

# Public Document Pack



## Agenda Supplement 3

Dear Councillor

### **ORDINARY COUNCIL - WEDNESDAY, 2ND MARCH, 2016**

I am now able to enclose, for consideration on Wednesday, 2nd March, 2016 meeting of the Ordinary Council, details of proposed amendments to the Budget.

| <b>Agenda No</b> | <b>Item</b> |
|------------------|-------------|
|------------------|-------------|

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|----|--|
| 3. | <b><u>General Fund Budget 2016/17 (Pages 3 - 10)</u></b> |
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Proposed amendments to pages 4 and 12 of the published report have been received from the Conservative Group and are included in this supplement on pages 3-6. They are an amended recommendation 2.1 and an additional Table 7.1 and are highlighted in red for ease of identification.

Proposed amendments to the budget have been received from the Labour Group and are included in this supplement on pages 7-9.

Yours sincerely



Head of Paid Service

24/02/16

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### **2. Recommendations**

- 2.1 To approve the General Fund - Revised MTFP for 2016/17 as shown in Table 8 at paragraph 5.8 which includes the proposed savings targets and associated detail as shown in Table 7 and Table 7.1 at paragraph 5.7 of this report.
- 2.2 To approve the proposed Capital Programme and Funding totalling £23.7 million for 2016/17 to 2018/19 as set out in Tables 14 and 15 of this report.
- 2.3 To approve the Treasury Management and Investment Strategy as set out in Section 10 of this report.
- 2.4 To note the Section 151 Officer's Assurance Statement as set out in Section 11 of this report.



- 5.5 Whilst the Council will explore opportunities to identify and secure additional income with which to support services, it is clear that there is also the opportunity to balance its budget through the strict management of expenditure levels and securing efficiencies.
- 5.6 Services need to continue to drive through efficiencies and continually review their working practices and operations to try and make them as efficient as possible.
- 5.7 Savings Targets are proposed to bridge some of the funding gap as outlined in Table 7 and detailed in Table 7.1.

**Table 7 – Proposed Savings Targets**

| <b>Proposed Savings Targets</b>                                  | <b>2016/17<br/>£'000</b> | <b>2017/18<br/>£'000</b> | <b>2018/19<br/>£'000</b> |
|--|--------------------------|--------------------------|--------------------------|
| Additional Income Generation Target                              | 438                      | 663                      | 673                      |
| Efficiencies Target  | 514                      | 618                      | 618                      |
| Re-prioritisation of Services Target                             | 154                      | 219                      | 219                      |
| <b>Total Savings Target</b>                                      | <b>1,106</b>             | <b>1,500</b>             | <b>1,510</b>             |
| <b>Less: Allowance for a decrease in the recharge to the HRA</b> | <b>(100)</b>             | <b>(140)</b>             | <b>(140)</b>             |
| <b>Grand Total</b>   | <b>1,006</b>             | <b>1,360</b>             | <b>1,370</b>             |

**Table 7.1 - Proposed Savings - Detail**

| <b>Proposed Savings</b>   | <b>2016/17<br/>£'000</b> | <b>2017/18<br/>£'000</b> | <b>2018/19<br/>£'000</b> |
|---|--------------------------|--------------------------|--------------------------|
| <b>Additional Income</b>  |                          |                          |                          |
| Council Tax Increase  | 159                      | 159                      | 159                      |
| Income from the Public Sector Hub   | 82                       | 272                      | 272                      |
| Rent Reviews / New Leases   | 40                       | 70                       | 80                       |
| Crossrail Compensation  | 35                       | 0                        | 0                        |
| Income from Shops transferred from the HRA                                      | 30                       | 30                       | 30                       |
| Planning - Residential Pre-application Fees                                     | 25                       | 50                       | 50                       |
| Increased Demand for Brown Bins   | 20                       | 20                       | 20                       |
| Sale of Services  | 20                       | 20                       | 20                       |
| Community Alarm Charges   | 17                       | 17                       | 17                       |
| Planning - Review charges around Pre-application Fees for Commercial Properties | 10                       | 25                       | 25                       |
| <b>Total - Additional Income</b>  | <b>438</b>               | <b>663</b>               | <b>673</b>               |

| <b>Proposed Savings</b>  | <b>2016/17</b> | <b>2017/18</b> | <b>2018/19</b> |
|--|----------------|----------------|----------------|
| <b>Efficiencies</b>  |                |                |                |
| No Inflationary Pay Increase   | 95             | 95             | 95             |
| Vacancy Factor   | 65             | 65             | 65             |
| Legal Services Efficiency Savings  | 50             | 50             | 50             |
| Capitalisation of Project Staff  | 50             | 50             | 50             |
| Shared Services  | 50             | 100            | 100            |
| Senior Managers' Target Savings  | 40             | 40             | 40             |
| Restructure of Housing Service   | 39             | 39             | 39             |
| Review of the Community Halls Management Fees                            | 32             | 32             | 32             |
| Review of Support Services   | 25             | 44             | 44             |
| Procurement Review   | 25             | 25             | 25             |
| Introduce Joint Working Between Car Parks & CCTV                         | 20             | 40             | 40             |
| Review of Financial Services   | 15             | 30             | 30             |
| Freeze Member Allowances & Reduce the Number of Committees by One        | 8              | 8              | 8              |
| <b>Total - Efficiencies</b>  | <b>514</b>     | <b>618</b>     | <b>618</b>     |
| <b>Re-prioritisation of Services</b>                                     |                |                |                |
| Review of Economic Development   | 50             | 100            | 100            |
| Reduction in Parish Grants   | 34             | 34             | 34             |
| Discontinue the Community Safety Commissioning Plan                      | 30             | 30             | 30             |
| Collection Only of Green Waste Bags - No Delivery and One Token Provided | 25             | 30             | 30             |
| Removal of Ward Budgets  | 25             | 25             | 25             |
| <b>Growth</b>  |                |                |                |
| Renaissance Group Grant  | (10)           | 0              | 0              |
| <b>Total - Re-prioritisation of Services</b>                             | <b>154</b>     | <b>219</b>     | <b>219</b>     |
|  |                |                |                |
| Decrease in Re-charge to the HRA   | (100)          | (140)          | (140)          |
|  |                |                |                |
| <b>Grand Total</b>   | <b>1,006</b>   | <b>1,360</b>   | <b>1,370</b>   |

## Ordinary Council meeting 2 March 2016 – Proposed amendments from the Labour Group

### **Amendment 1 - Business Rates**

#### **The Brentwood Business Challenge**

To establish the Brentwood Local Business Challenge, a locally determined Business Rates scheme, at a cost of £20,000 that will create a reduction of £50,000 in Business Rates for the successful geographic area to increase business confidence and encourage development. The scheme will focus on small, retail businesses.

Total reductions in Business Rates: £50,000  
Brentwood Borough Council costs: £20,000

#### *Further detail*

Brentwood Borough Council launches the Brentwood Local Business Challenge that will set aside a fund of up to £50,000 for local small and medium businesses within set criteria as below, within the successful geographic area. This will be a competitive tender/pitch process for closely geographically located businesses in numbers no greater than 50 businesses, similar to the 'Clusters' within the Renaissance Group, to compete for their area to receive a Business Rates discount from the Council. If successful the area will not be permitted to tender for any future Local Business Challenge for two years.

This is permitted by the use of the locally determined Business Rate scheme, under powers found in the Localism Act 2011. Brentwood is only liable for £20,000 of this fund, with the remainder covered by other tiers of Government.

This fund will be proportionally distributed to applicable businesses and within maximum reliefs as outlined below.

To qualify for this relief, the premises must be a property (retail unit, office or warehouse) which is:

1. Within the designated area, and
2. has a rateable value between £6,000 and £50,000, and
3. is not among the type of retailer which the council believes should not qualify for the relief, and
4. relief will be offered for a maximum of 12 months for applications received between 1 July 2016 to 31 March 2017.
5. The scheme will be available to small and medium sized enterprises (definition of SME - employ up to 250 people and have a turnover of up to £40m) only.
6. The maximum amount of relief will be 50% of the net liability after all mandatory or discretionary reliefs have been applied to account.
7. Occupiers must take out/have a minimum 12 month lease and if the business moves out the council reserves the right to request repayment of any local business rate relief granted.

Types of occupied property which can qualify for relief

1. Properties being used for the sale of goods to visiting members of the public, eg:
  - a. Shops (such as florists, bakers, butchers, grocers, greengrocers, chemists, supermarkets, newsagents)
  - b. Charity shops
  - c. Opticians
  - d. Post offices
  - e. Furnishing shops/display rooms (such as carpet shops)
  - f. Car showrooms
  - g. Second hand car lots
  - h. Markets
  - i. Petrol stations
  - j. Garden centres
  - k. Craft Shops
  - l. Art galleries

2. Properties being used for the provision of certain services to visiting members of the public, eg:
- m. Hair & beauty services (such as hair dressers, nail bars, tanning shops etc)
  - n. Shoe repairs/key cutting
  - o. Travel agents
  - p. Estate / letting agencies
  - q. Dry cleaners
  - r. Launderettes
  - s. PC/TV/domestic appliance repair
  - t. Funeral directors
  - u. Photo processing
  - v. DVD/video rentals
  - w. Tool hire
  - x. Car hire

3. Medical services

- y. Vets
- z. Dentists
- aa. Doctors
- bb. Osteopaths
- cc. Chiropractors

This list is not definitive, and other businesses who are of a similar type to those listed above may also qualify for the local business rate relief.

Properties which do not qualify for relief:

- a. Accountants
- b. Solicitors
- c. Insurance brokers
- d. Employment agencies
- e. Tutors
- f. Restaurants
- g. Sandwich shops
- h. Coffee shops
- i. Pubs
- j. Wine bars
- k. Takeaways
- l. Banks
- m. Building societies
- n. Cash points
- o. Bureau de change
- p. Payday lenders
- q. Betting shops
- r. Pawnbrokers
- s. Properties that may bring the scheme / area into disrepute

Any large businesses will be excluded as they are not classified as an SME.

Relief cannot be awarded if it will breach the State Aid. Whilst the DCLG suggests that councils should get a signed declaration from the ratepayer that any award would not breach State Aid, it is for the council to ensure that the rules are not broken and the signed declaration would not exclude the council from the consequences of breaching the rules. The DCLG will not reimburse the council for any award of relief that breaches State Aid de minimus figure of €200,000 over a three year period.



### **Amendment 2 - Support for Brentwood Business Groups and local business led development**

Re-home current economic development functions with the local business community, including the removal of the Economic Development Committee with functions moved to other committees. Investment in the development of a new Economic Strategy for Brentwood and tendering of up to a £30,000 grant to local Business Groups to provide an Economic Development service with Town Centre Management functions assigned to members of the Licensing Team. Freezing investment into the Business Directory and gifting the current list to Renaissance Group, Brentwood Chamber of Commerce and other business groups as appropriate.

Total reductions: £129,760  
Cost of Grant: £30,000  
Cost of Economic Strategy: £10,000  
Total Savings: £89,760

### **Amendment 3 - Efficient use of Special Responsibility Allowances**

To require as part of job role the Leader and Deputy Leader to Chair a Council Committee  
Total Saving: £2,500

### **Amendment 4 - Town Hall Hospitality Services**

Given increasing staffing levels coming into the Town Hall, to tender to local businesses bringing in a coffee van style operation or similar for a set period in the day.  
Total Income: £3,000

