



# Agenda

## Finance, Assets, Investment & Recovery Committee

Wednesday, 12 July 2023 at 7.00 pm  
Council Chamber, Brentwood Borough Council, Ingrave Road,  
Brentwood, Essex CM15 8AY

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### Membership (Quorum – 3 )

Cllrs Kendall (Chair), Lewis (Vice-Chair), Barber, Barrett, Bridge, Laplain, Parker, Poppy and Worsfold

### Substitute Members

Cllrs Aspinell, Dr Barrett, Mrs Murphy, Mynott and Russell

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### Agenda

Item	Item	Wards(s) Affected	Page No
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### Live broadcast

[Live stream to start at 7pm and available for repeat viewing.](#)

- |    |  |  |         |
|----|--|--|---------|
| 1. | Apologies for absence  |  |         |
| 2. | Minutes of the previous Policy, Resources & Economic Development Committee - 8 March 2023                |  | 7 - 12  |
| 3. | Appointments to the Constitution Working Group   |  | 13 - 16 |
| 4. | OneTeam Transformation Programme – Strategic Partnership with Rochford District Council Quarter 1 Update |  | 17 - 26 |

<b>5.</b>	<b>Ultra Low Emission Zone Expansion</b> To follow.	
<b>6.</b>	<b>Brentwood Connected Business Improvement District (BID) Partnership Agreement</b>	27 - 32
<b>7.</b>	<b>Town Hall Car Parking</b> To follow.	
<b>8.</b>	<b>War Memorial</b>	33 - 44
<b>9.</b>	<b>2022/23 Financial Outturn</b>	45 - 76
<b>10.</b>	<b>Q1 2023.24 Budget Update Report</b>	77 - 112
<b>11.</b>	<b>Historic accounting for Minimum Revenue Provision</b>	113 - 116
<b>12.</b>	<b>Delayed audit of 2021/22 accounts</b>	117 - 120
<b>13.</b>	<b>EXEMPT - Seven Arches Investments Limited Quarterly report</b> The public will be excluded from the meeting for this item of business on the grounds that the disclosure of exempt information as defined in Schedule 12A of the Local Government Act 1972 is involved.	
<b>14.</b>	<b>EXEMPT - Hutton Poplars Hall Lease Proposals</b> The public will be excluded from the meeting for this item of business on the grounds that the disclosure of exempt information as defined in Schedule 12A of the Local Government Act 1972 is involved.	
<b>15.</b>	<b>EXEMPT - Strategic Outline Business Case – Depot Relocation</b> The public will be excluded from the meeting for this item of business on the grounds that the disclosure of exempt information as defined in Schedule 12A of the Local Government Act 1972 is involved.	
<b>16.</b>	<b>Urgent business</b>	

A handwritten signature in black ink, appearing to read 'Jonathan Stephenson', is written over a horizontal line.

Jonathan Stephenson  
Chief Executive

Town Hall  
Brentwood, Essex  
04.07.2023

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### Information for Members

#### Substitutes

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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.

Where substitution is permitted, substitutes for quasi judicial/regulatory committees must be drawn from Members who have received training in quasi- judicial/regulatory decision making. If a casual vacancy occurs on a quasi judicial/regulatory committee it will not be filled until the nominated member has been trained.

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#### Rights to Attend and Speak

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Any Members may attend any Committee to which these 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.

Members requiring further information, or with specific questions, are asked to raise these with the appropriate officer at least two working days before the meeting.

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

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##### Point of Order

A member may raise a point of order at any time. The Mayor 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 Mayor on the point of order will be final.

##### 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 Mayor on the admissibility of a personal explanation will be final.

##### 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 Mayor. The Member must specify the nature of the information he/she wishes to provide and its importance to the current debate. If the Mayor 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 Mayor on the admissibility of a point of information or clarification will be final.

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### Information for Members of the Public

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#### Access to Information and Meetings

You have the right to attend all meetings of the Council and Committees. You also have the right to see the agenda, which will be published no later than 5 working days before the meeting, and minutes once they are published.

Dates of the meetings are available at [www.brentwood.gov.uk](http://www.brentwood.gov.uk).

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#### Guidelines on filming, photography, recording and use of social media at council and committee meetings

The council welcomes the filming, photography, recording and use of social media at council and committee meetings as a means of reporting on its proceedings because it helps to make the council more transparent and accountable to its local communities.

Where members of the public use a laptop, tablet device, smart phone or similar devices to make recordings, these devices must be set to 'silent' mode to avoid interrupting proceedings of the council or committee.

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

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these activities, in their opinion, are disrupting proceedings at the meeting.

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 **Private Session**

Occasionally meetings will need to discuss some of its business in private. This can only happen on a limited range of issues, which are set by law. When a Committee does so, you will be asked to leave the meeting.

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  **Access**

There is wheelchair access to the meeting venue from the Main Entrance. If you do wish to attend this meeting, please contact the clerk should you have specific accessibility needs. There is an induction loop in the meeting room.

 **Evacuation Procedures**

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

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## Minutes

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### Policy, Resources & Economic Development Committee Wednesday, 8th March, 2023

#### Attendance

Cllr Hossack (Chair)	Cllr Naylor
Cllr Poppy (Vice-Chair)	Cllr Mrs Pearson
Cllr Kendall	Cllr Russell
Cllr Mynott	Cllr White

#### Apologies

Cllr Lewis

#### Substitute Present

Cllr Fryd

#### Also Present

Cllr Parker

#### Officers Present

Emily Yule	- Strategic Director
Steve Summers	- Strategic Director
Phoebe Barnes	- Director - Assets & Investments
Phil Drane	- Director - Place
Greg Campbell	- Director - Policy and Delivery
Sarah Bennett	- Director - Digital & Customer Engagement
Kim Anderson	- Corporate Manager Communities, Leisure & Health
Jonathan Quilter	- Corporate Manager (Strategic Planning)
Zoe Borman	- Governance and Member Support Officer

#### LIVE BROADCAST

[Live broadcast to start at 7pm and available for repeat viewing.](#)

**380. Apologies for absence**

Apologies were received from Cllr Lewis and Cllr Fryd was substitute.

**381. Minutes of the previous meeting**

The minutes of the Policy, Resources & Economic Development Committee which took place on 8<sup>th</sup> February 2023 were agreed as a true record.

**382. Year in review**

The Chair, Cllr Hossack, presented to Committee highlighting all that had been achieved for the municipal year 2022-23.

**383. OneTeam 4th Quarter Overview Update**

This report provided a quarterly update on progress of the One Team Transformation Programme.

Mr Campbell presented the report.

Members welcomed the update.

**384. Response to Government Consultation on Reforms to National Planning Policy**

The Government is currently consulting on a range of short and long-term changes to national planning policy which would impact upon how the council manages development in the borough, both through the plan-making and decision-making (planning application) processes. By responding to the consultation, the council can help to ensure that its interests, and those of its communities, are taken into account prior to these changes being introduced.

Mr Drane presented the report.

Members welcomed this report and thanked officers for their hard work.

Cllr Hossack **MOVED** and Cllr Poppy **SECONDED** that the recommendations be approved.

Members voted **UNANIMOUSLY** and it was **RESOLVED** to:



1. **Approve the response to the Government's consultation on reforms to national planning policy, as set out in Appendix A.**

### **Reasons for Recommendation**

The Government's consultation proposes a range of measures that may impact on the council's interests, both positively and negatively, insofar as they relate to discharging its responsibilities in plan-making and decision-making. There is a risk that some of these measures may have impacts that are perceived to be negative. By responding to the consultation, the council can help ensure that any concerns and wider comments are factored in before the Government introduces these policy changes.

### **385. Community Infrastructure Levy Submission**

This report updates Members on the progress which has been made in preparing a Community Infrastructure Levy (CIL) Charging Schedule for the borough since the previous updates in March and September 2022.

The draft CIL Charging Schedule was published for Regulation 16 consultation in October 2022. This report presents the outcomes of that consultation and recommends minor amendments to address issues identified through representations received.

Mr Quilter presented the report. Members thanked the Planning Policy Team for this report.

Following discussion Cllr Hossack **MOVED** and Cllr Mynott **SECONDED** the recommendations in the report.

Members voted **UNANIMOUSLY** and it was **RESOLVED** to:

1. **Note the outcomes of the Regulation 16 consultation on the draft Community Infrastructure Levy Charging Schedule.**
2. **Approve the submission of the updated draft Community Infrastructure Levy Charging Schedule (Appendix A) and supporting documents (Appendices B-G), to the Planning Inspectorate for independent examination in accordance with the Community Infrastructure Levy Regulations 2010 (as amended) and the Planning Act 2008.**

**3. Delegate authority to the Director of Place, in consultation with the Chief Executive and Leader of the Council, to make modifications to the submission documents during, and as a result of, the Examination in Public as advised to be necessary by the appointed Planning Inspector.**

### **Reasons for Recommendation**

The council has identified a corporate priority to adopt a Community Infrastructure Levy (CIL) for the borough. CIL will help secure infrastructure investment alongside new development identified in the council's local development plan. Resource to progress CIL to submission has been prioritised following local plan adoption in March 2021.

The recommendations have been made to deliver CIL to the borough, noting the outcomes of the Regulation 16 consultation, which informs the draft CIL Charging Schedule to be submitted for examination. Delegated authority is sought to make amendments that the planning inspector may require through the examination process, much in the same way as was approved for the local plan examination. Subject to approval of the committee and a successful conclusion to the CIL examination, outcomes will be reported to the council ahead of any decision to adopt the CIL Charging Schedule and how it should be implemented with regard to administering, monitoring and spending the levy,

[Cllr White declared a non-pecuniary interest for reasons that his employer, Network Rail, were listed within the report].

### **386. Urgent Business**

There were 2 items of urgent business for decision considered by Committee. The reports are appended to the Minutes.

#### **1. King's Coronation – Free Parking 8<sup>th</sup> May 2023**

The Coronation of His Majesty King Charles III will take place on Saturday 6 May 2023 at Westminster Abbey in London. During the ceremony, the King will be crowned alongside Her Majesty The Queen Consort. Across the country events will be taking place to mark this historic occasion.

Brentwood Borough Council will offer free parking in all its Council owned car parks on Monday 8<sup>th</sup> May 2023.

Miss Barnes summarised the report.

Cllr Hossack **MOVED** and Cllr Poppy **SECONDED** the recommendations. Members voted **UNANIMOUSLY** and it was **RESOVED** to:

1. **Approve that the parking fees on Monday 8th May 2023 are waived and Council owned car parks offer all day free parking on this day.**

### **Reasons for Recommendation**

Supporting events across the borough being held on the bank holiday for the King's coronation .

### **2. Fees & Charges – Term Time Season Tickets**

The Council introduces a term time car parking season ticket for King George's Playing Field, made available to students and school employees should they wish to purchase one.

Miss Barnes presented the report.

Following a full discussion, Cllr Hossack **MOVED** and Cllr Poppy **SECONDED** the recommendations. Members voted **UNANIMOUSLY** and it was **RESOVED** to:

1. **Agree the introduction of a term time season ticket for King George's Playing Field from 1st April 2023 at a cost of £950 per annum.**

### **Reasons for Recommendation**

To support residents and employees who work in the schools an incentive to park at a reduced cost to the current day rates, utilising spaces in an under used car park so town centre car parks can support local businesses and shoppers within the town centre.

The public were excluded from the meeting for the item of business on the grounds that the disclosure of exempt information as defined in Schedule 12A of the Local Government Act 1972 was involved

The Chair closed the meeting to press and public and continued the meeting in private session.

### **387. EXEMPT - Less than Best Consideration - Minus Cloud Nine**

The public were excluded from the meeting for the item of business on the grounds that the disclosure of exempt information as defined in Schedule 12A of the Local Government Act 1972 was involved.

A Motion was **MOVED** by Cllr Hossack and **SECONDED** by Cllr Poppy to agree the recommendation in the report.

A vote was taken by a show of hands and it was **RESOLVED**.

**388. EXEMPT - Less than Best for Nightingale Centre for SNAP**

The public were excluded from the meeting for the item of business on the grounds that the disclosure of exempt information as defined in Schedule 12A of the Local Government Act 1972 was involved.

A Motion was **MOVED** by Cllr Hossack and **SECONDED** by Cllr Poppy to agree the recommendation in the report.

A vote was taken by a show of hands and it was **RESOLVED**.

[Cllr Russell declared a pecuniary interest and left the meeting prior to the item being debated and did not vote.]



## FINANCE, ASSETS, INVESTMENT AND RECOVERY

12<sup>th</sup> July 2023

<b>REPORT TITLE:</b>	Appointments to the Constitution Working Group
<b>REPORT OF:</b>	Claire Mayhew, Joint Acting Director – People & Governance & Monitoring Officer

### REPORT SUMMARY

The Council has a statutory duty to maintain an up to date Constitution, Local Government Act 2000, the Constitution must cover standing orders, delegations and code of conduct for members, it can also have local conditions and rules that reflect its own area and how to make decisions.

The Monitoring Officer (MO) has the responsibility to ensure that the Council's Constitution is up to date. To facilitate this the Council under Article 12 has convened a Constitution Working Group (CWG) which is a cross party working group that consults with the MO on changes necessary to ensure an effective and up to date Constitution is maintained by the Council.

### RECOMMENDATIONS

- R1 Agree the nominations for the Constitutional Working Group set out in paragraph 9 for the next municipal year.**

### SUPPORTING INFORMATION

1. The Local Government (Access to Information) Act 1985 lays down how meetings of the Council should be advertised and how the public should have access to information and meetings.
2. The question asked is could a working group exist outside the committee system and therefore there is no need for it to be politically balanced or open to the public, or as asked should it be proportionality represented under Widdecombe rules.

3. The matter was addressed in *R v Eden District Council ex parte Moffat* 1989) by the Court of Appeal. The Court accepted the concept that a working group is acceptable in law. There is no reason not to have a panel or body that could be tasked to think what the best way would be to do things.
4. The primary consideration is the intention of the Council the was addressed in *R v Warwickshire District Council ex parte Bailey* (1991) which decided as long as there was nothing inherently unlawful behind the intent of the working group then as long as intended to be a working group that was what it was. In this case there was no delegated authority to make decisions.
5. The Local Government Act 2000 places a duty on local authorities to have a written Constitution that must cover standing orders, delegated processes and the code of conduct for members, it can also have local conditions and rules that reflect its own area and how to make decisions.
6. The Monitoring Officer (MO) role includes ensuring that the Constitution is kept up to date. The MO can make minor changes to the Constitution without consultation with the Constitutional Working Group (CWG) or Audit and Scrutiny Committee if necessary, by law or to correct errors, see Article 12 of the Constitution. In all other cases the CWG or Audit and Scrutiny Committee will have due regard to the advice of the MO prior to submitting a report to Full Council for approval. The MO may submit an independent report of the CWG or Audit and Scrutiny Committee does not accept their advice.
7. To facilitate changes to the Constitution the CWG has been set up as a working group the group has no delegated authority to make decisions and but is tasked to take heed of the advice of the MO to what changes to the Constitution would facilitate decision making, transparency and good governance of the Council.
8. The Council's Constitution at part 2 paragraph 2.1.18 requires the Committee to consider a report from the MO at the beginning of the Municipal Year, for the Committee to appoint the membership of the CWG.
9. Group Leaders have been consulted regarding nominations for appointment to the CWG and have nominated the following member for appointment:
  1. Cllr J Laplain
  2. Cllr P Mynott
  3. Cllr Dr T Barrett
  4. Cllr G White
  5. Cllr T Bridge

10. Should there be a need to change the membership of the CWG during the municipal year, this should be approved by the Committee following nominations from the Group Leaders.
11. The Council has a statutory duty to have a written Constitution which sets out how the Council will operate and make decisions. The Constitution must be kept up to date and must be published.
12. The principle of proportionality is key to making decisions in that the action must be proportionate to the desired outcome due consultation and the taking of professional advice from officers; respect for human rights; a presumption in favour of openness; and clarity of aims and desired outcomes.
13. The Council has agreed that in order to promote good governance that there should be a CWG which reports to Council to recommend changes to the Constitution.

### **Consultation**

14. Consultation with Group Leaders.

### **References to Corporate Plan**

15. Will enhance an effective and efficient Council by promoting strong governance and effective decision making.

### **Implications**

#### **Financial Implications**

**Name/Title: Tim Willis, Interim Director of Resource (Section 151)**

**Tel/Email: 01277 312500/tim.willis@brentwood.rochford.gov.uk**

16. There are no direct financial implications.

#### **Legal/Governance Implications**

**Name & Title: Claire Mayhew, Joint Acting Director of People & Governance and Monitoring Officer**

**Tel & Email: 01277 312500/claire.mayhew@brentwood.gov.uk**

17. The legal implications are within the body of the report.

**Economic Implications**

**Name/Title: Phil Drane, Director of Strategic Planning**

**Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk**

18. There are no direct implications for economic development.

**Equality and Diversity Implications**

**Name/Title: Kim Anderson, Partnerships, Leisure & Funding Manager**

**Tel/Email: 01277 312500/kim.anderson@brentwood.gov.uk**

19. By having applied the principles of proportionality the Council will have due regard to its public centre equality duty under s149 in all decisions in makes when applying the principles within the Constitution.

**REASONS FOR RECOMMENDATIONS**

In line with the Council’s constitution.

<b>REPORT AUTHOR:</b>	<b>Name:</b> Zoey Foakes
	<b>Title:</b> Member & Governance Support Officer
	<b>Phone:</b> 01277 312 733
	<b>Email:</b> zoey.foakes@brentwood.gov.uk

**APPENDICES**

None

**BACKGROUND PAPERS**

None

**SUBJECT HISTORY (last 3 years)**

Council Meeting	Date
PRED	10/7/2019
PRED	13/7/2022





## FINANCE, ASSETS, INVESTMENTS AND RECOVERY COMMITTEE

12 JULY 2023

<b>REPORT TITLE:</b>	OneTeam Transformation Programme – Strategic Partnership with Rochford District Council Quarter 1 Update
<b>REPORT OF:</b>	Greg Campbell, Director of Policy and Delivery

### REPORT SUMMARY

The purpose of this report is to provide a quarterly update on progress of the One Team Transformation Programme.

### RECOMMENDATIONS

- R1. That the Committee notes the progress of the OneTeam Transformation Programme.**

### SUPPORTING INFORMATION

#### 1.0 REASONS FOR RECOMMENDATIONS

To ensure that Members are informed of the progress of the OneTeam Transformation Programme.

#### 2.0 OTHER OPTIONS CONSIDERED

For information only.

#### 3.0 BACKGROUND INFORMATION

On 26 January 2022, Extraordinary Council resolved to agree the Strategic Partnership between Brentwood Borough Council and Rochford District Council (RDC) appointed Jonathan Stephenson as the Joint Chief Executive for both councils. Work then commenced on developing this partnership.

This report sets out progress of the OneTeam programme development in the 1st quarter of the second year of this roadmap from February 2023 to April 2023.

## Progress to Date

The following chart identifies the progress of service reviews so far commenced:

<b>Service</b>	<b>Business Case Update</b>	<b>Implementation Update</b>
Human Resources	Business Case approved by Transformation Programme Board April 2022	August 2023
Communications and Digital Engagement	Business Case approved by Transformation Programme Board November 2022	June 2023
<b>Phase 1 – October 22-April 23</b>		
Risk Management and Insurance	Business Case approved by Transformation Programme Board April 2023	Consultation in progress. Expected implementation and settled structure by September 2023
Emergency Planning and Business Continuity	Business Case approved by Transformation Programme Board April 2023	Consultation in progress. Expected implementation and settled structure by September 2023
Customer Contact	Business Case reviewed by Project Team in May 2023 and scheduled to be reviewed by the Transformation Programme Board in July 2023	To be confirmed once Business Case is approved
Procurement	Business Case reviewed by Project Team in May 2023 and scheduled to be reviewed by the Transformation Programme Board in July 2023	To be confirmed once Business Case is approved
Economic Development and Inward Investment	Business Case scheduled to be reviewed by the Project Team in July 2023 with progress to Transformation Board in October 2023	To be confirmed once Business Case is approved
Accountancy and Finance	Business Case in development. Expected completion date – July 2023	To be confirmed once Business Case is approved
ICT and Data Protection	Business Case in development. Expected completion date – October 2023	To be confirmed once Business Case is approved

Waste Recycling, Countryside Management and Public Realm, Open Spaces – management	Data capture in progress. Expected Business Case completion date – September 2023	To be confirmed once Business Case is approved
Democratic Services and Secretarial Support	Initial scoping being undertaken, new acting director now in position to undertake review. Expected Business Case completion date – October 2023	To be confirmed once Business Case is approved
<b>Phase 2 – May 23-October 23</b>		
Parking	Service review began in April 2023. Initial scoping complete. Expected Business Case completion date – August 2023	To be confirmed once Business Case is approved
Asset Management	Service review to begin in August 2023. Expected Business Case completion date – November 2023	To be confirmed once Business Case is approved
Facilities Management	Service review to begin in August 2023. Expected Business Case completion date – November 2023	To be confirmed once Business Case is approved
Health & Safety	Service review to begin in August 2023. Expected Business Case completion date – November 2023	To be confirmed once Business Case is approved
Planning Policy and Strategy	Service review to begin in September 2023. Expected Business Case completion date – December 2023	To be confirmed once Business Case is approved
Planning Development Control and Enforcement	Service review began in April 2023. Data capture in progress. Expected Business Case completion date – July 2023	To be confirmed once Business Case is approved
Building Control	Service review to begin in September 2023. Expected Business Case completion date – December 2023	To be confirmed once Business Case is approved
Electoral Registration	Service review began in June 2023. Data capture in progress. Expected Business Case completion date – October 2023	To be confirmed once Business Case is approved

Homelessness	Service review began in May 2023. Data capture in progress. Expected Business Case completion date – September 2023	To be confirmed once Business Case is approved
Housing Options	Service review began in May 2023. Data capture in progress. Expected Business Case completion date – September 2023	To be confirmed once Business Case is approved
Community Safety and CCTV	Service review began in June 2023. Data capture in progress. Expected Business Case completion date – October 2023	To be confirmed once Business Case is approved
Safeguarding	Service review began in June 2023. Data capture in progress. Expected Business Case completion date – October 2023	To be confirmed once Business Case is approved
Public Health	Service review began in June 2023. Data capture in progress. Expected Business Case completion date – October 2023	To be confirmed once Business Case is approved
Communities and Partnerships	Service review began in June 2023. Data capture in progress. Expected Business Case completion date – October 2023	To be confirmed once Business Case is approved
Leisure, Culture and Health	Service review began in June 2023. Data capture in progress. Expected Business Case completion date – October 2023	To be confirmed once Business Case is approved
Leisure Contract Management	Service review began in June 2023. Data capture in progress. Expected Business Case completion date – October 2023	To be confirmed once Business Case is approved
Licensing	Service review to begin in September 2023, supported by an external subject specialist. Expected Business Case completion date – December 2023	To be confirmed once Business Case is approved
Environmental Health	Service review to begin in September 2023, supported by an external subject specialist. Expected	To be confirmed once Business Case is approved

	Business Case completion date – December 2023	
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### **Update on Business Cases for Joint Working (Service Reviews)**

The Communication Service Review implementation has begun, and all posts are set to be appointed to by the end of August, as is the HR Team.

The Risk Management & Insurance and Emergency Planning & Business Continuity service reviews have progressed to consultation stage. Both services expect to have a settled structure by September 2023.

The remaining service reviews in Phase 1 are expected to conclude in the following months, with some of the business cases completed by September / October 2023, ready for approval by the Programme Board.

Phase 2 of the service reviews began in May 2023 with the last of these reviews starting in September / October 2023, with business cases expected to be completed by services in this phase by December 2023.

Regular Lessons Learnt sessions with Service Managers and Key Change Champions ensure continuous improvement of the process and documentation to aid swifter delivery.

### **Support for Staff**

Work continues to provide support for staff undertaking the reviews and the wider organisation. The councils continue to listen to feedback received from the staff surveys, service review lessons learnt sessions, as well as informal feedback from staff and managers.

'Resilience and Change' online training has been provided for staff, as well as Walk Around and 'Drop-in' Sessions, 1:1 meetings with managers and CLT engaging with Tea & Talk providing face-to-face support. Separately, all staff have access to external professional support by way of the Employee Assistance Programme.

Further, staff are supported by in-house Mental Health First Aiders, who can signpost to available help, and managers have undertaken mental health training. Lunchtime walks continue for staff at Brentwood and at Rochford and 'All Staff Briefings' are held quarterly. Team away days and the Partnership's first all staff away day enabled staff from the two authorities to meet face-to-face to truly bring staff together.

The councils are also engaging with other authorities undertaking similar transformation programmes to develop a best practice approach to supporting people through change.

## **Other Joint Working Initiatives & Benefits**

The OneTeam partnerships is creating other areas of cross collaboration, including the exploration of a joint IT/Digital helpdesk, a review of our FOI processes, shared online forms, unified corporate project management process, joint Intranet and joint templates and approach to policy and strategy development, as well as consultation and engagement activity.

## **Budget Update**

There was an underspend of £56,450 in Year One. In Quarter One of Year Two, there has been a spend of £27,300 to date, leaving a remainder of £279,000 for the year. The funding will continue to be closely monitored to ensure the spending remains in line with the budget.

### **4.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**

**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

The Council has budgeted to generate cumulative savings of £224k in 2023/24, £808k in 2024/25 and £846k in 2025/26 in respect of the efficiencies arising from the OneTeam Transformation Programme.

### **5.0 LEGAL IMPLICATIONS**

**Name & Title: Claire Mayhew, Joint Acting Director – People & Governance & Monitoring Officer**

**Tel & Email: 01277 312500 / claire.mayhew@brentwood.rochford.gov.uk**

There are no direct legal implications from this report.

### **6.0 RELEVANT RISKS**

The OneTeam Programme Board receive risk management reports by way of exception reporting.

Following a review, the Risk Register and Issues log has been reset to provide a truer reflection of programme risks. This creates a more accurate view of the risk profile of the OneTeam Transformation Programme.

Those risks that have escalated or remain an issue form part of the escalated risk register and are included in Appendix A. Please note at present there are no live Issues in the log to report.

## 7.0 ENGAGEMENT/CONSULTATION

A method to engage with residents and stakeholders to understand the impact of OneTeam will be agreed with the Communications Portfolio holder and results will be reported back to Council later this year.

## 8.0 EQUALITY IMPLICATIONS

**Name & Title:** Kim Anderson, Corporate Manager - Communities, Leisure and Health

**Tel & Email:** 01277 312500 / kim.anderson@brentwood.gov.uk

Equality Impact Assessments will be undertaken as part of any service review that will affect or change the service being provided.

## 9.0 ECONOMIC AND CLIMATE IMPLICATIONS

**Name & Title:** Phil Drane, Director - Place

**Tel & Email:** 01277 312500 / phil.drane@brentwood.rochford.gov.uk

There are no direct economic or environmental implications arising from this report.

### REPORT AUTHOR:

Name: Greg Campbell

Title: Director of Policy & Delivery

Phone: 01277 312500

Email: greg.campbell@brentwood.rochford.gov.uk

## APPENDICES

Appendix A: Exception Risk Log

## BACKGROUND PAPERS







None

## SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
Staff Appointments Committee	21/03/2023
Ordinary Council	15/03/2023
Policy, Resources & Economic Development Committee	08/03/2023
Policy, Resources & Economic Development Committee	08/02/2023
Ordinary Council	07/12/2022
Policy, Resources & Economic Development Committee	23/11/2022

Ordinary Council	02/11/2022
Staff Appointments Sub Committee	27/09/2022
Staff Appointments Sub Committee	26/09/2022
Ordinary Council	27/07/2022
Staff Appointments Committee	14/07/2022
Policy, Resources & Economic Development Committee	13/07/2022
Audit & Scrutiny Committee	05/07/2022
Staff Appointments Committee	16/06/2022
Extraordinary Council	26/01/2022



No.	Programme/ Workstream	Description of Risk	Potential Impact	Re-baselined 27.4.23			Mitigating Actions - 27.4.23	Risk Owner	Revised 27.4.23			Latest 9.6.23			Trend	Notes
				Impact	Likelihood	Initial Risk Score			Revised Impact	Revised Likelihood	Revised Risk Score	Latest Impact	Latest Likelihood	Latest Risk Score		
R5	Programme	Changes in Council leadership result in change to strategic direction	Project assumptions and plans become invalid and changing priorities prevent delivery of the programme	5	4	20	Leadership of both councils committed to the delivery of the programme to ensure they are best placed for the future and provide the best services to their respective communities  Clear communication and engagement with all stakeholders to be maintained throughout life of the project	PS	5	4	20	5	2	10		27.4.23 - Political leadership to change May 23 9.6.23 - Political leaderships have confirmed their continued support for the programme
R12	Service Delivery	Service reviews do not deliver agreed benefits	Agreed benefits not realised	5	4	20	The Service Delivery Workstream will use a service review and business case template to ensure that all projects are evaluated using the same criteria and deliver the required benefits  Check and Challenge process to ensure that the reviews are delivering the 6 design principles	SD WL	5	3	15	5	3	15		
R14	HR and Workforce Development	Staff are not supported through transformational change	Slippage and reduction in staff morale	5	4	20	HR and Workforce Development Workstream will specifically address this risk - programme budget has been allocated to required training  Ongoing support for staff going through change	HR & WD WL	5	3	15	5	3	15		
R15	HR and Workforce Development	Policy framework and terms and conditions are not resolved	Slippage and reduction in staff morale	5	4	20	HR and Workforce Development Workstream will specifically address this risk and considered within service reviews	HR & WD WL	3	2	6	3	2	6		1.2.23 - Terms and conditions agreed by both Council Dec 22
R24	Programme	Finance function under resourced	Phase 2 service reviews within the Programme will be delayed, milestones missed and benefits not delivered as expected	5	4	20	06.10.22 Recruitment to vacant posts underway. SD WL considering best way to create capacity and temporary resourcing within Phase 2 of the Programme	SRO	5	3	15	5	2	10		13.12.22 - Moved to Issue status 27.4.23 - Finance support agreed 9.6.23 - Finance support in post
R25	ICT	Failure to manage risks within ICT, including resources, contract and management workload	Phase 2 service reviews within Programme will be delayed, milestones missed and benefits not delivered as expected	5	4	20	Regular meetings held with ICT on their particular workstream involved in the OneTeam review process and therefore aware of particular workload	SRO	5	2	10	5	2	10		

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## FINANCE, ASSETS, INVESTMENT AND RECOVERY COMMITTEE

12 July 2023

<b>REPORT TITLE:</b>	Brentwood Connected Business Improvement District (BID) Partnership Agreement
<b>REPORT OF:</b>	Phil Drane, Director of Place

### REPORT SUMMARY

On 30 June 2023, the results of the 'Brentwood Connected' Business Improvement District (BID) ballot were announced.

Businesses in Brentwood, Shenfield and Ingatestone have voted in favour of the BID. The total turnout by eligible ratepayer for the election was 35%. The votes cast in favour were 140 (80%) and the total value of the hereditaments for the votes cast in favour was £9,273,250 (87%).

The BID will start on 1 October 2023 and operate for five years until 30 September 2028.

The council will become the BID Body and the Brentwood Business Partnership (BBP) will become the BID Advisory Group.

To ensure maximum impact from 1 October, a BID Manager will need to be recruited this summer and planning will need to start on autumn events and initiatives.

### RECOMMENDATIONS

- R1. Delegate authority to the Strategic Directors, in consultation with the Chair of FAIR Committee, to sign a BID partnership agreement with the Brentwood Business Partnership.**
- R2. Delegate authority to the Section 151 Officer to release advance funding for the BID of up to £50,000, subject to the production of a costed workplan and cashflow acceptable to the S151 Officer detailing the funding requirements.**

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 The council needs to enter into an agreement with the Brentwood Business Partnership (BBP) to set out clearly the roles and responsibilities of each party.
- 1.2 The agreement will include a baseline statement that outlines the services the council will continue to provide within its own budget, such as street cleansing, CCTV, fly tipping and grounds maintenance.
- 1.3 The council is the billing authority for the purposes of the Local Government Act 2003 and is responsible for collecting the Business Improvement District (BID) Levy and administering the BID Revenue Account.
- 1.4 BID levy invoices will be issued one month before the 1 October launch date.
- 1.5 The BID will be unable to commence activity until levy payments start to be made. Therefore, it is recommended that the council consider making an advance payment of up to £50,000 to fund setup and project planning costs.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The council could wait until 1 October to start recruiting a BID Manager. However, this would mean a delay in event and project delivery until late 2023/early 2024.

### **3.0 BACKGROUND INFORMATION**

- 3.1 A BID is a defined area in which a levy is charged on business rate payers in addition to the business rates bill. This levy is used to develop projects which will benefit businesses in the local area.
- 3.2 There is no limit on what projects or services can be provided through a BID. The only requirement is that they should be in addition to services provided by local authorities. Improvements may include, but are not limited to, extra safety/security, street cleansing, events, marketing, training, networking and environmental measures.
- 3.3 BBP was the BID Proposer. BBP submitted a BID Proposal (the Brentwood Connected BID Business Plan) to the council on 17 May 2023. The Proposal

sets out the services to be provided and the size and scope of the BID. The Proposal also outlines who is liable for the levy, the amount of levy to be collected and how it is calculated.

- 3.4 A local authority satisfied itself at the Ordinary Council meeting on 21 June 2023 that the BID Proposal does not conflict with any council policy or disproportionately burden any business or class of businesses.
- 3.5 Businesses that are subject to the levy, as set out in the Proposal, voted in a ballot that was overseen by the council's Elections Team between 2 - 29 June.
- 3.6 The outcome of the ballot was declared on 30 June. The total turnout by eligible ratepayer for the election was 35%. The votes cast in favour were 140 (80%) and the total value of the hereditaments for the votes cast in favour was £9,273,250 (87%).
- 3.7 The maximum period that a BID can last is five years. Once the term is completed the BID will automatically cease. If the BID wants to continue its activities, it must request a new ballot. The five-year term of the Brentwood Connected BID will commence on 1 October 2023.

#### **4.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director of Resources (and Section 151 Officer)**

**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

- 4.1 As set out in the report, the advance payment of £50,000 can be made to the partnership, subject to a costed work plan.

#### **5.0 LEGAL IMPLICATIONS**

**Name & Title: Claire Mayhew, Joint Acting Director of People & Governance (and Monitoring Officer)**

**Tel & Email: 01277 312741 / claire.mayhew@brentwood.gov.uk**

- 5.1 Business Improvement Districts (England) Regulations 2004 (The Regulations) provide the statutory powers and framework to enable a Business Improvement District (BID) to be created.
- 5.2 Local authorities have a statutory responsibility to support the development of BIDs and facilitate their establishment and successive ballots. This includes conducting the ballot and collecting and enforcing the levy.

## 6.0 EQUALITY & HEALTH IMPLICATIONS

**Name & Title:** Kim Anderson, Corporate Manager (Communities, Leisure and Health)

**Tel & Email:** 01277 312500 / kim.anderson@brentwood.gov.uk

- 6.1 The Public Sector Equality Duty applies to the council when it makes decisions. The duty requires us to have regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
  - b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for b) or c), although it is relevant for a).
- 6.3 The proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## 7.0 ECONOMIC AND CLIMATE IMPLICATIONS

**Name & Title:** Phil Drane, Director of Place

**Tel & Email:** 01277 312500 / phil.drane@brentwood.rochford.gov.uk

- 7.1 Economic implications are included within this report. There have been no climate implications identified.

<b>REPORT AUTHOR:</b>	<b>Name:</b>	Laurie Edmonds
	<b>Title:</b>	Corporate Manager (Economic Development)
	<b>Phone:</b>	01277 312500
	<b>Email:</b>	laurie.edmonds@brentwood.gov.uk

**APPENDICES**

None

**BACKGROUND PAPERS**

None

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Policy, Resources and Economic Development Committee (item 174)	03/10/2022
Policy, Resources and Economic Development Committee (item 334)	08/02/2023
Ordinary Council (item 45)	21/06/2023

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**COMMITTEE TITLE: Finance, Assets, Investments & Recovery Committee**

**DATE: 12 July 2023**

<b>REPORT TITLE:</b>	War Memorial
<b>REPORT OF:</b>	Phoebe Barnes, Director Assets and Investments

## **REPORT SUMMARY**

The Council is responsible for the management and maintenance of the War Memorial located at the junction of the A1023 Shenfield Road and Middleton Hall Lane. a public consultation was undertaken seeking the views of the people of Brentwood regarding a proposal for the removal of the existing planting beds around the memorial and to extend the paving area thus increasing the available space for those attending the services and events at the memorial. This report updates members on the responses following the consultation and recommends the option based on the public responses.

## **RECOMMENDATIONS**

**R1. Note the public consultation responses.**

**R2. Approve that no further investment is required to the War Memorial and the Council will maintain the War Memorial, planting the existing area and ensuring the memorial is cleaned.**

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

Following a report to Community, Environment and Enforcement on 4<sup>th</sup> October 2022 it was resolved that a full public consultation be carried out seeking the views of the people of Brentwood in support of the proposal. Delegated authority be given to the S151 Officer in consultation with the Chair of Community, Environment and Enforcement Committee to determine the consultation process and decision to be made at Performance, Resource and Economic Development Committee.

## **2.0 OTHER OPTIONS CONSIDERED**

N/A

## **3.0 BACKGROUND INFORMATION**

### **Main Report**

#### **Introduction and Background**

1. Members will be aware of the Shenfield War Memorial set in place to remember those fallen during WW1 and WW2. Additionally, a further Memorial and two Commemorative Benches for those fallen in recent conflicts since 1946, have recently been added as has a memorial for Sgt William Merrifield VC.
2. Members will be aware of the well supported Remembrance Services with over 1,000 generally forming the parade along with the standard bearers' dignitaries and wreath layers negotiating the limited space available within the memorial site itself.
3. The existing design of the War memorial and its surrounds are what the people of the Urban District of Brentwood at the time considered to be the appropriate form of a memorial for those lost initially in WW1 and later in WW2. This is a memorial for the people of Brentwood for their relatives lost in those conflicts and any changes to the memorial that they put in place should clearly be approved by those relatives remaining today and the people of Brentwood. It is in this respect that a public consultation was carried out, commencing on 16<sup>th</sup> January 2023 for a 6 week period. The purpose of the consultation was to approach the public sensitively with any objections that may be received and seek their support for the improvements.

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

4. The public consultation ran from Monday 16th January 2023 until 28th February 2023.
5. The consultation proposed to remove the old 'crazy' paving around the memorial itself and replace this with a large circular paving area. The two more recent memorials, the post WW2 Memorial, the VC Memorial and the 1914 – 1918 Commemoration Benches would then be relocated to the corners of the plot. The WW1 silhouette would be repositioned within a bed of

poppies or other suitable planting which would be maintained by the council. A drawing supporting this proposal is attached within Appendix A.

- The consultation asked the following questions with the drawing within Appendix A presented alongside the questions:

*Q1. Do you support the proposal to make changes to the War Memorial as shown on the attached drawing? [Yes or No] If No please explain why you do not wish to see any changes made.*

*Q2. In order to better use the space around the memorial itself, do you support the proposal to remove the existing planting beds along with the existing 'crazy' paving and replace with a new formal paving? [Yes or No] Please provide some words that help understand your response.*

*Q3. If your answer to Q2 is NO what alternative would you like to see?*

- There were 49 responses to the consultation and the responses to the questions are summarised below:

<b>Question</b>	<b>Yes</b>	<b>No</b>
Do you support the proposal to make changes?	30	19
Do you support the proposal to remove the existing planting and paving?	13	27

- From the consultation response 61% of respondents supported the proposal to make changes to the War Memorial. However, 55% did not support removing the existing planting beds and 'crazy paving' and replace with a new formal paving. For the 61% of respondents that supported the proposal 26% of them did not support removing the planting beds and crazy paving.
- For the respondents that voted yes to Question 1, 22 then voted yes to question 2 with 8 responding no. For the 19 respondents that voted No to question 1, all voted no to question 2.
- The comments to all questions are listed in Appendix B.
- For question one, a common theme from the comments were that the proposal was a 'waste of public funds', 'cost of living should be a priority' and 'like the flower beds as they are'.

12. Question two had themes associated with not supporting the proposal that the cost to make the change was too high and there were concerns over the loss of the green areas.
13. The final question, which asked for alternative recommendations saw common themes which included, more planting or existing planting to remain and for the existing memorial to be tidied up.
14. The public consultation does not support the proposal. Instead the consultation emphasised the majority of respondents wanted the planting areas to remain and that the priority for the Council should not be the War Memorial which is well maintained in its current state. Therefore it is recommended that the Council will continue to plant in the existing planters and will arrange a cleaning schedule for the War Memorial.

#### **4.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**  
**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

There are no direct financial implications arising from this report. .

#### **5.0 LEGAL IMPLICATIONS**

**Name & Title: Claire Mayhew, Joint Acting Director – People & Governance & Monitoring Officer**  
**Tel & Email 01277 312500 / claire.mayhew@brentwood.rochford.gov.uk**

There are no direct legal implications arising from this report.

#### **6.0 RELEVANT RISKS**

Relevant risks have been included within the main body of the report and appendices.

#### **7.0 ENGAGEMENT/CONSULTATION**

#### **8.0 ECONOMIC AND CLIMATE IMPLICATIONS**

**Name & Title: Phil Drane, Director – Place**  
**Tel & Email 01277 312500 / phil.drane@brentwood.rochford.gov.uk**

There are no direct economic implications. In terms of the natural and built environment, it is important that the war memorial is maintained to a good standard, beyond the historic civic importance of doing so.

**REPORT AUTHOR:**           **Name:** Phoebe Barnes  
**Title:** War Memorial  
**Phone:** 01277 312500  
**Email:** phoebe.barnes@brentwood.rochford.gov.uk

**APPENDICES**

- Appendix A: Proposed War Memorial Drawing
- Appendix B: Public Consultation Summary of Responses

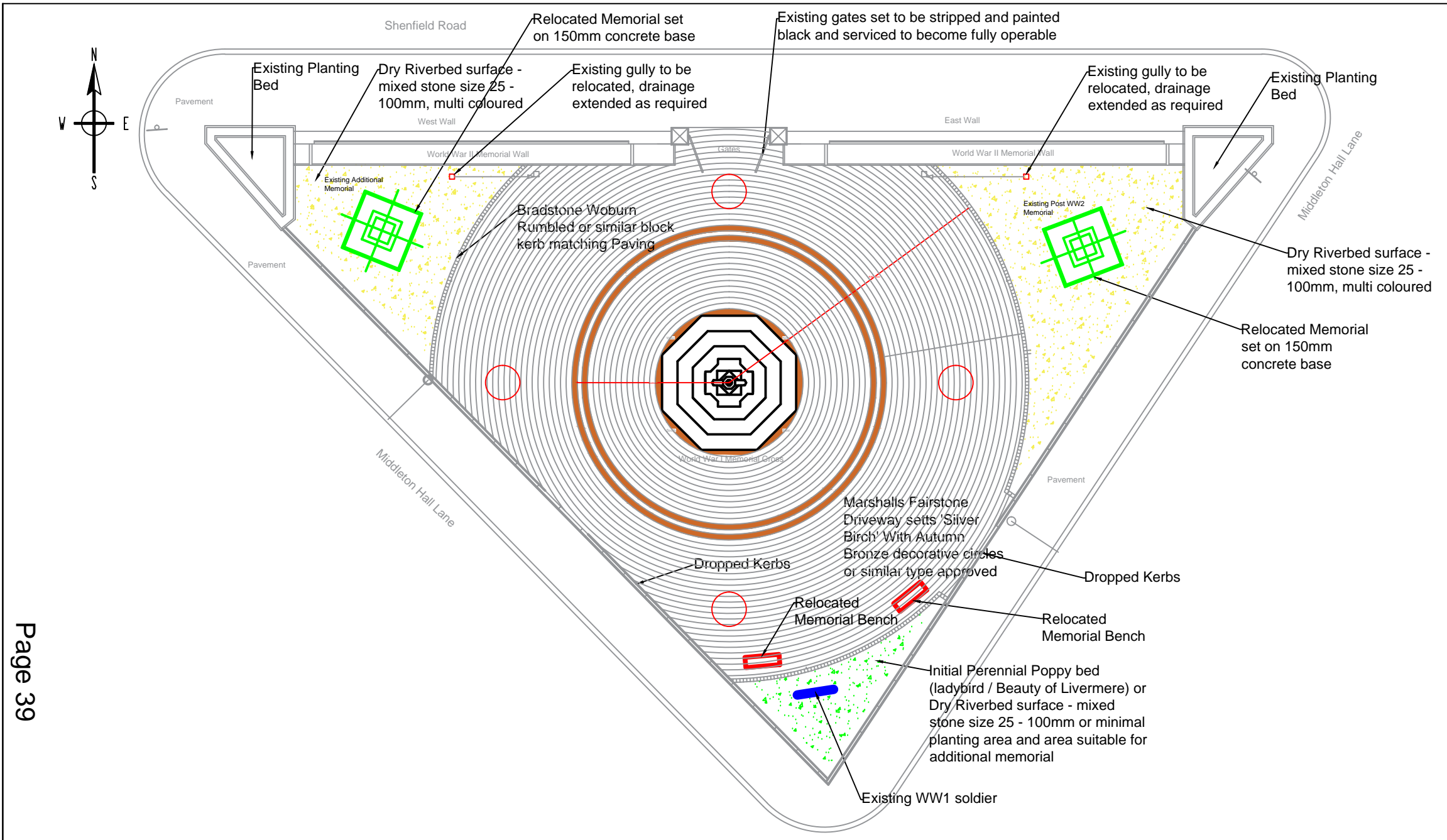
**BACKGROUND PAPERS**

- None

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<ul style="list-style-type: none"><li>• CEE: War Memorial</li></ul>	04/10/2022

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NOTES

Asset Management  
 Adrian J Tidbury  
 Facilities Management Project Manager

Contract  
 Shenfield War Memorial

Title  
 Improvements

Drawn By AJT

Scale NTS

Date Jan 2023

Checked

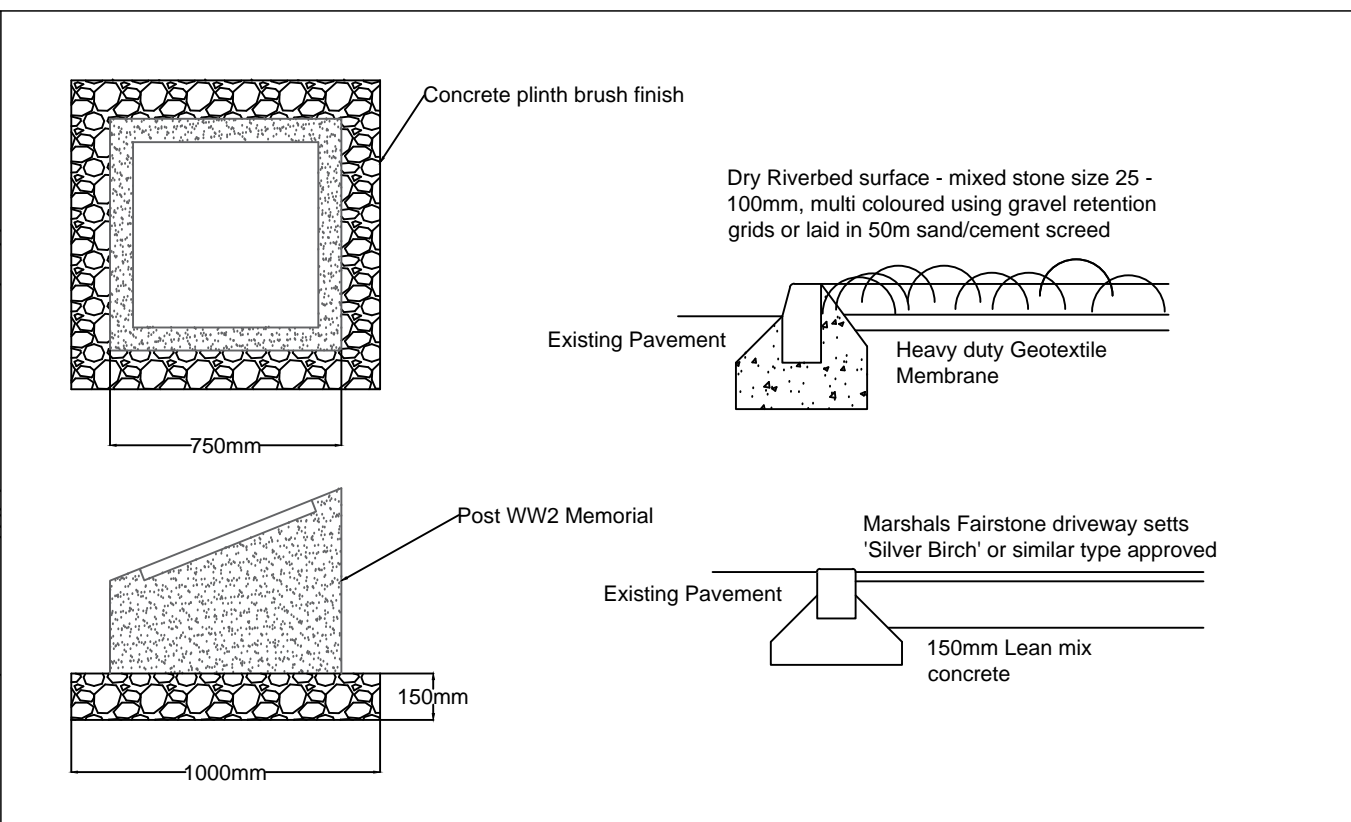
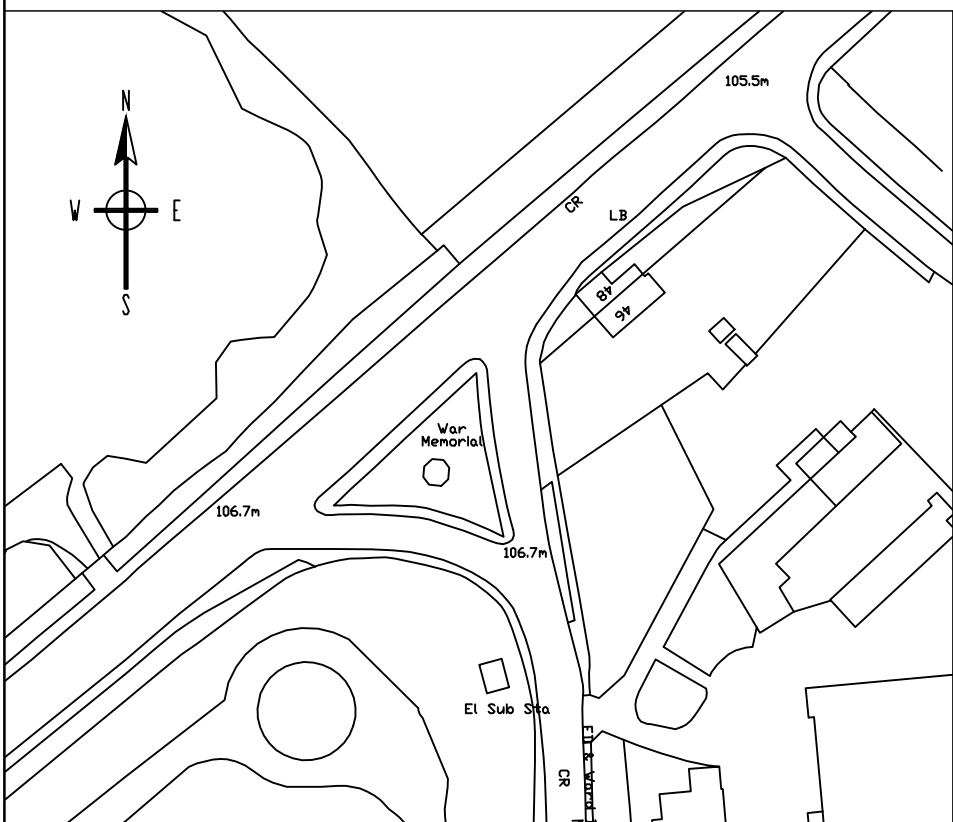
Revisions		

Drawing No. T/AJT/4677

Town Hall  
 Ingrave Road  
 Brentwood  
 Essex  
 CM15 8AY  
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Appendix A

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## Appendix B

Comments to Question 1

1	War Memorial sacrosanct - should be left alone
	It looks better with the softer planed borders than a harsh solid surround.
2	The proposed change lacks sufficient consideration of water run off.
3	Waste of public funds.
4	Too expensive during the cost of living crisis
	Making cut backs in so many vital areas that effect the wider community as a whole. Then
5	proposing expensive upgrading of an area used by a minority.
6	waste of money
	It is beautiful, a fitting tribute, and well maintained as it is. Money would be better spent
7	elsewhere.
8	Think it's nice as it is
	Waste of money at this point in time while many struggle with the cost of living. Council
9	tax is going to go up as it is. Spend the money on repairing the High Street.
10	Nothing wrong with how it is nie

11	Considering the memorial has already been refurbished in recent years, it seems like a waste of time and money to do so again, especially when the proposed changes are for aesthetic purposes. To me, "crazy" paving is still paving -it works- why fix it if it's not broken?
12	I like it as it is. Putting benches around the memorial which is a traffic island in the middle of two busy roads is a potential safety issue and who would want to sit in the middle of a traffic island?
13	The current proposal involves removal of flowerbeds which are an attractive feature around the memorial. For the small number of occasions when services are held there it seems unnecessary to cause this.
14	<p>The new proposals will ensure that the War Memorial remains central to our borough and accessible to all"</p> <p>It doesn't make it any more accessible than it currently is. Currently it has a very wide path going all around it so anyone can get to any side of it no matter if they're walking or in a wheelchair. The current paving is also in good smooth level condition which again means it's as accessible now as it will be if it's repaved. Could maybe just do with a quick jet wash at most. It may increase the amount of people who can stand around it at once but on all but 1 day a year there's no one at all around it most of the time really, and on the 1 event day traffic lanes can be closed. I don't think capacity is a concern since I've not heard it mentioned in reference to this. So overall I don't see the point in this and I don't expect it would be close to the top issues of people in Brentwood.</p> <p>If anything to improve accessibility it's much more of an issue just getting TO the memorial in the first place. It's surrounded by 2 way roads on all sides, with zero pedestrian crossings of any type, and on which cars go along quite fast because they both have a very shallow angled slip road style junction onto a main road so vehicles don't have to slow down much at all when joining or leaving it. Just walking along that side on Shenfield road can be dangerous enough on foot due to those 2 roads, I imagine it would be worse in a wheelchair. Not to mention the 2 roads joining onto it are redundant because why have 2 junctions onto the same road a couple of seconds apart? If accessibility for the memorial is what's most important then adding zebra crossings to both sides of it would help much more, which would also help anyone walking along the road daily too which would be a very large amount of more people including a high amount of kids due to the schools next door. Or maybe even also closing one of those 2 roads and paving it, that'll be a massive increase in capacity and accessibility to the memorial.</p>
15	It removes all of the grass/ flowerbed areas. I agree that the memorial needs a bit of attention, and the paving seems outdated, but isn't that part of the charm of the relic?
16	Plus, removing the beautiful greenery/ flowerbeds in favour of stones seems ludicrous. Flowers look much nicer over the year.
17	cost of living crisis should be a priority as should the holes in the roads. Most holes recently filled have been done so badly that they need doing again so perhaps a change of contractor would be a good idea
18	There are more important things for the council to spend money on. It is not on the high street and will not benefit most people except on Remembrance Day.
19	Prefer grass / flowers to hard surfacing.

**Comments to Question 2**

1	"If it isn't broke don't fix it"
2	See previous answer re surface water drain off.
3	Quite unnecessary in this economic climate.
	It's beautiful and green spaces / plants are important. Plus the children On school visits like them.  Stop getting rid of trees and plants!
4	This isn't London.
5	Cost.
6	It's fine as it is, why would anyone want to change it? money
7	The existing beds are crucial to the memorial area. The flowers make it. They are beautiful and well kept.
8	Plants are good
9	See previous reply - it only gets used once a year anyway.
10	Plants are lovely!
11	The planting beds are colourful and welcoming, and are themselves welcomed in a time where everyone is being encouraged to plant more and encourage a greener environment. As well as this, replacing the paving because someone thinks it's 'crazy' seems especially crazy to me. It's not hazardous and as most people see the memorial from a distance, I doubt would even be noticed.
12	By all means replace the crazy paving but the planting beds are an attractive feature here and in other areas around the borough.
13	For reasons given already.
14	By "better use of the space" I assume that means capacity wise? Define better otherwise. Capacity doesn't seem like a concern of the current design since there's space for plenty of people to stand around the memorial currently despite nobody being around it at all most of the time I pass it, so why would space need to be removed from plant beds so there's more room for people to stand?  There's also no issues with the crazy styled paving mentioned so I'm not sure why that would need to be removed. It's not crumbling apart or sticking up in places or anything and is in fairly good condition, it seems perfectly usable for anyone in the type of setting it's in (a very small war memorial area). A professional jet wash would probably make it look like it's not even that old.
15	The flowers are a major contributing factor to the beautiful nature of the memorial. Removing them is counter intuitive.
16	Again - want to keep it natural
17	too expensive
18	The additional cost
19	I do not view this as a green proposal.

**Comments to Question 3**

1	leave well alone
2	Less crazy paving and more planting beds
3	Renewal of the existing paving.
4	By all means rearrange the planters to maximize space, but please don't reduce the area available for pollinators and other wildlife within the memorial. It's their space too! Thanks
5	Extended pavement areas to use at events when roads closed. This would also help traffic calming
6	Keep it clean & swept would be fine.
7	More green areas
8	More plants and greenery to help reflection
9	Stay the same u til finances are improved or fundraising allows for improvements
10	spend the money on social housing. thats what all our war heroes would want you to spend it on. Look after the elderly rather than spend money on lip service and token gestures. you should be ashamed of yourselves
11	Leave as is.
12	More plants
13	Retain the flower beds but smarten the hard landscaping
14	Money spent more wisely rather than on vanity projects.
15	More plants
16	Whilst the idea of commemorating those who died for us is nice, the memorial we have now is more than adequate, especially compared to others. I don't think it needs to be drastically changed as the proposed ideas suggest, and spending loads of money on paving because it's 'crazy' is leaning on being out of touch, especially during these times.
17	See above
18	Replace the crazy paving with formal paving but keep the same footprint
19	No change necessary.
20	Nothing seems to need to be done. At most put a couple more standard benches down on the edge of the paved area on top of where the flower bed is. Accessibility to the memorial in the first place appears to be a bigger concern which is beyond the scope of these plans and consultations.
21	New paving at most, no reduction of flower plantations.
22	Continued planting of flowers which look lovely.
23	just tidy it up
24	Continue planting as now.
25	Happy to see changes to paving and possibly some relocation of memorials and benches. A large paved area is not necessary.
26	Status quo with planting of climate change friendly species of plants - including bee friendly.
27	Have some form of flowers planted with or around each memorial on the 3 corners.



**COMMITTEE TITLE:** Finance, Assets, Investments & Recovery Committee

**DATE:** 12/07/2023

<b>REPORT TITLE:</b>	2022/23 Financial Outturn
<b>REPORT OF:</b>	Tim Willis, Interim Director - Resources

## REPORT SUMMARY

This report gives a summary of the overall financial outturn position for the financial year 2022/23.

The key elements of the provisional outturn are:

### General Fund

- 1) The outturn for the general fund is a balanced position for 2022/23 compared to a budgeted deficit set at £121k.
- 2) In March 2023 it was forecasted that the outturn position would be of a break-even position.
- 3) Working balances remain at £2.874 million which is still within the minimum level of reserves.
- 4) Overall, General Fund earmarked reserves have decreased by £3.354 million to £9,447 million. However, this is due to the planned use of covid reserves.

Reserves at 31 March 2023 are:

- a. Mitigation reserves balance - £6.182 million
- b. Service reserves balance - £1,932 million
- c. Specific reserves balance – £960k
- d. Covid reserves balance – £373k

### Housing Revenue Account

- 1) The outturn reflects a net underspend of £390k against the working surplus budget of £147k.
- 2) The HRA working balance has increased significantly to £2.311 million as at the 31<sup>st</sup> March 2022.
- 3) The HRA earmarked reserves remain at £2.5 million.

### Capital

- 1) The capital outturn was £14.443 million compared to a reported revised budget of £58.952 million.

The Draft Annual Financial Statements 2022/23 have been prepared and will be reported to Audit & Scrutiny Committee on 11<sup>th</sup> July 2023 and to Finance, Assets, Investments and Recovery Committee on 12<sup>th</sup> July 2023. The draft accounts are still subject to an external audit process. Until the audit is finalised the figures included within this report are provisional and could be subject to change. Any changes to the outturn will be reported back to this committee once the Annual Financial Statements 2022/23 have been audited.

## **RECOMMENDATIONS**

**The recommendation is for the report to be noted.**

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

The Council is obliged under Section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs.

### **2.0 OTHER OPTIONS CONSIDERED**

N/A

### **3.0 BACKGROUND INFORMATION**

#### **Main Report**

#### **Introduction and Background**

1. The provisional outturn forms part of the preparation of the Council's Statement of Accounts for 2022/23. The outturn is reported prior to the audit of the Council's Accounts by the Council's external auditors – Ernst & Young LLP.
2. In line with the Local Government Act 2003, the relevant CIPFA codes of Practice and the Council's associated Treasury Management Policy and Practices, the outturn is presented to Members.

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

#### **General Fund and Housing Revenue Account (HRA)**

3. Appendix A summarises the outturn position for each of the Council's revenue funds, general fund and HRA. Page 12 of Appendix A details the variances

per subjective then on page 13 per corporate priority. It compares the working budget for 2022/23 to the outturn and then the outturn adjusted by the movement in reserves. The high-level summaries of the General Fund and HRA are tabled below.

#### General Fund Outturn 2022/23

	2022/23 Budget £'000	2022/23 Outturn £'000	Variance
Total Cost of Services	9,768	9,779	11
Total Funding	(9,646)	(9,779)	(133)
Deficit/(Surplus)	122	0	(122)
Working Balance b fwd	2,874	2,874	0
<b>Working Balance C fwd</b>	<b>2,752</b>	<b>2,874</b>	<b>(122)</b>

#### HRA Outturn 2022/23

	2022/23 Budget £'000	2022/23 Outturn £'000	Variance
Total Expenditure	11,478	11,136	(342)
Total Income	(13,663)	(13,809)	(146)
Non-Service Expenditure	2,037	2,283	246
Deficit/(Surplus)	(148)	(390)	(242)
Working Balance b fwd	1,921	1,921	0
<b>Working Balance C fwd</b>	<b>2,069</b>	<b>2,311</b>	<b>(242)</b>

4. To analyse the variances a subjective analysis per cost centre under each corporate strategy heading has been produced in Appendix A.
5. In summary the £122k variance on the General fund was related to the following:

#### Growing Our Economy

The adjusted variance was a saving of £322k against a current budget of £1,157k. This was attributable to:

- Planning overspend & Enforcement had a planned drawdown of their service specific reserve to cover their out of budget expenditure.
- Underspend in planning policy for external contracted services post local plan adoption.

### Protecting Our Environment

The adjusted variance was a saving of £673k against a current budget of (£2,008k). This was attributable to:

- Parking overachieved on its budgeted income.
- Asset management has seen an increase in income associated with Childerditch rent reviews, generating additional returns.
- The change in how the Council recycles continues to generate savings.
- There was also a significant underspend on salaries in Licensing, Environment Health & Building Control.
- There were large overspends on utility bills & fuel, due to rapid rise in inflation on those items. However, the impact of the above savings was far greater than cost these increases.

### Developing Our Communities

The adjusted variance was a saving of £80k against a current budget of £1,160k. This was attributable to:

- There were large overspends on utility bills & fuel, due to rapid rise in inflation on those items.
- These costs were offset by additional grant income, increased income from fees and greater profit share for Brentwood Centre and KGPF than budgeted.

### Delivering an Efficient & Effective Council

The adjusted variance was a pressure of £302k against a current budget of £5,456k. This was attributable to:

- Reduction in rental income for the Town Hall flats. This was due to SAIL paying a historic service charge to Sanderson Weatherall.
- There were also severance payments due to the restructuring of One Team tiers 1 to 3.

### Improving Housing

The adjusted variance was a saving of £75k against a current budget of £183k. This was attributable to:

- Rental income was more than budgeted.
- There were underspends for contracted services and premises related expenditure.



### Net Non-Service Expenditure

Total pressure on net non-service expenditure is £858k. This was attributable to:

- Increased income for interest receivable, the council gained £327k more than budgeted. This was due to high interest rates and carrying high levels of cash due to holding of COVID Grants.
- Investment properties budget needs to be realigned with revised forecasts within the lease register.
- Payments to the pension fund were £102k less than budgeted.
- Underspends on the pension fund contribution and MRP provision are to be earmarked into an inflation and financing reserve to support the financial risk to the council regarding the current economic climate.
- There was a contribution into appropriations as a result of overachieving the vacancy factor and the income target for strategic properties.

### Funding

Funding increased by £132k compared to a current budget of £9,646k. This was attributable to receiving funding for new burdens grants that were not budgeted for during budget setting. These new burdens grants were for Business Rate Relief and Council Tax Rebates final assessments.

### HRA

The HRA had a budget surplus of £243k. This was attributable to:

- An underspend on repairs and maintenance.
- Underspends in supervision and management due to contracted services and a reduction in the HRA support recharge.
- There was an increase in rental income and a reduction in interest payable.
- There were increases in bad debt provision.

### Collection fund

6. The Collection Fund is a statutory account relating to the administration of Council Tax and Business Rates. The account is administered by Brentwood as “billing authority” on behalf of relevant precepting authorities, including the Borough, and, in the case of Business Rates, also central government. The account records all income due in respect of Council Tax and Business Rates. The precepts due to the participating bodies are debited to the account. Any balance remaining on the account following these transactions is normally shared proportionately between the precepting bodies in the following financial years.

7. For 2022/23 the financial position of the Collection Fund is as follows:

- a. Business rates. There is a surplus of £1,123k, of which the Council's share is £449k. The surplus is mainly due to the take up of retail, hospitality & leisure reliefs being lower than was anticipated when the 2022/23 budget was set. The Council's share of the surplus will be credited to the General Fund in 2023/24 when it will offset a clawback of grant funding resulting from the reduced level of reliefs.
- b. Council Tax. There is a surplus of £2,061k, of which the Council's share is £234k.

#### Earmarked Reserves

8. Appendix A sets out the drawdown to and from earmarked reserves in detail. In summary the following movement on earmarked reserves is as follows:

	<b>Opening Balance £'000</b>	<b>Contribution To/(From) £'000</b>	<b>Closing Balance £'000</b>
Mitigation	4,296	1,911	6,207
Service	2,362	(430)	1,932
Specific	617	343	960
COVID-19	5,410	(5,037)	373
<b>Total</b>	<b>12,685</b>	<b>(3,213)</b>	<b>9,472</b>

9. The detail regarding earmarked reserves is within Appendix A. The new earmarked reserves to be created are as follows:

<b>Reserve Name</b>	<b>Type</b>	<b>Amount £'000</b>
New corporate priorities	Specific	250
Domestic Abuse funding	Specific	69
CEV funding	Specific	27
<b>Total</b>		<b>346</b>

## Capital and Investment Strategy

10. Enclosed within Appendix B is the capital and investment report. Capital projects approved as part of the 2022/23 budget cycle are tabled and compared to the project's working budget.
11. In summary the capital outturn is as follows:

	<b>2022/23 Budget £'000</b>	<b>2022/23 Outturn £'000</b>	<b>Variance</b>
Total General Fund Capital Programme	34,312	2,842	(31,470)
Total HRA Capital Programme	24,640	11,601	(13,039)
<b>Total Capital Programme</b>	<b>58,952</b>	<b>14,443</b>	<b>(44,509)</b>
Total General Fund Capital Funding	34,312	2,842	(31,470)
Total HRA Capital Funding	24,640	11,601	(13,039)
<b>Total Capital Funding</b>	<b>58,952</b>	<b>14,443</b>	<b>(44,509)</b>

12. For 2022/23, like 2021/22, there have been external factors that have delayed delivery of certain capital projects. The ongoing impacts of the pandemic are still affecting the market, exacerbated by the Ukraine war and leaving the EU. These external factors have affected contractors to resource and deliver, the price of materials meaning some projects become unviable financially, and sourcing materials and parts delaying the delivery of purchased items, all impacting the end customer.
13. Due to the large amount of slippage in 2022/23, the section 151 made the decision to propose to minimise any slippage and instead rebase the 2023/24 and future capital programmes. This was reflected in the Budget report to Council in March 2023. This should increase the likelihood that services will fully utilise the capital programme set for 2023/24, which stands at £58,340k.
14. Finally, Appendix B also includes a review of the Council's Treasury Management activities during the year. Alongside this is an update on the Council's prudential indicators for the year.

## References to corporate plan

15. The outturn underpins the ability to be able to deliver the aspirations outlined within the Corporate Strategy by managing our finances and contracts robustly to ensure best value for money and deliver services meets the needs of our residents.

### **4.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**

**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

- Financial implications have been included within the main body of the report and appendices.

### **5.0 LEGAL IMPLICATIONS**

**Name & Title: Claire Mayhew, Acting Joint Director – People & Governance & Monitoring Officer**

**Tel & Email 01277 312500 / Claire.mayhew@brentwood.rochford.gov.uk**

- The Council is obliged under Section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs.

### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- The outturn report is just for informational purposes and therefore there are no resource implications have been included within the main body of the report and appendices.

### **7.0 RELEVANT RISKS**

- Relevant risks have been included within the main body of the report and appendices.

### **8.0 ENGAGEMENT/CONSULTATION**

- The Outturn has been presented to the corporate leadership team, the leader and the Chairs of Committees.

## 9.0 EQUALITY IMPLICATIONS

**Name & Title: Kim Anderson, Corporate Manager – Communities, Leisure and Health**

**Tel & Email 01277 312500 kim.anderson@brentwood.gov.uk**

The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.

The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

The proposals in this report will not have a disproportionate adverse impact on anybody with a protected characteristic.

## 10.0 ECONOMIC AND CLIMATE IMPLICATIONS

**Name & Title: Phil Drane, Director – Place**

**Tel & Email 01277 312500 / phil.drane@brentwood.rochford.gov.uk**

Growing our economy is a corporate priority. Everything the council does contributes to or impacts the borough's economy in some way, either directly or indirectly. It is important that the council maintains a budget that considers such implications. In this case, it is important to regularly monitor and publish the final overall financial outturn position.

<b>REPORT AUTHOR:</b>	<b>Name:</b>	Sam Wood
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## APPENDICES

- Appendix A – Revenue 2022-23 Outturn (GF & HRA)
- Appendix B – Capital 2022-23 outturn

## BACKGROUND PAPERS

- Medium Term Financial Strategy 2022/23

## SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
<ul style="list-style-type: none"><li>• PRED: 2021/22 Outturn</li></ul>	13/07/2022
<ul style="list-style-type: none"><li>• PRED: 2020/21 Outturn</li></ul>	30/06/2021
<ul style="list-style-type: none"><li>• PRED: 2019/20 Outturn</li></ul>	09/11/2020



**BRENTWOOD  
BOROUGH COUNCIL**

Brentwood Borough Council  
Revenue  
2022/23 Outturn

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## General Fund 2022/23

### Introduction

This enclosure summarises the provisional outturn position (subject to external audit process) for each of the Council's revenue funds and compares these with the corresponding working budget for the year.

A summary of the net position is set out below. There is an overall balanced position in the net cost of services compared to the deficit of £122k that was set.

The current budget is the original budget for the year plus items brought forward from the previous year plus other budget amendments approved during the year.

Some of the costs incurred during the year have been funded from earmarked reserves and surplus income received has been earmarked for specific purposes. The table below looks to highlight the impact of the contribution to and from reserves on the actual position on the total cost of services.

Service Net Expenditure	Current Budget	Actuals	Variance	Earmarked Reserve Adj	Revised Actual	Revised Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Growing Our Economy	1,157	1,197	40	(361)	836	(321)
Protecting Our Environment	(2,008)	(2,681)	(673)	0	(2,681)	(673)
Developing Our Communities	1,160	1,044	(116)	35	1,079	(81)
Improving Housing	183	39	(144)	70	109	(74)
Delivering An Efficient & Effective Council	5,457	5,827	370	(69)	5,758	301
<b>Total Corporate Priority Spend</b>	<b>5,949</b>	<b>5,426</b>	<b>(523)</b>	<b>325</b>	<b>5,101</b>	<b>(848)</b>
Debt Impairments	38	(77)	(115)	0	(77)	(115)
Interest Payable	2,958	2,948	(10)	0	2,948	(10)
Investment Income	(2,756)	(3,287)	(531)	0	(3,287)	(531)
Pension Fund	1,138	1,037	(101)	0	1,037	(101)
Provision for Loan Repayment	1,286	1,246	(40)	0	1,246	(40)
<b>Total Non-Service Expenditure</b>	<b>2,664</b>	<b>1,867</b>	<b>-797</b>	<b>0</b>	<b>1,867</b>	<b>-797</b>
Appropriations	535	2,191	1,656	0	2,191	1,656
<b>Total Cost of Services</b>	<b>9,148</b>	<b>9,484</b>	<b>336</b>	<b>-325</b>	<b>9,159</b>	<b>11</b>

The total Net Service Expenditure has been funded as set out in the table below.

	Current Budget	Actuals	Variance	Earmarked Reserve Adj	Revised Actual	Revised Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax	(6,589)	(6,589)	0	0	(6,589)	0
New Homes Bonus	(715)	(712)	3	0	(712)	3
Other Grants	(188)	(323)	(135)	0	(323)	(135)
Business Rates Retention	(1,535)	(835)	(700)	(700)	(1,535)	0
Collection Fund Deficit/(Surplus)	0	4,404	4,404	(4,404)	0	0
<b>Total Funding</b>	<b>(9,027)</b>	<b>(4,055)</b>	<b>3,572</b>	<b>(5,104)</b>	<b>(9,159)</b>	<b>(132)</b>

When the funding has been considered, the overall outturn is a drawdown on working balance of £121k.

	Current Budget	Actuals	Variance	Earmarked Reserve Adj	Revised Actual	Revised Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Total Cost of Services	9,148	9,484	336	-325	9,159	11
Total Funding	(9,027)	(4,055)	3,572	(5,104)	(7,735)	(132)
<b>Deficit/(Surplus)</b>	<b>121</b>	<b>5,429</b>	<b>3,908</b>	<b>(5,429)</b>	<b>0</b>	<b>(121)</b>

The General Fund Working Balances is £2.874m for the year ending 31<sup>st</sup> March 2023 and will be shown on the Council's balance sheet.

	Current Budget	Actuals	Variance
	£'000	£'000	£'000
Working Balance b/f	2,874	2,874	0
Deficit/(Surplus)	121	0	(121)
Working Balance c/f	2,753	2,874	(121)

## Earmarked Reserves Adjustment

The presented outturn position is a balanced position by utilising adjustments to and from earmarked reserves. This section looks to highlight the reason for these adjustments.

### Developing Our Communities

The health and wellbeing board had a surplus of £6.7k. As this funding is ringfenced. This has been put in the health and wellbeing reserve. There was funding for CEV of £27k which has also been placed into reserves.

There is also new burdens grant for pavement licenses. In 22/23 only £790 was spent so the remaining £2.6k has been put into reserves for 23/24.

### Efficient & Effective Council

Drawdown on the Rochford partnership reserve of £111k. These costs covered recruitment, legal fees, training, consultancy fees and a subscription with the good economy.

There was also a total of £42k put into reserves. £28k was for future corporate training and £13.4k for Electoral registration.

### Growing Our Economy

Planned expenditure in Planning development and enforcement drew down on reserves for £346k. This covered planning legal fees, a temporary additional enforcement officer and contracted services.

There was also draw down of £18k to fund procurement legal fees regarding advice for electric vehicle charging.

There was £3k remaining from the planning referendum grant. Therefore, this has been put in to reserves for 23/24.

### Improving Housing

We received a grant for £70k within general fund housing for Domestic Abuse funding. This money is yet to be spent and therefore been earmarked to 23/24.

### Total Non-Service Expenditure

The Council reviewed its bad debt impairments at the end of year, this review highlighted that the Council believes it has over provided on the debts and therefore the budgeted provision was not required. In addition, there have been underspends on the Council's pension budget and minimum revenue provision. These underspends are to be contributed to a new reserve to help support the future mitigation of inflation and financing costs. The Council believes based on the current economic climate it is prudent to set aside some money to help smooth future pressures that could arise.

## Funding

Contributions to and from the NDR Collection Fund Deficit and Tax Income Guarantee Scheme to offset future deficits on the Collection Fund. These deficits arise from the granting by Government of business rates relief to businesses in the retail, hospitality & leisure sectors. The loss of business rates income is paid in advance to the Council as S31 grant and is held in these earmarked reserves to offset future Collection Fund deficits.

## Earmarked Reserves

As part of the year end procedures the Council must review its Earmarked Reserves. These Reserves are required to comply with proper accounting practice, whilst others have been created to earmark resources for known or predicted liabilities.

After considering the earmark reserve adjustments highlighted to present a balanced budget, the total reserve balance on 31st March 2023 is £9,472k; the in-year movement was a net position of (£3,213k).

The reserves are grouped into 4 types of reserves.

- Service – Monies requested by services to be used on specific plans or projects.
- Specific – Monies that the Council has received that have restricted conditions on how the money can be used.
- Mitigation – Earmarked specifically to mitigate financial risks to the Council.
- COVID-19 – Specific monies set aside due to funding received during the pandemic to be utilised in the short-term as the pandemic impact continues.

	2022/23		
	Balance at 1 April 2022	Movement	Balance at 31 March 2023
<b>General Fund</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Mitigation Reserves</b>			
Inflation & Financing Mitigation	939	261	<b>1,200</b>
Funding Volatility	1,239	81	<b>1,320</b>
Housing Benefit Subsidy	150	0	<b>150</b>
Insurance and Risk Management	37	0	<b>37</b>
In Borough Regeneration	1,931	1,569	<b>3,500</b>
<b>Total Mitigation Reserves</b>	<b>4,296</b>	<b>1,911</b>	<b>6,207</b>
<b>Service Reserves</b>			
ICT Investment	0	0	<b>0</b>
Community Alarms	0	0	<b>0</b>
Asset Management	164	0	<b>164</b>
Electoral Registration	43	14	<b>57</b>
Economic Development	300	0	<b>300</b>
Brentwood Community Fund	0	0	<b>0</b>
High Street Fund	200	0	<b>200</b>
Environmental Initiatives	200	(18)	<b>182</b>
Planning Enforcement	180	(119)	<b>61</b>
Service Investment and Initiatives	200	0	<b>200</b>
Legal Resource	100	0	<b>100</b>
Leisure Contingency	72	0	<b>72</b>
LGV Driver Training	10	0	<b>10</b>
Parking Strategy/MSCP Clean	0	0	<b>0</b>
Digital, Customer & Comms	134	0	<b>134</b>
Planning Development	227	(227)	<b>0</b>
Election Costs	0	0	<b>0</b>
Rochford Partnership	300	(111)	<b>189</b>
Other Licences	3	2	<b>5</b>
Corporate Training	18	28	<b>46</b>
Apprentice Incentive	8	1	<b>9</b>
Street Scene Initiatives Creation	200	0	<b>200</b>
Staff Achievement & Recognition	3	0	<b>3</b>
<b>Total Service Reserves</b>	<b>2,362</b>	<b>(430)</b>	<b>1,932</b>

	Balance at 1 April 2022	Movement	Balance at 31 March 2023
<b>Specific Reserves</b>			
Waste Management	0	0	0
Dunton Hills Development	0	0	0
Nightingale Maintenance	292	(12)	280
Planning Delivery Grant	0	0	0
Preventing Homelessness	100	0	100
EU Exit Grant	0	0	0
Brentwood Community Hospital	40	0	40
Community Rights	38	0	38
Health and Wellbeing	103	6	109
Neighbourhood Plan	26	3	29
Land at Hanover House	10	0	10
Willowbrook Rosen Crescent	7	0	7
Play Area Grant	0	0	0
Open Data Funding to LA's	1	0	1
New corporate priorities	0	250	250
CEV funding	0	27	27
Domestic Abuse funding	0	69	69
<b>Total Specific Reserves</b>	<b>617</b>	<b>343</b>	<b>960</b>
<b>COVID-19 Specific Reserves</b>			
ECC - Night Time Economy Grant	0	0	0
New Burdens for SBSG	130	(130)	0
New Burdens LADGF (covid-19)	226	(226)	0
Test and Trace Admin	64	(64)	0
New burdens CT Hardship Fund and BRR	20	(20)	0
Tax Income Guarantee Scheme	440	(440)	0
COVID 19 Volatility	412	(412)	0
NDR Collection Fund Deficit	3,937	(3,564)	373
COVID-19 Support Grant	0	0	0
Council Tax Hardship Fund	26	(26)	0
Additional Restrictions Grant	24	(24)	0
New Burden funding post payment assurance	131	(131)	0
<b>Total COVID-19 Specific Reserves</b>	<b>5,410</b>	<b>(5,037)</b>	<b>373</b>
<b>Total General Fund Reserves</b>	<b>12,685</b>	<b>(3,213)</b>	<b>9,472</b>

\*Closing balance is subject to approval of Audited Financial Statements 2022/23

## Earmarked Reserve Detail

### Mitigation Reserves

- **Funding Volatility** - Fund to mitigate the uncertainty and financial risks regarding the Government Funding
- **Housing Benefit Subsidy Smoothing** - To support the funding of subsidy claims
- **Insurance and Risk Management** – To support and mitigate high risks identified through the risk register.
- **In Borough Regeneration** – Specifically set aside to mitigate future financing risk on redevelopment of Town Centre project.
- **Inflation & Financing Mitigation** – Funds to support the uncertainty of the Council's short-term finances regarding the current cost of living crisis.

### Service Reserves

- **ICT Investment** - To fund investment in the Council's ICT structure.
- **Community Alarms** - To fund the expansion of the community alarm service and the upgrading of the equipment.
- **Asset Management** - To fund the costs of developing and implementing the Council's asset management programme.
- **Electoral Registration** - To fund future changes to registration, and the implementation of the Canvass Reform 2020
- **Economic Development** - To fund the development of the Council's Economic Development Strategy
- **Brentwood Community Fund** - To fund agreed community projects.
- **High Street Fund** - To aid corporate objectives for growing the economy in town and village centres
- **Environmental Initiatives** - To develop environmental initiatives that will reduce the Council's carbon footprint.
- **Planning Enforcement** - To aid the dealing with unauthorised incursions and related enforcement work
- **Service Investment and Initiatives** - To mitigate one off costs for any identified service investments or initiatives in year
- **Legal Resources** - To fund the cost of unexpected legal case work
- **Leisure Contingency** - To support the interim direct management by the Council of the Brentwood Leisure
- **LGV Driver Training** - To fund mandatory CPC training for LGV drivers
- **Parking Strategy/MSCP Clean** - To fund specialised cleansing in the Multi Storey Car Park and costs associated with the Parking Strategy
- **Digital, Customer & Comms** - To fund schemes such as customer service accreditation and development of social media engagement
- **Planning Development** - To fund ongoing costs associated with dealing with planning applications
- **Election Costs** - To fund election services costs
- **Rochford Partnership** - To fund the development of the partnership
- **Other Licences** - Pavement licence grant to be utilised during 2022/23

- **Corporate Training** - To fund investment in staff training and development
- **Apprenticeship Investment Programme** - To maintain a rolling programme of apprenticeships at the Council.
- **Street Scene Initiatives Creation** - To fund development of one-off initiatives within Street Scene service area.
- **Staff Achievement & Recognition** - To recognise and celebrate staff achievements

### Specific Reserves

- **Waste Management** - To fund the development of waste management within the Borough.
- **Dunton Hills Development** - To fund planning costs associated with the Dunton Hills Garden Village Development.
- **Nightingale Maintenance** - To meet the cost of grounds maintenance at the new housing development at this site.
- **Planning Delivery Grant** - To fund work associated with the Local Development Plan.
- **Preventing Homelessness** - To fund prevention initiatives and new costs associated with the Homelessness Reduction Act 2018.
- **EU Exit Grant** - To fund preparations required of the Council when the UK exits the EU.
- **Brentwood Community Hospital** - To fund grounds maintenance of the former hospital site.
- **Willowbrook Rosen Crescent** - To fund the cost of hedge maintenance at this location.
- **Community Rights** - To fund costs associated with Community Rights to Buy and Assets of Community Value
- **Play Area Grant** - Park improvement funding, earmarked specifically to contribute to the Council's play area strategy
- **Health and Wellbeing** - To fund projects as determined by the Brentwood Health & Wellbeing Board.
- **Neighbourhood Plan** - To fund future costs associated with the with Doddinghurst and West Horndon Neighbourhood Plans.
- **Land at Hanover House** - To fund public open space improvements at land at Hanover House.
- **Leisure Strategy** - To fund the Council's Leisure Service review.
- **Open Data Funding to LA's** - To support additional work for DCA authorities in handling queries related to open UPRN/USRN data.
- **Corporate priorities** - To fund emerging new schemes
- **CEV funding** - To support the extremely vulnerable
- **Domestic Abuse fund** - To support initiatives to reduce domestic abuse



## COVID-19 Reserves

- **ECC – Night time Economy Grant** - To support licensed premises during the easing of the lockdown restrictions
- **New Burdens for SBSG** - To fund the administration of COVID 19 discretionary grants to support small businesses
- **New Burdens LADGF (covid-19)** - To fund COVID 19 local authority discretionary grants
- **Test and Trace Admin** - To fund the administration of the Test and Trace programme
- **New burdens CT Hardship Fund and BRR** - To fund the administration of delivering Council Tax and Business Rates relief.
- **Tax Income Guarantee (TIG) Scheme** - To carry TIG received in 2022/23 to offset the future year deficits on the Collection Fund
- **COVID 19 Volatility** - To mitigate any financial pressures on services caused by the COVID-19 pandemic.
- **NDR Collection Fund Deficit** - To carry forward S31 Grant received in 2022/23 to offset the deficit carried forward on the NDR Collection Fund due to the extended Retail Relief Scheme in 2022/23
- **COVID-19 Support Grant** - To assist local authorities deal with the financial pressures caused by the COVID-19 pandemic
- **Council Tax Hardship Fund** - To fund Council Tax reliefs for Council Tax payers financial Hardship Grant
- **Additional Restrictions Grant** - To hold grants funding that may need to be repaid to Government
- **New Burden post payment assurance** - To fund the reconciliation required by Government regarding all administered grants.

## General Fund Subjective Variances

Detailed in the table below is a summary overall variance per subjective across General fund.

Subjective	Budget	Outturn	Variance	Comments
	£'000s	£'000s	£'000s	
Employee Related Expenditure	11,954	11,484	(470)	Overachieved on vacancy factor – lot of vacancies within departments
Premises Related Expenditure	2,151	2,435	284	Increases in energy bills and materials and labour for R&M
Transport Related Expenditure	861	999	138	Inflationary pressures
Supplies & Services	4,757	5,077	320	Inflationary pressures
Third Party Payments	2,623	2,792	169	Inflationary pressures
Transfer Payments	99	79	(20)	
Rent Allowances	4,771	4,771	0	
Rent Rebates	3,767	3,767	0	
Appropriations	(362)	(512)	(150)	
Housing benefit subsidy	(8,765)	(8,665)	100	
Government Grants	(660)	(843)	(183)	
Other Grants & Reimbursements	(2,766)	(3,450)	(684)	Recharges to RDC were greater than budgeted. Costs would be included in expenditure above i.e. staffing
Customer & Client Receipts	(10,447)	(10,821)	(374)	Rental and parking income returned more than budgeted
Recharges - Internal Income	(2,034)	(1,995)	39	
GF Debt Impairments	39	(92)	(131)	Our bad debt provision improved.
Interest Payable	2,958	2,948	(10)	
Interest Receivable	(2,402)	(2,730)	(328)	High interest rates have meant a greater return on our surplus case
Investment Properties	(354)	(558)	(204)	
Pension Fund	1,138	1,037	(101)	
MRP	1,286	1,246	(40)	
Duchess Of Kent Reserve	(12)	(12)	0	
In Borough Regeneration	878	1,569	691	Income from strategic assets was greater and therefore able to put into reserve.
Financing Volatility	0	328	328	Extra income from interest receivable
Brentwood Centre	0	0	0	
Funding Volatility Reserve	(331)	56	387	Absorbed pay award within service budgets, remaining was from accumulated savings
New Corporate Priorities	0	250	250	New reserve set up to fund new corporate priorities. Funding for in year underspends
Council Tax	(6,589)	(6,589)	0	
New Homes Bonus	(715)	(713)	2	
Other Non-Specific Grants	(188)	(323)	(135)	
Business Rates Retention	(1,535)	(1,535)	0	
<b>Total</b>	<b>122</b>	<b>0</b>	<b>(122)</b>	

Detailed in the tables below are the cost centre variances for each area under each corporate strategy heading. This is to highlight the variances and costs associated in delivering the Corporate Strategy. Adjustments between earmarked reserves have been presented to show the impact of utilising reserves this financial year.

Corporate priority/Cost centre	Budget	Outturn	Variance	Reason for variance
	£'000s	£'000s	£'000s	
<b>Total</b>	<b>121</b>	<b>0</b>	<b>(121)</b>	
<b>Delivering an Efficient &amp; effective council</b>	<b>5,455</b>	<b>5,691</b>	<b>236</b>	
Business Transformation	141	84	(57)	Vacancies
Commercial Activity	(200)	0	200	Savings target not delivered
Communications	80	95	15	
Corporate Finance	632	596	(36)	Vacancies
Corporate Fraud	(25)	(18)	7	
Corporate Health & Safety	(10)	(14)	(4)	
Corporate Leadership Team	701	750	49	Redundancy payments
Corporate Management	42	188	146	Inflationary pressures and insurance premiums
Corporate Support	220	226	6	
Council Tax & NNDR	205	114	(91)	Reimbursement from Basildon for Grant
Customer & Performance	319	311	(8)	
Democratic Services & Support	320	314	(6)	
Design And Print Services	57	47	(10)	
Digital Servs & Transformation	1,141	1,232	91	Server & licenses cost increased.
Electoral Services	327	298	(29)	
Emergency Planning	1	11	10	
Hsg Benefit & C.Tax Support	49	175	126	
Human Resources	357	301	(56)	PM Support only used part year.
Internal Audit	90	95	5	
Legal Services & Data Protect	375	231	(144)	Vacancies
Office Accommodation	156	194	38	
Payroll	37	40	3	
Procurement	21	19	(2)	
Revs & Bens Customer Support	419	402	(17)	

Corporate priority/Cost centre	Budget	Outturn	Variance	Reason for variance
	£'000s	£'000s	£'000s	
<b>Developing Our Communities</b>	<b>1,160</b>	<b>1,078</b>	<b>(82)</b>	
Communities, Health & Leisure	678	578	(100)	40k contribution from AXIS & SAIL & savings on events
Community Safety	167	144	(23)	
Golf Course	(71)	(92)	(21)	
Health & Food Safety	223	202	(21)	
Open Spaces	163	246	83	Inflationary pressures
<b>Growing Our Economy</b>	<b>1,157</b>	<b>903</b>	<b>(254)</b>	
Asset Development	0	0	0	
Economic Development	190	122	(68)	
Land Charges	(28)	1	29	
Planning Development Management	300	300	0	
Planning Policy Total	695	480	(215)	Saving on project support
<b>Improving Housing</b>	<b>184</b>	<b>108</b>	<b>(76)</b>	
Community Alarms	18	28	10	
Homelessness	173	96	(77)	Grant larger than budgeted
Housing Advice & Enabling	53	45	(8)	
Housing General Fund Properties	(55)	(56)	(1)	
Housing Standards	(5)	(5)	0	

Corporate priority/Cost centre	Budget	Outturn	Variance	Reason for variance
	£'000s	£'000s	£'000s	
<b>Protecting Our Environment</b>	<b>(2,008)</b>	<b>(2,679)</b>	<b>(671)</b>	
Asset Management	(3,841)	(4,174)	(333)	Greater rental income
Building Control	78	97	19	
CCTV	126	163	37	
Cemeteries	31	(37)	(68)	Vacancies and generated more income than budgeted
Countryside Recreation	45	78	33	
Depot Management & Admin	640	828	188	Energy bills for depot
Dog Control	8	8	0	
Env Health & Licensing Admin	105	102	(3)	
Env Health Team & Support	266	194	(72)	Vacancies
Env Pro. Noise & Pollution	4	6	2	
Environmental Initiatives	38	64	26	
Environmental Maintenance	(58)	(58)	0	
Grounds Maintenance	458	323	(135)	Vacancies
Licensing	(11)	(7)	4	
Parking	(753)	(916)	(163)	Greater parking income
Street Services	558	446	(112)	Vacancies and higher income for recycling credits
Traveller And Caravan Sites	8	8	0	
Vehicle Fleet Management	751	936	185	Inflationary pressures such as fuel & repairs
Waste Management	(461)	(740)	(279)	Vacancies and income for hire charges
<b>Non-service expenditure</b>	<b>2,665</b>	<b>1,868</b>	<b>(797)</b>	
GF Debt Impairments	39	(92)	(131)	Bad debt provision improved
Interest Payable	2,958	2,948	(10)	
Interest Receivable	(2,402)	(2,730)	(328)	High interest rates have meant a greater return on our surplus case
Investment Properties	(354)	(558)	(204)	
Pension Fund	1,138	1,037	(101)	
MRP	1,286	1,246	(40)	Slippage on cap programme
Other operating expenditure	0	17	(40)	

Corporate priority/Cost centre	Budget	Outturn	Variance	Reason for variance
	£'000s	£'000s	£'000s	
<b>Appropriations</b>	535	2,191	1,656	
Duchess Of Kent Reserve	(12)	(12)	0	
In Borough Regeneration	878	1,569	691	Income from strategic assets was greater and therefore able to put into reserve.
Financing Volatility	0	328	328	Extra income from interest receivable
Brentwood Centre	0	0	0	
Funding Volatility Reserve	(331)	56	387	Absorbed pay award within service budgets, remaining was from accumulated savings
New Corporate Priorities	0	250	250	New reserve set up to fund new corporate priorities. Funding for in year underspends
<b>Funding</b>	<b>(9,027)</b>	<b>(9,160)</b>	<b>(133)</b>	
Council Tax	(6,589)	(6,589)	0	
New Homes Bonus	(715)	(713)	2	
Other Non-Specific Grants	(188)	(323)	(135)	
Business Rates Retention	(1,535)	(1,535)	0	

## Housing Revenue Account

The net expenditure for the year was a surplus of £390k increasing the HRA working balance to? The table below summarises the HRA outturn position for the year:

	Budget £'000	Outturn £'000	Variance £'000
Repairs & Maintenance	3,314	3,235	(79)
Supervision & Management	4,705	4,113	(592)
Rents Rates Taxes & Other Charges	171	161	(10)
Depreciation (major repairs reserve)	2,941	3,250	309
Corporate & Democratic Core	347	377	30
<b>Total Expenditure</b>	<b>11,478</b>	<b>11,136</b>	<b>(342)</b>
Dwelling Rent	(12,396)	(12,487)	(91)
Non-Dwelling Rent	(327)	(253)	74
Charges for Services & Facilities	(937)	(954)	(17)
Contributions to Expenditure	(3)	(115)	(112)
<b>Total Income</b>	<b>(13,663)</b>	<b>(13,809)</b>	<b>(146)</b>
<b>Net Cost of Services</b>	<b>(2,185)</b>	<b>(2,673)</b>	<b>(488)</b>
Bad Debt Provision	60	146	86
Interest Payable	2,071	1,908	(163)
Pension Contributions	185	276	91
Investment Income	(94)	(47)	47
Contribution (from)/to reserves	(72)	0	72
<b>Total Non-Service Expenditure</b>	<b>2,150</b>	<b>2,283</b>	<b>133</b>
<b>Deficit/(Surplus)</b>	<b>(35)</b>	<b>(390)</b>	<b>(355)</b>
<b>Working Balance bfwd</b>	<b>1,921</b>	<b>1,921</b>	<b>0</b>
<b>Working Balance cfwd</b>	<b>1,956</b>	<b>2,311</b>	<b>355</b>

## HRA subjective variance analysis.

Subjective	Budget	Outturn	Variance	Reason for variance
	£'000s	£'000s	£'000s	
Employee Related Expenditure	1,561	1,401	(161)	Vacancies in Supervision and Management
Premises Related Expenditure	3,648	3,710	62	Increased energy bills
Transport Related Expenditure	12	11	(1)	
Supplies & Services	1,173	655	(517)	Savings on professional fees,
Third Party Payments	176	188	11	
Support Services	1,964	1,895	(69)	Saving on GF recharge
Capital Financing Costs	2,941	3,250	309	Depreciation charge greater than budgeted
Government Grants	0	(9)	(9)	
Other Grants & reimbursements	(9)	(127)	(118)	Insurance claims recovered greater than budgeted
Client Receipts	(13,651)	(13,616)	34	
Recharges - Internal Income	0	(31)	(31)	
Bad Debt Provision	60	146	86	
Interest Payable	2,071	1,908	(163)	Capital programme slipped, so not as much borrowing.
Pension Contributions	185	276	91	
Investment Income	(94)	(47)	47	
Contribution (from)/to reserves	(72)	0	72	
<b>Total</b>	<b>(35)</b>	<b>(390)</b>	<b>(357)</b>	





**BRENTWOOD  
BOROUGH COUNCIL**

Brentwood Borough Council  
Capital Outturn 2022/23

## Capital Programme Outturn

	2022/23 Budget	2022/23 Outturn	Variance
	£'000	£'000	£'000
<b><u>Protecting Our Environment</u></b>			
Vehicle Fleet Management	2,154	832	(1,322)
Solar Smart Bins	12	0	(12)
Open Spaces - Site security	25	16	(9)
Open Spaces Infrastructure	132	109	(23)
Low Emissions Infrastructure	138	0	(138)
Cemetery Infrastructure	44	12	(32)
Cemetery Headstones	8	0	(8)
<b>Total Protecting Our Environment</b>	<b>2,513</b>	<b>969</b>	<b>(1,544)</b>
<b><u>Developing Our Communities</u></b>			
Play Area Refurbishment	300	56	(244)
King George's Pavilion Redevelopment	708	645	(63)
Football Hub Development	4,232	13	(4,219)
Community Halls	98	0	(98)
Brentwood Leisure Centre	250	159	(91)
<b>Total Developing Our Communities</b>	<b>5,588</b>	<b>873</b>	<b>(4,715)</b>
<b><u>Improving Housing</u></b>			
Home Repair Assistance Grant	5	0	(5)
Disabled Facilities Grant	250	192	(58)
HRA Decent Home Programme	12,158	7,990	(4,168)
Strategic Housing Delivery Programme	12,372	3,610	(8,762)
<b>Total Improving Housing</b>	<b>24,785</b>	<b>11,792</b>	<b>(12,993)</b>
<b><u>Delivering An Effective And Efficient Council</u></b>			
Asset Management Strategy	323	316	(7)
Asset Compliance	250	165	(85)
E-Financial	51	0	(51)
Ict Strategy	100	24	(76)
Ict Hardware	220	163	(57)
Software Infrastructure	47	19	(28)
<b>Total Delivering an Effective and Efficient Council</b>	<b>991</b>	<b>687</b>	<b>(304)</b>

	2022/23 Budget	2022/23 Outturn	Variance
	£'000	£'000	£'000
<b>Growing Our Economy</b>			
Asset Development	105	2	(103)
Strategic Property Acquisitions	4,650	0	(4,650)
S106 114-122 Kings Road	0	31	31
S106 Mountnessing Scrap Yard	0	24	24
S106 North Road Play Area	0	17	17
S106 16 Westwood Avenue	0	20	20
S106 Ford Motor Co. Eagle way	0	4	4
Car Park Improvements	320	24	(296)
Regeneration Fund	20,000	0	(20,000)
<b>Total Growing our Economy</b>	<b>25,075</b>	<b>122</b>	<b>(24,953)</b>
<b>Total Capital Programme</b>	<b>58,952</b>	<b>14,443</b>	<b>(44,509)</b>

Capital Programme for 2022/23 has been financed by the following:

	Budget £'000	Actual £'000	Variance £'000
Total General Capital Programme	34,312	2,842	(31,470)
Total HRA Capital Programme	24,640	11,601	(13,039)
<b>Total Capital Programme</b>	<b>58,952</b>	<b>14,443</b>	<b>(44,509)</b>
Funded By:			
General Fund Capital Receipts	349	349	0
Capital grants	250	288	38
Borrowing	33,713	2,205	(31,508)
<b>Total General Fund Capital Funding</b>	<b>34,312</b>	<b>2,842</b>	<b>(31,470)</b>
HRA Capital Receipts	4,500	1,444	(3,056)
Major Repairs Reserve	3,564	7,991	4,427
HRA Borrowing	16,576	2,166	(14,410)
<b>Total HRA Capital Funding</b>	<b>24,640</b>	<b>11,601</b>	<b>(13,039)</b>

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**COMMITTEE TITLE:** Finance, Assets, Investments & Recovery Committee

**DATE:** 12<sup>th</sup> July 2023

<b>REPORT TITLE:</b>	Q1 2023/24 Budget Monitoring Report
<b>REPORT OF:</b>	Tim Willis, Interim Director - Resources

## REPORT SUMMARY

The purpose of this report is to set out the forecast revenue and capital budget positions as at quarter 1 for 2023/24 and to give an overall financial update for the Council.

The commentary of the report does not attempt to cover all budgetary changes but draws attention to the key factors affecting net expenditure differences.

The General Fund is forecasting a deficit of £554k, this is where there is more expenditure than income. The utilisation of reserves results in the working balance reducing by £443k to £2,431k. There is the option to utilise more earmarked reserves to keep the working balance higher.

The Housing Revenue Account (HRA) is currently forecasting a deficit position of £113k. In year pressures associated with the cost-of-living crisis in respect of repairs and maintenance have resulted in a negative forecast.

The majority of projects are forecast to complete with an expected delay in some projects resulting in a budgetary impact of £18.643m below the budget. At this stage, this underspend will be considered as slippage into next year's programme.

The current financial backdrop poses further financial risks to the Council's budget. It should be noted that the Local Government Association has issued a warning that 'soaring inflation, energy prices and National Living Wage pressures are putting council services at risk'. For Brentwood, there is further financial risks to pay inflation forecasts as well as cost pressures from the current high rates of inflation that cannot be quantified at this stage. The high inflation rates, increasing bank rates and national living wage pressure will have further impact onto the ongoing budgets.

Whilst the Council is not anticipating the need to reduce any services, the financial position will have to be monitored over the year and will make the Medium Term Financial Strategy (MTFS) even more of a challenge to deliver.

## **RECOMMENDATIONS**

**The recommendation is for the report to be noted.**

### **SUPPORTING INFORMATION**

#### **1.0 REASONS FOR RECOMMENDATIONS**

Financial monitoring of the budget throughout the year complies with the duties under the Local Government Act 2003, the Housing Act 1985, the Local Government and Housing Act 1989 and the Local Government Finance Act 1992 and subsequent legislation.

#### **2.0 BACKGROUND INFORMATION**

1. The report provides a financial update for the General Fund, Housing Revenue Account (HRA) and Capital Budgets for 2023/24, based on operational and financial impacts for the period April to June 2023.
2. On 1st March 2023 Ordinary Council set a budget for the General Fund that forecast a £111k deficit, with this deficit to be funded from earmark reserves. To date as at quarter 1 monitoring, it is expected the deficit will increase further to £554k for 2023/24.
3. At the same meeting, the HRA budget was agreed at a net surplus of £26k. Currently the projection is that the HRA will generate a deficit of £87k.
4. A total capital commitment of £58.340m was approved at the same meeting. The updated forecasts shows that it is expected £39.697m will be committed this financial year.

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

##### **General Fund**

5. Based on the activity to the end of June 2023, the General Fund revenue forecast is a deficit position attributable to the ongoing pressures from higher inflation. Appendix A & B provides a detailed analysis of the activity making up the variance compared to the surplus originally set.
6. The General Fund working Balance is forecast to drop to £2.431m as of 31<sup>st</sup> March 2024.

## General Fund Forecast

	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Variance £'000
Total General Fund Net Expenditure	6,953	7,421	468
Net Non Service	2,895	2,870	(25)
Total Funding	(9,737)	(9,737)	0
<b>General Fund (Surplus)/Deficit</b>	<b>111</b>	<b>554</b>	<b>443</b>
Working Balance B/fwd	2,874	2,874	0
Surplus/(Deficit) in year	(111)	(554)	(443)
Earmark Reserve Drawdown	111	111	0
<b>Working Balance C/fwd</b>	<b>2,874</b>	<b>2,431</b>	<b>443</b>

7. To analyse the variances a subjective analysis per cost centre under each corporate strategy heading has been produced and can be found within Appendix A.
8. In summary the £443k variance caused within the General fund was associated with the following:

## Growing Our Economy

9. There is a total budget pressure of £97k. This is attributed to an overspend in Planning development and planning enforcement of £267k. This is partly offset by an underspend in Planning policy.
10. Planning enforcement have an additional temporary agency post and planning development are paying a premium for the agency staff. There is a national shortage of town planners.
11. As in 2022/23, significant expenditure is also projected on consultancy fees and other professional fees.

## Protecting Our Environment

12. The Q1 forecast is projecting a 421k overspend for protecting our environment.

13. Some £240k is attributable to staffing costs. Street services are currently relying on significant numbers of agency staff, as well as substantial overtime being paid to permanent staff to keep up with demand.
14. There is a 142k pressure for premises expenditure and supplies and services. This is for water bills, repairs and maintenance, protective clothing, uniforms, sacks & bins.
15. Building control are forecasting a pressure for meeting their budgeted income target. There will be a shortfall of £30k. The rest is made up of a number of small variances across Protecting Our Environment.

#### Developing Our Communities

16. There is a total pressure of 67k, and this is due to increased expenditure and not achieving the budget income for community halls.

#### Delivering an Efficient and Effective Council

17. Delivering an Efficient and Effective Council is forecasting a 114k underspend which is attributed to employee costs, representing a total underspend of £271k. The vacancies are in Finance, Legal services and ICT services.

#### Improving Housing

18. A small underspend is projected on Improving Housing of £3k due to a 3k underspend on supplies and services.

#### Net Non-Service Expenditure

19. Investment properties are projecting to generate the council an extra £25k that is not budgeted.

#### Funding

20. Currently for Q1 there are no forecasted changes to funding.

#### **Cost of Living Crisis**

21. The financial backdrop of the UK economy is volatile, with inflation well above the targeted 2%. Latest figures from Bank of England show inflation is still at 8.7%. The Bank of England on Thursday 22<sup>nd</sup> June raised rates, by 0.5% to 5% in its efforts to reduce inflation.



22. Inflation has begun to fall, and the Bank of England expect it to continue to significantly fall this year due to a various reasons including:
- Wholesale energy prices have fallen.
  - Fall in the price of imported goods. Some of the production difficulties businesses have faced are starting to ease.
  - People have less money to spend, there will be less demand for goods and services in the UK.
23. Forecasters agree that inflation will start to ease in 2023 and the Chancellor of the Exchequer is aiming to halve the inflation figure by the calendar year-end. More generally, however, there is less consensus about the size and speed of any reduction. It is unlikely that the inflation target of 2% will be achieved until 2024 at the earliest.
24. National Living Wage negotiations are underway with the National Joint Committee (NJC) and unions. Brentwood have budgeted for a 4% pay rise. It has been reported that the independent board for some public sectors have recommended between 6-6.5%. However, there have been reports as to whether or not this will be approved by Government, as it could create inflationary pressure.
25. This Council sets its pay locally and therefore does not have to follow the NJC. However, the Council bases any pay award offered against NJC's proposals. In addition to this, as Brentwood has now partnered with Rochford who do follow the NJC pay awards, there must be careful consideration regarding how both authorities decide any pay award. Any award above 4% will further increase the budget deficit.
26. The current proposal tabled is similar to 2022/23, a fixed increase of £1,925. This has been rejected by the unions.

### **Savings & Initiatives**

27. The savings initiatives built into the MTFs are set out in the table below. They are RAG rated, Red being unachieved, and green being achieved at the time of reporting and based on current forecasts. These initiatives are monitored through the Council's budget monitoring process and reviewed regularly.

### Proposed Saving Targets

<b>Proposed Saving Targets</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
Corporate Vacancy Factor	(673)	(686)	(700)
Capitalisation Staff Costs *	(50)	(50)	(50)
One team savings	(224)	(808)	(846)
<b>Total Efficiency Targets</b>	<b>(947)</b>	<b>(1,544)</b>	<b>(1,596)</b>
Leisure Strategy Income	(175)	(175)	(175)
Service Income Generation	(80)	(80)	(80)
<b>Total Income Generation Targets</b>	<b>(255)</b>	<b>(255)</b>	<b>(255)</b>
<b>Total Saving Targets</b>	<b>(1,202)</b>	<b>(1,799)</b>	<b>(1,851)</b>

28. The savings marked amber are yet to be achieved for the following reasons:

- Inflationary increases preventing any saving.
- Delay in service delivery generating efficiencies.
- Decrease in income targets due to cost-of-living crisis.

### One Team Strategic Partnership

29. A OneTeam Strategic Partnership was agreed at an Extraordinary Council on 25 January 2022 and led to a Joint Chief Executive/Head of Paid Service being appointed across Rochford District Council and Brentwood Borough Council with effect from 1 February 2022. A savings ambition for the Partnership has been estimated at £846k by 2025/26.

30. The first activity for the OneTeam Transformation Programme was the review of the senior leadership structure at Tier 2 (Strategic Director) and Tier 3 (Assistant Director/Corporate Director) levels. Appointments for new Tier 3 Director roles were made by the Chief Officer Appointments Committee on 16 June, with further appointments in November 2022 and June 2023. There are still two vacancies, but these are being covered by internal arrangements and Agency.

31. The services within the council are currently being reviewed, with Phase 1 nearing completion and Phase 2 beginning. As savings are finalised, these will be reflected in future budget monitoring and setting reports.

### Collection Fund

32. The Council has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund is to isolate the income and expenditure relating to Council Tax and National Non-

Domestic Business Rates (NNDR). The administrative costs associated with the collection process are charged to the General Fund.

### **Council Tax**

33. For 2023/24 the Council's precept upon the collection fund is £6.929m, representing 10.3% of the total Council Tax precepts upon the Collection Fund of £67.355m.
34. The collection rate is currently running at 97.2%. This will be monitored closely during the year for any reduction resulting from the ongoing increases in the cost of living. A significant drop in the collection rate could result in a deficit on the Collection Fund, which would be a cost to the General Fund in 2024/25.

### **NNDR**

35. The funding regime from NNDR income has become increasing complex in recent years. This is partly due to the granting of a range of business rates reliefs by central government, which are reimbursed to the Council via S31 grant. The reliefs include support for local businesses to help them recover from the impact of the COVID-19 pandemic.
36. In addition, the Council has seen a significant decline in its NNDR tax base in recent years, due to the closure of the Ford site and the trend of office space being converted to flats.
37. The Council's forecast share of NNDR income for 2023/24, including S31 grants and "safety net" payment from the Essex Business Rates pool, is £1.535m
38. The NNDR collection rate will be monitored closely during the year. Any reduction in collection rates would result in a deficit on the Collection Fund, but the impact of this upon the General Fund would be offset by additional safety net payments.

### **Earmarked Reserves**

39. The detailed earmarked reserve balances are enclosed in Appendix E. A summary is provided in the table below

	2023/24 Opening Balance £'000	2023/24 Forecast Balance £'000	2023/24 Movement £'000
Mitigation Reserves	6,207	6,194	(13)
Service Reserves	1,932	1,895	(37)

Specific Reserves	960	948	(12)
COVID-19 Reserves	373	0	(373)
<b>Total Reserves</b>	<b>9,472</b>	<b>9,037</b>	<b>(435)</b>

### **Housing Revenue Account – HRA**

40. The Council approved an HRA budget and net surplus of £26k for 2023/24, and an HRA working balance of £2.311m as of 31st March 2023.

41. The HRA in year variances for 2023/24 and resulting working balance forecast is summarised below, with further variance detail reported in Appendix A & C.

#### HRA Forecast

	Budget £'000	Forecast £'000	Variance £'000
Total Expenditure	12,148	12,245	97
Total Income	(14,447)	(14,431)	16
Non-Service Costs	2,273	2,273	0
Appropriations	0	0	0
<b>(Surplus)/Deficit on HRA</b>	<b>(26)</b>	<b>87</b>	<b>113</b>
<b>Working Balance</b>			
B/fwd	2,311	2,311	0
Surplus/(Deficit) in year	26	(87)	(113)
<b>Working Balance Cfwd</b>	<b>2,337</b>	<b>2,224</b>	<b>113</b>

42. The main variances contributing to the revised forecast of £87k deficit, variance to budget of £113k are:

43. Budget pressure of 40k for repairs and maintenance specifically for emergency lighting and fire maintenance.

44. Staffing pressure of £70k. This is due to currently projecting the HRA will not be able to meet their vacancy factor target. As vacancies in the General Fund are so large, there should be a reduction in the GF recharge to HRA.

45. Saving of 23k from consultancy fees.

46. Small pressure of rental income not achieving budgeted target of 15k. The rest comprises small variances throughout the HRA which are detailed in Appendix A.

## **Capital Programme**

47. The current capital budget totals £58.340m and the detail capital programme is in Appendix D.
48. Currently there is £20.885m of identified slippage within the current programme.
49. Major build work has been delayed in relation to the Strategic Housing Development Programme.
50. The Football Hub project continues, and conversations continue with the football foundation regarding options available to the Council. A full appraisal on any scheme is required before further commitment is made.
51. Works for stage 1 of the Baytree Centre are delayed, as are the works at Childerditch, with contractors required to be procured.
52. Regarding the decent homes programme, works are progressing well. The forecast shows the budget and slippage from 2022/23 is forecast to be fully utilised. Slippage was not automatically carried forward, therefore this programme is currently showing an overspend. Spending in 2023/24 is being monitored and budgets will be adjusted if necessary in future monitoring reports.

## **Budget setting Guidelines**

53. Budget setting guidelines for 2024/25 to 2026/27 are set out in Appendix F.

### **3.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**  
**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

The financial implications are contained within this report.

### **4.0 LEGAL IMPLICATIONS**

**Name & Title: Claire Mayhew, Joint Acting Director – People & Governance**  
**Tel & Email 01277 312500 / Claire.Mayhew@brentwood.gov.uk**

The Council has a variety of statutory duties which it must fulfil by law. Including setting a balanced budget for each fiscal year and must take steps to monitor income and expenditure against the budget set. It cannot lawfully not to carry out those duties. Financial monitoring of the budget throughout the year complies with the duties under the Local Government Act 2003, the Housing Act 1985, the Local Government and Housing Act 1989 and the Local Government Finance Act 1992 and subsequent legislation. For other activities, the Council provides services in pursuance of a statutory power rather than a duty, and though not bound to carry out

those activities, decisions about them must be taken in accordance with the decision-making requirements of administrative law

## **5.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

The resource implications are contained within the report.

## **6.0 RELEVANT RISKS**

The relevant risks are contained in the report.

## **7.0 ENGAGEMENT/CONSULTATION**

The report has been presented to the corporate leadership team, the leader and the Chairs of Committees.

## **8.0 EQUALITY & HEALTH IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**

**Tel & Email 01277 312500 kim.anderson@brentwood.gov.uk**

The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.

The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

The proposals in this report will not have a disproportionate adverse impact on anybody with a protected characteristic.

## **9.0 ECONOMIC AND CLIMATE IMPLICATIONS**

**Name & Title: Phil Drane, Director - Place**

**Tel & Email 01277 312500 / phil.drane@brentwood.rochford.gov.uk**

There are no direct economic implications, although it is important that the Council maintain a robust budget to inform how the Council interacts with residents, businesses, partners and customers through the provision of certain services.

**REPORT AUTHOR:**           **Name:** Sam Wood  
**Title:** Q1 2023/24 Budget Monitoring Update Report  
**Phone:** 01277 312866  
**Email:** sam.wood@brentwood.gov.uk

**APPENDICES**

- A. Revenue - estimated outturn report
- B. GF 2023.24 - Estimated outturn
- C. HRA 2023.24 - Estimated outturn
- D. Capital 2023.24 - Estimated outturn
- E. Earmarked reserves - 2023.24 estimated outturn
- F. Budget guidelines for 2024/25 to 2026/27

**BACKGROUND PAPERS**

- 1. Budget 2023/24 and Medium-Term Financial Strategy – 01/03/2023
- 2. 2022/23 Financial Outturn – 12/07/2023

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
PRED: 2022-23 Budget update	23/11/2023
PRED: 2022-23 Budget update	14/09/2023
PRED: 2022-23 Budget guidelines & forecasts	13/07/2022

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	Current Budget	Q1 Forecast	Variance to budget	% Variance
Total General Fund Surplus/Deficit	111,220	554,017	442,797	398.13%
Total HRA Surplus/ Deficit	(26,350)	87,037	113,387	430.31%
Total BBC	84,870	641,054	556,184	655.34%

<b>Chief Executive</b>				
Service	Current Budget	Q1 Forecast	Variance to budget	% Variance
Senior Leadership Team	602,850	643,458	40,608	6.74%
Commercial Activity	0	0	0	-100.00%
<b>Total Chief Executive</b>	<b>602,850</b>	<b>643,458</b>	<b>40,608</b>	<b>6.74%</b>

<b>Director - Resources</b>				
Service	Current Budget	Q1 Forecast	Variance to budget	% Variance
Corporate Finance	814,190	697,684	(116,506)	-14.31%
Revenues & Benefits	742,870	909,430	166,560	22.42%
Risk and Business Continuity	1,250	11,000	9,750	780.00%
Corporate Management	209,620	134,570	(75,050)	-35.80%
Corporate Fraud	(21,780)	(22,738)	(958)	4.40%
Internal Audit	94,870	94,870	0	0.00%
Payroll	48,890	48,890	0	0.00%
Procurement	25,140	24,944	(196)	-0.78%
<b>Total Director - Resources</b>	<b>1,915,050</b>	<b>1,898,650</b>	<b>(16,400)</b>	<b>-0.86%</b>

<b>Director - People &amp; Governance</b>				
Service	Current Budget	Q1 Forecast	Variance to budget	% Variance
Democratic Services & Support	334,600	300,688	(33,912)	-10.14%
Corporate Support	293,140	282,656	(10,484)	-3.58%
Electoral Services	340,040	325,237	(14,803)	-4.35%
Legal Services & Data Protection	460,900	366,104	(94,796)	-20.57%
Human Resources	351,330	386,707	35,377	10.07%
<b>Total Corporate Director - Law &amp; Governance</b>	<b>1,780,010</b>	<b>1,661,392</b>	<b>(118,618)</b>	<b>-6.66%</b>

<b>Director - Environment</b>				
Service	Current Budget	Q1 Forecast	Variance to budget	% Variance
Depot Management & Admin	897,460	877,040	(20,420)	-2.28%
Cemeteries	16,690	1,593	(15,097)	-90.46%
Environmental Initiatives	65,240	64,013	(1,227)	-1.88%
Environmental Maintenance	(57,500)	(57,500)	0	0.00%
Golf Course	(76,030)	(79,877)	(3,847)	5.06%
Grounds Maintenance	629,260	608,795	(20,465)	-3.25%
Open Spaces	423,640	464,515	40,875	9.65%
Street Services	471,260	533,162	61,902	13.14%
Vehicle Fleet Management	839,460	978,720	139,260	16.59%
Waste Management	(267,390)	344,163	611,553	-228.71%
Building Control	136,140	168,510	32,370	23.78%
<b>Total Director - Environment</b>	<b>3,078,230</b>	<b>3,903,133</b>	<b>824,903</b>	<b>26.80%</b>

<b>Director - Place</b>				
Service	Current Budget	Q1 Forecast	Variance to budget	% Variance
Land Charges	(9,360)	(8,259)	1,101	-11.76%
Planning Development	124,770	302,745	177,975	142.64%
Planning Enforcement	120,850	209,566	88,716	73.41%
Planning Policy	815,440	592,384	(223,056)	-27.35%
Economic Development	198,390	179,763	(18,627)	-9.39%
<b>Director - Place</b>	<b>1,250,090</b>	<b>1,276,198</b>	<b>26,108</b>	<b>2.09%</b>

<b>Director - Customer &amp; Data Insight</b>				
Service	Current Budget	Q1 Forecast	Variance to budget	% Variance
ICT Services	1,238,960	1,209,394	(29,566)	-2.39%
Digital Services	166,220	110,714	(55,506)	-33.39%
Customer & Performance	353,580	346,277	(7,303)	-2.07%
<b>Total Director - Customer &amp; Data Insight</b>	<b>1,758,760</b>	<b>1,666,384</b>	<b>(92,376)</b>	<b>-5.25%</b>

<b>Director - Policy &amp; Delivery</b>				
Service	Current Budget	Q1 Forecast	Variance to budget	% Variance
Programmes & Projects	103,340	153,722	50,382	48.75%
Communications	86,680	85,810	(870)	-1.00%
<b>Total Director - Policy &amp; Delivery</b>	<b>190,020</b>	<b>239,532</b>	<b>49,512</b>	<b>26.06%</b>

<b>Director - Communities &amp; Health</b>				
<b>Service</b>	<b>Current Budget</b>	<b>Q1 Forecast</b>	<b>Variance to budget</b>	<b>% Variance</b>
Community Safety	178,780	152,768	(26,012)	-14.55%
Communities Health & Leisure	1,039,890	1,126,874	86,984	8.36%
CCTV	156,440	113,548	(42,892)	-27.42%
Other Environmental Services	290,060	167,586	(122,474)	-42.22%
Licensing	(7,760)	(15,603)	(7,843)	101.07%
EH Managed Service	352,230	318,149	(34,081)	-9.68%
<b>Total Director - Communities &amp; Health</b>	<b>2,009,640</b>	<b>1,863,322</b>	<b>(146,318)</b>	<b>-7.28%</b>

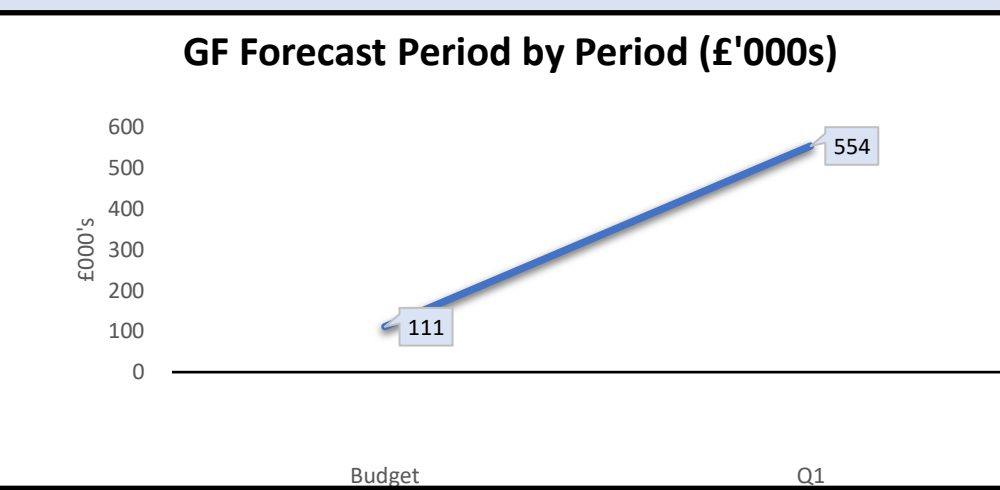
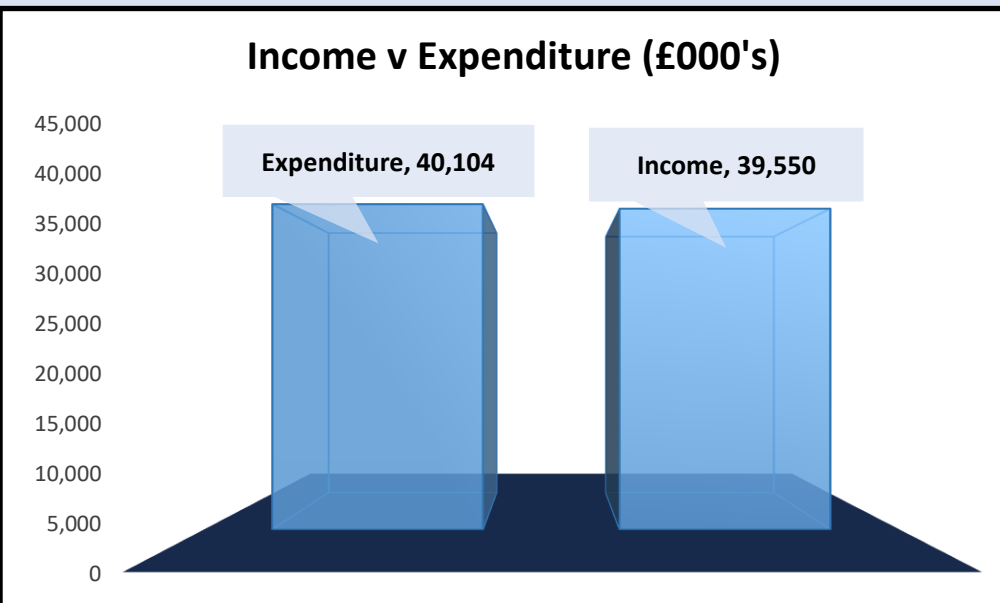
<b>Director - Assets &amp; Investments</b>				
<b>Service</b>	<b>Current Budget</b>	<b>Q1 Forecast</b>	<b>Variance to budget</b>	<b>% Variance</b>
Facilities Management	228,770	245,623	16,853	7.37%
Asset Management	(4,015,290)	(4,139,782)	(124,492)	3.10%
Parking	(792,080)	(856,209)	(64,129)	8.10%
Commercial Activity (Asset Development)	0	70,600	70,600	0.00%
<b>Total Director - Assets &amp; Investments</b>	<b>(4,578,600)</b>	<b>(4,679,767)</b>	<b>(101,167)</b>	<b>2.21%</b>

<b>Corporate Director - Housing &amp; Enforcement</b>				
<b>Service</b>	<b>Current Budget</b>	<b>Q1 Forecast</b>	<b>Variance to budget</b>	<b>% Variance</b>
Homelessness	154,920	150,031	(4,889)	-3.16%
Community Alarms	0	0	0	0.00%
Housing Advice & Enabling	49,360	49,360	0	0.00%
Housing General Fund Properties	(59,540)	(59,540)	0	0.00%
<b>Director - Housing</b>	<b>144,740</b>	<b>139,851</b>	<b>(4,889)</b>	<b>-3.38%</b>
HRA Expenditure	8,699,580	8,797,375	97,795	1.12%
HRA Share of CDC	347,100	347,100	0	0.00%
HRA Income	(14,447,020)	(14,431,428)	15,592	-0.11%
HRA Non Service Expenditure	0	0	0	0.00%
<b>HRA Subtotal</b>	<b>(5,400,340)</b>	<b>(5,286,953)</b>	<b>113,387</b>	<b>-2.10%</b>
<b>Corporate Director - Housing &amp; Community Safety</b>	<b>(5,255,600)</b>	<b>(5,147,102)</b>	<b>108,498</b>	<b>-2.06%</b>

<b>Non Service Expenditure</b>				
<b>Service</b>	<b>Current Budget</b>	<b>Q1 Forecast</b>	<b>Variance to budget</b>	<b>% Variance</b>
Contingency & Savings	(1,197,650)	(1,191,070)	6,580	-0.55%
Parish Precepts	680,966	680,966	0	0.00%
Interest Payable	3,845,240	3,845,240	0	0.00%
Interest Receivable	(2,451,460)	(2,451,460)	0	0.00%
Investment Properties	(401,960)	(427,107)	(25,147)	6.26%
Payments to Pension Fund	0	0	0	0.00%
Provision for Loan Repayment (MRP)	1,791,110	1,791,110	0	0.00%
General Fund Bad Debt	112,120	112,120	0	0.00%
General Fund Appropriations	(110,130)	(110,130)	0	0.00%
Interest Payable (HRA)	2,335,000	2,335,000	0	0.00%
HRA Investment income	(62,000)	(62,000)	0	0.00%

# GENERAL FUND FINANCIAL DASHBOARD

AREA	£'000s			
	BUDGET	Q1	VARIANCE	% Variance
GENERAL FUND	111	554	443	-398%
<b>NET SERVICE EXPENDITURE</b>	<b>6,953</b>	<b>7,421</b>	<b>468</b>	<b>(0)</b>
Chief Executive	603	643	41	7%
Director Of Resources	1,915	1,899	(16)	-1%
Director People & Governance	1,780	1,661	(119)	-7%
Director Of Environment	3,078	3,903	825	27%
Director Of Place	1,250	1,276	26	2%
Director Communities & Health	2,010	1,863	(146)	-7%
Director Customer & Data	1,759	1,666	(92)	-5%
Director Of Asset & Investment	(4,579)	(4,680)	(101)	2%
Director Of Policy & Delivery	190	240	50	26%
Director Of Housing	145	140	(5)	-3%
Contingency And Savings	(1,198)	(1,191)	7	-1%
<b>Net Non-Service Expenditure</b>	<b>2,895</b>	<b>2,870</b>	<b>(25)</b>	<b>0</b>
Accounting Adjustments	112	112	0	0%
Interest Payable - Gf	3,845	3,845	0	0%
Interest Receivable	(2,451)	(2,451)	0	0%
Investment Properties	(402)	(427)	(25)	6%
Provision For Loan Repay (Mrp)	1,791	1,791	0	0%
<b>Funded By</b>	<b>(9,737)</b>	<b>(9,737)</b>	<b>0</b>	<b>0</b>
Appropriations	(110)	(110)	0	0%
Business Rates Retention	(1,535)	(1,535)	0	0%
Council Tax - Bbc	(6,930)	(6,930)	0	0%
New Homes Bonus	(450)	(450)	0	0%
Collection Fund Surplus	(195)	(195)	0	0%
Other Non Specific Grants	(517)	(517)	0	0%



### Total Variance per Directorate

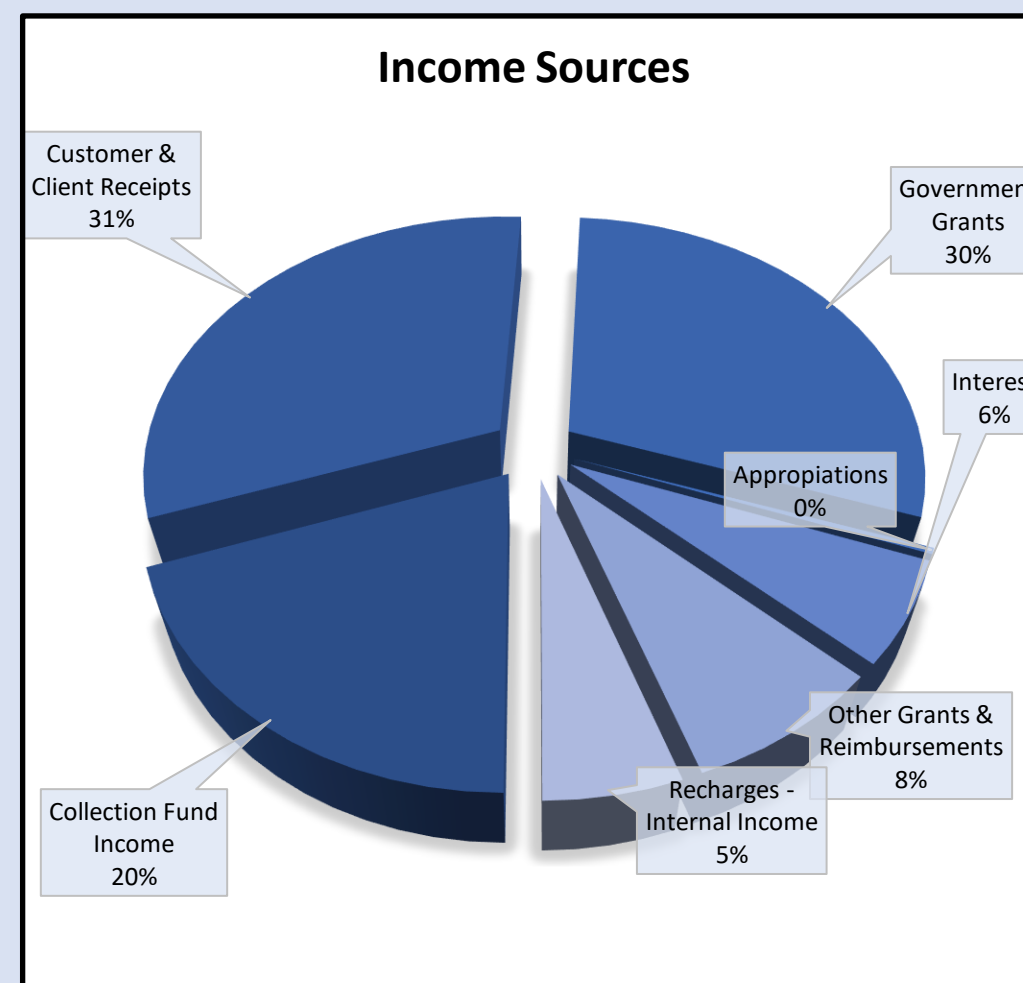
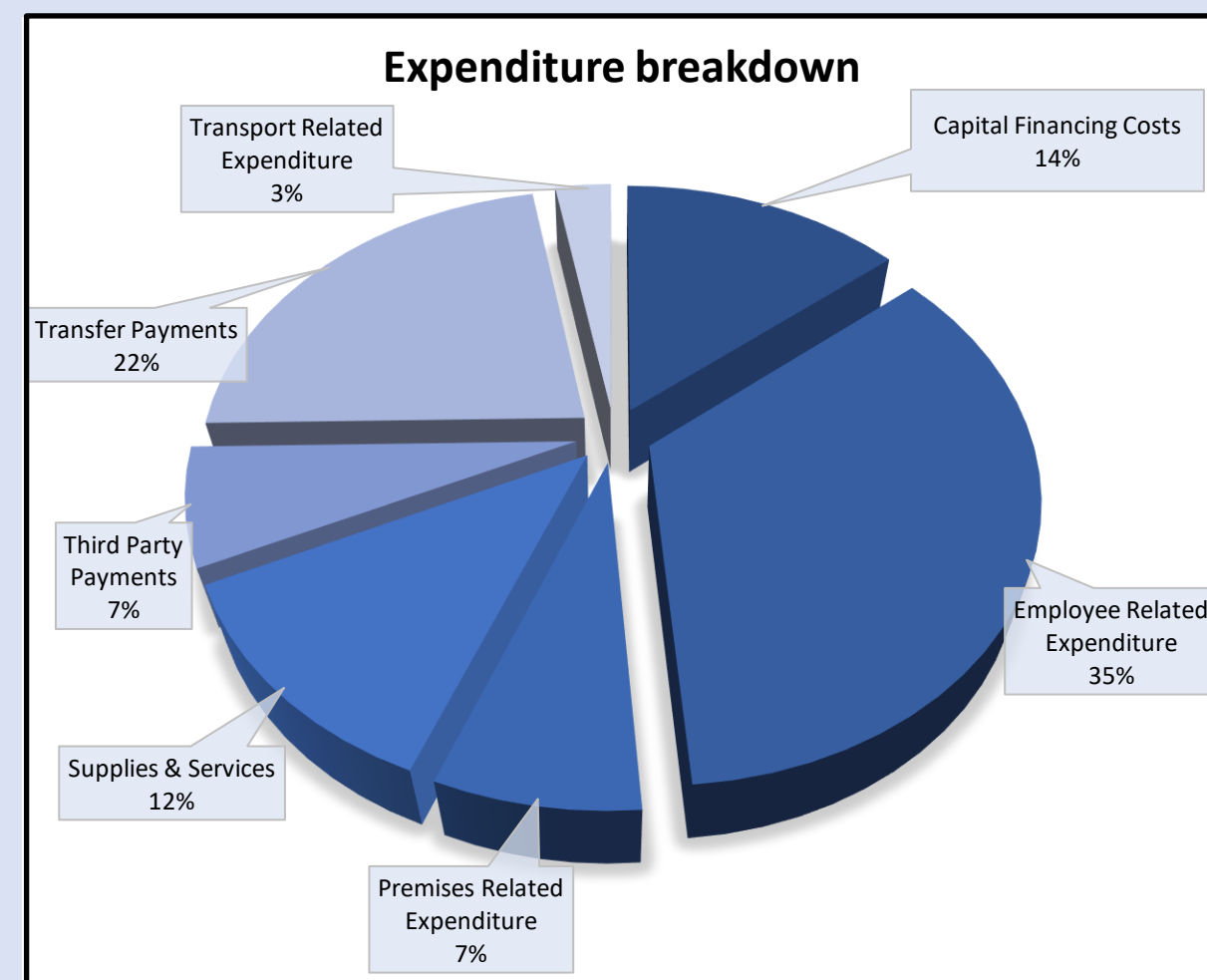
Rank	Director's area	Variance (£'000s)
1	Director Communities & Health	(146)
2	Director People & Governance	(119)
3	Director Of Asset & Investment	(101)
4	Director Customer & Data	(92)
5	Director Of Resources	(16)
6	Director Of Housing	(5)
7	Director Of Place	26
8	Director Of Policy & Delivery	50
9	Director Of Environment	825

### Top 5 overspent GF cost centres

Rank	Cost centre	Overspent (£'000s)
1	Waste Collection Support	575
2	Planning Development Management	178
3	Vehicle Fleet Management	139
4	Sports & Social Venues	117
5	Planning Enforcement	89

### Top 5 Under spent GF cost centres

Rank	Cost centre	Underspent (£'000s)
1	Planning Policy	(223)
2	Env Health Team & Support	(128)
3	Asset Management	(124)
4	Corporate Finance	(117)
5	Corporate Management Costs	(95)



### Top 10 Expenditure Account lines

Rank	Account code	Budget (£'000s)	Forecast (£'000s)	Variance (£'000s)
1	Full permanent establishment costs	13,081	12,306	(776)
2	Contracted Services	2,173	2,270	97
3	Agency Staff	594	1,346	753
4	Electricity	1,002	997	(5)
5	Vehicle - Fuel	439	415	(24)
6	Project Management Support	553	385	(168)
7	Insurances - General	231	377	146
8	Managed Services	345	336	(9)
9	Consultancy Fees	158	321	164
10	Waste Disposal	303	290	(13)

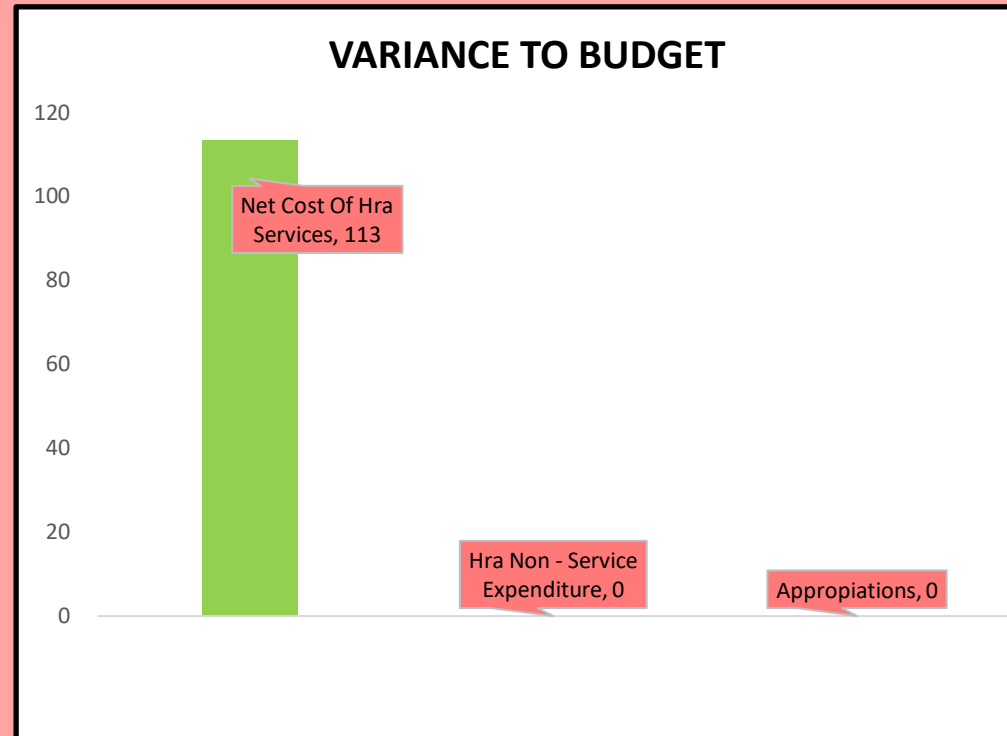
### Top 10 Income Account lines

Rank	Account code	Budget (£'000s)	Forecast (£'000s)	Variance (£'000s)
1	Rents - Other Premises	(5,025)	(5,064)	(39)
2	Income - Car Parking	(1,238)	(1,238)	0
3	Income - Planning Applications	(853)	(853)	0
4	Income - General Fees & Charge	(767)	(798)	(31)
5	Income - Waste Collection	(640)	(640)	0
6	Income - Recycling Credits	(592)	(592)	0
7	Income - Hires Charges	(553)	(551)	2
8	Rents - Council Dwellings	(329)	(329)	0
9	Income - Season Tickets	(295)	(295)	0
10	Rents - Shops	(256)	(273)	(17)

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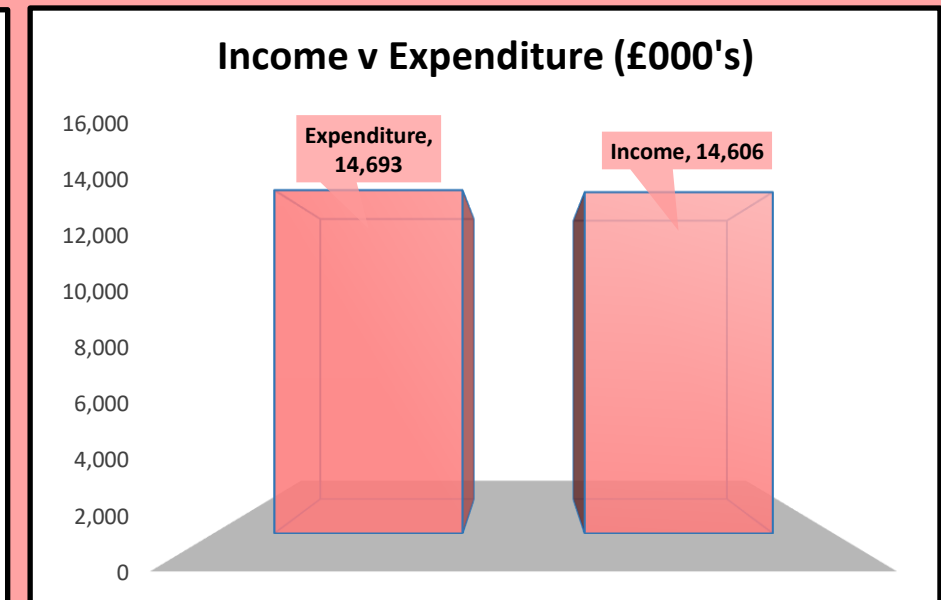
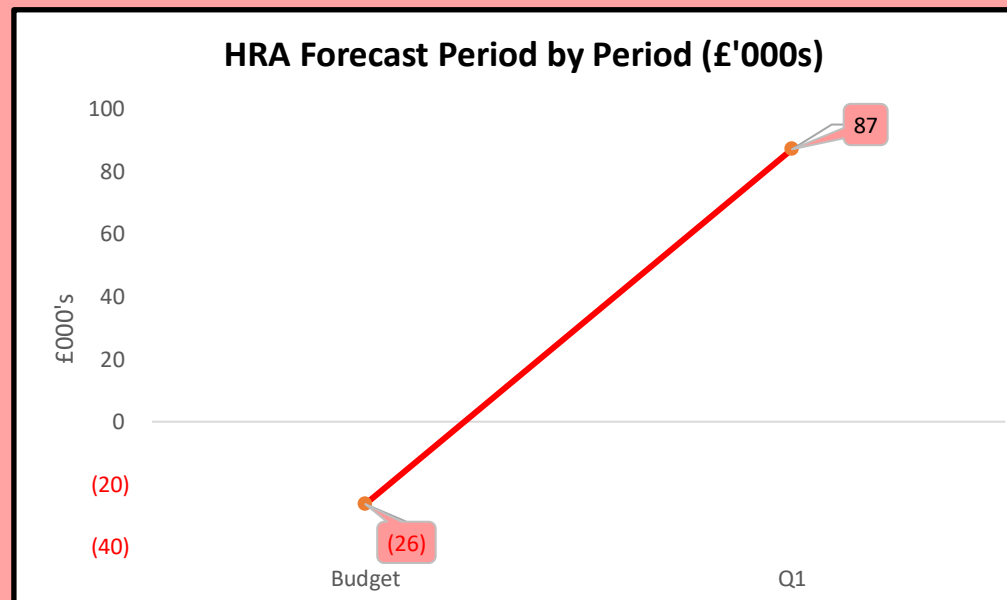
# HRA FINANCIAL DASHBOARD

AREA	£'000s			
	BUDGET	Q1	VARIANCE	% OVERSPENT
<b>HRA TOTAL</b>	<b>(26)</b>	<b>87</b>	<b>113</b>	
<b>Net Cost Of Hra Services</b>	<b>(2,299)</b>	<b>(2,186)</b>	<b>113</b>	<b>-5%</b>
Repairs And Maintenance	3,368	3,608	240	7%
Supervision And Management	2,998	3,092	94	3%
Special Services	1,906	1,898	(9)	0%
Rents, Rates & Other Charges	427	200	(227)	-53%
Self Financing Payment	0	0	0	0%
Depreciation And Impairment	2,941	2,941	0	0%
Movement For Bad Debts	160	160	0	0%
Dwelling Rents	(13,164)	(13,190)	(26)	0%
Non Dwelling Rents	(264)	(254)	11	-4%
Cfs Leaseholders	(360)	(344)	16	-5%
Cfs Tenants	(588)	(573)	15	-3%
Cfs Other Charges - Community	(1)	(1)	0	0%
Contributions To Expenditure	(5)	(5)	0	0%
Reimbursement Of Costs	(65)	(65)	0	0%
Hra Share Of Cdc	347	347	0	0%
<b>Hra Non - Service Expenditure</b>	<b>2,273</b>	<b>2,273</b>	<b>0</b>	
Interest Payable - Hra	2,335	2,335	0	0%
Hra Interest-Investment Income	(62)	(62)	0	0%
HRA Payments To Pension Fund	0	0	0	0%
<b>Appropriations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
Cont. To/From Reserves	0	0	0	100%
Contribution To Capital	0	0	0	0%



### Total Variance per Cost Centre

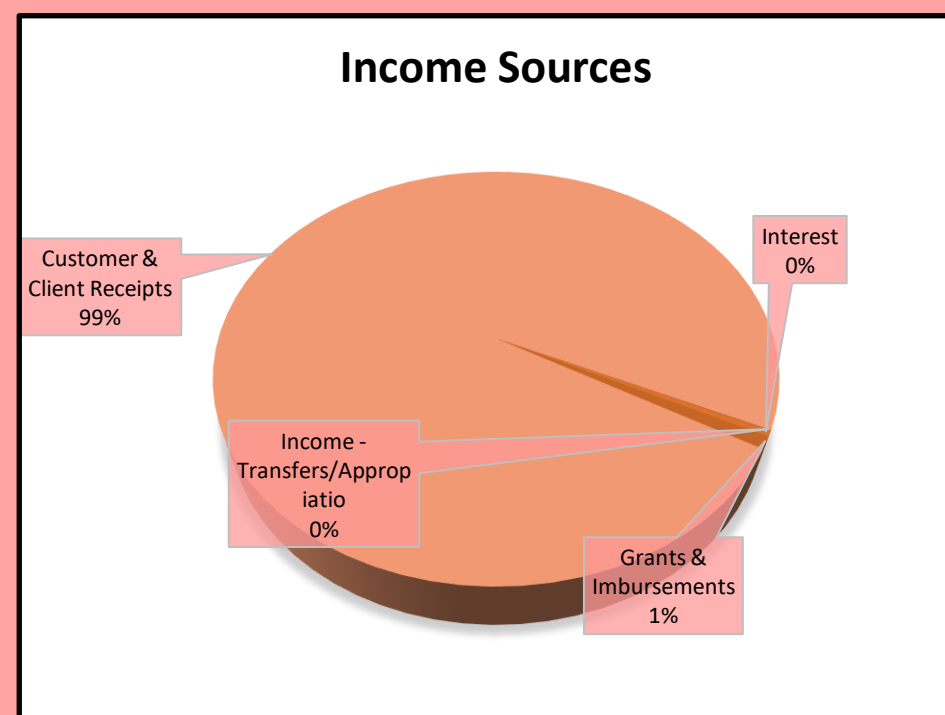
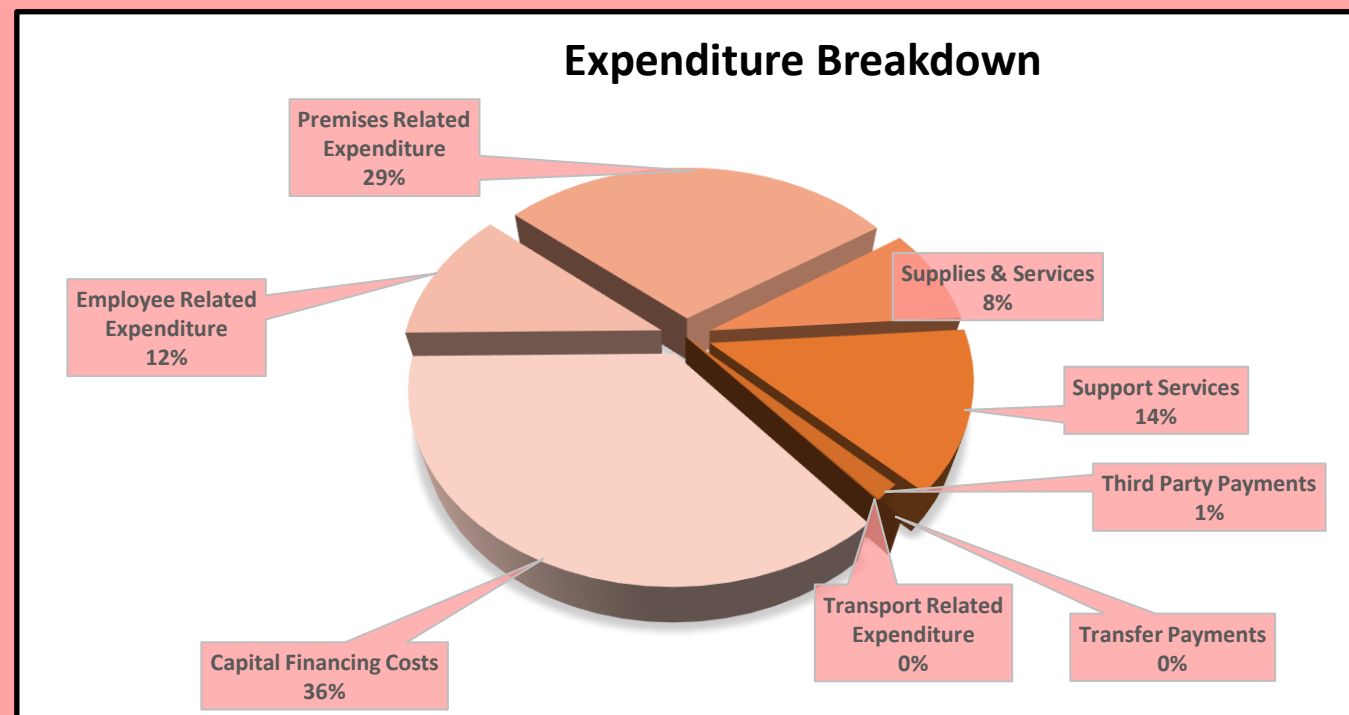
Rank	Director's area	Variance (£'000s)
1	Repairs And Maintenance	240
2	Supervision And Management	94
3	Cfs Leaseholders	16
4	Cfs Tenants	15
5	Non Dwelling Rents	11
6	Cfs Other Charges - Community	0
7	Reimbursement Of Costs	0
8	Contributions To Expenditure	0
9	Self Financing Payment	0
10	Depreciation And Impairment	0
11	Hra Share Of Cdc	0
12	Movement For Bad Debts	0
13	Special Services	(9)
14	Dwelling Rents	(26)
15	Rents, Rates & Other Charges	(227)



### HRA Future Years budget Info

	23/24	24/25	25/26	Total (£'000s)
Net Cost Of Hra Services	(2,299)	(2,952)	(3,060)	(8,311)
Hra Non - Service Expenditure	2,273	2,419	3,991	8,683
Appropriations	0	0	0	0
<b>HRA TOTAL</b>	<b>(26)</b>	<b>(533)</b>	<b>931</b>	<b>372</b>

## ACCOUNT CODE BREAKDOWN



### Top 10 Account lines

Rank	Account code	Amount (£'000s)
1	Full permanent establishment costs	1,602
2	R&M Bldgs - Ppp	1,229
3	R&M Bldgs - General	537
4	Gas	503
5	Electricity	477
6	Consultancy Fees	437
7	R&M Fix & Fit - Gas Extra Ppp	333
8	Depot Service Hra Charge	287
9	R&M Fix & Fit - Electrical	281
10	R&M Fix & Fit - Communal	231

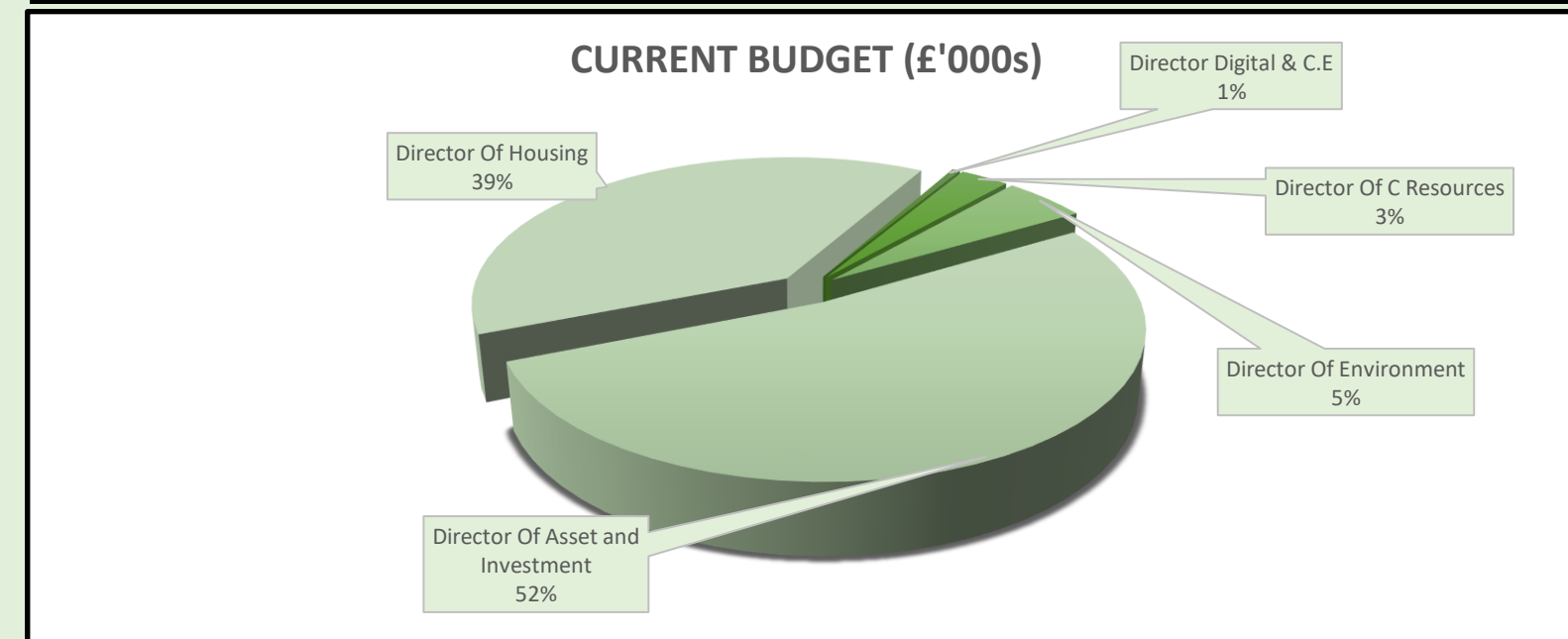
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## CAPITAL FINANCIAL DASHBOARD

CODE	CAPITAL PROJECT	£'000s			PROPOSED SLIPPAGE for 23/24
		CURRENT BUDGET	Q1 Est Outturn	Variance	
<b>CAPPRO</b>	<b>CAPITAL PROGRAMME</b>	<b>58,340</b>	<b>39,697</b>	<b>(18,643)</b>	<b>(20,885)</b>
	<b>Director Digital &amp; C.E</b>	<b>275</b>	<b>275</b>	<b>0</b>	<b>0</b>
C103	Ict Strategy	100	100	0	0
C155	Software Licences	50	50	0	0
C203	Ict Hardware	125	125	0	0
	<b>Director Of C Resources</b>	<b>1,651</b>	<b>1,651</b>	<b>0</b>	<b>0</b>
C107	E-Financial	51	51	0	0
C110	Asset Management Strategy	100	100	0	0
C217	Brentwood Leisure Centre	1,000	1,000	0	0
C223	Asset Compliance	250	250	0	0
C230	Retrofit - GF	250	250	0	0
	<b>Director Of Environment</b>	<b>4,898</b>	<b>2,799</b>	<b>(2,099)</b>	<b>(2,713)</b>
C125	Vehicle Replacement Programme	1,388	1,242	(146)	(146)
C128	Play Area Refurbishments	100	100	0	0
C215	Football Hub Development	2,817	250	(2,567)	(2,567)
C149	Home Repair Assistance Grants	5	0	(5)	0
C150	Disabled Facilities Grant	250	250	0	0
C193	Car Park Improvements	100	620	520	0
C200	Open Spaces Infrastructure	100	100	0	0
C220	Low Emissions infrastructure	138	138	0	0
CLA	S106	0	100	100	0
	<b>Director Of Housing</b>	<b>22,007</b>	<b>14,972</b>	<b>(7,035)</b>	<b>(10,663)</b>
CJA	HRA Decent Homes	6,007	9,635	3,628	0
CJB	HRA Affordable Housing	16,000	5,337	(10,663)	(10,663)
	<b>Director Of Asset and Investment</b>	<b>29,509</b>	<b>20,000</b>	<b>(9,509)</b>	<b>(7,509)</b>
C222	Regeneration fund	20,000	18,000	(2,000)	0
C228	Baytree Centre redevelopment	4,988	1,250	(3,738)	(3,738)
C229	Childerditch Redevelopment	4,521	750	(3,771)	(3,771)

DIRECTORATE	CURRENT BUDGET (£'000s)	Outturn (£'000s)	PROPOSED SLIPPAGE for 22/23 (£'000s)
Director Digital & C.E	275	275	0
Director Of C Resources	1,651	1,651	0
Director Of Environment	2,817	250	(2,567)
Director Of Asset and Investment	29,509	20,000	(7,509)
Director Of Housing	22,007	14,972	(10,663)
<b>Total</b>	<b>56,259</b>	<b>37,148</b>	<b>(20,739)</b>



TOP 5 Biggest Projects		
Rank	PROJECT	BUDGET (£'000s)
1	Regeneration fund	20,000
2	HRA Affordable Housing	16,000
3	HRA Decent Homes	6,007
4	Baytree Centre redevelopment	4,988
5	Childerditch Redevelopment	4,521

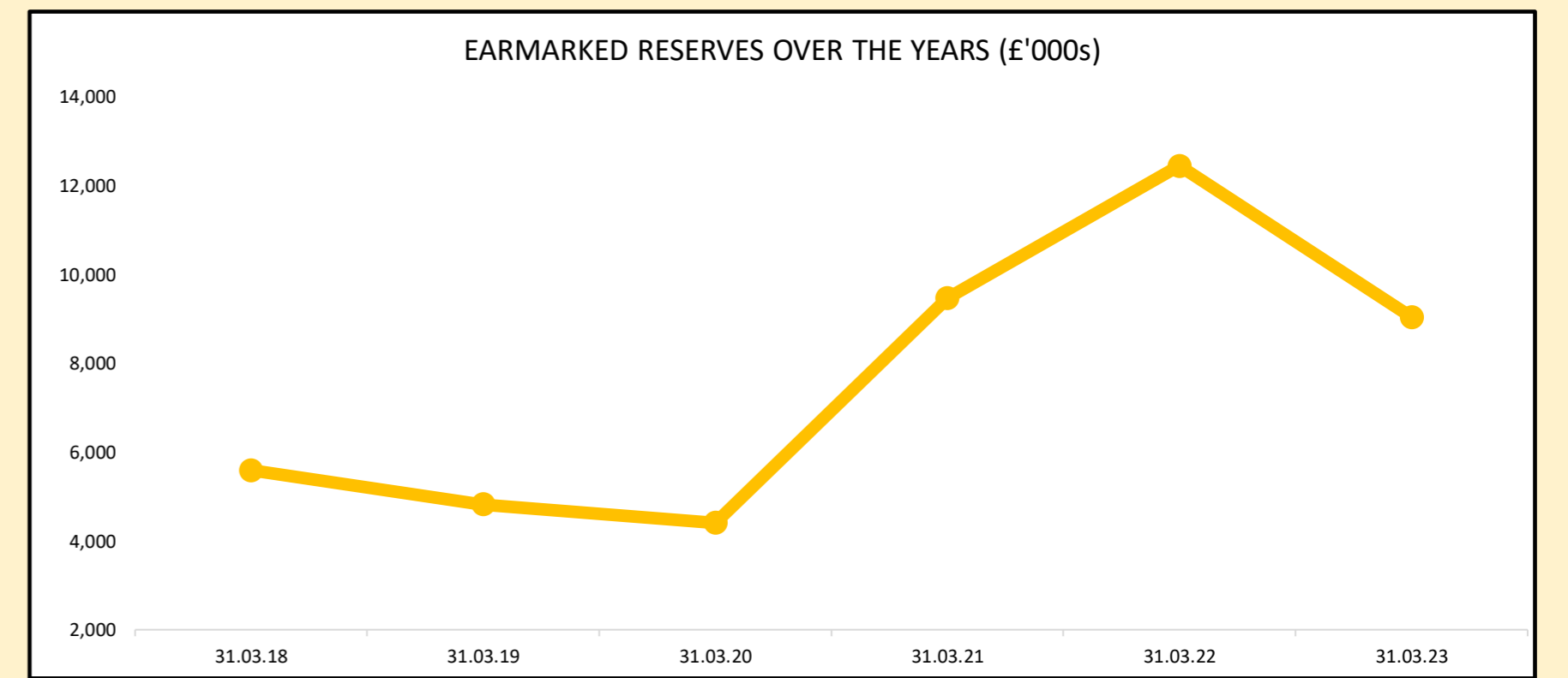
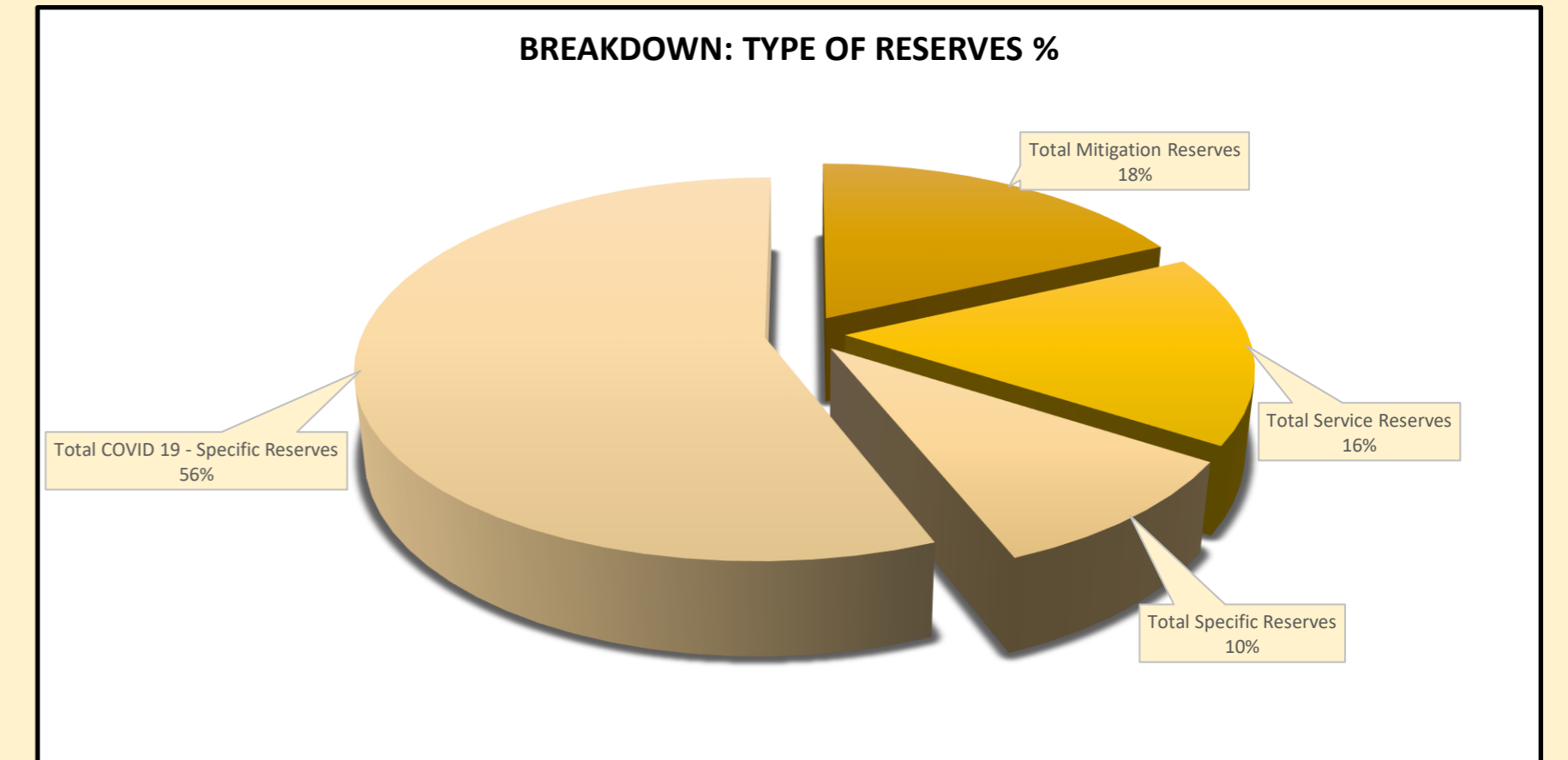
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## RESERVES DASHBOARD

Reserve	Balance as at 1.4.22	Budget proposed drawdown/ contribution	Proposed Drawdown/ contribution	Net contribution	Forecast balance 31.3.23
<b>Total General Fund Earmarked Reserves</b>	<b>9,472</b>	<b>(62)</b>	<b>(373)</b>	<b>(435)</b>	<b>9,037</b>
<b>Total Mitigation Reserves</b>	<b>6,207</b>	<b>(13)</b>	<b>0</b>	<b>(13)</b>	<b>6,194</b>
Funding Volatility	1,200	(111)		(111)	1,089
Housing benefit Subsidy	150			0	150
Insurance and Risk Management	37			0	37
In Borough Regeneration	3,500	98		98	3,598
Inflation & Finance Mitigation	1,320			0	1,320
<b>Total Service Reserves</b>	<b>1,932</b>	<b>(37)</b>	<b>0</b>	<b>(37)</b>	<b>1,895</b>
Asset Management	164			0	164
Electoral Registration	57			0	57
Economic Development	300	(14)		(14)	286
High Street Fund	200			0	200
Environmental Initiatives	182	(23)		(23)	159
Planning Enforcement	61			0	61
Service Investment and Initiatives	200			0	200
Legal Resource	100			0	100
Leisure Contingency	72			0	72
LGV Driver Training	10			0	10
Digital, Customer & Comms	134			0	134
Rochford Partnership	189			0	189
Other Licences	5			0	5
Corporate Training	46			0	46
Apprentice Incentive	9			0	9
Street Scene Initiatives Creation	200			0	200
Staff Achievement & Recognition	3			0	3
<b>Total Specific Reserves</b>	<b>960</b>	<b>(12)</b>	<b>0</b>	<b>(12)</b>	<b>948</b>
Duchess Of Kent/Nightingale	280	(12)		(12)	268
Preventing Homelessness	100			0	100
Brentwood Community Hospital	40			0	40
Community Rights	38			0	38
Health and Wellbeing	109			0	109
Neighbourhood Plan	29			0	29
Land at Hanover House	10			0	10
Willowbrook Rosen Crescent	7			0	7
Open Data Funding to LA's	1			0	1
New corporate priorities	250			0	250
CEV funding	27			0	27
Domestic Abuse funding	69			0	69
<b>Total COVID 19 - Specific Reserves</b>	<b>373</b>	<b>0</b>	<b>(373)</b>	<b>(373)</b>	<b>0</b>
NNDR Collection Fund Deficit	373	0	(373)	(373)	0

RESERVE	Balance as at 1.4.22	Proposed Drawdown/ contribution	Forecast balance 31.3.23
<b>Total General Fund Earmarked Reserves</b>	<b>9,472</b>	<b>(435)</b>	<b>9,037</b>
Total Mitigation Reserves	6,207	(13)	6,194
Total Service Reserves	1,932	(37)	1,895
Total Specific Reserves	960	(12)	948
Total COVID 19 - Specific Reserves	373	(373)	0



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**BRENTWOOD  
BOROUGH COUNCIL**

Brentwood Borough Council  
Guidelines for Budget Setting  
2024/25

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## Medium Term Financial Strategy (MTFS)

These guidelines apply to the General Fund, Housing Revenue Account, and the Capital Programme.

### General Fund

The Council's General Fund budget for 2023/24 through to 2025/26 was approved by Ordinary Council on 1<sup>st</sup> March 2023. The General Fund Working Balances and projected budgets deficits were agreed as detailed below:

	2023/24 Budget £'000	2024/25 Budget £'000	2025/26 Budget £'000
<b>Total General Fund Net Expenditure</b>	10,357	10,094	10,025
<b>Total Funding</b>	(10,246)	(9,845)	(10,025)
<b>Deficit/(Surplus)</b>	111	249	0
<b>Use of Earmarked Reserves</b>	(111)	1,360	1,656
<b>Deficit/(Surplus)</b>	0	249	0
<b>Working Balance b/fwd</b>	2,874	2,874	2,625
<b>(Deficit)/Surplus</b>	0	(249)	0
<b>Working Balance c/fwd</b>	2,874	2,625	2,625

Included in the table below are the current saving targets built within the General Fund budget for 2022/23 and future years:

Proposed Saving Targets	2023/24 £'000	2024/25 £'000	2025/26 £'000
Corporate Vacancy Factor	(673)	(686)	(700)
Capitalisation Staff Costs *	(50)	(50)	(50)
One team savings	(225)	(808)	(846)
<b>Total Efficiency Targets</b>	<b>(947)</b>	<b>(1,544)</b>	<b>(1,596)</b>
Leisure Strategy Income	(175)	(175)	(175)
Service Income Generation	(80)	(80)	(80)
<b>Total Income Generation Targets</b>	<b>(255)</b>	<b>(255)</b>	<b>(255)</b>
<b>Total Saving Targets</b>	<b>(1,202)</b>	<b>(1,799)</b>	<b>(1,851)</b>

\*Previously in part incorporated within the 2022/23 base budget.

The budget approach for the General Fund will be focused on how the Council will deliver a balanced budget; the overall aim of the Council is to be financially self-sufficient and resilient over the term of the MTFs; whilst maintaining high standards of services to the general public.

The ability of the council to deliver a balanced or surplus budget given ongoing uncertainties will be a challenge for 2023/24. Key challenges and approaches have been highlighted below.

#### *Central Government funding*

Continues to reduce over time and now focuses on ring fenced funding to deliver central government initiatives. Therefore, the Council needs to identify ways to replace this funding to continue to support the costs of current services. This will include identifying ways of generating sustainable income from assets, services, and business interests, to support service delivery in the long term.

#### *Ongoing impact of COVID-19*

There is continued uncertainty over the financial impact of the pandemic on the Council. The budget strategy will be prepared on the basis of business adjusted by the current known impacts of COVID-19, with anticipated longer-term impacts being reviewed.

#### *Service Changes*

Alternative service delivery proposals will continue to be part of the budget strategy process to fulfil continuous improvement and provide value for money, without adversely affecting services received by residents.

#### *Regional and Local Pay*

Brentwood Council is not part of the National Joint Committee (NJC) which sets regional local government pay and can currently make local decisions, we have a statutory duty to apply the NLW increase to the lower end of our pay scales. This in turn causes added pressures throughout, ensuring they remain competitive and appropriate.

Using the Local Pay Commission (LPC) forecasts the NLW is expected to increase to £11.08 by 2024 (currently £10.70 from 1st April 2023) and recently the Local Government Association (LGA) have advised that our budgeted future 4% pay awards will not be enough to meet the statutory requirements. We continue to work on capturing the future pressures that may arise and deliver on an appropriate strategy for future Pay.

#### *Rochford/Brentwood Partnership*

The Council entered into a shared Partnership with Rochford District Council on 26<sup>th</sup> January 2022. This partnership initially shares a Chief Executive and Senior Management Team. The Partnership will develop over the next 3 years to look at individual services and develop individual business cases to improve service delivery and deliver savings.

#### *Inflation and Cost of Living*

At the time of writing the economic outlook for the UK is bleak. Consumer Price index is expected to reach 10% or higher by the Autumn which Retail Price Index forecast to hit

around 13%. In addition to this Electricity and Gas that has already increased looks to increase further by another 30%. The Council will need to balance the ability to absorb some of these costs to ensure further financial burden is not passed onto residents who are already feeling the pressures currently.

*Council Tax and Business Rates Income*

There is continued uncertainty over the financial impact of the pandemic and the degree of economic recovery, especially on Business Rates. NNDR collection fund deficits are being managed by government grants that have been earmarked within reserves. Local businesses and residents may continue to feel pressures with cost of living increases and higher fuel and energy prices rising. In turn this will continue to put the Council under pressure with potentially lower Council Tax and Business Rate collection Income.

## Housing Revenue Account (HRA)

The Council's Housing Revenue Account for 2023/24 through to 2025/26 was approved by Ordinary Council on 1<sup>st</sup> March 2023. The HRA forecasts and Working Balances are detailed below:

	2023/24 £'000	2024/25 £'000	2025/26 £'000
Deficit/(Surplus)	(26)	(533)	931
Working Balance b fwd	2,315	2,341	2,874
Working Balance c fwd	2,341	2,874	1,943

The Government announced that from 1 April 2022 to 31 March 2023, the CPI plus 1 percentage point limit on annual rent increases is replaced by a 7% 'ceiling'. This means that, in that year, registered providers may increase rents by up to 7%. This does not affect the calculation of the maximum initial rent when properties are first let or subsequently re-let.

### *Repairs contract*

Continues to be bedded in and there will be ongoing pressure to ensure value for money for the service. The introduction of the Building and Regulation Act for Social Landlords will generate a workstream that needs to be funded. Alongside the retro fit requirement for the Council's existing stock.



## Budget Setting Timetable

The Medium-Term Financial Strategy for 2023/24-2025/26 will be reviewed by FAIR committee on 7<sup>th</sup> February. This committee will then recommend the final budget for approval including Council Tax setting to Ordinary Council on 28<sup>th</sup> February. The timetable highlights the process and key deadlines officers need to adhere to meet the budget setting requirements for the Council:

<b>Deadline</b>	<b>Action</b>
<b>June</b>	
2nd	Growth Bid Templates (GF, HRA & Capital) Circulated
14th	Outturn presented to CLT and Chairs
16th	Fees & Charges Review Commences – templates circulated
28th	Budget Guidelines and Assumptions presented to CLT and ELT
<b>July</b>	
TBC	Monthly Financial Update to CLT
TBC	Monthly Finance Session with Leader Chairs & CLT
11th	Audit & Treasury management reports presented to A&S committee
12th	Outturn Report, Q1 budget monitoring and Budget Guidelines present to FAIR committee
21st	Recharges templates circulated
31st	Partial Exemption Calculation Finalised
<b>August</b>	
TBC	Monthly Financial Update to CLT
TBC	Monthly Finance Session with Leader Chairs & CLT
30th	Budget Consultation goes live
<b>September</b>	
1st	Council Establishment Review
8th	Capital Growth Bid Deadline
12th	Review of Capital Growth and Financing
TBC	Capital Growths presented to CLT for Review
TBC	Monthly Finance Session with Leader Chairs & CLT
25th	Parish precept payment processed
26th	21/22 Audited accounts presented to A&S committee
29th	Recharge Allocations returned and recharge model updated.
<b>October</b>	
2nd	Bad Debt and Provisions Reviewed
2nd	Budget Consultation Ends
6th	Rent Model Updated
13th	All Fees & Charges Amendments to be submitted
TBC	Meeting with Treasury Advisors
TBC	CTB1 Submitted – Council Tax Base
TBC	Initial Business Rates Forecast
TBC	Budget Consultation Responses presented to CLT
TBC	Monthly Finance Session with Leader Chairs & CLT

27th	All Growth Bids Submitted
27th	Interest Payable and Receivable Budgets Calculated
<b>November</b>	
TBC	Members Remuneration Panel Held
TBC	Growth Bids and Savings targets presented to CLT
TBC	Monthly Finance Session with Leader Chairs & CLT
8th	Fees and charges present to FAIR committee
8th	First Draft MTFS presented to FAIR committee
8th	Q2 budget monitoring presented to FAIR committee
14th	Q2 Treasury management report to A&S committee
<b>December</b>	
1st	Parish Council's contacted regarding Parish Precept for 2024/25
18th	Housing Committee – Fees & Charges and Rent Setting Approved
TBC	Provisional Settlement Received
TBC	Monthly CLT Finance Update
TBC	Monthly Finance Session with Leader Chairs & CLT
<b>January</b>	
TBC	Final Budget presented to CLT
TBC	Monthly Finance Session with Leader Chairs & CLT
23rd	Budget Assumptions presented to A&S committee
23rd	Q3 Treasury management update to A&S committee
TBC	All Member Briefing on Budget Report 2023/24
31st	Deadline for Parish Precept returns
<b>February</b>	
2nd	Parishes notified of their Council Tax Bandings
7th	Treasury management strategy to A&S committee
7th	Budget + MTFS presented to FAIR committee
28th	Budget + MTFS presented to ordinary council
<b>March</b>	
31st	All Purchases orders to be raised and receipted for services/goods delivered in 23/24
<b>April</b>	
5th	Manual accruals supplied from services deadline
<b>May</b>	
31st	Publish statement of accounts

## Budget Setting and Monitoring Guidelines

The Council's budget for 2023/24 through to 2025/26 was approved by Ordinary Council in March 2023. This includes the General Fund, Housing Revenue Account, Capital Programme and Treasury Management Strategy.

Managers are expected to work within the budgets set by Council and no changes will be made to the budget unless approved by the Section 151 Officer and in line with the Financial Regulations as set out in the Constitution.

When reviewing budgets in year and for future years, managers should consider the following:

- Resources should be aligned to deliver the Corporate Strategy.
- Anticipated long term operational impact of COVID-19 should be highlighted by managers early and discussed with their Link Accountants.
- Managers are required to use Collaborative Planning every month to record their estimated outturn for the current year. Working alongside their Link Accountant managers should be highlighting any issues that may affect the outturn and future financial years budgets. It is the Managers responsibility to provide outturn estimates and explanations to variances.
- The year-end outturn is the expected variance between the budget set at Ordinary Council and estimated actual net expenditure. Managers need to ensure they undertake all reasonable actions to manage any budget pressures, as well as maximise any underspends and over-recovery of income. All variances are reported monthly to the Chief Executive, Section 151 Officer, and the Senior Leadership Team.
- Budget update reports will be taken to Policy Resources and Economic Development Committees during the year, allowing members of the committee to review and comment. The reports will be taken to the committees throughout the year.
- Managers are required to review the base budget for the next financial year as agreed at Ordinary Council. This budget is reviewed in Collaborative Planning and allows managers to identify any potential financial issues and capture them when developing the MTFS.
- Managers should be highlighting to their Link Accountants any future legislative, demand or service delivery change which will have a financial impact. The revenue impact of any capital investment also needs to be factored into the MTFS. Link Accountants can work with managers to model the financial impact and update the MTFS accordingly.

Salaries, Fees & Charges, Other Non-Salary Expenditure, Other Income and Growth Bids must be reviewed and considered using guidance as set out below.

## Salary Budgets

When budgeting for the Council's establishment, the following will be applied:

- All vacant posts will be budgeted at the bottom of the grade.
- There will be a vacancy factor set at 5% for all years, this will be held centrally.
- Pay scales are reviewed on an annual basis. The current assumption is that 4% pay inflation will be built into the current pay scales. However, Corporate Finance in light of the cost-of-living crisis are currently working of other options alongside the financial impact on the MTFS. This will be presented to Chairs and SLT and recommended to PRED as part of the budget setting timetable.
- Increments will be calculated allowing for one additional increment per annum until the employee is at the top of the grade.
- All establishment growth for 2024/25 to 2026/27 will require the approval of a growth bid approved by the Senior Leadership Team and Section 151 Officer.
- Managers need to take into consideration staff who are delivering work on capital projects, as these costs can be charged directly to the capital budget. These arrangements come under external audit review annually and therefore managers need to ensure that there is an adequate audit trail to support the decision.
- Managers will be required to review their establishment information and confirm back to their link accountant that the information is accurate.

## Support Service Recharges

- Support Service areas are required to be recharged to the Direct Service areas. Most of these support areas are considered 'back office', examples include, Finance, ICT, Payroll, HR etc.
- Finance will circulate a proforma to each recharging service area. It is the responsibility of managers to complete the allocation for their service area.
- Managers are requested to supply specific information to support the allocations provided.
- Finance will collate the completed allocations to calculate the recharges which are then built into the budget.

## Other Non-Salary Expenditure

- Inflation, CPI for Q1 2023 was 10.2%. The rise was mainly due to a further leap in food price to 19.1%. With agricultural commodity prices having risen rapidly over the past year. Bank of England Forecasts are predicting inflation to fall to around 5% by the end of 2024. Inflation will be monitored throughout the year and will be set by Corporate Finance in the Autumn.
- Insurance budgets will be calculated based on 2022/23 premiums, with an inflation factor applied later on in the year.
- The HRA Repairs and Maintenance contract will have an inflation factor of **2.4%** applied to reflect the higher cost of building materials.

## Fees and Charges

Non-Statutory Fees and Charges income budgets will usually be increased by the estimated CPI of 2022/23, because of the current economic outlook further work needs to be undertaken by Corporate Finance to ascertain a balanced increase. For the purpose of this guidance **2%** is to be set as a minimum. Given the current economic situation, there may be areas which cannot bear the increase in CPI and may even experience a material reduction in income. These areas of income need to be separately identified in the budget preparation along with key assumptions.

The general principle remains that all fees and charges are set on a full cost recovery basis and should be reviewed annually.

It is important that Service Managers review their fees and charges thoroughly and ensure that all charges are included in the schedule. A charge should not be made to members of the public without formal approval by Members.

Any proposed changes should be considered in terms of the impact on the budgeted income levels along with usage/volumes. With the ongoing financial challenges that the Council is facing, managers should have a clear understanding of what drives service income.

Increasing Fees and Charges above the average increase, or not changing them at all needs to be explained and justified in the cover sheet that supports the Fees & Charges schedule. This cover sheet goes to all individual committees to support the Fees & Charges schedules that members are being asked to approve.

All Fees and Charges information will be collated and will be presented to individual committees in December, as outlined in the Budget Setting timetable within this guidance for formal approval.

The VAT liability of each fee and charge will be determined by Finance, in consultation with the Manager if appropriate, and this will be clearly indicated on the schedule of fees and charges approved by Council and posted on the Council's website. Managers should ensure that the correct VAT liability is always applied. Any queries concerning the VAT liability of a fee or charge should be raised with Finance as soon as possible.

## Other Income

- Business Rates for Council properties are reviewed, and any increase is based on the national multiplier, which is restricted to CPI. In the absence of any formal notification, the multiplier should be increased by **2%**. Business Rates retention forecasts will be maintained at safety net levels.
- Council Tax is assumed to increased annually by **2%**. The Council Tax base will increase by **0.5%** growth year on year, however an annual reconciliation process is carried out and the council tax base is realigned to actual levels each year. Further modelling work is being carried out to strengthen future forecasting.

## Growth Bids - Capital and Revenue

When reviewing the base budget for future years, managers are expected to consider whether these budgets are realistic for the delivery of the service. Any increase in the base budget needs a growth bid completed.

Growth bids are to be discussed with the managers Link Accountant and relevant Director. Managers should be mindful of their budgets and whether they are deemed sufficient to deliver the current service and future demand for the service.

No growth will be added to the budget without completion of a growth bid which has gone through the approval process. The growth bid template and guidance on completing the template will be circulated to all managers in July.

All Growth bids will be reviewed by Finance and presented to the Senior Leadership Team for scrutiny. Growth bids will be reflected in the budget once scrutinised by SLT and approved by the Section 151 Officer.

## Capital Financing

When considering capital projects, budget holders need to determine how the project will be financed. Capital Projects can be financed by the following:

- Capital Receipts
- Section 106 – Planning Obligations
- External Grants & Contributions
- Revenue Contributions
- Balances and Reserves
- Borrowing

Capital projects that cannot be funded from any other source can be funded from Prudential Borrowing. The Council must be able to afford the borrowing repayment and interest charges on the loan from existing revenue budgets or the Council must see this as their key priority for the budget process and to be factored into the Medium-Term Financial Strategy accordingly.

The Council does not have excess capital receipts, revenue or reserves to contribute to capital projects that are not within the existing Capital Programme. Therefore, projects that cannot secure funding are assumed 100% funded by borrowing. This will have revenue implications to the Council's revenue budget.

Capital projects will assume that these projects will be short term borrowed during development. On completion of the project, the short-term borrowing will be replaced with long term borrowing aligned with the development's life.

Interest rates to be assumed are:

Short- term rate at 5.5%

Long-term Rates

<b>Period</b>	<b>Forecast Interest Rate (%)</b>
5 Years	5.60
10 Years	5.23
25 Years	5.37
50 Years	5.05

Minimum Revenue Provision (MRP) is based on the Council's MRP policy as outlined in the Capital and Investment Strategy.

Minimum revenue provision for new capital expenditure incurred wholly or partly by unsupported (Prudential) borrowing will be determined by reference to the expected life of the asset on an annuity basis. The asset life is deemed to begin once the asset becomes operational. Minimum revenue provision will commence from the financial year following the one in which the asset becomes operational.

For forecasting, 3.5% is the MRP rate to use on an annuity basis.

There is no requirement on the HRA to make a minimum revenue provision but under HRA reform there is a requirement to charge depreciation on its assets, which will have a revenue effect. The HRA business plan will need to fund this depreciation over the life of the assets.

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## FINANCE, ASSETS, INVESTMENTS AND RECOVERY COMMITTEE

12 July 2023

<b>REPORT TITLE:</b>	Historic accounting for Minimum Revenue Provision
<b>REPORT OF:</b>	Tim Willis, Interim Resources Director

### REPORT SUMMARY

This report describes an outstanding issue with the calculation of and accounting for Minimum Revenue Provision (MRP) for the period 2007/08 to 2011/12 and from 2017/18 onward. It also outlines the plan to resolve the matter with the involvement of the Council's external auditors, EY, and treasury advisors, Link Group.

### RECOMMENDATIONS

**That the Committee notes this report.**

### SUPPORTING INFORMATION

#### 1.0 REASONS FOR RECOMMENDATIONS

The outcome of the resolution of this technical matter could lead to a retrospective charge to the accounts of £0.640m and an ongoing increase in the MRP of £0.085m. This will be reflected in the 2021/22 final accounts, once audited.

#### 2.0 BACKGROUND INFORMATION

MRP is an amount that Brentwood is required to charge to its revenue account each year toward the repayment of borrowing incurred for the purpose of financing capital expenditure. In effect, it is the setting aside of funds that will be available repay borrowing for capital expenditure purposes when the borrowing matures. The statutory basis for this duty is the Local Authorities (Capital Financing) Regulations 2023.

The Council uses two methods to calculate MRP, in accordance with the statutory guidance issued by Government:

a) supported borrowing method, applicable to borrowing in relation to capital expenditure incurred prior to 1 April 2008: up to 2018, the Council set aside 4% of the borrowing each year on a reducing balance basis; since 2018, the Council has set aside 2% of the borrowing each year on a straight-line basis (i.e. over a 50 year period).

b) asset life method, borrowing in relation to capital expenditure incurred on or after 1 April 2008: the Council sets aside an amount each year over the life of the assets financed by borrowing: the amount set aside increases each year by a discount rate determined by the Council; the outcome is that the total amount set aside over the life of the asset is equivalent to the amount borrowed to finance that asset.

During the audit of the 2020/21 accounts, which was carried out in 2022, the external auditors, EY, carried out a detailed review of the Council's MRP going back to 2003 (the year when the current MRP regime was introduced). Their reason for undertaking this review was that MRP has become a key risk area for the Council in view of the significant increase in borrowing by Brentwood in recent years.

The external audit review is a complex exercise, but a couple of key points have emerged:

#### MRP on finance leases.

a) Around 2011, a number of assets held by the Council at the time were reclassified as finance leases (following the introduction of International Financial Reporting Standards as the basis of the preparation of local authority accounts). It follows that the MRP associated with the financing of these assets should have been switched at the time from the supported borrowing method to the asset life method.

b) It is not conclusive from the Council's historical records from the time as to whether this switch in MRP treatment occurred. The auditors' view, however, from their review of the statement of accounts from the time and the available supporting working papers, is that this switch did not happen and that as a result, the Council has historically underprovided MRP on these assets between the financial years 2007/08 to 2011/12. Instead of providing MRP over a relatively short period of time (the length of the leases) the Council continued to spread MRP over a much longer period.

#### MRP on supported borrowing.

a) When the Council switched from the reducing balance method to the straight-line method in 2018, the Council continued to apply an adjustment to the calculation known as "Adjustment A". This adjustment was introduced by the Government in 2003 and its purpose was to ensure that the starting point for calculating MRP under the revised approach did not significantly vary the level of liability that would have

arisen had the previous system of capital controls remained unchanged. In effect, it reduces the annual MRP charge.

b) The auditors' view is it is not appropriate for the Council to continue to apply Adjustment A following the switch in method in 2018.

The potential financial impact of the above findings are:

a) A one-off charge of £0.640m to correct the historic under-provision of MRP.

b) An ongoing annual charge of £0.085m, resulting from any removal of Adjustment A from the MRP calculation on supported borrowing.

During the conclusion of the 2020/21 audit, the Council and the external auditors agreed that there would be no adjustment to the 2020/21 accounts, and that the Council would instruct its treasury advisors, Link Group, to give a second opinion on the findings of the audit review. This was deemed appropriate by both parties due to the complex nature of the work and the potential impact upon the accounts.

The review by Link Group is ongoing, with the Council facilitating the review and any discussion required between the auditors and Link Group. This process is expected to conclude in a matter of weeks, but in any case before the conclusion of the external audit of the 2021/22 accounts (by September).

### **3.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**

**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

Depending on the outcome of the review described above, and the final opinion of the S151 Officer after taking into account the technical issues and advice, there may be a charge to the 2021/22 accounts of £0.640m and an ongoing increased charge of £0.085m per annum. The potential one-off charge has been anticipated and provided for in the 2022/23 draft accounts (via reserves) and the ongoing cost will be reflected in future budgets.

### **4.0 LEGAL IMPLICATIONS**

**Name & Title: Claire Mayhew, Joint Acting Director of People & Governance & Monitoring Officer**

**Tel & Email 01277 312500 / claire.mayhew@brentwood.rochford.gov.uk**

None.

### **5.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

None.

### **6.0 RELEVANT RISKS**

None – the sums involved do not have a material impact on the Council's financial sustainability.

## **7.0 ENGAGEMENT/CONSULTATION**

None.

## **8.0 EQUALITY IMPLICATIONS**

**Name & Title:** Kim Anderson, Corporate Manager - Communities, Leisure and Health

**Tel & Email** 01277 312500 kim.anderson@brentwood.gov.uk

None.

## **9.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

**Name & Title:** Phil Drane, Director - Place

**Tel & Email** 01277 312500 / phil.drane@brentwood.rochford.gov.uk

None.

## **REPORT AUTHOR:**

Name: Tim Willis

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## **APPENDICES**

None.

## **BACKGROUND PAPERS**

None.



## FINANCE, ASSETS, INVESTMENTS AND RECOVERY COMMITTEE

12 July 2023

<b>REPORT TITLE:</b>	Delayed audit of 2021/22 accounts
<b>REPORT OF:</b>	Tim Willis, Interim Resources Director

### REPORT SUMMARY

This report is a summary of the background and reasons for the delayed external audit of the 2021/22 accounts. The unaudited accounts were published in July 2022 but the audit is planned to complete in September 2023.

### RECOMMENDATIONS

**That the Committee note this report.**

### SUPPORTING INFORMATION

#### 1.0 REASONS FOR RECOMMENDATIONS

1.1 Local Government accounts have traditionally been completed in accordance with the law/statutory instruments. Timely finalisation enables transparency and ensures good governance. A variety of factors have disrupted the normal annual rhythm of this work. This report sets out some of those factors.

#### 2.0 OTHER OPTIONS CONSIDERED

2.1 None.

#### 3.0 BACKGROUND INFORMATION

3.1 The process of finalising Brentwood's accounts is governed by the law (the Local Audit and Accountability Act 2014) accompanied by statutory instruments. The "draft" (i.e. unaudited) accounts are published; then there is a 30 working day period of inspection, during which time the public are entitled to inspect the accounting records of the Council and raise an objection to the Council's accounts. The external

audit of the accounts is completed with an audit opinion, and the final accounts are then signed and published.

3.2 Prior to 2017/18 the deadline for completing the process outlined above was 30 September. Thereafter, the Accounts and Audit Regulations 2015 required that the process be completed by 31 July each year. This entailed draft accounts publication by 31 May, followed by the six week inspection period, and external audit done and published by 31 July.

3.3 The way in which external audit was procured changed in 2018/19, whereby a new agency (Public Sector Audit Appointments) procured audit contracts for nearly all local authorities. To add to the complexity, additional requirements of new International Financial Reporting Standards, along with increased expectations from the Financial Reporting Council, had combined to produce a significant increase in audit work, particularly on asset and pensions valuations. The Covid-19 pandemic also had a significant impact on local authorities' and external audit firms' ability to carry out the work in accordance with the statutory timetable.

3.4 The outcome of the above has been late audits across the sector. For example, the National Audit Office found that whereas some 97% of accounts were finalised by the deadline for 2015/16, only 45% were completed for 2019/20 – despite the deadline being extended to 30 November. The Government extended the deadline to 30 September for the 2020/21 and 2021/22 accounts. However, only 9% of 2020/21 accounts were complete by this date. The deadline for 2021/22 accounts was subsequently changed to 30 November 2022, but only 12% of accounts were signed off by this date, and only 19% by the end of May 2023. Further regulations announce in July 2022, now in force, require 2022/23 accounts (and for five years hence) to be finalised by 30 September 2023 and draft, unaudited accounts to be published by 31 May 2023.

3.5 A report by the Public Accounts Committee concluded that DLUHC's oversight of local government finance relied on a system of local accountability, which was being hampered by "shockingly late" audit opinions.

3.6 This history, together with the ongoing difficulties of recruitment and retention of staff in both local authorities and audit firms and the complex technical challenges of local government audit requirements, presents serious challenges to all concerned. It is testament to Brentwood's finance team that it has published draft accounts by 31 May 2023; but the external auditors (EY) are not able to tell us when these accounts will be audited. At the time of writing, they have yet to start the audit of the 2021/22 accounts. It is understood that DLUHC are aware of the sector-wide problems of meeting the 2021/22 and 2022/23 deadlines, as well as the legacy issues of a backlog of audits: some authorities have five years' worth of outstanding audits. The sector is awaiting news of any new plan.

3.7 In the meantime, Brentwood is liaising with EY to plan for the audit of the 2021/22 accounts over July and August with a view to finalising the audited 2021/22 accounts by 30 September 2023. Whilst ten months late, this will undoubtedly be better than average across the whole of local government. For 2022/23 the draft accounts were published by the required date of 31 May 2023 and the inspection period is in progress, so everything has been done from the Borough's perspective, but the final accounts publication date is unknown, which is entirely dependent on the timing of their external audit.

#### **4.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**  
**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

4.1 Delays to the publication of accounts has a detrimental impact on transparency with the public, through the lack of timeliness of reliable financial information. It also undermines the reputation of each local authority, and the sector as a whole, when managing external partnerships (the Council itself would not be reassured by doing business with a company whose accounts were late being published). Late finalisation of audits and subsequent accounts can also undermine the Council's ability to present data to support grant claims that can be relied upon, by both the Council and supporting body.

#### **5.0 LEGAL IMPLICATIONS**

**Name & Title: Claire Mayhew, Joint Acting Director People & Governance & Monitoring Officer**  
**Tel & Email 01277 312500 / claire.mayhew@brentwood.rochford.gov.uk**

5.1 Contained within the body of the report.

#### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

6.1 The finance team is resourced to manage the rhythm of the financial year – to produce draft accounts and support their audit over March to September; then to focus more on budget monitoring, budget preparation and medium term financial planning over October to February. The severely disrupted timetable of accounts production and audit can have an adverse impact on other aspects of the team's work.

#### **7.0 RELEVANT RISKS**

7.1 Delayed audit does not have an impact on the Council's financial sustainability.

#### **8.0 ENGAGEMENT/CONSULTATION**

8.1 None.

#### **9.0 EQUALITY IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**

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9.1 None.

## **10.0 ECONOMIC AND CLIMATE IMPLICATIONS**

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**Tel & Email 01277 312500 / phil.drane@brentwood.rochford.gov.uk**

10.1 None.

<b>REPORT AUTHOR:</b>	<b>Name:</b>	Tim Willis
	<b>Title:</b>	Interim Resources Director and S151 Officer
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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, of 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, Assets, Investment and Recovery Committee**

The committee shall consider all matters of policy and strategic importance to the Council including matters referred to it by other Committees and/or Chief Officers.

The function within the remit of the Finance, Assets, Investment and Recovery Committee include all financial matters relating to the budget, (and for avoidance of doubt, being the superior Committee on all such matters including capital, revenue and the Housing Revenue Account (HRA) except where the law otherwise requires), and without prejudice to the generality of this, include the specific functions which are set out below.

### Policy

Generally to review and oversee the co-ordination and governance of all functions of the Council. To undertake and discharge any functions in relation to strategic policies including periodic reviews of the policy framework adopted by full Council from time to time except where required by law to be undertaken elsewhere.

### Finance

- 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) Human Resources
  - 8) Information Communication Technology
  - 9) Revenues and Benefits
  - 10) Customer Services
  - 11) Assets (strategically)
- 
2. Overall responsibility for monitoring Council performance.
  3. To formulate and develop relevant corporate policy documents and strategies including the Corporate Plan.
  4. 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.
  5. To formulate the Council's Borrowing and Investment Strategy and make recommendations to Council for approval.

6. To take decisions on spending within the annual budget to ensure delivery of the Council's priorities.
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 and allocation of resources.
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.
13. To strategically manage any lands or property of the council and provide strategic property advice relating to the council's Housing Stock and without prejudice to the generality of this, to specifically undertake the following-

#### The Council's Asset Management Plan

- (a) The acquisition and disposal of land and property and taking of leases, licenses, dedications and easements.
- (b) The granting variation renewal review management and termination of leases, licenses, dedications and easements.
- (c) Promoting the use of Council owned assets by the local community and other interested parties.
- (d) To manage any lands or property of the Council;
- (e) To include properties within the council's Asset Management Portfolio including Halls etc.
- (f) To take a strategic approach to asset management, ensuring that the use of all of the Council's Property assets achieves Value for Money and supports the achievement of the Council's corporate priorities.
- (g) To review the corporate Asset Management Plan annually.
- (h) The acquisition of land in advance of requirements for the benefit, improvement or development of the Borough.

- (i) Disposal of land surplus to the requirements of a council function.
  - (j) Appropriation of land surplus for the requirements of another Council function.
  - (k) Promote the use of Council owned assets by the local community and other interested parties where appropriate.
  - (l) Property and asset management, including acquisitions and disposals not included in the approved Asset Management Plan.
  - (m) To receive updates reports on the Asset Development Programme and the work of the Asset Development Programme and Project Board.
  - (n) To take a strategic approach to commercial activity, both existing and new, ensuring the Council realises revenue generation opportunities and supports the achievement of the Council's corporate priorities.
  - (o) To agree and monitor the governance arrangements for any commercial and/or partnership arrangement with the Council.
  - (p) Promoting a culture of entrepreneurialism and building the required skills and capacity.
  - (q) To consider and approve business cases and commercial business plans for commercial activity.
14. To consider and propose matters concerning the promotion of economic development throughout the Borough and the interface with countryside or regional economic development initiatives.

#### Economic Development

- (a) To lead, consider and propose matters concerning the promotion of economic development throughout the Borough and the interface with countryside or regional economic development initiatives.
- (b) To promote and encourage enterprise and investment in the Borough in order to maintain and sustain the economic wellbeing and regeneration of the area.
- (c) To develop climate where businesses and individuals can innovate, compete and contribute to the economic development and regeneration of the area; and excellence in local business.
- (d) To encourage the growth of existing businesses in the borough and access to the skills and training necessary to support them.
- (e) To develop and deliver a Borough wide initiative on apprenticeships.

- (f) To consider and determine matters relating to the promotion, maintenance and enhancement of the vitality and viability of shopping centres within the Borough.
  - (g) To consult with the Chamber of Commerce, Federation of Small Businesses, residents and other interested third parties.
  - (h) To maintain a special interest in promoting employment in the Borough.
  - (i) To promote and encourage tourism and heritage.
  - (j) Parking (off street parking provision in Council owned/leased off-street parking places).
  - (k) Any matters relating to Crossrail.
15. To consider a report from the Monitoring Officer at the beginning of the Municipal Year, for the Committee to appoint the membership of the Constitution Working Group, in order for the Monitoring Officer to consult with such Members on the regular review of the Constitution documentation in accordance with Article 12 of the Constitution during the year.
16. To review and facilitate the transformation of delivery of services.

#### Transformation

- (a) To approve and facilitate the transformation of delivery of services.

#### Projects

- (a) To identify, monitor and oversee the implementation of those Corporate Projects that have been agreed by the committee to be major.

#### Scrutiny

- (a) To advise the Audit & Scrutiny Committee of any matters that require scrutiny in accordance with the Audit and Scrutiny Procedure Rules.
  - (b) To receive requests and determine on matters that require scrutiny from any Committee in accordance with the Audit and Scrutiny Procedure Rules.
17. To consider any requests for sponsorship and use of the Council's Coats of Arms and logos.