

# Cabinet



The Cabinet will meet in the Council Chamber, Causeway House, Braintree, CM7 9HB on Monday, 30th November 2015 at 7.15pm

## Membership

### Portfolio

Leader of the Council	Councillor G Butland (Chairman)
Environment and Place	Councillor Mrs W Schmitt (Deputy Leader of the Council)
	Councillor R Mitchell
Planning and Housing	Councillor Lady Newton
	Councillor Mrs L Bowers-Flint
Economic Development	Councillor T Cunningham
Health and Communities	Councillor Mrs J Beavis
	Councillor P Tattersley
Finance and Performance	Councillor D Bebb
Corporate Services and Asset Management	Councillor J McKee

## Invitees

Other invitees:- Representatives of the Labour Group, Halstead Residents Association Group and Green Party and Chairman of the Overview and Scrutiny Committee.

For enquiries on this agenda please contact:  
Governance and Members Team – 01376 552525  
e.mail: [demse@braintree.gov.uk](mailto:demse@braintree.gov.uk)  
This agenda is available on  
[www.braintree.gov.uk/Braintree/councildemocracy](http://www.braintree.gov.uk/Braintree/councildemocracy)

Nicola Beach  
Chief Executive

## **PUBLIC INFORMATION**

### **Question Time**

Immediately after Declarations of Interests, there will be a period of up to 30 minutes when members of the public can speak about Council business or other matters of local concern. Whilst members of the public can remain to observe the whole of the public part of the meeting, Councillors with a Disclosable Pecuniary Interest or other Pecuniary Interest must withdraw whilst the item of business in question is being considered.

Members of the public wishing to speak should contact the Governance and Members Team on 01376 552525 or email [demse@braintree.gov.uk](mailto:demse@braintree.gov.uk) at least 2 working days prior to the meeting.

### **Health and Safety**

Any persons attending meetings are requested to familiarise themselves with the nearest available fire exit, indicated by the fire evacuation signs. In the event of a continuous alarm sounding, you must evacuate the building immediately and follow all instructions provided by the fire evacuation officer who will identify him/herself. You will be assisted to the nearest designated assembly point until it is safe to return to the building

### **Mobile Phones**

Please ensure that your mobile phone is switched to silent or is switched off during the meeting.

### **Webcast and Audio Recording**

Please note that this meeting will be webcast and audio recorded.

## **INFORMATION FOR MEMBERS**

### **Declarations of Disclosable Pecuniary Interest, Other Pecuniary Interest or Non-Pecuniary Interest:-**

- To declare the existence and nature of any Disclosable Pecuniary Interest, other Pecuniary Interest or Non-Pecuniary Interest relating to items on the agenda having regard to paragraphs 6 to 10 [inclusive] of the Code of Conduct for Members and having taken appropriate advice where necessary before the meeting.
- Any member with a Disclosable Pecuniary Interest or other Pecuniary Interest to indicate in accordance with paragraphs 10.1(a)(i)&(ii) and 10.2(a)&(b) of the Code of Conduct. Such Member must not participate in any discussion of the matter in which they have declared a Disclosable Pecuniary Interest or other Pecuniary Interest or participate in any vote, or further vote, taken on the matter at the meeting. In addition, the Member must withdraw from the chamber where the meeting considering the business is being held unless the Member has received a dispensation from the Monitoring Officer.

# AGENDA

No	Title and Purpose of Report	Pages
1	<b>Apologies for Absence</b>	
2	<b>Declarations of Interest</b> To declare the existence and nature of any Disclosable Pecuniary Interest, other Pecuniary Interest or Non-Pecuniary Interest relating to items on the agenda having regard to the Code of Conduct for Members and having taken appropriate advice where necessary before the meeting.	
3	<b>Public Question Time</b> (See paragraph above)	
4	<b>Minutes of the Previous Meeting</b> To approve as a correct record the minutes of the meeting of Cabinet held on 28th September 2015 (copy previously circulated).	
5	<b>OVERALL CORPORATE STRATEGY AND DIRECTION</b>	
5a	<b>Leader's Update</b> The Leader of the Council to provide a brief update on key issues and activities.	
5b	<b>Update on Greater Essex Devolution</b>	5 - 13
6	<b>FINANCE AND PERFORMANCE</b>	
6a	<b>Second Quarter Performance Management Report 2015-16</b>	14 - 43
6b	<b>Medium-Term Financial Strategy 2016-17 to 2019-20 Update</b>	44 - 73
7	<b>ECONOMIC DEVELOPMENT</b>	

**7a Braintree Town Centre Regeneration Scheme Development and Financial Proposals 74 - 81**

**8 REFERENCES FROM COUNCIL/COMMITTEES/GROUPS**

**9 REPORTS/ DELEGATED DECISIONS/MINUTES TO BE NOTED**

**9a Developing Democracy Group - 6th October 2015 82 - 87**

**Local Plan Sub-Committee - 11th November 2015**  
(Copy to follow).

**9b Cabinet Member Decisions made under Delegated Powers 88 - 90**

**10 URGENT BUSINESS AUTHORISED BY THE CHAIRMAN**

**11 EXCLUSION OF PUBLIC AND PRESS TO CONSIDER REPORTS  
IN PRIVATE SESSION**

for reasons set out in Paragraph 3 of Part 1 of Schedule 12(A)  
of the Local Government Act 1972.

## **AGENDA – PRIVATE SESSION**

<b>No</b>	<b>Title and Purpose of Report</b>	<b>Pages</b>
<b>12</b>	<b>Braintree Town Centre Regeneration Scheme Development and Financial Proposals - Private Session</b>	

<b>Update on Greater Essex Devolution</b>		<b>Agenda No: 5b</b>
<b>Portfolio</b> Overall Corporate Strategy and Direction		
<b>Corporate Priority:</b>		<b>Boost employment skills and support business, Securing appropriate infrastructure and housing growth Providing value for money, Improving our services through innovation</b>
<b>Report presented by:</b>		<b>Councillor Graham Butland, Leader of the Council</b>
<b>Report prepared by:</b>		Nicola Beach, Chief Executive
<b>Background Papers:</b> 28 <sup>th</sup> September 2015 and 30 <sup>th</sup> March 2015 Cabinet reports on devolution		<b>Public Report</b>
		<b>Key Decision: No</b>
<b>Executive Summary:</b>		
<p>This report updates Members on the Greater Essex devolution programme since the last report to Cabinet on 28<sup>th</sup> September 2015. At that meeting it was reported to Members that a high-level submission was made to Government on the 4<sup>th</sup> September 2015 to confirm the Greater Essex Partnership's continued interest in a devolution deal. The letter was signed by all fifteen Leaders across Greater Essex. This submission received good feedback from civil servants and in addition, a positive response from the Secretary of State for Communities and Local Government; a copy of this letter is included in Appendix A.</p>		
<u>Current Timeline</u>		
<p>This next phase of work and negotiation with Government commenced in September, with further dialogue with civil servants. We anticipate greater detailed engagement in December and into the new year based on the key work streams. We are working with lead civil servants to agree a timetable for the negotiations and the current timeline we are working to is set out below:</p>		
<p>4 September – Statement of intent sent to Government  7 October – Further detailed submission to Government  17 November – Engagement with Education and Skills Board  24 November – Engagement with Greater Essex Business Board  3 December – Leaders Meeting  11 December - Engagement with SELEP  11 December – Further submission to Government  January – Final draft proposals</p>		

## Work streams

The key work streams are being led by lead Leaders (as set out below) working closely with lead Chief Executives or senior officers, often from other authorities and with a good mix in the groups to ensure reasonable geographical representation from across Greater Essex. External partners are also involved in the different work streams as appropriate; for example the Essex Skills Board, businesses and colleges are closely involved in the employability and skills work programme to develop new ideas and offers and asks of Government.

**Fiscal:** Cllr Louise McKinlay (Brentwood) supported by Cllr David Finch (Essex)

**Economic Growth, Infrastructure and Connectivity:** Cllr Phil Turner (Basildon) supported by Cllr Paul Smith (Colchester)

**New Homes and Communities:** Cllr Graham Butland (Braintree) supported by Cllr Colin Riley (Castle Point)

**Employability and Skills:** Cllr Ron Woodley (Southend) supported by Cllr Miriam Lewis (Maldon)

**Governance:** Cllr Neil Stock (Tendring) supported by Cllr Jon Clempner (Harlow) and Cllr Terry Cutmore (Rochford).

**Communication:** Cllr Kevin Bentley (Essex) supported by Cllr Colin Riley (Castle Point).

## Engagement with Business and Other Partners

We are also increasing our engagement work. The Greater Essex Partnership has produced its first newsletter; a copy is included in Appendix B of this report. The newsletter sets out what the devolution story is and how we are making the case for it, focusing on the key themes, but also our key messages around greater local accountability. The newsletter has been produced to provide transparency, to get our messages out, but also to dispel some of the myths around bureaucracy and sovereignty. It is written assuming that people do not have the knowledge about devolution and offers us a chance to bring everyone on the journey with us, providing an opportunity to keep promoting why we are working together on our devolution bid.

This newsletter will be shared widely with all Members, all staff, MPs, parish and town councils, local businesses, colleges and other partners such as the police, housing organisations and health etc. A Greater Essex Devolution website is also being launched. Details will be circulated.

We are also increasing our engagement with the South East Local Enterprise Partnership (SELEP) and other business forums, including the Essex Chambers of Commerce and Essex Skills Board. It is important that we work with businesses across the area to help shape the deal and seek their support in any further submissions to Government. We will also ensure that local business groups in the district are engaged.

Cabinet are asked to note the progress of the devolution programme and the emerging shape of the devolution deal (as summarised in the newsletter in Appendix B) for further negotiation and development. Members will be kept updated on progress and further

reports will be taken to Cabinet as required, including the details of any shadow governance arrangements as they emerge.

Any final devolution deal with Government, including proposed new governance arrangements (such as the formation of a combined authority) will need to be considered by Cabinet and then recommendations made to Council. It is envisaged this will be around Spring 2016.

**Decision**

Cabinet are asked to note the progress of the devolution programme to date.

**Purpose of Decision:**

For Cabinet to be updated on the work to develop a devolution deal for Greater Essex.

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

<b>Financial:</b>	<p>Braintree District Council (along with other partner authorities) has already contributed £15,000 to this programme.</p> <p>Braintree District Council continues to act as banker for this partnership funding as the Chief Executive of the Council is the lead chief executive officer in this project.</p>
<b>Legal:</b>	A Combined Authority is a legal entity which can be formed under the Local Democracy, Economic Development and Construction Act 2009.
<b>Safeguarding</b>	None at this stage.
<b>Equalities/Diversity</b>	None at this stage.
<b>Customer Impact:</b>	None at this stage.
<b>Environment and Climate Change:</b>	None at this stage.
<b>Consultation/Community Engagement:</b>	Consultation is part of the governance review that has to be carried out as part of the process to formally establish a Combined Authority, but the partnership has not reached this stage yet.

	<p>An engagement plan has been developed and is being implemented. To date, there has been engagement of other partners including police, police and crime commissioner, Essex Fire and Rescue Service, Community Rehabilitation Company (probation), and health sector. Members of Parliament have also been contacted.</p> <p>Engagement with business forums and SELEP has been increased to help shape the emerging deal.</p> <p>A newsletter has been published and shared with Members, staff and partners as set out above. A website for the devolution programme is also being launched.</p> <p>A Member briefing session was held on the 17<sup>th</sup> September by the Leader and Chief Executive.</p>
<b>Risks:</b>	<p>The partnership starts to fragment (i.e. not all authorities agree to continue participation) and so does not deliver the scale or ambition sought by Government for a viable devolution deal.</p> <p>The devolution deal negotiated with Government does not result in the benefits envisaged by Greater Essex local authorities and so is not pursued.</p> <p>The governance ask of local authorities by Government is deemed undeliverable by the partnership.</p> <p>Financial and reputation risk transfers from Government to local government –a risk register will be developed to assess more detailed risks as the deal and governance proposals are developed.</p>
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## Appendix A – Copy of letter received from Secretary of State for Communities and Local Government



Department for  
Communities and  
Local Government

Nicola Beach  
Via email: [Nicola.beach@braintree.gov.uk](mailto:Nicola.beach@braintree.gov.uk)

The Rt Hon Greg Clark MP  
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*Department for Communities and Local  
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[www.gov.uk/dclg](http://www.gov.uk/dclg)

30 September 2015


Dear Nicola; John; Phil; Graham; Louise; Colin; Roy; Paul; Chris; David; John; Miriam; Terry; Ron; Neil and Howard,

Cc: David Godfrey and Louise Morgan

I would like to thank you for the Greater Essex devolution proposal you submitted, and for the evident time and effort taken to complete it by local partners in your area. We look forward to working with you to ensure that your proposal will maximise economic growth as well as introduce appropriate accountability and governance models to reflect these new responsibilities.

I am keen to maintain momentum and will therefore ensure that my officials continue to work with you on your proposal. I would like to take the opportunity for myself or a member of my ministerial team to meet with you to discuss aspects of your proposal with a view to reach a timely agreement with the Government.

We would like to meet with a team of representatives from your area, and would specifically request that a representative of the relevant LEP is able to participate. Your Cities & Local Growth Relationship Manager Iain McNab ([iain.mcnab@bis.gsi.gov.uk](mailto:iain.mcnab@bis.gsi.gov.uk)) will be liaising with you to facilitate this process.

*with best wishes*  


THE RT HON GREG CLARK MP

# Greater Essex

## Devolution update



**Welcome to this first newsletter outlining the latest on Greater Essex devolution. We will be providing further updates over the coming week as work on our bid progresses.**

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### **The story so far...**

Britain has become one of the most centralised countries in the world. For too long the major decisions which impact the people and businesses of Greater Essex have been taken by Whitehall departments, which aren't accountable to local people and don't understand our needs and aspirations.

Recognising the importance of locally made decisions, the Government has invited areas to put forward their ideas and proposals on how locally devolved powers could benefit residents.

This led in September to all 15 Council Leaders in Greater Essex signing a letter expressing interest in the principle of devolution and agreeing to work together to explore how we could use new devolved powers to benefit our residents, with the aim of signing an agreement with Government in the New Year.

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### **Making the case for devolution**

Essex is a large and diverse county, but we share a collective ambition to improve the lives of our residents and create the best conditions for business growth. Shifting powers away from Government to a more local level would enable this to happen, as collectively we would have more influence on the issues affecting us.

As a result we believe we can double the size of the Essex economy over the next decade and, in doing so, create the fastest economic growth outside of London - becoming an Essex 'Powerhouse'. But most importantly, devolution offers the opportunity for local people to have more influence on the issues that affect them, their families and their communities.

## What's in it for me?

There is no blueprint for devolution, and different regions across the country are considering differing areas they would like to see devolved.

In Greater Essex, we have identified housing, skills and training, and infrastructure as the key themes which will underpin our ambition. To develop these areas, work streams have been set up, each led by a separate Council leader, and an update on these can be seen below. Whilst we believe this could be a great opportunity, we won't sign a deal unless it is in the best interests of our residents and, of course, any proposal will have to be agreed by each individual council.

We are all also concerned to ensure that this doesn't reduce the sovereignty of individual councils or create any additional unnecessary bureaucracy. There is a lot to do before we have a deal that we are happy with. So far we have been meeting as Leaders to develop some initial ideas, now we want to open up that conversation to a wider group of people and interests, so that the Greater Essex devolution proposals are the best they can be.

This newsletter is the beginning of that process, so please get in touch with your ideas and comments, either directly with your local leader, with me, or with the key officers supporting their devolution programme, Nicola Beach, Chair of the Essex Chief Executives Association, [Nicola.Beach@braintree.gov.uk](mailto:Nicola.Beach@braintree.gov.uk) and Mark Carroll, Greater Essex Devolution Programme Director, [Mark.Carroll@essex.gov.uk](mailto:Mark.Carroll@essex.gov.uk)

**Cllr Howard Rolfe, Chief Executive of Uttlesford District Council and Chairman of the Essex Leaders Group.**

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## Timeline

4 September – Statement of intent sent to Government  
7 October – Further detailed submission to Government  
17 November – Engagement with Education and Skills Board  
24 November – Engagement with Greater Essex Business Board  
3 December – Leaders Meeting  
11 December - Engagement with SELEP  
11 December – Further submission to Government  
January – Final draft proposals

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## Engaging with partners

It is vital that key local partners are involved in the development of our proposals, and we are working with a range of public and private sector groups to ensure they are part of the process.

MPs, police and crime commissioner, police, fire and rescue service and health partners are all being engaged, and we are working with business organisations such as the Essex Skills Board, Essex Chamber of Commerce, Greater Essex Business Board, South Essex Growth Partnership and South East Local Enterprise Partnership (SELEP) to ensure they have opportunity to shape the bid.

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## The Workstreams

Following the letter to Government, work is taking place to drive forward our case for devolution. To support this, six work streams have been created with separate leaders working on each.

**Fiscal:** Cllr Louise McKinlay (Brentwood) supported by Cllr David Finch (Essex)

**Economic Growth, Infrastructure and Connectivity:** Cllr Phil Turner (Basildon) supported by Cllr Paul Smith (Colchester)

**New Homes and Communities:** Cllr Graham Butland (Braintree) supported by Cllr Colin Riley (Castle Point)

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**Communication:** Cllr Kevin Bentley (Essex) supported by Cllr Colin Riley (Castle Point).

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## Workstreams Overview

**Fiscal:** Critical to our ambition is a package of devolved fiscal freedoms and responsibilities from Government.

If through our investment and hard work we can generate additional revenue for Government, we believe that we should be able to retain a greater proportion of that additional income and use it to invest in services and infrastructure that will benefit the people of Greater Essex.

Recent announcements of the plans to allow local authorities to retain 100% of all business rates revenue are an important step, but more clarity is needed on the formula that underpins this.

Moving forward we want to see further freedom to reform Council Tax, covering means tested single-person discount, removing the requirement for referendums and putting council tax on an equal footing with other UK taxes.

We also want the ability to pool and manage funding across longer budget cycles so allowing for strategic infrastructure investment.

**Economic Growth, Infrastructure and Connectivity:** Within this work stream the focus is on four key areas: Major Infrastructure, Growth Hubs, World Class Transport and Smart Greater Essex. Strategic infrastructure projects and developing our growth hubs will create increased productivity and enable new inward investment, supporting our aim of becoming the fastest growing economy outside London.

This will be underpinned by gaining powers to improve our transport system, delivering regional solutions for our major road and rail arteries, and providing broadband and digital infrastructure for our new communities and developments.

**New Homes and Communities:** Our ambition is to create greater certainty in the delivery of housing to meet identified need, increasing the historic yearly rate of house building. Currently in Greater Essex the average house price is eight times the average salary.

Through devolution we are looking to create a single public sector land commission; so that we can make better use of surplus and under-used public sector land and buildings. We are also looking at the potential to maximise the opportunities for larger housing developments, where appropriate, to be supported with the necessary infrastructure.

**Employability and Skills:** We want to change the system to give businesses access to a suitably

skilled workforce with a supply of technically skilled workers. This means having the right interventions and support to get the needed talent and skills over the short, medium and long term.

Central to delivering the ambition and a reformed system will be an innovative new Joint Venture Partnership vehicle (JVP) between business, local authorities and central Government. The JVP will oversee strategic programmes focused on three major themes, the provider marketplace, workplace skills and productivity and the economically inactive.

**Governance:** We cannot pretend it will be easy to develop a structure and a prioritisation of resources that always satisfies the different demands of all partners, so good governance will be key to the success of the Greater Essex devolution bid.

We will be working on a "presumption in favour of devolution" - that is to say we will expect Whitehall to agree to devolve all powers that we seek unless they can demonstrate why they shouldn't. Likewise, that same principle of subsidiarity will ensure that decisions, powers and funding are taken at the most local level appropriate at all times, recognising the strength of the different geographical and economic areas that make up Greater Essex.

A shadow 'Combined Authority' would be established with a representative from each of the 15 authorities. This would not replace existing council, but simply becomes the body responsible for overseeing the new powers and responsibilities.

To find out more about Combined Authorities visit [www.local.gov.uk/devolution](http://www.local.gov.uk/devolution)







county and recycling rates are continuing to reduce. Action is being taken to increase recycling rates by introducing recycling to flats and schools across the district.

The number of passenger journeys on the community transport scheme has not met target in the second quarter. There has been a reduction in all journey types for varying reasons which are being looked into to ensure additional promotion of the scheme can target identified areas to increase the number of people using the scheme.

The number of empty homes returned to use has not met target as the figures reflect the number of properties within the Braintree District. However, the work of the empty homes officer includes returning empty homes to use work outside of the district and a further three empty properties have been returned to use (outside of the district) in the second quarter achieving the target of 17.

As stated earlier in the report, the number of new business start-ups in the district created in partnership with Ignite has been affected by resource issues which have restricted the delivery and support available.

Progress in the second quarter of the year has been steady with eight projects now complete and the majority of the remaining projects on track and progressing well.

Performance has slightly improved in the second quarter and although not all performance indicators have met target, they are closely monitored. Performance is expected to improve over the year as we strive to deliver our corporate objectives whilst focusing our resources to maximise the benefit to the community and businesses in the months ahead.

### **Financial Performance**

This part of the report provides an updated review of the financial position for the year. It includes the latest forecast spending on day-to-day service provision compared to the budget for the year. Also included is a summary of treasury management activities; projected movements on the General Fund balance; and a summary of spending to date on capital investment projects.

#### **Summary:**

- An overall positive variance is forecast for the year of £738,000 (-5%) against the budget of £15.624 million.
- Income is projected to be overachieved by £781,000, offsetting a predicted net shortfall of £43,000 on staffing and other expenditure.
- The overall projected variance has improved from that reported at the first quarter (Q1) by £629,000 mainly due to an increase in predicted income from Development Control fees and the council tax sharing agreement with major preceptors; along with an overall improvement towards achieving the in-year corporate efficiency target.

For a detailed explanation of the financial performance, please refer to page 17 onwards of the full report.

**Decision:**

To note and endorse the report.

**Purpose of Decision:**

To inform the Cabinet of the performance of the Council.

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

<b>Financial:</b>	An assessment of the Council's financial position against the agreed budget for the year is provided and is based on income and expenditure during the year.
<b>Legal:</b>	There are no legal issues raised by this report.
<b>Safeguarding</b>	There are no safeguarding issues raised by this report.
<b>Equalities/Diversity</b>	Equalities and diversity issues are considered fully in the Council's key projects, where appropriate.
<b>Customer Impact:</b>	Performance of front line services, including Customer Services, Housing Benefits and Planning, for the quarter is provided. A summary of complaints received in the quarter, analysed by outcome (justified, partially justified or not justified) is provided.
<b>Environment and Climate Change:</b>	The report provides details of progress in the delivery of the Council's key projects, including: installation of solar panels at the sports centres, anti-litter campaigns, expansion of our recycling service and campaigns encouraging recycling.
<b>Consultation/Community Engagement:</b>	Consultation is considered fully in the Council's key projects, as appropriate.
<b>Risks:</b>	Risks regarding the assumptions used in determining the predicted financial outturn for the year are identified.
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<b>Ext. No.</b>	2442
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**SECOND QUARTER  
PERFORMANCE  
MANAGEMENT  
REPORT**  
1ST JULY TO 30TH  
SEPTEMBER 2015



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## Section 1: Introduction and Summary






### Purpose of the Report

The purpose of the report is to demonstrate the performance of the Council at the end of the second quarter in relation to the publication of 'Our plans for the District 2015/16'. This sets out the key activities and measures used to check our performance for the year and along with the Corporate Strategy 2012-16 sets out the priorities we are working towards. Further detail is given in relation to a set of business performance indicators covering finances, customer focus, our people and health and safety.






This report does not contain details of the numerous activities ongoing in each service area that also contribute to delivering what is important and will make a difference to all in the District. Full details of all projects and local and national indicators used to measure the outcomes are available upon request.

### Summary of the Corporate Projects current position for the end of the second quarter

The following table provides updates for the end of the second quarter in relation to the key activities in 'Our plans for the District 2015/16'




Corporate Priorities	Status of projects and actions				
					
Place	1	7	0	0	1
People	4	5	0	0	0
Prosperity	2	5	1	0	0
Performance	0	4	0	0	0
Partnership	0	11	0	0	0
<b>TOTAL</b>	<b>7</b>	<b>32</b>	<b>1</b>	<b>0</b>	<b>1</b>

#### KEY:




-  Project completed
-  Project on target
-  Project scope/target date requires attention
-  Project requires amendment
-  Project aborted/closed

### **Summary of the Performance Indicators position for the end of the second quarter**

The following table shows the performance for the end of the second quarter in relation to the quarterly and annually reported Performance Indicators that have targets set as defined in 'Our plans for the District 2015/16'.

Corporate Priorities	Status of indicators			
				Data Only
Place	2	1	0	0
People	2	0	1	0
Prosperity	1	0	2	0
Performance	4	3	0	0
<b>TOTAL</b>	<b>9</b>	<b>4</b>	<b>3</b>	<b>0</b>

KEY:

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

### **Summary Position**

Progress in the second quarter of the year has been steady with seven projects now complete and the majority of the remaining projects on track and progressing well.



Performance has slightly improved in the second quarter and although not all performance indicators have met target, they are closely monitored. Performance is expected to improve over the year as we strive to deliver our corporate objectives whilst focusing our resources to maximise the benefit to the community and businesses in the months ahead.



## Our Priorities

- Keep our district clean and tidy
- Protecting our environment
- Provide green space for everyone to enjoy





Project description and comments	Target Date	Status
<b>Continue a seven day cleaning programme in the town centres, including mechanical sweeping and targeted litter picking</b>		
Work is on-going in all town centres to maintain a high standard of cleanliness and reduce the levels of litter including the use of barrow beats to litter pick, street washing and mechanical sweeping.	March 2016	
<b>Maintain a programme of mechanical sweeping in rural areas on a quarterly basis</b>		
The new programme of mechanical sweeping commenced in July. This work is an integral part of the day to day work of the team to maintain a high standard of cleanliness and reduce the levels of litter	March 2016	
<b>Continue to support an anti-litter campaign across Essex</b>		
A new anti-litter campaign was launched in August with over 300 businesses involved across Essex. The campaign will run for 6 weeks.	March 2016	
<b>As part of the Essex waste partnership, participate in campaigns that aim to reduce waste and boost recycling</b>		
The Essex Waste Partnership has put together a strategic development plan which suggests key areas of work to minimise waste, increase recycling and efficiency.	March 2016	
<b>Expand our recycling waste service in flats to an additional 50 sites</b>		
This project has been boosted by funding from the DCLG Recycling Reward Scheme and we are now aiming to expand our recycling waste service to round 300 sites. 96% of these sites have been surveyed.	March 2016	
<b>Expand our trade waste recycling service to businesses in rural areas</b>		
This project will commence in October 2015 as some rural waste collection routes are being changed. Once monitoring of the new routes has been completed work will commence on expanding our trade waste service.	March 2016	Not Yet Started
<b>Install additional solar panels in Witham Leisure Centre and new solar panels on the Discovery Centre and George Yard car park, and replace the wind turbine at the Discovery Centre to improve the energy efficiency of Council assets.</b>		
Due to a change in Government policy, a favourable feed in tariff will not be achieved and it is therefore no longer economically viable to install additional solar panels at Witham Leisure Centre and at George Yard car park.	March 2016	
Following the Government's decision to review the feed in tariff, the installation of the solar panels at Unit 9 in Lakes Road and at the Discovery Centre has been fast tracked and installation will be completed in October. Options for replacement of the wind turbine will be presented to the project board next quarter.	March 2016	






<b>Working with Essex County Council Highways, install directional signage in Braintree and Witham to increase customer awareness and accessibility to car parks and leisure facilities</b>		
The outcomes from the signage audit carried out by Essex County Council will be presented to the Economic Development Working Group in October.	<b>September 2015</b>	
<b>Work with Essex County Council on developing a new Adventure Sky Line visitor attraction at Great Notley Country Park that will open this summer</b>		
The skyline visitor attraction opened to the public in July. The 9.5m high rope course and smaller junior course will give visitors the chance to get a unique bird's eye view of the park as they traverse various ropes, bridges and beams	<b>September 2015</b>	



### Our Priorities

- Support vulnerable people in our community
- Promote safe and healthy living
- Encourage flourishing communities

Project description and comments	Target Date	Status
<b>Reduce hip fractures amongst older residents by working with Housing Improvement Agency and other agencies to introduce a 'Handyman service' to help frail residents and other partners to build resilience to the community</b>		
The falls prevention group has identified the need to pull together the winter warmth campaign alongside the project to fund a handyman service and falls prevention service and the project has been extended accordingly. Vulnerable residents across the district are being identified from varying forms of data to distribute a newly designed 'tumbles' leaflet advising on falls prevention.	<b>November 2015</b>	
<b>Reduce obesity levels across the District by working with Health and Wellbeing panel partners to deliver local activities to enable residents to eat well and increase activity levels</b>		
A targeted takeaway healthy eating project was set up to help tackle obesity issues in the district. 50 takeaways have been visited and were invited to be part of a scheme to ensure positive action is taken to reduce excessive fat, salt and sugar consumption. Disappointingly, there has been a lack of take up by the businesses.	<b>September 2015</b>	
A '30 minutes a day' project in partnership with Active Braintree and Fusion has been set up to encourage residents to exercise for 30 minutes a day. All activities are promoted through the Livewell website.	<b>December 2015</b>	
An exercise referral scheme has been launched and promoted on the Livewell website in partnership with Provide, health professionals and Fusion. The scheme provides a 12 week program designed to guide and support individuals wishing to increase activity levels.	<b>June 2015</b>	

<b>Refurbish three play areas at: Rosebay Close, Witham, John Ray Park, Braintree and Tabor Field, Braintree</b>		
The public consultation period ended in August. The designs for the refurbishment of the play areas are currently being drawn up.	<b>February 2016</b>	
<b>Work with 'Active Braintree District' partner organisations to increase access to sports and activities so that the District becomes a place where all individuals and communities have the opportunity to take part in their chosen activity</b>		
A number of activities continue to be very successful with numbers of participants increasing. The Halstead walking football team are champions of Essex at a recent tournament. Taster sessions were attended by over 900 people in Witham and at Halstead Leisure Centre in the second quarter which targeted inactive people to try new sports.	<b>March 2016</b>	
<b>Deliver the second stage start of the Friends Life Women's Tour and follow up Festival to encourage cycling and other physical activities</b>		
A successful start to stage 2 of the race took place on the 18 <sup>th</sup> June. The tour started in Braintree Town Centre and passed through Halstead, Sible Hedingham, Castle Hedingham, Great Yeldham and the Belchamps before eventually finishing in Clacton. To celebrate the visit of the Aviva Women's Tour, a 'Pedal in the Park' family festival took place on the 20 <sup>th</sup> June to celebrate cycling, sport and activity.	<b>June 2015</b>	
<b>Deliver an improvement programme to preserve, interpret and promote the unique Archive, Museum and District's heritage for the public benefit through a sustainable partnership with Braintree Museum Trust Ltd</b>		
New directors have been recruited to the Museum Trust including the appointment of Councillor Jo Beavis to represent Braintree District Council. A successful Guitar concert, WWII exhibition and summer holiday activities have been held at the museum in the second quarter and visitors to the museum and Warner Textile Archive have exceeded targets. The Warner Textiles archive collection has been promoted at a recent event held at the Victoria and Albert Museum	<b>March 2016</b>	
<b>Supporting community groups to deliver local projects through the Mi Community fund</b>		
More than £160,000 has been awarded to twenty one local community projects in the fourth round of funding from Braintree District Council's Mi Community programme. Eighteen grants have been paid in full and the council remains in contact with the remaining three applicants regarding the progress of their grants not yet paid.	<b>March 2016</b>	



## Our Priorities

- Boost employment skills and support business
- Promote and improving our town centres
- Securing appropriate infrastructure and housing growth

Project description and comments	Target Date	Status
<b>Complete the Springwood Drive Enterprise Centre extension, improving business start-up and growth support for new businesses in the District</b>		
Construction of the Springwood Drive Enterprise Centre extension continues to make good progress.	February 2016	
<b>Deliver 75 new business start-ups in conjunction with IGNITE</b>		
Since April, IGNITE have delivered 32 new business start-up and 122 advice and training sessions which have assisted in creating 44 jobs. This is slightly under target for the year due to resource issues restricting the delivery and support available. Business numbers will be verified in the next quarter.	March 2016	
<b>Deliver two area business forums providing business support and helping to improve District Council services to businesses</b>		
Two area Business Forums are being planned in Braintree for October 2015 and Witham for February 2016 involving constituency MP's. Information regarding the event in October has been sent to business.	March 2016	
<b>Promote inward investment through a dedicated website and increased marketing activities</b>		
A dedicated webpage for businesses has been launched in June to provide more effective service delivery. A further version of the website will be launched later in the year suitable for use on a range of devices.	June 2015	
<b>Deliver an industrial estate improvement scheme supporting business growth across the District</b>		
The first phase of the scheme on the Witham Industrial Estates is complete. The programme of improvement works to Springwood Drive Industrial Estate in Braintree is underway with a view to consulting businesses on the estate in November 2015 and finalising the scheme design in December 2015. The survey works on Bluebridge Industrial Estate in Halstead will be completed in April 2016 with consultation and scheme designs being completed by the summer of 2016. The end date of the project has been amended to reflect the revised improvement programme to the industrial estates.	March 2016	
<b>Produce a draft District Local Plan providing sustainable housing and employment growth for the future</b>		
All sites put forward have been assessed and are now undergoing a sustainability appraisal.	September 2016	
<b>Invest £500,000 in a business loan scheme to help the District's businesses expand and grow to create new jobs and support enterprise in town and rural areas</b>		
The Business Growth Loan fund was launched in September with £500,000 made available to businesses across the district to support economic growth across the district.	September 2015	
<b>Work with Housing Associations to enable the delivery of 70 affordable homes as part of our four year target to build 400 affordable homes by March 2016</b>		
The affordable housing completions are on track to meet the expected 70 completions for this financial year.	March 2016	





## Our Priorities






- Provide value for money
- Deliver excellent customer service
- Improving our services through innovation

Project description and comments	Target Date	Status
<b>Work with our public sector partners to review the use of property assets across the District to ensure they are providing the best value for money for the taxpayer</b>		
As part of the Governments One Public Estate initiative, the council together with other public sector partners carried out a review of all public sector land and property within the Braintree district. With the assistance of the East of England Local Government Association (EELGA), 291 sites were inspected with a view to identifying underutilised assets, opportunities for sharing or disposing of assets and the potential for developing sites for additional housing. The Asset Management team are currently working with partners to identify delivery opportunities in relation to identified sites.	March 2016	
<b>Increase income from our services by identifying commercial opportunities that will generate revenue to support us in addressing the District's priorities</b>		
Projects to generate potential income are being developed together with a training programme to ensure staff have the range of skills required to successfully deliver the better at business programme.	March 2016	
<b>Continue to use a range of new technologies to improve the way that we deliver services and ensure that they are easier to access for our customers</b>		
Work continues on the redesign of our website to provide a responsive website improving access on a range of devices for our customers. The Council Tax department are exploring how they can provide customers with the option of viewing their council tax bills online.	March 2016	
<b>Continue to review our investments to ensure that they are generating the maximum income</b>		
The Council's funds available for investment are kept under review to identify whether further monies, that are not expected to be needed over the medium term (3 years +), could be added to the Council's investments in pooled funds. On the basis of the latest review the Cabinet at its meeting on 28th September agreed to recommend: an increase of £5million to the limit on long-term investments, to £15million, and for the maximum amount which can be placed in a pooled fund to be increased from £4million to £5million.	March 2016	










The majority of our services and improvements are provided in partnership with others, whether it is with community groups, voluntary organisations, public sector or private sector organisations.










Project description and comments	Target Date	Status
<p><b>Work in partnership with other Essex Authorities and other public sector organisations to develop a devolution proposal for greater Essex which will enhance local government in Greater Essex with the possible transfer from central Government of powers and funds to a Combined Authority</b></p>		
<p>A high level submission was made to Government on the 4<sup>th</sup> September 2015 to confirm the Greater Essex Partnership's continued interest in a devolution deal. The letter was signed by all fifteen Leaders across Greater Essex.</p>	<p>March 2015</p>	<p>▶</p>
<p><b>Continue to work in partnership with key partners such as local business leaders, Haven Gateway Partnership, Essex local Authorities and Stansted Airport to continue to drive forward economic growth and infrastructure improvements in the District and surrounding area. In particular try to ensure that the South East Local Enterprise Partnership is more responsive to the priorities of the District and surrounding areas</b></p>		
<p>Highways England and Essex County Council are leading that work which will include a study on options for dualling the A120 between Braintree and Marks Tey. Essex County Council has commissioned an options study into the possible route options for the A120.</p>	<p>March 2016</p>	<p>▶</p>
<p>The council is lobbying to improve the frequency and reliability of the Braintree/Witham rail link. All bidders have been written to confirming our aspirations for improvement which they need to take into account when submitting their franchise bids which are due in by December 2015.</p>	<p>March 2016</p>	<p>▶</p>
<p><b>Work with neighbouring Essex (and Suffolk) Districts, Essex County Council and other partners such as the Health and Education sectors on strategically planning for the significant housing and economic growth required in the District with the necessary supporting infrastructure to support the work on the new Local Plan.</b></p>		
<p>Discussions have taken place with Highways England and Essex County Councils Highways department regarding the need to provide the necessary infrastructure to support the Housing and Economic growth in the Local Plan</p>	<p>March 2016</p>	<p>▶</p>
<p><b>We will continue to work with health partners, including the mid-Essex Clinical Commissioning Group, and other organisations to create a Living safe and wellbeing partnership. This will support individuals and communities to act for themselves, helping to improve residents health and independence, thereby reducing the pressure on the local NHS system</b></p>		
<p>The council is piloting a Social Prescribing Model for the residents of the district. The model will connect people to non-medical sources of support including linking them up to activities in the community that they will benefit from to relieve the pressure on the local health and social care system. Partners have been identified to take part in a soft launch of the model in October.</p>	<p>September 2016</p>	<p>▶</p>
<p>An IT referral and sign posting portal for 'Mid Essex' is being developed to sign post residents and professionals to the local groups available to provide support. Organisations are signing up as members of the portal and training on the new database will commence in October.</p>	<p>September 2016</p>	<p>▶</p>

A damp, cold and mould campaign has commenced which aims to improve community health by securing better housing conditions. Advisory literature is being produced advising households on damp and mould.	<b>February 2016</b>	
<b>In partnership with the RCCE, continue to work with Parish and Town Councils to support their local priorities</b>		
The RCCE were appointed on the 1st April 2015 and they continue to work with Parishes and Town Councils on neighbourhood plans. They are currently working on four neighbourhood plans.	<b>March 2016</b>	
<b>Work with ECC and local schools and academies to improve the educational standard and attainment of young people in the District</b>		
Discussions underway with Essex County Council on the formation of an Education Improvement Board for the District.	<b>March 2016</b>	
<b>Participate in Business Rates pooling arrangement with nine Essex Authorities. This will increase the amount of business rates retained within Essex, of which the Council will receive a proportion to spend in the District</b>		
Business Rates pooling arrangement approved and established for 2015/16. The financial benefit will not be determined until after year end.	<b>March 2016</b>	
<b>Work with other local authorities in Essex to develop a business case for establishing a building control shared service across the Authority</b>		
Eight authorities have committed to moving to the next stage of the process following consideration of the business case. Two authorities have expressed an interest in being the host authority and their applications will be assessed in November by an evaluation panel.	<b>March 2016</b>	

## Section 3: Managing the Business

### Our Performance Indicators in Detail

Performance Indicator	2015/16						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
<b>Place</b>							
Percentage of land that falls below cleanliness standards for litter	n/a	6%			6%		Recorded 3 times a year – July, November and March
Percentage of household waste sent for reuse, recycling and composting	56.16%	55.10%			57.00%		The tonnage of green and dry waste recycling collected in July and August was down by 1,000 tonnes in comparison to the same quarter last year. This trend is reflected across the County, as levels of recycling continue to reduce
Percentage of fly tips cleared within 24 hours of being reported	100%	100%			100%		Represents 264 fly tips cleared within 24 hours of being reported.
Public Satisfaction with parks and open spaces	Annually reported indicator				88%	n/a	
<b>People</b>							
Total number of visits to our leisure facilities	246,800	251,181			249,962		
Number of visitors to our leisure facilities from under-represented groups	210,994	213,173			196,775		
Number of passenger journeys on the Community Transport Scheme	15,181	13,736			14,800		There has been a reduction in all journey types and various factors contributing to the reduction. The scheme will receive additional promotion to increase the number of people using the scheme.
Percentage of Mi Community projects successfully completed	Annually reported indicator				100%	n/a	
<b>Prosperity</b>							
Number of empty homes in the district returned to use	15	14			17		The figures provided represent the empty homes returned to use within the district. However, we actively assist in returning empty homes to use outside the district. To date, a total of 38 empty properties have been returned to use including the properties outside the district.

Performance Indicator	2015/16						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
Number of affordable homes delivered	18	0			0		There were no affordable homes delivered in the second quarter which is as expected. Completions will be taking place in the third and fourth quarters and is on track to meet the expected 70 completions for this financial year.
Number of new business start-ups in the district created in partnership with IGNITE Business	16	16			18		Resource issues have restricted the delivery and support available. Business numbers will be verified in the next quarter.
<b>Performance</b>							
Percentage of enquiries resolved at first point of contact within the Customer Service Centre	96.26%	96%			85%		
Time taken to process housing benefit/council tax benefit new claims	16.08 days	16.76 days			18 days		
Time taken to process housing benefit/council tax claim changes	4.78 days	4.88 days			6 days		
Percentage of minor planning applications processed within 8 weeks	71.60%	69.33%			72%		Represents 52 out of 75 applications determined within timescales. Resourcing remains an issue within the department and posts were filled in September. It is expected that performance will slowly improve
Percentage of stage 1 complaints responded to within target	89.40%	90.50%			90%		Represents 162 out of 179 stage 1 complaints dealt with in seven working days.
Cumulative collection rate for Council Tax	30.70%	59.24%			59.30%		Council tax amounting to £44.98million was collected in the first half of the year whilst this is £504k higher than last year the collection rate is marginally lower. It is anticipated that the target collection rate for the year will be achieved.
Cumulative collection rate for business rates	30.20%	58.22%			58.63%		The collection rate has improved since May as the new businesses commence payment. A total of £25.31million has been collected in the first half year, this compares to £24.35million for the same period last year. It is expected that the collection rate will improve as the year progresses and that the target will be achieved.

## Customer Services & Views

The following is a selection of our customer service performance measures:

Customer Service: Indicators of Performance	Q1	Q2	Q3	Q4	Target
	Average telephone response time in the Customer Service Centre	16 seconds	13 seconds		
Number of transactions carried out via the Council website	28,698	26,899			28,750
Number of unique visitors to the Council website	119,136	105,153			95,000
Percentage of avoidable contacts (collected half yearly)	n/a	9.63%	n/a		Data only

### **Comments**

Performance around answering times has improved throughout the second quarter and has exceeded target.

The number of transactions carried out via the website has missed target. There has been a drop in the number of customers reporting issues online and a drop in the number of choice based letting bids which cannot be attributed to any one thing. It is usual to see a drop in the number of transactions over the summer and this could be attributed to school holidays. Profiling of the targets is being looked into to take account of trends.

Avoidable contact is recorded across the organisation twice a year to help us understand why our customers currently access and use our services and to assist in reviewing how we deliver services. The most recent sample of recording avoidable contact took place in September and involved the Customer Service Centre, Environmental Health and Protection, Building Control, Licensing, Planning, Housing and the Revenues and Benefits teams.

### **Complaints**

The quarterly complaints analysis for the first quarter of 2015/16 is detailed below. This is compared with 2014/15 figures shown in brackets. The figures represent all three stages of the complaints process.

Complaint Category	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16	TOTAL
Justified	83 (36)	90 (39)	(32)	(189)	(296)
Not Justified	45 (48)	65 (105)	(44)	(81)	(278)
Partially Justified	17 (12)	30 (22)	(13)	(26)	(73)
Not known	0 (0)	1 (2)	(0)	(0)	(2)
<b>Total</b>	<b>145 (96)</b>	<b>186 (168)</b>	<b>(89)</b>	<b>(296)</b>	<b>(649)</b>

## Comments

The number of complaints received in the second quarter of 2015/16 is higher than the number of complaints received in the first quarter of 2015/16.

The majority of complaints received relate to missed waste collections due to a number of customers being affected by the re-routing of the district following the introduction of in-cab technology to all waste vehicles. Following monitoring of the changes in the last 6 months, adjustments are being made to collections on 'narrow access' routes which will improve service delivery in these areas. The changes to the service will take effect from October 2015.

In the second quarter of 2015/16, of the 186 complaints received:

- 179 are stage one complaints
- 5 are stage two complaints
- 2 are stage three complaints

## A summary of Local Government Ombudsman cases:

In the second quarter of 2015/16 the LGO has not received any complaints.

## Our Organisation

The following is a selection of our people performance measures:

People: Indicators of Performance	Q1 15/16	Q2 15/16	Q3 15/16	Q4 15/16	Change on previous period	Yearly Target
Total headcount	470	461			- 9	-
Total number of posts	480	473			- 7	-
Number of temporary staff	49	42			- 7	-
Total staff FTE	425.25	416.62			- 8.63	-
Level of employee turnover	2.6%	4.6%			+ 2%	-
Number of vacant posts	16	22			+ 6	-
Number of leavers	12	21			- 9	-
Number of starters	10	12			+ 2	-
Working days lost to sickness per employee	2.3 days	2.6 days			-0.3 days	8.0 days
Percentage of staff with nil sickness	74%	72%			- 2%	-
Number of learning hours	3997.5	7071			+ 3073.50	-
Number of delegates	125	196			+ 71	-
Number of apprentices	14	26			+ 12	-

Year on Year Headcount Analysis	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	541	503	485	466	478	472

## Health & Safety

The following is a selection of our health and safety performance measures. The data is for information purposes only.

Health and safety is a crucial responsibility of everyone within the organisation. This information is used to improve the management of health and safety of staff, our customers, residents and other non-employees we come into contact with. Monitoring is undertaken by the corporate health and safety committee and action plans will be put in place where necessary.

Health & Safety: Indicators of Performance	Q1	Q2	Q3	Q4	
	(2014/15 figure in brackets)				
Total number of reported accidents/ incidents, calculated from:	6 (11)	12 (6)	(9)	(14)	Whilst there were a number of reports, these were all minor in nature with all bar one resulting in no lost days.
<i>Accidents/ incidents to employees</i>	4 (9)	9 (5)	(5)	(13)	Mainly bruises as a result of trips or operatives hitting objects.
<i>Accidents/ incidents to contractors</i>	2 (2)	1 (1)	(3)	(1)	Agency employee working in Waste Management pulled their shoulder whilst manoeuvring a heavy bin.
<i>Accidents/ incidents to non-employees</i>	0 (0)	1 (0)	(1)	(0)	A member of the public tripped up the steps leading into the main entrance of the Town Hall and suffered minor bruising.
Time lost in days due to employee accidents/ incidents	3 (5)	76 (27)	(17)	(61)	The lost days are attributed to an employee in Waste Management whose injury was diagnosed as a repetitive strain Injury. Investigations are still underway to establish if the injury is work related. (At present we are including this in the accident figures).
Number of reported verbal/ physical incidents to employees	0 (2)	1 (1)	(0)	(0)	A verbal altercation between two members of the public and two employees emptying the glass waste recycling bins.
Number of near miss incidents	0 (1)	0 (0)	(0)	(2)	
Number of Accidents/ incidents registered resulting in insurance/ compensation claim	1 (1)	0 (0)	(0)	(0)	
Number of claims settled	0 (0)	2 (0)	(0)	(0)	



## Financial Performance

This part of the report provides an updated review of the financial position for the year. It includes the latest forecast spending on day-to-day service provision compared to the budget for the year. Also included is a summary of treasury management activities; projected movements on the General Fund balance; and a summary of spending to date on capital investment projects.

### Summary:

- An overall positive variance is forecast for the year of £738,000 (-5%) against the budget of £15.624 million.
- Income is projected to be overachieved by £781,000, offsetting a predicted net shortfall of £43,000 on staffing and other expenditure.
- The overall projected variance has improved from that reported at the first quarter (Q1) by £629,000 mainly due to an increase in predicted income from Development Control fees and the council tax sharing agreement with major preceptors; along with an overall improvement towards achieving the in-year corporate efficiency target.

### Forecast of Revenue Spending by Services

Business Plan Service	Budget £'000	Forecast Spend £'000	Adverse (Positive) variance against budget				RAG Status
			Staffing £'000	Other Expenditure £'000	Gross Income £'000	Total £'000	
Asset Management	(1,809)	(1,884)	-	4	(79)	(75)	-4%
Business Solutions	1,965	1,895	(11)	(59)	-	(70)	-4%
Community Services	560	534	(20)	(6)	-	(26)	-5%
Corporate Management Plan	1,319	1,325	(1)	7	-	6	<-1%
Cultural Services	266	266	-	-	-	-	-
Environment	968	918	(41)	(5)	(3)	(49)	-5%
Finance	1,258	1,117	(102)	(36)	(45)	(183)	-14%
Governance	948	945	(1)	(2)	-	(3)	<-1%
Housing Services	741	735	(1)	(6)	1	(6)	<-1%
Human Resources	365	365	-	-	-	-	-
Leisure Services	(22)	(22)	-	-	-	-	-
Marketing and Communications	458	425	(2)	(8)	(23)	(33)	-7%
Operations	3,943	3,966	(5)	33	(6)	22	<-1%
Sustainable Development	2,164	1,634	(54)	37	(513)	(530)	-24%
<b>Service Total</b>	<b>13,124</b>	<b>12,219</b>	<b>(238)</b>	<b>(41)</b>	<b>(668)</b>	<b>(947)</b>	<b>-7%</b>
Corporate Financing	2,834	2,667	-	(12)	(113)	(125)	-4%
Efficiency target	(334)	-	334	-	-	334	
<b>Total</b>	<b>15,624</b>	<b>14,886</b>	<b>96</b>	<b>(53)</b>	<b>(781)</b>	<b>(738)</b>	<b>-5%</b>

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

### **Staffing**

Across service business plans there are projected salary underspends of £238,000. The corporate efficiency target was set at £334,000 for the year, which for a number of years had been met through staff turnover, although over the last three years this has not happened and the efficiency factor has been covered by additional income and underspends on other expenditure. Based on known staffing changes to date, there is a projected shortfall against meeting the target solely from staffing budgets for the year of £96,000; however, this is an improvement over Q1 where a shortfall of £204,000 had been predicted.

Business Plan – Salary Budgets	Budget	Forecast	Adverse/	RAG
	£'000	Spend for the year £'000	(positive) variance £'000	Status
Asset Management	265	265	-	-
Business Solutions	817	806	(11)	-1%
Community Services	415	395	(20)	-5%
Corporate Management Plan	1,125	1,124	(1)	<-1%
Cultural Services	186	186	-	-
Environment	1,548	1,507	(41)	-3%
Finance	2,384	2,282	(102)	-4%
Governance	426	425	(1)	<-1%
Housing Services	716	715	(1)	<-1%
Human Resources	282	282	-	-
Leisure Services	139	139	-	-
Marketing and Communications	276	274	(2)	<-1%
Operations	4,590	4,585	(5)	<-1%
Sustainable Development	1,665	1,611	(54)	-3%
<b>Service Total</b>	<b>14,834</b>	<b>14,596</b>	<b>(238)</b>	<b>-2%</b>
Efficiency target	(334)		334	
<b>Net Total</b>	<b>14,500</b>	<b>14,596</b>	<b>96</b>	<b>&lt;1%</b>

RAG Status: G = favourable or nil variance, A = up to 5% adverse variance, R = > 5% (Net Total adverse > Efficiency target)

#### Commentary on staffing variations:

- **Business Solutions** – This service recently completed a restructure which identified staff savings of £25,000, along with a further £10,000 of savings from other service budgets. The review identified an anticipated reduction in staff time spent on capital projects hence the savings have been applied to reduce the on-going base budget for recharges to capital. The review has enabled a structure to be implemented that better supports the Council and its services whilst being financially neutral to the General Fund revenue account.
- **Financial Services** – currently predicting an underspend of £102,000. Efficiency savings are expected after reviewing staffing requirements in Housing Benefits, Revenues and System Support, and Insurance Administration. A one-off saving of £21,000 is included following the transfer of one member of staff to the Department for Work and Pension's new Single Fraud Investigation Service. In future years it is expected that the Council will receive less Housing Benefit Administration grant.
- **Environment** – An underspend in the current year mainly due to two posts being subject to retirement arrangements and where these have resulted in an overall efficiency in staffing resources required by the service.
- **Operations** – Whilst staffing costs overall are projected to be within budget, additional labour resources are being required to support implementation of the new integrated commercial and domestic waste collection routes but these have been more than offset by vacancies in management and other functional areas within the Operations service.
- **Sustainable Development** – a predicted net underspend on staffing costs of £54,000, including a saving of £42,000 (£53,000 in a full-year) following deletion of an Area Manager post which contributes towards the overall management savings target previously agreed by the Council as part of the Medium Term Financial Strategy. The service has been undergoing a comprehensive staffing restructure to meet the increased demand on the service, and whilst attempts are being made to appoint to a variety of roles, recruitment difficulties have resulted in additional agency support being required on a temporary basis to maintain service delivery.

## Other Service Expenditure

Services are currently forecast to underspend against their non-staffing expenditure budgets by a net £35,000. Contained within this net position are the following items:

- **ICT Contract and Corporate systems** – a forecast underspend against budget of £56,000, mainly on spending on the ICT Capita contract (-£38,000) due to a reduction in both charges linked to service volumes and contract variations; along with reduced maintenance costs for the voice and data networks.
- **Council Tax Benefits** – recovery of overpaid benefit that was originally paid prior to April 2013 is retained by the Council rather than been offset against government subsidy. In the current year a credit of £35,000 has been generated.
- **Cash receipting transaction costs** – Following changes made by Visa to its charging structure the Council has seen a significant increase in certain transaction costs resulting in a projected overspend in the current year of £27,000. A review of the Council's current contractual arrangements is being undertaken and options for competitive market testing of this service are to be considered.
- **Insurance Premia** – following a recent competitive tender new insurance supplier arrangements have been agreed which will provide a saving in the current year of £20,000 (£40,000 per annum in a full-year).
- **Sustainable Development** – To assist in delivering against Planning Performance Agreements and providing a pro-active pre-application advice service it has been necessary to engage some additional external support (£20,000) the cost of which will be recovered from the additional fee income charged for these services. The staffing restructure combined with other staff changes during the year has also led to some additional one-off unbudgeted costs being incurred on training expenses (£18,000).

## External Income

A significant proportion of the Council's budget is reliant on external income. Grants and subsidies from government, alongside income from business rates are major elements, totalling over £54 million. These income streams are either fairly predictable as they are determined at the start of the year as part of the annual Local Government Finance Settlement; or variations are largely offset by commensurate changes in expenditure where government fund certain transactions, e.g. housing benefits.

The final amount of business rates retained will depend on the actual amounts collectable (taking into account changes in the Valuation List and exemptions and reliefs). In the current year income is currently higher than originally projected – the extra income will be reflected in the balance on the Collection Fund to be taken into account when setting the 2016/17 Budget and Council Tax. Changes in the amounts owed to/ from Government for the business rate growth levy and other related grants will be adjusted against the Business Rates Retention reserve. Under the Essex Business Rates Pool sharing arrangement it was originally estimated that the Council could receive an additional amount of business rates of approximately £250,000. The determination and receipt of the actual amount of the Council's share will be made after year-end returns have been collated from each of the authorities participating in the Pool.

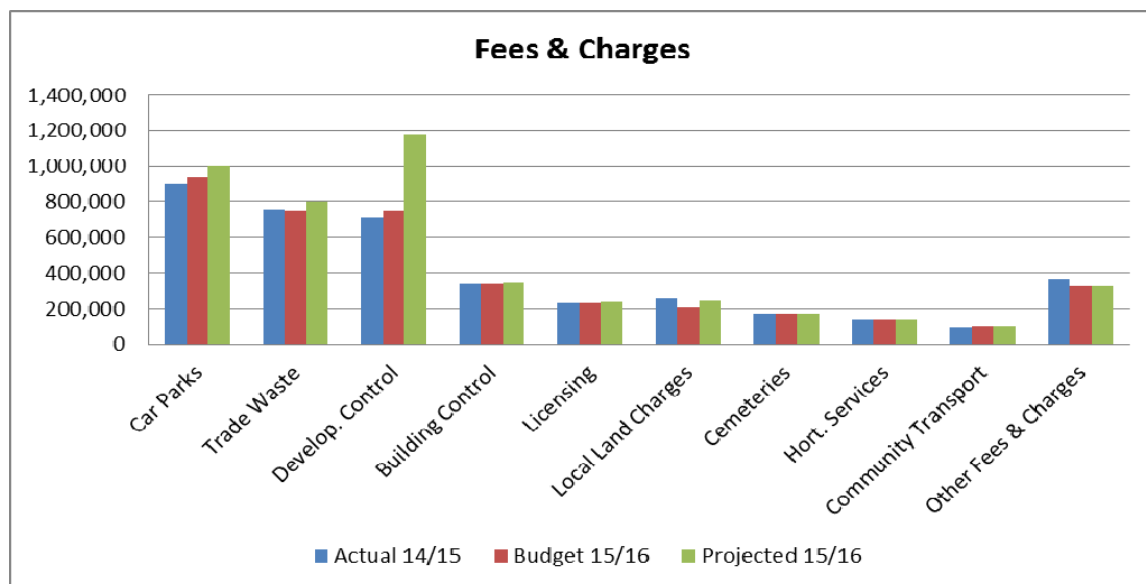
Other external income comes from a variety of sources that are subject to external demands and other influences, meaning these are more susceptible to variations against budget. It is currently forecast that services will over achieve against their income budgets by a net £781,000, as shown in the table below:

Other External Income								
Business Plan	Budget	Adverse or (Positive) variance against budget						RAG Status
		Fees & Charges	Land & Property income	ECC Joint Financing & contributions	Sale of Recycling Materials	Other Income	Total	
		£'000	£'000	£000	£'000	£'000	£000	
Asset Management	(2,607)	7	(75)	-	-	(11)	(79)	3%
Business Solutions	(32)	-	-	-	-	-	-	-
Community Services	(257)	-	-	-	-	-	-	-
Corporate Management	-	-	-	-	-	-	-	-
Cultural Services	(102)	-	-	-	-	-	-	-
Environment	(818)	(7)	-	-	-	4	(3)	<1%
Finance	(1,399)	-	-	-	-	(45)	(45)	3%
Governance	(34)	-	-	-	-	-	-	-
Housing Services	(47)	(2)	3	-	-	-	1	-2%
Human Resources	-	-	-	-	-	-	-	-
Leisure Services	(408)	-	-	-	-	-	-	-
Marketing and Communications	(20)	(5)	-	-	-	(18)	(23)	115%
Operations	(5,239)	(118)	17	9	96	(10)	(6)	<1%
Sustainable Development	(1,155)	(462)	-	-	-	(51)	(513)	44%
<b>Service Total</b>	<b>(12,118)</b>	<b>(587)</b>	<b>(55)</b>	<b>9</b>	<b>96</b>	<b>(131)</b>	<b>(668)</b>	<b>6%</b>
Corporate Financing	(338)	-	-	-	-	(113)	(113)	33%
<b>Total</b>	<b>(12,456)</b>	<b>(587)</b>	<b>(55)</b>	<b>9</b>	<b>96</b>	<b>(244)</b>	<b>(781)</b>	<b>6%</b>

RAG Status: G = positive or nil variance, A = up to 5% adverse variance or <£50k, R = adverse variance greater than 5% and >£50k at Individual Business Plan level

## Fees & Charges

The budget for income from fees & charges is £3.966 million, and is projected to be over achieved by £587,000. The following chart shows the main income streams:



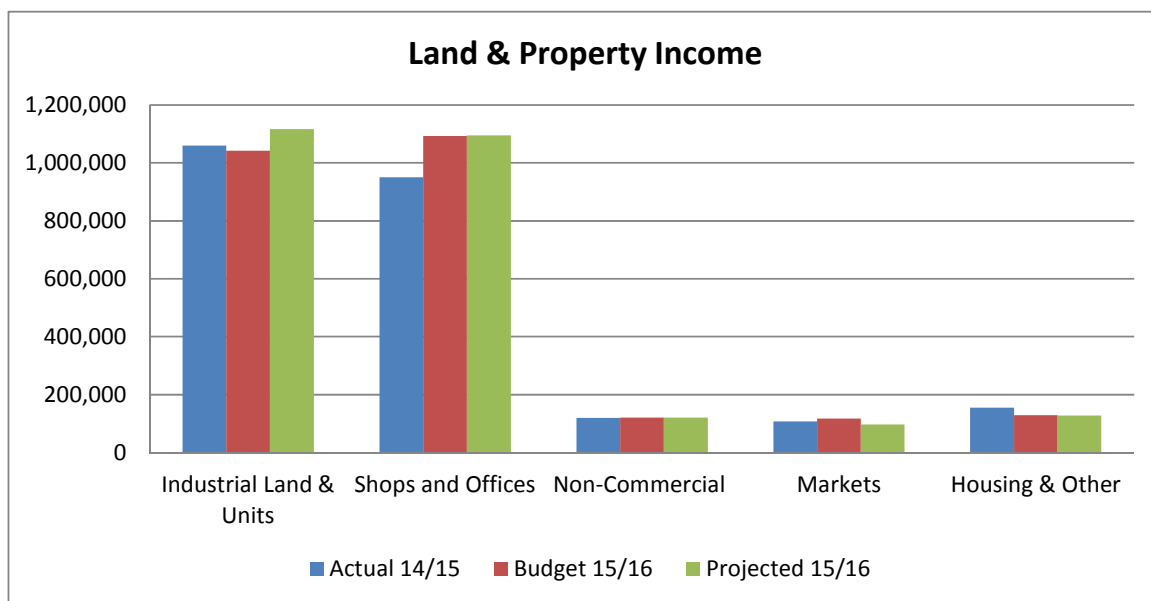
### Commentary on Fees and Charges:

- **Car parks** income is projected to be £65,000 higher than budget (and £97,000 higher than that achieved in 2014/15) an improvement from the forecast at Q1 by £40,000. Changes to tariffs were made last year along with the opening of the new car park at Easton Road, both contributing towards income from pay and display being around 25% higher than the same period last year.

- **Trade Waste** income is predicted to be £49,000 higher than budget based on amounts billed to date, part of which will be offset by higher disposal costs reflected in Other Expenditure. This is a small improvement over the Q1 position.
- **Development Control** – The upturn in income experienced last year prompted an upward revision in budget by £150,000. The strengthening of the market has continued into the current year with a spike in receipts of income meaning the budget of £741,660 has already been exceeded. Service management have reviewed prospective major applications expected in the latter half of the year, and combined with a general overall improvement in application income, are currently projecting total income for the year of around £1.177 million, which is £428,000 higher than budget. A significant portion of this extra income relates to one-off applications, although indications are that some growth in budget can be sustained going forward.
- **Land Charges** search fee income for the year is currently projected to be £242,000, which is £34,000 higher than the budget. Whilst currently this is down on last year's outturn of £260,000, the number of requests for searches has improved over the second quarter.

## Land & Property Income

The budget for rental income from land & property is £2.502 million – comprising the investment property portfolio, markets, housing properties, and other let properties. The forecast for the year is an overall over achievement of £55,000.



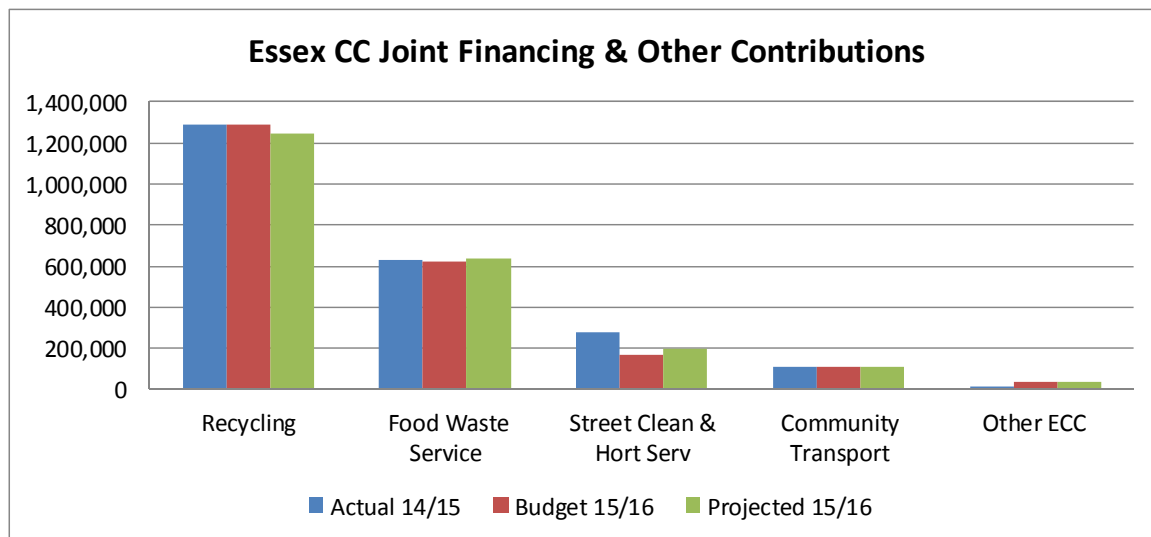
## Commentary on Land & Property Income

- **Industrial land and Units** – rental income is forecast to be higher than budgeted by £75,000. This is due in part to the impact of rent reviews (which also includes a backdated one-off element of £10,000) and a lower level of empty units which has reduced the overall void provision required from around 4% to 2% of expected income:- this is the equivalent of an increase in collectable rent of £40,000. The forecast also takes into account the acquisition of the head lease at 4 Crittall Drive, Springwood Drive, which was completed after the budget was set and has led to a net increase in rental income of £16,000 per annum.
- **Market rents** – income received to the end of the quarter is down on that for the same period last year continuing the downward trend seen over recent years. The current projection is for income to be £97,000 for the year, a shortfall against budget of £20,000.

- **Shops and Offices** – income is expected to be higher this year than the previous year outturn (as also reflected in the original budget) due mainly to the full year impact of the additional income generated from the acquisition of 850 The Crescent, Colchester, which is let as offices.

## Essex County Council Joint Financing & Contributions

The Council receives a significant amount of income from service arrangements with Essex County Council (ECC). The total budget for the year is £2.223 million and the current forecast is that this will be £9,000 under budget.



### Commentary on ECC Joint Financing and Other Contributions

- **Recycling** – ECC income from recycling activities is predicted to be lower than originally budgeted by a net £46,000, mainly due to lower tonnages collected for mixed dry and green waste.
- **Horticultural Services** – Net income from maintaining rural highway verges is projected to be higher by £25,000.

### Sale of Recycling Materials

The budget for income from the sale of recycling materials is £624,000 against which there is currently a projected shortfall of £96,000, including a prior-year adjustment of £17,000. Income in this area is susceptible to the recycling market and demand/ supply of materials which ultimately influences pricing. A reduction in the price received for glass accounts for the £52,000 of the overall variance with the average price received per tonne being reduced by over 50% from around £33 to almost £15. The variance on mixed dry materials is a combination of a slight reduction in price combined with a predicted reduction in tonnage collected. The level of future income from this activity has been highlighted as a risk in the Council's medium term financial plans.

### Other Service & Corporate income

Total budgeted other income is £3.140 million, with a current forecast net over achievement of £244,000. The main income streams budgeted within this category, includes: £661,000 of



benefit and local tax recoveries and penalties; £500,000 relating to the Procurement Hub; £339,000 from a sharing arrangement with major precepting authorities where additional council tax is collected as a result of changes in discounts and exemptions; £259,000 from the leisure management partnership and joint-use agreements, including the Council's financial return on past capital improvements; and £393,000 under a number of third party arrangements.

The following areas contribute mainly to the forecast variance:

- **Council Tax Sharing Arrangement:** an over achievement of £130,000 is currently projected. The extra income is anticipated as a result of ongoing proactive reviews of council tax discounts and exemptions, including single person discounts and local council tax support scheme. As the additional income received is dependent on finding discounts and exemptions which are no longer applicable no provision was made in the original budget, however, once identified the shared benefit is ongoing under the agreement with preceptors.
- **Development Control Pre-Application Advice Income:** As a way of demonstrating a positive and proactive service the Council provides pre-application advice on prospective planning applications. Charges are made for this discretionary service which are based on the principle of cost recovery. Use of this service had been steady since its introduction in 2010, with income averaging around £50,000 per annum. A new charging structure was introduced from April 2014, and combined with an increase in take-up, service income increased to over £87,000 in 2014/15. As reported at the first quarter, service management continue to predict that use of this service will grow and estimate income for the year of £120,000, which exceeds the base budget by £50,000. Part of this income will be offset by increased costs incurred on obtaining external support to deliver this service.
- **Department for Work and Pensions (DWP) Universal Credit Delivery Partnership -** The Council has agreed to be a delivery partner supporting both claimants and the DWP during the introduction of the Universal Credit Live Service in the Braintree district. Funding provided is linked to the delivery of agreed services and activities part of which is related to the volume of cases assisted. Estimated funding to be received is currently £22,000, however, the agreement makes provision for up to £34,000.

## Treasury Management

The Council's treasury management activities up to the end of the Q2 are summarised in the table below:

Amount Invested at the Start of the Year	Activity up to end of the Quarter		Amount Invested at 30 September
	New Investments	Investments Sold or Matured	
£27.96m	£110.69m	£89.00m	£49.65m
Average amount invested during the period			£45.26m
Highest amount invested			£53.29m

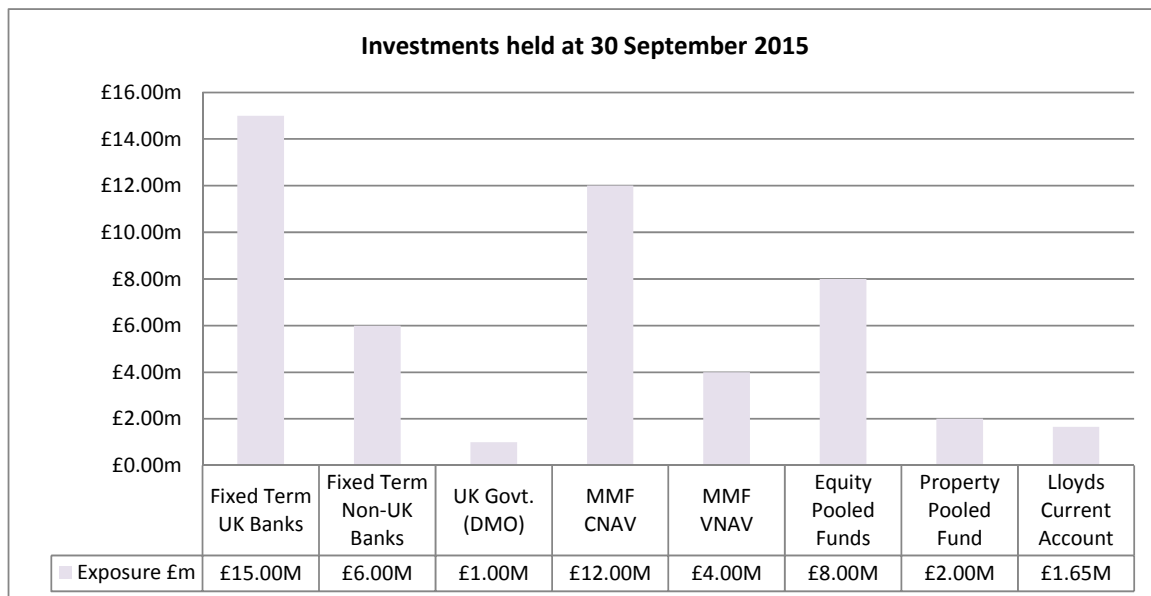
The amount invested includes £10 million of long-term investments placed into three equity funds and one property fund. These investments are intended to yield higher returns over the long-term but may experience short-term volatility in terms of value i.e. at the end of the Quarter their market value was £9.404 million. Remaining investments are in short-term instruments including call accounts and term deposits with UK and Non-UK banks, deposits with the UK Government Debt Management Office (DMO), and Money Market Funds (MMF).

Interest and dividends earned to the end of the Quarter total £368,000, which is equivalent to an annualised rate of return of 1.62%:

Investments	Average amount invested	Interest & Dividends earned	Annualised Return %
Long-Term Pooled Funds	£10.00m	£286,000	5.71%
Short-Term	£35.26m	£82,000	0.46%
<b>Total</b>	<b>£45.26m</b>	<b>£368,000</b>	<b>1.62%</b>

Whilst cash balances available for investment will reduce over the latter half of the year, based on the income achieved to date it is currently projected that the Council will achieve its budget for investment income of £570,000.

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



CNAV = Constant Net Asset Value i.e. the Fund value is expected to remain constant  
VNAV = Variable Net Asset Value i.e. the Fund value and therefore amounts invested can fluctuate

## General Fund Balances

General Fund balances are held for the following reasons:

- As a contingency against unforeseen events that may require funding above that originally provided for in the approved budget
- To meet short-term or non-recurrent one-off costs that are not provided in the base budget and/ or are incurred to achieve future savings and efficiencies.

Based on the forecast set out above, the movement on the General Fund balance is projected as follows:



<b>Balance at 1 April 2015</b>	<b>£'000</b> <b>7,829</b>
Less:	
Budgeted withdrawal	(894)
Add:	
Projected variance at this quarter	738
Unbudgeted Government New Burdens grant	203
<b>Est. Balance at 31 March 2016</b>	<b>7,876</b>

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

- The budget approved by Council for 2015/16 included an anticipated drawdown from balances of £894,484.
- Projected full-year variance as per this quarter's review of £738,000
- In April 2015 the Government announced it would be paying a New Burdens grant in respect of property search litigation claims settled by the Council for which provision had been made in prior years' budget outturns. The Council received £102,000 in July and has since been advised that a further payment is due to be made in November amounting to £101,000

### **Risks and Assumptions**

The forecasts reflect the service managers' "best estimate" of the predicted outturn for the year. Previous year outturn and trends in-year have been considered, however, as always, these are subject to changing circumstances and unforeseen events. Directors and service managers continue to scrutinise all expenditure commitments in light of the planned savings set out in the Medium Term Financial Strategy.

Other external income is inherently difficult to predict as it is substantially demand led and impacted by external factors. Planning application fee projections are based on the available information as to when developers may submit plans for the growth locations across the district.

New Burdens grant funding has been received to compensate for costs arising out of the property search litigation with indications that there could be further monies to be received. As provision for these costs had originally been made from corporate resources any contributions are being added back to General Fund balances

Waste management collection tonnages and associated recycling credits and sales income are subject to fluctuation. Green waste is weather dependent and mixed dry materials may alter once recycling is introduced to flats in the Autumn. The introduction of the new integrated commercial and domestic waste collection routes has led to some operational issues and additional staffing and vehicle costs.

Fuel costs for the fleet are significantly below budget due primarily to lower pump prices. However, as prices are subject to many external factors these costs are susceptible to change.

The Leisure Services budget includes a £100,000 allowance for contract variations and there are further funds set aside in an earmarked reserve to deal with a combination of service issues that are currently ongoing. Depending upon the outcome of these issues this will determine whether there will be any budget variation in the year and the extent of drawdown from reserve required. Therefore, currently no variance is projected for this service area.

## Capital Investment

The total capital investment expected in the year is as follows:

<b>Approved New Programme for 2015/16</b>	<b>£'000s</b> <b>3,187</b>
<b>Add:</b>	
Projects approved previously where spending is profiled into the current year	3,938
Projects approved in-year	248
<b>Less:</b>	
2015/16 projects profiled into future years	-
<b>Programme for 2015/16</b>	<b>7,373</b>

The programme has increased by £90,000 since Q1 due to approval to provide up to £50,000 towards project development costs associated with a new Halstead Community Centre (allocated from the original provision of £650,000), and £40,000 for replacement CCTV equipment funded from resources carried over from the last financial year.

The capital investment programme is reported over two themes:

- General Fund Services – Spending on Council owned/ used assets and services.
- Housing investment – mainly spent on partnership schemes with social landlords, and providing disabled facilities grants and home improvements grants.

The current spend against the programme for the year is shown below:

	Programme 2015/16	Actual spend	Grants approved but not yet claimed	Budget Remaining	Spend/ Grants approved at end of Quarter
	£'000	£'000	£'000	£'000	%
General Fund Services	5,208	1,172	-	4,036	23%
Housing Investment	1,808	668	257	883	49%
Capital Salaries	357	161	-	196	45%
<b>Total</b>	<b>7,373</b>	<b>2,001</b>	<b>257</b>	<b>5,115</b>	<b>31%</b>

The General Fund Services programme for the year includes:

- The main build phase of new business start-up units at Springwood Drive, Braintree
- Town centre improvement works
- A programme of planned maintenance and other refurbishment works to Council owned buildings and community facilities, including parks and open spaces, play areas, and car parks.
- Investment in new technology
- New cycleways and footpaths

The programme also included £638,500 for investment into solar panels at a number of Council facilities. However, due to proposed changes to feed-in-tariffs these schemes are no longer considered financially viable and, after allowing for some expenditure at the Discovery Centre, will mean around £586,000 of the capital budget is no longer required.

The housing investment programme includes spending on provision of disabled facility grants, and financial support to social landlords to develop affordable home schemes.

## **Capital resources**

The main sources of new capital resources anticipated for the year are the sale of assets (£2.415 million), preserved right-to-buy (RTB) receipts (£500,000) and the Council's share of the VAT shelter operating in conjunction with Greenfields Community Housing (£547,000).

The sale of the Forest Road site was completed in July providing a receipt of £500,000. Other anticipated sales totalling £1.4 million which had previously been expected this year are now likely to complete early in the 2016/17 financial year.

Greenfields have reported that 9 RTB sales were completed in the first half year generating £978,000 for the Council. Whilst this represents an over achievement of the amount originally expected this is still lower than the 23 sales and £1.73 million recorded for the same period last year. VAT shelter monies due to the Council for the half year is £265,000, indicating that the estimated full year income is likely to be achieved.

Grants received include £418,000 from the Better Care Fund via Essex County Council to part fund the Council's disabled facility grant programme and the receipt of £8,000 of Repair and Renewal grant for flood defence works.

<b>Medium-Term Financial Strategy 2016/17 to 2019/20 Update</b>	<b>Agenda No: 6b</b>
<p><b>Corporate Priority:</b> Providing value for money Deliver excellent customer service</p> <p><b>Portfolio Area:</b> Finance and Performance</p> <p><b>Report presented by:</b> Councillor David Bebb</p> <p><b>Report prepared by:</b> Trevor Wilson, Head of Finance</p>	
<p><b>Background Papers:</b> Council Budget and Council Tax 2015/16 and Medium Term Financial Strategy report to Cabinet 2<sup>nd</sup> February 2015 and Full Council 16<sup>th</sup> February 2015.</p> <p>Medium-Term Financial Strategy 2015/16 to 2018/19 Update report to Cabinet 28<sup>th</sup> September 2015.</p>	<p><b>Public Report</b></p> <hr/> <p><b>Key Decision: No</b></p>
<p><b>Executive Summary:</b></p> <p><b>1. Background and Purpose of report</b></p> <p>1.1 The process of rolling forward the Council's four-year financial plan commenced with a report to Cabinet, on 28<sup>th</sup> September 2015, with an initial review of the Medium-Term Financial Strategy (MTFS) 2015/16 to 2018/19.</p> <p>1.2 The Cabinet accepted an initial update to the Council's Financial Profile for 2016/17 to 2019/20. This revealed a shortfall on the revenue account over the next three years of £2.24million, based on anticipated reductions in the Government's Funding Settlement Assessment to the Council. Cabinet also agreed:</p> <ul style="list-style-type: none"> <li>• To consult on a number of potential changes to the Council's Council Tax Support scheme for 2016/17 as it was calculated that the funding received from Government will not cover the costs of awards; and</li> <li>• In principle for the Council to join an Essex Business Rates Pool for 2016/17.</li> </ul> <p>1.3 This report provides detail of the progress with the updating of the Financial Profile and the Medium-Term Financial Strategy 2016/17 to 2019/20; unavoidable cost pressures; and work on identifying options for revenue savings/additional income to meet the anticipated funding shortfalls over the next four years.</p> <p><b>2. Central Government Funding</b></p> <p>2.1 At the time of writing, the Government is conducting the Spending Review 2015. HM Treasury has invited government departments to set out plans for reductions to their resource budgets based on two scenarios, of 25% and 40%.</p>	

The results of the Spending Review 2015 will be published together with the Autumn Statement on 25th November 2015.

2.2 It is now considered that the most likely scenario for the Council's Funding Settlement Assessment is a reduction of 40% over the four-year period, with the reductions being front-loaded in the first two years. This provides a total reduction in funding over the four-year period of £2.29million, which is £1.1million more than the previous scenario. Notably with this scenario the Council's Revenue Support Grant will reduce to almost zero in 2019/20.

2.3 This fits with the Government's recent announcement of its intention to abolish the Uniform Business Rate and give local authorities the power to cut business rates to boost enterprise and economic activity in their areas by 2020. Local areas which successfully promote growth and attract businesses will keep all of the benefit from increased business rate revenues. But at the same time, the revenue support grant will be phased out.

### **3. Review of Assumptions**

3.1 Budget savings identified in previous years but planned for 2016/17 to 2018/19 have been reviewed to ensure that they are still deliverable. The updated savings are £79,844 in 2016/17 and £19,830 in 2017/18.

3.2 The planned priority investments and unavoidable budget changes agreed for 2015/16 were mainly for one-off budget requests and these are therefore being removed from the base budget in 2016/17. These have been reviewed and no adjustments are required. The value of the net budget reductions to be made in 2016/17 is £2,126,016.

3.3 The outcome of the review of the Council's financial position for the current year is a predicted positive variance for the year of £738,000: this is due principally to additional income (£781,000) offset partially by an adverse variance on expenditure budgets (£43,000). For some service areas the change in the level of income is expected to be ongoing and therefore adjustments are required to the Financial Profile for 2016/17; the main areas involved are:

#### **Increases:**

- Council tax sharing agreement with the three major preceptors - £130,000;
- Land Charges - £30,000;
- Trade/Commercial Waste - £50,000 in 2016/17 rising to £100,000 in 2017/18; and
- Development Control income – increase in volume of planning applications, street naming & numbering requests and pre-application enquiries - £125,000

#### **Reduction:**

- Market Rents – reduce budget by £20,000 in 2016/17 to reflect the decline in income experienced over the last couple of years.

3.4 A provision for a pay award was included at 2% per annum. It has been decided to reduce this to 1% per annum for the four year period which accords with the Government's announcement in the July Budget for public sector pay. This results in a budget reduction of £140,000 per annum. Provision is included for the increase in National Insurance contributions from April 2016 (cost of

£226,730). An inflationary increase has been applied to employer pension costs but actual increases for 2017/18 to 2019/20 will be determined by The Triennial Review of the Essex Pension Fund which will be conducted during 2016.

3.5 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 4th February 2016.

3.6 Bids for revenue funding to meet unavoidable budget demands in 2016/17 show a total of £251,980, all of which is requested to be added to base budget. An adjustment, of £515,100, is included in 2017/18 for an anticipated reduction in the amount of income for the sale of recyclates when the contract is renewed on 1st April 2017.

#### **4. Budget Savings/ Additional Income**

4.1 A number of proposals for savings have an impact on residents, customers or local organisations. These will be subject to appropriate consultation during December/January and include:

##### Environment and Place

- Disabled Facilities Grants – proposed 10% charge for administration will be taken from the funding provided through the Better Care Fund. Saving to the revenue account of £41,800 per annum.
- Domestic garden waste – suspend the garden waste collection service over the three months, December to February. Saving of £35,000 per annum.

##### Planning and Housing

- Dedham Vale Area of Outstanding Natural Beauty and Stour Valley project – reduce grant payable from £16,000 down to £12,000. Saving of £4,000 per annum.

##### Health and Communities

- Citizens Advice Bureau – reduce annual grant payable over the next three years in line with the estimated reduction in the Council's Settlement Funding Assessment. Saving of £45,000 over the three year period.
- Braintree District Voluntary Support Agency – reduce annual grant payable over the next three years in line with the estimated reduction in the Council's Settlement Funding Assessment. Saving of £6,000 over the three year period.
- Braintree District Museum Service – 10% budget reduction in the grant to the Trust. Saving of £22,390.

##### Finance and Performance

- Parish and Town Councils - Localism Fund – phase out the Localism Fund payments over the next three years. Saving of £291,010 against the 2015/16 budget by 2019/20.
- Council tax – to introduce a 50% premium chargeable on dwellings which have been unoccupied and substantially unfurnished for two years or more. The objective is to bring long-term empty dwellings back into use. Additional council tax will be generated but this will only be sustainable

whilst the owners continue to keep their dwellings unoccupied.

4.2 The values of additional income across the four years are: £683,350 in 2016/17; £181,710 in 2017/18; £11,470 in 2018/19; and £7,000 in 2019/20. Four of the sources, Development Control, Land Charges, Trade/Commercial Waste and Council Tax sharing agreement, are already having an impact in the current year as reported above. The other areas with a significant increase are:

- Business rates retained – the growth in business rates collectable for the district results in an increase in the amount that the Council will retain. Additional income of £250,560; and
- Commercial and Industrial property – anticipated additional income from rent reviews - £54,770 in 2016/17.

4.3 A number of savings have been identified which do not have an adverse impact on residents or customers and have therefore been agreed by Management. The total values of these savings across the years are: £403,450 in 2016/17; £6,350 in 2017/18; and £1,750 in 2018/19.

## 5. Business Rates

5.1 The Government provides an assessment of the amount of Business Rates it will allow the Council to retain (the baseline). Any increase in the amount of business rates collected above the baseline will be shared between the Government, the Council, Essex County Council and Essex Fire Authority.

5.2 The estimated amount of business rates to be retained for 2016/17 will be £3,989,299, an increase of £250,560 against the figure in the current profile. This estimate includes a levy payment due to the Government/Essex Pool of £756,278.

5.3 The estimated balance on the Business Rates Collection Fund as at 31st March 2016 is a deficit of £432,000. The proportion attributable to this Council is £172,790 and this is included in the Finance Profile. This deficit will, however, be met with a transfer from the Business Rates Retention Reserve.

5.4 The Cabinet, on 28th September 2015, agreed in principle for the Council to participate in an Essex Business Rates Pool for 2016/17. The Cabinet Member for Finance and Performance agreed that the Council should join with ten Essex authorities to submit an application to the Secretary of State for Communities and Local Government to establish an Essex Pool for 2016/17. The eleven authorities expressing a wish to join the Essex Pool are:

Braintree DC	Epping Forest DC	Rochford DC
Brentwood BC	Essex CC	Tendring DC
Castle Point DC	Essex Fire Authority	Uttlesford DC
Colchester BC	Maldon DC	

5.5 If the Essex Pooling application is approved by the Secretary of State, the Council could receive an additional amount of business rates of approximately £385,000, i.e. a proportion of the estimated levy of £756,278 which will be paid into the Essex Pool rather than to the Government. The actual amount of the share will be known in 2017.



## **6. Local Council Tax Support Scheme (LCTS)**

- 6.1 The Local Council Tax Support scheme replaced the Council Tax Benefit scheme on 1st April 2013. The scheme applies to claimants of working age, with the parameters determined by the Council.
- 6.2 Council tax support is accounted for as a discount rather than a benefit. The Council's taxbase is reduced by an estimate of the amount of support that will be awarded in the year. For 2015/16 this was estimated to be £7.65million. As at 31st October 2015, the value of support awarded for the year was £7.105million. The variation between the actual and estimated amounts awarded will be reflected in the balance on the Council Tax Collection Fund at the year-end.
- 6.3 An assessment of the cost of the awards compared to the amount of grant received from the Government shows that there would be an estimated shortfall of £201,000 in 2016/17. As a result of this assessment, Cabinet at its meeting on 28th September agreed that consultation should be undertaken on a number of options for change.
- 6.4 Consultation was held over the six week period 5th October and 15th November. A summary of the responses received is provided in the report.
- 6.5 Having considered the consultation responses and comments received it is proposed to make the following changes to the scheme for 2016/17:
- Increase the minimum liability that working age claimants have to pay to 24%;
  - Increase the deduction for non-dependants in the household to £20 per week (from £10 per week);
  - Introduce a minimum level of income for claimants who are self-employed, the level to be the National Living Wage;
  - Remove the Family Premium for new claims after 1<sup>st</sup> May 2016; and
  - Reduce the amount of time a claim can be backdated, from three months to one month.
- 6.6 In considering the above changes to the scheme, applicable from 2016/17, Members are satisfied that no transitional provisions are required.
- 6.7 With the introduction of the Local Council Tax Support scheme it was agreed to establish an Exceptional Hardship Fund to provide short-term assistance to households facing exceptional financial difficulties. 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'.
- 6.8 In addition to the money advice service provided by the CAB the Council has employed an officer, on a temporary basis, to work with claimants who experience difficulty in paying their council tax with the objective of offering support and advice and gain agreement to pay and therefore maintain the amount of council tax collected.



6.9 It is recommended that both of these services together with the Exceptional Hardship Fund are retained for 2016/17. The funding of these has been shared, over the last three years, between the four major precepting authorities, including this Council. It is expected that the other three preceptors will agree to continue to provide funding for 2016/17.

## **7. Council Tax**

7.1 Council Tax Collection Fund – An initial estimate of the Collection Fund balance as at 31st March 2016 is for a net surplus of £886,050. The Council's proportion of the council tax surplus, to be returned to council taxpayers in 2016/17 is £114,990. This compares to a surplus of £172,300 returned to council taxpayers in 2015/16.

7.2 Council Taxbase – This will be calculated as at 30th November 2015 and will be agreed, under delegated authority, by the Corporate Director responsible for Finance.

7.3 The Council has determined the discounts for empty properties and second homes under its discretionary power. The current agreed 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 2016/17.

7.4 The Council decided initially against the introduction of a premium, of up to 50%, to be applied to long-term empty properties (defined as over two years). However, there are currently 271 properties in the district which have been empty for two years or more and have a total council tax liability of £360,551 for 2015/16. In view of the demand for homes in the district it is considered that the introduction of a premium charge may provide an added incentive to get these long-term empty properties to be brought back into use.

7.5 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 Council's General Revenue Fund. No changes or amendments to this policy are proposed.

7.6 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 0.5% per annum to 1% per annum for 2017/18 and to 1.5% per annum for 2018/19 and 2019/20.

7.7 Council Tax levels – With the expected 40% reduction in Settlement Funding Assessment over the next four years council tax increases in the Financial Profile have been included at the maximum level allowable without the need for a referendum.

## **8. Financial Profile 2016/17 to 2019/20**

8.1 The updated financial profile 2016/17 to 2019/20 shows for:

2016/17 – an addition to balances of £514,446;  
2017/18 – a shortfall of £672,937;  
2018/19 – a shortfall of £303,023; and  
2019/20 – a shortfall of £397,884

8.2 The estimated transfer to balances for 2016/17 of £514,446 provides an estimated balance of £8.390million as at 31st March 2017.

8.3 The work commenced by Cabinet Portfolio holders and senior management to identify options to address the funding shortfalls over the medium-term is to continue with services and service standards being subject to review. The reviews will also encompass the potential options for either selling off or transferring assets to other organisations.

## **9. Capital Investment**

9.1 New Homes Bonus - The Department for Communities and Local Government has been conducting a review of the New Homes Bonus scheme. A decision on the future of the scheme is expected to be announced in the Autumn Statement. Assuming the scheme continues to operate on the existing principles for 2016/17 then the estimated amount of New Homes Bonus for year 6 receivable by the Council is £627,500.

9.2 The anticipated value of New Homes Bonus that the Council will receive between 2011/12 and 2016/17 is £9.135million, of which a balance of £2.953million will be unallocated.

9.3 Allocations of the New Homes Bonus agreed to-date are:

- A minimum of £0.75million for affordable homes (£0.249million utilised in 2014/15);
- £4.98million for infrastructure projects, specifically:
  - Witham Enterprise Centre - £500,000
  - A120 Access Improvement package - £2,500,000
  - Business Broadband - £250,000
  - Re-investment Fund - £1,250,000 (utilised in 2014/15 to purchase land at Chapel Hill, Braintree)
  - Feasibility/Project Development Fund - £481,000
- £0.451million for the Local Plan, Economic Development and exercises on empty properties.

9.4 A source of external funding which provides benefits to the residents and communities in the district is the CHIP Fund which is managed jointly with Greenfields Community Housing. Discussions are in progress to agree to the splitting of the CHIP Fund. The Council's share would be in the region of £2.5million.

9.5 With regard to the Council's own capital resources – the total balance available to fund capital projects in the years 2016/17 to 2019/20 is £8,529,000.

9.6 Proposed capital projects for inclusion in the 2016/17 Capital Programme will be presented in the Finance Report to Cabinet on 4th February 2016.

9.7 Members have been given the opportunity to identify local capital projects. Submissions received will be considered and prioritised by the Overview and

Scrutiny Committee on 25th November 2015. Recommendations, as appropriate, will also be presented to Cabinet on 4<sup>th</sup> February 2016.

**Decision:**

1. Cabinet recommends to Full Council to agree:
  - a) The Braintree District Council's Local Council Tax Support scheme for 2016/17 as detailed on the Council's website:  
[http://www.braintree.gov.uk/info/200302/benefits/367/housing\\_benefit\\_and\\_council\\_tax\\_support](http://www.braintree.gov.uk/info/200302/benefits/367/housing_benefit_and_council_tax_support) and
2. Cabinet to agree that:
  - a) The budget for 2016/17, as presented in this report and the updated Financial Profile, contained in Appendix A to the report, constitute the initial budget proposals and that views be 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 the Braintree district from 1<sup>st</sup> April 2016.

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

**Financial:**

The initial budget proposals provide a balanced budget for 2016/17 which includes: an increase of 1.97% in the level of council tax; savings of £0.553million; additional income of £0.683million; additional spend of £0.252million on unavoidable demands; a net addition to balances of £0.514million; and the Government's Settlement Funding Assessment at a provisional figure of £4.86million (a reduction of £0.858million over the current year).

The financial position forecast for 2017/18 to 2019/20: shows savings of £672,937, £303,023 and £397,884 are required to be found in 2017/18, 2018/19 and 2019/20 respectively. The Council has options to identify additional savings, generate additional income, utilise New Homes Bonus, use balances or a combination of these options.

The total balance of capital resources available to fund capital projects in the years 2016/17 to 2019/20 is estimated to be £8,529,000.

Proposed capital projects for inclusion in the 2016/17 Capital Programme will be considered together with any Councillor's Capital project bids, recommended by the

	Overview and Scrutiny Committee, by the Cabinet on 4 <sup>th</sup> February 2016.
<b>Legal:</b>	Adoption of LCTS is a statutory requirement. Failure to do so could lead to a default scheme being imposed by the Government.
<b>Safeguarding:</b>	There are no safeguarding issues raised by this report.
<b>Equalities/Diversity</b>	<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 4<sup>th</sup> February 2016.</p>
<b>Customer Impact:</b>	<p>Claimants of working age will receive support with their council tax up to a limit of 76% of their council tax liability, subject to a limit of a Band D property.</p> <p>The Family Premium will not be taken into account for new claimants from 1<sup>st</sup> May 2016; this follows the approach that will be used in the calculation of Housing Benefit.</p> <p>Claimants with adults (non-dependants) living in the household will have a deduction of £20 per week per adult made to their council tax support (current level of deduction is £10pw).</p> <p>Assessment of customer impact, where appropriate, will be included in the savings proposals reported to Cabinet in the Finance report on 4<sup>th</sup> February 2016.</p>
<b>Environment and Climate Change:</b>	Impact on the environment and climate change will, where applicable, be included in the savings proposals reported to Cabinet in the Finance report on 4 <sup>th</sup> February 2016.
<b>Consultation/Community Engagement:</b>	<p>Overview and Scrutiny Committee will examine and consider the budget proposals as contained in this report on 25<sup>th</sup> November 2015. The Chairman of the Committee has extended an open invitation to all members to attend this meeting.</p> <p>Consultation on options for change to the Council Tax Support scheme for 2016/17 was undertaken between 5<sup>th</sup> October and 15<sup>th</sup> November 2015. Details of the responses are contained in the report.</p> <p>Consultation on proposed budget changes will be undertaken between December and January, as</p>

	appropriate.
<b>Risks:</b>	<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 2016/17 from Government, included in the Financial Profile, are reduced following presentation of the Autumn Statement to Parliament on 25<sup>th</sup> November.</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 28th September 2015, with an initial review of the Medium-Term Financial Strategy (MTFS) 2015/16 to 2018/19; which was agreed by Council on 16th February 2015.
- 1.2 The report to Cabinet included:
- An initial review and update of the assumptions included in the current MTFS and assessment of the various statements and reports issued in recent months by the Government and other organisations relating to local government and the public sector;
  - Details of a proposal for a pooling arrangement between Essex authorities to retain a greater proportion of the growth in business rates for Essex in 2016/17;
  - Information on the estimated cost of the Local Council Tax Support (LCTS) scheme compared with the anticipated amount of grant receivable to fund the scheme. As a consequence it was agreed to consult on a number of potential changes to the scheme for 2016/17; and
  - The budget timetable for agreeing the budget and council tax for 2016/17 and the Medium-Term Financial Strategy 2016/17 to 2019/20;
- 1.3 This report provides detail of the progress with the updating of the Financial Profile and the Medium-Term Financial Strategy 2016/17 to 2019/20; 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. Central Government Funding**

- 2.1 At the time of writing, the Government is conducting the Spending Review 2015 which will identify how it intends to 'deliver £20billion of consolidation to eliminate the deficit'; this being the balance remaining following the identification of £17billion of measures announced in the Summer 2015 Budget.
- 2.2 HM Treasury has invited government departments to set out plans for reductions to their resource budgets based on two scenarios, of 25% and 40%. The results of the Spending Review 2015 will be published together with the Autumn Statement on 25th November 2015.
- 2.3 The MTFS update report to Cabinet in September included the anticipated changes in the Council's Settlement Funding Assessment, which the Council receives from the Government, over the next four years; this was based on a report by the Local Government Association published in June 2015. The changes are reproduced below:

<b>Estimated Settlement Funding Assessment based on work undertaken by the Local Government Association</b>						
	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Government Grant - Revenue Support Grant	2,556,001	1,800,487	1,152,609	877,828	1,111,439	
Retained Business Rates - Baseline amount	3,164,806	3,228,102	3,292,664	3,358,517	3,425,687	
Settlement Funding Assessment	<b>5,720,807</b>	<b>5,028,589</b>	<b>4,445,273</b>	<b>4,236,345</b>	<b>4,537,126</b>	
Change over previous year - Amount		- 692,218	- 583,316	- 208,928	300,781	
Change over previous year - %		-12.1%	-11.6%	-4.70%	7.10%	

- 2.4 It is considered that this prediction is likely to represent a best case scenario for district councils. The more likely scenario is a reduction of 40% over the four-year period, with the reductions being front-loaded in the first two years. This provides the following changes:

<b>Estimated Settlement Funding Assessment based on a reduction of 40% over 4 years (front-loaded)</b>						
	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Government Grant - Revenue Support Grant	2,556,001	1,634,584	840,619	406,904	4,611	
Retained Business Rates - Baseline amount	3,164,806	3,228,102	3,292,664	3,358,517	3,425,687	
Settlement Funding Assessment	<b>5,720,807</b>	<b>4,862,686</b>	<b>4,133,283</b>	<b>3,765,421</b>	<b>3,430,298</b>	
Change over previous year - Amount		- 858,121	- 729,403	- 367,862	- 335,122	
Change over previous year - %		-15.0%	-15.0%	-8.90%	-8.90%	

- 2.5 In this scenario the total reduction in funding over the four-year period is £2.29million, which is £1.1million more than the best case scenario. Notably with this scenario is that the Revenue Support Grant reduces to almost zero in 2019/20. This fits with the Government's recent announcement of its intention to abolish the Uniform Business Rate and give local authorities the power to cut business rates to boost enterprise and economic activity in their areas by 2020. Local areas which successfully promote growth and attract businesses will keep all of the benefit from increased business rate revenues. At the same time, the revenue support grant will be phased out.

- 2.6 These revised reductions to the Settlement Funding Assessment are incorporated in the updated Financial Profile.
- 2.7 Confirmation of the amounts of Administrative Subsidy for Local Council Tax Support and Housing Benefit schemes for 2016/17 is also expected to be received in the weeks following the Autumn Statement. The MTFs currently anticipates a reduction of 7% per annum to these subsidies.

### **3. Review of Budget Savings identified in previous years**

- 3.1 The Financial Profile, agreed in February 2015, included savings planned for 2016/17 to 2018/19. These savings have been reviewed to ensure that they are still deliverable. The outcome is that three of the savings require adjustment:

- Installation of solar panels at George Yard Car Park and the additional panels at Witham Leisure Centre have been halted following the change in Feed in



Tariff with the consequence that £40,000 of the anticipated income will not now be received;

- Waste Management – as reported to the Cabinet in September, the review of the new routes, which were introduced in February 2015, has identified the need for two of the six vehicles withdrawn under the re-routing to be reinstated. The estimated additional cost for vehicle and staffing is £150,000; and
- Staffing and Management Restructuring savings have been achieved earlier than planned and exceed the proposed saving in 2016/17 by £29,430.

3.2 A summary of the value of the planned savings and the proposed adjustments required is provided in the table below:

	<b>2016/17</b> <b>£</b>	<b>2017/18</b> <b>£</b>	<b>2018/19</b> <b>£</b>
Savings Planned	240,414	19,830	0
Proposed Adjustment	(160,570)	0	0
Revised Value of Savings	79,844	19,830	0

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

4.1 The Financial Profile includes the consequences for 2016/17 of the planned priority investments and unavoidable budget changes which were identified in previous years. The majority of the investments were one-off budget requests in 2015/16 and these are therefore being removed from the base budget in 2016/17. These have been reviewed and no adjustments are required. The value of the net budget reductions to be made in 2016/17 is £2,126,016.

#### **5. Financial Performance at half-year and predicted Outturn for 2015/16**

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 £1.49million, included in the 2015/16 budget.

5.2 The outcome of the review is a predicted positive variance for the year of £738,000: this is due principally to additional income (£781,000) offset partially by an adverse variance on expenditure budgets (£43,000).

5.3 Details of this predicted outturn for 2015/16 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 change in the level of income is expected to be ongoing and therefore adjustments are required to the Financial Profile for 2016/17; the main areas involved are:

Increases:

- Council tax sharing agreement with the three major preceptors - £130,000;
- Land Charges - £30,000;
- Trade/Commercial Waste - £50,000 in 2016/17 rising to £100,000 in 2017/18; and



- Development Control income – increase in volume of planning applications, street naming & numbering requests and pre-application enquiries - £125,000

Reduction:

- Market Rents – reduce budget by £20,000 in 2016/17 to reflect the decline in income experienced over the last couple of years.

These items are included in the additional income totals referred to in Section 8.5 below.

## **6. Finance Profile 2015/16 to 2018/19 – Assumptions Update**

### **6.1 Pay**

6.1.1 The Financial Profile had included provisions for annual pay award of 2%. The Government announced in the July Budget that public sector pay would increase by 1% per annum over the four years starting 2016/17. Whilst 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 A provision has been made for the change to employer National Insurance contributions from April 2016, announced in the 2013 Budget. The reduced rate currently paid by the Council is being abolished. This will add an estimated £226,730 to staffing costs. The reduced National Insurance contributions rate payable by staff is also abolished from the same date.

6.1.3 Whilst the Council will not have any financial consequences from the introduction of the National Living Wage from April 2016 with regard to its employees there is potential for increased costs regarding agency staff. Discussions are ongoing with the agency to determine and agree the additional cost, however, a provision of £18,960 has been included for 2016/17 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 last Triennial Review of the Essex Pension Fund was conducted as at 31st March 2013 and determined the pension fund assets and liabilities applicable for the Council and set the deficit contribution and employer contribution rate for the three years: 2014/15 to 2016/17.

6.3.2 The deficit contribution and employer contribution rate for 2017/18 to 2019/20 will be determined by the next Triennial Review which will be undertaken as at 31st March 2016. The results of this review will be issued in October/November 2016.

6.3.3 The financial profile 2016/17 to 2019/20 includes an inflationary increase applied to the deficit contribution determined under the triennial review for 2016/17. Whilst provisions for inflationary increases have also been included for 2017/18 to 2019/20 the actual change to the contributions payable will be determined by the next Triennial Review, which could be significantly different depending on the Actuary's assessment of a number of factors including: investment returns, mortality rates, inflation, pay awards, the number of years over which the deficit is to be recovered, etc. applicable to the Essex Pension Fund.

## **6.4 Other Expenditure**

6.4.1 Provision has been made for inflationary increases on specific budget headings e.g. business rates, contracts, energy, fuel, etc at an average rate of 2% per annum (the Government's target rate). Work is currently in progress on updating the increases applicable to these budgets based on the actual price increase indices as at September 2015.

## **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 for 2017/18. There are, therefore, no proposed changes to car parking charges for 2016/17 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 the years which car park fees are not reviewed, and a provision of £50,000 in the year when these fees are reviewed.

A schedule detailing the proposed levels of discretionary fees and charges for 2016/17 will be presented in the Finance report to Cabinet on 4<sup>th</sup> February 2016.

### **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 2016/17 to be presented in the Finance report to Cabinet on 4<sup>th</sup> February 2016.

Increase in rental income from the Council's commercial and industrial properties is determined by rent reviews as provided within the lease terms. An assessment of the likely variation in rents on those property leases subject to review in 2016/17 onward has been undertaken by Asset Management. The estimated increases are £54,770 in 2016/17, £7,710 in 2017/18 and £3,470 in

2018/19; these items are included in the additional income totals referred to in section 8.5 below.

### **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 on Waste Management is the largest at £1.91million (2015/16 budget). Other agreements are for Community Transport (£105,540) and for a council tax sharing arrangement (£237,830).

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 31<sup>st</sup> March 2016;
- Council Tax sharing agreement – a new 3-year agreement between Essex CC and each of the Essex borough/district/city councils commenced on 1<sup>st</sup> 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 2015/16 is £355,750, an increase over budget of £117,920.

A decision is awaited from Essex CC on the future agreement and funding for the Community Transport service which would apply from 1<sup>st</sup> April 2016. At this time it is assumed that the funding for 2016/17 will be cash-limited at the 2015/16 level.

## **7. Unavoidable Budget demands**

7.1 Bids for revenue funding to meet unavoidable budget demands total £251,980, all of which is requested to be added to base budget.

7.2 The four bids are:

### **Environment and Place**

- Refuse and Recycling – the Council is required to provide a statutory service for the collection of medical waste where residents treat themselves in their own homes – Introduce a Chargeable Clinical Waste Service – £30,000;

### **Finance and Performance**

- Efficiency Savings Target – annual budget included for savings to be identified during the course of the year. The achievement of the budget becomes more difficult as staff numbers and budgets are reduced – Propose a reduction in the target from £325,880 down to £150,000 – Adjustment required £175,880;

### **Corporate Services and Asset Management**

- Elections – Individual Electoral Registration will require an increase in postage cost budget – £21,100; and

- Asset Management – Budget for minor repairs to the Council’s assets, the costs of which are individually small and cannot be capitalised – £25,000.

7.3 With regard to future years, it is expected that the renewal of the sale of recyclates contract in April 2017 will result in the current budget of £515,100 reducing to nil, as a minimum. This follows the experience of other Essex authorities which have re-tendered their contracts recently. An adjustment of £515,100 is therefore included in 2017/18.

## **8. Budget Saving/Additional Income Proposals**

8.1 At the meeting of Cabinet in September it was noted that with the anticipated increase in the budget shortfall to £2.24million over the next three years it was proposed that all services are reviewed to identify opportunities to make savings or increase income over the next twelve months. It was also noted that whilst some proposals would be made to address the shortfall for 2016/17 the majority of proposals will be developed for delivery in 2017/18 and will be considered during the coming year and specifically the 2017/18 Budget process.

8.2 Whilst good progress has been made with the identification of savings and additional income the need for the work to continue over the coming year has become more pronounced with the expected larger reduction in the Settlement Funding Assessment, adding £1.1million to be found over the four year period.

8.3 A number of proposals for savings have an impact on residents, customers or local organisations. These will be subject to appropriate consultation during December/January. These proposals are:

### Environment and Place

- Private sector housing grants – charge an agency fee for administration of the Disabled Facilities Grants – proposed 10% charge will be taken from the funding provided through the Better Care Fund. Saving to the revenue account of £41,800 per annum.
- Domestic garden waste – suspend the garden waste collection service over the three months, December to February. Saving of £35,000 per annum.

### Planning and Housing

- Dedham Vale Area of Outstanding Natural Beauty and Stour Valley project – reduce grant payable from £16,000 down to £12,000. Saving of £4,000 per annum.

### Health and Communities

- Citizens Advice Bureau – reduce annual grant payable over the next three years in line with the estimated reduction in the Council’s Settlement Funding Assessment. Saving of £45,000 over the three year period.
- Braintree District Voluntary Support Agency – reduce annual grant payable over the next three years in line with the estimated reduction in the Council’s Settlement Funding Assessment. Saving of £6,000 over the three year period.
- Braintree District Museum Service – 10% budget reduction in the grant to the Trust. Saving of £22,390.

## Finance and Performance

- Parish and Town Councils - Localism Fund – phase out the Localism Fund payments over the next three years. Saving of £291,010 against the 2015/16 budget by 2019/20.
- Council tax – to introduce a 50% premium chargeable on dwellings which have been unoccupied and substantially unfurnished for two years or more. The objective is to bring long-term empty dwellings back into use. Additional council tax will be generated but this will only be sustainable whilst the owners continue to keep their dwellings unoccupied.

## Corporate Services and Asset Management

- Member Development – reduce budget from £10,000 to £6,000 as the majority of development events are presented and facilitated by council officers. Saving of £4,000 per annum.

8.4 A substantial increase in income, of £682,790 in 2016/17, is expected. Four of the sources, Development Control, Land Charges, Trade/Commercial Waste and Council Tax sharing agreement, are already having an impact in the current year as reported at section 5.4 above. The other areas with a significant increase are:

- Business rates retained – the growth in business rates collectable for the district results in an increase in the amount that the Council will retain. Additional income of £250,560 (see section 9.7 below); and
- Commercial and Industrial property – anticipated additional income from rent reviews - £54,770 in 2016/17, see section 6.5.2 above.

8.5 The values of additional income across the four years are: £683,350 in 2016/17; £181,710 in 2017/18; £11,470 in 2018/19; and £7,000 in 2019/20.

8.6 A number of savings have been identified which do not have an adverse impact on residents or customers and have therefore been agreed by Management. The total values of these savings across the years are: £403,450 in 2016/17; £6,350 in 2017/18; and £1,750 in 2018/19.

## 9. Business Rates Retention Scheme

9.1 The Business Rates Retention scheme was introduced for 2013/14. Under the scheme the Government calculated a baseline amount of business rates which it would allow local authorities to retain as part of the Government's funding for local government.

9.2 The baseline was calculated using the average of business rates collected in 2010/11 and 2011/12 together with a number of adjustments. The Council's baseline figure for 2013/14 was £3,046,139. The Government's original intention was to uprate the baseline amount annually by the change in the small business multiplier (RPI as at September). However, for 2014/15 and 2015/16 the Government decided that the increase would be set at 1.95% and 1.91% respectively, rather than the September RPI figures. The Council's baseline for 2015/16 is £3,164,806.

- 9.3 The Council's baseline figure for 2016/17 will be confirmed in the Settlement Funding Assessment.
- 9.4 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).
- 9.5 An assessment of the business rates collectable and collected for the first half-year of 2015/16 has been undertaken, in order to provide a revised estimate for 2015/16 and an estimate for 2016/17 of the amount of business rates to be retained by the Council.
- 9.6 The assessment shows the amount of business rates retained for 2015/16 will be £4,378,578, an increase of £314,268 against the budgeted figure.
- 9.7 For 2016/17, the estimate is 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 the additional 50% uplift, to 100%, to the small business rate relief scheme. The estimated amount of business rates retained by the Council will be £3,989,299, an increase over the budgeted figure in the current Financial Profile of £250,560. This estimate includes a levy payment due to the Government/Essex Pool of £756,278.

## **10. Business Rates Taxbase**

- 10.1 The estimate of the Council's Business Rates Taxbase for 2016/17 is £41,625,663. This is the net collectable amount which is after mandatory and discretionary reliefs, allowances for losses on collection and rating appeals. This is also based on the assumption that small business rates relief will continue to be set at the current level of 100%.
- 10.2 The estimated balance on the Business Rates Collection Fund as at 31st March 2016 is a deficit of £432,000. The proportion attributable to this Council is £172,790 and this is included in the Finance Profile. This deficit will, however, be met with a transfer from the Business Rates Retention Reserve. This reserve was established to meet this circumstance and is a direct consequence of the large increase in the provision made for potential successful rating appeals in the 2014/15 accounts.
- 10.3 The final determination of the Business Rates Taxbase for 2016/17 will be agreed by the Corporate Director (Finance) under delegated authority and following notification of the Small Business Rate Relief scheme and any other changes that may be announced in the Autumn Statement.
- 10.4 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 2016/17 will be included in the Finance report to Cabinet on 4th February 2016. Recipients of discretionary relief were informed, in March 2015, that they would be required to submit new applications



for Business Rate relief in 2016/17 and that this would be determined against the new policy.

## **11. Business Rates – Essex Region pooling arrangement**

11.1 The Council is participating, together with nine other public authorities, in the Essex Business Rates Pool for the current financial year.

11.2 It is anticipated that the Council's share from the Essex Pool in 2015/16 will be in the region of £400,000. The actual share will not be determined until later in 2016 when business rate year-end returns have been completed by all participants in the Pooling arrangement.

11.3 The Cabinet, on 28th September 2015, agreed in principle for the Council to participate in an Essex Business Rates Pool for 2016/17. 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 The Cabinet Member for Finance and Performance agreed that the Council should join with ten Essex authorities to submit an application to the Secretary of State for Communities and Local Government to establish an Essex Pool for 2016/17.

11.5 The eleven authorities expressing a wish to join the Essex Pool are:

Braintree DC	Epping Forest DC	Rochford DC
Brentwood BC	Essex CC	Tendring DC
Castle Point DC	Essex Fire Authority	Uttlesford DC
Colchester BC	Maldon DC	

11.6 Although the Department for Communities and Local Government has not issued an open invitation for authorities to apply to create a pool for 2016/17, the Essex authorities submitted an application on 30th October; following the process timescale which applied in 2014/15 and 2015/16.

11.7 The decision to join again is based on the assessment that estimated business rates income for 2016/17 will exceed the baseline amount, as outlined at paragraph 9.7 above, and that on the proposed sharing arrangement the Council could receive an additional amount of business rates of approximately £385,000, i.e. a proportion of the estimated levy of £756,278 which will be paid into the Essex Pool rather than to the Government. The determination and receipt of the actual amount of the share will be made in 2017/18; i.e. after year-end returns have been collated from each of the authorities in the Essex Pool.

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

12.1 The Local Council Tax Support scheme replaced the Council Tax Benefit scheme on 1st April 2013. The scheme applies to claimants of working age. The Government determined that claimants of pensionable age will be protected from the changes.

12.2 The Council agreed the detail of the Local Council Tax Support Scheme for 2015/16 on 15th December 2014. The scheme forms part of the Council's policy on reductions to the amount of council tax payable as required under Section 13a of the Local Government Finance Act 1992.



### 12.3 The key features of the scheme are:

- The calculation of support is based on 80% of the Council Tax liability rather than the full amount as under council tax benefit;
- A limit on the council tax banding, on which support will be calculated, is set at Band D;
- Child Benefit for the first child only is excluded from the assessment of a claimant's income;
- No Second Adult Rebate element;
- 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 three months;
- The removal of the requirement to calculate and award "underlying entitlement" when overpayments occur as a result of a change of circumstance;
- To incentivise work: the amount of earnings excluded from a claimant's overall income is £40.00 per week (previously ranged from £5.00 to £25.00 per week depending on the claimant's circumstances) with an additional earnings allowance, for those claimants in receipt of working tax credit (where working a minimum of 30 hours), of £5.00 per week;
- The exclusion of the full amount of War Widows pension from the assessment of the claimant's income; and
- The limit on savings held by the claimant is £16,000. Savings above this limit precludes the claimant from support under the scheme.

12.4 The council tax support is accounted for as a discount rather than a benefit. The Council's taxbase is reduced by an estimate of the amount of support that will be awarded in the year. For 2015/16 this was estimated to be £7.65million. As at 31st October 2015, the value of support awarded for the year was £7.105million. The variation between the actual and estimated amounts awarded will be reflected in the balance on the Council Tax Collection Fund at the year-end.

12.5 The Council Tax Support scheme is funded by a cash-limited grant from the Government allocated to each of the major precepting authorities. The amount of the grant payable to the Council and the other preceptors although separately identifiable for 2013/14 this is no longer the case as the grant has since been subsumed within the overall Settlement Funding Assessment.

12.6 An assessment of the cost of the awards compared to the amount of grant receivable (using the 2013/14 grant adjusted by subsequent reductions in the Council's Settlement Funding Assessment ) shows that there would be an estimated shortfall of £201,000 in 2016/17. As a result of this assessment, Cabinet at its meeting on 28th September agreed that consultation should be undertaken on:

- Increasing the minimum liability that working age claimants have to pay, by up to 4% (i.e. from 20% up to a maximum of 24%);
- Increasing the deduction for non-dependants in the household by up to £10 per week (i.e. from £10 to a maximum of £20 per week);
- To reduce the amount of time a claim can be backdated from 3 months to 4 weeks. This keeps the LCTS scheme consistent with the Housing Benefit in this respect;

- To introduce a minimum level of income for claimants who are self-employed. The level to be the National Living Wage, keeping the LCTS scheme consistent with Universal Credit and Housing Benefit.

12.7 The above changes could reduce the cost of the LCTS scheme by a total of up to £383,250, of which the Council would benefit by £49,820.

12.8 Consultation was held over the six week period 5th October and 15th November.

12.9 Details of the consultation and how to participate were communicated in a variety of ways including:

- Council website – Front page story;
- Social Media including Facebook, Twitter;
- Peoples Panel – 456 residents have received a copy of the consultation document either electronically (352) or paper (105)
- Local Press Release
- Letter via email to : CAB, Greenfields CH, Chelmer Housing, Mencap, Braintree Action Group
- Flyer enclosed with correspondence to Claimants and Council Tax payers encouraging people to respond online to the consultation

12.10 An analysis of the responses received shows that whilst 204 people viewed the online consultation the number of respondents to a question ranged between 52 and 70. Responses to Question 20 shows that the number of respondents in receipt of council tax support was 5 (9%) whilst those not receiving this support was 53 (91%).

12.11 The responses to the specific questions regarding the proposed options for change are:

Q5. Do you agree with the principle of every working age person having to make a minimum payment?	Yes 52 (87%)	No 6 (10%)	Don't know 2 (3%)
Q6. If you do agree, what level of minimum payment do you think should be applied?			
• 20% (no change)	21 (40%)		
• 21% to 25%	19 (37%)		
• Over 25%	9 (17%)		
• Don't know	3 (6%)		
Q8. Do you agree with the proposal to set a minimum level of income for self-employed persons?	Yes 43 (72%)	No 11 (18%)	Don't know 6 (10%)
Q10. Do you agree with the proposal to remove the Family premium for new claims?	Yes 36 (60%)	No 18 (30%)	Don't know 6 (10%)
Q12. Do you agree with the proposal to reduce backdating to 4 weeks?	Yes 42 (71%)	No 15 (25%)	Don't know 2 (3%)
Q14. Do you agree with the proposal to increase the non-dependant deduction, to up to £20.00 per week?	Yes 38 (64%)	No 16 (27%)	Don't know 5 (8%)

- 12.12 A schedule summarising responses to each of the questions together with a list of additional comments received is available on the Council's website at: [http://www.braintree.gov.uk/info/200302/benefits/367/housing\\_benefit\\_and\\_council\\_tax\\_support](http://www.braintree.gov.uk/info/200302/benefits/367/housing_benefit_and_council_tax_support).
- 12.13 Having considered the consultation responses and comments received it is proposed to make the following changes to the scheme for 2016/17:
- Increase the minimum liability that working age claimants have to pay to 24%;
  - Increase the deduction for non-dependants in the household to £20 per week (from £10 per week);
  - Introduce a minimum level of income for claimants who are self-employed, the level to be the National Living Wage;
  - Remove the Family Premium for new claims after 1<sup>st</sup> May 2016; and
  - Reduce the amount of time a claim can be backdated from three months to one month (Housing Benefit Regulations regarding this change now specify one month rather than four weeks).
- 12.14 In considering the above changes to the scheme, applicable from 2016/17, Members are satisfied that no transitional provisions are required.
- 12.15 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 2016/17 to be recommended for approval by the 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](http://www.braintree.gov.uk/info/200302/benefits/367/housing_benefit_and_council_tax_support).
- 12.16 An Equalities Impact Assessment of the scheme has been prepared and can also be viewed on the Council's website at the link above.
- 12.17 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.
- 12.18 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 2016.
- 12.19 As at 30th October the Council has made awards to 25 claimants, with a value of £8,682.50, and follows recommendations from the CAB. At this time there were a further 38 referrals awaiting determination by the CAB.
- 12.20 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.

12.21 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 2016/17. The funding of these has been shared, for each of the last three years, 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 2016/17.

12.22 The value of the Exceptional Hardship Fund for 2016/17 will continue to be set at 0.2% of the estimated value of council tax support for 2016/17; 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 Prior to each year an estimate is made of the amount of council tax which is expected to be collected. Variation from the estimate results in either a surplus or deficit which must be either returned to or requested from council taxpayers in the following year.

13.2 An initial estimate of the Collection Fund balance as at 31st March 2016 is for a net surplus of £886,050. The Council's proportion of the council tax surplus, to be returned to council taxpayers in 2016/17 is £114,990. This compares to a surplus of £172,300 returned to council taxpayers in 2015/16. The main reason for this change is that the allowance for losses on collection was reduced from 1.5% to 1% in 2015/16 which has reduced the estimated surplus expected in the year.

13.3 A final assessment of the estimated Collection Fund balance as at 31st March 2016 will be undertaken in January, with any change necessary being included in the Finance report to Cabinet on 4th February 2016.

### **14. Council Taxbase**

14.1 The Council's taxbase for 2016/17 is required to be calculated as at 30th November 2015 and will be agreed, under delegated authority, by the Corporate Director responsible for Finance.

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 agreed 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 2016/17.

14.5 The Council decided initially against the introduction of a premium, of up to 50%, to be applied to long-term empty properties (defined as over two years). However, there are currently 271 properties in the district which have been

empty for two years or more and have a total council tax liability of £360,551 for 2015/16. In view of the demand for homes in the district it is considered that the introduction of a premium charge may provide an added incentive to get these long-term empty properties to be brought back into use.

14.6 Whilst the Council has discretion to introduce the premium the Government has prescribed two classes of dwellings which are exempt from the premium:

- A dwelling which would otherwise be the sole or main residence of a member of the armed services, who is absent from the property as a result of such service
- A dwelling which forms part of a single property that is being treated by a resident of that property as part of the main dwelling.

14.7 It is proposed therefore that a premium of 50% be introduced from 1st April 2016 on properties which have been unoccupied and substantially unfurnished for two years or more.

14.8 It is proposed to maintain the allowance for losses on collection at 1% for 2016/17.

14.9 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.

14.10 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 0.5% per annum to 1% per annum for 2017/18 and to 1.5% per annum for 2018/19 and 2019/20.

## 15. Council Tax Levels

15.1 With the expected 40% reduction in Settlement Funding Assessment over the next four years council tax increases in the Financial Profile have been included at the maximum level allowable without the need for a referendum. The table below identifies the estimated budget shortfall to be addressed in 2016/17 to 2019/20.

Year	Council Tax Band D	Percentage increase	Estimated budget shortfall to be addressed
2010/11	£162.81	2.5%	
2011/12	£162.81	0%	
2012/13	£162.81	0%	
2013/14	£161.19	-1.0%	
2014/15	£159.57	-1.0%	
2015/16	£159.57	0%	
2016/17	£162.72	1.97%	£0
2017/18	£165.96	1.99%	£672,937
2018/19	£169.20	1.95%	£303,023
2019/20	£172.53	1.97%	£397,884

## 16. Council Tax Referendums

- 16.1 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. In previous years the threshold has been set at 2%. It is expected that the Secretary of State will determine the limit for 2016/17 following the Autumn Statement.
- 16.2 Local precepting authorities, i.e. town and parish councils, are currently not subject to the requirement for a referendum for a proposed increase in council tax precept above the level set by the Secretary of State.

## 17. Financial Profile 2016/17 to 2019/20

17.1 An updated Financial Profile for 2016/17 to 2019/20 taking account of the proposed savings and revised assumptions is provided at Appendix A.

17.2 The updated financial profile 2016/17 to 2019/20 shows for:

2016/17 – an addition to balances of £514,446;  
2017/18 – a shortfall of £672,937;  
2018/19 – a shortfall of £303,023; and  
2019/20 – a shortfall of £397,884

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

17.4 The work commenced by Cabinet Portfolio holders and senior management to identify options to address the funding shortfalls over the medium-term is to continue with services and service standards being subject to review. The reviews will also encompass the potential options for either selling off or transferring assets to other organisations.

## 18. Balances and Reserves

18.1 The Unallocated General Fund balance as at 31st March 2015 was £7.829million.

Agreed movements on the balances for 2015/16 are:

	<b>£'000</b>
<b>General Fund</b>	
Planned use from balances in setting 15/16 budget	(894)
Anticipated surplus in 2015/16	738
Property searches new burdens payment from DCLG	203
Estimated Balance as at 31 <sup>st</sup> March 2016	<u>7,876</u>

The estimated transfer to balances for 2016/17 is £514,446 as shown in Appendix A, which provides an estimated balance of £8.390million as at 31<sup>st</sup> March 2017.



18.2 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 2015 was £11.928million. 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 4th February 2016.

## 19. New Homes Bonus

19.1 The Department for Communities and Local Government has been conducting a review of the New Homes Bonus scheme. A decision on the future of the scheme is expected to be announced in the Autumn Statement.

19.2 Assuming the scheme continues to operate on the existing principles for 2016/17 then the estimated amount of New Homes Bonus for year 6 receivable by the Council is £627,500. Notification of the actual amount is expected in early/mid December 2015.

19.3 A third party, Capacity Grid, was engaged to undertake an exercise to determine whether properties which were empty for longer than six months, as recorded on the Council Tax system, had been brought back into use. The properties identified through this exercise have ensured that the amount of New Homes Bonus the Council receives is maximised over the six year period. The fee paid, of £53,800 which was based on 15% of the amount of New Homes Bonus for Year 6 for each property identified, has been met from the New Homes Bonus in 2015/16.

19.4 The amount of New Homes Bonus receivable for years 1 to 6 over the period to 2019/20 is detailed in the table below. Allocations to support revenue expenditure, totalling £660,700 to 2019/20, have been agreed from the New Homes Bonus.

<b>New Homes Bonus</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Totals</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Year 1 (2011/12)</b>	509.0	509.0	509.0	509.0	509.0	509.0				<b>3,054.0</b>
<b>Year 2 (2012/13)</b>		472.6	472.6	472.6	472.6	472.6	472.6			<b>2,835.6</b>
<b>Year 3 (2013/14)</b>			606.0	606.0	606.0	606.0	606.0	606.0		<b>3,636.0</b>
<b>Year 4 (2014/15)</b>				266.9	266.9	266.9	266.9	266.9	266.9	<b>1,601.4</b>
<b>Year 5 (2015/16)</b>					247.1	247.1	247.1	247.1	247.1	<b>1,235.5</b>
<b>Year 6 (2016/17)</b>						627.5	627.5	627.5	627.5	<b>2,510.0</b>
<b>Total per annum</b>	<b>509.0</b>	<b>981.6</b>	<b>1,587.6</b>	<b>1,854.5</b>	<b>2,101.6</b>	<b>2,101.6</b>	<b>2,220.1</b>	<b>1,747.5</b>	<b>1,141.5</b>	<b>14,872.5</b>
Less: Allocations agreed	-79.0	-79.0	-66.4	-32.5	-123.8	-70.0	-70.0	-70.0	-70.0	<b>660.7</b>
<b>Totals</b>	<b>430.0</b>	<b>902.6</b>	<b>1,521.2</b>	<b>1,822.0</b>	<b>1,977.8</b>	<b>2,031.6</b>	<b>2,150.1</b>	<b>1,677.5</b>	<b>1,071.5</b>	<b>14,211.8</b>

19.5 With the exception of the revenue allocations agreed the Council's policy regarding New Homes Bonus is that £5.73 million is set aside to meet infrastructure and housing projects in the district. An allocation of a minimum of £750,000 was agreed for affordable housing (£0.249million of which was utilised in 2014/15) and £4.98million was allocated for infrastructure projects.



19.6 Cabinet on 2nd June 2014 allocated £4.98million of the New Homes Bonus for infrastructure to the following:

- Witham Enterprise Centre – £500,000
- A120 Access Improvement Package – £2,500,000
- Business Broadband – £250,000
- Re-investment Fund – £1,250,000 (utilised in 2014/15 to purchase land at Chapel Hill)
- Feasibility/Project Development Fund – £481,000

19.7 The anticipated value of New Homes Bonus that the Council will have received between 2011/12 and 2016/17 is £9.135million, of which a balance of £2.953million will be unallocated.

## 20. Capital Resources

20.1 An update of the capital resources and capital programme for 2015/16 to 2019/20 is summarised as follows:

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Balance of Resources – Brought Forward	10,097	5,419	6,551	7,245	7,913
Resources in year	2,837	5,022	1,391	1,368	1,318
Total Resources	12,934	10,441	7,942	8,613	9,231
Approved Capital Programme	7,515	3,890	697	700	702
Balance of Resources for Carry Forward to next year	5,419	6,551	7,245	7,913	8,529

20.2 The total balance of capital resources available to fund capital projects in the years 2016/17 to 2019/20 is £8,529,000.

20.3 The anticipated resources consist of:

- Share of Right to Buy sales income with Greenfields Community Housing;
- Capital receipts from the sale of assets, including: a proportion of the proceeds from the sale of land assembled east of High Street, Halstead and the sale of the site of the former Bramston Sports Centre, Witham.
- Share of the VAT Sharing arrangement with Greenfields Community Housing;
- Capital grant for Disabled Facilities Grants;
- Growth Area Fund; and
- Section 106 contributions – where identified to a specific project which meets the requirements specified in the relevant Section 106 agreement. For example, play area refurbishments at John Ray Park and Tabor Field.

20.4 In addition to the anticipated resources, quoted in the statement above, the Council is able to:

- Borrow monies to finance capital projects. If borrowing is to be used then it is important that the capital project is income generating in order to cover the loan repayment costs;
- Use unallocated balances, subject to maintaining a minimum level of £1.5million (in accordance with policy).
- Use the balance of unallocated Section 106 monies, of £862,000, which is available for projects that meet the requirements specified in each Section 106 agreement.

20.5 Proposed projects which have been agreed to be funded from the New Homes Bonus are identified in Section 19 above and as such the New Homes Bonus resource is excluded from the anticipated resources at section 20.1 above. There will however, be an unallocated balance of £2.953million as at the end of 2016/17 which could be utilised for revenue or capital purposes.

20.6 Also excluded from the anticipated resources above are the following current and potential resources:

- Opportunity purchase fund of £500,000 established in 2015/16 to enable the purchase of investment property and land; and
- Discussions are in progress with Greenfields Community Housing regarding the splitting of the CHIP Fund. The Council's share would be in the region of £2.5million.

## **21. Capital Programme**

21.1 Proposed capital projects for inclusion in the 2016/17 Capital Programme will be presented in the Finance report to Cabinet on 4th February 2016.

21.2 Members have been given the opportunity to identify local capital projects. Submissions received will be considered and prioritised by the Overview and Scrutiny Committee on 25<sup>th</sup> November 2015. Recommendations, as appropriate, will be presented to Cabinet on 4<sup>th</sup> February 2016.

**General Fund Revenue Profile 2015/16 to 2019/20**

**APPENDIX A**

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£	£	£	£	£
Base Budget brought forward from previous year	15,317,986	15,624,426	13,440,160	13,367,263	13,304,480
<b>Inflation:</b>					
Pay - annual award and incremental progression	256,100	260,530	226,660	219,120	219,120
Other Expenditure Inflation	66,040	57,570	69,400	70,760	70,760
Income Inflation	0	(10,000)	(50,000)	(10,000)	(10,000)
Pension Fund and National Insurance contribution adjustments	80,710	309,650	126,970	63,270	63,270
<b>New Demands:</b>					
Priority Area Investment, Bids and Unavoidable Budget Changes previously profiled	(1,078,360)	(24,910)	0	0	0
New Bids Ongoing	272,380				
One-off Growth Items 2015/16	2,101,106	(2,101,106)			
Reduction of Council Tax Support and Housing Benefit Administration Subsidy	97,920	50,270	46,750	43,480	43,480
Unavoidable Budget Demands		251,980	515,100		
<b>Reductions:</b>					
Savings/Additional Income agreed previously profiled	(1,490,290)	(79,844)	(19,830)	0	0
Proposed savings - Members' decision		(149,250)	(126,950)	(133,170)	0
New savings - Agreed by Management		(403,450)	(6,350)	(1,750)	
New additional income		(432,790)	(181,710)	(11,470)	(7,000)
<b>Council Tax Freeze Grant 2014/15 and 2015/16</b>	834	87,084	0		
<b>Additional Savings Required</b>	<b>0</b>		<b>(672,937)</b>	<b>(303,023)</b>	<b>(397,884)</b>
<b>Updated Base Budget</b>	<b>15,624,426</b>	<b>13,440,160</b>	<b>13,367,263</b>	<b>13,304,480</b>	<b>13,286,226</b>
(Use of) / Addition to Balances	(864,574)	<b>514,446</b>			
Contribution from Balances for one-off growth items / Investment Bids 2013/14 and 2014/15	(29,910)	0			
Contribution from Earmarked reserves		(172,790)			
<b>Budget Requirement</b>	<b>14,729,942</b>	<b>13,781,816</b>	<b>13,367,263</b>	<b>13,304,480</b>	<b>13,286,226</b>
Government Grant - Revenue Support Grant	(2,556,001)	(1,634,584)	(840,619)	(406,904)	(4,611)
Retained Business Rates - Baseline amount	(3,164,806)	(3,228,102)	(3,292,664)	(3,358,517)	(3,425,687)
- Growth above baseline	(573,934)	(761,197)	(770,850)	(781,267)	(791,892)
Collection Fund Balance - Business Rates (Surplus)/Deficit	(325,570)	172,790			
Collection Fund Balance - Council Tax (Surplus)/Deficit	(172,300)	(114,990)			
<b>BDC Requirement from Council Taxpayers</b>	<b>7,937,331</b>	<b>8,215,733</b>	<b>8,463,130</b>	<b>8,757,792</b>	<b>9,064,036</b>
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%)	49,742	50,490	50,995	51,760	52,536
Council Tax (Band D)	£ 159.57	£ 162.72	£ 165.96	£ 169.20	£ 172.53
Council Tax per week	£ 3.07	£ 3.13	£ 3.19	£ 3.25	£ 3.32
<b>Percentage Increase</b>	<b>0.0%</b>	<b>1.97%</b>	<b>1.99%</b>	<b>1.95%</b>	<b>1.97%</b>
Increase per week	£ -	£ 0.06	£ 0.06	£ 0.06	£ 0.07

<b>Braintree Town Centre Regeneration Scheme Development and Financial Proposals</b>		<b>Agenda No: 7a</b>
<b>Portfolio Economic Development</b>		
<b>Corporate Priority: Promoting and improving our town centres</b>		
<b>Report presented by: Councillor Tom Cunningham</b>		
<b>Report prepared by: Andrew Epsom</b>		
<b>Background Papers:</b> Cabinet Report 9th June 2011		<b>Public Report</b>
		<b>Key Decision: No</b>
<b>Executive Summary:</b>		
<p>At the Cabinet meeting on the 9th June 2011 Members recommended to Council:-</p> <p>“2) That Henry Boot Developments Limited be selected as the ‘Development Partner’ for the Braintree Town Centre regeneration site. That subject to decision 2 being agreed by Council:</p> <p>3) That powers be delegated to the Director of Sustainable Development to agree final terms of the Development Agreement in consultation with the appropriate Cabinet Member(s).</p> <p>4) That powers be delegated to the Director of Sustainable Development to agree a lease on the regeneration site with the ‘Development Partner’ for a 200 year term in accordance with the proposals set out in the report.”</p> <p>Decision 2) above was approved by Council at its meeting on the 27th June 2011 and the Development Agreement was then entered into.</p> <p>The purpose of this report is to provide Members with details of the latest scheme proposals which are a variation to the original outline scheme. This report will enable Members to consider the change from a retail led scheme to a Doctors’ Surgery/restaurant led scheme and obtain agreement in principle to move forward with these new scheme proposals. A scheme of delegation has also been proposed to enable the proposed scheme to progress without any further delay.</p> <p>The updated development proposals are set out in this report and the updated financial arrangements are set out in the Private Report for Members to consider and approve.</p> <p>Members will also note that the date by which Henry Boot Developments Limited shall prepare and submit the Specification and the Scheme Drawings in accordance with the terms of the Development Agreement has been extended to the 31<sup>st</sup> December 2015. This time extension was approved by Councillor Tom Cunningham under Delegated Authority to enable the proposed scheme to progress without any further delay.</p>		

**Decision**

1. That Members approve in principle a revised redevelopment scheme on the Braintree Town Centre regeneration site comprising a Doctors' Surgery/Pharmacy, restaurants/café, public car parking, a bus interchange and public realm.
2. That powers be delegated to the Director of Sustainable Development in consultation with the Cabinet Member for Economic Development to agree the final detailed scheme design and specification and final agreed financial arrangements as set out in the Private Report provided that any changes are within the parameters as set out in the Private Report.

**Purpose of Decision:**

To agree in principle the development proposals and financial arrangements for the Braintree Town Centre regeneration site to enable this project to move forward and trigger the development provisions contained within the Development Agreement.

**Any Corporate implications in relation to the following should be explained in detail****Financial:**

The Council is to receive a ground rental for the restaurant accommodation and income from the leased car park.

Since the inception of this project the Council has incurred costs relating to the OJEU/Competitive Bid process, legal fees, consultants fees and related scheme costs.

Under the terms of the Development Agreement, Henry Boot was due to make a contribution towards the Council's costs, however, in order to make the latest scheme viable, Henry Boot has advised that it is now unable to make this contribution.

Any financial terms agreed will be subject to the Council obtaining independent commercial property advice. The financial implications of this scheme are detailed in the Private Report.

**Legal:**

Once the Council approves the scheme design and specification this triggers the provisions of the Development Agreement which will be closely monitored by the Council's Legal Service and Asset Management Service to ensure the Council's interests are protected at all times.

**Safeguarding**

Not applicable.

<b>Equalities/Diversity</b>	The construction of the new premises will be required to comply with all disabled access requirements and the employment of staff therein will need to comply with all equalities and diversity legislation.
<b>Customer Impact:</b>	A modern and much larger Doctors' surgery will be made available to the residents of Braintree together with the availability of new restaurants in the Town Centre which are currently lacking.
<b>Environment and Climate Change:</b>	The newly constructed buildings will need to comply with current environmental and climate change requirements.
<b>Consultation/Community Engagement:</b>	Community consultation was previously undertaken as part of the process of appointing Henry Boot as the Council's development partner. Further public consultation will take place when a planning application is submitted. A briefing session will be held with Members prior to the Cabinet meeting on the 30 <sup>th</sup> November 2015 to provide Members with an update on the progress of the scheme and answer any queries. Ongoing updates will be provided to Cabinet and Members as the scheme progresses.
<b>Risks:</b>	<ol style="list-style-type: none"> <li>1) Potential challenge by unsuccessful bidder.</li> <li>2) Economic conditions decline.</li> <li>3) Henry Boot cannot agree a deal with Mount Chambers.</li> <li>4) Abnormal site costs.</li> <li>5) Build costs increase.</li> <li>6) Planning permission refused.</li> <li>7) Financial soundness of Henry Boot Developments Limited declines.</li> </ol> <p>See detailed Risk Matrix in the main body of the report.</p>
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## 1.0 Background

- 1.1 In June 2011, following a Competitive Dialogue process, the Council appointed Henry Boot Developments Limited (Henry Boot) as its preferred Development Partner.
- 1.2 At this time Henry Boot's indicative scheme proposals consisted of the following mix of uses:-
- 32,000 sq. ft net of A1 units (retail)
  - 5,990 sq. ft net of A3 units (1-2 restaurants/cafes)
  - 60 bedroom hotel
  - 250 car parking spaces
  - 6 stand bus interchange with café/WC's
  - Public realm
- 1.3 Unfortunately, despite their best efforts, Henry Boot has been unable to deliver the original indicative scheme which is no longer financially viable. A number of factors have impacted on these proposals including the economic recession and changes in shopping trends and demand.
- 1.4 Henry Boot has therefore had to review its proposals to respond to new demands and the changing nature of town centres.

## 2.0 **Current Position**

- 2.1 The Council has extended the Development Agreement with Henry Boot to the 31<sup>st</sup> December 2015 to enable Henry Boot to review the scheme mix for the site in Braintree Town Centre. Henry Boot has come forward with a revised scheme that is viable and meets current demand. The latest scheme proposals comprise:-
- GP Surgery/Pharmacy – 14,230 sq. ft net at 1st floor level
  - Restaurants – 4 units totalling 13,475 sq. ft net at ground floor level
  - GP Staff car parking – 40 spaces
  - Public car parking – 146 spaces
  - Bus interchange – 6 bay self-contained bus interchange
  - Public realm
- 2.2 The new scheme offers all stakeholders a better deal and responds to changing town centre demands by focussing on a mix of community and leisure facilities such as a health centre and restaurants. This is supported by the increasing pressures being placed on GP surgeries in Braintree and requests from the public for a stronger night time economy with a wider choice of restaurants being available in the evening.

Whilst there is a reduction in car parking compared to the original scheme this helps to reduce the density of the development on site and improve the scheme from a design and planning perspective. The loss of the hotel does not impact on the scheme and is off-set by the overwhelming need for modern and expanded GP facilities in Braintree to meet the current and increasing future demand.

Henry Boot has been requested to include public toilet provision within the scheme.



- 2.3** The Council has been working with Mount Chambers Surgery (Mount Chambers), Henry Boot Developments and the NHS over the past 18 months to facilitate the delivery of modern, expanded and fit for purpose surgery facilities on the site behind the Town Hall in Braintree.
- 2.4** Over this period Mount Chambers Surgery and Henry Boot have worked together to agree the scheme design and Henry Boot submitted a price for a 'turn-key' scheme to Mount Chambers. Mount Chambers has also been liaising with the NHS to secure financial support and obtain a clear indication of the support to be provided by the NHS for the scheme which they have now obtained. This has caused some delay to scheme progress.
- 2.5** Following advice from the NHS, Mount Chambers made a decision to obtain a price from Henry Boot to purchase the premises on a 'shell and core' basis with the NHS helping Mount Chambers to arrange the fit out of the premises separately. This in turn has caused further delay.
- 2.6** NHS England has written to the Council setting out that financial support will be provided in line with their 'Premises Directions 2013'. The NHS has also provided confirmation of their commitment to the delivery of the new surgery.
- 2.7** A meeting was held on the 6<sup>th</sup> July 2015 between the NHS, the Council, Henry Boot and Mount Chambers to resolve outstanding issues and clarify the NHS's approval procedures and the level of scheme detail that both the NHS and Mount Chambers require in order to sign-off the scheme.
- 2.8** The next and final requirement of the NHS is to be provided with full drawings and a specification (tender pack) together with a planning consent as part of a full business case in order to give the scheme final sign-off. This is the fourth and final stage of the NHS process and is dealt with when all of the final scheme details are to hand.
- 2.9** Mount Chambers has now revised its requirements and Henry Boot is currently in the process of submitting a revised proposal to construct and dispose of the first floor Surgery/Pharmacy premises (on a turn-key basis i.e., fully fitted out) together with 40 car parking spaces to Mount Chambers Surgery. Negotiations between the parties are ongoing.
- 2.10** Henry Boot has also submitted revised financial proposals to the Council in relation to the latest scheme and these are detailed in the Private Report.

### **3.0 Benefits of Latest Scheme**

- 3.1** The scheme provides modern and much larger medical premises for the Mount Chambers surgery which is desperately needed to meet both current and future demand (from projected housing growth figures) for GP services.
- 3.2** Braintree Town Centre has a limited restaurant offer and the additional restaurant units will help improve the variety and quality of the offer in the town centre for residents.

- 3.3 An increase in public car parking spaces from the existing 108 spaces to 146 spaces.
- 3.4 This scheme should generate additional footfall into the Town Centre which will provide a boost to the local economy.
- 3.5 The scheme provides a significant area of good quality public realm to the frontage of the scheme.

<b>4.0 Risk Assessment</b>			
	<b><u>Item</u></b>	<b><u>Issue</u></b>	<b><u>Action</u></b>
4.1	Potential challenge by original unsuccessful bidders	The scheme mix has changed therefore original bidders have not had an opportunity to bid on a revised scheme.	Legal advice has been taken. Flexibility was built into the design and build framework and therefore the legal advice would indicate there is a low risk of challenge from a procurement perspective.
4.2	Economic conditions decline	Henry Boot would have to review its development proposals to assess if it is still appropriate to proceed.	Economic conditions are currently positive and Henry Boot will be looking to proceed quickly with the scheme if approved by the Council.
4.3	Henry Boot cannot agree deal with Mount Chambers surgery	Mount Chambers withdraw their interest in acquiring the surgery premises, Pharmacy and car parking from Henry Boot.	BDC to liaise with the NHS to discuss alternative scheme delivery options. The NHS has indicated that it is committed to proceeding with this scheme and the provision of a modern Doctors' Surgery in this location.
4.4	Abnormal site costs	These would add to the cost of the scheme and potentially make it unviable.	Henry Boot to carry out full due diligence on the site but has not raised any issues to date.
4.5	Build Costs increase	This may impact on the viability of the scheme.	The economy is going through a period of low and declining inflation with some deflationary pressures anticipated. In contrast, build costs have been increasing over recent

<p>4.6</p> <p>Planning Permission refused.</p>	<p>Henry Boot is unable to obtain a satisfactory planning consent for the scheme.</p>	<p>months, however, Henry Boot has been researching build costs and is confident the current financial appraisal reflects current and projected build costs.</p> <p>Early discussions have been taking place between Henry Boot, their architects, Planning, ECC Highways and BDC Licensing to discuss key issues the scheme needs to address. This should put Henry Boot in a good position to submit appropriate plans, reports and information at both the Pre-Application discussions and when submitting a full planning application. BDC has appointed a dedicated planning officer to deal with this scheme and consult key stakeholders etc.</p>
<p>4.7</p> <p>Financial soundness of Henry Boot Developments Limited declines.</p>	<p>Henry Boot Developments Limited unable to complete scheme due to financial difficulties.</p>	<p>Under the terms of the Development Agreement, Henry Boot Developments Limited is the 'Developer' and Henry Boot plc is the 'Developer's Guarantor'. Henry Boot plc's latest accounts as at 31/12/2014 indicate pre-tax profits of £28,312,000 and a net worth of £198,486,000 which indicates that the Guarantor is of significant financial standing. This provides the Council with the comfort that the Developer has the support of a substantial parent company to deal with any financial difficulties or related issues that may arise.</p>

5.0 **Outstanding Issues**

Should Members be minded to approve the latest Henry Boot scheme proposals the next steps in the process, together with the steps as set out in the Development Agreement, would be:-

- Cabinet approves the latest scheme proposals from Henry Boot and approves that powers be delegated to agree the final scheme design and specification and associated financial arrangements as set out in the Private Report.
- Henry Boot and Mount Chambers Surgery to agree terms for the acquisition by Mount Chambers of the first floor Surgery/Pharmacy accommodation and associated car parking.
- The Council and Henry Boot agree final financial arrangements for the scheme which the Council will get signed off by an independent commercial property consultant.
- Henry Boot to submit scheme plans and specification to BDC to approve.
- Once the Council approves the scheme plans and specification then this triggers the provisions of the Development Agreement and timetable set out therein.
- Henry Boot then has 3 months to prepare detailed scheme plans in readiness for the submission of a planning application.
- Once the Council has approved the detailed scheme plans (within 15 days of receipt) then Henry Boot has 8 weeks in which to submit a planning application.
- A clear timetable for the remainder of the development process is set out in the Development Agreement.
- Should planning permission be granted it is estimated that it would take a further 16 months to complete the construction of the development.

# Minutes



## Developing Democracy Group

6<sup>th</sup> October 2015

Present:

Councillors	Present	Councillors	Present
Councillor J E Abbott	Yes	Councillor Mrs J Pell	Yes
Councillor Mrs J Beavis	Apologies	Councillor C Siddall	Yes
Councillor G Butland (Chairman)	Yes	Councillor Mrs G Spray	Yes
Councillor D Mann	Yes		

Officers in attendance: Nicola Beach, Chief Executive, Ian Hunt, Head of Governance and Emma Wisbey, Governance and Members Manager.

41 **MINUTES**

**DECISION:** That the Minutes of the meeting of the Developing Democracy Group held on 15<sup>th</sup> June 2015 be approved as a correct record and signed by the Chairman.

42 **Temporary Appointments to Town and Parish Councils**

**INFORMATION:** Members were asked to consider and agreed a nomination procedure to facilitate an order for temporary appointments to Town and Parish Councils in accordance with Section 91(1) of the Local Government Act 1972. The procedure would be implemented in situations where a Town/Parish Council is unable to function through being inquorate.

Section 91(1) of the Local Government Act 1972 provides that the Principal Authority can make an order to appoint to a Town/Parish Council until such time as the vacancies on the Town or Parish Council have been filled by election.

The Chief Executive has the ability under the Constitution to make relevant appointments as necessary; this procedure would support the appointment of appropriate individuals. The procedure would be responsive and only used where the Town/Parish Council approached the District Council. The process would look to appoint relevant people with some electoral mandate and have relevant local knowledge and contacts. The Council would not look to appoint officers of the Council to Parish/Town Councils vacancies due to the potential for blurred lines between Councillor and Officer roles.

The Head of Governance advised that the normal qualifications for standing for election as Parish/Town Councillor would not apply to appointments made under Section 91 of the Local Government Act 1972, such as the requirement to live within 3 miles of the parish area.

The Head of Governance also advised that it would be possible for the appointed person to be appointed to more than one Parish/Town Council.

Members were advised that where a District or County Councillor is already a Member of the “inquorate” Town/Parish Council they would not be approached to be appointed and the number of appointments made would be limited to fill sufficient vacancies to make the Town/Parish Council quorate. It would not be necessary to fill all vacancies.

**DECISION:** That the Chief Executive be authorised to make any future orders appointing persons to Town and Parish Councils in accordance with the procedures set out at below.

### **Process for making temporary appointments to Town and Parish Councils**

This process enables Braintree District Council to make an Order to appoint persons to Town and Parish Councils in accordance with Section 91 of the Local Government Act 1972.

1. The Parish Clerk advises Braintree District Council that the Parish Council is unable to operate due to being inquorate.
2. Electoral Services verifies the number of seats on the Parish Council and that it is inquorate. They also identify the number of appointments required for it to become quorate.
3. All District Ward Members together with the County Councillor for the area in which the Parish is located will be offered the temporary appointment of Parish Councillor until such time as the vacancies are filled by election. Selection will be based on the availability of Members and any known relevant circumstances.
4. For Parishes falling into two different district wards the District Ward Members applicable to the parish ward(s) where the vacancies have arisen will all be approached.
5. Where the relevant Ward Members or County Councillors are unable or unwilling to be appointed and the Parish Council remains inquorate, the Chief Executive, in consultation with the Leader will consider the way forward which will involve adjacent District Ward Members.
6. All appointments must be made by Order under Section 91(1) of the Local Government Act 1972.
7. A report detailing the action taken will be submitted to the next available meeting of the Developing Democracy Group.
8. In the event that appointments cannot be made a report will be submitted to the Developing Democracy Group.
9. In accordance with Section 91(3) of the Local Government Act 1972, the Chief Executive will forward two copies of the Order to the Secretary of State. A copy for information will also be sent to the Clerk of the Parish Council.

10. The Order is to stipulate the names of the appointed persons and the latest date their appointment will expire.

**ACTION:** The Head of Governance to advise all Town and Parish Councils of the adoption of the appointments procedure under Section 91 of the Local Government Act 1972.

**REASON FOR DECISION:** To ensure clarity in the process for making temporary appointments to Town and Parish Councils where they are unable to operate through being inquorate.

#### 43 **Review of Appointments to Outside Bodies**

**INFORMATION:** Members were informed of the interim review of the appointments to outside bodies and noted that there had been no material responses to the decision not to appoint to certain outside bodies. Members were advised that a further review would be undertaken at the end of 2015 to establish the level of engagement between the appointed representatives and the outside bodies. The review would also examine Members' experiences and their participation in order to review the value of the appointments to the Council and the outside bodies.

**Request for appointment to an Outside Body by Councillor Mrs Scattergood:** Members were advised of a request by Councillor Mrs Scattergood to attend the Essex Rural Partnership. Members were advised that Councillor Mrs Scattergood had attended the Partnership and its Steering Boards since requested by the former Chief Executive, Allan Reid. Members were advised that Councillor Mrs Scattergood's attendance had not been formally confirmed by Council or Cabinet and details of the appointment were not held by the Governance Service. Following Members' discussion it considered appropriate that the decision be deferred and it was agreed that the Chief Executive would explore this request further with Councillor Mrs Scattergood and Essex Rural Partnership.

**Substitutes:** Members were advised of the use of substitutes by Members who have been appointed to outside bodies. Members were advised that this had come to the attention of Head of Governance via Members' claim for expenses that some Members had been requested to attend meetings of outside bodies as a substitute in the absence of the appointed Member. The Sub-Committee were reminded that the Appointed Member could not approve the attendance of a substitute for the purpose of the Members' Allowance Scheme, consequently those Members who had attended as substitutes had done so at their own expense as their claims had been declined.

Members confirmed that there were no formal substitutes to outside bodies. Members considered that should the Appointed Member not be able to attend a meeting of the outside body substitutes would be permitted but only on an ad hoc basis, subject to the agreement of the outside body. Members noted that some outside bodies would not be able to accept a substitute. Members also agreed that prior to the meeting the Appointed Member should advise the Head of Governance of their non-attendance and their substitute. This would enable the approval of allowances for the substitute Member and for the use of substitutes to be monitored and reviewed in order to inform Council and Cabinet's future appointments to outside bodies.

**Reports by Members appointed to outside bodies:** Members were reminded that Council and Cabinet have made 13 and 15 appointments to outside bodies respectively; however, there have been limited annual reports from the Appointed



Members on their activities and key issues for the bodies. It was noted that the Members appointed to the CAB and BDVSA have traditionally presented an annual report to Full Council, but no other appointments have routinely presented an annual report.

Members agreed that there should be annual reports from all appointments, which should cover the key issues for the year. Where there is more than one Member appointed there should be a joint annual report. It was agreed further that the annual reports will be considered on a case by case basis as to whether they should be formally presented to Full Council or Cabinet; otherwise they will be placed on the Members' Hub.

#### **DECISION:**

That:

- 1) Members noted the outcome of the interim review of appointments to outside bodies.
- 2) Members agreed to defer the decision on the appointment to the Essex Rural Partnership in order for the Chief Executive to investigate further.
- 3) Members agreed that:
  - a. No formal substitutes to outside appointments are permitted. Substitutes may only be made on an "ad hoc" basis.
  - b. In the event that the appointed Member is unable to attend a meeting of the outside body, subject to the agreement of the outside body (where required), an "ad hoc" substitute would be permitted to attend the meeting.
  - c. Prior to the meeting of the outside body the appointed Member is required to convey to the Head of Governance and the outside body of their non-attendance and the name of the substitute Member.
  - d. The use of substitutes is to be reviewed in order to inform the future appointments by Council and Cabinet to outside bodies.
- 4) Members agreed that there should be an annual report back to Council and Cabinet respectively by appointed Members. Reports should be on key issues and will be considered on a case by case basis as to whether the reports need to be formally presented to Council and Cabinet.

**REASON FOR DECISION:** To keep the Council and Cabinet appointments to outside bodies under review.

#### 44 **Consideration of Key Decision Threshold**

**INFORMATION:** Members were reminded that officers had been asked to undertake research on the comparative levels and thresholds for Key Decisions for other authorities. The Head of Governance advised that a survey had been undertaken with neighbouring Essex authorities together with the Council's CIPFA neighbourhood groups.

The survey revealed that there was consensus with the Council's thresholds for Key Decisions. The Head of Governance advised that the current levels for Key Decisions were initially set as part of the model Constitution; however, they did not currently

present issues for the Council. Following questions for Members in respect of the thresholds for the award of contracts the Head of Governance outlined the governance arrangements for contract awards in respect of Key Decisions.

Members agreed that the current thresholds for Key Decisions should be retained, but recommended that they are reviewed in 3 years' time in 2018.

**DECISION:** That the current thresholds for Key Decisions be retained, to be reviewed in 2018.

**REASON FOR DECISION:** To review the current thresholds with a view of ensuring good management of the Councils decision making functions.

45. **Future Work Programme**

**INFORMATION:** Members were asked to note the Sub-Committee's updated work programme for the civic year 2015/16.

**DECISION:** Members noted the future work programme for 2015/16.

**REASON FOR DECISION:** To keep Members updated and advised.

46. **Boundary Review – Bury St. Edmundsbury Borough Council**

The Chairman agreed to take this item of business as an urgent item due to Bury St. Edmundsbury Borough Council requiring a response to their consultation by 9<sup>th</sup> November 2015 and before the next meeting of the Sub-Committee.

**INFORMATION:** Members were advised that the Chief Executive as Returning Officer had received a consultation document from Bury St. Edmundsbury Borough Council who was carrying out a review of the electoral arrangements for parishes within their borough. The first phase of the review was to seek local opinion on specific issues which had been identified by local electors, Parish/Town Councils or the Borough itself, which included the historic boundary anomaly where the boundary between the Braintree District and Bury St. Edmundsbury Borough cuts across the A1017 between the roundabout at Helions Bumpstead Road and Rowley Hill, Haverhill and across the Haverhill Golf Club.

Members were advised that Bury St. Edmundsbury Borough Council had not adopted a formal position and there were no statutory powers for them to amend the existing Principal Area and or County Boundaries. The purpose of the review was to establish whether there was appetite for change.

Members considered the consultation document and determined that it was not appropriate at this time for the Council to respond with a definitive view to the consultation. Members acknowledged that the County Boundary anomaly would need to be considered in any future review by the Boundary Commission. The Head of Governance was requested to respond to consultation on that basis.

**DECISION:** The Head of Governance to respond to the consultation on the basis that the Council is unable to provide a definitive response to Bury St. Edmundsbury Borough Council at this time, but agreed that the County boundary anomaly would need to be considered in any future review by the Boundary Commission.

**REASON FOR DECISION:** To respond to the consultation by Bury St. Edmundsbury Borough Council.

**ACTION:** The Head of Governance to prepare a response to Bury St. Edmundsbury Borough Council.

Councillor Abbott left the meeting at 6.17pm.

The meeting commenced at 5.30pm and closed at 6:23pm.

G BUTLAND  
(Chairman)

<b>Cabinet Member Decisions made under Delegated Powers</b>	<b>Agenda No: 9b</b>
<b>Portfolio</b>	<b>See body of report</b>
<b>Corporate Priority:</b>	
<b>Report presented by:</b>	<b>Not applicable –Report for noting</b>
<b>Report prepared by:</b>	Emma Wisbey, Governance and Member Manager
<b>Background Papers:</b>	<b>Public Report</b>
Cabinet Decisions made by individual Cabinet Members under delegated powers	<b>Key Decision: No</b>
<b>Executive Summary:</b>	
<p>All delegated decisions taken by individual Cabinet Members are required to be published and listed for information on next Cabinet Agenda following the decision.</p> <p>Since the last Cabinet meeting the following delegated decisions have been taken (details as at time of decision):-</p> <p><b>Councillor R Mitchell – Deputy Cabinet Member for Environment and Place Decision taken on 15<sup>th</sup> September 2015</b></p> <p>To approve the commencement of the consultation exercise under Section 115B of the Highways Act 1980 to place structures on, in or over such a highway at Sandpit Lane, Braintree for the purpose of enhancing the amenity of the highway and its immediate surroundings in accordance with the Planning Permissions granted on 22nd December 2014, Planning Reference 14/01399/FUL.</p> <p><b>Councillor Mrs W Schmitt – Deputy Leader of the Council and Cabinet Member for Environment and Place Decision taken on 2<sup>nd</sup> October 2015</b></p> <p>To amend the Council’s Grant Policy to restrict the scope of disabled facility grants so as not to include the crossing of greenswards, or other obstacles, when considering a referral for a dropped kerb, crossing and hardstanding.</p> <p><b>Councillor R Mitchell – Deputy Cabinet Member for Environment and Place Decision taken on 11<sup>th</sup> November 2015</b></p> <ol style="list-style-type: none"> <li>1. Following the consultation exercise in accordance with Section 115B and G of the Highways Act 1980, three representations were received during the period of 31 days from the day after publication of the notice (02.10.2015 to 01.11.2015). The</li> </ol>	

representations received are concerned with ensuring the protection of buried services and ensuring emergency exit from a retail property on Sandpit Lane. Having regard to the representations (please see attached report), it is determined that the Council shall exercise its powers under Section 115B of the Highways Act 1980 to place structures on, in or over such a highway at Sandpit Lane, Braintree for the purpose of enhancing the amenity of the highway and its immediate surroundings in accordance with the Planning Permission granted on 22nd December 2014, Planning Reference 14/01399/FUL.

2. To confirm the budget allocation of £36,050 for the delivery of the scheme to place to place structures on, in or over such a highway at Sandpit Lane, Braintree. This budget was previously approved by Cabinet on 01.02.2012 (see agenda Item 6a, Appendix M, page 69)

Cabinet Decisions made by individual Cabinet Members under delegated decisions can be viewed on the Access to Information page on the Council's website.

[www.braintree.gov.uk](http://www.braintree.gov.uk)

### Decision

For Cabinet to note the delegated decisions.

### Purpose of Decision:

The reasons for decision can be found in the individual delegated decision.

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

<b>Financial:</b>	None arising out of this report.
<b>Legal:</b>	None arising out of this report.
<b>Safeguarding</b>	None arising out of this report.
<b>Equalities/Diversity</b>	None arising out of this report.
<b>Customer Impact:</b>	None arising out of this report.
<b>Environment and Climate Change:</b>	None arising out of this report.

<b>Consultation/Community Engagement:</b>	None arising out of this report.
<b>Risks:</b>	None arising out of this report.
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