



Budget Proposals 2017/18

**Presentation by Leader of the Council and
Cabinet Member for Finance and Performance**

**Overview & Scrutiny Committee
1st February 2017**

Priorities for 2017/18

- Investment in Economic Growth & Infrastructure
- Support A120 and A12 Improvements
- Submit draft Local Plan to Government for Inspection
- Housing growth and affordable new homes
- Supporting our businesses
- Improving Health & Wellbeing
- Keeping our district clean
- Supporting our most vulnerable people
- Improving key frontline services
- Keeping costs down - reasonable charges

Overview (since Nov 2016)

- Revenue Support Grant figures in four-year settlement confirmed
- 2017/18 Revenue Support Grant reduced by £825k (51.5%) to £777k
- Small increases in Business Rates Baseline
- The reduction to our Settlement Funding Assessment over the next three years is £1.6m or 33.5%
- Allocations received for Rural Services Delivery and Transition grants
- Our budgets plans remain on track

Key Issues 2017/18 (1)

- Budget proposals for 2017/18 produce a balanced budget
- Essential to continue to look at the Council's finances over the medium-term
- Circa £1 million budget shortfall over next three years
- Funding of local government will change significantly with the Government's intention that 100% Business Rates is retained by local government
- Other uncertainties - Impact of leaving the EU, interest rates, markets etc.
- We need to plan ahead to protect services
- Council Tax (Band D property) to increase by £4.95 (3.01%) to £169.47 – approx. 10p per week

Key Issues (2)

- £912k of increased income/cost reductions
- Rental income from recent property acquisitions included
- No cuts to frontline services
- No increase in car park charges
- Community Transport – review of service and ECC funding not yet confirmed – report to Cabinet in March 2017



Financial Profile

2017/18 Back to balances £(179,125)

2018/19 Shortfall £ 330,872

2019/20 Shortfall £ 524,234

2020/21 Shortfall £ 237,387

Reserves & Balances

- Balances used to fund one-off spend £0.15m
- Anticipated earmarked reserves
as @31st March 2018 £12.475m
- Anticipated unallocated balances
as @ 31st March 2018 £1.635m
- Minimum recommended level of
Reserves and Balances £1.5m

New Homes Bonus

- Government implementing changes from 2017/18
- Allocation for each year will be paid for 4 years rather than 6 years from 2018/19
- Introduction of a baseline of new properties on which no New Homes Bonus will be received
- Baseline set at 0.4% for 2017/18 (Actual growth 0.83%)
- Equates to 241 properties for this Council

New Homes Bonus

- Allocation for 2017/18 is £329k
- Total amount receivable in 2017/18 is £2.129m
- Impact of changes for 2017/18 is a notional loss of £767k – note this income had not been anticipated

New Homes Bonus

Government to consider withholding NHB from 2018/19 where:

- Authorities are not planning effectively, making positive decisions on planning applications and delivering housing growth
- Homes are built following an appeal

Business Rates

- New Rating List for District wef April 2017
- Total Rateable Value for District – £111m – increase of 4.7%

Small Business Rates Relief – Mandatory

- 100% for Businesses with RV up to 12,000 (up from 6,000)
- Level of relief reduced for businesses with RV 12,001 to 14,999 (up from 6,001 to 11,999)

Rural Rate Relief increased from 50% to 100%

Premises occupied by Local newspapers – relief £1,500 for two years

Business Rates

	<u>£000</u>
• 2017/18 Baseline	3,256
• Estimated retained income (after levy)	<u>(4,179)</u>
• Net additional income	(923)
• Pooling - Estimated share receivable in 2016/17	(350)
in 2017/18	(360)

Capital projects

- Planned maintenance of assets
- Replacement Artificial Grass Pitch surface – Witham Sports Ground
- Disabled facilities grants
- Car park refurbishment programme
- Community transport minibuses
- Parks & open spaces – fencing, bollards, gates
- Replacement Recycling Bring Banks
- Telephone computer system upgrade
- Computer equipment upgrade programme

Capital Resources

Balance @ 1 st April 2017	£(8.937)m
Anticipated new resources in year	£(3.924)m
Current approved Capital programme	£ 2.972 m
Provision – Halstead Community Facility	£0.636 m
Proposed 2017/18 capital programme	<u>£ 1.270 m</u>
Balance @ 31 st March 2018	£(7.983)m

District Investment Strategy

Committed schemes:

- Land at Chapel Hill, Braintree (Purchased in 2014/15)
- Braintree Town Centre
- Business Broadband
- Springwood Enterprise Units
- Health Centre Braintree
- Investment Property – Freeport Office Village
- Purchase of Head Lease, Springwood

District Investment Strategy

Pipeline schemes include:

- Witham Enterprise Centre
- A120 Access Improvements
- Employment investments
- Panfield Lane Regeneration
- Witham Investments

Long Term Investments

- Garden Communities
- Housing Development Company

Subject to detailed decisions of Cabinet and the Council as required at the relevant time

Will also require an update to the Council's Treasury Management Strategy at the appropriate time

Next stages

- Cabinet 6th February 2017
- Council 22nd February 2017