



Report of	Assistant Director, Corporate & Improvement	Author	Paul Cook 505861
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Title	Budget 2022/23 and Medium Term Financial Forecast		
Wards affected	All		

1 Executive Summary

1.1 The report sets out the current position on the 2022/23 budget and Medium Term Financial Forecast 2022/23 to 2025/26.

2 Recommended Decision

2.1 That the transformation savings set out in Section 6 and Appendix A of this report be approved.

2.2 That Locality Budgets be increased to £2,000 per councillor from 2022/23 onwards as set out in Section 8 of this report

2.3 That Arts Partners are funded at current levels in 2022/23 and from 2023-24 onwards as set out in Section 9 of this report.

2.4 To note the updated Medium Term Financial Forecast 2022/23 to 2025/26 set out in Section 11 of this report.

2.5 To note the updated Medium Term Financial Forecast assumptions 2022/23 to 2025/26 set out in Appendix B of this report.

2.6 That the Head of Finance in consultation with the Deputy Leader and Portfolio Holder for Resources be authorised to submit National Non-Domestic Rates Return 1 to the Department of Levelling Up, Housing and Communities and determine the Council's continuing membership of the Essex Business Rates Pool.

2.7 That the Head of Finance in consultation with the Deputy Leader and Portfolio Holder for Resources determine the reserves to be used in 2021/22 and 2022/23 to fulfil the requirements to meet Covid costs set out in Section 16 of this report.

2.8 That the Head of Finance in consultation with the Deputy Leader and Portfolio Holder for Resources determine the 2022/23 taxbase and notify preceptors in accordance with the statutory timetable.

2.9 To recommend to Council that Colchester becomes an opted in authority to Public Sector Audit Appointments for 2023/24 audit appointments as set out in Section 20 of this report.

3 Reason for Recommended Decision

3.1 To balance the 2022/23 budget and revise the Medium Term Financial Forecast.

4 Alternative Options

4.1 The Council is obliged to balance its budget on an annual basis. There are no alternatives.

5 Overview

5.1 The Council's budget and Medium Term Financial Forecast reflect progress in transforming Council services and achieving long term financial sustainability.

5.2 07 July 2021 Cabinet was able to drive forward recovery from the impacts of Covid and associated lockdowns and other restrictions on Council services, the community, and the local economy. New Homes Bonus was allocated to support the delivery of the Council's strategic priorities for 2021/22 and ensure that core Council services are performing as effectively as possible.

6 Transformation Programme

6.1 07 July 2021 Cabinet agreed the following objectives for the transformation programme to ensure it has direction and delivers the requirements of the Council: The objectives of the transformation programme are to:

- Enable delivery of the Council's priorities in the 2020-23 Strategic Plan, Covid recovery and new socio-economic norms.
- Achieve Medium Term Financial Forecast sustainability by reducing costs and increasing income.
- Engage with and value our staff, Members, customers, communities, and businesses.
- Work with system partners to integrate our activities, optimise resources and provide greater resilience.
- Agree recommendations to inform the 2022-25 Budget Processes.
- To be ambitious, agile, inclusive, environmentally sustainable, and digital by default.

6.2 To achieve these objectives, a vision for transformation has been agreed, as follows:

- ENABLING: A council which is focused on the future of its people, place and businesses, enabling its residents to improve their quality of life.
- INNOVATIVE: A council which is truly open in its thinking, embracing opportunities for change and innovative in delivery.

- **COMMERCIAL:** A council which works its assets, opens-up further commercially minded opportunities and maximises its income earning potential.

6.3 Transformation opportunities have now been identified and these are summarised in the table below and set out more fully in Appendix A.

7 Budget pressures 2022/23 onwards

7.1 The Medium Term Financial Forecast allows £500k steps each year from 2022/23 for new cost pressures

7.2 Services will therefore need to contain pressures other than basic pay inflation and contract inflation in 2022/23. The Medium Term Financial Forecast cost pressures allocation will be required for Council wide pressures.

7.3 The Medium Term Financial Forecast provides for contractual inflation. The main inflationary increase likely to affect the Council is pay inflation. The position on supplies and services is being carefully watched. The Capital Programme and Revenue Budget will be updated for any impacts in reports to January Cabinet.

7.4 The Medium Term Financial Forecast reported to 07 July 2021 Cabinet provided £400k per annum from 2023/24 as a funding contribution to a Youth Zone. This provision has been removed in the current update pending discussions with the County Council and other stakeholders on future options to meet youth needs in Colchester and recognition that, without Tier 1 Local Authority support for the scheme, total funding required per annum could be up to £1.3m plus associated capital expenses.

8 Locality Budgets

8.1 In July 2021 Cabinet restored locality budgets in 2021/22 to £2,000 per councillor. The Medium Term Financial Forecast now provides for this increase to continue from 2022/23 onwards.

9 Funding for Arts Partners

9.1 Given the importance of the arts and culture to community wellbeing and supporting the recovery of the local economy, and the improved financial position, post covid, the Council can commit to four-year funding agreements from 2023/24 for arts organisations, including the provision for an annual inflationary increase. These budgets are already assumed in the Medium Term Financial Forecast.

10 Sales Fees and Charges

10.1 23 November 2020 Cabinet agreed that fees and charges would increase annually by the past three years' average rate of council tax increase. The Medium Term Financial Forecast assumes that these inflationary increases are used by services to meet the cost of increments and other local service pressures.

10.2 Fees and charges increases identified as savings in this report are in addition to the annual increase assumption set out in 10.1 above.

10.3 Full fees and charges proposals for 2022/23 onwards will be recommended to 17 November 2021 Cabinet. This is in accordance with the agreed budget timetable.

11 Updated Medium Term Financial Forecast

11.1 In some budget areas it has now been possible to make more favourable assumptions compared to 2021/22 budget setting. These changes are set out in the table below, along with other one-off items within the 21/22 budget that are falling out in 22/23.

11.2 Income budgets have been increased to reflect faster than anticipated economic recovery and management action particularly in sport and leisure and car parking. Market prices have improved in the recycling service. It is now expected some Amphora dividends will be available from 2022/23

Improvement in income assumptions 22/23 versus 21/22 budget setting assumptions	£k
Sport & Leisure	(900)
Parking Income	(600)
Commercial & Investment Properties	(500)
Amphora non-housing dividend	(250)
Sub-Total	(2,250)
Other one-off 21/22 budget items falling out in 22/23	£k
Contractor Payments (Paper & Plastic)	(650)
Interest Payable/Minimum Revenue Provision	(300)
Transformation costs	(250)
Recovery costs	(250)
Recycling Materials (Boxes & bags)	(110)
Rowan House Refurbishment - estimated revenue implications	(55)
Social Lottery Initial Prize Fund	(50)
ECC Trade Tipping costs	(27)
Staffing costs	(17)
Income from Paper	(15)
Credit Claim Income	193
Sub-Total	(1,531)
Total	(3,781)

11.3 The Medium Term Financial Forecast is also now revised to reflect considerable progress on transformation. Appendix A provides detailed templates supporting the achievement.

11.4 Other key variables in the Medium Term Financial Forecast cannot be updated until the 2022/23 Local Government Finance Settlement becomes available in December 2021.

11.5 The revised Medium Term Financial Forecast at this stage is set out in the table below. Current planning assumptions are set out in Appendix B to this report.

11.6 The Amphora non-housing dividend is assumed to be £250k in 2022/23; £450k in 2023/24; and £650k in 2024/25 in line with the base Medium Term Financial Forecast assumption. Housing dividends are one-off gains and are assumed to be

used for capital financing purposes. Dividend forecasts for the Medium Term Financial Forecast period have not yet been finalised by Amphora.

- 11.7 Amphora dividend forecasts will be refreshed in the Budget Report to January 2022 Cabinet. If housing dividends are used at a proportionate level to support the Medium Term Financial Forecast, it may be necessary to revise capital financing assumptions. Additional minimum provision may also be required on advances to Amphora that are not able to demonstrate progress against business plans.
- 11.8 The 2022/23 budget gap is £869k at this stage of the budget timetable. This demonstrates the progress made towards balancing the 2022/23 Budget. The remaining savings requirement, as well as the significant gap in later years, is being addressed through the Council's Transformation Programme.
- 11.9 Some use of reserves is already planned to address Covid pressures over the entire MTFF period.

2022/23 Budget and MTFF	22/23	23/24	24/25	25/26
	£'000	£'000	£'000	£'000
Previous year's budget	21,247	20,701	22,257	23,447
Cost pressures & Growth items	1,461	1,421	940	940
Capital financing	250	475	200	200
Income losses	0	(350)	(200)	(200)
Transformation and recovery	0	0	0	0
Savings	(1,257)	(290)	(50)	(50)
Use of new homes bonus for one-off investment	(1,000)	300	300	0
Current year's budget	20,701	22,257	23,447	24,337
Business rates	(5,580)	(5,123)	(4,667)	(4,544)
Govt - Covid Funding	0	0	0	0
Govt Grant	0	0	0	0
New Homes Bonus	(950)	(950)	(950)	(950)
Council Tax	(13,027)	(13,475)	(13,929)	(14,392)
Previously planned use of reserves	625	750	750	750
Covid use of reserves	(900)	(400)	(200)	(200)
Budget Gap Cumulative	869	3,059	4,451	5,001

12 Medium Term Financial Forecast Consultation

- 12.1 The budget strategy and timetable have ensured that information is available for Scrutiny Panel and input from all Members.
- 12.2 A Budget Workshop was held on 20 September 2021. Further Budget Workshops are timetabled for 22 November 2021 and 17 January 2022. The workshops ensure that all members have been able to share in the task of meeting the budget challenge.
- 12.3 Group Leaders been offered the opportunity to meet with officers to assist with consideration of any alternative budget proposals.

12.4 Statutory consultation with business ratepayers and parish councils will take place.

13 **Risk Management Implications**

- 13.1 Extensive modelling work has been undertaken to understand the impacts and variables arising from the crisis. Staff and support costs are evidence based but will be subject to transformation work.
- 13.2 Leisure and commercial income are very dependent on factors beyond the Council's control including the return of consumer confidence, and the pace of recovery.
- 13.3 Modelling has been undertaken with service managers to assess the potential range of impacts before adopting the assumptions described within the report.
- 13.4 All the above and other significant uncertainties and risks will have to be managed. Further material change is likely to budget assumptions and the actions needed to ensure a balanced budget.

14 **Council Tax**

- 14.1 The 2021/22 limit for district council tax increases without a referendum was 2% or £5 (whichever was the larger). The Medium Term Financial Forecast assumes the same regime for 2022/23 and that a £5 increase is made in each financial year. These remain low council tax rates compared to other district councils.
- 14.2 Medium Term Financial Forecast assumptions on collection rates and Local Council Tax Support take-up are set out in Appendix B.
- 14.3 In order to set the council tax base in November and inform preceptors, delegated authority is now sought to set the taxbase

15 **Business rates**

- 15.1 In January 2022 the S151 Officer will return National Non-Domestic Rates Return 1 to the Ministry of Housing Communities and Local Government. This will set out expected business rates income for the Council, preceptors, and Government. Collection and appeals assumptions for 2022/23 will be informed by 2021/22 progress.
- 15.2 In 2020/21 a collection fund deficit of £32.194m arose. The deficit reflects the high value of reliefs granted in accordance with Government regulations during Covid. In accordance with Government rules, the deficit will be spread in the collection fund over the three financial years 2021/22 to 2023/24. The deficit is covered by government grants already received and currently held in reserve. Due to the extension of reliefs into 2021/22 it is expected a further deficit will arise in that financial year.
- 15.3 Business rates assumptions in the Medium Term Financial Forecast assume a £500k annual reduction in government funding. Funding changes are normally made by reducing the Council's business rates retention. The reduction could be a change in New Homes Bonus entitlement. The need for such a reduction in 2022/23 and later financial years is expected to be clarified in the 2022/23 Local

Government Finance Settlement expected in December 2021. Possible funding changes are set out in Section 16 of this report.

- 15.4 The Council continues to participate in the Essex business rates pool. It is unlikely there will be any major gain from the Pool in 2022/23, but the position will need to be reviewed and the pool may need to be reconfigured if 100% business rate retention is implemented
- 15.5 The Government has suggested it will implement 100% business rates retention in 2022/23. It is uncertain now whether implementation will go ahead. If implementation goes ahead in 2022/23 it is unclear how this will impact the Council until the 2022/23 local government finance settlement is published.
- 15.6 Business rates assumptions will be updated in the January 2022 Budget Report. Any major variations will be dealt with through the Business Rates reserve.

16 Capital Financing

- 16.1 The allocation for capital financing in 2022/23 and later years is based on the current capital programme and capital receipt assumptions. The provision will be updated when the capital programme is reset in January 2022. No major variation is expected at this stage.

17 Use of Reserves for Covid

- 17.1 The Medium Term Financial Forecast assumes significant use of reserves for Covid. The usage is set out in the table in Section 11 of this report. The usage is in addition to £2.400m to be used in 2021/22 already agreed in the 2021/22 budget process. The usage is necessary to bridge over forecast income losses and other factors during economic recovery.
- 17.2 The reserves to be used for Covid will be determined at a later stage of the budget process or during 2022/23. It is therefore recommended that the Head of Finance in consultation with the Deputy Leader and Portfolio Holder for Resources determine the reserves to be used.

18 National Insurance Changes

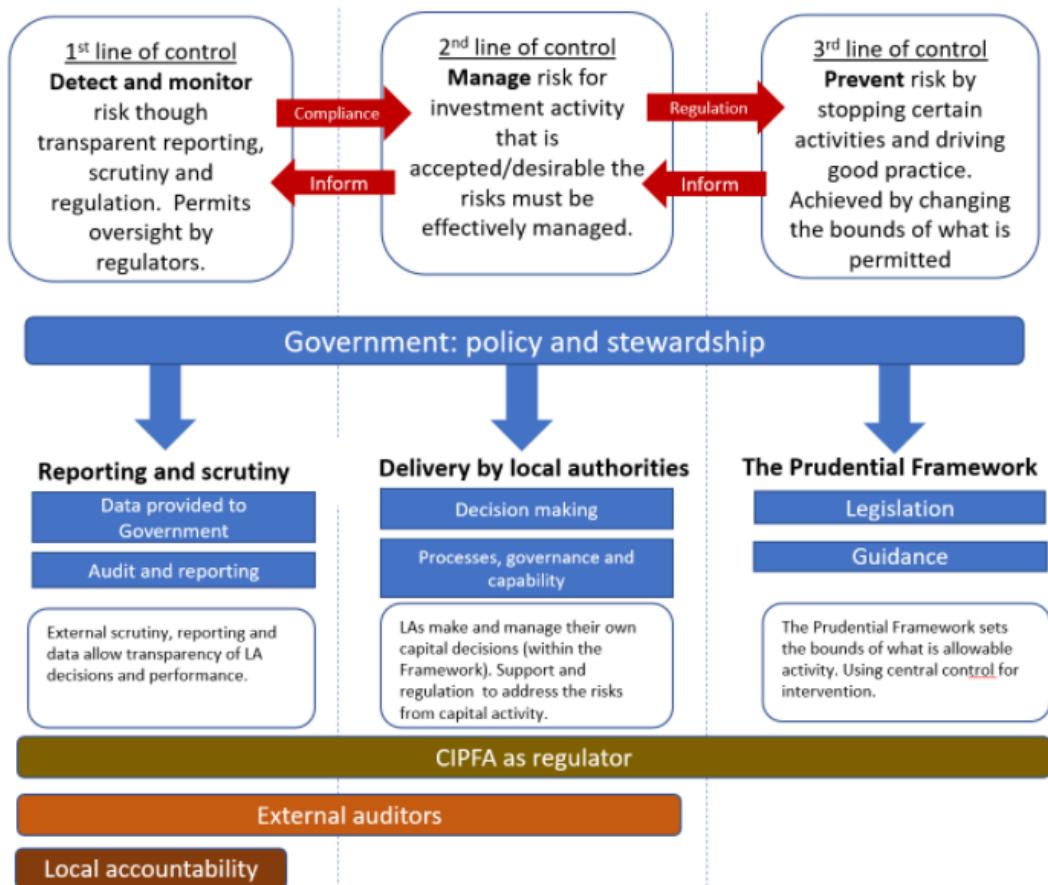
- 18.1 In September 2021 Government published *Building Back Better: Our plan for Health and Social Care*. In tax year 22/23 employers and employees will pay an additional 1.25% National Insurance Contribution rate. The increased contributions will fund social care reforms.
- 18.2 In 23/24 the increased contributions will be replaced by a levy at the same value. Public sector employers will be compensated for the impact of the levy on their budgets in order to ensure the NHS and local authorities do in fact receive additional resources.
- 18.3 The Medium Term Financial Forecast assumes the increased Employer's National Insurance Contributions or levy from 22/23 onwards.

19 Government Policy on Local Authority Borrowing

19.1 In a Policy Paper published 28 July 2021, the Ministry of Housing Communities and Local Government announced it intends to tighten local authority capital and borrowing controls. (See diagram below.)

19.2 It is not expected any current or planned Council borrowing will be affected, but full details are awaited.

Figure 1: Three-lines of control model for strengthening the capital system



20 External Audit Appointments

20.1 Public Sector Audit Appointments Ltd have invited Colchester to opt into their procurement process for five year contracts commencing with 22/23 audits. The cost to the Council of running its own procurement process would be considerable and opting in is recommended. There have been difficulties in fulfilling current external audit requirements. These issues are unlikely to be resolved by Colchester acting in isolation. In accordance with the Regulations opting-in requires Full Council approval before 11 March 2022.

20.2 Colchester opted in for the last round of auditor appointments. Public Sector Audit Appointments Ltd suggest that their national scheme from 2023 will build on the range of benefits already available for members:

- transparent and independent auditor appointment via a third party;
- Specialist team with significant experience of working within the context of the relevant regulations to appoint auditors, managing contracts with audit firms, and setting and determining audit fees;
- a value for money offer based on minimising PSAA costs and distribution of any surpluses to scheme members
- avoids the necessity for local bodies to establish an auditor panel and undertake an auditor procurement
- concerted efforts to work with other stakeholders to develop a more sustainable local audit market.

21 **Government Funding**

21.1 The Budget and Three-year Spending Review will be released on 27 October 2021.

21.2 Major changes to local government funding planned by the Department of Levelling Up, Housing and Communities for some time have been delayed due to Covid-19. Possible changes are set out in the table.

1	Fair Funding	Settlement Funding Assessments include assumed need to spend in the calculation. The basis has been largely unchanged for many years. A Fair Funding review could increase or decrease Colchester's Settlement Funding Assessment. This will depend on what new basis of calculating spending needs is adopted and when it is implemented.
3	100% business rates retention	An increased business rates share will replace some government grants. A key consideration will be how changes in business rates income are to be shared between local authorities and government. How long will local authorities be able to retain growth in business rates? How much will be reallocated to other parts of the country as part of the "tariff" and "top-up" adjustments
4	Spending Review	How will local government's share of public spending be changed? Will the distribution between second and first tier authorities change?
5	New Homes Bonus	The Government has yet to announce the revised New Homes Bonus Scheme

21.3 In view of all the uncertainties over future government funding, the Medium Term Financial Forecast provides £500k downward steps in each successive financial year.

22 **Recovery and Strategic Priorities**

22.1 Post-Covid recovery, for the Council, our customers, communities and businesses, is of critical importance. This is the key focus of activity in 2022/23.

23 2021/22 Outturn

23.1 It is expected the 2021/22 outturn will be on budget and there are no significant variances affecting the budget process.

24 Financial implications

24.1 As set out in the report.

25 Environmental and Climate Change Implications

25.1 All budget measures are assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's recovery planning and a core theme of the new Strategic Plan.

26 Equality and Diversity Implications

26.1 Consideration will be given to equality and diversity issues in respect of budget changes proposed as part of the budget process. This will be done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

27 Other Standard References

27.1 There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.

	2022/23
	£'000
22/23 Transformation Programme Savings:-	
Digital services use of revenues and benefits new burdens funding from Department for Work and Pensions	(50)
Digital Communications enabling a reduction in print and post	(20)
Digital Office enabling a reduction in central stationery	(7)
Digital service delivery enabling a reduction in mileage claims	(20)
Transformation of office working and benefits from Rowan House refurbishment	(60)
Savings from budgets repeatedly underspending in recent financial years	(250)
Sport and Leisure improved performance	(250)
Fees and charges generated over and above average council tax increase	(145)
Extension of market and public events	(30)
Parks & Countryside Sites Strategy	(10)
North Essex Parking Partnership Agreement beyond 2022 including Service Level Agreements	(5)
Healthy Homes – Disabled Facilities Grant covering more of the cost of delivery of services	(20)
Local Fast Fibre Network	(50)
Efficient use of Anti-Social Behaviour resources	(25)
Total Savings	(942)

APPENDIX A CONTINUED – TRANSFORMATION BUSINESS CASE

Transformation Objectives	<p>A programme has begun to transform the organisation and harness the positive changes and learning from the Pandemic.</p> <p>The objectives of the transformation programme are to:</p> <ul style="list-style-type: none"> • Enable delivery of the Council's priorities in the 2020-23 Strategic Plan, Covid recovery and new socio-economic norms. • Achieve MTFF sustainability by reducing costs and increasing income. • Engage with and value our staff, Members, customers, communities, and businesses. • Work with system partners to integrate our activities, optimise resources and provide greater resilience. • Agree recommendations to inform the 2022-25 Budget Processes. • To be ambitious, agile, inclusive, environmentally sustainable, and digital by default.
Introduction to Themes	<p>To achieve these objectives, a vision for transformation has been agreed, which covers three themes:</p> <p>ENABLING:</p> <ul style="list-style-type: none"> • A council which is focused on the future of its people, place and businesses, enabling its residents to improve their quality of life. • This includes: <ul style="list-style-type: none"> ◦ Recognising the power that already exists within our communities. ◦ Facilitating our communities to reach their full potential, creating and leading change for themselves, being more resilient and making greater use of the assets and strengths that exist within. <p>INNOVATIVE:</p> <ul style="list-style-type: none"> • A council which is truly open in its thinking, embracing opportunities for change and innovative in delivery. • This includes: <ul style="list-style-type: none"> ◦ Implementing next generation digital solutions. ◦ Identifying ongoing efficiencies to generate savings and increased income. ◦ Upgrading practices to deliver better results to our customers. ◦ Encouraging a consistent culture of innovation across the whole organisation, where: <ul style="list-style-type: none"> ▪ Services across CBC and partners are more joined up. ▪ Constructive challenge to the status quo is welcomed. ▪ Organisational design and leadership are optimised to deliver innovation. <p>COMMERCIAL:</p> <ul style="list-style-type: none"> • A council which works its assets, opens-up further commercially minded opportunities and maximises its income earning potential. • This includes: <ul style="list-style-type: none"> ◦ Generating commercial activity and scoping feasibility of new opportunities ◦ Efficient delivery of key commercial projects to maximise net benefits to the organisation and its subsidiaries ◦ Optimising income generation ◦ Building and creating a financially strong company structure with commercial value

Workstream One Description	Maximising Fees & Charges We are reviewing all fees and charges to ensure that, as a minimum, they are market comparable. In some cases, we are seeking to include maximum cost recovery. The Medium Term Financial Forecast already assumes an inflationary increase across fees and charges. This proposal is the value to which fees and charges can be increased above inflation to meet market forces and/or the charges of neighbouring authorities.		
Theme Alignment	Enabling	Innovative	Commercial
			✓
Identified Savings & Income			
Description of saving/income	Savings & Income (£000's)		
	22/23	23/24	24/25
Maximising service fees and charges	145	100	100
Positive benefits, issues, risks and impacts	Some fees and charges are set by government regulation (planning fees and housing benefit overpayments). Other services face market competition which limits the level of increases that can be made.		

Workstream Two Description	Service Development and Marketing <ul style="list-style-type: none"> A full strategic review of the way that Green & Blue infrastructure (Parks, Open space, Countryside, Coast) is managed would create opportunities to consider appropriate commercialisation of these assets (for example greater educational activities). Review of Service Level Agreements with partner organisations including support costs for 'off street' parking services and percentage parking income split with Town & Parish Councils for CBC assets It has been clarified with MHCLG that the capital Disabled Facilities Grants can be used for wider purposes, thereby saving revenue costs. Within the Cemetery & Crematorium, a small-scale restructure is proposed. This will create a new role, the remit for which will be linked to succession planning and new income generation, creating a benefit to net profit. A review has identified service areas where there is potential for spending to fall below, and/or income to exceed, current budget levels, specifically: <ul style="list-style-type: none"> Planning Bereavement Services Land Charges have exceeded the 20/21 income target and are able to maintain that increase in 22/23. Extension of Market and Public Events Trade Waste Business Opportunity 		
Theme Alignment	Enabling	Innovative	Commercial
		✓	✓
Identified Savings & Income			
Description of saving/income	Savings & Income (£000's)		
	22/23	23/24	24/25
Service Development and Marketing	340	0	0
Positive benefits, issues, risks and impacts	By adopting a more commercial approach, it is possible to improve the income profile of a range of services without significant impact on service delivery or staffing.		

Workstream Three Description	LFFN The Council's fibre infrastructure (which was substantially paid for by government funding), is a wholesale core infrastructure designed to facilitate next-generation, ultrafast connectivity between backhaul (connection to the core internet in London) and local distribution networks that will be built by (primarily) external investors. It is also capable of providing connectivity across the Council's own sites, including the large number of social housing units.		
Theme Alignment	Enabling	Innovative	Commercial
		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Identified Savings & Income			
Description of saving/income	Savings & Income (£000's)		
	22/23	23/24	24/25
LFFN	50	50	50
Positive benefits, issues, risks and impacts	The MTFF already assumes £110k income in 22/23 with £50k annual increases thereafter. This additional income reflects further progress with the network and greater clarity on the delivery mechanism in the form of a concession agreement between the Council and Amphora.		

Workstream Four Description	Sport & Leisure Increased marketing and enhanced customer service including better use of technology for bookings will enable a faster recovery profile, above and beyond the increases that have already been projected/assumed.		
Theme Alignment	Enabling	Innovative	Commercial
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Identified Savings & Income			
Description of saving/income	Savings & Income (£000's)		
	22/23	23/24	24/25
Increase in income target further to marketing, customer service improvements & digital intervention in 2021/22	250	100	100
Positive benefits, issues, risks and impacts	The Medium-Term Financial Forecast already assumes £1.1million less income in 22/23 compared to the pre-Covid budget. It also assumes a £150k improvement in 23/24 so therefore a c.£1m deficit on previous income levels is currently assumed. These interventions will reduce the potential loss of income. Given the competitive leisure market, delivery will need to be carefully monitored.		

Workstream Five Description	Digital Transformation		
	<ul style="list-style-type: none"> “Digital by default” remains a key objective of the Transformation programme and reflects our ambition to produce efficiencies, innovations and opportunities through digital development. The Covid-19 pandemic prompted a successful acceleration of our digital roadmap, and we will continue to develop the potential of our people and technology, whilst maximising customer satisfaction. 		
Theme Alignment	Enabling	Innovative	Commercial
	✓	✓	
Identified Savings & Income			
Description of saving/income	Savings & Income (£000's)		
	22/23	23/24	24/25
Digital Transformation	47	0	0
Positive benefits, issues, risks and impacts	This workstream captures some of the benefits that have come through the improved digital and home working practices initiated as a result of the Covid-19 pandemic. As the practices are now embedded, and as most staff continue to work largely from home, there will be no impact felt by the organisation. Use of these resources will continue to be monitored.		

Workstream Six Description	Service Innovations and Efficiency		
	<ul style="list-style-type: none"> Progress has been made to enable customers and residents to do more for themselves, where our services have and are continuing to implement cloud-based systems which are accessible on any device. Savings have been realised in the contact and support and the benefits service, as less resource is needed to assist customers and residents. Services have also improved their processes by joining up with partners and working with data in a digital environment. Efficiencies in the Housing Benefit service means that we can increase their ongoing yearly saving from £100k to £150k due to the service being able to absorb new work as and when it arises. The saving will come from New Burdens income and Benefits will manage the extra work as part of their BAU workload. Transformation of Rowan House – the re-design and refurbishment of office space to reduce carbon emissions and the identification of surplus space to generate an income opportunity. Shared Services – the MTFF already assumes £130k of savings in 22/23 and £40k in 23/24 and we will continue to investigate and develop opportunities across a wide range of services. As an Anchor Institution, working across the pan-Essex Anchor movement, we will continue to work with other institutions to extend employment opportunities to the residents of North East Essex. 		
Theme Alignment	Enabling	Innovative	Commercial
		✓	✓
Identified Savings & Income			
Description of saving/income	Savings & Income (£000's)		
	22/23	23/24	2024 – 2025
Service Innovations and Efficiency	110	0	0
Positive benefits, issues, risks and impacts	Revising our model of office-based working and regenerating the Rowan House site, will provide a better working environment and additional revenue and will support our strategic plan of environmental sustainability.		

Workstream Seven Description	Partnership Working		
	<ul style="list-style-type: none"> Smarter and more collaborative delivery of work to address anti-social behaviour in non-HRA properties, managing the workload across Partnerships, Vol Sector and within Environment Health and Community Services. Continues theme in 21/22 budget setting. 		
Theme Alignment	Enabling	Innovative	Commercial
	✓	✓	
	Identified Savings & Income		
Description of saving/income	Savings & Income (£000's)		
	22/23	23/24	24/25
Smarter delivery of work to address anti-social behaviour in non-HRA properties	25	0	0
Positive benefits, issues, risks and impacts	A more collaborative approach with community policing, CBH and Communities themselves, has enabled a more efficient use of Anti-Social Behaviour resources. CBC Community Safety team will continue to work with key partners to manage relevant workloads and minimise any impact to service delivery.		

	Total Savings & Income (£000's)		
	22/23	23/24	24/25
TOTAL PROJECTED SAVINGS & INCOME FROM COMMERCIAL THEME	922	250	250

MEDIUM TERM FINANCIAL FORECAST Assumptions 2022-2026	22/23	23/24	24/25	25/26	Comments
District council tax increase	£4.95	£4.95	£4.95	£4.95	Maximum increase under 2021/22 referendum principles assumed to apply 2022/23. 2022/23 referendum principles will be announced in the local government finance settlement
Council tax base increase	+1.0%	+1.0%	+1.0%	+1.0%	This is the average in past years. Covid does not appear to have had a significant impact. Will be further updated January 2022.
Council tax collection rate	+97.5%	+97.5%	+97.5%	+97.5%	Pre-Covid a 99% collection rate was assumed. Will be further updated January 2022.
LCTS take-up compared to pre-Covid				+12.5%	Pre-Covid take-up had been slowly declining. This is a prudent maximum increase. Will be further updated January 2022.
Business Rates					
Contractual inflation	0.240	0.240	0.240	0.240	This is a realistic provision based on previous years' budgets.
Pay inflation	2%/0.400	1%/0.200	1%/0.200	1%/0.200	This is a realistic provision based on previous years' budgets.
Allowance for additional cost pressures	0.500	0.500	0.500	0.500	Allocations will be confirmed by January 2022 Cabinet.
Government grant for Covid costs	0.000	0.000	0.000	0.000	No additional support assumed 2022/23 onwards

