

**MINUTES OF
CHELMSFORD CITY COUNCIL CABINET**

on 12 July 2022 at 7.00pm

Present:

Cabinet Members

Councillor S Robinson, Leader of the Council (Chair)
Councillor M Goldman, Deputy Leader and Cabinet Member for Connected Chelmsford
Councillor C Davidson, Cabinet Member for Fairer Chelmsford
Councillor M Mackrory, Cabinet Member for Sustainable Development
Councillor R Moore, Cabinet Member for Greener and Safer Chelmsford

Opposition Spokespersons

Councillors K Bentley, M Steel, A Thorpe-Apps and R T Whitehead

Also present: Councillors A Davidson, R Massey, J Raven and A Sosin

1. Apologies for Absence

Apologies for absence were received from Councillors N Chambers, R Gisby, R Hyland, I Roberts and R Poulter, Opposition Spokespersons.

2. Declarations of Interest

Members of the Cabinet were reminded to declare at the appropriate time any pecuniary and non-pecuniary interests in any of the items of business on the meeting's agenda.

3. Minutes and Decisions Called-in

The minutes of the meeting on 7 June 2022 were confirmed as a correct record. No decisions at that meeting had been called in.

4. Public Questions

A member of the public referred to the lack of management of grassed areas in the Beaulieu area and the concerns of residents about the possibility of fire and other health and safety

risks associated with untended grass and other vegetation. The Cabinet was asked whether an assessment of those risks had been carried out.

The Cabinet Member of Greener and Safer Chelmsford said that this issue had been discussed recently with Springfield Parish Council and an assurance given that all areas the subject of the “no mowing” policy had been fully risk-assessed and the results were available on request. The policy was designed to help with biodiversity but some areas continued to be cut to enable ease of movement and preserve sightlines. It was the view of the Cabinet Member that the policy had been a success and it was hoped that local residents would work with the Council to help it remain so whilst protecting their health, safety and free movement in the areas concerned.

In response to a related question, the Cabinet was informed that if the Council adopted areas of public open space, such as the Deer Park in Beaulieu which was owned by Countryside, they would be managed by the Council on behalf of the landowner.

5. Members' Questions

Councillors who were not members of the Cabinet asked the following questions:

- (a) Councillor R Whitehead, who referred to the concerns of residents of the Galleywood area, expressed to their ward councillors, about overgrown footpaths in the area and the resulting problems associated with the “no mowing” policy referred to earlier in the meeting. He argued that rather than have a blanket policy which assumed that no grass and vegetation in an area would be cut back, the Council should follow an exceptions rule where certain areas, perhaps identified by parish councils, were routinely cut and managed to preserve, for example, sightlines at junctions and ease of movement along footpaths.

The Cabinet was told that Galleywood Common had been the subject of a successful haymaking regime for many years. Issues with overgrown verges at junctions in the area had been addressed. More generally, the City Council cut highway verges under a contract with Essex County Council which specified one and a half cuts per year and also required that junction sightlines be protected at all times. If any were missed or sightlines were thought not to be adequate, they should be reported to Public Places. The Cabinet Member added that this was the first year of the “no mow” policy and there had been clear benefits for flora and fauna, but any concerns about particular sites should be reported.

- (b) Councillor M Steel on whether the Policy Board on 14 July could approve the Council’s consultation response to National Grid’s GREEN project without reference to another Council body.

It was confirmed that this was the case.

- (c) Councillor R Massey on why Ukrainian refugees settled in Chelmsford were allowed free use of the Council’s swimming facilities when Afghan refugees were not.

The Cabinet Member for Greener and Safer Chelmsford said that she was looking into this issue and would respond to Councillor Massey.

- (d) Councillor A Sosin on whether there were any plans for housing or other development on the site of Sandford Mill.

In response, the Cabinet Member for Sustainable Development referred to an action point in the report on Chelmsford's Waterways and Rivers at item 7 on the agenda:

“Review future use of Sandford Mill and surrounding land in accordance with its Special Policy Area [SPA5] notation in the adopted Chelmsford Local Plan – for example introduce commercial use of the Engine House with improved visitor facilities providing the focus for the wider recreational use of the Chelmer East Green Wedge identified in the adopted Local Plan – possibly local natural resource centre on the former water works site - so that it can operate as an all-year-round destination. Linked to the master plan for East Chelmsford Strategic Growth Area which should provide some of the supporting infrastructure [new access road, car park and contribution to a new ‘visitor centre’] as part of planning obligations for the wider development”.

The development potential of the Sandford Mill site itself was being examined by a project group reporting to the Waterways Working Group. Initial workshop sessions were held in 2019 and 2020. A site appraisal examining the development opportunities had been undertaken by external property consultants, but further work was temporarily on hold due to other priorities arising from the Covid-19 outbreak. This would also allow the extent of the planning obligations to be confirmed.

The Cabinet Member for Connected Chelmsford emphasised that the site's development potential did not mean its potential for housing development. Sandford Mill was a valuable asset that could have leisure, cultural or educational uses and it was on those uses that its development potential would focus.

- (e) Councillor A Sosin on whether the Sustainable Urban Drainage Systems (SuDS) requirements for the developments east of Chelmsford would be adequate for extreme rainfall which could potentially add to flooding at Sandford Mill cottages etc, and whether this would be considered as part of the planning application for the development.

The Cabinet Member for Sustainable Development said that the sites in East Chelmsford where housing was being proposed were located within the Environment Agency Flood Risk Zone 1 which was the lowest risk from fluvial (river) flooding. The Local Plan was accompanied by a Strategic Flood Risk Assessment prepared in consultation with the Environment Agency to inform where new development could be located.

Policy DM18 of the Chelmsford Local Plan required the provision of sustainable drainage systems for the disposal of surface water within and leading from major development sites. The principal method that should be used was SuDS which both developers for East Chelmsford (Hopkins Homes and Redrow Homes) had shown in principle in their approved masterplans. SuDS features were designed to not only mitigate the impact of development itself but factor in future climate change when working out the volumes of future water needing to be managed. The detail of SuDS would need to be approved by Essex County Council as Lead Local Flood Authority

(LLFA). As a statutory consultee, the LLFA had been consulted as part of the current planning application submitted by Redrow Homes for sites 3b, 3c and 3d.

(7.08pm to 7.25pm)

6.1 Treasury Management Outturn 2021/22 (Fairer Chelmsford)

Declarations of interest:

None.

Summary:

The report to the meeting detailed the findings of the annual review of the Council's Treasury Management function and the rates of return on investments in 2020-21.

Options:

The report was factual and no options were presented.

Discussion

In presenting the report, the Cabinet Member for Fairer Chelmsford thanked officers for the professional way in which the Council's finances were managed and the Treasury and Risk Management Sub-Committee for overseeing treasury management activities.

RESOLVED that the Treasury Management Outturn report for 2021/22 be noted and that the Council be recommended to endorse it.

(7.25pm to 7.27pm)

6.2 Capital Programme Update and Provisional Outturn 2021/22 (Fairer Chelmsford)

Declarations of Interest:

None

Summary:

The report to the meeting detailed capital expenditure incurred in 2021/22 and the resources used to finance it; set out variations to approved capital schemes and the Asset Replacement Programme; and presented a budget for asset replacements in 2022/23.

Options:

Approve or revise the proposals for the replacement of assets in 2022/23.

Preferred Option and Reasons:

The capital programme and the amendments to it ensured that it included the resources necessary to support the Council's priorities and objectives.

Discussion:

The Cabinet Member for Fairer Chelmsford said that the programme enabled the Council to continue to deliver all the services that residents depended on and reflected its ambitious plans:

- To modernise the theatres
- To develop various sites owned, both providing more much-needed affordable housing and creating new communities of which Chelmsford could be proud
- To invest in decent temporary homes, at lower cost, for families that have found themselves homeless
- To invest in Hylands House so that it could offer an even better experience to visitors
- To ensure the Council could deliver on its promise to plant 175,000 trees over 10 years
- To make progress towards the target of making the City Council net-zero carbon by 2030. The Cabinet Member was proud that the Council was set out on a path to convert its vehicle fleet to reduce and ultimately eliminate reliance on fossil fuels. All vehicles being purchased were now electric or other ultra-low-emission such as hydrogen, except where genuine operational constraints make these unsuitable or they were not available.

As well as updating the costs of the existing programme, there are two new schemes relating to the Army & Navy:

- The City Council had been asked to provide £4m towards the estimated £67m cost of the main scheme. The Government was expected to fund most of this cost.
- The junction improvements, enhancements to the Park & Rides and better options for cycling and walking would benefit residents and were long overdue. Essex County Council would work with the City Council to make more improvements for cycling and walking, and £1.5m of contributions from developers were allocated for this.

The two schemes were linked and the Council's contribution to the first was conditional on Essex County Council working with it on the second.

In response to a question, the Cabinet was informed that the Council was confident that it would draw down by March 2023 the remainder of the grant from the Housing Infrastructure Fund for Stage 1 of the Chelmer Waterside Infrastructure works.

Replying to an enquiry about the effect of inflation on proposed schemes in the capital programme, the Cabinet Member said that was an unknown at present and could only be determined at the time they were ready to proceed and the business cases for them finalised. It was inevitable, however, that it would affect the cost of projects.

On a question about the provision in the capital programme for the acquisition of land for a new cemetery and crematorium, the Cabinet was informed that the Council had a statutory obligation to provide a cemetery and crematorium service and it was expected that land would be purchased to enable that service to continue to be delivered. The cost of doing so

at the relevant time would need to be looked at as part of the business case for the project but that did not imply that the scheme would not go ahead.

RESOLVED that the following be approved:

the proposed Asset Replacement Programme for 2022/23, the increase in scheme costs £6k, the rephasing of spend from 2021/22 of £271k and proposals for new items £43k as shown in Appendix 3 and detailed in paragraph 4.2 of the report to the meeting.

RECOMMENDED to the Council that it:

1. approve the latest proposed budgets for Capital Schemes, an increase of £4.419m, shown in Appendix 1 and detailed in paragraph 3.1;
2. approve budgets for two new schemes, detailed in paragraph 3.5:
 - Army and Navy Sustainable Transport package, capped at £4m;
 - East Chelmsford Cycling and Walking Connectivity, capped at £1.5m;
3. note the outturn on the 2021/22 Asset Replacement Programme £3.849m, shown in Appendix 3 and detailed in paragraph 4.1;
4. note the Asset Replacement Programme for 2022/23, £6.007m as shown in Appendix 3 and detailed in paragraph 4.2;
5. note the proposed Asset Replacement programme deferred approved schemes from 2022/23 to 2023/24, £0.154m, shown in Appendix 3 and detailed in paragraph 4.2; and
6. note the method of funding the capital expenditure incurred in 2021/22, as set out in the table in paragraph 5.

(7.27pm to 7.39pm)

6.3 Medium-Term Financial Strategy (Fairer Chelmsford)

Declarations of Interest:

None

Summary:

The Cabinet received an update on the Medium Term Financial Strategy (MTFS) for the period 2022-23 to 2027-28, approved by the Council in July 2021. The MTFS provided a financial framework to support delivery of the Council's priorities as set out in "Our Chelmsford; Our Plan".

Options:

Approve or amend the Strategy submitted as Appendix 1 to the report.

Preferred Option and Reasons:

The proposed Strategy provided a framework to commence preparation of the detailed budget for 2023/24, taking account of the latest financial projections over the medium term and the financial risks facing the Council.

Discussion:

In introducing the report, the Cabinet Member for Fairer Chelmsford said that it provided an update on the Council's projected finances over the next six years and the context for the next round of budget-setting.

It was usual at this stage in the budget-setting cycle to have a gap between the current forecast of spending over this period and the income expected to fund it. In July 2018, the gap for 2019-20 was expected to be £1.35m and in July 2021 the gap for 2022-23 had been forecast as £1.7m. In each case, by the time, six months later, that the budget proposals for the next year had been published, those gaps had been closed.

This year was no different. A somewhat larger gap was forecast – £4.2m for 2023-24 on the central case – but the Cabinet Member expected to present a balanced budget in January 2023. The challenges this year, however, were much greater.

As had been seen during the pandemic, the City Council's finances were very reliant on income that it generated itself. Only about a quarter of its spending came from Council Tax and almost £9 in every £10 of Council Tax collected was passed on to others, most of it to Essex County Council. Very little of the Council's spending was funded by Government grants: it kept a small proportion of the business rates it collected and sometimes received grants for specific activities. The Council therefore relied on the income it could generate through cautious investment of spare cash, rents on the property it owned and charges for some of its services.

The country had entered a cost-of-living crisis. Inflation was forecast to be in double figures later in the year. Residents were suffering with increases in the cap on domestic energy bills, diesel and petrol prices at the forecourts had hit new highs, and food prices were going up. Earnings, pensions and benefits were not keeping pace. People would spend less and that would affect the Council's income.

The City Council's spending was also caught by the same pressures. Energy costs had gone up by £900,000; fuel costs were up £300,000; the prices of building materials were pushing up the costs of the capital programme. All councils faced those pressures but Chelmsford had managed its finances carefully and was in a better position than many other councils.

The Government helped councils with very significant grants so they could survive the pandemic, when income fell and spending had to rise. Government help was now needed again, otherwise all councils would have to stop delivering vital services that residents depended on and some councils would become bankrupt. The Strategy aimed to plot a course through the current period of uncertainty.

RESOLVED that the updated financial forecast be noted.

RECOMMENDED to the Council that it approve:

1. the updates to the capital strategy set out in Appendix 2;
2. the approach to reserves set out in the report and Appendix 5 of the report;
3. the Financial Strategy as set out in Appendix 4;
4. the budget guidelines for preparation of the 2023/24 budget set out in Appendix 6;
5. the carry forward of budgets of £247k from 2021/22 for initiatives which were delayed, as detailed in Appendix 6; and
6. additional Revenue Budget of £80k for 2022/23 (equivalent to £135k in a full year) for the switch to a low-carbon fuel for the Council's larger vehicles, as detailed in Appendix 6.

(7.39pm to 7.46pm)

7. UK Shared Prosperity Fund (Leader)

Declarations of Interest:

None

Summary:

The Board received a report and a presentation on the UK Shared Prosperity Fund, which had been launched in April 2022 and aligned with the Government's levelling up agenda.

Chelmsford had been allocated £1,173,283 to deliver the aims of the UKSPF which would run from April 2022 until March 2025. In order to obtain the funding an Investment Plan for City needed to be developed and then approved by the government. Local authorities were also expected to form formal partnerships to oversee the development of their area's Investment Plan or to use current groups for this purpose. It was proposed that the One Chelmsford Board was the most appropriate body for Chelmsford's Investment Plan to be officially endorsed by the required partners, stakeholders and relevant MPs.

Options:

Approve or amend the Investment Plan.

Preferred Option and Reasons:

To enable the Investment Plan to be submitted to government by 1 August 2022 and ensure that funds are used for schemes that will deliver positive outcomes for local residents and businesses.

Discussion:

The Cabinet was informed that the One Chelmsford Board had endorsed the Investment Plan at its meeting on 8 July 2022. The Leader drew the Cabinet's attention to two proposed priorities in the Plan: addressing health inequalities, the funding for which could be pooled with funding that had been allocated to the Integrated Care Partnership for that purpose, and supporting the creation of jobs in the SMEs tech sector.

Asked whether the Plan included support for setting up new businesses in the green economy, the Cabinet was told that under the business support interventions mentioned in the Investment Plan the Council was already working with partners to assist businesses and that as part of that they would be looking to develop skills in businesses to support the green agenda.

RESOLVED that:

1. the publication of the prospectus for the UK Shared Prosperity Fund be noted;
2. the developing Investment Plan be endorsed and the support of the One Chelmsford Board to it be noted.
3. the Chief Executive be authorised, in consultation with the Leader of the Council and the Council's Section 151 Officer, to take the necessary actions and decisions required to finalise Chelmsford's Investment Plan and approve it for submission to the Government for approval within the stated timeframes.

RECOMMENDED to the Council that it approve the allocation of the funding in accordance with the Investment Plan.

(7.46pm to 7.57pm)

9. Amendments to the Constitution

Declarations of Interest:

None

Summary:

The Cabinet was asked for its views on a number of general amendments to the Constitution and, specifically, revised Financial Rules before their submission to the Council for approval.

Options:

Approve or amend the proposed changes to the Constitution.

Preferred Option and Reasons:

The proposed amendments and revised Financial Rules would ensure that the Constitution remained up to date and met the requirements of the Council.

Discussion:

A representative of one of the smaller minority groups asked whether further thought could be given to the suggestion made at the Governance Committee that groups of five or more be automatically entitled to appoint spokespersons on Cabinet functions. There was concern that leaving a decision on that until after an election would mean that there would be a period during which smaller groups with a potentially large number of members would not have formal spokespersons. The Leader said that that need not necessarily be the case and that any constitutional changes could be considered at the Annual Meeting of the Council after an election.

RECOMMENDED to the Council that it approve the general amendments to the Constitution set out in Appendix 1 to the report to the meeting and the revised Financial Rules in Appendix 2.

(7.57pm to 8.06pm)

10. Urgent Business

There were no items of urgent business.

11. Reports to Council

All of the reports to the meeting would be referred to the Council for approval.

The meeting closed at 8.06pm

Chair