

# **PERFORMANCE MANAGEMENT SCRUTINY COMMITTEE AGENDA**

**Wednesday, 5th January 2022 at 7:15pm**

This is a non-decision making public meeting of the Performance Management Scrutiny Committee and will be held as a virtual meeting.

Members of the public will be able to view and listen to this meeting via YouTube.  
To access the meeting please use the link below:

<http://www.braintree.gov.uk/youtube>

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**Members of the Performance Management Scrutiny Committee are requested to attend this meeting to transact the business set out in the Agenda.**

Councillor J Coleridge  
Councillor G Courtauld  
Councillor Mrs C Dervish  
Councillor T Everard  
Councillor M Radley (Chairman)

Councillor S Rehman  
Councillor B Rose  
Councillor P Schwier (Vice Chairman)  
Councillor N Unsworth

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

A WRIGHT  
Chief Executive

## **INFORMATION FOR MEMBER – DECLARATIONS OF MEMBERS' INTERESTS**

### **Declaration of Disclosable Pecuniary Interests (DPI), Other Pecuniary Interests (OPI) or Non-Pecuniary Interests (NPI).**

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

### **Public Question Time – Registration and Speaking:**

The Agenda allows for a period of up to 30 minutes for Public Question Time. Members of the public wishing to speak are requested to register by contacting the Governance and Members Team on 01376 552525 or email [governance@braintree.gov.uk](mailto:governance@braintree.gov.uk) by midday on the second working day before the day of the Committee meeting. For example, if the Committee meeting is due to be held on a Tuesday, the registration deadline is midday on Friday, (Where there is a bank holiday you will need to register by midday the previous Thursday).

All registered speakers will have 3 minutes each to make a statement. The Council reserves the right to decline any requests to register for Public Question Time if they are received after the registration deadline.

The Chairman of the Committee has discretion to extend the time allocated for Public Question Time and to amend the order in which questions/statements are presented to the Committee.

**Members of the public will be invited to participate in the Public Question Time remotely, and once registered will be provided with the relevant link, and joining instructions for the meeting.**

All registered speakers are requested to provide the text of their questions/statements to the Governance and Members Team. In the event that a registered speaker is unable to connect to the virtual meeting or in the event of any technical issues, their question/statement will be read by an officer. Questions/Statement are requested to be received by no later than 9am on the day of the meeting by emailing them to [governance@braintree.gov.uk](mailto:governance@braintree.gov.uk)

Questions/statements received by the Council will be published on the Council's website. The Council reserves the right to remove any defamatory comment in the submitted questions/statements.

### **Public Attendance at the meeting:**

The Council has reviewed its arrangements for this meeting in light of the continuing pandemic and has considered that to protect the safety of the public, Members and Officers of the Council this non-decision making meeting is to be held virtually. There will be no public attendance at Causeway House. The public can watch this meeting via the Council's YouTube channel.

**Documents:** Agendas, Reports, Minutes and Public Question Time questions and statements can be accessed via [www.braintree.gov.uk](http://www.braintree.gov.uk)

**Data Processing:** During the meeting the Council will be collecting performance data of participants' connectivity to the meeting. This will be used for reviewing the functionality of Ms Teams/Zoom and YouTube as the Council's platform for virtual meetings and for monitoring compliance with the legal framework for Council meetings. Anonymised performance data may be shared with third parties.

For further information on how the Council processes data, please see the Council's Privacy Policy. [https://www.braintree.gov.uk/info/200136/access\\_to\\_information/376/privacy\\_policy](https://www.braintree.gov.uk/info/200136/access_to_information/376/privacy_policy)

We welcome comments to make our services as efficient and effective as possible. If you have any suggestions regarding the meeting you have attended, you can send these to [governance@braintree.gov.uk](mailto:governance@braintree.gov.uk)

**1 Apologies for Absence****2 Declaration of Interests - Scrutiny Committee**

1. To declare the existence and nature of any interests relating to items on the agenda having regard to the Code of Conduct for Members and having taken appropriate advice (where necessary) before the meeting.

2. To declare the existence and nature of any instruction given by or on behalf of a political group to any Councillor who is a member of that group as to how that Councillor shall speak or vote on any matter before the Committee or the application or threat to apply any sanction by the group in respect of that Councillor should he/she speak or vote on any particular matter.

**3 Minutes of the Previous Meeting**

To approve as a correct record the minutes of the meeting of the Performance Management Scrutiny Committee held on 24th November 2021 (copy previously circulated).

**4 Public Question Time**

Only Registered Public Speakers will be invited to speak under this item. Registered Speakers will have 3 minutes to make their statement. Participation and responses will be given in accordance with the Council Procedure Rule 12.11. Please see page 2 of the Agenda for how to Register for Public Question Time.

District Councillors who are attending this meeting for Agenda Item 5 do not need to register for Public Question Time.

**5 Budget 2022-23 and Medium-Term Financial Strategy 2022-23 to 2025-26 6 - 27**

To receive a presentation from the Cabinet on the Budget for 2022-23 and the Medium Term Financial Strategy for 2022/23 to 2025/26.

Presentation Slides are to follow the publication of the Agenda and will be circulated to all Members.

**Note:**

1. All Members of the Council are invited to attend for this item as part of the Member Development Programme to enable them to understand the Council's Budget for 2022-23.

2. Only Members of the Performance Management Scrutiny Committee will be asked to note the report.

**6 Urgent Business - Public Session**

To consider any matter which, in the opinion of the Chairman, should be considered in public by reason of special circumstances (to be specified) as a matter of urgency.

<b>Report Title:</b> Budget 2022/23 and Medium-Term Financial Strategy 2022/23 to 2025/26	
<b>Report to:</b> Performance Management Scrutiny Committee	
<b>Date:</b> 5 <sup>th</sup> January 2022	<b>For:</b> Noting
<b>Key Decision:</b> No	<b>Decision Planner Ref No:</b> N/A
<b>Report Presented by:</b> Councillor John McKee, Cabinet Member for Finance and Corporate Transformation	
<b>Enquiries to:</b> Phil Myers, Head of Finance, phil.myers@braintree.gov.uk	

## **1. Purpose of the Report**

- 1.1 To receive the initial proposals of the Cabinet on the priorities for the 2022/23 Budget and to provide the Committee and all other Members the opportunity to question the Cabinet on these proposals.
- 1.2 The report also provides details of the progress to date on updating the General Fund Financial Profile and Medium-Term Financial Strategy for the period 2022/23 to 2025/26 (MTFS).

## **2. Recommendations**

- 2.1 The Committee is asked to note and comment on the initial proposals and priorities for the 2022/23 Budget and the progress on updating the MTFS.

## **3. Executive summary of the Budget proposals**

- 3.1 The budget proposals set out in this report include the following:

### **Priorities:**

- Substantial increase in resources to provide a robust and proactive planning enforcement function, with staffing resources being more than doubled, and a considerable working budget provided to meet the costs of taking all appropriate action.
- Allocates resources to support Programme Management for developing the projects and key actions set out in the Council's recently approved Climate Change and Cycling strategies, as well as funding the extension of air quality monitoring facilities, and the continuation of recycling collections of food and drink cartons.
- Supports the continuation of a Councillor Community Grant Scheme, giving all Members £1,000 to allocate to help community groups. Future funding for of the scheme will come from reinvesting Collection Fund balances achieved as a result of higher council tax collection.

- Funding to ensure that the Council's core financial and other business critical systems are secure and protected, including against the threat of cyber-attacks.

### **Capital Investment**

- New capital investment is proposed of almost £1.5million, reinvesting in the Council's property assets and critical ICT infrastructure, along with the continuation of a long standing commitment to refurbishing children's play areas.
- This investment is in addition to the current capital programme of over £43million for the period 2021/22 to 2024/25, which is a continuation of the Council's most ambitious investment programme aimed at attracting new businesses, supporting existing businesses, providing residents with affordable homes, improving services and health facilities, and creating employment opportunities.
- Through the Strategic Investment Programme, the Council continues to consider the opportunities for further investment in the District.

### **Closing the budget gap**

- New savings and opportunities for additional income of over £523k have been identified, with a further £66k in future years, a total of £589k. The majority of savings do not impact on the service to the customer.
- The Investment and Development Programme, and the '£1.6million Challenge' maintains a focus on continuing to identify further opportunities for generating savings or increasing income, with a pipeline of projects and ideas that are being reviewed and challenged as business cases are developed.
- Revised projections of the budget gap across the extended period of the MTFS is £1.2million, an improvement over the financial position identified last year, which showed a gap of £1.6million.

### **Council Tax**

- The budget proposals currently includes a 2.68% increase in the Council's share of the overall Council Tax bill for 2022/23, giving a Band D tax rate of £189.63 for services provided by the Council, and which represents an increase of less than 10p per week, and significantly below the current rate of inflation.
- The higher amount of Council Tax that has been collected as a result of the increased number of dwellings in the district and better than expected collection performance, means that £198k of extra income is being reinvested back for the benefit of taxpayers. In previous years, a portion of the surplus has been voluntarily shared with town and parish councils; however, given the challenging financial position of the Authority, the proposal is not to distribute any for 2022/23.

3.2 The provisional Local Government Finance Settlement was announced on 16<sup>th</sup> December 2021, and currently the details of the settlement are being

examined to assess what the impact is on the Council's budget position. Therefore, the proposals and financial position set out in this report may be subject to further change.

#### **4. 2022/23 Budget Proposals and MTFS Update (Detail)**

##### **4.1 Background**

- 4.1.1 The process of rolling forward the Council's four-year financial plan commenced with a report to Cabinet, on 6th September 2021, with an initial review of the Medium-Term Financial Strategy (MTFS) 2021/22 to 2024/25; which had been agreed by Council on 22<sup>nd</sup> February 2021.
- 4.1.2 The Performance Management Scrutiny Committee received a progress update and proposed change to the timetable at its meeting held on 24<sup>th</sup> November 2021, accompanied by a presentation given by the Deputy Leader and Cabinet Member for Economic Growth, and the Cabinet Member for Finance and Corporate Transformation.
- 4.1.3 This report provides further detail of the progress with the updating of the Financial Profile and the Medium-Term Financial Strategy 2022/23 to 2025/26; unavoidable cost pressures; and work on identifying options for revenue cost reductions/additional income to meet the anticipated funding shortfalls over the next four years and the initial budget proposals, both revenue and capital, for 2022/23.

##### **4.2. Budget Strategy**

- 4.2.1 The Council's Budget Strategy is:
  - To be a low council tax authority;
  - To have plans to deliver a balanced budget over the medium-term; and
  - To maintain a minimum level of unallocated balances of £1.5million.
- 4.2.2 The approach to achieving the Strategy so far has been to deliver cost reductions and additional income without impacting adversely on customers and service delivery.
- 4.2.3 The Council's approach to New Homes Bonus has been to use this for supporting investment in the district and its economic growth rather than using it merely to support the Council's day to day spending.
- 4.2.4 The Council's Band D council tax rate of £184.68 for 2021/22 is the fourth lowest tax rate of the twelve district/borough/ city councils in Essex, and significantly below the average of £213.19. The average Shire District rate for England is currently £194.57.
- 4.2.5 The Council has maintained a healthy unallocated General Fund balance which has enabled it to take advantage of investment opportunities, such as paying the pension deficit contribution for the three year period 2020/21 to 2022/23, as a single payment to achieve cost savings. As at 31st March 2021,

the General Fund unallocated balance was £6million, against a minimum required level of £1.5million.

- 4.2.6 The Covid-19 pandemic continues to impact on the Council's finances, particularly on income received from services such as car parks, but also is resulting in additional expenditure being incurred, for example, to support the Council's leisure management operator, Fusion. Claims for increased costs are also expected to be made by contractors currently engaged on capital programme projects. In the current year, the Government has provided additional financial support, including an income compensation scheme for the period April to June.
- 4.2.7 The approved budget for 2021/22 included an allocation of £1million from the General Fund unallocated balance to be held as a contingency sum against the financial impact from the pandemic on the Council's services. Whilst it has not been necessary to use the reserve to date, there are still service areas that are being adversely affected by the pandemic. As the government has indicated there will be no further financial support, it is considered prudent to maintain the contingency for at least until the end of 2022/23.

#### **4.3. Government Funding**

- 4.3.1 On 27<sup>th</sup> October 2021, the Chancellor published the Budget and Spending Review (SR21), the latter covering the three financial years: 2022/23 to 2024/25. SR21 provided new grant funding of £1.6 billion per annum (total £4.8bn over the SR21 period) to local government. In addition, SR21 indicated that Core Spending Power for local authorities was estimated to increase by an average of 3% in real-terms per annum over the period; however, this included the assumption that all councils increased their council tax rate by the maximum allowed, currently expected to be 2%, plus 1% for those authorities with responsibility for Adult Social Care.
- 4.3.2 At the time of writing this report the Ministerial announcement on the provisional Local Government Finance Settlement (LGFS) had just been made (16<sup>th</sup> December 2021), the impact of which will need to be assessed, and therefore a verbal update will be provided to the Committee.
- 4.3.3 Key points from the announcement are:
- A single-year financial settlement for 2022/23 in which the Government figures indicate that Core Spending Power will rise by an average 6.9 per cent in cash terms. These forecasts are on the assumption that every local authority will raise their council tax by the maximum permitted without a referendum.
  - The Government is not proposing to change the distribution of Revenue Support Grant (RSG) from that used in 2021/22. It will roll in two New Burdens grants into RSG, one of which is the Electoral Registration grant.
  - As announced in the 2021 Spending Review, the business rates multiplier will be frozen for 2022/23. The consultation document notes that councils will be compensated for the freeze up to RPI as in previous years but in



the provisional settlement CPI is used. The figures in core spending power will be updated at the final settlement to be based on RPI.

- Baseline Funding Levels will continue to include the elimination of so-called 'negative RSG'.
- The Government has stated its commitment to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs and resources. It has, therefore, announced that it will work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes. This includes options to support local authorities through transitional protection.
- A core referendum principle on council tax increases of up to 2 per cent will apply with Shire Districts also having the flexibility for an increase of up to £5 if this is higher.
- The Government proposes to introduce a one-off Services Grant worth £822 million in 2022/23. The government says that the new grant will provide funding to all tiers of local government in recognition of the vital services, including social care, delivered at every level of local government. It indicates that this includes funding for local government costs for the increase in employer National Insurance Contributions. The grant will not be ring-fenced. The Government intends this to be a one off grant for 2022/23 and to work closely with local government on how to best use this funding from 2023/24 onwards.
- Core spending power includes a provisional amount for the New Homes Bonus (NHB) in 2022/23. Allocations are to be based on the same methodology as used in 2021/22, and will attract no legacy payments, but final payments will still be made for legacy payments from the 2019/20 NHB awards.
- The Government has announced the continuation of the lower tier services grant. It remains worth a total of £111 million as in 2021/22, however the allocations differ slightly in comparison to last year.
- The Government proposes to roll-forward the 2021/22 allocations of the £85 million Rural Service Delivery Grant for 2022/23, with the quantum of the grant unchanged. The Government is minded to retain the current method of distributing the grant, subject to consultation.

4.3.4 Consultation on the provisional settlement will be open for four weeks, closing on 13<sup>th</sup> January 2022, and a response will be considered, and if appropriate, submitted by the Cabinet Member for Finance and Corporate Transformation. The government will provide confirmation of the final local government finance settlement once consultation is complete in the New Year.

4.3.5 Details of other significant funding streams received from Central Government Departments are still awaited, including administrative subsidies for Local Council Tax Support and Housing Benefit schemes; and Homelessness Prevention Grant.

4.3.6 On 13<sup>th</sup> September 2021, the Department for Levelling-Up, Housing and Communities (DLUHC) issued an invitation to local authorities to indicate their preferred Business Rate pooling arrangements for the financial year, 2022/23.

4.3.7 All fifteen authorities<sup>1</sup> in the current Essex Business Rate Pool for 2021/22 have agreed that the Pool should continue for 2022/23. The Cabinet Member for Finance and Corporate Transformation agreed to this Council's participation under delegated authority, approved at the Cabinet meeting on 6<sup>th</sup> September 2021.

#### **4.4. Review of priority investments, unavoidable budget changes, and savings and additional income identified in previous years.**

4.4.1 The Financial Profile, agreed in February 2021, included three items of potential future budget growth: Waste Management (£155k); staffing costs for Economic Development (£90k); and provision for a reduction in Housing Benefit Administration Grant (£45k). These items have now been removed from the Financial Profile, resulting in a positive adjustment of £290k across the period of the MTFS:

- **Waste Management** – this item related to a growth bid originally submitted by the service in 2020/21 as a future item for 2021/22. However, due to efficiencies made by the service, the increasing number of households from which collections are made has currently been able to be absorbed within existing resources. Whilst there remains an expectation that resources may have to be increased in the future, it is considered appropriate to review the overall resourcing needs for this service area once more detail on the impact of the Environment Act and associated funding becomes known.
- **Economic Development staffing** – originally included as a provisional item recognising that resourcing of this service is currently funded from a mixture of reserves which will be fully utilised during the period of the MTFS. Future funding requirements will be subject to a business case and if appropriate, a future growth bid.
- **Housing Benefit Administration Grant** – the profile had assumed an annual reduction in grant as working age housing benefit claimants were expected to migrate across to Universal Credit administered by the Department for Works and Pensions. The pace at which this switch is being made is much slower than was originally anticipated meaning that the grant receivable is not being reduced at the rate previously assumed.

4.4.2 The Financial Profile includes the consequences for 2022/23 of the planned priority investments and unavoidable budget changes which were identified in previous years, including the following one-off items:

- **Councillor Community Grant scheme** – funding of £75k was previously approved for operation of a scheme in 2021/22 and 2022/23, to be met from the unallocated General Fund balance. During this time a review of the scheme was to be undertaken. This review has now been completed with proposed changes to the scheme and funding source as detailed in paragraph 4.7.5.

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<sup>1</sup> Essex CC' Southend-on-Sea BC, all twelve District, Borough and City councils and Essex Fire Authority.

- **Enterprise Centre, Horizon 120** – the original business case for this project identified a net revenue cost in the first two years' of operation: £309k in 2022/23 and £121k in 2023/24, before then making an annual surplus of £52k. The costs in 2022/23 and 2023/24 were agreed to be met from the unallocated General Fund balance.
- 4.4.3 Previously identified ongoing unavoidable costs in 2022/23 amounted to £5k and related to ICT licensing costs. A report on further increased costs of Microsoft licenses was considered by the Cabinet on 12<sup>th</sup> July 2021, for which additional budgetary provision of £25k has been necessary.
- 4.4.4 The Financial Profile, agreed in February 2021, included additional income and savings planned for 2022/23 and 2023/24:
- **Commercial Property Income** – additional income of £24k arising from rent reviews.
  - **Human Resources** – savings from a service restructure and flexible retirement for which £14k was profiled to be achieved in 2022/23 and a further £5k in 2023/24, with the latter now anticipated to be achieved a year earlier.
  - **Town Hall Centre** – further recovery of income of £2k following the temporary loss of income during the redevelopment works at the Manor Street area of Braintree town centre.

## 4.5 Provision for Inflation and Other Costs

- 4.5.1 **Pay award.** The Financial Profile includes a base provision for an annual pay award of 2% per annum. The pay award for 2021/22 has still to be finalised with the Employers' Organisation having made a final offer of 1.75% (with 2.75% for the lowest scale point). The unions have rejected this offer and are currently balloting their members on proposals for taking industrial action. For future years a working assumption of 2% per annum is retained in the General Fund Profile. The actual increases in pay will ultimately be determined through negotiation and agreement between the Employers Organisation and the unions and budgets adjusted accordingly. Allowances are provided for annual incremental progression for staff who are currently not at the top of their grade. Incremental progression is subject to satisfactory performance.
- 4.5.2 **National Insurance and Health Care Levy.** On 9<sup>th</sup> September 2021, the Government announced a temporary 1.25% increase to National Insurance contributions for the 2022/23 tax year, with the revenue raised to go directly to support the National Health Service (NHS). From April 2023, the National Insurance contributions rates will revert back to 2021/22 tax year levels and will be replaced by a new 1.25% Health and Social Care Levy. This levy will raise ringfenced revenue to support UK health and social care bodies. The estimated impact of this measure is an increase to base budget from 2022/23 of £123k.
- 4.5.3 **Members Allowances.** A provision of 2% per annum has been included in the Finance Profile in line with the assumptions for staff pay.

- 4.5.4 **Other Expenditure.** Allowances for inflationary increases have been provided but only on specific budget headings e.g. business rates (2023/24 onwards), contracts, energy etc. based on the Office of Budget Responsibility's forecast of the Consumer Prices Index (CPI) and, where appropriate, the Retail Prices Index (RPI). Forecasts of energy cost increases are based on information received from Concept Energy Solutions, an energy management and monitoring company engaged by the Council. The updated Financial Profile reflects a higher level of inflation than was previously anticipated.
- 4.5.5 **Interest and Dividend Income.** Provision was made in the 2021/22 budget for a reduction in investment income due to the impact that the Covid pandemic was expected to have on dividends paid by externally managed pooled funds in which the Council has £19million invested. The sharp fall and prolonged period of ultra-low interest rates would also impact on returns from short-term investment. Furthermore, the level of cash balances available for investment were expected to reduce as progress continued on the major capital projects. A reduction in investment income of £350k was estimated for 2021/22, which it was agreed would be met from the Treasury Management Reserve. A partial recovery in income was projected in 2022/23 of £100k, meaning that the net reduction in income reflected in the Financial Profile for 2022/23 is £250k. Further improvements of £120k and £30k are forecast in 2023/24 and 2024/25 respectively.
- 4.5.6 **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. A schedule detailing the proposed levels of discretionary fees and charges for 2022/23 will be presented in the Finance report to Cabinet on 7th February 2022.

## 4.6 Pension Fund Contributions

- 4.6.1 The Triennial Review of the Essex Pension Fund conducted as at 31<sup>st</sup> March 2019, determined the pension fund assets and liabilities applicable for the Council and set the deficit contribution and employer contribution rate for the three years: 2020/21 to 2022/23. The ongoing employer contribution rate was set at 20.3%.
- 4.6.2 The Council opted to pay the total deficit payment for the 3-year period, of £2,468,311, on 1<sup>st</sup> April 2020. The accounting requirement for this was that the total payment had to be accounted for in 2020/21; the consequential impact of this was that two thirds of the payment (re 2021/22 and 2022/23) would be funded from the unallocated General Fund balance in 2020/21 with balances repaid over the two following years.
- 4.6.3 The Funding Strategy of the Essex Pension Fund endeavours to maintain consistency of overall contributions paid into the fund between triennial reviews, with the next review to be undertaken as at 31 March 2022, and changes to employers' contributions to be introduced from April 2023.

- 4.6.4 The Financial Profile includes an increase in the base budget of £133k in 2023/24 to provide for a total annual deficit payment of £957k, which is the annual amount that would have been paid in 2022/23 if the Council had not opted to pay a single amount.

#### **4.7 Unavoidable Budget Demands and New Priority Growth**

- 4.7.1 Bids for **ongoing** revenue funding to meet **Unavoidable Budget Demands** total £294k in 2022/23, with a further £25k added to base budget in each of the following three years.

- 4.7.2 The bid requests are:

##### **Overall Strategy**

- Corporate Management – Increased capacity and support for corporate and senior management £95k.
- Elections Service – additional funding required to replace that previously provided by grants from the Cabinet Office, partially offset by proposed savings on mailing costs by switching to email where legislation permits £11k.

##### **Environment**

- Waste Management – increased costs due to a national shortage of HGV agency drivers and the need to provide pay parity for all agency staff after 12 weeks temporary employment - £30k.
- Waste Management – increased transportation costs of mixed dry and green recycle - £27k.
- Operational Services – increased fuel costs due to increase in global oil prices - £25k.
- Operational Services Fleet Financing – increase in Base Budget to provide ongoing additional resources to fund vehicle replacements the cost of which have increased over recent years through vehicle inflation and changes in lease finance rates - £25k increase in Base Budget each year – total increase in Base Budget by the end of the MTFS period is £100k.

##### **Finance and Corporate Transformation**

- Insurance Premiums – increased costs following the retender of liability and motor policies after the incumbent insurer broke the long-term agreement that was put in place in 2020 - £30k.
- Corporate Business Systems- Increase in licence costs for the server back-up solution and softphone licence costs for Cisco relating to increased remote working - £15k.
- Audit Fees - Increased external audit fees arising from new requirements under the National Audit Office's revised Audit Code of Practice and from increased work required by regulators on the audit of property asset valuations and pension fund liabilities - £20k.

## **Housing, Assets and Skills**

- Asset Management - Loss of service charge income for use of internal services from the vacation of Causeway House by Essex County Council - £16k.

4.7.3 Bids for **ongoing** revenue funding to meet **New Priority Growth** total £265k in 2022/23 and £9k in 2024/25.

4.7.4 The bid requests are:

## **Environment**

- Waste Management – to continue food and drink Tetrapak collections following a successful trial - £8k. First year costs are to be met from the Climate Change Reserve.
- Housing and Pollution - additional revenue cost associated with the calibration, servicing, and IT costs for a new air quality monitor which is included in the proposed capital bids for 2022/23 - £3k. First year costs are to be met from the Climate Change Reserve.

## **Finance and Corporate Transformation**

- Finance systems – increased resilience for database management support service for the Council's core finance systems - £20k.
- Corporate Business Systems – annual cost of a Security Information and Event Management (SIEM) tool to increase cyber security and give the ICT team the means to proactively identify various malicious activity and nullify data breaches before they can occur - £25k.

## **Overall Strategy**

- Marketing and Communications - A future provisional bid of £9k per annum from 2024/25 for the annual cost of the Mosaic system licence, which is currently used by the service and presently funded from reserves.

## **Planning and Infrastructure**

- Planning Enforcement – to increase staffing resources for the enforcement team following recommendations made by the Member Reference Group. Three options for increased resources were suggested and considered, with Option 1 being proposed and which provides the largest increase in staffing resulting in the enforcement team increasing from 4 officers to a total of 9. The maximum cost of this additional resource is £209k which is proposed to add to the Base Budget from 2022/23. The additional resources will not only support a more robust enforcement approach but would also ensure the Council proactively monitors and checks compliance of planning conditions.

4.7.5 **Councillor Community Grant Scheme:** Following a review of the current grant scheme, the proposed budget makes provision for continuation of a grant scheme but with some modifications. From 2022/23, it is proposed that the amount allocated under the scheme to each Member is £1k; and the scheme should target support at community groups. Funding for the costs in 2022/23 was previously approved from the General Fund unallocated balance. In future years, it is proposed that funding for a scheme would instead come from the Council's share of any Collection Fund balance, which is an amount determined annually as explained in Section 7 of this report.

4.7.6 Bids for **one-off or short-term** revenue funding to meet **New Priority Growth** total £225k in 2022/23 and £75k in 2023/24. It is proposed to meet the costs of these items from reserves. The requests for funding and source of funding are as follows:

### **Communities**

- Cycling Strategy – a programme officer to be employed for an initial two years to drive implementation of the strategy. Funding proposed is £25k per annum for 2022/23 and 2023/24, being 50% of the total funding required with the balance to be met from external partners. The proposed source of funding for the Council's share is the Climate Change Reserve.

### **Environment**

- Climate Change Strategy – a programme officer to be employed for an initial two years to drive implementation of the strategy. Funding proposed is £50k per annum for 2022/23 and 2023/24, with the proposed source of funding being the Climate Change Reserve.

### **Planning and Infrastructure**

- Planning Enforcement – to set-up a new reserve with an initial balance of £150k to provide a working budget for the proposed enhanced Planning Enforcement Team. The source of funding for this new reserve is from a proposed reallocation of the uncommitted balance of the Housing Development and Local Plan Growth Reserve.

4.7.7 An allocation from reserves is also proposed to meet a current unavoidable budget demand:

### **Finance and Corporate Transformation**

- Housing Benefit Net Cost – the Council is currently facing increased costs (after taking into account government subsidy) from the payment of certain categories of housing benefit. This is in part due to a funding gap between the amount of subsidy receivable and the rents charged by providers of accommodation. In addition, the increased use of temporary bed and breakfast style accommodation, along with an increasing number of charitable and other similar operators is resulting in additional cost,

where subsidy recovery is restricted. The budget proposals include an additional £100k to be added to the budget for 2022/23. In the meantime, a review is being undertaken to assess potential options for reducing these costs and, therefore, it is proposed that funding for 2022/23 is initially provided as a one-off cost to be met from the Homelessness Reserve. The position is being monitored and the need for an ongoing budget provision will be reviewed again ahead of the 2023/24 budget.

#### **4.8 Cost Reduction/Additional Income Proposals**

- 4.8.1 The Investment and Development Programme (IDP) was created to identify a pipeline of projects to achieve additional income and/ or cost reductions to address the medium-term budget gap that was forecasted in February 2021. The IDP comprises four workstreams: Commercial; Strategic Investment; Asset Management; and Treasury Management. A number of projects within the current pipeline have achieved a stage of delivery and confidence level whereby these have now been reflected in the Financial Profile and MTFS.
- 4.8.2 To complement the IDP, a '£1.6m Challenge', was launched by the Chief Executive in July 2021, inviting ideas from across the Council for potential savings, innovation, or increased income. Ideas submitted so far are currently being reviewed to identify those that can be implemented in the short-term or need to be added to the IDP pipeline for further business case development.
- 4.8.3 A Service Review was carried with all service managers aimed at identifying possible cost reductions and/ or additional income generation, with reference, in particular to the outturn for 2020/21 and the projected outturn for the current year.
- 4.8.4 These reviews have collectively identified cost reductions and additional income of: £523k in 2022/23; a further £31k in 2023/24; and £35k in 2024/25; an overall total of £589k.
- 4.8.5 Within the overall total of cost reductions and additional income, £39k have been classified as Member Savings as they have an impact on services. The balance of £550k have been agreed by Management Board as they do not impact on the customer or service delivery.
- 4.8.6 Member Savings include the following items:

##### **Communities**

- Citizens Advice Bureau (CAB) – following a review of the current service level and funding agreement, and to reflect changes in demand and business model, it is proposed to reduce the current funding provided to the CAB of £124,710 by 10% to £112,240 per annum from 2022/23.

##### **Finance and Corporate Transformation**



- **Service Level Agreement with Essex County Council** - It is proposed to cease the service level agreement with Essex County Council for the provision of services via libraries, saving £27k per annum. Essex libraries has in the past provided various services to the Council, including a benefits checking service, issuing recycling sacks, a collection point for cheques for payments made to the Council, and an outlet to access Gateway to HomeChoice. As a result of the pandemic libraries were closed for periods of time during which time it was possible to find alternative delivery options for these services. The intention is to cease the SLA from May 2022.

4.8.7 Management Savings (including additional income) by service area are as follows:

Service Area	Ongoing Base Budget Adjustments			
	2022/23 £	2023/24 £	2024/25 £	Total £
Asset Management	83,590	19,250	35,600	138,440
Community & Leisure Services	68,000	9,170	-	77,170
Environmental Services	6,000	-	-	6,000
Finance	23,700	-	-	23,700
Housing Services	34,000	-	-	34,000
Marketing & Communications	33,000	-	-	33,000
Operations	187,500	-	-	187,500
Corporate Financing	50,000	-	-	50,000
<b>Total</b>	<b>485,790</b>	<b>28,420</b>	<b>35,600</b>	<b>549,810</b>

4.8.8 The Management Savings proposed by the Operations Service includes additional income of £166k per annum from the sale of recycling material through the contractual arrangements with Suffolk County Council. The income budget for the current year is £291k, which was based on an average price of £29/tonne. However, income received is dependent on prevailing material prices which can vary significantly. In the current year it is projected that income will be overachieved (at £59/tonne) and, therefore, the budget proposals include an estimate of income based on the average price over the last five years of £42/tonne. To mitigate future pricing risk, it is also proposed to set aside the additional income achieved in the current financial year into an earmarked reserve which can then be used to provide income stability in future.

4.8.9 **Homelessness Prevention Grant.** The Council has received various government grants since 2017/18 to provide funding for housing and homelessness issues. This has included the Flexible Homelessness Grant, the Homelessness Reduction Grant, and various top-ups and other New Burden grants. This funding has in the main been combined into the Homelessness Prevention Grant, for which £411,824 was allocated to the Council for 2021/22.

4.8.10 The Government has stated that its purpose for the grant was to give local authorities control and flexibility over how they managed homelessness, but with the focus on implementing preventative measures.

- 4.8.11 The Council's approach to this grant funding has been to earmark it for the housing service; in particular to provide the funding for additional members of staff engaged on ensuring that the requirements of the Homelessness Reduction Act are met. Any balance of grant funding not allocated in a year towards expenditure has been transferred to an earmarked reserve which has been retained for the purposes of being able to continue to meet the additional staff costs for a period of time should the government be minded to reduce or stop paying grant. The reserve is forecast to have a balance at 31<sup>st</sup> March 2022 of £920k.
- 4.8.12 It is proposed that commencing with the 2022/23 budget, the Homelessness Prevention Grant is brought into the base budget along with the associated staffing costs. The net impact on the General Fund revenue account is an estimated credit of £141k. The actual credit for 2022/23 will not be known until notification is received of the amount of grant allocated to the Council for the year, which is expected to be issued around the announcement of the provisional LGFS. The credit to the General Fund will in effect cover existing base budget costs that are already included in the Housing Services budget but are currently funded as part of the Council's overall council tax requirement.
- 4.8.13 The projected balance on the earmarked reserve, after allowing for the proposal to use this reserve in 2022/23 to meet increased housing benefit costs as referred to in paragraph 4.7.7, is considered sufficient to ensure continued financial resilience for a period of time should the government reduce the level of grant at some point in the future.

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

- 5.1 Under the Business Rate Retention Scheme (BRRS) 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 current baseline figure is £3,486,929, and provisionally this was assumed to increase by 2% per annum in the Financial Profile. However, in SR21 it was announced that there would be a freeze on the business rate multiplier for 2022/23, which means that the baseline will also remain unchanged. Instead, the Council will receive compensation for this under indexation in the form of Section 31 grant. The grant amount expected is included in the overall estimate of Retained Business Rates, and will continue to be paid annually until such time the government implements a reset of the system.
- 5.3 The amount of business rates actually collected in the year will inevitably vary from the baseline: a higher amount collected will increase the amount that the Council is able to retain whilst a lower amount will require the Council to meet the shortfall up to a maximum of 7.5% of the baseline amount: any shortfall greater than this will be met from the Essex Pool.

- 5.4 At the current time, the estimated figure for the Council's share of Retained Business Rates for 2022/23 is £5.2million.
- 5.5 The estimate of Retained Business Rates for 2023/24 onwards includes a 2% annual uplift to reflect future anticipated increases in the Rating Multiplier. This assumption has been made at the current time until further clarification is received from the Government regarding any changes to local government finance.

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

- 6.1 The Council's Local Council Tax Support (LCTS) scheme applies to working age claimants and retains a significant proportion of the principles and elements of the previous Council Tax Benefit scheme. The level of council tax liability on which LCTS awards are based is 76%.
- 6.2 There are no proposed changes to the existing scheme and, therefore, no requirement for consultation on the scheme to be operated from April 2022, the details of which can be found on the Council's website at:  
<https://www.braintree.gov.uk/downloads/file/277/local-council-tax-support-scheme-policy-document-2020-21>

## **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 on the Collection Fund which must be either returned to or requested from council taxpayers in the following year. The surplus or deficit is allocated between the four major preceptors: Essex County Council, Braintree District Council and Essex Police, Fire and Crime Commissioner for Policing & Community Safety and for Fire and Rescue Authority.
- 7.2 It is estimated that the balance on the Collection Fund available for distribution is a surplus of £1,586,596. This Council's proportion of the council tax surplus, to be returned to council taxpayers in 2022/23 is £198k. Since 2015/16 the Council has voluntarily shared a portion of the surplus with town and parish councils. Given the uncertainty over the LGFS and considerable financial challenges facing the Council, it is currently proposed that the voluntary sharing arrangement is not applied for 2022/23.
- 7.3 A surplus balance on the Collection Fund is not guaranteed, and depends on many factors. Nevertheless, the Council has historically had a surplus balance which it has been able to take into account for budgeting purposes. The amount retained by the Council has typically not been hypothecated towards any particular item of budgeted spend. From 2023/24, it is proposed that the surplus is allocated to funding the Councillor Community Grant Scheme, on the basis of the outline scheme set out in paragraph 4.7.5. Any surplus balance in excess of the amount required for the grant scheme would be applied for the general benefit of taxpayers in the relevant year's budget.

- 7.4 The Council's taxbase for 2022/23 is required to be calculated as at 30<sup>th</sup> November 2021, and has been agreed, under delegated authority, by the Corporate Director (Finance) as 54,957 Band D equivalents. This is a 2.3% increase in taxbase and exceeds the provisional assumption of growth that was included in the General Fund profile in February 2021 of 1%.
- 7.5 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.
- 7.6 The Council sets the levels of discounts/premia for empty properties and second homes under discretionary powers. It is not proposed to vary any of these levels for 2022/23.
- 7.7 The Government's proposed referendum limit for 2022/23 is expected to continue to permit Shire District councils to increase Council Tax by up to 2% or £5, whichever is the greater. Given the continuing financial challenges faced by the Council it is considered appropriate to propose that for 2022/23 the increased flexibility expected is applied, and therefore the Financial Profile is based on the following assumptions:

2022/23 +2.68% providing a Band D rate of £189.63 for services provided by the Council

And for future years' financial planning, increased by 2% per annum (rounded)

2023/24 – a Band D rate of £193.41  
2024/25 – a Band D rate of £197.19  
2025/26 – a Band D rate of £201.06

- 7.8 On the basis of the above, the increase in the Council's share of the overall Council Tax bill for 2022/23 would be less than 10p per week. It would raise an additional £272k of income which will help to protect front-line services.

## **8. Financial Profile**

- 8.1 An updated Financial Profile for 2022/23 to 2025/26 taking account of the proposed savings and revised assumptions is provided at Appendix A.

- 8.2 In summary the updated Financial Profile shows the following position:

2022/23 – shortfall of £472k;  
2023/24 – shortfall of £434k;  
2024/25 – shortfall of £117k; and  
2025/26 – shortfall of £195k.

- 8.3 Following the recent announcement of the LGFS, the shortfall for 2022/23 and subsequent years are all subject to potential change as the detail and implications of the settlement are considered further.

- 8.4 The revised budget gap over the medium-term is currently £1.2million. Rolling forward the Financial Profile leads to a net increase in the budget gap of £195k, therefore, the position for the period 2022/23 to 2024/25 compared with the shortfall of £1.6million reported last February, shows a net reduction of £600k.
- 8.5 Subject to the impact of the LGFS, and to enable a budget and council tax level to be set, it is proposed that the projected shortfall in 2022/23 is met from the Unallocated General Fund balance. The amount of balances that would be used in the short-term is considered prudent in the circumstances and represents an investment that allows the Council to improve its longer-term financial resilience through the achievement of the Investment and Development Programme (IDP), alongside the ideas received and considered appropriate to take forward from the '£1.6million Challenge'.

## **9. Balances and Reserves**

### **Unallocated General Fund Balance**

- 9.1 The Unallocated General Fund balance as at 31<sup>st</sup> March 2021 was £6million.
- 9.2 After taking into account planned movements that were approved as part of the 2021/22 budget, and allowing for the in-year budgetary performance, as reported in the Second Quarter's Performance Report, and taking into account recommendations from a recent review of earmarked reserves, the estimated Unallocated General Fund balance as at 31<sup>st</sup> March 2022 is £5.9million.
- 9.3 The MTFS approved in February 2021, included a net planned addition to balances in 2022/23 of £439k, which with the proposed change to the Councillor Community Grant Scheme, will increase by a further £26k. Based on the current projected budget shortfall of £472k, the level of the Unallocated General Fund balance at 31 March 2023, is projected to remain at £5.9million.

### **Earmarked Reserves**

- 9.4 Earmarked reserves are established to either meet specific requirements/ purposes in the future or to make provision for issues that are likely to occur but the timing is not predictable. The total amount of money in earmarked reserves as at 31<sup>st</sup> March 2021 was £31.1million, which included an exceptional balance of £7.4million relating to business rates to be drawn down in 2021/22 . 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 7<sup>th</sup> February 2022.
- 9.5 Ahead of preparing the budget, a review of earmarked reserves has been undertaken which considered the following issues:
- are reserves still required for their current purpose;

- is the balance on a reserve appropriate to its purpose; and
  - is there opportunity to reallocate balances.
- 9.6 The review identified the following reserves with balances that were no longer required:
- Discretionary Business Rate Relief reserve (£68k) – the related costs of which are now covered by the Business Rate Retention reserve.
  - A balance of Brexit funding (£53k) – where activity has been undertaken within existing resources.
  - Localism Reserve (£11k) - no longer used.
  - Housing Needs Survey reserve (£46k) – the requirements for a survey is now picked up as part of the supporting evidence and costs of developing the Local Plan.
  - Premdor Feasibility reserve (£41k) – the project is now being delivered by a third party meaning no further expenditure expected against this reserve.
- 9.7 The total amount held in the reserves no longer required is £219k and this amount is proposed to be reallocated as follows: £50k to be added to the Corporate Improvement reserve; £41k to be returned to the unallocated New Homes Bonus reserve; and the residual balance of £128k to be transferred to the Unallocated General Fund balance.
- 9.8 The following reserves are proposed to be consolidated into a single Climate Change reserve:
- Climate Change balance (£343k) – this being the uncommitted balance of the £500k allocated in the 2021/22 budget.
  - Carbon Management reserve (£48k) a reserve used to fund energy related projects.
  - Green Heart of Essex reserve (£46k) – the reserve has not been used for a number of years but its purpose aligns with Climate Change.
  - Flooding relief reserve (£22k) – a reserve that has not been used for a number of years, and against which there are no outstanding commitments.
- 9.9 The consolidated Climate Change reserve balance would be £459k, from which the budget proposals includes the recommended use of the reserve to fund New Priority Growth and a capital bid, totalling £191k, leaving a balance of £268k to be allocated against further projects identified in the Council's strategy.
- 9.10 The Housing Development and Local Plan Growth reserve has an uncommitted balance of £596k. It is proposed that this balance is reallocated as follows:
- to meet the New Priority Growth bid for a working budget for an enhanced planning enforcement team (£150k);

- to increase the existing Planning Appeals reserve by £96k to supplement resources that are available to continue to defend the Council in the case of planning appeals;
- to increase the Development Management reserve by £15k to extend the funding available to ensure that specialist planning advice and staff can be bought-in where appropriate; and
- the residual balance of £200k to be transferred back to the unallocated New Homes Bonus reserve.

## 10. Capital Resources and Bids

- 10.1 Details of the proposed capital bids for inclusion in the capital investment programme are provided in the schedule at **Appendix B**. The total value of the projects in 2022/23 is £1.5million. Anticipated future requirements have been identified: £1.05million, £713k, and £520k for 2023/24, 2024/25 and 2025/26 respectively.
- 10.2 The programme for disabled facilities grants is projected at the level of anticipated Better Care Funding, with the programme anticipated to be flexed according to actual grant determinations.
- 10.3 A summary of the capital resources and capital programme for 2021/22 to 2025/26 is provided below:

### Forecast Capital Resources and Expenditure

	2021/22	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m	£m
<b>Resources:</b>					
Capital resources b/f	18.13				
Capital receipts	8.47	2.89	3.87	1.65	2.08
Grants & contributions	8.6	1.85	1.06	1.06	1.06
Reserves	2.47	0.18			
Borrowing	9.93	2.93			
<b>Resources In-Year</b>	<b>47.60</b>	<b>7.85</b>	<b>4.93</b>	<b>2.71</b>	<b>3.14</b>
<b>Capital Expenditure:</b>					
Existing programme	37.29	5.47	0.21	0.15	
<b>Future Items</b>					
Disabled Facilities Grants		1.06	1.06	1.06	1.06
Bids for 2022/23		1.50			
Future Provisional Bids			1.05	0.71	0.52
Capital salaries		0.10	0.10	0.10	0.10
<b>Expenditure</b>	<b>37.29</b>	<b>8.13</b>	<b>2.42</b>	<b>2.02</b>	<b>1.68</b>
<b>Net In-Year Resources</b>	<b>10.31</b>	<b>-0.28</b>	<b>2.51</b>	<b>0.69</b>	<b>1.46</b>
Less Provisions	7.11				
<b>Net Est. Resources</b>	<b>3.20</b>	<b>-0.28</b>	<b>2.51</b>	<b>0.69</b>	<b>1.46</b>
Aggregate Est. Resources					7.58

- 10.4 It should be noted that the majority of the anticipated balance of resources of £7.58million at the end of 2025/26 (and after allowing for provisions) is dependent on capital receipt income being received from planned sales of serviced plots on Horizon 120 (which are being used to finance the land purchase and infrastructure works); a number of small housing sites; and from right-to-buy sales (via Eastlight Community Housing).

## **11. Financial Implications**

- 11.1 These are detailed in the report.

## **12. Legal Implications**

- 12.1 None at this stage but legal implications will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.

## **13. Other Implications and Risks**

- 13.1 Assessment of customer impact, where appropriate, will be included in the savings proposals reported to Cabinet in the Finance report on 7<sup>th</sup> February 2022.
- 13.2 The proposals include further allocations from the Climate Change reserve to progress projects and investment in climate change and other related activities, e.g. cycling strategy.
- 13.3 There are risks that assumptions made may 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.
- 13.4 Once the detail and implications of the provisional financial settlement has been assessed, the assumptions used for the Financial Profile may require updating.
- 13.5 Proposed financing of the capital programme is dependent on income being received from planned sales of a number of assets. Increased borrowing costs could be incurred if the receipts are not received.

## **14. Equality and Diversity Implications**

- 14.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when the Council makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not



(c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

- 14.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 14.3 It is considered that none of the people with protected characteristics, under the Equalities Act, will be disproportionately impacted by the proposal to continue with the current Local Council Tax Support scheme for 2022/23. The Council will consider retaining the Exceptional Hardship Fund, for council taxpayers experiencing financial hardship, at the meeting on 21<sup>st</sup> February 2022.
- 14.4 Equalities and/or diversity implications will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.

## **15. List of Appendices**

Appendix A – General Fund Profile 2021/22 to 2025/26

Appendix B – Capital Bids for 2022/23 and anticipated requirements for 2023/45 to 2025/26

## **16. Background Papers**

The Department for Levelling-up and Housing and Communities issued an invitation to local authorities in England to indicate their preferred pooling arrangements for the forthcoming financial year, 2022/23, by email on 13<sup>th</sup> September 2021.

## Appendix A – General Fund Revenue Profile 2021/22 to 2025/26

	2021/22 £	2022/23 Proposal £	2023/24 Planning £	2024/25 Planning £	2025/26 Planning
<b>Base Budget brought forward from previous year</b>	<b>14,927,440</b>	<b>15,879,340</b>	<b>15,852,204</b>	<b>16,061,564</b>	<b>16,486,876</b>
<b><u>Inflation:</u></b>					
Pay - 2% annual award plus incremental progression	523,980	350,390	480,800	459,960	443,920
Other Expenditure Inflation	102,480	179,160	136,550	149,710	150,890
Pension Fund inflation (Unfunded Added Years)	8,890	12,130	12,290	12,510	12,750
Health & Social Care Levy (+1.25% on NIC)		123,170			
<b><u>Pension Fund Deficit - Triennial payment adjustment</u></b>					
Annual deficit payment restatement to Base Budget			133,810		
<b><u>Treasury Management</u></b>					
Reduction/ -increase in dividends & interest	350,000	-100,000	-120,000	-30,000	
<b><u>New Demands:</u></b>					
Reduced Income/Increased costs previously profiled	173,190	205,000	96,000	4,000	
Changes in demands previously profiled		-200,000	-90,000		
New Budget Pressures - already agreed		25,350			
New Unavoidable Budget Demands		294,350	25,000	25,000	25,000
New Priority Growth		265,140		8,900	
<b><u>Reductions:</u></b>					
Savings/Additional Income agreed previously profiled	-206,640	-40,350	-5,000	-52,500	
Changes to savings previously profiled		-5,000	5,000		
New Member Savings		-37,220	-2,250	0	0
New Management Savings (including additional income)		-485,790	-28,420	-35,600	0
Homelessness Prevention Grant (Net Credit)		-141,000			0
<b>Ongoing Additional Savings Required</b>	<b>0</b>	<b>-472,466</b>	<b>-434,420</b>	<b>-116,668</b>	<b>-194,994</b>
<b>Updated Base Budget</b>	<b>15,879,340</b>	<b>15,852,204</b>	<b>16,061,564</b>	<b>16,486,876</b>	<b>16,924,442</b>
<b><u>One-off or Short-Term Demands</u></b>					
Councillor Community Grant Scheme (current scheme)	75,000	49,000			
Other One-off items	289,370	356,370	121,350		
Covid provision set aside	1,000,000				
New Budget Pressures - met from reserves		325,000	75,000		
Net underspend in current year	-383,000				
<b>Budget including one-off adjustments</b>	<b>16,860,710</b>	<b>16,582,574</b>	<b>16,257,914</b>	<b>16,486,876</b>	<b>16,924,442</b>
Addition to/(Withdrawal) from Balances - Base budget	-320,165				
Change in use of Balances due to projected in-year variance	383,000				
Contribution from Balances for one-off New Investment	-1,139,000	-358,370	-121,350		
Contributions (from)/to Business Rates Equalisation Reserve	-7,368,666	tbc			
Contributions (from)/to Other Reserves	-351,811	-47,000			
New Contributions (from)/to Balances/ Reserves (one-offs)		-225,000	-75,000		
New Contributions (from)/to Balances/ Reserves (temp. funding)		-111,000			
<b>Budget Requirement</b>	<b>8,064,068</b>	<b>15,841,204</b>	<b>16,061,564</b>	<b>16,486,876</b>	<b>16,924,442</b>
Government Grant - Revenue Support Grant					
Retained Business Rates - Baseline amount	-3,486,929	-3,556,668	-3,627,801	-3,700,357	-3,774,000
- Growth above baseline	-1,492,095	-1,642,095	-1,674,937	-1,708,436	-1,742,605
Transition and Rural Services grants and returned funding	-23,217	-23,217	-23,217	-23,217	-23,217
Lower Tier Services Grant (assumed one-off)	-148,498				
Local Council Tax Support Grant (trf. to reserve)	-189,919				
Collection Fund Balance - Business Rates (-Surplus)/Deficit	7,368,666	tbc			
Collection Fund Balance - Council Tax (-Surplus)/Deficit	-170,882	-197,728			
<b>BDC Requirement from Council Taxpayers</b>	<b>9,921,194</b>	<b>10,421,496</b>	<b>10,735,609</b>	<b>11,054,866</b>	<b>11,384,620</b>
Tax base	53,721	54,957	55,507	56,062	56,623
Council Tax (Band D)	£184.68	£189.63	£193.41	£197.19	£201.06
Council Tax per week	£3.55	£3.65	£3.72	£3.79	£3.87
<b>Percentage Increase</b>	<b>0.00%</b>	<b>2.68%</b>	<b>1.99%</b>	<b>1.95%</b>	<b>1.96%</b>
Increase per week	£0.00	£0.10	£0.07	£0.07	£0.08

## Appendix B – Capital Bids 2022/23 and anticipated requirements for 2023/24 to 2024/25

Portfolio	Project Title	Capital Cost (gross of external funding)				External Funding (tbc)/
		2022/23	2023/24	2024/25	2025/26	
Capital Bids 2022/23 and Provisional Future Requirements						
Communities	Minibus Purchase		40,000			
Environment	Air Quality Monitoring Equipment	30,000				(30,000)
Environment	Licensing Module	15,000				
Environment	Corporate Customer Relationship Management and In-Cab Technology	150,000				
Environment	Workshop Improvements	40,000				
Finance and Corporate Transformation	SQL Upgrade	40,000				(40,000)
Finance and Corporate Transformation	Unified Communications Infrastructure Upgrade	79,000				(79,000)
Finance and Corporate Transformation	Causeway House Server Room Gas Suppression upgrade	19,000				
Finance and Corporate Transformation	CCTV Server Upgrade	31,000				(31,000)
Finance and Corporate Transformation	Causeway House Servers & Infrastructure Upgrade	359,000				
Finance and Corporate Transformation	Network Infrastructure Upgrade	35,000				
Finance and Corporate Transformation	Arcserve backup system renewal		250,000			
Finance and Corporate Transformation	Technology Replacement	40,000	40,000	40,000	40,000	
Health and Wellbeing	Braintree Sport & Health Club - Sports floor replacements.		90,000			(22,500)
Health and Wellbeing	Halstead Leisure Centre - Changing rooms refurbishment.	55,000				(27,500)
Health and Wellbeing	Braintree Sport & Health Club - Athletics Track LED Floodlights		40,000			
Health and Wellbeing	Halstead Leisure Centre - Sports Hall External Cladding			80,000		(40,000)
Health and Wellbeing	Play Area Refurbishments	150,000				
Housing, Assets, and Skills	Planned Maintenance of Council Properties	456,900	589,010	553,340	439,820	
Housing, Assets, and Skills	Housing Renovation Grants	-	-	40,000	40,000	
Total		1,499,900	1,049,010	713,340	519,820	(270,000)

External funding column includes proposed allocation of earmarked reserves towards project funding