

Initial Budget Proposals 2022/23

Presentation by the Leader of the Council and
Cabinet Member for Finance & Corporate
Transformation

Performance Management Scrutiny
5th January 2022

Context for the 2022/23 Budget

- Impact of Covid-19 Pandemic
- Recovery and demand for our services and use of our facilities post-pandemic
- BREXIT
- Rapid rebound in global growth - rising inflation and supply chain issues
- Pay uncertainty – 21/22 pay settlement tbc/ 22/23 negotiations yet to start

Context for the 2022/23 Budget

- Spending Review 2021 – sets out a 3-year funding envelope for Local Government but not for individual councils
- Fair funding Review/ Business Rate Reform?
- Levelling-Up Agenda
- Environment Bill – now enacted
- Planning White Paper

Local Government Finance

- The provisional Local Government Finance Settlement was announced on 16th December 2021
- The report to Performance Management Scrutiny **excludes** the impact of the LGFS on the Council's financial position for 2022/23 and MTFS

Corporate Strategy 2020-2024

Our Objectives and Priorities for the district:

- Connecting People & Places
- Enhancing Our Environment
- Supporting our Communities
- Promoting Prosperity
- Delivering & Innovating

Annual Plan sets priorities under these themes

Bouncing Back Together

Our recovery plan for October 2021 to March 2023

- Focusing on the things that matter to residents and business:
 - Sustainable growth and prosperity
 - Strengthening our communities
 - Unlocking more chances for all residents
 - Protecting our environment for future generations
- Unlocking our district's potential and helping it to bounce back stronger
- We will continue to review and refresh our plans as we progress

Our 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
- Low Council Tax authority

Investment in Key Priorities

Planning Enforcement

- Responding to feedback from individuals and parish councils
- Proposal is to more than double the size of the existing team – increasing staff numbers from 4 to 9 (highest increase considered by the cross-party Member Reference Group)
- Proactive monitoring of compliance with planning conditions
- Backed up by robust enforcement
- Additional revenue resources of £209k into the base budget plus an initial working budget of £150k (from reserves)

Investment in Key Priorities

Climate Change

- Investment to underpin our commitment on future climate change initiatives
- Programme Management support to progress the actions and projects set out in the Climate Change Strategy (£100k allocated over 2 years from the Climate Change Reserve)
- Extending air quality monitoring with 2 additional monitors (£30k via our Capital Programme) improving our air quality reporting capabilities ahead of new requirements
- Continuation of food and drink carton collections allowing residents to recycle more (£8k p.a.)

Investment in Key Priorities

Cycling Strategy

- Investment to underpin our Cycling Strategy
- Programme Management support to help us create a better connected network of high quality cycling and walking routes across the district (£100k allocated over 2 years with funding 50/50 from the Council and external partners)

Investment in Key Priorities

Councillor Community Grant Scheme

- Investment to continue the successful Councillor Community Grants scheme which since 2016 has provided 412 grants totalling over £322k to 248 community organisations
- All Councillors to be allocated £1k each (total £49k) to support local projects and initiatives that will benefit the people of the Braintree District
- Funding of the scheme from 2023/24 will come from reinvesting any extra council tax that is collected above what is estimated

Investment in Key Priorities

Other Investment

- Finance systems – increased resilience for database management support service for the Council's core finance systems (£20k p.a.)
- Corporate Business Systems – Security Information and Event Management tool to increase cyber security and give the ICT team the means to proactively identify malicious activity and nullify data breaches before they can occur (£25k p.a.)
- Marketing and Communications - A future provisional bid of £9k per annum from 2024/25 for the annual cost of the Mosaic system licence,

Investment in Key Priorities - Capital

In Summary:

- Existing capital programme of over £43m – supporting our investment in Health, Homes, Journeys and Jobs agenda
- £1.5m of proposed new capital investment for 2022/23
- A continuation of a Disabled Facilities Programme of c£1m p.a. (Better Care Funding assumed)
- Provisional capital bids of £2.3m 2023-2026
- Strategic Investment – we continue to develop our pipeline of projects and look for innovative ways to invest across the district

Investment in Key Priorities - Capital New Bids 2022/23

Innovative Environment:

- Air quality monitoring equipment £30k
- Licensing – on-line access £15k
- Customer relationship management and in-cab technology £150k
- Fleet Workshop improvements £40k
- Play area refurbishments £150k
- ICT Server and infrastructure upgrade £563k (across various aspects)
- Technology replacement £40k

Investment in Key Priorities - Capital New Bids 2022/23

Supporting Our Communities

- Halstead Leisure Centre – changing room refurbishment £55k

Connecting People, Places and Prosperity

- Planned maintenance programme £457k

Closing the MTFS Budget Gap

- New additional income of £259k, and savings/efficiencies of £264k identified for 2022/23 (Total £523k)
- Further additional income and savings of £66k over the remaining period of the MTFS
- Majority achieved without impacting services or the customer
- Investment and Development Programme and the '£1.6m Challenge' – continue to identify further opportunities for generating savings or increasing income
- Budgets continue to be kept under review

Closing the MTFS Budget Gap - Member Savings

- Citizens Advice Bureau – SLA funding to be reduced by 10% from 2022/23 reflecting changes in business model and service demand. (£12k)
- Essex County Council – SLA for provision of services via Libraries (benefits checking, distribution of recycling sacks, payment collection, Gateway to HomeChoice) – during Covid lockdowns alternative service delivery options had to be found and which it is proposed are continued (£27k)

Total £39k per annum

Closing the MTFS Budget Gap - Other Positive Changes

- Council Taxbase for 2022/23 increased by 2.3% verses a previous MTFS assumption of 1% growth (+£k)
- Business rates growth - +£150k in 2022/23 and future growth profiled into MTFS (+2% p.a.) based on known development, e.g. H120 Business Park etc.
- Homelessness Prevention Grant – Net credit of £141k
- Previously identified growth items have been reviewed and removed from profile (-£290k)

Investment & Development Programme (IDP)

Current pipeline of projects not yet reflected in the Budget proposals or MTFS Financial Profile £1.395m¹

	High	Medium	Low	Total
Stage 1	103,000	243,000	917,000	1,263,000
Stage 2	0	29,000	32,000	61,000
Stage 3	15,696	55,720		71,416
Total	118,696	327,720	949,000	1,395,416

	High	Medium	Low	Total
2022/23	576	172,720	299,000	472,296
2023/24	53,120	85,000	325,000	463,120
2024/25	65,000	70,000	325,000	460,000
Total	118,696	327,720	949,000	1,395,416

¹Subject to ongoing challenge and review of assumptions
Some projects are subject to capital investment requirements

£1.6m Challenge (Launched July 2021)

Over 100 ideas submitted so far:

- The Managers Conference and via Team meetings
- Dedicated email inbox for staff to submit ideas
- Intranet page with case studies to provoke ideas

IDP working group filtered ideas to 32 projects which had potential to deliver an income

Feasibility work reduced this to 10 ideas for further business case development with the most significant items having income potential of c£200k+

Some smaller ideas are already being delivered, e.g. use of the Council Chamber at weekends, and promoting rooms at the Town Hall for lease



Proposal for Council Tax

- 2021/22 Council Tax was frozen
- Proposed 2022/23: increase in the Council's share of the overall Council Tax bill of 2.68% - this is less than 10p per week
- BDC's Band D Tax Rate would be £189.63
- Below the 2021/22 average tax rate for Essex Authorities and Shire Districts
- Increase is significantly below inflation (CPI Nov +5.1%)
- We are returning £198k of extra council tax collected to the benefit of residents/ taxpayers
- No Collection Fund balance paid to town and parish councils

Updated Financial Profile

Based on the initial budget proposals and updated MTFS forecasts:

2022/23 – shortfall £472k (Feb 2021 £1.3m)

To be met from GF Unallocated balance (subject to LGFS)

Followed by shortfalls in following three years:

2023/24 £434k

2024/25 £117k

2025/26 £195k

Total MTFS gap £1.2m (Feb 2021 £1.6m)

Balances & Reserves

Est. Unallocated General Fund Balance

	£000
Est. as at 31.3.22	5,874
Repay 1/3 rd Pension Fund deficit re 22/23	843
Previously planned use	(384)
Change in amount for Councillor Grants	26
Est. budget shortfall 2022/23	(472)
Est. Balance as at 31.3.23	5,887

Earmarked Reserves Review

Part of General Fund balances set aside for specific purposes – estimated balance at 31 March 2022 £20.095m¹

Review undertaken to identify:

- Reserves no longer required for their original purpose
- The balance held on a reserve that continues to be required is appropriate for its purpose
- Opportunities to re-allocate reserves to meet priorities and challenges
- Re-allocation proposals set out in Section 9 of the PMSC report

¹ Carried forward at 1 April 2022 £31.144m less estimated use in 2021/22 of £11.049m

Provisional Finance Settlement

- Announced on 16th December
- Details are currently being assessed to determine impact for the Council
- Summary of key points included in Section 4.3 of PMSC report
- Consultation on the LGFS closes on 13th January
- Further update to be provided at the meeting of PMSC on 2nd February

Timetable

Date	Meeting	Decision or Subject Matter
5 th Jan	Performance Management ¹ Scrutiny	Budget proposals (all Members)
During Jan	Business community	Jan edition of Business Bulletin (tbc)
2 nd Feb	Performance Management Scrutiny	Final Budget proposals
7 th Feb	Cabinet	Final Budget and MTFS
21 st Feb	Full Council	Budget and Council Tax