

Medium-Term Financial Strategy 2017/18 to 2020/21		Agenda No: 9a
Portfolio	Finance and Performance	
Corporate Outcome:	A high performing organisation that delivers excellent and value for money services Delivering better outcomes for residents and businesses and reducing costs to taxpayers	
Report presented by:	Cllr. David Bebb	
Report prepared by:	Trevor Wilson, Head of Finance	
Background Papers:	Public Report	
Council Budget and Council Tax 2016/17 and Medium-Term Financial Strategy 2016/17 to 2019/20 report to Cabinet 4th February 2016 and Full Council 22nd February 2016	Key Decision: No	
Medium-Term Financial Strategy 2016/17 to 2019/20 Update report to Cabinet 12th September 2016		
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 12 th September 2016, with an initial review of the Medium-Term Financial Strategy (MTFS) 2016/17 to 2019/20; which was agreed by Council on 22 nd February 2016.	
1.2	The report to Cabinet included: <ul style="list-style-type: none"> • The Council's proposed response to the Government's offer to local authorities to accept the Settlement Funding Assessment figures for 2016/17 to 2019/20; • An initial review and update of the assumptions included in the current MTFS; • An option to continue to participate in an Essex Business Rates pooling arrangement for 2017/18; • The proposed Local Council Tax Support scheme for 2017/18; • Details of the initial consultation of the Government's proposal for local government to retain 100% of business rates; and • The budget timetable for agreeing the budget and council tax for 2017/18 and the Medium-Term Financial Strategy 2017/18 to 2020/21. 	

1.3 This report provides detail of the progress with the updating of the Financial Profile and the Medium-Term Financial Strategy 2017/18 to 2020/21; unavoidable cost pressures; and work on identifying options for revenue savings/additional income to meet the anticipated funding shortfalls over the next four years.

2. Government Funding

2.1 A request to accept the offer, of the Settlement Funding Assessment figures for 2016/17 to 2019/20, together with a link to the Efficiency Plan, agreed by Cabinet on 12th September, was sent to the Department for Communities and Local Government (DCLG) on 12th October 2016. A response from the DCLG is awaited at this time.

2.2 Until the actual Settlement Funding Assessment figures are confirmed in the weeks following the Autumn Statement, scheduled for 23rd November, the original figures contained in the offer have been incorporated in the updated Financial Profile.

2.3 The other significant funding received from Central Government is the administrative subsidy for Local Council Tax Support and Housing Benefit schemes (total of £658,620 in 2016/17). It is expected that the allocations for 2017/18 will also be received in the weeks following the Autumn Statement. The MTFs currently anticipates a reduction of 7% per annum to these subsidies.

3. Update on Financial assumptions in the current MTFs

3.1 The Financial Profile, agreed in February 2016, included savings, totalling £509,080, planned for 2017/18 to 2019/20. These savings have been reviewed and the outcome is that adjustments are required to five of the items, with net reductions of £112,550, £10,210 and £8,460 respectively.

3.2 The review of the current year budget, undertaken at the end of September, predicts a positive variance for the year of £303,000: this is due to additional income of £169,000 and savings against expenditure budgets of £134,000.

3.3 For some service areas the changes in the levels of income and expenditure in 2016/17 are expected to be ongoing and therefore adjustments are required to the Financial Profile for 2017/18. The net total is £407,000, of which £382,000 is additional income and £25,000 a reduction of expenditure.

3.4 The Financial Profile includes provision for annual pay award of 1% in recognition of the announcement in the July 2015 Budget that public sector pay would increase by 1% per annum over the four years starting 2016/17. 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).

3.5 It is not anticipated that the Council will have any financial consequences from an expected increase in the National Living Wage from April 2017 with regard to its employees, however, there is potential for increased costs regarding agency staff and an allowance for an increase is included for 2017/18 under Pay inflation in the Finance Profile.

- 3.6 The result of the Triennial Review of the Essex Pension Fund, as at 31st March 2016, was received on 30th October 2016. 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 2017/18 to 2019/20.
- 3.7 The review indicates that whilst this Council's part of the Fund continues to be in deficit, i.e. liabilities of £134.084m exceed assets of £119.627m; this has reduced such that the funding level is 89.2%, compared to 82.4% as at the last review conducted as at 31st March 2013.
- 3.8 The ongoing employer contribution rate is set to rise to 16.5% from the current level of 14.4%. Although this element 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 2013: total contribution rate of 31.4% compared to 31.3%.
- 3.9 The triennial reviews in 2010 and 2013 set Deficit Recovery periods of 20 years and 14 years, respectively. The current review has determined the recovery period has reduced to 10½ years: a reduction of 3½ years representing an improvement against the anticipated reduction following 3 years of deficit payments.
- 3.10 The ongoing employer contribution is estimated at £1,650,700 pa. The Deficit payment is £1,427,130 in 2017/18 and rises by 3.9% in each of the two following years.
- 3.11 The Council has an option to pay the total deficit for the three years in a single payment of £4,232,683 on 1st April 2017. This represents a saving of £217,842 over the three annual payments option.
- 3.12 It is proposed that the Council opts to pay the total deficit payment on 1st April 2017. The accounting requirement for this is that the total payment is accountable in 2017/18; the implication of this is that two thirds of the payment (re 2018/19 and 2019/20) will need to be funded from the unallocated balance and/or earmarked reserves in 2017/18 but these sources will be repaid over the two following years.
- 3.13 A schedule detailing the proposed discretionary fees, charges and rents for 2016/17 for the service areas currently subject to review will be presented in the Finance report to Cabinet on 6th February 2017.
- 3.14 Bids for revenue funding to meet unavoidable budget demands show a total of £169,680 in 2017/18 and £73,640 in 2018/19, all of which is requested to be added to base budget.
- 3.15 Four bids for revenue funding for new investments:
- Economic Development – additional resource to support Economic growth and capital project delivery at an estimated cost of £252,000 per annum. It is proposed that funding would be from unallocated New Homes Bonus (£144,800) and capital resources (£107,200);
 - Welfare Reforms, increased Homelessness responsibilities, changes to Housing Benefit regulations, lower Benefit Cap, etc. will put pressure on the Housing Services' ability to find accommodation for families and single people, particularly those under 35 years of age. It is proposed to make a

provision of £150,000 to meet the cost of actions taken to address these issues. As a one-off provision it is proposed that it is met from balances;

- Public Relations and Marketing – to procure and implement the ‘Gov Delivery’ digital marketing platform to promote Council services and initiatives, support channel shift and digital transformation, enhance public awareness and increase the contributions/involvement of communities. Estimated cost is £12,120 pa.; and
- Town and Parish Councils – to allocate a proportion of the estimated surplus on the Council Tax Collection Fund from 2016/17, of £194,255, between the Town/Parish Councils and this Council. The proportion payable to the Town/Parish Councils would be £34,820.

4. Cost Reduction/Additional Income Proposals

4.1 In addition to the ongoing additional income and cost reduction changes which are to be made to the base budget for 2017/18, identified at paragraph 3.3 above, the following four new proposals will have a positive impact, of £255,000, on the 2017/18 budget:

Environment and Place

- Environmental Services – review of staffing structure, estimated saving of £15,000 is anticipated, however, this is currently subject to the completion of due process under the Council’s Change Management Policy;
- Fleet Management – new liquid fuels contract has been let resulting in a saving of £15,000 on the current budget;

Corporate Services and Asset Management

- Annual rent receivable, of £139,000, on the former Braintree College property purchased and leased out enabling the relocation of the St Lawrence Doctors Surgery; and

Finance and Performance

- Investment income – net interest of £86,000 in respect of an additional sum of £2million invested in equity funds in October/November 2016. This takes the total amount invested in pooled equity and property funds to £14million; within the current limit for long-term investments of £15million set in the Investment Strategy.

5. Business Rates Retention

5.1 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.

5.2 The Council’s provisional baseline figure for 2017/18 is £3,253,945 as provided in the four-year 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 (although the actual amount of the increase retained will be subject to a levy of 50% payable to the Government or to the Essex Pool if the current pooling arrangement continues for 2017/18).

5.3 The estimate of Business Rates retained in 2017/18 will also be determined using the results of the 2017 Revaluation, published on 30th September by the Valuation Office Agency. At this time this data is being loaded into the Business Rate system and verified. The Government has issued proposals to eliminate any variations (positive or negative) caused by changes to individual authority's total rateable value. Until this work and the adjustment methodology is confirmed the 2017/18 estimate cannot be finalised.

5.4 Estimates of Retained Business Rates for the years 2018/19 to 2020/21 simply include a 2% uplift each year to reflect an anticipated increase in the Rates multiplier, with a reduction of £291,482 in 2019/20 for the tariff adjustment included in the four-year settlement. The position for 2020/21 is more difficult to predict as the Government is currently working with Local Government representatives to devise a scheme whereby Local Government will retain 100% of Business Rates. It is expected that proposals will be consulted on over the next 18 months.

6. Local Council Tax Support Scheme

6.1 The Council's Local Council Tax Support (LCTS) scheme was introduced on 1st April 2013. The scheme, which applies to claimants of working age only, retains a significant proportion of the principles and elements of the previous Council Tax Benefit scheme. Whilst the scheme remained unchanged for the first three years, four changes were agreed to be applied for 2016/17.

6.2 On 12th September 2016, the Cabinet determined that it would not propose any changes to the Council's LCTS scheme for 2017/18; on the basis that the changes agreed to the Council's LCTS scheme for 2016/17 were made with reference to the Council's financial position over the medium-term and with the desire to limit the frequency of changes thereby providing a level of stability and continuity in the scheme for claimants. With no proposed changes there was no requirement to undertake any consultation.

6.3 The Council is required to agree the details of its Local Council Tax Support Scheme for the ensuing financial year by 31st January. Details of the scheme for 2017/18 to be recommended for approval by Council can be found on the Council's website at:
http://www.braintree.gov.uk/info/200302/benefits/367/housing_benefit_and_council_tax_support.

6.4 An Equalities Impact Assessment of the scheme has been prepared and can also be viewed on the Council's website at the link above.

6.5 Since the introduction of the Local Council Tax Support scheme it has been agreed that an Exceptional Hardship Fund would be provided for short-term assistance to households facing exceptional financial difficulties. The Fund is financed from contributions from the major precepting authorities; in proportion to their council tax precept. The process for dealing with requests for assistance from the Fund involves a referral to the Citizens Advice Bureau (CAB) for money advice and an assessment of the claimant's finances.

6.6 In addition to the money advice service provided by the CAB the Council has employed an officer to work with claimants who experience difficulty in paying their

council tax with the objective of offering support and advice and to ultimately gain agreement to pay.

- 6.7 The combination of these approaches has been beneficial to those claimants experiencing exceptional financial hardship and for the Council in maintaining a good collection rate and it is recommended that both of these services together with the Exceptional Hardship Fund are retained for 2017/18. The funding of these services is shared between the four major precepting authorities, including the Council. It is expected that the other three preceptors will agree to continue to provide funding for 2017/18.

7. Council Tax – Collection Fund Surplus and Taxbase

- 7.1 The budget setting process includes estimating the amount of council tax expected to be collected. Variation from the estimate results in either a surplus or deficit in the Collection Fund which must be either returned to or requested from council taxpayers in the following year. The surplus or deficit is allocated between the four major preceptors: Essex County Council, Braintree District Council, Essex Police and Crime Commissioner and Essex Fire Authority.
- 7.2 It is estimated that the balance on the Collection Fund available for distribution is a surplus of £1,502,454. The Council's proportion of the council tax surplus, to be returned to council taxpayers in 2017/18 is £194,255.
- 7.3 It is proposed that £34,820 of this surplus is paid to town and parish councils in 2017/18, as detailed in Appendix B.
- 7.4 The Council's taxbase for 2017/18 is required to be calculated as at 30th November 2016 and will be agreed, under delegated authority, by the Corporate Director responsible for Finance. For financial planning purposes the council taxbase for 2017/18 is estimated to be 51,174, i.e. a 1% increase over the current year taxbase of 50,667.
- 7.5 From 1st April 2013 the Council agreed to exercise the new discretionary powers to set the discounts for empty properties and second homes. The current levels of these discounts are as follows:
- Properties undergoing extensive repair – 0% for twelve months;
 - Properties unfurnished – 0% for 6 months;
 - Second homes – 0%
- It is not proposed to make any changes to these levels for 2017/18.
- 7.6 From 1st April 2016 a premium of 50% was introduced on properties which have been unoccupied and substantially unfurnished for two years or more. It is not proposed to change this premium for 2017/18.
- 7.7 With the anticipated housing growth in the District over the coming years it is considered appropriate to increase the allowance, included in the financial profile, for growth in the council taxbase from the current level of 1% per annum to 1.5% per annum for 2018/19 onwards. This provides estimated taxbase's of 51,942, 52,721 and 53,512 in 2018/19 to 2020/21 respectively.

- 7.8 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 2016/17 was set at the higher of 2% or £5. The Government is proposing to keep this threshold for 2017/18.
- 7.9 The Government is also proposing to introduce the referendum principle to town and parish councils for 2017/18. The intention is that this will only apply to town and parish councils whose Band D is higher than that of the lowest charging district council for 2016/17 (£75.46) and which have a total precept for 2016/17 of at least £500,000. There is no town or parish council in the Braintree District which currently meets these criteria.
- 7.10 The increases in the level of council tax provided in the Finance Profile for 2017/18 to 2020/21 for planning purposes are:
- 2017/18 – 1.97% providing a Band D level of £167.76;
 - 2018/19 – 1.98% providing a Band D level of £171.09;
 - 2019/20 – 1.95% providing a Band D level of £174.42;
 - 2020/21 – 1.96% providing a Band D level of £177.84.

8. Financial Profile

- 8.1 The updated Financial Profile for 2017/18 to 2020/21 taking account of the proposed savings and revised assumptions shows:
- 2017/18 – a net withdrawal from balances of £107,571;
 - 2018/19 – a shortfall of £611,400;
 - 2019/20 – a shortfall of £524,008; and
 - 2020/21 – a shortfall of £234,383.

This position will be updated following receipt of the Funding Settlement Assessment.

- 8.2 The approach to address the anticipated budget shortfall of £1.37million over the next three years is a continuation of the work developed under the Peer Challenge Action Plan to address the issue of the Council being grant free over the medium-term. The plan provides for a focus on:
- Commercialisation and 'Better at Business';
 - Grow our economy – increase 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.

- 8.3 Proposals regarding investment opportunities to purchase property which are the subject of reports to Cabinet and Council in November/December will be included in

the February Budget and Council Tax 2017/18 report, as appropriate.

9. Capital Investment

- 9.1 New Homes Bonus – the DCLG has been conducting a review of the New Homes Bonus scheme. Proposed changes to the distribution of the Bonus involve options for saving at least £800million, which would be used for social care. In addition it is also considering options for staying within the funding envelope in the event of a sudden surge in housing growth. A decision on the future of the scheme is expected to be announced in the Autumn Statement.
- 9.2 Capital Programme – details of the proposed capital projects are contained in the report. The value of the proposed projects in 2017/18 is £1,270,200 and anticipated requirements for 2018/19 to 2020/21 total £1,077,000, £957,000 and £956,000 respectively.
- 9.3 The Council is due to receive 50% of the balance on the Development element of Community and Housing Investment Partnership Fund, of £2.718million, in late November/ early December from Greenfields CH. This resource will be earmarked for affordable homes.
- 9.4 District Investment Strategy – on 23rd May 2016, Cabinet agreed to establish the District Investment Strategy. This was in recognition that the District needs to prepare for growth by ensuring District infrastructure improvements/facilities are not only delivered for existing residents, but are able to provide for the future growth in the District as well. To support the District Investment Strategy funding of £28million was identified from the following sources: New Homes Bonus received, balances and prudential borrowing. Details of current committed projects and pipeline projects are listed in the report. In addition, £3million of the capital receipt from the sale of the former Bramston Sports Centre site is to be earmarked for investment for Witham.
- 9.5 **Long-Term Investments** – as work progresses on the Local Plan for the Braintree District, the Council has been actively looking at two opportunities for the delivery of the required housing numbers:
- 9.6 **Garden Communities** - The Council is working together with Colchester BC, Tendring DC and Essex CC on the North Essex Garden Communities project. Initial funding of £640,000 was secured from the DCLG with a further supplementary award of £648,000 is anticipated to be received in the current financial year. The project is to establish the feasibility of and funding requirements of delivering three garden communities across North Essex.
- 9.7 As the project has progressed a three-year work programme and project budget has been developed which includes the current position on resource requirements and external commissioned support. This identified a need for a contribution of £250,000 from each of the four authorities. The Cabinet agreed the contribution on 12th September 2016.
- 9.8 **Housing Development Company** – the Cabinet, on 12th September 2016, approved the resources to develop a full business case relating to the establishment of a Housing Development Company (HDC). The proposed HDC has the potential

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

Recommended Decision:

Cabinet recommends to Full Council to agree:

- a) The Braintree District Council's Local Council Tax Support scheme for 2017/18 as detailed on the Council's website:

http://www.braintree.gov.uk/info/200302/benefits/367/housing_benefit_and_council_tax_support

; and

- b) That the surplus on the Council Tax Collection Fund be allocated between the District and parish/town councils as detailed in Appendix B to this report.

Cabinet to agree that:

- c) The Pension Deficit payments for the period 2017/18 to 2019/20 due to the Essex Pension Fund be made in a single payment on 1st April 2017, as detailed in section 6.3 of the main report ; and
- d) The Revenue Budget and Capital Programme for 2017/18, as presented in this report, constitute the initial Budget proposals and that views are sought as appropriate.

Purpose of Decision:

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

To recommend to Council to agree the Local Council Tax Support scheme for 2017/18 for the Braintree District.

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

<p>Financial:</p>	<p>The initial budget proposals provide a balanced budget for 2017/18 which includes: an increase of 1.97% in the level of council tax; additional income and cost reductions of £0.842million; additional spend and reductions in income of £0.928million on unavoidable demands; a net withdrawal from balances of £0.108million; and the Government's Settlement Funding Assessment at the provisional figure of £4.03million (a reduction of £0.762million over the current year).</p> <p>The financial position forecast for 2018/19 to 2020/21: shows savings of £611,400, £524,008 and £234,383 will be required to be found in 2018/19, 2019/20 and 2020/21 respectively. It is intended to continue the work developed under the Peer Challenge Action Plan to address the shortfalls in funding as the Council becomes grant free and a new Business Rate Retention scheme is implemented in 2020/21.</p> <p>Capital projects with a total value of £1,270,200 are proposed for inclusion in the 2017/18 Capital Programme. The anticipated projects for 2018/19 to 2020/21 have values of £1,077,000, £957,000 and £956,000 respectively.</p> <p>As assessment of available capital resources shows that there will be sufficient to fund the proposed capital programme.</p>
<p>Legal:</p>	<p>Adoption of LCTS is a statutory requirement. Failure to do so could lead to a default scheme being imposed by the Government.</p>
<p>Safeguarding:</p>	<p>There are no safeguarding issues raised by this report.</p>
<p>Equalities/Diversity:</p>	<p>An Equality impact assessment on the Local Council Tax Support scheme has been completed and is available on the Council's website.</p> <p>The Council has a responsibility for ensuring that an equalities impact assessment is undertaken on proposed changes, where appropriate, and that this is taken into account in the decision making process. Equalities impact assessments, where appropriate, will be included in the savings proposals reported to Cabinet in the Finance report on 6th February 2017.</p>
<p>Customer Impact:</p>	<p>There are no customer impact issues raised by this report.</p>

Environment and Climate Change:	There are no environmental and Climate Change issues raised by this report.
Consultation/Community Engagement:	<p>Consultation to be undertaken in accordance with the Council's Management of Change on the proposed staffing restructures detailed in the report.</p> <p>The Overview and Scrutiny Committee will examine and consider the budget proposals as contained in this report on 23rd November 2016. The Chairman of the Committee has extended an open invitation to all members to attend this meeting.</p>
Risks:	<p>Failure to adopt a local Council Tax Support scheme in time would lead to the Government imposing a default scheme.</p> <p>The assumptions made prove to be incorrect resulting in savings not being achieved as planned, costs rising by more than the provision allowed for inflation, increased income budgets not being achieved.</p> <p>The provisional financial settlement figures for 2017/18 from Government, included in the Financial Profile, are reduced following presentation of the Autumn Statement to Parliament on 23rd November 2016.</p>
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1. Background

- 1.1 The process of rolling forward the Council's four-year financial plan commenced with a report to Cabinet, on 12th September 2016, with an initial review of the Medium-Term Financial Strategy (MTFS) 2016/17 to 2019/20; which was agreed by Council on 22nd February 2016.
- 1.2 The report to Cabinet included:
- The Council's proposed response to the Government's offer to local authorities to accept the Settlement Funding Assessment figures for 2016/17 to 2019/20;
 - An initial review and update of the assumptions included in the current MTFS;
 - An option to continue to participate in an Essex Business Rates pooling arrangement for 2017/18;
 - The proposed Local Council Tax Support scheme for 2017/18;
 - Details of the initial consultation of the Government's proposal for local government to retain 100% of business rates; and
 - The budget timetable for agreeing the budget and council tax for 2017/18 and the Medium-Term Financial Strategy 2017/18 to 2020/21.
- 1.3 This report provides detail of the progress with the updating of the Financial Profile and the Medium-Term Financial Strategy 2017/18 to 2020/21; unavoidable cost pressures; and work on identifying options for revenue savings/additional income to meet the anticipated funding shortfalls over the next four years.

2. Government Funding

- 2.1 The Financial Settlement for local government announced by the Secretary of State for Communities and Local Government on 17th December 2015 provided funding figures for each authority for the four-year period 2016/17 to 2019/20. The announcement included an offer to local authorities to receive the settlements for the four years on condition that an efficiency plan is produced. Councils wanting to accept the offer were required to send a link to their efficiency plan to the Department for Communities and Local Government (DCLG) by 14th October 2016.
- 2.2 The Provisional SFA figures for 2017/18 to 2019/20 are:

	2017/18	2018/19	2019/20
Revenue Support Grant	£777,347	£272,480	Nil
Retained Business Rates - Baseline	£3,253,945	£3,349,939	£3,457,008
Business Rates tariff adjustment			-£291,482
Total Settlement Funding Assessment	£4,031,292	£3,622,419	£3,165,526

- 2.3 An Efficiency Plan covering the period 2016/17 to 2019/20 was agreed by Cabinet on 12th September. A request to accept the offer together with a link to the Efficiency Plan, published on the Council's website, was sent to the

DCLG on 12th October 2016. Whilst an acknowledgement was received, stating that the Department would be in touch to provide final confirmation of the offer shortly after the deadline, no response had been received at the time of writing this report.

- 2.4 Whilst the actual Settlement Funding Assessment figures will not be confirmed until the weeks following the Autumn Statement, scheduled for 23rd November, the figures as detailed in the table above have been incorporated in the updated Financial Profile.
- 2.5 The other significant funding received from Central Government is an administrative subsidy for Local Council Tax Support and Housing Benefit schemes (total of £658,620 in 2016/17). It is expected that the allocations for 2017/18 will also be received in the weeks following the Autumn Statement. The MTFs currently anticipates a reduction of 7% per annum to these subsidies.

3 Update on Financial assumptions in the current MTFs

- 3.1 The Financial Profile, agreed in February 2016, included savings planned for 2017/18 to 2019/20. These savings have been reviewed to ensure that they are still deliverable. The outcome is that five of the savings require adjustment:
- A proposal to let part of the office space in Causeway House achieving an estimated rent of £110,000 per annum will not be progressed at the current time. Following further assessment of accommodation needs over the short term it is not considered that there will be space that is surplus to requirements to offer for rent;
 - Installation of solar panels at George Yard Car Park and the additional panels at Witham Leisure Centre were halted earlier in the year following the change to Feed in Tariffs. The proposed replacement of the wind turbine at the Discovery Centre is also not being undertaken. The consequence is that anticipated income of £35,000 will not now be received;
 - Human Resources – proposed savings of £6,350 in 2017/18 and £1,750 in 2018/19 are not able to be realised as the on-line professional advice service is still required and funding is required for subscriptions for PILAT (job evaluation), Vine HR and Workplace Options (employee support);
 - Sponsorship programme – the business case for this programme anticipates net additional income of £21,880 (£31,880 in 2017/18 but the removal of the original provisions of £5,000 expected in 2018/19 and 2019/20; and
 - Localism Fund – adjustment required to the timing of the budget reductions across the three years – net impact is nil (additional saving of £6,920 in 2017/18 offset by saving reduction of £3,460 in both 2018/19 and 2019/20).
- 3.2 A summary of the value of the planned savings and the proposed adjustments required is provided in the table below:

	2017/18 £	2018/19 £	2019/20 £
Savings Planned	(293,310)	(124,320)	(91,450)
Less: Proposed Adjustment	112,550	10,210	8,460
Revised Value of Savings	(180,760)	(114,110)	(82,990)

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

- 4.1 The Financial Profile includes the consequences for 2017/18 of the planned priority investments and unavoidable budget changes which were identified in previous years.
- 4.2 The two priority investments were both one-off budget requests in 2016/17 and these are therefore being removed from the base budget in 2017/18. The two items are:
- Councillor Grant Scheme – provision of £180,000 to cover grants and administration in 2016/17 and 2017/18; and
 - Surplus on Council Tax Collection Fund – allocation of part of the 2015/16 surplus to town and parish councils in the Braintree District of £20,362.
- 4.3 The total value of these budget reductions to be made in 2017/18 is £200,362.
- 4.4 Two unavoidable budget changes were also previously identified for 2017/18 onwards. These were:
- Sale of recyclates – to reduce the current income budget of £515,100 to nil in anticipation of the renewal of the contract wef 1st April 2017; and
 - Council Tax Support and Housing Benefit Administrative Subsidies – anticipate a reduction of £46,750 in 2017/18 and of £43,480 in following years.
- 4.5 Whilst these budget changes are included in the Financial Profile an update to the sale of recyclates contract is provided in section 7.2 below.

5. Financial Performance at half-year and predicted Outturn for 2016/17

- 5.1 Service managers have reviewed their budgets against the monies expended and income 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 savings and efficiencies, totalling £1.129million, included in the 2016/17 budget.
- 5.2 The outcome of the review is a predicted positive variance for the year of £303,000: this is due to additional income of £169,000 and savings against expenditure budgets of £134,000.

- 5.3 Details of this predicted outturn for 2016/17 are contained in the Quarterly Performance report; included as a separate item on the agenda of this meeting.
- 5.4 For some service areas the changes in the levels of income and expenditure are expected to be ongoing and therefore adjustments are required to the Financial Profile for 2017/18; this totals £407,000 and the main areas involved are:

Income

Positive changes:

- Council Tax sharing agreement – additional income under the agreement with the major preceptors was received in 2015/16 and this is set to continue for the duration of the current agreement i.e. up to 31st March 2018. An extra sum of £100,000 is anticipated for both 2016/17 and 2017/18, however, it is expected that the terms of the agreement will be re-negotiated for 2018/19;
- Investment income – net interest of £86,000 in respect of the additional sum of £2million invested in the equity and property funds, which was not reflected in the 2016/17 budget;
- Housing Benefit Overpayments recovered – the monies recovered over the last few years have exceeded the budget provision and this is expected to continue. Addition of £140,000 per annum;
- Car park income – outturn for 2015/16 was higher than anticipated due primarily to the opening of Easton Road car park in Witham. Increase in budget provision of £70,000 per annum;
- Benefits Administration grant - additional £66,000 allocated toward administration of the Local Council Tax Support scheme, notification of which was not received until after the Council had agreed the budget for 2016/17; and
- Staff purchase of annual leave – introduced for 2016/17 but with no financial provision as demand-led. With income for 2016/17 marginally in excess of £10,000 it is proposed to include a base budget provision of £10,000 for 2017/18.

Negative changes:

- Sale of mixed dry recyclates – Following negotiations this contract with Viridor has been extended for five years. The terms of the extension includes the deferral of 50% of the income receivable in 2016/17 to the following two years. The deferred receipts will help smooth the transition to paying a gate fee, which is now the position in the recyclates market. The variance against the income budget in the current year is a reduction of £270,000 (see section 7.2 for change in 2017/18);
- Sale of glass recyclates – the reduced price receivable is expected to continue with an estimated shortfall against budget of £60,000; and
- Waste Inter-Authority Agreement – Essex County Council has identified and corrected an error in the calculation of sums due to district councils under the agreement. The impact is a reduction of income of £30,000 per annum.

Expenditure

Positive change:

- External Audit fees – reduction following the demise of the Audit Commission of £25,000 per annum.

6. Finance Profile 2016/17 to 2019/20 – Assumptions Update

6.1 Pay

- 6.1.1 The Financial Profile includes provision for annual pay award of 1% in recognition of the announcement in the July 2015 Budget that public sector pay would increase by 1% per annum over the four years starting 2016/17. Although local government pay is negotiated between the Employers Organisation and the unions it is considered appropriate to limit the annual increases to 1% for financial planning purposes. Allowances are provided for annual incremental progression for staff who are not at the top of their grade (payment is subject to achievement of satisfactory performance).
- 6.1.2 Whilst it is not anticipated that the Council will have any financial consequences from an expected increase in the National Living Wage from April 2017 with regard to its employees there is potential for increased costs regarding agency staff. An allowance for an increase of 6.25% or 45p per hour has been included for 2017/18 under Pay inflation in the Finance Profile.

6.2 Members Allowances

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

6.3 Pension Fund Contributions

- 6.3.1 The result of the Triennial Review of the Essex Pension Fund, as at 31st March 2016, was received on 30th October 2016. 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 2017/18 to 2019/20.
- 6.3.2 The review indicates that whilst this Council's part of the Fund continues to be in deficit, i.e. liabilities of £134.084m exceed assets of £119.627m, this has reduced such that the funding level is 89.2%, compared to 82.4% as at the last review conducted as at 31st March 2013.
- 6.3.3 The ongoing employer contribution rate is set to rise to 16.5% from the current level of 14.4%. This is due to a number of reasons including the age profile of staff in the pension scheme, mortality assumptions, the Actuary's outlook on investment returns and the change in benefits resulting from the implementation of the Career Average Revalued Earnings (CARE) scheme from 1st April 2013.
- 6.3.4 The Funding Strategy of the Essex Pension Fund endeavours to maintain consistency of overall contributions paid into the fund between triennial reviews. Although the ongoing employer contribution rate 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 2013: total contribution rate of 31.4% compared to 31.3%. This Strategy has however not impacted adversely for the Council on the planned period over which the deficit is to be addressed. The triennial reviews in 2010 and 2013 determined recovery periods of 20 years and 14 years, respectively. The current review has determined the recovery period has reduced to 10½ years: a reduction of 3½ years representing an improvement against the anticipated reduction following 3 years of deficit payments.

- 6.3.5 The estimated contribution payments to the Pension Fund over the three year period 2017/18 to 2019/20, with the deficit payment being made on 1st April each year, are shown in the table below:

	2013 Valuation	2016 Valuation		
	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Ongoing Rate (estimate)	1,370,823	1,650,702	1,650,702	1,650,702
Deficit Payment	1,640,673	1,427,127	1,482,785	1,540,613
Total Payment to Fund	3,011,496	3,077,829	3,133,487	3,191,315
Deficit Period	14 years	10½ years		

- 6.3.6 The figures in the table above are based on the same option payment plan agreed for the 2013 Valuation payments. However, a saving, of £217,842, is offered by the Essex Pension Fund if the Council pays the total deficit for the three years in a single payment on 1st April 2017 (option E). A schedule giving details of the payment plan options is provided at Appendix A.

- 6.3.7 It is proposed that the Council opts to pay the total deficit payment, of £4,232,683, on 1st April 2017. The accounting requirement for this is that the total payment is accountable in 2017/18; the implication of this is that two thirds of the payment (re 2018/19 and 2019/20) will need to be funded from the unallocated balance and/or earmarked reserves in 2017/18 with these sources being repaid over the two following years.

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

	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Adjustment to Pension Fund figures in current Financial Profile	-100,060	-48,510	-46,780	92,120

The increase to the budget in 2020/21 provides an estimated deficit payment of £1,600,700 which is the 2019/20 figure plus the annual uplift of 3.9%. The actual deficit payment for 2020/21 will be determined by the Triennial Review to be undertaken as at 31st March 2019.

6.4 Other Expenditure

6.4.1 Allowances for inflationary increases have been provided only on specific budget headings e.g. business rates, contracts, energy, fuel, etc. based on the Office of Budget Responsibility's forecast of the Consumer Prices Index for 2017/18 and forecast energy cost increases from Concept Energy Solutions, an energy management and monitoring company engaged by the Council.

6.5 Fees and Charges, Rents and Third Party Contributions

6.5.1 Fees and Charges

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

The majority of the discretionary fees and charges are reviewed annually and this process is currently in progress. The exception is car park fees and charges which are reviewed on a three-year basis. The next review of car park fees and charges will be in 2017 for 2018/19. There are, therefore, no proposed changes to car parking charges for 2017/18 and includes the continuation of the 10p after 3:00pm initiative.

For financial planning purposes a nominal provision, of £10,000 per annum, is included for increases in fees and charges in future years.

A schedule detailing the proposed levels of discretionary fees and charges for 2017/18 will be presented in the Finance report to Cabinet on 6th February 2017.

6.5.2 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 2017/18 to be presented in the Finance report to Cabinet on 6th February 2017.

Increase in rental income from the Council's commercial and industrial properties is determined by rent reviews as provided within the lease terms.

6.5.3 Third Party Contributions

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

The Inter Authority Agreement for Waste Management is the largest at £1.914million (2016/17 budget). Other agreements are for Community Transport (£105,540) and for a council tax sharing arrangement (£356,420).

The agreements are for defined periods:

- Inter Authority Agreement, signed in January 2010, is for a period of 25 years;
- Community Transport – the current 1-year agreement terminates on 31st March 2017;
- Council Tax sharing agreement – the existing 3-year agreement between Essex CC and each of the Essex borough/district/city councils commenced on 1st April 2015. The agreement, however, contains a break clause under which Essex CC can give notice by the end of November to terminate the agreement early. The amount anticipated to be received in 2016/17 is £440,140, an increase over budget of £83,720.

Essex CC is reviewing the funding of the Community Transport service which would apply from 1st April 2017. Details of the outcome of the review are not expected until February/March 2017. At this time it is assumed that the funding for 2017/18 will be cash-limited at the 2016/17 level.

7. Unavoidable Budget demands and New Investments

7.1 Requests for revenue funding to meet unavoidable budget demands total £169,680 in 2017/18, £73,640 in 2018/19 and £120,000 in 2019/20, all of which is requested to be added to base budget.

7.2 The seven requests are:

Environment and Place

- Waste Management Recycling – the current contract for the sale of mixed dry recyclates terminates on 31st March 2017. As mentioned at section 5.4 above the contract has been renegotiated but with the downturn in the recyclates market the Council will be paying a gate fee from 1st April 2017. It is anticipated that a budget growth bid of £70,000 will be required for 2017/18, after allowing for the receipt of the deferred income from the current year. A further budget increase of £120,000 will be required in 2019/20 following the cessation of the deferred income from the current year;
- Increase in budget required to provide a second litter pick and mechanical sweep of the Braintree Bypass on an annual basis, to maintain cleanliness standards. The budget requested will cover the cost of Street Scene staff deployed to carry out the work (night-time operation) and Contractors, vehicles etc. who provide the Traffic Management (rolling road blocks, lane closures, signs etc.) in compliance with the New Roads and Street Works Act. Request for £20,000;
- Public Toilets. Actual cost of maintaining and cleaning the Public Toilets in Braintree and Witham and Cemeteries is higher than the current base budget. Request for £5,000;
- New Bocking Cemetery. Additional cost of maintaining the new Cemetery extension at Bocking that is now coming into use for burials and cremated remains. Request for £5,000;
- Operations Training Budget. Existing budget is insufficient to provide an annual programme of staff training (core and essential) across Operations' various services. Request for £20,000;

Planning and Housing

- Two posts in Housing Options section are currently funded from an earmarked reserve and are essential to maintaining the service. Request for £78,320 (£4,680 in 2017/18 and £73,640 in 2018/19); and

Corporate Services and Asset Management

- Apprenticeship Levy – employers with a pay bill in excess of £3million will be subject to this new levy from April 2017. The cost to the Council will be approximately £45,000 per annum;

- 7.3 Four bids are proposed for new Investments, of which only one is a request for an addition to the revenue base for ongoing expenditure (£12,120), two requests are for funding from balances and New Homes Bonus/capital resources, and the final request is for one-off expenditure in 2017/18:

Economic Development

- Additional resources to support the Economic Growth agenda and capital project delivery. The proposed additional cost is £252,000 per annum (£207,000 for four members of staff and £45,000 for project and feasibility expense budgets). It is proposed that funding is met from unallocated New Homes Bonus (£144,800) and capital resources (£107,200). Whilst the additional resource requirement for project delivery will be determined by the projects, the additional resource for economic development (of £110,000 and funded from New Homes Bonus) will be required for a period of up to 5 years. The proposed staffing arrangements will be subject to the completion of due process under the Council's Change Management Policy;

Housing and Planning

- Welfare Reforms, increased Homelessness responsibilities, changes to Housing Benefit regulations, lower Benefit Cap, etc. will put pressure on the Housing Services' ability to find accommodation for families and single people, particularly those under 35 years of age. It is proposed to make a provision of £150,000 to meet the cost of actions taken to address these issues. As a one-off provision it is proposed that it is met from balances. Agreement to any actions will be agreed by the Cabinet Member for Housing and Planning;

Corporate Services and Asset Management

- To procure and implement the 'Gov Delivery' digital marketing platform to promote Council services and initiatives, support channel shift and digital transformation, enhance public awareness and increase the contributions/involvement of communities. Cost is £12,120 per annum;

Finance and Performance

- It is proposed to allocate a proportion of the estimated surplus on the Council Tax Collection Fund from 2016/17 of £194,255 between the Town/Parish Councils and this Council. The proportion payable to the Town/Parish Councils is £34,820. A schedule of the proposed payment to each parish and town council is provided at Appendix B. It is proposed that this is recommended for approval by Full Council in order

that the parish/town councils can be notified in sufficient time to enable this resource to be discussed as part of their budget and precept setting for 2017/18.

8. Cost Reduction/Additional Income Proposals

8.1 In addition to the ongoing additional income and cost reduction changes which are to be made to the base budget for 2017/18, identified at Section 5.4 above, the following four new proposals will have a positive impact, of £255,000, on the 2017/18 budget:

Environment and Place

- Environmental Services – review of staffing structure, estimated saving of £15,000 is anticipated, however, this is currently subject to the completion of due process under the Council's Change Management Policy;
- Fleet Management – new liquid fuels contract has been let resulting in a saving of £15,000 on the current budget;

Corporate Services and Asset Management

- Annual rent receivable, of £139,000, on the former Braintree College property purchased to enable the relocation of the St Lawrence Doctors Surgery; and

Finance and Performance

- Investment income – net interest of £86,000 in respect of an additional sum of £2million invested in equity funds in October/November 2016 as agreed by the Strategic Investment Group following discussion with Arlingclose, the Council's Treasury Management advisors. The total amount invested in pooled equity and property funds is £14million; within the current limit for long-term investments of £15million set in the Investment Strategy.

9. Business Rates Retention Scheme

9.1 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.

9.2 The Council's provisional baseline figure for 2017/18 is £3,253,945 as provided in the four-year settlement. This is subject to DCLG's acceptance of the Council's Efficiency Plan. However an adjustment will be required to eliminate the impact of the 2017 Rating Revaluation. Confirmation of the actual baseline figure will be included in the Settlement Funding Assessment.

9.3 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 (although the actual amount of the increase retained will be subject to a levy of 50% payable to the Government or to the Essex Pool if the Council enters into a pooling arrangement: see section 11 below) whilst a lower amount collected will require the Council to meet the shortfall up

to a maximum of 7.5% of the baseline amount: any shortfall more than this will be met by the Government (under the safety net arrangements) or from the Essex Pool (if applicable).

- 9.4 An assessment of the business rates collectable and collected for the first half-year of 2016/17 has been undertaken, in order to provide a revised estimate for 2016/17 and to provide an indication of the amount of business rates to be retained by the Council for 2017/18.
- 9.5 The assessment shows the amount of business rates retained, including growth above baseline, for 2016/17 will be £4,191,583, an increase of £199,910 against the budgeted figure.
- 9.6 For 2017/18, the estimate will be determined on the basis that any outstanding rating appeals will be contained within the provision already set aside by the Council and that the Government continues to provide grant funding for the additional 50% uplift, to 100%, to the small business rate relief scheme.
- 9.7 The estimate for 2017/18 will also be determined using the results of the 2017 Revaluation, published on 30th September by the Valuation Office Agency. At this time this data is being loaded into the Business Rate system and verified. The Government has issued proposals to eliminate any variations (positive or negative) caused by changes to individual authority's total rateable value. Until this work and the adjustment methodology is confirmed the 2017/18 estimate cannot be finalised. However, on the basis that the Government is to eliminate variations resulting from the Revaluation, the business rates should be broadly in line with the figure provided in the current Financial Profile of £4,070,182 and therefore this is retained at this time.
- 9.8 Estimates of Retained Business Rates for the years 2018/19 to 2020/21 simply include a 2% uplift each year to reflect an anticipated increase in the Rates multiplier, with a reduction of £291,482 in 2019/20 for the tariff adjustment included in the four-year settlement. The position for 2020/21 is more difficult to predict as the Government is currently working with Local Government representatives to devise a scheme whereby Local Government will retain 100% of Business Rates. It is expected that proposals will be consulted on over the next 18 months.

10. Business Rates Taxbase

- 10.1 Determination of the Business Rates Taxbase for 2017/18 will be agreed by the Corporate Director (Finance) under delegated authority and following notification of the Settlement Funding Assessment.
- 10.2 The Council's policy on discretionary rate reliefs to charities, Community Amateur Sports Clubs and other not-for-profit organisations, is currently being reviewed. A proposed new policy for 2017/18 will be included in the Finance report to Cabinet on 6th February 2017. Recipients of discretionary relief were informed, in March 2016, that they would be required to submit a new application for Business Rate relief for 2017/18 during the current year and that this would be determined against the new policy.

11. Business Rates – Essex Region pooling arrangement

- 11.1 The Council agreed to participate in an Essex Business Rates Pool in both 2015/16 and 2016/17. Under this arrangement growth in business rates, above a baseline figure, which would normally be passed to the Government is retained and shared between the authorities in the Essex Pool (this includes Essex County Council and Essex Fire Authority as well as a number of district councils).
- 11.2 Ten authorities participated in 2015/16 and eleven authorities agreed to participate in 2016/17. The final shares for 2016/17 will not be determined until early October 2017. No provisions was included in either the 2015/16 or 2016/17 Budgets for this, as the shares are dependent on the business rate growth and rates collected in each of the participating districts.
- 11.3 Cabinet, on 12th September 2016, agreed in principle for the Council to participate in an Essex Business Rates Pool for 2017/18. The decision was on the basis that the Council would be no worse off in the pool than if it had not joined.
- 11.4 At present it is anticipated that the current Essex Pool with eleven authorities will continue for 2017/18. However, the Business Rates Revaluation 2017 has introduced a level of uncertainty in estimating the level of business rates and ultimately whether a member authority in the Pool expects to be in a levy or safety net position for the year. Authorities will not be able to determine their position until the Settlement Funding Assessment has been received.

12. Local Council Tax Support Scheme

- 12.1 The Council's Local Council Tax Support (LCTS) scheme was introduced on 1st April 2013. The scheme retains a significant proportion of the principles and elements of the previous Council Tax Benefit scheme. Whilst the scheme remained unchanged for the first three years, four changes were agreed to be applied for 2016/17. 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 (reduced from three months in 2015/16);
 - The amount of earnings excluded from a claimant's overall income is set at £40.00 per week with an additional earnings allowance for those claimants in receipt of working tax credit (where working a minimum of 30 hours) set at £5.00 per week;

- The full amount of War Widows pension is excluded from the assessment of the claimant's income;
 - The limit on savings held by the claimant is £16,000. Savings above this limit precludes the claimant from support under the scheme;
 - Minimum level of income for claimants who are self-employed introduced for 2016/17: the level set being the National Living Wage; and
 - Removal of the Family Premium for new claims after 1st May 2016.
- 12.2 The Government specified that support given to claimants of pensionable age will continue to be calculated using the same rules as existed under the former Council Tax Benefit scheme.
- 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 2016/17 this was estimated to be £7.1million. As at 30th September 2016, the value of support awarded for the year was £6.938million. 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 On 12th September 2016, the Cabinet determined that it would not propose any changes to the Council's LCTS scheme for 2017/18; on the basis that the changes agreed to the Council's LCTS scheme for 2016/17 were made with reference to the Council's financial position over the medium-term and with the desire to limit the frequency of changes thereby providing a level of stability and continuity in the scheme for claimants. With no proposed changes there was no requirement to undertake any consultation.
- 12.5 The Council is required to agree the details of its Local Council Tax Support Scheme for the ensuing financial year by 31st January. Details of the scheme for 2017/18 to be recommended for approval by Council can be found on the Council's website at:
http://www.braintree.gov.uk/info/200302/benefits/367/housing_benefit_and_council_tax_support.
- 12.6 An Equalities Impact Assessment of the scheme has been prepared and can also be viewed on the Council's website at the link above.
- 12.7 Since the introduction of the Local Council Tax Support scheme it has been agreed that an Exceptional Hardship Fund would be provided for short-term assistance to households facing exceptional financial difficulties. The Fund is financed from contributions from the major precepting authorities; in proportion to their council tax precept.
- 12.8 The Council's process for dealing with requests for assistance from the Fund involves a referral to the Citizens Advice Bureau (CAB) for an assessment of the claimant's finances. Detail of the process is contained in the 'Council Tax – Discretionary Reduction in Liability Policy'. The Council currently has a service level agreement with the Citizens Advice Bureau for this money advice service until 31st March 2018.

- 12.9 As at 30th October the Council has made awards to 13 claimants in the current year, with a value of £6,638.64, and each was supported with a recommendation from the CAB. At this time there were a further 32 referrals awaiting assessment and recommendation by the CAB.
- 12.10 In addition to the money advice service provided by the CAB the Council has employed an officer to work with claimants who experience difficulty in paying their council tax with the objective of offering support and advice and to ultimately gain agreement to pay.
- 12.11 The combination of these approaches has been beneficial to those claimants experiencing exceptional financial hardship and for the Council in maintaining a good collection rate and it is recommended that both of these services together with the Exceptional Hardship Fund are retained for 2017/18. The funding of these is shared between the four major precepting authorities, including the Council. It is expected that the other three preceptors will agree to continue to provide funding for 2017/18.
- 12.12 The value of the Exceptional Hardship Fund for 2017/18 will continue to be set at 0.2% of the estimated value of council tax support for 2017/18; this provides a consistent approach across all Essex authorities and has been agreed with the major preceptors.

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 in the Collection Fund which must be either returned to or requested from council taxpayers in the following year. The surplus or deficit is allocated between the four major preceptors: Essex County Council, Braintree District Council, Essex Police and Crime Commissioner and Essex Fire Authority.
- 13.2 It is estimated that the balance on the Collection Fund available for distribution is a surplus of £1,502,454. The surplus will be allocated to:
- Essex County Council – £1,095,210
 - Braintree District Council – £194,255
 - Essex Police & Crime Commissioner – £147,400
 - Essex Fire Authority – £65,589
- 13.3 The Council's proportion of the council tax surplus, to be returned to council taxpayers in 2017/18 is £194,255. It is proposed that £34,820 of this surplus is paid to town and parish councils in 2017/18 (see section 7.3 above). This compares to the surplus returned to council taxpayers of £114,990 in 2016/17 (of which £20,362 was returned via payments to the town and parish councils).

14. Council Taxbase

- 14.1 The Council's taxbase for 2017/18 is required to be calculated as at 30th November 2016 and will be agreed, under delegated authority, by the Corporate Director responsible for Finance. For financial planning purposes

the council taxbase for 2017/18 is estimated to be 51,174, i.e. a 1% increase over the current year taxbase of 50,667.

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 From 1st April 2013 the Council agreed to exercise the new discretionary powers to set the discounts for empty properties and second homes.

14.4 The current levels of these discounts are as follows:

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

It is not proposed to make any changes to these levels for 2017/18.

14.5 From 1st April 2016 a premium of 50% was introduced on properties which have been unoccupied and substantially unfurnished for two years or more.

It is not proposed to make any changes to this premium for 2017/18.

14.6 It is proposed to maintain the allowance for losses on collection at 1% for 2017/18.

14.7 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.

14.8 With the anticipated housing growth in the District over the coming years it is considered appropriate to increase the allowance, included in the financial profile, for growth in the council taxbase from the current level of 1% per annum to 1.5% per annum for 2018/19 onwards. This provides estimated taxbase's of 51,942, 52,721 and 53,512 in 2018/19 to 2020/21 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 2016/17 was set at the higher of 2% or £5. The Government is proposing to keep this threshold for 2017/18. An increase of £4.95 on this Council's Band D would equate to a percentage increase of 3% for 2017/18.

15.2 The Government is also proposing to introduce the referendum principle to town and parish councils for 2017/18. The intention is that this will only apply

to town and parish councils whose Band D is higher than that of the lowest charging district council for 2016/17 (£75.46) and which have a total precept for 2016/17 of at least £500,000. There is no town or parish council in the Braintree District which currently meets these criteria.

15.3 **Council Tax Levels.** The increases in the level of council tax provided in the Finance Profile for 2017/18 to 2020/21 for planning purposes are:

- 2017/18 – 1.97% providing a Band D level of £167.76;
- 2018/19 – 1.98% providing a Band D level of £171.09;
- 2019/20 – 1.95% providing a Band D level of £174.42;
- 2020/21 – 1.96% providing a Band D level of £177.84.

16. Financial Profile 2017/18 to 2020/21

16.1 An updated Financial Profile for 2017/18 to 2020/21 taking account of the proposed savings and revised assumptions is provided at Appendix C.

16.2 The updated financial profile 2017/18 to 2020/21 shows for:

2017/18 – a net withdrawal from balances of £107,571;
2018/19 – a shortfall of £611,400;
2019/20 – a shortfall of £524,008; and
2020/21 – a shortfall of £234,383.

16.3 This position will be updated following receipt of the Funding Settlement Assessment.

16.4 The approach to address the anticipated budget shortfall of £1.37million over the next three years is a continuation of the work developed under the Peer Challenge Action Plan to address the issue of the Council being grant free over the medium-term. The plan provides for a focus on:

- Commercialisation and 'Better at Business';
- Grow our economy – increase 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.

16.5 Proposals regarding investment opportunities to purchase property which are the subject of reports to Cabinet and Council in November/December will be included in the February Budget and Council Tax 2017/18 report, as appropriate.

17. Balances and Reserves

17.1 The Unallocated General Fund balance as at 31st March 2016 was £8.421million.

Agreed movements on the balances for 2016/17 are:

£'000

General Fund

Planned addition to balances in setting 16/17 Budget	526
Anticipated surplus in 2016/17	303
Transfer to District Investment Strategy	(5,000)
Allocation re Building Control shared service*	0

Estimated Balance as at 31st March 2017 4,250

*Note: * An allocation of £250,000 was approved by Council on 27th June 2016, however, this is no longer required as the three remaining local authorities interested in the shared service determined that the arrangement was not viable.*

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 2016 was £14.847million. 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 6th February 2017.

18. New Homes Bonus

18.1 The Department for Communities and Local Government has been conducting a review of the New Homes Bonus scheme. Proposed changes to the distribution of the Bonus involve options for saving at least £800million, which would be used for social care. In addition it is also considering options for staying within the funding envelope in the event of a sudden surge in housing growth.

18.2 A decision on the future of the scheme is expected to be announced in the Autumn Statement.

19. Capital Resources

19.1 An update of the capital resources and capital programme for 2016/17 to 2020/21 is summarised as follows:

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Balance of Resources – Brought Forward	6,718	6,858	6,231	5,882	5,858
Resources in year	5,629	4,144	1,988	1,638	1,638
Total Resources	12,347	11,002	8,219	7,520	7,496
Approved Capital Programme	5,489	3,501	1,260	705	705
Proposed Programme (per section 20 below)		1,270	1,077	957	956
Balance of Resources for Carry Forward to next year	6,858	6,231	5,882	5,858	5,835

19.2 On 23rd May 2016 Cabinet agreed to establish a District Investment Strategy to support the District's strategic growth ambitions and the delivery of excellent

and value for money services to residents and businesses. The Strategy was established with initial funding resources identified of £28million.

- 19.3 Following agreement between Greenfields CH and the Council to split the Development element of the Community and Housing Investment Partnership (CHIP) Fund it is expected that the Council will receive £2.718m, being 50% of the balance, during late November/early December. This resource will be earmarked for affordable homes.

20. Capital Programme

- 20.1 Details of the proposed capital projects are contained at Appendix D. The total value of the projects in 2017/18 is £1,270,200.

- 20.2 The schedule also includes anticipated requirements for 2018/19 to 2020/21. These total £1,077,000 for 2018/19, £957,000 for 2019/20 and £956,000 for 2020/21.

21. District Investment Strategy

- 21.1 The District Investment Strategy was established recognising that the District needs to prepare for growth by ensuring District infrastructure improvements/facilities are not only delivered for existing residents, but are able to provide for the future growth in the District as well. This investment will not only be focused in the key towns but the rural areas as well. The Council will work in partnership to invest and deliver improvements across the District which will provide:

- Improvements to health provision in the District
- Improvements to our three Town Centres
- Increased opportunities for new businesses and employment
- Improvements to our most congested roads
- Investment opportunities in the District that support growth and provide a return for the District Council.

- 21.2 To support the District Investment Strategy funding of £28million was identified from the following sources: New Homes Bonus received, balances and prudential borrowing. In addition, £3million of the capital receipt from the sale of the former Bramston Sports Centre site is to be earmarked for investment for Witham. Whilst a number of schemes have been approved to be funded from the District Investment Strategy there are also a number which are in the pipeline.

- 21.3 Committed schemes include:

- | | |
|--|----------|
| • Land at Chapel Hill, Braintree
(Purchased in 2014/15) | £1.25m |
| • Town Centre | £11.555m |
| • Business Broadband | £0.25m |
| • Springwood Enterprise Units | £0.96m |
| • Health Centre Braintree | £1.814m |
| Total | £15.829m |

21.4 Pipeline schemes include:

• Witham Enterprise Centre	£4.25m
• A120 Access Improvements	£2.50m
• Employment investments	£3.00m
• Panfield Lane Regeneration	£3.50m
• Witham Investments	£3.00m
• Investment Property – Freeport Office Village	£0.783m
• Purchase of Head Lease, Springwood	£0.498m
Total	£17.531m

22. Long-Term Investments

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

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

22.3 Garden Communities

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

22.3.2 As the project has progressed a three-year work programme and project budget has been developed which includes the current position on resource requirements and external commissioned support. This identified a need for a contribution of £250,000 from each of the four authorities.

22.3.3 On 12th September 2016, the Cabinet agreed a capital contribution of £250,000 toward the cost of the development of the North Essex Garden Communities project. The funding to come from the New Homes Bonus pot set aside for Project Feasibility and Development.

22.4 Housing Development Company

22.4.1 The Cabinet, at its meeting on 12th September 2016, also approved the resources to develop a full business case relating to the establishment of a Housing Development Company (HDC).

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

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

Essex Pension Fund - Results of Triennial Review for Braintree District Council

Braintree District Council

02/11/2016 16:31

Valuation	2013 £'000	2016 £'000
Assets	97,726	119,627
Liabilities	118,537	134,084
Deficit	-20,811	-14,457
Funding level	82.4%	89.2%

	2013 Valuation	2016/17 £ Expected
Ongoing rate	14.4%	1,443,024
Deficit	1,569,464	1,640,673
Deficit duration in years	14	
Total Contribution		3,083,697

Pensionable Pay as at: 31-Mar-16
10,021,000

Illustration: BASED ON PREVIOUS VALUATION OPTION

Ongoing rate: FULL INCREASE (no stepping)

Deficit Duration: 14 YEARS

Deficit increase year on year: 3.9%

Deficit Payment Profile: ONE ANNUAL PAYMENT IN APRIL EACH YEAR

14 Year Deficit	2016 Valuation	2017/18 £	2018/19 £	2019/20 £
Updated Ongoing rate				
Ongoing rate (estimated £ contribution)	16.5%	1,650,702	1,650,702	1,650,702
Deficit		1,094,782	1,137,479	1,181,840
Total Contribution		2,745,484	2,788,181	2,832,542
Increase compared to 2016/17		-338,213	-295,516	-251,155
Year on Year increase		-338,213	42,697	44,362

Illustration: BASED ON BASE OPTION

Ongoing rate: FULL INCREASE (no stepping)

Deficit Duration: 14 YEARS

Deficit increase year on year: 3.9%

Deficit Payment Profile: 12 MONTHLY PAYMENTS

	2016 Valuation	2017/18 £	2018/19 £	2019/20 £
Updated Ongoing rate				
Ongoing rate (estimated £ contribution)	16.5%	1,650,702	1,650,702	1,650,702
Deficit		1,122,352	1,166,124	1,211,603
Total Contribution		2,773,054	2,816,826	2,862,305
Increase compared to 2016/17		-310,643	-266,871	-221,392
Year on Year increase		-310,643	43,772	45,479

Payment options based on a deficit recovery period of 10.5 years

OPTION A (10.5 yrs)				
Ongoing rate: FULL INCREASE (no stepping)				
Deficit Duration: 10.5 YEARS				
Deficit increase year on year: 3.9%				
Deficit Payment Profile: 12 MONTHLY PAYMENTS				
10.5 Year Deficit	2016 Valuation	2017/18 £	2018/19 £	2019/20 £
Updated Ongoing rate				
Ongoing rate (estimated £ contribution)	16.5%	1,650,702	1,650,702	1,650,702
Deficit		1,463,066	1,520,126	1,579,410
Total Contribution		3,113,768	3,170,828	3,230,112
Increase compared to 2015/16		30,071	87,131	146,415
Year on Year increase		30,071	57,060	59,285
OPTION B (10.5 yrs)				
Ongoing rate: FULL INCREASE (no stepping)				
Deficit Duration: 10.5 YEARS				
Deficit increase year on year: 3.9%				
Deficit Payment Profile: ONE ANNUAL PAYMENT IN APRIL EACH YEAR				
10.5 Year Deficit	2016 Valuation	2017/18 £	2018/19 £	2019/20 £
Updated Ongoing rate				
Ongoing rate (estimated £ contribution)	16.5%	1,650,702	1,650,702	1,650,702
Deficit		1,427,127	1,482,785	1,540,613
Total Contribution		3,077,829	3,133,487	3,191,315
Increase compared to 2015/16		-5,868	49,790	107,618
Year on Year increase		-5,868	55,658	57,829
OPTION C (10.5 yrs)				
Ongoing rate: FULL INCREASE (no stepping)				
Deficit Duration: 10.5 YEARS				
Deficit increase year on year: 0% (FLAT RATE FOR 3 YEARS)				
Deficit Payment Profile: 12 MONTHLY PAYMENTS				
10.5 Year Deficit	2016 Valuation	2017/18 £	2018/19 £	2019/20 £
Updated Ongoing rate				
Ongoing rate (estimated £ contribution)	16.5%	1,650,702	1,650,702	1,650,702
Deficit		1,520,867	1,520,867	1,520,867
Total Contribution		3,171,569	3,171,569	3,171,569
Increase compared to 2015/16		87,872	87,872	87,872
Year on Year increase		87,872	0	0
OPTION D (10.5 yrs)				
Ongoing rate: FULL INCREASE (no stepping)				
Deficit Duration: 10.5 YEARS				
Deficit increase year on year: 0% (FLAT RATE FOR 3 YEARS)				
Deficit Payment Profile: ONE ANNUAL PAYMENT IN APRIL EACH YEAR				
10.5 Year Deficit	2016 Valuation	2017/18 £	2018/19 £	2019/20 £
Updated Ongoing rate				
Ongoing rate (estimated £ contribution)	16.5%	1,650,702	1,650,702	1,650,702
Deficit		1,483,508	1,483,508	1,483,508
Total Contribution		3,134,210	3,134,210	3,134,210
Increase compared to 2015/16		50,513	50,513	50,513
Year on Year increase		50,513	0	0
OPTION E (10.5 yrs)				
Ongoing rate: FULL INCREASE (no stepping)				
Deficit Duration: 10.5 YEARS				
Deficit increase year on year: NOT APPLICABLE				
Deficit Payment Profile: ONE TRIENNIAL PAYMENT IN APRIL 2014				
10.5 Year Deficit	2016 Valuation	2017/18 £	2018/19 £	2019/20 £
Updated Ongoing rate				
Ongoing rate (estimated £ contribution)	16.5%	1,650,702	1,650,702	1,650,702
Deficit		4,232,683	0	0
Total Contribution		5,883,385	1,650,702	1,650,702
Increase compared to 2015/16		2,799,688	-1,432,995	-1,432,995
Year on Year increase		2,799,688	-4,232,683	0

Proposed option

Allocation of the estimated Surplus on the Council Tax Collection Fund as at 31st March 2017

Parish/Town Councils and District Council	District/ Parish Precept 2016/17 £	Allocation £
Braintree District Council	£8,335,735	159,435
Alphamstone and Lamarsh	£2,800	54
Ashen	£4,261	81
Belchamp Otten	£1,000	19
Belchamp St Paul	£3,000	57
Belchamp Walter	£4,577	88
Birdbrook	£11,634	223
Black Notley	£48,000	918
Borley	£1,249	24
Bradwell	£7,569	145
Bulmer	£5,451	104
Bures Hamlet	£25,044	479
Castle Hedingham	£23,211	444
Coggeshall	£154,213	2,950
Colne Engaine	£21,922	419
Cressing	£34,856	667
Earls Colne	£53,005	1,014
Feering	£41,840	800
Finchingfield	£37,613	719
Foxearth and Liston	£4,989	95
Gestingthorpe	£5,000	96
Gosfield	£31,993	612
Great Bardfield	£28,876	552
Great Maplestead	£4,081	78
Great Notley	£73,338	1,403
Great Saling	£5,909	113
Great Yeldham	£41,980	803
Greenstead Green	£5,635	108

APPENDIX B

Parish/Town Councils and District Council	District/ Parish Precept 2016/17 £	Allocation £
Halstead	£154,300	2,951
Hatfield Peverel	£55,328	1,058
Helions Bumpstead	£11,967	229
Hennys, Middleton & Twinstead	£4,640	89
Kelvedon	£91,607	1,752
Little Maplestead	£2,758	53
Little Yeldham	£5,214	100
Tilbury Juxta Clare & Ovington		
Panfield	£15,987	306
Pebmarsh	£7,824	150
Pentlow	£5,000	96
Rayne	£37,638	720
Ridgewell	£14,087	269
Rivenhall	£9,450	181
Shalford	£14,337	274
Sible Hedingham	£89,915	1,720
Silver End	£56,589	1,082
Stambourne	£4,697	90
Steeple Bumpstead	£37,048	709
Stisted	£9,068	173
Sturmer	£5,521	106
Terling & Fairstead	£15,888	304
Toppesfield	£12,393	237
Wethersfield	£22,375	428
White Colne	£9,740	186
White Notley and Faulkbourne	£10,773	206
Wickham St Paul	£10,629	203
Witham	£422,556	8,083
Total	£10,156,110	£194,255
Total allocated to Parish/Town Councils		34,820

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
	£	£	£	£	£
Base Budget brought forward from previous year	15,624,426	13,601,192	13,804,720	13,363,150	13,246,052
Inflation:				9a	
Pay - annual award and incremental progression	189,590	226,400	236,370	217,850	199,380
Other Expenditure Inflation	74,910	90,740	109,400	101,990	116,750
Income Inflation	0	0	-10,000	-10,000	-10,000
Pension Fund and National Insurance contribution adjustments	293,420	1,040	15,870	16,580	205,750
New Demands:					
Priority Area Investment, Bids and Unavoidable Budget Changes previously profiled	-24,910	0	0	0	
One-off Growth Items 2015/16	-2,101,106	0	0	0	
Allowance for Reduced Income/Increased costs previously profiled	386,640	561,850	43,480	43,480	43,480
Priority Investment - one-off provision previously profiled	200,362	-200,362			
New Budget Bids		196,940	-184,820	0	0
New Budget Pressures		169,680	73,640	120,000	0
Reductions:					
Savings/Additional Income agreed previously profiled	-1,129,224	-293,310	-124,320	-91,450	
Adjustments to Savings/Additional Income agreed previously profiled		112,550	10,210	8,460	0
New Savings/Additional Income		-255,000	0	0	0
Ongoing net change in income/expenditure identified in 2016/17		-407,000	0	0	0
Council Tax Freeze Grant 2014/15 and 2015/16	87,084	0			
Additional Savings Required		0	-611,400	-524,008	-234,383
Updated Base Budget	13,601,192	13,804,720	13,363,150	13,246,052	13,567,029
(Use of) / Addition to Balances	526,234	-107,571			
Contribution from Earmarked reserves	-411,135				
Budget Requirement	13,716,291	13,697,149	13,363,150	13,246,052	13,567,029
Government Grant - Revenue Support Grant	-1,602,495	-777,347	-272,480	0	0
Retained Business Rates - Baseline amount	-3,191,180	-3,253,945	-3,349,939	-3,457,008	-3,457,008
- Growth above baseline	-800,493	-816,237	-840,317	-575,693	-575,693
Transition and Rural Services grants and returned funding	-82,533	-70,415	-13,657	-17,754	-17,754
Collection Fund Balance - Business Rates (Surplus)/Deficit	411,135				
Collection Fund Balance - Council Tax (Surplus)/Deficit	-114,990	-194,255			
BDC Requirement from Council Taxpayers	8,335,735	8,584,950	8,886,757	9,195,597	9,516,574
Tax base (+1% p.a growth in properties for 2017/18 and +1.5% for 2018/19 and 2019/20 and collection rate of 99%)	50,667	51,174	51,942	52,721	53,512
Council Tax (Band D)	£164.52	£167.76	£171.09	£174.42	£177.84
Council Tax per week	£3.16	£3.23	£3.29	£3.35	£3.42
Percentage Increase	3.10%	1.97%	1.98%	1.95%	1.96%
Increase per week	£0.09	£0.07	£0.06	£0.06	£0.07

Requests for Capital Funding 2017-18

Date Produced: 11th November 2016

APPENDIX D

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost			
					2017/18	2018/19	2019/20	2020/21
1	Corporate Services and Asset Management	Planned Maintenance of Council properties - This relates to the annual planned maintenance of those properties where BDC has a repairing obligation. The budget sum is reviewed annually.	This investment is required to ensure that the Council's properties are maintained to a good standard to support service delivery and sustain or improve the physical condition and value of the asset. The condition surveys are reviewed and updated by the 31st August each year and identify the priority planned maintenance works required to be carried out in following financial year.	Of the £170,000 works identified to buildings and property a number are minor repairs and maintenance and therefore revenue in nature, these have a value of £15,900. £30,000 for contingency and consultancy costs. £100,000 Maintenance works to Council roads and car parking areas are: Perry Road, Witham - resurfacing; Mayland Road, Witham - repairs; Witham Road, Black Notley - resurfacing; Blackwater Lane, Witham - road & drainage repairs.	284,100	400,000	400,000	400,000
2	Corporate Services and Asset Management	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
3	Corporate Services and Asset Management	Telephone Computer System - upgrade system.	Current system is being de-supported.	System that meets current and future organisational needs and can be supported.	70,000			
4	Planning & Housing	Procurement of New Affordable Housing - Local Authority Social Housing Grant. A balance of resources, of £1,088,000, is available for schemes in 2017/18	By working with Registered Social Landlords, we can normally provide a new affordable home for around £25,000 – this varies from site to site and between smaller and larger units. However, we would expect an investment of £500,000 per year to yield around 20 units assuming no other public subsidy is available. Frequently our investment has drawn in additional funding from the HCA and so provided many more units.	New affordable homes in the district.		500,000	500,000	500,000
5	Environment & Place	Recycling Pods - Investment in new recycling bank infrastructure following outcome of Bring Bank Review	Current Bring Banks look tired and do not reflect the positive image and 'forward thinking' approach we need in the District to maintain and improve upon current standards.	The asset of the bring bank 'pods/containers' would allow a flexible approach to the provision of this service with potential modernisation to match the corporate view.	20,000			
6	Environment & Place	Depot Offices, Mess Room and Yard Area Improvement Works - Refurb of Unit 4 (internal) Refurb and redecorating of Retained Area and Welfare Area (Mess Room) Covered storage in Yard	The back office carpet is in a bad state of repair . Such areas are visible to external customers /visitors. Key drivers are to create a welcoming atmosphere to visitors to 'The Sorrell Room' and staff alike. Covered storage in the Yard will protect plant machinery from being exposed to the elements that reduces overall life expectancy.	The replacement carpet will create a pleasant and more professional environment. Redecorating and refurbishing 'The Sorrell Room' will create a professional image to internal and external customers. A display cabinet would also be purchased to showcase awards that 'Operations' have won, creating a sense of pride. The project will achieve a cleaner and suitable working environment.	50,000			

Requests for Capital Funding 2017-18

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APPENDIX D

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost			
					2017/18	2018/19	2019/20	2020/21
					7	Environment & Place	Replacement of main diesel tank - decommission existing main diesel tank and purchase/replace.	The main diesel tank in the yard at Operations is approaching the end of the serviceable life and reliability. By allowing for replacement in the future we ensure the operational service is not disrupted and potential ingress issues are addressed at source. The asset will allow for the robust and accurate reporting of fuel used, tighter control regarding ordering process.
8	Environment & Place	Replacement of red diesel tank - decommission existing red diesel tank & purchase/ install new tank	The red diesel tank in the yard at Operations has exceeded the working life and is required to be decommissioned and replaced to ensure the quality of the fuel.	Security and accuracy of fuel dispensing.	18,000			
9	Environment & Place	Development and Purchase of Trade Waste module in ECHO	The current customer information is stored on a trade waste database. This is controlled centrally by one individual employee of BDC; no one else can support or make changes to the information/layout of the database. There is a clear business weakness and highlights the lack of business continuity. The focus on the trade waste expansion is hinged on the customer relationship model we need to apply and the quality of the information is key to developing the portfolio of customers.	Elimination of long-standing business risk of unsupported Access Database with all Trade Waste information. The new Commercial TW module will be fit for purpose and enable efficient expansion of Trade Waste and other commercial ventures. There will be clearer invoicing/CRM and contact opportunities. Longer term there is a valuable customer portfolio that could be utilised and sold as an asset if the service of trade waste was ever externalised/privatised.	17,000			
10	Environment & Place	Upgrade of car park infrastructure - ticket machines and lighting columns	The car parks in the District are not currently included in refurbishment programmes. To maintain the 'Park Safe' awards and the integrity of the council's reputation investment is required to set the standard of the parking areas in the District. We have been made aware that changes to £1 coins and machine upgrades are required in the car parks we manage and the upgrade of lighting columns to conform to safety standards is also required.	The ability for car park machines to be able to accept the new £1 coins. Upgrading of lighting columns to ensure we remain compliant.		17,000	17,000	16,000
11	Environment & Place	Parks & Open Spaces Infrastructure Works - Installation of fencing, bollards and gates	To protect vulnerable open spaces across the District from unauthorised encampments from Travellers.		60,000	40,000		

Requests for Capital Funding 2017-18

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APPENDIX D

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost			
					2017/18	2018/19	2019/20	2020/21
					12	Environment & Place	Play Area Maintenance and Refurbishment - Replacement of existing safety surfacing at several play areas across the District	The existing safety surfaces at some of the sites needs to be replaced before it becomes a health and safety risk to the children and young people using the play areas.
13	Environment & Place	Invest to Save Parks & Open Spaces - Purchase of an industrial Tracked Wood Chipper and three smaller towed wood chippers		To enable wood to be chipped on site thereby reducing the amount of green waste going to Cordons Farm.	35,000			
14	Environment & Place	House Renovation Grants - As a housing authority we have a duty to maintain housing standards for the benefit of those less able to look after their own property.	Providing financial support through a repayable grant scheme to ensure those under financial pressure can afford to adequately heat their homes and when it is impractical to carry out disabled adaptations to a property, offer the occupier a relocation grant to enable them to move to a more suitable (adapted) property.	Health benefits for those living in substandard housing which will be improved through the repayable grant scheme. To provide adequate heating for the most vulnerable, including raising those occupiers out of fuel poverty and improving energy efficiency of the housing stock. Ensuring that occupiers live in the best suitable accommodation that meets their needs.	30,000			
15	Environment & Place	Disabled Facilities Grants - The grant allocation for 2017-18 from the Better Care Fund is assumed to be £730,156, as received in 2016-17. The proposal is for a Capital bid of an additional £250,000 for next year.	The Council has a legal duty to manage and provide disabled facilities grants in accordance with Part 1 of the Housing Grants, Construction and Regeneration Act 1996. The aim of the grant is to provide financial assistance to the applicant in order to provide suitable adaptations to their properties, as far as is practical, to meet their specific needs.	Ensure that there are sufficient funds to cover the increasing demand on the budget and ensure our residents have access to adaptations to their properties	250,000			
16	Environment & Place	Re-decoration Works at George Yard Multi-storey Car Park - Re-decoration of George Yard Multi-Storey Car Park including all walls, columns, stair wells, doors (wood work) and gates.	The general condition of the decor has deteriorated over the past 5 years with the main contributor being water leaking down from the top (open) floor. Sealing works were completed in 2014/15 which now provides an opportunity to undertake redecoration works. Customer feedback (Off-street Parking Review 2013/14) includes comments regarding the need to update the decor (repaint) thereby making the car park 'brighter' and more attractive to use.	The project will provide both aesthetic and minor structural (sealing of hairline cracks in walls) improvement to the fabric of the car park.	55,000	55,000		
17	Health & Communities	Community Transport - Replacement of minibuses in the Community Transport Fleet.	Maintaining the reliability and safety of the service; supporting vulnerable people in our community	Ensuring the fleet is reliable, modern and fit for purpose. Maintaining the service function. Reducing ongoing repair/ maintenance costs.	80,000			

Requests for Capital Funding 2017-18

Date Produced: 11th November 2016

APPENDIX D

	Portfolio	Project Description	Project Drivers	Project Achievements	Capital Cost			
					2017/18	2018/19	2019/20	2020/21
					18	Health & Communities	<p>Braintree Town Hall Centre Carpet Tile Replacement - To Supply and Fit Axminster carpet to</p> <ul style="list-style-type: none"> • Main Entrance • All Stairs Leading to First Floor • Ground Level Hallway • First Floor Hallway 	<p>Braintree Town Hall centre carpet is due for replacement as the current carpet tiles are now over 20 years old and are showing signs of wear and deterioration.</p> <p>With the expanding business of wedding hire for both Town Hall Weddings and registry office weddings, it is important that a high standard of presentation is maintained.</p> <p>There are also the Health & Safety implications that an old carpet posing poses, such as a trip hazard etc.</p>
19	Health & Communities	<p>Braintree Town Hall Centre - Toilet Refurbishment</p>	<p>Braintree Town Hall centre male and female toilets are due for refurbishment as we look to expand the business into hosting more wedding ceremonies and after drinks receptions.</p> <p>The project also includes upgraded water boiler as the bathroom sinks cannot maintain temperature to meet legionella Risk assessment recommendations</p>	<p>Improved facilities for customers.</p>	9,800			
20	Health & Communities	<p>Accessible Pool Pods for Braintree Swimming & Fitness and Halstead Leisure Centre -</p>	<p>Witham Leisure Centre has a new state of the art pool pod disability access hoist that allows access into the main pool and learner pool for wheelchair users and those with limited movement. It provides users with unaided access into either of the pool, in a dignified and appropriate manner. Currently Halstead and Braintree pools only have the traditional Oxford Dipper type of hoist which involves lifeguard resource to set up when requested and 2 person assistance to get the users into the hoist and down into the pool.</p>	<p>To provide wheelchair users and those with limited movement unaided access into either of the pools, in a dignified and appropriate manner.</p>	34,300			
21	Health & Communities	<p>Witham Sports Ground ATP Re-Surface - Replacing the current 2G ATP carpet with a like for like surface.</p>	<p>The ATP surface at Witham Sports Ground built in 2006 will be over 10 years old next year and past its expected life span. There have been a number of patch repairs on the carpet over the years. Some of these repairs are now becoming dangerous again especially for Hockey use. The pitch was initially funded by the Football Foundation when built and one of the conditions of this funding was that the Council will replace the surface when it required replacing.</p>	<p>Witham Hockey club who have both thriving adult and Junior sections can continue to host their home match fixtures and weekly training sessions at the current location, and the current adult and junior football clubs using the facility can continue to train.</p>	150,000			
Totals					1,270,200	1,077,000	957,000	956,000