

Minutes

Cabinet

23rd November 2020



These minutes principally record decisions taken and, where appropriate, the reasons for the decisions. A recording of the meeting is available at <http://www.braintree.gov.uk/youtube>

Present:

Portfolio	Cabinet Member	Present
Leader of the Council	Councillor G Butland	Yes
Deputy Leader of the Council and Economic Development and Infrastructure	Councillor T Cunningham	Yes
Communities Culture and Tourism	Councillor F Ricci	Yes
Corporate Transformation	Councillor J McKee	Yes
Environment and Place	Councillor Mrs W Schmitt	Yes
Finance and Performance Management	Councillor D Bebb	Yes
Health and Wellbeing	Councillor P Tattersley	Yes
Homes	Councillor K Bowers	Yes
Planning	Councillor Mrs G Spray	Yes

Also present as invitees of the Leader: Councillor D Mann, Leader of the Labour Group and Councillor Mrs J Pell, Leader of the Halstead Residents Group

38 **DECLARATIONS OF INTEREST**

INFORMATION: The following interests were declared:-

- Councillor Mrs Pell declared a Non-Pecuniary Interest in Agenda Item 5b – Medium-Term Financial Strategy 2021-22 to 2024-25 as the Chairman of the Management Board Committee for Halstead Community Gardens.

39 **MINUTES**

DECISION: That the Minutes of the meetings of the Cabinet held on 21st October 2020 be approved as a correct record and signed by the Chairman as soon as possible.

40 **QUESTION TIME**

INFORMATION: There was one statement made.

This statement was made by Councillor James Abbott and was in relation to the cycling group set up by the Council and funding for the Braintree District Local Highways Panels.

41 **COVID-19 ADDITIONAL RESTRICTIONS**

INFORMATION: Members were informed that the Council was delivering several programmes of business support and financial assistance to help businesses within the District survive and then thrive through the Covid-19 crisis. The Council was now being asked by Government to further support businesses by distributing newly available Covid-19 business support funding in response to the country moving into the current phase of social and business operational restrictions.

Members were advised that three new Covid-19 support funds had been made available to local authorities, these were:

The Local Restrictions Support Grant (open); This was an amount of £322,663 to be distributed to businesses that had been impacted but remained open as Essex moved to the Tier 2 'high level' category of Covid related social and business operation restrictions. This funding was primarily for businesses in the hospitality, accommodation and leisure sectors with a rateable value (i.e. with fixed property related costs) based on the period between 16th October and 4th November 2020 as defined and determined by government.

The Local Restrictions Support Grant (closed); Braintree District Council had been provided with £2,049,570 to distribute to businesses that had been forced to close due to the new Covid-19 national restrictions imposed from the 5th November 2020. This would be paid as a one-off grant directly to eligible businesses to cover a 28-day period for businesses with a rateable value as defined and determined by government.

Additional Restrictions Grant; The Council had been provided with £3,052,080 to support businesses which had their trade affected by Covid-19 restrictions. This included closed businesses that don't pay business rates and businesses that had not been required to close but are still severely impacted. Government guidance for this Grant stated that the criteria and eligibility for its distribution was to be set at the discretion of the local authority. The ARG was a one off payment to local authorities in the 2020/21 financial year however it was to be used across the 2020/21 and 2021/22 financial years and will not be renewed.

Cabinet was therefore asked to consider the eligibility criteria to be used to distribute funding from the ARG to Braintree businesses; and the retaining of 10% of the ARG to be spent alongside North Essex local authorities to deliver a programme of business support and skills interventions.

DECISION: The Cabinet agreed:

1. The distribution of the Additional Restrictions Grant to local business in accordance with the criteria set out in paragraph 1.6 of the main report, with any surplus grant being used to provide business support through the Councils schemes already in place.

2. To retain up to 10% of the Additional Restrictions Grant for future allocation. If it was not possible to establish a collaborative approach with the North Essex Authorities through the North Essex Economic Board by March 2021, then this retained funding would be returned to the Additional Restrictions Grant and be distributed in accordance with recommendation 1 above.
3. To delegate authority to the Cabinet Member for Finance and Performance Management, in consultation with the Deputy Leader and Cabinet Member for Economic Development and Infrastructure, to approve the collaborative approach with the North Essex Authorities for the distribution of the retained 10%.
4. To accept all future requests from Essex County Council to distribute additional funding received as a result of the Covid-19 Pandemic, following consultation with the Cabinet Member for Finance and Performance Management and the S.151 Officer.

REASON FOR DECISION: To ensure the effective and efficient distribution of ARG funding to Braintree businesses whilst also ensuring that the ARG funding is used to support businesses to bounce back from Covid-19 in 2021.

42 SECOND QUARTER PERFORMANCE REPORT 2020-21

INFORMATION: Members were updated on the performance of the Council at the end of the second quarter (July 2020 to September 2020).

It was reported that at the end of September 2020, that in spite of the pandemic, projects were continuing with one project completed and a further 46 projects on track and progressing well. Five projects had an amber status due to impact of the pandemic and one project had been cancelled due to missing the planting season in 2020. This project would now be undertaken in Spring/Summer of 2021.

Targets had not been set for all performance indicators this year due to the disproportionate impact the coronavirus was having. For the targets that remained, seven performance indicators had met or exceed target and seven performance indicators had missed their target. Three had missed target by less than 5% and four missed their target by more than 5%. The areas of underperformance were in relation to recycling rates, average waiting time for disabled facility grants, average call answering time in the Customer Service Centre, the collection rate for Business rates, the percentage of stage one complaints responded to within 7 working days, the collection rate for Council Tax and the percentage of invoices paid within 30 days.

In respect of financial performance it was reported an overall adverse variance before government COVID-19 support was projected of £2.651 million. Across all services, staffing budgets were forecast to be underspent by £402,000; however, after allowing for the corporate efficiency target of £300,000, this resulted in a net projected underspend of £102,000. Other expenditure was projected to be over budget by £584,000. Income was projected to be under achieved by £2.169 million. The estimated impact of COVID-19 on the Council's finances for the year was £3.255million: £1.079million of additional expenditure and £2.176million reduction in income. The amount of government support received from the Emergency Fund for Local Government and the estimated amount expected from the Income Compensation Scheme was a total of £2.668 million. The net impact of the COVID- 19

pandemic on the General Fund revenue account was therefore a £587,000 overspend. Other projected budget variances, including the return on the investment in the Suffolk Waste plant, staff vacancies in Finance and Sustainable Development and reduced fuel costs for Operations' services, net to a positive amount of £604,000 resulting in the overall General Fund position being a projected positive variance of £17,000.

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

REASON FOR DECISION: To inform the Cabinet of the performance of the Council.

43

MEDIUM-TERM FINANCIAL STRATEGY 2021-22 TO 2024-25

INFORMATION: The process of rolling forward the Council's four-year financial plan commenced with a report to Cabinet, on 7th September 2020, with an initial review of the Medium-Term Financial Strategy (MTFS) 2020/21 to 2023/24; which had been agreed by Council on 17th February 2020.

Members were reminded that on 23rd September 2020, the Treasury announced that the November Budget would be delayed until the New Year. Subsequently, the Treasury had confirmed that the Comprehensive Spending Review would only set departmental budgets for next year, due to the economic disruption caused by Covid-19. The Secretary of State for Housing, Communities and Local Government had already confirmed, on 28th April 2020, that the review of Relative Needs and Resource (Fair Funding) and 75% business rates retention would not be implemented in 2021/22. It was assumed that the Financial Settlement for 2021/22 would be based on rolling forward the current year settlement but within the funding limit determined for Local Government under the Comprehensive Spending Review. Consequently it was also assumed that the Negative Revenue Support Grant adjustment, originally proposed for 2019/20 but was subsequently withdrawn by the Government, would not be applied, as in 2020/21. It was hoped that the provisional Financial Settlement for 2021/22 would be published in mid-December.

Members were provided with an update on the financial assumptions in the current MTFS. It was reported that the five unavoidable budget changes identified for 2021/22 onwards which were expected to impact on the base budget had been reviewed. The anticipated requirement of an additional waste vehicle and crew would not be required until 2022/23. Therefore, the provision of £155,000 requested had been slipped back one year. Also the request for the Procurement Service had been reassessed following changes in the membership of the Procurement Hub resulting in a reduced request of £5,260. The total value of the ongoing budget additions to be made in 2021/22 was £75,190.

Members were advised that at this time, one of the main unknowns for the 2021/22 Budget was how the Council's income generating services would recover and to what extent customer demand may change in a post-Covid time. Rather than attempt to estimate the position for each service it was proposed that a provision was earmarked from the unallocated balance to cover potential shortfalls in income in 2021/22. It was considered that a sum of £1million should be earmarked.

In respect of Business rates, on 16th September 2020 the Ministry of Housing, Communities and Local Government wrote to the lead authority of each current Pool

with an invitation to indicate the preferred pooling arrangements for 2021/22. All of the member authorities of the current Essex Pool had 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 7th September 2020.

Members were advised that it was estimated that the balance on the Collection Fund available for distribution was a surplus of £1,355,197. The Council's proportion of the council tax surplus, to be returned to council taxpayers in 2021/22 was £170,882. It had been proposed that £33,640 of this surplus was allocated to town and parish councils in 2021/22.

The Council's taxbase for 2021/22 was required to be calculated as at 30th November 2020 and would 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 2021/22 was estimated to be 53,650 (increase of 0.52% over the 2020/21 taxbase) and was based on an assessment undertaken as at 14th September 2020 required by the Government. As the Government's proposed referendum limit for 2021/22 is awaited, it was considered appropriate to limit increases in the Financial Profile to the 2% maximum.

In summary it was reported that the updated financial profile 2021/22 to 2024/25 showed:

- 2021/22 – withdrawal from unallocated balance of £239,315;
- 2022/23* – shortfall of £778,865;
- 2023/24* – shortfall of £380,612; and
- 2024/25* – shortfall of £280,450.

DECISION: That Cabinet agreed:

- a) No changes are proposed to the Local Council Tax Support Scheme for 2021/22 and consequently there is no requirement for consultation to be undertaken; and
- b) The Revenue Budget and Capital Programme for 2021/22, as presented in this report, constitute the initial Budget proposals and that views are sought as appropriate.

Cabinet recommends to Full Council to agree that:

- c) A total of £33,640 of the surplus on the Council Tax Collection Fund be allocated to parish/town councils in 2021/22, as detailed in Appendix A to this report.

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

44 **AWARD OF THE TEMPORARY LABOUR CONTRACT**

INFORMATION: Members were advised that the current temporary labour contract with CSS Recruitment would end on the 29th January 2021 Braintree District Council in accordance with the Public Contract Regulations 2015 had undertaken a robust procurement exercise for the provision of temporary recruitment with a maximum

contract term of five years (an initial three years with an option to extend for two further 12 month periods).

It was reported that two bidders were shortlisted, both provided strong quality responses. The winning bidder, First Call Contract Services Ltd, provided a more competitive pricing proposal compared to the second placed bidder, CSS Recruitment, resulting in a financial saving to the Council of an estimated £23,000 per annum against current budget.

DECISION: That Cabinet agreed to award a 3 year contract with the provision to extend for two further 12 month periods to First Call Contract Services Ltd, who submitted the most economic advantageous tender, for the contract value of £3m.

REASON FOR DECISION: To award the contract following the successful completion of the procurement exercise.

45 **PROPOSED RENEWAL OF THE LEASE OF BLYTH'S MEADOW CAR PARK IN BRAINTREE TO J SAINSBURY'S PLC.**

INFORMATION: It was reported that the Council currently leased the Blyth's Meadow car park in Braintree to J Sainsbury Plc. The lease commenced on the 25th December 1995 for a term of 25 years which expires on the 24th December 2020. The current rent was £81,500 per annum.

This car park comprised 117 spaces and serviced both the Sainsbury's store in Braintree and the town centre. J Sainsbury Plc advised the Council that it wished to renew its lease of the car park for a further term and lease renewal terms have now been agreed between the parties, subject to Cabinet approval and subject to Contract. It was proposed to renew Sainsbury's lease for a 15 year term and at an initial rent of £92,500 per annum.

DECISION: That Cabinet approved the grant of a new 15 year lease of the Blyth's Meadow car park in Braintree to J Sainsbury Plc from the 25th December 2020, at an initial rent of £92,500 per annum and otherwise on those terms and conditions as set out within the main report, or on such other terms as agreed by the Corporate Director (Sustainable Development) in consultation with the Cabinet Member for Corporate Transformation.

REASON FOR DECISION: To renew the lease of Blyth's Meadow car park in Braintree to J Sainsbury Plc to provide essential car parking for customers to the Sainsbury's store, continue to provide well located car parking to support the town centre and generate a valuable source of revenue income to support the delivery of Council services.

46 **ARRANGEMENTS FOR DEVELOPMENT OF LAND AT HORIZON 120, GREAT NOTLEY**

INFORMATION: On the 8 July 2019, Cabinet approved the terms of an Option Agreement with Horizon Ltd, a Marshgate Developments company. Marshgate were an established and reputable commercial developer based in Bishops Stortford. The

approved Agreement was executed in January 2020 on a number of terms set out in the main report.

The Cabinet Member advised Members that the agreement included a five year term that commenced on 1st June 2020 that does not allow the Council to engage with alternative developers and that Marshgate had the right to purchase up to twenty net developable acres, out of the forty seven available at the full market value asses by an independent valuation. The twenty acres were deliberately not defined in order to ensure that intended occupiers were located within the correct zones, as defined in the Local Development Order. The zoning requirements as dictated within the Local Development Order meant that Marshgate was marketing the whole site to a range of potential occupiers in the industrial and logistics business sectors.

It was reported that contracts have been exchanged with CareCo, for the sale of 4.4 acres, for their national headquarters office and distribution centre. CareCo were relocating from Brentwood and would bring an estimated ninety jobs into the District. Construction was expected to commence in January 2021. Contracts for Essex X-Ray who will be relocating from Uttlesford had also been completed and would bring an estimated 80 jobs into the District. Construction was expected to commence in December 2020. Seven acres were required for seven industrial units being promoted by Marshgate through its EOS brand. Four of the seven units were under offer with the initial sale, of 3.5 acres, anticipated in Q4 of 20/21 with the balance in Q2 of 21/22. Advanced negotiations were in progress with several other companies, including a regional residential developer, a high profile retail group and a distribution company.

Given contractual, near contractual and other firm offers being investigated with active commercial entities, combined with active and engaging marketing activity, there was tangible momentum on the Site. It was therefore both necessary and appropriate that the Council considered and implemented arrangements to facilitate development of the remainder of the Site. In anticipation of the progress made with marketing and securing of contracts related to the current land option, an options appraisal had been conducted by the Strategic Investment team, to determine a way forward for the development of the remaining 45 developable acres. Several options were explored and are detailed in the main report.

DECISION: That Cabinet agreed:

1. That a Deed of Variation to the current Option Agreement with Marshgate is entered to provide for incremental extensions of the term and release of additional developable land, after each sale of five or more developable acres, to the maximum of the remaining 25 developable acres available at the Horizon 120 Business and Innovation Park.
2. That the Deed of Variation provides for an additional provision that will provide the Council with a right of first refusal on all available investment opportunities, within Horizon 120 Business and Innovation Park.
3. The Corporate Director (Growth), in consultation with both the Corporate Director (Finance), the Deputy Leader and the Cabinet Members for Corporate Transformation and for Finance, enter into a Deed of Variation to the Option Agreement, with Horizon (Braintree) Limited

4. To note that a review of the projects governance arrangements, budget provision and delegated authority will be carried out and a proposal will be brought forward for Cabinets approval in due course that will facilitate the Council's effective investment appraisals and decisions within a commercially realistic timescale.

REASON FOR DECISION: To enable the Council to secure effective arrangements for development of the remainder of the Horizon 120 Business & Innovation Park

The meeting commenced at 7.15pm and closed at 8.18pm.

COUNCILLOR G BUTLAND
(Leader of the Council)