

Cabinet Agenda

13 July 2021 at 7pm

Council Chamber, Civic Centre, 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)
M J Mackrory (Sustainable Development)
R J Moore (Greener and Safer Chelmsford)

Local people may 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. However, numbers must necessarily be restricted owing to distancing requirements and if you wish to attend you will need to obtain an admission pass beforehand.

To apply for an admission pass or find out more about attending, please telephone Brian Mayfield in the Democracy Team on Chelmsford (01245) 606923 or email brian.mayfield@chelmsford.gov.uk

THE CABINET

13 JULY 2021

AGENDA

PART 1 – Items to be considered when 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

Minutes of meeting on 8 June 2021. No decisions at that meeting were call 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.

Owing to social distancing requirements, it is necessary to limit the number of members of the public attending the meeting. Any member of the public wishing to attend, whether as an observer or to ask a question or make a statement, should email committees@chelmsford.gov.uk in advance of the meeting. If space permits, they will be sent an admission pass which must be presented on arrival.

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 Items

6.1 Private Rented Sector Offer Policy

6.2 Treasury Management Outturn 2020-21

The Treasury Management and Investment Sub-Committee on 21 June 2021 recommended that the Cabinet approve this report for submission to the Council on 21 July 2021

6.3 Capital Programme Update and Provisional Outturn

6.4 Medium-Term Financial Strategy

7. Greener and Safer Chelmsford Items

7.1 Public Spaces Protection Order for Multi-Storey Car Parks

7.2 Admirals Park – Proposed Designation as Nature Reserve

8. Sustainable Development Items

8.1 CHESS Community Infrastructure Levy Allocation

8.2 South Woodham Ferrers and Writtle Neighbourhood Plans

9. Leader's Item

Amendments to the Constitution

10. 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.

11. Reports to Council

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

PART 2 (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:

12. Greener and Safer Chelmsford Item

Enforcement Action on Long-Term Empty Properties

Category: Paragraphs 3 and 6 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 / Information which reveals that the authority proposes (a) to

give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment).

Public interest statement: The public interest in knowing the address of the properties and the identity of the owners does not outweigh the personal and private interests of the owners and making public the intention of the Council to make compulsory purchase order(s) in this instance may hinder its ability to do so and reduce the chances of bringing the properties back into residential use.

**MINUTES OF
CHELMSFORD CITY COUNCIL CABINET**

on 8 June 2021 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 Sustainable Development
Councillor R J Moore, Cabinet Member for Greener and Safer Chelmsford

Cabinet Deputies

Councillor S Rajesh, Community Safety

Opposition Spokespersons

Councillors K Bentley, S Dobson, I Roberts, M Sismey,
M S Steel and R T Whitehead

Also present: Councillors R Gisby and N Walsh

1. Apologies for Absence

Apologies for absence were received from Councillors N Chambers, W Daden, J Galley, R J Hyland, J A Potter and R J Poulter, Opposition Spokespersons.

2. Declarations of Interest

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

3. Minutes and Decisions Called-in

The minutes of the meeting on 2 March 2021 were confirmed as a correct record. No decisions at that meeting had been called in.

4. Public Questions

Questions were asked by members of the public on matters relating to Items 6.1 and 6.3 on the agenda. The questions and the responses given are detailed in the relevant minute numbers below.

(7.03pm to 7.26pm)

5. Members' Questions

Councillor M Steel asked whether the usage of and income from the Council's car parks was returning to pre-pandemic levels; whether charges for the car park at Hylands House had been introduced; and whether a meeting to discuss the effect of the introduction of charges at that car park had been held with Writtle Parish Council.

The Cabinet Member for Sustainable Development replied that the use of short term car parks was now 30% below the level during the same period in 2019 but that for long-term car parks the recovery to previous levels of use was much slower. The Cabinet Member for Fairer Chelmsford said that the Traffic Regulation Order to enable the introduction of charges at the Hylands House car park had not yet been published. A meeting had been held with Writtle Parish Council to discuss the effect on Writtle of the introduction of those charges.

(7.26pm to 7.32pm)

6.1 Strategic Growth Sites Policy 3b, 3c and 3d – Masterplan for Land East of Chelmsford (Sustainable Development)

Declarations of interest:

None.

Summary:

At its meeting on 4 March 2021, the Chelmsford Policy Board had considered a Masterplan to guide the development of strategic growth sites 3b, 3c and 3d on land to the east of Chelmsford. The Policy Board had recommended that the Cabinet adopt the Masterplan but note its concerns about the uncertainty of delivery of infrastructure, in particular interdependent cycling and walking connectivity, relating to the separate masterplan covering Site 3a being delivered by Hopkins Homes. The Board had asked that officers seek from Redrow Homes and Hopkins Homes before the Cabinet meeting a joint statement from them confirming that they were working collaboratively with each other to ensure key connections and synergy between the sites to help the successful delivery of the East Chelmsford allocation. That joint statement was submitted with the report.

Options

Approve the Masterplan, with or without amendments, or not approve it.

Preferred Option and Reasons

The Masterplan as presented met the requirements of the Local Plan and would help achieve a high quality development well related to its context.

Discussion

Questions and statements on the Masterplan had been received from two members of the public.

In response to the first, which raised concerns about whether the Masterplan adequately addressed the protection of breeding birds that frequented sites within the proposed development area and the presence of badger sets, the Cabinet Member for Sustainable Development said that:

- Baseline ecological surveys had been completed and further, detailed surveys carried out with the results used to inform the masterplan. The surveys included those for breeding and wintering birds. This found an assemblage of 36 breeding species of district value. There were 13 species of birds of conservation concern recorded which were stated to be relatively widespread and common breeding species. The masterplan was high level and as part of the detailed planning application the suite of ecological surveys would be provided along with any follow-up surveys, where relevant, with material consideration given to ecological receptors in accordance the mitigation hierarchy, and national and local policies.
- The ecologists had conducted their own field-based surveys, including desktop assessments, and therefore seemingly had used those results to inform the proposals.
- Net gain would be mandated through the Environment Bill, which was expected to be passed later in the year. Local and national policy also referred to biodiversity net gain and, as a minimum, 10% habitat net gain was expected to be delivered. This information would be submitted as part of the detailed planning application, but the principle of net gain was calculating the level of biodiversity pre-development and against development proposals to calculate the change and whether this would be a habitat net loss, or net gain. The delivery of net gain, for example through habitat creation and enhancement, would target habitats which supported priority and protected species with provision for managing the habitat set out in a Landscape and Ecological Management Plan.
- Badger behaviour was inherently variable, therefore follow up surveys were expected to be carried out and submitted with a detailed planning application to ensure the appropriate measures were taken to protect the species in accordance with the mitigation hierarchy.

The second question concerned the need to consider this (the Redrow Homes) Masterplan alongside that to be submitted by Hopkins Homes and the importance of not taking decisions on one in isolation from the other. The Cabinet Member said that the reason why the Council was not delaying further consideration of the Redrow masterplan until the Hopkins masterplan had been considered was essentially addressed in paragraphs 1.6 – 1.9 of the report. The joint statement from Redrow and Hopkins Homes had now been received and was appended to the report. This confirmed that the developers would continue to work collaboratively with each other to ensure the successful delivery of the East Chelmsford allocation, including the associated infrastructure. Hopkins Homes had advised that they were likely to be formally submitting their masterplan by the end of June so there would be no

undue delay before it was received by the Council. The masterplan would be formally consulted upon at that time. The Hopkins Masterplan and the Redrow and Hopkins planning applications would be subject to full and robust scrutiny by the Council to ensure the successful delivery of the East Chelmsford allocation.

A ward councillor for Great Baddow also asked about the progress of the Hopkins Homes Masterplan, what the risks were should it be delayed or not produced, and whether the joint statement by the two developers was legally binding.

The Cabinet Member said that he had no information to suggest that Hopkins Homes would delay the submission of their masterplan further. It had been the developer's intention to submit it before the local government elections in early May but they had been advised to delay its submission because consultation and consideration of the masterplan at that time was considered to breach pre-election period rules. Hopkins had advised officers that they then decided to take the opportunity of the delay to refine their masterplan. The agreement that had been signed by each developer, whilst not legally binding, was a statement of their intent.

In response to a further question about the provision of a safe cycle route to the city centre should the Hopkins plan not go ahead, the Cabinet Member said that it was considered unlikely that the development of the Hopkins parcel (3a) would not proceed as it was an allocated site and developers at present were showing every sign that they wished to secure planning permissions and proceed to develop the strategic sites. In the unlikely event that it did not proceed, officers would still continue to engage with the County Council and landowners to see if an additional off road route to the city centre could be secured but it would make a comprehensive link more difficult to secure if site 3a was to lie dormant.

Responding to a comment by another member that it was frustrating that the Masterplan process added delays to the implementation of much-needed developments, the Cabinet Member said that he understood that frustration but masterplanning was part of the Local Plan process and provided an opportunity for all parties and the public to be involved in the creation of sustainable and well-designed developments that met the needs of local people.

RESOLVED that:

1. The Masterplan for Strategic Growth Sites Policy 3b, 3c and 3d, Land East of Chelmsford, as submitted to the meeting, be approved.
2. The Director of Sustainable Communities, in consultation with the Cabinet Member for Sustainable Development, be authorised to make all necessary revisions to the approved Masterplan.

(7.32pm to 7.41pm)

6.2. Trinity Road School Community Infrastructure Levy (CIL) Funding Allocation (Sustainable Development)

Declarations of Interest:

None

Summary:

The Cabinet was requested to consider allocating £950,000 from the CIL Strategic Allocation to help fund the expansion of Trinity Road Primary School.

Options:

Approve or not the allocation of the funding.

Preferred Option and Reasons

The expansion of Trinity Road Primary School was required to meet increased demand in the Chelmsford Urban Area. As the new neighbourhood at Chelmer Waterside came forward, in line with the adopted Chelmsford Local Plan, it would be important for primary school places to be available to meet demand in the most sustainable location. Trinity Road Primary School was the closest school to the new neighbourhood and provided for the best opportunities for safe walking and cycling to school. Improving the school's capacity would provide the infrastructure ahead of the development and without the Community Infrastructure Levy contribution Essex County Council would need to consider alternatives, which may be less appropriate.

Discussion

Whilst those present welcomed the expansion of the school and the use of CIL monies to help fund it, concern was expressed that it would not be sufficient to accommodate the increase in pupil numbers resulting from the Waterside and other developments in the city centre. The Cabinet Member said that the County Council, as education authority, had identified the expansion of Trinity Road school as the best means by which to address future demand for primary school places in the vicinity. That and intakes at other schools would have taken into account the projected demand for increased capacity more generally.

RESOLVED that

1. The allocation of £950,000 from the Community Infrastructure Levy (strategic allocation) to the Trinity Road Primary School expansion project be approved.
2. The Director of Sustainable Communities be authorised to prepare and agree the funding agreement with Essex County Council to enable the transfer of funding.

(7.41pm to 7.48pm)

6.3. Community Infrastructure Levy Governance Arrangements (Sustainable Development)

Declarations of Interest:

None

Summary:

The report to the meeting set out proposals to update the Council's CIL governance arrangements and approach for decision making on the prioritisation and spend of CIL within the City Council's area.

Options:

Approve the proposed governance arrangements, with or without amendment, or not approve them.

Preferred Option and Reasons

The proposed changes to the governance arrangements would enable strategic CIL spending decisions to prioritise the delivery of infrastructure to support the development set out in the new Local Plan and its associated evidence base. In the case of neighbourhood CIL, removing boundary restrictions would better address the impact of development across the entire unparished urban area.

Discussion

A member of the public had asked why the allocation for cycling infrastructure was so small, when a cycle scheme for Princes Road was likely to be implemented and when developer contributions from the planning permission for Bond Street would be available for a river bridge for cycling between Waterloo Lane and Tesco.

The Cabinet Member replied that the report before the Cabinet referred to how the Council governed the expenditure of CIL, which was only one funding stream available to support the delivery of cycling infrastructure; others included direct provision through development, Local Highway Panel funding, Section 106 contributions, Essex County Council's capital programme, Active Travel Funding etc.

Appendices 2 and 3 to the report set out only the CIL allocations to date. In terms of strategic allocations (from which CIL funding for strategic cycling improvements tended to be allocated), a number of the allocations enhanced cycle connectivity and the contributions were significant. Examples included:

- Riverside Public Realm which enhanced the cycle connectivity along the River Chelmer
- Mill Yard, the primary purpose of which was to improve cycling and walking connectivity to the Station
- Tindal Square, which would incorporate cycle connectivity within a new improved space
- Wayfinding, which had at its heart cycleway signage
- North East Chelmsford Garden Community bridge, which would enhance multi modal connectivity within the Garden Community

Collectively, these projects amounted to almost £4.5m of CIL where there was or would be an enhancement to cycling provision in Chelmsford.

In terms of the S106 agreement referred to in relation to Bond Street, the agreement associated with the permitted scheme did not include contributions for a new bridge between Waterloo Lane and the Tesco car park.

In terms of the Princes Road scheme, this may fall within the responsibility of the County Council as highway authority and this would be followed up with officers.

Replying to a separate question about the current Community Governance Review resulting in the creation of parishes in the non-parished areas of the city centre, and the effect this would have on the proposed arrangements, the Leader said that the overall intention of the changes was to streamline the way in which CIL was allocated and spent and that this would apply to all areas, whether or not they were parished. He added, in response to another comment, that those parishes with Neighbourhood Plans would be free to decide whether to use CIL allocations or other funding sources to help meet the cost of infrastructure projects to support those Plans.

RESOLVED that

1. The revised governance process for the strategic allocation of CIL detailed in the report to be meeting be approved.
2. The revised governance for the neighbourhood allocation of CIL be amended to remove the geographical boundaries that restrict spend within the four neighbourhood groups.
3. The updated CIL Governance Arrangements document (Appendix 1 to the report) be approved and that the Director of Sustainable Communities, in consultation with the Cabinet Member for Sustainable Development, be authorised to approve any required amendments before publication on the Council's website.

(7.48pm to 7.58pm)

7.1 Review of Corporate Grant Aid Funding (Fairer Chelmsford)

Declarations of Interest:

None

Summary:

The Cabinet received the findings of a review of the current corporate grant funding arrangements across all schemes and was recommended to approve improvements to the current governance arrangements.

Options:

Approve the recommendations and move to a commissioning and grants model for community funding and improved governance of the process.

Not to approve the recommendations and continue with current arrangements.

Preferred Option and Reasons

The new commissioning model would increase focused support for community groups whilst providing sustainable funding for key partners within an improved and streamlined governance framework.

Discussion

The Cabinet Member for Fairer Chelmsford agreed with a comment that the process for considering applications for grants should be transparent and readily understood by residents and said that it was also important to speed up the process for deciding smaller grants.

RESOLVED that

1. The Council move to the commissioning model for community funding as outlined in section 4 of the report to the meeting.
2. The Council be recommended to approve the changes to the terms of reference for the Community Funding Panel set out in the Appendix to this report.

(7.58pm to 8.05pm)

7.2 Discretionary Rate Relief Policy (Covid-19 Amendments Extending Retail Discounts (Fairer Chelmsford))

Declarations of Interest:

None

Summary:

The report to the meeting set out proposed amendments to the existing Discretionary Business Rate Relief policy to give effect to extensions to retail discounts arising from measures relating to COVID-19, for the period 1 July 2021 to 31 March 2022.

Options:

Approve or not the amendments to the policy.

Preferred Option and Reasons

The revised policy would accord with government requirements and give effect to extensions to retail discounts arising from measures relating to COVID-19, to the benefit of local businesses.

RESOLVED that the additions and alterations to the existing Discretionary Rate Relief Policy as highlighted in Appendix A to the report to the meeting be agreed.

(8.05pm to 8.07pm)

8. Creation of Greener Chelmsford Grants Scheme (Greener and Safer Chelmsford)

Declarations of Interest:

None

Summary:

The Cabinet was recommended to approve the creation of the Greener Chelmsford Grant Scheme which would support “green” community initiatives to help local groups deliver elements of the Climate and Ecological Emergency Action Plan.

Options:

Approve or not the creation of the scheme.

Preferred Option and Reasons

The fund would enable the Council to continue to prioritise the delivery of the Climate and Ecological Emergency Action Plan and reallocation of appropriate resources to support this Plan.

Discussion

The Cabinet Member was asked about the transparency of the decision-making on grant applications, whether parish councils would be able to apply and whether a limit should be placed on the size of grants to prevent a substantial proportion of the budget being spent on a limited number of schemes.

The meeting was informed that the decision-making process would follow that for Community Grants, with applications for larger grants being submitted to the Cabinet. Parish councils would be able to apply for grants, provided they met the criteria for applications. Regarding a limit on the size of grants, this would be monitored during the first year of the scheme to see whether that would be needed. Although the budget was limited, it was hoped that as many schemes as possible would benefit whilst not ruling out larger projects.

RESOLVED that the creation of the Greener Chelmsford Grants Fund be approved.

(8.07pm to 8.21pm)

9. Statement on Modern Day Slavery (Leader of the Council)

Declarations of Interest:

None

Summary:

The Cabinet was requested to approve for publication the 2020/21 Statement on Modern Day Slavery and Human Trafficking.

Options:

The Statement was a factual document which the Council was required to review and publish annually and therefore the consideration of options was not appropriate.

RESOLVED that the Statement on Modern Slavery and Human Trafficking for 2020/21 submitted with the report to the meeting be approved and published.

(8.21pm to 8.26pm)

10. Urgent Business

There were no items of urgent business.

11. Reports to Council

Apart from the changes to the terms of reference of the Community Funding Panel (Item 6.3) none of the reports to the meeting needed to be referred to the Council for approval.

The meeting closed at 8.28pm

Chair



Chelmsford City Council Policy Board/Cabinet

5 July 2021/13 July 2021

Private Rented Sector Offer Policy

Report by:

Strategic Housing Services Manager

Officer Contact:

Paul Gayler, Strategic Housing Services Manager, paul.gayler@chelmsford.gov.uk, 01245 606375

Purpose

To present for consideration a policy which would enable the Council to offer accommodation provided by private landlords as well as social landlords when appropriate and with the applicant's consent as an option for discharging the Council's statutory duty to those who are homeless and entitled to an offer of settled accommodation.

Recommendations:

The proposed Private Rented Sector Offer if agreed as a new policy be presented to the next meeting of the Council's Cabinet for approval.

1. Background

1.1 The Homelessness Reduction Act introduced in 2018 created additional duties for local housing authorities to prevent and relieve homelessness before making a decision as to whether there may be a duty to secure settled accommodation (a tenancy that is expected to be available for more than 12 months) which is suitable for applicants and anyone else who can reasonably be expected to live with them.

- 1.2 Since then, the Council has been very successful in preventing homelessness, rising from 32% of cases in 2018/19 to 66% of cases in 2020/21. In the last year this was the outcome for the majority of applications with 254 cases of homelessness being prevented but a considerable number, 215 in the last year, cannot be prevented and need to be provided with settled accommodation provided by a Registered Provider of social housing, and for many, interim temporary accommodation whilst waiting for an offer. The offer of social housing and its suitability is regulated under Parts 6 and 7 of the Housing Act respectively.
- 1.3 Since the introduction of the Localism Act (2011) local housing authorities have been able to also discharge this duty by using accommodation provided by private landlords but as the offer of this type of accommodation is not regulated by the Housing Act, councils need to have a policy in place instead.
- 1.4 The development of this policy has arisen from an exercise in 2020 looking at ways to reduce the cost and need of temporary accommodation and a draft of this policy was considered and supported by the Affordable Housing Working Group on 3rd March 2021.

2 Private Rented Sector Offer

- 2.1 There are guidelines for the drafting of a Private Rented Sector Offer Policy and the Council's existing Temporary Accommodation Placement Policy is very similar to these requirements. The needs of all of the household members should be taken into account, in particular the needs of those who may be especially vulnerable, children at important stages of their education and the need to access employment, care or specialist support.
- 2.2 The limited supply of affordable homes means that some applicants to the Housing Register, despite having reasonable preference due to being homeless, may still have to be accommodated in temporary accommodation for years whilst waiting for an offer of a suitable property. For some, this policy would enable the Council to work with them to create more choice and in some cases an offer of accommodation that would not otherwise be possible.
- 2.3 The policy would not be used to create offers of accommodation for those who do not want to have a tenancy with a private landlord but the success of the Council's Rent Deposit and Tenancy Access Schemes in preventing and relieving homelessness show how there is a potential to extend this to a wider group who may otherwise face a period in temporary accommodation for an uncertain period of time. In most cases it is expected that the policy would be used to help applicants access accommodation within the district but, with their consent, it can also help people move to other areas where they may have ties or opportunities for employment but the Council is unable to nominate them into these areas.
- 2.4 Without a policy, it is not possible to evidence that decisions have been made consistently in an informed and impartial manner, hence the requirement to have a policy in order to adopt this option.

3. Conclusion

- 3.1 The policy, if approved, will give more options to the Council when looking at ways to meet the needs of those whom it has a duty to accommodate and more choice to those whose needs cannot be met so easily from the existing social housing supply. It would only be an offer with no penalty or detriment to those who do not want to consider this.
- 3.2 By creating more choice and flexibility it will help reduce the need and the length of stay for some households in temporary accommodation, especially for those who may want to move outside of the district, or want or need a particular type of property such as one with a garden, or in an area where no social housing of that type exists.
- 3.3 A checklist has also been provided to evidence for each case that all relevant factors have been taken into account and that the offer is therefore reasonable.

List of appendices:

Appendix One – Proposed Private Rented Sector Offer

Background papers:

None

Corporate Implications

Legal/Constitutional:

The Council should not seek to discharge its duty by using privately rented accommodation without a policy being approved.

Financial:

Financial assistance could be provided through the Council's Rent Deposit or Tenancy Access schemes, the number of cases are not expected to be a significant additional demand on this budget and it would be a reduction in cost compared to the cost of temporary accommodation.

Potential impact on climate change and the environment:

None

Contribution toward achieving a net zero carbon position by 2030:

All homes considered would require an Energy Performance Certificate and in cases where energy use and cost are exceptionally high a property may be withdrawn for this reason and the cost incurred by the applicant.

Personnel:

There may be a slight re-distribution of work within the Housing Service but this is broadly similar to work already in place and could slightly reduce the number of cases that remain open pending a final offer of accommodation.

Risk Management:

The Council should not consider discharging its main duty by using privately rented accommodation without a policy in place. This is very similar to the existing policy used for placing people into temporary accommodation and will require checks on both the property and the landlord.

Equality and Diversity:

Increasing choice will help increase the Council's ability to meet specific needs including access to education for families with children, access to places of worship or community groups for those at risk of exclusion in other areas, and access to support from family or organisations including hospitals, day-care or other community based services that may be less accessible if relying only on social housing.

Health and Safety:

The PRSO checklist includes relevant Health and Safety requirements in accordance with the Housing Health and safety Rating System

Digital:

None

Other:

It is important that the aim of the policy is recognised as being to increase options and opportunities for those who may otherwise be disadvantaged by the limited choice and supply of social housing, helping provide the Council with more detailed evidence on local housing need to inform future strategies and plans for the development of a better supply of housing and not as a replacement for the existing social housing stock.

Consultees:

Housing Working Group – advised that report will be presented to Policy Board for Cabinet approval

Relevant Policies and Strategies:

Housing Allocations Policy 2019

Homelessness Strategy 2020

APPENDIX ONE

Proposed Private Rented Sector Policy

Chelmsford City Council Private Rented Sector Policy Offer

1. General

1.1 The Council aims to work with households to prevent homelessness whenever possible, in cases where this is not possible, we shall then work to take reasonable steps to relieve homelessness in accordance with the part VII, Housing Act 1996(as amended) and our Temporary Accommodation Placement Policy. In cases where these steps have not been successful the Council will then make a decision on any continuing duties which may be to secure settled accommodation. The offer of settled accommodation can include accommodation that is provided by private landlords in the Private Rented Sector (PRS). This policy ensures that any such offers made for this purpose will be suitable and appropriate to each case in accordance with the Localism Act 2011, Homelessness Reduction Act 2017 and Housing Act 1996 Part 7 as amended and the relevant Code of Guidance.

2. Application of the Policy

2.1 This policy accompanies and reflects the Council's Temporary Accommodation Placement Policy, recognising that whilst the Council would like to be able to discharge its duty by making an offer of settled accommodation within its own district this is not always possible, taking into account identified trends in the supply of affordable housing and levels of homelessness in the city, nor in some cases is it suitable to make an offer within this area.

2.2 Whereas access to housing association accommodation is mainly through the Council's Housing Register and limited to properties within the administrative area of the Council, privately rented accommodation is widely available, in greater supply with fewer restrictions on who can access it. During times when demand exceeds supply of suitable housing association properties, local housing authorities must make best use of all other sources to meet their legal duties to secure accommodation.

2.3 By ensuring offers of privately rented accommodation for this purpose are made in accordance with a policy the Council can ensure that such offers which are outside of existing nomination agreements with local housing associations are still fair, equitable and consistent.

For the purposes of this policy there are three geographical areas:

- a) In-City i.e. within the Chelmsford City Council area (as shown in Appendix 1)
- b) Close to home Essex-wide i.e. within the county of Essex area
- c) Any area: Defined as outside Essex.

In these instances, the Council will consider the availability of services such as schools and health services to ensure the welfare of any children is fully considered in line with S11 (2) Children's Act 2004.

- 2.4 When deciding which of these three areas may be suitable the Council will take into account based on information from the applicant's Personal Housing Plan:
- i. Longstanding agreement to provide care and support to another family member in the Chelmsford City Council area who is not part of the household. Carers will need to be in receipt of carers allowance and/or the person they care for must be in receipt of middle rate, or high rate, DLA care component or daily living component of PIP.
 - ii. Children subject to a Child Protection Plan in the Chelmsford City Council area which cannot be transferred to another Local Authority without causing detriment to the child.
 - iii. Children subject to an Educational Health and Care Plan in the Chelmsford City Council area which cannot be transferred to another LA without causing detriment to the child.
 - iv. Households with children who are enrolled in GCSE, AS or A level courses in Chelmsford City Council area, with such exams to be taken within the next 12 academic months. Wherever possible the Council will seek to place households within 45 minutes travelling distance of their school, or college, by public transport.
 - v. Cases where applicants are receiving treatment for a physical or mental health condition from a specialist hospital unit which cannot be provided to that resident outside of the city.
 - vi. The needs of applicants, where one or (more) is in permanent settled employment (for at least six months prior to the date of their homeless application) to reach their normal workplace from where the accommodation is secured.
 - vii. Other relevant issues for the applicant and their household including but not restricted to risk of harm from persons associated with their household.
- 2.5 The Council may seek and will take into account supporting information from other sources and agencies to inform its decisions but will not always be bound by recommendations where it is not reasonable to do so.
- 2.6 In cases where support is being provided by other agencies who operate beyond the city the Council will seek to make an offer that is within the geographical area covered by that organisation if not within the city itself, for example within mid-Essex.
- 2.7 In considering whether to make an offer outside of the city area, consideration will be given to the type of accommodation needed, the likelihood of such accommodation becoming available within the city and the availability and suitability of such accommodation elsewhere.
- 2.8 Where an offer is being considered outside of the city, it will be restricted to accommodation within Essex, unless:
- There are exceptional reasons for considering an offer outside of both the city and the county, or
 - The applicant has expressed a desire to move out of area and the offer is consistent with this.

3 Suitable Offer

- 3.1 Offers made under this policy must be in reasonable condition, let and managed by a person or organisation that is competent and responsible.
- 3.2 Before an offer is made the Council will carry out checks to ensure each property meets these standards using the checklist in Appendix Two of this policy.
- 3.3 Offers must be of adequate size for the applicant and their household which will be those people named and included in their application, taking into account any restrictions on mobility that may affect what is suitable.
- 3.4 The affordability will be based on the current and expected income of the applicant's household less reasonable living costs; the Council will take into account the individual and reasonable aspects of each household's expenditure but may also expect reasonable adjustments to be made prioritising the urgent need for accommodation, other priority debts and previous expenditure on non-essential items that could reasonably be expected to be reduced.
- 3.5 In cases where the cost of the accommodation identified by the Council is greater than the Council accepts is affordable the Council will enter into an agreement with the landlord to subsidise the market cost making the tenancy more affordable and suitable for the applicant. In such cases this will be reviewed at or before notice is given to review or renew the tenancy agreement, taking into account the current financial situation of the applicant.
- 3.6 An offer will only be considered to be suitable if the Council reasonably expects that it will be available for occupation for more than 12 months from the start of the tenancy.

4 Making an Offer

- 4.1 All applicants will be made aware when agreeing their Personal Housing Plan that the Council may make an offer of privately rented accommodation to discharge its duty in accordance with this policy.
- 4.2 Applicants will also be advised when notified of a decision to secure settled accommodation in accordance with Housing Act s.193 and 189(B) that this may be an offer made under this policy.
- 4.3 Where an offer is made under this policy applicants will also, at the same time that the offer is made, be advised about the possible consequences of refusing an offer and the process for seeking a review of the suitability of an offer. Applicants are able to accept the offer but still request a review of its suitability.
- 4.4 The Council will expect applicants to make their own arrangements for viewing accommodation offered, where this is not possible and where reasonable to do so the Council may provide photograph / video of properties and make an appointment with the applicant to deal with any enquiries and answer questions about the property. If the accommodation is offered under section 193 or 189(B) of the Housing Act Pt VII (as

amended), a refusal to view the accommodation or comply with the terms of the offer may be considered as a refusal of the offer of accommodation.

4.5 As part of their Personal Housing Plan applicants are expected to take responsibility helping the Council meet their housing needs, in cases where an offer is withdrawn by a landlord as a result of the applicant's behaviour when visiting a property, this will not in itself constitute the withdrawal of an offer as unsuitable under this policy.

Appendix 1: Map of district (from TA Placement Policy)

Appendix 2: PRSO Checklist

PRSO Checklist		
1. Property	Yes / No	Comments
Property has been inspected by approved managing agent who confirms checked and ready to let		
Property is in reasonable condition with no Cat 1 hazards		
Electrical equipment supplied meets Regulations 5 & 7 of Electrical Equipment (Safety) Regulations 1994		
Fire safety – reasonable precautions taken by the landlord for the property and any furnishings		
Carbon monoxide – landlord has taken reasonable steps to prevent carbon monoxide poisoning		
Will not cause overcrowding		
Houses in Multiple Occupation – is it licensed where necessary?		

2. Landlord		
Not committed offences of fraud, dishonesty, violence, drugs or sexual offences		
Unlawfully discriminated against anyone		
Breached any law or regulation relating to housing including for the management of HMOs		
3. Applicant's requirements		
If outside of district – check with the other local authority.		
Risk of domestic abuse – check security		
Mobility – check suitability		
Affordability – check income, expenditure and savings		
Access to school, employment, other support and treatment		
Access to public transport		
Access to shops		
Access to support / treatment		
Risk of harm from associated persons		
Risks relating to re-offending		
Pets		
Other		
4. Availability		

Check likely availability of accommodation from housing association within district		
If considering offer outside of city consider likely availability of suitable PRS within city and housing association accommodation outside of city area, e.g. Homefinder		
Confirm with landlord property available, dates and costs		
Considered and checked all of above		
Choice of placement in district? Consult with applicant and select most suitable		
Choice only outside of district? Consult with applicant and select most suitable		
Notify receiving local authority		
Notify other agencies where appropriate		
Set date for review of TA / advise of right to review for discharge of duty.		
Complete process for sign up		



Treasury Management and Investment Sub-Committee

21 June 2021

Treasury Management Outturn Report 2020/21

Report by:

ACCOUNTANCY SERVICES MANAGER (Section 151 officer)

Officer Contact:

Phil Reeves, Accountancy Services Manager, phil.reeves@chelmsford.gov.uk, 01245 606562

Purpose

Under statute and the CIPFA Code of Practice on Treasury Management (“the Code”), Members are required to receive a report on the Treasury Management activities that took place in 2020/21.

Recommendations

Recommend the Treasury Management Outturn Report 2020/21 to Cabinet or amend as appropriate.

1. Introduction

- 1.1. The CIPFA Code of Practice for Treasury Management sets out the requirements for oversight by the Council of its treasury management operations. As part of the Code, the Council is required to receive an annual report on the performance of the treasury management function which highlights the effects of decisions taken and

the circumstances of any non-compliance with the Code and the Council's Treasury Management Strategy.

2. Background

2.1. The Council can expect to have cash to invest arising from its revenue and capital balances, and collection of Council Tax. This cash can be usefully invested to produce a return to help support services and Council Tax. The activities around the management of this cash are known as 'Treasury Management'.

2.2. Treasury Management is defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks"

2.3. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the MHCLG Guidance.

2.4. The Council's investment priorities as required by Government regulations are in order of priority:

- (a) The security of Capital
- (b) The liquidity of its investments; and
When these are satisfied
- (c) Yield

The MHCLG and CIPFA both advise that absolute certainty of security of capital and liquidity does not have to be achieved before seeking yield from investments. An appropriate balance of all three should be sought and that balance is determined by the Council in its Treasury Strategy.

2.5. The operation of Treasury Management is not without risk and the Council could suffer losses if one of its counterparties had financial difficulties.

2.6. The Council formally reviews its investment holdings in the following ways:

- Treasury Management Strategy report in February
- Treasury Outturn report in July
- A half-year update in November
- Treasury Management sub-committee to monitor Treasury Activity during the financial year.

The review of the year's activities is set out in the following appendices:

Appendix A – Economic Environment Update

Appendix B – Borrowing and Actual Investment Activity compared to the Approved 2020/21 Strategy

Appendix C – Treasury Performance Indicators for 2020/21

3. Summary of Review

- 3.1. During the financial year, there were no breaches of the Treasury Management Strategy.
- 3.2. The CCLA fund produced £278k in income during 2020/21 but there was a slight downward fluctuation in capital value of £46k (unrealised capital gain to date £1.4m). However, returns from the fund should be measured over several years as fluctuations in value should be expected. More importantly the total returns from the fund (capital and income) continue to far exceed what can be achieved from cash investments. The Council cannot enter and exit the fund to try to avoid short-term unrealised losses; the fund should be exited only to avoid long-term losses or seek more effective alternative investments.
- 3.3. The Council's investment holdings on the 31st March 2020 were £50.4m and £47.0m on 31st March 2021. The average investment balance during the year was slightly higher than allowed for in the budget due to re-phasing of the capital programme.
- 3.4. Interest earnings from investments were some £0.44m, which was below the budget of £0.49m, mainly because of lower yield due to the pandemic.
- 3.5. The return on investments in 2020/21 was 0.62% compared to the previous return of 1.25%.

4. Conclusion

- 4.1. It should be noted that the Council's Treasury Management has operated within approved parameters, has resulted in no realised losses and delivered income of £0.44m which has helped to support Council services.

List of appendices:

Appendix A – Economic Environment Update

Appendix B – Borrowing and Actual Investment Activity compared to the Approved 2020/21 Strategy

Appendix C – Treasury Performance Indicators for 2020/21

Background papers:

None

Corporate Implications

Legal/Constitutional: None

Financial: As detailed in report.

Potential impact on climate change and the environment: Any fund managers will be required to consider ESG (Environmental, Social and Governance) factors in their investment process. All the fund managers would be expected to have signed up to the UN Principles for Responsible Investment (PRI). PRI argues that active participation in ESG and exercising shareholder rights on this basis can help to improve the performance of companies which may otherwise not address such concerns and so being an engaged corporate stakeholder is a more effective way to bring about change in corporate behaviour on ethical issues.

Further requirements from those identified above are not practical given the limited ability to directly influence any immediate change in the financial markets.

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None

Risk Management: All treasury management activity requires a careful consideration of risk and reward.

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

Consultees: None

Relevant Policies and Strategies:

Treasury Management Strategy 2020/21

Appendix A – Economic Environment Update

Introduction

The amount of interest the Council earns on its balances is a function of the mix of fixed and variable rate investments made by the authority, together with the performance of the shares it holds in pooled investment funds such as the CCLA and Money Market Funds.

Therefore, the interplay of various economic factors including interest rate expectations, property prices and economic growth all affect the performance of the Council's investments.

Economic factors

The vaccination programme is proceeding at pace in the UK and restrictions on economic activity are easing leading to a positive economic outlook in the coming year. UK GDP is expected to recover strongly but will continue to depend on the evolution of the pandemic and measures taken to protect public health globally.

The UK Bank of England base interest rate has been held at 0.10% throughout the year and extended its Quantitative Easing programme by £150 billion to £895 billion at its November 2020 meeting. Inflation year to March was 0.7% (CPI) and is projected to rise in the near term as the impact of Coronavirus eases. Unemployment was at 5.0% in the three months to January 2021 and is expected to rise when the furlough scheme is withdrawn in September 2021. Interest rates were unanimously voted by the Monetary Policy Committee to be maintained at 0.10% in May 2021.

This has led to the Council's fixed and variable rate investments continuing to earn historically low levels of interest and the Council has held a significant proportion of the cash balances in liquid funds to manage cashflow.

The valuation of the Council's investment in the CCLA Property Fund decreased by £46K in the year, leaving the Council's unrealised gain at £1.44m on its initial investment. The income yield for the year was 4.32%, as measured against the current £6.44m market value. The Fund now has a minimum 90-day redemption period.

CCLA are expecting a steady trend in capital values to be maintained but within that wide dispersion of performances between sub-sectors. Retail is expected to remain weak despite the sector being open for trading and office accommodation is expected to remain steady in value.

Appendix B – Borrowing and Actual Investment Activity compared to the Approved Strategy for 2020/21

External borrowing

1. The Council effectively became debt free on the 16th September 2002, when it repaid all its PWLB debt. The Council therefore only has the freedom to borrow in the following circumstances:
 - Short term borrowing to manage liquidity
 - Long term borrowing only to fund capital expenditure if no other capital resources exist e.g. the Council has spent its capital receipts or expects to do so imminently

The Council did not need to borrow in 2020/21.

2. Finance leases are deemed by Government to be a type of borrowing in the Council's Accounts and Treasury reporting must identify that the Council has borrowed money when they are used. At 31st March 2021, the Council had outstanding finance lease liabilities of £557,000.

Investments

3. Officers with appropriate knowledge and training invest the Council's cash balances. Arlingclose are used as advisers on treasury management to help inform the decision-making process.
4. The Council's funds are invested in the following priority order, in accordance with statutory guidance:
 - i) Security – protecting the capital sum invested from loss
 - ii) Liquidity – ensuring the funds invested are available for expenditure when needed
 - iii) Yield – subject to achieving proper security and liquidity, to pursue a yield on investments to support service provision

The regulations and CIPFA both advise that absolute certainty of security of capital and liquidity does not have to be achieved before seeking yield from investments. An appropriate balance of all three should be sought and that balance is determined by the Council in its Treasury Strategy.

5. The Council uses cash-flow planning methods in order to manage its in-house investments. This allows officers to separate in-house funds in to two categories:
 - Shorter term, lower yielding investments – these investments are invested for relatively short durations, normally 3-6 months, in order to ensure that the maturity profile of investments matches the peaks and troughs in the Council's liquidity needs – particularly for the final 2 months of the year where council tax income falls significantly due to the 10 monthly instalments most residents choose to pay in.

- Longer term, higher yielding investments – these are investments of ‘core cash’ which the Council does not require for operational purposes within the short to medium term. These funds can be invested for a year or more in appropriate counterparties in order to generate higher yields without causing liquidity issues.

6. During 2020/21 the Council’s investment portfolio has remained relatively similar in size from £50.4m to £47.0m. However, the inflow and outflow of Covid 19 grants for business made 2020/21 cashflow unusual.

Compliance with Treasury Management Strategy

7. A summary of the approved treasury management strategy, together with actual outcomes is presented below:

- | | |
|--|--|
| a. To ensure that there are no breaches of the approved counterparty limits or durations | No breach occurred. |
| b. The option to invest further sums in pooled funds | No additional investments in longer term funds took place in 2020/21. |
| c. To continue holding up to £8m (£5m initial investment plus a generous allowance for unrealised capital growth) investment in the CCLA Local Authority Property Fund | The CCLA depreciated in value during 2020/21, largely due to the impact of Coronavirus. However, £278k in dividend income was still realised. The Council’s investment was valued at £6.44m as at 31 st March 2021. |
| d. Limit investments over 365 days in duration to £18m | Investments with a duration in excess of 365 days did not exceed £18m in the year. |
| e. Ensure that no more than 75% of the Council’s Portfolio is invested for periods of greater than 3 months at any one time | No breach occurred. |
| f. In exceptional circumstances allow short borrowing on occasions to cover any liquidity shortfalls caused by the unexpected timing of payments or to avoid the opportunity costs of liquidating certain investments | No exceptional borrowing was required in 2020/21. |

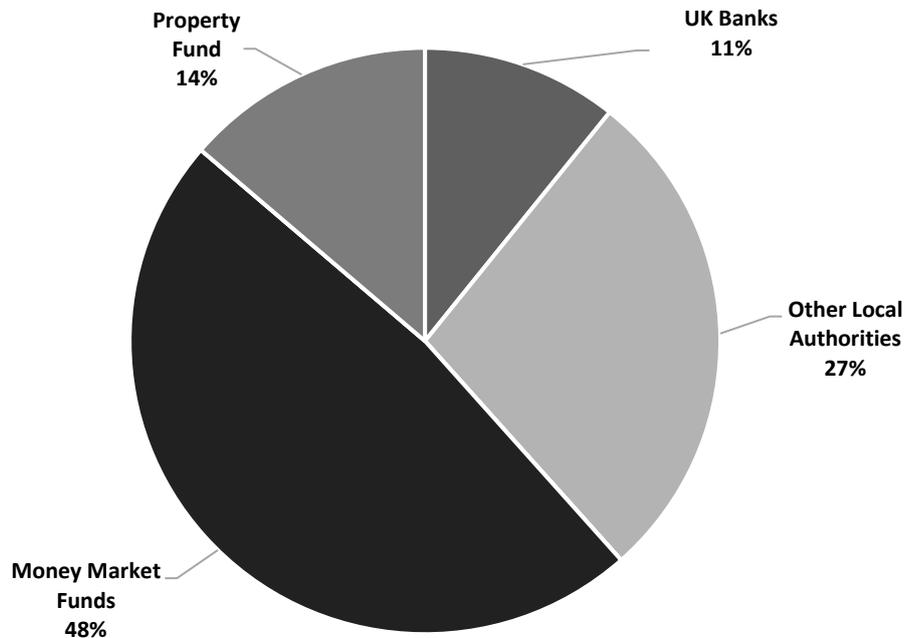
In 2020/21, the Council remained mindful of the risk of Bail-in losses from unsecured lending to banking counterparties.

As at 31st March the Council’s exposure to Bail In risk (direct lending to banks and building societies) was 11%, against 20% at the end of the previous financial year.

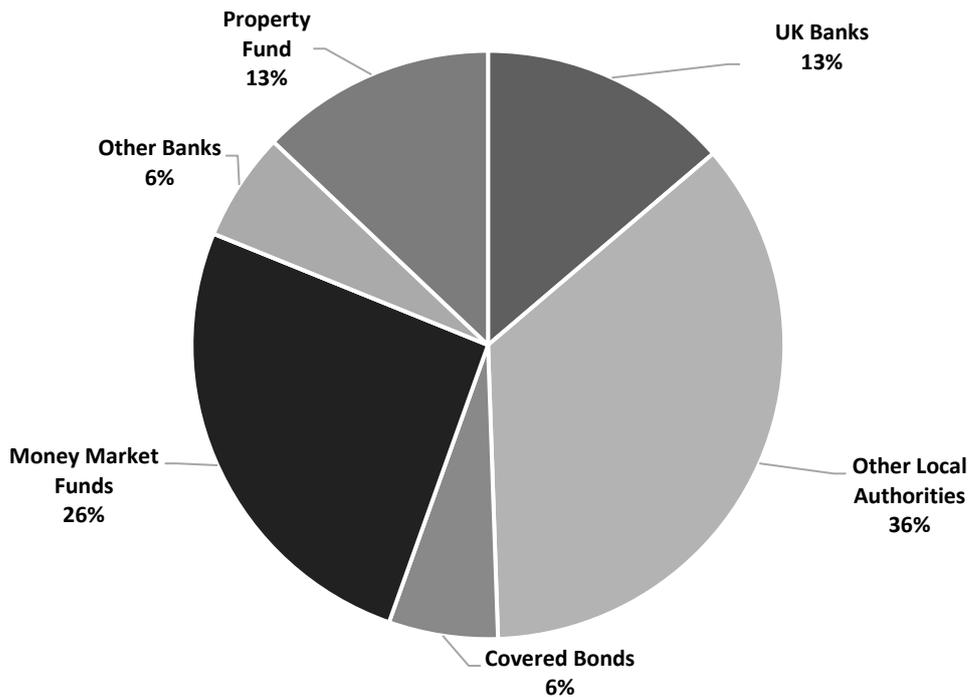
Year ending exposure tends to be lower than the average exposure because, where possible, the Council takes advantage of higher rates offered by other local authorities in the final quarter of the year. However, due to the uncertainty surrounding the impact of Covid-19, the Council chose to hold a higher proportion of its cash in liquid accounts in order to protect against potential cashflow problems and reflecting the very low yield that could be achieved (below 0.1%).

Exposure	2017/18	2018/19	2019/20
Bail In Risk -Direct investment	7%	20%	11%
Bail In Risk – Pooled Fund Managers and Money Market Funds	31%	26%	48%
Exempt from Bail In (including CCLA)	62%	54%	41%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

Investment at 31/03/21 By Sector



Investment at 31/03/20 By Sector



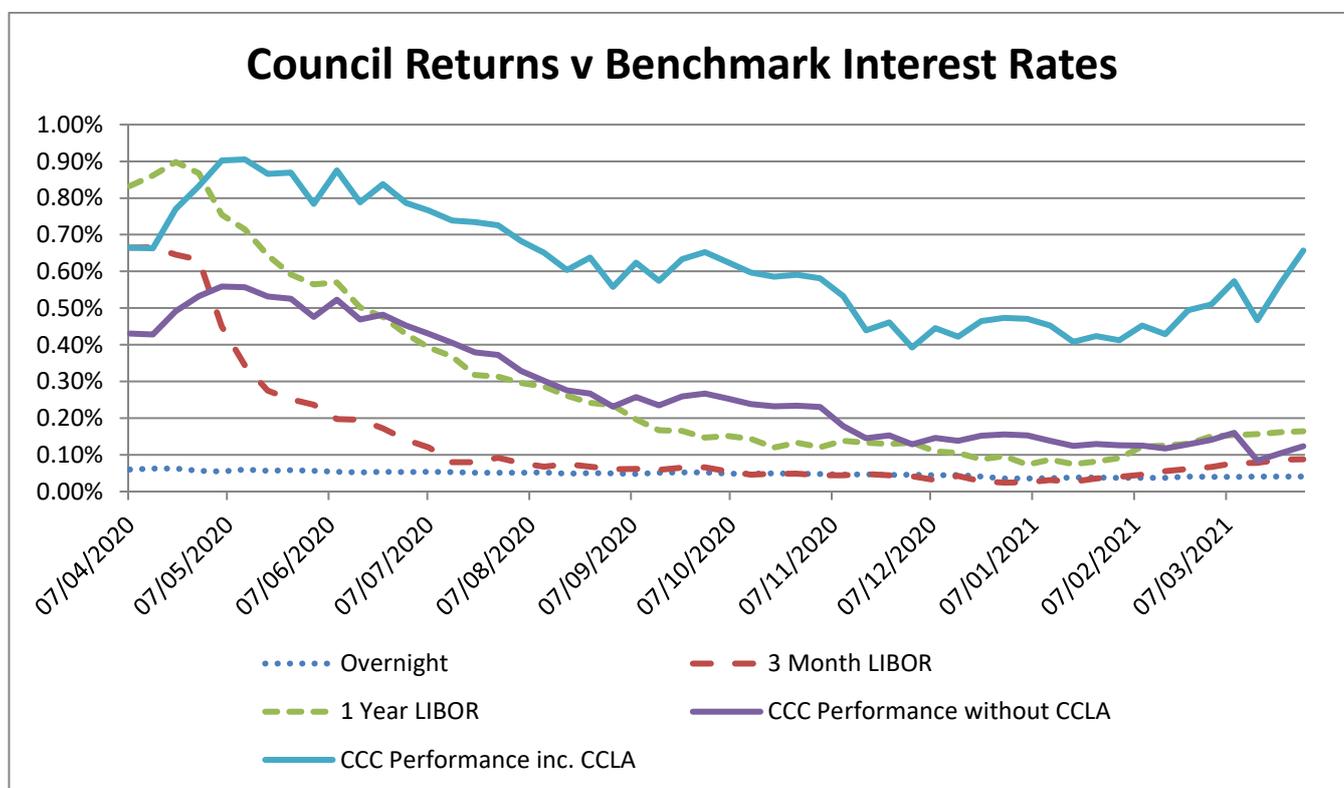
<u>Counter Party</u>	<u>31/03/2021</u>	<u>Limits for 2020/21</u>
<u>Short-Term Money Market Instant Access Funds</u>		
	£s	£s
BlackRock MMF	4,566,800	6,000,000
Aberdeen Constant Fund	5,955,140	6,000,000
Federated Money Market Fund	5,996,000	6,000,000
Invesco Money Market Fund	5,950,800	6,000,000
CCLA Property Fund	6,436,090	8,000,000
UK Treasury Bills	0	Unlimited
<u>Banks</u>		
Natwest	2,047,160	3,000,000
HSBC	3,000,000	3,000,000
<u>Local Authorities</u>		
Birmingham City Council	3,000,000	20,000,000
Warrington Borough Council	5,000,000	20,000,000
Plymouth City Council	5,000,000	20,000,000
	<u>46,951,990</u>	

Return on investments

8. Interest rates remained at very low levels throughout 2020/21, with the Bank of England base rate being held at 0.10%. Consequently, returns remain below the prevailing inflation rate, resulting in negative real rates of return on funds invested.

Comparisons by Arlingclose out of 127 authorities (143 last year) show the City Council's returns remained in the second quartile for authorities in March 2020 (50th highest) compared to March 2019 (49th highest). This shows that comparative performance remains significantly lower in terms of total return ranking than its high point early in 2016 (22nd highest), and December 2015 (10th highest). Over this period many authorities have invested more extensively in property funds, bond funds, equity funds and mixed asset funds.

The LIBOR (London Inter Bank Offered Rate) rates below show the interest levels that London based banks charge each other. These highlight the historically low levels of interest rates and provide context for the Council's own investment returns.



	Market investments (excluding CCLA)	CCLA Investment Yield	All Investments
Year ending 31/03/2021			
Average yield	0.28%	4.32%	0.62%

Security

The CCLA fund dropped in capital value by £46k but is still valued at £1.44m over the initial investment made by the Council.

Conclusion

The Council has operated within its Treasury Management Framework. This has enabled the Council to safeguard its financial assets and produce a good level of return relative to the prevailing market interest rates.

Treasury Management Performance Indicators

Period Ending: 31/03/2021

Security

	Year 2020/21	Projected as at Nov 20	Target for year	Target for year	Target for year
	31/03/2021	31/03/2021	31/03/2021	2021/22	2022/23
Require - Only to invest with approved counterparties	No breach	No breach	No breach	No breach	No breach
Require - Only to invest up to approved limits	No breach	No breach	No breach	No breach	No breach
Target - Bail in exposure to not exceed portfolio	58.60%	50.00%	50.00%	50.00%	50.00%

Liquidity

	Year 2020/21	Projected as at Nov 20	Target for year	Target for year	Target for year
	31/03/2021	31/03/2021	31/03/2021	2021/22	2022/23
Target - At least £8m maturing in 100 days or less	£ 40,515,900	No breach projected	£ 8,000,000	£ 8,000,000	£ 8,000,000
Require - Investments maturing in more than 365 days not to exceed target	£ 6,436,090	No breach projected	£ 10,000,000	£ 10,000,000	£ 10,000,000
	£ 46,951,990	£ -			

	Actual Borrowing 2020/21	Projected as at Nov 20	Target for year	Target for year	Target for year
	31/03/2021	31/03/2021	31/03/2021	2021/22	2022/23
Requirement - Authorised Limit of Borrowing	£ Nil	£ Nil	£ 45,000,000	£ 45,000,000	£ 45,000,000
Target - Operational Boundary of Borrowing (excluding finance leases)	£ Nil	£ Nil	£ 25,000,000	£ 25,000,000	£ 25,000,000

Yield

	Year 2020/21	Previous Year
	31/03/2021	31/03/2020
Average yield on cash portfolio	0.28%	0.86%
3 month Libor benchmark	0.14%	0.56%
Average yield on CCLA	4.32%	4.48%
Average yield on total portfolio	0.62%	1.25%
1 year Libor benchmark	0.29%	0.84%

Chelmsford City Council Cabinet

13 July 2021

Capital Programme Update and Provisional Outturn 2020/21

Report by:

Cabinet Member for Fairer Chelmsford

Officer Contact:

Phil Reeves, Accountancy Services Manager (S151 Officer)

Email Phil.Reeves@chelmsford.gov.uk Telephone 01245 606562

Purpose

1. To report the capital expenditure incurred in 2020/21 and the resources used to finance it.
2. To update the approved Capital Schemes for variations in cost which have been identified at outturn and to date.
3. To update the approved Asset Replacement Programme for 2021/22 for variations in cost and timing which have been identified at outturn and to date.

Options

To either accept or reject the recommendations.

Preferred option and reasons

To accept the recommendations to enable services to proceed with the capital schemes and replacements required to continue to deliver services.

Recommendations

That the Cabinet approves the following:

1. the proposed Capital Scheme cost increases of £188k, shown in **Appendix 1** and detailed in **paragraph 3.1** of this report;
2. the proposed Asset Replacement Programme for 2021/22, the increase in scheme costs £19k and the rephasing of spend from 2020/21 £269k as shown in **Appendix 3** and detailed in **paragraph 4.2** of this report.

And that the Cabinet recommends to Council that:

1. the latest proposed budgets for Capital Schemes £131.379m, shown in **Appendix 1** and detailed in **paragraph 3.1**, be noted;
2. the outturn on the 2020/21 Asset Replacement Programme £2.565m, shown in **Appendix 3** and detailed in **paragraph 4.1** of this report, be noted;
3. the Asset Replacement Programme for 2021/22, £5.328m be noted as shown in **Appendix 3** and detailed in **paragraph 4.2** of this report;
4. the proposed Asset Replacement programme deferred approved schemes from 2021/22 to 2022/23, £1.534m, shown in **Appendix 3** and detailed in **paragraph 4.2** of this report, be noted; and
5. the method of funding of the capital expenditure incurred in 2020/21, as set out in the table in **paragraph 5**, be noted.

1. Background

The Council has a long-established process for monitoring and reporting its forecast expenditure and income against approved estimates. Formal monitoring reports are prepared on a regular basis and these are supplied to all Cabinet Members.

2. Introduction

There are two types of expenditure, capital and revenue.

Capital expenditure relates to the acquisition or enhancement of assets, which have a useful life in excess of 12 months and are charged to the Council's balance sheet and shown as fixed assets (a fixed asset being an item that can be in use for more than one year). To be an enhancement the expenditure on the asset must either lengthen substantially the useful life of the asset, increase substantially the open market value or increase substantially the extent to which the Council can use the asset.

Revenue costs are ongoing. They are incurred to run an asset or to provide a service.

2.1 Capital Programme

The capital programme is split between larger schemes (works, improvements and refurbishments) and an asset replacement programme.

Services submit bids annually for schemes to be added to the capital programme. The schemes should add value to the organisation, provide revenue savings or additional income, move forward Our Chelmsford: Our Plan objectives or have statutory/health and safety implications.

The Asset Replacement Programme is required to maintain the existing level of service delivery by ensuring there is provision to replace items of equipment and vehicles on a regular basis. Approval of individual items is on an annual basis.

2.2 Capital Resources

Capital expenditure is funded in a number of ways which may include grants, receipts, third party contributions, contributions from revenue, internal or external borrowing and the use of external leasing.

When capital resources are spent, the amount available to invest is reduced and therefore the amount of interest income received is reduced, which in turn affects the revenue budgets available.

Where internal or external borrowing is used to fund the capital programme, a provision for repayment of the borrowing (Minimum Revenue Provision) is required, which again puts pressure on revenue budgets.

2.3 Capital Reporting

A 'Capital Programme Update' report is taken to Cabinet in January and a 'Capital Programme Update and Outturn' report is taken to Cabinet/Council in July each

year. A further 'Capital Programme Monitoring and Update' report is taken to Cabinet in November.

It is important to closely monitor capital expenditure as this allows judgements to be made for the Council's cash investments. If a large scheme is likely to be delayed, this will provide an opportunity to invest the money until it is required, therefore increasing interest earnings.

2.4 Methods of Approval

New schemes submitted by services are recommended by Cabinet in January and approved by Council in February each year.

During the year, approval can be sought for further schemes or extensions to existing ones via supplementary approval or the use of urgency letters depending upon the level of expenditure required. An urgency letter authorises the Leader of the Council and Chief Executive to incur additional expenditure in extraordinary circumstances.

When schemes are approved, they are added to the capital programme and monitored throughout the year.

3 Capital Schemes

3.1 Monitoring Against Latest Approved Budgets

Appendix 1 gives the overall capital outturn information for the completed Capital Schemes at the end of March 2021 and the latest forecast expenditure for the ongoing scheme costs. It identifies the variances in total individual scheme costs.

Appendix 1 shows that the proposed cost of the Capital Schemes has reduced by a net £137k against the latest approved budget of £131.516m, or 0.10% of the overall Capital Schemes' costs. The table below provides a summary.

Approved Budget	£131.516m
Proposed Reductions in Scheme Costs – see Appendix 1 Scheme number 6 Bridge Repairs.	-£0.185m
Proposed Increases in Scheme Cost Requires Approval – see Appendix 1	£0.188m

Scheme number 10 – Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy. This is funded from a virement from scheme number 3 which has an underspend- £0.093m. Scheme number 48 – HIF Access Road and Bridge Grant Funded £0.095m.	
Actual Increases in Completed Scheme Cost	£0.042m
Actual Reductions in Completed Scheme Costs	-£0.182m
Total Proposed Budget Capital Schemes	£131.379m

3.2 **Appendix 2** provides narratives, for those variances in excess of £25,000, against the latest approved Budget.

3.3 **Appendix 1** shows that there are some schemes reported as being delivered late.

The majority of these schemes are reliant upon conditions outside the control of Project Officers such as obtaining planning permission and consents and paying over to third parties CIL and S106 grants which are dependent upon works they have completed. The delay in the spend is favourable to the Council in terms of investment and returns.

The forecast expenditure for the year 2020/21 was £66.855m. The actual expenditure for 2020/21 was £56.886m. This is a net reduction for the spend in-year of £9.969m or 14.9%. The table below provides details of the schemes and shows the major variations.

<u>Schemes</u>	
Schemes 58–68 – Various CIL Grants to third parties. Spend dependent upon third parties. The budgets have been deferred to 2021/22.	-£1.215m
Scheme 2 – Enabling Lockside Growth Area – The spend on this scheme is dependent upon negotiations with third parties and this has caused delays to the progress of the scheme. The budgets have been deferred to 2021/22.	-£2.602m
Scheme 10 Housing Initiatives – Purchase of Properties for Temporary Accommodation – The acquisitions can only progress as suitable properties are identified. During the year 8 potential purchases were withdrawn. This was due to structural issues identified during the survey process, legal title issues and vendors withdrawing as they no longer wished to	-£4.763m

sell. The budgets have been deferred to 2021/22 and a further 11 properties have been identified for purchase.	
Scheme 49 – Beaulieu Park Station S106 Contributions – ECC have received a HIF Grant which has affected the amount and timing of S106 required for the scheme. Therefore, the forecast spend has now been deferred to a later year.	-£0.755m
Other variations less than £200k on individual schemes.	-£0.634m
Total In Year Underspend Against Forecast Spend	-£9.969m

This delay in expenditure has been beneficial to the resourcing of the Council's 2020/21 capital expenditure and has delayed the use of finite Capital resources and reduced the requirement for internal borrowing in the year.

4. Asset Replacement Programme

4.1 Monitoring Against Latest Approved Budget

Appendix 3 shows that the final outturn for 2020/21 was underspent by £647k or 20.1% when compared to the approved budget of £3.212m. Of this £315k has been being moved forward into 2021/22 or later years. The remaining net £332k relates to cost reductions achieved in 2020/21. The table below provides a summary.

Approved Budget 2020/21	£3.212m
Proposed Change in scheme phasing	-£0.315m
Variation in Asset Replacement Cost	-£0.332m
Total Outturn 2020/21	£2.565m

4.2 **Appendix 3** also shows that the proposed budget for 2021/22 asset replacements is £5.328m compared to the approved budget of £6.619m. This is a net reduction of £1.291m or 19.5%. £1.534m is due to asset replacements being delayed from 2021/22 until 2022/23. The table below provides a summary.

Approved Budget 2021/22	£6.619m
Proposed Change in scheme phasing from 2020/21 Requires Approval – For detail see Appendix 3	

2021/22 column “Rephasing from 2020/21 – Requires Approval”	£0.269m
Proposed Change in approved scheme phasing from 2021/22 to Later Years – For detail see Appendix 3 2021/22 column “Approved Replacements Deferred from 2021/22 to Later Years”	-£1.534
Increases in Asset Replacement Cost Requires Approval – For detail see Appendix 3 2021/22 column “More/Less Than Approved Budgets – More Requires Approval” See Scheme Nos. 27 - SWFLC Plant £0.014m 34 - Parks Replacement Vehicles and Equipment £0.005m	£0.019m
Reduction in Asset Replacement Cost	-£0.045m
Total Proposed Budget 2020/21	£5.328m

4.3 **Appendix 4** provides narratives, for those variances in excess of £25k, for 2020/21 and narratives for those variances in excess of £25k for 2021/22 against the Latest Approved Budgets.

5.Funding of Programme

The application of resources to meet capital expenditure incurred in 2020/21 is shown in the table below. The discussion and approval for the funding is sought in the Medium- Term Financial Strategy elsewhere on the agenda, Item number 6.4.

<u>Method of Funding</u>	<u>2020/21 Spend</u>
Capital Receipts	£2.841m
Capital Grants and Contributions	£1.111m
S106 Agreements	£2.551m
Community Infrastructure Levy (CIL)	£0.260m
Internal Borrowing against Reserves & Other cash backed balances	£1.920m

Total	£8.683m
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6. Conclusion

- 6.1 The total cost of the Capital Schemes is forecast to be a net £137K less than the latest approved budget.
- 6.2 There are some large schemes which have not been delivered against the originally agreed milestones due to circumstances outside of the control of the Project Officers.
- 6.3 The underspend on Capital Schemes in 2020/21, £9.969m, has reduced the requirement to identify capital resources for the funding of the programme and is beneficial to the Council as it has reduced the requirement for internal borrowing in this financial year.
- 6.4 The 2020/21 Asset Replacement Schemes are £647k less than the latest approved budget. £315k of this variation is due to moving the budgets forward into 2021/22. The realignment of the asset replacement budgets into later years is favourable to the Council as it delays the commitment of capital resources.
- 6.5 The 2021/22 Asset Replacement Schemes are forecast to be £1.291m less than the latest approved budget. The majority of this is due to the realignment of budgets from 2020/21, an additional £269k and deferred budgets from 2021/22 to later years, -£1.534m.
- 6.6 The resourcing of the capital expenditure in 2020/21 is showing a requirement to internally borrow £1.920m. The cost of borrowing is reflected in the Medium-Term Financial Strategy (MTFS) Report elsewhere on the agenda, item 6.4.
- 6.7 Cabinet is asked to note the financing of the Capital Programme and approve the following:

In the Asset Replacement Programme for 2021/22, increases in scheme costs of £19k and the rephasing of spend from 2020/21 of £269k as shown in **Appendix 3** and detailed in **paragraph 4.2** of this report, and

In the Capital programme cost increases, totalling £188k, as shown in **Appendix 1** and detailed in **paragraph 3.1** of this report.

List of appendices:

Appendix 1 Capital Schemes - For each capital scheme, a comparison of the budgeted expenditure against the completed Schemes Outturn or with the Directors of Service forecast for the ongoing scheme.

Appendix 2 Capital Schemes Major Variations Narratives.

Appendix 3 Asset Replacement Schemes for 2020/21, a comparison of the budgeted expenditure against the Outturn.

Also, the Asset Replacement Schemes for 2021/22, a comparison of the budgeted expenditure against the Directors of Service forecast.

Appendix 4 Asset Replacement Schemes Major Variations Narratives for the years 2020/21 and 2021/22.

Background papers:

Nil

Corporate Implications

Legal/Constitutional:

None.

Financial:

Matching limited resources to corporate priorities.

Potential impact on climate change and the environment:

The schemes included contribute towards the Council's climate goals.

The deferred spend on replacement vehicles in 2020/21 included updating three vehicles with electric alternatives. These vehicles will continue to be run until the new vehicles are received in 2021/22.

Contribution toward achieving a net zero carbon position by 2030:

A number of schemes contribute towards this goal.

The deferred spend on replacement vehicles in 2020/21 included updating three vehicles with electric alternatives. These vehicles will continue to be run until the new vehicles are received in 2021/22.

Personnel:

None.

Risk Management:

Interest earnings understated and budget reductions made when not necessary.

Damage to reputation.

Equality and Diversity:

None.

Health and Safety:

None.

Digital:

None.

Other:

None.

Consultees:

All Services, Audit Committee

Relevant Policies and Strategies:

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

Medium-Term Financial Strategy

		CAPITAL SCHEMES	VARIATION IN TOTAL CAPITAL SCHEME COSTS						
			Latest Approved Budget - Approved February 2021 and Additional New Schemes Approved Since that Date		Latest Forecast Budget - Additional Requires Approval				
Outturn 31st March 2021			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget	Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s		
		Connected Chelmsford							
1	1	Theatres' Modernisation	1,000		1,000		1,000	Programming of works still to be determined	Approved at Council February 2021 and programmed for 2021/22. Delegated authority to Director and Cabinet Member for Connected Chelmsford.
		Fairer Chelmsford							
1,898	2	Enabling Lockside Growth Area	450	4,050	4,500		4,500	In Negotiations - Late delivery	A Report taken to Cabinet in March 2018 requesting £4.5m and recommended to go on for Council approval. As there was a requirement to spend the budget earlier than the Council approval in July 2018 a sum of £450k was approved via an urgency. The remaining budget for the scheme was approved by Council in July 2018.
474	3	Homelessness Initiatives - Acquisition of Property for Temporary Accommodation	567		567	-93	474	Completed	Unspent budget following the completion of the Modular Unit schemes. Agreed by delegation to purchase property for use as temporary accommodation.
950	4	Investment for Future Development - Riverside Demolition	940	30	970	-20	950	Completed	Approved at Cabinet June 2018. Additional £30k approved at Cabinet November 2019.
23	5	Galleywood Hall Development Industrial Units	1,200	-400	800		800	Awaiting planning permission - Late Delivery	Approved at Council February 2019.
37	6	Bridge Repairs	300		300	-185	115	No	Approved at Council February 2019. May 2020 non urgent works deferred to later year.
	7	Land Acquisition Cemetery/Crematorium	1,800	1,800	3,600		3,600	To identify potential Land Site	Approved at Council February 2019. Additional £1.8m approved Council February 2020.
	8	High Chelmer Roof	1,500		1,500		1,500	Awaiting Proposal	Approved at Council February 2020 and programmed for 2021/22.
	9	Refurbishment of Commercially Leased Properties	720		720		720	Under Review	Approved at Council February 2020 and programmed for 2021/22. Delegated authority to Director and Cabinet Member for Fairer Chelmsford.
2,237	10	Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy	7,000		7,000	93	7,093	No - delay due to lack of suitable properties and high demand. However, properties now identified for purchase	Approved at Council February 2020 and currently programmed for 2020/21. Delegated authority to Director and Cabinet Member for Fairer Chelmsford.
	11	Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy and Affordable and Social Housing	9,900		9,900		9,900	Business Case to be Developed	Approved at Council February 2020. Delegated authority to Director and Cabinet Member for Fairer Chelmsford. Following a review of the programme works will now commence in 2021/22 with completion estimated 2023/24.
		Greener and Safer Chelmsford							
	12	Cemetery and Crematorium Infrastructure	6,800		6,800		6,800	Business Case to be Developed	Approved Council February 2020 with a delegation for Cabinet to approve a final scheme.
339	13	Coval Lane Window Replacement	250	100	350	-11	339	Completed	£250k approved Council February 2019. Additional £100k approved at Cabinet July 2019.

Outturn 31st March 2021	Scheme ID	Scheme Description	Latest Approved Budget - Approved February 2021 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
			Original Approved Budget	Additional/Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget		
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s		
	14	Civic Offices Improvement Programme	460		460		460	Under Review	Approved Council February 2020 with a delegation for the Director and Cabinet Member for Safer and Greener Chelmsford to approve a final scheme.
86	15	Community Flood Improvements	184		184		184	Third party Dependent - Late Delivery	Capital grant received to enable the works to be completed. This scheme was approved by Cabinet in June 2017. Works scheduled to be completed in 2021/22.
146	16	Hylands Park North Kiosk Toilet Refurbishment	60	88	148		148	Completed	£60k approved Council February 2019. Scheme review resulted in additional £138k approved July 2020 Cabinet. Returned tenders came in at £148k and the budget was increased by an additional £10k, approved at Council Feb 2021.
138	17	Hylands Estate Structural Work to Pleasure Garden Pond	147	-8	139	-1	138	Completed	£147k approved Council February 2019. Contingency not required therefore reduction in budget reported at July 2020 Council.
34	18	Hylands' Hanbury Memorial Garden	45		45		45	No	Approved via supplementary estimate 2/9/19 funded by a contribution from The Friends of Hylands House (FOHH).
28	19	Galleywood Common Access Road Improvements	30		30	-2	28	Completed	Approved at Council February 2020
2	20	Saltcoats Park and Compass Gardens Car Park	253		253		253	Yes	Approved at Council February 2020 and programmed for 2021/22.
	21	Beaulieu Park Pavilion Refurbishment	57		57		57	Yes	Approved at Council February 2020 and programmed for 2021/22.
	22	Chancellor Park Pavilion Works	46		46		46	Yes	Approved at Council February 2020 and programmed for 2021/22.
	23	Rivers and Waterways Improvements	600	-107	493		493	Scheme to be developed	Approved at Council February 2020 with a delegation to the Director and Cabinet Member for Greener and Safer Chelmsford. Programmed over 3 years commencing 2021/22.
	24	Automatic Floodgates and Provisin of Locks - Feasibility		107	107		107	Yes	Budget approved September 2020 Cabinet. Budget vired from Rivers and Waterways Improvements.
	25	Mass Tree planting and Woodland Creation	4,400		4,400		4,400	Yes	Approved at Council February 2020 £4.4m with delegated authority to Director of Public Places and the Director of Finance and the relevant Cabinet Members. Funding to be sought circa £2m. Three year programme scheduled wef 2021/22.
9	26	CIL Landscape Enhancement Scheme Chignal Road	11		11		11	Yes	CIL funding approved October 2018 Chignal Road Landscaping scheme approved February 2019 Council.
	27	CIL Parks and Open Space	6		6		6	No	£6k CIL funding approved July 2019 for Coronation Park Basketball Court.
3	28	CIL Savernake Road Scout Hut Replacement Windows	4		4	-1	3	Completed	Approved via delegation as per CIL report March 2019 £4k for windows.
531	29	Chelmsford Indoor Market Refurbishment	500	100	600		600	Indoor works completed, outdoor works progressing	Approved supplementary estimate February 2018. Scheme design finalised. Additional supplementary estimate approved for £200k December 2018 in order to implement the preferred design with suspended ceiling. Estimate reduced by £50k. New budget reported Council February 2020. A further reduction in budget, £50k, was noted by Council in July 2020.
40,127	30	Riverside Ice and Leisure Centre Scheme	950	39,216	40,166	-29	40,137	Building Works Completed	£700,000 approved Council July 2015. £60,000 budget vired to fund conversion of outdoor pool to car park. £180K approved April Cabinet for Project Manager and a further £945K approved June Cabinet for the design to RIBA stage 7. £400K approved at October 2016 Cabinet for early enabling works (main contractor). Additional £1m approved Cabinet April 2017 for early works. Additional early works required a further £500k, approved in June. £250k approved for Cafe fit out at Council February 2018. Full scheme cost excluding cafe approved at July 2018 Council as £35.216m. Additional £4.5m approved at February 2019 Council. Additional £200k approved by Cabinet November 2019.
	22	Riverside Elevations	2,000		2,000		2,000	Under Review	£2m approved at Council February 2020 with delegation to Cabinet to approve detailed scheme.
	31	Dovedales - Grant for Works 2019/20	32	2	34		34	Completed	Approved at Council February 2019 contribution towards new studio. Additional £2k approved November 2019 cabinet based on actual spend.
15	33	Dovedales - Grant for Works 2020/21	42		42		42	Yes	Approved at Council February 2020 and programmed for 2020/21.
	34	Dovedales - Grant for Works 2021/22	23		23		23	Yes	Supplementary estimate approved March 2021 £23k grant for repairs to roof.
100	35	SWFLC Wet Changing Rooms Upgrade Phase 2	104		104	-4	100	Completed	£104k approved at Council February 2019.
43	36	CSAC Refurbishment of Changing Room	42		42	1	43	Completed	£42k approved at Council February 2019. Deferred to 2021/22 scheme will be reviewed.

Outturn 31st March 2021	Scheme ID	Scheme Description	Latest Approved Budget - Approved February 2021 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
			Original Approved Budget £000s	Additional/Reduced (-) Approved Budget £000s	Latest Approved Budget £000s	More/(Less) Than Approved Budgets £000s	Proposed Budget £000s		
167	37	Hylands House Refurbishment First Floor Accommodation	174		174			Works Completed £174k approved at Council February 2019 3 year programme for refurbishment.	
34	38	Hylands House Refurbishment Terrace Room	35		35		Yes £35k approved via supplementary estimate December 2019. Scheme funded by contribution from Friends of Hylands House.		
22	39	Hylands House Banqueting Room Refurbishment	24		24	-2	Completed Approved at Council February 2020 and programmed for 2020/21.		
	40	Hylands House Stable Block Toilets	44		44		Yes Approved at Council February 2020 and programmed for 2022/23.		
	41	Hylands Outdoor Wedding Area	75		75		Yes Approved via supplementary estimate June 2021.		
		Sustainable Development							
1,667	42	Flood Alleviation Scheme	6,100	400	6,500		6,500 Dependent on Third Party - Late delivery Increased cost of scheme from EA now capped at £6.5 million approved Cabinet July 2013. The scheme is being reviewed by the EA.		
147	43	Public Realm Wayfinding Signs Phase 2	310	-155	155	-8	147 Completed Approved at Council February 2018. Two year programme to go ahead only if funding is secured from ECC and CIL. CIL funding of £78k approved January 2019. As funding not secured from ECC the scheme has been reduced. Forecast to complete in 2020/21.		
10	44	Public Realm Wayfinding Signs Phase 3	150		150		150 Yes Approved Council February 2021. Funding from ECC. 3 year programme ending 2022/23		
317	45	Public Realm Tindal Square Design	160	320	480		480 No Approved at Council February 2018. The design works were completed until 2020/21. Additional £320k approved by Cabinet June 2020 for design and tender to be funded from S106. A further report will be taken to Council for approval of the scheme and budget.		
4	46	Public Realm City Centre Greening/Tree Planting	115	-111	4		4 Completed Approved at Council February 2018. Three year programme. To date actual spends have not been capital and therefore budget reduced in year of spend as transferred to revenue.		
4	47	HIF Access Road and Bridge - CCC Budget		250	250		250 Yes Virement allocated for HIF bid design works.		
1,059	48	HIF Access Road and Bridge - Grant Funded	15,500	11,000	26,500	95	26,595 Yes £15.5m approved at Council February 2020 with a delegation to Cabinet to approve final scheme. Report taken to September cabinet requesting an additional budget of £11m of which is to be funded by £5.05m CIL, £1.1m S106 and £2.85m additional HIF grant. £2m provision for commuted sum could also be funded by CIL if available otherwise it would result in additional borrowing. An additional £11m approved by Council December 2020.		
1,461	49	S106 Beaulieu Park Station	100	1,550	1,650		1,650 Unspecified Scheme approved for £100,000 via Director of Sustainable Communities delegated authority. £1,550,000 approved at Council February 2016. The expenditure on this scheme will be funded by S106.		
2,865	50	S106 Beaulieu Park Station 2nd Phase	2,917	514	3,431		3,431 Unspecified £2.917m approved at February Council 2018. The expenditure on this scheme will be funded by S106.		
1,311	51	S106 Beaulieu Sports Facility	477	834	1,311		1,311 Unspecified £477k approved by Cabinet in January 2019 with delegation to spend further S106 contributions when received. Additional contributions received and therefore added to approved budget.		
19	52	S106 Public Art Bond Street	44		44		44 No Approved by delegation February 2019.		
12	53	S106 Stonebridge Illuminations	37	6	43		43 No Approved by delegation April 2019. Additional budget approved by delegation March 2020 £6k.		
2	54	S106 River Can Pathway Lighting Design	10	6	16		16 No Approved by delegation £10k January 2020. Additional budget approved by delegation March 2020 £6k.		
6	55	S106 Public Art Channels	21		21		21 No Approved by delegation January 2020 £21k.		
3	56	S106 Habitat Mitigation	3		3		3 Unspecified Requests from Essex County Council for grant from S106 towards the cost of works.		
27	57	S106 ECC Highways Grants			0	27	27 Completed This is an adjustment following categorisation of spend at the end of year.		
65	58	CIL REFCUS Schemes 19/20	72	30	102		102 Yes Scheme approved April 2019 £72k. Revenue Expenditure Funded by Capital Under Statute (REFCUS). NEW £30k various CIL schemes approved July 2019.		
7	59	CIL REFCUS Schemes 20/21	17		17	-7	10 Unspecified £17k Approved March 2020.		
	60	CIL Sutherland Lodge Refurbishment	525		525		525 Awaiting Business case - Late delivery Approved Council July 2017.		
56	61	CIL North Avenue Youth Centre Grant	41	15	56		56 Completed Approved CIL funding April 2018. NEW Additional £15k CIL funding approved July 2019.		

Capital Schemes - Reasons for Projected Variations to Latest Approved Total Scheme Costs More Than £25,000							
	Scheme Description	Latest Approved Budget	Latest Estimated Expenditure - If Additional Budget Requires Approval	Variation	Variation Type	Percentage Change in Scheme Cost	Reason
		£000's	£000's	£000's			
	Fairer Chelmsford						
3	Homelessness Initiatives - Acquisition of Property for Temporary Accommodation	567	474	-93	Virement	-16.40%	Purchase of property complete and remaining budget vired to scheme 10 which is also for the acquisition of properties for temporary accommodation
6	Bridge Repairs	300	115	-185	Saving on Budget	-61.67%	The original estimate was for the repair of 6 bridges 2 of which have now been withdrawn resulting in £164k saving. ECC have carried out works to the bridge in Admirals Park and the other will now be replaced as part of the HIF bridge scheme. The cost of the 3 completed bridges was less than estimated an additional £14k saving and the £7k contingency is not required.
10	Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy	7,000	7,093	93	Virement	1.33%	See item 3 above
	Greener and Safer Chelmsford						
30	Riverside Ice and Leisure Centre Scheme	40,166	40,137	-29	Saving on Budget	-0.07%	The works in relation to the lift have now been completed and the remaining provision for this scheme is no longer required.
	Sustainable Development						
48	HIF Access Road and Bridge - Grant Funded	26,500	26,595	95	Increase in budget	0.36%	Increased to match expenditure stated on latest cashflow projection for the scheme.
57	S106 ECC Highways Grant	0	27	27	Increase funded by S106	100.00%	Adjustment made to classification of expenditure at the end of year. Contribution previously treated as creditor but was actually a CCC contribution and therefore had to be treated as a grant and recorded as expenditure.

CAPITAL ASSET ROLLING/REPLACEMENT PROGRAMME																			
2020/21										2021/22									
2020/21 ASSET REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE VARIATIONS FROM LAST APPROVED ESTIMATE TO OUTTURN										2021/22 ASSET REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE PROJECTED VARIATIONS FROM LATEST APPROVED PROGRAMME AND REQUESTS FOR NEW BUDGETS									
VARIATION FROM 2020/21 BUDGET ONLY										2021/22 BUDGET									
Outturn 31/03/2021	CAPITAL ASSET REPLACEMENT PROGRAMME	Original Approved Estimates for 2020/21	Additional/ Reduced (-) Approved Budget	Reason for Change - see Key Below	Latest Approved Estimates for 2020/21	Analysis of Variations				Variance for 2020/21 Additional Budget	Total Budget Requirement 2020/21	Original Approved Estimate 2021/22	Additional/ Reduced (-) Approved Budget	Reason for Change see key below	Latest Approved Estimate for 2021/22	Variations			Total Proposed Budget Requirement for 2021/22
						Change in Scheme Phasing	New Proposal	More/Less (-) Than Approved Budgets	£000s							£000s	£000s	£000s	
£000's	SCHEME DESCRIPTION	£000s	£000s		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
	Connected Chelmsford																		
106	1 Digital Services Replacement Programme	373	-261	PH, PV	112	-6			-6	106	13	271	PH, PV	284	6			290	
	Financial Module of Enterprise Resource																		
102	2 Planning (ERP)	89			89			13	13	102				0				0	
36	4 Civica System Upgrade	36			36				0	36				0				0	
	5 Digital Helpdesk System Replacement				0				0	0	25			25				25	
	6 Website Upgrade				0				0	0	35	40	SEN	75				75	
6	7 Theatres' Fire Alarm Replacement	15			15			-9	-9	6				0				0	
73	8 Theatres' Equipment	149			149	-75		-1	-76	73	40			40	75			115	
0	9 Cramphorn Theatre Replacement Floor	17			17	-17			-17	0				0	17			17	
	Fairer Chelmsford																		
	No Schemes				0				0	0				0				0	
	Greener and Safer Chelmsford																		
121	10 CCTV Replacement Equipment	118	-5	PV	113	-6		14	8	121	7			7	6			13	
38	11 CCTV Various Schemes Sites CIL	67			67	-3		-26	-29	38				0	3			3	
0	12 CCTV Maldon DC Joint Procurement	74	1	PV	75			-75	-75	0				0				0	
	13 Crematorium Equipment	17	-17	PH	0				0	0		17	PH	17				17	
	14 Crematorium Columbarium	14	-14	PH	0				0	0		14	PH	14				14	
29	15 Civic Centre Alarm	46			46	-6		-11	-17	29				0	6			6	
	16 Civic Centre Boiler Flues	32	-32	PH	0				0	0				0				0	
	17 Civic Centre Building Management System	13			13	-13			-13	0				0	13			13	
	18 Civic Centre Server Room Air Conditioning				0				0	0	40			40				40	
	19 Civic Centre Floor Replacements				0				0	0	31			31				31	
	20 Print and Post Room Replacement Equip.	25	-25	PH	0				0	0		28	PH, PV	28				28	
	21 Dovedales Replacement Equipment	5	-5	PH	0				0	0	5	5	PH	10				10	
148	22 Riverside Replacement Equipment	150			150			-2	-2	148	48			48				48	
9	23 CSAC Replacement Equipment	60	-47	PH	13			-4	-4	9	88	47	PH	135				135	
	24 CSAC Flood lights	29	-29	PH	0				0	0				0				0	
13	25 CSAC Plant		13	SEN	13				0	13	6			6				6	
	26 SWFLC Replacement Programme	58	-54	PH	4	-4			-4	0	9	56	PH, PV	65	4			69	
12	27 SWFLC Plant Replacement	19	-7	PH	12				0	12		7	PH	7		14		21	
8	28 Riverside Plant Replacement	8			8				0	8				0				0	
38	29 Hylands Pavilion Replacement Flooring	48	-8	PV	40			-2	-2	38				0				0	
	30 Play Area Replacements	265	-265	PH	0				0	0	311	-46	PH	265				265	
34	31 Outdoor Gyms		39	SEG	39				-5	34				0				0	
14	32 Sports Equipment, floodlights, Irrigation	10	4	PV	14				0	14				35				35	
	33 Hylands Car Park Machines and CCTV				0				0	0		135	SEN	135				135	
51	34 Parks Replacement Vehicles and Equipment	205	-60	PH, PV, SEN	145	-94			-94	51	482	89	PH	571	48	5		624	
	35 PHPS Vehicles	24	-24	PV	0				0	0	100			100				100	
	36 PHPS Air Monitoring Equipment				0				0	0	20			20				20	
	37 PHPS Street Lighting	21	-21	PH	0				0	0		21	PH	21				21	
	38 CIL Street Lighting Meadows Car Park	5			5	-5			-5	0				0	5			5	
	39 Upper House Plant	16			16				0	16				0				0	
	40 Travel pool Cars	60	-60	PH	0				0	0		60	PH	60				60	
	41 Scootas for the Disabled	2			2	-2			-2	0	8			8	2			10	

Reasons for Variations Greater Than £25,000 in Asset Replacement Programme						
Scheme Description	Latest Approved Budget	Estimated Budget Required	Variation	Variation Type	Percentage Change	Reason
	£000's	£000's	£000's			
<u>2020/21</u>						
<u>Connected Chelmsford</u>						
8 Theatres' Equipment	149	73	-76	Rephasing of spend to 2021/22	-51.01%	Although the order was raised and assurances provided by the supplier that goods would be delivered by the 31/3/2021 this was not achieved.
<u>Greener and Safer Chelmsford</u>						
11 CCTV Various Schemes Sites CIL	67	38	-29	Rephasing of spend to 2021/22	-43.28%	There has been a £26k saving on these schemes as some of the set ups were not as complex as first thought. £3k has been rephased to 2021/22 to complete the scheme at Torquay Road.
12 CCTV Maldon DC Joint Procurement	75	0	-75	Transferred to Revenue	-100.00%	The expenditure and grant have been transferred to revenue as Maldon District Council own the equipment.
34 Parks Replacement Vehicles and Equipment	145	51	-94	Rephasing of spend to 2021/22	-64.83%	2 x vehicle and equipment not delivered by 31/3/2021 therefore budgets rephased to 2021/22
43 Retail Market Vehicle	31	0	-31	Rephasing of spend to 2021/22	-100.00%	Due to manufacturing issues the delivery of this vehicle has been delayed.
48 Hit Squad Replacements	41	0	-41	Rephasing of spend to 2021/22	-100.00%	Due to manufacturing issues the delivery of this vehicle has been delayed.
55 Disabled Facility Grants	600	415	-185	Underspend of Grant	-30.83%	The service forecast that they would be able to spend £600k of the original £971k grant awarded. An additional grant payment was received later in the year for £131k bringing the total grant award to £1.102m for the year. It is difficult for the service to predict the level of spend as it is based on third party applications and the timing of completed third party building works. There have been discussions with other Councils to look at other ways of using the grant but as it must be used for capital expenditure this restricts its uses.
57 PLACE	0	25	25	Increase in Spend Grant Funded	100.00%	Request received for grant to be made to Hertsmere Council. This is grant funded.
<u>2021/22</u>						
<u>Connected Chelmsford</u>						
8 Theatres' Equipment	40	115	75	Rephasing of spend from 2020/21	187.50%	See above
<u>Greener and Safer Chelmsford</u>						
34 Parks Replacement Vehicles and Equipment	571	624	53	Rephasing of spend from 2020/21	9.28%	See above
43 Retail Market Vehicle	0	31	31	Rephasing of spend from 2020/21	100.00%	See above
48 Hit Squad Replacements	42	83	41	Rephasing of spend from 2020/21	97.62%	See above
49 Refuse Collection Vehicles	807	511	-296	Spend deferred to 2022/23	-36.68%	Service manager has reviewed the programming of the vehicles which has resulted in deferring their purchase from late in 2021/22 to April/May in 2022/23 without any operational issues. The vehicles will be ordered in 2021/22 to ensure their delivery early in the next financial year.
50 Recycling Vehicles	1431	988	-443	Spend deferred to 2022/23	-30.96%	
51 Food Vehicles	840	0	-840	Spend deferred to 2022/23	-100.00%	



Chelmsford City Council Cabinet

13 July 2021

Medium-Term Financial Strategy 2021/22 – 2025/26

Report by:

Cabinet Member for Fairer Chelmsford

Officer Contact:

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Purpose

To report on the Council's projected financial position over the medium term and update the Medium-Term Financial Strategy.

Options

After consideration of the updated financial forecast and the progress against previously agreed actions, to:

1. Agree the Medium-Term Financial Strategy, or
2. Propose other amendments to the Strategy

Preferred option and reasons

Approve the strategy as it provides a flexible response to the risks the Council faces

Recommendations

1. That Cabinet note the updated financial forecast.
2. That Cabinet recommends to Council for approval:
 - a. The approach to reserves set out in the report and Appendix 1
 - b. The updates to the capital strategy indicators set out in Appendix 2
 - c. The Financial Strategy as set out and the budget guidelines for preparation of the 2022/23 budget in Appendix 5
 - d. The carry forward of budgets of £272k from 2020/21 for initiatives delayed due to Covid, as detailed in Appendix 5, funded from unearmarked reserves.

1. Introduction

The report takes the format of an executive summary followed by appendices which provide the supporting information and explanations.

2. Executive Summary

This report updates the Council-approved (July 2020) Medium-Term Financial Strategy (MTFS) for the period 2021/22 to 2025/26, which provides a financial framework to support delivery of the Council’s priorities as set out in “Our Chelmsford; Our Plan”.

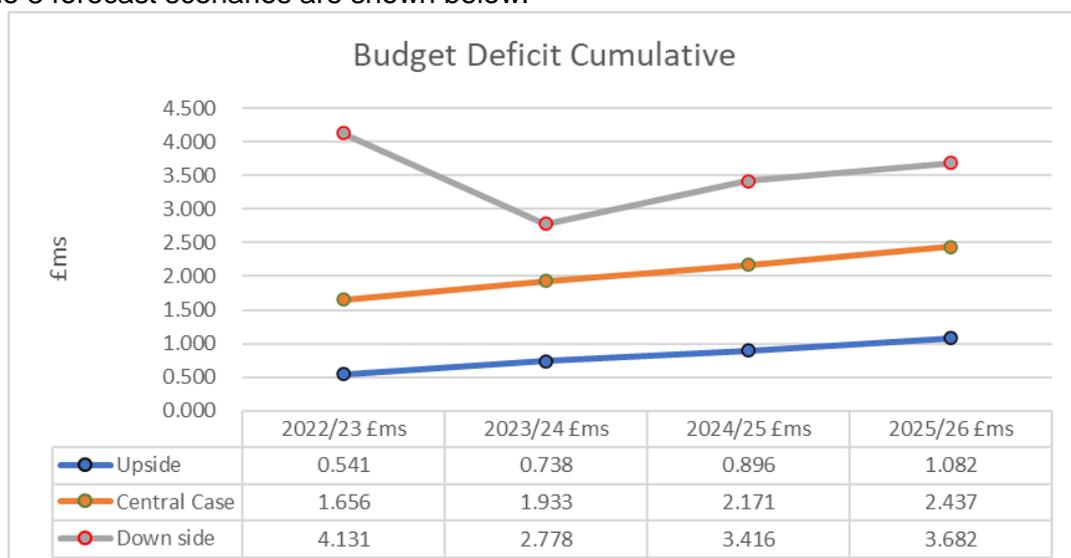
There is so much that is unclear due to both the absence of information about future Government funding intentions and likely impacts of Covid. The forecasts, strategy and budgets will need to be flexible as there is little useful past experience to draw on to develop forecasts. Greater clarity will come in early winter from Government announcements regarding funding. Additionally, the projection of income should become more robust as the improvements brought by the vaccination programme become more apparent.

Summary of Forecast

2.1 Revenue Budget

The report includes forecasts of annual revenue budget shortfalls. It identifies a central forecast for use in producing a budget for 2022/23. There are upside and downside revenue forecasts to provide context.

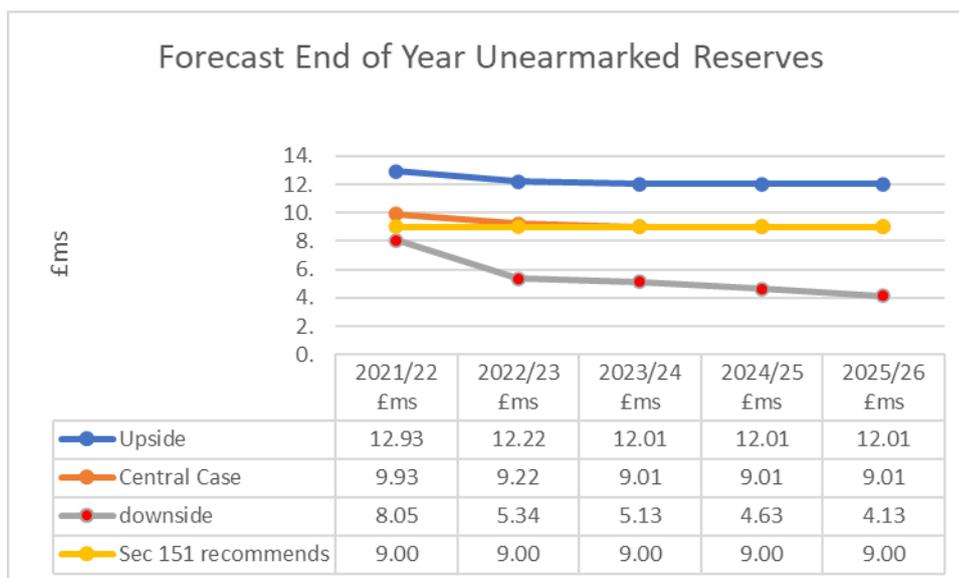
- a) The projected budget shortfall for 2022/23 of £1.7m is £0.5m lower than estimated in January. The reasons for the reduction are:
 - i. A saving by undertaking a Senior Management Restructure and changes in interest (higher) and High Chelmer rental income (lower).
 - ii. As a result of the better-than-expected provisional 2020/21 financial outturn (reported to the June Audit and Risk Committee), the central-case budget identified that unearmarked reserves at the end of the forecast period would be £2.45m over the £9m target set by the Section 151 officer. Therefore, the central forecast of the revenue budget includes a one-off £2.45m revenue contribution to capital in 2021/22, reducing capital financing costs by £300k per annum for the life of the forecast. This assumption will need to be reviewed as part of the budget process, with the aim of achieving the reserves target set by the Section 151 officer at the end of the period.
- b) The 3 forecast scenarios are shown below.



- c) The assumptions behind the forecasts are discussed in Appendix 1, but can be summarised as
- i. The forecasts assume a £5 Council Tax increase in each year.
 - ii. Additional Covid-related Government support is not expected to be repeated but, from 2022-23, new arrangements for funding local government are expected to be introduced. This should be announced in late-2021, but this timing could slip. Further details are shown in Appendix 3 (Risks). The upside-case forecast assumes a £0.645m lower-tier grant (paid one-off in 2021/22) continues.
 - iii. The central case. Of the significant Council income streams, a number are not expected to recover to their pre-covid levels: retail market down £0.06m, rental income (High Chelmer) down by £0.6m pa and car parking down by £1.4m pa.
 - iv. The upside case. The key changes are a recovery to 85% of pre-Covid levels for car-parking income, which is an extra £0.37m, and additional government funding of £0.645m.
 - v. The downside case reflects loss of £2m net income due to Covid in 2022/23 and a recovery in 2023/24, hence the cumulative deficit falls in 2023/24. A higher pay-award of 1.5% for all staff in 2021/22 (discussed in Appendix 3 Risks). Also, in 2024/25 and 2025/26, rent income could fall as tenants vacate some Council-owned property at the end of their leases. These temporary losses could be funded by reserves but are shown for reasons of identifying risk. The Reserves projections reflect this scenario. Further details on the downside case are in Appendix 1.
 - vi. Business Rate Retention income (see Appendix 3 Risks). The Government shares growth in local business rates with Councils via this scheme. The Government has for 2022/23 proposed a reset of the baseline used to measure gains, so no ongoing or one-off income can be assumed. The 2020/21 gain was £2.7m for the year, which was mostly funded by Government Covid support (given many local businesses were not paying any rates and actual Business Rate income was significantly down).
 - vii. The Council is investing significant officer time in developing a disposal programme for Lockside and Waterside land assets. The Council can charge sale costs, normally a revenue expense, to capital, up to 4% of total sale proceeds. This is an area of stringent audit review and an initial target of £50k of annual revenue costs is assumed. As part of the budget process, this will be reviewed to determine if further capitalisation is possible.

2.2 Reserves

- a) The projected level of reserves is also identified in the report. The unearmarked reserves are higher than previously forecast. This was reported to June Audit & Risk committee and resulted from an estimated windfall of income from business rates in 2020/21. The graph below provides a summary of the position; the projections of reserves are shown in detail in Appendix 1.



- i. The Section 151 officer recommends a continuation of the target of £9m for unearmarked reserves, given the significant financial uncertainties that the Council faces. Appendix 3 (risks) provides further background to that decision.
 - ii. The central reserve projection reflects their use to fund a number of items. £0.27m to fund carry-forward of unspent budgets. Details of the proposed carry-forwards are in Appendix 5 (Budget Guidelines). Rent income losses expected on vacant offices in 2022/23 are £0.2m. A £2.45m contribution to capital from revenue (reducing annual capital financing costs by £0.3m) will be subject to review as part of the budget process. A transfer of £0.315m is also being proposed to the Local Development Framework reserve to support the forthcoming review of the local plan.
 - iii. The unearmarked reserves have benefitted by diverting £8.35m (£10.8m less the additional £2.45m previously discussed) revenue contributions intended for capital in 2019/20 and 2020/21.
 - iv. The downside case differs from the central case as it includes a £1.5m net overspend (caused by loss of income) in 2021/22 and further net losses due to Covid in 2022/23 of £2m. Also, a 1.5% pay award in 2021/22 £0.375m (additional) and temporary losses in rent income in 2024/25 and 2025/26 at £0.5m per year, as a number of tenants of Council properties may vacate. The level of reserves in this scenario falls well below the level recommended.
 - v. The upside case differs from the central case as it assumes £3m of business rate retention gains in 2021/22. These would effectively be additional Government support, as officers do not expect normal levels of business rates in 2021/22.
- b) The Unearmarked Reserves (Appendix 1) are considered by the Section 151 officer to be sufficiently robust. The unearmarked reserves include a number of transfers to/from revenue which are shown in Appendix 1. These transfers ensure sufficient funding is available to meet the associated obligations, e.g. insurance claims, pension deficiency etc. The DPO reserve will be reviewed with the intention of releasing savings to the revenue budget more quickly.
 - c) The level of reserves should be considered in context of the risks to the Council's finances. See Appendix 3 and actions to make the Council's finances sustainable, Appendix 5.

2.3 Capital

- a) The Capital programme is reported elsewhere on the agenda and it notes the costs of the overall programme are broadly unchanged.
- b) The Capital Programme report notes that the timing of expenditure has been heavily impacted by Covid-19. This has meant internal borrowing and financing costs have been delayed. However, the diversion to unearmarked reserves of revenue contributions intended for capital funding will have increased ongoing financing costs in the long run. As noted in 2.1a(i), the forecast assumes it may be possible to reinstate some of the contributions to capital and reduce the cost to revenue.
- c) New Homes Bonus (NHB) has been used to fund capital by holding it in the Chelmsford Development Reserve until it is spent. It is assumed no new NHB allocations will be paid from 2022/23 onwards but existing allocations will run off until 2023/24. This assumption is based on the Government's desire to reform the scheme which is expected to favour higher-tier authorities.
- d) In Appendix 2, there are projections of relevant capital financing indicators as identified in the Council Capital Strategy (February 2021 Council). The financing costs as shown in Appendix 2 are included in the revenue forecasts.

2.4 Conclusion on Forecasts

- a) There is so much that is not yet known, key factors being the ongoing impact of Covid and future Government funding. As a result, the above forecasts will be revised throughout the Autumn.
- b) The revenue budget gap identified in the central case is a guide to budget planning. The actual shortfalls will probably not be known until Christmas when the Government is likely to finalise its funding allocations to Local Government; that funding may only be a one-year allocation which will mean the on-going position could remain unclear even then.

2.5 **Actions**

The report identifies a comprehensive list of existing ongoing actions in Appendix 4, but below are the key items:

- The provisional £2.45m of revenue windfall gain in the 2020/21 outturn is projected to be used to make an additional contribution to capital in 2021/22. In budget-setting process, this should be reviewed to ensure this is the most beneficial use of the windfall gain.
- The use of reserves to meet temporary shortfalls in income is an appropriate response. The 2022/23 budget process will review the assumptions about income recovery in the years 2022/23 and 2023/24 and consider the use of unearmarked reserves where necessary.
- The Accountancy Services Manager (Section 151 Officer) has identified that the target level of unearmarked reserves (to meet general contingencies) should remain at £9m for 2022/23. This will be reviewed again during the 2022/23 budget-setting process.
- Review of fees and charges and identification of savings and efficiency measures should be undertaken in line with the budget guidelines.
- The Digital Programme and reserve will be reviewed to determine if any savings can be accelerated to make good the budget shortfall.
- Opportunities to increase commercial income or joint working will continue to be explored.

- The budget process will include updating forecasts of the revenue budget. Updates will be made to Cabinet, if considered necessary, by the Section 151 officer.
- Budget guidelines should be approved.

2.6 Budget Guidelines

To enable production of a draft budget by Services, the report provides guidance in Appendix 5 on the assumptions to be used.

In 2020/21, it was not possible to carry out all planned activities due to Covid-19. A number of budgets were unspent and approval is sought to have them added into the 2021/22 budget as carry-forwards. These are detailed in Appendix 5, Budget Guidelines.

3. Conclusions

3.1 Financial uncertainty has increased due to:

- the long-term impact of Covid
- the potential delay to the Local Government Finance Settlement and no clear direction on Government funding allocations
- the potential for a single-year Settlement

3.2 The MTFs and Budget guidelines recognise the need to seek a balance between providing a means of meeting the expected challenges, through a mix of net cost reductions (cost savings and income generation), and supporting the budget with adequate reserves to allow for movement in the budget gap. Inevitably, given the level of unknowns and increased risk, there will be significant movement in these forecasts over the coming months.

List of appendices:

Appendix 1 : Revenue and Reserves Forecast

Appendix 2 : Capital and Financing Forecast

Appendix 3 : Forecast Risks

Appendix 4 : Actions Medium-Term Financial Strategy

Appendix 5 : Budget Guidelines 2022/23

Background papers: None

Corporate Implications

Legal/Constitutional: 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.

Potential impact on climate change and the environment: This will be considered as part of the detailed budget setting process.

Contribution toward achieving a net zero carbon position by 2030: As above.

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.

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.

Equality 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

Digital: None

Other: None

Consultees:

Chief Executive and Directors

Relevant Policies and Strategies:

Our Chelmsford: Our Plan

Capital and Investment Strategy 2021/22

Medium Term Financial Strategy (July 2020 and November 2020 Cabinet reports)

REVENUE AND RESERVES FORECAST

APPENDIX 1

Year on Year Financial Changes in Forecast (July 2021 Forecast)				
	2022/23	2023/24	2024/25	2025/26
	£000s	£000s	£000s	£000s
(Increases/changes over previous year)				
Pay inflation - 2%	660	677	690	721
Utilities - 2%	40	41	41	42
Fees & charges 2% inflation	-393	-401	-417	-425
Interest Income (the use of fund managers)	-300			
Minimum Revenue Provision (capital financing) & interest	176	222	0	0
Pension deficiency increasing contributions to reserves	150	150	0	25
Insurance Self insurance - annual contribution increases	50	50	50	50
Other	70	-110	19	2
Total	453	629	383	415
Recovery of COVID 19 Losses				
Car Parking (30% loss compared to 2020/21 budget)	-743			
Building control	-30			
Theatre - full audiences by Panto 2021	-176			
Museum - income loss	-32			
Rents (High Chelmer and Meadows)	-383	-400		
Leisure	-540			
Hylands Income	-20			
Total Covid Losses	-1,924	-400	-	-
Sub total	-1,471	229	383	415
Central Forecast				
Growth in Revenue Budget	300	300	300	300
Additional costs of growth in City Residents		75	75	75
New Capital Schemes & Capitalisation of Sale costs	-50			
Senior Management restructuring	-160			
Council Tax Funding	-583	-516	-520	-524
Change in Business rates retention	378			
Sales , Fees and Charges Grant (estimated)	700			
Local Council Tax Support	189			
Covid 19 Expenditure pressures grant	783			
Lower Tier Grant	645			
Use of Unearmarked Reserves (net)	925	189		
Central Budget Gap remaining	1,656	277	238	266
Cumulative	1,656	1,933	2,171	2,437
Downside -variations to Central Case				
Return of Covid (net loss after assumed Govt support)	2,000	-2,000		
Car Parking Activity increases to 75% of 2020/21 budget		370		
Rental Income			500	
Returns on Funds at 2% not 3% target	100		-100	
Pay Award 1.5%	375			
Downside Forecast	4,131	-1,353	638	266
Cumulative	4,131	2,778	3,416	3,682
Upside -variations to Central Case				
Car Parking Activity increases to 85% of 2020/21 budget	-370			
Government Funding	-645	-80	-80	-80
Council tax Sharing Agreement	-100			
Upside Forecast	541	197	158	186
Cumulative	541	738	896	1,082

Revenue Budget Assumption

- 1 The forecasts are not a budget and do not include all the detailed work required to set the budget. They provide guidance for the budget process.
- 2 The revenue forecast Central Case will be used to develop the budget process but there are also upside and downside cases to provide context. The discussion below is of the Central case, except where stated. There are risks identified in Appendix 3 to provide additional context.
- 3 The inflation assumptions are:
 - Pay at 2%, at a cost of £660k per year. This will depend on the need to retain and recruit staff. This is discussed in Appendix 3 (Risks)
 - Utility costs 2%
 - The planning assumption for Fees and Charges is an average price increase of 2%. This is discussed in the budget guidelines. The 2% is not a rule; charges should be set at an appropriate level to corporate goals and any wider market factors.
- 4 Minimum Revenue Provision (MRP). This is the annual repayment provision charged to revenue for internal or external borrowing. The increases reflect the known capital programme and also assume a £2.45m contribution to capital from revenue, funded by the better-than-expected 2020/21 outturn position. This extra contribution is not approved and will be subject to the normal budget processes.
- 5 Where business cases for capital schemes have been agreed, the forecast contains the costs and benefits.
- 6 Ongoing, annually increasing contributions are made to the Insurance Reserve (increase £50k 2022/23) to cover self-insured claims and £150k increase each year to fund the Pension deficiency (payment of the net deficit instalment is due in 2023/24)
- 7 A review of income and expenditure assumptions has been undertaken which will be reconsidered throughout the budget process. The key assumptions made in the revenue budget forecasts in this report are:

Activity /Budget	Assumption 22/23	Assumption Later years
High Chelmer Income	Slower recovery £0.4m improvement over 2020/21	Remains £0.6m lower than pre-Covid levels
Car Parking income	Improves to 80% pre-Covid	Remains at 80%
Investment Income	£300k improvement from use of fund managers	No change. As amount of investment declines and interest rates remain low
Retail Market	Income £60k below pre-Covid	Remains flat below pre-Covid levels
All other income streams	Return to pre-Covid levels of activity	

- 8 The forecast assumes no New Homes Bonus (NHB) allocations are receivable after 2021/22. Existing allocations reduce annually to nil by 2023/24. This is discussed in Appendix 3. Any additional NHB should be used to fund capital expenditure, as NHB is not ongoing resource suitable to support ongoing revenue expenditure.
- 9 Business Rate Retention. The scheme is overly complex and very volatile. When first launched, the Council had several years of significant (capped) shortfalls but for the last two years the scheme has provided significant windfall income. The 2021/22 budget allowed for £200k of Retention Income being used to support ongoing service expenditure. The forecast for 2022/23 and later years assumes no funding is used to support ongoing expenditure or contributed to reserves, pending the outcome of the review by Government

of Local Authority funding arrangements. Appendix 3 (Risks) has background on the risks of the Business Rate Retention scheme.

- 10 Government Standard Spending Assessment. This is a formula-based process to calculate the funding allocated to each local authority to support general expenditure. The City Council currently receives £3.4m per year. The formulas are being reviewed under the branding of Fair Funding. The review has been delayed on several occasions and a further deferral beyond the 2022/23 implementation date is possible. The outcome of the review may not be known until December 2022. The central forecast assumes a zero increase from 2021/22 levels, after removing one off Covid funding. This discussed in detail in Appendix 3 (Risks)
- 11 The Council receiving significant “one-off grants” in 2021/22 as a consequence of the Covid pandemic. The Government made clear that local authorities should not work on the basis that these would be ongoing. The main items are listed below and are not assumed to continue beyond 2021/22.

Local Council Tax Support	£189k
Covid-19 Expenditure pressures grant	£783k
Lower Tier Grant	£645k
Total	£1,617k

- 12 The forecast assumes an annual £5 increase in Council Tax, the maximum currently allowed without a local referendum. It also assumes that the tax-base (number of Band D rated properties in the City) increases by 1100 in the first year and then 800.
- 13 The forecast provides for a £300k annual budget increase for growth/service enhancement and an allowance to fund the expansion of Recycling and Waste (growth in the number of properties in the City).
- 14 The Upside and Downside cases are indicative as there are many potential permutations that could arise. The table at the beginning of this Appendix identifies the changes from the central case.

Reserves

APPENDIX 1

Usable Reserves Projections

	2021/22 Budget				2022/23 (Forecast)				2023/24 (Forecast)			2024/25 (Forecast)			2025/26 (Forecast)		
	Provisional Opening Balance	Budgeted (use of) / contribution to reserves	Transfers	Closing Balance	Opening Balance	Budgeted (use of) / contribution to reserves	Transfers	Closing Balance	Opening Balance	Budgeted (use of) / contribution to reserves	Closing Balance	Opening Balance	Budgeted (use of) / contribution to reserves	Closing Balance	Opening Balance	Budgeted (use of) / contribution to reserves	Closing Balance
Earmarked	£000s	£000s		£000s	£000s	£000s		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
1 Cultural Support 'Fund'	159			159	159			159			159	159		159			159
2 Chelmsford development	0			0	0			0			0	0		0			0
3 Infrastructure Provision	0		2,000	2,000	2,000			2,000			2,000	2,000		2,000			2,000
4 Growth fund	69			69	69			69			69	69		69			69
5 Insurance	1,049	-150		899	899	-100		799		-50	749	749		749			749
6 Local Development Framework	570	-210	300	660	660	-250	315	725		-225	500	500	-250	250		-250	0
7 Pension deficiency	1,116	717		1,833	1,833	867		2,700		-1,825	875	875	1,017	1,892		1,017	2,909
8 Park and Ride	184	-100		84	84			84			84	84		84			84
9 Hylands House Reserve	3			3	3			3			3	3		3			3
10 Housing Initiatives	150			150	150			150			150	150		150			150
11 DPO Reserve	310	-290		20	20			20			20	20		20			20
12 Project Evaluation Resrve	390			390	390			390			390	390		390			390
13 Carry forwards	0			0	0			0			0	0		0			0
Total Earmarked Reserves	4,000	-33	2,300	6,267	6,267	517	315	7,099	7,099	-2,100	4,999	4,999	767	5,766	5,766	767	6,533
Unearmarked																	
14 General Fund & Contingency	16,289	-4,060	-2,300	9,929	9,929	-396	-315	9,218	9,218	-211	9,007	9,007		9,007			9,007
	16,289	-4,060	-2,300	9,929	9,929	-396	-315	9,218	9,218	-211	9,007	9,007	0	9,007		0	9,007
Total other reserves	20,289	-4,093	0	16,196	16,196	121	0	16,317	16,317	-2,311	14,006	14,006	767	14,773	14,773	767	15,540
Not Available to Support Spend, until financial year end when the actual position is determined.																	
15 Business Retention reserve	17,856	-17,856		0	0			0	0		0	0		0		0	0

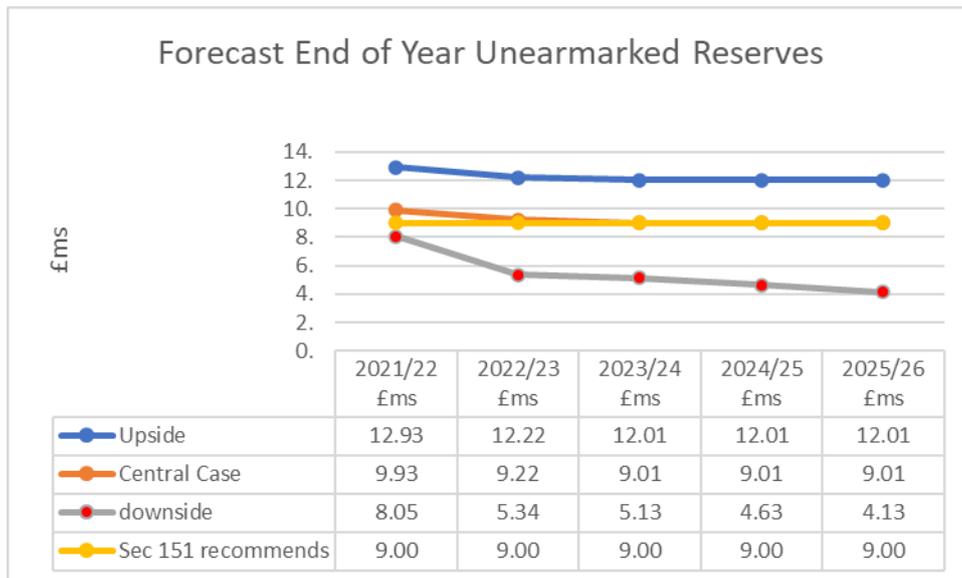
Reserves - Purpose and Delegation

	Purpose
1 Cultural Support 'Fund'	To contribute to Cultural Services costs
2 Chelmsford development	To support the ongoing development of the Chelmsford City area. New Homes Bonus plus other expected one-off income will be added to the reserve.
3 Infrastructure Provision	To manage the risk of Capital costs becoming chargeable to revenue
4 Growth fund	Funding Held for Strategic Planning issues
5 Insurance	To meet losses and policy excesses where more appropriate to insure internally than externally.
6 Local Development Framework	To meet expenditure on the LDF

Reserves - Purpose and Delegation

	Purpose
7 Pension deficiency	To support the financing of the annual deficiency payments on the pension fund. To fund one-off staff costs, e.g. flexible retirements, redundancy.
8 Park and Ride	Contingency to smooth management contract costs of Park and Ride
9 Hylands House Reserve	To contribute to Hylands House and Estate costs
10 Housing Initiatives	To establish funding to undertake initial stages of projects that may not be capital costs.
11 DPO Reserve	The Medium-Term Financial Strategy reported to October 2019 Cabinet established a DPO process.
12 Project Evaluation Reserve	The capital programme includes schemes which require further feasibility and business cases so this reserve enables production of robust business plans
13 Carry forwards	These are working balances arising from the carry forward policy, set out in financial regulations
15 General Fund	These are uncommitted working balances to meet the unforeseen needs of the Council.
16 Business Retention reserve	To meet one-off costs arising from Business Rate Retention scheme

Reserves Budget Assumption



- 15 The central forecasts of reserves are based on the assumptions made in the revenue forecast above.
- 16 The upside case assumes a £3m windfall in 2021/22, from the Business Rate Retention scheme.
- 17 The downside case assumes a £1.5m overspend in 2021/22 and a £2m loss in 2022/23 (due to Covid). Additionally, a 1.5% pay award for all staff in 2021/22 and a temporary loss of rent income of £1m spread over 2024/25 and 2025/26, as Council-owned property may become vacant.
- 18 The earmarked reserves include the contributions necessary to meet the Council's currently known obligations for Insurance, Local Plan and Pensions. The DPO reserve will be reviewed to determine the best approach to release savings to the revenue budget as soon as practically possible.

CAPITAL AND FINANCING FORECAST**APPENDIX 2**

The Council approved an annual update of its Capital Strategy in February 2021. The strategy provides a high-level overview of how the Council intends to manage its capital expenditure and in turn how this expenditure is financed. The Strategy includes a number of tables for financial forecasts and financial limits. The updated figures are based on the most recent Capital Programme forecast and allow for a £2.45m contribution from reserves. The tables below show the impact of the contribution on the Minimum Revenue Provision (MRP). The tables highlight the key changes being made, with explanations. Please note that, for the sake of brevity and to maintain focus on the key issues, not all the Capital Strategy tables have been included in the update below.

Cost of the capital Programme

<u>Previous Forecast</u>	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Replacement Programme	£ 3.212m	£ 6.346m	£ 2.702m	£1.582m
Capital Projects	£16.138m	£43.856m	£19.940m	£7.902m
TOTAL	£19.350m	£50.202m	£22.642m	£9.484m

<u>Latest Forecast</u>	2020/21 actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
Replacement Programme	£ 2.565m	£ 5.328m	£4.330m	£ 1.686m	£3.243m
Capital Projects	£ 6.118m	£35.527m	£35.806m	£10.389m	£3.368m
TOTAL	£ 8.683m	£40.855m	£40.136m	£12.075m	£6.611m
Previous (see above table Previous forecast for detail)	£19.350m	£50.202m	£22.642m	£ 9.484m	N/A
Change	-£10.667m	-£9.347m	£17.494m	£ 2.591m	N/A

In total, the years 2020/21 to 2023/24 programme is broadly unchanged, a movement of £0.071m. The in-year variations are due to a number of items where the spend profile and timing have changed, the key items being:

From 2020/21 to Later Years

- Enabling Works at Lockside £2.6m
- Housing initiatives to support the Homelessness and Rough Sleeper Strategy £4.9m
- Community Infrastructure Grants (CIL) £1.2m
- Beaulieu Park Station S106 Grants £0.7m

From 2021/22 to Later Years

Housing Infrastructure Fund New Bridge and Road £17.750m

Financing of the Capital Programme**Previous Forecast**

	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Capital Receipts	£ 2.330m	£ 3.150m	£ 8.055m	£5.743m
Grants and Contributions	£ 6.751m	£29.844m	£ 6.741m	£3.600m
Revenue Contributions	£ 0.000m	£ 2.018m	£ 0.884m	£0.000m
Internal Borrowing	£10.269m	£13.603m	£ 6.889m	£0.000m
Finance Leases	£ 0.000m	£ 1.587m	£ 0.073m	£0.141m
TOTAL	£19.350m	£50.202m	£22.642m	£9.484m

Latest Forecast

	2020/21 Actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 Budget
Capital Receipts	£2.841m	£ 3.603m	£ 7.575m	£8.331m	£4.948m
Grants and Contributions	£3.923m	£15.338m	£22.583m	£3.603m	£1.299m
Revenue Contributions	£0.000m	£ 4.468m	£ 0.884m	£0.000m	£0.000m
Internal Borrowing	£1.919m	£16.799m	£ 8.105m	£0.000m	£0.000m
Finance Leases	£0.000m	£ 0.647m	£ 0.989m	£0.141m	£0.364m
TOTAL	£8.683m	£40.855m	£40.136m	£12.075m	£6.611m

The amount of funding applied every year is a reflection of the capital programme spend. There were no revenue contributions in the year 2020/21. This was to repurpose the funding to meet potential Covid-19 losses. Due to the reprofiling of the capital expenditure, there was a reduction in the amount of borrowing required in 2020/21. Over the period 2020/21 to 2024/25, the total and type of financing required has not materially changed. There is an additional £2.45m contribution from reserves in 2021/22. In 2023/24, there is a large receipt forecast from asset sales and the requirement to borrow is removed.

Current Estimate of Gross Debt and the Capital Financing Requirement

Previous Forecast

	31.3.2021 forecast	31.3.2022 budget	31.3.2023 budget	31.3.2024 budget
Leasing (Debt)	£0.635m	£1.783m	£1.286m	£0.845m
External Borrowing	£0.000m	£0.000m	£0.000m	£0.000m
Total “External Borrowings”	£0.635m	£1.783m	£1.286m	£0.845m
Total Capital Financing Requirement (CFR)*	£22.399m	£36.623m	£42.124m	£40.772m
Internal Borrowing (makes up the difference between CFR and external borrowings)	£21.764m	£34.840m	£40.838m	£39.927m

Current Forecast Based on Full Borrowing Position Includes Self Financing Schemes

	31.3.2021 actual	31.3.2022 forecast	31.3.2023 budget	31.3.2024 budget	31.3.2025 budget
Leasing (Debt)	£0.635m	£0.843m	£1.450m	£1.014m	£0.852m
External Borrowing	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m
Total “External Borrowings”	£0.635m	£0.843m	£1.450m	£1.014m	£0.852m
Total Capital Financing Requirement (CFR)	£14.031m	£30.738m	£38.589m	£37.159m	£35.942m
Internal Borrowing	£13.396m	£29.895m	£37.139m	£36.145m	£35.090m

Change since last reported

Change -Total “External Borrowings”	-£ 0.000m	-£0.940m	£0.164m	£0.169m	N/A
Change -Total Capital Financing Requirement (CFR)*	-£8.368m	-£5.885m	-£3.535m	-£3.613m	N/A
Change Internal Borrowing	-£8.368m	-£4.945m	-£3.699m	-£3.782m	N/A

*CFR – this the amount of the capital programme that has been funded from borrowings (internal, external or finance leases)

The changes reflect slippage in the payment profile of the capital programme, changes in the profile of capital receipts from sales of assets and an increased contribution from revenue which reduces the requirement for borrowing.

Planned Repayment of Debt

1 Previous Forecast – MRP Charge with Self-Financing Schemes Excluded

	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
MRP	£0.154	£0.527m	£0.891m	£0.911m
Finance Leasing MRP	£0.103m	£0.439m	£0.570m	£0.582m
Capital Receipts	£0.000m	£0.000m	£0.000m	£0.000m

1a Previous Forecast – MRP Charge on Total Borrowing Including Self-Financing Schemes

	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
MRP	£0.200	£0.662m	£1.239m	£1.366m
Finance Leasing MRP	£0.103m	£0.439m	£0.570m	£0.582m
Capital Receipts	£0.000m	£0.000m	£0.000m	£0.000m

2 Current Forecast – MRP Charge with Self-Financing Schemes Excluded

	2020/21 actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
MRP	£0.172m	£0.300m	£0.753m	£0.780m	£0.829m
Finance Leasing MRP	£0.103m	£0.439m	£0.382m	£0.577m	£0.526m
Capital Receipts	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m

2a Current Forecast – MRP Charge on Total Borrowing Including Self-Financing Schemes

	2020/21 actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
MRP	£0.172m	£0.300m	£0.859m	£0.966m	£1.055m
Finance Leasing MRP	£0.103m	£0.439m	£0.382m	£0.577m	£0.526m
Capital Receipts	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m

Change from tables 1a and 2a above – MRP Charge on Total Borrowing Including Self-Financing Schemes

MRP	-£ 0.028m	-£0.362m	-£0.380m	-£0.400m	N/A
Finance Leasing	£ 0.000m	£0.000m	-£0.188m	-£0.005m	N/A

The key change is to MRP (revenue financing of debt repayment cost). Additional debt required due to the financial strategy in relation to Covid-19 resulted in a higher annual MRP over the life of the forecast, however, the additional £2.45m contribution from revenue forecast in 2021/22 and the re-phasing of the financial completion of a number of schemes discussed earlier in this appendix does keep the annual MRP cost at lower levels than would otherwise be expected.

Authorised Borrowing Limits

Previous Limit

	2020/21 limit	2021/22 limit	2022/23 limit
Authorised limit – total external debt	£23m	£37m	£43m
Operational boundary – total external debt	£0.7m	£1.8m	£1.3m

Current Recommendation

	2020/2021 limit	2021/22 limit	2022/23 limit	2023/24 limit
Authorised limit – total external debt	£15m	£31m	£39m	£38m
Operational boundary – total external debt	£0.7m	£0.9m	£1.5m	£1.1m

Authorised Limit

The authorised limit is the maximum amount the Council will borrow at any time; any activity above that level would require Council approval. This has changed in line with the reprofiling of the debt.

Operational boundary

The operational boundary differs from the authorised limit in that it is based on expectations of the maximum external debt of the authority according to probable – not simply possible – events.

Asset Sales

Previous Forecast

	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Asset sales	£0.805m	£2.000m	£7.025m	£10.000m

Current Forecast

	2020/21 actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
Asset sales	£1.185m	£2.103m	£7.075m	£15.050m	£15.050m
Change	£0.380m	£0.103m	£0.050m	£ 5.050m	N/A

The changes are due to the following:

Additional receipts achieved in 2020/21 not in previous forecast £0.380m. This includes the disposal of 5 Buckingham Court.

2023/24 an additional receipt forecast of £5m from potential sale of development

FORECAST RISKS**APPENDIX 3**

Introduction

The revenue and reserves forecasts have included central, downside and upside cases to provide context of risk. The below is not an exhaustive list of risks to the forecast; there are some upside risks but overall the impact of risk/uncertainty is to make the budget process difficult to manage.

- 1 Fees and charges inflation. For planning purposes an assumption of a 2% average price increase has been made. There is a need for charges to be reviewed in each service, as the pandemic will have affected the level of demand, the elasticity of demand (how price change affects demand), the structure of demand e.g. less long stay car parking and the need to set charges to meet corporate goals. The external markets the Council operates in also need to be considered in the reviews. These reviews create opportunity and risk to the Council's finances.
- 2 The assumed recovery in the 2022/23 forecast in Rental and Fees & Charges income of some £1.9m is a risk given it assumes customer behaviour returns mostly to normal.
- 3 The furloughing of staff across the nation will come to an end in September. Reports in the press suggest there are some 3m people still on furlough in the UK. This could mean unemployment rises rapidly in the Autumn. In the worst case, at a local level, this could create a drop in demand for the Council's income-generating services and/or an increase for services such as those provided by Housing.
- 4 It should be noted that prior to the pandemic the Council had overspent its service budgets for two years. The pandemic made the third year of overspend a certainty, even though increases in service budgets had been made in the 2020/21 budget process. The forecasts of net service spend are to a large extent still based on the 2020/21 budget. Therefore, a risk of budget overruns at year-end still exists (ignoring any Covid factors) as the changes made to the 2020/21 budget to resolve the past overspends have not been tested.
- 5 Business Rate Retention scheme. This is where the Government shares growth in local business rate income with Councils. The scheme is complex and almost impossible to estimate robustly at a local level. This is due to the lack of information and control the City Council has over changes in the tax-base. Also, the Government at national level may make changes such as freezing rate increases which then require the Government to provide complex grants to offset local authority losses. The income generated for the City from the scheme was £2.7m in 2020/21. During the pandemic, business rate income was in fact much lower than previous levels. The £2.7m gain effectively came from the Government providing funding to local authorities to offset the consequences of Covid. Unfortunately, the scheme is due to change in 2022/23 and gains are likely to be measured against a higher baseline. The forecast removes the financial risk from the scheme by assuming no additional income is received. So potentially there is an upside risk to the forecast. However, given the complex and volatile nature of the scheme, it would be appropriate to continue the practice of 2019/20, 2020/21 and 2021/22 of building in only a small part of the forecast ongoing business-rate income to support ongoing expenditure, and then only if the outcome of the Government review is favourable.
- 6 The Council in 2021/22 is expected to receive £6m (including NHB) of one-off Covid and ongoing general-purpose grants. All of these grants are intended to be reviewed and reallocated nationally in 2022/23, under the fair funding review. The forecast assumes only £3.4m of ongoing grants to support ongoing expenditure. In the view of officers, the forecast removes any material downside risks and there is some hope that grants could be higher. However, the risks are:

- grant funding could be maintained for 2022/23 at similar levels or at least significantly higher than the forecast assumes but only as consequence of the government's funding review being postponed for a one year to 2023/24. This would mean the Council's projected budget gap was deferred.
 - the government provided some one-off grants in 2021/22 which could in part become ongoing, so the forecast shortfall decreases.
 - the Government is not likely to provide details of its funding package for 2022/23 until towards Christmas 2021. This means the Council has to run the budget process with a risk of material change.
- 7 The Council's capital programme is now partially funded via internal borrowing. The programme expenditure has been delayed by the pandemic. Additionally, revenue funding of the capital programme has been diverted to bolster unearmarked reserves to manage risks and revenue losses. The Council's revenue budget includes a statutory annual charge to fund the repayment of capital financing, Minimum Revenue Provision (MRP). The cost of the MRP has been estimated in the forecast but:
- The programme expenditure could be delayed, so reducing the cost of the MRP
 - The forecast assumes a £2.45m windfall from 2020/21's better-than-expected outturn position is used to reduce internal borrowing, reducing MRP by £300k per year for the life of the forecast. Should reserves be lower than expected at the end of 2021/22 or more beneficial uses for the windfall be found then MRP costs would rise.
- 8 The Council in the 2020/21 budget had £5m of expected rental income. The 2022/23 forecast assumes some £4.3m. The material reduction is from High Chelmer income, which is assumed to return to some £600k below its pre-Covid level. The Council's rental income also comes from a number of office units which have lease renewals during the life of the forecast. The rental income from these is some £1.2m per year. The Council's reserves can and will be used to offset income lost due to temporary vacancies. There is considered to be a low risk of long-term vacancies and rent reductions.
- 9 Government protections during the pandemic have prevented evictions and distorted, in a beneficial way, demand for the Council's Housing services. As the protections are removed and furlough ends, it is possible to envisage an increase in demand. The budgets in the Housing service have some flexibility to meet an uplift in demand. However, past experience has shown demand changes can rapidly lead to unfunded housing expenditure. The Council can only wait to see if demand exceeds the existing flexibility in the Housing budgets. Any adjustments needed to budgets will be identified in the monitoring of 2021/22 finances and the 2022/23 budget process.
- 10 The Government has a made a commitment to local government to provide any funding needed to meet new burdens created by new legislation. The level of support can often be challenged as being insufficient but in principle the Government has removed significant risks that arise from legislative change. An example of where legislative change could have material impact on Council services is the consultation to increase nationwide consistency of waste/recycling collections. This MTFS will not deal with the implications of that or similar changes unless there is sufficient detail to identify financial costs and benefits.
- 11 Given the risks already identified from the closure of the furlough scheme, it is perhaps also worth noting the impact on Council Tax Benefits and Housing Benefits at this time is unquantifiable. It could, in the worst case, run into the hundreds of thousands of pounds or amount to nothing of note.
- 12 A large proportion of the Council's total expenditure (£33m) is incurred on employee costs. For budgeting purposes it has been assumed that staff will receive an annual pay award

of 2% (£0.66m) each year apart from in 2021/22 where the budget has been set on line with Government guidance and only allows for a £250 flat pay award to staff who earn less than £24k per annum.

There is likely to be greater pressure on wages in the national economy as the economy begins to expand post-Covid and the post Brexit environment reduces the pool of available labour. Shortages of some types of skilled labour have already been reported nationally such as HGV drivers.

The national unions are seeking a 10% pay award for Local Government in 2021/22 however, the employers have made a counter-offer of 1.5%. These negotiations are ongoing and whilst the City Council has adopted local pay negotiations these are undertaken with regard to the national picture. If the Council were to decide to award a pay award in line with the national pay award any additional costs for 2021/22 would have to be funded from unearmarked reserves with any ongoing costs leading to an increase in the forecast deficit. The downside case therefore identifies the impact of awarding the current employer offer of a 1.5% pay award to all staff in 2021/22 leading to an additional budget pressure of £375k.

- 13 In 2023/24, the Council Pension liabilities will be reviewed. The Council is obliged to make payments to a deficit on its pension fund. There is a risk that those contributions will need to increase. Again, Covid will be a complication in the direction of travel of the pension fund deficit.

Conclusion (risks)

There will be a need to use reserves for a temporary period should some or all of these risks materialise. Therefore, at this stage it is appropriate to continue to target a £9m level of unearmarked reserves. A temporary reduction below £9m to manage these risks is acceptable but only if the Council has a strategy to return reserves to an appropriate level to manage prevailing risks.

Any ongoing consequences of the issues discussed will be managed through the budget guidelines and budget process.

APPENDIX 4

PRINCIPLES: MEDIUM-TERM FINANCIAL STRATEGY

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.

Net 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 Programme Office will 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 and Business Rate Retention. |

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 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.	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.
17.	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.
18.	No new capital schemes are included in the programme without the necessary resources to meet the full capital costs, and any net on-going revenue costs, being in place.
19.	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.	
20.	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 maintaining a level of approximately 6% of its gross expenditure (which would be around £9m 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.
21.	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.
22.	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. This will be achieved by:	
23.	Annual review of key strategies such as the Medium-Term Financial Strategy, the Capital and Investment Strategy and Treasury Management Strategy.

24.	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.
25.	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. 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.
26.	During 2021 and 2022 the Council will undertake a self-assessment against CIPFA's new Financial Management Code and produce an action plan to meet any shortfalls.
27.	The Council will consider CIPFA's new Resilience Index when considering the appropriateness of its reserves.
28.	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.
29.	Embed a performance management culture within the organisation, including the production of business cases, strong project management and the measurement and delivery of benefits.
30.	Ensure that the Council's 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.
31.	Budget guidance to be reviewed annually by the Council's section 151 Officer.
<p>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.</p>	
32.	<p>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):</p> <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
33.	The Council will seek to optimise external funding opportunities to defray the cost of services and capital investment.
34.	The Council will review its processes for awarding grant funding and the monitoring of service level agreements with third parties.
35.	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.
36.	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.
37.	The Council will actively engage with sector-led bodies (e.g. Local government Association (LGA), District Councils' Network (DCN), Society of District Council Treasurers (SDCT) to ensure a local voice in national, sector-wide funding discussions.
38.	The Council will work with Government departments, Ministers, and Members of Parliament in order to raise local funding issues, develop solutions and provide an evidence base to inform decision-making in respect of funding levels.

Appendix 5

Budget Guidelines 2022/23

1.0 Introduction

1.1 The Statutory Section 151 officer (Accountancy Services Manager) is required by law to ensure the estimates are 'robust' and all the budgetary proposals are adequately reviewed.

1.2 The Accountancy Services Manager will:

- Issue a budget timetable and detailed guidance to Directors after the Cabinet meeting.
- Issue standard forms to enable services to provide key information in a common way. The use of the standard forms is essential to ensure consistency in decision making

1.3 Given the scale of the potential budget deficit, additional measures will be put in place during 2021/22 to control current year spending and to oversee the savings process to ensure an adequate programme of cost reductions and income generation is identified.

2.0 Guidelines to Prepare Service Budgets

2.1 It is proposed that, in the period September to December, Cabinet Members and Directors meet to resolve budget issues culminating in the production of a draft budget for the January Cabinet meeting.

2.2 The Council will continue to operate a 'control' budget system, where services are restricted to a set level of net budget expenditure on the basis of current year estimates plus adjustments for:

- inflation on employees' costs 2%
- non-domestic rates nil
- a standard price increase of 2%
- a 3% vacancy factor has been applied in past years to certain staff budgets and this practice should continue
- funding for increments will be met by services from savings on appointing new staff at the bottom of their grade
- the Accountancy Services Manager should calculate at year-end the appropriate level of Insurance reserve and ensure transfers between reserves are made to meet this requirement. The budget will include proposals to provide a sustainable annual budget to meet the cost of insurance excesses.

The Accountancy Services Manager will calculate the 2022/23 control budgets for each service based on the above assumptions starting from the original 2021/22.

2.3 Savings or increases in the utility costs will initially be kept/ funded centrally so no service suffers or benefits from significant price changes. The Council will manage the purchase of utility costs centrally to achieve maximum economies of scale.

2.4 Services are asked to identify proposals that would meet a £2m Council Budget shortfall.

2.5 Additional grant that is not awarded for a ring-fenced purpose should be identified as a saving and not used to fund growth within a service.

- 2.6 Fees and Charges increases will be reviewed as part of the budget process but a planning assumption will be an average 2% increase.
- 2.7 The review of the capital programme is part of the budget process and the existing scheme budgets will be refreshed and will form the basis of a report to Cabinet. Capital scheme budgets:
- Capital Budgets for the year will be reduced at Christmas unless there is clear evidence of a commitment to spend i.e. if a capital budget is significantly different to the level of financial commitments shown in the week prior to Christmas on the financial ledger system. Members will be asked to approve in January a lower budget more in keeping with the financial commitments.
 - That all new capital bids are a minimum of £10,000.
 - That all new capital bids should be to support delivery of the Council's priorities under Our Chelmsford: Our Plan.
 - Annual review of the replacement programme.
 - Proposals to Council for new capital schemes will prioritise those schemes that generate revenue income or cost savings.
 - The revenue cost of the capital funds used to fund new schemes will be calculated and included within the revenue estimates based on cost of loans repaid over the life of the asset.
- 2.8 The Accountancy Services Manager will ensure that the statutory requirement to consult with non-domestic ratepayers is met.
- 2.9 Any amendment to these guidelines will be dealt with by the Accountancy Services Manager in consultation with the Cabinet Member for a Fairer Chelmsford.

3.0 Carry Forward Requests for Cabinet Approval

Description	Reason	£s
Chelmer Waterside Project Officer	Project delayed to Covid pandemic	50,000
Affordable Housing Market	Delay in central government requirements	50,000
Zero Carbon Homes Report	Delay due to contractual reasons	50,000
Chelmsford Website	Project delayed to Covid pandemic	30,000
Delta Subscription	Transition to TechOne	8,000
CHP Downsizing Incentive Scheme	Slippage	50,000
Community Governance Review	Supplementary was added in for 2020/21 but £15.8k underspent in 2020/21 as spend slipping into 2021/22 so requesting carry forward for this	15,800
Theatres Arts Council England Funding	Received £225k of £250k in 2020/21 for Arts Council England. There are some actions to complete in 2021/22.	5,600
Active Chelmsford	This is grant money from a number of sources, yet to be spent	12,700
Total		272,100



Chelmsford City Council Cabinet

13 July 2021

Multi-Storey Car Parks – Public Spaces Protection Order

Report by:

Cabinet Member for Greener and Safer Chelmsford

Officer Contact:

Paul Brookes, Public Health and Protection Services Manager

01245 6096436, paul.brookes@chelmsford.gov.uk

Purpose

The Cabinet is requested to consider making a Public Spaces Protection Order (PSPO) prohibiting specific activities that have a detrimental effect on the amenity, residents and visitors to the city centre that use the city centre multi-storey car parks.

Options

1. To approve the making of the Public Spaces Protection Order
2. To approve the making of the Public Spaces Protection Order with amendments
3. Not to approve the making of the Public Spaces Protection Order

Recommendation

The Director of Public Places be authorised to make the Proposed Public Spaces Protection Order.

1. Introduction

- 1.1 There have been numerous complaints about anti-social and criminal behaviour in the City Centre Multi-Storey car parks. The anti-social behaviour is mainly caused by intimidating behaviour, the common causes of the intimidation being begging near ticket machines, drug taking, and congregating in access areas such as stairwells and lift lobbies
- 1.2 The Anti-Social Behaviour, Crime and Policing Act 2014 introduced a variety of powers for local authorities to deal with anti-social behaviour including Public Spaces Protection Orders.
- 1.2 Public Spaces Protection Orders (PSPO) are intended to deal with a particular nuisance or problem in a particular area that is detrimental to the local community's quality of life by imposing conditions on the use of that area which apply to everyone. The order can be used to deal with likely future problems.
- 1.3 PSPOs are designed to make public spaces more welcoming to the majority of law abiding people and communities.

2. Public Spaces Protection Orders

- 2.1 A local authority may make a public spaces protection order if satisfied on reasonable grounds that two conditions are met:
 - That activities carried on in a public place within the authority's area have had a detrimental effect on the quality of life of those in the locality, or it is likely that activities will be carried on in a public place within that area and that they will have such an effect, and
 - that the effect, or likely effect, of the activities is, or is likely to be, of a persistent or continuing nature, is, or is likely to be, such as to make the activities unreasonable, and justifies the restrictions imposed by the notice.
- 2.2 The PSPO lasts for three years, but at any point before it expires the PSPO can be extended for a further three years. A PSPO can be varied at any point, and variations are most likely to be made to close any legal loopholes which offenders may be exploiting to avoid enforcement action.
- 2.3 The penalty for breaching a PSPO is a £100 fixed penalty notice or prosecution in the Magistrates' Court, although in line with good practice informal and formal warnings will also be used when enforcing the PSPO. Where it is believed the individual does not have the means to pay a fixed penalty notice a breach of the PSPO will result in prosecution so the Magistrates can determine the most appropriate course of action, taking into account the circumstances of the individual. Prosecution proceedings may be discontinued if the perpetrator is having meaningful engagement with support agencies to tackle underlying addictions that are a cause for the anti-social behaviour.
- 2.4 Whilst some of the issues proposed to be controlled by the PSPO can already be controlled through existing legislation, control by the PSPO is clearer and more

effective, and closes some loopholes that make enforcement of existing legislation ineffective.

3. Rationale for PSPO

- 3.1 There have been numerous complaints about anti-social and criminal behaviour in some of the city centre car parks. The anti-social behaviour is mainly caused by intimidating behaviour, the common causes of the intimidation are begging by ticket machines, drug taking, and congregating in access areas such as stairwells and lift lobbies.
- 3.2 As a publicly accessible space there are limited effective powers to prevent individuals accessing the car parks or requiring them to leave the car park.
- 3.3 Such behaviour cannot be allowed to continue unchallenged as it is having a detrimental effect on members of the public who apart from choosing not to park in the main car parks have no choice but to be confronted with unpleasant and at times aggressive anti-social behaviour. Specific behaviour such as drug taking and begging can be difficult to enforce against as the individual needs to be caught in the act, this is easier to enforce on the High Street for example as the behaviour can be observed from a distance which is not possible in the car parks.
- 3.4 The behaviour can potentially be managed by introducing a Public Spaces Protection Order restricting activity that enables the anti-social behaviour to take place without preventing lawful use of the car park for all members of the public.
- 3.5 It is important to note that the PSPO is not looking to prohibit loitering or 'hanging around' generally but is trying to tackle serious anti-social behaviour in a select number of public access car park buildings.

4. Public Spaces Protection Order

- 4.1 The areas to be covered by the PSPO are
 - High Chelmer Multi Storey Car Park
 - Townfield Street Multi Storey Car Park
 - Meadows Retail Multi Storey car Park
 - Riverside Ice & Leisure Car Park
 - Q-Park Meadows
- 4.2 The PSPO prohibits:
 - loitering within any stairwell, lift lobby area, and access or exit route.
 - loitering by a car park ticket machine
- 4.3 The PSPO defines loitering as follows: "loitering" shall include (without prejudice to the generality of its ordinary meaning) the actions of standing sitting, or lingering (i) aimlessly or without an obvious reason; or (ii) for the purpose of begging, drug taking, or drug dealing.

5. Consultation

- 5.1 Consultation has been carried out as required by the Anti-Social Behaviour, Crime and Policing Act 2014. The consultation was advertised on the Council's website from 20th May 2021 to 16th June 2021. The following consultees were also written to: Essex Police, Essex County Council, Chelmsford City Council's Parking & Highways Operations Manager, One Chelmsford (The Bid), Q Park Car Parks.
- 5.2 Chelmsford Homelessness Forum were informed of the forthcoming consultation at its meeting on 14th May 2021.
- 5.3 Four responses have been received and are attached at Appendix 2. No responses have been received that object to the PSPO. Three responses are supportive of the PSPO and one questions the ability of people to pay the fine.

6. Conclusion

- 6.1 There have been numerous complaints about anti-social and criminal behaviour in the City Centre Multi-Storey car parks caused by intimidating behaviour.
- 6.2 The behaviour can potentially be managed by introducing a Public Spaces Protection Order restricting activity that enables the anti-social behaviour to take place without preventing lawful use of the car park for all members of the public.
- 6.3 Consultation has taken place as required by the Anti-Social Behaviour, Crime and Policing Act 2014 and no objecting to the making of the Order have been received.

List of appendices:

Appendix 1 – Public Spaces Protection Order

Appendix 2 – Consultation Responses

Background papers:

The Anti-Social Behaviour, Crime and Policing Act 2014

Corporate Implications

Legal/Constitutional: None

Financial: None

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None

Risk Management: None

Equality and Diversity: Impact assessment not required

Health and Safety: Not making the Order may put car parks staff at increased risk

Digital: None

Other: None

Consultees: Detailed in the report

Relevant Policies and Strategy:

Chelmsford City Council

Proposed Public Spaces Protection Order - Chelmsford City Centre Car Parks

Anti-social Behaviour Crime and Policing Act 2014 ('the 2014 Act') - Section 59

NOTICE is hereby given that Chelmsford City Council ('the Council') is proposing to make a Public Spaces Protection Order ('PSPO') which will apply to the public places ('the restricted area') known as **'High Chelmer Multi Storey Car Park, Townfield Street Multi Storey Car Park, Meadows Retail Multi Storey Car Park, Riverside Ice & Leisure Car Park, and Q-Park Meadows.**

Under section 74(1) of the 2014 Act 'public place' means any place to which the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission.

The effect of this PSPO, if made, will be **to prohibit** within the restricted area the following activities:

- loitering within any stairwell, lift lobby area, parking deck, and access or exit route.
- loitering by a car park ticket machine

For the purposes of this PSPO the term "loitering" shall include (without prejudice to the generality of its ordinary meaning) the actions of standing sitting, or lingering (i) aimlessly or without an obvious reason; or (ii) for the purpose of begging, drug taking, or drug dealing.

It is proposed that the PSPO (if made) would have effect for a period of 3 years from the date of making. The duration of the PSPO could be extended for a further period (not exceeding 3 years) in certain cases.

Failure without reasonable excuse to comply with the prohibitions and requirements imposed by this PSPO (if made) is a summary criminal offence under section 67 of the 2014 Act. A person guilty of an offence under section 67 of the 2014 Act is liable on summary conviction to a fine not exceeding level 3 on the standard scale (currently £1,000).

A constable or authorised person may under section 68 of the 2014 Act issue a fixed penalty notice to anyone he or she has reason to believe has committed an offence under sections 63 or 67 of the 2014 Act in relation to this PSPO.

Dated

Keith Nicholson
Director of Public Places

Chelmsford City Council
Civic Centre
Duke Street
Chelmsford CM1 1JE

Appendix 2 - Consultation Responses

Submitted On: 24/05/2021

Submitted From: <https://www.chelmsford.gov.uk/communities/community-safety/pspo-for-car-parks-consultation/consultation-new-pspo/>

Submitted By:

First name: [REDACTED]

Last name: [REDACTED]

Building number or name: [REDACTED]

Town or city: Chelmsford

Postcode: CM1 1EH

Phone number: [REDACTED]

Email address: [REDACTED]

Your comments: I believe the penalty of £1000 is not realistic as most of the persons that will be convicted by this order will not have the means to pay. I had the back window of my business smashed and the person entered was not able to pay the fine. Not only did I have to pay for the repair I also had to pay Rapid Secure. What other penalties can be given?

From: Stephen Scott-Haynes CH/INSP 42000695 <Steve.Scott-Haynes@essex.police.uk>

Sent: 07 June 2021 13:34

To: Paul BROOKES <paul.brookes@chelmsford.gov.uk>

Subject: PSPO

Paul

I have received your correspondence in relation to the proposed PSPO for car parks in Chelmsford. As District Commander I support this proposal.

Regards

Steve

Chief Inspector 695 Steve Scott-Haynes

District Commander

Chelmsford and Maldon District

Essex Police

From: Michael ADEWOLE <Michael.ADEWOLE@chelmsford.gov.uk>

Sent: 16 June 2021 14:45

To: Paul BROOKES <paul.brookes@chelmsford.gov.uk>

Cc: Lewis MOULD <Lewis.Mould@chelmsford.gov.uk>

Subject: RE: Car Parks Public Spaces Protection Order - Consultation

Dear Paul

I am writing to inform you that I fully support the Proposed Public Spaces Protection Order - Chelmsford City Centre Car Parks.

“In the last few years Chelmsford City Council car parks have encountered a large increase in anti-social behaviour with a vast number of individuals aggressively begging within high foot traffic areas such as ‘the red walkway through High Chelmer MSCP in to the market area or next to pay stations’ This issue comes with other associated issues that relate to these individuals, including drug use, fire & trip hazards and using the stairwells to relieve themselves. The offending individuals will at times retaliate with strong foul language and threats towards my staff and can be extremely aggressive”.

Kind regards,

Michael Adewole

Parking and Highways Operations Manager

Directorate for Sustainable Communities

Chelmsford City Council

From: Mike Wray <mike@onechelmsford.co.uk>

Sent: 17 June 2021 11:08

To: Public Health and Protection Consultation Mailbox <pspo.consultation@chelmsford.gov.uk>

Cc: Cllr Simon GOLDMAN <Simon.Goldman@chelmsford.gov.uk>

Subject: Consultation - PSPO Chelmsford City Centre Car Parks

Morning,

Thank you for your letter dated the 20th May 2021.

We note consultation on the introduction of a new PSPO for Chelmsford City Centre Car Park closes today.

We at Chelmsford Business Improvement District have circulated the details of the PSPO Car Parking Consultation details via our APP to over 1000 members of staff working in Chelmsford.

We have not received any negative comments with regards to your proposal.

We have received several supportive verbal comments from the likes of Q Park and The Gym.

Therefore, the BID supports your action to introduce a PSPO within our City Centre Car Parks.

Thank you.

Kind regards

Mike

Mike Wray

BID Manager



Chelmsford City Council Cabinet

13 July 2021

Declaration of Admirals Park as a Local Nature Reserve

Report by:
Cabinet Member for Greener and Safer Chelmsford

Officer contact:
Paul Van Damme, paul.vandamme@chelmsford.gov.uk 01245 606606

Purpose

As part of the City Council's Climate Change and Ecological Emergency Action Plan and the Green Infrastructure Plan, it is intended to make a Local Nature Reserve declaration for Admirals Park.

This report invites Chelmsford City Council to declare Admirals Park a Local Nature Reserve and register the LNR with Natural England.

Options

1. Declare Admirals Park a Local Nature Reserve and register the LNR with Natural England on the national register of LNR's.
2. Not make such a declaration.

Preferred option and reason

The preferred option is to make the declaration and complete the registration process in pursuit of the City Council's Climate and Ecological Emergency Action Plan and the Green Infrastructure Plan adopted as part of the Local Plan.

Recommendations

That Cabinet support the declaration of part of Admirals Park as a Local Nature Reserve and request that this site is listed on the Natural England register of Local Nature Reserves.



1 Background

- 1.1 Admirals Park is and has been managed and maintained in accordance with an appropriate management plan since 2018 and this plan was approved and validated by Natural England in December 2020 in preparation for this declaration. Appendix 1 shows the defined area for the proposed Admirals Park LNR outlined in red.
- 1.2 In accordance with the Natural England's validation process, a public consultation was arranged from the 4 February 2021 to the 18 February 2021. The consultation was published by using informational signage within the Park at all pedestrian entrances and on the City Council's 'Love Your Chelmsford' website.
- 1.3 The reasons for the designation were set out and explained, inviting the public, park visitors and local residents to make their comments via a designated email address.
- 1.4 A total of 52 responses were received. Of those, 51 were positive and supportive of the proposed LNR designation and 1 against the proposed designation on the grounds that maintenance standards would fall. This, of course, is not correct, as a more relaxed grass cutting regime does not lower standards. In any case this maintenance regime has actually been in place since 2018.
- 1.5 On the 26th March 2021, a letter from Natural England was received inviting the City Council to make its declaration [see Appendix 2]
- 1.6 There are no additional financial implications to this declaration in that the current management and maintenance standards, processes and procedures are already adopted in preparation of the LNR declaration.
- 1.7 Subject to approval by Cabinet to make the proposed declaration, a Mayoral Dedication Ceremony will be arranged to publicly mark the declaration.

List of Appendices

- Appendix 1: Map of defined area for the proposed Admirals Park LNR shown outlined in red
Appendix 2: Letter from Natural England dated 26 March 2021 inviting the City Council to make a declaration of a Local Nature Reserve

Corporate Implications

Legal/Constitutional:



As part of the City Council's Climate and Ecological Action Plan and the Green Infrastructure Plan, it is intended to make a Local Nature Reserve Declaration for Admirals Park.

Financial:

There are no additional financial implications to this declaration in that the current management and maintenance standards, processes and procedures are already adopted in preparation of the LNR declaration

Potential impact on climate change and the environment:

The current management and maintenance arrangements and the declaration confirm the positive impact on the local environment and habitats and seek to enhance and preserve these for the future.

Contribution toward achieving a net zero carbon position by 2030:

None

Personnel:

None

Risk Management:

None.

Equality and Diversity:

None

Health and Safety:

None

Digital:

None

Other:

None

Consultees:

Natural England



Relevant Policies and Strategies:

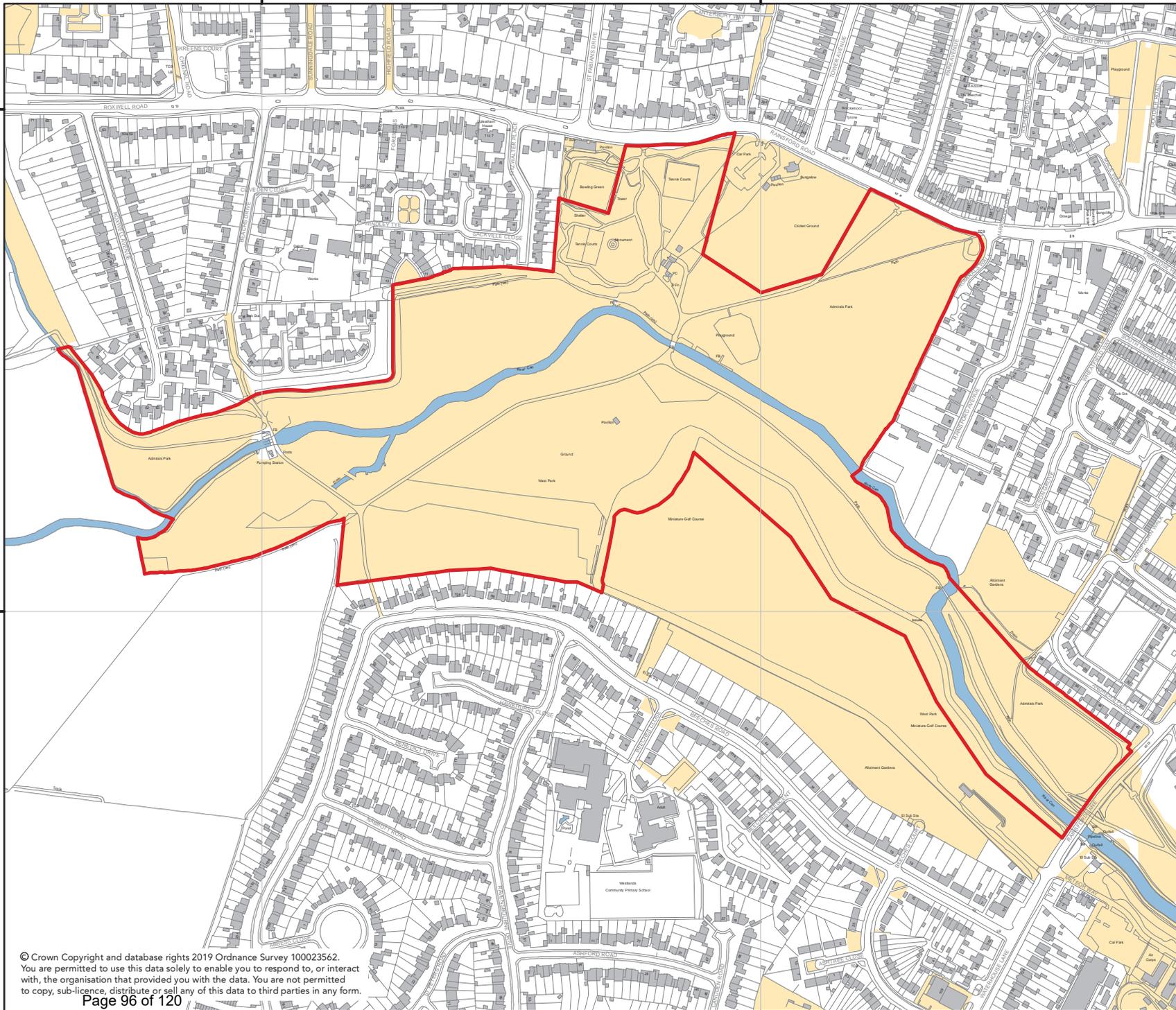
The declaration of a Local Nature Reserve for Admirals Park is included in the City Council's Climate and Ecological Emergency Action Plan and the Green Infrastructure Plan

Admiral's Park

Proposed Local Nature Reserve

Draft Area

-  Area of Draft Local Nature Reserve
-  Land in CCC Registered Ownership



Directorate for Sustainable Communities
 Civic Centre, Duke Street, Chelmsford, CM1 1JE
 Tel. 01245 606606
 Web www.chelmsford.gov.uk



26th March 2021

Our ref:

Your ref:



Elgan.Adlard@chelmsford.gov.uk

Natural England
Area 1A, Nobel House
17 Smith Square
London
SW1P 3JR

Dear Elgan Adlard,

PROPOSAL TO DECLARE ADMIRALS PARK AS A LOCAL NATURE RESERVE

I am writing regarding the proposal to declare Admirals Park a Local Nature Reserve (LNR) under the National Parks and access to the Countryside Act 1949 (as amended).

Natural England's purpose is to conserve and enhance the natural environment for its intrinsic value, the wellbeing and enjoyment of people and the economic prosperity that it brings. Admirals Park, managed according to the management plan, is of value to both local wildlife and the local community. As such, Natural England is delighted to support the declaration of the site as a LNR. Protecting this site and its habitats will allow it to continue to be used and valued by local people for recreation and enjoyment of the natural environment.

Natural England confirms that it has been consulted on your proposal to declare Admirals Park a nature reserve under the provisions of Sections 19 and 21 of the National Parks and Access to the Countryside Act 1949 (as amended). The requirements for consultation contained in Section 21(6) of that Act have therefore been met. As a senior adviser for the Connecting People and Nature Team, I would like to formally welcome these proposals on behalf of Natural England.

The next step is for Chelmsford City Council to make the necessary arrangements for the formal declaration of the reserve. This can be limited to the issuing of public notices or can be extended to include an event to celebrate the declaration, subject to Covid 19 regulations and guidance.

Once the declaration is complete, we will need confirmation of the declaration date, and a copy of the declaration papers and a map showing the exact boundaries of the declared area. The map can be a paper copy, pdf file or GI digital data. The site will also be promoted through Natural England's internet site finder. Could you also complete the details sheet below so that we can ensure our records are up to date and return it to me as soon as possible.

If you are unsure about any part of the declaration process, please contact me using the details

below.

Yours sincerely

A handwritten signature in blue ink that reads "Jane Houghton". The signature is written in a cursive style and is placed on a light grey rectangular background.

Senior Adviser
Natural England
Jane.houghton@naturalengland.org.uk

Site name	<i>Admirals Park</i>
Declaration date	
Declaring authority	<i>Chelmsford City Council</i>
Local authority catchment	
County	<i>Essex</i>
Area (ha)	<i>22 (excluding west park pitch and putt, cricket square and bowling green)</i>
Location	<i>Chelmsford</i>
Grid reference	<i>TL 69399 07225</i>
Postcode	<i>CM1 2PN</i>
Other designation	
Type	<i>Public open space</i>
Category	
Nature of habitat	<i>Woodland, Scrub, Wildflower meadow, Ponds and Hedgerows</i>
Ownership	<i>Chelmsford City Council</i>
Management	<i>Management carried out according to the management plan by Chelmsford City Council employees and volunteers.</i>
Date of last management plan	<i>2020</i>
Duration of management plan	<i>2020-2024</i>
Byelaws	<i>Bye-laws in force June 1970</i>
Educational use	<i>The site is open to the public and can be used for educational purposes. Volunteer sessions are run with Thriftwood College to engage and educate them about wildlife conservation.</i>
Has any part of the site been de-declared	<i>No</i>
How to get there	<i>Cycling and walking to the area, from central Chelmsford and Writtle is simple and there is an accessible path through the area. There is also a bus stop and parking off Rainsford road.</i> https://loveyourchelmsford.co.uk/green-spaces/find-a-green-space/admirals-park-and-tower-gardens/
Visitor facilities	<i>Toilets, Disabled parking, Neighbourhood play area, Picnic area, Football, Outdoor gym.</i>
What to see	<i>Wildlife: Kingfishers, Buzzards, Foxes, Wildflowers, Otters, Bees, Butterflies are just a few examples.</i>
Contact for further information	services.parks@chelmsford.gov.uk
Volunteers/Friends of Watch groups	<i>Parks Volunteers Chelmsford City Council</i>
Website address	https://loveyourchelmsford.co.uk/green-spaces/find-a-green-

	<u>space/admirals-park-and-tower-gardens/</u>
Photographs (and name of photographer)	
Anything else of Relevance	



Chelmsford City Council Cabinet

13 July 2021

Community Infrastructure Levy (CIL) Neighbourhood Funding contribution for CHESS Assessment and Support Centre

Report by:
Cabinet Member for Connected Chelmsford

Officer Contact:
Stuart Graham, Economic Development and Implementation Services Manager,
stuart.graham@chelmsford.gov.uk, 01245 606364

Purpose

To seek approval for the re-confirmation of the £300,000 of neighbourhood CIL funding approved by Cabinet in March 2019, and then subsequently in July 2019, to support the enhancement of services provided by CHESS in an alternative location.

Options

The following options are available:

- A) Approve the recommendation
- B) Not approve the recommendation

Preferred option and reasons

Option A is the preferred option. The development of the centre as proposed is an objective in the Council's Homelessness and Rough Sleeper Strategy and Action Plan for 2021 and the new location will have a number of benefits as detailed in the report.

Recommendations

It is recommended that:

- a) Cabinet re-confirms the allocation of the £300,000 from the CIL neighbourhood allocation in the unparished area for the purposes of CHESS purchasing and developing a new assessment centre within the former Woodstock Motel building, Stock Road, Chelmsford.
- b) The Director of Sustainable Communities, after consultation with the Cabinet Member for Connected Chelmsford, is delegated to prepare the funding agreement between the Council and CHESS to enable the transfer of funding to take place.

1. Introduction

1.1 In March 2019 Cabinet approved neighbourhood CIL funding of £300,000 to CHESS to deliver a day centre for use by street homeless people. This allocation was confirmed by Cabinet in July 2019. This described that the centre will ideally be part of a 24-hour provision with move on accommodation and a resettlement programme, and will provide:

- meaningful use of time, training, life skills, equipping them for employment and empowering them to access their own accommodation in the future
- washing and cleaning facilities
- new opportunities to partner with other services in the City

1.2 At the time of approval, the day centre location was planned at CHESS' existing city centre premises in New London Road. During the last year, the provision of homelessness services has altered in the City Centre and the role that CHESS will play in wider provision has changed. A day centre on their existing site in New London Road is not now considered a requirement as this service is being provided by the Sanctus Charity in their soon to be open new premises. Instead, CHESS will retain limited accommodation on New London Road (maximum of 7 beds) alongside an office and provide assessment and other support services with accommodation at a new location outside of the City Centre. To facilitate this there is now an opportunity for CHESS to purchase new premises outside the city centre, namely the former Woodstock Motel on Stock Road. The originally allocated CIL funding of £300,000 would be utilised to facilitate the purchase of this property, subject to planning permission.

2 Revised Proposal

2.1 Since March 2019, the original day centre plans have evolved due to progress in understanding and addressing the issues of single homelessness and rough sleeping in the city across a range of service providers. When the original day centre was first proposed there was a much greater number of people regularly sleeping rough, very few places for them to stay overnight and less efficient coordination of services provided by agencies.

2.2 Changes that have happened since the original proposal include additional supported accommodation with funding from MHCLG where people can stay 24/7, Sanctus beginning to expand their premises so they can accommodate more people during the day, and increased awareness among partners of the range of services and the complex needs of some clients.

- 2.3 This has created a network of support that is much better informed and effective than before, but despite this, there remains a small number of people who are entrenched rough sleepers and it is expected that there will continue to be around 50 to 60 new cases each year.
- 2.4 The remaining gap locally is the ability to assess a person's need for help and support before providing accommodation where these are more complex and may require dedicated and intensive support from a number of agencies to help the person remain engaged. The new property identified by CHESS is a better fit for this identified gap in local services and would complement rather than duplicate what is now in place in Chelmsford.
- 2.5 It is expected that to deliver this, as well as CHESS, other organisations would also spend time based on site. The new property is better suited to this use as it has larger communal areas, more self-contained rooms, more parking and good road links. The distance away from the city centre also works well as a base for short-term stays especially for those who are at risk of exploitation or need a break from associates.
- 2.6 The location and layout also make it more suitable as a multi-agency hub, where colleagues from health, housing, social care and criminal justice can work in collaboration as the accommodation is separate from the communal area, rather than on top of the offices with shared entrance and exits as with New London Road.
- 2.7 The proposed new site is currently being used by CHESS as a temporary scheme replacing the need for other premises which can no longer be used as emergency accommodation during the winter. It has a large communal space, staff office space and 9 individual bedrooms with en-suite bathrooms. The opportunity has arisen to purchase the site and thereby convert what was intended to be only a short-term opportunity into a permanent and more strategic contribution to responding to the need of those at risk of sleeping rough in Chelmsford.
- 2.8 If the new site is developed, CHESS would use the property at New London Road mainly for limited accommodation, further increasing the capacity to accommodate single homeless people. CHESS would provide a shuttle bus service from the city centre for those seeking to have access to the facility.

3 Conclusion

The proposed support and assessment centre at its new location will still deliver the services outlined in the Cabinet report of March 2019. It has many benefits that that will allow greater emphasis on assessment and therefore make it better suited to the city's requirements. The development of the centre as proposed is an objective in the Council's Homelessness and Rough Sleeper action plan for 2021.

List of appendices:

Background papers:

Chelmsford Local Plan and evidence base

CCC Homelessness and Rough Sleeper Action Plan 2021

Cabinet Report March 2019

Corporate Implications

Legal/Constitutional: The recommendations in the report comply with the CIL Regulations 2010 (as amended)

Financial: As detailed in the report. Funding has already been allocated from the CIL neighbourhood allocation within the 9 unparished areas.

Potential impact on climate change and the environment: N/A

Contribution toward achieving a net zero carbon position by 2030: N/A

Personnel: This will be managed by CHESS as the provider of the Service

Risk Management: This will be managed by CHESS as the provider of the Service

Equality and Diversity: This will be managed by CHESS as the provider of the Service

Health and Safety: This will be managed by CHESS as the provider of the Service

Digital: N/A

Other: N/A

Consultees:

CHESS

Relevant Policies and Strategies:

CCC Homelessness and Rough Sleeper Strategy and Action Plan 2021



Chelmsford City Council Cabinet

13 July 2021

Neighbourhood Plans for South Woodham Ferrers and Writtle

Report by:

Cabinet Member for Sustainable Development

Officer Contact:

Jenny Robinson, Senior Planning Officer

01245 609265, jenny.robinson@chelmsford.gov.uk

Purpose

The purpose of this report is to outline progress on the draft South Woodham Ferrers Neighbourhood Plan and the draft Writtle Neighbourhood Plan; and to seek Members' approval to delegate to the Director of Sustainable Communities in consultation with the Cabinet Member for Sustainable Development, the statutory functions of considering the examiner's report and recommendations and deciding what action should be taken in response, including (where applicable) the decision to proceed to referendum.

Options

1. Approve the delegation of the statutory functions referred to above to the Director for Sustainable Communities, in consultation with the Cabinet Member for Sustainable Development.
2. Alternatively, to require these functions to be exercised by Members (in Cabinet).

Preferred option and reasons

Option 1 – Delegating these statutory functions to Director of Sustainable Communities (in consultation with the Cabinet Member for Sustainable Development) will enable timely progress on future stages of the statutory Neighbourhood Plan process.

Recommendations

1. That Cabinet delegates to the Director of Sustainable Communities, in consultation with the Cabinet Member for Sustainable Development, the statutory functions of considering the examiner's report and recommendations and deciding what action should be taken in response, including (where applicable) the decision to proceed to referendum.
 2. That Cabinet notes the update on progress on the draft South Woodham Ferrers Neighbourhood Plan and the draft Writtle Neighbourhood Plan.
-

1. Introduction

- 1.1. There are a number of formal steps which must be taken when bringing forward a Neighbourhood Development Plan. These are set out in the Neighbourhood Planning (General) Regulations 2012.
- 1.2. This report concerns the draft South Woodham Ferrers Neighbourhood Plan, and the draft Writtle Neighbourhood Plan. These are the most advanced in the formal process, covering two of the eight designated Neighbourhood Plan areas in the Council's administrative area.

2. Current stage

- 2.1. The two Plans are currently at examination stage. The examination of a Neighbourhood Plan is carried out by an independent examiner. Both Plans have been examined through a written procedure and no public hearings have been necessary. At the close of the examination, the examiner issues a draft report for fact-checking, including recommendations for modifications felt necessary to ensure the Plan meets certain basic conditions, such as having regard to national and local planning policy. The fact-checking stage provides an opportunity for the Council and the Town/Parish Councils to check the draft report for factual errors.

Draft South Woodham Ferrers Neighbourhood Plan

- 2.2. The examiner for the draft South Woodham Ferrers Neighbourhood Plan has issued the fact-checking report, including proposed modifications to ensure the Plan meets the basic conditions. The examiner's recommendation is that the modifications specified in his report are made, and that the Plan as modified is submitted to a referendum.
- 2.3. The proposed modifications relate to the following:
 - Updated national planning policy, notably regarding use classes;
 - The adoption of the Making Places and Planning Obligations SPDs;
 - The adoption of the Northern Growth Area masterplan;
 - Avoiding policy duplication, whilst retaining policy elements which will ensure that the intentions of the community are met.

- 2.4. The Town Council and City Council have reviewed the fact-checking report, and both consider that with the modifications the Plan meets the basic conditions.

Draft Writtle Neighbourhood Plan

- 2.5. The examiner is due to issue the fact-checking report very soon. Once it has been received the Parish Council and City Council will review the report and the proposed modifications. If the examiner's recommendation is that the modifications specified in his report are made, and that the Plan as modified should proceed to a referendum, the proposed delegation set out in the recommendation would enable this decision to be taken for the Plan to proceed along the same timetable as the South Woodham Ferrers Neighbourhood Plan.

3. Next stage

- 3.1. Following receipt of the examiner's final reports, the Council, as local planning authority, is under a statutory duty (primarily set out within para 12 (2) of Schedule 4B to the Town and Country Planning Act 1990 - as applied to neighbourhood plans by section 33C of the Planning and Compulsory Purchase Act 2004 - to consider the report and decide what action should be taken in response. It has to consider the same tests as the examiner and whilst it must take into account the examiner's report, is not bound by it. If, however, the Council is satisfied that the draft neighbourhood plan meets the basic conditions, is compatible with Convention rights and complies with sections 38A and 38B of the Planning and Compulsory Purchase Act 2004 or that the draft neighbourhood plan would meet those requirements, if modifications were made, it must proceed to referendum.
- 3.2. The Council must make a decision within five weeks on whether the Neighbourhood Plans, as amended by the examiner's recommended modifications, should proceed to referendum. The subsequent Cabinet meeting is on September 14, which would be around 12 weeks from receiving the final report for South Woodham Ferrers, and around 10 weeks from the anticipated date for receiving the final report for Writtle.
- 3.3. This has led to the request for the statutory functions referred to in paragraph 3.1 above to be delegated to the Director for Sustainable Communities, in consultation with the Cabinet Member for Sustainable Development.
- 3.4. Due to lead in times for arranging the referendum, gaining approval now would enable this be held in the autumn in both areas covered by the Neighbourhood Plans, that is the whole of the South Woodham Ferrers urban area and the whole of the Writtle Parish. If more than 50% of those voting are in favour of the relevant plan, then they can be formally 'made' (adopted) by the Council, anticipated for the 8 December Council meeting. The costs of holding the referendum will be reimbursed by the Government's Neighbourhood Planning Grant.
- 3.5. Any delay in adopting the two Plans may lead to a significant reduction in Community Infrastructure Levy (CIL) monies from allocated development sites being passed to the Town and Parish Councils. Where there is no Neighbourhood Plan, 15% of CIL receipts from new development is passed to the Parish Council, capped to £100 per Council Tax payable dwelling a year (index linked since introduction so now at around £135 per dwelling). Where there is a Neighbourhood Plan in place,

payment becomes due at an enhanced rate of 25% without any upper cap. Based on a range of assumptions and depending on the number and mix of houses, the difference could be as high as £1 million.

4. Conclusion

- 4.1. The next formal stage for the progress of the draft South Woodham Ferrers Neighbourhood Plan, and the draft Writtle Neighbourhood Plan, is to proceed to referendum. Publication of the examiner's final reports is imminent.
- 4.2. Agreeing the delegation as set out in the recommendation would meet the timetable set out in regulations for making a decision to proceed to referendum, secure CIL payments at the enhanced rate of 25%, and avoid delays in reaching the next stage of Neighbourhood Plan making.

List of appendices:

None

Background papers:

The Neighbourhood Planning (General) Regulations 2012
<https://www.legislation.gov.uk/ukSI/2012/637/regulation/17A>

Corporate Implications

Legal/Constitutional:

Neighbourhood Development Plans are prepared in accordance with the Neighbourhood Planning (General) Regulations 2012, and the Town and Country Planning Act 1990.

They will become part of the Local Plan for use in making planning decisions.

Financial:

Costs of arranging a referendum are borne by the Council, but are expected to be fully covered through the Government's Neighbourhood Planning grant system.

Potential impact on climate change and the environment:

None.

Contribution toward achieving a net zero carbon position by 2030:

None.

Personnel:

Costs of arranging a referendum are borne by the Council, but are expected to be fully covered through the Government's Neighbourhood Planning grant system.

Risk Management:

None.

Equality and Diversity:

All Neighbourhood Development Plans are subject to an Equality Assessment which is part of the submission document package.

Health and Safety:

None

Digital:

None

Other:

Facilitating Neighbourhood Plans contributes to priorities in the Council's Our Chelmsford, Our Plan 2020: A Fairer and Inclusive Chelmsford, A Safer and Greener Place, Healthy, Enjoyable and Active Lives, and Connected Chelmsford

Consultees:

Legal and Democratic Services

Relevant Policies and Strategies:

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

Local Plan 2013-2036

Our Chelmsford, Our Plan, January 2020.



Chelmsford City Council Cabinet

13 July 2021

Report from the Governance Committee on changes recommended to the Council's Constitution

Report by:
Monitoring Officer

Officer Contact:

Lorraine Browne, Legal & Democratic Services Manager & Monitoring Officer,
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Purpose

To update members on the outcome of the Constitutional Working Group meeting on 24 May and Governance Committee on 16 June 2021 on proposed changes to the Constitution. The views of the Cabinet on the proposed changes are sought before their submission to the Council on 21 July 2021.

Options

Approve or suggest amendments to the proposed changes.

Preferred Option and Reasons

Unless the Cabinet has reservations about any of the changes recommended by the Governance Committee, they be supported in the interests of the efficient conduct of the business of the Council.

Recommendations

The Council be recommended to approve the changes to the Constitution set out in the appendix to this report.

1. Review of the Constitution

- 1.1. The Constitution Working Group met on 24 May 2021. It considered six areas where changes are proposed to the Constitution. One, relating to the Terms of Reference of the Community Funding Panel, was considered by the Cabinet on 8 June 2021 when it discussed reports on the arrangements for Community Infrastructure Levy and Green Grants so is not included in this report.
- 1.2. The Working Group's recommendations were considered by the Governance Committee on 16 June. It made a few minor changes to those recommendations, mainly to clarify the proposed amendments, but otherwise supported them.

2. Proposed Changes to the Constitution

- 2.1. Proposed changes to the Terms of Reference for the Chelmsford Policy Board – these are set out in Appendix 1 – point 1.
- 2.2. Proposed changes in relation to budget amendments – these are set out in Appendix 1 – point 2.
- 2.3. Proposed changes to public speaking at planning committee – this is set out in Appendix 1 – point 3.
- 2.4. Proposed changes to public question time – these are set out in Appendix 1 – point 4.
- 2.5. Proposed changes to the Terms of Reference for the Treasury Management and Investment Sub Committee – these are set out in Appendix 1 point 5 and the proposed Terms of Reference at Appendix 2.

List of appendices:

Appendix 1 – background and proposed changes to constitution

Appendix 2 – proposed Terms of Reference for the Treasury Management and Investment Sub Committee (previously considered by Audit and Risk Committee in December 2020).

Background papers:

Nil

Corporate Implications

Legal/Constitutional: These are set out in the report

Financial: None

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None

Risk Management: None

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

Consultees: None

Relevant Policies and Strategies:

The Constitution

RECOMMENDED CHANGES TO THE CONSTITUTION

Item and Background to proposed change	Current version (deletions in blue)	Proposed version (changes in yellow)
<p>1. Chelmsford Policy Board</p> <p>Who has raised the issue?: requested by administration members</p> <p>Reason for change: to ensure greater clarity in the scope of the Policy Board</p>	<ol style="list-style-type: none"> 1. To review existing and develop new policies in relation to any function for which the City Council is responsible and to make recommendations to the Cabinet and Council, as appropriate. 2. To establish working groups to examine in detail existing policies, develop new ones and to make recommendations on new or revised policies to the Chelmsford Policy Board 	<ol style="list-style-type: none"> 1. To review existing and develop new policies and strategies, including statutory development plans, in relation to any function for which the City Council is responsible and to make recommendations to the Cabinet and Council, as appropriate. 2. To establish working groups to examine in detail existing policies, develop new ones and to make recommendations on new or revised policies to the Chelmsford Policy Board 3. To consider draft new policies and strategies, including statutory development plans, for the purposes of engagement and formal consultation, as appropriate. 4. To recommend to the Cabinet approval and adoption of the final versions of Masterplans, Supplementary Planning Documents and other non-

		<p>statutory planning and housing policy documents.</p> <p>5. To consider responses to any formal policy related consultations from external bodies which the relevant Director considers should be referred to the Policy Board</p> <p>The above provisions do not prevent Cabinet or Council adopting new or revised policies that have not been reviewed by the Chelmsford Policy Board.</p>
<p>2. Budget Amendments to Motions</p> <p>Who has raised the issue?: officers and members following budget approval 2021</p> <p>Reason for change - additions to Part 4.1 so as to clarify the position in relation to proposed budget amendments.</p> <p>Note: Constitutional Practice Note will be updated accordingly once any changes have been approved by members</p>		<p>4.1.13.9A An amendment should not negate the motion. With the exception of amendments referred to in Rule 4.1.13.9B below, a proposed amendment to any recommendation, motion or proposal for debate on the agenda for a meeting of the Council must be submitted in writing to the Legal and Democratic Services Manager no later than 48 hours before the meeting at which it is to be considered.</p> <p>4.1.13.9B Amendments that relate to a report or recommendations on the setting of the annual budget must be sent to the Legal and Democratic Services Manager and the Section 151 Officer no later than noon on the second day before the</p>

		<p>meeting at which it is to be considered (i.e. by noon on the Monday if the meeting is on a Wednesday). The Section 151 Officer will assess the financial implications of the amendment. The Legal and Democratic Services Manager will otherwise assess whether the amendment is valid. Copies of any amendments submitted will be sent to the relevant Cabinet Member(s) as soon as practicable after the deadline for submission. No amendment will be notified to other councillors before that time without the express permission of the councillor who submitted it.</p> <p>4.1.13.9C</p> <p>If valid, amendments will be published with the agenda for the meeting on the Council's website no later than noon the day before the meeting.</p> <p>4.1.13.9D</p> <p>The exceptions to the above rule are:</p> <ul style="list-style-type: none">(a) technical amendments may be moved to correct factual errors;(b) the Legal and Democratic Services Manager will have discretion to permit amendments from members if satisfied that the need for the amendment could not have been anticipated before the deadline for its submission and that advance notice of such amendments was given as soon as reasonably practical.
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		<p>(c) a minor amendment that did not substantially affect the proposed budget and did not result in a need to amend the Council Tax resolution to be moved at the meeting without notice.</p> <p>If notice of an amendment to a motion on the agenda has been received prior to the meeting, the Mayor will ask the mover of the original motion to indicate if they agree to accept the amendment. If so, and no other councillor objects, the amendment will become part of the substantive motion without debate.</p>
<p>3. Planning Committee - Public Speaking at Planning Committee</p> <p>Who has raised this ? officers</p> <p>Reason for change : to provide clarity for the future</p>	<p>Currently the rule says that any member of the public who spoke at a previous meeting of the Committee on an application may not repeat their questions and statements if it is returning after being deferred.</p>	<p>Suggest that the following be added to Rule 4.2.14.7 :</p> <p>Exception:</p> <p>Where an application or planning matter is returning to the Planning Committee after being deferred at a previous meeting for whatever reason, no public speaking will be permitted, whether or not any questions or oral statements were heard at the previous meeting. This will not prevent the submission of further written representations between the initial and subsequent consideration of the application.</p>

4. Public Questions		
<p>Who has raised this issue? Officers (please note these rules only apply to the public questions section of a meeting and not to consideration of planning, licensing or other hearings or applications which will remain unchanged)</p> <p>Reason for change(s):</p> <p>1) to remove the requirement that public speakers provide their home address (and instead only need to confirm they live, work or study in Chelmsford).</p> <p>2) The new additions are proposed to enable a full response to be provided to questions and statements at the meeting and to enable those unable to attend meetings in person to raise matters of concern or interest.</p> <p>3) Up to 15 minutes is currently allowed for public questions at meetings other than the Council. This is rather short and it is proposed that it should be increased.</p>	<p>4.1.10.1 & 4.2.14.1 - At each meeting any Citizen may, after having given their name and address, ask one question or make a statement at the allotted time.</p> <p>Currently the rule allows 15 minutes</p>	<p>At each meeting any Citizen may, after having given their name (and address to officers), ask one question or make a statement at the allotted time.</p> <p>Add to the new 4.1.10.1 and 4.2.14.1: All questions must be submitted in writing to the Legal and Democratic Services Manager no later than 24 hours before the meeting at which it is to be asked. Copies of all questions will be made available with the agenda on the Council's website no later than six hours before the meeting. The Chair of a meeting may, at their discretion, permit a question to be put at the meeting where less than 24 hour notice has been given.</p> <p>Rule 4.2.14.2 – Propose to extend period for public questions to 20 minutes</p>

<p>5. Treasury Management and Investment Sub Committee</p> <p>Who has raised this ? Audit and Risk Committee were consulted upon this and recommend these proposed changes</p> <p>Reason for change: to ensure the terms of reference match existing practice</p>		<p>See Terms of Reference referred to Audit and Risk Committee at Appendix 2</p>
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APPENDIX 2

Treasury Management <u>and Investment</u> Sub-Committee			
Membership: Three Members of the Audit and Risk Committee <u>Seven Members</u>			
Quorum	Substitutes	Politically Balanced	Frequency of meetings
TWO <u>THREE</u>	YES Only members of the Audit and Risk Committee can substitute	YES	FOUR <u>THREE</u> PER YEAR
Functions/Purpose		Delegations	
<ol style="list-style-type: none"> 1. To comment on the draft Treasury Management <u>and Investment</u> Strategy<u>ies</u> and make recommendations to Cabinet on the oseat <u>Strategie</u>s. 2. To receive reports on Treasury Management <u>and Investment</u> -activities and performance <u>three times per year on a quarterly basis</u>. 3. To report to the Audit and Risk Committee on any breaches of Treasury Strategy, <u>Investment Strategy</u> or <u>Treasury Management</u> Procedures. 4. On occasion of urgent matters to agree changes to the Treasury <u>Management or Investment</u> Strategy without reference to Full Council. 5. In the light of performance and market conditions recommend changes to <u>either</u> strategy going forward. 6. The sub-committee is not intended to be a consultee to individual investment decisions. 		N/A	

Procedures	Part 4.2 – Cabinet and Committee Procedure Rules Part 4.9 – Financial Rules
Codes	Part 5.1 – Code of Conduct for Councillors