

## Public Document Pack

# Uttlesford District Council

Chief Executive: Peter Holt

## SUPPLEMENTARY PACK

### Cabinet

- Date:** Thursday, 10th February, 2022  
To be reconvened at 3.00pm on Monday, 14th February, 2022
- Venue:** Council Chamber - Council Offices, London Road, Saffron Walden,  
CB11 4ER
- Chair:** Councillor P Lees
- Members:** Councillors M Sutton, A Armstrong, J Evans, R Freeman,  
N Hargreaves, L Pepper and N Reeve and M Sutton.

### ITEMS WITH SUPPLEMENTARY INFORMATION PART 1

#### Open to Public and Press

- 11 Medium Term Financial Strategy and Budget Proposals 2022/23** 3 - 210

To consider the Medium Term Financial Strategy and Budget Proposals 2022/23.

- Medium Term Financial Strategy and Budget Proposals 2022/23: Document pack for reconvened session on 14th February 2022.



# Uttlesford District Council

Chief Executive: Peter Holt

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<b>Committee:</b>	Cabinet	<b>Date:</b>	Thursday, 10 February 2022
<b>Title:</b>	Medium Term Financial Strategy 2022 - 2027 and Budget Proposals - 2022/23		
<b>Portfolio Holder:</b>	Portfolio Holder for Finance and Budget Cllr. Neil Hargreaves		
<b>Report Author:</b>	Angela Knight, Assistant Director - Resources aknight@uttlesford.gov.uk	<b>Key decision:</b>	N

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## Summary

1. The Council is required to prepare detailed budget reports to enable the annual budgets for the General Fund and Council Tax, Housing Revenue Account and the Capital Programme to be set.
2. The Section 151 Officer is also required to provide members with a Section 25 report giving advice and assurance on the reserves position, including the minimum safe level of contingency funds that need to be held and the robustness of any estimates used in the calculation of the proposed budgets. The report also provides commentary on the assumptions in the Medium Term Financial Strategy and any associated plans and strategies.
3. In addition, the council is required to prepare a number of supporting strategies:
  - Medium Term Financial Strategy
  - Treasury Management Strategy
  - Commercial Strategy
  - Capital Strategy
4. The Council is required to consider and approve the Council Tax Resolution for 2022/23 which sets the combined Band D equivalent for all preceptors.
  - Essex County Council
  - Police, Fire & Crime Commissioner for Essex – Policing and Community Safety
  - Police, Fire and Crime Commissioner for Essex - Fire and Rescue Authority
  - Uttlesford District Council
  - Town and Parish Councils
5. The Commercial Strategy is scheduled to be presented to the Investment Board ahead of the budget setting meetings. The Housing Rent and Service Charges for the Housing Revenue Account have been to the Tenants Forum and the Housing Board and were supported by both.
6. The Scrutiny Committee will review all the reports at their meeting on the 3 February and the Chair of the Committee will update the Cabinet with a verbal statement at the meeting on the 10 February.

## Recommendations

7. The Cabinet is requested to recommend the budget strategies and reports for 2022/23 as set out in Appendices A to H of this report and the associated Annexes for Approval by Council.
8. The reports and individual recommendations to be presented to Cabinet are set out in the table at the end of this report.

## Financial Implications

9. All financial implications are included in the individual reports and strategies

## Background Papers

10. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.  
<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2022-to-2023>

## Impact

- 11.

Communication/Consultation	Members, CMT and Budget Holders
Community Safety	N/A
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A



Report Title	Purpose of report	Recommendations
Appendix A Section 25 Report - Robustness of Estimates and Adequacy of Reserves	This is a statutory report provided by the S151 Officer, this report provides members with advice and assurances on reserves, safe levels of contingency, assumptions used for estimates and any associated risks.	<ul style="list-style-type: none"> <li>I. Take account of the advice in the report when determining the 2022/23 General Fund budget and Council Tax</li> <li>II. Review the risk assessment relating to the robustness of estimates as detailed in the report</li> <li>III. Set the minimum safe contingency level for 2022/23 at £1.597 million for the General Fund and £0.546 million for the Housing Revenue Account</li> <li>IV. Agree that no transfers to or from the Working Balance should be built into the 2022/23 budget</li> </ul>
Appendix B Commercial Strategy	Sets out good practice as per guidance relating to Local Authorities commercialisation and investment activity.	V. Cabinet recommends the approval of the Commercial Strategy 2022 - 2027
Appendix C Medium Term Financial Strategy	Details all known factors affecting the financial position of the council over a 5 year period, providing a clear and concise view of future sustainability and resilience, allowing for effective longer term planning	VI. Cabinet recommends the approval of The Medium Term Financial Strategy and note the Budget Consultation report.
Appendix D Treasury Management Strategy	Sets out the strategy and governance relating to the council's cash-flow management, use of banks, investments and borrowing, taking into account guidance from our independent advisors and risk appetite	VII. Cabinet recommends the approval of the Treasury Management Strategy

Report Title	Purpose of report	Recommendations
Appendix E Capital Strategy	An overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability	Cabinet recommends the approval of  VIII. the Capital Strategy  IX. the Minimum Revenue Provision (MRP) Policy
Appendix F Capital Programme	Sets out capital expenditure and the associated financing over a 5 year period for the council's assets, including buildings, vehicles and ICT infrastructure.	X. Cabinet recommends the approval of the 5 year Capital Programme
Appendix G Housing Revenue Account (HRA)	Details the spending plans for council housing for 2022/23	Cabinet recommends the approval of  XI. the Housing Revenue Account budget for 2022/23  XII. increases of 4.9% for <ul style="list-style-type: none"> <li>• Housing and Supported Accommodation rents</li> <li>• Garage Rents</li> <li>• Lifeline Service</li> </ul> XIII. Increases in line with actual costs for <ul style="list-style-type: none"> <li>• Housing Related Support charges</li> <li>• Intensive Housing Management charges</li> <li>• Heating, Service and Sewerage charges</li> </ul> XIV. the updated use of reserves

Report Title	Purpose of report	Recommendations
Appendix H General Fund Revenue and Council Tax	Details all the income, expenditure and use of reserves during the financial year 2022/23, sets out the proposals for the council's council tax precept	Cabinet recommends the approval of  XV. the General Fund Budget for 2022/23  XVI. the General Fund Council Tax requirement of £6,403,772  XVII. the transfer of reserves including the deficit for 2022/23 to be drawn from the MTFs reserve in the Core Reserves  XVIII. the schedule of fees and charges as set out in Annexe H6  XIX. that delegated authority is given to the Director of Finance and Corporate Services to amend the trade waste fees.
<i>Appendix I Council Tax Resolution (Council Only)</i>	<i>Sets out the combined and individual Council Tax Band D equivalent for all preceptors, for the financial year 2022/23</i>	<i>XX. Approve the Council Tax Resolution for 2022/23</i>

### Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
All risks are Included in the individual appendices			

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

## Section 25 Report – Robustness of Estimates and Adequacy of Reserves

### Summary

1. As part of the annual budget setting process, the Section 151 Officer is required to give the Council a formal opinion on the robustness of the budget estimates and the adequacy of reserves.
2. The opinion is being considered by Cabinet on the 10 February and then by Full Council on 22 February as part of the budget approval process.

### Section 25 report

3. Section 25 of the Local Government Finance Act 2003 requires that when a local authority is agreeing its annual budget and council tax precept, the Chief Finance Officer must report on the robustness of the estimates made for the purposes of the (council tax requirement) calculations and that the budget includes an assessment of the potential financial risks facing the Council and that the Council has adequate reserves should those risks materialise.
4. The Act requires the council to give consideration to this report when making decisions on the budget.
5. In expressing the opinion, the Director of Finance and Corporate Services (S151 Officer) has considered the financial management and control frameworks that are in place, the budget assumptions, the financial risks facing the council and the level of total reserves.
6. Section 25 of the Local Government Act 2003 concentrates primarily on the uncertainties within the budget year (2022/23), however future uncertainties and increasing pressures on the Council's finances also inform the reserves balances for the medium term.
7. The Council holds a minimum level of reserves, called the Working Balance, to allow for sufficient reserve levels to manage unexpected impacts in line with the risk assessments, this is set at 2% of gross variable income and costs charged in both the General Fund and the HRA, and is recalculated for each year of the 5-year budget plan. This and further information on the reserves held can be seen in the Medium Term Financial Strategy report. The working balances for the budget year 2022/23 are as follows:

<b>Working Balance</b>		
	<b>General Fund</b>	<b>Housing Revenue Account</b>
	<b>£'000</b>	<b>£'000</b>
Gross Costs	44,935	10,463
Gross Income	34,904	16,841
2% Working balance	1,597	546

## **Financial management and control frameworks**

8. The Director of Finance has responsibility for ensuring that an effective system of internal control is maintained to provide an assessment of the current position across the whole council and identifying areas for improvement where appropriate. Areas for improvement are reported to the Governance Audit and Performance committee.
9. The Code of Practice for Financial Management (the FM Code) was introduced by CIPFA in November 2019. The Code clarifies how Chief Finance Officers should satisfy their statutory responsibility for good financial administration as required in section 151 of the Local Government Act 1972. Full compliance with the FM Code was expected for 2021/22. An assessment of the Standards and the Councils compliance and each Standard was assessed against a Red, Amber or Green rating. The main areas of development across the Council is budgetary control.

## **Robustness of Estimates**

10. A comprehensive process of scrutiny, review and challenge of budgets by managers, finance officers and the Corporate Management Team has taken place to provide a budget that is based upon realistic estimates, for example, ensuring that contractual commitments are provided for, salary budgets reflect the approved establishment and current staff in post, and income budgets are based on an assessment of price and demand.
11. No budget can ever be completely free from risk. Assumptions are made which means that the budget will always have an amount of uncertainty. The analysis below sets out the major risks applicable to 2021/22 and an indication of the possible impact.
12. Demand growth increases have been built into the proposed budget and MTFP at the mid-point of growth projections. Any increase in excess of this would need to be met from reserve if funding does not increase at the same level, the reserves hold adequate levels to cover any divergences from the expectation.
13. The 2022/23 budget has been prepared against the backdrop of unprecedented levels of uncertainty. The 2021/22 budget was approved on the basis of a one-year local government finance settlement which meant for much of the year, plans had to be developed without government spending plans for future years or an indicative settlement for local government. The government announced another one-year settlement for the budget year 2022/23 and for the future years various modelling has been undertaken by the finance team to develop a range of scenarios.
14. The Fair Funding Review which was to be based on an assessment of needs and resources has been paused along with postponed reform of Business Rates Retention. It is expected that all our external funding will be delivered through an adjustment to our Baseline funding level, tariffs/top ups and levies. The New Homes Bonus grant is also planned to end in line with the reforms and there is no defined scheme to replace it.
15. The CIPFA Prudential Code was published in December 2020 which aimed to clarify the position of CIPFA, the Government and the Public Works Loans Board (PWLB) on investments and treasury activities. Although the code allows for deferral for the full monitoring requirement until the 2023/24 budget year the guidance within The Code takes immediate effect. The Council has undertaken material investment activity within its capital program and the assumption is that under the new Code these can continue given prudent levels of reserves are held and provisions are set aside to mitigate risks. More details on the risks identified can be found in the Commercial Strategy.
16. The Treasury Management strategy is a key component of the Council's financial planning. This strategy sets out the proposed approach to borrowing and financial investments of cash reserves, referred to as Treasury activities, other non-treasury investments such as property investment are covered in the Commercial Strategy. The Council's strategy seeks

to strike an appropriate balance between security, accessibility and returns from managing the Council's cashflow and balances.

## Continuation of Impacts from Covid-19

17. Since March 2020 the pandemic and the emergency health response has required local authorities to make rapid changes to meet demands to both front line and support services, this resulted in additional expenditure along with income losses because of the lockdown periods and changes to consumer behaviour.

The impacts are continuing to be seen albeit on a smaller scale and the council continues to be compensated for the income losses in 2021/22. Budgets have been adjusted in line with changes to working approaches and have identified, as a separate exercise, on-going Covid-19 related risks and an assumption the compensation from government will not continue into 2022/23.

18. The following assumptions have been built into the budget that directly relate to the on-going impact of the pandemic:

Service	Assumptions built into budget
Revenues	It is assumed that the Business Team will be able to manage any further business support initiative put in place by Central Government without any further resources.
Revenues	It is assumed that current Officers are able to implement and account for any Business Rate initiatives introduced to support business
Waste Services	It is assumed that agency costs are at normal budget year levels without any impact from the pandemic
Benefits	It is assumed that if the government continue the Test and Trace Payment Scheme into 2022/23, the standard scheme will continue to be fully funded.
Car Parks	Income has been assumed to return to normal levels

19. The risks identified that directly relate to the on-going impact of the pandemic where consideration of the robustness of the estimates has been assessed are:

Service	Risks identified	Probability of variance arising	Favourable Impact	Adverse Impact
Revenues	Further resources maybe necessary dependant on the ongoing management of the pandemic however this will be covered by new burdens funding	M		L
Revenues	Additional consultancy maybe required to provided advice and guidance on new initiatives	M		M
Waste Services	Agency costs could increase if there is another lockdown and staff had to shield.	M		H
Benefits	There is a risk that if the discretionary scheme continues, the finite fund allocated to UDC will not be sufficient to meet demand. Demand levels are difficult to predict as numbers are impacted by covid infection rates and contact tracing in area.	M		L
Car Parks	There is a risk that the impact of COVID could changed the usage of some car park and if the recovery of the high street does not return as predicted and/or any further Covid variants generate restrictions or reduce the users confidence this will reduce income	M	M	M

**Budget Assumptions**

- 20. To form the budget for the 2022/23 financial year and then following 4 years to 2026/27 has allowed for best estimates of the total financial picture, making allowances for anticipated unavoidable pressures and future business plans.
- 21. This report does not generally list out in detail specific risks unless it is felt that it has the potential to have a significant impact on the Council. Due to the nature of the risk and the level of estimation applied to the fee income for Major planning applications, following the Designation Notice, it is appropriate that this is set out in detail as below. Further details on how this will be managed has been included in The Medium Term Financial Strategy (Appendix C).

The Government wrote to the Council on the 7 February 2022 advising that they are exercising powers under the Town and Country Planning Act [1990 – Section 62A] to ‘designate’ the Council in regard to the consideration of major planning applications. The consequence of designation is that applications for major development can be made directly to the Planning Inspectorate, although applicants will have the option of continuing to apply to the Council in the usual way.

The Council has taken the view that 50% of Major applicants are likely to opt for the alternative decision route and this equates to £560,000 of lost income based on the 2021/22 income figures. Whilst it is hoped, through working closely with DLUHC, that the Designation Notice will only be in place for 12 months a prudent approach has been applied to the MTFS and a similar sum (£560,000) has been removed from the Planning fee income expectations for 2023/24.

- 22. As there has been no other councils subject to a Designation Notice since 2014, there is very little information on which to base the estimated income loss. It should be noted therefore that this figure is subject to change giving a variance either higher or lower than the estimated £560,000. A separate paragraph will be provided in each quarterly budget monitoring report setting out the position at that point in time and the estimated annual loss.
- 23. It is not possible to give a precise estimate of the impact of each identified risk. As a general guide for risk assessments the following has been used:

Probability assessment  
 Low        Possible, but unlikely  
 Medium    Probable  
 High       Almost certain

Impact assessment  
 Low        Possible variance of £5k-£19k  
 Medium    Possible variance of £20k-£49k  
 High       Possible variance > £50k

Risks identified	Probability of variance arising	Impact	Overall Risk
<p><b>Sales, Fees and Charges</b></p> <p>There is an overall risk that income levels could drop due to economic conditions, changes in social behaviour and Government legislation.</p> <p>Specific services with higher risk of variable income levels have been identified as food imports, licensing, car parking and monitoring fees.</p>	Medium	Medium Adverse/Favourable	Medium
<p><b>Contracts</b></p> <p>Large contracts that are influenced by inflation give rise to a risk of material changes to the costs which are largely out of the control of those managing those contracts, any contracts due for re-tender give rise to risks of increase and decreases in base price</p>	Medium	High Adverse/Favourable	Medium
<p><b>Joint ventures and partnerships</b></p> <p>There is a risk with renewals of partnerships and joint ventures due within the budget year that the same level of service can not be agreed at a level similar to estimates built into the budget, or the service provided is no longer available which can require organisation changes and impacts to costs of interim measures if needed.</p>	Low	High Adverse/Favourable	Medium
<p><b>Transformation</b></p> <p>When planning changes to working approaches there is risk of variances of estimates built into the budget due to the size and amount of variables included in such projects.</p>	Medium	High Adverse/Favourable	High
<p><b>Capital Financing</b></p> <p>Estimates are built using expected project schedules of work, any delay in the scheme or unforeseen costs can create material impacts on the capital financing charges. Funding sources such as capital receipts may not be realised in the planned timescale therefore could create additional capital charges in the budget year.</p>	Low	High Adverse/Favourable	High
<p><b>Waste and Recycling</b></p> <p>This is a complex area financially and at greatest risk of volatility. Fuel costs and disposal costs, particularly around cost of dry recycling disposal are variable. Other budget risks have been identified regarding trade waste and green waste, all of which have income budgets that depend upon accuracy of forecasting activity levels.</p>	Medium	High Adverse	High
<p><b>Garden Waste</b></p> <p>There is currently a consultation around Garden waste charging which exposes the council to the risk of both additional costs and loss of income.</p>	Medium	High Adverse	High
<p><b>Planning Income</b></p> <p>Due to the planning designation being applied to the Council, major development applications can be made directly to the Planning Inspectorate, bypassing the Council and this could lead to significant losses in income. A budget estimate of a 50% loss has been applied to the 2022/23 budget, due to lack of information on how many will choose to go directly to the Planning Inspectorate, there is a risk that this estimate is either to low or to high.</p>	High	High Adverse/Favourable	High
<p><b>Local Plan</b></p> <p>Local Plan. A work programme is in place to prepare a new local plan. A new project management approach has been implemented which is being monitored regularly at dedicated meetings of the Scrutiny Committee</p>	High	High Adverse	High
<p><b>Planning appeals</b></p> <p>The current position of the Local Plan process raises the risk levels in the cost of defending appeals and any awards that may be made against the planning authority.</p>	Low	High Adverse	Medium
<p><b>Rental income</b></p> <p>Empty office space has been assessed for its use as an income stream and the assumption that the space will be rented in the budget year 2022/23 may not be realised due to finding tenants and lease agreements.</p>	Medium	High Adverse	High
<b>Housing Revenue Account Specific</b>			
<p><b>Rental income</b></p> <p>The ring-fenced account is set based on the assumption that the government agreement of allowing rental increases of at CPI+1% will continue over the medium term.</p>	Medium	High Adverse/Favourable	Medium
<p><b>Right to Buy Scheme</b></p> <p>The assumption that the authority will have suitable land and schemes to satisfy the right to buy agreement could, if undelivered, give rise to the risk of repayment of Capital receipts at an interest cost of 4% above base rate this would affect the cashflow of the authority and subsequent rental income from replacement properties would be lost. Currently there is work being undertaken by the government assessing the repayment criteria.</p>	Medium	High Adverse	High



## Conclusion

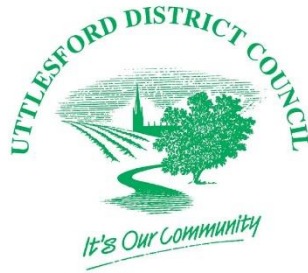
24. It is the opinion of the Director of Finance and Corporate Services (S151) that in their view the budget estimates are robust and the level of reserves adequate and satisfactory, as required by the Local Government Act 2003, on the assumption that the proposed council tax increases by £5 for the budget year 2022/23.
25. Whilst the 2022/23 budget is balanced, there remains a gap between estimated spend and funding streams for 2023/24 onwards. This is solely due to the uncertainty of funding pending the next spending review alongside the implementation of the new needs led funding formula and business rates reset. Therefore, the council needs to maintain focus on financial sustainability to produce a balanced budget over the medium term.
26. The risks identified will be proactively monitored and mitigating action taken as soon as reliable trends emerge. Budget monitoring reports are presented to Members on a quarterly basis during the financial year and will set out the latest position and action being taken, where applicable. The control environment and associated processes in place are robust. Financial management has been reviewed and actions are in place to strengthen them.
27. It is the opinion of the Director of Finance and Corporate Services (S151) that the reserves are adequate and appropriate, full details of all the reserves held and their purpose are set out in the Medium Term Financial Strategy (Appendix C).

## Impact

Communication/Consultation	Corporate Management Team and Joint Executive Team
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights	None
Legal implications	The report is prepared in order to comply with Section 25 Local Government Act 2003
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Actual events may differ from the assumptions and estimates used to produce the draft budget, which will lead to variances from the budget.	4 (variances will occur requiring action to be taken)	3 (potential impact which could adversely affect the council's financial position if not managed)	Budget monitoring and corrective action taken as necessary.  Maintain sufficient reserves and Working Balance.



# Uttlesford District Council

## Commercial Strategy 2022 to 2027



**Prepared by:**  
**Commercial Team**  
**Uttlesford District Council**  
**January 2022**

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1. The Council recognises that as a consequence of reducing government funding there is an increased requirement to generate additional income to underpin the core services provided by the Council to its residents. Traditional ways of generating additional income such as through Council Tax and fees and charges will not be able to absorb the reduction in government funding. By way of illustration, a 1% rise in Council Tax is equivalent to about £55,000 in additional income.
2. When the 2020-2024 Commercial Strategy was approved in February 2020, the Administration indicated that they proposed to address the significant shortfalls identified in the Medium Term Financial Strategy (MTFS) primarily through investments. To achieve that the Council agreed to set an investment fund approved limit of £300 million.
3. The 2021-2026 MTFS, which included the investment income from all of the agreed commercial acquisitions, predicted small surpluses for each of the years from 2022/23 onwards. As future years were added to the plan the additional costs will in part be offset by increases in rent from the investments.
4. Changes in both the CIPFA Prudential Code (the Code) and Government legislation on Minimum Revenue Provision (MRP) now mean that 2022-2027 MTFS has significant and rising shortfalls in funding despite the commercial portfolio that has been acquired. It is likely that in 2022/23 an asset will need to be sold with the profit being used to offset future capital funding and thereby reducing the annual shortfalls to a less significant level.

## Vision

5. To generate sufficient income to enable the Council to be self-sufficient, in that it generates its own resources from local taxation (Business Rates and Council Tax) and commercial investments thereby removing the reliance on Central Government grants.

## CIPFA Prudential Code 2021 (the Code) and Minimum Revenue Provision (MRP)

6. The Code was revised and published in December 2021. There are a number of changes but two in particular have a negative impact on future commercial investments
  - The Code previously said commercial activity should not be undertaken for yield. The Code now says 'an authority must not borrow to invest primarily for financial return'.
  - It further strengthens the statement by 'It is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority and where any

financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose.'

7. There are useful points of clarification which enable the Council to continue to invest in Chesterford Research Park and retain the existing commercial assets, subject to regular review.
  - a) 'Authorities with existing commercial investments (including property) are not required by this Code to sell these investments. Such authorities may carry out prudent active management and rebalancing of their portfolios. However, authorities that have an expected need to borrow should review options for exiting their financial investments for commercial purposes and summarise the review in their annual treasury management or investment strategies. The reviews should evaluate whether to meet expected borrowing needs by taking new borrowing or by repaying investments, based on a financial appraisal that takes account of financial implications and risk reduction benefits. Authorities with commercial land and property may also invest in maximising its value, including repair, renewal and updating of the properties.'
  - b) 'the risks associated with investments for service and commercial purposes are proportionate to their financial capacity – ie that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services.'
8. The Government has also strengthened the position with regards to MRP. Councils are now required to set aside annually monies, so as to ensure that, at the end of the borrowing term, there is sufficient funds available to pay off the amount borrowed. This Council has always applied MRP at 0% as the approach now mandated takes no account of inflation and future values.

### **Aims of the Strategy**

9. Given the changes in the Code and MRP the following seven principles guide the new strategy
  - (a) There will be no new commercial investments.
  - (b) Subject to (d) and (e) below, The portfolio, as set out in this document is therefore complete. Of the £300 million allocated in 2020 to building the fund, £275,565,000 (£275 million) has been used.
  - (c) MRP will be applied on an annuity basis over the life of each asset.
  - (d) As the Council already owns, through Aspire (CRP) Ltd, the land at Chesterford Research Park it will continue to develop the asset to maximise its value.
  - (e) As the Council already owns 46% of Stane Retail Park, which includes all of the public car parking, link roads and other shared elements for the entire site, it will evaluate the option of acquiring the rest of the asset to maximise the value of the already owned part. This would be done on

the basis that the sum of the whole is worth more than the sum of the constituent parts.

- (f) The portfolio will be reviewed on a regular basis to determine the requirements of the Council and the appropriateness of retaining or selling each asset.
- (g) The Council will look to maintain the commercial asset portfolio at an investment level of no more than £275 million. However, it should be noted that investments may need to take place ahead of sales which could temporarily increase that number.

## Purpose of the Investments

10. The investments are to generate income to enable the council to provide its core services. This income requirement has arisen because of reductions in the Council's finance from central government. Government also restricts the ability of councils to raise income from council tax increases.
11. The Council seeks to operate in the most cost effective ways and will continuously look for improvements in operations that will reduce costs or avoid increased costs. However, the scale of reduction in external finance was such that other income sources had to be found.
12. For 2021/22 the income target for the Board was guided by the MTFS. The MTFS forecasts the income and expenditure over a five year period and includes all known factors. It shows the predicted annual net surpluses or deficits. The investment income sought to cover the forecast significant deficits in each of the years of the MTFS, so as to ensure that existing services can continue to be provided. The investments acquired achieved this, however changes to the Code and MRP now mean that the assets are required to support budgets as the Council seeks efficiencies whilst minimising inevitable service impacts.

## Current Portfolio

### Chesterford Research Park

13. In May 2017 the Council, through its wholly owned subsidiary Aspire (CRP) Ltd, acquired a 50% share in Chesterford Research Park and formed a joint venture with Aviva Investors. As part of the Cambridge Life Science cluster the Park is world renowned, having been in existence for 19 years, with available space to significantly increase the commercial floor space, plus expand the Park into other areas of research to diversify and reduce the risk.
14. The Council gave a loan to Aspire (CRP) Ltd for the purchase of 50% of Chesterford Research Park (£47.25m). The loan was funded by

- Phoenix Life – borrowing of £37m for 40 years on a repayment basis @ 2.86% fixed. The first £10m drawdown was 5 July 2017 with the remainder as follows

5 July 2020 - £12m

5 July 2021 - £15m

- Use of reserves and balances (£10.25m) funds the balance.

15. Since the initial purchase the Council has made additional ongoing loans to Aspire (CRP) Ltd for further development totalling £13,346,000 taking the total investment to £60,596,000.

16. For 2022/23 the income from Chesterford Research Park is expected to be £2,411,000. There is also repayment to the Council of staff time whilst undertaking company work on Aspire (CRP) Ltd.

17. Further investment is planned during 2022/23 and future years as a new building (Building 800) is delivered. This will be a multi-let, near 60,000 sq ft building, a mix of office and laboratory space.

### **Skyway House, Takeley**

18. On 30 June 2020 the Council completed the purchase of Skyway House at Takeley. The tenant is Weston Homes Plc who have signed a long lease.





## Stane Retail Park, Colchester

19. On 4 August 2020 the Council completed on the forward funding opportunity at Stane Retail Park on the outskirts of Colchester adjacent to the A12. This will see the construction of two buildings, one for Aldi and the other for B&Q located on an extension to the existing site. Both tenants have agreed long leases. Completion took place in December 2021.







### 1 Deer Park Road, Livingston

20. On 21 August 2020 the Council completed on the acquisition of 1 Deer Park Road, Livingston. The tenant, Veterinary Specialist (Scotland) Ltd had recently taken occupation and final fit out was taking place.



21. At the time of purchase Veterinary Specialist (Scotland) Limited was a partnership between Pets At Home (Guarantors) and Dick White Referrals. Pets At Home have remained the guarantor but they have sold their interest to Linnaeus Group. Dick White Referrals have also joined Linnaeus Group which is part of the Mars Veterinary Health Group.

## **Matrix Park, Chorley**

22. On 16 September 2020 the Council completed the purchase of a large logistics building on Matrix Park, Chorley adjacent to the M6. The tenant, on a long lease, is Waitrose Limited and this regional distribution centre serves the north west and Scotland.



## **Amazon, Gloucester**

23. The Council completed the forward funding acquisition in March 2021 for a large scale distribution centre. The tenant is Amazon and they will use it as a 'final mile' van based distribution centre. Occupation by the tenant is planned for the final quarter of 2021/22.







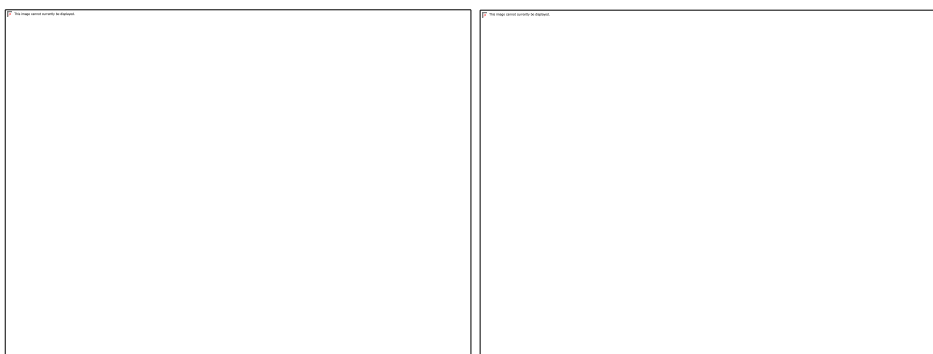
### **Moog, Tewkesbury**

24. In March 2021 the Council acquired a site in Tewkesbury for a new build head office and warehouse. The tenant will be Moog Controls Ltd. It is expected that the tenant will take occupation in the second quarter of 2022/23.



### **Little Canfield Business Park**

25. In November 2020 the Council acquired the former Winfresh Factory at Little Canfield, primarily as a new single waste depot. The site has a significant area of both building and land that will be let to tenant(s) once the conversion is complete. The site is planned to be ready for occupation in the first quarter of 2022/23.



## Loans to wholly owned subsidiaries

26. The Council recognises that, to further support the budget ongoing and to ensure the continued delivery of services at the level currently provided, further investment in the expansion of Chesterford Research Park will be necessary. To date, the following loans to Aspire (CRP) Ltd have been made

Date	Amount	Term	Rate	Basis	Annual Repayment	Repaid
03/05/2017	£47,250,000	50 years	4%	Interest Only	£1,890,000.00	
27/06/2017	£60,000	10 months	4%	Interest and principal	£61,827.95	✓
26/03/2018	£223,000	49 years 1 months	4%	Interest only	£9,000.00	
02/01/2019	£2,518,000	48 years 4 months	4%	Interest only	£101,000.00	
20/08/2019	£3,000,000	20 years	4.5%	Interest and principal	£135,000.00	
09/06/2020	£1,250,000	20 years	4.5%	Interest and principal	£56,000	
01/07/2020	£2,600,000	20 years	4.5%	Interest and principal	£117,000	
15/03/2021	£2,975,000	20 years	4.5%	Interest and principal	£121,000	
26/08/2021	£780,000	20 years	4.5%	Interest and principal	£20,000	

27. Interest only loans relate to refurbishment of a building and thereby extending its useful life. Interest and principal loans are where it is for fit out works which have a 20-year life expectancy.

28. In 2020 the Council allocated a further £20 million of funding, from the £300 million, for further expansion at CRP, of which £12.62 million remains to be allocated.

## The Investment Fund

29. The original 2020 Commercial Strategy set out an investment fund requirement of £300 million with a portfolio yield target (before borrowing costs) of 4%. As set out earlier completion of that portfolio sum is not now an option. The following table shows the current portfolio position and is split into two parts

- Completed investments – those already in the portfolio
- Future committed investments – forward funding approved yet to complete

£'000	Capital Investment (exc. Fees)
<b><u>Completed Investments</u></b>	
Chesterford Research Park	60,596
Weston Homes	20,000
Veterinary Hospital	5,925
Stane Retail Park	30,424
Waitrose Retail Distribution Centre	55,000
Little Canfield Business Park	7,500
	<b>179,445</b>
<b><u>Future Committed Investments</u></b>	
Chesterford Research Park	12,620
Amazon Distribution Centre	43,000
Moog Circuits Ltd	40,500
	<b>96,120</b>
<b><u>Investment Total</u></b>	<b>275,565</b>

30. With the change in the Code and MRP the Portfolio is now complete, and no further assets will be added.

31. In a full year the portfolio yield, once all outstanding acquisitions are completed, will have a yield of 4.8%. The rental income for the next five years is shown in the following table.

£'000	Capital Investment (exc. Fees)	Annual Rental Income				
		2022/23	2023/24	2024/25	2025/26	2026/27
<b>Completed Investments</b>						
Chesterford Research Park	60,596	2,449	2,449	2,449	2,449	2,449
Weston Homes	20,000	1,171	1,200	1,230	1,261	1,276
Veterinary Hospital	5,925	333	333	333	333	333
Stane Retail Park	30,424	1,784	1,830	1,878	1,927	1,977
Waitrose Retail Distribution Centre	55,000	2,508	2,508	2,508	2,508	2,508
Little Canfield Business Park	7,500	263	350	350	350	350
	<b>179,445</b>	<b>8,508</b>	<b>8,670</b>	<b>8,748</b>	<b>8,828</b>	<b>8,893</b>
<b>Future Committed Investments</b>						
Chesterford Research Park	12,620	-	-	603	603	603
Amazon Distribution Centre	43,000	2,280	2,280	2,280	2,280	2,585
Moog Circuits Ltd	40,500	1,520	1,667	1,667	1,667	1,835
	<b>96,120</b>	<b>3,800</b>	<b>3,947</b>	<b>4,550</b>	<b>4,550</b>	<b>5,023</b>
<b>Investment Total</b>	<b>275,565</b>	<b>12,308</b>	<b>12,617</b>	<b>13,298</b>	<b>13,378</b>	<b>13,916</b>

\* Little Canfield Business Park – Income is not shown in the investment income line in the MTFS it is shown within the General Fund budget as is other rental income of UDC occupied buildings (i.e.London Road)

## The Portfolio Moving Forward

32. The original plan had been to acquire assets, hold them for a period of time to generate income, but then to sell them at the appropriate time to realise a sum at least the level of which was paid for the asset. The monies received would then be reinvested in a new asset and the process repeated. By doing this the need to refurbish buildings, find new tenants etc. would be avoided and the portfolio kept 'current'.
33. The changes introduced by Government and CIPFA have resulted in the need to revise the plan for the portfolio moving forward. It will not now be possible to sell assets and buy new, the council will need to retain the assets for the longer term.
34. In line with the need to retain the asset for a longer period of time it will now be necessary to set aside some of the income raised each year into a reserve to cover increased risk of business failure and future costs of refurbishment at the end of lease.
35. The Council is committed to investing in Chesterford Research Park and changes to the Prudential Code do not stop it from doing so. The Council is keen to see existing tenants expand and grow on the Park and for the Park to attract new tenants from a diverse range of research activities. The Park is within the district

boundary and investing helps to sustain existing employment, introduce new employment opportunities, and generate additional Business Rates.

36. Regular reviews of all assets in the portfolio will be undertaken to determine the most appropriate point in time for sale, and to highlight timescales for refurbishments. The reviews will not only look at the asset itself but also the financial position of the Council and the opportunities that could be addressed if an asset is sold for a profit.
37. It is likely that in the final quarter of 2022/23 the Council will need to sell an asset to enable future balanced budgets to be set.

## Funding and Reserves

38. With the uncertainty over changes to the Code and MRP resolved, the Council can now arrange long term funding. It is likely that this will be done in three tranches during 2022/23 to coincide with the end dates for short term financing.
39. With monies being set aside to repay the principal annually through MRP these loans will in future be on a repayment basis over 35 years. The reason for moving to repayment loans is that the new Code requires the Council to demonstrate that its debt levels are reducing.
40. The new strategy requires a Commercial Asset Reserve to be established to cover costs at the end of the tenancy for each asset (except CRP). This reserve will pay for any refurbishment, void period and rent free period for new tenants. The lease terms and approximate costs of refurbishment over the period 2022 – 2070 have been mapped and timings of costs established. The resulting position is that a sum of £1 million per annum, from the investment income, will be placed in the reserve.
41. This reserve will grow without being drawn upon for a number of years but will then be heavily used between years 15 and 25 as most of the assets have lease expiry at that point in time.

## Performance Reporting

42. A quarterly report is produced for the portfolio. This includes a
  - a) professional valuation undertaken by a market leading specialist for each asset
  - b) commercial market trading update to help inform investment decisions
  - c) report on each asset by professional asset managers who are responsible for tenant liaison, rent collection, rent reviews etc.
43. As at 30 September 2021 the value of the completed acquisitions is set out below



Property	Price paid (including future commitments)	Amount paid as at 30 September 2021	September 2021 valuation
	£	£	£
Colchester, Stane RP	30,424,000	7,500,000	11,000,000
Chorley, Waitrose RDC	55,000,000	54,608,773	60,150,000
Livingston, 1 Deer Park	4,758,374	4,758,374	5,125,000
Takeley, Skyway House	20,000,000	19,500,000	19,600,000
Gloucester, Amazon	43,000,000	20,589,660	23,600,000
Tewkesbury, MOOG	40,500,000	11,953,310	16,950,000
	<b>193,682,374</b>	<b>118,910,117</b>	<b>136,425,000</b>
Aspire (CRP) Ltd	60,596,000	60,596,000	85,125,000
<b>Total Portfolio</b>	<b>254,278,374</b>	<b>179,506,117</b>	<b>221,550,000</b>

## Security, Liquidity and Yield

44. As the Council only has a small amount of money of its own to invest, any further expansion at CRP will necessarily be funded from a mix of external borrowing, from financial institutions, Public Works Loan Board (PWLB) and other local authorities. The Council will not invest in high yield, high risk opportunities. This will be reflected in an average portfolio yield target of 4% (before cost of borrowing).
45. Investments at Chesterford Research Park will be made by way of loans to Aspire (CRP) Ltd the Council's wholly owned subsidiary. All commercial investments outside of Chesterford Research Park will be undertaken by the Council.
46. The option to liquidate funds is either by selling the investment (or part thereof) or by refinancing the debt.

## Risks

47. The Council takes advice from its professional advisers at all times. For example, with the purchase of the 50% share at Chesterford Research Park the Council engaged



- Arlingclose as its financial advisers who project managed the funding tender
- Cushman and Wakefield who undertook all of the purchase negotiations and due diligence
- Hogan Lovells for Legal due diligence

48. For Aspire (CRP) Ltd the Council has appointed two non-executive directors to serve on the Board and bring independent challenge and support.

49. There are five main risks with regard to the wider portfolio and the new strategy of asset retention.

Risk	Probability (L, M, H)	Favourable Impact (L, M, H)	Adverse Impact (L, M, H)	Mitigation
Tenant default rent payments	M	L	H	The Council has established a Commercial Asset Reserve, one role of which is to mitigate the budget impact of this risk occurring.
Cost of borrowing increases beyond yield	L	L	H	The Council will enter in to long term funding during 2022/23 in a number of tranches.
Refurbishment costs at end of lease are materially different to budget	M	M	M	Estimates for refurbishment have been made based on experiences at CRP. As this element of the Commercial Asset Reserve is unlikely to be used for the next 15 years there will be sufficient funds to cover any shortfall.
Unable to find new tenants resulting in void periods being longer and/or new tenants want longer rent free periods than budgeted	M	L	H	Estimates for reasonable periods for void and rent free periods based on advice from agents. As this element of the Commercial Asset Reserve is unlikely to be used for the next 15 years there will be sufficient funds to cover any shortfall in income.
The joint venture partner at CRP wants to sell their 50% share	L	H	H	The Council would have three options and would choose the most applicable at the time <ol style="list-style-type: none"> <li>1. Buy the JV partner's share</li> <li>2. Sell the Aspire share at the same time</li> <li>3. Accept whoever the new JV partner is</li> </ol>

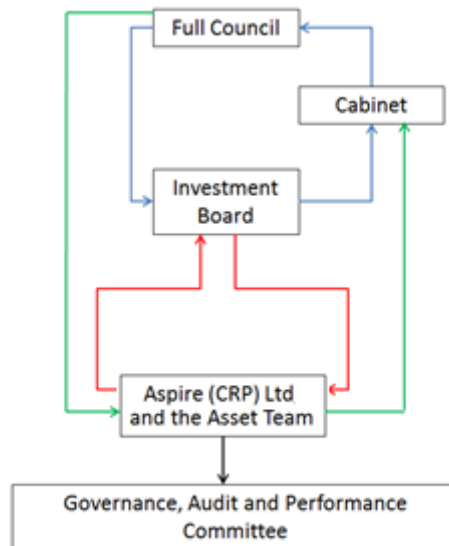
## Proportionality

50. The income requirement has arisen as a result of reductions in the Council's finance from central government. Government also restricts the ability of councils to raise income from council tax increases.
51. The Council has established a Commercial Asset Reserve (see para 40) which will be established with the sum of £3 million to cover the risk of investment failure. In addition, the Reserve will increase by £1 million per annum to cover the cost of future refurbishment, void and rent free periods for each of the assets, except CRP.
52. As part of the regular review of the portfolio the Council will look to, at the right points in time, reduce the level of borrowing in place by selling one or more of the assets.

## Capacity, Skills and Culture

### Investment Board (IB)

53. The IB will operate in accordance with the Commercial Strategy which is adopted annually by Full Council. Cabinet will delegate to the Leader; Portfolio Holder for Finance and Budget, Portfolio Holder for the Economy, Investment and Corporate Strategy and the S151 Officer (or Assistant Director of Resources for Aspire investments) to conclude investments or disposals where authorisation has been given by Full Council.
54. Constitution of the IB
  - a) The IB is a Working Group of Cabinet and membership will be determined by the Leader of the Council
  - b) In addition there will be two independent members to supplement the skills of the elected Members.
55. The investment decision making and monitoring process is as set out overleaf



#### 56. Democratic Process (blue line)

- a) As part of the annual budget setting process, Cabinet develops the Commercial Strategy in consultation with the IB. Cabinet recommends to Council the adoption of the Commercial Strategy.
- b) Council adopts the Commercial Strategy.
- c) The Cabinet will receive from the IB quarterly updates, including KPIs, on the performance of the portfolio.
- d) For new investments or disposal of existing, the IB reviews the business case and if appropriate supports a recommendation to Cabinet for the acquisition or disposal.
- e) Cabinet reviews the business case and recommendation for either an acquisition or disposal, and if satisfied recommends to Council that either funding is made available, or the disposal is approved.

#### 57. Internal Process (red line)

- d) Aspire (CRP) Ltd looks after developments at Chesterford Research Park. The Council's Asset Team will manage all other non-CRP commercial investments.
- e) Depending on the category of investment or disposal sought, Aspire (CRP) Ltd or the Asset Team, working with professional advisors, will identify assets which meet the requirements set out by the IB. They will prepare business cases for consideration by the IB. The IB will review and consider the cases in detail and if suitable will make the recommendation to the Cabinet to proceed. Approval by the Board of Aspire (CRP) Ltd is also required prior to submission to the IB.

- f) Aspire (CRP) Ltd, along with the Asset Team, prepare the quarterly KPI and other information for submission to the IB.

58. New investments or disposal of existing assets (green line)

- a) At an Extraordinary Meeting of Council a decision is taken on whether or not to allocate the funding for a new investment or agree to the disposal of an existing asset.
- b) If an investment is agreed, funding will be made available to Aspire (CRP) Ltd or to the Asset Team to enable the purchase to be made in accordance with paragraph 53.
- c) If the authority is for a sale the disposal will be undertaken in accordance with paragraph 53.

59. A report on annual performance of Aspire (CRP) Ltd is presented to Cabinet

# Uttlesford District Council

## Medium Term Financial Strategy 2022 – 2027



Prepared by:  
Finance  
Uttlesford District Council  
February 2022



## **The Medium Term Financial Strategy (MTFS)**

1. The MTFS sets out how the Council plans to manage its finances over the next five years, aligning our resources closely to the priorities set out in the Council's Corporate Plan and its commitment to providing services that meet the needs of people locally. A key part of the strategy is to highlight the budget issues that will need to be addressed over the coming financial years.

## **The Prudential Code – 2021 and Minimum Revenue Provision (MRP)**

2. The Government and CIPFA have had concerns on the level of commercial investments entered into by Local Authorities and these concerns have in part led to a 2021 revision to '*The CIPFA Prudential Code for Capital Finance in Local Authorities (the Code)*'.
3. The Code is guidance which underpins the process of financing capital expenditure. The Code states that whilst it is only guidance Local Authorities are required by regulation to have regard to it at all times.
4. In 2020/21 CIPFA launched a consultation on the proposed changes to the Code, the changes focused on the following areas;
  - a local authority's capital expenditure and investment plans are affordable and proportionate
  - all external borrowing and other long-term liabilities are within prudent and sustainable levels
  - the risks associated with investments for commercial purposes are proportionate to their financial capacity, and
  - treasury management decisions are taken in accordance with good professional practice.
5. The Code states that an authority must not borrow to invest for the primary purpose of financial return and must pay regard to the statutory guidance on minimum revenue provision. This provision is a direct revenue charge at a percentage of the amount of capital financing outstanding, to minimise financial risk and ensure adequate funds are held to offset debt.
6. The two factors above have meant that the Council has reviewed its Commercial Strategy, and although the Code states that any new requirements do not have to be adopted until 2023/24, the Council has elected to apply them from 2022/23. The main reason for doing this is that by delaying the implementation for a year the asset life has reduced and therefore the MRP will be applied over a shorter time period resulting in an increased annual revenue charge.
7. Further details on the changes to the Commercial Strategy can be found in Appendix B. The main aims of the Commercial Strategy are;
  - a. There will be no new commercial investments
  - b. Subject to (d) and (e) below, The portfolio, as set out in this document is therefore complete. Of the £300 million allocated in 2020 to building the fund, £275,565,000 (£275 million) has been used
  - c. MRP will be applied on an accruals basis over the life of each asset
  - d. As the Council already owns, through Aspire (CRP) Ltd, the land at Chesterford Research Park it will continue to develop the asset to maximise its value
  - e. As the Council already owns 46% of Stane Retail Park, which includes all of the public car parking, link roads and other shared elements for the entire site, it will evaluate the option of acquiring the rest of the asset to maximise the value of the

already owned part. This would be done on the basis that the sum of the whole is worth more than the sum of the constituent parts

- f. The portfolio will be reviewed on a regular basis to determine the requirements of the Council and the appropriateness of retaining or selling each asset
- g. The Council will look to maintain the commercial asset portfolio at an investment level of no more than £275 million. However, it should be noted that investments may need to take place ahead of sales which could temporarily increase that number.

### **Financial Settlement – 2022/23**

8. The Medium Term Financial Strategy was prepared based on the provisional settlement announced on the 16 December 2021. The final settlement is due to be confirmed in early February, it is not expected that there will be any changes to the levels of funding announced in the provisional settlement. Any amendments will be reflected in the MTFs prior to presentation for approval at Council.
9. The Government were due to announce a three year settlement to provide Local Authorities with the ability to plan ahead. But due to other pressures on the Government a further one year settlement was announced.
10. The one year settlement meant that any funding reviews and business rates reforms were delayed for a further year. Although this did mean that the current funding streams continued; New Homes Bonus (NHB), Rural Services Delivery Grant (RSDG) and a second year award of the new Lower Tier Services Grant (LTSG).
11. The impact of the one year settlement and the subsequent deferral of the funding reviews and reforms for Business Rates meant that the expected negative financial implications for the Council have also been delayed by one year.
12. The key items of the Financial Settlement announced were:
  - Local Government as a whole, have received a 6.9% increase in Core Spending Power, although this is reliant on maximising Council Tax increases
  - Council Tax threshold allowable increases of up to 1.99% or £5, anything over this amount would be subject to a local referendum
  - The Lower Tier Services Grant will continue for a second year, this is to provide 'stability' to Local Authorities and to ensure that no council would receive less funding than in the prior year
  - New Homes Bonus has been extended by a further year (in line with the delay in funding reviews and business rates reforms), similar to last year this will attract no legacy payments. The legacy payments in line with the original scheme will remain, with 2022/23 being the final payment and the baseline was maintained at 0.4%.
  - Rural Services Delivery Grant has remained at the same level
  - Business Rates multipliers were frozen for a second year, the Council will receive compensating funding for the loss of the additional income

### **Fair Funding (FFR) and Business Rates Reform (BRR)**

13. The Fair Funding Review (FFR) will affect how funding is allocated and redistributed between local authorities and has been delayed for a number of years. It is now expected to be implemented as part of the next Spending Review in autumn 2022. Whether this will be the full review as set out in the initial consultations or just certain elements, is an unknown at this time.

14. The basis of the FFR is to provide a simpler and more transparent formula with a fairer allocation of funds based on spending need. It is viewed that a flatter formula will benefit rural district councils, although there is also a lot of focus in the review to address the issues faced by the upper tier authorities and unitaries.
15. In addition, there has been a long running plan to reform business rates, and this is expected to include a full baseline reset, again this has been delayed for a number of years. This will mean that all the growth prior to the preceding year of the reset that has been generated since the introduction of the BRR scheme in 2013 will be incorporated into our baseline funding level calculation. The Council currently retains 50% of growth above our baseline funding level, so the loss of the growth will have a direct cost impact on the Council.
16. It is not expected that the NHB scheme will continue once the reforms are introduced but any remaining legacy payments due will be received. In the 2021/22 settlement the Secretary of State announced the Government's intention to consult on the future of a housing incentive scheme to replace the NHB grant. This will include moving to a new, more targeted approach that rewards local authorities where they are ambitious in delivering the homes needed in their area. The scheme rewards are also likely to be aligned with other measures around planning performance, such as having an adopted Local Plan. It should be noted that there were no updates on the future of NHB or the alternative scheme in the 2021 spending review.
17. Pixel Financial Management are the Council's external financial consultants, and they have close links with CIPFA and central government departments. This enables them to have early indications of changes to funding and are participating members on a number of Government consultation groups. They provide the Council with an in depth analyse of the settlement, any proposed changes plus updates and guidance relating to consultations that impact on our future funding.
18. Pixel provided a briefing paper on the settlement and their views on future funding and an extract of this is copied below.

*'The Government announcement is for a one-year settlement in 2022-23. There are no projected or indicative numbers for the remainder of the spending review period (2023-24 and 2024-25). More fundamental changes in local government funding have been clearly signalled for 2023-24.*

*The settlement itself is relatively good for local government – certainly compared to the settlements the sector received before 2020-21. Core Spending Power is increasing by £3.5bn (6.9%, cash), well above inflation, for now at least. An increase of £2.1bn in grant funding within Core Spending Power in 2022-23 means that there is less reliance on council tax increases (£1.4bn) than in previous settlements.*

*Local government received £1.5bn in additional funding in Spending Review 2021. Only around 40% of this funding increase has been allocated to social care, a smaller share than we had expected.*

*The remainder of the £1.5bn has largely been allocated through the new 2022-23 Services Grant (£822m). This is an SFA increase by another name, which is received by every authority, including those with "negative RSG".*

*The changes in grants introduced in the 2021-22 settlement have largely persisted into this settlement. Lower Tier Services Grant continues at £111m (with a slightly smaller cash floor payment to support those with reductions in Core Spending Power). Rural Services Delivery Grant remains at £85m. And New Homes Bonus lives to fight another day. There will be a further one-off payment, in addition to the final legacy payment. Surely 2022-23 will be its final year.*

*More fundamental changes in the distribution of funding could be implemented as early as 2023-24. Work will start "in the coming months" to work out "with the sector" how to update funding distribution and "challenges and opportunities facing the sector". These changes in funding could be*



*significant and will make forecasting for 2023-24 and beyond very difficult. Some or all of the Fair Funding Review could be resurrected, and a business rates baseline reset seems likely. Damping or transitional support should help to soften losses in funding.'*

### **Covid-19 Pandemic**

19. The Covid-19 pandemic has impacted on a number of the Council's functions, including service delivery and the way our residents interact with us.
20. The national lockdowns and tier restrictions during 2020 and 2021 have impacted mainly on the high street and the hardest hit have been the retail, leisure and hospitality sectors. The effects of these restrictions and the further recent issues of the new variant, Omicron, means that many businesses are still struggling financially.
21. Government put into place a significant level of financial support for businesses, including extending the retail relief and providing direct grants. Further Grant funding has been made available in January 2022.
22. The Council expected a high level of lost income due to the pandemic, but the recovery in some areas has been positive, planning applications increased and the income streams for this meant original budget expectations were exceeded. The two areas that have suffered significant unrecoverable losses are Car Parking and Trade Waste.
23. It is hoped that when the new financial year begins in April 2022 there will be a period of relative stability around Covid-19 following the enhanced vaccination programme, enabling businesses and the local economy to recover further.
24. It is expected that businesses will need to look at alternative business plans as they prepare for a 'new normal' where people's shopping and working patterns are significantly different from the pre-pandemic position.

### **The Corporate Plan**

25. The Corporate Plan sets out the Council's priorities and is a key document in establishing the annual budget and medium-term financial strategy.
26. The Corporate Plan has four key themes which are set out below, the key activities identified to deliver the four themes are detailed in the Corporate Plan Delivery Plan (CPDP). The 2022 – 2027 Corporate Plan is included in tonight's agenda, once adopted the 2022/23 CPDP will be formulated for approval at Cabinet in March 2022. The existing Corporate Plan and CPDP can be viewed using the following link.

<https://www.uttlesford.gov.uk/corporate-plan>

## The Corporate Plan 2022 - 2027

<p><b>Putting residents first</b>  <i>We will: be a council that listens and acts for residents; delivers outstanding levels of transparency and accountability; be responsible with residents' money and mitigate the impact of government cuts</i></p>	<p><b>Active place-maker for our towns and villages</b>  <i>We will: masterplan new communities for and with residents; support neighbourhood planning; work with the airport on issues of concern to communities; support employment and retail areas; deliver more affordable homes; promote healthy lifestyles</i></p>
<p><b>Progressive custodian of our rural environment</b>  <i>We will: take action on climate change; conserve our natural resources; protect and enhance our rural character and heritage; take strong action on dealing with pollution</i></p>	<p><b>Champion for our district</b>  <i>We will: improve Uttlesford's connectivity; support our students, schools and libraries; work with partners to keep the district safe; work to create a better local health service for residents</i></p>

## The Local Plan

27. A Local Plan is a document which sets out planning policies and proposals for new development. The Government requires local authorities to review their Local Plans every five years and have an up to date Plan. Once the Local Plan is adopted it will be used to determine planning applications. The plan will allocate sites in the most sustainable locations within the District, which will alleviate speculative development by developers in unsustainable locations and help the Council in planning long-term for major infrastructure and cohesion with existing settlements.
28. The Local Plan will also include new policies that will shape development to maximise environmental benefits and ensure the provision of necessary transport links, this cannot currently be achieved with speculative development. Policies will also determine the size and tenure of homes in order to meet local needs, to address the cause and impact of climate change, improvement of biodiversity and to protect the majority of our countryside. It will create policies that support new and growth of businesses so that people can work locally with a reduced emphasis on commuting and the need for car usage. This will also inform utilities and infrastructure providers to make sure the timing of delivery is in line with development growth in the right locations.
29. The Government requires all local authorities to produce a long-term plan in order to meet the needs for the future. If we do not have a Local Plan development will still take place. However, we will not have policies to decide where growth goes or policies to protect our environment also, we will not be able to provide other providers such as Essex County Council where things such as schools and highway improvements need to go in sufficient time to be included in their five year plan. If we do not have a Local Plan in place the Council are at risk of 'special measures' by the Government which would take the ability away from elected Members of making local decisions for local people.

## Planning Designation

30. The Government wrote to the Council on the 7 February 2022 advising that they are exercising powers under the Town and Country Planning Act [1990 – Section 62A] to 'designate' the Council in regard to the consideration of major planning applications. The consequence of designation is that applications for major development can be made directly to the Planning Inspectorate, although applicants will have the option of continuing to apply to the Council in the usual way.

The Council has taken the view that 50% of Major applicants are likely to opt for the alternative decision route and this equates to £560,000 based on 2021/22 income figures. This sum has been removed from the Planning service fee income line.

As part of the Designation Notice the Council must provide an improvement plan, which the Council already has from the 2021 review undertaken by EELGA. However, the lost income formed a key element in funding the changes that need to be made and Officers have commenced discussions with DLUHC around financial support whilst the Designation Notice is in place. In addition to the request to DLUHC the Council will put in place enhanced budgetary controls, such as vacancy management, to minimise the final level of Reserve drawdown that is required.

With the reduction in the number of Major applications submitted to the Council there will be some officer spare capacity which will be used to fast track the improvement plan to ensure the Designation Notice is rescinded as soon as possible. Whilst it is hoped, through working closely with DLUHC, that the Designation Notice will only be in place for 12 months a prudent approach has been applied to the MTFs and a similar sum (£560,000) has been removed from the Planning fee income expectations for 2023/24.

### The 5 Year Budget Model

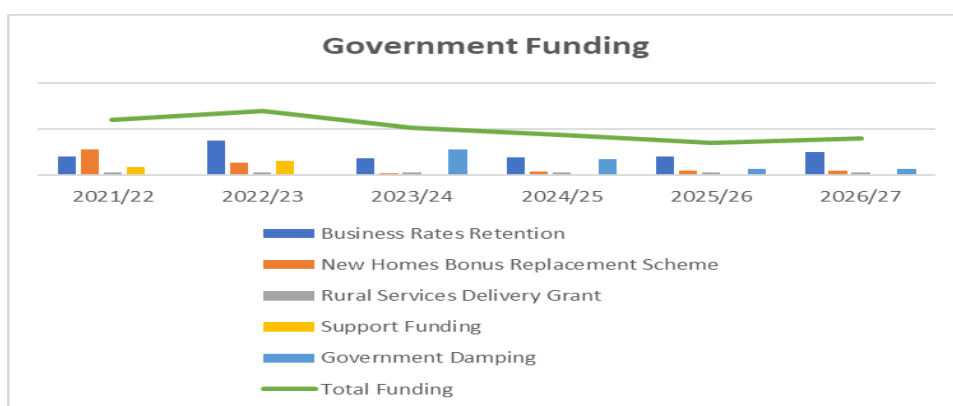
31. The Council is reliant on the following sources of funding for 2022/23:

- Council Tax
- Business Rates Retention Income
- New Homes Bonus – one year only + final year of legacy payment
- Lower Tier Services Grant
- Rural Services Delivery Grant
- Investment income
- Fees and charges

32. The funding lines in the MTFs in 2022/23 are actual figures based on the financial settlement, from 2023/24 the following assumptions have been applied:

- Business Rates baseline being reset and the overall Government funding package updated using a reformed methodology for distribution.
- An estimate of what the New Homes Bonus replacement scheme will generate based on our current housing growth and level of planning performance
- An annual increase in Council Tax of 1.99% to the Band D equivalent and a taxbase growth of 0.86% annually.

33. The graph below demonstrates how our funding is changing over the life of the strategy, and a more detailed explanation is included under the Budget Model section later in the report.

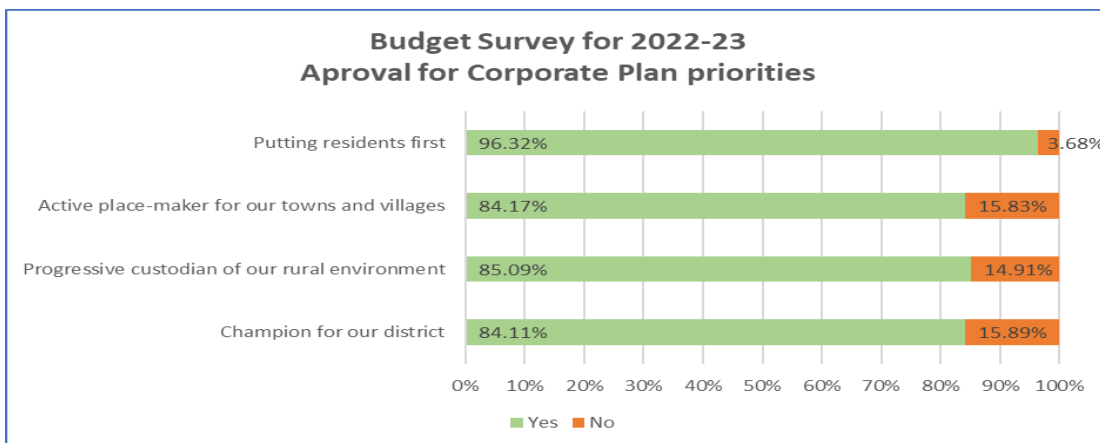


- Business Rates Retention – these figures exclude any surplus or deficit from prior years, so only shows the actual funding received in year. The increase in funding in 2025/26 and 2026/27 relates to new growth which comes with additional reward. It is however likely that a future reset in 2027/28 would see that additional funding removed.
- New Homes Bonus Replacement Scheme – 2022/23 represents the one year payment plus the final year legacy payment from the original scheme. Future years forecasts are an estimate of what a new scheme may look like
- Support funding – this is the Lower Tier Services Grant which is ‘top up’ funding for Local Authorities as part of the one year settlement, so will not continue after 2022/23.
- Rural Services Delivery Grant – this grant is specifically targeted at Local Authorities who deliver services in rural areas where there are additional costs due to the large geographical area.
- Government Damping – this is to provide transitional support whilst the funding reforms are implemented, these figures are extremely high risk as there are no indications on the methodology or level of transitional support the Council will receive. These have been calculated in direct consultation with Pixel.

### Budget Consultation 2022/23

34. A budget consultation was carried out for the period 30 September – 17 October 2021, asking Residents and Business for their views on the Council’s priorities for service delivery over the next financial year. The consultation was specifically aimed at the financial year 2022/23.
35. The MTFS will reflect the responses received across the 5 year plan as these are consistent with previous consultations that have been carried out, and it would be expected that these will remain as high priorities within the district.
36. The full report is attached to the General Fund Budget 2022/23 report at Annexe H6, a summary of the consultation responses has been set out below

Q1. Are the four priorities for the new Corporate Plan “are the right ones” for 2022-2023.



Q2. Does the district council provide value for money?

Strongly agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Strongly disagree	Don't know
28	55	38	26	17	3
16.80%	32.90%	22.80%	15.60%	10.20%	1.80%

Q3. Level of importance for both Statutory and Discretionary Services

Level of Importance	Statutory Services	Discretionary Services
Highest	Waste and Recycling	Maintaining local amenities (grass cutting/maintenance)
Second	Cleaner Neighbourhoods	Communicating with the Public
Third	Local Plan and planning applications	Community Safety
Lowest	Licensing	Ward Member Grants

**Budget Model**

37. To inform the financial outlook for the Council, a detailed budget model has been prepared, full details of the General Fund budget for 2022/23 are set out in Appendix H.

38. Direct Services estimated income and expenditure for the next 5 years is set out in the table below.

	2021/22 Budget £ '000	2022/23 Budget £ '000	2023/24 Forecast £ '000	2024/25 Forecast £ '000	2025/26 Forecast £ '000	2026/27 Forecast £ '000
Gross Service Expenditure	36,853	37,481	38,031	38,797	39,664	40,497
Gross Service Income	(21,117)	(20,140)	(20,903)	(22,045)	(22,507)	(22,979)
Demand Growth			200	400	600	800
<b>Sub Total Net Service Expenditure</b>	<b>15,736</b>	<b>17,341</b>	<b>17,328</b>	<b>17,152</b>	<b>17,757</b>	<b>18,317</b>

39. The model includes the funds to deliver the Corporate Plan priorities, there are a number of priorities across all the four themes, and these include the Local Plan, Climate Change and the recovery of the local economy.

- Local Plan – A total budget of £6.83m was allocated in September 2020 for the start of the new Local Plan in 2020/21 with expected adoption in 2024/25. The spending profile is shown for each year in the table.

2020/21 £ '000	2021/22 £ '000	2022/23 £ '000	2023/24 £ '000	2024/25 £ '000	Total Spend
1,368	1,595	1,866	1,217	783	<b>6,829,840</b>

- Climate Change – A budget of £1m was allocated to the climate change programme, the profile of spend is split over a three year period, with the first year allocation in 2020/21 of £340,000 and further allocations of £330,000 for both 2021/22 and 2022/23.
- Economic Recovery – To support the recovery of the local economy a budget of £1m was allocated to Economic Development to enable initiatives and additional support to be offered to local businesses and residents. This was allocated over a three year period, with the first year allocation in 2020/21 of £340,000 and further allocations of £330,000 for both 2021/22 and 2022/23.

The following key inflationary assumptions are used in the model.

- a) Gross service expenditure and income: Takes the 2021/22 base budget as a starting point with any one-off in year items being removed. Inflation has been included at 4% for 2022/23, then reducing to 3% in 2023/24 and 2% ongoing, except where special arrangements apply e.g., car park charges and taxi licences. Utilities are in line with the current market forecasts.
  - b) Service demand growth – Due to growing population and housing numbers, it is prudent to assume greater demand for Council services such as refuse and recycling, revenues collection, etc.
40. The Council also incurs corporate expenditure and non-service related income that sits outside the direct service budgets, these are set out below.

	2021/22 Budget £ '000	2022/23 Budget £ '000	2023/24 Forecast £ '000	2024/25 Forecast £ '000	2025/26 Forecast £ '000	2026/27 Forecast £ '000
Capital Financing Costs	3,626	1,771	1,645	1,384	1,341	3,926
IFRS 16 charge		80	80	80	80	80
Investment Asset - MRP		3,281	3,346	3,413	3,481	3,551
Investment Assets income	(6,928)	(11,774)	(12,036)	(12,710)	(12,782)	(13,315)
Treasury Investment Income	(23)	(7)	(7)	(8)	(8)	(9)
Treasury Investment Cost	1,814	2,835	4,930	4,823	4,698	4,572
PFI Interest cost	360	348	334	319	303	285
Pension Fund	85	85	335	335	335	335
Recharge to HRA/Corporate Core	(1,552)	(1,747)	(1,782)	(1,818)	(1,854)	(1,891)
<b>Corporate Costs</b>	<b>(2,618)</b>	<b>(5,130)</b>	<b>(3,156)</b>	<b>(4,182)</b>	<b>(4,407)</b>	<b>(2,467)</b>

- a) Capital Financing Costs are in line with the projected capital programme's financing requirements, set out in Appendix F. In previous years the capital programme has been financed using internal borrowing, which allows the cost to spread over a longer period. Internal borrowing increases our capital financing requirement (CFR), and this would then attract an additional MRP charge. In order to reduce any further impacts of MRP all capital expenditure will now be charged in the year of acquisition. The increase in costs in 2026/27 are due to the waste vehicle fleet coming to end of life and scheduled for replacement.
- b) IFRS 16 is a charge against leases held where no rent is paid (i.e., peppercorn rent leases) and is a new requirement.
- c) Investment Asset - MRP is the adoption of the requirement to charge an annual provision to reduce the outstanding borrowing against capital expenditure for the commercial investment assets. This has been applied on an annuity basis over the life of the asset.
- d) Investment Income is made up of the interest return on the loans made to Aspire (CRP) Ltd for the purchase and development of Chesterford Research Park and the rental income on the Council's direct commercial property investments. The investment income is net of any asset management fees, in line with accounting reporting standards.
- e) Investment costs are the cost of borrowing, primarily for the funding of the commercial assets. This is currently a mix of long term and short term borrowing with a large proportion of the borrowing being from other local authorities. The MTFs assumes the Council will



move to an increased level of longer term borrowing during 2022/23 which, whilst more expensive, reduces interest rate risk over the term.

- f) PFI Interest – this the Council’s element of the cost of financing for the Leisure Centres
- g) Pension Fund deficit payment – In 2020/21 a discounted triennial payment was made covering the years up to and including 2022/23. Thereafter the MTFS reverts to annual payments.

41. Recharges to HRA – based on the apportionment of the actual costs of central services and corporate support used by the Housing Revenue Account.

42. The funding the Council expects to receive is detailed below and includes one off grants and previous year deficits for Business Rates and Council Tax. Estimates for future years have been calculated based on the current information available; the indications Government has provided and in consultation with Pixel.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Budget	Budget	Forecast	Forecast	Forecast	Forecast
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Business Rates Retention	(2,064)	(3,775)	(1,868)	(1,934)	(2,032)	(2,560)
New Homes Bonus Replacement Scheme	(2,823)	(1,343)	(260)	(390)	(520)	(520)
Rural Services Delivery Grant	(293)	(293)	(293)	(293)	(293)	(293)
Support Funding	(890)	(1,552)				
Government Damping (high risk)			(2,775)	(1,797)	(680)	(680)
	<b>(6,069)</b>	<b>(6,962)</b>	<b>(5,196)</b>	<b>(4,414)</b>	<b>(3,525)</b>	<b>(4,053)</b>

- a) The Council currently retains 40% of Business Rates income collected and this is subject to a tariff which is variable and set annually to align the actual income collected to the baseline funding level. The funding level is calculated by the Department of Levelling Up Housing and Communities, based on the needs and resources of the Council. The figures in the table above is the net income of the Business Rates income after adjustments, tariffs, levies and any prior year surplus or deficit. The Business Rates income assumes a full reset in 2023/24, meaning all growth will be included in the baseline funding level. A prudent forecast has been included for future years until more information is released on exactly how this will be calculated.
- b) New Homes Bonus: The model shows the announced figure for 2022/23 and includes the final legacy payment from the original scheme. For future years an estimate has been included on what the possible replacement scheme will look like. It is expected the new scheme funding for Districts will be based on ensuring the ‘right housing in the right areas’ and be linked to the potential planning reform and planning performance.
- c) Support Funding - The Government has provided additional grants shown as part of the one year settlement totalling £1.552m, Lower Tier Services Grant which ensures that the Council is no worse off than in the previous year settlement and is transitional support whilst the reforms of the current funding methodology are implemented.
- d) Government Damping - To support the Council during the funding reforms (FFR and BRR) it is expected that Government will provide Local Authorities with a level of transitional funding referred to as ‘Damping’. It is extremely difficult to predict how much this damping will be, and the figure will be dependent on a number of variables, including if and what a new ‘New Homes Bonus’ scheme will look like. The funding included is high risk, again this has been estimated in consultation with Pixel.

43. The MTFs has been prepared on the assumption that Council Tax will be increased by £5 in 2022/23, with future years based on increases of 1.99%, which is in line with Government guidance.
44. The Tax base assumptions are in line with current housing growth forecasts, an estimate of Local Council Tax Support discounts and predicted future collection rates. The following table provides an estimate of the Council Tax income over the life of the MTFs.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Tax Base (net of adjustments)	38,108.31	38,435.70	38,766.20	39,099.60	39,435.90	39,775.00
Band D Equivalent	(161.61)	(166.61)	(169.91)	(173.29)	(176.74)	(180.26)
<b>Council Tax Income</b>	<b>(6,158,684)</b>	<b>(6,403,772)</b>	<b>(6,586,765)</b>	<b>(6,775,570)</b>	<b>(6,969,901)</b>	<b>(7,169,842)</b>
Council Tax increases	£5.00	£5.00	1.99%	1.99%	1.99%	1.99%

45. After taking into account all the above expenditure, income, funding and net reserves drawdowns the Council has achieved a balanced budget for 2022/23; in future years the strategy shows a deficit position and by the final year the deficit is £5.686m.
46. The deficit is the cumulative effect of the change in the commercial investment strategy (as set out in Appendix B) and the requirement to apply a charge for MRP (discussed in the above section on the Prudential Code). The table below sets out a summary of the 5 year position.

	2021/22 Budget £ '000	2022/23 Budget £ '000	2023/24 Forecast £ '000	2024/25 Forecast £ '000	2025/26 Forecast £ '000	2026/27 Forecast £ '000
Service Expenditure	15,736	17,341	17,328	17,152	17,757	18,317
Corporate Costs	(2,618)	(5,130)	(3,156)	(4,182)	(4,407)	(2,467)
<b>Net Service Expenditure</b>	<b>13,117</b>	<b>12,211</b>	<b>14,172</b>	<b>12,970</b>	<b>13,350</b>	<b>15,851</b>
Funding	(1,230)	(7,550)	(4,780)	(4,381)	(3,492)	(4,020)
Total Net Reserves (drawn)/addition	(5,729)	1,742	(337)	944	(59)	1,025
<b>Council Tax Requirement</b>	<b>6,159</b>	<b>6,404</b>	<b>9,056</b>	<b>9,533</b>	<b>9,800</b>	<b>12,856</b>
Council Tax Income	(6,159)	(6,404)	(6,587)	(6,776)	(6,970)	(7,170)
<b>(Surplus) / Deficit</b>			<b>2,469</b>	<b>2,757</b>	<b>2,830</b>	<b>5,686</b>

### Managing the Deficit

47. The Council has worked hard on generating additional income and has a strong and robust portfolio of commercial assets. If it had not invested in these assets the financial situation would have been much more difficult to manage and would have generated a significant budget deficit position a number of years ago.
48. The following table sets out the council's investments and shows the income generated from each asset. These are the gross income figures and do not include any fees or borrowing costs.



£'000	Capital Investment (exc. Fees)	Annual Rental Income				
		2022/23	2023/24	2024/25	2025/26	2026/27
<b>Completed Investments</b>						
Chesterford Research Park	60,596	2,449	2,449	2,449	2,449	2,449
Weston Homes	20,000	1,171	1,200	1,230	1,261	1,276
Veterinary Hospital	5,925	333	333	333	333	333
Stane Retail Park	30,424	1,784	1,830	1,878	1,927	1,977
Waitrose Retail Distribution Centre	55,000	2,508	2,508	2,508	2,508	2,508
Little Canfield Business Park	7,500	263	352	352	352	352
	<b>179,445</b>	<b>8,508</b>	<b>8,672</b>	<b>8,750</b>	<b>8,830</b>	<b>8,895</b>
<b>Future Committed Investments</b>						
Chesterford Research Park	12,620			603	603	603
Amazon Distribution Centre	43,000	2,280	2,280	2,280	2,280	2,585
Moog Circuits Ltd	40,500	1,520	1,667	1,667	1,667	1,835
	<b>96,120</b>	<b>3,800</b>	<b>3,947</b>	<b>4,550</b>	<b>4,550</b>	<b>5,023</b>
<b>Investment Total</b>	<b>275,565</b>	<b>12,308</b>	<b>12,619</b>	<b>13,300</b>	<b>13,380</b>	<b>13,918</b>

49. The overall impact of MRP on the net income generated by the commercial investments is shown in the table below.

	2021/22 Budget £ '000	2022/23 Budget £ '000	2023/24 Forecast £ '000	2024/25 Forecast £ '000	2025/26 Forecast £ '000	2026/27 Forecast £ '000
Investment Assets income	(6,928)	(11,774)	(12,036)	(12,710)	(12,782)	(13,315)
Treasury Investment Cost	1,814	2,835	4,930	4,823	4,698	4,572
<b>Net Income</b>	<b>(5,114)</b>	<b>(8,939)</b>	<b>(7,106)</b>	<b>(7,887)</b>	<b>(8,084)</b>	<b>(8,743)</b>
Investment Asset - MRP		3,281	3,346	3,413	3,481	3,551
<b>Net Income after MRP</b>	<b>(5,114)</b>	<b>(5,658)</b>	<b>(3,760)</b>	<b>(4,473)</b>	<b>(4,603)</b>	<b>(5,192)</b>

## Uttlesford 2027

50. A project team has been established with the aim of addressing the deficit position whilst minimising the impact on service delivery. This project is known as Uttlesford 2027 and replaces Uttlesford Moving Forward. A number of future options are currently being considered, including selling a commercial asset and using the profit generated to fund Capital Financing Costs over the life of the MTFs. A summary of the impact of this action is shown below.

	2021/22 Budget £ '000	2022/23 Budget £ '000	2023/24 Forecast £ '000	2024/25 Forecast £ '000	2025/26 Forecast £ '000	2026/27 Forecast £ '000
Service Expenditure	15,736	17,341	17,328	17,152	17,757	18,317
Corporate Costs	(2,618)	(5,130)	(4,095)	(4,838)	(4,979)	(5,583)
<b>Net Service Expenditure</b>	<b>13,117</b>	<b>12,211</b>	<b>13,233</b>	<b>12,314</b>	<b>12,778</b>	<b>12,735</b>
Funding	(1,230)	(7,550)	(4,780)	(4,381)	(3,492)	(4,020)
Total Net Reserves (drawn)/addition	(5,729)	1,742	(337)	944	(59)	1,025
<b>Council Tax Requirement</b>	<b>6,159</b>	<b>6,404</b>	<b>8,117</b>	<b>8,877</b>	<b>9,228</b>	<b>9,740</b>
Council Tax Income	(6,159)	(6,404)	(6,587)	(6,776)	(6,970)	(7,170)
<b>(Surplus) / Deficit</b>			<b>1,530</b>	<b>2,101</b>	<b>2,258</b>	<b>2,570</b>

51. Therefore, the likely shortfall by 2026/27 ranges from £2.570 million based on the sale of an asset to £5.686 million without. There are a number of future costs on the horizon that also need to be financed including;
- Post adoption of the Local Plan there will be cost around implementing and reviewing the Plan. The Planning Reserves will have been fully allocated by the end of 2026/27
  - In 2031 the Leisure PFI ends, and the leisure facilities will return to the Council. At that point they will be aged and potentially in need of refurbishment as well as the Council needing to invest annually to either directly deliver or outsource future service delivery. Funding for this will need to be put in place
52. As a consequence, the Uttlesford 2027 project is targeted with delivering ongoing savings as set out below.

Savings/Efficiencies/Additional Income amount £	Month and Year to be finalised	For Budget setting
1,000,000	September 2022	February 2023
1,000,000	September 2023	February 2024
800,000	September 2024	February 2025
800,000	September 2025	February 2026

53. Due to the degree of estimation involved and the longer term projections referred to in the preceding paragraphs, it will be absolutely essential to maintain strong financial discipline around all aspects of the Council’s costs and income. The Council must continue to ensure it is in a strong position to anticipate and adapt to funding outcomes that differ from those currently assumed.

## General Fund – 5 Year Summary

	2021/22 Budget £ '000	2022/23 Budget £ '000	2023/24 Forecast £ '000	2024/25 Forecast £ '000	2025/26 Forecast £ '000	2026/27 Forecast £ '000
Gross Service Expenditure	36,853	37,481	38,031	38,797	39,664	40,497
Gross Service Income	(21,117)	(20,140)	(20,903)	(22,045)	(22,507)	(22,979)
Demand Growth			200	400	600	800
<b>Sub Total Net Service Expenditure</b>	<b>15,736</b>	<b>17,341</b>	<b>17,328</b>	<b>17,152</b>	<b>17,757</b>	<b>18,317</b>
Capital Financing Costs	3,626	1,771	1,645	1,384	1,341	3,926
IFRS 16 charge		80	80	80	80	80
Investment Asset - MRP		3,281	3,346	3,413	3,481	3,551
Investment Assets income	(6,928)	(11,774)	(12,036)	(12,710)	(12,782)	(13,315)
Treasury Investment Income	(23)	(7)	(7)	(8)	(8)	(9)
Treasury Investment Cost	1,814	2,835	4,930	4,823	4,698	4,572
PFI Interest cost	360	348	334	319	303	285
Pension Fund - Deficit			250	250	250	250
Pension Fund - Added Years	85	85	85	85	85	85
Recharge to HRA/Corporate Core	(1,552)	(1,747)	(1,782)	(1,818)	(1,854)	(1,891)
<b>Corporate Costs</b>	<b>(2,618)</b>	<b>(5,130)</b>	<b>(3,156)</b>	<b>(4,182)</b>	<b>(4,407)</b>	<b>(2,467)</b>
<b>Total Net Expenditure</b>	<b>13,117</b>	<b>12,211</b>	<b>14,172</b>	<b>12,970</b>	<b>13,350</b>	<b>15,851</b>
Council Tax - prior year Balance	55	34	34	34	34	34
Council Tax - S31 Funding		(28)				
Business Rates prior year Balance	4,785	(593)	383			
Business Rates Retention	(2,064)	(3,775)	(1,868)	(1,934)	(2,032)	(2,560)
NHB Replacement Scheme	(2,823)	(1,343)	(260)	(390)	(520)	(520)
Rural Services Delivery Grant	(293)	(293)	(293)	(293)	(293)	(293)
Support Funding	(890)	(1,552)				
Government Damping <i>high risk</i>			(2,775)	(1,797)	(680)	(680)
<b>Funding</b>	<b>(1,230)</b>	<b>(7,550)</b>	<b>(4,780)</b>	<b>(4,381)</b>	<b>(3,492)</b>	<b>(4,020)</b>
<b>Total Net Operating Costs</b>	<b>11,888</b>	<b>4,662</b>	<b>9,392</b>	<b>8,589</b>	<b>9,858</b>	<b>11,831</b>
Business Rates Reserve	(6,123)	771	(383)			
Ringfenced Reserves (exc. BRR)	(24)	207				
Other Reserves	419	763	47	944	(59)	1,025
<b>Total Net Reserves (drawn)/addition</b>	<b>(5,729)</b>	<b>1,742</b>	<b>(337)</b>	<b>944</b>	<b>(59)</b>	<b>1,025</b>
<b>Council Tax Requirement</b>	<b>6,159</b>	<b>6,404</b>	<b>9,056</b>	<b>9,533</b>	<b>9,800</b>	<b>12,856</b>
Council Tax Income	(6,159)	(6,404)	(6,587)	(6,776)	(6,970)	(7,170)
<b>(Surplus) / Deficit</b>			<b>2,469</b>	<b>2,757</b>	<b>2,830</b>	<b>5,686</b>

## General Fund Reserves – 5 year summary

54. Total General Fund reserves during this five year model are estimated to increase by £4.315m from the predicted balance of £19.089m to £23.404m. The main reason for the increase is due to the additional funds being set aside for the commercial assets.

55. The Council previously held a large number of individual reserves, during the budget process these have been reviewed and a new reserves structure has been put in place which is shown in the reserves table below. This has not changed the level of reserves previously held it is only a change to how they are categorised and presented.

£000	2021/22 Q2 position				2022/23				2023/24			2024/25			2025/26			2026/27		
	Balance at 1 April 2021	Transfer from General Fund	Transfer To General Fund	Estimated at 31 March 2022	Transfer from General Fund	Transfer To General Fund	Reserve Transfers	Estimated at 31 March 2023	Transfer from General Fund	Transfer To General Fund	Estimated at 31 March 2024	Transfer from General Fund	Transfer To General Fund	Estimated at 31 March 2025	Transfer from General Fund	Transfer To General Fund	Estimated at 31 March 2026	Transfer from General Fund	Transfer To General Fund	Estimated at 31 March 2027
<b>Ringfenced Reserves</b>																				
Business Rates	7,634	1,844	(4,837)	4,641	771			5,412		(383)	5,029			5,029			5,029			5,029
Capital Slippage	1,483	204	(723)	964				964			964			964			964			964
Licensing	35	13		48		(5)		43			43			43			43			43
Leisure/Private Finance Initiative	307			307				307	(30)		277		(82)	196	(84)		112			112
Working Balance	1,438		(53)	1,385	212			1,597			1,597			1,597			1,597			1,597
<b>Total Ringfenced Reserves</b>	<b>10,897</b>	<b>2,061</b>	<b>(5,614)</b>	<b>7,344</b>	<b>984</b>	<b>(5)</b>	<b>0</b>	<b>8,323</b>	<b>0</b>	<b>(413)</b>	<b>7,910</b>	<b>0</b>	<b>(82)</b>	<b>7,829</b>	<b>0</b>	<b>(84)</b>	<b>7,745</b>	<b>0</b>	<b>0</b>	<b>7,745</b>
<b>Core Reserves</b>																				
Commercial Assets	1,060			1,060	2,200		740	4,000	1,000		5,000	1,000		6,000	1,000		7,000	1,000		8,000
Medium Term Financial Strategy	4,421	1,667	(776)	5,312	25	(387)	(740)	4,210		(100)	4,110	25		4,135	25		4,160	25		4,185
Strategic Initiatives	1,863		(200)	1,663				1,663			1,663			1,663			1,663			1,663
	7,344	1,667	(976)	8,035	2,225	(387)	0	9,873	1,000	(100)	10,773	1,025	0	11,798	1,025	0	12,823	1,025	0	13,848
<b>Member Priorities</b>																				
Economic Development	463	1,000	(340)	1,123		(330)		793		(330)	463			463			463			463
Planning	891	2	(100)	793		(15)	0	778		(15)	763			763			763			763
Sustainable Communities	1,781		(913)	868		(720)		149		(149)	0			0			0			0
Major Sports Facilities	150	150	(150)	150	150	(150)		150			150			150			150			150
Climate change	380	300	(340)	340	320	(330)		330	(330)		0			0			0			0
	3,665	1,452	(1,843)	3,274	470	(1,545)	0	2,199	0	(824)	1,376	0	0	1,376	0	0	1,376	0	0	1,376
<b>Grants</b>																				
Homelessness	404		(93)	311				311			311			311			311			311
Health & Wellbeing	131		(7)	124				124			124			124			124			124
	535	0	(100)	435	0	0	0	435	0	0	435	0	0	435	0	0	435	0	0	435
<b>Total Usable Reserves</b>	<b>11,544</b>	<b>3,119</b>	<b>(2,919)</b>	<b>11,744</b>	<b>2,695</b>	<b>(1,932)</b>	<b>0</b>	<b>12,507</b>	<b>1,000</b>	<b>(924)</b>	<b>12,584</b>	<b>1,025</b>	<b>0</b>	<b>13,609</b>	<b>1,025</b>	<b>0</b>	<b>14,634</b>	<b>1,025</b>	<b>0</b>	<b>15,659</b>
<b>Total Reserves</b>	<b>22,441</b>	<b>13,480</b>	<b>(19,984)</b>	<b>19,089</b>	<b>3,679</b>	<b>(1,937)</b>	<b>0</b>	<b>20,831</b>	<b>1,000</b>	<b>(1,337)</b>	<b>20,494</b>	<b>1,025</b>	<b>(82)</b>	<b>21,438</b>	<b>1,025</b>	<b>(84)</b>	<b>22,379</b>	<b>1,025</b>	<b>0</b>	<b>23,404</b>

56. The reserves are now shown under four key groups each of which have a defined purpose, and these are set out below.

Reserves	Purpose
<b>Ringfenced Reserves</b>	
Business Rates	<p>This reserve has a number of functions;</p> <ul style="list-style-type: none"> <li>• To support future year deficits, and protect the Council from any significant reductions due to the business rates reforms over and above the budgeted reductions</li> <li>• To manage the multi-year receipts of Section 31 grants</li> <li>• To support any one off deficit due to reduced collection rates</li> </ul>
Capital Slippage	<p>This is a holding reserve directly linked to the capital programme, where there is direct revenue financing of an item on the capital programme that has 'slipped' into the next financial year, the financing is held in this reserve to be released in the year of incurred expenditure. This ensures that the financing and expenditure are matched in the correct financial year.</p>
Licensing	<p>This reserve is held to match income and expenditure on Taxi licences. The licences are on a 3 and 5 year rolling programme and surpluses are held to match expenditure in future years.</p>
Leisure/Private Finance Initiative	<p>The reserve currently supports the programme of payments on the PFI contract, to ensure that there are no shortfalls at the end of the contract.</p> <p>The contract ends in 2031 and the Council will need to look at alternative delivery, this reserve will be reviewed to support future delivery plans.</p>
Working Balance	<p>There is a statutory requirement to hold a contingency reserve, this is calculated on a percentage of net income and expenditure. Further details of this are set out in The S25 Report – Robustness of Estimates and Adequacy of Reserves (Appendix A)</p>

Reserves	Purpose
<b>Core Reserves</b>	
Commercial Assets	This reserve will support the following; <ul style="list-style-type: none"> <li>any costs relating to the refurbishment and relet of the assets at end of lease.</li> <li>Loss of income due to tenant arrears</li> </ul>
Medium Term Financial Strategy	The MTFS reserve will support a number of corporate objectives. <ul style="list-style-type: none"> <li>To support any changes to the predicted financial position,</li> <li>To enable the delivery of the Uttlesford 2027 transformation project</li> <li>To provide funds to support 'Spend to Save' projects</li> </ul>
Strategic Initiatives	This Reserve is currently frozen
<b>Member Priorities</b>	
Economic Development	Following the Pandemic and the effects on the local economy and businesses, £1m has been allocated to spend over three years. An Economic Recovery Action Plan has been produced identifying initiatives to support businesses and the local High Street recover.
Planning	The reserve is held to support planning appeals and additional resource costs relating to the delivery of the Planning Service and the delivery of Neighbourhood plans.
Sustainable New Communities	This reserve holds funds received from MHCLG (now DLUHC) to support the delivery of the local plan. The Local Plan budget is set for a period of 5 years and changes to the profiling of spend (annual under and overspends) are managed using this reserve.
Major Sports Facilities	An annual allocation of £150k over a three year period (first year 2020/21) was put in place to offer financial support to the development of major sports facilities in the District.

Reserves	Purpose
Climate Change	The Council announced a Climate Change Emergency and have allocated £1m to be spend on specific climate change actions over a period of three years.
<b>Grants</b>	
Grants	This reserve is to ensure that grants with specific spending criteria are separately identified and not included with the general revenue funds.  There are currently two grants which are required to spend specifically on Homelessness and Health and Wellbeing.

### General Fund Reserves movements

57. The following table sets out details of the individual transfers to/from reserves for each year of the MTFS.

Reserve Movements	Additions / (Drawdown) £'000				
	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Opening Balance</b>	<b>19,089</b>	<b>20,831</b>	<b>20,494</b>	<b>21,438</b>	<b>22,379</b>
<b>Ringfenced Reserves</b>					
Net of business rates balances and S31 grants to support reliefs fo businesses	771	(383)			
Working Balance (statutory contingency balance)	212				
Allocation of ringfenced PFI leisure funds		(30)	(82)	(84)	
<b>Core Reserves</b>					
Commercial Assets - to support loss of income and future refurbishments for relet	2,200	1,000	1,000	1,000	1,000
Local Highways panel and new burdens funding allocations to service delivery	(169)				
2022/23 Deficit	(214)				
<b>Member Priority</b>					
Year 2 and 3 of allocated funds to support economic recovery	(330)	(330)			
Year 3 of allocated funds to support Climate Change Programme		(330)			
Local Plan and Neighbourhood plans	(735)	(164)			
Elections - four year cycle of allocations	25	(100)	25	25	25
Other net minor movements	(18)				
<b>Net of movements</b>	<b>1,742</b>	<b>(337)</b>	<b>943</b>	<b>941</b>	<b>1,025</b>
<b>Closing Balance</b>	<b>20,831</b>	<b>20,494</b>	<b>21,438</b>	<b>22,379</b>	<b>23,404</b>

## Housing Revenue Account (HRA)

58. The HRA is the statutory “landlord” account for the authority. The Council is obliged by law to set rents and other charges at a level to avoid a deficit on the HRA balance.
59. Under the self-financing reform the Council was required to take out a loan to purchase the housing stock for £88.4m and the debt has been structured so that it is repaid in years 6 to 30 i.e. from 2017/18 to 2041/42, 2022/23 is the fifth year of the principal repayment. As expected, the repayment of the loan principal has impacted significantly on the business plan, HRA reserves and future year’s capital programme.
60. In October 2018 the Government announced that the HRA borrowing cap had been removed. The removal of the cap was welcomed as it took away one of the restrictions faced by local authorities looking to invest in their housing stock and build homes.
61. The Council utilises the entire existing retained one for one RTB receipts to invest in its development programme however there is a risk the HRA will not be able to build up enough receipts to fully finance 40% of the scheduled developments at the time of construction. If there is a short fall in retained receipts the HRA will have to borrow to fund 100% of the development until sufficient receipts have been received.
62. The decision to increase HRA borrowing is not just dependent on whether it is permitted; it also needs to be affordable. There is currently a balanced HRA business plan and therefore costs arising from additional borrowing would need to be funded either through additional income or a reduction in costs.
63. The Council has Homes England Investment Partner Status and will continue to work with Homes England to access grant for affordable housing schemes to deliver its development programme.
64. The Government policy of 1% rent reductions over 4 years, which ended in 2019/20, had a significant impact on income levels and limited the affordability of additional borrowing. Rental income increases for 2022/23 have been applied based on current government guidelines of CPI + 1%, which equates to a total increase of 4.9%. The Council’s Housing Revenue Account Business Plan fundamentally requires this level of increase to take place for it to remain viable.
65. Officers will continue to review the financing rules and options for additional borrowing to support the Council’s development of new homes and investment in its current stock. The Council is already committed to building homes for local people and since the introduction in 2012 of self-financing the Council has been able to build, redevelop and purchase 163 homes despite the previous borrowing cap.
66. A number of financial assumptions, including interest rates, rent setting, void rates, bad debt levels and repair costs have been used in the HRA Business Plan and revenue budget setting. These and other assumptions will be kept under review and monitored in 2022/23.
67. The continuing Covid Crisis may impact on HRA rent collection as tenants are faced with financial hardship and lockdown restrictions reduce the ability to collect monies owed. At this point it is impossible to quantify what impact the virus will have and a bad debt provision of £100,000 has been built into each of the next five years of the budget.
68. The following tables set out the predicted 5 year financial position for the HRA, the reserve balances and proposed use of these reserves.



## Housing Revenue Account – 5 year Summary

£'000	2021/22 Original Budget	2022/23 Original Budget	2023/24 Original Budget	2024/25 Original Budget	2025/26 Original Budget	2026/27 Original Budget
<b>Housing Revenue Income</b>						
Dwelling Rents	(14,875)	(15,553)	(15,818)	(16,086)	(16,360)	(16,638)
Garage Rents	(233)	(225)	(230)	(236)	(242)	(248)
Other Rents etc	(1)	(1)	(1)	(1)	(1)	(1)
Charges for Services & Facilities	(1,061)	(986)	(1,011)	(1,036)	(1,062)	(1,089)
Contributions towards Expenditure	0	(66)	(68)	(69)	(71)	(73)
<b>TOTAL INCOME</b>	<b>(16,170)</b>	<b>(16,832)</b>	<b>(17,128)</b>	<b>(17,430)</b>	<b>(17,737)</b>	<b>(18,049)</b>
<b>Housing Finance &amp; Business Management</b>						
Rents, Rates & Other Property Charges	80	78	80	82	84	86
	80	78	80	82	84	86
<b>Housing Maintenance &amp; Repairs Service</b>						
Common Service Flats	224	256	262	269	276	283
Estate Maintenance	2	2	2	2	2	2
Housing Repairs	0	0	0	0	0	0
Housing Sewerage	13	16	16	17	17	18
Newport Depot	0	5	5	5	5	5
Property Services	49	49	51	52	53	55
Uttlesford Norse Ltd	3,370	3,743	3,836	3,932	4,031	4,131
	3,659	4,070	4,172	4,277	4,383	4,493
<b>Housing Management &amp; Homelessness</b>						
Housing Services	536	516	529	542	556	569
Sheltered Housing Services	546	461	473	485	497	509
	1,082	977	1,002	1,027	1,053	1,079
<b>Total Service Expenditure</b>	<b>4,821</b>	<b>5,126</b>	<b>5,254</b>	<b>5,385</b>	<b>5,520</b>	<b>5,658</b>
<b>Other Costs</b>						
Bad Debt Provision	100	100	100	100	100	100
Depreciation - Dwellings (to MRR)	4,230	3,935	3,935	3,935	3,935	3,935
Depreciation - Non- Dwellings (to MRR)	51	22	22	22	22	22
Interest/Costs re HRA Loan	2,601	2,570	2,570	2,519	2,438	2,353
Investment Income	(2)	(10)	0	0	0	0
Pension Costs - Added Years	0	0	0	0	0	0
Pension Deficit - Triennial payment	0	0	126	126	126	126
Recharge from General Fund	1,167	1,387	1,387	1,387	1,387	1,387
HRA Share of Corporate Core	386	360	360	360	360	360
Right to Buy Admin Allowance	(10)	(10)	(10)	(10)	(10)	(10)
<b>Total Non-Service Expenditure</b>	<b>8,524</b>	<b>8,354</b>	<b>8,490</b>	<b>8,439</b>	<b>8,358</b>	<b>8,273</b>
<b>TOTAL EXPENDITURE</b>	<b>13,344</b>	<b>13,480</b>	<b>13,744</b>	<b>13,824</b>	<b>13,878</b>	<b>13,931</b>
<b>OPERATING (SURPLUS)/DEFICIT</b>	<b>(2,826)</b>	<b>(3,352)</b>	<b>(3,384)</b>	<b>(3,606)</b>	<b>(3,859)</b>	<b>(4,118)</b>
Funding from Capital Receipt Reserve for HRA Loan	0	0	0	0	0	0
Minimum Revenue Provision - Repayment of HRA Loan	2,000	0	0	0	0	0
<b>Funding of Capital Programme from HRA</b>						
Capital Schemes Funded from Revenue	650	3,590	3,890	1,250	1,250	1,250
	650	3,590	3,890	1,250	1,250	1,250
<b>Transfers to/(from) Reserves</b>						
Capital Projects	216	(270)	(520)	2,400	2,600	2,859
Change Management Reserve	0	0	0	0	0	0
Potential Developments	0	0	0	0	0	0
HRA Slippage Reserve	0	0	0	0	0	0
HRA Slippage Reserve	0	0	0	0	0	0
Sheltered Housing Reserve	0	0	0	0	0	0
Transformation Reserve	0	0	0	0	0	0
Working Balance	(40)	32	14	(44)	9	9
	176	(238)	(506)	2,356	2,609	2,868
<b>(SURPLUS)/DEFICIT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Housing Revenue Reserves – 5 year Summary

Reserve £'000	2021/22 Q2 Forecast				2022/23			2023/24			2024/25			2025/26			2026/27		
	Actual Balance 1st April 2021	Transfer from HRA	Transfer to HRA	Estimate d Balance 31st March 2022	Transfer from HRA	Transfer to HRA	Balance 31st March 2023	Transfer from HRA	Transfer to HRA	Balance 31st March 2024	Transfer from HRA	Transfer to HRA	Balance 31st March 2025	Transfer from HRA	Transfer to HRA	Balance 31st March 2026	Transfer from HRA	Transfer to HRA	Balance 31st March 2027
<b><u>RINGFENCED RESERVES</u></b>																			
Working Balance	471	43		514	32		546	14		560		(44)	516	9		525	9		534
<b>TOTAL RINGFENCED RESERVES</b>	<b>471</b>	<b>43</b>	<b>0</b>	<b>514</b>	<b>32</b>	<b>0</b>	<b>546</b>	<b>14</b>	<b>0</b>	<b>560</b>	<b>0</b>	<b>(44)</b>	<b>516</b>	<b>9</b>	<b>0</b>	<b>525</b>	<b>9</b>	<b>0</b>	<b>534</b>
<b><u>USABLE RESERVES</u></b>																			
Revenue Reserves	180		0	180			180			180			180			180			180
Revenue Projects	60		0	60			60			60			60			60			60
Transformation Reserve				0			0			0			0			0			0
	240	0	0	240	0	0	240	0	0	240	0	0	240	0	0	240	0	0	240
<b><u>Capital Reserves</u></b>																			
Capital Projects	910	216	(249)	877		(270)	607	(0)		607	(0)		607	(0)	2,600	3,207	(0)	2,859	6,065
Potential Projects Reserve	110			110			110			110			110			110			110
Sheltered Housing Projects Reserve				0			0			0			0			0			0
HRA Slippage Reserve	2,650	370	(2,585)	435		(435)	0			0			0			0			0
	3,670	586	(2,834)	1,422	0	(705)	717	(0)	0	717	(0)	0	717	(0)	2,600	3,317	(0)	2,859	6,175
<b>TOTAL USABLE RESERVES</b>	<b>3,910</b>	<b>586</b>	<b>(2,834)</b>	<b>1,662</b>	<b>0</b>	<b>(705)</b>	<b>957</b>	<b>(0)</b>	<b>0</b>	<b>957</b>	<b>(0)</b>	<b>0</b>	<b>957</b>	<b>(0)</b>	<b>2,600</b>	<b>3,557</b>	<b>(0)</b>	<b>2,859</b>	<b>6,415</b>
<b>TOTAL RESERVES</b>	<b>4,381</b>	<b>629</b>	<b>(2,834)</b>	<b>2,176</b>	<b>32</b>	<b>(705)</b>	<b>1,503</b>	<b>14</b>	<b>0</b>	<b>1,517</b>	<b>(0)</b>	<b>(44)</b>	<b>1,473</b>	<b>9</b>	<b>2,600</b>	<b>4,082</b>	<b>9</b>	<b>2,859</b>	<b>6,949</b>
<b><u>OTHER RESERVES</u></b>																			
Capital Receipt Reserve	2,186	1,600	(1,674)	2,112	1,600	(1,227)	2,485	1,600	(1,227)	2,858	1,600	(1,227)	3,231	1,600	(1,227)	3,604	1,600	(1,227)	3,977
Major Repairs Reserve	215	4,281	(3,929)	567	3,957	(3,545)	979	3,957	3,957	8,893	3,957	3,957	16,807	3,957	3,957	24,721	3,957	3,957	32,635
<b>TOTAL OTHER</b>	<b>2,401</b>	<b>5,881</b>	<b>(5,603)</b>	<b>2,679</b>	<b>5,557</b>	<b>(4,772)</b>	<b>3,464</b>	<b>5,557</b>	<b>2,730</b>	<b>11,751</b>	<b>5,557</b>	<b>2,730</b>	<b>20,038</b>	<b>5,557</b>	<b>2,730</b>	<b>28,325</b>	<b>5,557</b>	<b>2,730</b>	<b>36,612</b>

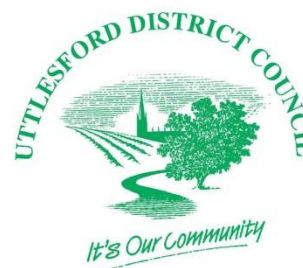


# Uttlesford District Council

## Treasury Management Strategy

### 2022/23

Prepared by:  
Finance  
Uttlesford District Council  
February 2022



## **Introduction**

1. Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.
2. Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.
3. Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

## **External Context**

### **Economic background:**

4. The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.
5. The Bank of England (BoE) increased Bank Rate to 0.25% in December 2021 while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.
6. Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.
7. UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% y/y from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.
8. In October 2021, the headline 3-month average annual growth rate for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.

9. Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% q/q rise. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.
10. GDP growth in the euro zone increased by 2.2% in calendar Q3 2021 following a gain of 2.1% in the second quarter and a decline of -0.3% in the first. Headline inflation has been strong, with CPI registering 4.9% year-on-year in November, the fifth successive month of inflation. Core CPI inflation was 2.6% y/y in November, the fourth month of successive increases from July's 0.7% y/y. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.
11. The US economy expanded at an annualised rate of 2.1% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its December 2021 interest rate announcement, the Federal Reserve continue to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme earlier than previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three 0.25% movements now expected.

#### **Credit outlook:**

12. Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.
13. The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.
14. Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

#### **Interest rate forecast:**

15. The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.

16. Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.
17. Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.
18. A more detailed economic and interest rate forecast provided by Arlingclose is attached at Annexe D1.

### **Local Context**

19. On 31<sup>st</sup> December 2021, the Authority held £265.9m of borrowing and £13.2m of treasury investments. This is set out in further detail at Annexe D2. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

*Table 1: Balance sheet summary and forecast*

	31.03.21	31.03.22	31.03.23	31.03.24	31.03.25
	Actual	Estimate	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m
General Fund CFR	13	16	15	14	14
HRA CFR	83	83	83	83	83
Investments CFR	164	239	263	263	262
<b>Total CFR</b>	<b>260</b>	<b>338</b>	<b>361</b>	<b>360</b>	<b>359</b>
Less: Other debt liabilities *	(4)	(4)	(4)	(4)	(4)
<b>Loans CFR</b>	<b>256</b>	<b>334</b>	<b>357</b>	<b>356</b>	<b>355</b>
Less: External borrowing **	(230)	(264)	(118)	(109)	(105)
<b>Internal/over borrowing</b>	<b>26</b>	<b>70</b>	<b>239</b>	<b>247</b>	<b>250</b>
Less: Usable reserves	(31)	(26)	(28)	(31)	(36)
Less: Working capital	(7)	(7)	(7)	(7)	(7)
<b>Investments/(new borrowing)</b>	<b>12</b>	<b>(37)</b>	<b>(204)</b>	<b>(209)</b>	<b>(207)</b>

\* PFI liabilities that form part of the Authority's total debt

\*\* shows only loans to which the Authority is committed and excludes optional refinancing

20. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

21. CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2022/23.

**Liability benchmark:**

22. To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the minimum debt required at the end of each year. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

*Table 2: Liability benchmark*

	<b>31.03.21</b>	<b>31.03.22</b>	<b>31.03.23</b>	<b>31.03.24</b>	<b>31.03.25</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Loans CFR	256	334	357	356	355
Less: Usable reserves	(31)	(26)	(28)	(31)	(36)
Less: Working capital	(7)	(7)	(7)	(7)	(7)
Plus: Minimum investments	10	10	10	10	10
<b>Liability Benchmark</b>	<b>228</b>	<b>311</b>	<b>332</b>	<b>328</b>	<b>322</b>

**Borrowing Strategy**

23. The Authority currently holds £265.9 million of loans, an increase of £60 million on the previous year, as part of its strategy for funding previous years' capital programmes. The liability benchmark in table 2 shows that the Authority expects to borrow £332m in 2022/23. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £420 million.

**Objectives:**

24. The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

**Strategy:**

25. Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

26. By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal/short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise



modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

27. The Authority has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in the future in order to retain its access to PWLB loans.
28. Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
29. In addition, the Authority may borrow further short-term loans to cover unplanned cash flow shortages.
30. Sources of borrowing: The approved sources of long-term and short-term borrowing are:
  - HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
  - any institution approved for investments (see below)
  - any other bank or building society authorised to operate in the UK
  - any other UK public sector body
  - UK public and private sector pension funds (except Essex Pension Fund)
  - capital market bond investors
  - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
31. Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
  - leasing
  - hire purchase
  - Private Finance Initiative
  - sale and leaseback

#### **Municipal Bonds Agency:**

32. UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report for approval.

### **Short-term and variable rate loans:**

33. These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

### **Debt rescheduling:**

34. The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

### **Treasury Investment Strategy**

35. The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between £10.4 and £28.85 million, and similar levels are expected to be maintained in the forthcoming year.

### **Objectives:**

36. The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
37. Negative interest rates: The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
38. Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to diversify into more secure and/or higher yielding asset classes during 2022/23. This is especially the case for the estimated £10m that is available for longer-term investment.
39. All of the Authority's surplus cash remains invested in short-term unsecured bank deposits and money market funds. With the uncertainty over changes to the Code and MRP resolved, the Council can now arrange long term funding. It is likely that this will be done in three tranches during 2022/23 to coincide with the end dates for short term financing.
40. Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to

achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

**Approved counterparties:**

41. The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the limits shown.

*Table 3: Treasury investment counterparties and limits*

<b>General Counterparty List</b>	<b>Time Limit</b>	<b>Counterparty Limit</b>	<b>Sector Limit</b>
UK Central Government	50 years	Unlimited	n/a
UK Local Authorities including Police and Fire (irrespective of credit rating) per authority	25 years	£3m	Unlimited
Secured investments*	20 years	£3m	Unlimited
Banks (unsecured)*	12 months	£2m	Unlimited
UK Building societies (unsecured)*	12 months	£2m	£4m
Registered providers (unsecured)*	5 years	£2m	£5m
Money Market Funds*	n/a	£2m	Unlimited
Strategic Pooled Funds	n/a	£2m	£10m
Real estate investment trusts	n/a	£2m	£5m
Saffron Building Society	n/a	£0.5m	100 days
Other Investments	5 years	£2m	£2m

**\* Minimum credit rating:**

42. Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

43. For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £500,000 per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

44. Government: Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be

zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

45. Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.
46. Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
47. Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
48. Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
49. Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.
50. Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
51. Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.
52. Operational bank accounts: The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These

are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £2m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

53. Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
  - any existing investments that can be recalled or sold at no cost will be, and
  - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
54. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
55. Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
56. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.
57. Investment limits: The Authority's revenue reserves available to cover investment losses are forecast to be £19 million on 31<sup>st</sup> March 2022. In order that no more than 11% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £2 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.
58. Credit risk exposures arising from non-treasury investments, financial derivatives and balances in operational bank accounts count against the relevant investment limits.

59. Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

*Table 4: Additional investment limits*

	Cash limit
Any group of pooled funds under the same management	£5m per manager

60. Liquidity management: The Authority uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.

61. The Authority will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

### **Treasury Management Indicators**

62. The Authority measures and manages its exposures to treasury management risks using the following indicators.

63. Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit Risk Indicator	Target
Portfolio average credit rating	A

64. Liquidity: The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

Liquidity Risk Indicator	Target
Total cash available within 3 months	£2m

65. Interest rate exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

<b>Interest rate risk indicator</b>	<b>Limit</b>
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£2m
Upper limit on one-year revenue impact of a 1% fall in interest rates	£2m

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

66. Maturity structure of borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper limit on the maturity structure of borrowing will be:

<b>Refinancing rate risk indicator</b>	<b>Upper Limit</b>
Under 12 months	70%
12 months and within 24 months	50%
24 months and within 5 years	50%
5 years and within 10 years	80%
10 years and within 20 years	80%
20 years and above	100%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

67. Principal sums invested for periods longer than a year: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

<b>Price risk indicator</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Limit on principal invested beyond year end	£10m	£10m	£10m

## **Related Matters**

68. The CIPFA Code requires the Authority to include the following in its treasury management strategy.

69. Financial derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

70. The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining



the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

71. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.
72. In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

#### **Housing Revenue Account:**

73. On 1<sup>st</sup> April 2012, the Authority notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.

#### **Markets in Financial Instruments Directive:**

74. The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Director of Finance and Corporate Services believes this to be the most appropriate status.

#### **Financial Implications**

##### **General Fund**

75. The budget for the General Fund short term investment income in 2022/23 is £8,500 based on its share of the average investment portfolio of £10 million at an average interest rate of 0.18%.
76. The budget for general fund loan income is £2.4 million from the loans totalling £60.6 million to Aspire at interest rates of 4 and 4.5%.
77. The budget for general fund short term local authority debt interest paid in 2022/23 is £420,000 at an average rate of 0.20%, based on an average debt portfolio £200 million.
78. The budget for long-term debt interest paid is £2.42million at a rate of 2.27%, based on an average total debt portfolio of £107 million.

79. Although interest rates have increased, the average interest rate remains low due to already arranged borrowing reaching maturity during the year.

### **Housing Revenue Account**

80. The budget for HRA investment income in 2022/23 is £9,500, based on its share of an average investment portfolio of £10million at an average interest rate of 0.18%. The budget for long term debt interest paid in 2022/23 is £2.6 million based on an average debt portfolio of £78.4 million at an average rate of 3.2%.

81. If actual levels of investments and borrowing, or actual interest rates, differ from those forecasts, performance against budget will be correspondingly different.

### **Other Options Considered**

82. The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Finance and Corporate Services, having consulted the Cabinet Member for Finance and Administration, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

## Arlingclose Economic & Interest Rate Forecast – December 2021

### Underlying assumptions:

- The global recovery from the pandemic has entered a more challenging phase. The resurgence in demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. The advent of the Omicron variant of coronavirus is affecting activity and is also a reminder of the potential downside risks.
- Despite relatively buoyant activity survey data, official GDP data indicates that growth was weakening into Q4 2021. Other data, however, suggested continued momentum, particularly for November. Retail sales volumes rose 1.4%, PMIs increased, and the labour market continued to strengthen. The end of furlough did not appear to have had a significant impact on unemployment. Wage growth is elevated.
- The CPI inflation rate rose to 5.1% for November and will rise higher in the near term. While the transitory factors affecting inflation are expected to unwind over time, policymakers' concern is persistent medium term price pressure.
- These factors prompted the MPC to raise Bank Rate to 0.25% at the December meeting. Short term interest rate expectations remain elevated.
- The outlook, however, appears weaker. Household spending faces pressures from a combination of higher prices and tax rises. In the immediate term, the Omicron variant has already affected growth – Q4 and Q1 activity could be weak at best.
- Longer-term government bond yields remain relatively low despite the more hawkish signals from the BoE and the Federal Reserve. Investors are concerned that significant policy tightening in the near term will slow growth and prompt the need for looser policy later. Geo-political and coronavirus risks are also driving safe haven buying. The result is a much flatter yield curve, as short-term yields rise even as long-term yields fall.
- The rise in Bank Rate despite the Omicron variant signals that the MPC will act to bring inflation down whatever the environment. It has also made clear its intentions to tighten policy further. While the economic outlook will be challenging, the signals from policymakers suggest their preference is to tighten policy unless data indicates a more severe slowdown.

### Forecast:

- The MPC will want to build on the strong message it delivered this month by tightening policy despite Omicron uncertainty.
- Arlingclose therefore expects Bank Rate to rise to 0.50% in Q1 2022, but then remain there. Risks to the forecast are initially weighted to the upside, but becoming more balanced over time. The Arlingclose central forecast remains below the market forward curve.
- Gilt yields will remain broadly flat from current levels. Yields have fallen sharply at the longer end of the yield curve, but expectations of a rise in Bank Rate have maintained short term gilt yields at higher levels.
- Easing expectations for Bank Rate over time could prompt the yield curve to steepen, as investors build in higher inflation expectations.
- The risks around the gilt yield forecasts vary. The risk for short and medium term yields is initially on the upside but shifts lower later. The risk for long-term yields is weighted to the upside.

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
<b>Official Bank Rate</b>													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
<b>3-month money market rate</b>													
Upside risk	0.05	0.05	0.25	0.35	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.55	0.55	0.60	0.60	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65
Downside risk	0.00	-0.25	-0.25	-0.30	-0.30	-0.30	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35
<b>5yr gilt yield</b>													
Upside risk	0.00	0.35	0.45	0.55	0.55	0.55	0.55	0.55	0.55	0.50	0.50	0.45	0.45
Arlingclose Central Case	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.65	0.70	0.75	0.75
Downside risk	-0.10	-0.20	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40
<b>10yr gilt yield</b>													
Upside risk	0.10	0.25	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	0.80	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.90	0.90	0.95	0.95
Downside risk	-0.10	-0.25	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.40	-0.40	-0.40	-0.40
<b>20yr gilt yield</b>													
Upside risk	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	1.00	1.05	1.10	1.10	1.10	1.10	1.15	1.15	1.15	1.20	1.20	1.20	1.20
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45
<b>50yr gilt yield</b>													
Upside risk	0.25	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.70	0.75	0.80	0.85	0.90	0.95	1.00	1.05	1.05	1.10	1.10	1.15	1.15
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%  
PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%  
PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

**Existing Investment & Debt Portfolio Position**

	31/12/2021 Actual Portfolio £m	31/12/2021 Average Rate %
<b>External Borrowing:</b>		
Public Works Loans Board	80.4	3.20
Local Authorities	148.5	0.28
Phoenix Life Ltd	37	2.86
<b>Total External Borrowing</b>	<b>265.9</b>	<b>2.11</b>
<b>Other Long term Liabilities:</b>		
Private Finance Initiative	4.2	8.29
<b>Total gross external debt</b>	<b>270.1</b>	<b>8.29</b>
<b>Treasury Investments:</b>		
Banks and Building Societies (unsecured)	0.7	0
Government (incl.local authorities)	8	0.08
Money Market Funds	4.5	0.05
<b>Total Treasury Investments</b>	<b>13.2</b>	<b>0.04</b>
<b>Net Debt</b>	<b>256.9</b>	<b>0.06</b>

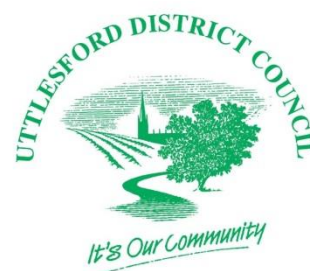


Appendix E

# Uttlesford District Council Capital Strategy 2022/23



Prepared by:  
Finance  
Uttlesford District Council  
February 2022



## Introduction

1. This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.
2. Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

## Capital Expenditure and Financing

3. Capital expenditure is where the Authority spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Authority has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year. For details of the Authority's policy on capitalisation, see the draft Statement of Accounts 2020/21.
4. In 2022/23, the Authority is planning capital expenditure of £37m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2020/21 actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
General Fund services	10	7	1	1	1
Council housing (HRA)	5	10	10	10	6
Capital investments	107	76	27	0	0
<b>TOTAL</b>	122	93	37	11	6

5. The main capital projects include vehicle replacement programme and housing developments in the Housing Revenue Account. The Authority also plans to incur £27m of capital expenditure on investments.
6. The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes the building of approximately 100 new homes over the forecast period.



7. Capital investments include loans and shares made for service purposes and property held primarily for financial return in line with the definition in the CIPFA Treasury Management Code.

## Governance

8. Service managers bid annually in September to include projects in the Authority's capital programme. Bids are collated by Financial Services who calculate the financing cost (which can be nil if the project is fully externally financed). Capital Officers appraises all bids based on a comparison of service priorities against financing costs and makes recommendations to Corporate Management Team. The final capital programme is then presented annually to Scrutiny and Cabinet for final approval by Council in February.
9. For full details of the Authority's capital programme, including the project appraisals undertaken, see: Appendix F.
10. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2020/21 actual	2021/22 forecast	2022/23 budget *	2023/24 budget	2024/25 budget
External sources	1	1	1	2	0
Capital resources	3	11	6	6	6
Revenue resources	10	3	4	4	1
Debt	108	79	24	0	0
<b>TOTAL</b>	<b>122</b>	<b>94</b>	<b>34</b>	<b>12</b>	<b>7</b>

11. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows

Table 3: Replacement of prior years' debt finance in £ millions

	2020/21 actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
Own resources	1	1	5	5	5
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>5</b>

12. The Council's full Minimum Revenue Provision statement is attached as Annexe E1.

13. The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP, and capital receipts used to replace debt. The CFR is expected to [increase by £21m during 2022/23. Based on the above figures for expenditure and financing, the Authority's estimated CFR is as follows:

*Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions*

	<b>31.3.2021 actual</b>	<b>31.3.2022 forecast</b>	<b>31.3.2023 budget *</b>	<b>31.3.2024 budget</b>	<b>31.3.2025 budget</b>
General Fund services	31	16	15	14	13
Council housing (HRA)	83	83	83	83	83
Capital investments	164	239	263	259	255
<b>TOTAL CFR</b>	<b>260</b>	<b>339</b>	<b>361</b>	<b>356</b>	<b>352</b>

14. Asset management: To ensure that capital assets continue to be of long-term use, the Authority has an asset management strategy in place.

15. Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2022/23. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive £2m of capital receipts in the coming financial year as follows:

*Table 5: Capital receipts receivable in £ millions*

	<b>2020/21 actual</b>	<b>2021/22 forecast</b>	<b>2022/23 budget</b>	<b>2023/24 budget</b>	<b>2024/25 budget</b>
Asset sales	3	3	2	2	2
Loans etc repaid	2	2	2	2	3
<b>TOTAL</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>5</b>

## Treasury Management

16. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Authority's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current

account. The Authority is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

17. The Authority currently has £265.9m borrowing at an average interest rate of 2.11% and £13.2m treasury investments at an average rate of 0.04%.

18. Borrowing strategy: The Authority's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.10%) and long-term fixed rate loans where the future cost is known but higher (currently 1.5 to 2.5%).

19. Projected levels of the Authority's total outstanding debt (which comprises borrowing, PFI liabilities, leases and transferred debt) are shown below, compared with the capital financing requirement (see above).

*Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions*

	<b>31.3.2021 actual</b>	<b>31.3.2022 forecast</b>	<b>31.3.2023 budget</b>	<b>31.3.2024 budget</b>	<b>31.3.2025 budget</b>
Debt (incl. PFI & leases)	234	305	326	322	316
Capital Financing Requirement	360	339	361	356	352

20. Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Authority expects to comply with this in the medium term.

21. Liability benchmark: To compare the Authority's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This benchmark is currently £228m and is forecast to rise to £322m over the next three years.

*Table 7: Borrowing and the Liability Benchmark in £ millions*

	<b>31.3.2021 actual</b>	<b>31.3.2022 forecast</b>	<b>31.3.2023 budget</b>	<b>31.3.2024 budget</b>	<b>31.3.2025 budget</b>
Outstanding borrowing	230	264	118	109	105
Liability benchmark	228	311	332	328	322

22. The table shows that the Authority expects to remain borrowed above its liability benchmark. This is because a deliberate decision has been made to borrow additional sums for further investments.

23. Affordable borrowing limit: The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

*Table 8: Prudential Indicators: Authorised limit and operational boundary for external debt in £m*

	2021/22 limit	2022/23 limit	2023/24 limit	2024/25 limit
Authorised limit – borrowing	415	415	415	415
Authorised limit – PFI and leases	5	5	5	5
Authorised limit – total external debt	420	420	420	420
Operational boundary - borrowing	395	395	395	395
Operational boundary – PFI and leases	5	5	5	5
Operational boundary – total external debt	400	400	400	400

24. Further details on borrowing are in the Treasury Management Strategy.

### **Treasury investment strategy**

25. Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

26. The Authority’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy, and the Authority may request its money back at short notice.

Table 9: Treasury management investments in £millions

	31.3.2021 actual	31.3.2022 forecast	31.3.2023 budget	31.3.2024 budget	31.3.2025 budget
Near-term investments	10	10	10	10	10
Longer-term investments	0	0	0	0	0
<b>TOTAL</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>

27. Further details can be found the Treasury Management Strategy.

28. Risk management: The effective management and control of risk are prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

29. Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and staff, who must act in line with the treasury management strategy approved by council. Quarterly reports on treasury management activity are presented to Cabinet.

### Investments for Service Purposes

30. The Council makes investments to assist local public services, including making loans to the Council's subsidiaries. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to generate a profit after all costs.

31. The current investments for service purposes is valued at £179m giving the Council an annual net return of £8.5m in the financial year 2021/22.

32. Governance: Decisions on service investments are made by the relevant service manager in consultation with the Director of Finance and Corporate Services and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

33. Further details on service investments are in the Commercial Strategy

### Commercial Activities

34. With central government financial support for local public services declining, the Council invests in commercial property purely or mainly for financial gain and lends to its subsidiary trading under the Aspire name for the same reason. The Council plans

on making commercial investments totalling £275m over a 5-year strategy of which in year one the council forecasts a return of approximately 4.8%.

35. With financial return being the main objective, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk exposures include tenants defaulting on their tenancy agreements resulting in income to be below the interest repayment. These risks are managed by continuously attractive different types of business and regularly monitoring of forecasted income.
36. Governance: Decisions on commercial investments are made by the Director of Finance and Corporate Services in line with the criteria and limits approved by Full Council in the investment strategy. Property and most other commercial investments are also capital expenditure

### **Liabilities**

37. In addition to debt of £326m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £36.6m).
38. Governance: Decisions on incurring new discretionary liabilities are taken by service managers in consultation with the Director of Finance and Corporate Services. The risk of liabilities crystallising and requiring payment is monitored by Financial Services and reported quarterly to Cabinet.

### **Revenue Budget Implications**

39. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.
40. Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Director of Finance and Corporate Services is satisfied that the proposed capital programme is prudent, affordable and sustainable.

### **Knowledge and Skills**

41. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Finance and Corporate Services is a qualified accountant. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, AAT and ILM.
42. Where Council staff does not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers, other

specialists will differ depending on the expertise required. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.



### **Minimum Revenue Provision Statement 2022/23**

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.

The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following are options recommended in the Guidance and locally determined prudent methods of which the Council will apply to unsupported capital expenditure, due to the changing environment Local authorities are currently working within the policy will be reviewed and updated according to any new proposals at the mid-year stage:

#### **Capital Projects**

**Annuity method** – For new unsupported capital expenditure for assets with short lives i.e. vehicles and IT MRP will be determined using the annuity method. An annuity basis considers the time value of money. Like the straight-line method, an annuity method also has the advantage of having a fixed end-point at which point debt will have been fully provided for

**Lease life method** – For assets acquired using finance lease arrangements MRP will match the portion of annual lease payment used to write-down the lease liability

#### **Housing Revenue Account – Self-financing payment**

MRP in respect of the £88.407m payment made in 2012 to exit the Housing Revenue Account subsidy system will be determined as being equal to the principal amount repaid on the loans borrowed to finance that payment.

If an asset is classified as work in progress at the end of the financial year where MRP will be charged the first instalment will take place in year 1 after the asset is operational.

#### **Investment Projects**

##### **Acquisition of investment property**

For long-term projects where an investment property is acquired; MRP will be charged over the life of the asset using the annuity method as detailed above.

##### **Loans to subsidiaries**

For long-term capital loans to other bodies MRP will be charged based fair value of the investment by the subsidiary, for infrastructure investments MRP will be charged over a maximum of 50 years if the projected residual value is below the original expenditure. Where the residual value is projected to be below the expenditure value MRP will be calculated on the balance spread over the remaining of the 50 years since acquisition.

For long-term loans to other bodies where the loan supports expenditure on fixtures and fittings MRP will be charged in equal instalments over the life of the loan.

The following table illustrates the Capital Financing Requirement (CFR) for 2022/23 which underpins the Minimum Revenue Provisions.

	Estimated CFR 31/03/2022 £'000	Estimated CFR 31/03/2023 £'000	Estimated CFR 31/03/2024 £'000	Estimated MRP 2022/23 £'000
Capital Expenditure before 01/04/2008	0	0	0	0
Unsupported Capital Expenditure after 31/03/2008	12,283	11,180	10,091	1,103
Finance Leases and Private Finance Initiative	4,191	4,024	4,024	167
<b>Total General Fund</b>	<b>16,474</b>	<b>15,204</b>	<b>14,115</b>	<b>1,270</b>
Unsupported Capital Expenditure	239,349	262,563	259,037	3,281
<b>Total Investments</b>	<b>239,349</b>	<b>262,563</b>	<b>259,037</b>	<b>3,281</b>
HRA Subsidy Revenue Account	82,753	83,273	83,293	0
<b>Total Housing Revenue Account</b>	<b>82,753</b>	<b>83,273</b>	<b>83,293</b>	<b>0</b>
<b>Total</b>	<b>338,576</b>	<b>361,041</b>	<b>356,444</b>	<b>4,550</b>

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**Capital Programme – 2022/23 – 2026/27**

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**Summary**

1. The Capital programme is for the 5 year period, 1 April 2022 to 31 March 2027 and the predicted spend for the General Fund (GF) is £6.760m, Housing Revenue Account (HRA) £35.675m and £26.792m for commercial investments.
2. Capital expenditure relates to spending on schemes and assets that have a long term value and exceeds a cost of £10,000.
3. The programme details planned capital expenditure on the Council's buildings, investments, vehicles and ICT assets.
4. The programme includes capital grants to other organisations and individuals.

**Financial Implications**

5. The revenue costs of financing the Capital Programme have been built into the Housing Revenue Account and the General Fund budgets set out in the Medium Term Financial, Appendix C on tonight's agenda.

**Capital Programme 2022/23 – 2026/27**

6. Annexe F1 shows a summary table of the capital programme and sets out the cost for each of the five years.
7. Annexe F2 details all the capital projects within each portfolio providing more details of the scheduled profile of works for each year.
8. Annexe F3 provides a detailed breakdown of how the capital programme is being financed.
9. The capital programme is an evolving and rolling schedule of expenditure year on year.
10. The capital programme for the General Fund and Housing Revenue Accounts has no requirement for internal or external borrowing. All spend is financed in the year the expenditure is incurred and financed by one or a combination of the following three financing streams.
  - Grants and Contributions
  - Revenue contributions and use of reserves
  - Capital receipts
11. The Investment Assets are the only capital expenditure items which will be financed by external borrowing.
12. The HRA capital financing includes a contribution from the Major Repairs Reserve which is the equivalent to the annual depreciation charge on council dwellings and other HRA assets. This funding is used to support the annual maintenance of the housing stock.

13. A regular update on the capital programme and associated financing is included in the Budget Monitoring reports presented to Cabinet on a quarterly basis.
14. The robustness of the capital programme and a review of each scheme are undertaken by the officers of the Capital Programme Working Group.
15. The total predicted spend for the 5 year capital programme from 1 April 2022 to 31 March 2027 is £69.227m and £36.782m and the breakdown of the is set out in the following table.

	<b>2022/23</b>	<b>2022 - 2027</b>
	<b>£'m</b>	<b>£'m</b>
General Fund	1.015	6.76
Investment Assets	26.792	26.792
Housing Revenue Account	8.975	35.675
	<b>36.782</b>	<b>69.227</b>

16. Investments totalling £26.792m relate to the asset purchases as detailed in the Medium Term Financial Strategy, Commercial Strategy, and the Capital Strategy, all included in tonight's agenda.
17. The General Fund expenditure is mainly low value service delivery capital items, with the exception of the rolling vehicle replacement scheme. The spend in 2022/23 and 2023/24 is a total of £0.405m and then no spend until 2026/27 when the waste fleet will come to end of life and need to be replaced. The estimated cost to replace the whole of the waste fleet is £2.570m.
18. The key items of expenditure in the HRA relate to the refurbishment of the sheltered accommodation at Alexia House and Parkside. A rolling budget £2.000m has been allocated in line with the use of the right to buy receipts, to be allocated to future projects as they are identified.

## Impact

Communication/Consultation	Members, CMT and Budget Managers
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

## Risk Analysis

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigating actions</b>
Failure to identify capital budget pressures and/or funding not realised	2- funding and borrowing for all schemes has been identified	2 – would require a drawdown on reserves or additional revenue contributions	Ongoing review of the spend via budget monitoring and capital officers working group

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project

## 5 Year Capital Programme Summary

<b>CAPITAL PROGRAMME SUMMARY 2021/22 to 2026/27</b>	<b>2021/22 Current Budget</b>	<b>2021/22 Forecast Spend P6</b>	<b>2021/22 Proposed Slippage to 2022/23</b>	<b>2022/23 Original</b>	<b>2023/24 Forecast</b>	<b>2024/25 Forecast</b>	<b>2025/26 Forecast</b>	<b>2026/27 Forecast</b>	<b>2022 - 2027 Total</b>
<b>£000</b>									
<b>General Fund Capital Schemes</b>									
Communities and Partnerships	170	170	0	110	110	110	110	110	550
Environmental Services	1,824	2,007	0	365	290	125	125	2,705	3,610
Finance & Administration	2,518	4,574	0	260	235	235	235	235	1,200
Housing and Economic Development	981	443	573	280	280	280	280	280	1,400
<b>Sub Total</b>	<b>5,493</b>	<b>7,194</b>	<b>573</b>	<b>1,015</b>	<b>915</b>	<b>750</b>	<b>750</b>	<b>3,330</b>	<b>6,760</b>
Investments	500	76,677	0	26,792	0	0	0	0	26,792
<b>Sub Total</b>	<b>500</b>	<b>76,677</b>	<b>0</b>	<b>26,792</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,792</b>
<b>Housing Revenue Account Capital Schemes</b>									
HRA Capital	9,953	9,835	0	8,975	9,915	5,595	5,595	5,595	35,675
<b>Sub Total</b>	<b>9,953</b>	<b>9,835</b>	<b>0</b>	<b>8,975</b>	<b>9,915</b>	<b>5,595</b>	<b>5,595</b>	<b>5,595</b>	<b>35,675</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>15,946</b>	<b>93,706</b>	<b>573</b>	<b>36,782</b>	<b>10,830</b>	<b>6,345</b>	<b>6,345</b>	<b>8,925</b>	<b>69,227</b>

## 5 Year Capital Financing Summary

CAPITAL PROGRAMME 2021/22 to 2026/27 £000	2021/22 Current Budget	2021/22 Forecast Spend P6	2021/22 Proposed Slippage to 2020/21	2022/23 Original	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2022/2027 Total
<b>General Fund</b>									
Grants and External Contributions	231	266	0	200	200	200	200	200	1,000
Direct Revenue Contributions	2,076	1,513	573	499	375	210	210	2,790	4,084
General Fund Capital Receipts	770	1,770	0	316	340	340	340	340	1,676
Borrowing	2,916	80,322	0	26,792	0	0	0	0	26,792
<b>Sub Total - General Fund</b>	<b>5,993</b>	<b>83,871</b>	<b>573</b>	<b>27,807</b>	<b>915</b>	<b>750</b>	<b>750</b>	<b>3,330</b>	<b>33,552</b>
<b>Housing Revenue Account</b>									
Grants and External Contributions	342	342	0	1,040	1,560	0	0	0	2,600
Direct Revenue Contribution	50	917	0	3,086	3,740	1,250	1,250	1,250	10,576
Capital Receipts	1,679	1,787	0	800	600	0	0	0	1,400
Funded from reserves	3,185	2,585	0	504	200	800	800	800	3,104
Major Repairs Contribution	4,697	4,204	0	3,545	3,815	3,545	3,545	3,545	17,995
Borrowing	0	0	0	0	0	0	0	0	0
<b>Sub Total - Housing Revenue Account</b>	<b>9,953</b>	<b>9,835</b>	<b>0</b>	<b>8,975</b>	<b>9,915</b>	<b>5,595</b>	<b>5,595</b>	<b>5,595</b>	<b>35,675</b>
<b>TOTAL SOURCES OF FINANCING</b>	<b>15,946</b>	<b>93,706</b>	<b>573</b>	<b>36,782</b>	<b>10,830</b>	<b>6,345</b>	<b>6,345</b>	<b>8,925</b>	<b>69,227</b>





## Annexe F2 continued...

<b>FINANCE &amp; ADMINISTRATION 2021/22 to 2026/27</b>	<b>2021/22 Current Budget</b>	<b>2021/22 Forecast Spend P6</b>	<b>2021/22 Proposed Slippage to 2022/23</b>	<b>2022/23 Original</b>	<b>2023/24 Forecast</b>	<b>2024/25 Forecast</b>	<b>2025/26 Forecast</b>	<b>2026/27 Forecast</b>	<b>2022 - 2027 Total</b>
<b>£000</b>									
ICT									
Minor Items IT	40	40	0	20	20	20	20	20	100
PCI Compliance	54	54	0	20	20	20	20	20	100
PSN CoCo	88	88	0	30	30	30	30	30	150
Revenue and Benefits	20	20	0	0	0	0	0	0	0
Asset Management System	30	30	0	0	0	0	0	0	0
Cyber Security	72	72	0	20	20	20	20	20	100
Grounds Maintenance & Vehicle Systems	43	43	0	0	0	0	0	0	0
Idox Additional Modules	5	5	0	0	0	0	0	0	0
Licensing - Lalpac to Idox Uniform	16	16	0	0	0	0	0	0	0
ArcGIS Upgrade	12	24	0	0	0	0	0	0	0
Scanner Replacement	30	30	0	0	0	0	0	0	0
Sharepoint	30	30	0	0	0	0	0	0	0
WiFi	50	50	0	0	0	0	0	0	0
Northgate Housing Assets	20	20	0	0	0	0	0	0	0
Corporate Mobile Refresh	40	40	0	0	0	0	0	0	0
ICT - New Sites	400	400	0	0	0	0	0	0	0
Cloud Telephone System	0	0	0	49	0	0	0	0	49
Appointment System	0	10	0	0	0	0	0	0	0
Web-to-Print Solutions	18	18	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>968</b>	<b>990</b>	<b>0</b>	<b>139</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>499</b>
<b>Council Asset Works</b>									
Council Offices Improvements (General)	199	199	0	96	120	120	120	120	576
New Depot Site	1,000	3,034	0	0	0	0	0	0	0
Day Centre Cyclical Improvements	0	0	0	25	25	25	25	25	125
Swan Meadow Car Park Resurface	240	240	0	0	0	0	0	0	0
Museum Boiler	34	34	0	0	0	0	0	0	0
London Road - Fire Alarm Upgrade	50	50	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>1,523</b>	<b>3,557</b>	<b>0</b>	<b>121</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>701</b>
<b>Other</b>									
Postal Software	27	27	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>27</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PORTFOLIO TOTAL</b>	<b>2,518</b>	<b>4,574</b>	<b>0</b>	<b>260</b>	<b>235</b>	<b>235</b>	<b>235</b>	<b>235</b>	<b>1,200</b>

## Annexe F2 continued...

INVESTMENTS 2021/22 to 2026/27	2021/22 Current Budget	2021/22 Forecast Spend P6	2021/22 Proposed Slippage to 2022/23	2022/23 Original	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2022 - 2027 Total
£000									
Investments	500	76,677	0	26,792	0	0	0	0	26,792
<b>Sub Total</b>	<b>500</b>	<b>76,677</b>	<b>0</b>	<b>26,792</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,792</b>
<b>PORTFOLIO TOTAL</b>	<b>500</b>	<b>76,677</b>	<b>0</b>	<b>26,792</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,792</b>

## Housing Revenue Account – 5 Year Capital Programme

HOUSING REVENUE ACCOUNT 2021/22 to 2026/27	2021/22 Current Budget	2021/22 Forecast Spend P6	2021/22 Proposed Slippage to 2022/23	2022/23 Original	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2022 - 2027 Total
<b>£000</b>									
<b>Annual Programme of Works</b>									
Annual maintaining of the housing stock	3,997	3,520	0	3,445	3,445	3,445	3,445	3,445	17,225
<b>Sub Total</b>	<b>3,997</b>	<b>3,520</b>	<b>0</b>	<b>3,445</b>	<b>3,445</b>	<b>3,445</b>	<b>3,445</b>	<b>3,445</b>	<b>17,225</b>
<b>Other</b>									
UPVC Fascia's and Guttering	100	84	0	100	100	100	100	100	500
Cash Incentive Scheme Grant	50	50	0	50	50	50	50	50	250
<b>Sub Total</b>	<b>150</b>	<b>134</b>	<b>0</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>750</b>
<b>HRA Business Plan</b>									
<b>New Builds</b>									
Unidentified Required Builds	0	41	0	2,000	1,500	2,000	2,000	2,000	9,500
The Moors	877	877	0	0	0	0	0	0	0
Thaxted Road	3,460	3,460	0	0	0	0	0	0	0
Great Chesterford	1,469	1,469	0	0	0	0	0	0	0
Takeley	0	0	0	500	500	0	0	0	1,000
Gold Close	0	230	0	0	0	0	0	0	0
<b>Sheltered Redevelopments</b>									
Unidentified Required Builds	0	104	0	0	0	0	0	0	0
Alexia House	0	0	0	1,400	2,100	0	0	0	3,500
Parkside	0	0	0	1,480	2,220	0	0	0	3,700
<b>Sub Total</b>	<b>5,806</b>	<b>6,181</b>	<b>0</b>	<b>5,380</b>	<b>6,320</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>17,700</b>
<b>PORTFOLIO TOTAL</b>	<b>9,953</b>	<b>9,835</b>	<b>0</b>	<b>8,975</b>	<b>9,915</b>	<b>5,595</b>	<b>5,595</b>	<b>5,595</b>	<b>35,675</b>

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**Housing Revenue Account – Budget 2022/23**

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**Summary**

1. This report sets out the Housing Revenue Account (HRA) budget and the reserves position for 2022/23.
2. Housing and supported accommodation rents are recommended to be increased by 4.9% (CPI+1%) as per central government policy and when a property is re-let the rent will be revised to the formula rent level.
3. Other income and service charges for 2022/23 are recommended to be set on the following basis:
  - Garage rents are increased by RPI of 4.9%
  - Lifeline Service is increased by RPI of 4.9%
  - Housing Related Support charges are increased in line with actual costs
  - Intensive Housing Management charges are increased in line with actual costs
  - Heating, Service and Sewerage charges are increased in line with actual costs
4. The Housing Board reviewed the Housing Revenue Budget for 2022/23 and the five year financial strategy on the 2 November 2021 and the Tenants Forum also reviewed the housing rent and service charge proposals on the 28 October 2021.

**Background**

5. The HRA budget for 2022/23 reflects the service arrangements and investments in relation to the Council's housing services for the eleventh year under 'Self Financing'.
6. The new financial arrangements enable the service to stand alone financially and take 'local' decisions for housing services.
7. Decisions about the level of expenditure in the HRA continue to be made in the context of a 30 year Business Plan. The current version was updated and approved at Cabinet in January 2016 and is reviewed annually.
8. The Business Plan sets the financial strategy for Housing and the budget proposals are reflected in this report.
9. The Business Plan has been framed in the light of:
  - Estimated rental income is in line with the Government's guidance
  - Appropriate capital investment in maintaining the quality of the housing stock through planned maintenance and replacement works
  - The new build programme and service improvements
  - One for one replacement of Right to Buy sales
  - Servicing and repaying debt so that new borrowing is available for future maintenance works and/or investment in further new build schemes
  - Remodelling and modernising sheltered housing schemes
10. Income and expenditure is budgeted on an incremental and inflationary basis to reflect the financial and operational needs of the housing service.

## **Debt Cap Removal**

11. In August 2018 Uttlesford were one of the ambitious councils who submitted a bid for funds to build more homes. It was the popularity of that bidding process amongst local authorities that led to the Government's unexpected announcement in October 2018 that the HRA borrowing cap had been removed.
12. The removal of the cap is welcomed as it takes away one of the restrictions faced by local authorities looking to invest in their housing stock and build homes. However, the decision to increase HRA borrowing is not just dependent on whether it is permitted; it also needs to be affordable.
13. There is currently a balanced HRA business plan and therefore costs arising from additional borrowing would need to be funded either through additional income or a reduction in costs.
14. The Council is already committed to building homes for local people and since the introduction of self-financing the Council has been able to build, redevelop or directly purchase 163 homes despite the previous borrowing cap.

## **National Social Rent Policy**

15. Since 2001, rents for properties let at 'social rent' have been set based on a formula set by government. This creates a 'formula rent' for each property, which is calculated based on the relative value of the property, relative local income levels, and the size of the property. An aim of this formula-based approach is to ensure that similar rents are charged for similar social rent properties.
16. In 2011, the government introduced 'affordable rent' which permits rents to be set at up to 80% of market rent. The policy allows the Council to let new build properties at affordable rent where certain conditions apply.
17. The majority of the Council's new build properties are let at affordable rent and the additional income makes it possible to build more homes.
18. In October 2017, government announced its intention to set a long-term rent deal for social housing landlords in England. This new policy permits annual rent increases on both social rent and affordable rent properties of up to consumer price index (CPI) plus one percentage point from 2020, for a period of at least five years.
19. Rents are set in line with Government policy and to that end the Council's social and affordable rents have been modelled at CPI+1% from 2021/22. The Council's HRA Business Plan fundamentally requires this level of increase to take place to remain viable.
20. Where rent is still not at the formula rent level the rent will be revised to the formula rent level when the property is re-let as per our current policy.

## **Housing Revenue Account Budget 2022/23**

21. The following table summarises the HRA budget for 2022/23, a more detailed breakdown is set out in Annex G1. The budget identifies a balanced budget made up of total income of £16.832m and total service expenditure of £13.480m, allowing a revenue contribution to fund the capital programme of £3.590m. To support the total proposed capital spend a drawdown on reserves of £0.238m is required.

	2021/22 Original Budget £'000	2021/22 Restated Budget £'000	2022/23 Original Budget £'000	Increase / (Decrease) £'000
Dwelling Rents	(14,875)	(14,875)	(15,553)	(678)
Rents and Charges (other)	(1,295)	(1,295)	(1,278)	17
<b>Service Income</b>	<b>(16,170)</b>	<b>(16,170)</b>	<b>(16,832)</b>	<b>(661)</b>
Housing Finance & Business Management	80	80	78	(2)
Housing Maintenance and Repairs Service	3,659	3,659	4,070	412
Housing Management and Homlessness	1,082	1,082	977	(105)
<b>Service Expenditure</b>	<b>4,821</b>	<b>4,821</b>	<b>5,126</b>	<b>305</b>
Recharge from General Fund	1,553	1,553	1,747	194
Depreciation and Impairment	4,281	4,281	3,957	(325)
Interest/Costs re HRA Loan	2,601	2,601	2,570	(31)
Other (net)	88	88	80	(8)
<b>Non-Service Expenditure</b>	<b>8,524</b>	<b>8,524</b>	<b>8,354</b>	<b>(170)</b>
<b>Total Expenditure</b>	<b>13,344</b>	<b>13,344</b>	<b>13,480</b>	<b>135</b>
<b>Operating Surplus</b>	<b>(2,826)</b>	<b>(2,826)</b>	<b>(3,352)</b>	<b>(526)</b>
MRP - HRA Loan	2,000	2,000	0	(2,000)
Funding of Capital Programme from HRA	650	3,235	3,590	355
Transfer to/from (-) Reserves	176	(2,409)	(238)	2,171
<b>HRA (Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

22. The following table sets out the key budget movements from 2021/22 to 2022/23 and paragraphs 24 to 36 provides a breakdown of all the HRA income;

Budget Movements	£'000	£'000
<b>2021/22 Net Operating Surplus</b>		<b>(2,826)</b>
Dwelling Rents Inflationary Increase	(678)	
Rents and Charges	17	
Housing Repairs and Maintenance	373	
General Needs and Sheltered Housing Services	(104)	
Depreciation Charge	(325)	
Loan Interest	(31)	
General Fund/Corporate Core Recharge	194	
Other immaterial variances	28	
		(526)
<b>2022/23 Net Operating Surplus</b>		<b>(3,352)</b>

23. The budget is based on estimates and there are a number of risks and assumptions which could affect the budget, these are set out in Annexe G2.

## Housing Rents

24. It is recommended that there is a 4.9% increase in current rents. The average rent in 2021/22 was budgeted as £102.73 and the actual average rent as at September 2021 was £102.59. In 2022/23 the average rent will increase to £106.91.

25. The rent increases will generate an additional rental income of £678,000.

## Garage rents

26. The Council manages a total of 450 garages, of these 305 are rented by private residents. It is recommended to increase the garage rents by RPI of 4.9% (as at September 2021). The current weekly rent is £10.99 and this will increase to £11.53 (excluding VAT) per week for 2022/23.



## Housing Related Support (HRS) charges and Intensive Housing Management (IHM) charges

25. In 2017 the Council reviewed all support and housing management charges in preparation for further cuts to HRS funding made by Essex County Council (ECC).
26. The review resulted in the introduction of an IHM charge to recover a proportion of the reduction in funding from ECC. The IHM charge is covered by Housing Benefit and its introduction therefore lessened the impact of the cuts to HRS for those tenants on benefits who previously had not contributed to support costs.
27. All HRS funding from ECC ceased from April 2017 and the cost of support and IHM is now recovered in full from all sheltered tenants. The rationale that ECC made for these cuts is that people who require this type of support can claim appropriate benefits to pay for it themselves.
28. It is recommended to continue to calculate the charges for the council's sheltered housing scheme management service, made up from IHM and HRS in line with actual costs. The charges to be set at:

Intensive Housing Management (IHM)	£16.86 per week
Housing Related Support (HRS)	£ 6.26 per week
<b>Total Charge</b>	<b>£23.12 per week</b>

## Lifeline Service

29. The Lifeline Service will no longer be delivered by the Council from the 1 April 2022 and this service will be delivered by NHS Provide. As the service does not transfer until the new financial year the Council is required to set the Lifeline charges for 2022/23.
30. It is recommended charges for the Council's Lifeline service are raised by RPI of 4.9%. The current weekly charge is £4.50, and this will increase to £4.72 (excluding VAT) per week for 2022/23. There is an additional cost of £1 for extra sensors.

## Heating, service and sewerage charges

31. The Council manages leasehold and freehold properties where service and sewerage charges are payable, and these will continue to be calculated and charged in line with actual costs.
32. General needs and sheltered housing service and sewerage charges are calculated on the same basis as Leasehold/freehold properties.
33. Heating charges will be calculated and charged in line with actual costs.

## Garden Welfare

34. The Council provides a gardening scheme for tenants who are unable to maintain their gardens because they have a physical or mental health disability or a long term illness.
35. For some tenants this may be a one-off clearance that then enables them to keep their garden tidy in the future, whilst others may need regular maintenance visits as well. Recommended fees for this service are set out below:

Garden Services	Cost (exc. VAT)	
	2021/22	2022/23
One-off clearance	£45.00	£50.00
One-off clearance (Substantial clearance where the majority of the garden is ➤ higher than 1 metre, this ➤ includes bramble, grass and weeds)	£75.00	£80.00
Grass cutting: Throughout the growing season and includes up to two hedge cuts a year <i>This charge will not be covered by housing benefit and is payable throughout the year</i>	£3.50 per week	£3.75 per week

## Reserves

36. The reserves position for 2022/23 is shown in the table below and this is based on the estimated position at the end of quarter 2 of 2021/22.

Reserve £'000	2021/22 Q2 Forecast				2022/23		
	Actual Balance 1st April 2021	Transfer from HRA	Transfer to HRA	Estimated Balance 31st March 2022	Transfer from HRA	Transfer to HRA	Balance 31st March 2023
<b><u>RINGFENCED RESERVES</u></b>							
Working Balance	471	43		514	32		546
<b>TOTAL RINGFENCED RESERVES</b>	<b>471</b>	<b>43</b>	<b>0</b>	<b>514</b>	<b>32</b>	<b>0</b>	<b>546</b>
<b><u>USABLE RESERVES</u></b>							
Revenue Reserves	180		0	180			180
Revenue Projects	60		0	60			60
	240	0	0	240	0	0	240
<b><u>Capital Reserves</u></b>							
Capital Projects	910	216	(249)	877		(270)	607
Potential Projects Reserve	110			110			110
HRA Slippage Reserve	2,650	370	(2,585)	435		(435)	0
	3,670	586	(2,834)	1,422	0	(705)	717
<b>TOTAL USABLE RESERVES</b>	<b>3,910</b>	<b>586</b>	<b>(2,834)</b>	<b>1,662</b>	<b>0</b>	<b>(705)</b>	<b>957</b>
<b>TOTAL RESERVES</b>	<b>4,381</b>	<b>629</b>	<b>(2,834)</b>	<b>2,176</b>	<b>32</b>	<b>(705)</b>	<b>1,503</b>
<b><u>OTHER RESERVES</u></b>							
Capital Receipt Reserve	2,186	1,600	(1,674)	2,112	1,600	(1,227)	2,485
Major Repairs Reserve	215	4,281	(3,929)	567	3,957	(3,545)	979
<b>TOTAL OTHER</b>	<b>2,401</b>	<b>5,881</b>	<b>(5,603)</b>	<b>2,679</b>	<b>5,557</b>	<b>(4,772)</b>	<b>3,464</b>

## 5 Year Budget forecast

37. The 5 year financial forecast for the HRA revenue and reserves position are detailed in the Medium Term Financial Strategy, Appendix C, and the capital programme and associated financing are detailed in the Capital Programme, Appendix F.

## Impact

38.

Communication/Consultation	Tenants Forum and Housing Board reviewed the rent, heating, service and sewerage charges Corporate Management Team have reviewed the report
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	Affordable rent levels and appropriate housing supply are an important factor in the sustainability of local communities and in particular rural communities
None Ward-specific impacts	None
Workforce/Workplace	None

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Property lettings suspended again due to the pandemic	2 – Further lockdowns may require more stringent measures	3 Increase in numbers of people in housing need loss of rental income	Source temporary accommodation in hotels until property lettings resume
Changes in legislation may alter the assumptions contained in the proposed 2022/23 Budget and HRA Business Plan	2 - we are currently unaware of any changes	2 – reduced income and or increased costs	Prudent budget mgt. and assumptions built into the budget, supported by minimum operational balance and earmarked reserves to provide a short term contingency

Rent arrears increase	2 – Long term effects of the pandemic	2 – increased arrears and resources needed to support tenants to manage their payments	Housing officers and Benefit Welfare Officer provide Tenant support for those in financial difficulty.
Failure to deliver major housing and development projects	2 – the Council has an ambitious development programme	3 – schemes do not progress	Robust project planning and resources aligned to deliver projects.
Increase in interest rates	2 – not anticipated that rates will significantly increase in the next year	3 – increase in loan repayment	Prudent budget management. Monitor the situation with our Financial Consultants, Arlingclose and consider fixed rate alternatives
RTB replacements – The HRA will not be able to build up enough receipts to fully finance 40% of the scheduled developments at the time of construction	2 HRA unable to sustain additional borrowing	2 RTB receipts will have to be paid back	Continuous review of the Business Plan and borrowing options  Lobby Government to change rules on using RTB receipts

**Housing Revenue Account – 2022/23 Budget**

£'000	2021/22 Original Budget	2021/22 Current Budget	2022/23 Original Budget	Increase / (Decrease)
<b>Housing Revenue Income</b>				
Dwelling Rents	(14,875)	(14,875)	(15,553)	(678)
Garage Rents	(233)	(233)	(225)	8
Other Rents etc	(1)	(1)	(1)	0
Charges for Services & Facilities	(1,061)	(1,061)	(986)	74
Contributions towards Expenditure	0	0	(66)	(66)
<b>TOTAL INCOME</b>	<b>(16,170)</b>	<b>(16,170)</b>	<b>(16,832)</b>	<b>(661)</b>
<b>Housing Finance &amp; Business Management</b>				
Rents, Rates & Other Property Charges	80	80	78	(2)
	80	80	78	(2)
<b>Housing Maintenance &amp; Repairs Service</b>				
Common Service Flats	224	224	256	32
Estate Maintenance	2	2	2	(1)
Housing Sewerage	13	13	16	3
Newport Depot	0	0	5	5
Property Services	49	49	49	0
Housing Repairs (Norse Services)	3,370	3,370	3,743	373
	3,659	3,659	4,070	412
<b>Housing Management &amp; Homelessness</b>				
Housing Services	536	536	516	(20)
Sheltered Housing Services	546	546	461	(84)
	1,082	1,082	977	(105)
<b>Total Service Expenditure</b>	<b>4,821</b>	<b>4,821</b>	<b>5,126</b>	<b>305</b>
<b>Other Costs</b>				
Bad Debt Provision	100	100	100	0
Depreciation - Dwellings (to MRR)	4,230	4,230	3,935	(296)
Depreciation - Non- Dwellings (to MRR)	51	51	22	(29)
Interest/Costs re HRA Loan	2,601	2,601	2,570	(31)
Investment Income	(2)	(2)	(10)	(8)
Pension Costs - Added Years	0	0	0	0
Pension Deficit - Triennial payment	0	0	0	0
Recharge from General Fund	1,167	1,167	1,387	220
HRA Share of Corporate Core	386	386	360	(25)
Right to Buy Admin Allowance	(10)	(10)	(10)	0
<b>Total Non-Service Expenditure</b>	<b>8,524</b>	<b>8,524</b>	<b>8,354</b>	<b>(170)</b>
<b>TOTAL EXPENDITURE</b>	<b>13,344</b>	<b>13,344</b>	<b>13,480</b>	<b>135</b>
<b>OPERATING (SURPLUS)/DEFICIT</b>	<b>(2,826)</b>	<b>(2,826)</b>	<b>(3,352)</b>	<b>(526)</b>
MRP - Repayment of HRA Loan	2,000	2,000	0	(2,000)
<b>Funding of Capital Programme from HRA</b>				
Capital Schemes Funded from Revenue	650	3,235	3,590	2,940
	650	3,235	3,590	2,940
<b>Transfers to/(from) Reserves</b>				
Capital Projects	216	216	(270)	(486)
Change Management Reserve	0	0	0	0
Potential Developments	0	0	0	0
HRA Slippage Reserve	0	(2,585)	0	0
HRA Slippage Reserve	0	0	0	0
Sheltered Housing Reserve	0	0	0	0
Transformation Reserve	0	0	0	0
Working Balance	(40)	(40)	32	72
<b>Movement in Reserves</b>	<b>176</b>	<b>(2,409)</b>	<b>(238)</b>	<b>(414)</b>
<b>(SURPLUS)/DEFICIT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Risks and Assumptions

Service	Budget item	Description of key assumptions and/or what variable outcomes may arise	Probability of variance arising (L, M, H)	Favourable Impact (L, M, H)	Adverse Impact (L, M, H)
HRA	Voids	Budget is produced based on current year voids. Any changes will effect the rent income levels	L	L	L
HRA	Right To Buy Schemes	Lack of suitable schemes to satisfy the RTB 1-4-1 replacement requirement would result in the council having to repay capital receipts to the Government with interest. The receipts have been utilised to fund HRA loan repayments so additional borrowing may be required to repay government (mechanism for repayment of RTB receipts is currently under government consultation)	M		H
HRA	Rent Reduction	The government have agreed that rents can be increase by CPI plus 1% from 2019/20. However if this decision is reversed it would effect the level of rental income in future years	L		H
HRA	Incremental Weather	Incremental winter weather could effect the level of repairs to the housing stock	M		M
HRA	Delays to Development Schemes (Covid-19 or lack of materials)	Delays to the Schemes will effect the RTB 1-4-1 replacement requirement	M		H

## General Fund and Council Tax – 2022/23

### Summary

1. This report sets out detailed revenue estimates for the General Fund and the Council Tax requirement for 2022/23. This budget must be considered alongside the report made by the Director of Finance and Corporate Services (S151 Officer) under Section 25 of the Local Government Act 2003, included as an item earlier in the agenda. The budget is consistent with the Medium Term Financial Strategy (MTFS) also presented earlier on the agenda.
2. The budget is based on the provisional Financial Settlement announced in the 2021 Spending Review and direction from the Cabinet on their priorities and Council Tax increase.
3. The proposed budget shows a Council Tax Requirement of £6,403,772 which balances to the level of Council Tax yield, assuming an increase of £5 in Council Tax for a Band D equivalent property.
4. The estimates in this report are based on the recommended Capital Programme, Treasury Management Strategy, Commercial Strategy and Housing Revenue Account budget for 2022/23 considered earlier in this agenda.

### Council Tax – 2022/23

5. By law the budget (Council Tax Requirement) must balance to the expected Council Tax income receivable.
6. The Director of Finance and Corporate Services (S151 Officer), under delegated authority, has approved the gross Council Tax base of 40,477.10 to be used for setting the 2022/23 draft Council Tax, an increase of 0.86% on the 2021/22 figure of 40,121.39.
7. The taxbase for the purposes of budget setting is calculated by deducting the Local Council Tax Support Discounts from the gross Council Tax base. The estimate of these discounts in Band D equivalent terms is 2,041.40 and this produces a taxbase for budget setting purposes of 38,435.70.
8. The 2021/22 UDC Band D equivalent Council Tax was £161.61. In accordance with the Cabinet's guidance, an increase of £5 has been assumed for the purpose of preparing this report; this gives a Band D equivalent figure for 2022/23 of £166.61. Multiplied by the taxbase, this produces a Council Tax yield of £6,403,772.
9. The Council is therefore required to balance its net budget to a Council Tax Requirement of £6,403,772; the increase in tax base and Band D equivalent for 2022/23 compared to 2021/22 is illustrated in the table below.

	2021/22	2022/23	% Change
Taxbase (gross)	40,121.39	40,477.10	0.89%
LCTS Discounts	(2,013.08)	(2,041.40)	1.41%
Taxbase (net)	38,108.31	38,435.70	0.86%
Band D	£161.61	£166.61	3.09%
<b>Council Tax Yield</b>	<b>£6,158,684</b>	<b>£6,403,772</b>	<b>3.95%</b>

10. The Council Tax Yield is higher for 2022/23 than the equivalent sum for 2021/22, an analysis of the income for the increase in taxbase and Band D equivalent is set out below:

<b>Council Tax increases</b>		
<b>2021/22 Council Tax Requirement</b>		<b>£6,158,684</b>
Additional income arising from Taxbase increases	£54,547	
Additional income arising from UDC £5 increase	£190,541	
<b>2022/23 Council Tax Requirement</b>		<b>£6,403,772</b>

11. The £6,403,772 figure represents estimated Council Tax income, but for budget purposes it is treated as a UDC levy on the Collection Fund and is therefore a reliable figure. Inevitably the actual amount of Council Tax income collected will differ from the assumed amount due to in year changes in Local Council Tax Support, reliefs, empty properties and level of collection. This will give rise to either a surplus or deficit on the Collection Fund which will be taken into account as part of next year's budget setting.
12. Assuming an increase of £5 in Council Tax, the amount of Uttlesford Council Tax, by each Council Tax band, is shown below.

<b>Band</b>	<b>Proportion of Band D</b>	<b>2021/22 UDC Council Tax £</b>	<b>2022/23 UDC Council Tax £</b>	<b>Increase £5 £/year</b>
A	6/9ths	107.74	111.07	3.33
B	7/9ths	125.70	129.59	3.89
C	8/9ths	143.65	148.10	4.44
D	9/9ths	161.61	166.61	5.00
E	11/9ths	197.52	203.63	6.11
F	13/9ths	233.44	240.66	7.22
G	15/9ths	269.35	277.68	8.33
H	18/9ths	323.22	333.22	10.00

### **Budget Consultation 2022/23**

13. A Budget consultation was undertaken between 30 September and 17 October 2021. The Council sought the views of residents, partners and those who work within the district as it began the process of setting the budget for the 2022-23 financial year. A total of 167 responses were received.
14. The consultation concentrated on asking for residents' views on the priorities for council spending and for the future resourcing of specific service areas. An open text box was provided for respondents to express their views if they felt a different priority should be set by the Council. Feedback was also sought from residents regarding whether the Council Tax precept for Uttlesford District Council represented 'Value for money'.
15. A summary of the responses is set out below and the full report can be found at Annexe H6 and a copy of the questionnaire with full data response to each question is attached as Annexe H7.
- i. Does the council offer value for money – 66% of respondents either 'strongly agreed' or 'tended to agree'



- ii. Are the Corporate Plan priorities the right ones – this ranged between 84% and 96% across the four priorities who agreed these were the right ones
- iii. Importance of Statutory Services – Waste and Recycling scored highest, with developing cleaner neighbourhoods second and the Local Plan and Planning third. Taxi, Liquor, and gambling licencing showed as the least important
- iv. Importance of Discretionary Services – Maintaining amenity areas scored highest, with Communicating with the Public second and Community Safety third. The least important was Ward Member Grants

## **General Fund Budget**

16. A summary of the 2022/23 General Fund budget is shown in the table below. A more detailed summary is set out in Annexe H1, and each portfolio budget is set out in Annexe H2.

	2021/22 Original Budget	2021/22 Current Budget	2022/23 Original Budget	2022/23 Increase / (Decrease)
<b>£'000</b>				
<b>Direct Service Budgets</b>				
Net Service Expenditure	15,736	15,736	17,341	1,606
<b>Corporate Items</b>				
Capital Financing and MRP	3,626	4,922	5,131	210
Recharge to HRA	(1,552)	(1,552)	(1,747)	(195)
Investment Income	(6,928)	(6,928)	(11,774)	(4,846)
Borrowing Cost	1,814	1,814	2,835	1,020
Other Corporate Items	422	422	425	3
<b>Net Expenditure</b>	<b>(2,618)</b>	<b>(1,322)</b>	<b>(5,130)</b>	<b>(3,808)</b>
<b>Funding</b>				
New Homes Bonus Grant	(2,823)	(2,823)	(1,343)	1,480
Business Rates Retention	2,721	2,721	(4,368)	(7,089)
Rural Services Grant	(293)	(293)	(293)	(1)
Covid 19 Support Funding	(890)	(890)	(1,552)	(662)
Council Tax - Collection Fund	55	55	6	(49)
	<b>(1,230)</b>	<b>(1,230)</b>	<b>(7,550)</b>	<b>(6,320)</b>
<b>Net Operating Expenditure</b>	<b>11,888</b>	<b>13,184</b>	<b>4,662</b>	<b>(8,522)</b>
Net transfers to/(from) other earmarked reserves	(5,729)	(7,025)	1,742	8,767
Council Tax Requirement	6,159	6,159	6,404	245
Council Tax (precept levied on Collection Fund)	(6,159)	(6,159)	(6,404)	(245)
<b>(Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

17. After taking account of all the budget requirements and the Council Tax requirement there is a deficit of £214,162. To ensure that the Council meets its legal requirement to set a balanced budget it is proposed the deficit of £214,162 is met from the Medium Term Financial Strategy Reserve.

18. The following table is a reconciliation of the movement from the 2021/22 budget to the 2022/23 budget.

	£'000	£'000
<b>Council Tax Requirement - 2021/22</b>		<b>6,159</b>
<u>Direct Service Budget Changes</u>		
Budget movements to restated base 20/21	(855)	
Inescapable growth	1,925	
Service growth	517	
Efficiency savings	(361)	
Changes to Income	69	
Other adjustments	310	
		<b>1,606</b>
<u>Corporate Items</u>		
Capital financing costs decrease	197	
Investment Asset net income	(4,846)	
Recharges to the HRA	(195)	
Net treasury costs/(income)	1,036	
		<b>(3,808)</b>
<u>Funding Items</u>		
Change in New Homes Bonus	1,480	
Net impact of Collection Fund	(7,138)	
Covid impact funding	(662)	
Other net adjustments	(1)	
Net change in draw on reserves	8,767	
		<b>2,448</b>
<b>Total net changes to base budget</b>		<b>246</b>
<b>Council Tax Requirement - 2022/23</b>		<b>6,404</b>

19. A full analysis of all budget changes, efficiencies, growth and adjustments are detailed in Annex H3 and the definition of these changes are explained below:
- I. The budget movements to restated base are items of expenditure which were approved in previous years for a fixed term only and have been removed from the budget
  - II. Inescapable growth relates to inflationary and incremental increases for salaries and other service expenditure inflation
  - III. Growth is direct service investment
  - IV. Efficiencies have been achieved by the natural evolution of services and the way we deliver those services; no efficiency targets have been included in the 2022/23 budget
20. The Government wrote to the Council on the 7 February 2022 advising that they are exercising powers under the Town and Country Planning Act [1990 – Section 62A] to ‘designate’ the Council in regard to the consideration of major planning applications. The consequence of designation is that applications for major development can be made directly to the Planning Inspectorate, although applicants will have the option of continuing to apply to the Council in the usual way. The financial impact of this is estimated at £560,000, 50% of the normal annual planning income. Full details can be found in The Medium Term Financial Strategy (Appendix C).
21. As part of the Designation Notice the Council must provide an improvement plan, which the Council already has from the 2021 review undertaken by EELGA. However, the lost income formed a key element in funding the changes that need to be made and Officers have commenced discussions with DLUHC around financial support whilst the Designation Notice is in place. In addition to the request to DLUHC the Council will put in place enhanced budgetary controls, such as vacancy management, to minimise the final level of Reserve drawdown that is required.

22. As there has been no other councils subject to a Designation Notice since 2014, there is very little information on which to base the estimated income loss. It should be noted therefore that this figure is subject to change giving a variance either higher or lower than the estimated £560,000. A separate paragraph will be provided in each quarterly budget monitoring report setting out the position at that point in time and the estimated annual loss.
23. Although not normally reported separately, there has been throughout 2021/22 considerable interest in the Uttlesford funding for the Local Highways Panel. For 2022/23 the sum allocated for this purpose is £200,000.
24. £250,000 has been allocated to the Corporate Management budget. This will fund the compensation payments being made for the relocation of the Environmental Services Teams to Little Canfield for the next three years in accordance with Council policy. In addition, the Council last carried out a full review on its pay structure over 20 years ago. Since then, ad hoc pieces of work have been done, including an update to the current salary grades in 2017, but the option of a more fundamental review needs to be explored.
25. The key service variances over £50,000 are detailed in the following table

Service	£'000	Description of variance
Development Control (note 1)	176	New Staffing Structure £152k of spend is funded from Member priority funding allocated to the planning review
	120	Planning Appeals Additional specialist Consultancy and legal fees
	55	PPA net Income reduction of £75k offset by reduced cost of £20k for consultants
	560	Estimated income reduction due to the current planning designation
	(95)	Additional income due to S106 fees and efficiencies in fee processing
	20	Place Services SLA To support the service on Heritage properties
	23	Advertising Additional notices of planning applications
Planning Policy (see note 2)	172	Consultancy
	75	Legal Fees
Corporate Management	(300)	Member Priorities Fund released as no new priorities identified
Offices (see note 3)	56	Little Canfield Site Manager
	223	New premises rates
	248	Site Security
	(352)	Little Canfield Commercial Income
Lifeline (see note 4)	160	Income loss due to service being delivered by alternative provider
Information Technology	125	Software increases and Security Costs to cover additional software to ensure security of systems
Car Park	115	Increased cost of payment processes for ticket machines
Waste Management	173	Agency Staff Increased cost of HGV agency drivers and to cover absences
	93	Trade Waste Loss of income due to company closing down
	(143)	Green Waste Green waste additional subscriptions
Economic Development	(106)	Net saving of previous strategy funds now replaced with the Economic recovery plan
Council Tax Discounts	(72)	Essex sharing agreement reduction in the council tax share back from preceptors
Revenues	68	Temporary Staff Additional temp staff to support the delivery of grants and taxbase
Grants	(65)	Grant allocations One off grant allocations in 2021/22
Other	277	Net minor variances
<b>Total Net Direct Service Variances</b>	<b>1,606</b>	

#### **Note 1 – Planning Income**

Development Control income reduction of £560,000 is the estimated impact of the Planning Designation Notice as detailed in paragraph 20.

#### **Note 2 – Local Plan**

The local plan has a total allocated budget of £6.83m, this is for financial years 2020/21 – 2024/25. A five year budget plan is in place and the local plan is on target to complete within the allocated resources. The overspend in the current year is offset against prior year underspends (held in reserves) and spend profiling is updated annually. The total budget allocation is inclusive of the funds held in the Sustainable New Communities Reserve.

### **Note 3 – Little Canfield Business Park**

The additional office costs include both the Little Canfield site and the new office building in Stansted. The total additional cost of Little Canfield is £507,250, this needs to be offset against the expected commercial income and gives a net cost of the site of £155,250.

### **Note 4 – Lifeline**

The reduction of income for the Lifeline service, is offset against a charge from the Housing Revenue Account. The General Fund collected the income for this service from private residents subscribing to the service, but the associated costs are incurred by the Housing Revenue Account. The income is then recharged back to the Housing Revenue Account as part of the overall net Housing Revenue Recharge, which is shown in the General Fund Summary table under 'Corporate Costs' at the beginning of this paper. This recharge now excludes the cost of this service, and this is reflected in the higher net income received by the General Fund of £195,000.

26. A subjective analysis of net service expenditure is detailed below.

£'000	2021/22	2021/22	2022/23	
	Original Budget	Current Budget	Original Budget	Increase / (Decrease)
Employees	13,900	13,900	14,464	564
Premises	672	672	1,227	555
Transport	600	600	572	(28)
Supplies & Services	9,219	9,219	9,267	47
Third Party Payments	341	341	343	2
Transfer Payments	12,120	12,120	11,608	(512)
<b>Expenditure</b>	<b>36,853</b>	<b>36,853</b>	<b>37,481</b>	<b>628</b>
External Funding	(1,556)	(1,556)	(1,738)	(181)
Fees & Charges	(6,066)	(6,066)	(5,747)	320
Specific Government Grants	(12,849)	(12,849)	(12,295)	553
Other Income	(646)	(646)	(359)	286
<b>Income</b>	<b>(21,117)</b>	<b>(21,117)</b>	<b>(20,140)</b>	<b>978</b>
<b>Net portfolio expenditure</b>	<b>15,736</b>	<b>15,736</b>	<b>17,341</b>	<b>1,606</b>

- Employee cost increases relates to inflation and incremental increases
- Premises is due to the new Council sites (Little Canfield Business Park and Walpole Meadows, Stansted) as detailed in paragraph 23 note 3.
- Transfer payments is the Housing Benefit expenditure, this is offset by the subsidy income shown under Specific Government Grants
- Fees and charges reduction is due to the impact of the Planning Designation as detailed in paragraph 20 and 23 note 1.

### **Corporate Costs**

27. The Corporate Costs includes the additional revenue charge for Minimum Revenue Provision (MRP), this is a charge to minimise the risk exposure of the Council against the debt, mainly incurred through the acquisition of the commercial portfolio, and supports the reduction in our capital financing requirement.

28. To reduce the impact of the charge, all capital expenditure (excluding investment assets) is financed in the year the cost is incurred. This is discussed in more detail in the MTFs (Appendix C) presented earlier in the agenda.

## **Funding**

29. The Government announced a further one year settlement for 2022/23, which means that both the Fair Funding Review and Business Rates Reforms are again postponed. This does mean that the New Homes Bonus is extended for a further year, a one year only amount with no future legacy payments.
30. The additional year of the New Homes Bonus means that the Council received a one year grant payment of £517,000 plus the final year legacy payment of the 'original' scheme, giving a total award of £1,342,925.
31. The Government pledged that no Local Authority would be worse off in this year's settlement and provided all Lower Tier Authorities with a grant to bring them up to the same level of funding as 2021/22; this grant assumes that councils will increase Council Tax by the maximum amount, which is the proposal contained within this report.
32. As part of the one year settlement the Government continued the Lower Tier Services Grant payments and a total grant of £1,551,587 was received.

## **Risks and Assumptions**

33. The key areas of risk both adverse and favourable are detailed in the Section 25 report - Robustness of Estimates and Adequacy of Reserves - presented earlier in the agenda (Appendix A). A full analysis of all operational service risks and assumptions has been included in Annexe H4.

## **Local Government Finance Settlement**

34. The Government announced the provisional settlement on 16 December 2021 for 2022/23 and the final settlement is expected to be announced in February 2022. It is unlikely there will be any changes to the settlement figures, but if there is these will be discussed with Members and all reports and financial tables will be updated to reflect this.
35. There is continued uncertainty about the level of funding in future years and this was discussed in more detail in the MTFS, earlier in the agenda.

## **General Fund Reserves**

36. The report made by the Director of Finance and Corporate Services (s151 Officer) under Section 25 of the Local Government Act 2003, received as Appendix A earlier in tonight's agenda, recommended that the Working Balance is maintained at £1.597m for 2022/23 and has been included in the Budget.
37. The reserves estimated balance at the end of the 2021/22 financial year is £19.089m, the proposed net transfer of reserves for 2022/23 is £1.742m giving a balance at 31 March 2023 of £20.831m as set out below, this includes the 2022/23 deficit drawdown from the Medium Term Financial Strategy reserve of £0.214m.

£000	2021/22 Q2 position				2022/23			
	Balance at 1 April 2021	Transfer from General Fund	Transfer To General Fund	Estimated at 31 March 2022	Transfer from General Fund	Transfer To General Fund	Reserve Transfers	Estimated at 31 March 2023
<b>Ringfenced Reserves</b>								
Business Rates	7,634	1,844	(4,837)	4,641	771			5,412
Capital Slippage	1,483	204	(723)	964				964
Licensing	35	13		48		(5)		43
Leisure/Private Finance Initiative	307			307				307
Working Balance	1,438		(53)	1,385	212			1,597
<b>Total Ringfenced Reserves</b>	<b>10,897</b>	<b>2,061</b>	<b>(5,614)</b>	<b>7,344</b>	<b>984</b>	<b>(5)</b>	<b>0</b>	<b>8,323</b>
<b>Core Reserves</b>								
Commercial Assets	1,060			1,060	2,200		740	4,000
Medium Term Financial Strategy	4,421	1,667	(776)	5,312	25	(387)	(740)	4,210
Strategic Initiatives	1,863		(200)	1,663				1,663
	7,344	1,667	(976)	8,035	2,225	(387)	0	9,873
<b>Member Priorities</b>								
Economic Development	463	1,000	(340)	1,123		(330)		793
Planning	891	2	(100)	793		(15)	0	778
Sustainable Communities	1,781		(913)	868		(720)		149
Major Sports Facilities	150	150	(150)	150	150	(150)		150
Climate change	380	300	(340)	340	320	(330)		330
	3,665	1,452	(1,843)	3,274	470	(1,545)	0	2,199
<b>Grants</b>								
Homelessness	404		(93)	311				311
Health & Wellbeing	131		(7)	124				124
	535	0	(100)	435	0	0	0	435
<b>Total Usable Reserves</b>	<b>11,544</b>	<b>3,119</b>	<b>(2,919)</b>	<b>11,744</b>	<b>2,695</b>	<b>(1,932)</b>	<b>0</b>	<b>12,507</b>
<b>Total Reserves</b>	<b>22,441</b>	<b>13,480</b>	<b>(19,984)</b>	<b>19,089</b>	<b>3,679</b>	<b>(1,937)</b>	<b>0</b>	<b>20,831</b>

38. The individual net use of reserves has been set out in more detail in the following table and this includes the 2022/23 surplus.

Reserve Movements - 2022/23	Additions / (Drawdowns)
	£'000
<b>Opening Balance</b>	<b>19,089</b>
<b>Ringfenced Reserves</b>	
Net of business rates balances and S31 grants to support reliefs for businesses	771
Working Balance (statutory contingency balance)	212
Allocation of ringfenced PFI leisure funds	
<b>Core Reserves</b>	
Commercial Assets - to support loss of income and future refurbishments for relet	2,200
Local Highways panel and new burdens funding allocations to service delivery	(169)
2022/23 Deficit	(214)
<b>Member Priority</b>	
Year 2 of allocated funds to support economic recovery	(330)
Local Plan and Neighbourhood plans	(735)
Elections - four year cycle of allocations	25
Other net minor movements	(18)
<b>Net of movements</b>	<b>1,742</b>
<b>Closing Balance</b>	<b>20,831</b>

## Fees and Charges review

39. Officers have reviewed fees & charges in line with the Council's Pricing and Concessions policy and Cabinet decisions where relevant. A schedule of proposed charges is included at Annex H6.

40. Where charges are statutory and outside the jurisdiction of the Council these have not been included but are available to view on the Council website.
41. It is requested that the Director of Finance and Corporate Services (S151 Officer) is given delegated authority to set and/or amend the fees and charges for the following area;
- Trade Waste - where services are operating in competition with other commercial providers, the service manager in consultation with the Director, needs to have the ability to negotiate as required where it is in the Council's best interests to do so.

### Impact

Communication/Consultation	Members, CMT and Budget Managers
Community Safety	No specific implications
Equalities	No specific implications
Finance	Detailed in the report
Health and Safety	No specific implications
Human Rights	No specific implications
Legal implications	The recommendations fulfil the legal requirement to set a balanced budget.
Sustainability	No specific implications
Ward-specific impacts	No specific implications
Workforce/Workplace	No specific implications

### Risk Analysis

42. The formal risk analysis of the budget is set out in the report earlier on today's agenda, Section 25 Report "Robustness of Estimates and Adequacy of Reserves" (Appendix A).

Risk	Likelihood	Impact	Mitigating actions
Actual events may differ from the assumptions and estimates used to produce the draft budget, which will lead to variances from the budget.	3 (some risk that variances will occur requiring action to be taken)	2 (potential impact which could adversely affect the Council's financial position if not managed)	Budget monitoring and corrective action taken as necessary.

### List of Annexes

- Annexe H1 – General Fund Budget Summary
- Annexe H2 – Portfolio Budgets
- Annexe H3 – Schedule of Budget Adjustments
- Annexe H4 – Risks and Assumptions
- Annexe H5 – Fees and Charges
- Annexe H6 – Budget Consultation Report
- Annexe H7 – Budget Consultation absolute data

**General Fund Budget – 2022/23**

When presenting in whole thousands only it is possible that rounding means that the increase/decrease figure may differ by £1,000 when comparing 2021/22 current budget to 2022/23 original budget. This is not an error but a presentational challenge only, this applies to the tables in Annexe H1 and H2.

£'000	2021/22	2021/22	2022/23	
	Original Budget	Current Budget	Original Budget	Increase / (Decrease)
<b>Portfolio Budgets</b>				
Communities & Partnerships	1,097	1,097	1,066	(31)
Housing & Economic Development	2,677	2,677	2,699	22
Environmental Services	4,265	4,265	5,812	1,547
Finance & Administration	7,697	7,697	7,765	68
<b>Subtotal - Portfolio Budgets</b>	<b>15,736</b>	<b>15,736</b>	<b>17,341</b>	<b>1,606</b>
<b>Corporate Items</b>				
Capital Financing Costs	3,626	4,922	1,771	(3,151)
IFRS 16 charge	0	0	80	80
Investment Asset - MRP	0	0	3,281	3,281
Investment Asset income	(6,928)	(6,928)	(11,774)	(4,846)
Treasury Investment Income	(23)	(23)	(7)	16
Borrowing costs	1,814	1,814	2,835	1,020
PFI interest cost	360	360	348	(13)
Pension Fund - Added years	85	85	85	0
HRA share of Corporate Core	(385)	(385)	(360)	25
Recharge to HRA	(1,167)	(1,167)	(1,387)	(220)
<b>Subtotal - Corporate Items</b>	<b>(2,618)</b>	<b>(1,322)</b>	<b>(5,130)</b>	<b>(3,808)</b>
<b>Funding</b>				
Council Tax - Collection Fund Balance	55	55	34	(21)
Council Tax - S31 Funding	0	0	(28)	(28)
Business Rates - Collection Fund Balance	4,785	4,785	(593)	(5,378)
Business Rates - UDC Share (net of tariff)	(1,068)	(1,068)	(1,477)	(409)
Business Rates - Levy Payment (safety net reimbursement)	393	393	724	330
Business Rates - Renewable Energy Scheme	(107)	(107)	(140)	(33)
Business Rates - Section 31 Funding	(1,282)	(1,282)	(2,881)	(1,599)
New Homes Bonus	(2,823)	(2,823)	(1,343)	1,480
Rural Services Delivery Grant	(293)	(293)	(293)	(1)
Government Support funding	(890)	(890)	(1,552)	(662)
<b>Subtotal - Funding</b>	<b>(1,230)</b>	<b>(1,230)</b>	<b>(7,550)</b>	<b>(6,320)</b>
<b>Subtotal - Net Operating Expenditure</b>	<b>11,888</b>	<b>13,184</b>	<b>4,662</b>	<b>(8,522)</b>
<b>Net Transfers to/(from) Reserves</b>				
Ringfenced Reserves	(6,147)	(7,443)	979	8,422
Core Reserves	351	351	1,838	1,486
Member Priority Reserve	(35)	(35)	(1,075)	(1,040)
Grants Reserve	102	102	0	(102)
<b>Subtotal - Movement in Earmarked Reserves</b>	<b>(5,729)</b>	<b>(7,025)</b>	<b>1,742</b>	<b>8,767</b>
<b>Council Tax Requirement</b>	<b>6,159</b>	<b>6,159</b>	<b>6,404</b>	<b>245</b>
<b>Council Tax (Precept levied on Collection Fund)</b>	<b>(6,159)</b>	<b>(6,159)</b>	<b>(6,404)</b>	<b>(245)</b>
<b>(Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**Communities and Partnerships**

£000	2021/22	2021/22	2022/23	Budget
	Original Budget	Current Budget	Original Budget	changes
Community Information	51	51	21	(30)
Day Centres	95	95	95	0
Emergency Planning	34	34	34	(0)
Grants & Contributions	568	568	518	(50)
Leisure & Performance	47	47	48	1
Saffron Walden Museum	240	240	238	(2)
New Homes Bonus	78	78	78	0
Private Finance Init	11	11	34	22
Renovation Grants	(27)	(27)	0	27
<b>Portfolio Total</b>	<b>1,097</b>	<b>1,097</b>	<b>1,066</b>	<b>(31)</b>

**Housing and Economic Development**

£000	2021/22	2021/22	2022/23	Budget
	Original Budget	Current Budget	Original Budget	changes
Community Information	51	51	21	(30)
Day Centres	95	95	95	0
Emergency Planning	34	34	34	(0)
Grants & Contributions	568	568	518	(50)
Leisure & Performance	47	47	48	1
Saffron Walden Museum	240	240	238	(2)
New Homes Bonus	78	78	78	0
Private Finance Init	11	11	34	22
Renovation Grants	(27)	(27)	0	27
<b>Portfolio Total</b>	<b>1,097</b>	<b>1,097</b>	<b>1,066</b>	<b>(31)</b>

**Finance and Administration**

£000	2021/22 Original Budget	2021/22 Current Budget	2022/23 Original Budget	Budget changes
Asset management	94	94	95	2
Benefits Admin	353	353	343	(10)
Corporate Management	1,998	1,998	1,724	(274)
Central Services	463	463	432	(31)
Conducting Elections	4	4	0	(4)
Electoral Registration	38	38	35	(3)
Financial Services	1,176	1,176	1,210	33
Housing Benefits	104	104	149	45
Human Resources	374	374	383	9
Internal Audit	159	159	162	3
Information Technology	1,585	1,585	1,710	125
Land Charges	(63)	(63)	(57)	5
Legal Services	374	374	325	(49)
Local Taxation	(100)	(100)	(100)	0
Norse Partnership	384	384	409	25
Non Domestic Rates	(146)	(146)	(146)	0
Offices	211	211	406	195
Revenues Admin	671	671	739	68
Council Tax Discounts	18	18	(54)	(72)
<b>Portfolio Total</b>	<b>7,697</b>	<b>7,697</b>	<b>7,765</b>	<b>68</b>

**Environmental Services**

£000	2021/22	2021/22	2022/23	Budget
	Original Budget	Current Budget	Original Budget	changes
Animal Warden	6	6	7	0
Grounds Maintenance	364	364	373	10
Car Park	(573)	(573)	(458)	115
Development Control	(270)	(270)	591	861
Depots	56	56	65	9
Street Cleansing	422	422	425	3
Housing Strategy	60	60	60	(1)
Highways	8	8	7	(1)
Local Amenities	(13)	(13)	(12)	1
Licensing	(261)	(261)	(206)	55
Vehicle Management	491	491	478	(14)
Public Health	718	718	758	40
Planning Management	422	422	467	45
Planning Policy	1,660	1,660	1,931	271
Planning Specialists	210	210	219	9
Waste Management	315	315	428	113
Community Safety	398	398	383	(15)
Street Services	250	250	298	48
<b>Portfolio Total</b>	<b>4,265</b>	<b>4,265</b>	<b>5,812</b>	<b>1,547</b>

**Budget movements – 2022/23**

<b>CURRENT BUDGET 2021/22 TO RESTATED BASE 2021/22</b>			
<b>Portfolio</b>	<b>Service</b>	<b>Description</b>	<b>£'000</b>
Finance & Administration	Corporate	Transformation costs of UDC moving forwards	(250)
Environmental Services	Planning Policy	End of 2 x ECC posts	(146)
Finance & Administration	Corporate	Highways panel one year funding	(100)
Communities & Partnerships	Grants	Member priorities one-off	(65)
Finance & Administration	Corporate	Member priorities agreed release	(60)
Environmental Services	Planning Policy	End of fixed term urban designer post	(56)
Finance & Administration	Offices	End of fixed term Project Officer for new depot site	(53)
Environmental Services	Development Control	One-off Stansted Appeal support costs	(45)
Finance & Administration	Revenues Administration	End of fixed term new property officer post	(31)
Finance & Administration	Central support	End of fixed term scanning project post	(24)
Environmental Services	Community Safety	PCSO fixed term match funding	(20)
Housing & Economic Development	Economic Development	Business Recovery budget profile agreed in 21/22 budget	(10)
Housing & Economic Development	Climate Change	Climate change budget profile agreed in 21/22 budget	(10)
Finance & Administration	Legal	Approved regrade of post	37
		<i>Other immaterial adjustments</i>	(22)
			<b>(855)</b>

INESCAPABLE ADJUSTMENTS > £10K			
Portfolio	Service	Description	£'000
Finance & Administration	New Council Office sites	Additional running costs and IT infrastructure for new depot/office sites including site manager	624 On-going
Various	Staffing	Inflationary and incremental increases in staffing costs	342 On-going
Finance & Administration	Corporate	Transformation costs of UDC moving forwards	250 5 year fixed term
Environmental Services	Waste Management	Impact of driver shortage on agency costs	173 One-off
Environmental Services	Development Control	Increase in applications and costs associated with decisions and inquiries	143 On-going
Environmental Services	Car Parks	Costs associated with updated car park machines and card payment costs not supported by the parking partnership	121 On-going
Environmental Services	Waste Management / Grounds Maintenance	Increase in gate fees and disposal charges	74 On-going
Various	Corporate Assets	Utility and rates net increases	40 On-going
Finance & Administration	Financial Services	Banking contract increase in tariff	30 On-going
Finance & Administration	Information Technology	Inflationary increases in software	29 On-going
Communities & Partnerships	Private Finance Initiative	PFI contractual inflationary increases	27 On-going
Environmental Services	Development Control	ECC consultancy costs for Ecology and Archaeology	20 On-going
Environmental Services	Waste Management	Casual Green Waste posts continuing and Street Cleansing overtime	18 On-going
Finance & Administration	Norse Partnership	UNSL Joint venture cost increase for facilities and cleaning	12 On-going
		<i>Other immaterial adjustments</i>	23
			1,925

SERVICE GROWTH > £10k as per approval			
Portfolio	Service	Description	£'000
<b>Previously agreed growth for financial year</b>			
Finance & Administration	Corporate	Reinstating Highways Panel funding	100 One-off
Finance & Administration	Revenues Administration	2 x additional posts for revenue administration	62 One-off
Environmental Services	Waste Management	Approved increase in establishment from prior year	40 On-going
Finance & Administration	Legal	Agency cover for continuation of Governance work	11 One-off
		<i>Other immaterial adjustments</i>	6
			<u>219</u>
<b>Approved additional growth</b>			
Environmental Services	Planning Policy	2 x transport and infrastructure planners to support delivery of Local Plan	146 2 Yr fixed term
Finance & Administration	Information technology	Additional software for preventative work on system vulnerabilities	50 On-going
Finance & Administration	Financial Services	Contract management costs	49 On-going
Environmental Services	Development Control	S106 system implementation to create process efficiency	34 One-off
Finance & Administration	Revenues Administration	1 year fixed term administrator to improve collection of revenues	20 1 Yr fixed term
			<u>298</u>
<b>Growth to be offset against reserves</b>			
		Highways panel funding c/fwd amount from 2020/21	(100) One-off
		Revenue administration funded from New Burdens Grant	(82) One-off
		Sustainable new communities reserve draw for planner posts	(146) 2 Yr fixed term
			<u>(328)</u>
			<u>189</u>

<b>CHANGES IN INCOME &gt; £10k</b>			
<b>Portfolio</b>	<b>Service</b>	<b>Description</b>	<b>£'000</b>
<b>Increases</b>			
Finance & Administration	Offices	New rental income for Office units at Canfield Site	(352) On-going
Environmental Services	Waste Management	Predicted increase in fee income from trade and green waste collections	(141) On-going
Environmental Services	Waste Management	Increase in tonnage for recycle, green and kitchen waste credits	(106) On-going
Environmental Services	Development Control	Additional income due to S106 fees and efficiencies in fee processing	(95) On-going
Finance & Administration	Benefits Administration	Additional grant support from Government	(40) One-off
Housing & Economic Development	Building Surveying	Increase in charges	(30) On-going
Environmental Services	Waste Management / Grounds Maintenance	New fee income from joint venture set up	(22) On-going
Environmental Services	Waste Management	Predicted increase in bulky trade refuge	(13) On-going
			<b>(799)</b>
<b>Decreases</b>			
Environmental Services	Development Control	Estimated income reduction due to the current planning designation	560 Fixed Term
Housing & Economic Development	Lifeline	Service now provided by health services not Council	170 On-going *
Environmental Services	Waste Management	Adjusted for permanent business closures in previous year	93 On-going
Environmental Services	Licensing	Income decrease reflects the renewal cycle of licenses	55 On-going
Communities & Partnerships	Renovation grants	Reduction in reclaimed income due to impacts of pandemic on household income	27 On-going
Communities & Partnerships	Grants	Reflects decrease in car park income and charity share	14 On-going
			<b>919</b>
<b>Uncontrollable changes</b>			
Finance & Administration	Housing Benefits	Net change in Housing Benefit/rent rebate estimate claims and subsidy grant	59
Finance & Administration	Council Tax Discounts	Income is generated from additional taxbase	(95)
		<i>Other net immaterial adjustments</i>	(15)
			<b>(50)</b>
			<b>69</b>

<b>SERVICE EFFICIENCIES / SAVINGS &gt; £10k</b>			
<b>Portfolio</b>	<b>Service</b>	<b>Description</b>	<b>£'000</b>
Housing & Economic Development	Economic Development	Released final year ED strategy costs	(110) On-going
Finance & Administration	Corporate	Deletion of Assistant Director post and associated costs	(99) On-going
Finance & Administration	Financial Services	Long-term borrowing of corporate debt and decreased interest rates	(50) On-going
Housing & Economic Development	Homelessness	Deletion of vacant post	(24) On-going
Housing & Economic Development	Climate Change	Discontinued SLA for energy efficiency support work	(24) On-going
Finance & Administration	Financial Services	Procurement service outsourced	(19) On-going
Housing & Economic Development	Lifeline	Service now provided by health services not Council	(10) On-going
		<i>Other immaterial adjustments</i>	(25)
			<u><b>(361)</b></u>

<b>Other budget changes &gt; £10k</b>			
<b>Portfolio</b>	<b>Service</b>	<b>Description</b>	<b>£'000</b>
Environmental Services	Development Control	Net income budget removed for PPA income and costs claimed	55
Environmental Services	Planning Policy	Local Plan costs included in 5 year plan, but profiled spend moved to 2022/23	147
		<i>Other net immaterial adjustments</i>	8
			<u><b>210</b></u>



**Risks and Assumptions – 2021/22**

Service	Budget item	Description of key assumptions and/or what variable outcomes may arise	Probability of variance arising (L, M, H)	Favourable Impact (L, M, H)	Adverse Impact (L, M, H)
Asset Management	Asset Management	Tenant defaults on rent	L	L	H
Asset Management	CIPFA Consultation	CIPFA Prudential Code or Government commercial changes will enforce a financial Cap and some or all commercial assets will have to be sold	H	L	H
Asset Management	Asset Management	Unable to find tenant for Little Canfield commercial space	L	L	H
Benefits	LCTS Admin Grant	It is assumed that the LCTS Admin Grant will be paid at similar levels to 2021/22. The notification of grant amounts are unlikely to be made available until early 2022. There is therefore a risk that the amount budgeted may change.	M	L	M
Benefits	Rent Rebates Expenditure	It is assumed that Rent Rebate Expenditure will remain stable. There are no current plans to significantly increase the level of HRA stock. Natural migration of Universal Credit is anticipated to gradually reduce the numbers of active working age claims	M	L	H
Benefits	Rent Allowance Expenditure	As above with the exception of HRA stock assumption and an additional risk of cost of rents significantly increasing in the Uttlesford area.	M	L	H
Benefits	Housing Benefit Income subsidy	It is assumed that income subsidy can continue to be claimed in line with the levels reflected in previous years. There is however a continued risk that an increase in new burdens and DWP incentives, which could impact on the percentage of subsidy income recieved.	M	L	H
Benefits	DWP Discretionary Funding	It is assumed the governments Discretionary Housing Payment Funding will remain relatively stable. There is a risk however that the amount of grant available will not meet local need.	L	L	M

## Annexe H4 continued...

Service	Budget item	Description of key assumptions and/or what variable outcomes may arise	Probability of variance arising (L, M, H)	Favourable Impact (L, M, H)	Adverse Impact (L, M, H)
Car Parks	Overheads - bank charges	Bank charges have been based on all machines being cashless from 1st April 2022 and 56,000 transactions per month. The use of cashless machines trial period has been extended. The costs could change depending on the outcome of the trial. As the economy is still in a period of recovery from the Covid 19 pandemic it is difficult to predict the level of transactions, this will also affect the level of bank charges incurred.	M	M	M
Car Parks	Overheads - Fees	The SLA agreement with NEPP is due to end 31st March 2022. The Management fee could change depending on any change to the service provided by NEPP. Discussions on the new SLA are in progress	L	L	
Car Parks	All charges	All income from parking charges has been estimated as accurately as possible. However as last year's income was so distorted by COVID and usage of some car parks has changed, income could vary either adversely or favourably. If the recovery of the high street does not return as predicted and/or any further Covid variants generate restrictions or reduce the users confidence this will reduce income	M	M	M
Car Parks	Fairycroft - Charges	Fairycroft income from parking charges could in particular vary from budget. The budget figure has been based on the trend for this year (2021/22) and the usage is expected to continue to be reduced after COVID due to the change in users shopping habits.	M	L	L
Customer Service Centre	All CSC budget lines	With the continuation of some COVID restrictions and new ways of working in the provision of customer services, it is not yet known what format the CSC will operate in and from which locations. There is a risk that there could be variances to the budget set as we enter the financial year due to a required investment in remote technology and support and the provision of additional 'self-serve' technology.	H	M	M

## Annexe H4 continued...

Service	Budget item	Description of key assumptions and/or what variable outcomes may arise	Probability of variance arising (L, M, H)	Favourable Impact (L, M, H)	Adverse Impact (L, M, H)
Car Parks	Overheads - bank charges	Bank charges have been based on all machines being cashless from 1st April 2022 and 56,000 transactions per month. The use of cashless machines trial period has been extended. The costs could change depending on the outcome of the trial. As the economy is still in a period of recovery from the Covid 19 pandemic it is difficult to predict the level of transactions, this will also affect the level of bank charges incurred.	M	M	M
Car Parks	Overheads - Fees	The SLA agreement with NEPP is due to end 31st March 2021. The Management fee could change depending on any change to the service provided by NEPP. Discussions on the new SLA are in progress	L	L	
Car Parks	All charges	All income from parking charges has been estimated as accurately as possible. However as last year's income was so distorted by COVID and usage of some car parks has changed, income could vary either adversely or favourably. If the recovery of the high street does not return as predicted and/or any further Covid variants generate restrictions or reduce the users confidence this will reduce income	M	M	M
Car Parks	Fairycroft - Charges	Fairycroft income from parking charges could in particular vary from budget. The budget figure has been based on the trend for this year (2021/22) and the usage is expected to continue to be reduced after COVID due to the change in users shopping habits.	M	L	L
Customer Service Centre	All CSC budget lines	With the continuation of some COVID restrictions and new ways of working in the provision of customer services, it is not yet known what format the CSC will operate in and from which locations. There is a risk that there could be variances to the budget set as we enter the financial year due to a required investment in remote technology and support and the provision of additional 'self-serve' technology.	H	M	M

## Annexe H4 continued...

Service	Budget item	Description of key assumptions and/or what variable outcomes may arise	Probability of variance arising (L, M, H)	Favourable Impact (L, M, H)	Adverse Impact (L, M, H)
Development Control	Planning fees	ECC SLA Ecology and Archaeology - it is assumed that the increase during 2021/22 will mean that there is no additional increase for 2022/23. However, the increase was required because of the caseload and this might continue to rise and need to reflect an increase in spend.	L		L
Development Control	Planning fees	It is assumed that the Local Plan process will remain on target. Delay in Local Plan - could cause more adhoc applications and appeals. More appeals may mean an increase in legal and consultee costs.	L		M/H
Development Control	Planning fees - Major applications	Due to the planning designation being applied to the Council, major development applications can be made directly to the Planning Inspectorate, bypassing the Council and this could lead to significant losses in income. A budget estimate of a 50% loss has been applied to the 2022/23 budget, due to lack of information on how many will choose to go directly to the Planning Inspectorate, there is a risk that this estimate is either to low or to high.	H	H	H
Development Control	Monitoring fees	It is assumed that the review of the monitoring charges will be successful which will bring forward developer contributions and methodologies to ensure that the appropriate monitoring fees are secured. Monitoring is going to be key moving forward	L	M	
Development Control	Planning fees	It is assumed that all posts are filled in a timely manner. Failing to recruit staff at appropriate levels and therefore needing to retain the use of agency staff.	M		H
Development Control	Monitoring fees	It is assumed that there is an clear audit of how the monitoring monies have been spent, if not there is a risk a developer could demand their monies be refunded.	L		M/H

## Annexe H4 continued...

Service	Budget item	Description of key assumptions and/or what variable outcomes may arise	Probability of variance arising (L, M, H)	Favourable Impact (L, M, H)	Adverse Impact (L, M, H)
Development Control	Stansted Costs	There is an assumption that the Stansted Inquiry and Cost application will be dealt with by the end of Q4 2021/22. However, this may not be the case and there might be a need for additional costs.	L		M/H
Economic Development	Discretionary Rate Relief	This is ED support to encourage businesses to move into the district and encourage existing ones to remain in the district. We do not know what the level of applications will be for this.	L	L	L
Economic Development	Staffing for Delivery Plan	The service requires a skilled ED officer on a FTC to support the delivery of the Green Economy initiatives. Without this the current team are unlikely to be able to deliver this and this priority is linked to the wider aims of Economic Plan and partnership working	M	M	M
Climate Change	Climate Change Reserve	There is a risk that projects within the Climate Change Action Plan are not progressed and as a result expenditure will be lower than anticipated.	M	M	
External Grants	Community Support Payments and Health and Wellbeing	Due to increasing funding pressure the grants may not stay at the same level or may be removed by external agencies.	L	L	L
Grants	Grant applications	Possibility that budgeted amounts are not realised through lack of applications for grants	L	M	L
Human Resources	Training Budget	Most of the spending on the training budget is as a result of CMT and SMT corporate priorities and in the last financial year the budget was underspent. There is a risk of both under or overspending this budget in 2021/22. There is a particular risk this year as the Council will need to train staff in the 'new way of working' following the Covid-19	M	L	M
Human Resources	Consultants Budget	There may be additional costs if external consultants are needed to help shape and implement the 'new way of working'	M	L	M

## Annexe H4 continued...

Service	Budget item	Description of key assumptions and/or what variable outcomes may arise	Probability of variance arising (L, M, H)	Favourable Impact (L, M, H)	Adverse Impact (L, M, H)
ICT	Contract costs	Including the normal possible fluctuations we may experience with license costs there are two large software contracts due to expire in the 22/23 financial year. Renewal or replacement costs will likely increase. Idox - October 2022 Adept (Telephony) - Dec 2022. A capital bid has gone in for a replacement phone system.	H	L	H
Insurance services	Premiums	Given the impact on trade materials the insurance premiums may rise again for the renewal process in October	M		L
Legal	Section 106 legal fees	It is assumed that instructions on s106 will continue to come in at the current rate. If it is possible to raise legal fees for the new financial year this will lead to an increase in income from 35K to 42K. The variance is unlikely to arise as it is predicted with further staff now in place and permanent recruitment progressing that more work will be progressed and this will balance out any failure to get approval for increase in fees.	L		L
Licensing	Licensing	Possibility that an operator responsible for the majority of licensing application income will move their applications to another licensing authority	M	L	H
Licensing	Licensing	Possibility that an operator responsible for the majority of licensing application income will substantially increase their applications to UDC	M	L	M
New Homes Bonus	Grants	May be a possibility that budgeted amounts are not realised.	M	M	L

## Annexe H4 continued...

Service	Budget item	Description of key assumptions and/or what variable outcomes may arise	Probability of variance arising (L, M, H)	Favourable Impact (L, M, H)	Adverse Impact (L, M, H)
NORSE	NORSE contract costs	The budget setting cycle for UNSL runs parallel with UDC's budgetary timetable so a variance may emerge after UDC's budget has been set	M	M	M
Offices	Office Repairs	There is a risk that the budget estimate could be under or over due to unpredicted repairs that arise during the year.	M	L	M
Offices	Little Canfield rental income	Unable to find tenants for Little Canfield commercial space	L	L	H
Offices	Walpole (Stansted) rental income	Unable to find tenants for Walpole (Stansted) commercial space	L	L	H
Private Finance Initiative	Contract costs	If the PFI leisure contract does not provide value for money due to ineffective contract management then there may be a negative impact on the investment made by the council, the opposite effect could be achieved if capacity allows for full management of the contract	L	M	H
Procurement	LA services	If the SLA does not cover areas of procurement not originally identified additional staff or costs could be involved in covering the work	L		L
Public Health	ECC Better Care Fund allocation for Disabled Facilities Grants	There is a risk, although not anticipated that the BDF allocation will reduce in 22/23. In addition with the withdrawal of Council revenue funding, there is a risk of a substantial overspend in 22/23	L	L	M
Public Health	Environmental Protection/ Enforcement - Works in default	The budget does not have provision for works in default to abate nuisance and harm	L	L	L

## Annexe H4 continued...

Service	Budget item	Description of key assumptions and/or what variable outcomes may arise	Probability of variance arising (L, M, H)	Favourable Impact (L, M, H)	Adverse Impact (L, M, H)
Public Health	Contaminated Land	The Council has a statutory duty to identify contaminated land. Such matters can be complex and involve specialist consultants to test and provide advice	L	L	L
Public Health	Planning consultation advice	Incorrect advice could prevent the adoption of mitigation measures to protect residential amenity. There is a risk of potential claims against the Council should this occur	L	L	L
Public Health	Border inspection Food inspection	Unpredictability of the numbers and types of consignments coming into Stansted or control any changes to work governed by legislative requirements i.e. what needs to be sampled and at what % and frequency and the implications and uncertainty of Brexit	M	L	H
Revenues	Court Costs	Court costs are hard to estimate due to the closure of the courts in 2020/2021	L	L	L
Revenues	Sharing agreement	The ECC Sharing agreement, provides share back based on tax base increases over the baseline yearly increases. The income projected for the coming year is at a reduced level however it is likely that there will be a share back once all the data is provided in QTR 4 2021/22	M	M	
Treasury services	Fees	If borrowing is needed on short term basis through Local authorities the broker fees may increase as a result of using brokers to arrange the deals	L		L
Treasury services	Consultants	If the credit rating administration can not be absorbed into the team the work this will have to be outsourced resulting in extra costs	L		M



## Annexe H4 continued...

Service	Budget item	Description of key assumptions and/or what variable outcomes may arise	Probability of variance arising (L, M, H)	Favourable Impact (L, M, H)	Adverse Impact (L, M, H)
Waste Services	GRY - Waste and recycling gate fees	Budget assumes an inflationary increase in charges. However market rates for recyclable materials remain fairly volatile. Uncertainty around European Markets is mitigated to an extent by our contractor spreading risks however it could impact on costs / income.	M	M	H
Waste Services	GRY - Garden waste income	Budget assumes sales are higher than previous years due to an increased customer base, if subscriptions change and do reach or fall below predictions this will impact on the income received	L	L	L
Waste Services	GRY - Trade waste Income	Income from Trade waste customers does not continue at predicted levels or are higher than anticipated	M	M	M
Waste Services	GRY - Agency Fees	Agency budgets have been increased by inflation however spend is dependant on sickness levels or our ability to appoint to vacancies. Suppliers have increased their charges for LGV drivers due to the national shortage. Spend is therefore difficult to predict with certainty.	M	H	H
Waste Services	All cost centres - Fuel supplies	Based on contractual indexation clauses an average increase of 3% has been assumed. However this is subject to diesel price volatility and the actual costs could go up or down.	M	L	M
Waste Services	GRY - Container supply and delivery (new developments)	Estimated units based on anticipated new developments - may go up or down	M	L	L

## Annexe H4 continued...

Service	Budget item	Description of key assumptions and/or what variable outcomes may arise	Probability of variance arising (L, M, H)	Favourable Impact (L, M, H)	Adverse Impact (L, M, H)
Planning Policy	Planning Policy	It is assumed that there will be limited responses from reps at Reg 18 stage which introduce the necessity for new evidence at an unknown cost	L/M		M/H
Planning Policy	Planning Policy	It is assumed that there will be limited responses from reps at Reg 19 stage which introduce the necessity for new evidence at an unknown cost	L/M		M/H
Planning Policy	Planning Policy	There is the risk that a second Urban Designer is required to the appeals and local plan, without the post this could increase costs as we would need to outsource this element.	L		H
Planning Policy	Planning Policy	It is assumed that there will be limited funding from a joint submission with County by way of a grant. However, it is possible that the submission will be successful and a grant will be forthcoming.	L	M/H	
Planning Policy	Planning Policy	It is assumed that the cost of advertising and consultation will be covered by the budget, however if there is a requirement to do more and go further then this cost could escalate.	L		L
Planning Policy	Planning Policy	It is assumed that there will be a requirement for only 1 x Reg 19 Consultation. However there is a risk that there needs to be a second consultation.	L		H
Planning Policy	Planning Policy	It is assumed the representations received will be approximately what we have received previously. However, there is a risk that the amount could rise which might mean there is a delay in the process of the Local Plan whilst we take these into consideration	L		M/H

Specific Covid-19 related on-going financial risks					
Service	Budget item	Description of key assumptions and/or what variable outcomes may arise	Probability of variance arising (L, M, H)	Favourable Impact (L, M, H)	Adverse Impact (L, M, H)
Revenues	Business Team	It is assumed that the Business Team will be able to manage any further business support initiative put in place by Central Government the Business Grant process without any further resources. Further resources maybe necessary dependant on the ongoing management of the pandemic however this will be covered by new burdens funding	L		L
Revenues	IT Costs	Additional IT products and licenses may need to be purchased to deliver Government Covid response. This will be met by the new burdens funding	L		L
Revenues	Consultants	Additional consultancy maybe required to provided advice and guidance on new NNDR initiatives	L		L
Economic Development	A further lockdown or restrictions	The risk of further restrictions to local business, increased support will be required from the team plus the administrative tasks if gov't provide more grants to be delivered	L		H
Waste Services	GRY - Agency Fees	Agency costs could increase if there is another lockdown and staff had to shield.	L	L	M
Benefits	DWP Test and Trace Funding	It is assumed that if the government continue the Test and Trace Payment Scheme into 2022/23, the standard scheme will continue to be fully funded. There is a risk however that if the discretionary scheme continues, the finite fund allocated to UDC will not be sufficient to meet demand. Demand levels are difficult to predict as numbers are impacted by covid infection rates and contact tracing in area.	M	L	L

**Fees and Charges – 2022/23**

<b>Building Control other charges</b>	<b>2021/22 charge £</b>	<b>2022/23 charge £</b>	<b>Does the charge include VAT?</b>
Copying charges (statutory limitations)	10p a sheet + 25.00 per hour officer time if job exceeds 1 hour		Yes

<b>Street Naming and Numbering</b>	<b>2021/22 charge £</b>	<b>2022/23 charge £</b>	<b>Does the charge include VAT?</b>
<b><u>Charge per dwelling/unit</u></b>			
Add a name to a numbered property	35.00	35.00	No
Name change/renumber	75.00	75.00	No
New dwelling/unit	110.00	110.00	No
2-5 dwellings/units	75.00	75.00	No
6 - 25 dwellings/units	55.00	55.00	No
26 - 75 dwellings/units	45.00	45.00	No
76 plus dwellings/units	35.00	35.00	No
New Street Name	200.00	200.00	No
Name of block or block of flats of industrial estate	175.00	175.00	No
Confirmation of plot or postal address for utility company (charged to utility companies only)	35.00	35.00	No
Issuing a new address following demolition and reconstruction	35.00	35.00	No
Change to new addresses due to the development changing after the schedule has been issued (applies to all amended plots)	55.00	55.00	No

## Annex H5 continued...

STANDARD CHARGES SCHEDULE 1- NEW DWELLINGS Dwelling houses and Flats					
Code	<u>New Build Houses or Bungalows Not Exceeding 250m<sup>2</sup></u>	Plan Charge £	Inspection Charge* £	Building Notice* £	Regularisation Charge* £
		Fee	325.00	485.00	860.00
		VAT	65.00	97.00	172.00
<b>HO1</b>	1 Plot	<b>Total</b>	<b>390.00</b>	<b>582.00</b>	<b>1,032.00</b>
		Fee	415.00	740.00	1,210.00
		VAT	83.00	148.00	242.00
<b>HO2</b>	2 Plots	<b>Total</b>	<b>498.00</b>	<b>888.00</b>	<b>1,452.00</b>
		Fee	498.00	1,010.00	1,600.00
		VAT	98.00	202.00	320.00
<b>HO3</b>	3 Plots	<b>Total</b>	<b>596.00</b>	<b>1,212.00</b>	<b>2,000.00</b>
		Fee	545.00	1,140.00	1,790.00
		VAT	109.00	228.00	358.00
<b>HO4</b>	4 Plots	<b>Total</b>	<b>654.00</b>	<b>1,368.00</b>	<b>2,237.50</b>
		Fee	610.00	1,275.00	1,990.00
		VAT	122.00	255.00	398.00
<b>HO5</b>	5 Plots	<b>Total</b>	<b>732.00</b>	<b>1,530.00</b>	<b>2,388.00</b>
	<u>New Build Flats Not Exceeding 250m<sup>2</sup> and Not More Than 3 Storeys</u>				
		Fee	325.00	485.00	860.00
		VAT	65.00	97.00	172.00
<b>FL1</b>	1 Plot	<b>Total</b>	<b>390.00</b>	<b>582.00</b>	<b>1,032.00</b>
		Fee	415.00	740.00	1,210.00
		VAT	83.00	148.00	242.00
<b>FL2</b>	2 Plots	<b>Total</b>	<b>498.00</b>	<b>888.00</b>	<b>1,452.00</b>
		Fee	490.00	1,010.00	1,600.00
		VAT	98.00	202.00	320.00
<b>FL3</b>	3 Plots	<b>Total</b>	<b>588.00</b>	<b>1,212.00</b>	<b>2,000.00</b>
		Fee	545.00	1,140.00	1,790.00
		VAT	109.00	228.00	358.00
<b>FL4</b>	4 Plots	<b>Total</b>	<b>654.00</b>	<b>1,368.00</b>	<b>2,237.50</b>
		Fee	610.00	1,275.00	1,990.00
		VAT	122.00	255.00	398.00
<b>FL5</b>	5 Plots	<b>Total</b>	<b>732.00</b>	<b>1,530.00</b>	<b>2,388.00</b>
	<u>Conversion to</u>				
	Single dwelling house (Where total floor area does not exceed 150m <sup>2</sup> )	Fee	300.00	425.00	700.00
		VAT	60.00	85.00	140.00
<b>COH</b>		<b>Total</b>	<b>360.00</b>	<b>510.00</b>	<b>840.00</b>
	Single Flat (Where total floor area does not exceed 150m <sup>2</sup> )	Fee	300.00	425.00	700.00
		VAT	60.00	85.00	140.00
<b>COF</b>		<b>Total</b>	<b>360.00</b>	<b>510.00</b>	<b>840.00</b>
	<b>Notifiable Electrical work (in addition to the above, where applicable)</b>				
		Fee	340.00	This charge relates to a first fix pre-plaster inspection of the wiring and final testing on completion. Re-visits/testing will be subject to further charges. For regularisation applications a full appraisal and testing will be carried out	
	(Where a satisfactory certificate will not be issued by a Part P registered electrician)	VAT	68.00		
<b>DNE</b>		<b>Total</b>	<b>408.00</b>		

Where Standard Charges are not applicable please contact Building Control on 01799 510539

Please note that the charges marked with an \* have been reduced to reflect where controlled electrical installations are being carried out, tested and certified by a registered Part P electrician. If these reductions are claimed and a self certifying electrician is not subsequently employed, the applicant will be invoiced for supplementary charges equal to the discount (see DNE below)

## Annex H5 continued...

STANDARD CHARGES						
SCHEDULE 2 WORK TO A SINGLE DWELLING						
Limited to work not more than 3 storeys above ground level						
Full Plans						
Code	Extension and New Build		Plan Charge £	Inspection Charge* £	Building Notice* £	Regularisation Charge* £
DX1	Separate single storey extension with floor area not exceeding 40m2	Fee	165.00	340.00	520.00	
		VAT	33.00	68.00	104.00	
		<b>Total</b>	<b>198.00</b>	<b>408.00</b>	<b>624.00</b>	<b>650.00</b>
DX2	Separate single storey extension with floor area exceeding 40m2 but not exceeding 100m2	Fee	190.00	440.00	660.00	
		VAT	38.00	88.00	132.00	
		<b>Total</b>	<b>228.00</b>	<b>528.00</b>	<b>792.00</b>	<b>825.00</b>
DX3	Separate extension with some part 2 or 3 storeys in height and a total floor area not exceeding 40m2	Fee	180.00	400.00	600.00	
		VAT	36.00	80.00	120.00	
		<b>Total</b>	<b>216.00</b>	<b>480.00</b>	<b>720.00</b>	<b>750.00</b>
DX4	Separate extension with some part 2 or 3 storeys in height and a total floor area exceeding 40m2 but not exceeding 100m2	Fee	265.00	500.00	800.00	
		VAT	53.00	100.00	160.00	
		<b>Total</b>	<b>318.00</b>	<b>600.00</b>	<b>960.00</b>	<b>1,000.00</b>
DGO	A building or extension comprising solely of a garage, carport or store not exceeding 100m2	Fee	120.00	265.00	390.00	
		VAT	24.00	53.00	78.00	
		<b>Total</b>	<b>144.00</b>	<b>318.00</b>	<b>468.00</b>	<b>487.50</b>
DNH	Detached non-habitable domestic building with total floor area not exceeding 50m2	Fee	120.00	265.00	390.00	
		VAT	24.00	53.00	78.00	
		<b>Total</b>	<b>144.00</b>	<b>318.00</b>	<b>468.00</b>	<b>487.50</b>
<b>Conversions</b>						
DLC	First and second floor loft conversions	Fee	180.00	405.00	645.00	
		VAT	36.00	81.00	129.00	
		<b>Total</b>	<b>216.00</b>	<b>486.00</b>	<b>774.00</b>	<b>806.25</b>
DOC	Other work (e.g. single garage conversions)	Fee	115.00	275.00	390.00	
		VAT	23.00	55.00	78.00	
		<b>Total</b>	<b>138.00</b>	<b>330.00</b>	<b>468.00</b>	<b>487.50</b>
<b>Alterations (inc underpinning)</b>						
DTH	Renovation of a thermal element	Fee	75.00	140.00	215.00	
		VAT	15.00	28.00	43.00	
		<b>Total</b>	<b>90.00</b>	<b>168.00</b>	<b>258.00</b>	<b>268.75</b>
DRW	Replacement windows, rooflights, roof windows or external glazed doors	Fee	75.00	140.00	215.00	
		VAT	15.00	28.00	43.00	
		<b>Total</b>	<b>90.00</b>	<b>168.00</b>	<b>258.00</b>	<b>268.75</b>
DA1	Cost of work not exceeding £5000 (inc Renewable Energy Systems)	Fee	75.00	140.00	215.00	
		VAT	15.00	28.00	43.00	
		<b>Total</b>	<b>90.00</b>	<b>168.00</b>	<b>258.00</b>	<b>268.75</b>
DA2	Cost of work exceeding £5000 but not exceeding £25000	Fee	150.00	290.00	440.00	
		VAT	30.00	58.00	88.00	
		<b>Total</b>	<b>180.00</b>	<b>348.00</b>	<b>528.00</b>	<b>550.00</b>
DA3	Cost of work exceeding £25000 but not exceeding £100000	Fee	200.00	455.00	715.00	
		VAT	40.00	91.00	143.00	
		<b>Total</b>	<b>240.00</b>	<b>546.00</b>	<b>858.00</b>	<b>893.75</b>
DA4	Cost of work exceeding £100000 but not exceeding £250000 Notifiable Electrical work in addition to the above, where applicable.	Fee	300.00	700.00	1,040.00	
		VAT	60.00	140.00	208.00	
		<b>Total</b>	<b>360.00</b>	<b>840.00</b>	<b>1,248.00</b>	<b>1,300.00</b>
DNE	(Where a satisfactory certificate will not be issued by a Part P registered electrician)	Fee	340.00			
		VAT	68.00			
		<b>Total</b>	<b>408.00</b>			
This charge relates to a first fix pre-plaster inspection of the wiring and final testing on completion. Re-visits/testing will be subject to further charges. For regularisation applications a full appraisal and testing will be carried out						

Where Standard Charges are not applicable please contact Building Control on 01799 510539

Please note that the charges marked with an \* have been reduced to reflect where controlled electrical installations are being carried out, tested and certified by a registered Part P electrician. If these reductions are claimed and a self certifying electrician is not subsequently employed, the applicant will be invoiced for supplementary charges equal to the discount (see DNE below)

## Annex H5 continued...

SCHEDULE 3- ALL OTHER NON-DOMESTIC WORK					
Limited to work not more than 3 Storeys above ground level					
Code	Extensions and New Build		Plan Charge* £	Inspection Charge* £	Regularisation Charge* £
		Fee	175.00	370.00	
		VAT	35.00	74.00	
<b>NX1</b>	Single storey with floor area not exceeding 40m <sup>2</sup>	<b>Total</b>	<b>210.00</b>	<b>444.00</b>	<b>681.25</b>
		Fee	205.00	470.00	
		VAT	41.00	94.00	
<b>NX2</b>	Single storey with floor area exceeding 40m <sup>2</sup> but not exceeding 100m <sup>2</sup>	<b>Total</b>	<b>246.00</b>	<b>564.00</b>	<b>843.75</b>
		Fee	308.00	590.00	
		VAT	61.60	118.00	
<b>NX3</b>	With some part 2 or 3 storey in height and a total floor area not exceeding 40m <sup>2</sup>	<b>Total</b>	<b>369.60</b>	<b>708.00</b>	<b>1,122.50</b>
		Fee	340.00	765.00	
		VAT	68.00	153.00	
<b>NX4</b>	With some part 2 or 3 storey in height and a total floor area exceeding 40m <sup>2</sup> but not exceeding 100m <sup>2</sup>	<b>Total</b>	<b>408.00</b>	<b>918.00</b>	<b>1,381.25</b>
		Fee	85.00	190.00	
		VAT	17.00	38.00	
<b>NO1</b>	Cost of work not exceeding £5,000	<b>Total</b>	<b>102.00</b>	<b>228.00</b>	<b>343.75</b>
		Fee	85.00	190.00	
		VAT	17.00	38.00	
<b>NO2</b>	Replacement windows, roof lights, roof windows or external glazed doors (not exceeding 20 units)	<b>Total</b>	<b>102.00</b>	<b>228.00</b>	<b>343.75</b>
		Fee	85.00	190.00	
		VAT	17.00	38.00	
<b>NO3</b>	Renewable energy systems (not covered by an appropriate Competent Persons scheme)	<b>Total</b>	<b>102.00</b>	<b>228.00</b>	<b>343.75</b>
		Fee	85.00	190.00	
		VAT	17.00	38.00	
<b>NO4</b>	Installation of new shop front	<b>Total</b>	<b>102.00</b>	<b>228.00</b>	<b>343.75</b>
		Fee	170.00	325.00	
		VAT	34.00	65.00	
<b>NO5</b>	Cost of work exceeding £5,000 but not exceeding £25,000	<b>Total</b>	<b>204.00</b>	<b>390.00</b>	<b>618.75</b>
		Fee	170.00	325.00	
		VAT	34.00	65.00	
<b>NO6</b>	Replacement windows, roof lights, roof windows or external glazed doors (exceeding 20 units)	<b>Total</b>	<b>204.00</b>	<b>390.00</b>	<b>618.75</b>
		Fee	170.00	325.00	
		VAT	34.00	65.00	
<b>NO7</b>	Renovation of thermal elements	<b>Total</b>	<b>204.00</b>	<b>390.00</b>	<b>618.75</b>
		Fee	170.00	325.00	
		VAT	34.00	65.00	
<b>NO8</b>	Installation of Raised Storage Platform within an existing building	<b>Total</b>	<b>204.00</b>	<b>390.00</b>	<b>618.75</b>
		Fee	220.00	530.00	
		VAT	44.00	106.00	
<b>NO9</b>	Cost of works exceeding £25,000 but not exceeding £100,000	<b>Total</b>	<b>264.00</b>	<b>636.00</b>	<b>937.50</b>
		Fee	205.00	510.00	
		VAT	41.00	102.00	
<b>N10</b>	Fit out of building up to 100m <sup>2</sup>	<b>Total</b>	<b>246.00</b>	<b>612.00</b>	<b>893.75</b>
		Fee	400.00	800.00	
		VAT	80.00	160.00	
<b>N11</b>	Cost of works exceeding £100,000 but not exceeding £250,000	<b>Total</b>	<b>400.00</b>	<b>800.00</b>	<b>1,500.00</b>

Where Standard Charges are not applicable please contact Building Control on 01799 510539

## Annex H5 continued...

<b>Car Parking</b>	<b>2021/22 charge £</b>	<b>2022/23 charge £</b>	<b>Does the charge include VAT?</b>
<b><u>Saffron Walden</u></b>			
<b><i>Fairycroft</i></b>			
30 Minutes	0.50	0.50	Yes
1 Hour	0.70	0.70	Yes
2 Hours	1.20	1.20	Yes
3 Hours	2.00	2.00	Yes
<b><i>Common</i></b>			
30 Minutes	0.50	0.50	Yes
1 Hour	0.70	0.70	Yes
2 Hours	1.20	1.20	Yes
3 Hours	2.00	2.00	Yes
<b><i>Rose &amp; Crown</i></b>			
30 Minutes	0.50	0.50	Yes
1 Hour	0.70	0.70	Yes
2 Hours	1.20	1.20	Yes
<b><i>Swan Meadow</i></b>			
1 Hour	0.70	0.70	Yes
2 Hours	1.20	1.20	Yes
4 Hours	2.00	2.00	Yes
6 Hours	2.50	2.50	Yes
9 Hours	3.50	3.50	Yes
Season Tickets (1month) Private Individuals only	30.00	30.00	Yes
Season Tickets (6 months)	175.00	175.00	Yes
Season Tickets (per annum)	300.00	300.00	Yes
<b><u>Coaches</u></b>			
5 Hours	3.00	3.00	Yes
9 Hours	6.00	6.00	Yes



## Annex H5 continued...

<b>Car Parking</b>	<b>2021/22 charge £</b>	<b>2022/23 charge £</b>	<b>Does the charge include VAT?</b>
<b><u>Great Dunmow</u></b>			
<b><i>White Street</i></b>			
30 Minutes	0.40	0.40	Yes
1 Hour	0.60	0.60	Yes
3 Hours	1.20	1.20	Yes
4 Hours	2.00	2.00	Yes
5 Hours	2.40	2.40	Yes
9 Hours	3.50	3.50	Yes
Season Ticket (1 month)	30.00	30.00	Yes
Season Ticket (6 months)	175.00	175.00	Yes
Season Ticket (per annum)	300.00	300.00	Yes
<b><i>New Street/Chequers &amp; Angel Lane</i></b>			
30 Minutes	0.40	0.40	Yes
1 Hour	0.60	0.60	Yes
3 Hours	1.20	1.20	Yes
<b><i>Chequers</i></b>			
Season Ticket (6 months) - Renewals only	175.00	175.00	Yes
Season Ticket (per annum) - Renewals only	300.00	300.00	Yes
<b><u>Stansted Mountfitchet</u></b>			
<b><i>Lower Street</i></b>			
30 Minutes	0.40	0.40	Yes
1 Hour	0.60	0.60	Yes
2 Hour	1.00	1.00	Yes
3 Hours	1.20	1.20	Yes
4 Hours	2.00	2.00	Yes
6 Hours	2.40	2.40	Yes
9 Hours	4.70	4.70	Yes
Coaches	6.00	6.00	Yes
Season Ticket - Commuter employed locally (1 month)	30.00	30.00	Yes
Season Ticket - Commuter employed locally (6 months)	130.00	130.00	Yes
Season Ticket - Commuter employed locally (per annum)	250.00	250.00	Yes
Season Ticket - Commuter employed elsewhere (6 months)	320.00	320.00	Yes
Season Ticket - Commuter employed elsewhere (per annum)	620.00	620.00	Yes
<b><i>Crafton Green</i></b>			
30 Minutes	0.40	0.40	Yes
1 Hour	0.60	0.60	Yes
3 Hours	1.20	1.20	Yes
9 Hours	3.00	3.00	Yes
Season Ticket - Commuter employed locally (6 months)*	130.00	130.00	Yes
Season Ticket - Commuter employed locally (per annum)*	250.00	250.00	Yes
Season Ticket - Commuter employed elsewhere (6 months)*	220.00	220.00	Yes
Season Ticket - Commuter employed elsewhere (per annum)*	420.00	420.00	Yes
*Due to capacity pressures new season tickets are not currently available for this car park			

## Annex H5 continued...

Environmental Health	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
<b><u>Food and Water Safety</u></b>			
Food Safety course - level 2 certificate	80.00	80.00	No
Health Certificate for Export	94.00	94.00	No
Food disposal if required	Charged at cost	Charged at cost	Yes
Voluntary Surrender Certificate	94.00	94.00	No
Water Samples (Airport)	26.50	26.50	Yes
Private water supply sampling and analysis under Regulation 10 (small supplies) - per visit (plus laboratory fee)	48.00	49.00	Yes
Group A parameter sampling and analysis (large supplies) - per visit (plus laboratory fee)	48.00	49.00	Yes
Group B parameter sampling and analysis (large supplies) - per visit (plus laboratory fee)	96.50	99.00	Yes
Investigation (per hour)	60.50	62.00	No
Risk Assessment (per hour)	60.50	62.00	No
Analysis under reg 10	27.50	28.00	No
EIR information	118.00	122.00	No
Contaminated land	118.00	122.00	No
Officer charges for works in default - per hour	57.50	59.00	No
Chemical Water Samples on request	Charged at cost	Charged at Cost	Yes
<b><u>Imported Food Inspection Charges</u></b>			
POAO per CVED (Products of animal origin) (per consignment)	188.50	188.50	No
POAO per additional CVED on same AWB	52.50	52.50	No
POAO per CVED Out of Hours additional fee(Products of animal origin)	78.50	78.50	No
Organic product certificate office hours	73.00	73.00	No
Organic product certificate out of office hours	261.50	261.50	No
High Risk NAO per CED (Non animal origin)	57.50	57.50	No
High Risk NAO sampling fee + laboratory charges	68.00	68.00	No
High Risk NAO per CED Out of Hours	68.00	68.00	No
High Risk NAO Out of Hours sampling fee + laboratory charges	99.50	99.50	No
High Risk destruction charge + disposal costs	63.00	63.00	No
IUU Catch Certificate EEA	26.50	26.50	No
IUU Catch Certificate non EEA	52.50	52.50	No
CED rejection fee	78.50	78.50	No
Consignment abandon fee	63.00	63.00	No
ID check - Weekdays	52.50	52.50	No
ID check - Weekends	89.00	89.00	No
Organics check - Weekdays	41.50	41.50	No
Organics check - Weekends	63.00	63.00	No
Melamine check	78.50	78.50	No
Fee for late cancellation of Veterinary Cover Due to Non-Presentation of Shipments	-	250.00	No
Destruction Supervision	78.50	78.50	No

## Annex H5 continued...

Environmental Health	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
<b>Animals</b>			
Stray dog - administrative costs (plus kennel and vet fees if applicable)	53.50	54.00	No
Stray dog - statutory fee	26.50	27.00	No
<u>Other charges</u>			
<b>HMO (Homes of Multiple Occupancy) Licensing Fees</b>			
HMO licence fee for up to 5 bedrooms * part 1 fee	533.50	549.50	No
HMO licence fee for up to 5 bedrooms * part 2 fee	597.00	615.00	No
HMO licence fee for 5 letting rooms or more - charge per additional room	31.50	32.50	No
HMO licence fee for up to 5 bedrooms - Renewal charge	597.00	615.00	No
HMO licence fee - Incomplete Application	31.50	32.50	No
Reminder letter on failure to apply for a licence	31.50	32.50	No
Variation of licence i.e. change in address or new appointed manager	9.50	10.00	No
Missed appointment letter	134.00	138.00	No
<p>* The total cost of licensing an HMO in 2021/22 with Uttlesford District Council is £130.50 and is payable in 2 parts. Part 1 fees are to be paid at the time of application to cover the costs of processing the application and inspecting the property. Part 2 fees are levied upon completion of the application process to cover the costs of running and enforcing the scheme. Applicants will need to ensure that Part 2 fees have been paid to the Council prior to the licence being issued.</p> <p>For 2020/21 a discount of 5% will be applied for valid applications that are received without a request from the Council. This will also apply to valid renewal applications received within the time specified by the Council.</p> <p>The licensing period is for 5 years from the date the application was made</p> <p>HMO Licensing fee charges will be subject to annual review from the 1st April each year</p>			
Housing Immigration Inspection	175.50	181.00	No
Housing improvement notice - fixed price	257.50	265.00	No
Suspended improvement notice - fixed price	257.50	265.00	No
Prohibition order - fixed price	257.50	265.00	No
Suspended prohibition order - fixed price	257.50	265.00	No
Emergency prohibition order - fixed price	257.50	265.00	No
Emergency remedial action notice - fixed price	257.50	265.00	No
Mobile homes - Fit and proper person test fee	-	276.50	No
Dog Waste Bags (per 50)	1.00	1.00	Yes

## Annex H5 continued...

Land Charges	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
LLC1 Residential/Commercial	22.00	22.00	No
LLC1 Residential/Commercial extra parcels of land	4.50	4.50	No
CON29 - Residential	89.00	89.00	Yes
CON29 - Residential extra parcels of land	12.60	12.60	Yes
CON29 - Commercial	112.00	112.00	Yes
CON29 - Commercial extra parcels of land	12.60	12.60	Yes
LLC1 & CON29 - Residential	111.00	111.00	Yes
LLC1 & CON29 - Commercial	134.00	134.00	Yes
CON290*	18.00	18.00	Yes
* The following CON290 questions are free of charge: 6,7,10,11,12,13 & 14			
The current schedule of land charges can also be found at the Uttlesford District Council website:			
<a href="https://www.uttlesford.gov.uk/article/4913/Local-Land-Charges-and-Searches-fees">https://www.uttlesford.gov.uk/article/4913/Local-Land-Charges-and-Searches-fees</a>			

Legal	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
Solicitor and legal executives with over 8 years' experience hourly rate	217.00	261.00	No
Solicitor and legal executives with over 4 years' experience hourly rate	217.00	217.00	No
Letter of postponement	50.00	50.00	No
Deed of postponement	90.00	90.00	Yes
Licence fees for garden use	120.00	120.00	No
Lease for garden use	500.00	500.00	No
Selling a strip of land	500.00	500.00	No
Grant a right of way	600.00	600.00	No
Release of covenant	500.00	500.00	No

**Annex H5 continued...**

<b>Lifeline (Council Tenants and Private Residents)</b>	<b>2021/22 charge £</b>	<b>2022/23 charge £</b>	<b>Does the charge include VAT?</b>
Lifeline units - Level 1 - Weekly charge - including evening and weekend emergency response visits	5.40	-	Yes*
Lifeline units - Level 2 - Extra Sensors (up to a maximum of 4, customers requiring more than 4 extra sensors will be charged at the rate of 50p per extra sensor)	6.60	-	Yes*
<i>*a zero rating for VAT will apply if the customer can provide evidence that they have a disability</i>			

**From 1st April 2022 this service will be provided by a third party**

<b>Democratic Services</b>	<b>2021/22 charge £</b>	<b>2022/23 charge £</b>	<b>Does the charge include VAT?</b>
Road closure order	36.00	36.00	Yes

## Annex H5 continued...

Museum	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
<b><u>Museum Admission Charges</u></b>			
Admission Charge adult (over 18)	2.50	2.50	Yes
Admission Charge discount adult	1.25	1.25	Yes
Season Ticket adult	8.00	8.00	Yes
Season Ticket discount	4.00	4.00	Yes
<b><u>Museum Learning Services</u></b>			
Taught session for schools per pupil	3.00	3.00	Yes
Taught session for schools min group charge	48.00	48.00	Yes
Taught session in schools half-day	120.00	120.00	Yes
Taught session schools whole day	210.00	210.00	Yes
On-line session for one school class	60.00	60.00	Yes
School and Reminiscence Loan Boxes per half term	18.00	18.00	Yes
School Loan, Reminiscence and Reference Boxes for max. of 1 week	12.00	12.00	Yes
Charge for craft activities per child	1.50	1.50	Yes
(charges for other activities and events may vary)			

## Annex H5 continued...

Museum	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
<b><u>Reproduction Charges</u></b>			
<b><u>Fee for providing images of collections for commercial publications</u></b>			
Printed image (books etc.) on cover, East of England region	96.00	96.00	Yes
Printed image (books etc.) inside, East of England region	45.00	45.00	Yes
Printed image (books etc.) on cover, UK and international	126.00	126.00	Yes
Printed image (books etc.) inside, UK and International	64.80	64.80	Yes
Website image, corporate / commercial use	72.00	72.00	Yes
Television, East of England region	60.00	60.00	Yes
Television, UK	78.00	78.00	Yes
Television, International	120.00	120.00	Yes
Supply of new image (in-house photography)	5.00	5.00	Yes
<b><u>Hire of premises (corporate and private)</u></b>			
Museum - Hire for first hour	75.00	75.00	No
Museum - Hire per hour after first hour	50.00	50.00	No
<b><u>Museum Evening Group Visits with talk or activity</u></b>			
Evening talk/ activity and viewing of galleries	78.00	78.00	Yes
<b><u>Museum Shirehill Store Group Visits and Workshops</u></b>			
Weekday daytime min charge (1 hr session + set-up/clear-up)	24.00	24.00	Yes
Weekday daytime charge per additional hour	18.00	18.00	Yes
Evening visit	78.00	78.00	Yes
Saturday half-day	90.00	90.00	Yes
Saturday whole day	174.00	174.00	Yes
<b><u>Museum Staff lectures and talks at other venues</u></b>			
Talks for local groups, in Uttlesford or 20-mile radius of Saffron Walden	72.00	72.00	Yes
Talks for local groups, outside Uttlesford or 20 mile radius of Saffron Walden	84.00	84.00	Yes
On-line talk for local groups (in or outside Uttlesford)	60.00	60.00	Yes

## Annex H5 continued...

Housing	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
<b><u>Garage Rents</u></b>			
Private (per week)	13.19	13.84	Yes
Tenants (per week)	10.99	11.53	No
<b><u>Sheltered Housing Scheme</u></b>			
Intensive Housing Management (IHM) (per week)	16.29	16.86	No
Housing Related Support (HRS) (per week)	6.05	6.26	No
<b><u>Allotments</u></b>			
Allotment per Rod (annually)	3.00	3.00	No
<b><u>Garden Welfare Services for Tenants</u></b>			
Regular Grass and Hedge Service (weekly charge)	4.20	4.50	Yes
Small one off Clearance	48.00	60.00	Yes
Large one off Clearance	90.00	96.00	Yes
<b><u>Guest Rooms - Sheltered Accommodation</u></b>			
Guest Room (per night)	18.00	18.00	Yes



## Annex H5 continued...

Licensing	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
<b><u>Taxi Licensing</u></b>			
Drivers (licence valid for 3 years)			
- New Application	218.00	213.00	No
- Renewal	218.00	213.00	No
Drivers (licence valid for 2 years)			
- New Application	202.00	199.00	No
- Renewal	202.00	199.00	No
Drivers (licence valid for 1 years)			
- New Application	186.00	186.00	No
- Renewal	186.00	186.00	No
Operators (licence valid for 5 years)			
- New Application	493.00	508.00	No
- Renewal	493.00	508.00	No
Vehicles (licence valid for 1 year)			
- New Application	145.00	149.00	No
- Renewal	145.00	149.00	No
Vehicle Licence Transfer Fee	105.00	108.00	No
CRB checks	Charged at cost	Charged at cost	No
<b><u>Caravan Site Licence Fees</u></b>			
<b><u>New Applications</u></b>			
1-5 pitches	417.00	429.50	No
6-10 pitches	417.00	429.50	No
11-20 pitches	500.50	515.50	No
21-50 pitches	586.00	603.50	No
51-100 pitches	769.50	792.50	No
>100 pitches	834.50	859.50	No

## Annex H5 continued...

Licensing	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
<b>Other Licences</b>			
Skin piercing premises & 1 person	188.50	194.00	No
Skin piercing additional person	10.50	11.00	No
Skin piercing additional Treatment (at same time)	36.50	37.50	No
Additional ear piercing operator added at a later date	41.50	42.50	No
Additional operator added at a later date (other)	63.00	65.00	No
Additional treatment added at a later date	73.00	75.00	No
Table and Chairs on the Highway	100.00	100.00	No
<b>Scrap Metal</b>			
Grant of a site or collectors licence	383.50	395.00	No
- each additional site after first site	201.00	207.00	No
Renewal of a site or collectors licence	336.50	346.50	No
- each additional site after first site	201.00	207.00	No
Variation of a site or collectors licence	136.00	140.00	No
- each additional site being added to the licence	336.50	346.50	No
<b>Alcohol Licensing Act 2003</b>			
For the current schedule of statutory fees, please visit the Uttlesford District Council website:			
<a href="https://www.uttlesford.gov.uk/article/5519/Licensing-Act-2003-personal-licence">https://www.uttlesford.gov.uk/article/5519/Licensing-Act-2003-personal-licence</a>			
<a href="https://www.uttlesford.gov.uk/article/5518/Licensing-Act-2003-premises-licence">https://www.uttlesford.gov.uk/article/5518/Licensing-Act-2003-premises-licence</a>			
<b>Gambling Act 2005</b>			
For the current schedule of fees, please visit the Uttlesford District Council website:			
<a href="https://www.uttlesford.gov.uk/media/2834/Gambling-Act-2005-Fees/pdf/Gambling_Act_2005_Fees.pdf">https://www.uttlesford.gov.uk/media/2834/Gambling-Act-2005-Fees/pdf/Gambling_Act_2005_Fees.pdf</a>			

## Annex H5 continued...

Licensing	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
<b>Licences</b>			
Animal boarding establishment (cattery, kennel, dog day care)*			
- Part A fee	279.00	287.50	No
- Part B fee	181.50	187.00	No
- Re-inspection	133.00	137.00	No
- Variation	20.50	21.00	No
Riding Establishments *			
- Part A fee	344.00	354.50	No
- Part B fee	193.50	199.50	No
- Re-inspection	186.50	192.00	No
- Variation	20.50	21.00	No
Home boarding *			
- Part A fee	190.50	196.00	No
- Part B fee	198.00	204.00	No
- Re-inspection	133.00	137.00	No
- Variation	20.50	21.00	No
Dog breeding establishment *			
- Part A fee	257.50	265.00	No
- Part B fee	181.50	187.00	No
- Re-inspection	133.00	137.00	No
- Variation	20.50	21.00	No
Pet shop *			
- Part A fee	279.00	287.50	No
- Part B fee	184.50	190.00	No
- Re-inspection	133.00	137.00	No
- Variation	20.50	21.00	No
Dangerous wild animals * (based on a 2 year licence)	POA	POA	No
Zoo licence (5 years) * (based on a 5 year licence)	POA	POA	No
Keeping or Training Animals for Exhibition * (based on a 5 year licence)	POA	POA	No
* Part A fees need to be paid on application. Part B fees are paid on issuing report & confirmation of the licence and rating. The issuing of the license will occur following payment of Part B fees. For licenses where there is more than one activity, the fee will be based on the applicant's main business activity as judged by the inspecting officer. Additional charges will be applied for secondary activities as outlined below.			

Annex H5 continued...

Licensing	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
<b><u>Additional Costs</u></b>			
Cattery, Kennel, Dog Day Care	62.00	64.00	No
Riding Establishments	125.00	129.00	No
Home Boarders	62.00	64.00	No
Breeders	62.00	64.00	No
Pet Shop	62.00	64.00	No
Keeping or Training Animals for Exhibition	POA	POA	No
Vets fees to be recharged to the operator + Administration costs of £7.50 for Horse Riding Establishments and new breeders only			

## Annex H5 continued...

### Planning Applications

For the current schedule of planning application fees, please visit the Uttlesford District Council website:

<http://www.uttlesford.gov.uk/article/4864/Planning-Application-Fees>

Planning Pre-application advice	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
<b>Plannng Pre-application Advice</b>			
Householder - Written Advice only	100.00	100.00	Yes
- Meeting 1 hr and written advice	150.00	150.00	Yes
- Follow up advice	75.00	75.00	Yes
Householder/Heritage*/ Listed building Consent			
- Written advice only	300.00	300.00	Yes
- Meeting 1 hr and written advice	450.00	450.00	Yes
- Follow up advice	225.00	225.00	Yes
MINOR development			
- Written Advice only	225.00	225.00	Yes
- Meeting 1 hr and written advice	390.00	390.00	Yes
- Follow up advice	175.00	175.00	Yes
MINOR development and Heritage* advice			
- Written Advice only	450.00	450.00	Yes
- Meeting 1 hr and written advice	550.00	550.00	Yes
- Follow up advice	275.00	275.00	Yes
High Hedge Complaints	500.00	500.00	Yes
MAJOR or Complex Minor Pre-app where they do not want to enter into a PPA	-	Bespoke fee	Yes
*Heritage advice includes Locally Listed Buildings/ Ancient Monuments/Works or development in a Conservation Area.			

## Annex H5 continued...

Other Planning fees and charges	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
Planning conditions - variation / removal discussion	200.00	200.00	Yes
Change of use to house in multiple occupation	150.00	150.00	Yes
Is Planning Permission required - requests seeking confirmation as to whether planning permission is required for development - Householder?	100.00	100.00	Yes
Is Planning Permission required - requests seeking confirmation as to whether planning permission is required for development - Anything else?	175.00	175.00	Yes
Informal confirmation of permitted use class (formal confirmation can only be obtained by a certificate of lawfulness) - A Planning history will be carried out and a response provided within 10 working days	150.00	150.00	Yes
Confirmation that Permitted Development Rights have not been removed - Householder	55.00	55.00	Yes
Confirmation that Permitted Development Rights have not been removed - all other development	150.00	150.00	Yes
Confirmation of Designated Area in response to customer requests we can provide confirmation of designated areas (self service is available) however, we can provide a list of constraints on a property within 3 working days	75.00	75.00	Yes
Copy of history	25.00	25.00	Yes
Copy of history and more investigation	110.00 per 30 minutes	110.00 per 30 minutes	Yes
Confirmation of Conditions and s106 Compliance	110.00 per 30 minutes	110.00 per 30 minutes	No
Confirmation of conditions and s106 Compliance - site visit	276.00 plus the per 30 minutes	276.00 plus the per 30 minutes	No
Advice for variation or deletion of s106 Agreements (per 1hr meeting)	240.00	240.00	Yes
Other (not listed above)	110.00 per 30 minutes	110.00 per 30 minutes	Yes
What constitutes a material start? Material starts can only be confirmed by submitting a Cert of Law however we also offer an informal response from a case officer on what constitutes a material start.	75.00	75.00	Yes

## Annex H5 continued...

Other Planning fees and charges	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
Documents provided under Local Government Access to Information Act 1985 Documents - TPO, BPN, LB Planning & Building Regulation Decision Notices	10p a sheet plus 25.00 per hour if job exceeds 1 hour	10p a sheet plus 25.00 per hour if job exceeds 1 hour	Yes
Uttlesford Local Plan Adopted 2005	25.00	25.00	Yes
Emerging Local Plan	n/a	Bespoke Fee	Yes
Confirmation regarding Agricultural Ties	42.00	42.00	Yes
To retain a % of fee paid if the application is withdrawn - planning applications	15%	15%	No
To retain a % of fee paid if the application is withdrawn; Pre-Applications	15%	15%	Yes
Parish and Town Councils - Neighbourhood Planning mapping	The time charged will be at the appropriate officer hourly rate	The time charged will be at the appropriate officer hourly rate	No
S106/Legal Agreement Monitoring Fee - including monetary value	2% - 5% depending on complexity	See new fee sheet	Yes
S106/Legal Agreement Monitoring Fee - including non-monetary value	Bespoke Fee	See new fee sheet	Yes
Listed Building Authorisation Check (Vendor/Purchaser)	1,000.00	1,000.00	No
Solicitor's queries regarding compliance with Enforcement Notices - per 30 minutes	110.00	110.00	No
Solicitor's queries regarding compliance with Enforcement Notices - additional charge if site visit required	276.00	276.00	No

## Annex H5 continued...

Other Planning Fees and Charges - S106 Monitoring Fee	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
Monitoring Charge Schedule*			
Scheme (residential Units)			
<10	n/a	416.00	No
10 to 40	n/a	1,664.00	No
41-80	n/a	5,164.00	No
81-120	n/a	7,746.00	No
121-160	n/a	15,184.00	No
161-200	n/a	18,980.00	No
201-240	n/a	22,776.00	No
241-280	n/a	26,572.00	No
281-320	n/a	30,368.00	No
321-360	n/a	34,164.00	No
361-400	n/a	37,960.00	No
440-480	n/a	41,756.00	No
481-520	n/a	45,552.00	No
560-600	n/a	49,348.00	No
600-640	n/a	53,144.00	No
640-680	n/a	56,940.00	No
680-720	n/a	60,736.00	No
721-760	n/a	64,532.00	No
761-800	n/a	68,328.00	No
Strategic site (>800) and Mixed Schemes	n/a	Bespoke	No
*Additional fee could be sought regarding any non-standard clauses requiring specific bespoke monitoring.			
The Council will seek a charge to fulfil its role to monitor all the required clauses for Section 106 Obligations, this charge does not include, any charges sought by partner organisations such as Essex County Council			



## Annex H5 continued...

Planning Performance Agreement (PPA) band categories	Initiation Fee £	What is included?	Arrangement fee for setting up the PPA frames	What is included
<b>Category A*</b> Developments over 1000 residential units or large commercial areas over 20,000sqm net commercial floor space (including change of use)	5,000.00 + VAT	Initial meeting to share the proposal, discuss PPA.	50,000.00 + VAT	Virtual meetings with UDC officers x 6 Engagement with Parish/Town Council x up to 2 Presentation to Members x 1 Officers attending Design Panel x up to 2
<b>Category B*</b> 501 - 1000 residential units or 10,000 to 19,999sqm net commercial floor space (including change of use)	5,000.00 + VAT	Initial meeting to share the proposal, discuss PPA.	40,000.00 +VAT	Virtual meetings with UDC officers x 6 Engagement with Parish/Town Council x 1 Presentation to Members x 1 Officers attending Design Panel x 1
<b>Category C*</b> 251 to 500 residential units or between 5,000 to 9,999sqm net commercial floor space (including change of use)	5,000.00 + VAT	Initial meeting to share the proposal, discuss PPA.	30,000.00 + VAT	Virtual meetings with UDC officers x 6 Engagement with Parish/Town Council x 1 Presentation to Members x 1 Officers attending Design Panel x 1
<b>Category D*</b> 50 to 250 residential units or between 2,500 to 4,999sqm net commercial floor space (including change of use)	2,500.00 + VAT	Initial meeting to share the proposal, discuss PPA.	17,500.00 + VAT	Virtual meetings with UDC officers x 3 Engagement with Parish/Town Council x 1 Presentation to Members x 1 Officers attending Design Panel x 1
<b>Category E*</b> Up to 49 residential units or up to 2,499sqm net commercial floor space (including change of use)	2,500.00 + VAT	Initial meeting to share the proposal, discuss PPA.	12,500.00 + VAT	Virtual meetings with UDC officers x 3 Engagement with Parish/Town Council x 1 Presentation to Members x 1 Officers attending Design Panel x 1
UDC's reasonable legal costs incurred in association with the preparation of the S106 Agreement that may commence at pre-application stage.			Individually tailored to your development	
*The council's reasonable costs which may be incurred with the appointment of external and statutory consultants and stakeholders to progress the planning application to be agreed by the interested parties on a case by case basis. The cost of commissioning additional consultants will be covered by the interested parties with the agreement of the council on project scoping and draft reports.				
Additional Services - Charges on a cost recovery only. If additional work/meetings is required there will be an additional payment based on the relevant hourly rate of the officer/s required to participate.				

## Annex H5 continued...

Saffron Walden Offices	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
<b><u>Room charges - non wedding - minimum 2 hour charge applies</u></b>			
Room hire - Flitch (Chairman's room) (per hour)	37.00	38.00	Yes
Room hire - Flitch (Chairman's room) (per hour) Charity Rate	32.00	33.00	Yes
Room hire - Cutlers (Committee room) (per hour)	67.00	68.00	Yes
Room hire - Cutlers (Committee room) (per hour) Charity Rate	42.00	43.00	Yes
Room hire - Gibson (Council Chamber) (per hour)	89.00	91.00	Yes
Room hire - Gibson (Council Chamber) (per hour) Charity Rate	57.00	58.00	Yes
Refreshments - per 10 people	18.00	18.00	Yes
Tenants (Flitch Room) (per hour)	27.00	28.00	Yes
Tenants (Cutlers Room) (per hour)	32.00	33.00	Yes
Tenants (Gibson Room) (per hour)	52.00	53.00	Yes
<b><u>Room charges - wedding</u></b>			
Flitch (Chairman's Room) Mon-Thur	112.00	114.00	Yes
Flitch (Chairman's Room) Friday	162.00	165.00	Yes

Print Room	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
Printing services for town & parish councils, voluntary organisations, clubs & societies Hourly charge Materials charged on top * Addition of VAT varies depending on what is being printed.	41.50	41.50	No*

## Annex H5 continued...

Refuse Collection & Recycling	2021/22 charge £	2022/23 charge £	Does the charge include VAT?
<b><u>Bulky Waste Collection Service</u></b>			
Minimum charge for 2 items	17.50	30.00	No
Each additional item	8.75	5.00	No
Waste Electrical Equipment Collection Services (1 item)	17.50	30.00	No
Each additional item	8.75	5.00	No
Garden Waste Bags	1.20	1.26	No
<b><u>Garden Waste Collection Service</u></b>			
240 litre wheeled bin	n/a	46.00	No
240 litre wheeled bin (payment by DD)	40.00	n/a	No
240 litre wheeled bin (Other Payment Options)	46.00	n/a	No
Bin delivery charge	22.50	23.63	No
<b><u>Waste container supply and delivery (new developments)</u></b>			
Full set of containers, Green lidded bin, Grey lidded bin, Food Caddy	75.00	78.75	No
<b><u>Town and Parish Council Garden Waste weekend collection</u></b>			
Charge per hour	70.00	73.50	No
<b><u>Trade Waste Collection and Disposal Charges</u></b>			
Trade sacks (85 litres)	3.00	3.15	No
Bins 180 litres	6.14	6.45	No
Bins 240 litres	8.19	8.60	No
Bins 660 litres	13.54	14.22	No
Bins 1100 litres	20.88	21.92	No
Skip - 12 cubic yard (light materials)	157.74	165.63	No
Skip - 12 cubic yard (heavy materials)	247.19	259.55	No

Uttlesford District Council Autumn 2021

## **Council Spending – have your say!**

### **Uttlesford District Council budget consultation for the financial year 2022-2023**

During the period from 30 September to Sunday 17 October 2021, Uttlesford District Council sought the views of residents, partners and those who work within the district as it began the process of setting the spending budget for the 2022-23 financial year. 167 responses were received.

Each year the Government tells councils the maximum by which they are allowed to raise Council Tax, which for 2021-22 was either 1.99% or £5.00 per year. Consequently, for the 2021-22 financial year, for the Councillors for Uttlesford District Council made the decision to approve a £5 per year increase for the district council portion of the Council Tax bill. For the 2022-23 financial year a public consultation was conducted to seek residents' views on the headline budget priorities.

Most of the questions posed in this budget consultation sought comparable feedback from those asked in previous years and the results will inform the setting of the council's budget for the financial year April 2022 – March 2023.

The consultation concentrated on asking for residents' views on the priorities for council spending and the prerogatives for the future resourcing of specific service areas. An open text box was provided for respondents to express their views if they felt a different priority should be set by the council. Feedback was also sought from residents regarding whether the Council Tax precept for Uttlesford District Council represented 'Value for money'.

With the goal of obtaining feedback from those who live and work in the area, this year's budget consultation sought the views of the council's stakeholders (residents, workers, businesses, town and parish councils, Fire and Police). When setting the survey, it was hoped that those taking part in in this survey would represent a broad cross-section of those who live and work in Uttlesford. The final two sections of the online questionnaire asked participants to identify in which capacity they were responding as well as questions where respondents could provide some optional profiling information about themselves.

## Priorities

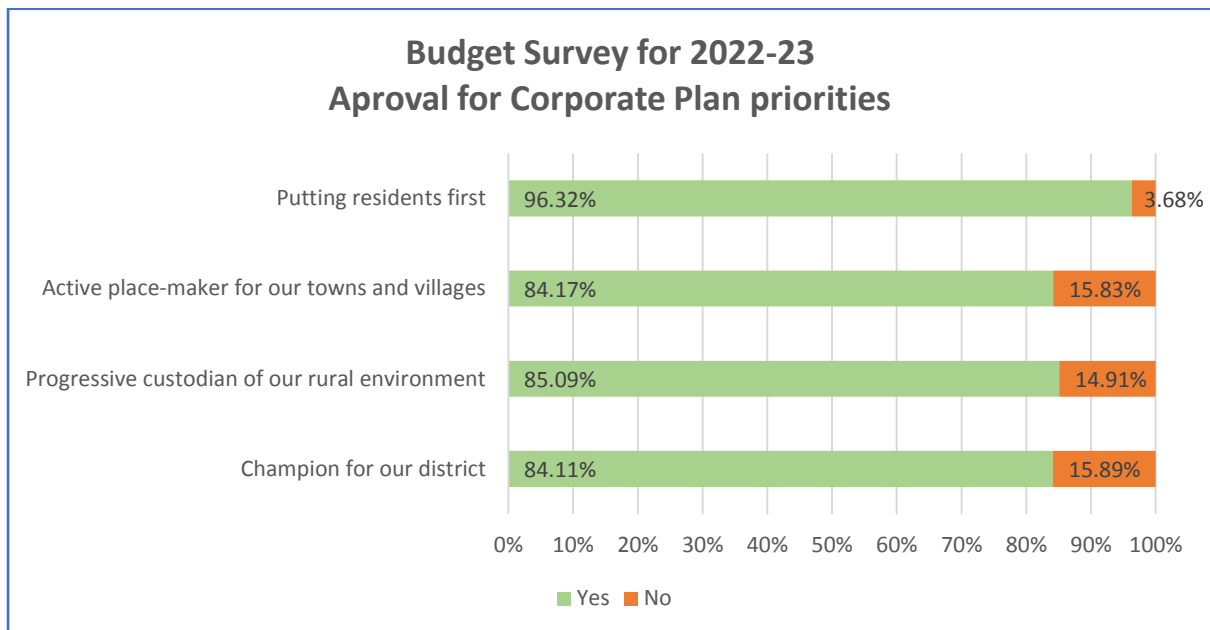
At a meeting of Full Council on 23 February 2021, a new Corporate Plan for 2021-25 was adopted which included a vision for the council 'Making Uttlesford the best place to live, work and play'. The plan has four priorities:

- Putting residents first
- Active place-maker for our towns and villages
- Progressive custodian of our rural environment
- Champion for our district

The first question for the consultation asked participants if the four priorities for the new Corporate Plan “are the right ones” for 2022-2023.

Each of the four stated priorities were approved by over eight out of ten people who answered this question. “Putting residents first” had the highest level of agreement by over 96% of participants who had an opinion selecting this priority.

The chart below illustrates the comparative percentage of responses from those who showed their opinion on this question by selecting a “Yes” or “No” response.



## Value for money

Respondents were reminded that Uttlesford District Council currently keeps £162 of the average £1,885 paid in Council Tax by an Uttlesford household based on Band D property Council Tax 2021/22. The rest goes to Essex County Council, Essex Police Fire and Crime Commissioner and Parish/Town Councils. Bearing this in mind, Question 3 of the survey asked respondents if they agreed that the district council provides value for money. The table below shows the cross section of responses.

<b>Strongly agree</b>	<b>Tend to agree</b>	<b>Neither agree nor disagree</b>	<b>Tend to disagree</b>	<b>Strongly disagree</b>	<b>Don't know</b>
28	55	38	26	17	3
16.80%	32.90%	22.80%	15.60%	10.20%	1.80%

By discounting the responses of those who either “Don’t know” or “Neither agree nor disagree” the headline response to this question shows that nearly two thirds (66%) of those participating either “strongly agree” or “Tend to agree” that the district council provides value for money.

## “Statutory” and “Discretionary” services

Survey participants were asked to assign a level of importance to a list of “Statutory” services provided by the council, ranging from “Very important” to “Not important at all” as well as the option to select “Don’t know”. Similarly, those taking part in this year’s survey were asked to assign levels of importance to a separate a list of “Discretionary” services.

To enable the participants to make an informed selection, for each of the listed services, the questionnaire stated how much of the annual Council Tax the overarching service area (e.g. Revenues and Benefits) cost an average Band D household per year.

However, to enable a comparison of services and to determine which of those listed which were viewed as the most important as potential spending priorities, the data was analysed using rated scores where more weight is given if a service area is selected as “Very important” and a reduced weight for those selected as “Not important at all”. Those with no opinion (“Don’t know”) were not included in the calculation.

Using this method the two tables below show the three most selected services and the lowest scoring services.

Level of importance	Statutory service area
Highest level of importance	Refuse and recycling collection (97%)
Second highest level of importance	Action to develop cleaner neighbourhoods (included in Environmental Health and Licensing) 91%
Third highest level of importance	Planning policy including new Local Plan and Determining planning and building control applications (included in Building Control) each scored 87%
Lowest level of importance	Taxi licensing, liquor and gambling premises licensing (included in Environmental Health and Licensing) 62%

Level of importance	Non Statutory service area
Highest level of importance	Maintaining amenity areas, such as grass cutting and general maintenance of various areas of council-owned land. 82%
Second highest level of importance	Communicating with the public (included in Partnerships and Communities) 79%
Third highest level of importance	Community safety activities to support the work of the Community Safety Partnership with the police and others. 77%
Lowest level of importance	Ward member grants (included in Partnerships and Communities) 56%

## Literal responses

Following Question 1, which asked survey participants to indicate their views regarding the four main priorities identified in the council's Corporate Plan, consultees were invited to submit a literal comment if they believed that a different priority should be focused on by the district council. 54 literal responses were received.

Concerns about overdevelopment, infrastructure (particularly roads) and protection of the rural areas of the district were the topics most frequently expressed.



<b>Q2. If you think there is a different priority that the council should be focusing on, please explain:</b>
These are fine words but your existing policies make similar statements. Experience shows that Officers do not uphold your Constitution or policies equally or fairly.
Look after the less well off with more money and greater respect Overhaul the dreadful service levels provided by District Council staff
No evidence to date of 'outstanding levels of transparency and accountability'. So enter drop this objective or fund compliance officers to challenge the elected representatives.
Protect the green belt. Don't build on green belt land, however laudable some progressive affordable homes scheme might be presented. It is wrong.
Action on climate change is far too broad a phrase to have any discernible meaning. If it means making our lives more difficult by slavishly following the current politically correct fashion by introducing anti-motorist punitive measures I would be against it on principle. If on the other hand it means promoting sensible measures such as better recycling, improving infrastructure and preventing developers ruining the district by building over high quality farmland I would be very much in favour of it. Uttlesford is the jewel in Essex's crown but is in danger of being wrecked by overdevelopment. I realise that this is largely due to reckless government policies but the District council must hold the line if it is really putting residents first i.e. the current residents as opposed to loads of newcomers with no allegiance to the area who will soon be arriving in droves.
The custodian of rural environment has to include protecting our rural areas from large housing developments. These are unwanted by the vast majority of residents.
Where does consideration of infrastructure feature ? Roads and other. Health services and education. Etc. Appreciate that these may be the main responsibility of other organisations but UDC should have a view and strategy to partner to success. Is this what is meant by the rather vague " champion for our district " ? In times of challenge joined up thinking is definitely required.
Disabled housing needs ...
Efficiency with council tax spending. Transparency and openness with the priorities. Avoiding waste of money. The council should not be abused by campaign groups getting their hands on the council finances to fight democratic national policy. Supporting business and housing, not opposing it. The most important thing for anyone is to be able to go to work and come home to a warm and safe home with food in the fridge.
The council should have a better planning department for road repairs. It seems its all or nothing, more than three temporary traffic light systems set up choking the traffic of the town or no temporary lights anywhere. This could be better planned to stop the traffic jams that they cause. No-one appears to check the quality of the road repairs or remarking. On the Little Walden Road there is a stretch of road where two lorries of busses cannot pass each other as the road appears too narrow. However, if you scrape the mud and debris out of the road you find the hidden curb stone and you find another white line down the side of the road. There is about 10 inches in the width of the road hidden under years of lack of road cleaning and maintenance. Poor management.

Who came up with 'Active place-maker'? Someone swallowed a thesaurus! You state 'Deliver local government with outstanding levels of transparency and accountability' yet you don't use plain English. Please consider consulting with <a href="http://www.plainenglish.co.uk/">http://www.plainenglish.co.uk/</a> before proceeding too far
VFM from all suppliers and especially council departments Scrap Town councils - wasre of money. What does UDC actually do? Sod all for businesses, just let developers do what the **** they want
Emphasis on making sure developers actually carry out the improvements that are in their planning obligations.
Preserving the unique villages in Uttlesford. Don't let it turn into another over populated area like Chelmsford
Honesty, clarity and openness in decision making. Not claiming to be open and honest and then hding the truth from council taxpayers and residents as you currently do!
LET US DECIDE WHERE NEW HOUSING SHOULD TAKE PLACE AND NOT ON GREEN BELT
Fix streets pothole, some of them are destroying residents cars. Stop new houses from being build, they're ruining our rural community.
Protecting the district and its infrastructure and character from the consequences of over development. Retaining as much green and recreational space as possible within the towns such as the playing fields of what was The Friends School in Saffron Walden. Once gone never regained.
More proactive and visible policing.
More affordable homes, studio apartments, one bedroom flats, but with discounts for NHS staff on the Help to Buy scheme. I get the impression you do not realise how poor people are.
I believe more of the speeding checks could be done haven't seen them out in Debden for a while.
Greater protection of rural environments from traffic - not just pollution, but overuse, noise and nuisance too.
Ensuring that thousands of houses are not built in our towns and villages where there is no infrastructure to cope. Also any homes built need to be truly affordable for local people - not large executive houses or bought by landlords to rent out.
Sounds good but will you keep to it?
Provide SAFE crossing places for our children. We see children hovering beside busy roads near the common, at the end of Castle street, at the end of Little Walden Road. A serious accident is surely only a matter of time. Safe crossing - zebra and/or pelican crossings - need to be installed as a matter of urgency. Please don't wait until we have a tragedy.
The rate of building of new homes cutting down trees, concreting over large areas of countryside and destroying the habitat of many animals and birds seems completely the opposite of what we should be doing. I understand that people need homes but at a time when some Europeans are leaving/have left following Brexit are we sure that the scale of the building countryside is necessary or desirable. Should we not pause for a while and stop allowing developers planning permission on such a massive scale.
Ensure infrastructure support for any new residential building developments around Saffron Walden to include schools, doctors and retail units with a view to keeping any more polluting traffic out of the town centre. There should also be better care of the pavements to clean up rubbish and remove weeds.
'Active place-maker' and 'Champion' are vague words that need to rephrased into something more specific

Weekly recycling collections and energy efficient home grants
Complete the rollout of fibre broadband in thaxted. We had months of disruption for gigaclear to only cable the main road leaving hundreds of properties without high speed Internet.
Improve road infrastructure
Improvement
The priority must be total transparency from Council to residents ensuring local exemplary democracy. Such transparency may also assist in the electorate understanding of the political and commercial interests of Councillors in their decision making.
yes collecting council tax from property that owe tax and not been collected mainly a warehouse that owes thousands
Some of the groupings above include elements I could support, but also ones that I do not believe need specific/particular focus on. Context is needed for Questions 4-9. For example, why can't the FULL costs of food standards, private water supplies (presumably policing of both?), taxi licensing and building control/planning applications etc etc not be recouped from the direct beneficiaries (the property/land owners, taxi drivers, food outlets etc). I see little reason for that to form part of the standard Council Tax payment (in the same way you manage council housing to be self-funding).
A D C B
it all reads very well . HOWEVER could you please ..... Actually deliver on what they preach . make officials accountable to deliver . Cease hiding behind Bureaucratic processes that slow you down to a snails pace . Where is the neighbourhood plan , scrapped . where are the electric car plug ins ?? very few . why spend millions against local jobs ie stansted airport . as a few examples . PLEASE WORK FOR YOUR SALARY . instead of finding excuses to do nothing .Amazed what is spent on Building and planning per household , professionals are milking it !!
The priority headlines are fine but you need to ensure that there is 'meat on the bones'...
Traffic congestion. More Schools both primary and secondary. More dr surgery's
No more mansions m
I think that being custodian of our rural environment should be second on the list. We must stop this continual building in our villages. By doing this we will keep our village status and not become small towns.
Most of the above is gobbledygook. How much is this survey costing ?
Make climate emergency a top priority in every work stream
Under Custodian of our rural environment, the good maintenance of the existing structure and facilities is currently very poor eg road sweeping, gulley emptying, litter collection, neglected road signs and more, poor pavement maintenance
You should be reducing the council tax given the number of houses that you insist on allowing to be built
not a different priority but it should be considered and included. Pathways along main roads need to be cleared for pedestrian safety. They are a mess. Safety for cyclists. Cycle pathways for families to enjoy. Stop Lorries from squeezing through small roads and causing chaos. Green waste should not be charged for. Bigger bins for recycling
Put climate and ecological emergency at the heart of everything you do. Don't just pay lip-service. Ensure that ALL UDC staff and councillors are constantly reminded / trained and made aware that it is their responsibility. That includes the Planning department!
Housing

Putting infrastructure into the areas where new affordable housing is being built or has been built. We need more Doctors surgeries, more schools and better water and sewerage management
Protect our historic towns and villages from the blight of poor modern development
Controlling the finances to recover the 2.5m lost on pointless fight with airport
Safety should be mentioned more strongly, with a priority to addressing men's violence against women. Otherwise these priorities are well balanced.
You have mentioned health service but not social services - the district council should take a much bigger role in social services, not just by giving grants to the voluntary sector. I agree with other aspects of championing the district but don't think you should prioritise health above social services - other bodies have statutory responsibilities for health services.
The climate crisis which if not dealt with render useless other plans: people's well being, economy, the future are all dependent on reversing biodiversity loss and temperature rises.

## Council Spending – have your say!

Budget Consultation for the financial year April 2022- March 2023

### Annexe 7 – Survey data, absolute results

Shown below is the downloaded data from the collated responses to the Autumn 2021, Uttlesford District Council Budget consultation.

Absolute and corresponding percentage data is displayed in the response fields on the survey.

## Council Spending - have your say! Uttlesford District Council Budget Consultation - Autumn 2021

Each year the council has to prepare its budget and decide how much should be spent on the services it provides to the community. This questionnaire gives you the opportunity to have your say on what Uttlesford District Council's spending priorities should be in the financial year from April 2022 to March 2023.

Central government funding used to be the biggest single source of money for many councils, including Uttlesford. For the current financial year 2021/22 the council's total funding requirement is budgeted at £14.4m. Government funding has reduced significantly over the years, a trend that is expected to continue. As a result, the council faced significant challenges in balancing its budget so decided to increase its revenue through a commercial investment programme – buying commercial property and then using the rent it receives to fund council services. In the current year, this portfolio will generate an additional income of about £6.9m to help us run the council. This compares with council tax of £6.1m. The rest of the funding is a mixture of business rates and movements to and from reserves.

This has been successful, but even so there are continued financial pressures and the council needs to ensure it remains efficient while continuing to provide the same high quality services.

The results of this consultation will help to inform the budget for April 2022 to March 2023.

All the information you provide will be kept entirely confidential. It will only be used by Uttlesford District Council and the main findings will be published on the council website. However your own views and opinions will not be passed on to anyone else.

Further information about Data Protection rights can be found at [www.uttlesford.gov.uk/privacy](http://www.uttlesford.gov.uk/privacy)

The budget for 2022/23 will be agreed by Full Council in February 2022 following consideration by the Scrutiny Committee and Cabinet.

**Please complete this questionnaire by ticking the appropriate box(es) for each question, using the "Next" button to proceed to each page. When you have answered the questions to your satisfaction\*, click on the "Submit" button.**

**Please submit your completed survey by:**

**Sunday 17 October 2021**

\* You can start your survey, save the responses you have already entered and return to complete the questionnaire at a later time, provided it is before the closing date.

If you require this publication in an alternative format and/or language or have any queries regarding this questionnaire, please contact the Consultation Team at Uttlesford District Council on 01799 510670 or email: [consultation@uttlesford.gov.uk](mailto:consultation@uttlesford.gov.uk)

## Priorities

Our budget is designed to deliver the core services we provide and meet our priorities as set out in the council's Corporate Plan for 2021-25 which was adopted by Full Council at its meeting on 23 February 2021.

With a vision for the council to make 'Uttlesford the best place to live, work and play', the Corporate Plan has four priorities:

- **Putting residents first**
- **Active place-maker for our towns and villages**
- **Progressive custodian of our rural environment**
- **Champion for our district**

### Putting residents first

We will:

Be a council that listens to and acts for residents

Deliver local government with outstanding levels of transparency and accountability

Be responsible with your money and mitigate the impact of government cuts

### Active place-maker for our towns and villages

We will:

Masterplan our new communities for and with residents

Support our towns and villages to plan their neighbourhoods

Secure greater benefits for our community from new development

Work with the airport on issues of concern to communities

Nurture employment and retail areas to create jobs and retain businesses

Enforce good business standards in our district

Deliver more affordable homes and protect those in need in our district

Promote healthy lifestyles in diverse and inclusive communities

### Progressive custodian of our rural environment

We will:

- Take action on Climate Change
- Conserve our natural resources
- Protect and enhance our rural character and heritage
- Take strong action on dealing with pollution

### Champion for our district

We will:

- Improve Uttlesford's connectivity
- Support our students, schools and libraries
- Work with partners to keep the district safe
- Work to create a better local Health Service for residents

**Q1 Do you think these priorities are the right ones for 2022/2023?**

	Yes	No	Don't know
Putting residents first	157 (94.0%)	6 (3.6%)	4 (2.4%)
Active place-maker for our towns and villages	117 (70.1%)	22 (13.2%)	28 (16.8%)
Progressive custodian of our rural environment	137 (82.0%)	24 (14.4%)	6 (3.6%)
Champion for our district	127 (76.0%)	24 (14.4%)	16 (9.6%)

**Q2** If you think there is a different priority that the council should be focusing on, please explain in the box below:

54 responses (See Literal Responses in the Budget Consultation report)

**Value for money**

Only a small part of the Council Tax you pay goes to this council.

Uttlesford District Council currently keeps £162 of the average £1,885 paid in Council Tax by an Uttlesford household based on Band D property Council Tax 2021/22. The rest goes to Essex County Council, Essex Police Fire and Crime Commissioner and Parish/Town Councils.

This consultation is only about the Uttlesford part, and we have no say in tax levels of the other bodies. The council is also responsible for collection of business rates, but similarly has no say in their level and retains only a small percentage of it.

**Q3 Bearing in mind Uttlesford householders only pay about £162 per year for services provided by the Council (based on average Band D Council Tax 2021/22), to what extent do you agree or disagree that Uttlesford District Council provides value for money? (please tick one box only)**

- 28 (16.8%) Strongly agree
- 55 (32.9%) Tend to agree
- 38 (22.8%) Neither agree nor disagree
- 26 (15.6%) Tend to disagree
- 17 (10.2%) Strongly disagree
- 3 (1.8%) Don't know

**Statutory Services**

**The council delivers a number of statutory services. These are services we have to provide by law.**

We are allowed to, and already do, apply additional fees and charges for some of them. In order to meet the continued financial pressures, we could look to reduce the amount we spend which may reduce the level of service provided, or where allowed, increase or introduce new fees and charges.

Below is a list of statutory services. We have shown the amount of the £162 received in Council Tax from an Uttlesford Council Tax payer spent on each service (based on average Band D Council Tax).

Council Spending – have your say!

Budget Consultation for the financial year April 2022- March 2023

**For each of these statutory services please tell us how important you think the service is.**

**Q4 Environmental Health and Licensing** costs about £22.60 per household per year and includes:

	Very important	Fairly important	Not so important	Not important at all	Don't know
Action to develop cleaner neighbourhoods and to tackle environmental crime such as fly tipping.	113 (67.7%)	48 (28.7%)	3 (1.8%)	3 (1.8%)	0 (0.0%)
Food safety	72 (43.1%)	67 (40.1%)	23 (13.8%)	2 (1.2%)	3 (1.8%)
Housing standards	77 (46.1%)	63 (37.7%)	20 (12.0%)	5 (3.0%)	2 (1.2%)
Private water supplies	56 (33.5%)	38 (22.8%)	49 (29.3%)	16 (9.6%)	8 (4.8%)
Pollution control	85 (50.9%)	60 (35.9%)	16 (9.6%)	5 (3.0%)	1 (0.6%)
Taxi licensing, liquor and gambling premises licensing	21 (12.6%)	57 (34.1%)	65 (38.9%)	22 (13.2%)	2 (1.2%)

**Q5 Housing and Homelessness\*** costs about £9.47 per household per year and includes:

	Very important	Fairly important	Not so important	Not important at all	Don't know
Housing advice	62 (37.1%)	70 (41.9%)	26 (15.6%)	6 (3.6%)	3 (1.8%)
Temporary accommodation	92 (55.1%)	46 (27.5%)	20 (12.0%)	6 (3.6%)	3 (1.8%)

\*Please note: council house provision is entirely self-financing from council house rents. It is not included in this consultation and is the subject of separate annual consultation with tenants.

**Q6 Planning and Building Control** costs about £81.82 per household per year and includes:

	Very important	Fairly important	Not so important	Not important at all	Don't know
Planning policy including new Local Plan	101 (60.5%)	48 (28.7%)	11 (6.6%)	5 (3.0%)	2 (1.2%)
Determining planning and building control applications	99 (59.3%)	53 (31.7%)	8 (4.8%)	6 (3.6%)	1 (0.6%)
Local land searches (e.g. when buying/selling a home)	53 (31.7%)	64 (38.3%)	32 (19.2%)	15 (9.0%)	3 (1.8%)



		Very important	Fairly important	Not so important	Not important at all	Don't know
<b>Q7</b>	<b>Refuse and recycling collection</b> costs about £44.35 per household per year	148 (88.6%)	18 (10.8%)	0 (0.0%)	1 (0.6%)	0 (0.0%)
<b>Q8</b>	<b>Street cleansing</b> costs about £15.17 per household per year	95 (56.9%)	57 (34.1%)	11 (6.6%)	4 (2.4%)	0 (0.0%)
<b>Q9</b>	<b>Revenues and Benefits</b> costs about £41.67 per household per year and includes:					
		Very important	Fairly important	Not so important	Not important at all	Don't know
	Administering Council Tax and Business Rates collection	66 (39.5%)	63 (37.7%)	30 (18.0%)	7 (4.2%)	1 (0.6%)
	Administering Council Tax and and Housing Benefits	54 (32.3%)	68 (40.7%)	33 (19.8%)	9 (5.4%)	3 (1.8%)

## Discretionary Services

**These are services we choose to provide but do not have a legal responsibility to do so.**

We charge additional fees and charges for some of them. To meet the continued financial pressures we could increase existing fees and charges and introduce new ones. Or we could reduce the level of service.

**For each of these discretionary services please tell how important you think the service is.**

		Very important	Fairly important	Not so important	Not important at all	Don't know
<b>Q10</b>	<b>Maintaining amenity areas, such as grass cutting and general maintenance of various areas of council-owned land</b> costs about £6.98 per household per year (This does not include council housing or sheltered accommodation).	68 (40.7%)	78 (46.7%)	20 (12.0%)	1 (0.6%)	0 (0.0%)
<b>Q11</b>	<b>Community safety activities to support the work of the Community Safety Partnership with the police and others</b> costs about £11.02 per household per year.	63 (37.7%)	59 (35.3%)	38 (22.8%)	7 (4.2%)	0 (0.0%)

**Q12 Economic development** costs about £33.51 per household per year and includes:

	Very important	Fairly important	Not so important	Not important at all	Don't know
Support for local businesses	49 (29.3%)	68 (40.7%)	38 (22.8%)	12 (7.2%)	0 (0.0%)
Supporting projects to facilitate economic growth such as rural broadband	56 (33.5%)	62 (37.1%)	36 (21.6%)	13 (7.8%)	0 (0.0%)
Support for tourism	17 (10.2%)	60 (35.9%)	62 (37.1%)	28 (16.8%)	0 (0.0%)

**Q13 Partnerships and communities** costs about £23.70 per household per year and includes:

	Very important	Fairly important	Not so important	Not important at all	Don't know
Communicating with the public	60 (35.9%)	80 (47.9%)	19 (11.4%)	8 (4.8%)	0 (0.0%)
Running Saffron Walden Museum	20 (12.0%)	50 (29.9%)	60 (35.9%)	30 (18.0%)	7 (4.2%)
Supporting community groups to deliver projects	19 (11.4%)	69 (41.3%)	55 (32.9%)	20 (12.0%)	4 (2.4%)
Ward member grants	15 (9.0%)	37 (22.2%)	63 (37.7%)	33 (19.8%)	19 (11.4%)

**Survey respondents**

It is hoped that those taking part in in this survey will represent a broad cross-section of those who live and work in Uttlesford. It would greatly assist us in collating responses in this questionnaire if you would select which of the following statements best describes you.

**Q14 I am responding to this survey as:** (please select one option only):

- 157 (94.0%) An Uttlesford district resident - Council Tax Payer
- 4 (2.4%) An Uttlesford district resident - Non Council Tax Payer
- 0 (0.0%) Local business representative
- 0 (0.0%) Local community organisation representative
- 0 (0.0%) Parish/Town Council or Meeting representative
- 0 (0.0%) Neighbouring Local Authority/Partner Organisation representative
- 0 (0.0%) Local Councillor
- 3 (1.8%) An Uttlesford District Council Member
- 0 (0.0%) An Uttlesford District Council employee
- 1 (0.6%) Visitor to the Uttlesford District
- 1 (0.6%) Person who works in the Uttlesford District
- 1 (0.6%) Other (please state below):

1 response: "Work in Saffron Walden"

**Q15** If you are responding as a local business/community organisation or neighbouring Local Authority/Partner Organisation representative, please tell us which one:  
0 responses

**Q16** If you are responding as a Parish/Town Council or Meeting representative, please tell us which one:  
0 responses

## Your details:

We want to make sure that all our services are delivered fairly. We are therefore asking the following questions about you, so that we can make sure our services consider everyone's needs.

The information you provide will be kept confidential and processed by Uttlesford District Council in accordance with the Data Protection Act 1998. We will not share this information with third parties. Further information about Data Protection rights can be found at [www.uttlesford.gov.uk/privacy](http://www.uttlesford.gov.uk/privacy)

**You do not have to answer these questions.**

**Q17 Which age category do you belong to?**

0 (0.0%)	16-19	30 (18.3%)	45-54
0 (0.0%)	20-24	40 (24.4%)	55-64
7 (4.3%)	25-34	44 (26.8%)	65-74
18 (11.0%)	35-44	25 (15.2%)	75+

**Q18 What is your gender?**

89 (54.3%)	Male
70 (42.7%)	Female
5 (3.0%)	Prefer not to say

**Q19 What is your ethnicity?**

159 (97.5%)	White
0 (0.0%)	Black or Black British
1 (0.6%)	Mixed heritage
1 (0.6%)	Asian of Asian British
2 (1.2%)	Other ethnic group:

2 responses:  
"Not relevant"  
"Human"

**Q20 Do you consider yourself to have a disability?**

22 (13.7%)	Yes	139 (86.3%)	No
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**Q21 Please enter your postcode:**

151 responses – See Appendix 6 – profiling data

**Thank you for taking part in our survey.**



# Uttlesford District Council

## Equality & Health Impact Assessment (EqHIA)

### Document control

<b>Title of activity:</b>	<i>Rent and Service Charge Setting 2022-23</i>
<b>Lead officer:</b>	<i>Roz Millership, Assistant Director Housing Health and Communities</i>
<b>Approved by:</b>	<i>Judith Snares, Housing Strategy &amp; Operations Manager</i>
<b>Date completed:</b>	<i>11/10/2021</i>
<b>Scheduled date for review:</b>	<i>11/10/2022</i>

<b>Does the EqHIA contain any confidential or exempt information that would prevent you publishing it on the Council's website?</b>	No
---	----

Please note that EqHIAs are **public** documents and must be made available on the Council's [EqHIA webpage](#).

When completed, a copy of this form should be saved with the activity a policy, strategy, procedure, project, new or change in service, initiative or other's file for audit purposes and in case it is requested under the Freedom of Information Act.

**When the EqHIA is completed send a copy to the following email address - [EqHIA@Uttlesford.gov.uk](mailto:EqHIA@Uttlesford.gov.uk)**

# 1. Equality & Health Impact Assessment Checklist

Please complete the following checklist to determine whether or not you will need to complete an EqHIA and ensure you keep this section for your audit trail. If you have any questions, please contact your Divisional Equality Lead. Please refer to the Guidance in Appendix 1 on how to complete this form. **When EqHIA is completed send a copy to the following email address [EqHIA@Uttlesford.gov.uk](mailto:EqHIA@Uttlesford.gov.uk)**

## About your activity

1	<b>Title of activity</b>	Rent and Service Charge Setting 2022-2023		
2	<b>Type of activity</b>	To establish the rent and service charge levels for 2022-2023		
3	<b>Scope of activity</b>	To identify the changes in dwelling rents, garage rents, housing related support (HRS) charges and service charges required for the new financial year		
4a	<b>Are you changing, introducing a new, or removing a service, policy, strategy or function?</b>	No	If the answer to <u>any</u> of these questions is 'YES', please continue to question 5.	If the answer to <u>all</u> of the questions (4a, 4b & 4c) is 'NO', please go to question 6.
4b	<b>Does this activity have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?</b>	Yes		
4c	<b>Does the activity have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?</b>	Yes		
5	<b>If you answered YES:</b>	<b>Please complete the EqHIA in Section 2 of this document.</b> Please see Appendix 1 for Guidance.		
6	<b>If you answered NO:</b>	Please provide a clear and robust explanation on why your activity does not require an EqHIA. This is essential in case the activity is challenged under the Equality Act 2010.  <i>Please keep this checklist for your audit trail.</i>		

<b>Completed by:</b>	Roz Millership, Assistant Director Housing Health and Communities
<b>Date:</b>	11/10/2021

## 2. The EqHIA – How will the strategy, policy, plan, procedure and/or service impact on people?

### Background/context:

Rent and service charge setting is carried out annually. Rents are set in line with Government policy and to that end the council's social and affordable rents have been modelled at CPI+1% from 2022/23  
All other Housing related support charges and service charges are increased in line with actual costs.

*\*Expand box as required*

### Who will be affected by the activity?

An increase in rents and service charges will affect all tenants in council owned properties. Rents are kept within the housing allowances for the areas and will therefore be covered for those on benefits.

An increase in services charges will also affect owners of ex Council owned properties, purchased through the RTB, which benefit from any continuing services provided by the Council, as stipulated in the lease or transfer deed

*\*Expand box as required*

### Protected Characteristic - Age: Consider the full range of age groups

Please tick (✓)  
the relevant box:

**Positive**

#### Overall impact:

Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent

**Neutral**

The predicted impact of the rent and service charge setting for 2022-23 for people of all ages is neutral as there is no identified direct, positive or indirect discrimination

**Negative**

*\*Expand box as required*

#### Evidence:

The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey

*\*Expand box as required*

**Sources used:**

Tenant Forum  
 Tenant Satisfaction Survey  
 Census 2021 data  
 Office for National Statistics (ONS) data  
 CORE data

*\*Expand box as required*

**Protected Characteristic - Disability:** Consider the full range of disabilities; including physical mental, sensory and progressive conditions

<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>
<b>Positive</b>		Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent
<b>Neutral</b>	✓	The predicted impact of the rent and service charge setting for 2022-23 on people with disabilities is neutral as there is no identified direct, positive or indirect discrimination
<b>Negative</b>		

*\*Expand box as required*

**Evidence:**

The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey

*\*Expand box as required*

**Sources used:**

Tenant Forum  
 Tenant Satisfaction Survey  
 Census 2021 data  
 Office for National Statistics (ONS) data  
 CORE data

*\*Expand box as required*

**Protected Characteristic - Sex/gender:** Consider both men and women

<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>
<b>Positive</b>		Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent
<b>Neutral</b>	✓	The predicted impact of the rent and service charge setting for 2022-23 on all genders is neutral as there is no identified direct, positive or indirect discrimination.
<b>Negative</b>		

*\*Expand box as required*

**Evidence:**

The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey

*\*Expand box as required*

**Sources used:**

Tenant Forum  
 Tenant Satisfaction Survey  
 Census 2021 data  
 Office for National Statistics (ONS) data  
 CORE data

*\*Expand box as required*

**Protected Characteristic - Ethnicity/race:** Consider the impact on different ethnic groups and nationalities

<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>  Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent  The predicted impact of the rent and service charge setting for 2022-23 on ethnicity/race is neutral as there is no identified direct, positive or indirect discrimination
<b>Positive</b>		
<b>Neutral</b>	✓	
<b>Negative</b>		

*\*Expand box as required*

**Evidence:**

The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey

*\*Expand box as required*

**Sources used:**

Tenant Forum  
 Tenant Satisfaction Survey  
 Census 2021 data  
 Office for National Statistics (ONS) data  
 CORE data

*\*Expand box as required*

**Protected Characteristic - Religion/faith:** Consider people from different religions or beliefs including those with no religion or belief

<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>  Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent
<b>Positive</b>		
<b>Neutral</b>	✓	



<b>Negative</b>		The predicted impact of the rent and service charge setting for 2022-23 on religion/faith is neutral as there is no identified direct, positive or indirect discrimination	<i>*Expand box as required</i>
<b>Evidence:</b>			
The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey			
<i>Expand box as required</i>			
<b>Sources used:</b>			
Tenant Forum Tenant Satisfaction Survey Census 2021 data Office for National Statistics (ONS) data CORE data			
<i>*Expand box as required</i>			

<b>Protected Characteristic - Sexual orientation:</b> Consider people who are heterosexual, lesbian, gay or bisexual			
<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>	
<b>Positive</b>		Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent	
<b>Neutral</b>	✓		
<b>Negative</b>			
		The predicted impact of the rent and service charge setting for 2022-23 on sexual orientation is neutral as there is no identified direct, positive or indirect discrimination	
<i>*Expand box as required</i>			
<b>Evidence:</b>			
The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey			
<i>*Expand box as required</i>			
<b>Sources used:</b>			
Tenant Forum Tenant Satisfaction Survey Census 2021 data Office for National Statistics (ONS) data CORE data			
<i>*Expand box as required</i>			

<b>Protected Characteristic - Gender reassignment:</b> Consider people who are seeking, undergoing or have received gender reassignment surgery, as well as people whose gender identity is different from their gender at birth			
<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>	

<b>Positive</b>		Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent
<b>Neutral</b>	√	
<b>Negative</b>		The predicted impact of the rent and service charge setting for 2022-23 on people who are seeking, undergoing or have received gender reassignment surgery is neutral as there is no identified direct, positive or indirect discrimination  <i>*Expand box as required</i>
<b>Evidence:</b>		
The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey  <i>*Expand box as required</i>		
<b>Sources used:</b>		
Tenant Forum Tenant Satisfaction Survey Census 2021 data Office for National Statistics (ONS) data CORE data  <i>*Expand box as required</i>		

<b>Protected Characteristic - Marriage/civil partnership:</b> Consider people in a marriage or civil partnership		
<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>
<b>Positive</b>		Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent
<b>Neutral</b>	√	
<b>Negative</b>		The predicted impact of the rent and service charge setting for 2022-23 for marriage/civil partnership is neutral as there is no identified direct, positive or indirect discrimination  <i>*Expand box as required</i>
<b>Evidence:</b>		
The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey  <i>*Expand box as required</i>		
<b>Sources used:</b>		
Tenant Forum Tenant Satisfaction Survey Census 2021 data Office for National Statistics (ONS) data CORE data		

\*Expand box as required

**Protected Characteristic - Pregnancy, maternity and paternity:** Consider those who are pregnant and those who are undertaking maternity or paternity leave

<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>
<b>Positive</b>		<p>Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent</p> <p>The predicted impact of the rent and service charge setting for 2022-23 for pregnancy, maternity and paternity is neutral as there is no identified direct, positive or indirect discrimination</p>
<b>Neutral</b>	✓	
<b>Negative</b>		

\*Expand box as required

**Evidence:**

The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey

\*Expand box as required

**Sources used:**

Tenant Forum  
 Tenant Satisfaction Survey  
 Census 2021 data  
 Office for National Statistics (ONS) data  
 CORE data

\*Expand box as required

**Socio-economic status:** Consider those who are from low income or financially excluded backgrounds

<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>
<b>Positive</b>		<p>For most people, who are from low income or financially excluded backgrounds, social housing is the only available option. Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent.</p> <p>The predicted impact of the rent and service charge setting for 2022-23 for those who are from low income or financially excluded backgrounds is neutral as there is no identified direct, positive or indirect discrimination</p>
<b>Neutral</b>	✓	
<b>Negative</b>		




	<p>Rents are kept within the housing allowances for the areas and will therefore be covered for those on benefits</p> <p>Guidance and support will be given to those tenants who have problems managing their finances</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
<p><b>Evidence:</b></p> <p>The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	
<p><b>Sources used:</b></p> <p>Tenant Forum          Tenant Satisfaction Survey          Census 2021 data          Office for National Statistics (ONS) data          CORE data</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	

<p><b>Health &amp; Wellbeing Impact:</b> Consider both short and long-term impacts of the activity on a person's physical and mental health, particularly for disadvantaged, vulnerable or at-risk groups. Can health and wellbeing be positively promoted through this activity? Please use the Health and Wellbeing Impact Tool in Appendix 2 to help you answer this question.</p>	
<p><i>Please tick (✓) all the relevant boxes that apply:</i></p>	<p><b>Overall impact:</b></p> <p>Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
<p><b>Positive</b>      <input checked="" type="checkbox"/></p>	
<p><b>Neutral</b>        <input type="checkbox"/></p>	
<p><b>Negative</b>      <input type="checkbox"/></p>	<p><b>Do you consider that a more in-depth HIA is required as a result of this brief assessment?</b></p> <p style="text-align: right;"><b>No</b></p>
<p><b>Evidence:</b></p> <p>There should be a positive health &amp; wellbeing impact on people's personal circumstances, access to services and social factors relating to housing.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	
<p><b>Sources used:</b></p> <p>Health &amp; wellbeing impact tool</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	

### 3. Outcome of the Assessment

The EqHIA assessment is intended to be used as an improvement tool to make sure the activity maximises the positive impacts and eliminates or minimises the negative impacts. The possible outcomes of the assessment are listed below and what the next steps to take are:

Please tick (✓) what the overall outcome of your assessment was:

	1. The EqHIA identified <u>no significant concerns</u> OR the identified <u>negative concerns</u> have already been <u>addressed</u>		<b>Proceed with implementation</b> of your activity
	2. The EqHIA identified some <u>negative impact</u> which still needs to be <u>addressed</u>		<b>COMPLETE SECTION 4:</b> <b>Complete action plan</b> and finalise the EqHIA
	3. The EqHIA identified some <u>major concerns</u> and showed that it is <u>impossible to diminish negative impacts</u> from the activity to an acceptable or even lawful level		<b>Stop and remove</b> the activity or <b>revise</b> the activity <b>thoroughly</b> . <b>Complete an EqHIA on the revised proposal.</b>

## 4. Action Plan

The real value of completing an EqHIA comes from the identifying the actions that can be taken to eliminate/minimise negative impacts and enhance/optimize positive impacts. In this section you should list the specific actions that set out how you will address any negative equality and health & wellbeing impacts you have identified in this assessment. Please ensure that your action plan is: more than just a list of proposals and good intentions; sets ambitious yet achievable outcomes and timescales; and is clear about resource implications.

Protected characteristic / health & wellbeing impact	Identified Negative or Positive impact	Recommended actions to mitigate Negative impact* or further promote Positive impact	Outcomes and monitoring**	Timescale	Lead officer

**Add further rows as necessary**

\* You should include details of any future consultations and any actions to be undertaken to mitigate negative impacts

\*\* Monitoring: You should state how the impact (positive or negative) will be monitored; what outcome measures will be used; the known (or likely) data source for outcome measurements; how regularly it will be monitored; and who will be monitoring it (if this is different from the lead officer).

## 5. Review

In this section you should identify how frequently the EqHIA will be reviewed; the date for next review; and who will be reviewing it.

**Review:**

Annual review

**Scheduled date of review:** 11/10/22

**Lead Officer conducting the review:** Assistant Director Housing Health and Communities

*\*Expand box as required*

# Appendix 1. Guidance on Undertaking an EqHIA

**This Guidance can be deleted prior to publication.**

## What is it?

The Equality & Health Impact Assessment (EqHIA) is a tool to ensure that your activity meets the needs of individuals and groups that use your service, whilst at the same time ensuring a person's chance of leading a healthy life is the same wherever they live and whoever they are. We want to ensure that the activities of the Council are 'fit for purpose' and meet the needs of Uttlesford's increasingly diverse communities and employees. This robust and systematic EqHIA process ensures that any potential detrimental effects or discrimination is identified, removed, or mitigated and positive impacts are enhanced.

## When to Assess:

An EqHIA should be carried out when you are changing, removing or introducing a new service, policy, strategy or function; for simplicity, these are referred to as an "activity" throughout this document. It is best to conduct the assessment as early as possible in the decision-making process.

### Guidance: Equality & Health Impact Assessment Checklist

The Checklist in Section 1 asks the key questions,

**4a) Are you changing, introducing a new, or removing a service, policy, strategy or function?**

**4b) Does this activity (policy/strategy/service/decision) have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?**

**4c) Does this activity (policy/strategy/service/decision) have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?**

- If the answer to ANY of the questions 4a, 4b or 4c of the Checklist is 'YES' then you must carry out an assessment. e.g. Proposed changes to Contact Centre Opening Hours  
'YES' = you need to carry out an EqHIA
- If the answer to ALL of the questions, 4a or 4b of the Checklist is NO, then you do not need to carry out an EqHIA assessment. e.g. Quarterly Performance Report  
'NO' = you DO NOT need to carry out an EqHIA. Please provide a clear explanation as to why you consider an EqHIA is not required for your activity.

## Using the Checklist

The assessment should take into account all the potential impacts of the proposed activity, be it a major financial decision, or a seemingly simple policy change. Considering and completing this EqHIA will ensure that all Council plans, strategies, policies, procedures, services or other activity comply with relevant statutory obligations and responsibilities. In particular it helps the Council to meet its legal obligation under the [Equality Act 2010 and the Public Sector Equality Duty](#) and its public health duties under the [Health and Social Care Act 2012](#).



## Having Due Regard

To have due regard means that in making decisions and in its other day-to-day activities, the Council must consciously consider the need to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity between different groups
- Foster good relations between different groups
- Reduce inequalities in health outcomes

## Combining Equality and Health Impact Assessment:

[Equality Impact Assessments \(EIAs\)](#) provide a systematic way of ensuring that legal obligations are met. They assess whether a proposed policy, procedure, service change or plan will affect people different on the basis of their 'protected characteristics' and if it will affect their human rights. Currently there are **nine protected characteristics** (previously known as 'equality groups' or 'equality strands'): age, disability, sex/gender, ethnicity/race, religion/faith, sexual orientation, gender reassignment, marriage/civil partnership, and pregnancy/ maternity/paternity.

An activity does not need to impact on all 9 protected characteristics – impacting on just one is sufficient justification to complete an EqHIA.

This [Equality and Health Impact Assessment \(EqHIA\)](#) brings together a single tool which will result in a set of recommendations to eliminate discrimination and inequality; enhance potential positive impacts and mitigate where possible for negative impacts.

In conducting this EqHIA you will need to assess the impact (positive, neutral or negative) of your activity on individuals and groups with **protected characteristics** (this includes staff delivering your activity), **socio-economic status** and **health & wellbeing**. Guidance on what to include in each section is given on the next pages.

### Guidance: What to include in background/context

In this section you will need to add the background/context of your activity, i.e. what is the activity intending to do, and why?

Make sure you include the scope and intended outcomes of the activity being assessed; and highlight any proposed changes. Please include a brief rationale for your activity and any supporting evidence for the proposal. Some questions to consider:

- What is the aim, objectives and intended outcomes?
- How does this activity meet the needs of the local population?
- Has this activity been implemented in another area? What were the outcomes?
- Is this activity being implemented as per best practice guidelines?
- Who were the key stakeholders in this activity?

required

\*Note that the boxes will expand as

**Guidance: Who will be affected by the activity?**

The people who will be affected may be

**Residents:** pay particular attention to vulnerable groups in the population who may be affected by this activity

**Businesses/ manufacturing / developers / small, medium or large enterprises**

**Employees:** e.g. Council staff for an internal activity, other statutory or voluntary sector employees, local businesses and services

\*Note that the boxes will expand as required

**Guidance: What to include in assessing a Protected Characteristic e.g. AGE**

Please tick (✓) the relevant box:

**Positive**

**Neutral**

**Negative**

**Overall impact:** In this section you will need to consider and note what impact your activity will have on individuals and groups (including staff) with protected characteristics based on the data and information you have. You should note whether this is a positive, neutral or negative impact.

**It is essential that you note all negative impacts. This will demonstrate that you have paid ‘due regard’ to the Public Sector Equality Duty (<https://www.gov.uk/government/publications/public-sector-equality-duty>) if your activity is challenged under the Equality Act.**

\*Note that the boxes will expand as required

**Evidence:** In this section you will need to document the evidence that you have used to assess the impact of your activity.

When assessing the impact, please consider and note how your activity contributes to the three aims of the Public Sector Equality Duty (PSED) as stated in the section above.

It is essential that you note the full impact of your activity, so you can demonstrate that you have fully considered the equality implications and have paid ‘due regard’ to the PSED should the Council be challenged.

- If you have identified a **positive impact**, please note this.
- If you think there is a **neutral impact** or the impact is not known, please provide a full reason why this is the case.
- If you have identified a **negative impact**, please note what steps you will take to mitigate this impact. If you are unable to take any mitigating steps, please provide a full reason why. All negative impacts that have mitigating actions must be recorded in the **Action Plan**.
- **Please ensure that appropriate consultation with affected parties has been undertaken and evidenced**

**Sources used:** In this section you should list all sources of the evidence you used to assess the impact of your activity. This can include:

- Service specific data, benchmarking with other organisations, national best practice
- Population, demographic and socio-economic data. Suggested sources include:
  - o Service user monitoring data that your service collects
  - o [www.essexinsight.org.uk](http://www.essexinsight.org.uk)
  - o [Office for National Statistics \(ONS\)](http://www.ons.gov.uk)

If you do not have any relevant data, please provide the reason why.

\*Note that the boxes will expand as required

**Guidance: What to include in assessing Health & Wellbeing Impact:**

Please tick (✓) all the relevant boxes that apply:

**Positive**

**Neutral**

**Negative**

**Overall impact:** In this section you will need to consider and note whether the proposal could have an overall impact on, or implications for, people’s health and wellbeing or any factors which determine people’s health.

How will the activity help address inequalities in health?

Include here a brief outline of what could be done to enhance the positive impacts and, where possible, mitigate for the negative impacts.

\*Note that the boxes will expand as required

**Do you consider that a more in-depth HIA is required as a result of this brief assessment?** Please tick (✓) the relevant box

Yes  No

**Evidence:** In this section you will need to outline in more detail how you came to your conclusions above:

- What is the nature of the impact?
- Is the impact **positive** or **negative**? It is possible for an activity to have **both positive and negative impacts**. Consider here whether people will be able to access the service being offered; improve or maintain healthy lifestyles; improve their opportunities for employment/income; whether and how it will affect the environment in which they live (housing, access to parks & green space); what the impact on the family, social support and community networks might be
- What can be done to mitigate the negative impacts and/or enhance the positive impacts?
- If you think there is a **neutral impact**, or the impact is not known, please provide a brief reason why this is the case.
- What is the likelihood of the impact? Will the impact(s) be in weeks, months or years? In some cases the short-term risks to health may be worth the longer term benefits.
- Will the proposal affect different groups of people in different ways? A proposal that is likely to benefit one section of the community may not benefit others and could lead to inequalities in health.

**Please use the Health & Wellbeing Impact Tool in Appendix 2 as a guide/checklist to assess the potential wider determinants of health impacts.**

This tool will help guide your thinking as to what factors affect people's health and wellbeing, such as social support, their housing conditions, access to transport, employment, education, crime and disorder and environmental factors. It is not an exhaustive list, merely a tool to guide your assessment; there may be other factors specific to your activity.

Some questions you may wish to ask include:

- Will the activity impact on people's ability to socialise, potentially leading to social isolation?
- Will the activity affect a person's income and/or have an effect on their housing status?
- Is the activity likely to cause the recipient of a service more or less stress?
- Will any change in the service take into account different needs, such as those with learning difficulties?
- Will the activity affect the health and wellbeing of persons not directly related to the service/activity, such as carers, family members, other residents living nearby?
- If there is a short-term negative effect, what will be done to minimise the impact as much as possible?
- Are the longer-term impacts positive or negative? What will be done to either promote the positive effects or minimise the negative effects?
- Do the longer term positive outcomes outweigh the short term impacts?

\*Note that the boxes will expand as required

**Sources used:** In this section you should list all sources of the evidence you used to assess the impact of your activity. This could include, e.g.:

Information on the population affected

- Routinely collected local statistics (e.g. quality of life, health status, unemployment, crime, air quality, educational attainment, transport etc.)
- Local research/ Surveys of local conditions
- Community profiles i.e. Uttlesford JSNA

Wider Evidence

- Published Research, including evidence about similar proposals implemented elsewhere (e.g. Case Studies).
- Predictions from local or national models
- Locally commissioned research by statutory/voluntary/private organisations

Expert Opinion

- Views of residents and professionals with local knowledge and insight

\*Note that the boxes will expand as required

## Guidance: Outcome of the Assessment

On reflection, what is your overall assessment of the activity?

The purpose of conducting this assessment is to offer an opportunity to think, reflect and **improve** the proposed activity. It will make sure that the Council can evidence that it has considered its due regard to equality and health & wellbeing to its best ability.

It is not expected that all proposals will be immediately without negative impacts! However, where these arise, what actions can be taken to mitigate against potential negative effects, or further promote the positive impacts?

Please tick one of the 3 boxes in this section to indicate whether you think:

1. all equality and health impacts are adequately addressed in the activity – proceed with your activity pending all other relevant approval processes
2. The assessment identified some negative impacts which could be addressed – please complete the Action Plan in Section 4.
3. If the assessment reveals some significant concerns, this is the time to stop and re-think, making sure that we spend our Council resources wisely and fairly. There is no shame in stopping a proposal.

\*Note that the boxes will expand as required

### **Guidance: Action Plan**

For each protected characteristic/health & wellbeing impact where an impact on people or their lives has been identified, complete one row of the action plan. You can add as many further rows as required.

State whether the impact is Positive or Negative

Briefly outline the actions that can be taken to mitigate against the negative impact or further enhance a positive impact. These actions could be to make changes to the activity itself (service, proposal, strategy etc.) or to make contingencies/alterations in the setting/environment where the activity will take place.

For example, might staff need additional training in communicating effectively with people with learning difficulties, if a new service is opened specifically targeting those people? Is access to the service fair and equitable? What will the impact on other service users be? How can we ensure equity of access to the service by all users? Will any signage need changing? Does the building where the service being delivered comply with disability regulations?

### **Guidance: Review**

Changes happen all the time. A service/strategy/policy/activity that is appropriate at one time, may no longer be appropriate as the environment around us changes. This may be changes in our population, growth and makeup, legislative changes, environmental changes or socio-political changes.

Although we can't predict what's going to happen in the future, a review is recommended to ensure that what we are delivering as a Council is still the best use of our limited resources. The timescale for review will be dependent on the scale of the activity.

A major financial investment may require a review every 2-3 years for a large scale regeneration project over 10-15 years.

A small policy change may require a review in 6 months to assess whether there are any unintended outcomes of such a change.

Please indicate here how frequently it is expected to review your activity and a brief justification as to why this timescale is recommended.

**Guidance: Key Contacts**

For further advice or information contact your Divisional Equality Lead Officer

<b>Division/Services</b>	<b>Head of Division/Services</b>	<b>Tel.No.</b>

## Appendix 2. Health & Wellbeing Impact Tool

Will the activity/service/policy/procedure affect any of the following characteristics? Please tick/check the boxes below  
The following are a range of considerations that might help you to complete the assessment.

Lifestyle YES <input type="checkbox"/> NO <input type="checkbox"/>	Personal circumstances YES <input type="checkbox"/> NO <input type="checkbox"/>	Access to services/facilities/amenities YES <input type="checkbox"/> NO <input type="checkbox"/>
<input type="checkbox"/> Diet <input type="checkbox"/> Exercise and physical activity <input type="checkbox"/> Smoking <input type="checkbox"/> Exposure to passive smoking <input type="checkbox"/> Alcohol intake <input type="checkbox"/> Dependency on prescription drugs <input type="checkbox"/> Illicit drug and substance use <input type="checkbox"/> Risky Sexual behaviour <input type="checkbox"/> Other health-related behaviours, such as tooth-brushing, bathing, and wound care	<input type="checkbox"/> Structure and cohesion of family unit <input type="checkbox"/> Parenting <input type="checkbox"/> Childhood development <input type="checkbox"/> Life skills <input type="checkbox"/> Personal safety <input type="checkbox"/> Employment status <input type="checkbox"/> Working conditions <input type="checkbox"/> Level of income, including benefits <input type="checkbox"/> Level of disposable income <input type="checkbox"/> Housing tenure <input type="checkbox"/> Housing conditions <input type="checkbox"/> Educational attainment <input type="checkbox"/> Skills levels including literacy and numeracy	<input type="checkbox"/> to Employment opportunities <input type="checkbox"/> to Workplaces <input type="checkbox"/> to Housing <input type="checkbox"/> to Shops (to supply basic needs) <input type="checkbox"/> to Community facilities <input type="checkbox"/> to Public transport <input type="checkbox"/> to Education <input type="checkbox"/> to Training and skills development <input type="checkbox"/> to Healthcare <input type="checkbox"/> to Social services <input type="checkbox"/> to Childcare <input type="checkbox"/> to Respite care <input type="checkbox"/> to Leisure and recreation services and facilities
Page 189 <b>Social Factors</b> YES <input type="checkbox"/> NO <input type="checkbox"/> <input type="checkbox"/> Social contact <input type="checkbox"/> Social support <input type="checkbox"/> Neighbourliness <input type="checkbox"/> Participation in the community <input type="checkbox"/> Membership of community groups <input type="checkbox"/> Reputation of community/area <input type="checkbox"/> Participation in public affairs <input type="checkbox"/> Level of crime and disorder <input type="checkbox"/> Fear of crime and disorder <input type="checkbox"/> Level of antisocial behaviour <input type="checkbox"/> Fear of antisocial behaviour <input type="checkbox"/> Discrimination <input type="checkbox"/> Fear of discrimination <input type="checkbox"/> Public safety measures <input type="checkbox"/> Road safety measures	<b>Economic Factors</b> YES <input type="checkbox"/> NO <input type="checkbox"/> <input type="checkbox"/> Creation of wealth <input type="checkbox"/> Distribution of wealth <input type="checkbox"/> Retention of wealth in local area/economy <input type="checkbox"/> Distribution of income <input type="checkbox"/> Business activity <input type="checkbox"/> Job creation <input type="checkbox"/> Availability of employment opportunities <input type="checkbox"/> Quality of employment opportunities <input type="checkbox"/> Availability of education opportunities <input type="checkbox"/> Quality of education opportunities <input type="checkbox"/> Availability of training and skills development opportunities <input type="checkbox"/> Quality of training and skills development opportunities <input type="checkbox"/> Technological development <input type="checkbox"/> Amount of traffic congestion	<b>Environmental Factors</b> YES <input type="checkbox"/> NO <input type="checkbox"/> <input type="checkbox"/> Air quality <input type="checkbox"/> Water quality <input type="checkbox"/> Soil quality/Level of contamination/Odour <input type="checkbox"/> Noise levels <input type="checkbox"/> Vibration <input type="checkbox"/> Hazards <input type="checkbox"/> Land use <input type="checkbox"/> Natural habitats <input type="checkbox"/> Biodiversity <input type="checkbox"/> Landscape, including green and open spaces <input type="checkbox"/> Townscape, including civic areas and public realm <input type="checkbox"/> Use/consumption of natural resources <input type="checkbox"/> Energy use: CO2/other greenhouse gas emissions <input type="checkbox"/> Solid waste management <input type="checkbox"/> Public transport infrastructure



# Uttlesford District Council

## Equality & Health Impact Assessment (EqHIA)

### Document control

<b>Title of activity:</b>	<i>General Fund Budget and Council Tax 2022-23</i>
<b>Lead officer:</b>	<i>Angela Knight, Assistant Director of Resources</i>
<b>Approved by:</b>	<i>Adrian Webb, Director of Finance and Corporate Services</i>
<b>Date completed:</b>	<i>January 2022</i>
<b>Scheduled date for review:</b>	<i>January 2023</i>

<b>Does the EqHIA contain any confidential or exempt information that would prevent you publishing it on the Council's website?</b>	No
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Please note that EqHIAs are **public** documents and must be made available on the Council's [EqHIA webpage](#).

When completed, a copy of this form should be saved with the activity a policy, strategy, procedure, project, new or change in service, initiative or other's file for audit purposes and in case it is requested under the Freedom of Information Act.

**When the EqHIA is completed send a copy to the following email address - [EqHIA@Uttlesford.gov.uk](mailto:EqHIA@Uttlesford.gov.uk)**



# 1. Equality & Health Impact Assessment Checklist

Please complete the following checklist to determine whether or not you will need to complete an EqHIA and ensure you keep this section for your audit trail. If you have any questions, please contact your Divisional Equality Lead. Please refer to the Guidance in Appendix 1 on how to complete this form. **When EqHIA is completed send a copy to the following email address [EqHIA@Uttlesford.gov.uk](mailto:EqHIA@Uttlesford.gov.uk)**

## About your activity

1	<b>Title of activity</b>	General Fund Budget and Council Tax 2022/23		
2	<b>Type of activity</b>	To set the income and expenditure for the financial year for the General Fund to enable the delivery of quality services to residents  Set the council tax levy for 2022/23		
3	<b>Scope of activity</b>	Identify costs and income for 2022/23 to deliver services Set the council tax levy in line with member priorities and Government council tax limits		
4a	<b>Are you changing, introducing a new, or removing a service, policy, strategy or function?</b>	No	If the answer to <u>any</u> of these questions is 'YES', please continue to question 5.	If the answer to <u>all</u> of the questions (4a, 4b & 4c) is 'NO', please go to question 6.
4b	<b>Does this activity have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?</b>	Yes		
4c	<b>Does the activity have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?</b>	Yes		
5	<b>If you answered YES:</b>	<b>Please complete the EqHIA in Section 2 of this document.</b> Please see Appendix 1 for Guidance.		
6	<b>If you answered NO:</b>	Please provide a clear and robust explanation on why your activity does not require an EqHIA. This is essential in case the activity is challenged under the Equality Act 2010.  <i>Please keep this checklist for your audit trail.</i>		

<b>Completed by:</b>	Angela Knight, Assistant Director of Resources
<b>Date:</b>	24 January 2022

## 2. The EqHIA – How will the strategy, policy, plan, procedure and/or service impact on people?

### Background/context:

The budget is set annually, and this is based on the delivery of both statutory and discretionary services. The budget incorporates the Council's priorities, and this is supported by the budget consultation to residents and the responses received.

The council tax increase is set in accordance with the allowable increase set by Government as part of the annual financial settlement where Local Councils have the option to apply an increase of up to 2% or £5.

*\*Expand box as required*

### Who will be affected by the activity?

This affects all residents in the districts. The budget sets the finances available for the delivery of all services to residents and businesses.

The council tax is a charge levied on all residential properties, an increase in council tax affects all residents including those on Benefits and low incomes.

*\*Expand box as required*

### Protected Characteristic - Age: Consider the full range of age groups

Please tick (✓)  
the relevant box:

**Positive**

#### Overall impact:

Increasing council tax will enable the Council to continue to provide quality services to all its residents

**Neutral**

The predicted impact of the increase in council tax for 2022-23 for people of all ages is neutral as there is no identified direct, positive or indirect discrimination

**Negative**

*\*Expand box as required*

#### Evidence:

The budget consultation provides the opportunity for residents to express their views on the proposed services importance and whether they council provided value for money, this was available to all residents.

An earlier consultation was carried out on the Local Council Tax Support Scheme providing residents with the opportunity to express their views on the level of contribution for residents contribution who are on a low income.

*\*Expand box as required*

**Sources used:**

Budget Consultation  
Local Council Tax Support Scheme

*\*Expand box as required*

**Protected Characteristic - Disability:** Consider the full range of disabilities; including physical mental, sensory and progressive conditions

<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>  Increasing council tax will enable the Council to continue to provide quality services to all its residents  The predicted impact of the increase in council tax for 2022-23 for people with disabilities is neutral as there is no identified direct, positive or indirect discrimination
<b>Positive</b>		
<b>Neutral</b>	✓	
<b>Negative</b>		

*\*Expand box as required*

**Evidence:**

The budget consultation provides the opportunity for residents to express their views on the proposed services importance and whether they council provided value for money, this was available to all residents.

An earlier consultation was carried out on the Local Council Tax Support Scheme providing residents with the opportunity to express their views on the level of contribution for residents contribution who are on a low income.

*\*Expand box as required*

**Sources used:**

Budget Consultation  
Local Council Tax Support Scheme

*\*Expand box as required*

Protected Characteristic - Sex/gender: Consider both men and women		
<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>
<b>Positive</b>		Increasing council tax will enable the Council to continue to provide quality services to all its residents
<b>Neutral</b>	✓	The predicted impact of the increase in council tax for 2022-23 on all genders is neutral as there is no identified direct, positive or indirect discrimination
<b>Negative</b>		
<i>*Expand box as required</i>		
<b>Evidence:</b>		
<p>The budget consultation provides the opportunity for residents to express their views on the proposed services importance and whether they council provided value for money, this was available to all residents.</p> <p>An earlier consultation was carried out on the Local Council Tax Support Scheme providing residents with the opportunity to express their views on the level of contribution for residents contribution who are on a low income.</p>		
<i>*Expand box as required</i>		
<b>Sources used:</b>		
<p>Budget Consultation Local Council Tax Support Scheme</p>		
<i>*Expand box as required</i>		

Protected Characteristic - Ethnicity/race: Consider the impact on different ethnic groups and nationalities		
<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>
<b>Positive</b>		Increasing council tax will enable the Council to continue to provide quality services to all its residents
<b>Neutral</b>	✓	The predicted impact of the increase in council tax for 2022-23 on ethnicity and race is neutral as there is no identified direct, positive or indirect discrimination
<b>Negative</b>		
<i>*Expand box as required</i>		
<b>Evidence:</b>		
<p>The budget consultation provides the opportunity for residents to express their views on the proposed services importance and whether they council provided value for money, this was available to all residents.</p> <p>An earlier consultation was carried out on the Local Council Tax Support Scheme providing residents with the opportunity to express their views on the level of contribution for residents contribution who are on a low income.</p>		

*\*Expand box as required*

**Sources used:**

Budget Consultation  
Local Council Tax Support Scheme

*\*Expand box as required*

**Protected Characteristic - Religion/faith:** Consider people from different religions or beliefs including those with no religion or belief

Please tick (✓)  
the relevant box:

**Positive**

**Overall impact:**

Increasing council tax will enable the Council to continue to provide quality services to all its residents

**Neutral**

✓

The predicted impact of the increase in council tax for 2022-23 on religion and faith is neutral as there is no identified direct, positive or indirect discrimination

**Negative**

*\*Expand box as required*

**Evidence:**

The budget consultation provides the opportunity for residents to express their views on the proposed services importance and whether they council provided value for money, this was available to all residents.

An earlier consultation was carried out on the Local Council Tax Support Scheme providing residents with the opportunity to express their views on the level of contribution for residents contribution who are on a low income.

*\*Expand box as required*

**Sources used:**

Budget Consultation  
Local Council Tax Support Scheme

*\*Expand box as required*

**Protected Characteristic - Sexual orientation:** Consider people who are heterosexual, lesbian, gay or bisexual

Please tick (✓)  
the relevant box:

**Positive**

**Overall impact:**

Increasing council tax will enable the Council to continue to provide

<b>Neutral</b>	<input checked="" type="checkbox"/>	quality services to all its residents
<b>Negative</b>	<input type="checkbox"/>	The predicted impact of the increase in council tax for 2022-23 on sexual orientation is neutral as there is no identified direct, positive or indirect discrimination
<i>*Expand box as required</i>		
<b>Evidence:</b>		
<p>The budget consultation provides the opportunity for residents to express their views on the proposed services importance and whether they council provided value for money, this was available to all residents.</p> <p>An earlier consultation was carried out on the Local Council Tax Support Scheme providing residents with the opportunity to express their views on the level of contribution for residents contribution who are on a low income.</p>		
<i>*Expand box as required</i>		
<b>Sources used:</b>		
<p>Budget Consultation Local Council Tax Support Scheme</p>		
<i>*Expand box as required</i>		

<b>Protected Characteristic - Gender reassignment:</b> Consider people who are seeking, undergoing or have received gender reassignment surgery, as well as people whose gender identity is different from their gender at birth		
<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>
<b>Positive</b>	<input type="checkbox"/>	Increasing council tax will enable the Council to continue to provide quality services to all its residents
<b>Neutral</b>	<input checked="" type="checkbox"/>	The predicted impact of the increase in council tax for 2022-23 on gender reassignment is neutral as there is no identified direct, positive or indirect discrimination
<b>Negative</b>	<input type="checkbox"/>	
<i>*Expand box as required</i>		
<b>Evidence:</b>		
<p>The budget consultation provides the opportunity for residents to express their views on the proposed services importance and whether they council provided value for money, this was available to all residents.</p> <p>An earlier consultation was carried out on the Local Council Tax Support Scheme providing residents with the opportunity to express their views on the level of contribution for residents contribution who are on a low income.</p>		
<i>*Expand box as required</i>		

<p><b>Sources used:</b></p> <p>Budget Consultation Local Council Tax Support Scheme</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
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**Protected Characteristic - Marriage/civil partnership:** Consider people in a marriage or civil partnership

<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>
<b>Positive</b>		<p>Increasing council tax will enable the Council to continue to provide quality services to all its residents</p> <p>The predicted impact of the increase in council tax for 2022-23 for marriage and civil partnership is neutral as there is no identified direct, positive or indirect discrimination</p> <p><i>*Expand box as required</i></p>
<b>Neutral</b>	✓	
<b>Negative</b>		

**Evidence:**

The budget consultation provides the opportunity for residents to express their views on the proposed services importance and whether they council provided value for money, this was available to all residents.

An earlier consultation was carried out on the Local Council Tax Support Scheme providing residents with the opportunity to express their views on the level of contribution for residents contribution who are on a low income.

*\*Expand box as required*

<p><b>Sources used:</b></p> <p>Budget Consultation Local Council Tax Support Scheme</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
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**Protected Characteristic - Pregnancy, maternity and paternity:** Consider those who are pregnant and those who are undertaking maternity or paternity leave

<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>
<b>Positive</b>		<p>Increasing council tax will enable the Council to continue to provide quality services to all its residents</p> <p>The predicted impact of the increase in council tax for 2022-23 for pregnancy, maternity and paternity is neutral as there is no identified direct, positive or indirect discrimination</p> <p><i>*Expand box as required</i></p>
<b>Neutral</b>	✓	
<b>Negative</b>		

<p><b>Evidence:</b></p> <p>The budget consultation provides the opportunity for residents to express their views on the proposed services importance and whether they council provided value for money, this was available to all residents.</p> <p>An earlier consultation was carried out on the Local Council Tax Support Scheme providing residents with the opportunity to express their views on the level of contribution for residents contribution who are on a low income. <i>*Expand box as required</i></p>
<p><b>Sources used:</b></p> <p>Budget Consultation Local Council Tax Support Scheme</p> <p style="text-align: right;"><i>*Expand box as required</i></p>

<b>Socio-economic status:</b> Consider those who are from low income or financially excluded backgrounds	
<i>Please tick (✓) the relevant box:</i>	
<b>Positive</b>	<input checked="" type="checkbox"/>
<b>Neutral</b>	<input type="checkbox"/>
<b>Negative</b>	<input type="checkbox"/>
<p><b>Overall impact:</b></p> <p>For residents, who are from low income or financially excluded backgrounds, the Council has a number of schemes in place to provide support.</p> <p>The Local Council Tax Support Scheme is available to all residents and is means tested with the maximum benefit of 87.5% discount on their annual council tax bill. The scheme includes protection for pensioners and the vulnerable and their carers, with those on the lowest incomes receiving 100% discount.</p> <p>The Council has the most generous Council Tax Support Scheme in Essex.</p> <p>The Council also maintains an Extreme Hardship Fund which is available to all residents who find themselves in financial hardship. In addition to this there is a dedicated Officer in post to provide support and advice on managing their finances and any arrears. The Officer is also in contact with other support agencies who they can signpost to residents for additional help and support.</p> <p>The predicted impact of the council tax increase for 2022-23 for those who are from low income or financially excluded backgrounds is positive, there is no identified direct, positive or indirect discrimination.</p> <p>All Council services are available to all residents and some of our fee charging services offer discounted rates for people on a low income.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	






<p><b>Evidence:</b></p> <p>Local Council Tax Support Scheme sets out all the available support</p> <p><i>*Expand box as required</i></p>
<p><b>Sources used:</b></p> <p>Local Council Tax Support Scheme</p> <p style="text-align: right;"><i>*Expand box as required</i></p>

<p><b>Health &amp; Wellbeing Impact:</b> Consider both short and long-term impacts of the activity on a person's physical and mental health, particularly for disadvantaged, vulnerable or at-risk groups. Can health and wellbeing be positively promoted through this activity? Please use the Health and Wellbeing Impact Tool in Appendix 2 to help you answer this question.</p>							
<p><i>Please tick (✓) all the relevant boxes that apply:</i></p> <table border="1"> <tr> <td><b>Positive</b></td> <td style="text-align: center;">✓</td> </tr> <tr> <td><b>Neutral</b></td> <td></td> </tr> <tr> <td><b>Negative</b></td> <td></td> </tr> </table>	<b>Positive</b>	✓	<b>Neutral</b>		<b>Negative</b>		<p><b>Overall impact:</b></p> <p>Increasing Council tax enable the Council to continue to provide a range of quality services this includes a Health and Wellbeing Service</p> <p style="text-align: right;"><i>*Expand box as required</i></p> <p><b>Do you consider that a more in-depth HIA is required as a result of this brief assessment?</b></p> <p style="text-align: right;"><b>No</b></p>
<b>Positive</b>	✓						
<b>Neutral</b>							
<b>Negative</b>							
<p><b>Evidence:</b></p> <p>There should be a positive health &amp; wellbeing impact on people's personal circumstances, access to services and social factors relating to budget and increase in Council Tax.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>							
<p><b>Sources used:</b></p> <p style="text-align: right;"><i>*Expand box as required</i></p>							

### 3. Outcome of the Assessment

The EqHIA assessment is intended to be used as an improvement tool to make sure the activity maximises the positive impacts and eliminates or minimises the negative impacts. The possible outcomes of the assessment are listed below and what the next steps to take are:

Please tick (✓) what the overall outcome of your assessment was:

	1. The EqHIA identified <u>no significant concerns</u> OR the identified <u>negative concerns</u> have already been <u>addressed</u>		<b>Proceed with implementation</b> of your activity
	2. The EqHIA identified some <u>negative impact</u> which still needs to be <u>addressed</u>		<b>COMPLETE SECTION 4:</b> <b>Complete action plan</b> and finalise the EqHIA
	3. The EqHIA identified some <u>major concerns</u> and showed that it is <u>impossible to diminish negative impacts</u> from the activity to an acceptable or even lawful level		<b>Stop and remove</b> the activity or <b>revise</b> the activity <b>thoroughly</b> . <b>Complete an EqHIA on the revised proposal.</b>

## 4. Action Plan

The real value of completing an EqHIA comes from the identifying the actions that can be taken to eliminate/minimise negative impacts and enhance/optimize positive impacts. In this section you should list the specific actions that set out how you will address any negative equality and health & wellbeing impacts you have identified in this assessment. Please ensure that your action plan is: more than just a list of proposals and good intentions; sets ambitious yet achievable outcomes and timescales; and is clear about resource implications.

Protected characteristic / health & wellbeing impact	Identified Negative or Positive impact	Recommended actions to mitigate Negative impact* or further promote Positive impact	Outcomes and monitoring**	Timescale	Lead officer

**Add further rows as necessary**

\* You should include details of any future consultations and any actions to be undertaken to mitigate negative impacts

\*\* Monitoring: You should state how the impact (positive or negative) will be monitored; what outcome measures will be used; the known (or likely) data source for outcome measurements; how regularly it will be monitored; and who will be monitoring it (if this is different from the lead officer).

## 5. Review

In this section you should identify how frequently the EqHIA will be reviewed; the date for next review; and who will be reviewing it.

**Review:**

Annual review

**Scheduled date of review:** January 2023

**Lead Officer conducting the review:** Angela Knight, Assistant Director - Resources

*\*Expand box as required*

# Appendix 1. Guidance on Undertaking an EqHIA

**This Guidance can be deleted prior to publication.**

## What is it?

The Equality & Health Impact Assessment (EqHIA) is a tool to ensure that your activity meets the needs of individuals and groups that use your service, whilst at the same time ensuring a person's chance of leading a healthy life is the same wherever they live and whoever they are. We want to ensure that the activities of the Council are 'fit for purpose' and meet the needs of Uttlesford's increasingly diverse communities and employees. This robust and systematic EqHIA process ensures that any potential detrimental effects or discrimination is identified, removed, or mitigated and positive impacts are enhanced.

## When to Assess:

An EqHIA should be carried out when you are changing, removing or introducing a new service, policy, strategy or function; for simplicity, these are referred to as an "activity" throughout this document. It is best to conduct the assessment as early as possible in the decision-making process.

### Guidance: Equality & Health Impact Assessment Checklist

The Checklist in Section 1 asks the key questions,

**4a) Are you changing, introducing a new, or removing a service, policy, strategy or function?**

**4b) Does this activity (policy/strategy/service/decision) have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?**

**4c) Does this activity (policy/strategy/service/decision) have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?**

- If the answer to ANY of the questions 4a, 4b or 4c of the Checklist is 'YES' then you must carry out an assessment. e.g. Proposed changes to Contact Centre Opening Hours  
'YES' = you need to carry out an EqHIA
- If the answer to ALL of the questions, 4a or 4b of the Checklist is NO, then you do not need to carry out an EqHIA assessment. e.g. Quarterly Performance Report  
'NO' = you DO NOT need to carry out an EqHIA. Please provide a clear explanation as to why you consider an EqHIA is not required for your activity.

## Using the Checklist

The assessment should take into account all the potential impacts of the proposed activity, be it a major financial decision, or a seemingly simple policy change. Considering and completing this EqHIA will ensure that all Council plans, strategies, policies, procedures, services or other activity comply with relevant statutory obligations and responsibilities. In particular it helps the Council to meet its legal obligation under the [Equality Act 2010 and the Public Sector Equality Duty](#) and its public health duties under the [Health and Social Care Act 2012](#).

## Having Due Regard

To have due regard means that in making decisions and in its other day-to-day activities, the Council must consciously consider the need to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity between different groups
- Foster good relations between different groups
- Reduce inequalities in health outcomes

## Combining Equality and Health Impact Assessment:

[Equality Impact Assessments \(EIAs\)](#) provide a systematic way of ensuring that legal obligations are met. They assess whether a proposed policy, procedure, service change or plan will affect people different on the basis of their 'protected characteristics' and if it will affect their human rights. Currently there are **nine protected characteristics** (previously known as 'equality groups' or 'equality strands'): age, disability, sex/gender, ethnicity/race, religion/faith, sexual orientation, gender reassignment, marriage/civil partnership, and pregnancy/ maternity/paternity.

An activity does not need to impact on all 9 protected characteristics – impacting on just one is sufficient justification to complete an EqHIA.

This [Equality and Health Impact Assessment \(EqHIA\)](#) brings together a single tool which will result in a set of recommendations to eliminate discrimination and inequality; enhance potential positive impacts and mitigate where possible for negative impacts.

In conducting this EqHIA you will need to assess the impact (positive, neutral or negative) of your activity on individuals and groups with **protected characteristics** (this includes staff delivering your activity), **socio-economic status** and **health & wellbeing**. Guidance on what to include in each section is given on the next pages.

### Guidance: What to include in background/context

In this section you will need to add the background/context of your activity, i.e. what is the activity intending to do, and why?

Make sure you include the scope and intended outcomes of the activity being assessed; and highlight any proposed changes. Please include a brief rationale for your activity and any supporting evidence for the proposal. Some questions to consider:

- What is the aim, objectives and intended outcomes?
- How does this activity meet the needs of the local population?
- Has this activity been implemented in another area? What were the outcomes?
- Is this activity being implemented as per best practice guidelines?
- Who were the key stakeholders in this activity?

required

\*Note that the boxes will expand as

**Guidance: Who will be affected by the activity?**

The people who will be affected may be

**Residents:** pay particular attention to vulnerable groups in the population who may be affected by this activity

**Businesses/ manufacturing / developers / small, medium or large enterprises**

**Employees:** e.g. Council staff for an internal activity, other statutory or voluntary sector employees, local businesses and services

\*Note that the boxes will expand as required

**Guidance: What to include in assessing a Protected Characteristic e.g. AGE**

Please tick (✓) the relevant box:

**Positive**

**Neutral**

**Negative**

**Overall impact:** In this section you will need to consider and note what impact your activity will have on individuals and groups (including staff) with protected characteristics based on the data and information you have. You should note whether this is a positive, neutral or negative impact.

**It is essential that you note all negative impacts. This will demonstrate that you have paid ‘due regard’ to the Public Sector Equality Duty (<https://www.gov.uk/government/publications/public-sector-equality-duty>) if your activity is challenged under the Equality Act.**

\*Note that the boxes will expand as required

**Evidence:** In this section you will need to document the evidence that you have used to assess the impact of your activity.

When assessing the impact, please consider and note how your activity contributes to the three aims of the Public Sector Equality Duty (PSED) as stated in the section above.

It is essential that you note the full impact of your activity, so you can demonstrate that you have fully considered the equality implications and have paid ‘due regard’ to the PSED should the Council be challenged.

- If you have identified a **positive impact**, please note this.
- If you think there is a **neutral impact** or the impact is not known, please provide a full reason why this is the case.
- If you have identified a **negative impact**, please note what steps you will take to mitigate this impact. If you are unable to take any mitigating steps, please provide a full reason why. All negative impacts that have mitigating actions must be recorded in the **Action Plan**.
- **Please ensure that appropriate consultation with affected parties has been undertaken and evidenced**

**Sources used:** In this section you should list all sources of the evidence you used to assess the impact of your activity. This can include:

- Service specific data, benchmarking with other organisations, national best practice
- Population, demographic and socio-economic data. Suggested sources include:
  - o Service user monitoring data that your service collects
  - o [www.essexinsight.org.uk](http://www.essexinsight.org.uk)
  - o [Office for National Statistics \(ONS\)](http://www.ons.gov.uk)

If you do not have any relevant data, please provide the reason why.

\*Note that the boxes will expand as required

**Guidance: What to include in assessing Health & Wellbeing Impact:**

Please tick (✓) all the relevant boxes that apply:

**Positive**

**Neutral**

**Negative**

**Overall impact:** In this section you will need to consider and note whether the proposal could have an overall impact on, or implications for, people’s health and wellbeing or any factors which determine people’s health.

How will the activity help address inequalities in health?

Include here a brief outline of what could be done to enhance the positive impacts and, where possible, mitigate for the negative impacts.

\*Note that the boxes will expand as required

**Do you consider that a more in-depth HIA is required as a result of this brief assessment?** Please tick (✓) the relevant box

Yes  No

**Evidence:** In this section you will need to outline in more detail how you came to your conclusions above:

- What is the nature of the impact?
- Is the impact **positive** or **negative**? It is possible for an activity to have **both positive and negative impacts**. Consider here whether people will be able to access the service being offered; improve or maintain healthy lifestyles; improve their opportunities for employment/income; whether and how it will affect the environment in which they live (housing, access to parks & green space); what the impact on the family, social support and community networks might be
- What can be done to mitigate the negative impacts and/or enhance the positive impacts?
- If you think there is a **neutral impact**, or the impact is not known, please provide a brief reason why this is the case.
- What is the likelihood of the impact? Will the impact(s) be in weeks, months or years? In some cases the short-term risks to health may be worth the longer term benefits.
- Will the proposal affect different groups of people in different ways? A proposal that is likely to benefit one section of the community may not benefit others and could lead to inequalities in health.

**Please use the Health & Wellbeing Impact Tool in Appendix 2 as a guide/checklist to assess the potential wider determinants of health impacts.**



This tool will help guide your thinking as to what factors affect people's health and wellbeing, such as social support, their housing conditions, access to transport, employment, education, crime and disorder and environmental factors. It is not an exhaustive list, merely a tool to guide your assessment; there may be other factors specific to your activity.

Some questions you may wish to ask include:

- Will the activity impact on people's ability to socialise, potentially leading to social isolation?
- Will the activity affect a person's income and/or have an effect on their housing status?
- Is the activity likely to cause the recipient of a service more or less stress?
- Will any change in the service take into account different needs, such as those with learning difficulties?
- Will the activity affect the health and wellbeing of persons not directly related to the service/activity, such as carers, family members, other residents living nearby?
- If there is a short-term negative effect, what will be done to minimise the impact as much as possible?
- Are the longer-term impacts positive or negative? What will be done to either promote the positive effects or minimise the negative effects?
- Do the longer term positive outcomes outweigh the short term impacts?

\*Note that the boxes will expand as required

**Sources used:** In this section you should list all sources of the evidence you used to assess the impact of your activity. This could include, e.g.:

Information on the population affected

- Routinely collected local statistics (e.g. quality of life, health status, unemployment, crime, air quality, educational attainment, transport etc.)
- Local research/ Surveys of local conditions
- Community profiles i.e. Uttlesford JSNA

Wider Evidence

- Published Research, including evidence about similar proposals implemented elsewhere (e.g. Case Studies).
- Predictions from local or national models
- Locally commissioned research by statutory/voluntary/private organisations

Expert Opinion

- Views of residents and professionals with local knowledge and insight

\*Note that the boxes will expand as required

## Guidance: Outcome of the Assessment

On reflection, what is your overall assessment of the activity?

The purpose of conducting this assessment is to offer an opportunity to think, reflect and **improve** the proposed activity. It will make sure that the Council can evidence that it has considered its due regard to equality and health & wellbeing to its best ability.

It is not expected that all proposals will be immediately without negative impacts! However, where these arise, what actions can be taken to mitigate against potential negative effects, or further promote the positive impacts?

Please tick one of the 3 boxes in this section to indicate whether you think:

1. all equality and health impacts are adequately addressed in the activity – proceed with your activity pending all other relevant approval processes
2. The assessment identified some negative impacts which could be addressed – please complete the Action Plan in Section 4.
3. If the assessment reveals some significant concerns, this is the time to stop and re-think, making sure that we spend our Council resources wisely and fairly. There is no shame in stopping a proposal.

\*Note that the boxes will expand as required

### **Guidance: Action Plan**

For each protected characteristic/health & wellbeing impact where an impact on people or their lives has been identified, complete one row of the action plan. You can add as many further rows as required.

State whether the impact is Positive or Negative

Briefly outline the actions that can be taken to mitigate against the negative impact or further enhance a positive impact. These actions could be to make changes to the activity itself (service, proposal, strategy etc.) or to make contingencies/alterations in the setting/environment where the activity will take place.

For example, might staff need additional training in communicating effectively with people with learning difficulties, if a new service is opened specifically targeting those people? Is access to the service fair and equitable? What will the impact on other service users be? How can we ensure equity of access to the service by all users? Will any signage need changing? Does the building where the service being delivered comply with disability regulations?

### **Guidance: Review**

Changes happen all the time. A service/strategy/policy/activity that is appropriate at one time, may no longer be appropriate as the environment around us changes. This may be changes in our population, growth and makeup, legislative changes, environmental changes or socio-political changes.

Although we can't predict what's going to happen in the future, a review is recommended to ensure that what we are delivering as a Council is still the best use of our limited resources. The timescale for review will be dependent on the scale of the activity.

A major financial investment may require a review every 2-3 years for a large scale regeneration project over 10-15 years.

A small policy change may require a review in 6 months to assess whether there are any unintended outcomes of such a change.

Please indicate here how frequently it is expected to review your activity and a brief justification as to why this timescale is recommended.

**Guidance: Key Contacts**

For further advice or information contact your Divisional Equality Lead Officer

<b>Division/Services</b>	<b>Head of Division/Services</b>	<b>Tel.No.</b>

## Appendix 2. Health & Wellbeing Impact Tool

Will the activity/service/policy/procedure affect any of the following characteristics? Please tick/check the boxes below

The following are a range of considerations that might help you to complete the assessment.

Lifestyle YES <input type="checkbox"/> NO <input type="checkbox"/>	Personal circumstances YES <input type="checkbox"/> NO <input type="checkbox"/>	Access to services/facilities/amenities YES <input type="checkbox"/> NO <input type="checkbox"/>
<input type="checkbox"/> Diet <input type="checkbox"/> Exercise and physical activity <input type="checkbox"/> Smoking <input type="checkbox"/> Exposure to passive smoking <input type="checkbox"/> Alcohol intake <input type="checkbox"/> Dependency on prescription drugs <input type="checkbox"/> Illicit drug and substance use <input type="checkbox"/> Risky Sexual behaviour <input type="checkbox"/> Other health-related behaviours, such as tooth-brushing, bathing, and wound care	<input type="checkbox"/> Structure and cohesion of family unit <input type="checkbox"/> Parenting <input type="checkbox"/> Childhood development <input type="checkbox"/> Life skills <input type="checkbox"/> Personal safety <input type="checkbox"/> Employment status <input type="checkbox"/> Working conditions <input type="checkbox"/> Level of income, including benefits <input type="checkbox"/> Level of disposable income <input type="checkbox"/> Housing tenure <input type="checkbox"/> Housing conditions <input type="checkbox"/> Educational attainment <input type="checkbox"/> Skills levels including literacy and numeracy	<input type="checkbox"/> to Employment opportunities <input type="checkbox"/> to Workplaces <input type="checkbox"/> to Housing <input type="checkbox"/> to Shops (to supply basic needs) <input type="checkbox"/> to Community facilities <input type="checkbox"/> to Public transport <input type="checkbox"/> to Education <input type="checkbox"/> to Training and skills development <input type="checkbox"/> to Healthcare <input type="checkbox"/> to Social services <input type="checkbox"/> to Childcare <input type="checkbox"/> to Respite care <input type="checkbox"/> to Leisure and recreation services and facilities
Social Factors YES <input type="checkbox"/> NO <input type="checkbox"/>	Economic Factors YES <input type="checkbox"/> NO <input type="checkbox"/>	Environmental Factors YES <input type="checkbox"/> NO <input type="checkbox"/>
<input type="checkbox"/> Social contact <input type="checkbox"/> Social support <input type="checkbox"/> Neighbourliness <input type="checkbox"/> Participation in the community <input type="checkbox"/> Membership of community groups <input type="checkbox"/> Reputation of community/area <input type="checkbox"/> Participation in public affairs <input type="checkbox"/> Level of crime and disorder <input type="checkbox"/> Fear of crime and disorder <input type="checkbox"/> Level of antisocial behaviour <input type="checkbox"/> Fear of antisocial behaviour <input type="checkbox"/> Discrimination <input type="checkbox"/> Fear of discrimination <input type="checkbox"/> Public safety measures <input type="checkbox"/> Road safety measures	<input type="checkbox"/> Creation of wealth <input type="checkbox"/> Distribution of wealth <input type="checkbox"/> Retention of wealth in local area/economy <input type="checkbox"/> Distribution of income <input type="checkbox"/> Business activity <input type="checkbox"/> Job creation <input type="checkbox"/> Availability of employment opportunities <input type="checkbox"/> Quality of employment opportunities <input type="checkbox"/> Availability of education opportunities <input type="checkbox"/> Quality of education opportunities <input type="checkbox"/> Availability of training and skills development opportunities <input type="checkbox"/> Quality of training and skills development opportunities <input type="checkbox"/> Technological development <input type="checkbox"/> Amount of traffic congestion	<input type="checkbox"/> Air quality <input type="checkbox"/> Water quality <input type="checkbox"/> Soil quality/Level of contamination/Odour <input type="checkbox"/> Noise levels <input type="checkbox"/> Vibration <input type="checkbox"/> Hazards <input type="checkbox"/> Land use <input type="checkbox"/> Natural habitats <input type="checkbox"/> Biodiversity <input type="checkbox"/> Landscape, including green and open spaces <input type="checkbox"/> Townscape, including civic areas and public realm <input type="checkbox"/> Use/consumption of natural resources <input type="checkbox"/> Energy use: CO2/other greenhouse gas emissions <input type="checkbox"/> Solid waste management <input type="checkbox"/> Public transport infrastructure