

Cabinet Agenda

15 October 2019 at 7pm

**Council Chamber, Civic Centre,
Duke Street, Chelmsford**

Membership

Councillor S J Robinson (Chair and Leader)
Councillor M C Goldman (Connected Chelmsford
and Deputy Leader)

and Councillors

C K Davidson (Fairer Chelmsford)
J A Deakin (Safer Chelmsford)
M J Mackrory (Greener Chelmsford)

Local people are welcome to attend this meeting, where your elected Councillors take decisions affecting YOU and your City.

There will also be an opportunity to ask your Councillors questions or make a statement. If you would like to find out more, please telephone Brian Mayfield in the Democracy Team on Chelmsford (01245) 606923 email brian.mayfield@chelmsford.gov.uk, call in at the Civic Centre, or write to Democratic Services, Civic Centre, Duke Street, Chelmsford CM1 1JE. Council staff will also be available to offer advice in the Civic Centre for up to half an hour before the meeting.

If you need this agenda in an alternative format please call 01245 606923. Minicom textphone number: 01245 606444.

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THE CABINET

15 October 2019

AGENDA

PART 1

Items to be considered when members of the public are likely to be present

1. **APOLOGIES FOR ABSENCE**

2. **DECLARATIONS OF INTEREST**

All Members are reminded that they must disclose any interests they know they have in items of business on the meeting's agenda and that they must do so at this point on the agenda or as soon as they become aware of the interest. If the interest is a Disclosable Pecuniary Interest they are also obliged to notify the Monitoring Officer within 28 days of the meeting.

3. **MINUTES AND DECISIONS CALLED-IN**

To consider the minutes of the meeting on 10 September 2019.
No decisions at that meeting were called in.

4. **PUBLIC QUESTIONS**

Any member of the public may ask a question or make a statement at this point in the meeting. Each person has two minutes and a maximum of 15 minutes is allotted to public questions/statements, which must be about matters for which the Cabinet is responsible. The Chair may disallow a question if it is offensive, substantially the same as another question or requires disclosure of exempt or confidential information. If the question cannot be answered at the meeting a written response will be provided after the meeting.

5. **MEMBERS' QUESTIONS**

To receive any questions or statements from councillors not members of the Cabinet on matters for which the Cabinet is responsible.

6. **FAIRER CHELMSFORD**

- 6.1 Medium Term Financial Strategy
- 6.2 Essex Business Rates Pool

7. **GREENER CHELMSFORD**

Master Plans Procedure Update

8. **URGENT BUSINESS**

To consider any other matter which, in the opinion of the Chair, should be considered by reason of special circumstances (to be specified) as a matter of urgency and which does not constitute a key decision.

9. **REPORTS TO COUNCIL**

The officers will advise on those decisions of the Cabinet which must be the subject of recommendation to the Council.

PART II (EXEMPT ITEM)

To consider whether to exclude the public from the meeting during the consideration of the following matter, which contains exempt information within the category of Part 1 of Schedule 12A to the Act indicated:

10. **FAIRER CHELMSFORD**

Proposed Land Purchase, North Chelmsford

Category: Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972
Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Public interest statement: The public interest in not disclosing the content of this report outweighs the public interest in disclosing it because any publicity about the negotiation of terms for the acquisition of land may affect the financial interests of the Council and, by extension, those of the residents of Chelmsford as well as the other parties involved in the acquisition and future development of the site. In particular, it would undermine the attainment of best value during the negotiations as other interested parties would be aware of the land owner's financial positions and intentions in advance.

MINUTES OF CHELMSFORD CITY COUNCIL CABINET

on 10 September 2019 at 7.00pm

Present:

Cabinet Members

Councillor S J Robinson, Leader of the Council (Chair)
Councillor M C Goldman, Deputy Leader and Cabinet Member for Connected Chelmsford
Councillor C K Davidson, Cabinet Member for Fairer Chelmsford
Councillor M J Mackrory, Cabinet Member for Greener Chelmsford

Cabinet Deputies

Councillor M Bracken, Economy and Small Business
Councillor R J Moore, Recycling and Ecology
Councillor M Springett, Community Engagement and Local Democracy
Councillor C R Tron, Affordable Housing

Councillors

K Bentley, D Clark, P Clark, A Davidson, J Galley, N Gulliver, I D Fuller,
R J Hyland, L A Mascot, R J Poulter, M Sismey, A B Sosin, J Sosin,
M S Steel, M Watson, R T Whitehead and S Young

1. **Apologies for Absence**

Apologies for absence were received from Councillor J Deakin, Cabinet Member for Safer Chelmsford, and from Councillors W Daden and I C Roberts, Opposition Spokespersons.

2. **Declarations of Interests**

Members of the Cabinet were reminded to declare at the appropriate time any personal and prejudicial 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 1 July 2019 were confirmed as a correct record and signed by the Chair. No decisions at that meeting had been called in.

4. **Public Questions**

There were no questions from members of the public.

5. **Members' Questions**

Councillors who were not members of the Cabinet asked questions or made statements on the following matters:

Councillor N Gulliver on whether, in the light of forthcoming changes to the eligibility for blue badges and the likely increase in the number issued, the Council would consider increasing the number of disabled parking spaces in the city.

The Cabinet Member for Greener Chelmsford replied that there was unlikely to be much scope to increase the number of on-street parking spaces, but he would look at the feasibility of doing so in the Council's car parks.

6.1 **Homelessness and Rough Sleeper Strategy (Fairer Chelmsford)**

Declarations of Interest: None

Summary: The Council's Homelessness Strategy had been reviewed in the light of the Homelessness Reduction Act 2017 which required that local authorities have in place options, systems and processes for the monitoring and delivery of measures to prevent and relieve homelessness. Local authorities were under a duty to ensure that they worked collaboratively with partners to prevent homelessness and have in place plans for meeting their new statutory duties. The draft Strategy, which would be the subject of consultation with partners, also took into account the government's Rough Sleeper Strategy 2018.

Options: Approve the draft Strategy, with or without amendment.

Chosen Option and Reasons: The draft Strategy met the statutory requirements and guidance and was the most effective response to tackling homelessness in Chelmsford.

Discussion: The Homelessness Strategy was welcomed, particularly as it addressed the whole range of issues and problems experienced by those who did not have a home or were threatened by homelessness. It was recognised that there was a close association between homelessness and affordable housing and Working Groups of the Chelmsford Policy Board were working closely together on both. The aim was to bring forward an Affordable Housing Strategy early in 2020 but for now homelessness remained the main priority.

In response to a question on whether the decision to sell the Council's housing stock to Chelmer Housing Partnership had been the right one in the long term, the Cabinet Member for Greener Chelmsford said that in the financial climate that prevailed at the time, the sale had been the only realistic way to ensure that the improvements needed to the housing stock could be funded and carried out. In selling the properties, the Council had received a significant capital sum.

The meeting was informed that the evidence base for the homelessness review would be made available to members.

RESOLVED that the draft Homelessness and Rough Sleeper Strategy 2019-23 be approved for consultation with partners with the aim of producing a final version and accompanying action plan by the end of 2019.

7.06pm to 7.16pm

6.2 **Deed of Variation to Agreement with Chelmsford Housing Partnership (Fairer Chelmsford)**

Declarations of Interest: None

Summary: The Cabinet was requested to approve a deed of variation to the housing stock transfer agreement with Chelmer Housing Partnership (CHP) to reflect recent statutory changes, including that relating to the role of Housing Administrator.

Options: The amendment was a statutory requirement and therefore no options other than the course recommended were put forward.

Discussion: During discussion of the report, concern was expressed that the changes might present greater risks to the Council and housing associations and make the number of insolvencies among the latter more likely. The Cabinet Member for Fairer Chelmsford said that the changes would improve the regulation of housing associations. They were partly intended to reduce the risk of insolvency and to offer guarantees to investors in housing associations. They did not increase the risk to the Council, and nor did they affect the way in which both CHP and the Council worked.

RESOLVED that the proposed amendments, by deed of variation, to the agreement with CHP for the transfer of the housing stock be approved.

7.16pm to 7.21pm

7. **Drakes Farm Gypsy and Traveller Site (Greener Chelmsford)**

Declarations of Interest: None

Summary: The report to the meeting set out proposed arrangements for the transfer of the ownership of the land at Drakes Farm identified for a gypsy and travellers' site; the financing of the subsequent works necessary to make the site fit for human habitation and occupation; and the means by which a body would be selected to deliver and manage the site.

Options: Approve or not the proposed arrangements.

Chosen Option and Reasons: From a financial, legal and practical point of view, the arrangements described in the report were the most straightforward means by which the site could be provided.

Discussion: The Cabinet Member confirmed that the commuted sum of £360,000 provided for in the Section 106 Agreement for Channels had not changed and was calculated in accordance with the relevant regulations.

RESOLVED that

1. the following be authorised:
 - (i) the freehold interest of the site (as shown edged in red and edged / hatched blue on the plan at Appendix 5) be transferred to the Council, or (at the Council's direction) to a Registered Provider, or a private management company, or other such body as may be agreed by the Council), as and when the Council calls for such a transfer, by serving on the landowner a notice in writing requiring the transfer. The right to call for a transfer to be secured by way of an option agreement registered against the title of the Drakes Farm Plot at HM Land Registry;
 - (ii) upon completion of the deed of variation to the Channels section 106 Agreement the landowner shall pay to the Council the Drakes Farm Contribution of £360,000 to cover the full costs of providing the services necessary to make the site fit for human habitation; and
 - (iii) the Director of Sustainable Communities, after consultation with the Cabinet Member for Greener Chelmsford, (a) to select / approve a Registered Provider, or a private management company, or other such body as may be agreed by the Council to deliver and manage the Gypsy and Traveller site and (b) to serve on the landowner notice exercising the option to call for a Transfer of the site to a Registered Provider, or a private management company, or other such body as may be agreed by the Council.
2. the Director of Sustainable Communities be requested to exercise the power (non-Executive) delegated to him under the Council's Constitution to vary the Channels s.106 Agreement to bring the wording of the Agreement in line with the above revised mechanism for delivery of the Gypsy and Traveller site.

7.21pm to 7.23pm

8. **Urgent Business**

There were no items of urgent business.

9. **Reports to Council**

None of the reports to the meeting needed to be referred to Council.

Exclusion of the Public

RESOLVED that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the meeting for item 10 on the grounds that it involves the likely disclosure of exempt information falling within paragraph 3 of Part 1 of the Schedule 12A to the Act (information relating to the financial or business affairs of any particular person including the authority holding that information).

10.1 **Sale of Retail Assets in the City Centre (Fairer Chelmsford)**

Public interest statement: It is not in the public interest to release details of this report at present on the grounds that the report contains information that is commercially sensitive and to place the information in the public realm would be detrimental to the marketing and sale of those assets.

Declarations of Interest: None.

Summary: The Cabinet was requested to approve the sale of two properties in the city centre currently with retail uses.

Options: Retain the assets or sell the freehold interests.

Chosen Option and Reasons: The sale of the properties would be in the Council's financial interests.

Discussion: The Cabinet was asked how many other properties in that part of the city centre the Council had an interest in and whether the situation regarding the properties the subject of the report was indicative of that faced by other properties. There was also a question about possible plans for redevelopment of the part of the road in which the retail premises were located.

The Cabinet was informed that the Council owned the nearby shopping centre but had no part in its management. The main consideration prompting the proposed sale of the two properties was the fact that they and other nearby premises had experienced lengthy void periods and that those owned by the Council were a drain on its resources. The Council did not foresee any proposals in the near future for the redevelopment of the area in question.

RESOLVED that the marketing and sale of the two properties referred to in the report be approved and that Director of Financial Services, after consultation with the Leader of the Council and the Cabinet Member for Fairer Chelmsford, be authorised to conclude the negotiations.

7.23pm to 7.33pm

10.2 **Sale of Various Small Plots (Fairer Chelmsford)**

Public interest statement: It is not in the public interest to release details of this report at present on the grounds that the report contains information that is commercially sensitive and to place the information in the public realm would be detrimental to the negotiations to be undertaken by the Council in disposing of the land.

Declarations of Interest: None.

Summary: Three plots of land owned by the Council in various locations in Chelmsford had been identified for potential small-scale housing development and it was recommended that they be sold for that purpose.

Options: Retain each plot; sell the freehold interest in each; or the Council seek planning permission and develop the land.

Chosen Option and Reasons: The sale of the land would be in the Council's financial interests and was likely to result in the development of the sites for housing.

Discussion: The Cabinet was asked whether the capital receipts from these and other land and property sales would be directed primarily to building more affordable or social housing. It was also asked whether it would be more in accordance with the new Administration's focus on the provision of affordable housing if the Council were to develop the sites itself for that purpose. The Cabinet Member for Fairer Chelmsford said that the Council was seeking to generate receipts that could contribute to building affordable housing in future.

In response to other questions, the Cabinet was informed that:

- the first site referred to in the report was not in the Green Belt;
- the preference was to sell the third site for housing rather than use it for parking in view of the capital receipt that would be generated;
- it was accepted that the Council needed to strike a balance between assets that could generate revenue and those that provided a capital receipt. The potential for receipts from sales to be reinvested in other assets that generated revenue income was always a consideration, though; and
- the sites would be placed on the open market and therefore anyone interested in purchasing them, including local residents, would have an equal chance to bid.

RESOLVED that the marketing and sale of the three plots of land referred to in the report be approved and that Director of Financial Services, after consultation with the Leader of the Council and the Cabinet Member for Fairer Chelmsford, be authorised to conclude the negotiations.

7.33pm to 7.40pm

10.3 **Sale of Garage Site (Fairer Chelmsford)**

Public interest statement: It is not in the public interest to release details of this report at present on the grounds that the report contains information that is commercially sensitive and to place the information in the public realm would be detrimental to the negotiations to be undertaken by the Council in disposing of the land.

Declarations of Interest: None.

Summary: The Cabinet was requested to approve the sale of a former garage site which, together with an adjacent area of land in the ownership of another party, had the potential to be developed for housing.

Options: Retain the land or sell the freehold interest.

Chosen Option and Reasons: The sale of the land would be in the Council's financial interests and would optimise the potential of it and the adjoining land to be developed for housing.

Discussion: The Cabinet was asked why the site was being sold when it appeared to be suitable for development by the Council for affordable housing of the type provided in Beeches Road and Fox Crescent. The Cabinet Member for Fairer Chelmsford said that past attempts to sell the site had been unsuccessful owing to a number of constraints and drainage problems. This joint sale made the development of the combined site more viable, but any risks would fall on the developer. The Council was not prepared to take on those risks by developing the site itself and preferred to put the income from its sale towards the provision of affordable housing on more suitable sites. With the new Local Plan lowering the threshold beyond which affordable housing needed to be provided, the developer of this site would be required to provide some affordable units.

RESOLVED that the sale of the land referred to in the report in conjunction with the adjoining landowner's disposal of its freehold interest be approved and that Director of Financial Services, after consultation with the Leader of the Council and the Cabinet Member for Fairer Chelmsford, be authorised to conclude the negotiations.

The meeting closed at 7.47pm

Chairman

CABINET
15 October 2019
AGENDA ITEM 6.1

Subject	MEDIUM-TERM FINANCIAL STRATEGY 2020/21 – 2024/25
Report by	CABINET MEMBER FOR FAIRER CHELMSFORD

Enquiries contact: Amanda Fahey, 01245 606401, amanda.fahey@chelmsford.gov.uk

<p>Purpose</p> <p>To present a Medium-Term Financial Strategy for the period 2020/21 – 2024/25, which provides the framework to deliver a stable and sustainable financial position to enable the Council to achieve its strategic objectives, and which will support preparation of the 2020/21 budget. The report also sets out a Medium-Term Financial forecast, which is produced for indicative planning purposes, as final decisions on the overall Budget and Council Tax level will be made by Council in February 2020.</p>
<p>Options</p> <p>To agree the Strategy set out at Appendix 1 To make changes to the Strategy</p>
<p>Recommendations</p> <p>That Cabinet:</p> <ol style="list-style-type: none"> 1. recommend the Medium-Term Financial Strategy 2020/21 – 2024/25 to Council for approval (Appendix 1); 2. note the Medium-Term Financial Forecast and the principal issues and risks associated with the forecast and considered in preparing the Strategy; and 3. approve a sum of £150,000, to be held in a Service Transformation Reserve, to pilot an approach to driving forward digital innovation in service delivery.

Corporate Implications	
Legal:	The Council is required to set a balanced budget. The Medium-Term Financial Strategy sets out the framework for this to be achieved.
Financial:	A robust financial strategy is essential in the delivery of the Council's objectives over the medium-term, ensuring decisions are taken with due regard to their financial consequences. Medium-Term financial planning is a key element in determining the organisation's future resilience.
Personnel:	The financial strategy, and the development of detailed budget proposals, is supported by the Council's values and behaviour framework, which promotes a culture of responsibility and accountability, where individuals are encouraged and supported to try out new ideas.
Risk Management:	Due regard to the Council's Principal Risk Register should be had when considering its budget plans, financial forecasts and level of reserves. The production of, and adherence to, the Strategy mitigates the risk of financial failure. Challenges to the Council's financial position are reflected in the Principal Risk Register, while the financial impact of other risks are considered within the Principal Risk Register as appropriate.
Equalities and Diversity:	Equality Impact Assessments will be considered as part of the detailed budget setting process rather than at the strategic level, to enable comprehensive assessments to be undertaken where necessary.
Health and Safety:	None
IT:	None
Other:	None

Consultees	Cabinet Members, Chief Executive and Directors, Monitoring Officer
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Policies and Strategies

The report takes into account the following policies and strategies of the Council:

- Draft corporate plan – “Our Chelmsford - Our Plan”
- Capital and Investment Strategy
- Treasury Management Strategy

1. Introduction

- 1.1 The Medium-Term Financial Strategy (MTFS) complements the Council's corporate plan by providing a framework for financial decision-making. While "Our Chelmsford – Our Plan" sets out the Council's priorities and how it intends to meet the needs of its residents, customers, businesses and visitors, the financial strategy describes how the financial management process will contribute to delivering these priorities.
- 1.2 It is a fluid strategy, adapting to local and national conditions, which aims to take account of the risks to the Council's financial position and to mitigate against such risk, in order to protect the financial health of the Council.
- 1.3 The MTFS covers both Revenue and Capital activities.
- 1.4 As the Council moves into the next budget-setting cycle it is appropriate to review and update the strategy in response to internal and external factors such as changing corporate priorities, the prevailing economic conditions, government policy and funding expectations.

2. Strategy Review – key areas for consideration

Central Government Funding – the Spending Round 2019

- 2.1 In recent years, local government has weathered significant cuts in funding coupled with additional risk and responsibility. Both the Business Rates Retention Scheme and the Localised Council Tax Support Scheme introduced a level of funding risk to local authorities balanced by some increased flexibility around level of reliefs, discounts or exemptions awarded. Both schemes demonstrated a step-change away from a traditional direct grant award that provided funding certainty but with central decision-making. Over time, various grants have been subsumed into overall funding levels and are no longer visible as individual lines within the Settlement Funding Assessment (SFA), with Revenue Support Grant (RSG) disappearing altogether in 2019/20. The multi-year funding settlement ending in 2019/20 reduced funding for Chelmsford City Council even further in 2019/20 by introducing an increased tariff payable against its business rates baseline, in effect a "negative" revenue support grant. However, this was removed in the final settlement figures for 2019/20 and has not been reintroduced for 2020/21.
- 2.2 The government previously stated its intention to hold a Spending Review in 2019, covering the period 2020/21 to 2022/23, in order to provide some certainty over future funding and the ability to plan over the medium rather than short-term. However, it was subsequently announced that there would be a one-year Spending Round covering 2020/21 only, with a full Spending Review in 2020, reviewing public spending as a whole and setting multi-year budgets.
- 2.3 Headlines from the spending round announcement of 4th September indicated a real-terms increase of 4.3% in Core Spending Power (CSP) for local government, including an additional £1bn for Social Care, and an inflationary uplift (CPI) in business rates funding baselines. The government will also consult on a 2% Adult Social Care precept for 2020/21, while an additional £54m is to be made available to help reduce homelessness and rough sleeping. CSP includes New Homes Bonus and assumptions for growth both in Council Tax base and Council Tax rate but excludes certain specific grants (e.g. Public Health grant).
- 2.4 While Chelmsford will benefit from the CPI uplift in the funding baseline and legacy

payments of New Homes Bonus will be honoured, there still remains uncertainty regarding new bonus payments. In addition, a Council Tax referendum limit of 2% will be proposed for Shire Districts such as Chelmsford (down from 3% in previous years), although there is as yet no confirmation as to whether the additional flexibility also allowed in recent years, i.e. the higher of 2% or £5, will be retained for 2020/21.

Business Rates Retention and Fair Funding Review

- 2.5 Two major changes to the funding regime were initially planned for 2020/21: the move to a 75% Business Rates Retention Scheme and a review of the mechanism used to distribute local government funding according to local needs (Fair Funding Review).
- 2.6 Under the Business Rates Retention Scheme introduced in 2013/14, an estimate of the total business rates to be collected was split 50% to local government as a whole, and 50% to central government to redistribute to local government as various grants. Historic collection rates then determined a proportionate share for each Billing Authority, to be applied to the 50% local share to create a business rates baseline (which is then further sub-divided between District (80%), County (18%) and Fire (2%)). Baseline funding levels were also determined by applying the old formula grant process to the local share to determine the level of funding required by each authority according to its relative needs. A tariff is payable where the baseline for business rates is greater than the funding baseline. There is both a safety net in the system (whereby an authority cannot fall below 92.5% of its funding baseline) and an incentive in that it gets to retain a proportion of any growth above the business rates baseline.
- 2.7 It was proposed to move to a 75% scheme for 2020/21, instead of the 50% scheme, and working groups have been meeting to design the new scheme, which was intended to provide greater freedom to local authorities by increasing the local share and altering the amount of growth that could be retained. The system, however, remains complex, and the introduction of a revised scheme has now been put back to 2020/21. One of the biggest risks within the scheme is the point at which baselines are reset, which can affect the level of historic growth retained. The operation of the appeals system has also been a major hurdle in the scheme, having been devolved to local authorities as part of the retention scheme, bringing with it risk around estimation of the level of successful appeals and the timing of consequential refunds. The revised scheme will consider whether to hold the appeals process centrally and how often and to what extent resets take place. This remains both a funding risk and an opportunity moving forward, depending on the levers local authorities have, to influence business rates growth. The system may well deliver more flexibility but once again with a greater transfer of risk to the sector.
- 2.8 In 2019/20, the Council entered into a Business Rates Pool whereby a number of authorities can pool their business rates and take advantage of a reduced levy on growth, leading to additional income (and shared risk). The Council is able to enter into a Pool again for 2020/21.
- 2.9 The Fair Funding Review seeks to simplify the methodology for assessing the relative needs of local authorities, thereby affecting baseline funding levels. Again, this has now been deferred until 2021/22 with all the potential risk of redistribution to unfold in the future, once the methodology has been defined. A balance is required between creating a simpler system, which by its nature will less accurately reflect the differing needs of each authority, and a complex system which may be more accurate but will be less transparent. The unwinding of previous “damping” mechanisms, introduced to reduce the effect of large swings in relative funding, will also be complex to manage.

2.10 Although shrouded in uncertainty, the combination of these two major funding changes, i.e. the move to a 75% Retention scheme and the outcome of the Fair Funding Review, could have a significant effect on the resources available to the Council in future years. While it is likely that transitional measures will be implemented to prevent excessive changes occurring in a single year, it is essential that the Council puts itself in a strong financial position so that it has the ability to absorb the potential downside impact of these changes.

New Homes Bonus (NHB)

2.11 The purpose of the New Homes Bonus Scheme is to reward councils for housing growth in their area. Currently the Scheme provides for an 80/20 split between lower and upper tiers, of a national average Band D Council Tax, payable for 4 years, for each net additional unit of growth, including long-term empty properties brought back into use (as measured via the CTB1, a statutory return completed in October each year). There is also a small payment for each net additional unit of affordable housing delivered in the period. The scheme was previously more favourable with additional legacy payments (6 years). In 2017/18, a national growth threshold was introduced, below which no bonus is payable, which severely curtailed the financial rewards from this scheme. As referred to in paragraph 2.4, the Core Spending Power headlines include legacy payments only and there is no certainty over future payments from the Scheme – a simple change to the threshold (currently 0.4%) could have a large effect on Chelmsford's figures (previous year growth as measured by CTB1 was around 1%). NHB payments are un-ringfenced meaning that councils can choose how they spend the funding; however, it would not be prudent to rely on NHB to fund on-going revenue costs as this may be financially unsustainable. In 2019/20, the Council was able to balance its revenue budget without reliance on NHB, instead using it to support capital expenditure. It is recommended that NHB again be transferred to the Chelmsford Development Fund to support capital spending plans but with flexibility to draw down this funding to support revenue spending if revenue balances fall below appropriate tolerances.

Transformational Change

2.12 The Council has an excellent track record in responding to financial challenges such as the significant cuts in central government funding and service pressures resulting from economic and demographic factors, for example. These on-going pressures and funding uncertainties mean that transformational change is now required to deliver savings necessary to put the Council in a stable position for the future, increasing its resilience and its ability to adapt in a fast-moving environment.

2.13 The Council must deliver efficiencies over the medium-term alongside developing new (and maximising existing) income streams, while having due regard to affordability by its residents and customers.

2.14 Part of this journey will include embracing and developing new technology in order to improve the way that the Council interacts with its customers; working smarter to benefit from efficiencies; building on, and expanding, the digital infrastructure that supports service provision.

2.15 Now that the introduction of key infrastructure such as Office 365, Windows10 and Skype for Business has been completed, a zero-based budgeting exercise has been undertaken within Digital Services to map the resources required to provide the necessary support to services and further develop the Council's Customer Relationship Management (CRM) platform. This will become "Business as usual" and is reflected in the Medium-Term financial forecast.

- 2.16 In order to truly embed a culture of transformational change into the organisation however, it is imperative that this is driven by services themselves. In order to drive this cultural change, it is proposed to set up a Digital Portfolio Office (DPO) which will be responsible for the oversight and reporting of every digital initiative within the Council. All digital initiatives will be subject to an approval process, which will include clear identification of the costs and benefits of the proposal (benefits may be financial and/or non-financial e.g. improved customer experience). The DPO will be responsible for the governance of the digital transformation while the identification of business change to bring into the programme sits firmly with those who deliver the services. The Chief Executive will be the ultimate sponsor of the programme while the DPO will consist of Management Team and key officers from Digital Services to provide technical expertise.
- 2.17 The DPO will be supported by a SharePoint site which will provide a central hub and resource for all staff to engage with the programme. The site will include training materials, news articles and discussion threads and will be highly interactive. This is where services will go to log new ideas and will include the tracking and reporting of digital initiatives and the benefits realised.
- 2.18 The DPO will consider which projects to embark on, after consideration of a business case, including the resources required to deliver the project. Some resource may be supplied in-house but in order to maintain speed of delivery, these initiatives which will be over and above the business-as-usual of the Digital Services team will require additional, external support or temporary resource brought in for specific projects. A Service Transformation Fund will be set up for utilisation where the business case meets the relevant criteria within the approval process. Before fully launching the programme, it is proposed to run two pilot initiatives through the process to prove the concept and to initially transfer £150,000 to the Fund from working reserves to “pump prime” the programme and deliver the two test cases. Future transfers to this fund will not be shown in current forecasting until the pilot has been evaluated and an assessment of funding requirements for future years, and the availability of funds, has been assessed.

Regulatory Environment

- 2.19 Recent concerns over the potential for local government failure have increased the focus on the long-term financial resilience of local authorities. 2019/20 saw the introduction of a Capital Strategy to local authority reporting requirements. The Capital Strategy is intended to give an overview of how capital expenditure, capital financing and treasury management activities contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability. An updated Capital Strategy will be presented to Council in February 2020 alongside the budget proposals.
- 2.20 As the Council transitions from being “debt free” to becoming a borrowing authority, it will be key to manage the impact of capital financing on the revenue account. While the setting of prudential indicators, and financial reporting compliance, will establish a framework for monitoring the cost of capital, it will be important to understand the true payback of capital investment in the medium- to longer-term relative to its affordability.
- 2.21 Once the Council has agreed its new priorities (Our Chelmsford-Our Plan) the estimated costs and phasing of capital expenditure can be better defined and the options for financing, and its effect on the revenue account, can be determined. This will be progressed as part of the budget process and referenced in the final budget report in February, as well as through the Capital and Investment and the Treasury Management Strategies.

- 2.22 The Chartered Institute of Public Finance & Accountancy (CIPFA) is developing a Resilience Index which will allow authorities to view their position in respect of a range of indicators linked to financial risk. Alongside this, a new Financial Management Code will be launched in October, designed to support good practice in financial management by setting out a series of principles supported by specific standards and statements of practice.
- 2.23 CIPFA has also consulted on additional draft guidance for local authorities borrowing to fund property investments. The Treasury and MHCLG have been concerned about this practice, and the controls currently in place, and this has been well documented in the press. While councils must have due regard to risk in any investment decisions, the danger of further prescription in this area is the potential to place limitations on the income streams that local authorities can use to provide statutory services to residents.

Climate and Ecological Emergency Declaration

- 2.24 At its meeting on 16th July 2019, this Council declared a Climate and Ecological Emergency and set out a number of related actions to be taken forward, which will also be reflected in Our Chelmsford – Our Plan. Given the scale and scope of these actions, an officer task group has been established to co-ordinate activities and ensure that the stated outcomes are achieved, and this will feed into the budget preparation.

Level of Reserves

- 2.25 The Council needs to consider whether it is holding sufficient reserves to mitigate the financial risk it faces and to demonstrate its financial resilience to tax-payers, regulators and other stakeholders.
- 2.26 Due to depletion of its capital receipts, the Council is now in a position where it needs to borrow to fund its capital expenditure, either internally by drawing down cash reserves, or externally e.g. via the Public Works Loan Board or from other local authorities. This will be explored further in the Treasury Management Strategy to be considered by Cabinet in January and Council in February. The scale of borrowing is reduced by available reserves to fund capital expenditure such as the Asset Replacement Reserve and the Chelmsford Development Fund.
- 2.27 Various revenue reserves are held for specific purposes, such as funding the pension deficit, while other reserves (General Fund and Contingency) are held to provide a buffer for the revenue account, in order to withstand sudden shocks to the system which may arise through the underachievement of income, or unexpected rising costs or demand pressures, for example. These reserves are key in determining the financial health of the organisation and it is a matter of judgement as to their level. This should be based on a consideration of risk, rather than an arbitrary, fixed amount. However, given the scale of uncertainty around future funding levels and the increasing external scrutiny of medium- to longer-term sustainability within the sector, coupled with current reported spending pressures internally, it is essential that these reserves are replenished over time to provide an adequate safeguard.
- 2.28 Current projections indicate that, taken together, the balance on the General Fund and Contingency Reserve will fall to around £4.8m by the close of 2019/20 but is expected to improve to around £6.4m in the following year. Further assessment of reserves will be carried out during the budget process to ensure an acceptable level is held, commensurate with the level of risk.

3. Medium-Term Financial Forecast

- 3.1 Production of a detailed financial forecast is exceptionally difficult at this time, due in part to the level of uncertainty referred to in the previous section. Added to this is the unique timing of this report, coming as it does during the Council's transition from debt-free status to borrowing. As important, is understanding the Council's priorities and objectives, following the change in administration in May 2019, and incorporating these into the financial planning process. Therefore, the Capital and Revenue forecast and the estimated level of reserves are by necessity a high-level indicator of the direction of travel for the Council's finances over the medium-term, rather than a detailed forecast. The forecasts will be refined as detailed financial plans and central funding levels unfold.
- 3.2 In addition to the overarching risk of delivery of key objectives within the financial envelope provided, and the economic, funding and service pressures already identified, including the rising costs of homelessness, the forecast will also contain a number of specific, detailed risks, such as achievement of significant income streams (commercial property/leisure). Another such risk is that expenditure plans relating to services which have significant VAT exempt income streams, such as the future provision of a new crematorium, could threaten the Council's VAT partial exemption position. This is a dispensation provided to local government that allows it to materially recover all of its VAT – however, this is subject to certain thresholds which are increasingly likely to be breached in the future. Further work will need to be carried out to determine what, if any, mitigation strategies remain within the current system and the possible timing and cost of any such breach.
- 3.3 In two-tier areas (County/District) risk may also stem from the financial pressures faced by upper tier councils, such as in the delivery of adult social care services. This may lead to attempts to transfer risk, or costs, to lower tiers or alterations in funding splits to direct greater resource to upper tiers. The Council is exposed to future risk through the potential for amendment of the relative proportions of business rates income flowing to upper and lower tiers under the Fair Funding Review, as well as for New Homes Bonus, for example. It is also at risk of the unwinding of collaborative agreements set up in the past.
- 3.4 Based on known pressures highlighted as part of the outturn for 2018/19 or in the current year's financial monitoring, and including high level assumptions around Council Tax, inflation, interest rates and borrowing levels, the forecast at Appendix 2 shows a potential revenue funding gap of approximately £1.8m for 2020/21, before taking into account any budget growth proposals that may come forward during the budget process or the results of work being undertaken to identify savings and efficiencies. Proposals for closing the gap will be incorporated into the detailed budget proposals for submission to Cabinet and Council in January/February 2020.
- 3.5 The delivery of net budget savings will be monitored by Management Team and by Members through the budget process and via the on-going reporting of financial information. Whilst previously, formal financial monitoring has been undertaken by the Audit and Risk Committee, with the Financial Strategy and annual budget reports going through Council, it is proposed that additional formal monitoring be undertaken by Cabinet and that a mid-year review be taken to Overview and Scrutiny Committee as part of the Council's overall performance monitoring regime. This is expected to supplement the work of the Audit and Risk Committee and strengthen financial governance within the organisation.

3.6 The Capital spending forecast attached at Appendix 3 includes initial estimates of spending plans for the period, which will be refined during the budget process. The forecast shows a potential debt position of some £19m by the end of the forecast period and the resultant effect on the revenue budget is included in the revenue forecast.

4. Conclusions

4.1 The Council has a good track record of setting robust budgets and identifying any necessary savings and efficiencies, or generating additional income, required to balance its budget, as evidenced by the proposal of the Council's external auditors to issue an unqualified opinion on the Council's use of resources. This is based on the criterion that *"in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people."*

4.2 Further work is required to refine the forecast and ensure a robust process is in place to achieve the necessary reduction in net expenditure, required to balance the budget.

List of Appendices

Appendix 1 – Medium-Term Financial Strategy

Appendix 2 – Medium-Term Financial Forecast – Revenue

Appendix 3 – Medium-Term Financial Forecast – Capital

Background Papers

NIL

MEDIUM-TERM FINANCIAL STRATEGY 2020/21 - 2024/25

The fundamental aims of the Council's Medium-Term Financial Strategy are to:

- 1) Maintain a sustainable financial position against a backdrop of continuing financial uncertainty and reduced government funding;
- 2) Support the Council's aims in the delivery of a safer, greener, fairer and better-connected Chelmsford through the appropriate allocation of available resources and to
- 3) Maximise opportunities to increase resources, or use resources more effectively, whilst taking appropriate action to mitigate financial risk.

The Strategy is supported by five key principles. These are set out below with supporting actions for each principle.

Revenue Expenditure – The Council recognises that it must optimise its limited resources and target them to where they are most needed, in order to provide value for money services in the face of increasing financial pressures.

- | | |
|-----|--|
| 1. | The Council will set a balanced budget each year, reflecting its objectives, priorities and commitments. |
| 2. | The Council will deliver efficiencies, cost reductions and new income streams in order to meet budget gaps; the delivery of which will be closely monitored by Management and Members. |
| 3. | A Digital Portfolio Office will be set up to drive forward digital innovation in service delivery, realising both financial and non-financial benefits in the efficient delivery of services (subject to the results and learning outcomes from the pilot). |
| 4. | There is no presumption that un-ringfenced grants will be spent on the purposes for which they are nominally provided (appropriate business cases will be provided for spending against such grants). |
| 5. | Services will carry out regular reviews of their fees and charges, to ensure income is maximised while taking into account the demand for services, the prevailing economic and market conditions, the wider strategic aims of the Council and the affordability to its customers. |
| 6. | Where costs are recharged to other parties on a cost-recovery basis, services will ensure that all relevant costs are considered when setting the charge. |
| 7. | The Council will review its income streams, taking account of the proportionality of any one revenue stream and mitigating the risk of over-reliance upon any one income type e.g. commercial property income. |
| 8. | The Council will consider the diversity of its investments, in order to spread risk. |
| 9. | The Council will consider its risk appetite in relation to commercial activity as part of its response to budgetary pressures. |
| 10. | The Council will seek to reduce its reliance in its revenue budget on uncertain funding streams, as it has with New Homes Bonus. |

Capital Expenditure – The Council will only undertake capital investment in support of its priorities and where it supports asset maintenance, invest-to-save schemes or strategic intent (such as the provision of affordable housing). Capital spending plans, whether funded from internal resources or through borrowing, will be affordable, prudent and sustainable.

11.	The Council will develop a capital strategy that seeks to optimise return on existing assets, divest itself of low-performing assets and sets out parameters for investment in property to increase income to the Council.
12.	Performance indicators will be developed and monitored for investment property.
13.	The Council will set prudential indicators, including borrowing limits, for capital financing through its annual Treasury Management Strategy, and understand the costs of capital and the return on capital invested, ensuring any future borrowing is affordable, prudent and sustainable.
14.	The Council will explore opportunities for borrowing as the need arises through the Public Works Loan Board, Local Enterprise Partnership, other Local Authorities and the Municipal Bond Agency, for example.
15.	The Council will seek alternative forms of funding to use of its existing resources where possible, maximising the use of external resources such as s106 contributions from Developers, Community Infrastructure Levy, funding from the Local Enterprise Partnership, Government departments, lottery funding and private sector opportunities as appropriate and ensuring that any funding conditions do not place an unreasonable burden on the Council.
16.	The Council will review the estimated level of contributions to the Asset Replacement Reserve annually as part of the budget process; the actual level of contributions being dependent on the overall Revenue budget position. As the Council moves towards borrowing, and given the financial pressure on the revenue budget, the revenue contributions the Council makes to fund capital expenditure may be replaced by the cost of carrying debt.
17.	Capital receipts from the sale of assets will be used to meet future corporate priorities, rather than be retained for use by the service that has relinquished the asset.
18.	Resources allocated to a particular capital project but subsequently not required will be returned to meet future corporate priorities rather than be retained for use by that service.
19.	No new capital schemes will be included in the programme without the necessary resources to meet the full capital costs, and any on-going revenue costs, being in place.
20.	All new capital projects are subject to a bid process for inclusion in the Capital Programme, which require whole-life costing information to be supplied. Where projects are not yet fully worked up but require an indicative sum to be allocated in the Capital Programme, for the purposes of assessing future funding requirements and the costs of borrowing, then a full business case should be worked up before commencement of the project. New capital schemes brought forward during the year should also be supported by business cases and reported to Management Team, Cabinet or Council in line with the Council's financial regulations.
Reserves – the Council will maintain a reasonable level of usable reserves to enable it to weather the volatility of its funding position, support capital spending plans, mitigate known risks and support invest-to-save schemes and service transformation.	
21.	The Council will seek to increase the level of its general fund reserves (General Fund plus Contingency) and maintain this at an appropriate level commensurate with the level of financial risk it faces. As a minimum, the Council should work towards a level of approximately 5% of its gross expenditure (which would be around £7m when compared to the gross expenditure figure included in the last Council Tax resolution), whilst recognising that the level of balances will fluctuate over time as it adjusts to short-term pressures in the revenue budget.
22.	Reserves will not be used to meet on-going expenditure but may be used in the short-term in conjunction with plans to reduce net revenue costs over the medium-term.

23.	Regular review of all reserves will be carried out in order to maintain and replenish funds which will be used to mitigate substantial risks identified over the medium-term, support the provision of major projects, invest-to-save schemes, service reviews or digital innovation and to release those reserves no longer required due to changing circumstances.
Governance and Performance – the Council will monitor the delivery of its financial strategy and performance against the savings requirement, adjusting the plans to meet changing demands or emerging risk.	
24.	Key strategies such as the Medium-Term Financial Strategy, the Capital and Investment Strategy and Treasury Management Strategy, will be reviewed annually.
25.	Appropriate training will be provided to officers and staff to enable them to carry out their duties in respect of the delivery and scrutiny of financial plans.
26.	Performance against budget will be monitored externally via the Council’s external auditor, and internally via a framework including the senior management team, the Audit and Risk Committee, Overview and Scrutiny Panel, Cabinet and Council, while key strategy reviews enabling the delivery of Council priorities, such as the Homelessness and Rough Sleeping Strategy, will be incorporated into the work programme of the Chelmsford Policy Board. Budget and performance monitoring will be supported by the implementation of the Council’s new financial management system and a refreshed approach to Risk Management.
27.	The Council will undertake a self-assessment against CIPFA’s new Financial Management Code and produce an action plan to meet any shortfalls.
28.	The Council will consider CIPFA’s new Resilience Index when considering the appropriateness of its reserves.
29.	The Council will stay abreast of regulatory developments and the latest Government and sector-led guidance in the formulation of key financial policies and strategies.
30.	A performance management culture will be embedded within the organisation, including the production of business cases, strong project management and the measurement and delivery of benefits.
31.	The Council will ensure that its budgets, financial records and accounts are prepared in line with accounting standards, CIPFA Code of Practice on Local Government Accounting, the CIPFA Prudential Code and the Council’s own Constitution and Financial regulations.
32.	Budget guidance will be reviewed annually by the Council’s section 151 Officer.
Partnership Working – the Council will seek out opportunities to work with partners to maximise outcomes for the residents of Chelmsford and other stakeholders, explore access to funding and maximise the shared benefits of joint working.	
33.	The Council will explore joint working opportunities or shared services where they add benefit to the Council or its residents, with partners including (but not limited to): <ul style="list-style-type: none"> • Other local authorities • Registered Housing Providers • Police and Crime Commissioner • Fire and Rescue Authority • Local Enterprise Partnership • Voluntary and Community organisations • Private sector
34.	The Council will seek to optimise external funding opportunities to defray the cost of services and capital investment.
35.	The Council will review its processes for awarding grant funding and the monitoring of service level agreements with third parties.
36.	The Council will explore models for delivering projects in partnership with others, particularly in respect of large-scale infrastructure projects and the Council’s aspiration to deliver increased numbers of affordable housing units.

37.	The Council will consider options to facilitate or enable partners and the community to deliver outcomes that are in keeping with the Council's aims, as an alternative to direct delivery.
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Medium Term Financial Forecast - Revenue						
Projected Budget Shortfall	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024/25 £000's	Comments
Year on Year Changes in Budget						
+Increased costs or less income/ -reduced cost or additional income						
Net Changes in use of Reserves						
Asset Replacement Reserve	150					Review of short term asset financing and re-profiling of borrowing needs to be completed
Digital Services	291					Additional cost of Digital Services no longer funded from Reserves
Changes from Central Government and Local Taxes						
Council Tax Increase 2%	-259					Assumed increase within referendum limit - awaiting clarity from government
Taxbase Growth	-155	-155	-155	-155	-155	Assumption of additional 800 properties per year
Government Settlement Funding Change	-65					This assumption is based on initial announcements in the Spending Round 2019 - further detail will be released in the Provisional Settlement
Business Rate Retention	217					Reduction in Income - further work to be completed on this estimate
Cost of Capital						
Minimum Revenue Provision	64	62	38	3	22	This is in addition to the £200k in the base budget - based on the latest capital resource note
Interest on Debt	222	53	32	3	19	Interest assumptions are based on the latest capital resource note, however could be significantly reduced if borrowing is internalised
Service Cost Variations						
Inflation - Pay	634	646	659	676	690	An annual 2% pay award is assumed
Inflation - Other	86	86	89	92	94	A 2% increase for utilities and NNDR (business rates) is assumed
Inflation - Income	-626	-304	-654	-340	-690	A 2% income increase except Car Parking which assumes a 5% increase every two years
Housing	300					Assumptions based on additional case load and cost per case
Housing Benefit Subsidy Loss	200					Assumptions based on additional case load and cost per case
Enterprise Resource Planner	52					Ongoing costs of the Finance Module
Commercial Property Rental Income	270					Reduction in rental yields
Hylands House	72					Rebasing of income budget for Events, Weddings and Venue Hire
Riverside Ice and Leisure Centre	-37					To be reviewed as the new Centre continues to operate
Retail property disposals	60					Rental income forgone due to sale of assets (estimated £600k capital receipt to be received)
Riverside/Membership VAT	50					
New Policy Post	40					New post to support research and policy development
City Growth	169			70	70	Street Care and Recycling & Waste Services - additional cost to support growth of City
Other	38					
Budget Shortfall	1773	388	9	349	50	
Cumulative Budget Shortfall	1773	2161	2170	2519	2569	

Capital Expenditure and Resource Projection 2019/20 to 2024/25

The Council’s capital programme has since 2002 been funded from Capital receipts, revenue contributions, grants and contributions, without the need to borrow. The funding of the capital programme in the majority of cases comes from one-off funding but the Council’s commitment to enhancing services and replacing equipment means that logically the Council’s one-off resources will eventually be exhausted or will not be sufficient to fund the Council’s capital programme. Below is a projection of capital expenditure and income for the period 2019-2025.

	£000s
Approved Capital Programme	29,796
Potential Aquisitions and works	13,450
Service Planned Replacement Programme	19,335
Minimum Expected Capital Bids	8,000
	70,581
Resources	
Capital Resources currently held 01/04/19	-342
Expected Resources	
Other Receipts	-19,935
Revenue ARR & Leasing	-14,479
Sec 106,CIL& Grants	-16,783
	-51,197
	-51,539
Balance of Resources Borrowing Requirement	19,042

The projection shows a £19m negative balance of resources available at the end of the period. This is the sum forecast that the Council will need to borrow. Broadly the risks to forecast both positive and negative are:

- Slippage to the programme e.g. replacement programme delayed or amended
- Capital Schemes phasing and cost.
- Annual capital bids are more than expected assumed at £2m each full year
- Resources do not arrive within the time frame expected
- New Homes Bonus is higher, reduced or scrapped
- Contribution from revenue reduced or scrapped

The current forecast shows that there is a deficit on the balance of resources available at the end of March 2025 of £19.042m.

The forecast is based on estimates of spending and receipts generated from sales of our assets and grants and contributions received.

In 2019/20 there is currently forecast a shortfall in our resources to fund the programme of some £12.4m. If this forecast negative position results in a situation where we need to borrow to finance the Capital programme, the debt charges based over an average 47-year loan would be £487k in 2021/22. This would rise to an estimated £718k borrowing cost in 2024/25 as the requirement to borrow increases each year to the £19.042m. If the assets we need to borrow against have a shorter life than the 47 years this will also increase the debt charges. The period and amount of borrowing would be dependent upon when acquisitions and sales take effect and delays of either could impact the position.

We have assumed an average annual cost for replacements as £2.6m. Currently £1.7m is paid into the reserve each year. At the end of 2024/25, with annual increases, the amount being set aside from revenue to fund the capital replacements is projected to be £2.5m each year. Any shortfall in this contribution could result in replacements having to be funded from capital receipts if available or through additional borrowing.

CABINET
15 October 2019
AGENDA ITEM 6.2

Subject	BUSINESS RATES POOLING FOR NON-DOMESTIC RATES IN 2020/21
Report by	CABINET MEMBER FOR FAIRER CHELMSFORD

Enquiries contact: Zuzana Clarke, Principal Accountant, Tel (01245) 606324, email Zuzana.clarke@chelmsford.gov.uk

<p>Purpose</p> <p>This report seeks permission for the Director of Financial Services to enter into a Non-domestic Rating Pool with other Authorities with the aim of increasing the income to this Authority.</p>
<p>Options</p> <p>Option 1 Chelmsford notify the lead authority for the Essex Business Rates Pool, Essex County Council, of their intention to continue to be a member of the Essex Business Rates Pool for 2020/21, under the Business Rates Retention Scheme.</p> <p>Option 2 Chelmsford notify the lead authority, Essex County Council, of their intention to leave the Essex Business Rates Pool for 2020/21 and continue as a standalone authority for the purposes of the national Business Rates scheme.</p>
<p>Recommendations</p> <ol style="list-style-type: none"> 1. The Cabinet agree to the principle of the Council joining a Business Rate Pool within Essex for 2020/21, with a view to increasing the Non-domestic Rating income to this Authority. 2. Subject to Recommendation 1, the Director of Finance in consultation with the Cabinet Member for Fairer Chelmsford is authorised to finalise the pooling arrangements and documentation to give this effect.

Corporate Implications	
Legal:	Part 9 of Schedule 7B to the Local Government Act 1988 states that the Secretary of State for Housing, Communities and Local Government can designate two or more local authorities as a “pool” for the purposes of the business rates retention scheme, providing that those authorities agree to the designation. If pools are to be created for 2020/21, the necessary delegations must be in place by the time of the 2020/21 provisional Local Government Finance Settlement. Existing designations will continue unless revoked and under the legislation, must be revoked if requested to do so by one or more of the pool members.
Financial:	To maximise the Non-Domestic Rating income retained by the Authority, by taking a proportionate share of gains realised through the reduction of the levy on business rates growth payable to the government. While gains occur in the pool, authorities falling below their safety net level will be protected to the same extent that they are outside of the pool. In the unlikely event that the whole pool falls below its baseline, and there are no gains within the pool to offset losses, then each Authority will bear a share of that loss.
Personnel:	None
Risk Management:	None
Equalities and Diversity: (For new or revised policies or procedures has an equalities impact assessment been carried out? Y/N)	None
Health and Safety:	None
IT:	None
Other:	None

Consultees	None
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Policies and Strategies
The report takes into account the following policies and strategies of the Council: None applicable

1. Introduction

- 1.1. In April 2013 the Government introduced a business rates retention scheme that was intended to create incentives for local authorities to promote business growth over the long term. Under the scheme, local authorities are allowed to retain some of the benefit from any growth in non-domestic rates. However, they are also exposed to the risk of reduced income from any reduction in the amount of rates collected.
- 1.2. If an authority collects more business rates than the Government has determined they need to fund their services (business rates baseline funding) then these authorities are required to pay over the excess to Central Government in the form of a tariff. Conversely, if an authority's funding requirement is higher than income collected, then they will receive a "top-up" from central government.
- 1.3. There is a levy mechanism built into the Business Rates Retention regime, so that authorities will pay a proportion of their growth to Central Government. The levy rate is set at 50% for Chelmsford City Council, which means the Council will only retain half of the increase in business rates growth over and above a Government set business rates baseline.
- 1.4. The Government has put in place a safety net to protect local authorities from significant negative shocks to their income by guaranteeing that no authority will see its income from business rates fall below 92.5% of its spending baseline. The maximum loss for Chelmsford in this instance would be £0.3m.

2. Business Rates Pooling

- 2.1. The current Business Rates Scheme allows two or more authorities to formally seek designation as a pool. The pool arrangements enable those authorities to retain a higher percentage of business rate growth by reducing or removing the levy that needs to be paid on any income growth to the Government.
- 2.2. If an authority experiences negative growth that falls below the Government set 92.5% safety net, the loss needs to be funded by the pool and therefore has an adverse impact on the other authorities in the pool. The current arrangements of the pool aim to ensure that, subject to available resources, no authority is worse off than had they chosen not to join the pool. The Government treats the pool and its members as one authority, and the safety net limit is calculated on the overall baseline funding level of the pool. In the very unlikely event that the whole pool falls below its Business Rates baseline, Chelmsford will have to proportionately suffer the loss of income. In detailed modelling prepared by the lead authority for the 2019/20 pool considerations, the maximum baseline loss for the pool was £20m, to be shared amongst member authorities, before triggering the Government's safety net payment.

3. Pool arrangements for 2019/20

- 3.1. Chelmsford entered into an Essex business rates pool with 14 other Local Authorities in 2018/19 and remained a member of the Essex pool in 2019/20. The forecast levy saved in 2018/19 that would have been otherwise paid over to the Government, subject to changes following external audit of member authorities, is £0.7m. The latest monitoring by the lead authority is estimating £1m levy saving in 2019/20 for Chelmsford.

4. Chelmsford's options for 2020/21

- 4.1. The lead authority is required to notify the Government of its intentions for the next financial year by 25th October 2019. Essex County Council are therefore seeking a formal confirmation of our intention to remain in the Essex Business rates pool. Depending on the response from other Essex authorities, the options for the pool are to either continue as it is with the current members or dissolve and seek designation as a new pool for 2020/21 should the pool's membership change. The timescales from the Government's request to lead authorities to confirm membership and the deadline date did not allow sufficient time for the lead authority to gather information from all member authorities and prepare detailed modelling for the 2020/21 pool as has been done in previous years, to provide assurances before entering the pool. Historic experience has however shown pool membership to be beneficial for the authority.
- 4.2. **Option 1** Join the Essex business rates pool for another year, with the intention to maximise the business rates income retained by the authority. The Council would only consider entering the pool if the latest estimates calculated by the officers will anticipate the Council's business rates income collected to exceed its Government set baseline funding and the Council can therefore contribute towards the overall gain of the pool.
- 4.3. The risk, in the unlikely situation where income for the whole pool falls below its business rates baseline is that Chelmsford will lose its additional income and will have to proportionately suffer the loss of pool income.
- 4.4. **Option 2** Notify the lead authority of the intention to leave the Essex business rates pool and continue as a standalone authority.

5. Conclusion

- 5.1. In order to comply with the statutory deadline for the creation of pools for 2020/21, lead authorities for existing pools have been asked to inform the Government of the pool's intention to continue in 2020/21, or to dissolve the current pool or to seek a designation as a newly formed pool should any authority choose to exit or join the current pool arrangements.
- 5.2. Lead authorities have been asked to respond by 25th October 2019 and have therefore requested that all Members of the existing pool confirm their intentions ahead of that date, allowing sufficient time for alternative pooling arrangements to be drawn up should any existing Member/s decide to withdraw.
- 5.3. Based on historic experience, it is expected that continuing in the pool will be financially beneficial for Chelmsford and therefore agreement in principle is sought to continue as a member of the Essex Pool in 2020/21.
- 5.4. It is further recommended to delegate the final arrangements for 2020/21 to the Director of Financial Services, in consultation with the Cabinet Member for Fairer Chelmsford, so as to take account of the most up to date modelling information and any changes to the membership of the pool.

List of Appendices – Nil
Background Papers - Nil

CABINET
15 October 2019
AGENDA ITEM 7

Subject	CHELMSFORD MASTERPLAN PROCEDURE UPDATE
Report by	LEGAL AND DEMOCRATIC SERVICES MANAGER

Enquiries contact: Brian Mayfield, Democratic Services Manager, Tel 01245 606923, Email brian.mayfield@chelmsford.gov.uk

Purpose

This covering report sets out the recommendations of the Chelmsford Policy Board on 3 October 2019 on the attached report on updates to the Chelmsford Masterplan Procedure.

The Board's Decision

The Board recognised the important part played by master plans in the development of strategic sites and welcomed the updates to the procedures for their preparation and adoption.

Note: Appendix 1 to the report to the Board now incorporates two amendments tabled as a Green Sheet at the Board's meeting.

Recommendation

That the Cabinet notes and welcomes the masterplan process as set out Appendix 1 of the report to the Chelmsford Policy Board.

CHELMSFORD POLICY BOARD

3 October 2019

AGENDA ITEM 6

Subject	CHELMSFORD MASTERPLAN PROCEDURE UPDATE
Report by	DIRECTOR OF SUSTAINABLE COMMUNITIES

Enquiries contact:

Laura Percy – Senior Planning Officer (01245) 606486 laura.percy@chelmsford.gov.uk

Jeremy Potter – Spatial Planning Services Manager (01245) 606821

jeremy.potter@chelmsford.gov.uk

Purpose

The purpose of this report is to seek approval from the Board to the proposed amendments to the masterplan procedure and to provide an update on the progression of Masterplans for sites allocated within the emerging Chelmsford Local Plan.

Recommendation

That the Board notes the masterplan process as set out Appendix 1 of this report and recommends it be referred to the Council's Cabinet for approval.

Corporate Implications

Legal:	The preparation of masterplans is an important element of national planning policy requirements to achieve high quality and sustainable development to ensure objectives of statutory Development Plan documents are met.
Financial:	The preparation of a Local Plan is a major area of work, which started in 2014/15. It involves significant financial resources for Evidence Base preparation, Public Consultation, Sustainability Appraisal work, legal fees and Examination by the Planning Inspectorate. Current work is being met from the approved Budget for 2019/20.
Personnel:	None
Risk Management:	Potential risk of Government intervention if the City Council does not progress a new Local Plan.
Equalities and Diversity:	An Equality and Diversity Impact Assessment has been undertaken for the Council's emerging new Local Plan.

Health and Safety:	None
IT:	None
Other:	None

Consultees	None
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Policies and Strategies

The report takes into account the following policies and strategies of the Council:

Local Development Framework (LDF) Documents

Adopted Development Plan Documents:

Core Strategy and Development Control Policies 2008
 Focused Review of Core Strategy and Development Control Policies 2013
 Chelmsford Town Centre Area Action Plan 2008
 North Chelmsford Area Action Plan 2011
 Site Allocations Development Plan Document 2012

Planning Obligations SPD – Adopted and Draft SPD
 Duty to Co-operate Strategy – Adopted Strategy
 Statement of Community Involvement – Adopted Document
 Local Development Scheme – Adopted Document

The Chelmsford Local Development Framework takes into account all published strategies of the City Council, together with the Sustainable Community Strategy published by The Chelmsford Partnership.

1. Introduction

- 1.1 This report seeks agreement to revise the masterplan procedure for approving masterplans for development allocations in the emerging Local Plan. It also updates the Board on the progress of Local Plan site masterplans to date.
- 1.2 The procedure was previously agreed by the Development Policy Committee on 8 March 2018 with the resolution that the Director of Sustainable Communities, in consultation with Members appointed by the Committee, be authorised to finalise and make any further changes as part of an on-going monitoring process to the masterplan procedure. Following a change in committee structure the masterplan procedure is now being brought before the Board to agree the proposed amendments.

2. Background

- 2.1 The Spatial Strategy of the emerging Local Plan is set out in Strategic Policy S9. Strategic Policy S9 identifies development allocations up to 2036 in three Growth Areas. The sites allocated vary in scale and type.
- 2.2 Strategic Policy S9 and paragraph 7.5 of the Pre-Submission Local Plan state that for larger Strategic Growth Sites the Council will expect a masterplan for each site to be submitted for approval. This is to ensure the site is developed in the manner in which it is intended to help deliver the Spatial Strategy. The proposed modifications to the Local Plan further clarify the sites which this masterplan process should be applied to. The list of sites is also set out in the procedure document attached at Appendix 1.
- 2.3 The masterplan for a site is required to be approved by the Council ahead of consideration of any planning applications. The master planning procedure sets out the obligations on the part of both the developer/promoter and the Council, the extent of engagement with stakeholders and the public and, once finalised, the status of masterplans.
- 2.4 The procedure was previously agreed by the Development Policy Committee on 8 March 2018. Full details of this and the rationale for the masterplan procedure are set out in the covering report for this committee which can be found at <https://www.chelmsford.gov.uk/your-council/committees-and-meetings/list-of-past-and-future-meetings/?page=1&month=&year=2018&category=8156ead0-fa5c-4864-9aa3-dcf156f0a306&id=75443bd4-2568-4b57-92e5-eb78aba77a5f>

3. Progress to date

- 3.1 The majority of sites have all commenced the initial stages of the procedure and have also signed up to Planning Performance Agreements (PPAs) with the Council which agree milestones and expectations from those bringing forward the site and the Council. Progress to date with Local Plan master planning is given in Appendix 2.

4. Changes to the process

- 4.1 The procedure is something which is a relatively new process for this Council and as sites have been progressing it is necessary to evolve and amend the procedure guide. A tracked changed version of the proposed update procedure note is attached at Appendix 1 of this report.
- 4.2 Overall, the stages are largely the same but within the process it is necessary to clarify some matters and amend the order of others. It also reflects some updates to the Local Plan itself by way of the proposed modifications to the Local Plan.
- 4.3 As the sites have progressed, it has become evident that a couple of sites do not fit as neatly into the procedure as others. This is in relation to Strategic Growth Sites 1a (Chelmer Waterside sites) and Strategic Growth Site 4 (North East Chelmsford). It is therefore proposed that, whilst these sites will still follow a masterplan procedure which will need to be formally consulted and approved by the Council ahead of the submission of any planning applications, the circumstances of these sites require a slightly more bespoke process. The reasons for this are set out in Appendix 1.
- 4.4 The other proposed changes to the process are minor in nature but are considered to be important to ensure the process continues to provide the best outcomes in respect of the new Local Plan allocations. The updated process note at Appendix 1 clarifies which sites the procedure applies to, when developers will lead on matters and when Council Members will be involved.
- 4.5 The process for carrying out a Design Review has also been moved from Stage 1 to the end of Stage 2. As the process has evolved it seems that this is a more logical and appropriate stage to have a design review as earlier in the process the information may not all be available or may change as the masterplan has progressed.
- 4.6 An additional stage for the masterplans to be considered by the Chelmsford Policy Board ahead of Cabinet approval has also been added at the end of the process.

5. Conclusion

- 5.1 Since the masterplan procedure was first agreed it has become evident that some changes need to be made to reflect best practice and ensure expectations of the process are clear to all parties. As a result, some minor changes and clarifications to the process are set out in the updated procedure note at Appendix 1.

List of Appendices

Appendix 1 – Masterplans Procedure for Local Plan Development Allocations to 2036 – October 2019 Update

Appendix 2 – Masterplans progress to date

Background Papers

Chelmsford Pre-Submission Local Plan and Policies Maps

Chelmsford Draft Local Plan Schedule of Proposed Main Modifications

Masterplan Procedure for Local Plan Development Allocations to 2036 – October 2019 Update

1. Background

1.1 The Spatial Strategy of the Local Plan is set out in Strategic Policy S9. Strategic Policy S9 identifies development allocations up to 2036 in three Growth Areas. The sites allocated vary in scale and type and are categorised as shown below:

Site Type	Threshold
Strategic Growth Sites	Housing and/or mixed used sites for 100 or more new homes
Growth Sites	Residential sites of less than 100 new homes
Opportunity Sites	No threshold
Existing Commitments	10 new homes or above
Employment Sites	No threshold

1.2 Both Strategic Policy S9 and paragraphs [6.36 and 7.5](#) of the Local Plan ([as proposed for amendment by the Local Plan Modifications](#)) state that for larger Strategic Growth Sites the Council will expect a masterplan for each site to be submitted for approval. This is to ensure the site is developed in the manner in which it is intended to help deliver the Spatial Strategy.

1.3 Where there is a requirement for a site to be masterplanned, this is specified in the policy for the site allocation (a list of all the sites is set out below). [It should be noted that the site numbering and paragraph number within the Local Plan refer to those within the Pre-Submission document. These will be subject to change upon adoption of the Local Plan.](#)

1.4 It is necessary to establish masterplanning procedures to guide masterplan preparation and approval. The procedure will set out the obligations on the part of both the developer/promoter and the Council, the extent of engagement with stakeholders and the public and, once finalised, the status of masterplans.

[1.5](#) Masterplans are separate from the planning application process. An approved masterplan must be in place for the relevant site prior to the [consideration submission](#) of any planning application [by the Council](#). [Following approval of a Masterplan further detailed design work to cover aspects such as architecture, materials are expected to be undertaken through the normal pre-application planning process.](#)

[1.6](#) [Two of the Strategic Growth Sites in the Local Plan will follow a different Masterplanning approach than set out in this paper. These sites will however be required to produce masterplans which will contain the same level of information and will require the same level and stages of consultation and approval from the City Council, but they will have unique processes to](#)

go through to get to there. The two sites this relates to and the reasons why they are different are set out below:

1.7 Strategic Growth Site 1a (Chelmer Waterside Allocations) – This site is different from all other Strategic Growth Sites as it is the only wholly Brownfield Site. There are also land assembly issues with operational and utility complexities over the site which other sites do not have, and no developer on board at present. This site will still require the same end product to be produced and the same level of consultation and approval. However, the initial stages will be started by the City Council as landowner and the purpose of the initial stages are likely to be carried out to assist in the marketing of the site.

1.51.8 Strategic Growth Site 4 (North East Chelmsford) – This site is significantly larger than any other site in the Local Plan and is expected to continue to be delivered beyond the Plan period. In June, the Government announced that the site would form part of the national Graden Communities programme. The site already has a significantly different delivery structure than other sites, with a Delivery Board, Steering Group and various working groups already in place, including a dedicated community engagement group. Other factors to be considered include the successful Homes and Infrastructure Fund (HIF) Bid for the new Rail Station and Chelmsford North East Bypass which both also have separate delivery governance. This site will still require the same end product to be produced and the same overall approval, but due to the scale and complexity of the site, it will have a greater level of consultation and have a wider scope than that set out within this paper.

1.61.9 Set out below is the process of approving masterplans for all other sites as listed below under Stage 0.

Stage	Developer	Council
<p>Stage 0 – <u>Start up</u></p>	<ul style="list-style-type: none"> Developer/promoter notifies the Council that they would like enter in to the masterplan process 	<ul style="list-style-type: none"> The Council produces a Masterplan Framework. This sets out what information and analysis should be included in the masterplan for the site. This is required to be used as a basis for Stage 1, the submission of a masterplan pre-enquiry.
	<ul style="list-style-type: none"> This stage triggers the process of the developer/promoter and the Council entering into a <u>Masterplan</u> Planning Performance Agreement (PPA). It will be tailored to the scale of the site, i.e. larger sites are likely to have a longer project programme, additional consultees etc. Where a site includes multiple parcels of land (Strategic Growth Site 1a as an example), it is required that the developer/promoter of each parcel is signed up to the agreement. However, the obligations of the individual developer/promoter will be subject to the availability of the individual sites. In line with the Strategic Growth Site 1a policy, this allows sites to come forward 	

	<p>independently as they become available but masterplanning principles can still be established.</p> <ul style="list-style-type: none"> • The PPA will cover all the stages of the masterplanning, from the initial notification to the final stage of the document being adopted by the Council as an approved masterplanning guidance. It will not include any subsequent pre-application discussions/ planning application following approval of a masterplan as this will be covered by a separate pre-application PPA. • The extent of masterplanning and level of detail will vary from site to site with the Council giving due consideration to the scale of the site and development. This will be reflected in the PPA. 	
	<p>Sites requiring masterplans as identified in the Local Plan</p> <ul style="list-style-type: none"> ➤ Strategic Growth Site 1a – Chelmer Waterside Allocations (CW1a, CW1b, CW1c, CW1d, CW1e, and CW1f) ➤ Strategic Growth Site 1d – St Peters College ➤ Strategic Growth Site 1c – North Gloucester Avenue (John Shennan, Chelmsford) ➤ Strategic Growth Site 2 – West Chelmsford (Warren Farm) ➤ Strategic Growth Site 3a – East Chelmsford (Manor Farm) ➤ Strategic Growth Site 3b – East Chelmsford – Land North of Maldon Road (Employment) (Joint 3a-3d) ➤ Strategic Growth Site 3c – East Chelmsford – Land North of Maldon Road (Joint 3a-3d) ➤ Growth Site 3d – East Chelmsford – Land North of Maldon Road (Residential) (Joint 3a-3d) ➤ Strategic Growth Site 4 – North East Chelmsford ➤ Strategy Growth Site 5a – Great Leighs – land at Moulsham Hall (Joint 5a-5c) ➤ Strategy Growth Site 5b – Land East of London Road (Joint 5a-5c) ➤ Strategy Growth Site 5c – Land North and South of Banter's Land (Joint 5a-5c) ➤ Strategy Growth Site 6 – North of Broomfield ➤ Strategy Growth Site 7 – North of South Woodham Ferrers <p>Some of the above sites have existing masterplans/design briefs. The Council will review and consider whether they are relevant and/or still up-to-date to determine whether further masterplanning is required and whether the masterplan process can be adapted to take account of them.</p>	
<p>Stage 1 – Technical Assessment</p>	<p>Developer</p> <ul style="list-style-type: none"> • Developer/promoter submits masterplan pre- 	<p>Council</p> <ul style="list-style-type: none"> • Enquiry is registered by the Council (suffix reference MAS/PE). At this stage the

	<p>application enquiry to the Council</p>	<p>documents are subject to a focused consultation (see below)</p>
	<p>The developer/promoter and Council engage in pre-application negotiations. These should include but are not limited to;</p> <ul style="list-style-type: none"> - Requiring the masterplan area to reflect the Policies Map - Requiring the masterplan to reflect the development principles set out in the Strategy Growth Site Policy for the area - Engagement with relevant stakeholders <u>to be led by the site developer/promotor</u>. This is likely to include statutory bodies, service providers, local transport authority and local organisations such as Parish/Town Councils, neighbourhood plan groups etc, <u>Local Ward Members and Cabinet Member for Greener Chelmsford</u>. Initial consultation will be more focused than a general public consultation. However, local representatives should be involved at this stage. - Supporting evidence required <u>to be supplied by the site promotor/developer</u>. This may include transport modelling, Flood Risk Assessment, Habitats Regulations Assessment, Landscape Assessment, Sustainability Appraisal <p>— Design Review process which is likely to occur prior to the submission of a planning application. The following sites will be subject to a Design Review:</p> <ul style="list-style-type: none"> ➤ GS1a — Chelmer Waterside ➤ SGS2 — West Chelmsford ➤ SGS3a — East Chelmsford (Manor Farm), 3b — East Chelmsford — Land North of Maldon Road (Employment), 3c — East Chelmsford — Land South of Maldon Road & 3d — East Chelmsford — Land North of Maldon Road (Residential) ➤ SGS4 — North East Chelmsford ➤ SGS5a — Great Leighs — Land at Moulsham Hall, 5b — Great Leighs — Land East of London Road, 5c — Great Leighs — Land North and South of BanTERS Lane ➤ SGS6 — Land North of Broomfield ➤ SGS7 — North of South Woodham Ferrers ➤ 	
	<p>Why is the masterplan <u>only being subject to consultation with stakeholders</u> not available to the wider public at stage 1?</p> <p>The purpose of pre-application negotiations is to ensure the masterplan responds to the vision and principles for the site to ensure the delivery of the Spatial Strategy. Site promoters may submit an initial masterplan that is not consistent with the Spatial Strategy and needs substantial reworking.</p>	

	<p style="text-align: center;">Purpose of masterplans</p> <p>Master plans are high level documents setting out the Council’s strategic approach to development. They will be used to create excellent places to live, work and enjoy that respond to the unique site circumstances. The masterplan should deliver a framework in enough detail to define predictable outcomes but with sufficient flexibility to allow creative responses from developers/promoters.</p> <p>As a minimum masterplans should include:</p> <ul style="list-style-type: none"> - A vision for the new place - Site and context analysis e.g. surrounding landscape, heritage, contamination, flood risk, important views, etc - Movement structure e.g. walking, cycling, public transport, vehicle circulation - Infrastructure strategy —energy, water, waste water, Sustainable Urban Drainage (SUDS) Strategy, broadband - A framework for landscape, spaces and public realm - Land use and developable areas - Building heights - Layout Principles Design code - Delivery and phasing - Site specific issues — eg heritage, contamination, flood risk, important views, etc <p>In addition, developers/applicants are strongly encouraged to demonstrate how they will incorporate new initiatives that help to meet policy objectives in respect of promoting sustainable living by:</p> <ul style="list-style-type: none"> - Supporting LiveWell initiatives across the development - Incorporating sustainable construction methods, energy efficiency and other sustainable development initiatives set out in the Council’s Making Places Supplementary Planning Document <p>The level of detail will reflect the scale of the site and development.</p>	
<p>Stage 2 - Consultation</p>	<p>Developer</p> <ul style="list-style-type: none"> • Developer/promoter submits a masterplan application 	<p>Council</p> <ul style="list-style-type: none"> • Masterplan is registered by the Council (suffix reference MAS). Documents are publicly available in accordance with consultation procedures (see below)

	<p style="text-align: center;">Consultation procedure</p> <ul style="list-style-type: none"> - Prior to the masterplan being publicly available, the developer/promoter and the Council will agree the number, dates and location of public exhibitions. — For development allocations of less than <u>250 homes</u> an exhibition will not be required unless otherwise advised by the Council. - The developer/promoter is responsible for the exhibitions. They will direct attendees to submit any comments via the Council’s website. - The Council to produce site notices and neighbour notifications (the extent of notification area to be agreed) advising of public exhibition dates and locations and how to submit comments on the masterplan. - The Council will consult <u>Local Ward Members, the Cabinet Member for Greener Chelmsford</u>, local neighbourhood groups, Parish/Town Councils etc. 	
	<ul style="list-style-type: none"> - <u>Design Review process to occur prior to the submission of a planning application. The following sites will be subject to a Design Review to be reported to the Chelmsford Policy Board:</u> <ul style="list-style-type: none"> ➤ <u>SGS3a – East Chelmsford (Manor Farm), 3b – East Chelmsford – Land North of Maldon Road (Employment), 3c – East Chelmsford – Land South of Maldon Road & 3d – East Chelmsford – Land North of Maldon Road (Residential)</u> ➤ <u>SGS5a – Great Leighs – Land at Moulsham Hall, 5b – Great Leighs – Land East of London Road, 5c – Great Leighs – Land North and South of BanTERS Lane</u> ➤ <u>SGS6 – Land North of Broomfield</u> ➤ <u>SGS7 – North of South Woodham Ferrers</u> 	
	<p style="text-align: center;">Developer</p> <ul style="list-style-type: none"> • Amendments made to masterplan following consultation, <u>design review</u>, and discussions with the Council and relevant stakeholders 	<p style="text-align: center;">Council</p> <ul style="list-style-type: none"> • Representations are summarised and main issues identified
<p>Stage 3* - <u>Formal Approval</u></p>		<ul style="list-style-type: none"> • Consultation report published detailing; <ul style="list-style-type: none"> - Level of responses - Type of comments received - Amendments made to the masterplan to reflect community involvement

		<ul style="list-style-type: none"> • Masterplan and consultation report to be considered by Chelmsford Policy Board before Cabinet approval
		<ul style="list-style-type: none"> • Masterplan to be approved at Executive Cabinet as Council approved guidance
	<p>*In most circumstances only one public consultation will be necessary. However, if significant changes are required following the first consultation, it is likely that a second consultation is needed to ensure the public have the opportunity to comment. The Council will make an assessment on a site by site basis.</p>	

2. Status of Masterplans

2.1 Masterplans will be significant material considerations to the Local Plan to ensure Strategic Growth Sites deliver the Spatial Strategy.

2.2 Approved masterplans will sit alongside the Local Plan once adopted and will form part of the planning framework for Strategic Growth Sites but will not form part of the statutory development plan. They will not be subject to Independent Examination.

2.3 Approved masterplans will form part of planning applications [submissions](#) and be a key reference document. However, masterplans and the masterplan process do not override statutory requirements of the planning application process, specifically consultation to statutory consultees and members of the public.

Masterplans progress to date
Chelmsford Local Plan Strategic Growth Sites

Growth Areas	Stage 0	Stage 1	Stage 2	Stage 3	Comments
1 Central and Urban Chelmsford					
Chelmsford Urban Area 1 Chelmsford City Council (CCC) sites					1. ECC and CCC to re-engage once criteria for sports provision has been established.
Waterside	February 2018 – September 2019 <ul style="list-style-type: none"> February 2018 - Successful Homes and Infrastructure Fund (HIF) bid for Waterside Access Road and bridge May 2019 - Concept designs including The Cut September 2019 - Masterplan layouts, including capacity studies 				
Chelmsford Urban Area 1 Non CCC sites					
St Peters College	April 2018 – September 2019 <ul style="list-style-type: none"> April 2019 - Pre-inception meeting No formal engagement 				
ECC					
West Chelmsford 2	April 2018 – July 2018 <ul style="list-style-type: none"> April 2018 – Inception meeting. CCC provides masterplan principles document and plans May 2018 – Project meeting June 2018 – Project meeting July 2018 - Project meeting 	July 2018 – November 2018 <ul style="list-style-type: none"> July 2018 – Project meeting July 2018 – Public exhibitions (1) August 2018 – Transport meeting Sept 2018 – Stakeholder technical and community workshops Autumn 2018 – Local Plan representation 	November 2018 <ul style="list-style-type: none"> Nov 2018 - Masterplan formal submission (18/00001/MAS) Nov 2018 – Public exhibition 	2019 Nov - Cabinet sign off Masterplan approved	1. Additional public exhibition at request of Writtle Parish Council 2. Further meetings with Chignal Estate Resident's Group
Warren Farm					
Crest Nicholson					
East Chelmsford – 3a	July 2018 - March 2019 <ul style="list-style-type: none"> July 2018 – First engagement with Hopkins / Redrow Autumn 2018 - Hopkins masterplan submission for Local Plan October 2018 – Hopkins transport meeting with ECC March 2019 - Joint Hopkins, Redrow, ECC, CCC transport meeting March 2019 – Internal CCC meeting to review Hopkins draft masterplan August 2019 – Awaiting Hopkins technical report into archaeology 				
Manor Farm					
Hopkins Homes					
East – Chelmsford 3b 3c & 3d	July 2018 - June 2019 <ul style="list-style-type: none"> July 2018 – First engagement with Redrow / Hopkins July 2018 - Transport meeting with Redrow, ECC & CCC Autumn 2018 – Redrow masterplan reps to Local Plan Jan 2019 – Inception meeting with Redrow. CCC provides masterplan principles document and plans March 2019 - Joint Hopkins, Redrow, ECC & CCC transport meeting 				
Redrow Homes					

Growth Areas	Stage 0	Stage 1	Stage 2	Stage 3	Comments
	<ul style="list-style-type: none"> June 2019 – Factual exercise, scope of studies and high-level masterplanning principles Summer 2019 – Redrow & ECC in negotiation over highway requirements October 2019 – Masterplan meeting 				
2 North Chelmsford					
North of Broomfield - 6 Bloor Homes	Aug 2018 – Mar 2019 <ul style="list-style-type: none"> July 2018 - Inception meeting with Bloor Autumn 2018 – Local Plan representation (1) March – First meeting with Bloor & consultant team to begin negotiations on Stage 0. 	2019 <ul style="list-style-type: none"> September 2019 - Technical and stakeholder workshops 			1. As part of the Local Plan Statement of Common Ground (SoCG), CCC shared masterplan principles document and plans with Bloor
Great Leighs - 5 Bellway Homes Moulsham Hall Estates	2018 - July 2019 <ul style="list-style-type: none"> Aug 2018 - First joint engagement with site promoters Autumn 2018 – Local Plan representation March 2019 - Inception meeting with consortium July 2019 – First draft Principles Document circulated 				
NE Chelmsford - 4 Chelmsford Garden Village Developer Consortium: Countryside Channels Cliffords Hanson Threadneedle	July 2018 - April 2019 <ul style="list-style-type: none"> July 2018 - First joint engagement meeting with consortium (1) August 2018 - Inception meeting with consortium July 2018 - Framework document structuring elements workshop Autumn 2018 – Local Plan representation Oct 2018 – Project meeting Feb 2019 – Project meeting March 2019 – Heritage workshop April 2019 – Strategic landscape / movement workshops Monthly Steering Group and themed workshops programmed for 2019 July 2019 - Garden Communities bid successful Aug 2019 – HIF bid for Chelmsford North East Bypass (CNEB) and railway station successful Sept 2019 - Masterplanning workshop - Scoping workstreams 				1. This is the most significant and complex Local Plan representation allocation. Agreed with Consortium that CCC would not provide masterplan principles document and plans. CCC and ECC would comment on, and contribute to, emerging framework drafts
3 South and East Chelmsford					
North of South Woodham Ferrers - 7 Countryside ECC Property Speakman Family	July 2018 - June 2019 <ul style="list-style-type: none"> July 2018 – First engagement and inception meeting. First draft masterplan (1) (2) Oct 2018 – Revised masterplan Jan 2019 – Revised masterplan March 2019 – Series of workshops on strategic topics of landscape, movement & land use June 2019 – Awaiting developer response to CCC / ECC comments on draft Stage 0 documents Sept 2019 – CCC response to latest draft 				1. Agreed with consortium that CCC would not provide masterplan principles document and plans. CCC and ECC would comment on Consortium drafts 2. Stages 0 and 1 to be combined