



Agenda Supplement 3

Dear Councillor

ORDINARY COUNCIL - WEDNESDAY, 1ST MARCH, 2017

I am now able to enclose, for consideration on Wednesday, 1st March, 2017 meeting of the Ordinary Council, the following reports that were unavailable when the agenda was printed.

Agenda No	Item
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| 2. | <u>General Fund and Housing Revenue Account (HRA) Budget 2017/18 (Pages 3 - 8)</u> |
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Proposed amendments to pages 4 and 16 of the published report have been received from the Conservative Group and are included in this supplement on pages 3-5. They are additional recommendations 2.1b and 2.8 and an additional Table 8.1 and are highlighted in red for ease of identification.

Proposed amendments to the budget have been received from the Labour Group and the Liberal Democrat Group proposal are included in this supplement on pages 6-8.

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| 3. | <u>Council Tax 2017/18 (Pages 9 - 18)</u> |
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Yours sincerely

Chief Executive

Encs

21/02/17

Ordinary Council - 1 March 2017 - Proposed Conservative Group amendment.

Amendment 1 - Additional Recommendations

2. Recommendations

General Fund:

- 2.1 To approve the General Fund - Revised MTFP for 2017/18 as shown in Table 7 at paragraph 8.2 which includes the proposed savings target envelope as shown in Table 8 at paragraph 8.7 of this report.

- 2.1b To agree the General Fund budget detail savings and growth outlined in Table 8.1.

Housing Revenue Account (HRA)

- 2.2 To approve the HRA Business Plan for 2017/18 and beyond as shown in Appendix E of this report.
- 2.3 To approve a 1% decrease in rents for 2017/18 and for the following 2 years.
- 2.4 To recommend to apply the formula rent to all new tenancies from April 2017/18.

Capital programme

- 2.5 To approve the proposed Capital Programme and Funding totalling £33.9 million for 2017/18 to 2019/20 as set out in Tables 15 and 16 of this report.
- 2.6 To approve the Treasury Management and Investment Strategy as set out in Section 12 of this report.
- 2.7 To note the Section 151 Officer's Assurance Statement as set out in Section 13 of this report.

Council Tax 2017/18

- 2.8 To approve a Council Tax increase of £5 (Band D) for 2017/18, to fund the growth items outlined in Table 8.1.

Amendment 2 - Insert Table 8.1

Addressing the Funding Gap

- 8.4 The MTFP provides the framework with which the Council will achieve its aspirations.
- 8.5 The Council will continue to 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.
- 8.6 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.
- 8.7 Savings Targets are proposed to bridge some of the funding gap as outlined below in Table 8 and detailed in Table 8.1.

Table 8 – Proposed Savings Targets

Proposed Savings Targets	2017/18 £'000	2018/19 £'000	2019/20 £'000
Additional Income Generation Target	516	540	540
Efficiencies Target	415	415	415
Re-prioritisation of Services Target	49	75	75
Total Savings Target	980	1,030	1,030

Table 8.1 - Proposed Savings/Growth - Detail

Proposed Savings/Growth	2017/18 £'000	2018/19 £'000	2019/20 £'000
Additional Income			
Council Tax Increase of £5 pa (Band D property)	160	160	160
Growth (linked to Council Tax increase)			
Additional Neighbourhood Action Team Resources	(80)	(80)	(80)
Allowance for Economic Growth initiatives	(10)	(10)	(10)
Additional resources to enhance and support community values/safety	(30)	(20)	(20)
Income generation projects and vehicle delivery resources	(40)	(30)	(30)

Table 8.1 (cont) - Proposed Detailed Savings

Proposed Savings	2017/18 £'000	2018/19 £'000	2019/20 £'000
Other Income Initiatives			
Sponsorship and New Funding Initiatives	85	57	57
Parking Season Ticket Reviews	150	150	150
Additional Depot Income from Parking Charges	20	20	20
Fees & Charges	120	140	140
Town Hall Parking Charges	36	20	0
Enforcement Activity	20	25	25
Park and Stride Facility at Shenfield	25	48	68
Senior officer initiatives	60	60	60
Total - Additional Income	516	540	540
Efficiencies			
Delay Inflationary Fuel Costs	50	50	50
No Inflationary Pay Increase	80	80	80
Shared Service Opportunities	125	125	125
Procurement Efficiencies	100	100	100
Income from the Public Sector Hub for NNDR	20	20	20
Management Efficiency Strategies	40	40	40
Total - Efficiencies	415	415	415
Re-prioritisation of Services			
Reduction in Parish Grants	39	39	39
Removal of Parish LCTS Grant	20	20	20
Review of Grant Subsidies	0	16	16
Implementation costs of re-prioritisation	(10)	0	0
Total - Re-prioritisation of Services	49	75	75
Grand Total	980	1,030	1,030

Section 151 Officer Comment: the above proposals and estimates appear reasonable and viable

Ordinary Council - 1 March 2017 - Proposed amendments from the Labour Group

Amendment 1

Council Tax - Reduction in reliefs for Second Homes and Empty Properties

For the financial year 2017/18 onwards Brentwood Borough Council removes its Second Home Discount (10%) from Council Tax and reduces the Empty Home Council Tax Discount (100%) from three months to two weeks.

This can be immediately implemented, as confirmed by advice from officers.

Section 151 Officer Comment: *I can endorse this proposal in terms of the potential yield possible, having looked at the relevant statistics for Brentwood. There would need to be recognition that other factors may affect the potential gains, e.g. late or non-payment of council tax which would trigger additional costs associated with debt management.*

Table 8.1 – Proposed Savings - Detail

Proposed Savings	2017/18 £'000	2018/19 £'000	2019/20 £'000
Additional Income			
Reduction in reliefs for Second Homes and Empty Properties	45	45	45

Amendment 2

Creating a revenue stream through early payment of invoices

Creating a revenue stream through early payment of invoices - the London Boroughs of Bexley and Croydon to produce rebate income from early payment of invoices to achieve a return on procurement costs of around 0.1%. The income will be related to spending – and as such larger in years with greater capital spending.

There is a delay in implementation to find an appropriate partner to implement this scheme.

Section 151 Officer Comment: *Whilst there is certainly scope to generate some efficiencies via early payment of bills, the gains are low and the effort in finding an appropriate partner may be prohibitive and any value could be diluted by administrative costs.*

Table 8.1 – Proposed Savings - Detail

Proposed Savings	2017/18 £'000	2018/19 £'000	2019/20 £'000
Additional Income			
Creating a revenue stream through early payment of invoices	5	10	10

Amendment 3

Memorial Walls

Build a Memorial Wall both for former residents and pets. Estimates have been developed taking costs of similar local authority and applying a prudent take up of 150 total per year.

There is a lower income in year 2017/18 to account for the construction and any necessary planning requirements.

Section 151 Officer Comment: *This is a good idea and worth pursuing.*

Table 8.1 – Proposed Savings - Detail

Proposed Savings	2017/18 £'000	2018/19 £'000	2019/20 £'000
Additional Income			
Memorial Walls	20	40	40

Table 15 – Capital Programme 2017/18 to 2019/20 – Existing & New Proposals

	2017/18 £'000	2018/19 £'000	2019/20 £'000
New Schemes			
Memorial Walls	20	1	1

Amendment 4

Develop the Business Case for Brentwood Lets

Use experience of the Housing Department to set up a private sector focused letting agency. Given numerous problems with local letting agencies and potential to work more closely with CAB set up 'best practice' model. This could potentially be a sustainable income stream for the Council, alongside offering benefits in cost reduction on homelessness and housing concerns through strengthened delivery.

Section 151 Officer Comment: *This is a reasonable point in terms of avoiding paying market rates to external letting management agencies, however there would be internal costs to factor into the equation, no least the staff time in managing the function.*

Table 8.1 – Proposed Savings - Detail

Proposed Savings	2017/18 £'000	2018/19 £'000	2019/20 £'000
Additional Income			
Growth			
Develop the Business Case for Brentwood Lets	(5)	0	0

Ordinary Council - 1 March 2017 - Liberal Democrats Group proposal

“The Lib Dem Group would like to propose that this Council investigates and invests in the work needed to set up a LATCO to enable Brentwood Borough Council to generate revenue in addition to grants and council tax income through entrepreneurial ideas.”

Section 151 Officer Comment: *The proposal is reasonable and is worthy of progression and development by officers if agreed as an amendment by Council.*

1 March 2017

Ordinary Council

Council Tax 2017/18

Report of: *John Chance, Finance Director*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

1.1 This Council is the billing authority for the Borough of Brentwood and is required to set a Council Tax that will not only cover its own requirements, but also those of Essex County Council, Police and Crime Commissioner, Fire Authority and the Parish Councils.

1.2 The Council Tax requirements for 2017/18 are outlined in Table 1.

Table 1 - Council Tax Requirements

	2016/17	2017/18
	£	£
Brentwood Borough Council	5,504,121	5,715,462
Essex County Council	35,926,833	37,336,267
Police and Crime Commissioner	4,835,259	5,038,808
Fire Authority	2,151,547	2,214,765
Parishes	388,409	460,624

1.3 A schedule of the Parish Precepts is attached as Appendix B.

2. Recommendation(s)

2.1 That the Council approve the formal Council Tax resolution for Brentwood Borough Council and Parishes as contained in Appendix A.

2.2 That it be noted that for the year 2017/18 Essex County Council, Essex Police and Crime Commissioner and Essex Fire Authority have issued the following precept requirements to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 (as amended) ("the Act") for each of the categories of dwellings (valuation band) shown in Table 2.

Table 2 - Precept Schedule

Valuation Band	Essex County Council	Essex Police and Crime Commissioner	Essex Fire Authority
	£	£	£
A	775.80	104.70	46.02
B	905.10	122.15	53.69
C	1,034.40	139.60	61.36
D	1,163.70	157.05	69.03
E	1,422.30	191.95	84.37
F	1,680.90	226.85	99.71
G	1,939.50	261.75	115.05
H	2,327.40	314.10	138.06

- 2.3 That having calculated the aggregate in each case of the amounts calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands and the amounts in 2.2 above, the Council, in accordance with Section 40 of the Act, hereby sets the amounts in Table 3 as the amounts of Council Tax for the year 2017/18 for each of the categories of dwellings shown:

Table 3 - 2017/18 Council Tax for Each Categories of Dwellings

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Blackmore	1,068.9 8	1,247.1 4	1,425.3 0	1,603.4 7	1,959.8 0	2,316.1 3	2,672.4 5	3,206.9 4
Doddinghurst	1,082.8 7	1,263.3 4	1,443.8 3	1,624.3 0	1,985.2 6	2,346.2 1	2,707.1 7	3,248.6 0
Herongate	1,069.3 2	1,247.5 5	1,425.7 6	1,603.9 8	1,960.4 1	2,316.8 6	2,673.3 0	3,207.9 6
Ingatestone and Fryerning	1,089.9 3	1,271.5 8	1,453.2 4	1,634.8 9	1,998.2 0	2,361.5 1	2,724.8 2	3,269.7 8
Kelvedon	1,089.0 9	1,270.6 1	1,452.1 3	1,633.6 4	1,996.6 7	2,359.7 1	2,722.7 3	3,267.2 8
Mountnessing	1,075.0 8	1,254.2 6	1,433.4 3	1,612.6 2	1,970.9 7	2,329.3 4	2,687.7 0	3,225.2 4
Navestock	1,065.2 8	1,242.8 2	1,420.3 8	1,597.9 2	1,953.0 2	2,308.1 0	2,663.2 0	3,195.8 4
Stondon Massey	1,082.0 8	1,262.4 2	1,442.7 8	1,623.1 2	1,983.8 2	2,344.5 0	2,705.2 0	3,246.2 4
West Horndon	1,077.6 1	1,257.2 0	1,436.8 1	1,616.4 1	1,975.6 2	2,334.8 1	2,694.0 2	3,232.8 2
Unparished	1,045.2 8	1,219.4 9	1,393.7 1	1,567.9 2	1,916.3 5	2,264.7 7	2,613.2 0	3,135.8 4

3. Introduction and Background

- 3.1 The Local Government Finance Act 1992, as amended by the Localism Act 2011, requires the Council, as billing authority, to determine and agree the combined Council Tax requirement for the year which incorporates preceptors' requirements.
- 3.2 The tax base for 2017/18 has been calculated as 32,084.10 (agreed by the Section 151 Officer on 2 December 2016 under delegated authority)
- 3.3 The estimated surplus on the Collection Fund as at 31 March 2017, has been calculated at £1.035 million (Council Tax element) to be distributed in respect of Council Tax during 2017/18 is shown in Table 4.

Table 4 - Estimated Surplus on Collection Fund (Council Tax)

Authority	Amount £
Brentwood Borough Council	124,959
Essex County Council	761,876
Police and Crime Commissioner	102,538

Essex Fire Authority	45,627
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- 3.4 There is no estimated surplus or deficit on the Collection Fund (Business Rates Retention) as at 31 March 2017. This is the figure that has been estimated in the NNDR1 submission to government at the end of January.

4 Issue, Options and Analysis of Options

- 4.1 Brentwood Borough Council's requirement is £5,715,462 after taking into account a redistributed surplus from the Collection Fund of £124,959. This results in an average Band D Council Tax of £178.14 (£5 increase).
- 4.2 Parish Council requirements total £460,624. This results in an average Band D Council Tax of £14.36 (17.5% increase).
- 4.3 Essex County Council's requirement is £37,336,267 after taking into account a redistributed surplus from the Collection Fund of £761,876. This results in an average Band D Council Tax of £1,163.70 (3% increase).
- 4.4 Essex Police and Crime Commissioner's requirement is £5,038,808 after taking into account a redistributed surplus from the Collection Fund of £102,538. This results in an average Band D Council Tax of £157.05 (3.25% increase).
- 4.5 Essex Fire Authority's requirement is £2,214,765 after taking into account a redistributed surplus from the Collection Fund of £45,627. This results in an average Band D Council Tax of £69.03 (1.99% increase).
- 4.6 The combined Band D Council Tax for 2017/18 compared with last year is shown in Table 5.

Table 5 - Combined Band D Council Tax

	2016/17 £	2017/18 £
Brentwood Borough Council	173.14	178.14
Essex County Council	1,130.13	1,163.70
Police and Crime Commissioner	152.10	157.05
Fire Authority	67.68	69.03
Sub-Total	1,523.05	1,567.92
Parish Councils (average)	12.22	14.36
TOTAL	1,535.27	1,582.28

5 Reasons for Recommendation

- 5.1 The Council has a legal requirement to set the Council Tax for its area by 11 March 2017.

6 Consultation

6.1 None.

7 References to Corporate Plan

7.1 Good financial management underpins all priorities within the Corporate Plan.

8 Implications

Financial Implications

Name & Title: Ramesh Prashar, Financial Services Manager

Tel & Email: 01277 312513 / ramesh.prashar@brentwood.gov.uk

8.1 The financial implications are set out in the report.

Legal Implications

Name & Title: Daniel Toohey, Head of Legal Services and Monitoring Officer.

Tel & Email 01277 312860 / daniel.toohey@brentwood.gov.uk.

8.2 The Council is required to set a Council Tax for 2017/18 before 11 March 2017.

9 Background Papers

9.1 Policy, Finance and Resources Committee dated 15 February 2017 – General Fund Budget 2017/18

10 Appendices to this report

10.1 Appendix A – Formal Council Tax (Brentwood Borough Council and Parishes) Resolution 2017/18

10.2 Appendix B – Schedule of Parish Precepts

Formal Council Tax (Brentwood Borough Council and Parishes) Resolution 2017-18

1. That it be noted that on 2 December 2016 under delegated authority, the Section 151 Officer approved the calculation of the following amounts as the Council's Tax Base for 2017/18 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012:
 - a) for the whole Council area as 32,084.10 (item "T" in the formula in section 33(1) of the Local Government Finance Act 1992, as amended ("the Act")), and
 - b) for dwellings in those parts of its area to which a Parish precept relates as follows

Parish	
Blackmore	1,442.70
Doddinghurst	1,176.40
Herongate and Ingrave	1,067.80
Ingatestone and Fryerning	2,330.90
Kelvedon Hatch	1,052.90
Mountnessing	483.20
Navestock	236.70
Stondon Massey	326.50
West Horndon	670.20

2. That the Council Tax requirement for the Council's own purposes for 2017/18 (excluding Parish precepts) be calculated as **£5,715,462**.
3. That the following amounts be calculated for the year 2017/18 in accordance with Sections 32 to 36 of the Act:
 - a) **£44,902,344** being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) of the Act taking into account all precepts issued to it by Parish Councils.

- b) **£38,726,258** being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) of the Act.
- c) **£6,176,086** being the amount by which the aggregate at 3a) above exceeds the aggregate at 3b) above, calculated by the Council in accordance with Section 32(4) of the Act as its Council Tax requirement for the year (item “R” in the formula in Section 33(1) of the Act).
- d) **£192.50** being the amount at 3c) above divided by the amount at 1a) above, calculated by the Council in accordance with Section 33(1) of the Act as the basic amount of its Council Tax for the year (including Parish precepts).
- e) **£460,624** being the aggregate of the following special items (Parish precepts) referred to in Section 35(1) of the Act:

Parish	£
Blackmore	51,282
Doddinghurst	66,320
Herongate and Ingrave	38,500
Ingatestone and Fryerning	156,100
Kelvedon Hatch	69,200
Mountnessing	21,600
Navestock	7,100
Stondon Massey	18,022
West Horndon	32,500

- f) **£178.14** being the amount at 3d) above less the result given by dividing the amount at 3e) above by the amount at 1a) above, calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

- g) the amounts stated in column (3) below given by adding to the amount at 3f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area specified in 3e) above in each case by the amount at 1a) above, calculated by the Council in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area set out in 3e) above to which one or more special items relate:

	(1)	(2)	(3)
	Council	Parish	Total
	Band D Council Tax	Band D Council Tax	Band D Council Tax
	£	£	£
Blackmore	178.14	35.55	213.69
Doddinghurst	178.14	56.38	234.52
Herongate and Ingrave	178.14	36.06	214.20
Ingatestone and Fryerning	178.14	66.97	245.11
Kelvedon Hatch	178.14	65.72	243.86
Mountnessing	178.14	44.70	222.84
Navestock	178.14	30.00	208.14
Stondon Massey	178.14	55.20	233.34
West Horndon	178.14	48.49	226.63

- h) the amounts set out below given by multiplying the amounts at 3g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council in accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Blackmore	142.46	166.20	189.94	213.69	261.18	308.67	356.15	427.38
Doddinghurst	156.35	182.40	208.47	234.52	286.64	338.75	390.87	469.04
Herongate	142.80	166.61	190.40	214.20	261.79	309.40	357.00	428.40
Ingatestone and Fryerning	163.41	190.64	217.88	245.11	299.58	354.05	408.52	490.22
Kelvedon	162.57	189.67	216.77	243.86	298.05	352.25	406.43	487.72
Mountnessing	148.56	173.32	198.07	222.84	272.35	321.88	371.40	445.68
Navestock	138.76	161.88	185.02	208.14	254.40	300.64	346.90	416.28
Stondon Massey	155.56	181.48	207.42	233.34	285.20	337.04	388.90	466.68
West Horndon	151.09	176.26	201.45	226.63	277.00	327.35	377.72	453.26
Unparished	118.76	138.55	158.35	178.14	217.73	257.31	296.90	356.28

Appendix B**Schedule of Parish Precepts**

	Total Precept £	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Blackmore	51,282	23.70	27.65	31.60	35.55	43.45	51.35	59.25	71.10
Doddinghurst	66,320	37.59	43.85	50.12	56.38	68.91	81.44	93.97	112.76
Herongate	38,500	24.04	28.05	32.05	36.06	44.07	52.09	60.10	72.12
Ingatestone and Fryerning	156,100	44.65	52.09	59.53	66.97	81.85	96.73	111.62	133.94
Kelvedon	69,200	43.81	51.12	58.42	65.72	80.32	94.93	109.53	131.44
Mountnessing	21,600	29.80	34.77	39.73	44.70	54.63	64.57	74.50	89.40
Navestock	7,100	20.00	23.33	26.67	30.00	36.67	43.33	50.00	60.00
Stondon Massey	18,022	36.80	42.93	49.07	55.20	67.47	79.73	92.00	110.40
West Horndon	32,500	32.33	37.71	43.10	48.49	59.27	70.04	80.82	96.98