inspired by similar schemes across the country and the hope is that it will get people talking. If the scheme proves successful, it will be extended to other areas across the district such as Witham and Halstead. A countywide social movement campaign called United in Kind launched in September to raise awareness of loneliness in Essex and to give people the means to take positive action directly and through their networks. We supported this through a two week social media campaign and a noticeboard in reception encouraging staff and the public to post acts of kindness.	**March 2020**	
Continue to work with key local groups to develop plans for a community facility in Witham		
The Strategic Investment Team have appointed architects and an initial meeting was held in July to discuss the outcome of the consultation and the options appraisal report. A further meeting was held in September where land mass plans were presented. Additional surveys to be carried out include topographical, arboricultural and ecological and desk top contamination. A steering group meeting consisting of Braintree District Council, Witham Town Council and the two interested anchor tenants will take place in October.	**March 2020**	
Promote volunteering opportunities to work with young people and promote activities and clubs available to young people in our district		

A protocol to ensure recruitment, support and training for volunteers across all services has been agreed and will be used in promoting volunteering opportunities throughout the Council. United in Kind launched in September and they are recruiting Community Champions to work in local communities to support activities to combat isolation and loneliness. This is being promoted through the Essex Map, a website designed to bring communities together by promoting activities, clubs and volunteering in each area across Essex.	**March 2020**	

Finance and Performance

Project description and comments	Target Date	Status
Review our services and processes to ensure they continue to provide value for money		
An organisation wide review is taking place as part of our ongoing commitment to ensure all our services deliver value for money to our customers, preparing the Council for the financial challenges anticipated over the next few years. Each department has identified a number of projects with the aim to improve efficiency and reduce operating costs. These have now been considered and prioritised by the Authority's leadership team and a roadmap created. The projects are now progressing.	**March 2020**	
Develop our commercial programme to generate income that can be reinvested in front line services		
This second quarter has allowed us to get a much better understanding of our markets across sponsorship, advertising and the conference centre. We continue to grow in these areas and adapt our offer, identifying opportunities to bring additional income from these streams. The Essex Commercial Network now represents almost all Essex authorities and is allowing us to look for opportunities to share and trade services, using examples such as the shared payroll service which is now well embedded and the shared sales resource, which continues in to 2020.	**March 2020**	
Identify and progress investment opportunities that help us to deliver our corporate strategy whilst providing a return on investment to strengthen our financial independence		
We are continuing to work with Marshgate to develop 20 acres of the site at Horizon 120. Any further investment opportunities are currently on hold due to a cautious approach being adopted in considering any new investment opportunities in the district owing to Brexit uncertainty and the potential negative impact on the market.	**March 2020**	
Respond to the anticipated Government consultation on its proposed 75% Business Rate retention scheme and the Fair Funding Review which will impact on the Council's finances from April 2020		
The fair funding review and 75% business rates retention has been delayed by Government until 2020/21. This project has therefore been cancelled and will be set up again once we know how and when Government will be proceeding.	**March 2020**	
Continue to identify improvements in customer focused services using the Customer Service Excellence Standard as a framework		
The Customer Service Excellence assessment will be taking place on the 5th, 6th and 7th November looking at consultation and engagement, satisfaction	**December 2019**	

surveys, customer service standards, how we improve our written, verbal and web based information, benchmarking and best practice and how we improve our delivery of service. The programme for the assessment has been drawn up.		
Implement the Council's discretionary Business Rate relief scheme for independent retail businesses		
The new retail rate scheme was approved by Full Council in February 2019. The new relief was awarded to eligible retail businesses and included in the business rate bills for 2019/20. Any further businesses meeting the criteria will be assessed throughout the year and the reduced rate applied.	**May 2019**	
Expand our online booking and payment systems enabling residents to book and pay for more services through our website.		
Integration mapping has taken place and issues highlighted from this have now been resolved. The online form has been built and the online booking and payment system for pest control will go live in the third quarter. The team are also looking at online booking systems for the Enterprise Centre and Town Hall.	**March 2020**	
Develop a digital platform enabling residents to access health information, initiatives and support to improve their health and wellbeing		
Following the unsuccessful bid to fund the project from the Government 'trailblazer' programme, we are looking at other applications that are similar to what we want to develop. Piloting has taken place with different apps to see how they can be used to change the behaviours of users leading to healthier lives.	**March 2020**	

Overall Strategy and Direction

Project description and comments	Target Date	Status
(E) Continue to deliver projects under the District Investment Strategy to achieve better outcomes for the district and a return for the taxpayers' purse by: • **Working in partnership to improve health provision across the district** • **Facilitating the need for housing by providing homes and supporting infrastructure** • **Improving our most congested roads and journeys across the district** • **Planning for growth by providing jobs delivering increased opportunities for new business and employment** • **Delivering investment opportunities that support growth and provide a return for the District Council**		
The Council continues to work with the NHS, Mid Essex Clinical Commissioning Group and other healthcare partners to develop modern healthcare facilities in Sible Hedingham, the Newlands Centre in Witham and Braintree Town Centre as part of the Manor Street regeneration.	**March 2020**	
The Manor Street regeneration includes the provision of 35 new homes and approval has been granted by Cabinet to develop up to seven Council owned sites.	**March 2020**	
Work continues on a number of projects in the district reported under the Strategic Growth and Infrastructure section such as the A120 Millennium Slip roads and improvements to Springwood Drive roundabout. Government are set to make key decisions in the Autumn on the future investment in major roads.	**March 2020**	
A number of projects and actions are underway to ensure delivery of the Braintree Plan for Growth to provide jobs such as developing the first 20 acres	**March 2020**	

of Horizon 120 and approving the planning applications for grid serve and the Construction Innovation Centre.		
There are a number of projects reported on throughout this report that provide an update on current investment opportunities under the District Investment Strategy. As and when new opportunities arise, projects will be set up accordingly.	**March 2020**	
Work 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		
Work with Tendring and Colchester continues on the Joint section 1 Local Plan. Worked with Essex County Council on Housing Infrastructure Bids (HIF) to support the development of Garden Communities and are awaiting outcomes. Positive work continues with Uttlesford in the lead up to their Local Plan examination. Essex wide work also underway on a number of evidence documents and guidance including the Essex wide Recreational Avoidance Mitigation Strategy (RAMs) study.	**March 2020**	

Section 3: Managing the Business

Our Performance Indicators in Detail

Performance Indicator	2019/20						Comments
	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	10%			6%		*Recorded three times a year – July, November and March. For the recording taken in July, more litter was evident on two busy strategic routes, the A12, A120 and also on the busy B1018. In respect of the A12 and A120, we are working with the Highway Agency to explore how we can work better together to improve the overall levels of cleanliness.*
Percentage of household waste sent for reuse, recycling and composting	52.26%	52.46%			60%		*The annual recycling target of 60% is a target adopted by the Essex Waste Partnership to be achieved by 2020. The Council continues to focus on recycling initiatives such as promoting Freegle to encourage residents to recycle larger items rather than throw them away. New waste collection calendars were sent out in September in a more pictorial format to help people sort their waste. For recycle week in September, we worked with Love Essex to encourage and change people's recycling behaviours.*
Tonnage of residual household waste not recycled	114kgs	113kgs			117kgs		
Number and percentage of non-hazardous fly tips on public land cleared within 24 hours of	100% (211)	100% (236)			100%		

Performance Indicator	2019/20						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
being reported							
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	13	52			37		
Number of homes granted planning permission	1,103	507			212		
Health and Communities							
Average waiting time for applicants on the Disabled Facilities Grant	78 days	100 days			90 days		*There were three exceptional cases impacting on the average waiting time in the second quarter. All three cases were complex and involved gaining planning permission. There has also been delays in the return of quotes for works and builders have been reminded of the need to return quotes within 14 days of the invitation to tender.*
Achieve a 2% increase on the contract baseline in participation levels across all our sports centres	238,842	246,576			220,745		
Achieve at least a 1% increase in adults being active for 150 minutes per week	Annually reported indicator					n/a	
Finance and Performance							
Average call answer time in the Customer Service Centre	14 seconds	19 seconds			15 seconds		*Staff sickness, annual leave, training courses and members of staff assisting other services have left the Customer Service Centre short on cover on a few occasions in July and August. A call answering time of 19 seconds is still a good time in comparison with similar organisations.*
Time taken to process housing benefit/council tax benefit new claims	16.25 days	16.09 days			20 days		
Time taken to process housing benefit claim changes	5.28 days	4.43 days			6 days		
Percentage of Stage 1 complaints responded to within target	94.07%	93.71%			90%		
Collection rate for Council Tax	30.46%	58.80%			58.80%		

Performance Indicator	2019/20						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
Collection rate for Business Rates	31.13%	57.95%			57.76%		
Percentage of invoices paid within 30 days of receipt	98.82%	98.55%			99.25%		*The quarterly outturn represents a total of 2613 invoices of which 38 were not paid within 30 days of receipt. Services have been reminded of the need to ensure invoices are processed as soon as they are received.*

Complaints

The quarterly complaints analysis for the second quarter of 2019/20 is detailed below. This is compared with 2018/19 figures shown in brackets. The figures represent all three stages of the complaints process.

Complaint Category	Q1 2019/20	Q2 2019/20	Q3 2019/20	Q4 2019/20	TOTAL
Justified	45 (110)	52 (92)	(61)	(60)	(323)
Not Justified	54 (76)	69 (88)	(59)	(54)	(277)
Partially Justified	22 (24)	24 (26)	(21)	(28)	(100)
Not known	0 (0)	0 (1)	(0)	(0)	(1)
Total	**121 (210)**	**145 (207)**	**(141)**	**(142)**	**(701)**

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

The majority of complaints are in relation to the Operations service, in particular, complaints around missed waste collections and replacement bins. The waste crews endeavour to return to collect the missed waste within 48 hours of being reported and managers will review complaints for their service on a regular basis and use the information to help identify improvements to processes and the service provided.

In the second quarter of 2019/20, of the 145 complaints received:

- 143 are stage one complaints
- 1 is a stage two complaint
- 1 is a stage three complaint

A summary of Local Government Ombudsman (LGO) cases:
In the second quarter of 2019/20, the LGO has not received any new complaints and has issued two final decisions.

The final decisions are in respect of Housing where the Ombudsman decided that the Council acted without fault and in relation to a multi-agency complaint where the Ombudsman found fault and a remedy has been agreed.

Our Organisation

The following is a selection of our people performance measures:

People: Indicators of Performance	Q1 19/20	Q2 19/20	Q3 19/20	Q4 19/20	Change on previous period	Yearly Target
Total headcount	480	475			- 5	-
Number of temporary staff	28	23			- 5	-
Total staff FTE	435.42	429.45			- 5.97	-
Level of employee turnover	2.5%	3.37%			+ 0.87%	-
Number of leavers	12	16			+ 4	-
Number of starters	11	11			-	-
Working days lost to sickness per employee	1.83 days	2.09 days			+ 0.26 days	8.0 days
Percentage of staff with nil sickness	79.8%	62.9%			Cumulative	-
Number of learning hours	1748	1903.5			+ 155.5	-
Number of delegates	63	85			+ 22	-
Number of apprentices **	18	18			0	-

Year on Year Headcount Analysis	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	478	472	470	464	466	481

** 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.

Health & Safety: Indicators of Performance	**Q1**	**Q2**	**Q3**	**Q4**	
	(2019/20 figure in brackets)				
Total number of reported accidents/ incidents, calculated from:	11 (10)	4 (6)	(9)	(13)	
Accidents/ incidents to employees	9 (6)	3 (6)	(9)	(11)	*All three accidents involved arm injury's to operatives*
Accidents/ incidents to contractors	1 (0)	0 (0)	(0)	(1)	
Accidents/ incidents to non-employees	1 (1)	1 (0)	(0)	(1)	*Wedding guest attending the Town Hall fell down and cut knee.*
Time lost in days due to employee accidents/ incidents	6 (85)	4 (19)	(48)	(24.5)	*The 4 days lost were due to the arm injury to one of the operatives*
Number of reported verbal/ physical incidents to employees	1 (2)	0 (1)	(1)	(1)	
Number of near miss incidents	1 (1)	0 (1)	(0)	(1)	
Number of Accidents/ incidents registered resulting in insurance/ compensation claim	1 (1)	1 (3)	(1)	(1)	
Number of claims settled	1 (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 projects.

Background

Full Council approved a net budget of £14.540 million for the 2019/20 financial year. This included planned spending across all services totalling £13.247 million; corporate items amounting to £1.493 million; and an overall efficiency target to be achieved in-year of £200,000.

Financing of the budget was to be from a combination of: general government grants (£22,000); business rates (£4.965 million); and Council Tax (£9.553 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.

Previously, virements totalling £171,680 were approved between the Development Management and Planning Policy income budgets and the staffing budgets for these service areas. Waste Management budgets have also been realigned to reflect new contractual arrangements for the processing of recycling materials, which commenced in May 2019 and means the variances reported at Q2 are presented differently from those reported at Q1.

Summary Financial Position at the Second Quarter (Q2)

- An overall positive variance is projected for the year of £715,000 (-4.9%) against budget.
- Across all services staffing budgets are forecast to be underspent by £221,000; and after allowing for the corporate efficiency target of £200,000, this results in a net projected variance of -£21,000.
- Other expenditure is projected to be underspent by £192,000.
- Income is projected to be overachieved by £502,000.
- The forecast variance for the year has changed by £73,000 from that reported at Q1, which projected a positive variance of £642,000. The change is mainly due to an improvement in the overall amount of income expected (+£47,000) along with further reduced net spending: Staffing costs (-£30,000) and Other Expenditure (+£4,000).
- Variances identified at this quarter have been assessed in terms of their potential impact on the Council's emerging proposals for the 2020/21 Budget.

Revenue Spending

Service	Updated Budget £'000	Projected Spend £'000	Adverse (Positive) variance against budget: Staffing £'000	Other Expenditure £'000	Gross Income £'000	Total £'000	RAG Status
Asset Management	(2,387)	(2,409)	(5)	14	(31)	(22)	G
Community Services	362	353	1	(20)	10	(9)	G
Corporate Management	1,385	1,518	94	46	(7)	133	R
Economic Development	187	184	-	-	(3)	(3)	G
Environment & Leisure	904	767	(81)	(16)	(40)	(137)	G
Finance	1,412	893	(159)	(90)	(270)	(519)	G
Governance	1,026	1,106	35	45	-	80	R
Housing Services	889	817	(22)	(41)	(9)	(72)	G
Human Resources	346	340	-	(6)	-	(6)	G
ICT & Facilities	1,576	1,574	1	(3)	-	(2)	G
Marketing and Communications	529	545	12	(21)	25	16	A

Operations	5,736	5,625	(60)	(75)	24	(111)	G
Strategic Investment	11	11	-	-	-	-	G
Sustainable Development	1,247	1,116	(37)	29	(123)	(131)	G
Service Total	**13,223**	**12,440**	**(221)**	**(138)**	**(424)**	**(783)**	G
Corporate Financing	1,517	1,385	-	(54)	(78)	(132)	G
Efficiency target	(200)	-	200	-	-	200	
Total	**14,540**	**13,825**	**(21)**	**(192)**	**(502)**	**(715)**	G

RAG Status: G = favourable or nil variance, A = up to 5% adverse variance or <£50k, R = > 5%
Budget = controllable expenditure budget net of direct service income

Staffing

Staffing budgets include both directly employed staff, and bought-in/ agency staff, the latter being used where additional resources are required to meet increased service demands and/ or the need for specialist skills; to provide cover in cases of absence (e.g. vacancies, holidays, sickness, maternity etc.); or where in-house staff are assigned to work on other projects and priorities.

Further detail of the projected staffing budget variances is provided in the following table:

Service – Staffing Budgets	Updated Budget £'000	Projected Spend £'000	Adverse/ (Positive) variance £'000	RAG Status
Asset Management	296	291	(5)	G
Community Services	374	375	1	A
Corporate Management	1,370	1,464	94	R
Economic Development	194	194	-	G
Environment & Leisure	1,623	1,542	(81)	G
Finance	2,785	2,626	(159)	G
Governance	643	678	35	A
Housing Services	958	936	(22)	G
Human Resources	308	308	-	G
ICT & Facilities	784	785	1	A
Marketing & Communications	394	406	12	A
Operations	5,687	5,627	(60)	G
Strategic Investment	617	617	-	G
Sustainable Development	1,675	1,638	(37)	G
Service Total	**17,708**	**17,487**	**(221)**	G
Corporate Financing	-	-	-	G
Efficiency	(200)	-	200	
Total	**17,508**	**17,487**	**(21)**	G

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

Commentary on staffing variations:

Based on the information known at the end of Q2, there is a projected underspend across all services of £221,000.

The largest service with a projected underspend is **Finance** (-£159,000). Savings are expected to be achieved in Billing and Recovery, and Systems Control through a combination of vacant posts; reductions in contracted hours; and new appointments at lower grades/ scale points. Efficiencies have also been made where staff have been able to absorb additional tax collection and fraud work which attracts external funding.

Environment and Leisure is projecting underspends (-£81,000) due mainly to vacancies in the Health Protection and Health Development teams.

Sustainable Development – Permanent staffing resources in the **Development Management** team are now being restored following a recent advertising campaign which has resulted in recruitment to a number of vacant posts, coupled with the return of a number of staff from maternity leave. There are, however, still 3 planning posts and an administrative role yet to be filled and the current estimate is that staff in these roles will commence around February. Consequently, the service is projecting

underspends on directly employed staff of £303,000. However, to maintain service performance and deal with the numbers and complexity of planning applications being received the service is having to employ agency staff, the cost of which substantially offsets this underspend by £270,000. Overall this service area is projecting a net underspend of £37,000.

Changes in senior management responsibilities introduced earlier in the year along with the appointment of an interim corporate director means that there is currently a net additional cost forecast for **Corporate Management** for the year of £94,000.

Governance is forecasting total overspends on staffing of £35,000 due mainly to agency staff being used to cover a vacancy and maternity leave. An unsuccessful attempt was made to recruit a permanent Major Projects and Planning Lawyer earlier in the year, the recruitment of which is now not expected until January 2020.

The **Strategic Investment Team** continues to operate largely with interim staffing arrangements. Since Q1 three new interim roles have been introduced increasing the capacity of the team to both progress existing approved schemes but also to accelerate preparations for gaining approvals for a number of pipeline projects. The budget for the team is largely funded from a combination of revenue and capital resources which were allocated for a four-year period. An assessment of the activities currently being undertaken indicates that an additional drawdown on revenue reserves will be required over and above that which was profiled for the current year. Spending, however, remains within the overall resources allocated.

The approved budget provided for a **Corporate Efficiency Target** which in previous years has been achieved from in-year staffing variances. The amount included in this year's budget was £200,000, which based on this quarter's review is expected to be achieved, leading to an overall projected staffing underspend of £21,000. Experience in recent years suggests that this position is likely to improve as further staffing changes become apparent during the remainder of the year.

Other Service Expenditure

In total there is a projected underspend against non-staffing expenditure budgets of £192,000. The main service areas contributing to the latest forecast are:

- **Finance** (-£90,000): The net cost of **Housing Benefits** to the Council is determined by the amount of benefit paid to claimants less an amount recovered through government subsidy. The overall amount of benefits paid has been reducing over recent years due in part to a transfer of claimants onto Universal Credits, which is administered by the Department for Works and Pensions. The amount of benefit to be paid for the current year is estimated to be around £28 million (last year payments totalled £33 million). The level of subsidy receivable can vary depending on the profile and circumstances of the payments being made, and recently this recovery rate has varied between 98.8% and 99.5%. The assumption for the current year is a subsidy rate of around 99.1%. The combined effect is a reduction in net cost to the Council of £25,000. In addition, the government has been reducing the amount of grant paid towards administration costs. The budget anticipated a higher reduction than was finally made in the grant determination and hence a provision of £62,000 is no longer required.
- **Operations** (-£75,000): mainly due to a forecast underspend in **Waste Management** on recycling activities. From 16th May 2019, the Council joined the Materials Recycling Facility (MRF) contract procured by Suffolk County Council (SCC) on behalf of the Suffolk Waste Partnership. Under the contract the Council pays for processing (as well as haulage), which is partially offset by income representing the sales value of materials, calculated from a weighted "basket price". Processing costs are forecast to be under budget by £55,000 due to lower than anticipated tonnage of materials being sent for processing, coupled with a slight variation in the processing cost per tonne.
- **Corporate Management** (+46,000): the projection includes estimated costs of £45,000 for advertising and external support on senior management recruitment.
- **Governance** (+£45,000): Includes the projected additional costs associated with changes made to the scheme for Members' Allowances and Scrutiny Committee model arrangements both of which were approved after the original budget was set.

- **Housing Services** (-£41,000): includes a projected underspend of £37,000 against the provision allowed for recharges from Greenfields Community Housing to compensate for void and maintenance costs on properties retained for temporary accommodation.
- **Corporate Financing** (-£54,000): includes savings on annual Minimum Revenue Provision (MRP) of £25,000 – this is a provision made for repayment of borrowing for past capital expenditure which was not incurred as other capital resources were used instead. Additional savings are also projected from the staff annual leave purchase scheme (£20,000), and reduced pension fund payments (-£9,000).

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 around £35million.

The amount of business rates ultimately retained by the Council 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 an additional share of income from business rate growth. The final determination and receipt of the actual amount will be made after year-end returns have been collated by the County Council from each of the participating authorities. In-year monitoring suggested that the benefit to Braintree could be around £634,000. Sums received from this arrangement which have yet to be allocated towards spending are held in the Business Rate Retention reserve.

Other external income for which the Council has budgeted £16.383 million 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 £502,000, as shown in the table below:

Service	Updated Budget £000	Joint Fin. Other Reimburs.	Sales, Fees & Charges	Rents	Other Income	Total	RAG status
		5,373	**6,227**	**3,127**	**1,656**	**16,383**	
		Adverse (Positive) Variance £000 against Budget :					
Asset Management	**3,292**	(4)	-	(19)	(8)	(31)	G
Community Services	**192**	-	4	-	6	10	A
Corporate Management Plan	**-**	(7)	-	-	-	(7)	G
Economic Development	**-**	-	-	-	(3)	(3)	G
Environment & Leisure	**1,309**	1	26	-	(67)	(40)	G
Finance	**2,624**	(48)	-	-	(222)	(270)	G
Governance	**197**	-	19	-	(19)	-	G
Housing	**58**	-	(8)	(1)	-	(9)	G
Human Resources	**-**	-	-	-	-	-	G
ICT & Facilties	**2**	-	-	-	-	-	G
Marketing & Communications	**154**	18	27	-	(20)	25	G
Operations	**5,463**	9	106	20	(111)	24	G
Strategic Investment	**273**	-	-	-	-	-	G
Sustainable Development	**1,613**	-	(123)	-	-	(123)	G
Service Total	**15,177**	**(31)**	**51**	**-**	**(444)**	**(424)**	G
Corporate Financing	**1,206**	(70)	-	-	(8)	(78)	G
Total	**16,383**	**(101)**	**51**	**0**	**(452)**	**(502)**	G

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 £5.373 million, the main sources of which are: Essex County Council contributions towards service costs (£2.435 million); estimated benefit from the Essex Business Rate Pool; Council Tax sharing and investment agreement with the major precepting bodies (£629,000); Housing Benefit (HB) overpayment recoveries and Local Tax costs recovered (£785,000); subscriptions to the Procurement Hub (£350,000); and business rate collection allowance (£193,000).

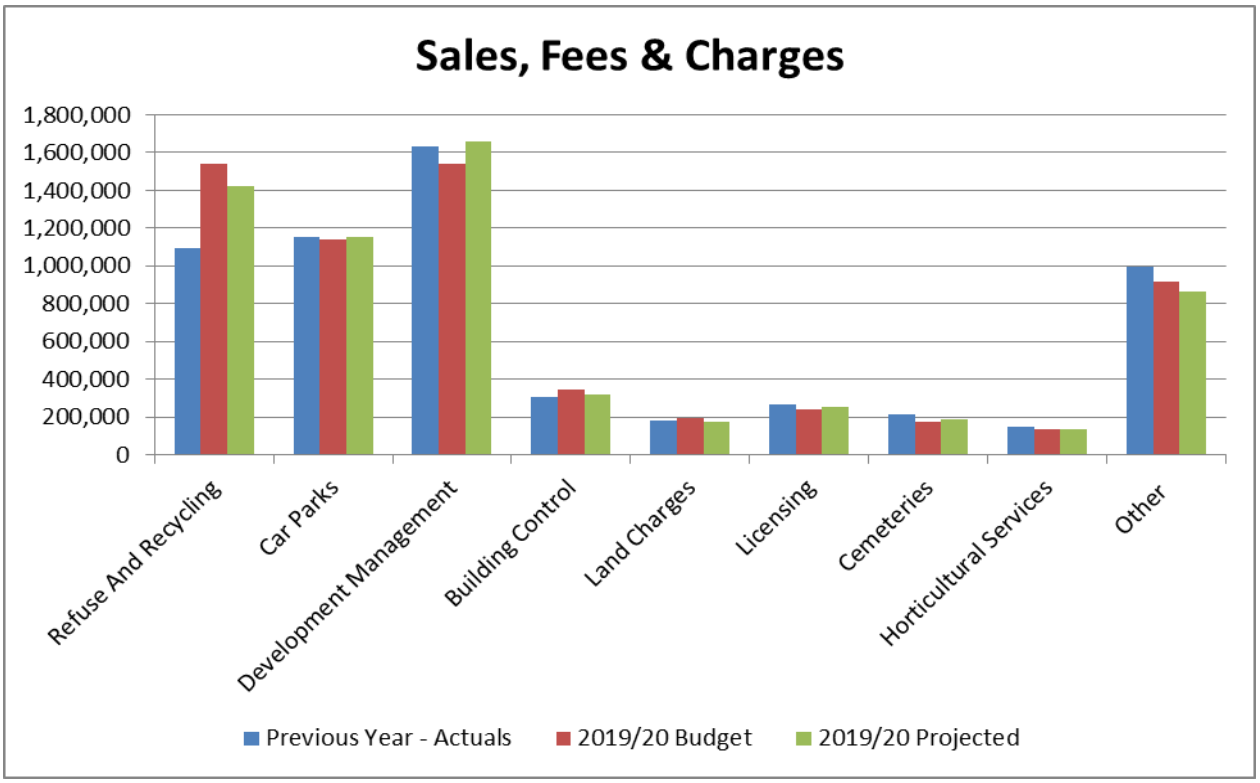
Commentary on Joint Financing & Other Reimbursements

At Q2 a positive variance for the year is predicted of £31,000 across all services, including net additional income of £52,000 from **HB and Local Tax recoveries**, offset by some other service reductions, mainly **Marketing and Communications** (sponsorship).

Corporate Financing is showing a projected over achievement of £70,000, which relates to the Council Tax sharing arrangements where it has been recently been agreed that the calculation of council tax income growth used in the scheme should be modified and which benefits district/ borough councils.

Sales, Fees & Charges

The budget for income from sales, fees & charges is £6.227 million against which it is projected that there will be a net underachievement of £51,000. The following chart shows the main income streams:



***Commentary on Fees and Charges*:**

- **Refuse and Recycling:** The income budget for the year has been adjusted upwards reflecting the recent change in contractual arrangements for recycling materials. In previous years a net gate fee was charged (shown as expenditure), whereas under the new contract amounts are now shown gross as elements of costs are paid to different third parties. The income budget now recognises the estimated value of income to be offset against the processing costs incurred, calculated using a weighted basket of materials. Based on the weighted price agreed for Q1 and Q2, extrapolated for the year, it is projected that income from the sale of mixed-dry materials will be £142,000 lower than budget. This is partially offset by reductions in processing costs as reported under **Other Expenditure**, along with additional income from the sale of glass materials and second green bins.
- **Car Parks:** The current projection is for income to be broadly similar to the previous year. The original budget included a provision for potential loss of income as a consequence of the proposed Manor Street regeneration project. This provision has currently been reversed pending further clarification regarding the timescale for development (**see Other Service and Corporate Income**).
- **Development Management:** The original budget provided for an increase in planning application fee income of £156,560, with a further in-year increase to budget of £128,500 taking the overall budget to £1.397million. Whilst actual income is slightly down on the previous year for the same period, it is still expected to overachieve the updated budget by £103,000 (as per Q1) resulting in forecast income for the year of £1.5million. Additional income is also projected from the Street Naming and Numbering service of £20,000.
- **Building Control:** The service anticipates slightly higher income this year than the previous year due in part to the transfer of work in progress from another external service provider that ceased trading. However, overall income is still expected to be below budget by £21,000.
- **Local Land Charges:** As a result of a reduction in the number of chargeable searches being requested, the income budget was reduced by £78,000 for the 2019/20 budget. Income received for the first half of the year is around 10% lower than last year. Assuming this trend continues for the remainder of the year it is estimated that full year income will be £175,000 which is a shortfall against budget of £19,000.
- **Other Income –** Includes projected income from the following services or activities: Community Transport (£88,000); the Town Hall Centre (£112,000); Commercial Property service charges (£237,000); and income received from the Leisure Management operator (£194,000). Overall income is projected lower than budget by £55,000 – the main variances being a reduction in income from the All Weather Pitch at Great Notley Country Park due to surface replacement works (-£17,000); and advertising income (-£31,000). Income in 2018/19 was higher due to a one-off retrospective adjustment in relation to advertising rights on council-owned bus shelters.

Rental Income

The budget for rental income from land & property is £3.127million – comprising the investment and commercial property portfolio, markets, housing properties, and other let properties. The overall projected outturn for the year is to be on budget.

***Commentary on Rental Income*:**

- **Asset Management**: The investment and commercial property budget for rental income was increased by £284,000 during the 2019/20 budget process leading to an overall budget of £2.987million. This reflected the transfer back to the Council of the management of the Braintree Enterprise Centre and Corner House, along with new

commercial property: the completed grow-on units at Springwood Drive; and new acquisitions at Osier House, Sible Hedingham, and premises in Silver End. At the end of September only 9 assets were unlet although 7 of these had leases which were due to complete in October. The overall projection is currently an overachievement of income of £17,000.

- **Operations – Markets**: The service projects a shortfall in income of £20,000 which is higher than at Q1 as free pitches are now being provided as an incentive, along with further promotional activity.

Other Service & Corporate Income

Total budgeted Other Income is £1.656 million of which £635,000 is internal recharges including staffing costs that are expected to be charged against capital projects (£451,000). Other external income is projected to be overachieved by £452,000.

Other external income includes the following streams:

- **Investment & Other Interest Income:** The budgeted amount is £1 million, which is expected to be overachieved by a total of £185,000, of which £157,000 is projected to be achieved from investment income on treasury management activities. This is mainly due to higher cash balances being held (a result of increased balances and reserves and later spending on capital projects) along with an increase in the Council's long-term investments. The residual amount of £28,000 is from other interest.
- **Solar Panel Feed-in-Tariffs**: a projection of £100,000 (against budget of £93,000) is expected from past investment in solar panels at various Council facilities.
- **Manor Street Income Provision:** the original budget included a provision for the potential reduction of income on car parking and Town Hall bookings as a result of the regeneration works around Manor Street. At present the exact timing and specific impact of these works is still uncertain pending agreement to the plan for works from the appointed contractor. Consequently, the majority of the provision has been reversed at this time, after making some allowance for a drop in future Town Hall bookings, giving a positive adjustment of £110,000 to the budgetary position for the year.

Other variances projected include a number of unbudgeted government grants (£67,000) where either the related activity has been met from existing staff resources, or there are currently no plans to incur any additional expenditure.

<u>Treasury Management</u>

The Council's treasury management activity to the end of the quarter is summarised in the table below:

Amount Invested at start of the year	Activity to the end September		Amount Invested at end of the quarter
	New Investments	Investments Sold or Matured	
£46.53m	**£83.00m**	**£61.44m**	**£68.09m**
Average amount invested for the period			**£64.40m**
Highest amount invested			**£71.41m**

The total amount invested in long-term pooled fund investments was £18 million spread across seven funds. The 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 the UK Government, and liquid Money Market Funds (MMF).

Two new MMF accounts were opened during the quarter: the CCLA Public Sector Deposit Fund; and a short-term fund with Federated Prime. These accounts have been opened to extend the range of MMF funds available to the Council as cash balances have been higher and there has been a need to increase the range of counterparties available. Both these funds have been selected specifically as they are domiciled in the UK, this action is in line with the advice given to clients of Arlingclose for preparing for a potential no-deal Brexit as a contingency against any short-term liquidity issues that might arise with non-UK domiciled funds.

Interest and dividends earned to the end of the quarter total £681,044, which is equivalent to an annualised rate of return of 2.11%:

Investments	**Average Amount Invested**	**Interest & Dividends Earned**	**Annualised Return %**
Long-Term Pooled Funds	£18.00m	£491,766	5.45%
Short-Term	£46.40m	£189,278	0.81%
Total	**£64.40m**	**£681,044**	**2.11%**

Investment returns have been increased by the dividend income earned from 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 £19.456 million, representing an unrealised gain of £1.456 million on the original amounts invested.

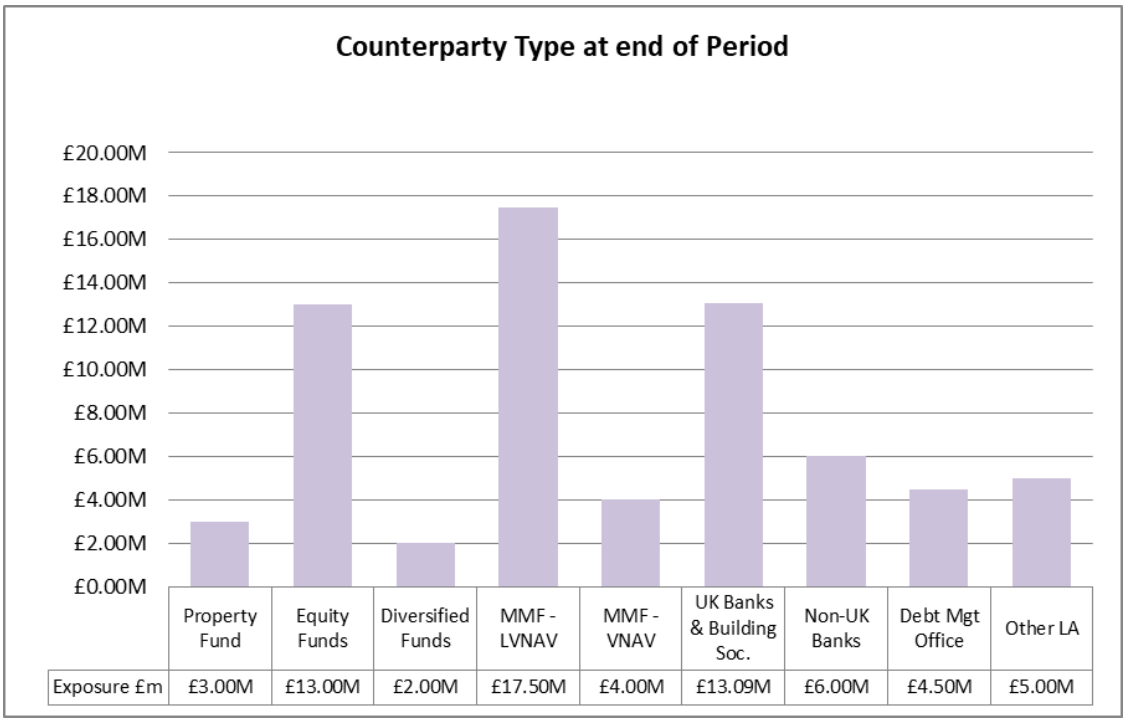
Reflecting a revised forecast of cash balances, it is currently projected that investment returns will be £157,000 higher than budget.

Market Commentary

After rallying early 2019, financial markets have been adopting a more risk-off approach in the following periods as equities saw greater volatility and bonds rallied (prices up, yields down) in a flight to quality and anticipation of more monetary stimulus from central banks. The Dow Jones, and Financial Times Stock Exchange (FTSE) indices are broadly at the same levels seen in March/ April

Gilt yields remained volatile over the period on the back of ongoing economic and political uncertainty. From a yield of 0.63% at the end June, the 5-year benchmark gilt yield fell to 0.28% at the start of September before recovering to 0.49% by the middle of the month. There were falls in 10-year and 20-year gilts over the same period, before bouncing back.
The Bank of England's Monetary Policy Committee (MPC) maintained Bank Rate at 0.75% and in its August Inflation Report noted the deterioration in global activity and sentiment and confirmed that monetary policy decisions related to Brexit could be in either direction depending on whether or not a deal is ultimately approved.

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



LVNAV = Low Volatility Net Asset Value i.e. the Fund value is expected to remain fairly constant
VNAV = Variable Net Asset Value i.e. the Fund value can fluctuate meaning that investors may receive back more or less than invested

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:

	£'000
Balance at 1 April 2019	**5,787**
Add:	
Budgeted addition	128
Pension Fund triennial payment	1,411
Projected in-year variance	715
Less:	
One-off investment	(622)
Estimated Balance at 31 March 2020	**7,419**

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

- The budget approved by Council included an anticipated addition to balances of £127,947, reflecting savings anticipated being made in advance of future years' budget shortfalls.
- In 2017/18 the Council made a one-off payment to the Essex Pension Fund covering the period April 2017 to March 2020, which was in part funded from General Fund balances. A repayment back into balances was expected in 2018/19 and 2019/20.

- The projected outturn variance for the year would mean an additional £715,000 being added to balances (subject to any future decisions regarding approvals for services to carry forward underspends for use in 2020/21).
- An allocation from General Fund balances was approved by Full Council in February 2019, to meet one-off budget requirements: £500,000 to replenish the Planning Appeals reserve; and a total of £122,000 provision for loss of income during redevelopment of Manor Street.

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.

The net cost of housing benefit to the Council is ultimately subject to the total amount of payments made to claimants and the profile and circumstances of such payments, the latter effecting the extent to which costs are recovered from government subsidy. The level of subsidy has varied over recent years between 98.8% and 99.5%. A 0.1% variation +/- could result in a change in net cost of +/-£28,000 (assuming £28million of payments).

Investment income is influenced by the overall level of cash balances held, which in turn are dependent upon the progress of strategic investment and other capital projects, and the level of future capital receipts generated. Interest rates will impact on short-term investment, where a 0.25% change in rate +/- would change the amount of interest earned by +/- £150,000 per annum (based on average investment balances of £60 million). Market sentiment will impact on the value of the Council's long-term pooled fund investments; whereas general economic conditions in both the UK and globally will influence the on-going dividend returns.

The net payment made by the Council for processing its recycling material collected from households is subject to regular review of the composition of material collected assessed across the whole of the Suffolk Waste Partnership contract which the Council joined in May, and market indices for the sale of materials.

The budget assumes that £451,000 of staffing costs can be recharged to capital projects. The actual amount recharged will depend on the extent to which projects progress and staff are working on activities that can properly be treated as capital under accounting rules.

There remains a high level of uncertainty about the implications of the UK leaving the European Union. Depending upon the outcome a range of activities undertaken by the Council could be affected and consequently lead to a differing outcome from position currently projected, for example:

- Income generating activities, particularly those which could be influenced by economic conditions, e.g. planning, building control, local land charges, commercial property rents, etc.

- Income and total returns from financial investments through changes in interest rates, financial markets, and market sentiment
- Regulatory services where these currently operate to EU standards e.g. Environmental Services
- Business, housing and other community support services which provide advice, guidance and direct support
- Strategic investment and general capital programme – impact on costs, income, and resources for current and pipe-line projects.

Capital Investment

Taking into account projects which were in progress and carried forward from earlier years, new projects approved as part of the Budget agreed in February 2019, and the subsequent decisions taken by Council on some major growth and infrastructure projects, the overall capital programme currently totals £46.4million. Delivery of significant projects will span a number of years, therefore, the amount expected to be spent in the current year is currently £11.603 million. The following table shows how much has been spent at the end of Q2.

	Profiled Spend 2019/20 £000	Actual Spend at Quarter 2 £000	Actual Spend at Quarter 2 % of Profile
Commercial and investment property	2,637	901	34%
Horizon 120	3,227	329	10%
Manor Street regeneration	1,299	403	31%
Town centre improvements	100	-	0%
Planned maintenance to Council premises	613	151	25%
Replacement vehicles and plant	142	-	0%
Information technology systems	576	84	15%
Play areas, parks and open spaces	345	8	2%
Community facilities	90	-	0%
Spa Road environmental improvements	10	-	0%
Infrastructure improvements	92	-	0%
Operational equipment	279	186	67%
Sports and leisure facilities improvements	256	155	61%
Cordons Farm waste transfer station	23	23	100%
Grants to registered social landlords	13	12	92%
Grants to private home owners – disabled facilities grants	1,257	349	28%
Capitalised interest	193	-	0%
Capital salaries	451	226	50%
Total	**11,603**	**2,827**	**24%**

The profiled spend for the year has reduced from that at Q1 due to changes to the programme timetable for a number of the Council's strategic investment projects. Similarly, to the extent that an element of these projects is still expected to be spent in the current year, this is likely to be in the final quarter and hence the reason for the relatively low actual spend at Q2.

A number of strategic projects allow for potential capitalised development interest, the total of which is shown in the above table. However, at present any borrowing requirement relating to

these projects is likely to be internalised in the short-medium term using the Council's cash balances. On this basis the capital programme would underspend against this allowance, with the opportunity cost reflected in the Council's treasury management income.

Capital resources

The original estimate was to generate £4.976million of capital resources from the sale of council-owned assets. However, one site completed earlier than expected, with the capital receipt being received in the previous financial year. A sale of land was completed in June resulting in a capital receipt of £1.317million. A further disposal which was expected to complete in the year is subject to planning.

Estimated resources to be generated in the year included £1million from preserved right-to-buy (RTB) receipts. Greenfields has reported that 7 RTB sales have been completed up to the end of Q2 generating approximately £832,000 for the Council. Greenfields have also advised that a further 36 applications are in progress. Based on the timing and likelihood of progression to completion, experience suggests an estimated total of 16 sales may complete this year generating circa £1.926 million of resources. This compares to 27 sales completed last year which generated £3.756million for the Council.

VAT shelter monies due to the Council via an agreement with Greenfields were £113,000 at the end of Q2.

The Council has received £931,000 grant from the Better Care Fund, which is used to fund the Council's disabled facilities grant scheme. This is an increase of £68,000 over that originally anticipated for the year and will increase the resources available for this programme of work.

CABINET
18th December 2019

Braintree District Council

North Essex Economic Growth Strategy	Agenda No: 8a

Portfolio	**Economic Development and Infrastructure**
Corporate Outcome:	**A prosperous district that attracts business growth and provides high quality employment opportunities**
Report presented by:	**Cllr Tom Cunningham, Cabinet Member for Economic Development and Infrastructure**
Report prepared by:	**Emma Goodings, Head of Planning and Economic Growth**

Background Papers: National Industrial Strategy https://www.gov.uk/government/topical-events/the-uks-industrial-strategy	**Public Report** **Key Decision: No**

Executive Summary:

Braintree has been working with Essex County Council, Uttlesford District Council, Colchester Borough Council and Tendring District Council to produce a North Essex Economic Strategy. This is attached as Appendix 1 to this report.
The North Essex Economic Strategy provides a platform for strategic intervention at a scale which will achieve transformation in the overall economic prosperity of the North Essex area (and compliments local economic activity which the partners deliver).
Alongside the North Essex Economic Strategy, a Prosperity Prospectus for Essex is also being prepared and both documents will inform and influence the development of the South East Local Enterprise Partnership Local Industrial Strategy.
Following on from the approval of the Strategy, an Action Plan will be developed to guide the delivery of the key actions.

Recommended Decision:

1. To approve the North Essex Economic Growth Strategy;

2. To note that the Strategy's priorities will contribute to the Essex Prosperity Prospectus and the SELEP Local Industrial Strategy;

3. To note the partnership structures which are in place to facilitate the strategy;

4. To note that an Action Plan will developed to guide delivery of key actions; and that a process for reporting progress will be established by the partners.

Purpose of Decision: To approve the North Essex Economic Strategy and note the proposals to take the strategy forward.

Any Corporate implications in relation to the following should be explained in detail.	
Financial:	There are no financial implications at present. In due course there will be a requirement for Partners to consider funding options for projects to developed and delivered as part of the Action Plan. This will include consideration of external funding opportunities (e.g. the Government's Shared Prosperity Fund).
Legal:	Councils are empowered to promote and build greater economic growth through subsidiary powers under Section 111 of the Local Government Act 1972 and General Power of Competence under Section 1 of the Localism Act 2011.
Safeguarding:	No matters arising out of this report.
Equalities/Diversity:	An Equalities Impact Assessment has been prepared by Essex County Council on behalf of all the North Essex Authorities and can be found at Appendix 2 to this report
Customer Impact:	The development of the Strategy should have a positive customer impact through increases in economic prosperity throughout the region.
Environment and Climate Change:	No matters arising out of this report.
Consultation/Community Engagement:	The strategy has been developed following full consultation with each of the Councils at both Members and officer level. In parallel, a series of wider consultations took place. These included two workshop discussions with business, local authority and further and higher education representatives, as well as bilateral consultations with a small number of Essex businesses. Regional level consultation has also taken place with strategic stakeholders including SELP, the Essex Business Board and North Essex Garden Communities Ltd.
Risks:	No matters arising out of this report. Risk will be assessed at a project by project level.
Officer Contact:	Emma Goodings
Designation:	Head of Planning and Economic Growth
Ext. No:	2511
E-mail:	Emma.Goodings@braintree.gov.uk

1 Background

1.1 In 2017 Government launched its Industrial Strategy aimed at boosting UK productivity by focussing on five key foundations; ideas, people, infrastructure, the business environment and places. The Industrial Strategy also identified four 'grand challenges' which the UK will need to address over the coming decades, relating to our ageing population, the growing importance of artificial intelligence and the data-driven economy, the need for a new model of environmentally-sustainable 'clean growth' and the changing nature of mobility and transport.

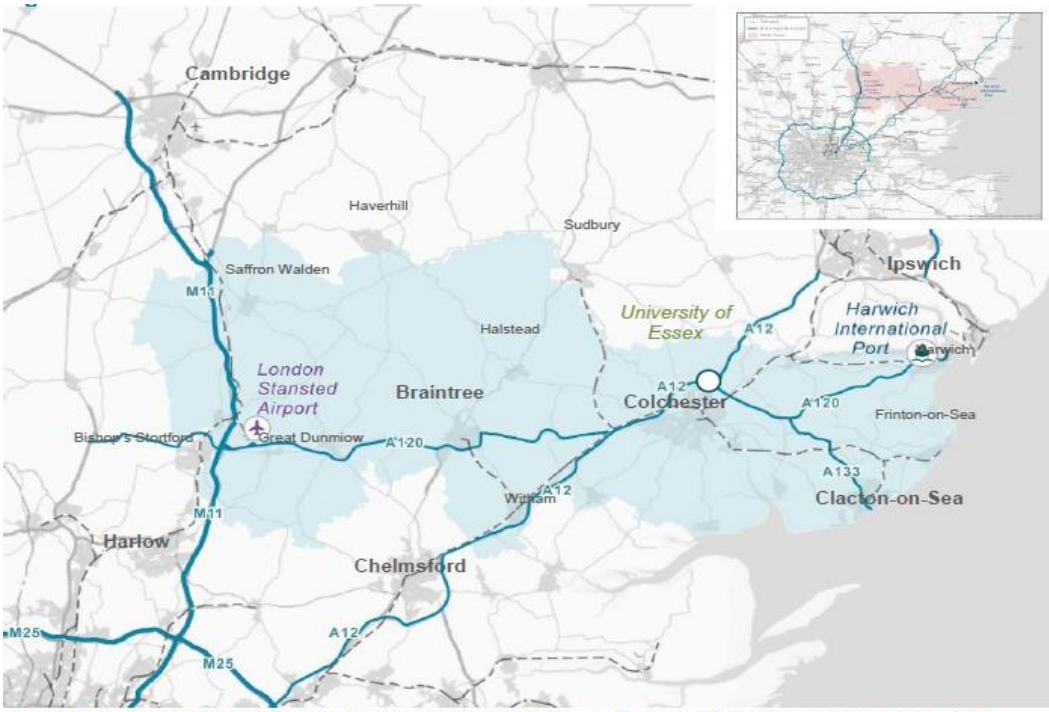
1.2 Further details on the Government's Industrial Strategy can be accessed via the following link: https://www.gov.uk/government/topical-events/the-uks-industrial-strategy

1.3 In 2018 Government mandated that every Local Enterprise Partnership should produce a Local Industrial Strategy (LIS). The Government is therefore working with the South East Local Enterprise partnership to prepare its LIS, setting out how it will contribute to productivity growth and respond to the 'grand challenges', and to inform the LEP's approach to any future local growth funding.

1.4 In order to inform and influence the development of the SELEP LIS, work is underway to prepare a Prosperity Prospectus for Essex to set out Essex's ambitions for long-term sustainable and inclusive prosperity and to outline where we must act in the next two or three years to achieve this. The new federated board for Essex, Success Essex, will be instrumental in ensuring that the LIS reflects the North Essex opportunities.

2 North Essex Approach

2.1 The North Essex Economic Growth Strategy (NEEGS) has been developed through a partnership of Braintree District, Colchester Borough, Essex County,



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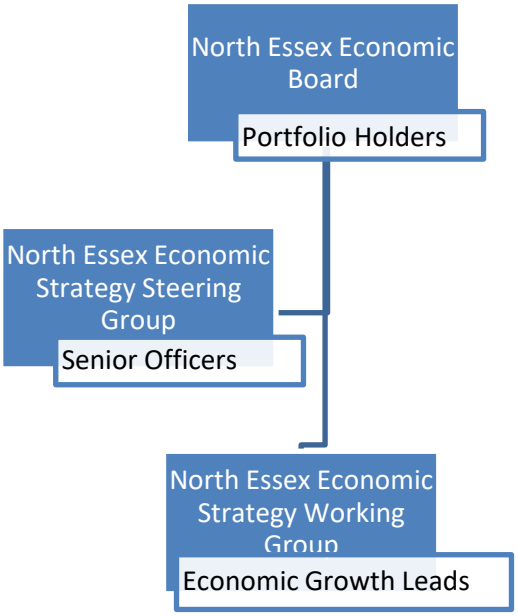
Tendring District and Uttlesford District Councils. The document is attached as **Appendix 1** to this report. It should be noted that there will be some final presentational changes to the document before it is published.

2.2 The NEEGS provides a platform for strategic intervention at a scale which will achieve transformation in the overall economic prosperity of the North Essex area (and compliments local economic activity which the partners deliver).

2.3 The partnership between the five partner Councils is set within a structure which brings the required leadership from Members and senior officers together with technical input from economic growth teams as outlined below:



2.4 The North Essex Economic Strategy drives forward the aspirations of the North Essex Economic Board, its political leaders and individual Local Authorities to come together and drive forward a collective long-term ambition for economic growth across North Essex.

2.5 The ideas and priorities set out in the North Essex Economic Strategy will contribute to both the Essex Prosperity Prospectus and SELEP Local Industrial Strategy. The Strategy will also form the basis for continued promotion of North Essex to Government, key national agencies and industry.

3 North Essex Economic Strategy

3.1 The strategy has been developed with the ambition to achieve transformation in North Essex by 2040, in recognition that the inherent challenges and opportunities can only be fully addressed through a sustained focus over that time frame.

3.2 Although this Strategy takes a long-term view, actions taken in the shorter term will shape the direction of future growth. Much is happening already as 'business as usual', for example, in land use and infrastructure planning, and the Strategy does not duplicate this. But within a dynamic, changing economy, there should be opportunities to develop new solutions to the challenges faced, and to test out new ideas.

3.3. Therefore the Strategy highlights a series of key 'areas for action' over the next five years, setting out a framework through which the partners will progress initiatives that will make a difference across the whole of the area.

3.4 The Strategy has been articulated through an overall Vision and 4 related Missions:

3.5 The Vision set out in the Strategy is:

"North Essex is a high-value, productive and sustainable economy. People choose to live and work locally, in new and established communities that are well connected and inspire innovation and creativity"

3.6 To deliver the vision four key 'missions' have been identified that will be the focus the partner's shared activity over the next five years, with each mission providing a framework to consider, and drive forward, new ideas and solutions:

3.7 **Mission 1: Driving innovation and technology adoption**
Our vision seeks an economy that is 'high value and productive'. To support this, we will develop opportunities for innovative businesses to grow, technology clusters to emerge and for all businesses to take advantage of measures to increase technology adoption and drive forward productivity.

3.8 **Mission 2: Developing a skilled and resilient workforce**
From an economy-wide perspective, a skilled workforce is essential to productivity growth. From an individual perspective, the ability to adapt and develop new skills is essential in driving opportunity, better pay and progression in work. Looking ahead to 2040, we aim to develop a workforce – of all ages and in all communities – able to contribute fully to North Essex's growth opportunities.

3.9 **Mission 3: Creating a network of distinctive and cohesive places**
North Essex is a diverse place, with strong local identities and a strong 'quality of life' offer. We want to preserve and enhance this, celebrating our unique local characteristics while ensuring that all our towns and communities contribute to and benefit from economic growth within a complementary 'network' of places. This will mean investing to reduce local disparities and strengthening our internal connections and our links with our neighbours, so that people and businesses can access new opportunities.

3.10 **Mission 4: Growing a greener, more sustainable economy**
Over the long term, we want to ensure that North Essex is a leading example of sustainable development – within existing communities, through our ambitious proposals for new Garden Communities and through lower carbon, innovative businesses.

4 <u>Delivery</u>

4.1 The partners recognise that the economic challenges and opportunities affecting respective areas will best be addressed through a collaborative approach to achieving inclusive and sustainable economic growth. The shared ambition is to promote, plan and deliver sustainable, strategic growth at scale and over the long-term; providing the housing, employment, necessary

supporting infrastructure and innovations required to ensure the best outcomes for current and future communities of North Essex.

4.1 Alongside this Strategy a rolling 'action plan' will be developed, owned by the North Essex Economic Board, through which business cases for interventions can be identified, scoped and further developed. This will enable the Board to consider options in relation to each proposed action, identify lead partners and consider potential risks, with a view to working collectively on shared objectives. The action plan will be completed by March 2020 and will then be subject to annual review and will monitored and updated over the initial five years of this Strategy.

4.2 The partnership structure will evolve following approval of the Strategy and this will be in the context of the following key considerations:

- Potential expansion of the North Essex Economic Board to include key stakeholders and business leaders;
- Engagement at national and regional level to promote and lobby for North Essex;
- Effective delivery of the strategy's Action Plan through joint working; and
- Identification of Success Measures.

4.3 Partners on the North Essex Economic Board are being asked to make a contribution to be spent on the projects set out within the agreed action plan. A budget request for £20,000 to be funded from unallocated New Homes Bonus is being made to accommodate this. This is dependent on a suitable action plan being approved and other Councils matching the request.

5 Next Steps

5.1 The North Essex Economic Strategy is currently being taken through respective approval processes by the Partners. Following this the key next steps are:

- Inclusion of the NEES strategic priorities in the Essex Prosperity Prospectus and the SELEP Local Industrial Strategy;
- Development of an Action Plan and Success Measures by March 2020;
- Development of a Communications Plan; and
- Consideration of the partnership approach and how this will develop in the future

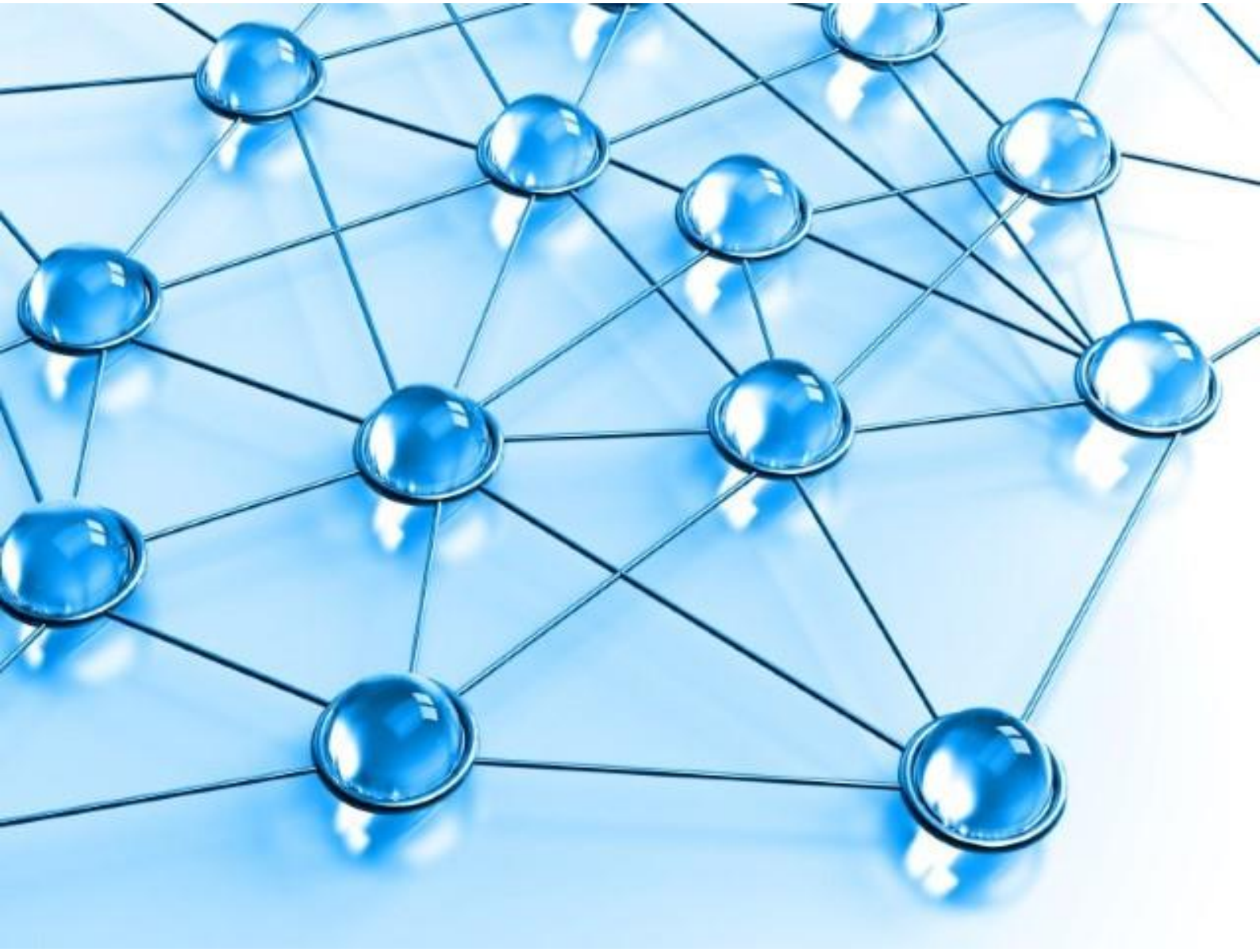
6 Recommendations

1. To approve the North Essex Economic Growth Strategy;
2. To note that the Strategy's priorities will contribute to the Essex Prosperity Prospectus and the SELEP Local Industrial Strategy;
3. To note the partnership structures which are in place to facilitate the strategy;
4. To note that an Action Plan will developed to guide delivery of key actions; and that a process for reporting progress will be established by the partners.

North Essex Economic Strategy

Final Draft

October 2019



Braintree District Council

Colchester

Essex County Council

Tendring District Council

Uttlesford District Council

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Note on the Final Draft Strategy

This draft Strategy was considered by the North Essex Economic Board in September 2019, and has been updated in the light of feedback from the Board.

It is envisaged that the final version will be designed for publication (with enhanced maps and graphics, etc., which will be finalised once the Strategy content has been agreed).

DRAFT

Executive Summary

Introduction

1. Welcome to the **North Essex Economic Strategy**. Looking forward to 2040, this Strategy sets out our shared ambitions for long-term, sustainable and inclusive prosperity – and outlines where we must act in the next five years to help realise them.

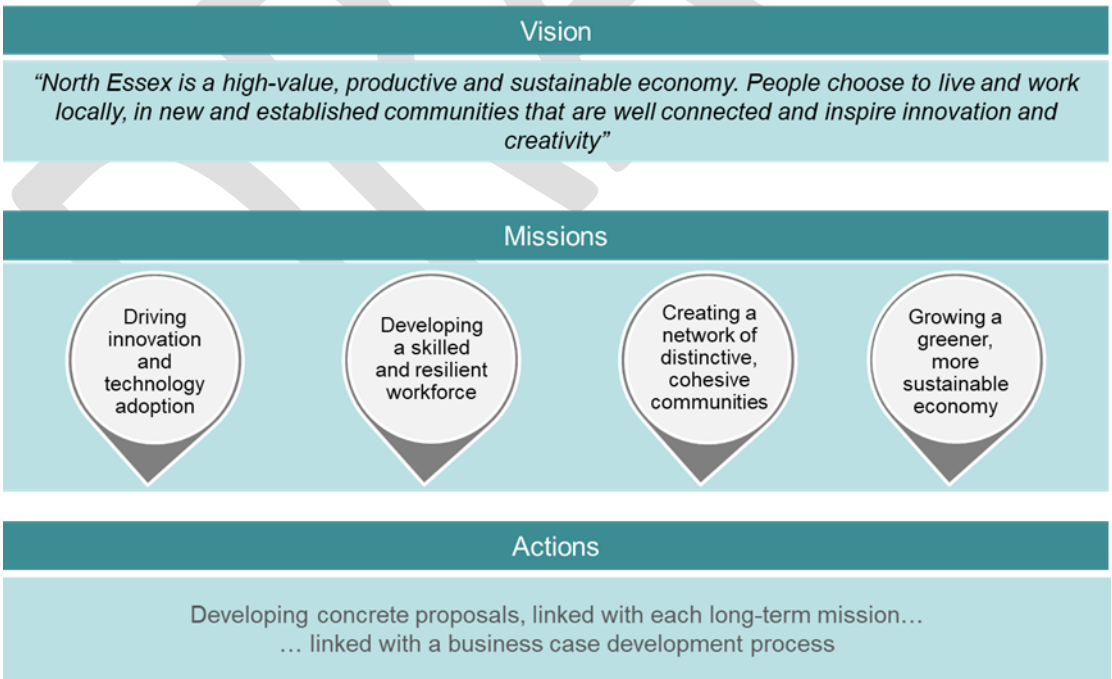
2. Our Strategy is prepared in the context of:

- **Rapid population growth**: In the 20 years to 2018, our population expanded by almost 20% to 580,000. Looking to the future, some 50,000 new homes are planned across North Essex between 2016 and 2036, some of which will be delivered through our new Garden Communities.

- **Rapid economic change**, as the growing importance of artificial intelligence and the data-driven economy, the need 'cleaner growth' and demographic change lead to new goods and services (and the skills, infrastructure and technologies that will be needed to create them), while disrupting existing jobs and business models.

Our vision and missions

3. Over the next twenty years, we have an opportunity to capture the potential of growth and economic change to create an increasingly productive economy in which everyone has a stake:



Mission 1: Driving innovation and technology adoption

4. **Looking forward to 2040**, to support an economy that is 'high value and productive', we will develop opportunities for innovative businesses to grow, technology clusters to emerge and

for all businesses to take advantage of measures to increase technology adoption and drive forward productivity.

5. **Over the next five years**, we will build a closer relationship between innovative businesses, their supply chain and the knowledge base. This will seek to maximise the potential of our 'leading edge' research base (especially associated with the University of Essex), increasing interaction between the universities and our SME base; strengthen supply chain links and business-to-business relationships within North Essex; and ensure that those high-value businesses with the ability and appetite to expand have the physical capacity to do so. We will also seek to drive new inward investment alongside indigenous growth, where it will deliver quality, sustainable employment, encourage innovation, and support supply chain opportunities

Mission 2: Developing a skilled and resilient workforce

6. **Looking forward to 2040**, we aim to develop a workforce – of all ages and in all communities – able to contribute fully to North Essex's growth opportunities.

7. **Over the next five years,** working together with existing institutions and partnerships, we will seek to increase the supply of industry-relevant qualifications and develop new solutions to drive greater employer participation in the skills system. In the light of the new economic opportunities emerging through technological change, we will also seek to increase awareness of the career and employment opportunities that are available in North Essex – and which could become available in the future. Linked with this, we will support those who are already in the labour market to access new skills and adapt to changing technologies and working practices.

Mission 3: Creating a network of distinctive, cohesive communities

8. **Looking forward to 2040,** we will preserve and enhance North Essex's unique local identities and diversity, while ensuring that all our towns and communities contribute to and benefit from economic growth within a complementary 'network' of distinctive and creative places.

9. **Over the next five years,** we will drive forward a long-term, coordinated transport strategy, working closely with Transport East, accompanied by measures to increase sustainable transport options and support the further deployment of high-speed digital connectivity. At the same time, we will **invest in the infrastructure to support distinctive, adaptable and creative places**, exploring opportunities to better embed 'anchor institutions', especially within our coastal towns.

Mission 4: Growing a greener, more sustainable economy

10. **Looking forward to 2040,** we will ensure that North Essex is a leading example of sustainable development – within existing communities, through our ambitious proposals for new Garden Communities and through lower carbon, innovative businesses.

11. **Over the next five years**, we will support the development of new industries associated with the transition to a more energy-efficient, lower carbon economy (building on our strengths in the coastal energy industry). We will continue to progress our ambitious proposals for new

Garden Communities, ensuring that long-term sustainable development is planned from the start, and we will seek to incentivise the development and use of sustainable materials within the construction and development process.

Delivering the Strategy

12. Our Strategy sets out an ambitious programme. Delivery will mean close partnership working among all those with a stake in North Essex's future prosperity, including business, the local authorities and our universities and educational institutions. Some measures will also need the support of central Government and, within the overall framework that we have outlined, the Strategy will need to be flexible to adapt to changing opportunities over time.

13. The North Essex Economic Board will ensure strategic oversight, developing a rolling action plan and driving the development of business cases for specific interventions. But this Strategy is just the start. In North Essex, we have the opportunity for a more sustainable, better quality model of economic growth, and the ambition to achieve it. We will now work creatively and in partnership to deliver.

DRAFT

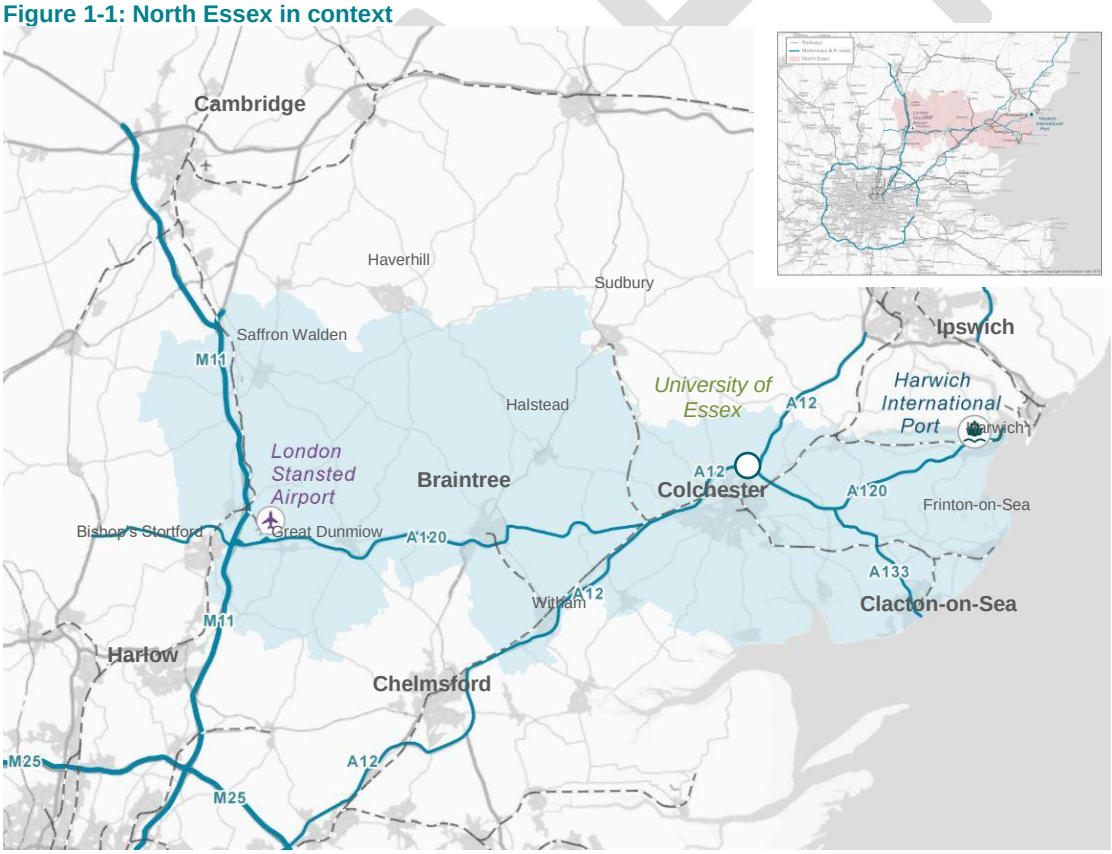
1. Introduction

Welcome to the North Essex Economic Strategy. Looking forward to 2040, this document sets out our ambitions for long-term sustainable and inclusive prosperity – and, at a time of rapid growth and technology change, outlines where we must act in the next two to three years to realise them.

A new economic strategy for North Essex

1.1 Stretching from Stansted Airport and the M11 in the west, via Braintree and Colchester to Clacton and Harwich in the east, North Essex is a diverse and outward-facing economy – both internationally and relation to the rest of the Greater South East. Looking to the next twenty years and beyond, the North Essex Economic Board[1] has prepared this Economic Strategy to help us take action now to ensure that we make the most of the opportunities that are ahead of us.

Figure 1-1: North Essex in context



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[1] The North Essex Economic Board is a partnership between Essex County Council and the district authorities in Braintree, Colchester, Tendring and Uttlesford to promote economic growth, working together with business.

The long run: Our growth ambitions

1.2 This Strategy is developed in the context of rapid growth. In the 20 years to 2018, our population expanded by almost 20% to 580,000: as Chapter 2 demonstrates, this has been accompanied by rates of housing delivery consistently higher than the national average. Looking to the future, some 50,000 new homes are planned across the four districts between 2016 and 2036[2]. Some of these will be delivered through our emerging proposals for new Garden Communities, which will be built out over a longer, 50 year period.

1.3 Alongside *population* growth, we are ambitious for *economic* growth (for example, the Garden Communities aspire to create one job for every home - a high rate of job creation, but one which we must achieve if we are to deliver sustainable, local employment). But we don't just want increased job numbers: we need to take advantage of rapidly changing technology to ensure that future employment is resilient, adaptable and increasingly productive. That means growing local business opportunities, investing in our 'knowledge base' and developing a diverse and highly skilled workforce – both for future residents and our existing communities.

The short run: Five years forward

1.4 Although this Strategy takes a long-term view, the actions that we take in the shorter term will shape the direction of future growth. Much is happening already as 'business as usual', for example, in land use and infrastructure planning, and this Strategy does not duplicate this. But within a dynamic, changing economy, there should be opportunities to develop new solutions to the challenges we face, and to test out new ideas. So within the Strategy, we highlight a series of key 'areas for action' over the next five years, setting out a framework through which the North Essex Economic Board can work with partners to progress initiatives that will make a difference across the whole of the area.

The changing strategic context

1.5 We have prepared this Strategy at a time of considerable macro-economic and policy uncertainty, not least related to Britain's exit from the European Union Locally, we will need to adapt to changing patterns of global trade and fluctuations in national and international economic performance as they evolve.

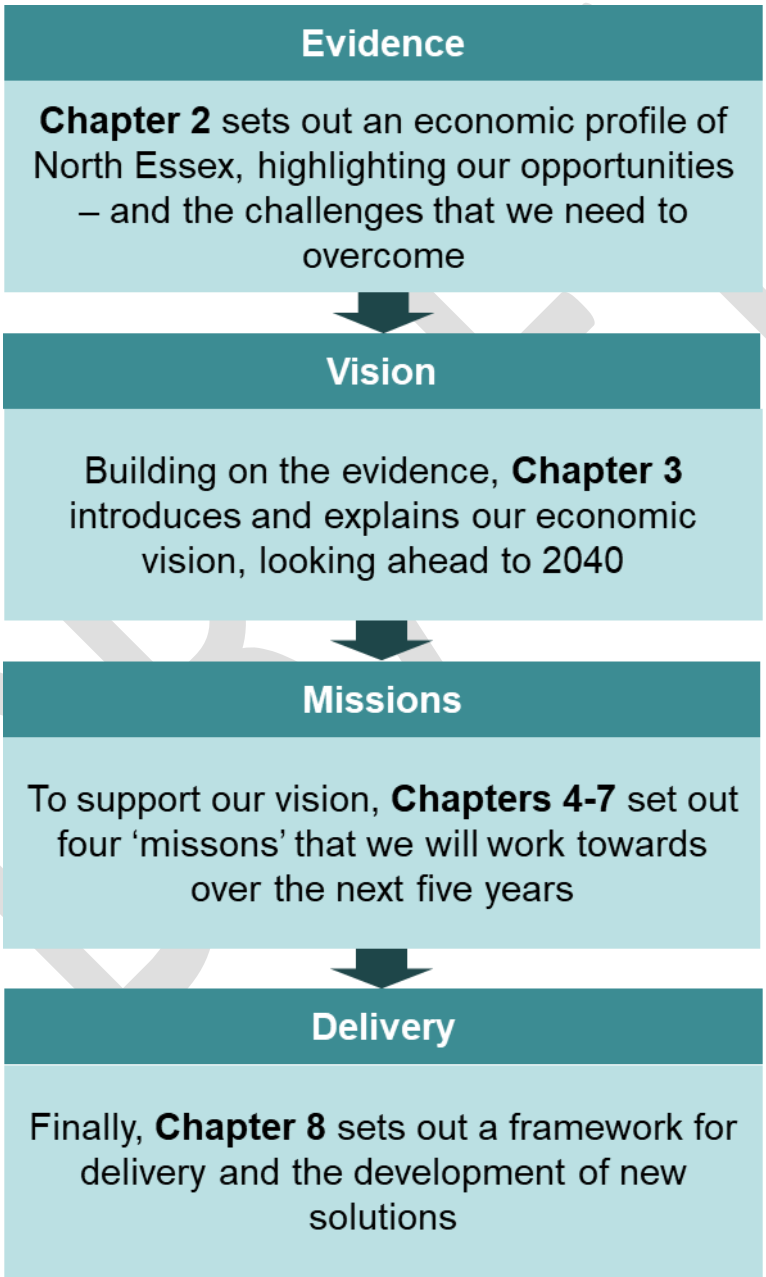
1.6 But over a longer horizon, the opportunities and challenges presented by technological and demographic change become clearer. The Government's *Industrial Strategy*, published in 2017, identified four 'grand challenges' which the UK will need to address over the coming decades, related to our ageing population, the growing importance of artificial intelligence and the data-driven economy, the need for a new model of environmentally-sustainable 'clean growth' and the changing nature of mobility and transport. All of these are leading to demand for new goods and services (and the skills, infrastructure and technologies that will be needed to create them), while disrupting existing jobs and business models. Capturing the potential and driving forward productivity, while ensuring that everyone has a stake in future economic growth is a challenge for all local economies, North Essex included.

[2] 2016-36, based on Local Planning Authorities' housing supply trajectories. Essex County Council (2017), *Greater Essex Growth and Infrastructure Framework*

1.7 In this context, the Government is working with local enterprise partnerships across England to prepare *Local Industrial Strategies*, setting out how each area will contribute to productivity growth and respond to the 'grand challenges', and potentially acting as a basis for prioritising activity under the forthcoming Shared Prosperity Fund. Work is underway to prepare Local Industrial Strategies for Essex and the wider South East LEP region, to which the ideas and priorities set out in this Strategy will contribute.

Strategy structure

1.8 The remainder of this Strategy is structured in four main sections:



2. North Essex: A picture of the economy

With a strong university presence, international connectivity and a good quality of life, the towns and communities of North Essex are well positioned to benefit from rapid growth. But to achieve our potential, we must ensure that our infrastructure, workforce and businesses are resilient, innovative and adaptable. This chapter sketches a picture of the North Essex economy and its opportunities

Diverse places, outward connections: The geography of North Essex

2.1 With a population of around 580,000, North Essex extends for some sixty miles from east to west, along the 'A120 Corridor' linking Stansted and the M11 with Harwich. No single centre dominates: while Colchester is the largest urban area, Braintree, Clacton-on-Sea, Harwich and Saffron Walden are all important centres of population, alongside a large rural hinterland.

North Essex is an area of considerable diversity….

2.2 Historically, our main settlements have had distinctive roles: the seaside resorts of Clacton and Frinton, the port at Harwich, Braintree as an important manufacturing base, and Colchester as a military centre and (in recent decades) a growing university town and regional service centre. The distinct heritage of our main towns is important, both in relation to their strong local identities and the economic opportunities that each enjoy.

We're a vital international gateway…

2.3 Two important international gateways anchor each end of the A120 Corridor. In the west, just off the M11, Stansted Airport is the UK's fourth busiest passenger airport, handling some 25 million passengers in 2017 (as well as a large freight operation). In the east, Harwich International Port offers passenger links to Holland, as well as freight activity, and has more recently become an important centre for the offshore wind industry.

… with important links to the rest of the Greater South East

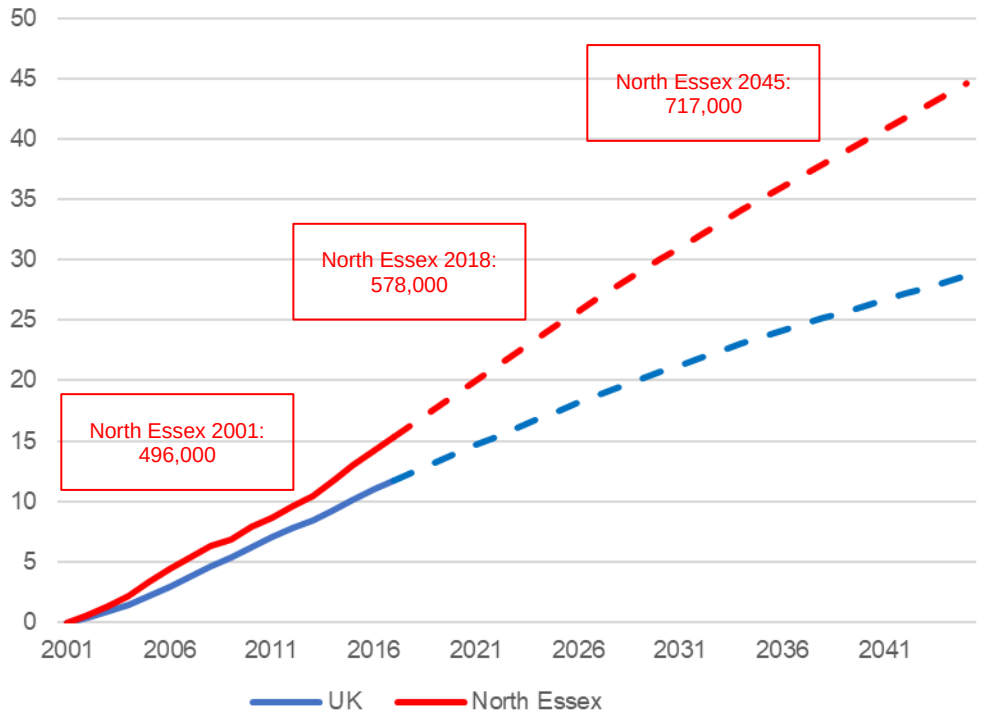
2.4 As well as the east-west A120, North Essex is served by two other nationally important transport 'corridors': the A12/ Great Eastern Main Line corridor from London to Norwich via Chelmsford and Colchester, and the M11/ West Anglia line from London to Cambridge via Stansted. Consequently, travel flows from North Essex to other parts of Essex and the rest of the Greater South East are significant: Chelmsford (for example) is the most important commuter destination for residents of Braintree, while Harlow and parts of Hertfordshire along the M11 Corridor are important in Uttlesford – and London is a vital commuter destination and market for businesses across North Essex. The key point is that North Essex – overall – is not self-contained and homogeneous: it is outward-facing and diverse.

Rapid growth

In population and housing…

2.5 Despite this diversity, North Essex shares a common growth agenda. For the past 20 years, our population has risen faster than the national average (between 1997 and 2017, the population of the area grew by around 20%, compared with a 13% increase nationally – and a 15% increase across Essex as a whole). The working age population has also grown at a much faster rate than the rest of the country.

Figure 2-1: Population growth 2001-45 (2001=0)



Source: Cambridge Econometrics, East of England Forecasting Model

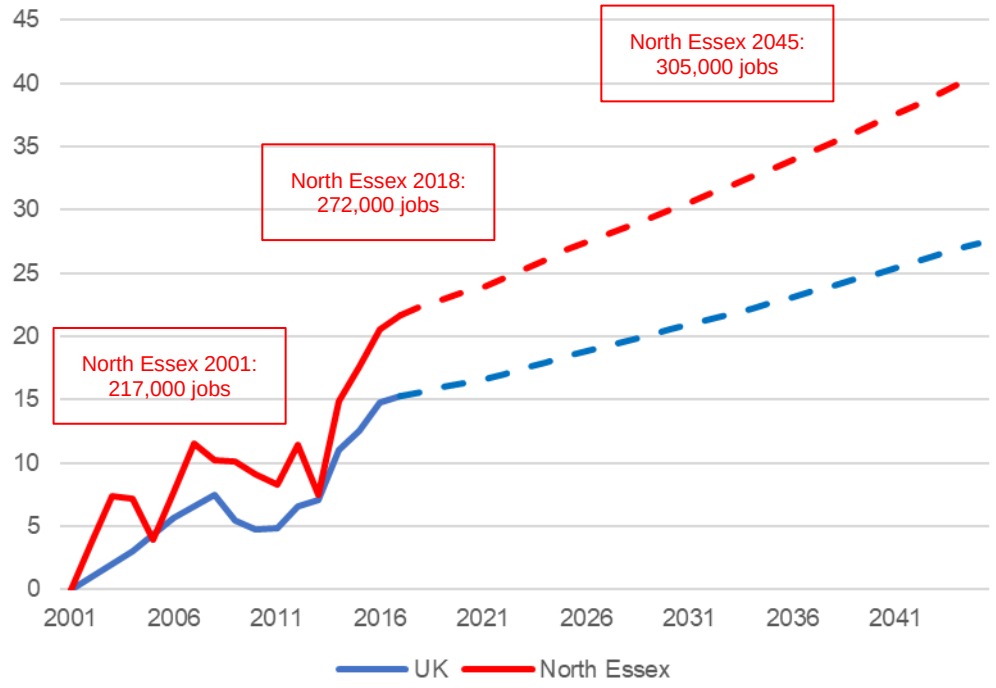
2.6 Looking to the future, population growth is expected to remain high, with a projected increase of 24% between 2018 and 2045 (some 139,000 additional residents). To put this into context, this is the equivalent to the population of an additional town somewhat larger than the Colchester urban area today.

2.7 North Essex has responded positively to the growth agenda, with housing growth supporting a rising population. Over the past decade, the pace of housing completions has been strong: over 18,000 new homes were built in the four districts in the ten years to 2018/19 (almost half of all new homes built in Essex as a whole, with delivery in Colchester stronger than in any other Essex district). Over the long term, the North Essex authorities' shared approach to the development of the proposed new Garden Communities provides a coordinated response to meeting future housing needs (alongside the expansion of existing communities), with a commitment to new employment growth to match housing expansion.

… and in employment

2.8 There are currently around 272,000 jobs in North Essex. Generally, employment growth has been somewhat stronger than the national average in recent years, reflecting population growth, and is projected to expand:

Figure 2-2: Jobs growth, 2001-45 (2001=0)



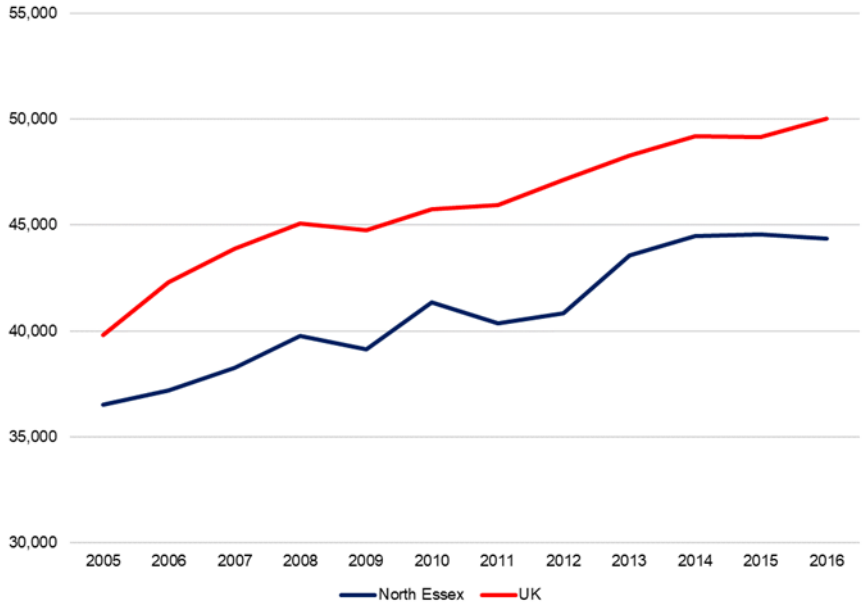
Source: Cambridge Econometrics, East of England Forecasting Model

Productivity challenges

2.9 The UK faces a 'productivity challenge': while employment rebounded rapidly from the Great Recession, Britain's productivity (relative to that of its competitors in Europe and North America) has largely failed to grow. Addressing this is a major focus of the Government's Industrial Strategy.

2.10 In North Essex, productivity (measured as GVA per filled job) was around £44,000 in 2016, and has lagged the UK average for several years (with some indication of a recent widening of the gap), as Figure illustrates:

Figure 2-3: Productivity (GVA per filled job, £)



Source: SQW estimates

2.11 This 'productivity deficit' is broadly in line with that of the South East LEP as a whole. But it does present a risk to the aspiration set out in the Introduction for an economy that is "adaptable, resilient and increasingly productive". A number of factors underpin our productivity challenge:

- Within the context of a diverse sectoral profile, we have **relatively modest representation in higher-value sectors**. This is not universal (professional and scientific employment is relatively high in Colchester and Uttlesford, for instance), but *in general*, the area's current sectoral base is oriented to 'less productive' activities. Potentially, this suggests a need to support more 'knowledge intensive' activity through indigenous growth and external investment, *as well as* raising productivity (for example through increased uptake of new technology) in the wider business base). This should help North Essex businesses to compete in wider markets: while local export data are limited, there is evidence that innovation and technology adoption correlate with a greater propensity to export[3].

- **Relatively weak workforce skills**. Around 33% of the North Essex workforce are qualified to NVQ 4 or higher, compared with about 39% in Great Britain as a whole – and some 24,000 people (7% of the working age population) lack any formal qualifications. While recent years have seen improvements, the skills profile tends to change slowly (as new entrants to the labour market gradually replace those who leave). In the context of a need to adapt to new technologies and a wider range of lifetime careers, improving access to re-skilling will be important, alongside support for people in education.

- **Outflows of more highly skilled workers to job opportunities elsewhere**. Overall, there is a net commuting outflow from North Essex, reflecting higher wages that can be commanded in London and other parts of the South East. This proximity to higher-

[3] House of Lords Select Committee on SMEs (2013), Roads to Success: SME export performance

value employment is a benefit to local residents (and to firms in the London supply chain), and improved connectivity and changing working practices should develop them further. But supporting the growth of more knowledge intensive activities should help to provide a greater choice of employment opportunities locally.

- **Some sharp spatial inequalities.** Aggregating up to North Essex as a whole obscures quite substantial divergences between different parts of the area. For example, the average NVQ 4+ qualifications rate quoted above hides a range at district level from 44% (in Uttlesford) to 22% (in Tendring), a pattern which is repeated across multiple indicators and reflects North Essex's spatial diversity. Achieving sustainable growth means improving outcomes in all communities, looking beyond the aggregate measure.

Key assets

2.12 While the 'productivity challenge' (which in reality is a series of structural challenges faced by much of the UK) is real, North Essex can draw on a range of important assets, including:

- **Our large and growing SME base.** There are around 23,000 businesses in North Essex. The great majority of these (almost exactly mirroring the national average) are micro businesses, employing fewer than ten people, although our stock of small and medium-sized enterprises is growing as well. Survival rates are good, and while North Essex lacks some of the larger 'anchor' employers that are an important feature elsewhere (such as the large manufacturing businesses in South Essex), there are strengths in a diverse and resilient business base

- **Our higher education infrastructure**. Within North Essex, this includes the University of Essex, as well as University Centre Colchester. In the wider hinterland, Anglia Ruskin and the University of Suffolk are nearby – as are the major centres of higher education in London and Cambridge. The University of Essex has world-leading strengths in computer science, informatics and the application of data, all of which are especially relevant to the growth of North Essex's technology capabilities, and there is a growing relationship between the regional business base.

- **Recent investment in skills**, linked with North Essex's key sector growth opportunities. Examples of innovative provision include Colchester Institute's STEM Innovation Centre at Braintree and the Stansted Airport College, discussed further in Chapter 6.

- **Investment in emerging areas of business activity**, some of which remain relatively small on a North Essex-wide scale, but which are important locally and have strong prospects for growth. Examples include the development of the offshore renewables sector in Tendring, life sciences associated with Chesterford Research Park in Uttlesford (with strong links to the Cambridge/ M11 economy), the digital media industry in Colchester and the continued growth of the advanced manufacturing sector in Braintree.

- **Major infrastructure as an economic anchor**, as well as a driver of connectivity. Around 12,000 people work at Stansted Airport for example; over time, the Airport also has the potential to drive wider location decisions.
- **Proximity to London and the rest of the Greater South East.** Typically seen as a labour market opportunity (North Essex residents commuting to London), travel patterns across the South East are increasingly complex, supported by more flexible working opportunities…
- …. and linked with this, the **'quality of place' and quality of life that North Essex offers,** in terms of its natural and built environment, access to services and (in some parts of the area) relative affordability. Maintaining and enhancing this asset is vital in the context of growth and the services and infrastructure that will be required to support it

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3. Our vision to 2040

From the evidence to a vision…

3.1 The evidence tells us that North Essex has significant opportunities: we have a growing workforce and a growing employment base, we have increasingly important innovation assets and we are part of one of Europe's most dynamic regions. There is much to be ambitious about.

3.2 But we have some challenges too: like the rest of the UK, we will only achieve greater prosperity in the long run if we increase productivity – and we will only be successful if the benefits of greater prosperity are shared across North Essex.

3.3 Looking to the future, our vision for 2040 is that:

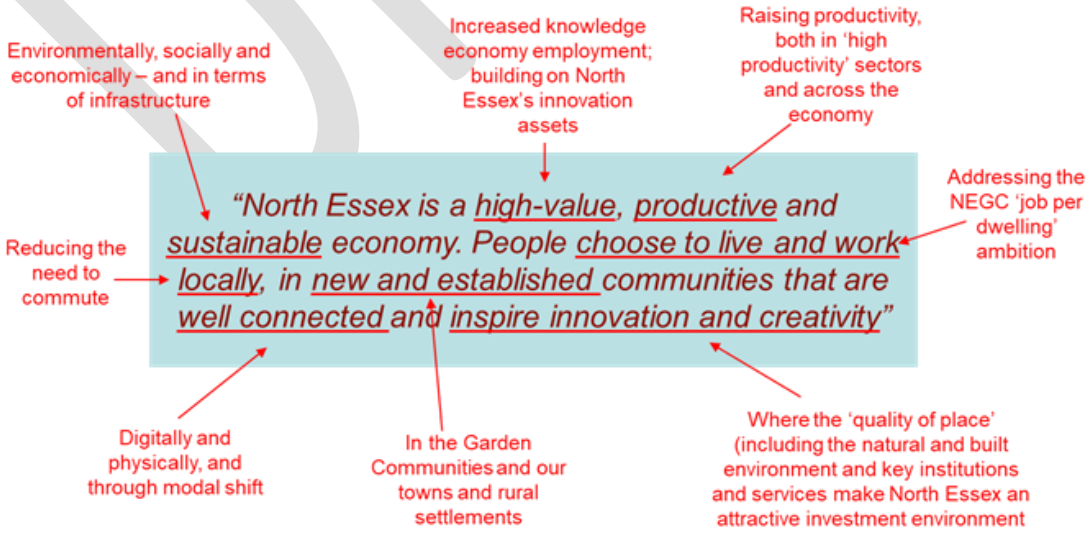
> *"North Essex is a high-value, productive and sustainable economy. People choose to live and work locally, in new and established communities that are well connected and inspire innovation and creativity"*

3.4 This vision is realistic – but it is also challenging.

3.5 As the diagram opposite demonstrates, it demands action on a number of fronts, linked with increasing the resilience and 'knowledge content' of our employment base, developing a skilled workforce that can take advantage of and drive these opportunities, and ensuring that all communities across North Essex can enjoy the benefits of a more sustainable, more productive economy.

3.6 Over the coming years, achieving the vision will be the objective of the North Essex Economic Board:

Figure 3-1: Unpacking the agenda

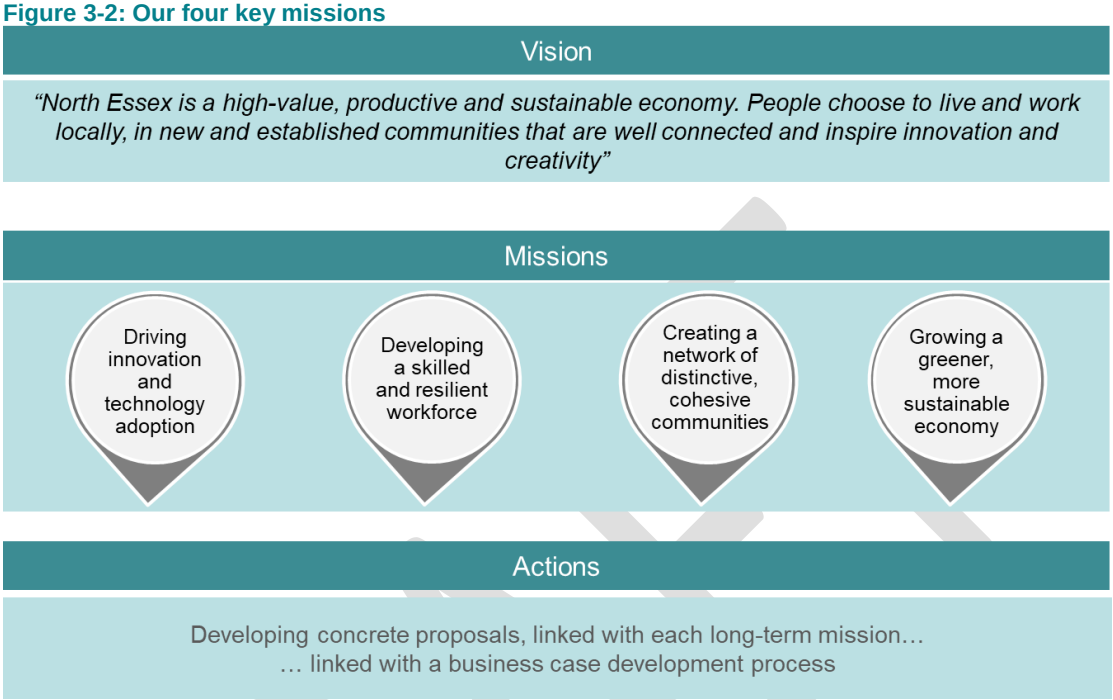


Source: SQW

Delivering the vision: Our four key missions

3.7 To deliver the vision, we have identified four key 'missions' that will be the focus of our shared activity over the next five years, with each mission providing a framework to consider - and drive forward – new ideas and solutions:

Figure 3-2: Our four key missions



Source: SQW

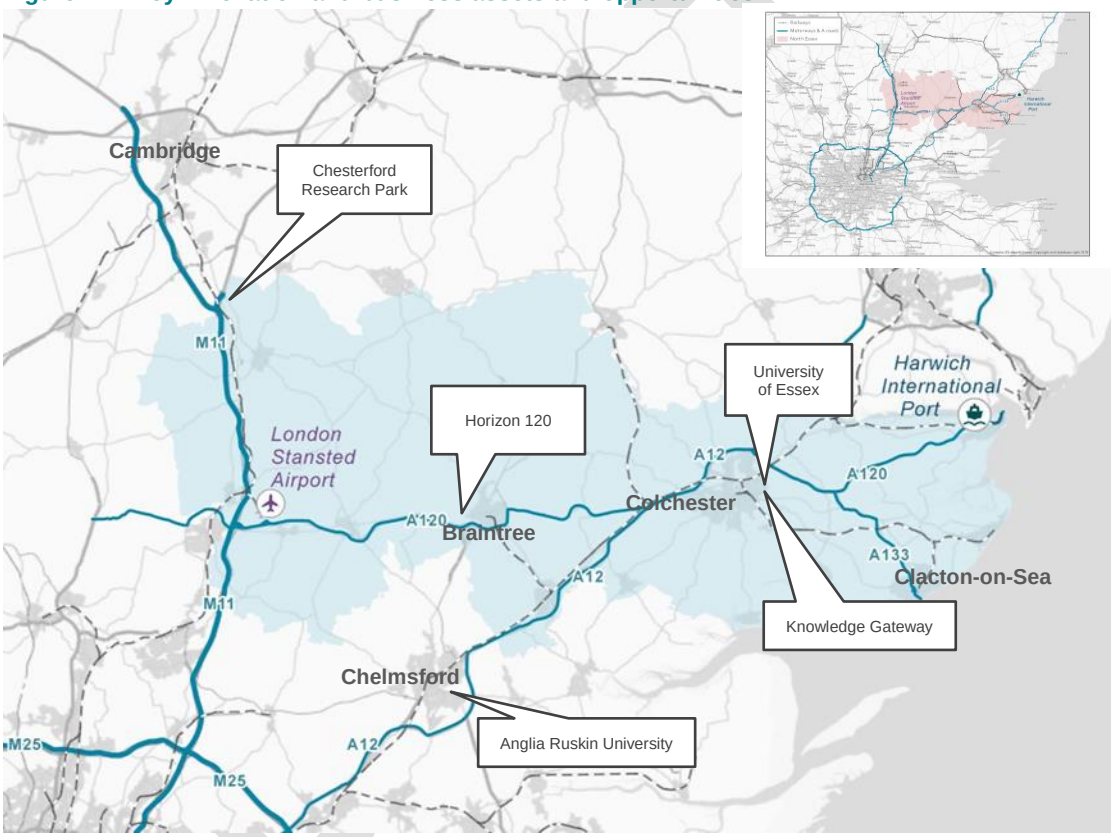
3.8 The following chapters explain each mission, setting out the assets and opportunities that underpin it, the challenges we need to address and the potential solutions that we will seek to progress.

4. Mission 1: Driving innovation and technology adoption

Our mission

Our vision seeks an economy that is 'high value and productive'. To support this, we will develop opportunities for innovative businesses to grow, technology clusters to emerge and for all businesses to take advantage of measures to increase technology adoption and drive forward productivity.

Figure 4-1: Key innovation and business assets and opportunities



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The situation today: Challenges, assets and opportunities

4.1 Digital technology is transforming the economy. The exploitation of complex data is leading to new products and services, challenging traditional sectoral definitions, and there are few industries that will not be impacted by automation and digital enabling technologies. This presents an opportunity for those firms and institutions that can develop and commercialise new solutions at the 'leading edge' of technology, and for those that can adopt new systems and adapt to change. But it is also a challenge to those that lack the capacity to evolve[4].

[4] See for example the report of the *Made Smarter* review, chaired by Jurgen Maier (2017)

4.2 In North Essex, we significant potential:

- **The University of Essex is a significant, and growing asset.** With world-class capabilities in advanced data science (discussed in the case study below), biological sciences and economics and finance, the University is a 'top 20' research institution, with global and national research connections, as well as business links in Essex. The University has invested substantially in commercialisation in recent years, including through the development of the Knowledge Gateway on its Colchester campus and the opening in 2019 of a new 38,000 sq ft Innovation Centre.

Data science at the University of Essex

The University of Essex is a leading centre of excellence in analytics and data science, including artificial intelligence and machine learning. Essex was one of the UK's first universities to house a central research activity in artificial intelligence, and currently hosts the UK Data Service's national SecureLab.

The University has a strong record of translating advanced computational methods to economic challenges and opportunities ranging from the use of data in policing and public services to Colchester's award-winning Games Hub for creative start-ups

- Alongside this, there are **public sector-driven opportunities to trial new technologies and develop new solutions**: the Anglian Test Bed Alliance for example actively seeks to work with innovators to find solutions to increase patient independence. Such initiatives are expanding as cost pressures on the health system, and the need to develop new approaches, rise. The North Essex local authorities are also investing in new digital technology to drive efficiencies and better service outcomes – potentially creating new opportunities for local businesses.

- **There are some growing concentrations of high value commercial activity**. Within North Essex itself, these include Chesterford Research Park, home to a cluster of life science businesses; as well as the growth of the 'digital tech' sector in Colchester. Links with neighbouring areas are also important: within the wider hinterland, there are major clusters of advanced technology-related activity (and associated support infrastructure) in London and Cambridge, and evidence of an emerging cluster of businesses linked with the semiconductor industry at Chelmsford.

Chesterford Research Park

With over 60 years' history of scientific research activity, Chesterford Research Park is a centre for life science and technology R&D, accommodating global businesses such as AstraZeneca and Charles River, as well as start-up and expanding firms.

Chesterford Research Park continues to expand as part of a network of science parks to the south of Cambridge, demonstrating the value of connections to North Essex's neighbouring centres.

- Supporting this, there has been recent investment in the wider **innovation infrastructure,** including the new Innovation Centre at the University of Essex and the forthcoming development of the Horizon 120 business and innovation park at Braintree.

- More broadly**, new technology is reducing barriers to entry** for innovation in (some) sectors, as the costs of small scale production fall and the ability to work 'anywhere' grows.

4.3 Looking ahead to the next 20 years, our strategy aims to grow these strengths and ensure that they benefit the wider North Essex economy. In particular, there is a growing recognition of the need to promote 'new to the firm' process innovation within the wider stock of SMEs. The Government's *Made Smarter* review highlighted the extent to which the UK's productivity deficit is influenced by a lack of capacity for technology adoption (partly linked with management skills and time, as well as uncertainty regarding risks and benefits). There should be scope to use North Essex's expert assets to drive adoption amongst the wider SME base.

4.4 However, **we need to do more to unlock this potential**, and there is evidence that in North Essex, the 'innovation ecosystem' is somewhat under-developed. We have an entrepreneurial economy and a growing business base, but it is dispersed sectorally and spatially. There is also a relative lack of scale, with few leading firms driving local supply chains. On conventional measures of 'innovation', North Essex performs relatively poorly: patent registrations are relatively low, and recent analysis of the take-up of Innovate UK grants showed that North Essex was some way behind the rest of the country[5].

4.5 **Our growth opportunities are also limited by capacity constraints**, both in terms of transport connectivity (discussed in Mission 3) and access to land. recent research has highlighted the challenge that a general lack of 'grow-on' space presents to businesses once they have reached a stage at which they need to expand. Changing market demand (especially occupier desire for greater flexibility), combined with high build costs and land values, has led to a situation in which *"grow-on space does not deliver sufficient returns for developers to be interested in providing this type of space"*, highlighting a need for public sector intervention[6].

Solutions and actions

4.6 Overcoming these barriers will be key to raising long-term productivity in the context of our rapid population growth. Over the next five years, **we will build a closer relationship between innovative businesses, their supply chain and the knowledge base**, as part of an effort to drive up over time the share of higher-value, knowledge-intensive employment. In particular, we will:

- **Maximise the economic potential of our leading-edge research base**, working with the University of Essex and with partners within and beyond North Essex to build our areas of comparative advantage
- Building on this, **increase interaction between the universities and our SME base**, encouraging and supporting the process of knowledge transfer and supporting **the increased adoption of new technologies and processes** among our SMEs
- **Strengthen supply chain links between major businesses and SMEs**. As part of this, we will seek to identify clusters of higher-value activity (for example, linked with the expansion of advanced data science). This will include efforts to develop links

[5] SQW/ Haven Gateway Partnership (2017), *Growth Sectors and Innovation in the Haven Gateway*; SQW/ SELEP (2018), *Economic Strategy Statement: Evidence Base*
[6] SQW/ BBP/ Essex County Council (2016), *Grow-on Space Feasibility Study*

beyond North Essex (for example with the growing quantum science cluster around Chelmsford) as well as within the area.

- **Build business-to-business relationships**, increasing interaction between SMEs and larger businesses across North Essex. As part of this, we will explore opportunities for a business-led 'peer-to-peer' support offer to best meet sector or specialist needs
- **Work across the public sector to identify the economic opportunities associated with service transformation**, enabling local universities, colleges and businesses to help design solutions
- **Ensure that high-value businesses with the ability to expand have the physical capacity to do so**. As part of this, we will investigate the potential for acquiring sites and premises where this could support economic growth and deliver a commercial return.
- **Drive new inward investment alongside indigenous growth**, where it will deliver quality, sustainable employment, encourage innovation, and support supply chain opportunities

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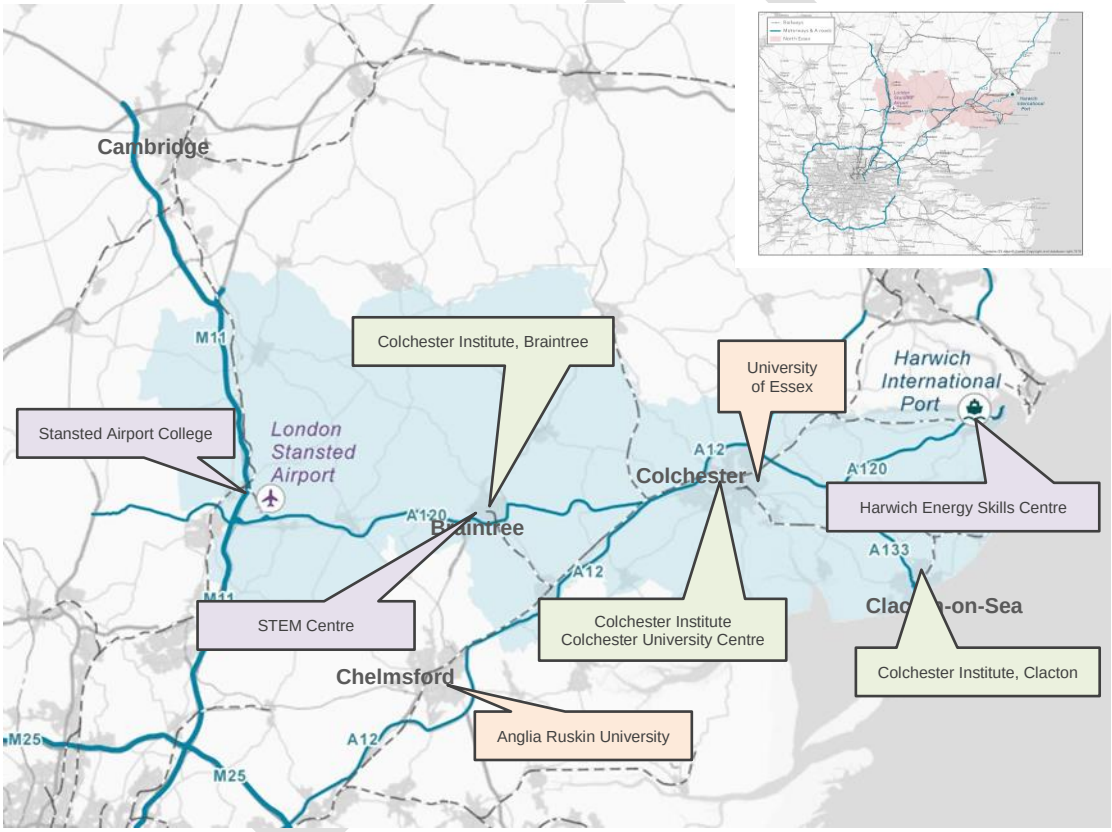
5. Mission 2: Developing a skilled and resilient workforce

Our mission

From an economy-wide perspective, a skilled workforce is essential to productivity growth. From an individual perspective, the ability to adapt and develop new skills is essential in driving opportunity, better pay and progression in work. Looking ahead to 2040, we aim to develop a workforce – of all ages and in all communities – able to contribute fully to North Essex's growth opportunities.

Figure 5-1: Key skills and workforce development assets and opportunities



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The situation today: Challenges, assets and opportunities

5.1 North Essex has a buoyant economy in employment terms. Unemployment is at historically low levels, and job creation has broadly kept pace with population growth. However, this masks relatively weak workforce skills, which are a potential drag on economic competitiveness:

- Despite improvements in recent years, **the North Essex workforce skills profile has not kept pace with that of the rest of the country**. Just 33% of the local workforce is qualified to NVQ4+, consistent with the average for the South East LEP, but below

the 38% qualified to this level nationally. This is a significant shortfall, which has been persistent over time

- **There is a net outflow of talent to London and other centres**, which impacts on local recruitment, especially in a tight labour market (although there is some evidence that quality of life considerations help to 'bring talent back' when the job opportunities are there)
- **Routes to progression are under pressure**. Participation in further education has fallen in recent years, apprenticeship starts have failed to rise, and the take-up of retraining is relatively low, reflecting the challenges faced by SMEs (nationally as well as in North Essex) in taking advantage of retraining opportunities, as well as wider resource pressures within the sector.

5.2 However, the case for investment in improved workforce skills is strong. New workforce skills (including management skills and 'skills for innovation') are essential for businesses to realise the opportunities presented by new technology, and there has been recent investment in new industry-focused training facilities:

New approaches to vocationally-focused further education in North Essex

Across North Essex, work is underway to build a stronger dialogue between employers and skills providers. This has led to initiatives designed to support the supply of future skills to growing industries. Three innovative approaches are worth highlighting:

Stansted Airport College is the first purpose-built on-site college at a major UK airport. Part of Harlow College, the new institution has been designed to support entry into roles such as aircraft engineering, logistics and supply chain management, hospitality and customer services – as well as addressing regional gaps in STEM skills. Following capital investment of around £11 million from Essex County Council and the South East LEP, the Airport College opened its doors to a first cohort of students in September 2018.

Looking to rising demand for construction-related skills (linked with North Essex's ambitious growth agenda), as well as a substantial manufacturing base, the **STEM Innovation Centre** at Colchester Institute's Braintree campus offers industry-standard facilities for computing, engineering and construction subjects, opening to its first students in September 2017.

Linked with the growth of the offshore energy sector, the **Energy Skills Centre** at Harwich is also managed by Colchester Institute, offering inshore and offshore engineering qualifications

Solutions and actions

5.3 Strengthening our skills profile is recognised as a high priority across Essex and across the South East LEP. Many of the measures taken forward at these larger spatial scales will be relevant to North Essex: working together with existing institutions and partnerships, we will seek to:

- **Increase the supply of industry-relevant qualifications**, building on the success of innovative projects such as those described above and encouraging greater specialist provision where it will meet local economic need. This will include making the case

for additional capital investment in the skills infrastructure, especially in the context of our housing and population growth.

- **Develop new solutions to employer participation in the skills system**, ensuring that qualifications are relevant to industry needs and are accompanied by the skills for creativity and management that an innovative economy needs. Encouraging greater employer engagement is a priority at national as well as local level (with measures such as the introduction of the Apprenticeship Levy designed to incentivise employer involvement). However, it is often hard for employers (especially small businesses) to effectively participate. Together with partners, we aim to:
  - Encourage employers to engage with the new T-Levels, as they are introduced from 2020, and increase the take-up of Apprenticeships
  - Press for selective devolution to the most appropriate level when it can enable greater employer leadership and help to simplify the landscape. This could include seeking to capture the value of unspent Apprenticeship Levies locally, so that they can be proactively made available to SMEs within the area.
- **Raise awareness of the career and employment opportunities that are available in North Essex and its hinterland**, and which could become available in the future. This is a task for the 'whole economy': employers, schools (at all levels), colleges and intermediaries and the wider public, ensuring that young people are able to make informed choices.
- **Support those who are already in the labour market to access new skills** and adapt to changing technologies and working practices. Most of those working in 2040 – the long-term horizon of our vision – are already in the labour market today, and most of us can expect longer working lives, a more diverse range of working patterns and more frequent career changes. This can bring great benefits, as well as challenges – and it is important that our workforce is able to adapt. As part of this, we will support the delivery and take-up of the National Retraining Scheme, we will seek to enhance it where possible and we will ensure that our adult and community skills offer is geared to future economic opportunity, working with partners at the most appropriate spatial scale.

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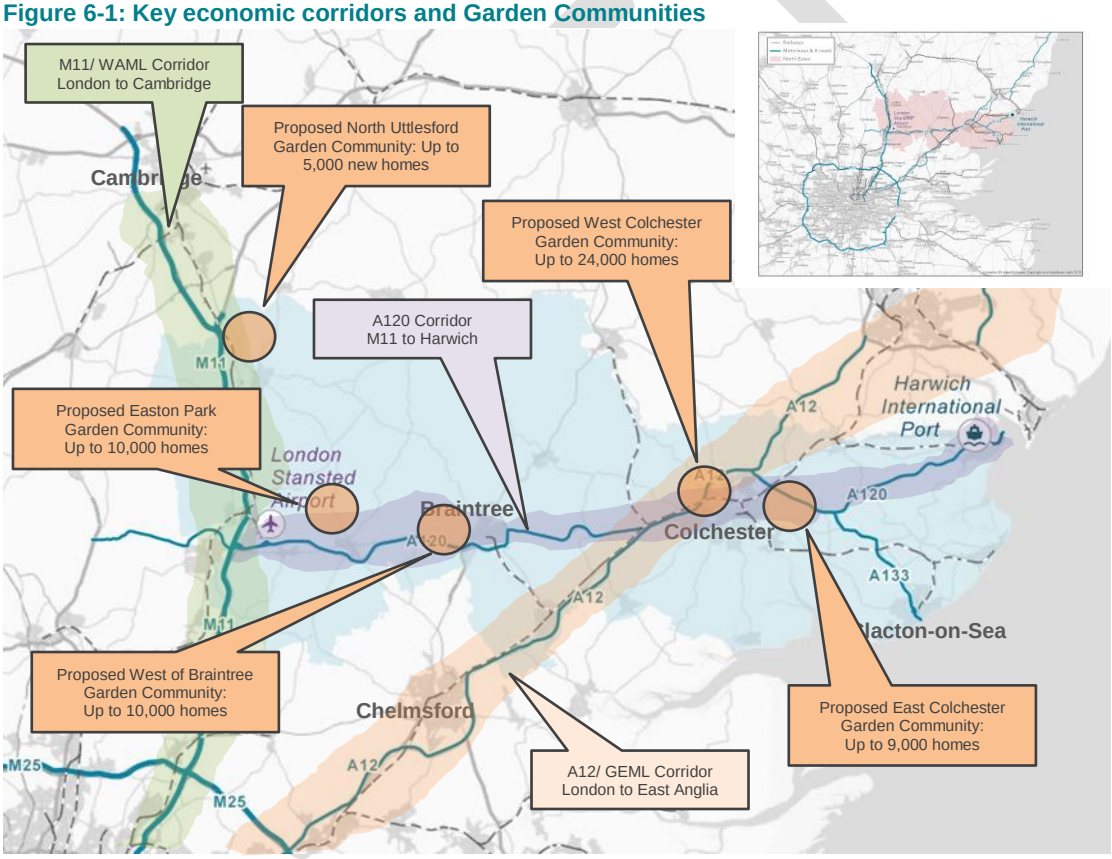
6. Mission 3: Creating a network of distinctive and cohesive places

Our mission

North Essex is a diverse place, with strong local identities and a strong 'quality of life' offer. We want to preserve and enhance this, celebrating our unique local characteristics while ensuring that all our towns and communities contribute to and benefit from economic growth within a complementary 'network' of distinctive and creative places. This will mean investing to reduce local disparities and strengthening our internal connections and our links with our neighbours, so that people and businesses can access new opportunities.

Figure 6-1: Key economic corridors and Garden Communities



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The situation today: Challenges, assets and opportunities

6.1 North Essex has a 'polycentric' network of towns and communities, with distinctive assets and opportunities. These include smaller market towns and an extensive rural hinterland with a high quality natural environment; the larger university town and regional centre of Colchester; and the 'Sunshine Coast'. Much of the area looks 'outwards', to neighbouring centres elsewhere in Essex, London, East Anglia and the M11 Corridor. There are real benefits to this diversity and local distinctiveness: 'quality of place' and local identity are increasingly

important as factors in business and residential location decisions (especially given the increasing ability to work remotely and North Essex's relative proximity to other major centres), and we have an opportunity to develop local clusters of economic activity that respond to local strengths.

6.2 Our diversity is a strength, and we want to preserve local identity and choice within the context of a coherent, sub-regional network of places. Looking to the future, we face three challenges**:**

- First, **unique identities should not mean unequal opportunities**. At present, **disparities across North Essex are sharp,** as the analysis at the start of this strategy bears out. These disparities are visible *between* districts, with a wide variance in (for example) average qualifications and productivity between Uttlesford at one extreme and Tendring at the other. Resolving these differences is challenging: in the case of some of the coastal towns in Tendring, relative peripherality, self-contained local markets and weak connectivity can be hard to overcome. However, significant local disparities also exist *within* districts and communities, and there is a risk that these will become more entrenched.

- Second, **distinctive places require investment**, both in the physical infrastructure that makes them distinctive (the quality of the built environment and public realm) and the local cultural assets and community services that support creativity and quality of life. Demand for community infrastructure and services will evolve over time with demographic change – maintaining and adapting investment to meet the needs of our changing population will be crucial.

- Third, **our ability to develop a sustainable 'polycentric' network is limited by connectivity constraints:**

  - Our **road and rail network is under pressure**, both 'within' North Essex (for example the A120 east of Braintree) and on key 'outward-facing' economic corridors (such as the A12/ Great Eastern Main Line and M11/ West Anglia Main Line routes). Currently, our business base is relatively dispersed and disparate: transport solutions should be important in creating greater critical mass.

  - Growth demands **more sustainable transport solutions,** achieving a modal shift to greater public transport use, reducing congestion and pollution. This is challenging in an area with a dispersed population base, and we will need to find solutions to delivering viable local transport systems

  - As demand for greater **digital connectivity** increases through the development of new products and services, it is important that our infrastructure keeps pace, especially in the context of population growth and the need to develop our knowledge economy

6.3 Creating a better connected 'network' of towns and communities should help to **demonstrate the compelling shared 'offer'** across North Essex to new residents and investors – complemented by clarity regarding the complementary offer of each place in the North Essex 'network', avoiding local competition where possible.

Solutions and actions

6.4 In support of our long-term plans for a network of sustainable, locally distinctive and well-connected communities, we will:

- **Actively promote measures to ensure that all parts of North Essex have access to economic opportunities.** This will include:
  - Exploring how we can **better embed 'anchor institutions'** within communities, especially within our coastal towns. As part of this, we will explore the options for additional public sector employment through relocation, where this could offer wider economic benefits and help to stimulate additional private sector employment
  - Linked with our ambitions in Mission 2, **support opportunities for re-training for people in the current workforce**, to support their resilience to technology and organisational change, and work with employers and schools to **raise aspiration** and access to learning and higher-value employment
- **Invest in distinctive, adaptable and creative places**, ensuring that our communities have the environmental quality and cultural and community offer to encourage people to develop new ideas and opportunities. This will include:
  - **Placing our town centres on the 'front foot' in responding to rapidly changing retail patterns.** This could involve the re-purposing of town centre retail units for more diverse range of commercial and non-commercial uses, where this would lead to a positive economic impact and create more opportunities for people to meet and share ideas, as well as investment in wider infrastructure
  - **Ensuring that our Garden Communities contribute to our 'network of distinctive places' in the long term**, through quality and creative design, sustainable connectivity and strong complementary relationships with existing settlements.
  - **Responding to demographic change and evolving demand**, designing new and existing communities that build in opportunities for healthier lifestyles and travel patterns, and respond to changing lifetime needs.
- **Drive forward a long-term, coordinated sustainable transport strategy**, by:
  - **Working with Transport East to prioritise strategic transport investments**, where they contribute to regional aims and help to deliver North Essex's long-term growth potential:

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North Essex within the emerging transport strategy for the East of England

Tasked with preparing a collective vision for transport and infrastructure across Greater Essex, Norfolk and Suffolk, Transport East has identified three priorities that will inform the development of its forthcoming Strategic Transport Plan:

Global Gateways, including better connected ports and airports to support access to international markets and support foreign direct investment. North Essex contains the East's only major international airport: improving access by road and rail to support Stansted's passenger growth will be nationally and regionally important, as will better freight and passenger access to the port at Harwich

Multi-centred Connectivity, improving links between "our fastest growing places and business clusters". Our main corridors along the A12, M11 and A120 will make a vital contribution to this priority in the context of growth.

Energised Coastal Communities, supporting a "reinvented, sustainable coast for the 21st century", delivering our ambitions for energy generation and the visitor economy – as well as improved access from relatively peripheral coastal locations to employment opportunities elsewhere in North Essex and beyond.

- **Developing options for improved sustainable transport connectivity** (for example new rapid transit systems to link places that are not currently served by rail infrastructure)
- **Actively driving and supporting the deployment of high-speed digital connectivity**, by working closely with the fixed and mobile telecommunications network operators to remove barriers to the commercial rollout of full-fibre and 5G infrastructure. Where possible, we will encourage the use of available subsidies to extend the rollout of fibre broadband into commercially less attractive rural and harder to reach areas.

- **Develop the complementary offer across North Essex**, identifying local strengths and assets, and supporting efforts to attract inward investment and new residents. We will work closely with branding and promotional efforts developed across the county to ensure an integrated and coordinated approach for North Essex and for Essex as a whole.

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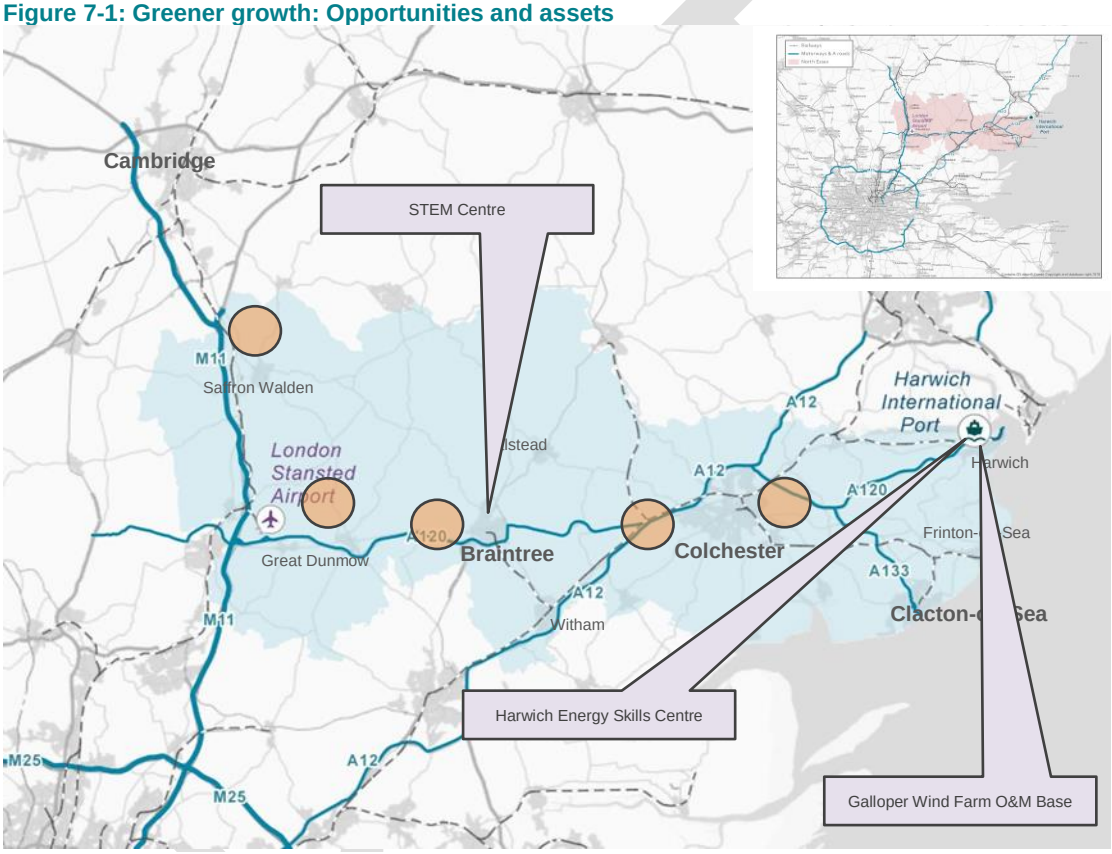
7. Mission 4: Growing a greener, more sustainable economy

Our mission

Over the long term, we want to ensure that North Essex is a leading example of sustainable development – within existing communities, through our ambitious proposals for new Garden Communities and through lower carbon, innovative businesses.

Figure 7-1: Greener growth: Opportunities and assets



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The situation today: Challenges, assets and opportunities

7.1 Within Mission 1, this Strategy aims to increase North Essex's exploitation of new technology, driving long-term growth through innovation. Over the next 20 years, much of the drive for technology change will come from the need to decarbonise our production, construction and transport systems. While this applies everywhere (and is reflected in the Government's 'Grand Challenges', North Essex has specific opportunities:

- Our plans for the proposed **North Essex Garden Communities** at East Colchester, West Colchester and West of Braintree, as well as at the additional proposed Garden Communities at North Uttlesford and Easton Park include a high level of environmental sustainability and plans for the creation of at least one locally-

accessible job per dwelling, linked (through our proposed shared planning framework) with the sustainable development of North Essex as a whole.

- This planned housing growth – including growth in existing communities – presents an opportunity to advance **new approaches to sustainable design and construction**. As well as the inherent benefits to the environment and to future residents, this should help to drive demand for businesses and individuals skilled in modern methods of construction and low carbon technologies. Rising demand will present skills challenges – which we are already working to address through (for example) Colchester Institute's STEM Centre at Braintree.

> *Garden Communities will "enhance the natural environment, providing a comprehensive green infrastructure network and net biodiversity gains, using zero-carbon and energy-positive technology to ensure climate resilience"*
>
> TCPA Garden City Principles

- **We have a leading role in renewable energy**. The North Sea coast is key to the UK's offshore wind industry, and the renewables sector has long been a priority. In 2018, Harwich International Port was announced as the location for the Operations and Maintenance base for Galloper Wind Farm, a 56-turbine facility. As well as diversifying industry and employment at the Port, this investment could help to consolidate an engineering skills base linked with a growing industry.

Solutions and actions

7.2 Decarbonisation will be central to the UK's future competitiveness. We will ensure that North Essex businesses are well-positioned to access the new opportunities that emerge from this national priority. Over the next five years, we will:

- **Support the development of new industries associated with the transition to a more energy-efficient, lower carbon economy**. North Essex has significant strengths: we will seek to maintain investment into the coastal energy industry, support increased energy sustainability within new developments and support our businesses and universities in taking advantage of Innovate UK and other funding linked with low carbon technology.
- **Incentivise the development and use of sustainable materials** within the construction and development process.
- **Create opportunities through public procurement for lower-carbon solutions**, where the new technology can result in reduced energy and transport costs and deliver public service improvements.
- **Continue to progress our ambitious proposals for new Garden Communities**, ensuring that long-term sustainable development is planned from the start.
- Linked with our ambitions in Mission 3, **invest in sustainable transport systems to connect our polycentric network of (new and existing) communities.**

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8. Taking North Essex forward

From the Missions to actions

8.1 Within this Strategy, we have set out a series of action areas that we will develop further, in support of each Mission. At present, these are at high level, and in most cases they will require further scoping and analysis before they can be brought forward.

8.2 It is important that the North Essex Economic Board is able to drive progress. Even though the Board will not always be the vehicle for the delivery or funding of individual projects, we will want to work with other partners in Government and the private sector to help our plans align.

8.3 Alongside this Strategy, we will therefore develop a rolling 'action plan' owned by the North Essex Board, through which business cases for interventions can be identified, scoped and further developed. This will enable the Board to consider options in relation to each proposed action, identify lead partners and consider potential risks, with a view to working collectively on shared objectives. The action plan will be subject to annual review and will monitored and updated over the initial five years of this Strategy.

Towards the Local Industrial Strategy

8.4 As indicated at the start, this document will also form a 'building block' for the forthcoming Essex Prosperity Prospectus and the Local Industrial Strategy that the South East LEP will have to prepare in early 2020 as a strategy 'co-designed' with Government. It is unclear at this stage how the LIS will relate to future funding opportunities, although it is anticipated that it will influence the new Shared Prosperity Fund, when it is launched.

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Essex County Council

Equality Impact Assessment

Reference: EQIA155559608

Submitted: 07 November 2019 11:38 AM

Executive summary

Title of policy or decision: North Essex Economic Strategy

Describe the main aims, objectives and purpose of the policy (or decision): This economic strategy sets out our shared ambitions for long-term, sustainable and inclusive prosperity - and outlines where we must act in the next five years to help realise them. The strategy is lead by the vision that by 2040 North Essex is a high-value, productive and sustainable economy. Where people choose to live and work locally, in new and established communities that are well connected and inspire innovation and creativity. There are four ambitious missions which set out the objectives of the strategy:
1. Driving innovation and technology adoption
2. Developing a skilled and resilient workforce
3. Creating a network of distinctive, cohesive communities
4. Growing a greener, more sustainable economy.
Delivery of the strategy will mean close partnership working among all those with a stake in North Essex's future prosperity, including business, the local authorities and our universities and educational institutions. Some measures will also need the support of central Government and, within the overall framework, the Strategy will be flexible to adapt to changing opportunities over time.
The purpose of the economic strategy is to help us take action now to ensure that we make the most of the opportunities that are ahead of us.

What outcome(s) are you hoping to achieve?: Enable inclusive economic growth, Help people get the best start and age well, Help create great places to grow up, live and work, Transform the council to achieve more with less

Which strategic priorities does this support? - Enable inclusive economic growth: Help people in Essex prosper by increasing their skills, Enable Essex to attract and grow large firms in high growth industries, Target economic development to areas of opportunity

Which strategic priorities does this support? - Help people get the best start and age well: Help keep vulnerable children safer and enable them to fulfil their potential

Which strategic priorities does this support? - Help create great places to grow up, live and work: Help to secure stronger, safer and more neighbourly communities, Help secure sustainable development and protect the environment, Facilitate growing communities and new homes

Which strategic priorities does this support? - Transform the council to achieve more with less: Re-imagine how residents' needs can be met in a digital world

Is this a new policy (or decision) or a change to an existing policy, practice or project?: a new policy (or decision)

Please provide a link to the document / website / resource to which this EqIA relates: W:\Chief Executives Directorate\Community Planning and Regeneration\Economic Development Team\Key Documents\North Essex Economic Strategy

Please upload any documents which relate to this EqIA, for example decision documents: W:\Chief

Assessing the equality impact

Use this section to record how you have assessed any potential impact on the communities likely to be affected by the policy (or decision): The evidence tells us that North Essex has significant opportunities: a growing workforce and employment base, increasingly important innovation assets and is part of one of Europe's most dynamic regions. But there are challenges which this strategy will address: greater prosperity will only be achieved, if productivity is increased - and we will only be successful if the benefits of greater prosperity are shared across North Essex. There is evidence that in North Essex, the 'innovation ecosystem' is somewhat under-developed. We have an entrepreneurial economy and a growing business base, but it is dispersed sectorally and spatially. There is also a relative lack of scale, with few leading firms driving local supply chains. On conventional measures of 'innovation', North Essex performs relatively poorly: patent registrations are relatively low and recent analysis of the take-up of Innovate UK grants showed that North Essex was some way behind the rest of the country. The strategy is designed to overcome these barriers and over the next five years, we will build a closer relationship between innovative businesses, their supply chain and the knowledge base - to drive up the share of higher-vale, knowledge intensive employment.
Despite improvements in recent years, the North Essex workforce skills profile has not kept pace with that of the rest of the country - only 33% of the local workforce is qualified to NVQ4+, against the national average of 38%. Strengthening our skills profile is recognised as a high priority across Essex and across the South East LEP - many of the measures taken forward will be relevant to North Essex.
North Essex has a 'polycentric' network of towns and communities, with distinctive assets and opportunities - creating a better connected 'network' will help demonstrate the compelling shared offer across North Essex to new residents and investors.
The strategy aims to increase North Essex's exploitation of new technology, driving long-term growth through innovation. Much of the drive for technology change will come from the need to decarbonise our production, construction and transport systems - North Essex has specific opportunities for this with the planned North Essex Garden Communities, through sustainable design and construction, to renewable energy and environmental sustainability.

Does or will the policy or decision affect:

Service users: No

Employees: No

The wider community or groups of people, particularly where there are areas of known inequalities: No

Which geographical areas of Essex does or will the policy or decision affect?: Braintree, Colchester, Tendring, Uttlesford

Will the policy or decision influence how organisations operate?: No

Will the policy or decision involve substantial changes in resources?: No

Is this policy or decision associated with any of the Council’s other policies?: Yes

Description of impact

Description of Impact. If there is an impact on a specific protected group tick box, otherwise leave blank. You will be given the opportunity to rate identified impacts as positive, negative or neutral on the next page: No impact on any of the above groups

I confirm that I have considered the potential impact on all of the protected characteristics: I confirm that I have considered the potential impact on all of the protected characteristics

Describe any actions that have already been taken to mitigate negative impacts on any of the protected

characteristics: Not applicable

Action plan to address and monitor adverse impacts

Does your EqIA indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?: No

Details of person completing the form

I confirm that this has been completed based on the best information available and in following ECC guidance: I confirm that this has been completed based on the best information available and in following ECC guidance

Date EqIA completed: 07/11/2019

Name of person completing the EqIA: Dominique Keogh

Email address of person completing the EqIA: Dominique.Keogh@essex.gov.uk

Your function: Economy, Localities & Public Health

Your service area: Economic Growth

Your team: Economic Growth

Are you submitting this EqIA on behalf of another function, service area or team?: No

Email address of Head of Service: dawn.redpath@essex.gov.uk

CABINET
18th December 2019

Braintree District Council

Pedestrianisation of Braintree Town Centre: Consultation Report and Feasibility Studies	**Agenda No: 8b**

Portfolio	**Economic Development**
Corporate Outcome:	**A sustainable environment and a great place to live, work and play** **A prosperous district that attracts business growth and provides high quality employment opportunities** **A well connected and growing district with high quality homes and infrastructure**
Report presented by:	**Councillor Tom Cunningham**
Report prepared by:	**John Lamb, Corporate Director of Growth (interim)**

Background Papers: **Braintree Plan for Growth 2017-2022** **Braintree Vision 2017**	**Public Report** **Key Decision: No**

Executive Summary:

1. Braintree District Council is working to support Braintree town centre in the context of the multiple challenges it faces through the creation of the Vision for Braintree and the Braintree Town Partnership in 2018. The partnership extends from the Vision and exists to unite people in shared action to evolve the town. Their objectives, with support from the Council, are centred on improving the appeal, reputation and promotion of the town to drive a transformative audience shift.

2. Many aligned interventions are necessary to achieve the scale of change demanded by the Vision. As phase 1, Braintree District Council is already leading a £30m regeneration “Manor Street development” including a new bus interchange. Since 2018 the Council has supported new and increasingly vibrant ‘Street Markets’ and through pedestrianising the ‘High Street’ additional space will be created. These positive interventions are supported by the Tourism Plan and the ‘Visit Braintree District’ website. In late 2018, Braintree District Council undertook a public consultation on High Street pedestrianisation from near the Town Hall to Sandpit Lane. This built on the public and business support for the Braintree Street Markets which make clear the scale of change possible with a closed road.

3. Given the absence of public realm in the centre of the town, a pedestrianisation scheme would convert existing highway into a valuable, high-quality and multi-purpose place that would have the flexibility to adapt to the modern needs of locals and visitors.

4. The consultation aimed to gauge the extent of support amongst the high street audience and what they considered to be the relative advantages and disadvantages. The attached consultation results shows 76% of respondents were in favour, 21% opposed and 3% were undecided. To achieve a successful

pedestrianisation/public realm there will be a requirement to remove westbound buses from the High Street and also restrict deliveries to specified times only.

5. Following the consultation, Braintree District Council Officers have been working with colleagues from Essex County Council, the Highway Authority for all the roads and footways that would be affected by the proposals. As part of the considerations for funding and buildability an analysis has been undertaken on the nature and extent of current defects, as well as appropriate long-term construction solutions.

6. The extent of the scheme requires third party funding. In early 2019 the Council developed a substantial bid through the 'Future High Street Fund' which would have included a contribution to the public realm. Announcements were made over the summer and Braintree was sadly not selected.

7. Braintree District Council, in partnership with Essex County Council Highways, did develop a £1m bid to the Department for Transport (DfT). This was submitted on 31st October 2019 and if successful would enable the delivery of the scheme. However this is a competitive process that will be announced by the New Year. Given the current condition of Braintree High Street we are confident that some, if not all the funding, will be forthcoming. A condition of the grant is that a substantive start occurs this financial year and therefore it is necessary to now confirm the project and commence full detailed design and consultation to ensure readiness.

8. The report seeks the use of some of the existing Town Centre Improvement budget and requests an additional sum of £500k capital to meet our contribution to the highway improvement and deliver a range of public realm improvements.

Decision:

1. To assign Braintree District Council's capital budget in line with the report, and pursue external funding sources to deliver the fullest project scope wholly or in part dependant on available resources.

2. Through pedestrianisation deliver a public realm improvement scheme that makes the town centre more economically vibrant and attractive for people who shop, work and live in Braintree.

3. To commence a public consultation exercise including workshops and stakeholder information events to help shape the public realm projects.

4. To delegate to the Corporate Director – Growth the authority, in consultation with the Cabinet Member for Economic Development, to negotiate on behalf of the Council with Essex County Council on the design, development and delivery of the pedestrianisation and public realm improvements.

5. To note the changes to the Manor Street Project Reference Group.

Purpose of Decision:

To approve the pedestrianisation and public realm improvement scheme with associated works in Braintree town centre and to assign budget in principle to allow project delivery to commence.

Any Corporate implications in relation to the following should be explained in detai	
Financial:	Braintree District Council Capital budget will be required as match funding. Existing budget approvals are currently insufficient to deliver the full extent of works. Therefore an additional £500k is being provisioned within the draft capital budget.
Legal:	Braintree District Council is not the Highway Authority and has no legal power to affect a pedestrianisation scheme without Essex County Council's support and involvement as a project partner.
Safeguarding:	No matters arising directly from this report.
Equalities/Diversity:	The consultation design process will champion 'Access for All' principles and conduct an equalities impact assessment. At this stage none of the protected characteristics are impacted directly by the decision to develop the proposals further.
Customer Impact:	The 2018 consultation highlighted a significant percentage of customers who supported the scheme for the environmental benefits including safety, improvements to public realm and retail opportunities. It is recognised that during the work there will be significant impacts that will be need to be managed.
Environment and Climate Change:	The project will create a better environment within which to walk and traffic will be removed from the town centre with air quality benefits. Cycling is being designed into the project through additional parking areas and potential new routes.
Consultation/Community Engagement:	The recommended decision of this report will start a broad consultative dialogue between a wide range of stakeholders.
Risks:	That sufficient external funding is not available to complete the full extent of works as a single project. That following further design work scheme implementation is not technically possible due to factors outside BDC control. The scheme is a highways scheme and is therefore dependant on the continued support of ECC. Attached at Appendix 5 is a formal letter of commitment from them.
Officer Contact:	John Lamb
Designation:	Corporate Director of Growth (interim)
Ext. No:	
E-mail:	John.Lamb@braintree.gov.uk

1.0 Background

1.1 Braintree High Street between the Town Hall and Sandpit Lane is closed to through traffic with the exception of deliveries and town centre bus routes. Some vehicles with blue badges also use the High Street for access and park for short periods on the High Street. This can cause difficulties for buses and delivery vehicles using the relatively narrow single carriageway.

1.2 High Street and Market Place were subject to reconstruction in the early 1990s with more recent remedial work undertaken to repair localised failure and extend asset life. The surface quality of the High Street is now very poor and demands full reconstruction to carriageways, footways and drainage.

1.3 Calls to fully pedestrianise the High Street in Braintree have increased over time leading to the 2018 consultation to evaluate:-

- Level of user support for the proposed pedestrianisation of the town centre
- Gauge the town centre audience views on the concept of pedestrianisation
- If and how the Council might pursue High Street pedestrianisation.

2.0 Consultation

2.1 The six week consultation ended on 15th October 2018 with the intention of giving businesses, workers, visitors and shoppers as well as residents an opportunity to give their thoughts and opinions on the proposal.

2.2 The consultation was available for people to engage with online on the Council website and on Postcard Questionnaires available through Councillors, in local businesses, the Town Hall and at Causeway House. The postcards included a short link to the website form at www.braintree.gov.uk/pc.

2.3 Appendix 1 provides more detail on the nature of the consultation.

2.4 Essex County Council Highways were involved throughout the process including setting questions and the overall process for consultation.

3.0 Consultation Findings

3.1 The consultation generated 1,583 responses during the open period. Details on these are given in Appendix 2.

3.2 A total of 1,202 were in favour (76%) and 335 opposed (21%). Appendix 2 Tables A2.01 and A2.02 show a more detailed breakdown across Facebook, Twitter and postcard respondees.

3.3 Of the questionnaire results, it is possible to see how certain groups of people voted. These are set out in Appendix 2 Table A2.03, but in summary those in support of pedestrianisation are:-

- 83% of those who work locally
- 76% of those running businesses
- 75% who shop locally
- 75% of those who live locally
- 73% of visitors

Comments Received

3.4 An analysis of unprompted respondent comments provided on their postcard or online questionnaire gave some insight as to the personal voting motives.

3.5 It became clear from reading the comments that there are 30 common areas of interest – for and against – that respondents wrote about. The comments made have been aligned with these themes to make it possible to understand and give gravity to what respondents have told us.

3.6 It has been necessary to paraphrase the comments received in order to be able to report on them. 692 comments were made covering the 30 themes and are summarised below – the full table is in Appendix 2 Table A2.04

All Comments (692)		
1	28.5%	Safer environment for people
2	9.5%	Allows more Events/Markets
3	6.9%	Pavements will get fixed
4	5.2%	Encourage more shops to the town
5	4.2%	Would cause disability & elderly access issues
6	3.8%	Would lessen pollution
7	3.5%	Would be easier/nicer to walk around
8	3.2%	Would increase footfall
9	2.6%	It would be a more enjoyable/attractive place
10	2.3%	It would be more social

3.7 Generally for people who said ‘Yes’ to the proposal, there is a belief that pedestrianisation means that the pavements will be fixed, traffic removed and street scene improved with more events and street market style markets and, as such, they can see no detriment to the proposal and only the positives of easier movement, greater safety and a more pleasant town centre environment.

Top 5 comments from 376 people who said 'Yes'		
1	35.2%	Safer environment for people
2	11.7%	Allows more Events/Markets
3	7.8%	Pavements will get fixed
4	4.7%	Would lessen pollution
5	4.2%	Would be easier/nicer to walk around

3.8 Generally people who said ‘No’ can see no positive to the proposal - thinking that the town is not worthy of pedestrianising and certain issues such as the choice of shops need to be addressed first, but even if that was the case, for them, the idea of pedestrianisation is not attractive owing in the main to the potential cost and the potential disruption to access.

Top 5 comments from 100 people who said 'No'		
1	20.2%	Would cause disability & elderly access issues
2	13.2%	First encourage more shops to the town
3=	10.5%	It won’t make a difference
	"	Keep buses on high street
5	7.9%	Would cost too much/waste of money

Summary of consultation

3.9 The consultation findings show a clear majority of support for the concept of pedestrianising Braintree town centre as well as a prioritised list of themes that are of interest to the respondents and that will inform how we design a public realm that delivers what people want. It is worth noting however that no detail or artist impression was used as to the potential scheme.

3.10 There is an obvious need to consult with businesses, access groups, the Highways Authority, public transport operators, and others, as groups with distinct needs that pedestrianisation could have a negative impact upon. A useful scheme design would need to ensure that it delivers all of the advantages that people voted yes for, and that it adequately contends with the disadvantages that prevented people from being able to vote in favour.

4.0 Place Making Design Options

4.1 The shared ambition to create a totally pedestrian environment creates the scope to reimagine the public space 'from wall to wall'. This removes the need for defined footways, kerbs and a drop down to the carriageway.

4.2 Through extending the prohibition of traffic to include buses it not only enables a new approach to engineering solutions, but it also removes a sizeable number of illegal movements including cars, vans and lorries. The modest number of deliveries can be accommodated at specified times to maximise space around the needs of shoppers and businesses.

4.3 The attached drawing at Appendix 3 shows the full extent of the long-term ambition of the scheme, however delivery of this will be dependent upon the level of funding.

4.4 To achieve pedestrianisation buses will no longer be able to serve the High Street which requires a diversion. Based on the current road network this would result in all buses, when departing Manor Street bus interchange, turning left along Victoria Street and then right down Station Approach and right again down South Street.

4.5 This is recognised as having an adverse impact on bus journey times; consideration as to how this might be offset and recouped is being considered with bus companies and Essex County Council. One option includes the creation of a contra-flow bus lane down Fairfield Road (southbound) where currently this is one way only. Additional features could include upgrade of dated traffic signals to create bus priority and journey time savings commensurate with the delay incurred.

4.6 Please note that the new Manor Street bus interchange is well placed to consolidate all bus passenger pickups across the town centre following removal of buses from the High Street. Analysis shows these stops to be lightly used and the walk to Manor Street bus interchange is modest and downhill.

4.7 The Strategic Investment Team will oversee the project according to all appropriate governance and project monitoring procedures, which are sufficient to oversee the progress of this project

4.8 The Manor Street Project Reference Group currently has the oversight and monitoring of the Manor Street Development as its remit. It is proposed that in recognition of the importance of this project and the close relationship between the Manor Street Development and the wider town centre the terms of reference of the group should be expanded to include this project. The Leader has agreed to include the following:-

- An additional term of reference no. 6 - Member oversight of the town centre pedestrianisation project and to report on progress to the Strategic Investment Board.

- An additional term of reference no. 7 - to advise and support the Corporate Director in the determination of the final design and appearance of the town centre pedestrianisation project.

4.9 The group currently has 7 Members, with a strong representation of Members from Braintree and Bocking. The Leader has agreed to include Councillor [to be advised] as a representative of the Green and Independent group.

4.10 Reflecting the wider remit, the group be renamed the Braintree Town Centre Members Reference Group.

5.0 Engineering detail

5.1 Fairfield Road

Design options to accommodate a contra-flow bus and cycle lane down Fairfield Road are being developed and have been subject to a stage one road safety audit. This will include reconstruction and localised adjustments to kerb alignments, parking, footways and carriageways to accommodate a revised flow one way on Fairfield Road to facilitate the removal of buses from the High Street. This would also include the possible provision of a shared bus lane and cycleway increasing accessibility to the railway station, Manor Street bus interchange and the town centre. Cost estimates are built into scheme budgets.

5.2 High Street & Market Place – Carriageway

The existing sub-base and formation has deteriorated to a point where severe longitudinal rutting has occurred and failure of not only the surface finish but also the formation and sub-base, which has created ruts to an average depth of 110-145mm for the majority of the length of the road, which is approximately 280 metres and only 3.0m wide. Market Place is a larger area accommodating disabled parking and loading – both of these can be re-provided in the vicinity including additional disabled bays in Bank Street.

5.3 Following visual inspections the High Street construction formation has failed catastrophically and requires full depth reconstruction for its length (approximately 1,973m² needing work and to a depth of up to 750mm). This includes the footways and replacement of collapsed drainage lateral connections, carrier drains and gullies. The proposed new surface finish will be sympathetic to the Conservation Area. The work will also incorporate revised Traffic Regulation Orders to remove buses from the High Street therefore creating a public realm space for the High Street and Market Place with reduced traffic movements and increased economic benefits as well as increased health benefits to the town centre.

5.4 Creation of High Quality Public Realm

The newly created space will support new and attractive uses. Market Place could be become a destination of choice, the scheme could be extended to include the Museum and entrance to the Manor Street redevelopment and could seek to better connect Tesco to the re-defined public realm. This will however be very much influenced by the scale of the investment that is forthcoming and the support of stakeholders, partnerships and landowners.

5.5 Given the scale of work the programme could well be in excess of one year. Please see below an indicative list of Milestones and timelines, a comprehensive programme is available in Appendix 4.

Indicative Project Milestones and Timeline

- Late December DfT Funding Announcement
- Mid December to Late January Consultation
- Mid-January Design Complete and approved
- Late January ECC approval of design
- Mid-March Tender Award
- Mid-March Traffic Regulation Orders implemented
- End March Phase 1 (of 4) Construction starts
- End December 2020 Phase 4 of Construction Complete

6.0 Funding

6.1 Braintree District Council has been working with Essex County Council and on 31st October 2019 submitted a bid for Department for Transport 'Challenge Funds'. If successful this bid will enable works to be undertaken that would tackle current road conditions and deliver the ambition over the course of circa 12 months. The extract below is part of the submission to DfT.

B1 Funding profile (Nominal terms)

£000s	2019-20	2020-21
DfT Challenge Fund	1,000	**N/A**
Local Contribution Essex County Council	300	450
Third Party Funding Braintree District Council	250	500

Projected Spend Profile

2019-20 **(Q3)**	£	165,000.00
2019-20 **(Q4)**	£	235,000.00
2020-21 **(Q1)**	£	305,000.00
2020-21 **(Q2)**	£	490,000.00
2020-21 **(Q3)**	£	565,000.00
2020-21 **(Q4)**	£	740,000.00
Total Spend	**£**	**2,500,000.00**

6.2 Braintree District Council is obviously keen to ensure a high quality public realm, as opposed to investment solely in highways and footways.

6.3 A town centre improvement fund was established for tackling long-term public realm problems. It is recognised that to deliver the above works and public realm improvements this will need to be increased by £500k. The DfT monies cannot be assumed and would only include the failed carriageway and highways not the wider public realm.

6.4 Essex County Council Highways have confirmed commitment to investment of £750,000 - £1,000,000 (dependent upon scheme and funding success) to create this long-term 30 year investment (see letter at Appendix 5). In addition there are a range of options in the event that DfT do not fully fund the scheme.

i. The creation of an alternative route for buses is the precursor for any High Street improvement;
ii. Reflecting the level of deterioration of the High Street this is highest priority;

Both i. and ii. are therefore essential to any phased approach

iii. Market Place would be a further priority however this does not score as highly for the county council as the condition is not as bad;
iv. Until we know the full extent of funding we will not be able to determine the precise quality of finish or the precise extent of the scheme.

6.5 Appendix 3 sets out the long-term ambition for the area under consideration. Dependant on funds available we will seek to maximise the public realm improvement marked red and blue.

7.0 Long-term Ambition for Braintree Town Centre

7.1 With the changing retail environment challenging the traditional value and offer of Braintree, Braintree District Council is intervening in the town, aligned with the Braintree Vision, to improve its offer; working to retain and grow the value that visitors receive from it. The aim is to increase footfall; increase visitor dwell time; increase the regularity with which people visit; to positively influence spend in the town, improve its value to the community and help it evolve.

7.2 The economic vibrancy of Braintree town centre, in simple terms, relies upon people visiting it regularly (footfall), staying in the town spending money and returning soon to do the same again.

7.3 The Braintree Vision is for a vibrant town full of services, shops, leisure outlets, destinations and events which will provide the wider community with value that stretches well beyond economic outcomes.

7.4 The footfall of Braintree town centre relies upon the attractiveness of Braintree town and its ability to tempt visitors and the degree to which they value the town – a dynamic situation that the Braintree Vision seeks to support.

7.5 The Braintree Vision means once the physical works are complete on the highway and the new public realm exists, that the Council needs to animate the space 365 days a year with events and other festivals to promote growth in visits, improve its reputation and to mark the town as a destination worth making time to visit.

7.6 The events will have cultural value, drawing on Braintree's heritage, artists, local producers, markets and other criteria including the best of British tradition and avant garde to provide retail interest, social inclusion, educational value and enjoyable leisure time whilst also integrating and supporting retail business and services.

7.7 The scale of proposed capital and revenue investment into the town will raise = its asset value and will drive negotiation with stakeholders, landlords and lessees to comprehensively assemble for further developments. This approach will aspire to enhance the visual appeal, amenity value and the town centre offer which will coalesce around the improved spaces and draw upon existing major attractors. This will lead to the creation of cultural and food and drink quarters in the town as set out in the Braintree Vision, as well as visitor itineraries for tour operators.

8.0 Recommended Decisions

8.1 To assign Braintree District Council's capital budget in line with the report, and pursue external funding sources to deliver the fullest project scope wholly or in part dependant on available resources.

8.2 Through pedestrianisation deliver a public realm improvement scheme that makes the town centre more economically vibrant and attractive for people who shop, work and live in Braintree.

8.3 To commence a public consultation exercise including workshops and stakeholder information events to help shape the public realm projects.

8.4 To delegate to the Corporate Director – Growth the authority to negotiate on behalf of the Council with Essex County Council on the design, development, extent and delivery of the pedestrianisation and public realm improvements.

8.5 To note the changes to the Manor Street Project Reference Group.

Appendix 1 Nature of consultation

1. The questions were prefaced by a statement to put the consultation into context. It read: "*Our shopping habits are changing and this is changing what we want from our high streets. Our town needs to evolve to be attractive to more people. Pedestrianising Market Place and most of the High Street would help create a more social environment, make the town more attractive to visit and allow more opportunities for town centre events and markets as well as making it easier to repair and look after"*

2. The questions on the online questionnaire and postcard were:-

   A) Do you think the pedestrianisation of Braintree town centre is a good idea?
   With tick boxes for:
   a. YES
   b. NO
   c. I HAVE NO PREFERENCE

   B) Please tell us why… [free space to write]

   C) In relation to Braintree town centre, do you: (tick all that apply)
   - *Live Locally*
   - *Work Locally*
   - *Own/run a business*
   - *Shop Locally*
   - *Visit*

   D) Your Postcode: …

3. The postcard included a map of the proposed area for pedestrianisation (from Market Place to Sandpit Lane), making the note that "*Access rights for deliveries and emergency services will be provided"*.

4. A Pedestrianisation Communications Plan was prepared and the following actions were undertaken to publicise the consultation:-

   - 31st August 2018 – launched to the Braintree Town Partnership Business Group first meeting in Braintree Town Hall.
   - Face to face visits with businesses and traders directly affected by the change starting a week before the consultation.
   - A5 postcards were delivered to town centre businesses to advise them of the consultation and for them to hand to customers.
   - A press release was issued on 3rd September 2018.
   - Statements were given to BBC Essex for a discussion on pedestrianisation that aired on 21st August 2018 between 6am and 7am and discussed Braintree's potential pedestrianisation.
   - A social media campaign and Facebook poll carried out throughout the consultation period achieved 67,076 impressions and 5,362 engagements.
   - A Council web page giving information was set up for 31st August 2018 and an advert with a link to the consultation was featured on the front page carousel.

- It was advertised in the Council pages in the Braintree and Witham Times.
- It was publicised at the ‘food court’ of the Braintree street market on 29th September 2018, with the postcard on tables for people to fill in.
- Posters advertising the consultation were in shop windows in the town.
- Ward Members, the Portfolio Holder for Economic Development and his deputy took postcards to hand out.
- The consultation was issued to the Peoples’ Panel to complete.
- The consultation was advertised on a desktop display in Causeway House reception, Braintree Town Hall and the Library.
- On 29th November 2018 a consultation meeting was organised with the Passenger Transport Authority to update public transport operators.

Appendix 2 Detailed Consultation responses

1) The consultation generated 1583 responses during the open period. Detail on these are given on the following pages.

2) The consultation results have been thoroughly recorded and assessed and they can be understood in two complementary ways:-

   a. As a Vote for or against the proposal, with space for people to express no preference
   b. As a collection of statements giving respondents individual reasons for their vote, that can be read as a collective voice

3) The Vote gives a clear indication of the level of support for or against the proposal, and consequently it enables a decision to be made on whether to proceed or not proceed with the proposal. Analysis of the collection of statements reveals the collective reasoning and gives the top five issues that cause people to either support or not support the proposal. It also clarifies the issues that are likely to be 'deal-breakers' for respondents should a preferred design be worked up and a second consultation conducted prior to an implementation phase.

4) In taking the proposal forward, the collection of statements will provide guidance to the Council on what a preferred design needs to resolve.

5) There were 7 ways that people were able to vote:-

   a. A5 Postcard Questionnaire
   b. Online Questionnaire
   c. A Facebook Poll run twice – 8th and 20th September 2018
   d. A Twitter poll run three times – 11th and 24th September 2018 and 4th October 2018

6) All of the outcomes are given below as well as a combined total. As personal data has not been collected on the voting, it is not possible to rule out the potential for people voting on more than one occasion. Consequently the outcomes are listed as number of votes cast, not number of people voting.

7) The below table, and those over the page, make it clear that there is a strong majority support for the proposal.

TABLE A2.01

Combined total of all Votes		
	Nos.	%ages
Yes	1202	76%
No	335	21%
No Pref	47	3%
Total Votes	1584	100%

TABLE A2.02

	Twitter Polls Total			Facebook Polls Total			Postcard & Questionnaire Total	
	No.	%age		No.	%age		No.	%age
Yes	108	75%		717	77%		376	74%
No	18	12.5%		217	23%		100	20%
No preference	18	12.5%		0	0%		29	6%
Total	144	100%		934	100%		505	100%

8) Of the Questionnaire results, it is possible to see how certain groups of people voted. In order of extent of support:-

TABLE A2.03

	Of those who work locally			Of those who run businesses			Of those who shop locally	
	No.	%age		No.	%age		No.	%age
Yes	90	83%		25	76%		164	75%
No	15	14%		8	24%		44	20%
No preference	3	3%		0	0%		10	5%
Total	108	100%		33	100%		218	100%
	Of those who live locally			of those who visit				
	No.	%age		No.	%age			
Yes	320	75%		74	73%			
No	87	20%		20	20%			
No preference	19	5%		7	7%			
Total	426	100%		101	100%			

9) The next part outlines an analysis of the comments respondents gave us as part of their postcard or online questionnaire responses. From the analysis it may be possible to gain some insight as to what drove the cohorts to vote as they did above. The comments received were prompted by the text “Please tell us why”, which a respondent would encounter just after having placed their vote. No one respondent was led to write a particular response, nor would they have been aware of (or influenced by) what other respondents were writing. It became clear from reading the comments that there are 30 common areas of interest – for and against – that respondents wrote about. The comments made have been aligned with these themes to make it possible to understand and give gravity to what respondents have told us. It has been necessary to paraphrase the comments received in order to be able to report on them. 692 comments were made covering the 30 themes.

See table of all comments overleaf.

TABLE A2.04

All Comments (692)		
1	28.5%	Safer environment for people
2	9.5%	Allows more Events/Markets
3	6.9%	Pavements will get fixed
4	5.2%	Encourage more shops to the town
5	4.2%	Would cause disability & elderly access issues
6	3.8%	Would lessen pollution
7	3.5%	Would be easier/nicer to walk around
8	3.2%	Would increase footfall
9	2.6%	It would be a more enjoyable/attractive place
10	2.3%	It would be more social
11=	2.2%	It would be more User/Access Friendly
	"	Keep buses on high street
	"	Get rid of buses
	"	Most of the town is already a pedestrian zone
15=	2.0%	Increased trade for shops
	"	Would support café culture
17=	1.9%	Would improve aesthetics
	"	Would cost too much/waste of money
	"	It won't make a difference
20=	1.6%	Allow deliveries to shops
	"	Keep in line with other towns
22	1.4%	Reduce business rates
23	1.3%	Need to provide free/cheaper parking
24=	1.0%	Currently cars use the high street as a cut through
	"	It will kill the town centre
	"	The road isn't suitable for traffic/narrow roads
27=	0.9%	Changing habits of high streets will help repurpose
	"	Infrastructure can't cope with this change
29	0.7%	Enforcement of the area required
30	0.6%	Would allow town centre seating

10) Of the above, some of the themes have mixed meanings, for example:-

a. "*pavements will get fixed*" also includes a range of comments to say that the pavements need to be fixed regardless. It is clear that for many people who support the proposal there is a view that pedestrianisation includes rebuilding the road and pavements.
b. "*encourage more shops to the town*" mostly means that people believe that the proposal will encourage more shops, but an amount of respondents believe that 'more shops' need to be encouraged to the town before pedestrianisation is worth doing.
c. "*would increase footfall*" mostly means that the proposal will increase footfall, but an amount of respondents believe that 'footfall' needs to be increased in the town before pedestrianisation is worth doing.

11) Generally for people who said **'Yes'** to the proposal, there is a belief that pedestrianisation means that the pavements will be fixed, traffic will be removed and the street scene improved with more events and street market style markets and, as such, they can see no detriment to the proposal and only the positives of easier movement, greater safety and a more pleasant town centre environment.

TABLE A2.05

Top 5 comments from 376 people who said 'Yes'		
1	35.2%	Safer environment for people
2	11.7%	Allows more Events/Markets
3	7.8%	Pavements will get fixed
4	4.7%	Would lessen pollution
5	4.2%	Would be easier/nicer to walk around

12) Generally people who expressed '**No Preference'** can see the merits of the proposal, but think the town is not yet good enough to be pedestrianised and feel attention should be put to other matters first like parking, range of shops, the state of the pavements and enforcement of the existing pedestrian zone before considering pedestrianisation.

TABLE A2.06

Top '5' comments from 29 people who said 'No Preference'		
1	17.4%	First encourage more shops to the town
2	13.0%	Reduce business rates
3=	8.7%	Need to provide free/cheaper parking
3=	"	Would cost too much/waste of money
3=	"	Most of the town is already a pedestrian zone
3=	"	Pavements need to be fixed anyway

13) Generally people who said **'No'** can see no positive to the proposal - thinking that the town is not worthy of pedestrianising and certain issues such as the choice of shops need to be addressed first, but even if that was the case, for them, the idea of pedestrianisation is not attractive owing in the main to the potential cost and the potential disruption to access.

TABLE A2.07

Top 5 comments from 100 people who said 'No'		
1	20.2%	Would cause disability & elderly access issues
2	13.2%	First encourage more shops to the town
3=	10.5%	It won't make a difference
	"	Keep buses on high street
5	7.9%	Would cost too much/waste of money

14) Comment analysis is now given for the groups of people listed above in respect to how they voted - in order of degree of support - work locally, own a business in the town, shop locally, live locally and visitors.

TABLE A2.08

		Top 5 Worker Comments
1	30%	Safer environment for people
2=	10%	Pavements will get fixed
2=	10%	Events/Markets
3=	5%	Less pollution
3=	5%	Increased trade for shops
3=	5%	Encourage more shops to the town

TABLE A2.09

		Top 5 Business Management Comments
1	33%	Safer environment for people
2	12%	Pavements will get fixed
3	8%	Events/Markets
4	6%	Easier/nicer to walk around
5=	4%	Encourage more shops to the town
5=	4%	A more social place
5=	4%	Currently cars just use the high street as a cut through

TABLE A2.10

		Top 5 Shopper Comments
1	29%	Safer environment for people
2	12%	Events/Markets
3	6%	Pavements will get fixed
4	4%	Disability & elderly access issues
5	4%	Less pollution

TABLE A2.11

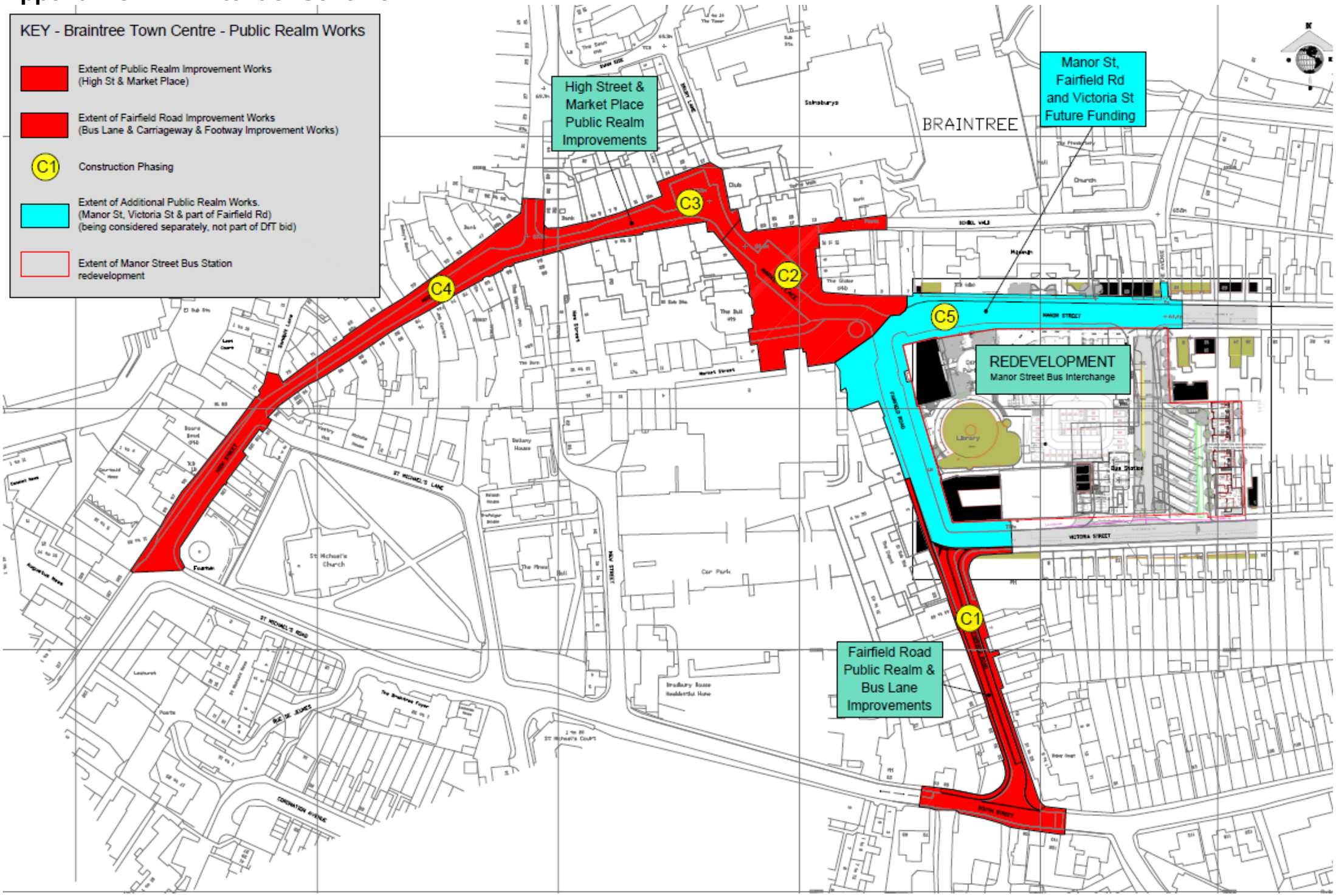
		Top 5 Local Resident Comments
1	29%	Safer environment for people
2	9%	Events/Markets
3	7%	Pavements will get fixed
4	5%	Encourage more shops to the town
5	4%	Disability & elderly access issues

TABLE A2.12

		Top 5 Visitor Comments
1	40%	Safer environment for people
2	19%	Events/Markets
3	10%	Less pollution
4	9%	Disability & elderly access issues
5	7%	Easier/nicer to walk around

15) The responses highlighted in the tables above identify that the key pedestrianisation themes are to create a safer environment in the centre of Braintree, to fix the broken pavements and to hold more events and markets. Many of the responses both for and against also highlight the importance of ensuring that the town centre remains an accessible place for all users.

Appendix 3 Extent of Scheme

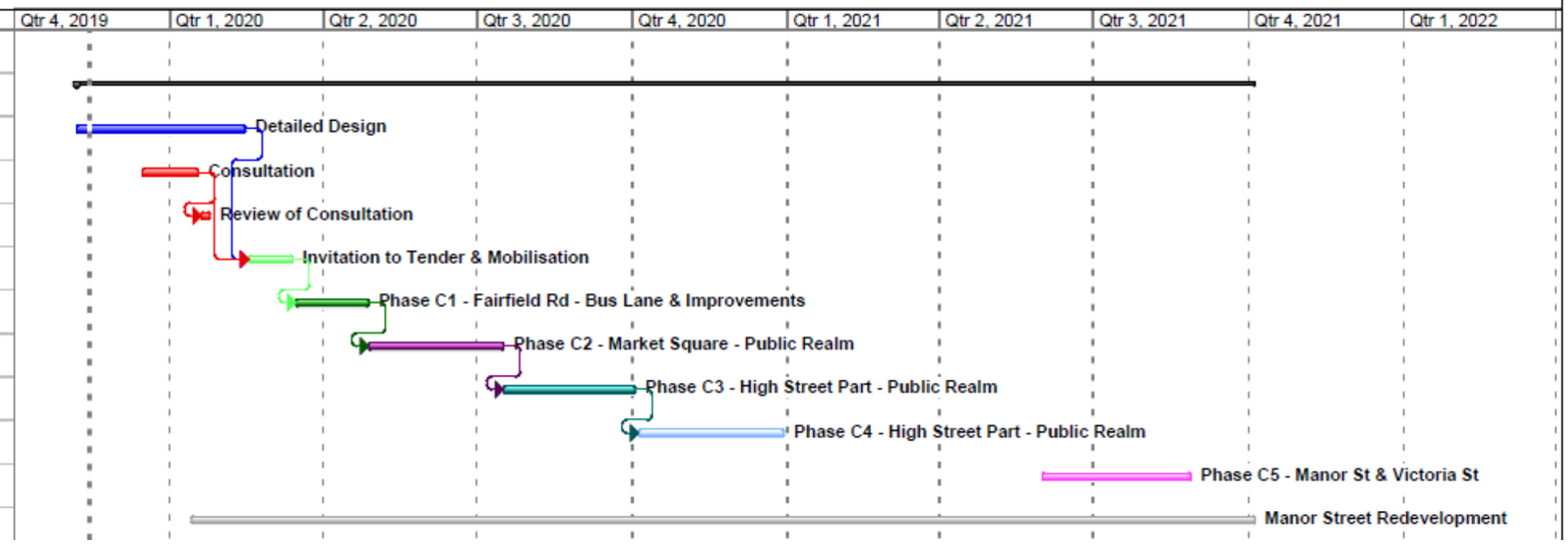


Appendix 4 Design and Construction Timetables (Indicative)

Braintree Town Centre - Public Realm Improvement Works Package

Indicative Programme - Design - Construction

ID	Task Name
1	
2	**Braintree Public Realm - Programme (abridged)**
3	Detailed Design
4	Consultation
5	Review of Consultation
6	Invitation of Tender & Mobilisation - Public Realm Work
7	Construction - Phase C1 (Fairfield Rd - Bus Lane & Highway Improvements)
8	Construction - Phase C2 (Market Square - Public Realm)
9	Construction - Phase C3 (High Street Part - Public Realm)
10	Construction - Phase C4 (High Street Part - Public Realm)
11	Construction - Phase C5 (Manor Street & Victoria Street - Public Realm)
12	Construction - Manor Street Development - Bus Interchange



APPENDIX 5

Essex County Council
Place & Public Health
County Hall
Chelmsford
Essex CM1 1QH

Essex County Council

John Lamb
Corporate Director
Braintree District Council
(by email)

Date: 4 December 2019

Dear John,

Challenge Fund Bid – Braintree High Street

Further to our joint bid to the DfT for Challenge Funding I write to confirm the County Council's commitment to supporting our collective ambitions for Braintree High Street and the adjacent areas of the town centre. Please take this letter as commitment and confirmation that Essex County Council (ECC) is happy to continue to work in partnership with Braintree District Council to invest in improvements to Braintree Town Centre.

Subject to the successful confirmation of the Challenge Fund bid, ECC are happy to confirm the commitment to investment of £750,000 - £1,000,000 (dependent upon scheme and funding success) This is of course subject to detailed design work being carried out and all necessary approvals being in place to the satisfaction of ECC, as highway authority.

We await the outcome of the DfT Challenge Fund bid with anticipation and look forward to taking this scheme forward together to complement your investment in the Manor Street redevelopment, which together offers an excellent opportunity to unlock the economic potential of the town centre.

Yours sincerely,

Andrew Cook

Director of Highways & Transportation