



# Finance and Resources Committee

## Agenda

### Part One

Council Chamber - Town Hall

Wednesday, 14 January 2015 at 7.00 pm

#### **Membership (Quorum – 3)**

##### **Councillors**

Cllrs Aspinell (Chair), Lloyd (Vice-Chair), Clark, Faragher, Hirst, Kendall, Le-Surf, Mrs McKinlay and Parker

**Committee Co-ordinator:** Jean Sharp (01277 312655)

#### **Additional Information:**

##### **Substitutes**

The names of substitutes shall be announced at the start of the meeting by the Chair and the substitution shall cease at the end of the meeting.

Substitutes for quasi judicial Committees must be drawn from members who have received training in quasi-judicial decision making. If a casual vacancy occurs on a quasi judicial Committee it will not be filled until the nominated member has been trained.

##### **Rights to attend and speak**

Any Member may attend any body to which Council Procedure Rules apply.

A Member who is not a member of the committee may speak at the meeting. The Member may speak at the Chair's discretion, it being the expectation that a member will be allowed to speak on a ward matter.

## **Point of Order/Personal explanation/Point of Information**

### **8.3.14 Point of order**

A member may raise a point of order at any time. The Chair will hear them immediately. A point of order may only relate to an alleged breach of these Procedure Rules or the law. The Member must indicate the rule or law and the way in which they consider it has been broken. The ruling of the Chair on the point of order will be final.

### **8.3.15 Personal explanation**

A member may make a personal explanation at any time. A personal explanation must relate to some material part of an earlier speech by the member which may appear to have been misunderstood in the present debate, or outside of the meeting. The ruling of the Chair on the admissibility of a personal explanation will be final.

### **8.3.16 Point of Information or clarification**

A point of information or clarification must relate to the matter being debated. If a Member wishes to raise a point of information, he/she must first seek the permission of the Chair. The Member must specify the nature of the information he/she wishes to provide and its importance to the current debate. If the Chair gives his/her permission, the Member will give the additional information succinctly. Points of Information or clarification should be used in exceptional circumstances and should not be used to interrupt other speakers or to make a further speech when he/she has already spoken during the debate. The ruling of the Chair on the admissibility of a point of information or clarification will be final.

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If you wish to record the proceedings of a meeting and have any special requirements or are intending to bring in large equipment then please contact the Communications Team before the meeting.

The use of flash photography or additional lighting may be allowed provided it has been discussed prior to the meeting and agreement reached to ensure that it will not disrupt proceedings.

The Chair of the meeting may terminate or suspend filming, photography, recording and use of social media if any of these activities, in their opinion, are disrupting proceedings at the meeting.

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### **Evacuation Procedures**

Evacuate the building using the nearest available exit and congregate at the assembly point in the North Front Car Park.

## Part I

(During consideration of these items the meeting is likely to be open to the press and public)

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5	<b>Medium Term Financial Plan Update</b>		<b>39 - 50</b>
6	<b>Urgent Business</b> An item of business may only be considered where the Chair is of the opinion that, by reason of special circumstances, which shall be specified in the Minutes, the item should be considered as a matter of urgency.		



Acting Chief Executive

Town Hall

Brentwood, Essex  
06.01.2015

## Minutes

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### Finance and Resources Committee Wednesday, 29 October, 2014

#### Attendance

Cllr Aspinell (Chair)	Cllr Hirst
Cllr Lloyd (Vice-Chair)	Cllr Kendall
Cllr Clark	Cllr Mrs McKinlay
Cllr Faragher	Cllr Parker

#### Substitute Present

Cllr Barrett (substituting for Cllr Le-Surf)

#### Also Present

Cllr Baker  
Cllr Mrs Davies

#### Officers Present

Jo-Anne Ireland	Acting Chief Executive
Steve Summers	Head of Customer Services
Ashley Culverwell	Head of Borough Health Safety and Localism
Helen Gregory	Interim Head of Housing
John Parling	Strategic Asset Manager
Philip Ruck	Contracts & Corporate Projects Manager
Carole Tatton-Bennett	Electoral Services Manager

#### 222. Apologies for Absence

Apologies were received from Cllr Le-Surf.

#### 223. Minutes from previous meeting

The Committee **RESOLVED** to approve the minutes of the previous meeting held on 30 June 2014 and they were signed by the Chair as a correct record.

#### 224. Cycling Provision for BBC

Offering a cycle to work scheme would allow the Authority to provide benefits to staff whilst lessening the environment impact of staff members travelling by car.

The proposed scheme offered tax incentives that enabled staff to enjoy savings on the price of a new bicycle and related accessories such as safety equipment. The Council purchased the bicycle and the employee leased the bicycle via a tax-efficient salary sacrifice scheme.

Cllr Aspinell MOVED and Cllr Lloyd SECONDED the recommendations in the report and following a full discussion it was RESOLVED:

- 1. To agree to the Council registering with Cyclescheme, offering employees the benefits of the scheme.**
- 2. To agree to the provision of cycle racks at the Town Hall and to the investigation of further provision of changing areas and/or showers as part of the Town Hall development.**

#### **225. Half Year Budget Review 2014/15**

The report provided the Finance and Resources Committee with an update of the Council's revenue and capital position for the half year ending 30 September 2014, projected to the year end.

Members were reminded that the Council began the current year with a General Fund (GF) balance of £4.5m.

The projected outturn for the GF was a potential surplus of £90k compared to an original estimate of £81k surplus. After taking account of this projected surplus and the £1.2m earmarked for the William Hunter Way project the projected year end GF working balance was £3.4m.

The Housing Revenue Account (HRA) was projecting a potential deficit of £19k compared to an original estimate of £86k surplus. This gave a projected HRA working balance of £1.6m. The HRA was a ring-fenced account and could not make or receive contributions to/from the GF.

The projected capital spend at 30 September 2014 stood at £6.7m for 2014/15 compared to an original budget of £11.1m. Capital budgets could not contribute to the GF revenue position although officers ensured that all appropriate capitalisations occurred.

**Cllr Aspinell MOVED and Cllr Lloyd SECONDED the recommendations in the report and after a full discussion a vote was taken on a show of hands and it was RESOLVED that Members:**

- 1. Note the projected half year outturn position for 2014/15 of the Council's GF revenue budget at 30 September 2014, as detailed in paragraph 4 of the report;**
- 2. Note the half year position for the HRA at 30 September 2014, as detailed in paragraph 5 and of the report; and**



**3. Note the projected half year outturn position for 2014/15 of the Council's capital budget as at 30 September 2014, as detailed in paragraph 6 of the report.**

**226. Treasury Management Mid -Year Review Report 2014/15**

Members were reminded that the Treasury Management Strategy Statement (TMSS) for 2014/15 was approved by Council on 5 March 2014.

The Chartered Institute of Public Finance and Accountancy (CIPFA) issued a Code of Practice for Treasury Management. The Code suggested that Members should be informed of Treasury Management activities at least twice a year, but preferably quarterly. This report therefore ensured this Authority was embracing best practice and meeting the statutory requirements. The legal status of the Code was derived from regulations issued under the Local Government Act 2003 which required local authorities to "have regard to guidance that the Secretary of State may by regulations specify." The Code and the CIPFA Prudential Code fell into this category.

**Cllr Aspinell MOVED and Cllr Lloyd SECONDED and it was RESOLVED UNANIMOUSLY:**

- 1. To note the treasury activity for the period 1 April 2014 to 30 September 2014.**
- 2. To approve changes to the credit methodology where viability, financial strength and support ratings will not be considered as key criteria in the choice of investment counterparties.**

**227. Performance Indicators - Second Quarter 2014/15**

Members were reminded that the Corporate Leadership Board (CLB) met with a cross party group of O&S Members in January 2014 to discuss performance management.

It was agreed that key strategic performance indicators for 2014/15 would be reviewed focusing on monitoring the delivery of the Council's Corporate Plan and service plans. These would be reviewed by CLB on a quarterly basis and reported to Members by exception.

The key Strategic indicators would be measured annually and would involve a customer satisfaction survey to gauge how residents and businesses rated the Council's performance.

The report before Members detailed the Operational Performance Indicators agreed for 2014/15 and gave performance detail for the second quarter of 2014.

**Cllr Aspinell MOVED and Cllr Lloyd SECONDED the recommendations in the report and it was RESOLVED that:**

**1. The Committee notes the Operational Performance Indicators for 2014/15**

**2. The Committee considers and notes the performance and contextual information against the Second Quarter Key Performance Indicators 2014**

**228. Election Review**

Members were reminded that the Representation of the People Act 1983 required every non-metropolitan county council to appoint an officer of the Council to be Returning Officer for elections of councillors and ensure borough and parish elections were conducted in accordance with rules made by the Secretary of State.

A Returning Officer held office in an individual capacity which was not linked to the position held as an officer of the Council. This gave him/her an independent status to make decisions without interference as they were only answerable to the courts in terms of the way in which they conducted their official duties. This was a personal, not Council appointment.

The Secretary of State could make provision for combining elections. Where a local government election was combined with the poll at a further electoral event, one Returning Officer or Counting Officer would take on responsibility for the combined electors of the poll including the provision of polling stations, combined postal votes and verification of ballot papers with the support of the Local Returning Officer of the council.

The report before Members outlined issues relating to the election process raised in the Finance and Resources Committee of 30 June 2014.

**Cllr Aspinell MOVED and Cllr Lloyd SECONDED the recommendations in the report and following a discussion it was RESOLVED UNANIMOUSLY that:**

- 1. The Council noted the election processes as prescribed in legislation and criteria set by the Electoral Commissions performance standards.**
- 2. The Returning Officer for the combined elections in 2015 considers any changes in legislation and the recommendations of the Council, elected members and political parties.**
- 3. The Council and Returning Officer recommend the Council goes out to consultation on the implications of commencing the Borough count on Friday 8<sup>th</sup> May 2014 and Parish count on Saturday 9<sup>th</sup> May 2014.**
- 4. Funding for voter encouragement subject to the identified resources (£5,100) being agreed as part of the 2015/16 budget setting process.**

**5. A report would be made to the 10 December 2014 Ordinary Council meeting on the consultation and findings.**

**229. Subscriptions and Membership Review**

Members were reminded that Officers were requested to conduct a Council wide review of subscriptions and memberships with a view to ascertaining which were essential i.e. legally required or of vital business need and which were non-essential.

Heads of Service had reviewed their own departments and produced business reasons for each subscription/membership and lists of those considered non-essential and essential were before Members.

Subscriptions and memberships considered to be non-essential by officers were recommended for cancellation.

**Cllr Aspinell MOVED and Cllr Lloyd SECONDED the recommendations in the report and following a discussion it was RESOLVED UNANIMOUSLY that:**

- 1. Members agree to cancel all subscriptions and memberships considered non-essential producing an annual saving of £7,680 as shown in Appendix A.**
- 2. Members agree that officers identify any further subscriptions and memberships for deletion.**
- 3. Members agree to maintain all subscriptions and memberships considered essential by officers at an ongoing cost of £82,587.39 annually as shown in Appendix B.**
- 4. Members agree that officers be requested to review the subscriptions and memberships list on an annual basis.**

**230. Residents Survey Report**

The report provided Members with the results of a Residents Survey undertaken by Westco on behalf of the Council between 9<sup>th</sup> and 25<sup>th</sup> July 2014 and options for future engagement with residents.

The Council had not undertaken a comprehensive residents' survey since the 2008/09 Place Survey and the current survey was commissioned to measure and understand residents' satisfaction and views about the Council, its services and the local area. The main headlines from the results with the comparable Place Survey results in brackets were provided for Members' information.

**Cllr Aspinell MOVED and Cllr Lloyd SECONDED the recommendations in the report and following a discussion a vote was taken on a show of hands and it was RESOLVED that:**

1. **Members note the results of the 2014 Residents Survey.**
2. **The results are used to inform development of the Council's service and delivery plans.**
3. **The Council develops a Residents e-Panel for future satisfaction surveys and a number of other engagement and consultation projects and also considers other engagement methods as appropriate to enable satisfaction responses to be received on an ongoing basis.**

231. **Urgent Business - NNDR Pool** (The Chair accepted this item as Urgent Business since Local Authorities who intended to pool for the financial year 2015/16 must notify DCLG by 31 October 2014).

A report presented to Policy and Resources Board on 13 December 2012 outlined the changes to the distribution of business rates income with effect from 1 April 2013.

Members were reminded that, under the Business Rates Retention Scheme, Local Authorities were able to voluntarily form a business rates retention pool. Local Authorities within a pool were treated as a single authority with all Tariffs and Top-Ups being combined and a single levy rate being applied.

The report considered the concepts and implications of joining an Essex Wide Pool in 2015/16 and sought a decision on whether Brentwood Borough Council should be included.

At its meeting on 9 October 2013 the Performance and Resource Committee had agreed not to join the Essex Wide Pool in 2014/15 since the initiative was untested and the outcomes uncertain.

**Cllr Aspinell MOVED and Cllr Lloyd SECONDED the recommendation included in the report and following a discussion a vote was taken on a show of hands and it was RESOLVED that the Council joins the Essex Wide Pool for business rates in 2015/16.**

232. **Termination of Meeting**

During the preceding item, in accordance with Rule 28 of Part 4.1 – Council Procedure Rules, the business of the meeting not having concluded by two hours after its start, Members voted and agreed to continue with the meeting for a further 30 minutes.

**14 January 2015**

## **Finance and Resources Committee**

### **In Kind Policy**

**Report of:** *Ashley Culverwell, Head of Borough Health, Safety and Localism*

**Wards Affected:** *All wards*

**This report is:** *Public*

#### **1. Executive Summary**

- 1.1. The Council's Funding Strategy was agreed at Strategy and Policy Board in November 2013 (min. ref 263). As part of the implementation of that Strategy officers were asked to develop an 'In kind Policy' to ensure that future funding and support in this area has clear guidance and has a consistent, transparent and accountable approach to ensure that this supports the Council's priorities and ensures that the support is targeted to those most in need.
- 1.2. There are two key strands to the In Kind Policy: Printing and Parking Permits. Currently these arrangements are provided free to certain organisations.
- 1.3. Any lease arrangements that the Council has with Voluntary and Community Sector organisations will be covered in a separate Community Let Policy which will go before Asset and Enterprise Committee on 21 January 2015 for Members to consider. Room hire within the Town Hall will be covered in a separate report which is going to a future Asset and Enterprise Committee.

## **2. Recommendations**

- 2.1. That Members agree to the adoption of the In Kind Policy (**Appendix A**).
- 2.2. That the following timelines apply to the implementation of the in kind policy:
  - 2.2.1 The revised parking permits (one per person for Members, employees and Voluntary Sector organisations) will commence from April 2015.
  - 2.2.2 Free parking permits will cease to be issued for Brentwood Library from April 2016 (to allow time for Essex County Council to adjust their budgets accordingly)
  - 2.2.3 The community rates for printing to be implemented in April 2016 to allow organisations to allocate within their budgets
  - 2.2.4 Commercial printing rates to be implemented in April 2015

## **3 Introduction and Background**

- 3.2 In 2013 Officers undertook a review of the level of support that it gave to voluntary and community organisations which was estimated at over £600,000 annually. It was then examined to determine whether this support was fit for purpose i.e. what governance was in place; how the organisation supports the Council's priorities and consider a more strategic approach to future funding.
- 3.3 It was agreed at 18 June 2013 Overview and Scrutiny Committee (min. ref 40) to look at the four areas of support;
  - Parish Council Grants
  - Discretionary Rate Relief
  - Partnership/Community Funding
  - In kind support
- 3.4 The In Kind Support Policy which is the subject of this report covers two key areas;
  - 3.4.1 Printing,
  - 3.4.2 Parking Permits

- 3.5 Preferential Lease arrangements
- 3.6 The Council is developing a separate **Community Let Policy** which will set out the Council's methodology for letting Council assets to voluntary and community sector organisations. This will go before Members at Asset and Enterprise Committee on 21 January 2015.
- 3.7 Room hire within the Town Hall will be covered in a separate report which is going to a future Asset and Enterprise Committee.
- 3.8 The Council needs to ensure that there is a fair and transparent process in place where it gives additional support to voluntary sector organisations, rather than the ad hoc arrangements that are currently in place. While the current situation supports very worthy organisations, it is not a fair process which is accessible to any voluntary organisation.
- 3.9 As the Council is under increasing monetary pressures to rationalise its spending then it is proposed to adopt a cost recovery model for these strands, wherever possible.

#### **4 Issue, Options and Analysis of Options**

- 4.2 Free printing and postage
- 4.3 Currently the Council provides free printing to various voluntary and community organisations which are set out in **Appendix B**.
- 4.4 It is proposed that in future paper and quantity or 'click' charge costs are to be charged to the organisation, added to this will be an hourly rate which is currently set at £42 per hour for full cost recovery for the commercial rate, while the community rate will be subject to 50% relief at £21 per hour. All hourly rates are chargeable in fractions of 5 minutes.
- 4.5 The Council also provides free postage to a couple of organisations as set out in **Appendix B**.
- 4.6 *It is proposed that in future those costs should be borne by the relevant organisation.*
- 4.7 Free parking permits
- 4.8 Currently the Council provides free parking permits for use in Council car parks to various organisations and individuals as set out in **Appendix B**.

- 4.9 *It is proposed to adopt the following principles for future support.*
- 4.10 That any existing permits will not be charged for, but that an agreed number of permits are issued initially (the organisation will need to provide the names) and the permits are numbered in the following way e.g. CAB1, CAB 2, BCT1, BCT2 so that if car details change the permit can still be used without any additional cost to the organisation. However for any lost/replacement permits an administration fee will be applied. This will be payable by the organisation requesting it and will be a flat fee of £10. This process would be reviewed on an annual basis to ensure that the Council is only issuing the number of permits actually required by the organisation.
- 4.11 It is proposed that the Council will continue to provide parking permits to enable the organisations listed in **Appendix B** to park free of charge with the exception of the volunteers working at Brentwood Library. As employees of Essex County Council (ECC), ECC should assume responsibility for their volunteer expenditure costs. It is therefore proposed that this free parking should cease from April 2016 which allows over 12 months for the organisation to adjust to this change.
- 4.12 The Council will also need to bear in mind that any large developments will also impact on parking availability in Brentwood, such as Crossrail and the William Hunter Way development, so there will need to be a review the provision of free parking should the demand for parking spaces increase and/or availability of parking spaces decrease.
- 4.13 Staff and Member parking permits
- 4.14 Elected Members and some employees currently have parking permits which allow them to park across the Borough and at the Town Hall free of charge. If they have multiple cars each permit refers to the number plate for each car. Where there is more than one car, the issuing of more than permit creates unnecessary additional administration costs.
- 4.15 It is proposed that Members and employees should only have one allocated permit each, and that this permit can be transferrable between their vehicles. Any lost/replacement permits will incur an administration charge of £10. The permit will not include the number plate of the car to enable transfer of the permit to the car in use.
- 4.16 A benchmarking exercise was undertaken with other Essex authorities regarding charging staff for parking which is attached in **Appendix C**. This demonstrates that some Local Authorities have a charging



mechanism in place for staff at a reduced cost to what other car park users would pay.

- 4.17 It is proposed that the position at Brentwood Town Hall car park will remain unchanged with many staff parking free of charge, but this will be reviewed once the Town Hall Development Project has been completed. The allocation criteria for staff car parking permits are currently being reviewed by the Asset team as part of the Town Hall Development project implementation.

## **5 Reasons for Recommendation**

- 5.2 The Council needs to rationalise its support to the voluntary and community sector, so the support needs to be targeted to those organisations that support the Council's priorities and support our most vulnerable residents.
- 5.3 The Council also needs to ensure that the processes that it puts in place are fair, consistent and transparent to all organisations.

## **6 Consultation**

- 6.2 The draft Funding Strategy went out to consultation on 21 June 2013. The consultation was sent via email and was available on the Council's website. The consultation included:

- local community groups
- voluntary sector organisations
- Brentwood Council for Voluntary Services
- Brentwood Health and Wellbeing Board
- Clinical Commissioning Group for Brentwood and Basildon
- members of the public
- local schools
- local councillors
- Parish Councils
- Brentwood and Ongar MP
- other partners organisations

Feedback was presented at Strategy and Policy Board in November 2013 as part of the report. In addition there were face to face meetings with each of those organisations which are currently in receipt of direct grant funding. In summary the majority of organisations were in support of the new approach to funding that the Council is taking in respect of the Community and voluntary sector, ensuring that funding is targeted to support the community more effectively. There was caution around any

disproportionate reduction in funding to the voluntary sector in relation to the Council's other spending. There were also a number of new initiatives that could be introduced to support the development of a Community Hub as part of the Town Hall development project.

6.3 An Overview and Scrutiny Task and Finish Group was set up to look at the Council's approach to funding. The group examined four areas of funding, one of which was the 'In Kind' support, and the proposed principles and criteria around future funding which were proposed in the Council's Funding Strategy. Their comments were fed into the Funding Strategy report that was considered by Strategy and Policy Board in 20 November 2013.

6.4 Those organisations that will be directly affected have been informed of the proposed recommendations within this report have been asked to comment. This feedback is attached in **Appendix D**.

## 7 References to Corporate Priorities

7.1 The In Kind Policy will ensure that the support for the Voluntary and Community Sector is both targeted, supports the Council's priorities and provides effective support for the local community.

## 8 Implications

### Financial Implications

**Name & Title: Jo-Anne Ireland, Acting Chief Executive**

**Tel & Email: 01277 312712/ [jo-anne.ireland@brentwood.gov.uk](mailto:jo-anne.ireland@brentwood.gov.uk)**

The table lays out the current financial implications for the Council in respect of the In Kind Policy. These are currently being met from existing budgets.

<b>In Kind Support</b>	<b>Current level of additional support in £</b>
Free printing & postage	2,973
Free parking permits	24,260
<b>Total</b>	<b>27,233</b>

## **Legal Implications**

**Name & Title:** Christopher Potter, Monitoring Officer and Head of Support Services

**Tel & Email:** 01277 312860 [christopher.potter@brentwood.gov.uk](mailto:christopher.potter@brentwood.gov.uk)

Any existing legal commitments that the Council has entered into with regard to any voluntary or community organisation will need to be examined before any changes could be implemented.

- 8.1 **Asset Management implications** – Where there are any existing lease arrangements or preferential rental agreement in respect of voluntary and community organisations utilising Council assets any changes to arrangements would need to be taken into consideration and due notice given.
- 8.2 **Equality and Diversity implications** – The In Kind Policy will target support to voluntary and community organisations that best support the Brentwood community regardless of age, disability, gender, gender reassignment, pregnancy and maternity, race religion and sexual orientation.

## **9 Background Papers**

- 9.1 Funding Strategy 2013-16 as agreed at 21 November 2013 Strategy and Policy Board

## **10 Appendices to this report**

- Appendix A – In Kind Policy and Charging Structure
- Appendix B – In Kind Policy impact on external organisations
- Appendix C – Staff car parking arrangements across Essex
- Appendix D – Feedback from organisations

### **Report Author Contact Details:**

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## **In Kind Policy and charging structure**

### **Introduction**

Brentwood Borough Council's Funding Strategy, was approved by Members at the Council's Strategy and Policy Board in November 2013, and provides the Council's strategic view and intentions on the future funding and support of the voluntary sector.

The Council needs to ensure that any funding or support that it provides is both effective and targeted to support the most vulnerable in the Borough. Support can be in the form of direct grant funding, discretionary rate relief or 'in kind' support. This 'In Kind Policy' identifies two strands of additional support that the Council provides to voluntary and community sector organisations. It includes Printing, Postage and Parking Permits. Currently these are provided free to certain community organisations on an ad hoc basis.

Any lease arrangements that the Council has with voluntary and community sector organisations will be covered in a separate Brentwood Borough Council, Community Let Policy.

All fees and charges within this report will be subject to regular review in the Council's fees and charges.

### **Aims and Objectives**

The aims and objectives of the 'In Kind Policy' is to provide clear guidance so that there is a fair, transparent and consistent approach and process in place, for the 'in kind' support that the Council gives to the Voluntary and Community Sector for each of the key strands.

### **Who will the Policy affect?**

The 'In Kind Policy' will affect various Voluntary and Community organisations who are currently in receipt of 'free' additional support from Brentwood Borough Council . It will also enable those currently not using these services to apply to access them. The changes indicated in this Policy will mean in effect that some of this support will no longer be available free of charge, but in future a nominal fee will now apply to contribute towards costs.

### **Printing**

Brentwood Borough Council currently provides free printing to various voluntary and community organisations.

There will be two rates applied to outside organisations, a commercial rate and a Voluntary and Community Sector rate. Printing to outside organisations will be subject to capacity constraints.

The Commercial rate will be calculated as follows: Paper costs and click (quantity) charge together with a £42 per hour for a full cost recovery.

The Voluntary and Community Sector rate will be calculated as follows: Paper costs and click (quantity) charge together with a £21 per hour (50% reduction from the commercial rate).

**Parking Permits**

Brentwood Borough Council currently provides free parking permits to various voluntary and community sector organisations.

There are administrative costs to the processing of the parking permits for the voluntary and community sector organisations. Organisations will be required to submit their requirement for permits for their operational needs. This will be reviewed on an annual basis.

In future a flat administration charge of £10 will be applied to any lost/replacement parking permits from Members, employees or any voluntary or community sector organisations.

The Council will also need to bear in mind any future large scale developments may have an impact on parking availability in the Borough, such as Crossrail and the William Hunter Way and as such these permits should be subject to regular review.

**Preferential lease arrangements**

Brentwood Borough Council is developing a separate Community Let Policy which will set out the Council's methodology for letting Council assets to voluntary and community sector organisations.

**Room Hire at the Town Hall**

Room hire within the Town Hall will be covered in a separate report which is going to a future Asset and Enterprise Committee to be determined.

**Date of Policy:** January 2015

**Review of Policy:** January 2016. Note: All fees and charges within this report will be subject to regular review in the Council's fees and charges.

**Policy Author:** Kim Anderson, Partnership, Leisure and Funding Manager

**Contact details:** [kim.anderson@brentwood.gov.uk](mailto:kim.anderson@brentwood.gov.uk) Tel: 01277 312634

Parking Permits - Off Street			
Organisation	Detail	Notional Benefit in	
		Kind £	Notes
Citizens Advice Bureau	62 permits for Westbury Road car park. Annual season ticket £890, but 10 permits on average are used on any one day	8,900	The value of the permits is notional as not all holders of free permits will be using them to park on any one day. CAB have a limit on how many vehicles can be parked at any one time. This use is monitored and honoured by the group. The value of the permits is based on the season ticket cost as the car park is currently season ticket only. It is proposed to issue a set number of permits to the organisation which will be reviewed on an annual basis. Any lost/replacement permits will be subject to a £10 administration charge.
Brentwood Community Transport	54 permits for Westbury Road Car Park. Annual season ticket £890, but 5 permits on average are used on any one day	4,450	The value of the permits is notional as not all holders of free permits will be using them to park on any one day. BCT have a limit on how many vehicles can be parked at any one time. This use is monitored and honoured by the group. The value of the permits is based on the season ticket cost as the car park is currently season ticket only. It is proposed to issue a set number of permits to the organisation which will be reviewed on an annual basis. Any lost/replacement permits will be subject to a £10 administration charge.
Brentwood Library	7 in Multi Storey Car Park. Annual season ticket £890, but no more than 4 permits on average are used on any one day.	3,560	The value of the permits is notional as not all holders of free permits will be using them to park on any one day. Usually no more than 4 on any one day. It is proposed that volunteer parking charges should now be borne by ECC.
Staff	150 for officers that need their vehicle to carry out their duties (Calculated at cost of resident permit of £34)	5,100	This will be subject to a review with the implementation of the Town Hall Development Project. For those employees with multiple permits, one transferrable permit will be issued to reduce administration costs. Any lost/replacement permits will be subject to a £10 administration charge.
Members	60 for Members whilst on Council business (calculated at cost of resident permit of £34)	2,040	For those Members with multiple permits, one transferrable permit will be issued to reduce administration costs. Any lost/replacement permits will be subject to a £10 administration charge.
Staff (Saturdays, Town Hall)	20 , based on daily charge of £10.50 (Saturday only charging at the Town Hall)	210	This will be subject to a review with the implementation of the Town Hall Development Project
<b>TOTAL</b>		<b>24,260</b>	
<b>Printing and postage</b>			
Organisation	Detail	Annual equivalent financial benefit	
		Points/issues to consider	
Citizens Advice Bureau	300 copies of the annual report	154.50	Brentwood Borough Council currently provides direct grant funding to CAB
Brentwood Museum	500 leaflets	46.80	Brentwood Borough Council doesn't provide any direct funding to the museum, although they have use of Lorne Lodge
Learning for Pleasure	1000 copies of brochure	80.86	This should be charged
Brentwood Chamber of Commerce	12 Newsletters per year and some sundry printing	384.35	The organisation requests subscriptions for members should this be covered?
Brentwood Council for Voluntary Service	10 Newsletters and sundry printing	303.43	Brentwood Borough Council provides direct funding to Brentwood CVS
Brentwood a Becket Rotary Club	Fun Run & Half Marathon letters	30.35	Brentwood Borough Council does not provide any other support for the half marathon or fun run
	Envelopes and postage for half marathon letters	1,557.00	
Brentwood Community Transport	Estimated costs of weekly postage at £8 per week	416.00	Brentwood Borough Council currently provides direct grant funding to Brentwood Community Transport
<b>TOTAL</b>		<b>2973.29</b>	
<b>SUMMARY TOTAL</b>		<b>£27,233.29</b>	

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## Staff car parking arrangements across Essex

Authority	Detail	Cost per annum
Basildon	on site car park for essential users. In town car parking for all other staff	0
Braintree	No charge	0
Castle Point	No charge	0
Chelmsford	Subsidized £15 per month at a multistorey car park (15 minute walk). No charge for essential car users	180
Colchester	No charge for essential car users, £2 per day for other staff	664
Epping Forest	No parking on site for staff. Essential car users free of charge	0
Harlow	£20.83 per month for full time staff (pro rata for part time staff)	249.96
Maldon	No charge	0
Rochford	Small amount of parking on site (for HoS mainly). All other staff (inc. essential car users) around £16 per month 9From salary) at an offsite car park - 5 minutes walk	192
Tendring	Small amount of parking onsite (for HoS mainly) but all staff have a permit for an offsite car park - no charge	0
Uttlesford	No charge	0

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Name of Organisation	Current 'in kind support'	Comments/Feedback
Brentwood Citizens Advice Bureau	Car parking permits	<p>Email received 29.10.14</p> <p>A good idea to reduce admin. We currently have 45 active permits. I think if we had 50 permits that would work for us. We would reallocate permits as people join and leave the bureau. The number of spaces in use would remain the same - between 10 and 20. If we had less it would involve coming into the bureau to retrieve a pass and then returning it when they leave</p>
Brentwood Community Transport	Car parking permits	<p>Phone conversation &amp; email 5.1.15</p> <p>Welcomes the ability to transfer between cars for use by the organisation and are currently contacting all their volunteer drivers to determine the numbers required</p>
Chamber of Commerce	Free printing	<p>Email received 5.1.15. Chamber of Commerce are happy to pay for the printing of their newsletters.</p>
Brentwood Library	Car parking permit	<p>Phone call and email 6.1.15</p> <p>Currently have 7 permits, but the actual use is between 2 and 5 per week.. Volunteers who deliver the Home Library service to customers who cannot get to the library, need to park close to the library to drop off and collect books, so staff often move to the car park so the volunteers can use their spaces. The passes mean the service can run smoothly, without volunteers having to heft numbers of books about the Town Centre. Since a reduction in staff 2 years ago, the library staff have to work more flexibly, and often have to work at more than one library in a day, sometimes at very short notice, which necessitates using their cars. Having the possibility if using the passes, has meant that they have been able to do this and keep all the libraries running.</p> <p>The cost of parking in the multi-story car park for more than a few hours, means that it would be prohibitive for staff, who are on fairly low wages to park there on a regular basis.</p> <p>There are external volunteers who also deliver services &amp; information from the library, who have been able to use the passes eg Essex Cares café, Brentwood Sight Centre, Rethink, RNIB. We are concerned that if the passes weren't available that these services might not be able to continue due to parking costs. The Customer Services Supervisor has estimated that the library could manage with a minimum of 4 passes.</p> <p>We very much appreciate the support of Brentwood Borough Council in supporting the Library Service and external partners to deliver services to the local community, and we're happy to work with the Council to deliver services and information on their behalf eg recycling bags, and use of space for consultations free of charge.</p>

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**14 January 2015**

**Finance & Resources Committee**

## **Customer Services Transformation – Customer Access Strategy**

**Report of:** *Steve Summers*

**Wards Affected:** *All*

**This report is:** *Public*

### **1. Executive Summary**

1.1 The Customer Services Transformation Detailed Business Case setting the Council's approach to offer a modern, high quality and effective customer services was approved at the Strategy and Policy Board on the 20 November 2013.

1.2 The Business Case identified that the Council was offering very traditional and outdated methods for customers to access its services. The concept of the Customer Services Transformation was to move away from the traditional reception/telephone service offered by the Council to a new model that offered a wide range of modern and efficient access channels for customers.

1.3 In order to progress to the new model of customer services a Customer Access Strategy is required to set out the Council's approach to how it will deliver services to customers in the future. The key aim of the strategy is to improve customer experience and satisfaction and drive down costs through economies of scale and joined up processes.

1.4 The Customer Access Strategy provides the overarching framework for the channels (or methods) the Council will use to interact with customers to ensure the successful delivery of our services with the resources available. The strategy sets out the following strategic principles that we will focus on as we deliver improvements to our customers services:

- Be open to all
- Provide Choice
- Meet Needs
- Deliver First Time
- Provide Satisfaction

- 1.5 Key to the delivery of the Customer Access Strategy is the High Level Implementation Plan which contains a number of key actions. One of these is the development of a Channel Strategy which will identify the channels the Council will use to deliver services to and interact with its customers. A Channel Strategy will set out how the Council will meet the contact demands of its customers using the resources it has available and bearing in mind the needs of the customer.
- 1.6 In addition, the High Level Implementation Plan has an action to undertake investigations into a suitable Customer Relationship Management system (CRM) to ensure that an appropriate system is selected to meet business needs. Future work will also be required to provide end-to-end transactions that are fully integrated with the Council's back office systems and processes through the use of technology.
- 1.7 The High Level Implementation Plan also includes the development of a Customer Portal which will provide resident's online access to manage their accounts/services with the Council.
- 1.8 Attached as Appendix A is the Draft Customer Access Strategy and High Level Implementation Plan.

## **2. Recommendation(s)**

- 2.1 That Members agree the Customer Access Strategy and High Level Implementation Plan.**

## **3. Introduction and Background**

- 3.1 The Customer Services Transformation Outline and Detailed Business Cases offering modern, high quality and effective customer services was approved at the Strategy and Policy Boards on the 26 June and 20 November 2013 respectively.
- 3.2 The Detailed Business Case identified that the Council was offering very traditional and outdated methods for customers to access its services, which included a number of separate reception areas; a mix of direct line and switchboard facilities for telephone enquiries and limited access for our customers to transact with the Council through web based facilities.

- 3.3 A key element of the Customer Transformation was the concept of a Customer Contact Centre to move away from the traditional reception/telephone service offered by the Council to a new model that offered a wide range of modern and efficient access channels for customers.
- 3.4 The service would consist of three main strands;
- A modern, and customer friendly website with increasing options to transact on-line with the Council;
  - An effective and efficient telephone service with direct access to trained advisors able to resolve most queries without the need to refer the customer on.
  - Handling other contact channels such as post, emails, text messaging and social media.
- 3.5 In addition to the customer benefits identified above the Business Case proposed that savings of £250k were to be achieved through a number of methods as set out below;
- Lower transaction costs by encouraging customers to shift to less costly contact channels. E.g. Self-Service
  - Increased economies of scale through generic front of house and telephony services, achieved by migrating enquiry handling and related staff roles into the Customer Service, and reducing overall staff numbers required.
  - Streamlined processes for more efficient enquiry handling.

#### **4. Issue, Options and Analysis of Options**

- 4.1 The original Business Case identified a number of financial and non-financial benefits from developing a Customer Services Transformation programme and Customer Contact Centre.
- 4.2 At the Audit & Scrutiny Committee, 30 September, Members received a report on progress to date against the Internal Audit Plan. The report provided information on the review of Customer Services which had been completed in quarter 1 of 2014/15 and had given a 'moderate' assurance which reflected the Council had made some progress but was still in the early stages of development of the Customer Services Transformation and the Contact Centre. An action plan had been agreed to address the audit recommendations.

- 4.3 Following a review of the Detailed Business Case by Officers it has been established that the proposed savings in 2014/15 would not be achieved. This is due largely to the amount of training and reorganisation required to make the Contact Centre effective and the lack of a Customer Access Strategy and detailed action plan to identify how and when financial benefits would be realised. Going forward projects will include detailed planning of savings to identify how and when financial benefits will be realised to ensure there is not over estimation of any savings in Year 1.
- 4.4 Therefore one of the key actions set out in the audit plan was the development of a Customer Services Access Strategy to ensure that benefits are realised. In addition the Strategy will also ensure that any further process redesign or investment in technology will tie into the Council's savings targets, which are based on increasing demand for online customer access and reducing the demand for expensive face to face and phone access.
- 4.5 As advised elsewhere in this report the Customer Access Strategy will provide the framework for future priority areas for channel shift to enable further customer self service through the Council's website providing future benefits.
- 4.6 At the Audit and Scrutiny Committee, 26<sup>th</sup> November 2014, it was agreed that the Finance & Resources Committee be advised that the Strategy and Implementation Plan includes analysis of different customer access channels, the demographics of the Borough, and customer feedback. Actions within the High Level Implementation Plan will cover this.
- 4.7 Once the strategy has been approved investigations into a suitable Customer Relationship Management system (CRM) will take place to ensure that an appropriate system is selected to meet business needs. Future work will also be required to provide end-to-end transactions that are fully integrated with the Council's back office systems and processes through the use of technology.

## **5. Reasons for Recommendation**

- 5.1 To enable the Council to deliver effective and efficient customer services for the benefit of the Council and its customers

## **6. Consultation**

- 6.1 No consultation required.



## **7. References to Corporate Plan**

- 7.1 Delivering an effective and efficient customer services will help meet the Modern Council key priority.

## **8. Implications**

### **Financial Implications**

**Name & Title:** Jo-Anne Ireland, Acting Chief Executive

**Tel & Email** 01277 312712/ Jo-Anne.Ireland@brentwood.gov.uk

- 8.1 There are no direct implications arising from the report. Any costs and resource requirements relating to the delivery of the Customer Access Strategy will be contained within the current Customer Service budget and ICT Capital Programme.

- 8.2 The current anticipated savings from the Customer Transformation Programme are:

2015/16 £100,000

2016/17 £150,000

2017/18 £200,000

These savings will be further quantified and developed as the service planning work is completed. The anticipated savings listed above will be incorporated within the MTFP.

### **Legal Implications**

**Name & Title:** Christopher Potter, Monitoring Officer and Head of Support Services

**Tel & Email** 01277 312860/ christopher.potter@brentwood.gov.uk

- 8.3 None.

### **Other Implications**

- 8.4 None

## **9. Background Papers**

- 9.1 28 June 2013 Strategy and Policy Board – Customer Services Transformation (Outline Business Case)

- 9.2 20 November 2013 Strategy and Policy Board – Customer Services Transformation (Detailed Business Case)
- 9.3 30 September 2014 Audit and Scrutiny Committee – Internal Audit Progress Report
- 9.4 29 October 2014 Finance and Resources Committee - (Half Year Budget Review 2014/15)
- 9.5 26 November 2014 Audit and Scrutiny Committee – Customer Services Transformation – Customer Contact Centre

**10. Appendices to this report**

- Appendix A - Draft Customer Access Strategy and High Level Implementation Plan

**Report Author Contact Details:**

**Name:** Steve Summers, Head of Customer Services

**Telephone:** 01277 3122629

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# Brentwood Borough Council Customer Access Strategy 2015 – 18 (Draft)

Brentwood Borough Council has committed itself to modern and effective customer services that meet at least 80% of our customers' needs at the first point of contact. The key aims of this objective are to improve the customer experience and satisfaction; and drive down costs through economies of scale and joined up processes. The Customer Access Strategy provides the framework for delivering this objective.

We want our services to:	Be open to all	Provide Choice	Meet Needs	Deliver First Time	Provide Satisfaction
<b>Our outcomes....</b> <ul style="list-style-type: none"> <li>All customers have fair and equal access to services.</li> </ul>	<ul style="list-style-type: none"> <li>Increased service take-up among under-represented and vulnerable groups.</li> <li>Increased consultation with residents in relation to preferred access channels.</li> </ul>	<ul style="list-style-type: none"> <li>Customers have greater input to, and choice over, the services they receive and how they will access them.</li> <li>Replace enquiries made via face to face and telephony channels with opportunities to interact via self-service channels.</li> <li>Reduce the number of inappropriate/little used channels.</li> </ul>	<ul style="list-style-type: none"> <li>Customers influence the design and delivery of the services available to them.</li> <li>More service redesign projects that include customers directly in their delivery.</li> <li>Increased service satisfaction levels.</li> </ul>	<ul style="list-style-type: none"> <li>Wherever possible, customer needs will be resolved at the first point of contact.</li> <li>Reduced avoidable contact.</li> <li>Reduced service failure.</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction drives service improvement.</li> </ul>
<b>Our headline target(s)....</b>	<ul style="list-style-type: none"> <li>Improved understanding of customer diversity issues to remove barriers to access for under-represented and vulnerable groups.</li> <li>Increased targeting and take-up of services for under-represented and vulnerable groups.</li> </ul>	<ul style="list-style-type: none"> <li>Customer choice on how they interact with the Council.</li> <li>Seamless service delivery across a broad range of channels.</li> <li>Maximise opportunities for residents to interact with the Council via mobile and social network platforms.</li> <li>Withdraw channels that residents do not use.</li> </ul>	<ul style="list-style-type: none"> <li>Customer insight is consistently used to profile our communities, determine service delivery and market services to the people of Brentwood.</li> <li>A clear and consistent approach to the identification of customer pathways/journeys.</li> <li>An ability to respond quickly to demands for new ways of interacting with the Council.</li> </ul>	<ul style="list-style-type: none"> <li>A single view of customers and how they interact with services.</li> <li>Consistent information, advice and tools provided across all channels.</li> <li>Resolution at the first point of contact.</li> </ul>	<ul style="list-style-type: none"> <li>Performance met on service standards.</li> <li>Increased customer satisfaction across all service delivery channels.</li> </ul>
<b>What we hope to achieve....</b>	<ul style="list-style-type: none"> <li>Maximise the use of existing customer service assets – the Contact Centre, Town Hall and the website, taking into account local needs.</li> <li>Provide information in accessible formats across channels.</li> <li>Use customer insight to develop channels to increase service take-up.</li> <li>Ensure fair and equal access is key to our performance framework.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a more transactional website providing self-service options for service delivery.</li> <li>Increase online booking and pay facilities and enable resident's to track application requests.</li> <li>Continually review channel usage to ensure the most cost-effective channels for service delivery.</li> </ul>	<ul style="list-style-type: none"> <li>Implement a clear and consistent approach to gathering customer insight.</li> <li>Redesign services around the customer and provide/commission them on this basis.</li> <li>Improve locally based service delivery through streamlining processes, having a more flexible workforce, and making more efficient use of our assets.</li> <li>Develop further self-service opportunities for citizens to access services giving priority to areas of greatest demand.</li> </ul>	<ul style="list-style-type: none"> <li>Maximise the depth of enquiry handled at the first point of contact.</li> <li>Have a unique and consistent view of the customer.</li> <li>Ensure that appropriate Customer Services training is readily available to support the delivery of this strategy.</li> <li>Use customer feedback to drive content on the Council's website.</li> <li>Exploit the benefits of using multi-media content on the Council's website to help customers wishing to self-serve.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that the Council's performance management framework incorporates the measurement of customer outcomes across all service channels.</li> <li>Publish annual measurable customer service standards.</li> <li>Publish satisfaction levels against those standards.</li> </ul>
<b>What we're going to do....</b>					



Brentwood Borough Council Customer Access Strategy - High Level Implementation Plan						
Date	14/01/15					
Ref	Theme(s)	Description	Outcomes	Owner	Target date	Comment
CAS 1	All	Develop a Channel Shift Strategy and Action Plan.	Channel Shift Strategy and Action Plan including plans for each channel with fixed targets.	Head of Customer Services/Contact Centre Manager	May-15	Linked to CAS 2.
CAS 2	All	Service Improvement Programme	Efficient and effective Customer Services.	All Heads of Service	Dec-15	On going programme for all services.
CAS 3	All	Investigate and implement a Customer Relationship Management (CRM) system, booking system and other technology requirements.	Deliver cost reductions and efficiency savings.	Head of Customer Services/Contact Centre Manager	Oct-15	
CAS 4	All	Monitoring and reviewing of the Council website.	Website Improvement Plan.	Contact Centre Manager	Feb-15	Monitoring of Council website and reviewing where appropriate.
CAS 5	Meet Needs	To increase the number of online customer transactions based on demand.	Alternative means of accessing customer services.	Contact Centre Manager	Dec-15	Linked to CAS 2.
CAS 6	Provide Choice	Expand the Text Message service to other areas of the Council, checking customer demand and feedback and any impact on other channels.	Alternative means of providing customer information and reporting to the Council.	Contact Centre Manager	Dec-15	Linked to CAS 1 and 2.
CAS 7	All	Development of Customer Portal.	Provides customers with online access and a personalised view of their relationship with the council.	Contact Centre Manager	Oct-15	Dependent on development of CRM.

Ref	Theme(s)	Description	Outcomes	Owner	Target date	Comment
CAS 8	All	Development of Customer App.	Alternative means of customer reporting to the Council.	Contact Centre Manager	Oct-15	
CAS 9	Provide Choice Meet Needs	Develop the Town Hall to be a single reception area for services.	Customers dealt with in a single visit	Head of Customer Services/Contact Centre Manager	Mar-16	Dependent on Town Hall refurbishment.
CAS 10	Provide Choice Meet Needs	Introduction of kiosk facilities in the Town Hall.	Alternative means of making payments.	Contact Centre Manager	Apr-15	
CAS 11	Meet Needs	Monitoring of local websites, twitter etc. to identify issues and problems.	Issues and problems passed to departments for action . Feedback to online community demonstrating willingness to resolve issues.	Senior Communications Officer	Jan-15	Ongoing process.
CAS 12	Deliver First Time	Review of customer services standards.	Statement of Customer Service Standards acknowledging local variations. Clear internal standards for Customer Services.	All Heads of Service	Dec-15	Linked to CAS 2.
CAS 13	All	Review of complaint handling.	A standardised and streamlined complaints handling system.	Contact Centre Manager	Feb-15	
CAS 14	Provide Satisfaction	Carry out Customer Service Benchmarking to identify customer usage, satisfaction and costs.	A comprehensive set of figures against which the success of the strategy can be measured.	All Heads of Service	Dec-15	Linked to CAS 2.
CAS 15	Provide Satisfaction	Review how the customer satisfaction is measured and what is learnt from the feedback.	Uniform measurement of customer satisfaction across all delivery models. Targets set to improve targets.	Contact Centre Manager	Jun-15	

**14 January 2015**

**Finance and Resources Committee**

**Medium Term Financial Plan Update**

*Report of: Jo-Anne Ireland, Acting Chief Executive*

*Wards Affected: None*

*This report is: Public*

## **1. Executive Summary**

- 1.1 The Medium Term Financial Plan (MTFP) sets out the key financial management principles and budget assumptions. It is then used as the framework for the detailed budget setting process to ensure that the Council's resources are managed effectively in order to meet its statutory responsibilities and deliver the priorities of the Council, over the medium term.

## **2. Recommendation(s)**

### **2.1 Members views are requested on the key areas of the initial budget:**

- (i) Proposed and Anticipated Savings**
- (ii) Proposed Budget Investment**
- (iii) Working Balance & Reserves**
- (iv) Council Tax**

- 2.2 That the key areas of the initial budget are considered by the Audit & Scrutiny Committee, with comments and feedback to be received by this Committee at its meeting on 11 February 2015.**

## **3. Introduction and Background**

- 3.1 On 5 February 2014, the Local Government Minister, Brandon Lewis MP, made a written statement on the Local Government Finance Settlement 2014/15, which included indicative data for 2015/16.

- 3.2 After taking into consideration the indicative funding, the funding position of the MTFP as approved in March 2014 was as follows:

	2013/14 £	2014/15 £	2015/16 £	2016/17 £
<b>Total Net Forecast Spend</b>	<b>10,273,450</b>	<b>10,349,104</b>	<b>10,213,921</b>	<b>10,512,580</b>
Total Funding	(10,273,450)	(9,980,568)	(9,737,300)	(9,653,160)
<b>Funding Gap / (Surplus)</b>	<b>0</b>	<b>368,536</b>	<b>476,621</b>	<b>859,420</b>
Anticipated Savings	Included above	(450,000)	(680,000)	(680,000)
<b>Net Funding Gap / (Surplus)</b>	<b>0</b>	<b>(81,464)</b>	<b>(203,379)</b>	<b>179,420</b>
<b>Working Balance b fwd</b>	<b>3,648,855</b>	<b>3,648,855</b>	<b>3,730,319</b>	<b>3,933,698</b>
<b>Working Balance c fwd</b>	<b>3,648,855</b>	<b>3,730,319</b>	<b>3,933,698</b>	<b>3,754,278</b>

- 3.3 In addition to the data above, the Council also agreed to set aside funds to support the development of William Hunter Way. A sum up to the maximum value of £1.2 million was earmarked from the Working Balance to support this work. At this level, it was agreed that the potential spend would not erode the minimum Working Balance level of £2.5million agreed for 2014/15.
- 3.4 Members may also recall that at the meeting of Finance and Resources in January 2015, a decision was taken to join an Essex Wide Pool for Business Rates in 2015/16. Membership of the pool has the potential to generate additional income for the Council, with current projections of a potential gain of £99,000 in 2015/16.

#### 4. Issue, Options and Analysis of Options

##### Autumn Statement

- 4.1 The Chancellor delivered his Autumn Statement on 3 December 2014. The key message for Local Government was that there were no additional funding reductions planned for 2015/16 beyond those already indicated within the indicative settlement figures. However, the Government aims to find a further £10bn of efficiency savings by 2017/18. The delivery of these will be led by the Cabinet Office and are anticipated to focus on the areas of digital take up of public services and improving IT procurement.



4.2 Other messages from the Autumn Statement focused on Business Rates including:

- The Government will carry out a review of the future structure of the Business Rates. Further information on this will be reported by Budget 2016. The review is intended to be revenue neutral and “consistent with the Government’s financing of Local Authorities”.
- The Government agreed to extend Small Business Rates Relief from 2013/14 and to compensate Local Authorities for the loss of Business Rates income. In his Statement, the Chancellor agreed to continue this arrangement for 2015/16.
- Increases in Business Rates will again be capped to 2% from April 2015 instead of using the September Retail Price Index (2.4%). It is anticipated that funding from DCLG will make this revenue neutral for the Council.
- The current £1,000 Business Rates discount to retailers with rateable values below £50,000 will continue in 2015/16 and will increase to £1,500.
- The rules will be changed so that alterations to rating assessments in England can only be backdated to the period between 1 April 2010 and 1 April 2015 for ratepayer’s appeals made before 1 April 2015 and Valuation Office Agency (VOA) alterations made before 1 April 2016.

**Draft Finance Settlement**

4.3 The information in the Draft Finance Settlement received on 18 December 2014 was as follows:

	<b>2014/15</b>	<b>2015/16 Indicative (Dec 2013)</b>	<b>2015/16 Provisional (Dec 2014)</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Revenue Support Grant	1,719,000	1,250,470	1,258,692
NNDR Baseline Funding	1,478,000	1,518,000	1,505,960
Council Tax Freeze Grant	56,470	56,470	56,485
<b>TOTAL</b>	<b>3,253,470</b>	<b>2,824,940</b>	<b>2,821,137</b>

**New Homes Bonus**

4.4 For 2015/16, the Council is due to receive £1,455,427 in New Homes Bonus Grant. This is some £58,823 lower than originally anticipated. The profile of the Grant payments are shown below:

	11/12	12/13	13/14	14/15	15/16	16/17 Est	17/18 Est
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Yr 1	255	255	255	255	255	255	
Yr 2		214	214	214	214	214	214
Yr 3			330	330	330	330	330
Yr 4				416	416	416	416
Yr 5					241	241	241
Yr 6						250	250
Yr 7							250
<b>TOTAL</b>	<b>255</b>	<b>469</b>	<b>799</b>	<b>1,215</b>	<b>1,456</b>	<b>1,706</b>	<b>1,701</b>

The primary reason for the reduction in New Homes Bonus is that the net increase in stock between October 2013 and October 2014 was lower than anticipated with a net increase of 166 properties, compared to 314 in the previous year.

### Planning Assumptions

- 4.5 **Inflation (CPI)** - The consumer prices index (CPI) shows a decrease in the forecast for CPI in 2014 of 0.4% and 2015 of 0.8%, compared to Budget 2014:

	2013	2014	2015	2016	2017
Autumn Statement 2014	2.6%	1.5%	1.2%	1.7%	2.0%
Budget 2014	2.6%	1.9%	2.0%	2.0%	2.0%
Autumn Statement 2013	2.6%	2.3%	2.1%	2.0%	2.0%

For medium term financial planning purposes, the inflation rates per Autumn Statement 2014 have been used for goods and services.

- 4.6 **Pay Awards (Inflation)** – National agreement has been reached for a 2 year pay award which will run from 1 January 2015 to 31 March 2016. For Brentwood Borough Council employees this results in a 2.2% increase from 1 January 2015. In addition to this, a one off non-consolidated payment of £150 per employee has been agreed. The terms of this payment are such that it is not added to the basic pay. For financial planning purposes a 1% increase has been included for 2016/17 onwards.
- 4.7 **Fees and Charges** - Historically, the Council has increased fees and charges in line with inflation. This is to reflect that the costs of running the service will rise by the same rate as inflation, and therefore we try and

maintain fees and charges at the same level. The table below shows the recent decisions on Fees and Charges:

Year	Change
2011/12	+1.00%
2012/13	Freeze
2013/14	+2.50%
2014/15	+2.50%
2015/16	Freeze

There is a potential risk that there will be an implicit cost to the proposed freeze since it will not keep pace with the inflationary cost increases, however this cannot be quantified or confirmed until such time as the review of the current charging policies has been undertaken.

### **Council Tax**

- 4.8 In 2014/15, the Council chose to reduce its element of the Council Tax by 1.5%. As a result of this, the Council received a Grant equivalent to a 1% increase (£56,470) which will be received in 2014/15 and 2015/16. Government have pledged to continue with the Council Tax Freeze Grants for 2015/16, but cannot commit anything beyond the General Election.
- 4.9 Limits on any proposed Council Tax increases will remain in place for 2015/16. The provisional announcement is that this is to remain at the current level of 2%.
- 4.10 The current MTFP has been modelled with a 2% reduction for 2015/16, with a freeze for each year thereafter. However, it must be noted that this is not a confirmed decision and a range of modelling options between a 2% reduction and 2% increase will be presented to Audit & Scrutiny for review and comment.

### **Working Balances and Reserves**

- 4.11 As part of the budget approved in March 2014, a minimum General Fund Working Balance of £2.5m was agreed. In accordance with best practice, an annual risk assessment will be undertaken to check the level required for 2015/16. Initial calculations show that the assessed level ranges from £2.1m - £2.5m.
- 4.12 In addition to the General Fund Working Balance, the Council keeps a number of Earmarked Reserves on the Balance Sheet. These Reserves are required in order to comply with proper accounting practice, whilst others have been created to earmark resources for known or predicted

liabilities. The balance of these Reserves as at 1 April 2014 was £3.3 million.

### Potential Savings and New Developments

- 4.13 A number of potential savings have been identified during the update and preparation of the MTFP. The key savings are outlined in the table below.

	2015/16 £	2016/17 £	2017/18 £
Recycling – Introduction of Textiles Service	20,440	20,440	20,440
Open Spaces – Crazy Golf Income from August 2015	13,000	25,000	25,000
Street Services – Reduction in Fuel Prices	75,000	75,000	75,000
Car Parks – increased income from Lease arrangement	120,000	120,000	120,000
Housing - Service/Budget Review	22,000	22,000	22,000
Assets – Anticipated Income from Old House	-	-	64,000
Assets – Anticipated Income from Warley TC	-	-	42,240
<b>TOTAL</b>	<b>250,440</b>	<b>262,440</b>	<b>368,680</b>

### Anticipated Savings

- 4.14 The MTFP approved in March 2014 included anticipated savings of £680,000 for 2015/16. These were proposed to be delivered through:

	£
Senior Management Restructure	230,000
Contact Centre	250,000
Revenues & Benefits	200,000
<b>TOTAL</b>	<b>680,000</b>

- 4.15 As previously reported to this Committee in October, the Contact Centre Savings were identified to be challenging to deliver in year 1 (2014/15). This will have a consequential effect in the delivery of savings in 2015/16.

In addition to this, the delayed introduction of Universal Credit has resulted in non delivery of the Revenues and Benefits related savings.

4.16 The anticipated savings have now been revised as follows:

	<b>2015/16 £</b>	<b>2016/17 £</b>	<b>2017/18 £</b>
Senior Management Restructure	100,000	200,000	200,000
Customer Services Transformation	100,000	150,000	200,000
Lease Reviews	10,000	10,000	10,000
<b>TOTAL</b>	<b>210,000</b>	<b>360,000</b>	<b>410,000</b>

4.17 Due to financial constraints, the Council is not in a position to invest heavily in services in the short term. Instead, the Council must carefully consider a longer term strategy to reduce costs and/or increase income levels. This work will be undertaken alongside the development of the Local Development Plan (LDP) and also the planned update to the Corporate Plan.

4.18 The current proposed developments are as follows:

<b>Description</b>	<b>2015/16 Cost £</b>	<b>Future Cost £</b>
Borough Bulletin – 2 editions per year	2,500	2,500
Essex Devolution Strategy	5,000	-
Apprenticeships	62,250	62,250
Local Development Plan – additional costs	50,000	-
Renaissance Group Grant	20,000	-
Additional Events	15,000	15,000
Election Marketing	5,100	-
Lone Worker Devices	4,000	4,000
<b>TOTAL</b>	<b>163,850</b>	<b>83,750</b>

- 4.19 In addition to the above, the Council needs to consider revenue implications of potential borrowing to finance Capital projects. This area is outlined below.

### Draft Capital Programme

- 4.20 In order to continue with Capital Investment plans over the medium term, the Council will need to borrow funds. A number of schemes have been carried forward from 2014/15 which are primarily fully funded. There are, however, a number of previously agreed or essential items of expenditure which must also be considered. The draft items for inclusion in the General Fund Capital Programme are as follows:

	2015/16 £	2016/17 £	2017/18 £
<b>Existing Schemes:</b>			
Vehicle Replacement Programme	200,000	150,000	150,000
Car Park Refurbishment & Upgrade	15,000	-	-
Home Repair Assistance Grants	50,000	50,000	50,000
Disabled Facilities Grants	280,000	280,000	280,000
CCTV System Upgrade	5,000	5,000	-
Play Area Refurbishments	100,000	100,000	100,000
Town Hall Remodelling	2,780,890	-	-
<b>TOTAL</b>	<b>3,430,890</b>	<b>585,000</b>	<b>580,000</b>
<b>New Schemes:</b>			
Brentwood Leisure Centre – filter refurbishment, boilers and air handling	88,280	-	-
Improvements at Brentwood and Shenfield stations	-	200,000	-
Structural and Safety Works at the Multi Storey Car Park	375,050	663,950	-
Old House Redevelopment	1,080,000	-	-
ICT Strategy	100,000	100,000	100,000
Replacement of Folding Machine	2,000		
<b>TOTAL</b>	<b>1,645,330</b>	<b>963,950</b>	<b>100,000</b>

- 4.21 Whilst interest rates are low, the Council will seek to utilise internal borrowing to meet the capital expenditure. However, where borrowing is necessary, there is a requirement to make a charge to the revenue account called the minimum revenue provision (MRP). This charge is based on the value and life of the assets funded by borrowing (internal or external) and results in sufficient cash being available to repay the loan at the end of the term. The MRP is in addition to the actual interest charges incurred to finance the debt.
- 4.22 Capital receipts of £4m have been assumed in the funding of the draft Capital Programme. This does not however cover the full funding requirement of the draft programme and estimated borrowing of some £4m is also required to fund the remaining programme over the next 3 years. The borrowing costs for this assumed borrowing are outlined in the table below.

	2015/16 £	2016/17 £	2017/18 £
Interest	39,690	71,800	121,320
Minimum Revenue Provision (MRP)	37,630	65,110	167,370
<b>TOTAL</b>	<b>77,320</b>	<b>136,910</b>	<b>288,690</b>

- 4.23 In order to generate further income from Assets, the Council may also need to consider further investment for property acquisitions or refurbishments. A key principle of borrowing in this regard must be to ensure that the costs of borrowing can be covered in order to prevent further pressure on the Revenue budget.

### Summary

- 4.24 The table below shows the impact on the original funding position (outlined in the table at para 3.2) of the updated information above, together with the updated information identified through the Half Year Budget Review process:

	2014/15 £	2015/16 £	2016/17 £	2017/18 £
<b>Total Net Forecast Spend</b>	<b>9,997,927</b>	<b>10,092,549</b>	<b>10,899,087</b>	<b>11,082,531</b>
Total Funding	(9,980,570)	(9,306,263)	(9,665,966)	(9,436,121)
<b>Funding Gap / (Surplus)</b>	<b>17,357</b>	<b>786,286</b>	<b>1,233,121</b>	<b>1,646,410</b>
Anticipated Savings	-	(210,000)	(360,000)	(410,000)
Proposed Developments	-	163,850	83,750	83,750
<b>Net Funding Gap / (Surplus)</b>	<b>17,357</b>	<b>740,136</b>	<b>956,871</b>	<b>1,320,160</b>
<b>Working Balance b fwd</b>	<b>4,511,000</b>	<b>3,293,643</b>	<b>2,553,507</b>	<b>1,596,636</b>
<b>Earmarked for WHW</b>	<b>1,200,000</b>	-	-	-
<b>Working Balance c fwd</b>	<b>3,293,643</b>	<b>2,553,507</b>	<b>1,596,636</b>	<b>276,476</b>

- 4.25 The table above identifies a potential funding gap of some £3m over the next 3 years. This is clearly not financially sustainable and the Council must carefully consider its medium – long term strategy to reduce costs and/or generate additional income in order to bridge the funding gaps.
- 4.26 Due to the impending General Election, and the increased uncertainty of funding arrangements for 2016/17 and beyond, it will be important for the Council to focus on its long term strategy during 2015/16 in order that the gap can be addressed from 2016/17 onwards. The Funding Volatility Reserve can be used for some short term funding in 2016/17, but cannot support the ongoing budget pressures.

### **Next Steps**

- 4.27 The Audit and Scrutiny Committee (at its meeting on 27 January 2015) will formulate responses to the Finance and Resource Committee's initial principles and assumptions contained within this report.
- 4.28 The Finance and Resource Committee will then finalise its proposals for submission by way of recommendation to the Council taking into account the comments from the Audit and Scrutiny Committee. The report to Council must show the Finance and Resource Committee response to those comments made by Audit & Scrutiny.



4.29 The key work areas that will be considered by Audit & Scrutiny are as follows:

Work Area	Expected Outcome
1) Review Savings Proposals	<ul style="list-style-type: none"> <li>• Evaluate the impact of any savings proposed (see 4.13 and 4.15)</li> <li>• Test if the anticipated savings are realistic and achievable</li> </ul>
2) Review Budget Growth Proposals	<ul style="list-style-type: none"> <li>• Evaluate the impact of any new investment proposals (see 4.17 and 4.19)</li> <li>• Confirm that robust business plans are in place for new initiatives (and test the assumptions within them)</li> </ul>
3) Review the working balance and reserve levels	<ul style="list-style-type: none"> <li>• Review the risk assessments undertaken to inform the levels</li> <li>• Test the levels through benchmarking data with similar authorities</li> </ul>
4) Review the Council Tax proposals	<ul style="list-style-type: none"> <li>• Evaluate the financial impact of the proposal</li> </ul>

## 5. Reasons for Recommendation

5.1 Effective financial management underpins all of the priorities for the Council.

## 6. Implications

### Financial Implications

**Name & Title:** Jo-Anne Ireland, Acting Chief Executive

**Tel & Email** 01277 312712 / jo-anne.ireland@brentwood.gov.uk

6.1 The financial implications are set out in the report.

**Legal Implications**

**Name & Title:** Chris Potter, Monitoring Officer

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6.2 There are no direct legal implications arising from this report.

**7. Appendices to this report**

None.

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## **Members Interests**

Members of the Council must declare any pecuniary or non-pecuniary interests and the nature of the interest at the beginning of an agenda item and that, on declaring a pecuniary interest, they are required to leave the Chamber.

- **What are pecuniary interests?**

A person's pecuniary interests are their business interests (for example their employment trade, profession, contracts, or any company with which they are associated) and wider financial interests they might have (for example trust funds, investments, and asset including land and property).

- **Do I have any disclosable pecuniary interests?**

You have a disclosable pecuniary interest if you, your spouse or civil partner, or a person you are living with as a spouse or civil partner have a disclosable pecuniary interest set out in the Council's Members' Code of Conduct.

- **What does having a disclosable pecuniary interest stop me doing?**

If you are present at a meeting of your council or authority, of its executive or any committee of the executive, or any committee, sub-committee, joint committee, or joint sub-committee of your authority, and you have a disclosable pecuniary interest relating to any business that is or will be considered at the meeting, you must not :

- participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting participate further in any discussion of the business or,
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

- **Other Pecuniary Interests**

Other Pecuniary Interests are also set out in the Members' Code of Conduct and apply only to you as a Member.

If you have an Other Pecuniary Interest in an item of business on the agenda then you must disclose that interest and withdraw from the room while that business is being considered

- **Non-Pecuniary Interests**

Non –pecuniary interests are set out in the Council's Code of Conduct and apply to you as a Member and also to relevant persons where the decision might reasonably be regarded as affecting their wellbeing.

A 'relevant person' is your spouse or civil partner, or a person you are living with as a spouse or civil partner

If you have a non-pecuniary interest in any business of the Authority and you are present at a meeting of the Authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest whether or not such interest is registered on your Register of Interests or for which you have made a pending notification.

## **Finance and Resources Committee Terms of Reference**

### **General Powers of Committees**

This scheme of delegation sets out the functions of the Council to be discharged by its Committees and Sub- Committees and includes the terms of reference of statutory and non statutory bodies set up by the Council.

Each committee or sub committee will have the following general powers and duties:

- (a) To carry out the duties and powers of the Council within current legislation;
- (b) To comply with the Council's standing orders and financial regulations;
- (c) To operate within the budget allocated to the committee by the Council.
- (d) To guide the Council in setting its policy objectives and priorities including new initiatives, and where appropriate make recommendations to Council
- (e) To develop, approve and monitor the relevant policies and strategies relating to the Terms of Reference of the Committee;
- (f) To secure satisfactory standards of service provision and improvement, including monitoring of contracts, Service Level Agreements and partnership arrangements;
- (g) To consider and approve relevant service plans;
- (h) To determine fees and charges relevant to the Committee;

### **Finance and Resources Committee**

The functions within the remit of the Finance and Resources Committee are set out below.

- 1) Financial Services
- 2) Contracts, commissioning, procurement
- 3) Legal services
- 4) Health and safety at work (in so far as it relates to the Council as an employer)
- 5) Corporate communications and media protocols

- 6) Corporate and Democratic services
- 7) Member Development
- 8) Data quality
- 9) Human resources
- 10) Information Communication Technology
- 11) Revenues and Benefits
- 12) Customer Services

1. Overall responsibility for monitoring Council performance.
2. To formulate and develop relevant corporate policy documents and strategies including the Corporate Plan.
3. To formulate the budget proposals in accordance with the Budget and Policy Framework, including capital and revenue spending, and the Housing Revenue Account Business Plan (including rent setting for Council homes), in accordance with the Council's priorities and make recommendations to Council for approval.
4. To formulate the Council's Borrowing and Investment Strategy and make recommendations to Council for approval.
5. To take decisions on spending within the annual budget to ensure delivery of the Council's priorities.
6. To approve the making of a virement or payment from the Council's reserves with a maximum value of £200,000.
7. To approve the write-off of any outstanding debt owed to the council above the delegated limit of £5,000.
8. To determine capital grant applications.
9. To make recommendations on the allocation and use of resources to achieve the Council's priorities.
10. To manage and monitor the Council approved budgets;
11. To provide the lead on partnership working including the joint delivery of services.

12. To consider any staffing matters that are not delegated to Officers, such as proposals that are not contained within existing budgetary provision.

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