



Brentwood Borough Council
General Fund Budget
2023/24

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Medium Term Financial Strategy 2023-26

Introduction

1.The Corporate Strategy requires that the Council is committed to seeking innovative financial solutions that will allow the Council to deliver a prosperous borough to its residents, businesses and visitors.

In this context the Medium Term Financial Strategy (MTFS) seeks to:

- Maintain a sustainable financial position against a background of unprecedented financial uncertainty.
- Support the vision of our Borough through appropriate identification of resources required to deliver the key priorities outlined in the Corporate Strategy.
- Maximise opportunities and mitigate risks associated with the fundamental change to the way in which local government is financed.

2.This section sets out the key considerations for the MTFS through to 2025/26. The forecasts should be treated with caution because:

- The settlement for 2023/24 is for one year only.
- A New Homes Bonus allocation has been made for 2023/24 but a formal review of the scheme is planned for 2024/25. The 2023/24 allocation is solely for that year.
- In the Settlement announcement there was no reference to the Fair Funding Review or Business Rates Review. There is therefore an assumption of no change in the methodology of distribution of Government funding and maintenance of the existing Business Rates system.
- There is uncertainty regarding the financial impact of inflation and interest rates, that are both higher than seen in recent years. The budget has been prepared on the basis of economic advice regarding future projections, but these could change, especially given the relatively volatile macro-economic environment.

3.Taking the above into consideration, the assumptions used to forecast future income and expenditure are prudent and realistic.

4.The additional cost pressures of inflation and interest rates have been mitigated in year which means that the 2022/23 forecast is for a £156k underspend.

5.The Council has an ambitious agenda in a current volatile financial climate. The Council aims to continue to deliver and enhance the services it currently provides. The MTFS is expected to utilise reserves in 2023/24 and beyond that year, further savings, efficiencies and income generation will be required. The current position is outlined below.

Table 1 – General Fund Summary

| | 2021/22 Actual £'000 | 2022/23 Budget £'000 | 2022/23 P9 Forecast £'000 | 2023/24 Budget £'000 | 2024/25 Budget £'000 | 2025/26 Budget £'000 |
|---------------------------------------|----------------------------|----------------------------|------------------------------------|----------------------------|----------------------------|----------------------------|
| Total General Fund Net Expenditure | 9,148 | 9,768 | 9,612 | 10,357 | 10,094 | 10,025 |
| Total Funding | (9,148) | (9,646) | (9,646) | (10,246) | (9,845) | (10,025) |
| Deficit/(Surplus) | 0 | 122 | (34) | 111 | 249 | 0 |
| Use of Earmarked Reserves | 0 | 0 | 0 | 0 | 0 | 0 |
| Deficit/(Surplus) | 0 | 122 | (34) | 111 | 249 | 0 |
| | | | | | | |
| Working Balance b/fwd | 2,874 | 2,874 | 2,874 | 2,908 | 2,797 | 2,548 |
| (Deficit)/Surplus | 0 | (122) | 34 | (111) | (249) | 0 |
| Working Balance c/fwd | 2,874 | 2,752 | 2,908 | 2,797 | 2,548 | 2,548 |

Outturn 2022/23

6. The Medium-Term Financial Forecast reflects the latest outturn projections regarding the delivery of the 2022/23 budget. The outturn for 2022/23 is dominated by the impact of inflation on the council's financial position. The impact is on additional expenditure for energy prices, fuel, professional services and repairs and maintenance. The estimated impact on the council expenditure is £974k. There has been government energy relief scheme that has been applied to the Council's bills, which has mitigated the increase in utility costs by around 45%. In addition to the pressures identified, the Council continues to hold a vacancy factor that is higher than budgeted. This is a mixture of posts being difficult to recruit to following the national backdrop regarding pay differentials between the private and public sector, as well as posts being held vacant pending service reviews under the OneTeam agenda. For 2022/23 it is expected the total establishment budget will be £950k underspent.

8. Income pressures are associated with the longer-term impact of COVID-19. Parking income has consistently stayed at 75% of pre-pandemic levels since June 2021. With commuters working more frequently on a hybrid basis, season ticket income has declined with a reduction in renewals. Expectation is that the demand for parking will remain at these levels as nationally employers encourage its employees to work under a hybrid model.

8. Revisions to the minimum revenue provision and allocation of the pension deficit between General Fund and HRA have offset some of the pressures identified, with the new recycling scheme performing above expectation regarding the income generated from being able to sell the recycling collected. These variances alongside contributing in total to earmarked reserves, has resulted in a surplus of 34k for 2022/23.

9. The capital programme is forecast to underspend (or “slip”) substantially in 2022/23. This is due to a variety of factors, the main ones being:

- Legal issues taking longer to resolve than expected regarding the Regeneration Fund.
- Delays in securing foundation funding for the Football Hub Development.
- Long lead-in times for the Vehicle Replacement Programme.
- No viable sites identified for Strategic Property Acquisitions.
- The Social Housing Development Programme taking longer than expected to marshal the necessary resources for this ambitious programme.

Medium Term Financial Strategy Assumptions

10. The key elements of the forecast are explained in detail as follows:

- Revenue Budget from paragraph 34
- Capital Programme (Appendix C)

11. The following key areas support delivery of the MTFs and have been considered during the development of the budget:

- Fees and Charges
- Value for Money
- Inward Economic Development
- Asset Management

12. The Council continues to transform the way that it delivers services for the foreseeable future to ensure financial sustainability and the identification of resources for investment in key priority areas identified in the Corporate Strategy, which are:

- Growing our Economy
A thriving borough that welcomes a wealth of business and culture
- Protecting our Environment
Developing a clean and green environment for everyone to enjoy.
- Developing our Communities
Safe and strong communities where the residents live happy, healthy and independent lives.
- Improving Housing
Access to a range of decent homes that meet local needs.
- Delivering an Efficient and Effective Council
An ambitious and innovative council that delivers quality services

13. The Council is continuing to develop its MTFs to deliver the Corporate Strategy outcomes while maintaining working balances and mitigating risk. This will be addressed primarily through:

- Service redesign and delivery of service strategies
- Maximising income generating opportunities

- A focus on supporting inward economic investment.
- Continuously reviewing fees and charges to ensure full cost recovery, where this is not possible reviewing how the associated services are delivered to reduce costs or accepting a discounted charge in return for an appropriate community benefit.
- Optimising the Council's use of technology to enable new ways of working and improving service quality for our residents.
- Ensuring the Council's assets are used efficiently and effectively.

14. The MTFs includes allocations for savings to be delivered through process reviews as well as making allowances for business case development and delivery.

15. The Section 151 Officer has made a statutory assessment of the adequacy of reserves taking into consideration the risk and uncertainties facing the Council included in a separate statement.

16. This includes an assessment of the risks posed by the Council's ambitious investment approach to meeting resident needs and financial imperatives. Given potential volatility in the Council's income and expenditure and the inherent risks and uncertainties in the assumptions used to prepare the MTFs, it is necessary to ensure that reserves and contingencies are maintained at adequate levels throughout the forecast period (Reserves section and The Section 151 Officers Assurance Statement).

Three Year Medium Term Financial Strategy

17. A three year forecast for the General Fund is set out below. The 2023/24 budget generates a deficit that is expected to be funded from reserves, ensuring the working balance remains at current levels. Although efficiencies will be delivered over the medium term, some use of reserves is projected for 2024/25. It should be noted that forecasts beyond 2023/24 should be treated with caution due to the extreme uncertainty over the funding position from that year onwards.

18. The base assumptions used to arrive at this conclusion are shown below and correlate with the table.

- **Rebasing** - Services have had their expenditure rebased in line with current costs of service.
- **Realigning** - Services budgets have been realigned to ensure the base budget correctly reflects the current service provision.
- **Inflation** - 4% has been applied for 2023/24, decreasing following years to 2.6% and 2.1% in line with HM Treasury forecasts.
- **Staffing costs**- Includes legacy increase to base due to £1,925 being larger cost than the 2% estimate built in. There is a pay award assumption of 4% in 2023/24 and 2% thereafter.
- **Vacancy Factor** – 5% vacancy factor is assumed and recalculated based on revised establishment budget.

- **Income** - increases associated with service income targets. Includes increases associated with fees and charges by inflationary costs, revisiting demand and ensuring a cost recovery basis.
- **Funding** - Funding adjustments considering the Local Government Finance Settlement.
- **Growth** - required to budgets as per bids submitted by budget managers.
- **Savings** – proposed initiatives from services.
- **Recharges to the HRA** - these are revisited on an annual basis and the allocation is revised on the proposed budget.
- **Reserves** – Contributions to/from Earmarked Reserves.
- **Non Service** – Predominantly Capital Financing. Interest on borrowing for funding the capital programme is reviewed annually and updated on revised business and project plans. Minimum Revenue Provision is recalculated based on the policy as set out within the Capital and Investment Strategy.

19. Assumptions are an estimate at a point in time. Assumptions are provided in the context of uncertain cost pressures and future Government funding.

Table 2 - Summary of changes to the Base Budget

| | 2023/24 | 2024/25 | 2025/26 |
|--------------------------------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 |
| Funding Gap b/w | 1,404 | 1,826 | 1,826 |
| Add: | | | |
| Realigning | (164) | (177) | (177) |
| Inflation | 1,141 | 1,140 | 1,170 |
| Staffing costs | 1,031 | 1,083 | 1,464 |
| Vacancy Factor | (203) | (207) | (221) |
| Increase in Income | (593) | (265) | (517) |
| Funding Adjustments | (1,149) | (578) | (758) |
| Pressure | 951 | 977 | 957 |
| Savings | (1,734) | (2,443) | (2,480) |
| Recharges to HRA | 47 | 76 | 76 |
| Reserves | (976) | (1,852) | (2,544) |
| Non-Service | 357 | 669 | 1,205 |
| Total | 111 | 249 | 0 |
| | | | |
| Revised Working Balance b/fwd | 2,874 | 2,763 | 2,514 |
| (Deficit)/Surplus | (111) | (249) | 0 |
| Revised Working Balance c/fwd | 2,763 | 2,514 | 2,514 |

Appendix 1 details changes made to the base budget to arrive at the revised budget and forecast.

Government Funding

Local Government Finance Settlement

20. The Provisional Local Government Finance Settlement for 2023/24 was announced on 19 December 2022 and Final Settlement on 6 February 2023.

21. Key headlines from the settlement are outlined below:

- **Council Tax** - The settlement confirmed districts/boroughs will be allowed to apply the higher of the referendum limit of 3% or £5.
- **New Homes Bonus** - The 2023/24 new Homes Bonus allocations have been announced. As last year, there will be no legacy payments for the 2023/24 in year allocations. The deadweight of 0.4% was maintained.
- **Negative RSG** - As in previous years, the government has decided to eliminate negative RSG amounts, so there is no direct detrimental impact on the Borough's funding.
- **Business Rates** – Whilst there are changes to reliefs and valuations for 2023/24, these are projected to have no net effect on council funding.
- **Services Grant** – There is an allocation of £67,107 in 2023/24. The Services Grant has reduced nationally, and for Brentwood, primarily because local authorities as employers will not have to continue to pay higher National Insurance Contributions.
- **Funding Guarantee** – The Government has introduced a funding guarantee, to ensure that each authority receives at least a 3% increase in Core Spending Power. Brentwood will receive an allocation of £450,828.
- **Revenue Support Grant** – An allocation of £69,088 will be provided, however this is nearly all a redefined Local Council Tax Support Administration grant.
- **Local Government Funding reform** – The Fair Funding Review and Business Rates Review have been postponed to a future date.

New Homes Bonus Grant

22. The New Homes Bonus was introduced from 2011/12 as a financial incentive and reward for housing growth. The grant is based on a national average Council Tax value of additional homes including any properties brought back into use. There is also an additional premium for affordable homes. The original grant was payable for 6 years.

23. The grant for 2019/20 onwards was based upon 4 years, but it is now paid as a one-off annual amount, and the scheme will now also only reward net growth in homes above 0.4% per annum.

24. For 2023/24, the Council is due to receive £449,982 in New Homes Bonus. The government has restated its intention to review and reform the scheme but no details have yet been provided as to future funding. It is considered prudent, therefore, not to forecast any further income arising specifically from this scheme until the position is clear.

25. Since its introduction in 2011/12, the Council has used the New Homes Bonus to support the General Fund Budget and this will continue in 2023/24.

Business Rates Retention

26. The Business Rates retention figure represents the Council's share (40%) of the total amount collected from local businesses, +/- a top-up/tariff amount. The estimated amount for 2023/24 and future years is outlined below. The figures include payments from the Government to bring the Council up to Safety Net level (92.5% of the Business Rates Baseline).

Table 4 – Business Rates

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|----------------|---------|---------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 |
| Business Rates | 1,634 | 1,535 | 1,535 | 1,535 |

27. These amounts include a provision for losses resulting from any successful appeals by rate payers against the rateable value of their properties. Appeals are dealt with by the Valuation Office Agency and their success or failure is beyond the Council's control.

28. The figures do not assume a reset of the Business Rates baseline in future years as the timing of a reset is uncertain.

29. The pressure currently facing the Council in respect of Business Rates is due to the ongoing trend of offices being converted to flats as well as primary employers leaving the Brentwood area, which has resulted in a loss of business rates yield.

30. The Council is not currently part of the Essex wide Pool for Business Rates. By pooling, any levy payments that would have been made to Central Government in relation to Business Rates growth can be saved and distributed to the members of the pool. However, because Brentwood has not generated growth and has entered the Safety Net, it makes financial sense for both the Council and the Pool to be taken out of the Pool. No additional income has been budgeted for 2023/24 due to the uncertainty of future Business Rates income and the pool position.

Total Government Funding

31. A table summarising the Medium Term Financial Strategy's Total Government funding arising from the Local Government Finance Settlement since 2017/18 and Business Rates is shown below.

Table 5 - Summary of Government Funding

| | 2017/18 Actual £'000 | 2018/19 Actual £'000 | 2019/20 Actual £'000 | 2020/21 Actual £'000 | 2021/22 Actual £'000 | 2022/23 Forecast £'000 | 2023/24 Budget £'000 |
|-----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|----------------------------|
| Revenue Support Grant | 233 | Nil | Nil | Nil | Nil | Nil | NIL |
| Tariff-Top Up Adjustment | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| News Homes Bonus | 1,155 | 410 | 678 | 688 | 529 | 713 | 450 |
| Lower Tier Service Grant | Nil | Nil | Nil | Nil | 71 | 74 | Nil |
| Covid-19 Funding | Nil | Nil | Nil | 982 | 309 | Nil | Nil |
| Service Grant | Nil | Nil | Nil | Nil | 114 | 114 | 67 |
| Funding Guarantee | Nil | Nil | Nil | Nil | Nil | Nil | 450 |
| Total | 1,388 | 410 | 678 | 1,670 | 1,023 | 901 | 1,037 |
| Business Rates Retention | 1,798 | 2,220 | 1,800 | 1,634 | 1,535 | 1,535 | 1,535 |
| Business Rates Levy Account | Nil | Nil | 25 | Nil | Nil | Nil | Nil |
| Total | 3,186 | 2,630 | 2,503 | 3,304 | 2,558 | 2,436 | 2,572 |

The table above highlights the continuous financial pressures the Council faces as funding has declined. There was some Revenue Support Grant in 2023/24 but it is not comparable to previous years' grant.

General Fund Revenue Budget

32. The summary revenue budget and forecast for the budget is outlined below:

Table 6 – General Fund Revenue Budget

| | Forecast 2022/23 £'000 | Budget 2023/24 £'000 | Budget 2024/25 £'000 | Budget 2025/26 £'000 |
|--|------------------------------|----------------------------|----------------------------|----------------------------|
| Growing Our Economy | (2,754) | (2,977) | (2,560) | (2,776) |
| Protecting Our Environment | 2,226 | 2,763 | 2,861 | 2,975 |
| Developing Our Communities | 1,569 | 1,750 | 1,761 | 1,771 |
| Improving Housing | 11 | (41) | (38) | (32) |
| Efficient & Effective Council | 5,049 | 5,458 | 4,893 | 5,065 |
| Total Corporate Priorities | 6,101 | 6,953 | 6,917 | 7,003 |
| | | | | |
| Total Non-Service Expenditure | 2,357 | 2,895 | 3,521 | 4,058 |
| Total Cost of Services | 8,458 | 9,848 | 10,438 | 11,061 |
| Transfer to/(from) Reserves | 535 | (110) | (964) | (1,656) |
| Total Spending Requirement | 8,993 | 9,738 | 9,474 | 9,405 |
| | | | | |
| Funding | | | | |
| New Homes Bonus | (715) | (450) | 0 | 0 |
| Business Rates Retention | (1,535) | (1,535) | (1,535) | (1,535) |
| Other Non-Specific Grants | (188) | (517) | (517) | (517) |
| Collection Fund Deficit | 0 | (195) | 0 | 0 |
| Council Tax Requirement | (6,589) | (6,930) | (7,173) | (7,353) |
| Total Funding | (9,027) | (9,627) | (9,226) | (9,406) |
| | | | | |
| Total Deficit/(Surplus) | (34) | 111 | 249 | (0) |
| | | | | |
| General Fund working balance Brought Forward | 2,874 | 2,908 | 2,797 | 2,548 |
| Total (Deficit)/Surplus | 34 | (111) | (249) | 0 |
| General Fund working balance Carried Forward | 2,908 | 2,797 | 2,548 | 2,548 |

Saving Targets within the Revenue Budget

33. Taking into account known pressures and reduced income that the council continues to face, the Council recognises that further Initiatives are required in order to bring the future Reserves above the minimum level to continue to keep the Council sustainable.

34. Included in Table are the current saving targets built within budget for 2022/23 and future years.

Table 7 - Proposed Saving Targets

| 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 | (224) | (808) | (846) |
| Total Efficiency Targets | (947) | (1,544) | (1,596) |
| Leisure Strategy Income | (175) | (175) | (175) |
| Service Income Generation | (80) | (80) | (80) |
| Total Income Generation Targets | (255) | (255) | (255) |
| Total Saving Targets | (1,202) | (1,799) | (1,851) |

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

Summary of these savings targets are detailed below:

Corporate Vacancy Factor/Organisation Review – to align budgets and encourage managers to deliver a natural saving when recruiting new members of staff. Delay in recruitment processes so that it is not detriment to the service can achieve a saving on the establishment as the role is in post for a full year. Undertake an organisational review on the establishment to ensure the resources best meet the organisation requirements to deliver the Corporate Strategy whilst making pay scales competitive within the County. Vacancy factor has been increased to 5% due high number of vacancies and difficulties to recruit

Capitalisation of Staff Costs – Correct time recording can allow staff members costs to be capitalised if their time is spent on a specific capital project.

One team savings- The efficiency savings generated through the one team partnership between Brentwood Borough Council and Rochford District Council.

Leisure Strategy Income –Leisure Strategy Investments included in the Capital Programme, propose to seek future revenue savings, on the development of King Georges Pavilion, creation on a Football Hub and the refurbishment and competitive leasing of the Community Halls. This income has been deferred slightly due to delays following the pandemic.

Service Income Generation – Multiple targets agreed with services to increase income.

Addressing the future Funding deficits

35. Dealing with one year funding settlements is a challenging situation and does not give enough time for the Council to react or plan over the medium term. However, the Council recognises the need to strive to set a balance budget, which will require reducing costs and raising revenue for future years in order to reduce the forecasted deficits. Forecasts will continue to be refined through future budget setting cycles.

36. All services will need to continue to drive through efficiencies and continually review their working practices and operations to deliver efficiency and effectiveness as part of the Council's Corporate Strategy.

37. Although there are future year deficits forecast, the strategic partnership with Rochford District Council will enable savings and these are factored into the MTFS.

38. The Council has increased its property portfolio to manage and maintain regeneration within the Borough and to contribute to the General Fund over the longer term. The period covered by the MTFS will see the creation of an increased portfolio that is forecast to generate rent income. Some of this rent income already supports the budget, but it is projected to grow over the next 3-5 years.

Reserves

Background

39. Section 5 of the Council's Financial Regulations sets out the arrangements for managing and establishing reserves. Section 32 of the Local Government Finance Act 1992 requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating their Council Tax Requirement.

40. The Section 151 Officer is responsible for providing advice so that decisions taken on reserves represent proper stewardship of public funds. Reserves should be set at a level at least sufficient to meet any unexpected increase in expenditure or shortfall in income in the ensuing year that cannot be met from within the approved budget. Any decision that fails to take into account this advice may require a report to be made to the Council under Section 114 of the Local Government Finance Act 1988.

41. Local Government Act 2003 includes a duty on the Section 151 Officer to report, at the time the Council Tax is set, on the robustness of the budget calculations as well as the adequacy of the Council's reserves and other matters (included in Section 151 Officer's Assurance Statement).

42. The Act also provides an enabling power for the Secretary of State to specify a statutory minimum level of reserves (Section 26 of the 2003 Act). The level of reserves is also a factor the External Auditor will consider in appraising the Council's financial standing. In providing advice to the Council on the level of reserves, the Section 151 Officer also has regard to professional guidance provided by CIPFA.

43. These safeguards are further reinforced through detailed scrutiny by our External Auditors, which includes a methodology to assess the financial performance and standing of the authority.

44. When reviewing the Medium Term Financial Strategy and preparing annual budgets, Members should consider the establishment and maintenance of reserves. These may be held for two main purposes:

- As a working balance (or unallocated reserve) to help cushion the impact of unexpected budgetary pressures.
- As a means of building up funds to meet known or predicted requirements and again to prevent significant fluctuations in net budget cost between years (earmarked reserves).

General Fund Reserves

45. General Fund reserves consist of several earmarked reserves, together with an unallocated general reserve (General Fund Working Balance). All reserves and balances form part of the General Fund but the Housing Revenue Account balance is specifically 'ring fenced' for use in connection with that account.

46. In addition to the cash-backed reserves described above, local authorities maintain several other reserves on the balance sheet. Some are required for statutory reasons and other reserves are required to comply with proper accounting practice. In either case these balances are not available for investment.

47. Reserve balances are determined each year with regard to the current risks prevalent and foreseen at that time. The Section 151 Officer's Assurance Statement sets out their view of the risks and uncertainties that the council is currently facing. The reserve balances at 1 April 2023/24 allows for the effect of the 2021/22 outturn position and the forecast outturn for 2022/23.

General Fund Working Balance

48. When determining the budget position for 2023/24 Members have to make a balanced judgement as to the level of unallocated reserves to set for general purposes at March 2023 when considering the medium-term position. They should consider the Council's overall financial strategy for the year and the implications for the forward financial position. This is important given the uncertainties surrounding future years' expenditure and income levels, inflation, interest rates, legislative changes, partnership schemes, other external factors, level of Government grant and areas of identified risk.

49. Although there is no statutory minimum level of reserves, the level of the General Fund working Balances is reviewed annually as part of the budget process and an annual risk assessment is undertaken alongside the Council's strategic risk register. Given the overall levels of risk the Section 151 Officer considers that the General Fund working Balance should

be maintained above £2 million when setting the budget for 2023/24. £2 million represents approximately 20% of the net spending requirement and approximately 5% of gross expenditure.

50. Although the Section 151's Assurance statement report on the adequacy of reserves is specific to 2023/24, the Council should bear in mind that adequacy should also be judged against longer-term plans.

51. The Council is currently predicting the continuation of significant financial pressures every year due to increased costs and uncertain Government funding. Whilst it is not feasible for the Council to rely on the use of reserves on an ongoing basis to balance its budget, it may apply reserves as part of a short-term strategy to manage, for example, a period of transition during which efficiency savings or income generation ideas are identified to provide longer-term solutions. Until the budgets for each year are balanced it is prudent for the Council to maintain a level of reserves in excess of the minimum recommended level. This is the approach that the Council is taking.

Earmarked Reserves

52. In addition to the General Fund Working Balance, the Council keeps several Earmarked Reserves on the Balance Sheet. These Reserves are required in order to comply with proper accounting practice, whilst others have been created to earmark resources for known or predicted liabilities.

The reserves are grouped as below:

- **Mitigation** – Earmarked specifically to mitigate financial risks to the Council.
- **Service** – Monies set aside for services from existing budgets to be used on specific investment Initiatives or projects.
- **Specific** – Monies that the Council has received that have specific restrictions on how the money can be used.
- **COVID-19** – Monies the Council has received due to the ongoing pandemic.

A summary table of each group is shown below followed by a detailed breakdown of every reserve in each group, as well as the rationale for each reserve.

Table 8a - General Fund Earmarked Reserve Forecast Balances - Summary

| Reserve | Opening Balance 2021/22 £'000 | Forecast Balance 2022/23 £'000 | Forecast Balance 2023/24 £'000 | Forecast Balance 2024/25 £'000 | Forecast Balance 2025/26 £'000 |
|----------------|--|---|---|---|---|
| Mitigation | 4,271 | 4,906 | 4,697 | 3,496 | 1,852 |
| Service | 2,362 | 2,048 | 1,964 | 1,817 | 1,817 |
| Specific | 617 | 601 | 589 | 577 | 565 |
| COVID-19 | 5,196 | 982 | 982 | 982 | 982 |
| Total | 12,446 | 8,525 | 8,232 | 6,872 | 5,216 |

Mitigation Reserves

- a) **Funding Volatility** - Fund to mitigate the uncertainty and financial risks regarding the Government Funding
- b) **Housing Benefit Subsidy Smoothing** - To support the funding of subsidy claims
- c) **Insurance and Risk Management** – To support and mitigate high risks identified through the risk register.
- d) **In Borough Regeneration** – Specifically set aside to manage future financing risk on redevelopments.

Service Reserves

- e) **Asset Management** – Support Asset management team for reactive compliance works.
- f) **Economic Development** – To be drawn down in delivering the corporate strategy aim of growing the economy.
- g) **Electoral Registration** – fund to be utilised for any upcoming elections
- h) **Environmental Initiatives** – specifically set aside to support the green agenda for the Council.
- i) **Digital, Customer & Comms** – To fund schemes such as customer service accreditation, customer contact training and development of social media engagement
- j) **High Street Fund** – Held to invest in improving the high streets, generating, and retaining economic growth.
- k) **Legal Resource** – To support legal services with unexpected case work.
- l) **Leisure Contingency** – To support the interim direct management by the Council of the Brentwood Leisure Centre - Reserve has been reduce to zero as it has met the objectives of its purpose.
- m) **LGV Driver Training** – To fund mandatory CPC training for LGV drivers

- n) **Parking Improvements** – To fund specialised cleansing in the multi storey Car park and Parking Strategy. Reserve has been reduced to zero as it has met the objectives of its purpose
- o) **Planning Development** – To fund future costs associated with dealing with planning applications
- p) **Planning Enforcement** – To aid in supporting the planning enforcement work across the borough.
- q) **Rochford Partnership** – To set aside funding required for partnership
- r) **Service Investment and Initiatives Reserve** – to support the Council in mitigating one off costs against the agreed budget for any identified service investment or initiatives in year.
- s) **Street Scene Initiatives** – To fund development of one off initiatives within Street Scene service area.

Specific Reserves

- t) **Community Rights** – Government grant provided to assist in the implementation of the Localism act.
- u) **Health & Wellbeing** – Available for projects determined by the Brentwood health & Wellbeing board
- v) **Neighbourhood Plan** – A carry forward of government grants to be used in the connection with Doddinghurst and West Horndon neighbourhood plans.
- w) **Open Data Funding** - To support the anticipated additional work for DCN authorities related to open UPRN/USRN data
- x) **Preventing Homelessness** – to aid in meeting the requirements of homelessness and any legislative changes
- y) **Section 106** – For contributing to costs for public open space improvements; maintaining grounds from previous S106 receipts.
- z) **Waste Management** - To fund the development of waste management within the Borough. Reserve has been reduced to zero, moved to service reserves and renamed as street scene initiatives.

COVID-19 Reserves

- aa) **Council Tax Hardship Fund** – To fund Council Tax financial hardship for Council Tax Payers
- bb) **COVID 19 Funding Volatility** – To mitigate any financial pressures on services caused by the COVID-19 pandemic
- cc) **ECC – Night Time Economy Grant** – To fund night time economy within the Borough
- dd) **NDR Collection Fund Deficit** – To carry forwards S31 Grants received in prior years to offset the deficit carried forward on the NDR Collection Fund due to extended Retail Reliefs

- ee) **New Burdens CT Hardship Fund & BRR** – To fund the administration of delivering Council Tax and Business Rate Relief
- ff) **New Burdens LADGF** – To fund administration of local authority discretionary grants
- gg) **New Burdens SBSG** – To fund administration of COVID-19 grants to support small businesses
- hh) **Test and Trace Admin** – To fund administration of Test & Trace
- ii) **Tax Income Guarantee Scheme** – To offset future deficits of the Collection Fund

Table 8b - General Fund Earmarked Reserve Forecast Balances

| Reserve | Opening balance 2022/23 | Forecast balance 2022/23 | Forecast Balance 2023/24 | Forecast Balance 2024/25 | Forecast Balance 2025/26 |
|------------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Funding Volatility | 1,343 | 1,100 | 1,100 | 851 | 851 |
| Housing benefit Subsidy | 150 | 150 | 150 | 150 | 150 |
| Insurance and Risk Management | 37 | 37 | 37 | 37 | 37 |
| In Borough Regeneration | 1,931 | 2,809 | 2,711 | 1,759 | 115 |
| Inflation & Finance Mitigation | 810 | 810 | 699 | 699 | 699 |
| Total Mitigation Reserves | 4,271 | 4,906 | 4,697 | 3,496 | 1,852 |
| Asset Management | 164 | 164 | 164 | 164 | 164 |
| Economic Development | 300 | 288 | 288 | 288 | 288 |
| Electoral Registration | 43 | 43 | 43 | 43 | 43 |
| High Street Fund | 200 | 200 | 200 | 200 | 200 |
| Environmental Initiatives | 200 | 108 | 108 | 95 | 95 |
| Planning Enforcement | 180 | 180 | 180 | 180 | 180 |
| Service Investment and Initiatives | 200 | 200 | 200 | 200 | 200 |
| Leisure Contingency | 72 | 72 | 0 | 0 | 0 |
| Legal Resource | 100 | 100 | 100 | 100 | 100 |
| LGV Driver Training | 10 | 10 | 10 | 10 | 10 |
| Digital, Customer & Comms | 134 | 134 | 134 | 0 | 0 |
| Planning Development | 227 | 227 | 227 | 227 | 227 |
| Rochford partnership | 300 | 263 | 263 | 263 | 263 |
| Street Scene Initiatives | 200 | 18 | 18 | 18 | 18 |
| Other Licences | 3 | 0 | 0 | 0 | 0 |
| Corporate Training | 18 | 18 | 18 | 18 | 18 |
| Apprentice Incentives | 8 | 8 | 8 | 8 | 8 |
| Staff Recognition & Awards | 3 | 3 | 3 | 3 | 3 |
| Total Service Reserves | 2,362 | 2,036 | 1,964 | 1,817 | 1,817 |
| Duchess Of Kent/Nightingale | 292 | 280 | 268 | 256 | 244 |
| Health and Wellbeing | 103 | 103 | 103 | 103 | 103 |
| Land at Hanover House | 10 | 10 | 10 | 10 | 10 |
| Neighbourhood Plan | 26 | 26 | 26 | 26 | 26 |
| Preventing Homelessness | 100 | 96 | 96 | 96 | 96 |
| Willowbrook Rosen Crescent (S106) | 7 | 7 | 7 | 7 | 7 |

| | | | | | |
|--|---------------|--------------|--------------|--------------|--------------|
| Open Data Funding to LA's | 1 | 1 | 1 | 1 | 1 |
| Brentwood community hospital | 40 | 40 | 40 | 40 | 40 |
| Community rights | 38 | 38 | 38 | 38 | 38 |
| Total Specific Reserves | 617 | 601 | 589 | 577 | 565 |
| COVID 19 | 412 | 412 | 412 | 412 | 412 |
| NNDR Collection Fund Deficit | 3,724 | 0 | 0 | 0 | 0 |
| Tax Income Guarantee Scheme (CT and NNDR) | 440 | 0 | 0 | 0 | 0 |
| ARG Grant | 24 | 0 | 0 | 0 | 0 |
| New Burdens Post Payment Reconciliation | 131 | 131 | 131 | 131 | 131 |
| Council Tax Hardship Fund | 26 | 0 | 0 | 0 | 0 |
| New Burdens for SBSG (covid-19) Discretionary scheme | 130 | 130 | 130 | 130 | 130 |
| New Burdens LADGF (covid-19) | 225 | 225 | 225 | 225 | 225 |
| Test and Trace Admin | 64 | 64 | 64 | 64 | 64 |
| New burdens CT Hardship Fund and BRR | 20 | 20 | 20 | 20 | 20 |
| Total COVID 19 - Specific Reserves | 5,196 | 982 | 982 | 982 | 982 |
| Total General Fund Earmarked Reserves | 12,446 | 8,525 | 8,232 | 6,872 | 5,216 |

Utilisation of Reserves Vs Forecasted Deficits

53. Currently the balance on earmarked reserves is to reduce from £12,446k at the start of this year, to £5,216k by the end of 25/26, a reduction of £7,230k. However, £4,214k is from COVID – 19 reserves, monies the Council has received due to the ongoing pandemic. £1,816k will be used to support the redevelopment of the Baytree Centre, which is due to be underway in 2023/24. This reserve was specifically set aside to manage future financing risk on redevelopments.

54. The current MTFS forecasts a budget gap in 2023/24 (£111k) & 2024/25 (£249k). The proposal is to use mitigation reserves to fund this gap. This has been done to show the prudent position of the Council's reserve balance level at the end of the MTFS.

55. Furthermore, there is an assumption that the reserves will only be utilized if there is a need for expenditure that cannot be met from the base budget. If there are no concrete plans to utilize the reserves or contribute to the reserves, it is prudently assumed that the balance will remain unchanged.

Council Tax Base

Council Tax Base calculation

56. Under section 33 of the Local Government Finance Act 1992 (as amended) and supporting Regulations, the Council must make an annual calculation of its tax base. The tax base is the total number of properties on which Council Tax will be charged expressed as a Band D equivalent, after allowing for discounts, exemptions and losses on collection. The method of calculation is prescribed in the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

57. The tax base is used in the calculation of the Council Tax Requirement, to produce the standard amount of Council Tax for a Band D property, in relation to both the Borough and the major precepting authorities.

58. As in previous years, the calculation of the tax base has been amended to take account of the Local Council Tax Support (LCTS) Scheme. The replacement of Council Tax Benefit with LCTS effectively reduces the tax base as LCTS is provided as a discount against the Council Tax liability rather than a rebate which was previously repaid to the Council via Government Subsidy. For 2023/24, the tax base will increase to 33,337.76. The Council have continued with an assumed growth of 0.5%.

59. The calculation of the Council Tax Base for a given year includes an assumption of the percentage of amounts due which are actually collected. The forecast collection rate has been assumed as 98.0% and has been incorporated within the Medium Term Financial Strategy calculations.

Council Tax Reduction Scheme

60. The Council operates a banded scheme that is easier for customers to apply for and simpler for officers to administer. The basis of the reduction scheme is a calculation based on household income compared with household size, up to a maximum of 100%. The application process is through a simple intelligent online form which, once completed, will make it clear to the customer where they fall within the scheme.

The main elements of the scheme are:

- Entitlement is based on a banded table which compares household income and the members of a household
- Depending on the level of their net income and the household band they fall into,
- working-age customers will receive a percentage reduction of either 100%, 75%, 50%, or 25% and if the customer or their partner are disabled or they have disabled dependent child resident
- Singles or Couples with more than 2 children will be restricted to a Council Tax Reduction as if having 2 children
- Residents with over £6,000 in savings are unable to claim

- Pension age customers remain protected
- Where an apprentice earns more than £195.01 but less than £300 per week and they are the only other adult in a property, they can be disregarded for Council Tax purposes for the term of their apprenticeship – this is to support single parents and school leavers into employment

No changes from last year have been proposed.

Council Tax

Budget and Council Tax Consultation

61. Budget consultation was carried out between 30 August 2022 and 16 October 2022. A total of 83 responses were received. The key headlines for the responses are:

- 66/83 (79.5%) want to increase Council Tax to maintain or increase the service provision
- 43/83 (51.8%) disagreed with raising car parking fees and charges
- 57/83 (68.7%) wanted to increase the use of modern technology
- Most important priorities were to support local business & support and invest in the community
- 41/83 (49.4%) want us to spend more on street services – This was the highest service area identified for spending more.
- 43/83 (51.8%) want us to spend less on community development & planning policy

Council Tax Requirement

62. The Council must set its revenue budget and Council Tax Requirement on or before 11 March of the preceding year in accordance with a statutory formula set by Government as described below:

- The amount calculated by the authority under Section 31A of the Local Government Finance Act 1992 as its Council Tax Requirement for the year (this is the net spending on services adjusted for any movements in reserves and transfers to or from the Collection Fund in recognition of a surplus or deficit on that Fund, and includes town, parish and village council precepts);

divided by:

- The amount of the Borough's Council Tax Base calculated in accordance with the 1992 Act and relevant statutory instruments. The tax base for 2023/24 is 33,337.76

which assumes a 98.0% collection rate (inclusive of sums outstanding from prior years).

This will produce the Basic Amount of Council Tax for the year, which is the combined Borough and Parish Council Tax level at Band D.

63. The Council must then determine whether its 'relevant' Basic Amount of Council Tax, i.e. adjusted to exclude the element relating to parish precepts, is 'excessive'. The Secretary of State has indicated that, for 2023/24 for District/Borough councils, any increase of 3% or £5 (whichever is the greater) more than the equivalent figure for 2022/23 would be considered excessive.

64. If the Council determines that its proposed relevant Basic Amount of Council Tax is excessive, then it must also make substitute calculations that produce an amount which is not excessive and put both amounts to a local referendum. More information on this option is given below.

65. The council tax level consists principally of the Collection Fund precepts of the major preceptors and Brentwood Borough Council. This is the basic amount required by each authority to provide its budgeted level of service after allowing for government grant, use of reserves and that authority's share of any surplus or deficit on the Collection Fund. In addition to the precepts of the principal authorities, there will be further precepts for the nine parishes within the Borough of Brentwood.

66. The estimated balance on the Collection Fund at 31 March 2023 is required to be considered in the calculation of the Council Tax level for 2023/24. The calculation of the balance must be notified no later than 31 January to the major precepting authorities, who are each responsible for their share of any balance. Further information is given in the Collection Fund Section of this report.

Precepts and Council Tax Levels

67. The Council is required by law to approve a council tax requirement for the Council's services and to set the council tax to be levied in the Borough, after taking account of the following preceptors:

- Essex County Council - issues the largest precept on Brentwood's collection fund which means they receive around 70% of Council Tax (before local precepts). The County Council is scheduled to meet on 9 February 2023 to agree its precept.
- The Police, Fire and Crime Commissioner for Essex - is an independent body and is responsible for setting its own budget. Precepts for the Police and Crime Panel and Fire Service are yet to be set.
- Local Parish, Town and Village Councils. - are separate and autonomous bodies within the Borough that approve their own spending and precept levels for each financial year. The precept for each parish, town and village council has to be included

as part of the Borough Council's net overall Council Tax requirement. They are added to the statutory calculation as an average for the Borough as a whole but are levied only in the areas of the Borough affected, according to their precept requirements. Where a precept demand has not been received by the date of the council tax setting meeting an anticipated amount is used as permitted by legislation.

68. Below is the projected Council Tax element retained by the Council per banding of property, which has been set at a 3% increase from 2023/24. These exclude any other precepts and parish precepts.

Table 9 – Proposed Brentwood Borough Council Bandings 2023/24

| Band D Brentwood | A | B | C | D | E | F | G | H |
|-----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| 2023/24 | 136.39 | 159.12 | 181.86 | 204.58 | 250.05 | 295.52 | 340.98 | 409.18 |

69. The table below compares Parish, Town and Village Council precepts for 2023/24 with 2022/23. This table will be updated for Full Council when all Parish Precepts have been received.

Table 10 – Comparison of Parish Precepts

| Parish | Tax Base for Area Band D equivalent | Precept 2022/23 £ | Precept 2023/24 £ | Change % |
|---------------------------|-------------------------------------|----------------------|----------------------|--------------|
| Blackmore | 1,538.50 | 100,572.00 | 102,695.00 | 2.11% |
| Doddinghurst | 1,221.00 | 75,814.00 | 77,400.00 | 2.09% |
| Herongate | 1,060.90 | 48,000.00 | 68,000.00 | 41.67% |
| Ingatestone and Fryerning | 2,422.70 | 177,315.78 | 191,503.00 | 8.00% |
| Kelvedon Hatch | 1,096.20 | 90,114.00 | 94,620.00 | 5.00% |
| Mountnessing | 599.10 | 42,000.00 | 54,345.00 | 29.39% |
| Navestock | 249.40 | 22,000.00 | 22,000.00 | 0.00% |
| Stondon Massey | 344.60 | 31,194.00 | 37,433.00 | 20.00% |
| West Horndon | 702.30 | 32,500.00 | 33,000.00 | 1.54% |
| Total | 9,234.70 | 619,509.78 | 680,966.00 | 9.92% |

70. The table below sets out all the Band D calculations across the major and local preceptors and shows the percentage change compared with 2023/24. This table will be updated for Full Council when all Parish Precepts have been received.

Table 11 – Proposed Band D Calculations

| Parish | Band D 2022/23 £ | Band D 2023/24 £ | Change £ | Change % |
|---|---------------------|---------------------|-------------|----------|
| Brentwood Council Only | 198.63 | 204.58 | 5.95 | 3.00% |
| Essex County Council | 1,401.12 | 1,450.17 | 49.05 | 3.50% |
| Police, Fire and Crime Commissioner for Essex | 218.52 | 233.46 | 14.94 | 6.84% |
| Essex PFCC Fire and Rescue Authority | 75.33 | 80.28 | 4.95 | 6.57% |
| Blackmore | 66.75 | 66.75 | 0.00 | 0.00% |
| Doddinghurst | 63.4 | 63.39 | -0.01 | -0.01% |
| Herongate | 46.2 | 64.10 | 17.90 | 38.74% |
| Ingatestone and Fryerning | 74.73 | 79.05 | 4.32 | 5.77% |
| Kelvedon Hatch | 83.94 | 86.32 | 2.38 | 2.83% |
| Mountnessing | 71.57 | 90.71 | 19.57 | 26.74% |
| Navestock | 90.09 | 88.21 | -1.88 | -2.08% |
| Stondon Massey | 92.43 | 108.63 | 16.20 | 17.52% |
| West Horndon | 47.25 | 46.99 | -0.26 | -0.55% |

Collection Fund

Background

71. The Collection Fund is the account into which all council tax and business rate income is paid before being distributed to precepting authorities and central government. It is managed by this Council as the billing authority.

Within the Collection Fund, the accounts for council tax and business rates are separated.

Distribution of Collection Fund Balances

72. Council Tax and Business Rate income for any particular year is distributed over a three-year cycle based on information known at the time of calculating the Council Tax Requirement.

73. A surplus on the Collection Fund arises when actual income collected is greater than the original estimate; conversely when, actual income is lower than estimated a deficit on the Collection Fund occurs. This surplus or deficit is distributed at a later stage with the difference between the original estimate and the revised estimate normally being accounted for in the following year and the difference between the revised estimate and the actual outturn being accounted for in the year after that.

Council Tax

74. It is estimated there will be a £1.716m surplus balance for Council Tax on the Collection Fund at 31 March 2023. This is due to growth in the Council Tax base within the borough. The surplus will be distributed in 2023/24 as follow:

Table 12 - Distribution of Estimated Council Tax Collection Fund Surplus

| Authority | Amount £000 |
|-------------------------------|----------------|
| Brentwood Borough Council | 195 |
| Essex County Council | 1,257 |
| Police and Crime Commissioner | 196 |
| Essex Fire & Rescue Authority | 68 |
| Total Surplus | 1,716 |

Business Rates

75. Brentwood is the billing authority for business rates in the Borough. The Collection Fund passes 50% (the central share) to the Government with the other 50% (the local share) being

retained locally, and are shared by the Borough (40%), Essex County Council (9%) and Fire & Rescue Service (1%). Year-end surpluses and deficits are accounted for in the following year in proportion to the Central and Local Shares.

76. It is estimated that at 31 March 2023, the balance on the Collection Fund for Business Rates will be a surplus of £2.741m. This is mainly due to some businesses within the borough declining the Retail, Hospitality and Leisure Relief offered by Central Government, resulting in a net increase in Business Rates income. It should be emphasised that the surplus paid to Brentwood is not a windfall as it will be offset in 2023/24 by reduced S31 grant (to recover excess S31 grant paid on account in 2022/23).

Table 13 - Distribution of Estimated Business Rates Collection Fund Surplus

| Authority | Amount £000 |
|---------------------------|----------------|
| Brentwood Borough Council | 1,097 |
| Essex County Council | 247 |
| Essex Fire Authority | 27 |
| Central Government | 1,370 |
| Total Surplus | 2,741 |

Appendix 1 – Detail of Base Changes to MTFs

| | 23/24 movements | 24/25 movements | 25/26 movements | Comments |
|------------------------------------|----------------------------|----------------------------|----------------------------|--|
| Realigning | (164) | (177) | (177) | |
| BLC - NNDR | (157) | (169) | (169) | Realigning as SLM can claim relief for BLC |
| Equipment and materials | (10) | (10) | (10) | Small reductions to match expenditure |
| Housing | 20 | 20 | 20 | Small increases to match year on year expenditure |
| Other | (8) | (8) | (9) | Small reductions to match expenditure |
| Rent/hire of buildings | (9) | (9) | (9) | Small reductions to match expenditure |
| Subscriptions | 3 | 3 | 3 | Small increases to match year on year expenditure |
| Vehicle Hire | (3) | (3) | (3) | Small reductions to match expenditure |
| Inflation | 1,141 | 1,140 | 1,170 | |
| Contracted services | 45 | 60 | 91 | Impact of contracts increases with inflation |
| Fuel | 106 | 100 | 100 | Fuel price increases |
| Insurance | 176 | 169 | 169 | Insurance price increases in line with RPI |
| Utilities | 814 | 811 | 811 | Utilities priced fixed in Sept 2022, were much higher than currently budgeted. |
| Income | (593) | (265) | (517) | |
| Fees & Charges increases | (147) | (170) | (170) | Impact of increases fees & charges across council to ensure cost recovery |
| Fees & Charges increases (Parking) | (246) | (146) | (146) | Impact of increases parking fees & charges across council |
| Homeless prevention grant | (8) | (12) | (12) | Small increase in homeless prevention grant |
| Interest on Investments | (50) | (50) | (50) | Interest rates increasing have seen increases in interest on cash holdings |
| Recycling | (141) | 113 | (139) | Income generation through the new embedded recycling scheme |
| Pressure | 1,308 | 1,646 | 2,162 | |
| Audit Fees | 145 | 145 | 145 | External audit fees increasing |
| Bank Charges | 18 | 18 | 18 | Bank charge increases |
| Council tax collection | 41 | 41 | 41 | |
| Election boundary reform | 0 | 20 | 0 | Election boundary reform |
| Grants | 200 | 200 | 200 | |
| ICT costs | 167 | 167 | 167 | Increases in ICT Costs |
| Interest Payable | 134 | 413 | 763 | Increases due to borrowing & rates increasing |
| Legal costs | 65 | 65 | 65 | Legal costs increasing with LDP and SHDP |

| | | | | |
|------------------------------|----------------|----------------|----------------|--|
| Members allowances | 6 | 6 | 6 | Members allowances increases |
| Planning legal fees | 10 | 10 | 10 | |
| R&M | 30 | 30 | 30 | Increases in R&M |
| Unachieved income targets | 270 | 276 | 276 | Unrealised savings target |
| Capital financing | 223 | 257 | 442 | Increases in MRP due to Baytree and Childerditch developments being added to capital programme |
| Savings | (1,823) | (2,445) | (2,497) | |
| Oneteam savings | (217) | (791) | (829) | Targeted one team savings |
| Other | (8) | (49) | (49) | Small other savings |
| Pension fund | (1,138) | (1,138) | (1,138) | Reduction of secondary pension rate after pension valuation |
| Planning | (99) | (96) | (96) | Increase income in planning |
| PM Support | (110) | (110) | (110) | Reduction of use of PM support within services |
| Vacancy uplift to 5% | (203) | (207) | (221) | Due to high vacancies, vacancy factor has been revised to 5% |
| VFM - ASM Contract | (49) | (53) | (53) | Savings from ASM contract |
| HRA Recharges | 47 | 76 | 76 | Adjustments to HRA changes from previous years MTFS Setting |
| Earmarked Reserves | (976) | (1,852) | (2,544) | Adjustments to reserves from previous years MTFS setting. Main change is not contributing to reserves from Baytree income as that development is ongoing |
| Non-Service | (1,149) | (578) | (758) | |
| Collection Fund Surplus | (195) | 0 | 0 | Surplus in collection fund from previous years MTFS |
| Council tax | (175) | (249) | (429) | Increase due to assumed growth and 3% increase |
| Net Funding guarantee impact | (329) | (329) | (329) | New grant funding for central gov |
| New Homes bonus | (450) | 0 | 0 | New homes bonus continue for 1 year. |
| Staffing costs | 917 | 878 | 1,260 | |
| 4% (additional 2%) | 218 | 218 | 218 | Cost of increase for pay award from 2% to 4% |
| Pension changes | 206 | 206 | 206 | Increase of pension from 19.9% to 22% |
| Legacy of 1,925 to 22/23 | 574 | 574 | 574 | £1,925 pay award not in previous MTFS |
| Tier 1 to 3 savings | (114) | (204) | (204) | Savings of shared CLT with RDC |
| 2% pay award | 0 | 263 | 532 | 2% in future budgets |

| | | | | |
|--------------|----------------|----------------|----------------|--------------------------|
| Post changes | 33 | (179) | (66) | Changes to establishment |
| Total | (1,170) | (2,108) | (2,419) | |