



# **Initial Budget Proposals 2021/22**

**Introduction by the Leader of the Council  
Presentation by the Portfolio Holders for Finance  
& Performance Management and Corporate  
Transformation**

**Performance Management Board  
18<sup>th</sup> November 2020**

# Covid-19 Pandemic

The Council has been supporting our communities, residents and businesses, including:

- Virtual Community Hub
- Business Support Grants
- Council tax support
- Accommodation for rough sleepers

In addition to continuing to deliver the majority of our services albeit some in differing ways from normal

# Covid-19 Pandemic

## Financial challenge

- Estimated additional expenditure of over £1million
- Estimated loss of income of nearly £2.2million
- Central Government support, received and anticipated, is just under £2.9million

Need to re-assess given the current lockdown situation

# Budget for 2021/22

Significant Challenge given a background of:

- Impact of Covid-19 Pandemic and the degree to which Central Government is able to provide support;
- The pace of recovery and demand for our services and use of our facilities;
- Government conducting a Review of Spending – which will set public sector expenditure limits for next year
- Impact of the UK's departure from the EU

# Budget Strategy

- Medium–Term Plan covering 4 year period
- Use New Homes Bonus for investment
- Reduce costs & increase income
- Maintain our good services
- Minimise impact on customers
- Manage our risks
- Deliver Investment Strategy

# Local Government Finance Settlement

- Expectations for a one-year Settlement with the decision to delay major reform until after 2021-22. Assumption that the Business Rate Retention 'Baseline' will not be reset.
- Subject to any parameters for Local Government set by the Spending Review 2020.

# **Local Government Finance Settlement**

- Outcome of Government's Spending Review 2020 expected on 25<sup>th</sup> November
- Anticipate provisional financial settlement will follow within 2 to 3 weeks

# Budget Changes - Positive

## Environment & Place

- Operations - Reduced fuel budgets and Suffolk Waste Investment (£117k)

## Finance & Performance

- Finance – Revenues & Benefits Salary budget (£18k)
- Human Resources – Staff Annual Leave purchase and new Employee Assistance Program and Rewards Scheme (£6k)



# **Budget Changes – Previously Planned**

## **Cost Reduction/Income Increase**

- Phased reduction in grant to Museum Trust (£13k)
- Commercial rent increases (£16k)
- Human Resources restructuring (£9k)

# Budget Changes – Previously Planned

## Cost Increase/Income Reduction

- Reduction in Housing Benefit Administration Grant (£45k)
- Staffing in Governance and Community Services (£25k)
- Procurement Service (£5k)

# Unavoidable Budget Demands

## Corporate Transformation

- ICT – licences re Office 365 and CISCO. **£21k**
- Traded Services – Reduced advertising income **£31k**

## Environment & Place

- Markets – Income reduction. **£20k**

# Unavoidable Budget Demands

## Environment & Place

- Discovery Centre income - Budgeted income is lower. **£7k**
- Cemeteries - Grave Digging Contract - new contract was awarded this year. **£7k**
- Carbon Management Sustainability Officer - P/T post has been funded through a carry forward. **£12k**

Total value of Demands to be added to Base Budget of **£98k**

# Budget Demands

**Proposed meet following from  
Unallocated balance:**

## **Communities Culture & Tourism**

- Councillor Community Grants scheme – Provision for 2 years. **£75k pa**
- Town Hall Centre – Income loss due to Manor Street Development. **£21k**

# Budget Demands

## Environment & Place

- Environmental Services - Replacement noise level meter. **£6k**
- Manor Street car park – Income loss due to Manor Street Development. **£37k**

**Total from Unallocated Balance in 2021/22 of £139k**

# Budget Demands

Given the uncertainties of the impact of Covid on our budgets in 2021/22 it is proposed to earmark **£1m of the Unallocated Balance** as a contingency

# Budget Demands

## Proposed meet following from Reserves: Finance & Performance

- Dividend and Interest received – Impact of Covid on International markets and economies. **£350k** (Treasury Reserve)
- Council tax collection fund surplus to Town & Parish Councils. **£34k** (Collection Fund Surplus)



# Council Tax

- Council Tax Collection Fund Surplus of £171k
- Council tax (Band D) increased to £188.37 (£3.69 or 1.95%) for 2021/22
- No changes proposed to the Local Council Tax Support scheme for 2021/22

# Updated Position

- 2021/22 - £239k shortfall proposal to meet from Unallocated Balance
- 2022/23\* - £779k shortfall
- 2023/24\* - £381k shortfall
- 2024/25\* - £280k shortfall

*Note \* Based on current Business Rate Retention scheme*

# Balances

## Estimated Unallocated Balance

£'000

As at 31<sup>st</sup> March 2021 5,205

Planned repayment re Pension Deficit  
re 21/22 823

Budget proposals for 2021/22 (1,139)

Estimated Budget shortfall 2021/22 (239)

Est. Balance as at 31<sup>st</sup> March 2022 4,650

# Issues Outstanding for 2021/22

- LG Finance Settlement announcement
- New Homes Bonus, Business Rate Pool and HB Administrative subsidy announcements
- Annual Pay Award effective 1<sup>st</sup> April 2021
- Council tax and Business Rate taxbases for 2021/22 to be finalised
- Confirmation of ECC Contributions – Waste, Community Transport and Council Tax sharing agreement

# **Emerging Issues for 2022/23 Onwards**

- Spending Review 2020
- Fair Funding Review
- 75% Business Rates Retention – treatment of growth achieved to-date
- Business Rates – appeals
- Impact of District Growth on services

# Capital Bids 2021/22

£'000

- Maintain Council assets 415
- Computer equipment 40
- Website customer access enhancement 80
- Vehicle Workshop improvements 15
- Cordons Farm improvements 59
- Utility vehicle (additional budget req'd) 70
- CCTV camera upgrade 16
- CCTV Public Gardens, Halstead 15

# Capital Bids 2021/22

£'000

- Open Spaces – Footpath resurfacing 45
- Play Areas refurbishment 100
- Provision of Allotments at Great Notley 70
- Provision for Skate Parks – Braintree  
and Witham 200
- Litter bin replacements on A12 & A120 20
- Braintree Cemetery – drainage works 96

# Capital Bids 2021/22

£'000

• Cemeteries- memorial inspection and repairs	20
• Halstead & Witham town centres – public realm improvements	486
• Supporting the Climate Change Emergency	500
• Disabled Facilities Grants	931
<b>Total</b>	<b>3,178</b>



# **Current Capital Programme 2021/22**

	£'000
• Housing Services	2,605
• Other Services	7,909
• Strategic Investments	23,869
• Capital salaries	417
<b>Total</b>	<b>34,800</b>

# Capital Programme – schemes not profiled

£'000

## Provisions:

- Halstead Community Facility 636
- Manor Street Development (5%) 1,471
- Witham Investments 3,000
- Witham Enterprise Centre 500
- Former Premdor site 2,553
- Millennium Slips 2,492

# Budget Process – Timetable

- Performance Management Board – 18<sup>th</sup> Nov
- Cabinet – 23<sup>rd</sup> November
- Council – 7<sup>th</sup> December
- 2020/21 Funding Settlement Assessment – December
- Consultation – Businesses - January
- Performance Management Board – 3<sup>rd</sup> February
- Cabinet – 8<sup>th</sup> February
- Council – 22<sup>nd</sup> February