



## Public Document Pack

# Uttlesford District Council

Chief Executive: Dawn French

## Council

To all Members of Uttlesford District Council, you are hereby summoned to attend the meeting of the District Council to be held as shown below to deal with the business set out in the agenda.

**Date:** Tuesday, 25th February, 2020  
**Time:** 7.30 pm  
**Venue:** Council Chamber - Council Offices, London Road, Saffron Walden, CB11 4ER

Kind regards

Dawn French  
Chief Executive

**Chair:** Councillor R Freeman  
**Members:** Councillors A Armstrong, H Asker, G Bagnall, S Barker, M Caton, A Coote, C Criscione, C Day, A Dean, G Driscoll, D Eke, J Evans, P Fairhurst, M Foley (Vice-Chair), A Gerard, N Gregory, N Hargreaves, V Isham, R Jones, A Khan, P Lavelle, G LeCount, P Lees, M Lemon, B Light, J Lodge, J Loughlin, S Luck, S Merifield, E Oliver, R Pavitt, L Pepper, N Reeve, G Sell, A Storah, M Sutton, M Tayler and J De Vries

### Public Speaking

At the start of the meeting there will be an opportunity of up to 15 minutes for members of the public to ask questions and make statements subject to having given notice by 12 noon two working days before the meeting.

## AGENDA

## **PART 1**

### **Open to Public and Press**

- 1 Apologies for Absence and Declarations of Interest**  
To receive any apologies and declarations of interest.
- 2 Minutes of the previous meeting** 5 - 20  
To receive the minutes of the previous meeting held on 16 December 2019.
- 3 Chairman's Announcements**  
To receive any announcements from the Chairman.
- 4 Reports from the Leader and Members of the Executive**  
To receive matters of report from the Leader and members of the Executive.
- 5 Questions to the Leader, Members of the Executive and Committee Chairmen (up to 15 minutes)**  
To receive questions from members for the Executive and committee chairmen.
- 6 Matters referred from the Executive and the Council's committees**  
To consider any reports referred from the Executive and the Council's committees and receive questions and answers on any of those reports.
- 7 Matters received about joint arrangements and external organisations**  
To consider matters concerning joint arrangements and external organisations.
- 8 Proposals for Members' Scheme of Allowances 2020/21** 21 - 28  
To consider the proposals for Members' Scheme of Allowances 2020/21.
- 9 Draft Corporate Plan 2020 - 2024** 29 - 36

	To consider the draft Corporate Plan 2020-24.	
<b>10</b>	<b>Medium Term Financial Strategy and Budget Proposals 2020/21</b>	37 - 190
	To consider the Medium Term Financial Strategy and Budget Proposals 2020/21.	
<b>11</b>	<b>Pay Policy Statement</b>	191 - 206
	To consider the Pay Policy Statement.	
<b>12</b>	<b>Felsted Neighbourhood Plan</b>	207 - 298
	To consider the report on the Felsted Neighbourhood Plan.	
<b>13</b>	<b>Public Participation at Planning Committee Meetings</b>	299 - 307
	To consider the report on Public Party Participation at Planning Committee Meetings.	
<b>14</b>	<b>Committee Timetable 2020-21</b>	308
	To receive the committee timetable 2020-21.	
<b>15</b>	<b>Business Rates Relief Policy</b>	309 - 343
	To consider the Business Rates Relief Policy.	
<b>16</b>	<b>International Holocaust Remembrance Alliance (IHRA) Working Definition of Antisemitism</b>	344 - 347
	To consider the adoption of the IHRA working definition of Antisemitism.	
<b>17</b>	<b>Notice of Motion received: North Essex Economic Strategy (NEES)</b>	348
	To consider the motion regarding the North Essex Economic Strategy (as attached).	
	A briefing paper on the subject of NEES is to follow.	
<b>18</b>	<b>Notice of Motion received: Fireworks</b>	349
	To consider the motion relating to Fireworks (attached).	

## **MEETINGS AND THE PUBLIC**

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Members of the public and representatives of parish and town councils are permitted to speak or ask questions at any of these meetings. You will need to register with the Democratic Services Officer by midday two working days before the meeting.

The agenda is split into two parts. Most of the business is dealt with in Part I which is open to the public. Part II includes items which may be discussed in the absence of the press or public, as they deal with information which is personal or sensitive for some other reason. You will be asked to leave the meeting before Part II items are discussed.

Agenda and Minutes are available in alternative formats and/or languages. For more information please call 01799 510510.

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### **General Enquiries**

Council Offices, London Road, Saffron Walden, CB11 4ER

Telephone: 01799 510510

Fax: 01799 510550

Email: [uconnect@uttlesford.gov.uk](mailto:uconnect@uttlesford.gov.uk)

Website: [www.uttlesford.gov.uk](http://www.uttlesford.gov.uk)

**COUNCIL held at COUNCIL CHAMBER - COUNCIL OFFICES, LONDON ROAD, SAFFRON WALDEN, CB11 4ER, on MONDAY, 16 DECEMBER 2019 at 5.30 pm**

Present: Councillor R Freeman (Chair)  
Councillors A Armstrong, H Asker, G Bagnall, S Barker, M Caton, A Coote, C Criscione, C Day, A Dean, G Driscoll, D Eke, J Evans, P Fairhurst, A Gerard, N Gregory, N Hargreaves, V Isham, R Jones, A Khan, P Lavelle, P Lees, M Lemon, B Light, J Lodge, S Luck, S Merifield, E Oliver, R Pavitt, L Pepper, N Reeve, A Storah, M Sutton and M Tayler

Officers in attendance: D French (Chief Executive), B Ferguson (Acting Principal Democratic Services Officer) and S Pugh (Assistant Director - Governance and Legal).

Public Speakers: V Veal, L Yellowlees, E Gildea, C Dodge and P Muir.

## C49 **APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillors LeCount, Loughlin and de Vries.

Councillors Foley and Tayler declared non-pecuniary interests as members of Stop Stansted Expansion (SSE).

## C50 **EXCLUSION OF PUBLIC AND PRESS**

The Chair said he would bring the Investment Opportunity item forward in proceedings to give Members the appropriate time to discuss the item.

*RESOLVED that under section 100I of the Local Government Act 1972 the public be excluded for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 part 1 of Schedule 12A of the Act.*

## C51 **INVESTMENT OPPORTUNITY**

The Leader of the Council outlined the report. He said reduced funding from central government had put pressure on the budget and if the Council was to continue to provide the current level of services, additional income needed to be generated through investment opportunities such as this one. The investment project came in two stages. The decision to proceed with Phase Two of the investment would be brought for Council's consideration during the 2020/21 financial year.

Councillor Khan said he agreed that additional income was needed to maintain council services but the report inadequately informed Members of the risk management measures that would be implemented to safeguard the Council's interests. Furthermore, the Investment Board had only heard indirectly from independent investment advisors, and legal advice had only been received the night before. This was a matter of procedure and governance and he asked for the decision to be deferred until further information was provided.

Councillor Caton said the report only outlined the "best case scenario." He requested that members be given "worst" and "mid-case" scenarios to assist in their deliberations. More robust procedures needed to be put in place by the Council as a stronger risk analysis was needed before taking such a decision.

Councillor Fairhurst said this was an exciting moment but the opportunity should not be taken on "blind faith". Further information was required before Members could be asked to make a decision of this importance.

Councillor Lees said the investment had to be made to ensure the continuation of council services. Investments, by their nature, were uncertain but Members could only make a decision based on the evidence before them. She said due diligence had been carried out and she supported the recommendation.

Councillor Coote said the governance surrounding the investment process did require improvement, but there was no alternative in the face of budget cuts other than to support this investment opportunity.

Councillor Lavelle said more time was spent on risk management than any other aspect of this investment during the Board's deliberations. He said the risks of such an investment had been considered carefully and effectively.

Councillor Light said she accepted that income would need to be generated through investments but she could not support this opportunity due to the lack of information presented to Members.

Councillor Hargreaves said legal advisors were satisfied with the Council's approach to the investment and such advice had been circulated with members of the Investment Board.

Councillor Khan said he was not anti-investment or risk averse but there was not enough evidence before him to make a decision. He proposed deferral of the item.

The Chief Executive said the debate could be adjourned which, in effect, would defer the item.

Councillor Khan proposed for the debate to be adjourned. Councillor Light seconded and requested a recorded vote.

The Leader said he was perturbed that Liberal Democrat members had numerous opportunities to raise their concerns at the Investment Board but had

waited until Full Council to “kick the can down the road”. The Council would be in financial difficulty if an investment was not made.

Councillor Barker said she agreed and the Council needed to continue down the road of investment to ensure services were maintained.

The vote to adjourn the debate was as follows:

<b>For</b>	<b>Against</b>	<b>Abstain</b>
Cllr Caton	Cllr Armstrong	Cllr Gerard
Cllr Dean	Cllr Asker	Cllr Tayler
Cllr Fairhurst	Cllr Barker	
Cllr Foley	Cllr Coote	
Cllr Khan	Cllr Criscione	
Cllr Light	Cllr Day	
	Cllr Driscoll	
	Cllr Eke	
	Cllr Evans	
	Cllr Freeman	
	Cllr Gregory	
	Cllr Hargreaves	
	Cllr Isham	
	Cllr Jones	
	Cllr Lavelle	
	Cllr Lees	
	Cllr Lemon	
	Cllr Lodge	
	Cllr Luck	
	Cllr Merifield	
	Cllr Oliver	
	Cllr Pavitt	
	Cllr Pepper	
	Cllr Reeve	
	Cllr Storah	
	Cllr Sutton	
<b>Total:</b>		
<b>6</b>	<b>26</b>	<b>2</b>

The motion was defeated: 6 for, 26 against and 2 abstentions.

The Chair moved to a vote on the original motion as set out in the report:

Council RESOLVED:

- i) To endorse the acquisition of Phase 1 of Investment Opportunity 2; and
- ii) To authorise the necessary borrowing as set out in the reports, to a maximum of £32 million.

*The Chair adjourned the meeting at 6.15pm. The meeting was reconvened at 7.30pm and the public were readmitted.*

*Councillor Bagnall arrived at 7.30pm and participated in the remainder of the meeting.*

**C52 PUBLIC SPEAKING**

Mr Veal, Ms Yellowlees, Mr Gildea, Mr Dodge and Ms Muir made statements regarding the Climate Change motion.

**C53 MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting were approved as a correct record.

**C54 CHAIRMAN'S ANNOUNCEMENTS**

The Chair provided an update on his activity since the last meeting.

**C55 REPORTS FROM THE LEADER AND MEMBERS OF THE EXECUTIVE**

The Leader said Members had found themselves swamped with information and a better way of communicating needed to be found. He said future reports from the Executive would be circulated with the Members' Bulletin, rather than being presented at Full Council.

The Leader reported his concern at the previous Essex Leaders' meeting, where it was learnt that no other council in Essex, except Uttlesford, had offered to house refugee families fleeing from the conflict in Syria. He said Uttlesford would continue to rise to the challenge and from personal experience he attested to the positive contribution that refugee families made to society.

With regard to the Local Plan process, the Leader said the Council was still waiting for a letter from the Inspector but, in the meantime, Local Delivery Boards had been established for the North Uttlesford and Easton Park settlements. These Boards would have a key role in designing and delivering the proposed garden communities.

The report relating to Planning Appeals was noted.

**C56 QUESTIONS TO THE LEADER, MEMBERS OF THE EXECUTIVE AND COMMITTEE CHAIRMEN (UP TO 15 MINUTES)**

In response to a question relating to the lack of public consultation regarding the upcoming budget, Councillor Hargreaves said the consultation had been cancelled as it had been deemed expensive and ineffective.

Councillor Dean said it was unacceptable that an independent and objective consultation on budget proposals had not been carried out.

Councillor Criscione said the new Administration had promised change on issues such as transparency, openness and democracy. He asked if there were any plans to enact these changes and questioned the progress of the new Administration.

The Leader said he had offered various roles to opposition members in an attempt to create an inclusive and different political culture at the Council. He said the Administration could “stand on its own two feet” and highlighted the imminent Corporate Plan as proof of this.

In response to a question relating to the Local Plan process, the Leader said the Inspector’s letter was expected in the early New Year.

In response to a question from Councillor Gregory, the Leader said public notices were published in only one Saffron Walden newspaper for efficiency’s sake but this would be reviewed in the coming weeks.

In response to a question regarding the Stansted Airport planning application, Councillor Merifield said a committee meeting date would be scheduled for January.

C57

## **LOCAL COUNCIL TAX SUPPORT SCHEME PROPOSALS 2020/21**

*Councillor Barker declared a non-pecuniary interest as a member of Essex County Council.*

Councillor Hargreaves presented the report on the Local Council Tax Support (LCTS) Scheme Proposals 2020/21. He said the LCTS scheme would be set on the same basis as 2019/20 and therefore the contribution rate would be frozen for the fifth consecutive year. The scheme would protect pensioners, disabled people and working age people on low incomes. He added that Uttlesford would have the lowest contribution rate within Essex.

In response to a question relating to the poor response rate to the public consultation despite it being widely advertised, Councillor Hargreaves said it was difficult to carry out an effective survey with such a small sample size. In previous years, the Council had paid significant sums to carry out telephone consultations but had learnt very little from the results. On this occasion, an economic approach was taken and the public could respond online or in paper form.

RESOLVED to approve the Local Council Tax Support scheme for 2020/21 as set out in this report and recommended by Cabinet on 26 November 2019:

I. The 2020/21 LCTS scheme is set on the same basis as the 2019/20 scheme and therefore the contribution rate is frozen for the fifth consecutive year.

II. The Council continues to protect Vulnerable and Disabled Residents and Carers on a low income.

## C58 **COMMERCIAL STRATEGY**

The Leader presented the report on the updated Commercial Strategy, which had been adopted at the previous Council meeting on the condition that the strategy would be brought back with governance arrangements included.

Councillor Khan said the strategy required more vision of where the Council would be in five to ten years' time, as well as an officer dedicated to the crystallisation of commercial development.

RESOLVED to approve the revised Commercial Strategy.

## C59 **NOTICE OF MOTION RECEIVED: CLIMATE CHANGE**

Councillor Light presented the motion regarding Climate Change to Full Council. Under rule 12.7 of the Council's procedure rules, she moved to alter the motion as follows (alteration in bold):

*On 30 July 2019 this Council resolved to declare a Climate and Ecological Emergency, acting now to prevent a climate and ecological catastrophe that will greatly impact our children, grandchildren and future generations. Following this, an Energy and Climate Change Working Group has been established to produce "a bold plan of action that is realistic, measurable and deliverable". The huge scale of the climate and ecological emergency is becoming ever clearer, as is the need for urgent, bold, ambitious and decisive action.*

*This Council now resolves:*

*1. To call on the Cabinet and Climate Change Working Group to develop an Environmental Road Map for approval by Council on February 25, 2020. This Environmental Road Map will have clearly defined actions, deliverables, timelines and costings with definitive, timed and measurable milestones and targets to be met by December 2020 and annually thereafter until April 2023.*

*2. To ask the Cabinet to include in its budget recommendations for 2020/21 substantial budget provision for the development and implementation of the Council's Energy and Climate Change Strategy and to deliver the Environmental Road Map initial priority actions during the year.*

*3. That the Environmental Road Map will include at least, but will not be limited to the following priorities:*

### *Tree planting across the district*

*In partnership with local community and environmental organisations, county, parish councils and other landowners to:*

- *Plant a tree per resident in the next year and 10,000 a year after that*
- *Provide a tree for life for every expectant family in Uttlesford*
- *Develop planning policy to require one tree per bedroom to be planted for each new build property in the district, with at least two trees planted to replace any tree which cannot be preserved and is felled.*

### *Bees and other pollinators*

- *Map and protect their habitats and create new ones*
- *Adjust the Council's grass-cutting schedule to encourage the establishment of wild flower meadows on public green spaces and verges*
- *Establish bee hotels and green walls on Council buildings and incentivise residents to set up bee hotels*
- *Plant bee friendly trees and plants and work with residents to encourage planting*
- *Stop using insecticides and herbicides on all Council owned and managed land and encourage residents and local farmers to do the same*

### *Hedgehogs and habitats*

- *Create at least six wilding sanctuaries and corridors and preserve existing ones*

### *Electric car charging points*

- *Install a minimum of 55 points in the next 12 months and 250 by 2023 within a clear strategy to encourage growth of electric vehicles*
- *Develop planning policies to facilitate installation of charging points for new houses*
- *Install charging points at Council-owned properties*
- *Change the Council's fleet to electric vehicles by the end of 2023*

### *Renewable energy*

- *Install solar panels on all council buildings and include sustainable energy sources in its property investments*
- *Ensure that the new Waste Management Depot at Great Dunmow is designed to be an exemplar of new green technologies*
- *Establish a solar farm to offset the Council's energy use*

- *Ensure that any future Garden Settlements are carbon negative through the creation of local wind and solar power generation*
- *Undertake an annual energy audit on usage and sustainability of the District Council's estate*
- *Develop planning policies to require all new builds, including the Council's own developments to have sources of renewable energy fitted and to comply with 'Passivhaus' or similar standards of energy efficiency*

#### *Reduction of single use plastics*

- *End the use of single-use plastics in Uttlesford by 2023 and increase recycling*
- *Provide water fountains in towns and villages*
- *Establish a 'Chairman's Charter', similar to the Saffron Walden 'Mayor's Charter' to encourage businesses, community groups, schools and residents to commit to undertake specific actions to reduce or discourage the use of plastics*
- *Set up an online forum to provide information on the reduction of plastic use*

#### ***Air Transport***

- ***Strongly lobby central government to introduce fiscal and other measures to reduce emissions from aviation so they are curtailed as a growing source of the UK's carbon emissions***
- ***Strongly lobby central government to review current planning guidance to Local Planning Authorities to enable them to consider the Climate Change impacts of aviation when considering future planning applications that fall below the Nationally Significant Infrastructure Project level.***

Council signified consent to alter the motion.

Councillor Light said her motion defined the bold action that was required to combat climate change. It was vital that the Council played its part in ensuring that Uttlesford remained green and the time to act was now. She had been told that the figure of £14 million provided to cost the motion had been calculated as a very rough estimate and no breakdown of costs had been provided. The argument that the 2020/21 Budget had been finalised, and therefore these initiatives could not be implemented in the coming year, was untrue.

The Leader disputed this account and asked for Councillor Light's comment regarding costings to be struck from the record, which the Chair agreed to.

Councillor Light summarised a number of schemes related to the motion such as tree-planting, electronic charging points and renewable energy provision. She said none of these initiatives would come close to costing £14 million. She said that her motion called for provisions to be made in the budget to ensure green schemes were properly resourced and could be delivered. She said the proposed amendment was unnecessary and questioned its purpose.

Councillor Dean said it was reasonable and important to have a “roadmap” to know the Council’s direction in terms of climate change. There was a need to prioritise but it was clear that climate change initiatives would require sufficient resources. He added that the Council were looking at how to make the proposed Garden Communities carbon neutral settlements. He would be supporting the motion.

Councillor Pepper proposed an amendment to the motion as follows (amendment in bold):

***The Council notes that immediately upon being elected the new R4U administration created an Environment Portfolio for the UDC Cabinet, in May this year.***

***It further notes that in July 2019 the Council resolved:***

***1. To declare a Climate and Ecological Emergency, acting now to prevent a climate and ecological catastrophe that will greatly impact our children, grandchildren and future generations***

***2. To commit to achieving net-zero carbon status by 2030 and protecting and enhancing bio-diversity by:***

- requesting the Cabinet Member for Environment and Green Issues to establish an Energy and Climate Change Working Group of Cabinet***
- working collaboratively across the Council and engaging with individuals, community groups, businesses and other partners in the district, including young people who should have a voice to help shape our future***
- lobbying Central Government to urgently provide funding and implement necessary policy changes***
- producing a bold plan of action that is realistic, measurable and deliverable***
- ensuring significant progress has been made to deliver the action plan by April 2023.***

***To advance the Climate Change and Green agenda as quickly as possible the cabinet member then created a cross party Energy and Climate Change Working Group, which was formally established at the next Cabinet meeting on 26 September 2019, and which includes all three Green party Councillors. The Council urges all residents of any party or none to contribute to the Climate Change Working Group.***

***The Council asks the Working Group urgently to pursue the production of its plan of action and, in drawing up proposals, to consider the feasibility and effectiveness of the initiatives listed below:***

*Tree planting across the district*

*In partnership with local community and environmental organisations, county, parish councils and other landowners to*

- *Plant a tree per resident in the next year and 10,000 a year after that*
- *Provide a tree for life for every expectant family in Uttlesford*
- *Develop planning policy to require one tree per bedroom to be planted for each new build property in the district, with at least two trees planted to replace any tree which cannot be preserved and is felled.*

#### *Bees and other pollinators*

- *Map and protect their habitats and create new ones*
- *Adjust the Council's grass-cutting schedule to encourage the establishment of wild flower meadows on public green spaces and verges*
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- *Establish a solar farm to offset the Council's energy use*
- *Ensure that any future Garden Settlements are carbon negative through the creation of local wind and solar power generation*

- *Undertake an annual energy audit on usage and sustainability of the District Council's estate*
- *Develop planning policies to require all new builds, including the Council's own developments to have sources of renewable energy fitted and to comply with 'Passivhaus' or similar standards of energy efficiency*

#### *Reduction of single use plastics*

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- *Strongly lobby central government to introduce fiscal and other measures to reduce emissions from aviation so they are curtailed as a growing source of the UK's carbon emissions*
- *Strongly lobby central government to review current planning guidance to Local Planning Authorities to enable them to consider the Climate Change impacts of aviation when considering future planning applications that fall below the Nationally Significant Infrastructure Project level.*

Councillor Pavitt seconded the motion and said he was disappointed that this issue had become a matter of contention when all Members were moving towards the same goal. He said the objectives were laudable and some schemes could be implemented immediately, such as the hedgehog and bee initiatives. Other elements in the proposal required proper costing and thought to ensure they were realistic and deliverable.

Councillor Barker said there were a number of inexpensive measures which could be taken, such as the protection of hedgerows, the planting of trees around the district and discussions with Stansted Airport regarding the use of sodium lamps. She said that she would like to see more members of the Administration sit on the Energy and Climate Change Working Group (ECCWG) since the defection of three Members to the Green Group, and that the economic viability of solar panel and 'Passivhaus' standards had to be carefully considered before taking any decisions.

Councillor Criscione said he would support the motion but not the amendment. He said the Council had to be ambitious in the challenge to tackle climate change.

Councillor Driscoll said the ECCWG had looked at the viability of schemes and that the Council could not spend money it did not have.

In response to a question from Youth Councillor Birkbeck, Councillor Pepper confirmed that consultation with young people over climate change had been included as part of her amendment.

Councillor Hargreaves said the original motion was a vague, long list of schemes with no costings attached. This was not the way to get things done and a detailed plan would emerge out of the ECCWG. He supported the amendment.

Councillor Reeve, a member of the ECCWG, said he was passionate on climate change and supported the amendment. He thanked officers for providing information as requested by members of the working group, and cited a number of challenges the district faced, with particular regard paid to the carbon dioxide levels emitted by aviation activity. He said there was much urgent work to do in the challenge against climate change and asked Members to work together.

Councillor Tayler said he was bewildered by the substantive motion; he sat on the ECCWG and had been impressed by the support provided by officers. He said information was being collated to provide the basis for a realistic and viable programme of schemes. He would be supporting the amendment.

Councillor Fairhurst said all agreed on the initiatives outlined in both the motion and amendment, and there was no need for contention. However, he said the initial motion had more edge and set a baseline on which the Council would be judged.

Councillor Caton said he was frustrated that nothing had happened since the climate change motion had been passed in July. The issue of climate change was urgent and the issue needed to be taken extremely seriously.

Councillor Coote said he was disappointed as the motion before Council was a political point scoring exercise. He said all councillors should be working together to tackle this issue.

Councillor Dean said the original motion provided a roadmap to the Council's challenge against climate change; the amendment amounted to a commitment to request money from central government. If there was nothing in the budget, the issue would not be taken seriously. He said he could not support the amendment.

Councillor Foley said the issue of aviation had to be included in whatever motion was passed. He said the airport was the greatest threat in terms of climate change.

Councillor Pepper said the substantive motion would bypass the ECCWG and this work had to travel through the correct channels to ensure informed decisions were made. She said the cross party working group was the democratic means to engage with the issue of climate change.

The Chair called for a vote on the amendment to the substantive motion.

The amendment was carried.

The Chair called for Members to vote on the amended substantive motion.

RESOLVED to:

Note that immediately upon being elected the new R4U administration created an Environment Portfolio for the UDC Cabinet, in May this year.

It further notes that in July 2019 the Council resolved:

1. To declare a Climate and Ecological Emergency, acting now to prevent a climate and ecological catastrophe that will greatly impact our children, grandchildren and future generations
2. To commit to achieving net-zero carbon status by 2030 and protecting and enhancing bio-diversity by:
  - requesting the Cabinet Member for Environment and Green Issues to establish an Energy and Climate Change Working Group of Cabinet
  - working collaboratively across the Council and engaging with individuals, community groups, businesses and other partners in the district, including young people who should have a voice to help shape our future
  - lobbying Central Government to urgently provide funding and implement necessary policy changes
  - producing a bold plan of action that is realistic, measurable and deliverable
  - ensuring significant progress has been made to deliver the action plan by April 2023.

To advance the Climate Change and Green agenda as quickly as possible the cabinet member then created a cross party Energy and Climate Change Working Group, which was formally established at the next Cabinet meeting on 26 September 2019, and which includes all three Green party Councillors. The Council urges all residents of any party or none to contribute to the Climate Change Working Group.

The Council asks the Working Group urgently to pursue the production of its plan of action and, in drawing up proposals, to consider the feasibility and effectiveness of the initiatives listed below:

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In partnership with local community and environmental organisations, county, parish councils and other landowners to:

- Plant a tree per resident in the next year and 10,000 a year after that
- Provide a tree for life for every expectant family in Uttlesford

- Develop planning policy to require one tree per bedroom to be planted for each new build property in the district, with at least two trees planted to replace any tree which cannot be preserved and is felled.

### **Bees and other pollinators**

- Map and protect their habitats and create new ones
- Adjust the Council's grass-cutting schedule to encourage the establishment of wild flower meadows on public green spaces and verges
- Establish bee hotels and green walls on Council buildings and incentivise residents to set up bee hotels
- Plant bee friendly trees and plants and work with residents to encourage planting
- Stop using insecticides and herbicides on all Council owned and managed land and encourage residents and local farmers to do the same

### **Hedgehogs and habitats**

- Create at least six wilding sanctuaries and corridors and preserve existing ones

### **Electric car charging points**

- Install a minimum of 55 points in the next 12 months and 250 by 2023 within a clear strategy to encourage growth of electric vehicles
- Develop planning policies to facilitate installation of charging points for new houses
- Install charging points at Council-owned properties
- Change the Council's fleet to electric vehicles by the end of 2023

### **Renewable energy**

- Install solar panels on all council buildings and include sustainable energy sources in its property investments
- Ensure that the new Waste Management Depot at Great Dunmow is designed to be an exemplar of new green technologies
- Establish a solar farm to offset the Council's energy use
- Ensure that any future Garden Settlements are carbon negative through the creation of local wind and solar power generation
- Undertake an annual energy audit on usage and sustainability of the District Council's estate
- Develop planning policies to require all new builds, including the Council's own developments to have sources of renewable energy fitted and to comply with 'Passivhaus' or similar standards of energy efficiency

## **Reduction of single use plastics**

- End the use of single-use plastics in Uttlesford by 2023 and increase recycling
- Provide water fountains in towns and villages
- Establish a 'Chairman's Charter', similar to the Saffron Walden 'Mayor's Charter' to encourage businesses, community groups, schools and residents to commit to undertake specific actions to reduce or discourage the use of plastics
- Set up an online forum to provide information on the reduction of plastic use

## **Air Transport**

- Strongly lobby central government to introduce fiscal and other measures to reduce emissions from aviation so they are curtailed as a growing source of the UK's carbon emissions
- Strongly lobby central government to review current planning guidance to Local Planning Authorities to enable them to consider the Climate Change impacts of aviation when considering future planning applications that fall below the Nationally Significant Infrastructure Project level.

C60

### **NOTICE OF MOTION RECEIVED: NORTH ESSEX ECONOMIC STRATEGY (NEES)**

Councillor Pavitt presented the motion to Council. He said the purpose of the motion was to request a pause in proceedings before taking the next steps with the economic strategy. He said NEES provided little benefit to Uttlesford and would tie the district's future with Stansted Airport, which was at odds with the climate change concerns expressed during the item before. He said Uttlesford's future should instead be aligned with that of Cambridge, a high wage and tech-driven economy.

The Leader said he was sympathetic to the motion although it was north Uttlesford centric. He said the district had a number of economic partners and the Council could not turn to one area alone.

The Chair said there was insufficient information before members to make a decision and asked the proposer whether he would be willing to withdraw the motion. The motion then could be reconsidered at a later date with additional information on NEES provided.

Councillor Gregory said he was surprised that Members were unaware of NEES but made the point that the strategy would tie Uttlesford to a low wage – high carbon economic approach.

Councillor Pavitt said he was willing to withdraw the motion in light of the lack of awareness regarding NEES.

The motion was withdrawn.

The meeting ended at 9.30pm.

## Cllr Deryk Eke

### Portfolio Holder for Infrastructure, Transport and Stansted Airport

**Infrastructure** – Parking issues in Uttlesford have been forefront in case work and portfolio business recently.

Several cases of dangerous and inconsiderate parking in Dunmow have been addressed through a combination of email exchanges, officer visits and applications to the NEPP for TRO's. The general lack of knowledge of the process and procedures required to obtain a TRO have led to an invitation to attend the Dunmow TC meeting in March to explain how the system works. The process will be circulated to all PCs to help de-mystify the system.

At the NEPP management meeting in January our bids for residual funding of additional parking projects were successful to the tune of £300,000. This will support extensions to Crafton Green and Lower Street car parks in Stansted and for variable car park messaging around Saffron Walden, similar to the Cambridge signage, subject to site surveys.

The implementation of cycle paths across Uttlesford remains problematic. Three cycling strategies have been issued since 1999 and only ONE cycle route implemented! A major blockage to progress is Essex Highway's seemingly arbitrary specification for 3m wide cycle paths when neighbours Cambridge and Hertfordshire apply a more common sense approach in rural settings. An urgent meeting is being sought with ECC to resolve the impasse and deliver a sustainable solution in line with the current climate emergency.

**Transport** – The first meeting of the Uttlesford Transport Forum, under the new administration, was held in December. A working group focusing on bus routes throughout the district was considered, linking with initiatives currently under review by STAL. Topic lead Cllr Driscoll will chair.

Cllr Driscoll has attended an initial meeting with ECC to explore local bus routes and focus on school bus provision.

A meeting of the ECC Passenger Transport group is scheduled for March and an attempt to correlate the individual initiatives will be made.

**Stansted Airport** – A recent meeting with the airport planning manager, Canfield PC and UDC regarding fly parking in the Priors Green estate proved very productive leading to a review of parking restrictions to ease congestion and an offer of funding, including signage from MAG. Local resident consultations are planned.

Topic lead Cllr Reeve attended a recent meeting of STACC (Stansted Airport Consultative Committee) representing UDC. A new consultation is due to start soon regarding review of flight paths (airspace) for the future. This will cover the South of England's 10 airports under the overall leadership of the CAA.

A new Airport Stakeholder Reference Group has been established to inform the airspace consultation and the first meeting is in February. Cllr Eke has been invited to attend.

Cllr Reeve also attended a meeting of SASIG (Strategic Aviation Special Interest Group), also as UDC representative. A preview was given of the recent announcement by the Aviation Industry (this week) stating that they aim for carbon neutrality by 2050. This will be by using a combination of new technology and carbon offsetting.

## **Cllr Neil Hargreaves**

### **Portfolio Holder for Finance and Budget**

Last month myself and Cllrs Lees and Lodge attended presentations from 15 voluntary bodies seeking grant assistance from UDC. As Treasurer of the Friends of Newport Church it is usually me making grant applications, and this is the first time I've worked on the other side.

The groups had gone to considerable effort to prepare and present their cases. They evidenced both their work and the considerable need for support of disadvantaged members of our community, young, old, poor, those with medical problems, or just needing a bit of help.

The budget was £300k but we increased it to £330k and would like to have done more. The largest recipient remains Citizens Advice, including some support for the Stortford office, which helps our residents from the south of the district

## **Cllr Louise Pepper**

### **Portfolio Holder for Environment and Green Issues**

So why has UDC declared a climate & ecological emergency? Climate change is the greatest challenge facing our world today. There is overwhelming scientific evidence saying we have limited time to act. Experience has shown that local government is a good place to start government commitment to climate emergency action and they are fundamental in the climate emergency response.

UDC are proud that we have addressed this serious issue by declaring a cross party climate & ecological motion in July. A climate emergency working group was set up in August and agreed by Cabinet in September.

On November 27, UDC hosted a Climate Business Breakfast, with around 120 different local businesses in attendance. We had two guest speakers (including myself) on what businesses can be doing to help with carbon reduction and how they can get started. It was a great success and we received a lot of positive feedback.

On November 30, Saffron Walden Town Council and volunteers planted around 3,000 hedging plants and trees. There was a fantastic turnout from all age groups and even though it was cold, the sun was shining.

Our cross-party working group has around 40 members. This includes officers, cross party councillors and outside members. There are six sub groups that comprises of 1) Biodiversity, 2) Transport/Air Quality, 3) Energy, 4) Planning & Development, 5) Waste & Recycling and 6) Campaigning and Lobbying. Our sub-groups will work collectively together towards a climate local strategy and an enterprising action plan. We will list and prioritize key core climate goals both internally, starting with the council.

#### **UDC's Climate action plan:**

- X3 electric vans
- X8 EV charging points

- LED Lighting externally & most of the lighting internally
- A visible rubbish recycling bins at main entrance
- Our water is already filtered – this reduces single plastic bottles
- Water Butts to collect rain water (ongoing discussions)
- Check our supply chain to see green credentials
- Looking at switching to a green tariff
- Will introduce car sharing schemes
- Nominate Green Champions

Around March/April, we'll organise a Climate Conference, starting with parish and town councils, later inviting everyone in the district to have a voice to help shape our carbon future. We will also reach out to schools, town and parish councils, farmers and all of our community, aiming robustly towards achieving a net zero 2030 target. Safeguarding our environment now and for future generations.

I'm confident that we have a strong team of people that will help us to deliver an ambitious climate strategy action plan.

In respect to my role in equalities, we will raise awareness, promote equality and reduce discrimination within the workplace and wider community. It is essential that everyone is treated with the respect they deserve.

# Agenda Item 8

**Committee:** Council

**Date:**

**Title:** Proposals for Members' Scheme of Allowances 2020/21

Tuesday, 25  
February 2020

**Report Author:** The Independent Remuneration Panel:  
Stephanie Grace (Chair), Diane Drury and  
Melissa Challinor, assisted by Ben Ferguson

**Officer Contact:**  
Ben Ferguson (Acting Principal Democratic  
Services Officer)  
bferguson@uttlesford.gov.uk

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## Summary

1. This report sets out the recommendations of the Independent Remuneration Panel for the Members' Scheme of Allowances for the year 2020/21.
2. In making a scheme of allowances, the Council is required to have regard to the recommendations of an independent panel but is not bound by them.

## Recommendations

3. That the Council adopts:
  - a. the recommended scheme of allowances for the year 2020/21 as set out in Appendix 1 to the report, effectively increasing the current level of basic allowance and all existing special responsibility allowances (SRAs) by 1%.

## Financial Implications

4. There would be additional cost to the Council due to the 1% increase in the level of the basic and special responsibility allowances. The estimated cost of implementing this rise is an increase of £3,026.99. A 2% uplift has been budgeted for within the General Fund but this will be amended subject to the Panel's recommendation being approved.
5. The budget provision for SRAs for Cabinet members is based on the overall historical Cabinet SRA total, which was not increased when the number of cabinet members was increased following the 2019 elections. This was kept within budget by Cabinet members accepting a reduction of 45% in individual the SRA payable. The budget assumes that this will continue for 2020/21. In future (if the Council continues with the Cabinet system) it may make sense to allocate an overall total for Cabinet SRA payments, with individual SRAs based on the number of Cabinet members. (Cabinet members are referred to as "portfolio holders" in the scheme,)

## Background Papers

6. [Members' Allowance Scheme 2019/20](#)
7. [Census of Local Authority Councillors 2013](#)
8. [National Census of Local Authority Councillors 2018](#)

## Impact

9.

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	All wards
Workforce/Workplace	None

## Situation

### **The Independent Remuneration Panel**

10. The Panel this year consists of Stephanie Grace (Chair), Diane Drury and Melissa Challinor.

### **The General Position**

11. In conducting its appraisal this year, the Panel paid special regard to the establishment of the Governance Review Working Group (GRWG), which has been created to review the council's current governance structure.

12. The GRWG has been tasked with ascertaining the best Governance model, modified as necessary, to suit the purposes of Uttlesford District Council. The review is ongoing. The GRWG intend to report their recommendations to Annual Council in May 2020.
13. The snap Parliamentary General Election, held on 12 December 2019, had a significant impact on the resources available to the GRWG and Members were informed that the review would be postponed until January 2020 ([minutes of meeting held on 4/11/19](#)). This rendered a full-scale change in governance model extremely unlikely due to the short time frame involved, although changes to the current model could be enacted to adapt the Cabinet and Leader system to reflect the desired principles of inclusivity, transparency and good governance.
14. Due to the prospective change in governance models, or the restructuring of the current model, the Panel felt that a thorough review of the Scheme of Members' Allowances was untimely and decided to focus efforts on reviewing the Basic Allowance, with particular regard paid to the financial constraints placed on Local Authorities in the current economic climate.
15. In light of the impact of the Governance Review, and the uncertainty of its subsequent recommendations, the Panel are committed to bringing forward the next review of the Scheme of Members' Allowances to the summer of 2020. The Panel feel real value can be attained from member consultation at this time, as councillors will be able to draw on their experiences following a full year in office.

### **Basic Allowance**

16. The aim of the payment of the basic allowance is that some element of the work of members continues to be voluntary but that financial recompense is available to elected members to avoid a disincentive for anyone wishing to come forward to serve their local community.
17. The basic allowance takes account of the duties and responsibilities of a member of the Council. It also acts as the starting point for the calculation of all SRAs as these are expressed as multipliers of the basic allowance.
18. The Panel were interested to view the results of the 2018 national census of councillors, carried out by the Local Government Association, which was published in early 2019. The census estimated that councillors, on average, spend 22 hours per week on council business. The Panel noted this was an increase on the 20.8 hours estimated in the 2013 census.
19. The Panel has chosen not to recommend formally linking the employees' pay award and the basic allowance. The staff pay award for this year stands at 2%. As in previous years, the Panel considered whether to make a recommendation to commence linking the basic allowance to future local government pay awards. The Panel have decided against making this recommendation due to the flexibility allowed in determining the appropriate level of basic allowance.
20. Reference was made to the Scheme of Basic Allowances of neighbouring authorities. The basic allowance paid by other councils will have been

calculated in a variety of ways, so comparative data does not necessarily reflect a local “going rate”.

21. The Panel assessed what rates were paid in comparable authorities, using the same councils as last year to allow for consistent benchmarking. The exercise demonstrated that the Council’s basic allowance was around the average of that which was offered at the other authorities examined. The completed comparison is available at Appendix 2.
22. In respect of the calculation of the rate of basic allowance, the Panel are recommending that the allowance be increased by 1% for the upcoming municipal year, thereby increasing the rate of all SRAs by 1% as well.
23. The Panel’s reasoning, in line with the previous review, is that a 1% rise will maintain the recent pattern of modest rises in the level of the basic allowance that have been implemented in recent years. Regular modest increases are seen as preferable to proposing larger increases less often, as they are easier to forecast and to prepare for in budget work. The Panel felt that under the current economic and political climate, a 1 % uplift was in keeping with the fiscally conservative measures being implemented across the public sector. It was proposed that a modest increase would help build trust between the local community and council.
24. In making their decision, the Panel also referred to the September 2018 - September 2019 increase in the [Consumer Prices Index \(CPI\)](#) of 1.7% that is used to calculate the uplift in public service pensions.
25. The Panel notes that with the proposed 1% uplift the Council’s basic allowance would remain a rough average of neighbouring and other comparable authorities and should therefore continue to function adequately as financial recompense available to elected members to ensure that finance is not a disincentive to stand for election.

### **Looking Back to the Previous Review**

26. The Panel were pleased to see that an expanded Members’ development programme had been delivered in relation to Member induction following the Local Governments elections in May. The Panel welcomed efforts to provide a schedule of dates at a prospective Member event in February, as the Panel had previously recommended that due notice be given to Members to increase the likelihood of attendance.
27. The Panel noted the use of the separate Planning substitute and Licensing Panel SRAs and were pleased that more Members were involved in the Licensing Panel process than in previous years.
28. The Panel noted that there had been no take up of the Carer’s Allowance since its modification last year.

### **Looking Forward to the Next Review**

29. The Panel were mindful of the following in their discussions regarding the next review of Member Allowances.
  - Group Leader SRA – The Panel noted that there had been an increase in the amount spent on the Group Leaders’ SRA due to the increase in the number of political groups within Council. It was agreed that this should be kept under

consideration, particularly in the lead up to the next scheduled Local Election in 2023.

- Portfolio Holders SRA – the Panel noted that there had been an increase in Portfolio Holders within Cabinet, although the total cost of this SRA had been offset by a voluntary reduction in the SRA as agreed by Cabinet Members.
- The relationship between the recruitment of councillors and the Scheme of Members’ Basic Allowance – the Panel would like to explore the views of Members in regard to the motivations that attract them to civic life. To what degree was the rate of pay a real consideration for prospective councillors?
- The Panel noted that the average number of committee, working group and outside bodies’ appointments for Uttlesford District councillors stood at six. The Panel were of the view that this level of commitment should be monitored and assessed during the next review.
- The Panel look forward to engaging with councillors over the summer following their first year in office and to reviewing the impact of any changes after the implementation of the GRWG’s recommendations.

### Risk Analysis

30.

Risk	Likelihood	Impact	Mitigating actions
That member allowances do not continue to be set at a realistic level reflecting duties undertaken, which may deter future prospective councillors	2 – allowances paid to elected members do not reflect the time commitment and level of responsibility demanded	3 – the Council may not be able to attract a diverse range of councillors that reflect the makeup of the community they serve.	Adoption of suitable levels of allowances taking account of relevant commitment and responsibility of members

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.

## PROPOSED MEMBERS' ALLOWANCE SCHEME 2020/21

All councillors receive the basic allowance unless they request otherwise. Special responsibility allowances, such as that of Chairman of the Council, are paid to those who hold responsibility for these positions.

<b>Allowance</b>	<b>Amount</b>
Basic Allowance	£5254.54
Chairman of the Council	£4203.63 + civic expenses
Vice Chairman of the Council	£2101.81
Leader of the Council	£12,873.62
Deputy Leader of the Council	£6,830.90
Portfolio Holders	£6305.45
Overview/Scrutiny and Ordinary Committee Chairmen	£3678.18
Chairman of Licensing and Environmental Health Committee	£3940.91
Members of Licensing and Environmental Health Committee	£242.52 (to be paid in a municipal year when at least ten meetings of the Committee take place in a purely regulatory capacity; a payment will be made to members attending at least 50% of those meetings).
Chairman of Planning Committee	£3940.91
Members of Planning Committee	£485.03
Substitute members of the Planning Committee	£121.26 (to be paid in a municipal year when a substitute member of the Planning Committee has attended at least 25% of meetings of that committee).
Chairman of Standards Committee	£2101.82
Main opposition group leader	£3678.18

Other opposition group leader	£2101.82
Independent representatives on the Standards Committee	£525.45
Panel members of Independent Remuneration Panel	£525.45

## Benchmarking the Basic Allowance

<b>Authority</b>	<b>Amount</b>
Stevenage*	£7804
Hertsmere*	£5,926
Chelmsford	£5760
East Herts	£5342
Uttlesford	£5151
South Cambridgeshire*	£4912
Braintree	£4827
Epping Forest	£4300

Hertsmere, Chelmsford and Braintree all index their basic allowances to the Local Government pay awards.

Please note, authorities labelled with an \* have been selected for comparison because they are most similar to UDC in terms of number of Members and committee structure.

# Agenda Item 9

**Committee:** Full Council

**Date:**

**Title:** Draft Corporate Plan 2020 - 2024

Tuesday, 25  
February 2020

**Report Author:** Dawn French, Chief Executive

dfrench@uttlesford.gov.uk

Tel: 01799 510400

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## Summary

1. The Corporate Plan is a key document that sets out the Council's vision and priorities for the next four years. However, it is reviewed annually to ensure that it remains relevant and deliverable.
2. The vision statement and core contents were considered by Cabinet on 5 February, having been considered by Scrutiny Committee at its meetings in November 2019 and February 2020, and agreed for recommendation to Full Council.
3. It is important to recognise that the Corporate Plan forms part of a wider strategic planning framework which directs how and where Council resources are allocated. The final draft delivery plan that sets out the outputs, outcomes and performance measures will be considered by Cabinet on 1 April, once the Corporate Plan and Budget have been approved, to ensure that resources follow the priorities.

## Recommendations

4. That the draft Corporate Plan for 2020-24 be approved, containing the Council's vision and priorities.

## Financial Implications

5. There are none at this stage but actions that may arise from the adoption of the new corporate plan and delivery plan will need to be reflected in the budget and medium term financial strategy (MTFS).

## Background Papers

6. None.

## Impact

- 7.

Communication/Consultation	The plan is derived from consultation within the R4U party, R4U stakeholder events
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	and issues raised during canvassing for the local elections. There is an intention for the council to undertake fuller engagement when the council's long term financial position is better understood.
Community Safety	Community safety continues to be featured in the draft corporate plan.
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	The draft plan makes clear reference to issues of sustainability.
Ward-specific impacts	None
Workforce/Workplace	A strong vision that creates a sense of purpose is key to engaging staff effectively in their work.

### Situation

8. The Residents for Uttlesford Party took over the administration of the council in May 2019 following the local elections. The formulation of the draft plan has been guided by party-run stakeholder events and from listening to the issues raised by residents during campaigning for the local elections.
9. The final draft corporate plan is attached at Enclosure 1. It sets out the theme of each priority, why it is important and identifies at a strategic level what will be done under each theme.
10. Residents will have the opportunity to comment on the corporate priorities later in the year, when the council's long term financial position is better understood. It is possible that while the priorities may not change, the actions may need to be reshaped to align with the resources available.

### Vision

11. The draft corporate plan proposes a new vision for the council as: *Making Uttlesford the best place to live, work and play.*

### Priorities

12. This draft corporate plan builds on the current corporate plan in prioritising the community leadership role of the council and emphasises the focus on the residents' voice.

13. Four priorities are proposed:

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

14. The 'We will:' commitments are intended to give a broad sense of the areas of focus under each theme heading.

15. The draft corporate plan does not propose any measurements of success at this time and it is not proposed to include them for 2020/21. It is clear that the basis of local government funding will change radically prior to 2021/22 as a consequence of the Fair Funding Review, review of business rates and the withdrawal of new homes bonus. Once the implications are known for the council, appropriate realistic and achievable measures can be defined to fit within the resources available.

16. However, as has been previous practice, an annual delivery plan will be developed by the Cabinet to ensure measurable outputs are delivered within allocated resources. This is due to be considered by Cabinet at its meeting in April.

## Risk Analysis

17.

Risk	Likelihood	Impact	Mitigating actions
The Council fails to deliver on its priorities	1 – The Delivery Plan will set out an achievable programme of work for 2020/21	3 – If staff are not sufficiently focused on the priorities, some projects bringing benefit to the community may not be delivered	Greater clarity and explanatory narrative enables staff to understand the priorities more clearly; the Delivery Plan alongside the budget will ensure that adequate resources are allocated; activities will feature in service and individual performance plans

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.

**Our Vision: Making Uttlesford the best place to live, work and play**

<b>Theme:</b>	<b>Putting Residents First</b>
<p><b>Why this is important:</b></p> <p>We are elected by residents. Their needs and welfare are our first and highest priority.</p> <p>They expect us to be open, honest and responsible. They deserve high standards of governance and trustworthiness.</p> <p>They want good levels of service and expect their council taxes to be used efficiently and wisely.</p> <p><b>The result will be:</b> Residents will know their views have been listened to; they will feel they have the opportunity to influence the decision making; they will understand why decisions have been made even if they disagree with them. They will report increased levels of trust and confidence in the way the Council conducts its business and manages its resources.</p>	<p>We will:</p> <ol style="list-style-type: none"> <li><b>1) Be a council that listens to and acts for residents</b> <ol style="list-style-type: none"> <li>a. Increase the voice and influence of residents in planning and other Council matters</li> <li>b. Administer public consultations that are effective, accessible, timely and high quality</li> <li>c. Increase the reach of the Youth Council</li> <li>d. Improve the council’s use of the web and social media to increase communication with residents</li> <li>e. Actively and positively engage with and listen to our town and parish councils</li> <li>f. Support town and parish councils to better represent their communities</li> </ol> </li> <li><b>2) Deliver local government with outstanding levels of transparency and accountability</b> <ol style="list-style-type: none"> <li>a. Implement a corporate change programme to increase accountability, transparency and democracy at the Council</li> <li>b. Seek external review of and recognition for positive change achieved by the Council</li> <li>c. Deliver a comprehensive continuing member development programme</li> </ol> </li> <li><b>3) Be responsible with your money and mitigate the impact of government cuts.</b> <ol style="list-style-type: none"> <li>a. Be a self-sufficient Council that generates its own resources from local taxation (Business Rates and Council Tax) and commercial investments thereby removing the reliance on Central Government grants</li> <li>b. Deliver cost-effective and efficient services that live within the Council’s means</li> <li>c. Constantly seek to improve the quality of contracted out services</li> <li>d. Apply for all relevant grants</li> <li>e. Set a Medium Term Financial Strategy (MTFS) to fund council services by a prudent mix of investment, services and tax income, while maintaining adequate reserves</li> <li>f. Follow best-practices for investment risk management and board composition</li> </ol> </li> </ol>

<b>Theme: Active Place-Maker For Our Towns And Villages</b>	
<p><b>Why this is important:</b></p> <p>A focus on strategic master-planning in partnership with towns and villages will create better resident-centred places to live.</p> <p>Our unique connectivity, location, and character can be used to drive a local economy that creates local jobs and prosperity.</p> <p>Taking an active role in providing homes and services for in need will safeguard the health and welfare of all our residents.</p> <p><b>The result will be:</b></p> <p>District, town and parish councillors will feel they have participated in decision making that positively shapes the communities they represent.</p> <p>New policies and plans will be implemented that give our towns and villages a strong sense of purpose and place.</p> <p>Residents will see that their council is working hard for them and their families to create great places for them to live, work and play.</p>	<p>We will:</p> <ol style="list-style-type: none"> <li><b>1) Masterplan our new communities for and with residents</b> <ol style="list-style-type: none"> <li>a. Use locally led Development Corporations to deliver sustainable new settlements</li> <li>b. Provide the greatest level of influence and protection for communities adjacent to new settlements</li> </ol> </li> <li><b>2) Support our towns and villages to plan their neighbourhoods</b> <ol style="list-style-type: none"> <li>a. Deliver an outstanding planning and place-making capability with the right capacity to create quality outcomes with and for all our communities</li> <li>b. Facilitate Neighbourhood Planning across the district through strong engagement with and support of all town and parish councils</li> <li>c. Implement policies which create better homes and neighbourhoods that meet or exceed national standards</li> <li>d. Work with partners and stakeholders to deliver new sports, play and community facilities</li> </ol> </li> <li><b>3) Secure greater benefits for our community from new development</b> <ol style="list-style-type: none"> <li>a. Implement the Community Infrastructure Levy along with s106 to deliver strategic community projects and greater local benefit from development</li> <li>b. Increase the transparency of the Section-106 Agreement process and councillor engagement in it</li> <li>c. Ensure that strong Planning Enforcement holds developers to account</li> <li>d. Require developers to be considerate of the communities in which they build</li> </ol> </li> <li><b>4) Work with the airport on issues of concern to communities</b> <ol style="list-style-type: none"> <li>a. Seek a reduction in night flights</li> <li>b. Implement programmes to reduce airport related village fly-parking</li> <li>c. Work to secure investment in sustainable transport to and from airport, including for local workers</li> </ol> </li> <li><b>5) Nurture employment and retail areas to create jobs and retain businesses</b> <ol style="list-style-type: none"> <li>a. Protect and grow our town centres as economic hubs</li> <li>b. Increase tourist spend</li> <li>c. Support the creation of amenities that stimulate and facilitates local businesses, such as enterprise zones, business parks, office blocks, industrial areas, and start-up hubs</li> <li>d. Support the expansion and promotion of key relevant employment sectors for the district</li> <li>e. Work with partners to promote the economic opportunities of the London - Cambridge Innovation Corridor, Stansted Airport and our main transport corridors</li> <li>f. Work with the airport to increase local airport-based employment opportunities</li> </ol> </li> </ol>

	<ul style="list-style-type: none"><li><b>6) Enforce good business standards in our district</b><ul style="list-style-type: none"><li>a. Make sure that businesses and trades in our district meet the national standards and licensing required of them</li></ul></li><li><b>7) Deliver more affordable homes and protect those in need in our district</b><ul style="list-style-type: none"><li>a. Increase the number of affordable homes delivered and different tenure options including social renting</li><li>b. Refurbish our existing council homes to sustainable standards when required</li><li>c. Reduce the number of empty homes</li><li>d. Ensure that landlords maintain high quality private sector housing conditions</li><li>e. Ensure that services to protect vulnerable women and men who live in our district are accessible and appropriate</li></ul></li><li><b>8) Promote healthy lifestyles in diverse and inclusive communities</b><ul style="list-style-type: none"><li>a. Work with partners, including the voluntary sector, to improve the general quality of life for residents, including for residents that experience social isolation, poor mental health, obesity, addiction and dementia</li><li>b. Continue to be an active partner of the Health and Wellbeing Partnership, to promote healthy lifestyles</li></ul></li></ul>
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<b>Theme: Progressive Custodian Of Our Rural Environment</b>	
<p><b>Why this is important:</b></p> <p>Residents live here because of our beautiful and historical rural character. We need to protect it for those that live here now.</p> <p>We must act quickly and responsibly to reduce the chances of a climate catastrophe. We have a clear obligation to ensure a clean, healthy and safe future.</p> <p><b>The result will be:</b></p> <p>Residents will see that their council is a strong protector of our environment; they will feel that the council is taking affirmative action on combating the effects of climate change locally.</p>	<p>We will:</p> <ol style="list-style-type: none"> <li><b>1) Take action on Climate Change</b> <ol style="list-style-type: none"> <li>a. Adopt policies to meet new environmental national guidelines/standards as they emerge</li> <li>b. Drive policies to deliver low carbon homes</li> <li>c. Improve average energy efficiency of council housing stock</li> <li>d. Increase the number of trees in the district</li> <li>e. Oppose a second runway at Stansted Airport</li> <li>f. Set a Net Zero Carbon goal for the Council and implement supporting policies</li> <li>g. Increase walking, cycling and sustainable transport</li> <li>h. Recognise the district’s ‘greenest’ business and developers</li> </ol> </li> <li><b>2) Conserve our natural resources</b> <ol style="list-style-type: none"> <li>a. Implement and enforce policies that protect water and reduce energy consumption</li> <li>b. Drive programmes that increase biodiversity</li> <li>c. Support local energy production initiatives</li> <li>d. Implement programmes to reduce single-use plastics</li> <li>e. Work to reduce per-capita landfill in the district</li> </ol> </li> <li><b>3) Protect and enhance our rural character and heritage</b> <ol style="list-style-type: none"> <li>a. Meet or exceed national standards for open and green spaces</li> <li>b. Encourage positive planning that values and protects our heritage</li> <li>c. Work with others to increase access to the heritage and history of our district</li> <li>d. Work with our rural partners and developers to maintain habitat and wildlife corridors</li> <li>e. Target littering and fly-tipping</li> </ol> </li> <li><b>4) Take strong action on dealing with pollution</b> <ol style="list-style-type: none"> <li>a. Increase air quality monitoring across the district</li> <li>b. Deliver reductions in pollution at identified problem areas</li> </ol> </li> </ol>

<b>Theme: Champion For Our District</b>	
<p><b>Why this is important:</b></p> <p>Residents deserve clear accountability, but they would like us to step in to help solve problems even when others are responsible.</p> <p>In our role as a place-maker we must work with other authorities and organisations to influence, prioritise and coordinate actions to collectively deliver the best for our district and its residents. This will include, when necessary, holding others to account.</p> <p><b>The result will be:</b></p> <p>Residents will feel that the council is proactively working on their behalf for the good of the district with other authorities and organisations.</p>	<p>We will:</p> <ol style="list-style-type: none"> <li><b>1) Improve Uttlesford’s connectivity</b> <ol style="list-style-type: none"> <li>a. Work to set the agenda for ECC highway maintenance and pothole fixing</li> <li>b. Work with ECC and communities to develop the highway improvement schemes we need</li> <li>c. Hold Essex Highways to account to deliver what they promise</li> <li>d. Promote and support sustainable transport initiatives, such as bus, rapid transport and rail upgrades</li> <li>e. Lobby Highways England to improve the capacity and safety of the M11</li> <li>f. Work with ECC and hold them to account to deliver rural superfast broadband in our district</li> </ol> </li> <li><b>2) Support our students, schools and libraries</b> <ol style="list-style-type: none"> <li>a. Conduct a wholesale review of school transport to understand the gap in provision of what ECC provides</li> <li>b. Ensure that developer contributions are collected for ECC to provide our local school and Early Years places</li> <li>c. Create and support new services inside our libraries to increase their viability</li> </ol> </li> <li><b>3) Work with partners to keep the district safe</b> <ol style="list-style-type: none"> <li>a. Work with the Police, Fire and Crime Commissioner and the Chief Constable to reduce crime on our area</li> <li>b. Continue to be an active partner of the Community Safety Partnership</li> </ol> </li> <li><b>4) Work to create a better local Health Service for residents</b> <ol style="list-style-type: none"> <li>a. Work with NHS on in-district local healthcare provision</li> <li>b. Work to secure Addenbrookes, The Princess Alexandra Harlow, and Mid-Essex hospitals as our recognised local hospital providers</li> <li>c. Deliver programmes to support our aging population</li> </ol> </li> </ol>

# Agenda Item 10

<b>Committee:</b>	Council	<b>Date:</b>	Tuesday, 25 February 2020
<b>Title:</b>	Medium Term Financial Strategy and Budget Proposals - 2020/21		
<b>Portfolio Holder:</b>	Portfolio Holder for Finance and Budget		
<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
  - Reserves Strategy
  - Treasury Management Strategy
  - Commercial Strategy
  - Capital Strategy
4. The Council is required to consider and approve the Council Tax Resolution for 2020/21 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. An Equality Impact Assessment is attached with this report as Appendix J.

## Recommendations

6. The Council are requested to approve:
  - The budget reports for 2020/21 - Appendices A to H and the associated Annexes.
  - The Council Tax Resolution 2020/21- Appendix I
  - The Equalities Impact Assessment - Appendix J.

The reports and individual recommendations are set out in the table shown at paragraph 13

## Financial Implications

7. All financial implications are included in the individual reports as listed in the table in paragraph 13.

## Background Papers

8. 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.
  - Final local government finance settlement 2020 to 2021: written statement <https://www.gov.uk/government/speeches/final-local-government-finance-settlement-2020-to-2021-written-statement>
  - 23 January 2020 Investment Board paper on the Commercial Strategy
  - 4 February 2020 Scrutiny papers on the MTFs and Commercial Strategy
  - 5 February 2020 Cabinet papers relating to the budget

## Impact

- 9.

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

## Situation

10. The Cabinet at its meeting held on 5 February recommended the budget proposals A – H for approval by Full Council
11. The Scrutiny Committee on the 4 February reviewed the Medium Term Financial Strategy and Commercial Strategy and presented feedback at the 5 February Cabinet meeting.
12. All the budget reports, associated strategies and the Council Tax Resolution are attached as Appendices A to I and a brief outline of each report is detailed below
13. In all cases, numbers I - XVIII, The Council is requested to:

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. The Reserves Strategy is included as Annexe A1 and details the purpose and lifespan of all the reserves the council holds	<ol style="list-style-type: none"> <li>I. Take account of the advice in the report when determining the 2020/21 General Fund budget and Council Tax</li> <li>II. Approve the risk assessment relating to the robustness of estimates as detailed in the report</li> <li>III. Set the minimum safe contingency level for 2020/21 at £1.300 million for the General Fund and £0.463 million for the Housing Revenue Account</li> <li>IV. Approve the Reserves Strategy set out in Annexe A1</li> <li>V. Agree that no transfers to or from the Working Balance should be built into the 2020/21 budget</li> </ol>
Appendix B Commercial Strategy	Sets out good practice as per MHCLG guidance relating to Local Authorities commercialisation and investment activity. The strategy also details our	<ol style="list-style-type: none"> <li>VI. Approve the Commercial Strategy 2020/21</li> </ol>

Report Title	Purpose of report	Recommendations
	current investment and future aspirations	VII. Approve the revised investment fund of £300 million
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	VIII. Approve The Medium Term Financial Strategy
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	IX. Approve the Treasury Management Strategy  X. Approve the amended maximum level of investment with Money Market Funds from £1 million per fund to £2 million. This means a total of £10 million investment over 5 Money Market Funds
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	XI. Approve the Capital Strategy  XII. Approve the Minimum Revenue Provision (MRP) as set out in Annexe E1
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.	XIII. Approve the 5 year Capital Programme
Appendix G Housing Revenue Account (HRA)	Details the spending plans for council housing for 2020/21 and includes the action plan for the 30 year business plan developed as part of the self-financing arrangements	XIV. Approve the Housing Revenue Account

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 2020/21 and includes the action plan, sets out the proposals for the council's council tax precept	XV. Approve the General Fund Council Tax requirement of £5,956,840  XVI. Approve the schedule of fees and charges as set out in Annexe H6
Appendix I Council Tax Resolution 2020/21	Sets out the combined and individual Council Tax Band D equivalent for all preceptors, for the financial year 2020/21	XVII. Approve the Council Tax Resolution for 2020/21
Appendix J Equalities Impact Assessment	This is to show that when making decisions on setting the budget and strategies we have ensured that no person and/or persons with protected characteristics have been disadvantaged	XVIII. Note the outcome of the EQIA

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
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**

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### **Summary**

1. As part of the annual budget setting process, the Section 151 Officer is required to give the Council formal advice on the robustness of estimates and the adequacy of reserves. This is so Members can set a budget in full awareness of the risks and uncertainties, and ensure that adequate contingency reserves exist.
2. The advice, known as the “Section 25 report”, is being considered by Cabinet on the 5 February and then by Full Council on 25 February as part of the budget approval process.

### **Section 25 report**

3. Section 25 of the Local Government Act 2003 requires each local authority, when setting its annual General Fund budget and level of Council Tax, to take account of a report from its Section 151 Officer on the robustness of estimates and adequacy of reserves. This document is the report made under Section 25 by the Director of Finance and Corporate Services, as UDC’s Section 151 Officer, applicable to the setting of the General Fund budget and Council Tax for 2020/21.
4. The purpose of this requirement is to ensure that when deciding on its budget for a financial year, a local authority is formally made aware of any issues of risk and uncertainty by the Section 151 Officer. The local authority is then expected to ensure that its budget provides for a prudent level of reserves to be maintained.
5. The Director of Finance and Corporate Services has assessed that the minimum safe contingency level for the Working Balances are;

- a) General Fund - £1.300 million
- b) Housing Revenue Account - £0.463 million

6. The working balance is calculated using the following formula:

Total gross service expenditure + total gross service income + capital financing costs + investment income + interest charged + recharge to/from HRA + HRA share of corporate costs) x 2%

General Fund 2020/21 working balance reserve equates to;

£36.134m + £21.820m + £1.672m + £2.912m + £0.788m + £1.375m + £0.372m  
= £65.073m x 2% = £1.300 million (this calculation uses rounded figures)

Housing Revenue Account 2020/21 working balance reserve equates to;

£4.818m + £16.397m + £0.505m + £0m + £1.049m + £0.379m = £23.148m x  
2% = £0.463 million (this calculation uses rounded figures)

7. Section 26 of the Act empowers the Secretary of State to set a minimum level of reserves for which a local authority must provide in setting its budget. Section 26 would only be invoked as a fallback in circumstances in which a local authority does not act prudently, disregards the advice of its Section 151 Officer, and is heading for financial difficulty.

**Basis of advice for the Section 25 report**

- 8. In forming the advice for this report, the Director of Finance and Corporate Services has considered the following:
  - The requirement established in the Council’s Medium Term Financial Strategy to ensure that a safe level of contingency is maintained.
  - The degree to which the Council’s financial plans are aligned to the Council’s statutory obligations, local priorities and policy objectives.
  - The adequacy of the information systems underpinning the Council’s financial management processes.
  - Risks associated with the Council’s activities, as identified within the risk register.
  - The level of earmarked and unearmarked reserves within the General Fund.
  - The degree to which uncertainties exist within the draft 2020/21 budget.

**Robustness of Estimates**

- 9. There has been detailed scrutiny, review and challenge of budgets by managers, finance officers and the Corporate Management Team. The aim has been to ensure that the budget 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.
- 10. 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 2020/21 and an indication of the possible impact.
- 11. It is not possible to give a precise estimate of the impact of each identified risk. As a general guide, the following broad definitions have been used:

Probability	Low	Possible, but unlikely
	Medium	Probable
	High	Almost certain
Impact	Low	Possible variance of £5,000 to £20,000
	Medium	Possible variance of £21,000 to £50,000
	High	Possible variance of over £50,000

Risk item	Probability	Impact	Overall Risk of budget variance
<p><b>Government Funding.</b> Government is consulting on the future funding for Local Authorities to be implemented in 2021/22; <b>Fair Funding Review</b>, which will assess the level of funding required based on an assessment of need and resources. This will coincide with the introduction of <b>75% Business Rates Retention</b> and it is expected that all our external funding will be delivered through an adjustment to our Baseline funding level, tariffs/top ups and levies. It has also been announced that <b>New Homes Bonus</b> will cease in its current form, but it is expected that legacy payments will continue.</p>	High	High (adverse)	High
<p><b>Investment regulations.</b> CIPFA/LASAAC continuous reviews of the code of practice and IFRS', this may require changes to the accounting definition, presentation and disclosure of income and costs in the budget</p>	Medium	High (adverse)	Medium
<p><b>Commercial Investment income.</b> The investment income that has been included in the budget is not achieved. This could be from tenant failure or investment opportunity 2 fails to proceed</p>	Medium	High (adverse)	High
<p><b>Treasury management.</b> Investment risks are spread between public and private sector counterparties including UK banks systemically important to the UK economy. In the unlikely event of a banking failure, there could be a serious impact on the Council</p>	Low	High (adverse)	Low
<p><b>Waste &amp; Recycling.</b> 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. The Council maintains a Waste Management reserve to mitigate the risks</p>	Medium	High (adverse or favourable)	Medium
<p><b>Local Plan.</b> The Council has received the letter from the Inspectors examining the Local Plan, work is currently being undertaken to ascertain the level of consultancy and/or resources needed to take the Local Plan process forward.</p>	High	High (adverse)	High
<p><b>Planning appeals.</b> The current position of the Local Plan process following receipt of the inspector's letter raises the risk levels in the cost of defending appeals and any awards that may be made against the planning authority.</p>	High	High (adverse)	High
<p><b>Efficiency Savings.</b> Work continues to find ways of achieving the same or improved outcomes at lower cost. It is probable that some savings opportunities will be realised with unbudgeted savings arising in 2020/21. It is also possible that unbudgeted costs will arise. Where budgets have already been reduced because of identified savings, the revised budget level is</p>	Medium	Medium (adverse or favourable)	Medium

Risk item	Probability	Impact	Overall Risk of budget variance
untested so there is an inherent risk of adverse variances			
<b>Fees &amp; Charges income.</b> If economic conditions deteriorate or demand fluctuates there may be unbudgeted loss of income. Building Control, Planning, Land Charges, Licensing, Lifeline and Food Imports are all income streams where risk of volatility has been noted	Medium	Low (adverse)	Medium
<b>Universal Credit and reforms to Housing &amp; Council Tax Benefit.</b> Housing benefit reforms and the rollout of Universal Credit could have an impact on collection rates and increased claims for discretionary housing payments There is still debate on the date for the full rollout of the 'one benefit' and implications of delay are primarily around the Working Balance level	Medium	Medium (adverse)	Medium
<b>Supplies &amp; Services contracts.</b> Where contracts have indexation clauses, estimates have been made of the inflationary increase that will be applied. In addition some contracts are due to be re-tendered during the year which could affect the base price. Accordingly there is an inherent risk of price volatility	Medium	Low (adverse or favourable)	Low
<b>Capital Financing costs.</b> These are influenced by variable factors such as cash flow, variations in the Capital Programme and availability of capital receipts. In some circumstances greater revenue financing of capital expenditure may make economical sense over the longer term	Medium	Low (adverse or favourable)	Low

12. The Medium Term Financial Strategy (MTFS, Appendix C) shows a cumulative deficit from 2021/22 through the life of the MTFS. To support the council in addressing this deficit the Commercial Strategy (Appendix B) recommends that the Council approves up to £300 million of borrowing for investment to generate additional income over the next 5 years. Any use of this borrowing will be subject to approval by Council.

13. Taking all of the above issues into consideration, the Director of Finance and Corporate Services is unable to provide a full assurance that there will be no unforeseen variances. This is an expected and acceptable situation for any organisation that has to deal with a large number of variables; any variations arising in the estimates should be manageable.

14. The risks identified will be proactively monitored and mitigating action taken as soon as reliable trends emerge. Budget monitoring reports are presented to Members during the financial year and will set out the latest position and action being taken, where applicable.

## Adequacy of reserves

15. The Reserves Strategy sets out the purpose, risks and calculation for each reserve held by the council and this is set out in Annex A1.
16. It is the opinion of the Director of Finance and Corporate Services that the reserves as set out in the Strategy are adequate and appropriate.

## Risks – Future Years

17. In previous years there has been commentary around the uncertainty of future funding. However, the current level of uncertainty is unprecedented with major funding streams ending whilst others are being reformed. The funding position for future years means that the Council needs to look for other avenues of income and/or efficiencies in the next 12 months and continuing thereafter.
18. The Commercial Strategy is a key part of addressing this challenge; this is evidenced in the MTFS. If the recommendations contained within the Commercial Strategy are not approved by members this will have a significant impact on how the council operates in the future.

## 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.

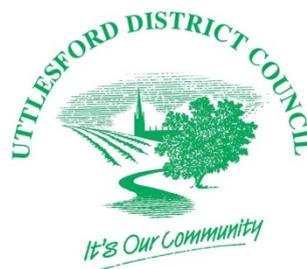
# Uttlesford District Council

## Reserves Strategy

### 2020/21



Prepared by:  
Finance  
Uttlesford District Council  
February 2020



## Background

1. Reserves are an essential part of good financial management. They help the Council to cope with unpredictable financial pressures and plan for future spending commitments. The level, purpose and planned use of reserves are important factors for the Council to consider in developing the Medium Term Financial Strategy (MTFS, Appendix C) and setting the annual budget.
2. In setting the budget, the Council decides what it will spend and how much income it needs from fees, charges and council tax to supplement government funding. The Council may choose to fund some of its spending from its reserves, or set aside some of its income to increase reserves for future spending.
3. Having the right level of reserves is important. If reserves are very low, there may be little resilience to financial shocks and sustained financial challenges.
4. There is no available guidance on the minimum level of reserves that should be maintained with the exception of the working balance. In 2003 CIPFA stated that each authority should determine what a prudent level of reserves is based upon their own circumstances, risks and uncertainties.
5. Councils are therefore free to determine the level of reserves they hold, although the External Auditors will include an opinion on what is a reasonable level as part of their Annual Audit Report. Members are responsible for ensuring that the Council's reserves are part of the MTFS and need to be appropriate for our circumstances. The Section 151 Officer has a duty to provide members with advice on the level of reserves and this forms part of the Section 25 report (Appendix A).
6. Councils face significant financial challenges. The unprecedented reduction in government funding from 2010/11 to date and the inevitable continuation of that trend, a decline in other income, rising costs and growing demand for many services are all testing the Council's financial resources and resilience.
7. The introduction of local business rates retention and new arrangements for providing council tax support in 2013/14 have created additional risks to the Council's finances.
8. Current and future financial challenges pose significant and increasing risks for the Council. The Council can consider using reserves to balance competing pressures for example:
  - Offset funding reductions and protect services – although this can only be a short-term strategy as reserves are a one-off funding resource
  - Invest to save projects, making changes that reduce the cost of providing services in the longer-term
  - Increasing reserves to strengthen resilience against future, uncertain cost pressures.

## Reserves Strategy

9. The Reserves Strategy is integral to the MTFS and the annual budget setting process. Therefore the MTFS will include:
  - Information showing the current level of reserves
  - Consideration of the forward strategy for reserves needed to support the Council's MTFS
  - A summary of the financial risks facing the Council, how it will mitigate these risks, and the minimum and maximum level of residual risk for which the council may need to hold funds in its reserves
10. Reserves will be monitored throughout the year as part of the quarterly financial monitoring and the level of reserves reported as part of the year-end accounting processes.

### Why the Council holds reserves

11. We use different terms to refer to the reserves depending on why they are held. Terms we use in this report have the following meanings:
  - Working balances (unallocated reserves) to manage cash flows, funds to protect annual budgets against multiple, less predictable costs and uncommitted accumulated surpluses
  - Ring Fenced Reserves – funds held for specific purposes which are subject to set criteria on how they are used
  - Usable earmarked reserves – funds we choose to set aside to meet known or predicted future spending or amounts allocated by previous Council decisions for specific purposes
  - Other reserves - the Council holds reserves which have statutory restrictions on how they can be spent; such as capital receipts or Housing Revenue Account reserves
12. Usable earmarked reserves include funds for contingent spending that is hard to predict (risk-based reserves); for example, the Transformation Reserve which covers the cost of implementing changes in working practices including new ways of working and the costs associated with a reduction in staffing levels.
13. Reserves are distinct from provisions. Provisions are funds set aside for probable future liabilities where the timing and amounts are uncertain.
14. The Council must spend some of its income on specific purposes, for example, some ring-fenced grants, or property developers' contributions for local environmental improvements. Spending ring-fenced income before the end of a financial year is not always possible or desirable. The Council will carry forward unspent ring-fenced income from one financial year to the next in its reserves.

## Delivering a balanced budget

15. The Council, in common with other organisations, needs financial reserves to help manage unforeseen circumstances and to smooth the impact of known spending requirements over time. The Council will use reserves for such purposes to enable it to manage variations between its planned and actual budgets that result from unpredictable spending and income. Reserves will also be used by the Council to plan its finances strategically to support activities over the medium and long term.
16. The Local Government Finance Act 1992 requires the Council to calculate its expected outgoings and income for the year including any additions to or from reserves. Where expected outgoings exceed expected income, the difference is the authority's council tax requirement for that year.
17. If unplanned costs are incurred during the year that are not funded externally, for example, by a grant from government or an insurance policy, or the Council experiences a shortfall in expected income, there are limited options to deliver within the budget set. Raising extra income or making in-year savings may have an unacceptable impact on service users. Therefore the Council may want to consider using reserves to balance spending and income.

## Reserves and the management of risks

18. With regard to the Council's financial stability reserves are used to manage risks. There are certain earmarked reserves that have been set aside for specific risks, for example: Business Rates Retention. These reserves and the potential pressures that need to be managed are reviewed as part of the budget setting process.
19. The Council also manages unforeseen financial shocks by maintaining a Working Balance for both the General Fund and the Housing Revenue Account. The Council's agreed policy is to maintain working balances in line with the following formula (Appendix A Section 25 Report sets out the actual calculation):

$$\text{Total gross service expenditure} + \text{total gross service income} + \text{capital financing costs} + \text{investment income} + \text{investment cost} + \text{recharge to/from HRA} + \text{HRA share of corporate costs}) \times 2\%$$

## Increasing Financial Risks

20. This strategy identifies the following issues, full details of the changes to the way Local Authorities are funded can be found in the MTFS:
  - Government has been carrying out consultations on the basis of the formula used for allocating Local Authority funding, the Fair Funding Review and the Business Rates Reform, which was planned to be introduced in 2020/21 and has now been delayed until 2021/22
  - Business Rates Retention scheme, where a 50% share of income is retained locally (40% by the Council, 9% Essex County Council and 1% Essex County Fire and Rescue Service). This will be increased to 75% in the planned reform of the scheme in 2021/22, although the local split has not yet been defined. The Council also has responsibility for the settlement of any outstanding Business Rates appeals

- The New Homes Bonus scheme was amended in 2017/18 and this has generated significant reductions in the level of grant received. The changes incorporated moving from a 6 year to a 4 year scheme and the introduction of a deadweight factor of 0.4%. It was expected in 2020/21 the scheme in its current form would end, this has been extended for one year, to align with the Fair Funding Review and Business Rate Reforms detailed in the above bullet points but will have no legacy payments attached. Legacy payments will still be made for previous years.
  - Welfare reforms including the benefits cap and the impact on Housing Benefit as part of the introduction of Universal Credit which could impact on rent collection and potentially increase the level of homeless people seeking accommodation in the district
21. In addition to the risks identified above, there are still the operational risks that are normally managed within the MTFS:
- Service budgetary control
  - Service spending pressures, e.g. unavoidable demand
  - Exceptional inflation beyond that provided for within the annual budget
22. The prospect of further changes to the way councils are funded beyond 2020/21 means that it is prudent to retain sufficient reserves so that any future spending reductions can be managed in a planned and efficient programme of change.

## **General Fund Reserves**

23. The forecast value of the General Fund Reserves as at 31 March 2020 is estimated at £16.999 million decreasing by a net £0.494 million to £16.505 million by 31 March 2021. The balances of the Usable and Ring-Fenced reserves are:
- i. Ring Fenced Reserves - £4.92 million, after estimated additions of £0.231 million giving an estimated balance as at 31 March 2021 of £5.152 million
  - ii. Usable Reserves - £12.078 million, after estimated net drawdowns of £0.725 million giving an estimated balance as at 31 March 2021 of £11.353 million
24. The following tables summarises the General Fund Reserves at the end of the last financial year and the forecast end position for 2020/21.

## General Fund Usable Reserves

Reserve £000	2019/20 Quarter 2 Forecast				Estimated Balance 31 March 2020	2020/21 Estimates			Estimated Balance 31 March 2021
	Actual Balance 1 April 2019	Transfer From General Fund	Transfer To General Fund	Transfer between Reserves		Transfer From General Fund	Transfer To General Fund	Transfer between Reserves	
<b>USABLE RESERVES</b>									
Financial Management Reserves									
Medium Term Financial Strategy	1,336	450	(450)		1,336				1,336
Transformation	1,168		(55)		1,114		(3)		1,111
EU Exit	128	385			513				513
Funding	0	1,060			1,060				1,060
	2,632	1,895	(505)	0	4,022	0	(3)	0	4,019
<u>Contingency Reserves</u>									
Emergency Response	40				40				40
	40	0	0	0	40	0	0	0	40
<u>Service Reserves</u>									
Economic Development	61				61				61
Elections	100	25	(80)		45	25			70
Homelessness	218	116	(20)		314	150	(48)		416
Health & Wellbeing	72	12			84				84
Planning	1,247	52	(330)		969				969
Neighbourhood Planning	70		(15)		55		(15)		40
Housing Strategy	25				25				25
Development Control	159		(25)		134				134
Strategic Initiatives	2,160		(500)		1,660				1,660
Developments	1,152	202			1,354		(835)		519
New Homes Bonus Ward Members	0				0				0
Waste Depot Relocation Project	4,649		(2,000)		2,649				2,649
Waste Management	201	170			371				371
Private Finance Initiative	247	48			295				295
	10,361	625	(2,970)	0	8,016	175	(898)	0	7,294
<b>TOTAL USABLE RESERVES</b>	<b>13,033</b>	<b>2,520</b>	<b>(3,475)</b>	<b>0</b>	<b>12,078</b>	<b>175</b>	<b>(901)</b>	<b>0</b>	<b>11,353</b>

## General Fund Ring Fenced Reserves

Reserve £000	2019/20 Quarter 2 Forecast				Estimated Balance 31 March 2020	2020/21 Estimates			Estimated Balance 31 March 2021
	Actual Balance 1 April 2019	Transfer From General Fund	Transfer To General Fund	Transfer between Reserves		Transfer From General Fund	Transfer To General Fund	Transfer between Reserves	
<b>RINGFENCED RESERVES</b>									
Business Rates	1,781	1,052			2,833	197			3,030
Department for Work and Pensions	71				71				71
Licensing	90	57	(33)		114	34			148
Capital Slippage	1,171		(569)		602				602
Working balance	1,272	28			1,300	0			1,300
<b>TOTAL RINGFENCED RESERVES</b>	<b>4,387</b>	<b>1,137</b>	<b>(602)</b>	<b>0</b>	<b>4,921</b>	<b>231</b>	<b>0</b>	<b>0</b>	<b>5,152</b>

## Housing Revenue Account (HRA) Reserves

25. The forecast value of total HRA Reserves as at 31 March 2020 is estimated at £2.127 million increasing by £0.888 million to £3.015 million by 31 March 2021. The balances of the Usable and Ring-Fenced reserves are:

- i. Ring Fenced Reserves - £0.473 million as at 31 March 2020, after an estimated drawdown of £0.010 million this gives an estimated balance as at 31 March 2021 of £0.463 million
- ii. Usable Reserves - £1.655 million as at 31 March 2020, after an estimated addition of £0.897 million this gives an estimated balance as at 31 March 2021 of £2.552 million

26. The following tables summarises the HRA Reserves at the end of the last financial year and the forecast end position for 2020/21.

### HRA Reserves

HRA Reserves	2019/20 Quarter 2 Forecast				2020/21 Estimates				
	Actual Balance 1st April 2019	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Estimated Balance 31 March 2020	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Balance 31 March 2021
<b>Ringfenced Reserves</b>									
Working Balance	489		(16)		473		(10)		463
	489	0	(16)	0	473	0	(10)	0	463
<b>Usable Reserves</b>									
Revenue Reserves	60				60				60
Revenue Projects	0				0				0
Transformation Reserve	180				180				180
	240	0	0	0	240	0	0	0	240
<b>Capital Reserves</b>									
Capital Projects	0				0	897			897
Potential Projects Reserve	0				0				0
Sheltered Housing Projects Reserve	0				0				0
HRA Slippage Reserve	2,313		(898)		1,415				1,415
	2,313	0	(898)	0	1,415	897	0	0	2,313
<b>TOTAL USABLE RESERVES</b>	<b>2,553</b>	<b>0</b>	<b>(898)</b>	<b>0</b>	<b>1,655</b>	<b>897</b>	<b>0</b>	<b>0</b>	<b>2,552</b>
<b>TOTAL RESERVES</b>	<b>3,042</b>	<b>0</b>	<b>(914)</b>	<b>0</b>	<b>2,127</b>	<b>897</b>	<b>(10)</b>	<b>0</b>	<b>3,015</b>

27. The above Ring-Fenced reserves include the capital receipts, which can only be used as per criteria set out under the Right to Buy 1-4-1 agreement. For each sale of a council dwelling the local authority must replenish housing stock using the retained receipt held in the capital receipts reserve; this is to ensure the government's plan to provide further social housing is continued whilst increasing home ownership is fulfilled

28. The Council can only use a 30% contribution of the capital receipts generated from the right buy receipts to fund a housing project. If the Council fails to spend the capital receipts to replenish housing stock within 13 quarters of receipt they are required to either repay these funds to Central Government or be charged interest on the balances held

29. The Major Repairs Reserve is used solely for the upkeep and maintenance of the council owned housing; this is replenished on an annual basis and is equivalent to the value of depreciation applied to the housing stock

## General Fund Reserves 5 year plan

Reserve £'000	2019/20 (Quarter 2 forecasts)				2020/21				2021/22				2022/23				2023/24				2024/25			
	1 April 2019			31 March 2020	1 April 2020			31 March 2021	1 April 2021			31 March 2022	1 April 2022			31 March 2023	1 April 2023			31 March 2024	1 April 2024			31 March 2025
	Transfer from General Fund	Transfer to General Fund	Transfer reserves btw	Est'd balance	Transfer from General Fund	Transfer to General Fund	Transfer reserves btw	Est'd balance	Transfer from General Fund	Transfer to General Fund	Transfer reserves btw	Est'd balance	Transfer from General Fund	Transfer to General Fund	Transfer reserves btw	Est'd balance	Transfer from General Fund	Transfer to General Fund	Transfer reserves btw	Est'd balance	Transfer from General Fund	Transfer to General Fund	Transfer reserves btw	Est'd balance
<b>RINGFENCED RESERVES</b>																								
Business Rates	1,781	1,052		2,833				3,030			(500)	2,530			(500)	2,030			(500)	1,530			(500)	1,030
Departments for Work and Pensions	71			71	197			71				71				71				71				71
Licensing	90	57	(33)	114	34			148				148				148				148				148
Capital Slippage	1,171		(569)	602				602				602				602				602				602
Working Balance	1,272	28		1,300				1,300				1,300				1,300				1,300				1,300
<b>TOTAL RINGFENCED RESERVES</b>	<b>4,387</b>	<b>1,137</b>	<b>(602)</b>	<b>4,921</b>	<b>231</b>			<b>5,152</b>			<b>(500)</b>	<b>4,652</b>			<b>(500)</b>	<b>4,152</b>			<b>(500)</b>	<b>3,652</b>			<b>(500)</b>	<b>3,152</b>
<b>USABLE RESERVES</b>																								
<b>Financial Management Reserves</b>																								
Medium Term Financial Strategy	1,336	450	(450)	1,336				1,336				1,336				1,336				1,336				1,336
Transformation	1,168		(55)	1,113			(3)	1,111				1,111				1,111				1,111				1,111
EU Exit	128	385		513				513				513				513				513				513
Funding Reserve		1,060		1,060				1,060			(250)	810			(250)	560			(250)	310			(310)	()
	<b>2,632</b>	<b>1,895</b>	<b>(505)</b>	<b>4,022</b>			<b>(3)</b>	<b>4,019</b>			<b>(250)</b>	<b>3,769</b>			<b>(250)</b>	<b>3,519</b>			<b>(250)</b>	<b>3,269</b>			<b>(310)</b>	<b>2,959</b>
<b>Contingency Reserves</b>																								
Emergency Response	40			40				40				40				40				40				40
	<b>40</b>			<b>40</b>				<b>40</b>																
<b>Service Reserves</b>																								
Economic Development	61			61				61				61				61				61				61
Elections	100	25	(80)	45	25			70	25			95	25	(100)		120	25			45	25			70
Housinglessness	218	116	(20)	314	150	(48)		416				416				416				416				416
Health and Wellbeing	72	12		84				84				84				84				84				84
Planning	1,247	52	(330)	969				969			(493)	476				476				476				476
Neighbourhood Planning	70		(15)	55			(15)	40				40				40				40				40
Housing Strategy	25			25				25				25				25				25				25
Development Control	159		(25)	134				134				134				134				134				134
Strategic Initiatives	2,160		(500)	1,660				1,660				1,660				1,660				1,660				1,660
Green Communities																								
Development Projects	1,152	202		1,354			(835)	519			(149)	370			(370)									
Pension Reserve																								
New Homes Bonus Ward Members																								
Voluntary Sector																								
Waste Depot Relocation Project	4,649		(2,000)	2,649				2,649				2,649				2,649				2,649				2,649
Waste Management	201	170		371				371				371				371				371				371
Private Finance Initiative	247	48		295				295				295				295				295				295
	<b>10,361</b>	<b>625</b>	<b>(2,970)</b>	<b>8,016</b>	<b>175</b>	<b>(898)</b>		<b>7,294</b>	<b>25</b>	<b>(642)</b>		<b>6,677</b>	<b>25</b>	<b>(370)</b>		<b>6,332</b>	<b>25</b>	<b>(100)</b>		<b>6,257</b>	<b>25</b>			<b>6,282</b>
<b>TOTAL USABLE RESERVES</b>	<b>13,033</b>	<b>2,520</b>	<b>(3,475)</b>	<b>12,078</b>	<b>175</b>	<b>(901)</b>		<b>11,353</b>	<b>25</b>	<b>(892)</b>		<b>10,486</b>	<b>25</b>	<b>(620)</b>		<b>9,891</b>	<b>25</b>	<b>(350)</b>		<b>9,566</b>	<b>25</b>	<b>(310)</b>		<b>9,281</b>
<b>TOTAL GENERAL FUND RESERVES</b>	<b>17,420</b>	<b>3,657</b>	<b>(4,077)</b>	<b>16,999</b>	<b>406</b>	<b>(901)</b>		<b>16,505</b>	<b>25</b>	<b>(1,392)</b>		<b>15,138</b>	<b>25</b>	<b>(1,120)</b>		<b>14,043</b>	<b>25</b>	<b>(850)</b>		<b>13,218</b>	<b>25</b>	<b>(810)</b>		<b>12,433</b>

## Housing Revenue Account Reserves 5 year plan

HRA Reserves	2019/20 Quarter 2 Forecast				2020/21 Estimates				2021/22 Estimates				2022/23 Estimates				2023/24 Estimates				2024/25 Estimates				
	Actual Balance	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Estimated Balance	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Balance	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Balance	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Balance	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Balance	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Balance
Reserve	1st April 2019				31 March 2020				31 March 2021				31 March 2022				31 March 2023				31 March 2024				31 March 2025
£'000																									
<b>RINGFENCED RESERVES</b>																									
Working Balance	489		(16)		473		(10)		463	14			477	17			494	19			513				513
	489	0	(16)	0	473	0	(10)	0	463	14	0	0	477	17	0	0	494	19	0	0	513	0	0	0	513
<b>USABLE RESERVES</b>																									
Revenue Reserves	60				60				60				60				60				60				60
Revenue Projects	0				0				0				0				0				0				0
Transformation Reserve	180				180				180				180				180				180				180
	240	0	0	0	240	0	0	0	240	0	0	0	240	0	0	0	240	0	0	0	240	0	0	0	240
<b>Capital Reserves</b>																									
Capital Projects	0				0	897			897	301			1,198	481			1,679		(572)		1,107		(419)		688
Potential Projects Reserve	0				0				0				0				0				0				0
Sheltered Housing Projects Reserve	0				0				0				0				0				0				0
HRA Slippage Reserve	2,313		(898)		1,415				1,415				1,415				1,415				1,415				1,415
	2,313	0	(898)	0	1,415	897	0	0	2,313	301	0	0	2,614	481	0	0	3,095	0	(572)	0	2,523	0	(419)	0	2,104
<b>TOTAL USABLE RESERVES</b>	<b>2,553</b>	<b>0</b>	<b>(898)</b>	<b>0</b>	<b>1,655</b>	<b>897</b>	<b>0</b>	<b>0</b>	<b>2,552</b>	<b>301</b>	<b>0</b>	<b>0</b>	<b>2,853</b>	<b>481</b>	<b>0</b>	<b>0</b>	<b>3,334</b>	<b>0</b>	<b>(572)</b>	<b>0</b>	<b>2,762</b>	<b>0</b>	<b>(419)</b>	<b>0</b>	<b>2,343</b>
<b>TOTAL RESERVES</b>	<b>3,042</b>	<b>0</b>	<b>(914)</b>	<b>0</b>	<b>2,127</b>	<b>897</b>	<b>(10)</b>	<b>0</b>	<b>3,015</b>	<b>315</b>	<b>0</b>	<b>0</b>	<b>3,330</b>	<b>498</b>	<b>0</b>	<b>0</b>	<b>3,828</b>	<b>19</b>	<b>(572)</b>	<b>0</b>	<b>3,276</b>	<b>0</b>	<b>(419)</b>	<b>0</b>	<b>2,857</b>

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Capital Receipt Reserve	2019/20 Quarter 2 Forecast				2020/21 Estimates				2021/22 Estimates				2022/23 Estimates				2023/24 Estimates				2024/25 Estimates				
	Actual Balance	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Estimated Balance	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Balance	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Balance	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Balance	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Balance	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Balance
Reserve	1st April 2019				31 March 2020				31 March 2021				31 March 2022				31 March 2023				31 March 2024				31 March 2025
£'000																									
<b>Capital Receipt Reserve</b>	<b>2019-20</b>				<b>2020/21</b>				<b>2021/22</b>				<b>2022/23</b>				<b>2023/24</b>				<b>2024/25</b>				
Capital Receipt Reserve - RTB	3,226	1,600	(3,671)		1,154	1,600	(1,036)		1,718	1,600	(1,036)		2,282	1,600	(1,036)		2,846	1,600	(1,036)		3,410	1,600	(1,036)		3,974
Capital Receipt Reserve - Other	40				40				40				40				40				40				40
<b>Capital Receipt Reserve - Total</b>	<b>3,266</b>	<b>1,600</b>	<b>(3,671)</b>	<b>0</b>	<b>1,194</b>	<b>1,600</b>	<b>(1,036)</b>	<b>0</b>	<b>1,758</b>	<b>1,600</b>	<b>(1,036)</b>	<b>0</b>	<b>2,322</b>	<b>1,600</b>	<b>(1,036)</b>	<b>0</b>	<b>2,886</b>	<b>1,600</b>	<b>(1,036)</b>	<b>0</b>	<b>3,450</b>	<b>1,600</b>	<b>(1,036)</b>	<b>0</b>	<b>4,014</b>
<b>Major Repairs Reserve (MRR)</b>																									
MRR	473	3,888	(4,026)		334	4,621	(4,697)		258	4,621	(4,544)		334	4,621	(4,599)		356	4,621	(4,599)		377	4,621	(4,599)		399

Reserve	Purpose	Risks	Mitigation
MTFS Reserve	Provide a contingency fund to support payments for the investments should there be an in year income shortfall	Income received from investments do not meet the amount of the annual loan repayment	Each investment has a business case which is verified by external consultants and approved by the Investment Board, Cabinet and Council as part of the decision making process.  Officers undertake continuous evaluation of actual performance of the investment against the forecast position.
Transformation Reserve	To enable the council to change the way it operates in order to meet the financial challenges ahead	1. Programme of change – it is essential the council adapts to new ways of working, to include automation processes with improved functionality where possible. Failure to adopt new ways of working will seriously affect the future functioning of the council 2. As the council transforms it is possible that a number of services will need to change in the way they are delivered or cease to be provided. This may lead to statutory redundancy payments	This is to support and enable changes to service delivery, efficiency programmes and improvements to enhance customer interactions with the council
EU Exit Reserve	To manage any risks relating to EU Exit	Possible issues particularly with regard to the import of foodstuff through border control at Stansted Airport	To provide funds to support any extra work/staffing required for supporting the outcomes of EU Exit. The Council receives new burdens funding for potential costs. If these funds are not required they will be released back into the General Fund
Funding Reserve	To manage the effects of the reduction in government funding in future years	The Fair Funding Review will change the way government funding is allocated and plans to replace New Homes Bonus scheme will have significant financial impacts on the Council budget	This will help to smooth the impact of significant funding reductions, providing a buffer over 4 years to support a programme of change and/or increased income generation
Emergency Response	To support any resource requirement to a local emergency	The emergency exceeds the scale anticipated and funds are inadequate	Any large scale emergency would involve other agencies and Essex County  In case of larger emergencies it is likely that Central Government will reimburse the council for costs over set thresholds

Reserve	Purpose	Risks	Mitigation
Depot – new site	It is proposed to purchase land and provide the necessary buildings and utilities in the south of the district	<p>1. Land has been identified but is subject to Planning Permission</p> <p>2. The reserve is insufficient to meet the total costs of the project</p>	<p>If planning is not approved on current options, a new site would need to be identified</p> <p>The land vacated would have residual value and would be sold to provide additional funding for the new Depot.</p> <p>The reserve was increased in 2017/18 to enable a single depot site to be established</p>
Development Control	S106 monitoring income	To support costs of resources relating to monitoring S106 agreements, risk that resources needed will exceed the amount of funds received	Monitoring carried out throughout the year
Development Projects	To support work and development for Garden Communities	<p>MHCLG funding and current allocated revenue budgets will not be sufficient to meet the total costs</p> <p>As non-ring fenced grant, MHCLG funding is diverted to other pressing priorities</p>	MHCLG provide grants that the council can bid for to support future years costs.
Economic Development	To assist with the promotion of economic development	<p>The reserve is inadequate to fund the projects identified in the strategy</p> <p>Increased contributions to the work of external organisations</p>	<p>Specific projects identified in the strategy and ongoing monitoring of each one against funds available</p> <p>Re-prioritisation of action plan required</p>
Elections	Each year £25,000 is allocated to the reserve to fund future election costs. The reserve is drawn down in UDC election years	The costs exceed the reserve amount	The reserve is to offset the impact of the cost of elections not to fully cover it. The amount is felt to be sufficient

Reserve	Purpose	Risks	Mitigation
Health and Wellbeing	To support the Health and Wellbeing strategy	Specific funding provided for the Health and Wellbeing agenda	This is monitored and included in the Health and Wellbeing agenda/strategy
Homelessness	To assist with the fluctuating demand for homelessness support.	New legislation has increased the requirement on Local Authorities to provide housing to homeless people	Extra funding has been received from Central Government and the Homelessness Strategy has been updated to account for the new requirements
Housing Strategy	Enable local community groups to support delivery of affordable housing units	These funds are a government grant and if the Council is unable to identify suitable schemes the funds may have to be repaid	The use of the funds has a broad scope and can be used for collaboration, skills and supply chains at a local level to promote the sustainability of community led housing as an approach to housebuilding.
New Homes Bonus (Ward Members)	An annual allocation of £2k is provided to each ward member, any unspent monies are c/fwd. into future years subject to meeting the criteria approved at 17 March 2016 Cabinet	That monies held are not spent within the timescales and the criteria as listed below: <ol style="list-style-type: none"> <li>1. It has to be spent in the Member's Ward</li> <li>2. Any unspent allocation can be carried forward to the following year, providing the amount is less than 50% of the allocation for that year. If it exceeds 50% of the in-year allocation only 50% shall be carried forward</li> <li>3. It has to be for the good of the community</li> <li>4. It must not commit the Council to expenditure in future years</li> </ol>	Members are provided with an annual report of remaining funds. The reserve has a zero balance in line with the local elections in May 2019 and therefore this is the first year of the administrations new allocations.  This criteria will apply for future years.

Reserve	Purpose	Risks	Mitigation
		<ol style="list-style-type: none"> <li>5. The Member should be mindful of the financial status of the recipients</li> <li>6. The Member should have no personal interest in the organisation receiving the award</li> <li>7. In election year the money only becomes available from 1 June (i.e. to the newly elected Member)</li> </ol>	
Page 64 Planning	For three primary purposes <ol style="list-style-type: none"> <li>1. Stansted Airport studies</li> <li>2. Planning Appeals</li> <li>3. Local Plan</li> </ol>	The reserve is insufficient to meet the total costs because a majority of the reserve has been allocated to the Local Plan.  There are limited funds remaining to support the increase in planning appeals or to support actions relating to Stansted Airport	The Strategic Initiative Fund has been earmarked to support the ongoing work of the Local Plan and any further costs relating to the refused planning application at Stansted Airport
Neighbourhood Planning	This is to support the costs of producing Neighbourhood plans	The number of plans required to be produced will exceed the amount of funding available	The Planning Policy team monitor the expected requirement to allow for an annual review of the level of funds required
Private Finance Initiative	This reserve has been set up as part of the 2015/16 external audit process	The external audit indicated that there would be a possible shortfall in repayments in future years	All extra income received from the PFI income share is allocated to the reserve. Further analysis of the PFI model shows that the current reserve will cover any shortfalls
Strategic Initiatives Fund (SIF)	For 2020/21 the reserve has been earmarked to support the Local Plan and any	The funding is insufficient to meet the potential costs	This is combined with the available funds in the planning reserve

Reserve	Purpose	Risks	Mitigation
	ongoing costs relating to the refused planning application at Stansted Airport		
Waste Management	This is a high profile service and by the nature of the work suffers from budget variances. To enable the Council to smooth fluctuations in areas such as cost of disposal and agency staffing.	Disposal costs increase due to a change in the market for recyclables	The budget is based on current cost with any increase in disposal costs being met from this reserve
Working Balance	Maintained to protect the Council's budget from unexpected risks	Calculation as set out in point 19, with full details in Appendix A – Section 25 Report	MTFS and Transformation reserves are available to support the Council in absorbing any significant reductions in funding and/or income
Capital Slippage	Financing budget from reserves and revenue contributions c/fwd. in line with associated projects in the capital programme slipping to future financial years	None, any unspent financing will be released back to either the original reserve or the revenue budget	Financing is aligned with associated projects within the capital programme and monitored on a regular basis
Access Fund	This reserve was set up to pump prime the provision of cycle paths in the district. The intention is that the initial £200,000	No suitable S106 monies are available to continue the cycle path rollout	This is an Essex County Council responsibility which this Council contributes to by way of S106 monies. If no such money is available the Council will need to decide whether or not to invest more money from other reserves into this scheme  This reserve has a zero balance so is not included in the main

Reserve	Purpose	Risks	Mitigation
	would be replenished by appropriate S106 monies as they become available		reserves table.
Pension Reserve	This reserve is used to support the Pension Fund Deficit and where possible support a triannual payment	That the cost of the 3 year payment is higher than expected or there is insufficient revenue funds available to take up the option of a triannual payment	This reserve currently has a zero balance as there are insufficient funds to allocate to the reserve in the life of this MTFS
Business Rates Retention	To manage any Collection Fund deficit and/or shortfall in income.	Fund is insufficient to meet demand	In the financial years where a surplus is identified this is added to the reserve. An estimated balance of £3.030 million will be available by 31 March 2020. To mitigate the impact of the BR element of the spending review, a total of £2 million has been allocated to support the revenue budget from 2021/22 to 2024/25
Licensing	A ring-fenced reserve that can only be spent on the taxi licensing service	The new fee schedule of licence renewal on either a 3 or 5 year basis, means that income and resource fluctuates annually	Any excess income is held in the reserve to support service provision in the intermediate years
DWP	To support any financial implications of a negative Benefits Audit and repayment of subsidy to DWP	DWP seek to recover more money than in the reserve	There is a zero balance in the reserve as this is the third year that we have had no repayment required due to a positive audit opinion



# Uttlesford District Council

## Commercial Strategy

### 2020 - 2024



**Prepared by:**  
**Asset Management**  
**Uttlesford District Council**  
**January 2020**



Introduction	2
Vision	2
Purpose of the Investments	2
Current Portfolio	3
Loans to wholly owned subsidiaries	4
The Investment Fund	4
The future	5
Borrowing, the Prudential Code and Statutory Guidance on Local Government Investments	5
Key Performance Indicators	7
Investment Protocol	7
Security, Liquidity and Yield	7
Risks	7
Proportionality	8
Capacity, Skills and Culture	8
Joint Working	10

## Introduction

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. The 2020-2024 Corporate Plan sets an ambitious target to  

Be a self-sufficient Council that generates its own resources from local taxation (Business Rates and Council Tax) and commercial investments thereby removing the reliance on Central Government grants.
3. The 2020-2025 Medium Term Financial Strategy (MTFS) predicts an annual shortfall by 2024/25 of £4.853 million per annum. The MTFS currently includes only £300,000 per annum for new priorities, any additional spend will increase the predicted 2024/25 shortfall. As future years are added to the plan the shortfall increases year on year.
4. The Administration has indicated that they propose to address the shortfall through investments. To achieve this the Council will need to set an investment fund approved limit of £300 million.

## Vision

5. To generate sufficient income to enable the Council to be a self-sufficient Council 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.

## Purpose of the Investments

6. To provide a long term income for the council to support the provision of Council services. This 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.
7. The Council seeks to operate in the most cost effective ways and will look for improvements in its operations which will reduce costs or avoid increased costs. However the scale of reduction in external finance is such that other income sources must be found. Reductions in council services are considered a last resort.
8. The income target for the Board will be guided by the Medium Term Financial Strategy (MTFS). The MTFS forecasts the income and expenditure over a four year period and includes all known factors. It shows the predicted annual net surpluses or deficits. The investment income is 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.

## Current Portfolio

9. 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.

10. 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

Whilst this loan is being drawn down the balance will be funded by a mix of local authority and internal borrowing – The amount of each varies during the year dependant on the level of UDC balances available. Average interest rate, interest only, is 0.8%

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

11. Since the initial purchase the Council has made three additional ongoing loans to aspire (CRP) Ltd for works on the Newnham Building totalling £5,741,000 taking the total investment to £52,991,000. There is approval for a further loan of £1.25 million to complete the renovation, which will be drawn down in early 2020/21.

12. For 2019/20 the income from Chesterford Research Park is expected to be £2,130,000 with the cost of borrowing being £400,000. There is also repayment to the Council of staff time whilst undertaking company work on Aspire (CRP) Ltd.

13. In December 2019, Full Council approved a funding request for up to £32 million for Investment 2 which is in the process of completion.

## Loans to wholly owned subsidiaries

14. The Council recognises that, to further support the ongoing budget 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. The first set of additional loans relate to the refurbishment of the Newnham Building. To date, the following loans to Aspire (CRP) Ltd have been made

Date	Amount	Term	Rate	Basis	Annual Payment	Building	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	£8,920.00	Newnham	
02/01/2019	£2,518,000	48 years 4 months	4%	Interest only	£100,720.00	Newnham	
20/08/2019	£3,000,000	20 years	4.5%	Interest and principal	£230,630.00	Newnham	

15. In addition there is approval for a further loan of £1.25m for the fit-out of the Newnham Building on an interest and principal basis over 20 years at an interest rate of 4.5%. This will be drawn down during the latter part of 2019/20 as the Newnham Building refit progresses.

## The Investment Fund

16. This strategy sets out an investment fund requirement of £300 million with a portfolio yield target (before borrowing costs) of 4%. Current investments are

Chesterford Research Park	£54.241 million
Investment 2	£32.000 million
<b>Total</b>	<b><u>£86.241 million</u></b>

17. This strategy also confirms the previous allocation of £20 million to future development at Chesterford Research Park, bringing the allocated total to £106.241 million

18. This will leave £193.759 million for further commercial investments, of which approximately £15 million will likely be spent on acquisition costs (Stamp Duty, legal and agents fees).

## **The future**

19. The Council is committed to investing in Chesterford Research Park. 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.

20. The remaining Investment Portfolio may include a mix of

- Light Industrial
- Single-let office space
- Multi-let office space
- Out-of-town retail
- Market rent housing

21. Within each of the above classes, there will also be a mix of investment size and lease lengths, to provide a balance and reduce market exposure.

## **Borrowing, the Prudential Code and Statutory Guidance on Local Government Investments**

22. The Council can rely on a variety of statutory powers to borrow and invest. Where the primary purpose of borrowing and investment is to secure a financial return, the Council has powers under sections 1 and 12, Local Government Act 2003. Section 1 provides that:

*A local authority may borrow money—*

*(a) for any purpose relevant to its functions under any enactment, or*

*(b) for the purposes of the prudent management of its financial affairs.*

Section 12 states:

*A local authority may invest—*

*(a) for any purpose relevant to its functions under any enactment, or*

*(b) for the purposes of the prudent management of its financial affairs.*

23. Where the Council proposes to rely on the borrowing powers in Local Government Act 2003 section 15 of the Act makes it a requirement to have regard –

*(a) to such guidance as the Secretary of State may issue, and*

*(b) to such other guidance as the Secretary of State may by regulations specify for the purposes of this provision.”*

The current guidance to which the Council must have regard is:

- Statutory Guidance on Local Government Investments (3<sup>rd</sup> Edition) issued by the Secretary of State; and
- The Prudential Code issued by CIPFA.

24. The Statutory Guidance contains two paragraphs on what is termed “borrowing in advance of need. The guidance states:

*46. Authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.*

*47. Where a local authority chooses to disregard the Prudential Code and this Guidance and borrows or has borrowed purely to profit from the investment of the extra sums borrowed the Strategy should explain:*

- *Why the local authority has decided not to have regard to this Guidance or to the Prudential Code in this instance; and*
- *The local authority’s policies in investing the money borrowed, including management of the risks, for example, of not achieving the desired profit or borrowing costs increasing.*

25. The Council will adopt a “case by case” approach in considering whether to depart from the Statutory Guidance and the Prudential Code where the primary purpose of borrowing is to “profit from the investment of the extra sums borrowed”. In reaching a decision, the Council will balance the need to generate additional income to underpin core services to Uttlesford residents against the risks involved in taking on the borrowing and against the risks involved in the investment to be funded by borrowing. It will ensure that investments funded by borrowing in these circumstances are proportionate to the need to make good shortfalls caused by the reduction in Government funding. Given the Council’s acute funding shortfall and the likely consequences for Uttlesford residents of not being able to maintain core services without additional funding, the Council is likely to depart from the Statutory Guidance and from the Prudential Code where sound investment opportunities are identified.

26. The Council will set out for each investment the risks associated with the investment, be they specific or industry/sector. These will be monitored on a regular basis by the Investment Board, and where necessary recommendations will be made to the Cabinet. The Council maintains a Medium Term Financial Strategy Reserve which is retained for use in the event of a significant drop in revenue income from an investment.

## Key Performance Indicators (KPIs)

27. A suite of KPIs will be developed by the Investment Board for reporting on a quarterly basis. These KPIs will be used, as part of suite of information, to inform future investments and disposals and therefore the make-up of the portfolio.

## Investment Protocol

28. An Investment Protocol will be developed alongside this strategy which sets out the criteria in detail.

## Security, Liquidity and Yield

29. As the Council only has a small amount of money of its own to invest, any further expansion of the commercial strategy 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).
30. 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. Property purchase for letting at market rents will be undertaken through a new wholly owned subsidiary company Aspire (MRH) Ltd.
31. Financing of acquisitions will be decided on a case by case basis. In almost all cases a mix of repayment and interest only loans will be undertaken, with the expectation being that this will be on an 80:20 interest only: repayment basis. The final decision will be made by Cabinet following recommendations made by the Investment Board.
32. The option to liquidate funds is either by selling the investment (or part thereof) or by refinancing the debt.

## Risks

33. Each investment must be considered independently and only those viewed as having a positive expected yield and an acceptable risk profile will be taken forward for consideration by the Council.
34. 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

35. For Aspire (CRP) Ltd the Council has appointed two non-executive directors to serve on the Board and bring independent challenge and support. The new delivery company, Aspire (MRH) Ltd, will also have two non-executive directors on the Board.
36. The Aspire companies will use a range of specialists which will vary between investments. This will ensure the continued professionalism and sector knowledge.
37. A risk register will be maintained for each investment and these will be monitored by the Investment Board on a regular basis. The risk register will be based on the corporate standard used by the Governance, Audit and Performance Committee.

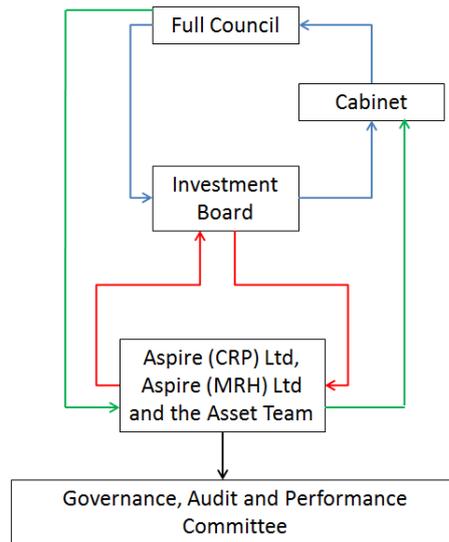
## **Proportionality**

38. The aim of the Commercial Strategy is to generate income to underpin the Council's core budget, to invest in other income generating opportunities and also good causes for the district.
39. The Council's sole current investment at Chesterford Research Park comprises eleven core buildings and circa twenty tenants. For the income to be below the interest repayment amount three of the five largest tenants would be required to default on their tenancy agreement at the same time. Even with this relatively low risk it is important to attract different types of research business to the Park.

## **Capacity, Skills and Culture**

### **Investment Board (IB)**

40. 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 and the S151 Officer (or Assistant Director of Resources for Aspire investments) to conclude investments where authorisation has been given by Full Council.
41. 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.
42. The investment decision making and monitoring process is as set out overleaf



#### 43. 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 IB develops a protocol to implement the Commercial Strategy which will be approved by Cabinet.
- d) The Cabinet will receive from the IB quarterly updates, including KPIs, on the performance of the portfolio.
- e) For new investments, the IB reviews the business cases and if appropriate supports a recommendation to Cabinet for the acquisition.
- f) Cabinet reviews the investment and if satisfied recommends to Council that funding is made available.
- g) Ahead of the Council meeting, the IB Chairman, along with officers, undertakes an all-Member briefing session to set out the investment and the reasons for its recommendation.

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

- a) The IB provides the two Aspire companies with a Commercial Protocol and sets out in detail the type of new investments it is seeking. Aspire (CRP) Ltd looks after developments at Chesterford Research Park, whilst Aspire (MRH) Ltd is responsible for residential housing to be let at market rents. The Council's Asset Team will manage all other non-CRP commercial investments.
- b) Depending on the category of investment sought, Aspire (MRH) Ltd, Aspire (CRP) Ltd or the Asset Team, working with professional advisors, will identify investments which meet the protocol set out by the IB. They will prepare investment 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 Boards of the Aspire companies is also required prior to submission to the IB.

- c) The Aspire companies, along with the Asset Team, prepare the quarterly KPI and other information for submission to the IB.

#### 45. New Investments (green line)

- a) At an Extraordinary Meeting of Council a decision is taken on whether or not to allocate the funding.
- b) If the investment is agreed, funding will be made available to the relevant Aspire Company or to the Asset Team to enable the purchase to be made.
- c) The Aspire companies report annually to the Cabinet as the shareholder board of the Council.

#### 46. Governance, Audit and Performance Committee (GAP) (black line)

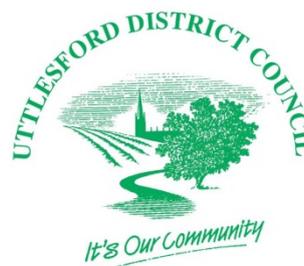
- a) A report on annual performance of the Aspire companies is taken to the GAP Committee. A similar report will be presented by the Asset Team.

## **Joint Working**

- 47. The Council recognises the benefits of working with other parties, be they local authorities or private sector. Joint Working mitigates risk and has potential to enable the Council to consider new commercialisation opportunities in markets that alone it would not be able to do so.

# Uttlesford District Council

## Medium Term Financial Strategy 2020/21 – 2024/25



Prepared by:  
Finance  
Uttlesford District Council  
February 2020

## Financial Outlook

1. The Medium Term Financial Strategy (MTFS) was prepared based on the final settlement announced on 6 February 2020; this was a one year settlement.
2. The Fair Funding Review (FFR) and Business Rates Reform (BRR) originally planned for the financial year 2020/21 has been delayed due to the political uncertainty around EU Exit and a snap election late in 2019.
3. The key items announced in the 2020/21 settlement were:
  - Council Tax threshold – an increase of up to 2% or £5
  - Rural Services Delivery Grant - retained at the same level as 2019/20
  - New Homes Bonus – additional one year payment but this will attract no legacy payments, previous years legacy payments will remain and the baseline was maintained at 0.4%.
  - Business Rates Retention – updates on reliefs and the multiplier
4. Uttlesford are now reliant on the following sources of income and funding in 2020/21:
  - Council Tax
  - Business Rates Retention Income (BRR) – subject to review and significant changes in 2021/22
  - New Homes Bonus (NHB) – one year only
  - Rural Services Delivery Grant (RSDG) – one year only as a standalone grant
  - Investment income
  - Fees and charges

### Future Funding

5. The Fair Funding Review will affect how funding is allocated and redistributed between local authorities from 2021 onwards. It is expected to use three main 'cost drivers': population, deprivation and sparsity, together with additional cost drivers related to specific local authority services
6. The basis of the FFR is to provide a simpler and more transparent formula with a fairer allocation of funds which are 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 counties.
7. The FFR will incorporate the reform of business rates and there is expected to be a full baseline reset in 2021. This will mean that all the growth prior to 2020/21 that has been generated since the introduction of the BRR scheme in 2013 will be incorporated into the baseline funding level.
8. It is not expected that the NHB scheme will continue but remaining legacy payments due will be received. As part of the settlement, the Secretary of State announced it is the Government's intention to consult on the future of the housing incentive. This will include moving to a new, more targeted approach that rewards local authorities where they are ambitious in delivering the homes we need and which is aligned with other measures around planning performance.

9. To support these reductions Government are expecting local authorities to 'rebuild' their budgets by supporting local economic growth.
10. Central Government Funding is expected to reduce over the life of the MTFs, a prudent approach has been taken and this is based on the current information available. The table below shows how this translates in actual figures. This emphasises the need for new, more efficient ways of working and to look for innovative income generating opportunities.

£'000	2020/21	2021/22	2022/23	2023/24	2024/25
Business Rates Retention	(3,317)	(3,000)	(3,100)	(3,200)	(3,300)
New Homes Bonus	(3,635)	(1,550)	(826)	0	0
Rural Services Delivery Grant	(279)	0	0	0	0
<b>Funding Total</b>	<b>(7,231)</b>	<b>(4,550)</b>	<b>(3,926)</b>	<b>(3,200)</b>	<b>(3,300)</b>

The above table does not include any surplus/deficits from the collection fund which can affect the overall financial position

## Budget Model

11. To inform the financial outlook for UDC, a detailed budget model has been prepared, full details of the General Fund budget for 2020/21 are set out in Appendix H. Direct Services estimated income and expenditure for the next 5 years is set out in the table below.

£'000	2020/21	2021/22	2022/23	2023/24	2024/25
Service Expenditure	36,693	36,627	36,842	37,227	37,918
Service Income	(21,820)	(21,537)	(21,631)	(21,686)	(21,741)
Demand Growth		50	100	300	350
<b>Service Net Expenditure</b>	<b>14,874</b>	<b>15,140</b>	<b>15,311</b>	<b>15,841</b>	<b>16,527</b>

The following key inflationary assumptions are used in the model.

- a) **Gross service expenditure and income:** Takes the 2019/20 base budget as a starting point with any one-off in year items being removed. Inflation has been included for salaries at 2%, utilities in line with the current market forecasts and 2% for fees and charges except where special arrangements apply e.g. car park charges and taxi licences.
- 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.

12. The council also incurs corporate expenditure and non-service related income that sits outside the direct service budgets, these items are set out below.

£'000	2020/21	2021/22	2022/23	2023/24	2024/25
Capital Financing	1,672	1,908	1,821	2,028	1,901
Pension Fund - Deficit	571	0	0	350	350
Pension Fund - Added years	85	85	85	85	85
HRA recharge/Corporate Core	(1,747)	(1,428)	(1,428)	(1,428)	(1,428)
PFI Interest Cost	372	360	348	334	319
Investment Income	(2,912)	(4,051)	(4,387)	(4,450)	(4,432)
Investment Cost	788	1,561	1,654	1,636	1,618
<b>Corporate Costs</b>	<b>(1,171)</b>	<b>(1,565)</b>	<b>(1,908)</b>	<b>(1,446)</b>	<b>(1,588)</b>

- a) Capital Financing Costs – are in line with the projected capital programme’s financing requirements, set out in Appendix F.
- b) Pension Fund deficit payment – the option for a discounted triennial payment has been included and for the years after 2022/23 the MTFS reverts to annual payments. It is likely that the council will be given the option of the discounted payment but this will not be known until the pension fund valuation is carried out in 2022/23.
- c) Recharges to HRA – based on the apportionment of the actual costs of central services and corporate core used by the Housing Revenue Account.
13. Investment Income and cost – this is the estimated income generated from the investments in Chesterford Research Park and investment 2 and the subsequent cost of borrowing to fund the investments.
14. The following table sets out the funding we expect to receive and this is based on the financial settlement announced in December for 2020/21. Estimates for future years has been calculated based on the current information we have available; the indications Government has provided and consultation with our advisors ‘Pixel Financial Management’.

£'000	2020/21	2021/22	2022/23	2023/24	2024/25
Business Rates Retention	(3,317)	(3,000)	(3,100)	(3,200)	(3,300)
New Homes Bonus	(3,635)	(1,550)	(826)	0	0
Rural Services Delivery Grant	(279)	0	0	0	0
Council Tax prior year balance	(20)				
<b>Funding Total</b>	<b>(7,251)</b>	<b>(4,550)</b>	<b>(3,926)</b>	<b>(3,200)</b>	<b>(3,300)</b>

- a) The Council currently retains 40% of business rates income collected, from 2021/22 government has announced that this will increase to 75% income retention and will be included in the BRR alongside the FFR. A prudent forecast has been included for future

years until more information is released on how this will be calculated. The amount allocated for years 2021/22 to 2024/25 includes the transfer of the Rural Services Grant.

b) New Homes Bonus: The model shows the announced figure for 2020/21. Future year's allocations are based on legacy payments only and no payment from 2023/24.

15. The MTFS has been prepared on the assumption that Council Tax will be increased by £5 in 2020/21, with future years based on 1.99% which is the current announced limit of increase.

	2019/20	2020/21	% Change
Taxbase (gross)	39,185.91	39,868.68	1.74%
LCTS Discounts	(1,872.76)	(1,832.54)	-2.15%
Taxbase (net)	37,313.15	38,036.14	1.94%
Band D	£151.61	£156.61	3.30%
<b>Council Tax Yield</b>	<b>£5,657,106</b>	<b>£5,956,840</b>	<b>5.23%</b>

a) Tax base assumptions are in line with housing growth forecasts and an estimate of Local Council Tax Support Scheme discounts has been made.

16. After taking into account all the above expenditure, income and funding the council has achieved a balanced budget for 2020/21, but in future years the financial position changes significantly with a cumulative deficit by 2024/25 of £4.853 million.

£'000	2020/21	2021/22	2022/23	2023/24	2024/25
Service Expenditure	14,874	15,140	15,311	15,841	16,527
Corporate Costs	(1,171)	(1,564)	(1,908)	(1,446)	(1,588)
Funding	(7,251)	(4,550)	(3,926)	(3,200)	(3,300)
<b>Total Net Operating Costs</b>	<b>6,452</b>	<b>9,026</b>	<b>9,477</b>	<b>11,195</b>	<b>11,639</b>
Movement in Reserves	(495)	(617)	(345)	(75)	25
Council Tax Income	(5,957)	(6,194)	(6,413)	(6,613)	(6,810)
<b>True (Surplus) / Deficit</b>	<b>0</b>	<b>2,215</b>	<b>2,719</b>	<b>4,506</b>	<b>4,853</b>

17. It is proposed that the Funding and Business Rates Reserves are used to mitigate some of the impact of the actual deficit position on the council, this will allow for a managed programme of change to be implemented over the life of the MTFS.

£'000	2020/21	2021/22	2022/23	2023/24	2024/25
<b>True (Surplus)/Deficit</b>	<b>0</b>	<b>2,215</b>	<b>2,719</b>	<b>4,506</b>	<b>4,853</b>
Business Rates Reserve	0	(500)	(500)	(500)	(500)
Funding Reserve	0	(250)	(250)	(250)	(310)
Damping (Gov't Transitional Funding)	0	(475)	(475)	(475)	(475)
<b>Total</b>	<b>0</b>	<b>(1,225)</b>	<b>(1,225)</b>	<b>(1,225)</b>	<b>(1,285)</b>
<b>Adjusted (Surplus)/Deficit</b>	<b>0</b>	<b>990</b>	<b>1,494</b>	<b>3,281</b>	<b>3,568</b>

- a) The MTFS shows a balanced budget for 2020/21, projections indicate that during the life of the strategy the deficit position by 2024/25 will be £4.853 million.
- b) To support the Council in managing the deficit and implement a programme of change the following amounts have been allocated from reserves:
- i. Funding Reserve – a total of £1.060 million over 4 years to support the reduction in funding
  - ii. Business Rates Reserve - £2.000 million over 4 years to support the loss of income/growth from the retained income
- b) After allowing for the above reserves and transitional funding the deficit position by 2024/25 is £3.568 million.
18. Sufficient reserves should be maintained to cover the eventualities that may arise in future years. The Council should proactively look for service efficiencies and income generating projects.
19. 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.
20. The Council must ensure it is in a strong position to anticipate and adapt to funding outcomes that differ from those currently assumed. Therefore any decision to incur additional costs (e.g. service investment) or to reduce income (e.g. fees & charges reductions) must be fully funded by sustainable cost savings and/or additional income elsewhere in the Council's budget.

### **Commercial Strategy 2020 – 2024**

21. The key financial plan to address the above deficit and support the council in maintaining the delivery of services over the medium term is addressed in the Commercial Strategy presented as Appendix B earlier in the agenda.

22. The Commercial Strategy sets out the requirement for an investment fund with a total value of £300 million with an expected average yield target of 4% (before borrowing costs).
23. This will deliver an income of £12 million per annum, of which £4 million is already built into the MTFS (these figures are gross and do not account for the cost of borrowing).
24. The two investments included in the 5 year budget make a total investment of £86.241 million and comprise:
- a) the council's wholly owned company Aspire (CRP) Ltd with a total current investment at Chesterford Research Park of £54.241 million
  - b) investment 2 has been agreed, which will be purchased by the Council at a value of £32 million.
25. The investment income and projected cost of borrowing is set out in the following table

£'000	2020/21	2021/22	2022/23	2023/24	2024/25
Investment Income	(2,912)	(4,051)	(4,387)	(4,450)	(4,432)
Investment Cost	788	1,561	1,654	1,636	1,618
<b>Corporate Costs</b>	<b>(2,124)</b>	<b>(2,490)</b>	<b>(2,734)</b>	<b>(2,815)</b>	<b>(2,815)</b>

26. This leaves an investment fund balance of £213.759 million with an expected income of £8 million, this is subject to the timing of the investments and the current interest rates on the cost of borrowing

## General Fund – 5 year summary

	2020/21	2021/22	2022/23	2023/24	2024/25
	£ '000	£ '000	£ '000	£ '000	£ '000
Gross Service Expenditure	36,693	36,627	36,842	37,227	37,917
Gross Service Income	(21,820)	(21,537)	(21,631)	(21,686)	(21,741)
Demand Growth		50	100	300	350
<b>Service Expenditure</b>	<b>14,874</b>	<b>15,140</b>	<b>15,311</b>	<b>15,841</b>	<b>16,527</b>
Capital Financing Costs	1,672	1,908	1,821	2,028	1,901
Pension Fund - Deficit	571	0	0	350	350
Pension Fund - Added Years	85	85	85	85	85
Recharge to HRA/Corporate Core	(1,747)	(1,428)	(1,428)	(1,428)	(1,428)
PFI Interest cost	372	360	348	334	319
Investment Income	(2,912)	(4,051)	(4,387)	(4,450)	(4,432)
Investment Cost	788	1,561	1,654	1,636	1,618
<b>Corporate Costs</b>	<b>(1,171)</b>	<b>(1,564)</b>	<b>(1,908)</b>	<b>(1,446)</b>	<b>(1,588)</b>
<b>Total Net Expenditure</b>	<b>13,703</b>	<b>13,576</b>	<b>13,403</b>	<b>14,395</b>	<b>14,939</b>
Business Rates Retention	(3,317)	(3,000)	(3,100)	(3,200)	(3,300)
Business Rates prior year Balance	0	0	0	0	0
New Homes Bonus	(3,635)	(1,550)	(826)	0	0
Rural Services Grant	(279)	0	0	0	0
Council Tax prior year Balance	(20)	0	0	0	0
<b>Funding</b>	<b>(7,251)</b>	<b>(4,550)</b>	<b>(3,926)</b>	<b>(3,200)</b>	<b>(3,300)</b>
<b>Total Net Operating Costs</b>	<b>6,452</b>	<b>9,026</b>	<b>9,477</b>	<b>11,195</b>	<b>11,639</b>
Movement in Reserves	(495)	(617)	(345)	(75)	25
<b>Council Tax Requirement</b>	<b>5,957</b>	<b>8,409</b>	<b>9,132</b>	<b>11,120</b>	<b>11,664</b>
Council Tax Income	(5,957)	(6,194)	(6,413)	(6,613)	(6,810)
<b>True (Surplus) / Deficit</b>	<b>0</b>	<b>2,215</b>	<b>2,719</b>	<b>4,506</b>	<b>4,853</b>
Business Rates Reserve	0	(500)	(500)	(500)	(500)
Funding Reserve	0	(250)	(250)	(250)	(310)
Damping (Gov Transitional Funding)	0	(475)	(475)	(475)	(475)
<b>Adjusted (Surplus) / Deficit</b>	<b>0</b>	<b>990</b>	<b>1,494</b>	<b>3,281</b>	<b>3,568</b>

## **Reserves**

28. Total General Fund reserves during this five year model are estimated to decrease from the predicted balance of £16.999 million to £12.433 million, a reduction of £4.566 million. A schedule of forecasted reserves balances are set out on the following page;

## General Fund Reserves – 5 year summary

	1 April 2020	Net Movement	31 March 2021	Net Movement	31 March 2022	Net Movement	31 March 2023	Net Movement	31 March 2024	Net Movement	31 March 2025
<b>RINGFENCED RESERVES</b>											
Business Rates	2,833	197	3,030	(500)	2,530	(500)	2,030	(500)	1,530	(500)	1,030
Departments for Work and Pensions	71		71		71		71		71		71
Licensing	114	34	148		148		148		148		148
Capital Slippage	602		602		602		602		602		602
Working Balance	1,300		1,300		1,300		1,300		1,300		1,300
<b>TOTAL RINGFENCED RESERVES</b>	<b>4,921</b>	<b>231</b>	<b>5,152</b>	<b>(500)</b>	<b>4,652</b>	<b>(500)</b>	<b>4,152</b>	<b>(500)</b>	<b>3,652</b>	<b>(500)</b>	<b>3,152</b>
<b>USABLE RESERVES</b>											
<b>Financial Management Reserves</b>											
Medium Term Financial Strategy	1,336		1,336		1,336		1,336		1,336		1,336
Transformation	1,114	(3)	1,111		1,111		1,111		1,111		1,111
EU Exit	513		513		513		513		513		513
Funding Reserve	1,060		1,060	(250)	810	(250)	560	(250)	310	(310)	( )
	<b>4,022</b>	<b>(3)</b>	<b>4,019</b>	<b>(250)</b>	<b>3,769</b>	<b>(250)</b>	<b>3,519</b>	<b>(250)</b>	<b>3,269</b>	<b>(310)</b>	<b>2,959</b>
<b>Contingency Reserves</b>											
Emergency Response	40		40		40		40		40		40
	<b>40</b>		<b>40</b>		<b>40</b>		<b>40</b>		<b>40</b>		<b>40</b>
<b>Service Reserves</b>											
Economic Development	61		61		61		61		61		61
Elections	45	25	70	25	95	25	120	(75)	45	25	70
Homelessness	314	102	416		416		416		416		416
Health and Wellbeing	84		84		84		84		84		84
Planning	969		969	(493)	476		476		476		476
Neighbourhood Planning	55	(15)	40		40		40		40		40
Housing Strategy	25		25		25		25		25		25
Development Control	134		134		134		134		134		134
Strategic Initiatives	1,660		1,660		1,660		1,660		1,660		1,660
Garden Communities											
Development Projects	1,354	(835)	519	(149)	370	(370)					
Waste Depot Relocation Project	2,649		2,649		2,649		2,649		2,649		2,649
Waste Management	371		371		371		371		371		371
Private Finance Initiative	295		295		295		295		295		295
	<b>8,016</b>	<b>(723)</b>	<b>7,294</b>	<b>(617)</b>	<b>6,677</b>	<b>(345)</b>	<b>6,332</b>	<b>(75)</b>	<b>6,257</b>	<b>25</b>	<b>6,282</b>
<b>TOTAL USABLE RESERVES</b>	<b>12,078</b>	<b>(726)</b>	<b>11,353</b>	<b>(867)</b>	<b>10,486</b>	<b>(595)</b>	<b>9,891</b>	<b>(325)</b>	<b>9,566</b>	<b>(285)</b>	<b>9,281</b>
<b>TOTAL GENERAL FUND RESERVES</b>	<b>16,999</b>	<b>(495)</b>	<b>16,505</b>	<b>(1,367)</b>	<b>15,138</b>	<b>(1,095)</b>	<b>14,043</b>	<b>(825)</b>	<b>13,218</b>	<b>(785)</b>	<b>12,433</b>

## Housing Revenue Account (HRA)

29. Under the self-financing reform the Council took out a loan for housing stock of £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. 2020/21 is the fourth year of the principal repayment and the ninth year of self-financing.
30. The HRA has completed an extensive programme of new builds and redevelopments of both social and sheltered housing units. As expected the repayment of the loan principal has impacted significantly on the business plan, HRA reserves and future year's capital programme.
31. A review of the HRA Business Plan and the financing of the loans was undertaken in 2017/18, by Arlingclose Ltd (Treasury Management advisors) to ensure that maximum benefit is being obtained, both in terms of interest rates and also the ability for the HRA to continue to deliver new housing.
32. The review showed that complete refinancing of the loan would incur high penalty fees, the option that offered best value and allowed the business plan to continue to deliver a programme of development would be to re-borrow the amounts repaid in previous years as required.
33. Government announced in October 2018 that the HRA borrowing cap had been removed. 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.
34. 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. The Government policy of 1% rent reductions over 4 years, which ended in 2019/20, has had a significant impact on income levels and limits the affordability of additional borrowing. Rental income increases for 2020/21 have been applied based on current government guidelines of CPI + 1%, which equates to a total increase of 2.7%.
35. 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 of self-financing the Council has been able to build and purchase over 115 homes despite the previous borrowing cap.
36. 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 2020/21.
37. 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	2018/19	2019/20	2020/21	Budget Movement	2021/22	2022/23	2023/24	2024/25
	Original Budget	Current Budget	Original Budget		Original Budget	Original Budget	Original Budget	Original Budget
<b>Housing Revenue Income</b>								
Dwelling Rents	(14,147)	(14,147)	(14,667)	(520)	(15,063)	(15,469)	(15,887)	(16,316)
Garage Rents	(224)	(224)	(230)	(5)	(233)	(237)	(241)	(246)
Other Rents etc	(3)	(3)	(3)	0	(3)	(3)	(3)	(3)
Charges for Services & Facilities	(977)	(977)	(1,079)	(102)	(1,097)	(1,116)	(1,135)	(1,154)
Contributions towards Expenditure	0	0	0	0	0	0	0	0
<b>TOTAL INCOME</b>	<b>(15,352)</b>	<b>(15,352)</b>	<b>(15,979)</b>	<b>(627)</b>	<b>(16,397)</b>	<b>(16,826)</b>	<b>(17,267)</b>	<b>(17,719)</b>
<b>Housing Finance &amp; Business Management</b>								
Rents, Rates & Other Property Charges	75	75	75	0	76	77	79	80
	75	75	75	0	76	77	79	80
<b>Housing Maintenance &amp; Repairs Service</b>								
Common Service Flats	204	204	209	5	213	216	220	224
Estate Maintenance	152	152	196	44	199	202	206	209
Housing Repairs	2,561	2,561	2,457	(104)	2,676	2,972	3,352	3,820
Housing Sewerage	58	58	60	2	61	62	63	64
Newport Depot	24	24	25	0	25	25	26	26
Property Services	318	318	356	38	362	368	375	381
	3,317	3,317	3,303	(15)	3,536	3,847	4,241	4,724
<b>Housing Management &amp; Homelessness</b>								
Housing Services	470	470	495	26	504	512	521	530
Sheltered Housing Services	629	629	691	62	703	715	727	739
	1,099	1,099	1,186	87	1,206	1,227	1,248	1,269
<b>Total Service Expenditure</b>	<b>4,491</b>	<b>4,491</b>	<b>4,564</b>	<b>73</b>	<b>4,818</b>	<b>5,151</b>	<b>5,568</b>	<b>6,074</b>
<b>Other Costs</b>								
Bad Debt Provision	100	100	100	0	100	100	100	100
Depreciation - Dwellings (to MRR)	3,888	3,888	4,555	667	4,555	4,555	4,555	4,555
Depreciation - Non- Dwellings (to MRR)	91	91	66	(25)	66	66	66	66
Interest/Costs re HRA Loan	2,604	2,604	2,613	9	2,601	2,570	2,519	2,438
Repayment of HRA Loan	2,000	2,000	2,000	0	2,000	2,000	3,000	3,000
Investment Income	(42)	(42)	(13)	29	0	0	0	0
Pension Costs - Added Years	19	19	19	0	19	19	19	19
Pension Deficit - Triennial payment	0	0	126	126	0	0	126	0
Recharge from General Fund	1,693	1,693	1,375	(318)	1,049	1,041	1,033	1,026
HRA Share of Corporate Core	366	366	372	6	379	387	395	403
Right to Buy Admin Allowance	(10)	(10)	(10)	0	(10)	(10)	(10)	(10)
<b>Total Non-Service Expenditure</b>	<b>10,708</b>	<b>10,708</b>	<b>11,202</b>	<b>494</b>	<b>10,758</b>	<b>10,727</b>	<b>11,802</b>	<b>11,596</b>
<b>TOTAL EXPENDITURE</b>	<b>15,199</b>	<b>15,199</b>	<b>15,766</b>	<b>567</b>	<b>15,577</b>	<b>15,878</b>	<b>17,370</b>	<b>17,669</b>
<b>OPERATING (SURPLUS)/DEFICIT</b>	<b>(152)</b>	<b>(152)</b>	<b>(213)</b>	<b>(61)</b>	<b>(820)</b>	<b>(948)</b>	<b>103</b>	<b>(50)</b>
Funding from Cap Rec Res for HRA Loan	(2,000)	(2,000)	(2,000)	0	0	0	0	0
<b>Funding of Capital Programme from HRA</b>								
Capital Schemes Funded from Revenue	2,692	2,692	1,325	(1,367)	505	450	450	450
	2,692	2,692	1,325	(1,367)	505	450	450	450
<b>Transfers to/(from) Reserves</b>								
Capital Projects	(153)	(153)	897	1,050	301	481	(572)	(419)
Change Management Reserve	0	(355)	0	355	0	0	0	0
Potential Developments	(355)	0	0	0	0	0	0	0
HRA Slippage Reserve	0	0	0	0	0	0	0	0
HRA Slippage Reserve	0	0	0	0	0	0	0	0
Sheltered Housing Reserve	0	0	0	0	0	0	0	0
Transformation Reserve	0	0	0	0	0	0	0	0
Working Balance	(31)	(31)	(10)	21	14	17	19	19
	(539)	(539)	888	1,427	315	498	(553)	(400)
<b>(SURPLUS)/DEFICIT</b>	<b>0</b>	<b>0</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

Page 90

Reserve £'000	2020		2021		2022		2023		2024		2025	
	01 April 2020	Net Movement	31 March 2021	Net Movement	31 March 2022	Net Movement	31 March 2023	Net Movement	31 March 2024	Net Movement	31 March 2025	
<b><u>RINGFENCED RESERVES</u></b>												
Working Balance	473	(10)	463	14	477	17	494	19	513	19	532	
	473	(10)	463	14	477	17	494	19	513	19	532	
<b><u>USABLE RESERVES</u></b>												
Revenue Reserves	60	0	60	0	60	0	60	0	60	0	60	
Revenue Projects	0	0	0	0	0	0	0	0	0	0	0	
Transformation Reserve	180	0	180	0	180	0	180	0	180	0	180	
	240	0	240	0	240	0	240	0	240	0	240	
<b><u>Capital Reserves</u></b>												
Capital Projects	0	897	897	301	1,198	481	1,679	(572)	1,107	(419)	688	
Potential Projects Reserve	0	0	0	0	0	0	0	0	0	0	0	
Sheltered Housing Projects Reserve	0	0	0	0	0	0	0	0	0	0	0	
HRA Slippage Reserve	1,415	0	1,415	0	1,415	0	1,415	0	1,415	0	1,415	
	1,415	897	2,313	301	2,614	481	3,095	(572)	2,523	(419)	2,104	
<b>TOTAL USABLE RESERVES</b>	<b>1,655</b>	<b>897</b>	<b>2,552</b>	<b>301</b>	<b>2,853</b>	<b>481</b>	<b>3,334</b>	<b>(572)</b>	<b>2,762</b>	<b>(419)</b>	<b>2,343</b>	
<b>TOTAL RESERVES</b>	<b>2,127</b>	<b>888</b>	<b>3,015</b>	<b>315</b>	<b>3,330</b>	<b>498</b>	<b>3,828</b>	<b>(553)</b>	<b>3,276</b>	<b>(400)</b>	<b>2,876</b>	

Reserve £'000	2020		2021		2022		2023		2024		2025	
	01 April 2020	Net Movement	31 March 2021	Net Movement	31 March 2022	Net Movement	31 March 2023	Net Movement	31 March 2024	Net Movement	31 March 2025	
<b><u>Capital Receipt Reserve</u></b>												
Capital Receipt Reserve - RTB	1,154	564	1,718	564	2,282	564	2,846	564	3,410	564	3,974	
Capital Receipt Reserve - Other	40		40		40		40		40		40	
<b>Capital Receipt Reserve - Total</b>	<b>1,194</b>	<b>564</b>	<b>1,758</b>	<b>564</b>	<b>2,322</b>	<b>564</b>	<b>2,886</b>	<b>564</b>	<b>3,450</b>	<b>564</b>	<b>4,014</b>	
<b><u>Major Repairs Reserve (MRR)</u></b>												
MRR	334	(77)	258	77	334	22	356	22	377	22	399	



# Uttlesford District Council Treasury Management Strategy 2020/21



**Prepared by:**  
**Finance**  
**Uttlesford District Council**  
**February 2020**



## Introduction

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.

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.

Investments held for service purposes or for commercial profit are considered in the Commercial Strategy presented in tonight's agenda as Appendix B.

## External Context

**Economic background:** The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2020/21.

UK Consumer Price Inflation (CPI) for September registered 1.7% year on year, unchanged from the previous month. Core inflation, which excludes the more volatile components, rose to 1.7% from 1.5% in August. The most recent labour market data for the three months to August 2019 showed the unemployment rate ticked back up to 3.9% while the employment rate was 75.9%, just below recent record-breaking highs. The headline 3-month average annual growth rate for pay was 3.8% in August as wages continue to rise steadily. In real terms, after adjusting for inflation, pay growth increased 1.9%.

GDP growth rose by 0.3% in the third quarter of 2019 from -0.2% in the previous three months with the annual rate falling further below its trend rate to 1.0% from 1.2%. Services and construction added positively to growth, by 0.6% and 0.4% respectively, while production was flat and agriculture recorded a fall of 0.2%. Looking ahead, the Bank of England's Monetary Policy Report (formerly the Quarterly Inflation Report) forecasts economic growth to pick up during 2020 as EU Exit-related uncertainties dissipate and provide a boost to business investment helping GDP reach 1.6% in Q4 2020, 1.8% in Q4 2021 and 2.1% in Q4 2022.

The Bank of England maintained Bank Rate to 0.75% in November following a 7-2 vote by the Monetary Policy Committee. Despite keeping rates on hold, MPC members did confirm that if EU Exit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report suggest the Committee may now be less convinced of the need to increase rates even if there is a EU Exit deal.

Growth in Europe remains soft, driven by a weakening German economy which saw GDP fall -0.1% in Q2 and is expected to slip into a technical recession in Q3. Euro zone inflation was 0.8% year on year in September, well below the European Central Bank's target of 'below, but

close to 2%' and leading to the central bank holding its main interest rate at 0% while cutting the deposit facility rate to -0.5%. In addition to maintaining interest rates at ultra-low levels, the ECB announced it would recommence its quantitative easing programme from November.

In the US, the Federal Reserve began easing monetary policy again in 2019 as a pre-emptive strike against slowing global and US economic growth on the back on of the ongoing trade war with China. At its last meeting the Fed cut rates to the range of 1.50-1.75% and financial markets expect further loosening of monetary policy in 2020. US GDP growth slowed to 1.9% annualised in Q3 from 2.0% in Q2.

**Credit outlook:** Credit conditions for larger UK banks have remained relatively benign over the past year. The UK's departure from the European Union was delayed three times in 2019 and while there remains some concern over a global economic slowdown, this has yet to manifest in any credit issues for banks. Meanwhile, the post financial crisis banking reform is now largely complete, with the new ringfenced banks embedded in the market.

Challenger banks hit the news headlines in 2019 with Metro Bank and TSB Bank both suffering adverse publicity and falling customer numbers.

Looking forward, the potential for a "no-deal" EU Exit and/or a global recession remain the major risks facing banks and building societies in 2020/21 and a cautious approach to bank deposits remains advisable.

**Interest rate forecast:** The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will remain at 0.75% until the end of 2022. The risks to this forecast are deemed to be significantly weighted to the downside, the need for greater clarity on EU Exit and the continuing global economic slowdown. The Bank of England, having previously indicated interest rates may need to rise if a EU Exit agreement was reached, stated in its November Monetary Policy Report and its Bank Rate decision (7-2 vote to hold rates) that the MPC now believe this is less likely even in the event of a deal.

Gilt yields have risen but remain at low levels and only some very modest upward movement from current levels are expected based on Arlingclose's interest rate projections. The central case is for 10-year and 20-year gilt yields to rise to around 1.00% and 1.40% respectively over the time horizon, with broadly balanced risks to both the upside and downside. However, short-term volatility arising from both economic and political events over the period is a near certainty.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Annex D1.

For the purpose of setting the budget, it has been assumed that new treasury management investments will be made at an average rate of 0.62%, and that new loans will be borrowed at an average rate of 0.79%.

## Local Context

On 30<sup>th</sup> November 2019, the Authority held £110m of long and short term borrowing and £11m of treasury investments. This is set out in further detail at Annex D2. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

*Table 1: Balance sheet summary and forecast*

	<b>31.3.19</b>	<b>31.3.20</b>	<b>31.3.21</b>	<b>31.3.22</b>	<b>31.3.23</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>
General Fund CFR	57	64	72	94	103
HRA CFR	85	83	81	78	76
<b>Total CFR</b>	<b>142</b>	<b>147</b>	<b>153</b>	<b>172</b>	<b>179</b>
Less: PFI	(5)	(5)	(4)	(4)	(4)
<b>Loans CFR</b>	<b>137</b>	<b>142</b>	<b>149</b>	<b>168</b>	<b>175</b>
Less: External borrowing *	(116)	(103)	(102)	(115)	(113)
<b>Internal borrowing</b>	<b>21</b>	<b>39</b>	<b>47</b>	<b>53</b>	<b>62</b>
Less: Usable reserves	(26)	(22)	(22)	(21)	(21)
Less: Working capital	(10)	(10)	(10)	(10)	(10)
<b>Investments/(new borrowing)</b>	<b>15</b>	<b>(7)</b>	<b>(15)</b>	<b>(22)</b>	<b>(31)</b>

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

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.

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 2020/21.

**Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. 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>31.3.19</b>	<b>31.3.20</b>	<b>31.3.21</b>	<b>31.3.22</b>	<b>31.3.23</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	137	142	149	168	175
Less: Usable reserves	(26)	(22)	(22)	(21)	(21)
Less: Working capital	(10)	(10)	(10)	(10)	(10)
Plus: Minimum investments	10	10	10	10	10
<b>Liability Benchmark</b>	<b>111</b>	<b>120</b>	<b>127</b>	<b>147</b>	<b>154</b>

Following on from the medium-term forecasts in table 2 above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £4.8m in 20/21, minimum revenue provision on new capital expenditure is assessed on a project by project basis. For more information please refer to the MRP Policy.

### **Borrowing Strategy**

The Authority currently holds £110 million of loans, an increase of £6 million on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Authority expects to increase borrowing up to £117m in 2020/21. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £300 million.

**Objectives:** 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:** 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.

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 2020/21 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Authority has previously raised the majority of its long-term borrowing from the PWLB but the government increased PWLB rates by 1% in October 2019 making it now a relatively expensive option. The Authority will now look to borrow any 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.

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.

In addition, the Authority may borrow further short-term loans to cover unplanned cash flow shortages.

**Sources of borrowing:** The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- 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

**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:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be 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 to full Council.

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

### **Investment Strategy**

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 investment balance has ranged between £10 and £18 million, and similar levels are expected to be maintained in the forthcoming year.

**Objectives:** The CIPFA Code requires the Authority to invest its 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.

**Negative interest rates:** If the UK enters into a recession in 2020/21, there is a small chance that the Bank of England could 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. This situation already exists in many other European countries. 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.

**Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to further diversify into more secure and/or higher yielding asset classes during 2020/21. All of the Authority’s surplus cash remains invested in short-term loans with other local authorities and money market funds.

**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 internally managed 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:** The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the cash limits (per counterparty) and the time limits shown.

*Table 3: Approved investment counterparties and limits*

General Counterparty List	Credit Rating	Cash Limit	Time limit
Banks and other organisations whose lowest published long-term credit rating from the credit rating agencies is BBB+ or higher, per bank	AAA	£2m	365 days
	AA+	£2m	365 days
	AA-	£2m	365 days
	A+	£2m	365 days
	A	£2m	365 days
	A-	£2m	182 days
	BBB+	£2m	100 days
Councils Consolidated Account’s excluding the deposit account		£2m	Next day
UK Central Government	n/a	Unlimited	50 years
UK Local Authorities including Police and Fire (irrespective of credit rating) per authority	n/a	£3m	730 days
UK Building societies without credit ratings	n/a	£2m	100 days
Saffron Building Society	n/a	£0.5m	100 days
Money Market Funds, per fund	AAA	£2m	Next day

**Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. 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.

**Banks 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.

**Banks secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they 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 to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

**Government:** Loans, 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 Central Government may be made in unlimited amounts for up to 50 years.

**Registered providers:** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly 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.

**Pooled funds:** Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds 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.

**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.

**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. 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.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") 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.

**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.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, 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 via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned but will protect the principal sum invested.

**Investment limits:** The Authority’s revenue reserves available to cover investment losses are forecast to be £17 million on 31<sup>st</sup> March 2020. In order that no more than 15% 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 £2m million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors 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: Investment limits*

	<b>Cash limit</b>
Any single organisation, except the UK Central Government	£2m each
UK Central Government	unlimited
UK Local Authorities	£50m in total
Any group of organisations under the same ownership	£2m per group
Any group of pooled funds under the same management	£2m per manager
Unsecured investments with building societies	£2m in total
Money market funds	£10m in total

**Liquidity management:** The Authority uses purpose-built cash flow forecasting spreadsheets 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.

### **Treasury Management Indicators**

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

**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.

<b>Credit risk indicator</b>	<b>Target</b>
Portfolio average credit rating	A

**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

**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:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£250,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£250,000

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

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

Refinancing rate risk indicator	Upper Limit
Under 12 months	50%
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.

**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:

Price risk indicator	2020/21	2021/22	2022/23
Limit on principal invested beyond year end	£10m	£10m	£10m

## **Related Matters**

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

**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).

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.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

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:** On 1st 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:** 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**

The budget for the General Fund short term investment income on average cash balances in 2020/21 is £80,000 based on its share of the of the average investment portfolio of £12 million at an average interest rate of 0.78%. The budget for general fund loan income is £2.3 million

from the loans to Aspire at an interest rates of 4 and 4.5%. The budget for interest received from 'investment 2' is £0.5million.

The budget for general fund short term debt interest paid in 2020/21 is £0.254 million at an average rate of 0.81%, and the budget for long-term debt interest paid is £0.537million at a rate of 2.86%, based on an average total debt portfolio of £26 million.

#### HRA

The budget for HRA investment income on average cash balances in 2020/21 is £13,000, based on its share of an average investment portfolio of £12million at an average interest rate of 0.78%. The budget for long term debt interest paid in 2020/21 is £2.6 million based on an average debt portfolio of 84.4 million at an average rate of 2.98%

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

#### **Other Options Considered**

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

## **Annex D1 – Arlingclose Economic & Interest Rate Forecast November 2019**

### **Underlying assumptions:**

- The global economy is entering a period of slower growth in response to political issues, primarily the trade policy stance of the US. The UK economy has displayed a marked slowdown in growth due to both EU Exit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations have eased.
- Some positivity on the trade negotiations between China and the US has prompted worst case economic scenarios to be pared back. However, information is limited, and upbeat expectations have been wrong before.
- EU Exit has been delayed until 31 January 2020. While the General Election has maintained economic and political uncertainty, the opinion polls suggest the Conservative position in parliament may be strengthened, which reduces the chance of EU Exit being further frustrated. A key concern is the limited transitional period following a January 2020 exit date, which will maintain and create additional uncertainty over the next few years.
- UK economic growth has stalled despite Q3 2019 GDP of 0.3%. Monthly figures indicate growth waned as the quarter progressed and survey data suggest falling household and business confidence. Both main political parties have promised substantial fiscal easing, which should help support growth.
- While the potential for divergent paths for UK monetary policy remain in the event of the General Election result, the weaker external environment severely limits potential upside movement in Bank Rate, while the slowing UK economy will place pressure on the MPC to loosen monetary policy. Indeed, two MPC members voted for an immediate cut in November 2019.
- Inflation is running below target at 1.7%. While the tight labour market risks medium-term domestically-driven inflationary pressure, slower global growth should reduce the prospect of externally driven pressure, although political turmoil could push up oil prices.
- Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

### **Forecast:**

- Although we have maintained our Bank Rate forecast at 0.75% for the foreseeable future, there are substantial risks to this forecast, dependant on General Election outcomes and the evolution of the global economy.
- Arlingclose judges that the risks are weighted to the downside.
- Gilt yields have risen but remain low due to the soft UK and global economic outlooks. US monetary policy and UK government spending will be key influences alongside UK monetary policy.
- We expect gilt yields to remain at relatively low levels for the foreseeable future and judge the risks to be broadly balanced.

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Average
<b>Official Bank Rate</b>														
Upside risk	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.21
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73
<b>3-month money market rate</b>														
Upside risk	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.25
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73
<b>1yr money market rate</b>														
Upside risk	0.10	0.20	0.20	0.20	0.20	0.20	0.20	0.25	0.30	0.30	0.30	0.30	0.30	0.23
Arlingclose Central Case	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
Downside risk	-0.30	-0.50	-0.55	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.60
<b>5yr gilt yield</b>														
Upside risk	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.45	0.45	0.45	0.37
Arlingclose Central Case	0.50	0.50	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57
Downside risk	-0.35	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.56
<b>10yr gilt yield</b>														
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	0.75	0.75	0.80	0.80	0.85	0.85	0.90	0.90	0.95	0.95	1.00	1.00	1.00	0.88
Downside risk	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.45
<b>20yr gilt yield</b>														
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	1.20	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.30
Downside risk	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.45
<b>50yr gilt yield</b>														
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	1.20	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.30
Downside risk	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.45

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 1.80%

PWLB Local Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

## Annex D2 – Existing Investment & Debt Portfolio Position

	<b>30/11/2019 Actual Portfolio £m</b>	<b>30/11/2019 Average Rate %</b>
<b>External Borrowing:</b>		
Public Works Loans Board	84	2.88
Local Authorities	16	0.83
Phoenix Life Ltd	10	2.86
<b>Total External Borrowing</b>	<b>110</b>	
<b>Other Long term Liabilities:</b>		
Private Finance Initiative	4.5	8.29
<b>Total gross external debt</b>	<b>114.5</b>	
<b>Treasury Investments:</b>		
Banks and Building Societies (unsecured)	2.9	0.15
Government (incl. local authorities)	8	0.75
Money Market Funds	3	0.73
<b>Total Treasury Investments</b>	<b>13.9</b>	
<b>Net Debt</b>	<b>100.6</b>	

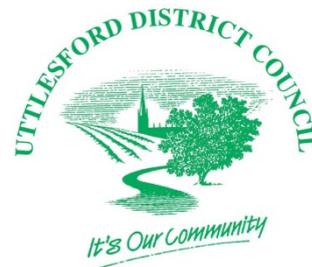


Appendix E

# Uttlesford District Council Capital Strategy 2020/21



Prepared by:  
Finance  
Uttlesford District Council  
February 2020



## Introduction

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.

Decisions made this year on capital and treasury management will have financial consequences for the Council 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

Capital expenditure is where the Council spends money on assets, such as property or vehicles, which 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 Council 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 Council's approach on capitalisation, see: Statement of Accounts 2018/19 Accounting Policies

In 2020/21, the Council is planning capital expenditure of £25m as summarised below:

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

	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
General Fund services	2	7	5	1	1
Council housing (HRA)	8	9	11	6	6
Capital investments	3	4	9	23	10
<b>TOTAL</b>	<b>13</b>	<b>20</b>	<b>25</b>	<b>30</b>	<b>17</b>

The main General Fund capital projects include vehicles replacement programme, asset maintenance programme and ICT development. The Council also plans to incur £9m of capital expenditure in 2020/21 on phase 1 of investment 2.

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 and purchase of over 115 new homes over the forecast period.

**Governance:** Service managers bid annually in September to include projects in the Council'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 appraise all bids based on a comparison of service priorities against financing costs and make recommendations to Corporate Management Team. The final capital programme is then presented to Cabinet and to Council in February each year.

- Full details of the Council's Capital Programme is set out in Appendix F

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council'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*

	<b>2018/19 actual</b>	<b>2019/20 forecast</b>	<b>2020/21 budget</b>	<b>2021/22 budget</b>	<b>2022/23 budget</b>
External sources	2	1	0	1	0
Own resources	8	11	14	6	7
Debt	3	8	11	23	10
<b>TOTAL</b>	<b>13</b>	<b>20</b>	<b>25</b>	<b>30</b>	<b>17</b>

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), the full MRP statement is attached as Annex B1. 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 debt finance in £ millions*

	<b>2018/19 actual</b>	<b>2019/20 forecast</b>	<b>2020/21 budget</b>	<b>2021/22 budget</b>	<b>2022/23 budget</b>
Own resources	3	3	4	4	3

- The Council's full minimum revenue provision statement is attached as Annex E1

The Council'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 £6m during 2020/21. Based on the above figures for expenditure and financing, the Council's estimated CFR is set out in the following table:

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

	31/3/2019 actual	31/3/2020 forecast	31/3/2021 budget	31/3/2022 budget	31/3/2023 budget
General Fund services	7	10	9	9	8
Council housing (HRA)	85	83	81	79	77
Capital investments	50	54	63	85	94
<b>TOTAL CFR</b>	<b>142</b>	<b>147</b>	<b>153</b>	<b>173</b>	<b>179</b>

**Asset disposals:** When a capital asset is no longer considered necessary, 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 £4m of capital receipts in the coming financial year as follows:

*Table 5: Capital receipts receivable in £ millions*

	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
Asset sales	2	2	2	2	2
Loans etc. repaid	2	2	2	2	2
<b>TOTAL</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>

## Treasury Management

Treasury management is concerned with maintaining sufficient but not excessive cash available to meet the Council'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 Council 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. Cash balances being used can be repaid or financed through MRP this is referred to as internal borrowing, this is only applied to short-term assets or long-term assets over the short-term as set out in the Accounting Policy in statement of accounts. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

The Council currently has £96.4m long term borrowing and £11m of treasury investments at an average rate of 0.58%.

**Borrowing strategy:** The Council'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 Council therefore seeks to strike a balance between

low cost short-term loans (currently available at around 0.75%) and long-term fixed rate loans where the future cost is known but higher (currently 2.0 to 3.0%).

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

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

	31/3/2019 actual	31/3/2020 forecast	31/3/2021 budget	31/3/2022 budget	31/3/2023 budget
Debt (incl. PFI & leases)	120	108	106	119	117
Capital Financing Requirement	142	147	153	173	179

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 Council expects to comply with this in the medium term.

**Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This benchmark is currently £111m and is forecast to rise to £147m over the next three years.

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

	31/3/2019 actual	31/3/2020 forecast	31/3/2021 budget	31/3/2022 budget	31/3/2023 budget
Outstanding borrowing	116	103	102	115	113
Liability benchmark	111	120	127	147	154

The table shows that the Council expects to remain borrowed under its liability benchmark. This is due to an approved decision to borrow additional sums for further investment in the Council's subsidiaries in the current year.

**Affordable borrowing limit:** The Council 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 to act as a warning level should debt approach the limit.

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

	2019/20 limit	2020/21 limit	2021/22 limit	2022/23 limit
Authorised limit – borrowing	295	295	296	296
Authorised limit – PFI and leases	5	5	4	4
Authorised limit – total external debt	300	300	300	300
Operational boundary – borrowing	295	295	296	296
Operational boundary – PFI and leases	5	5	4	4
Operational boundary – total external debt	300	300	300	300

- Further details on borrowing are detailed in the Treasury Management Strategy (Appendix D)

**Treasury investment strategy:** 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.

The Council’s policy on treasury investments is to prioritise security and liquidity over yield, 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 (DMO), 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 Council may request its money back at short notice. Further details on borrowing are detailed in the Treasury Management Strategy (Appendix D).

**Risk management:** The effective management and control of risk are prime objectives of the Council’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.

**Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and Corporate Services and suitable trained members of the Finance Team, 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

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.

The current investments for service purposes are valued at £52.6m giving the Council an annual net return of £1.6m in the financial year 2018/19.

**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 specified criteria. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

## **Commercial Activities**

With central government financial support for local public services declining, the Council invests in commercial property to support the services currently provided and lends to its subsidiary trading under the Aspire name for the same reason. The Council itself plans on making commercial investments totalling £32m over the 5 year strategy of which in year one the Council forecasts a return of approximately 6%.

With financial return to support the budget 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 developing a varied commercial property portfolio and regularly monitoring of forecasted income.

**Governance:** Decisions on commercial investments are set out in the Commercial Strategy (Appendix B), which is approved by Full Council in the Commercial Strategy. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.

## **Liabilities**

In addition to debt of £52.6m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £30.8m).

**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**

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.

*Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream*

	<b>2018/19 actual</b>	<b>2019/20 forecast</b>	<b>2020/21 budget</b>	<b>2021/22 budget</b>	<b>2022/23 budget</b>
Financing costs (£m)	6	6	7	7	7
Proportion of net revenue stream	23.32%	25.97%	25.54%	28.28%	29.20%

**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**

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.

Where Council staff do 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.

### Annual Minimum Revenue Provision Statement – 2020/21

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:

#### Capital Projects

**Asset life method** – For new unsupported capital expenditure for assets with short lives i.e. vehicles and IT MRP will be determined by the life of the asset and charged in equal instalments in line with depreciation.

**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 a maximum of 50 years if the projected residual value is below the original expenditure and will be calculated on the balance spread over the remaining of the 50 years since acquisition. If the projected residual value is above the original expenditure then no MRP will be charged.

##### **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.

### Minimum Revenue Provision 2020/21 financial year estimates

For 2020/21 the following table illustrates the Capital Financing Requirement (CFR) which underpins the Minimum Revenue Provisions.

	Estimated CFR 31/03/2020 £'000	Estimated CFR 31/03/2021 £'000	Estimated CFR 31/03/2022 £'000	Estimated MRP 2020/21 £'000
Capital Expenditure before 01/04/2008	0	0	0	0
Unsupported Capital Expenditure after 31/03/2008	64,136	68,437	89,691	1,070
Finance Leases and Private Finance Initiative	4,487	4,345	4,191	142
<b>Total General Fund</b>	<b>68,623</b>	<b>72,782</b>	<b>93,882</b>	<b>1,212</b>
Assets in the Housing Revenue Account	1,000	1,000	0	1,000
HRA Subsidy Reform Payment	84,622	80,834	78,834	2,000
<b>Total Housing Revenue Account</b>	<b>85,622</b>	<b>81,834</b>	<b>78,834</b>	<b>3,000</b>
<b>Total</b>	<b>154,245</b>	<b>154,616</b>	<b>172,716</b>	<b>4,212</b>

For the financial year 2020/21 the following investment schemes have been analysed for MRP requirements:

Aspire (CRP) Ltd loans for investment

Total years	50
	£
Investment total (including all fees)	47,473,000
Residual value	49,790,000
	(2,317,000)
<b>MRP charged</b>	<b>0</b>

Aspire (CRP) loans for fit-out

Total years	20
	£
Investment total (including all fees)	4,250,000
Residual value	0
	4,250,000
<b>MRP charged</b>	<b>212,500</b>

Investment 2

Total years	50
	£
Investment total (including all fees)	31,424,848
Residual value	32,500,000
	(1,075,152)
<b>MRP charged</b>	<b>0</b>

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**Capital Programme – 2020/21 – 2024/25**

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**Summary**

1. The Capital programme is for the 5 year period, 1 April 2020 to 31 March 2025 and the predicted spend for the General Fund and Housing Revenue Account is £76.217 million.
2. Capital Expenditure relates to spending on schemes and assets that have a long term value and exceeds cost of £10,000.
3. The programme details planned Capital Expenditure on the Council's buildings, vehicles and ICT assets.
4. The programme includes Capital Grants to other organisations and individuals.
5. The programme is for both General Fund and Housing Revenue Account assets and schemes.

**Financial Implications**

6. The revenue costs of financing the Capital Programme have been built into the HRA and General Fund budgets detailed elsewhere on the agenda.

**Capital Programme 2020/21 – 2024/25**

7. Annex F1 shows a summary table of all the capital projects and their costs for each year.
8. Annex F2 details all the capital programmes by Portfolio and gives details of the type of expenditure and the scheduled programme of works for each year.
9. Annex F3 details how the Capital Programme is being financed.
10. The Capital Programme is an evolving and rolling programme year on year.
11. The schemes of works detailed in the programme are proposed to be funded by the following means:
  - Grants
  - Revenue contributions
  - Capital receipts and internal borrowing
  - 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 housing repairs budget.

13. A regular update on the capital programme and associated financing is included in the Budget Monitoring reports presented to Cabinet throughout the year.
14. The robustness of the capital programme and a review of each scheme have been undertaken by the officers of the Capital Programme Working Group at regular intervals.
15. The total predicted cost of the 5 year capital programme from 1 April 2020 to 31 March 2025 is £76.217 million. The breakdown of the expenditure between accounts is;
- General Fund - £ 5.699 million
  - Investments - £40.925 million
  - Housing Revenue - £29.593 million
16. The predicted cost of the capital programme for 2020/21 is £17.273 million. The breakdown of spend between accounts is;
- General Fund - £1.890 million
  - Investments - £8.386 million
  - Housing Revenue - £6.997 million
17. Investments relate to the financial assets as detailed in the Commercial Strategy and the Capital Strategy.

## 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

Risk	Likelihood	Impact	Mitigating actions
Failure to identify capital budget pressures and/or funding not realised	2- Unlikely as all projects fully funded	2 – would require a drawdown on reserves	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

## ANNEX F1 – 5 YEAR CAPITAL PROGRAMME SUMMARY

### Expenditure

CAPITAL PROGRAMME SUMMARY 2019/20 to 2024/25 £000	2019/20 Current Budget	2019/20 Forecast Spend P7	2019/20 Proposed Slippage to 2020/21	2020/21 Original	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2020/2025 Total
<b>General Fund Capital Schemes</b>									
Communities and Partnerships	164	220	0	125	110	110	110	110	565
Environmental Services	3,243	3,269	0	1,025	190	852	125	142	2,334
Finance & Administration	5,589	3,037	2,563	460	235	235	235	235	1,400
Housing and Economic Development	955	355	600	280	280	280	280	280	1,400
<b>Sub Total</b>	<b>9,951</b>	<b>6,881</b>	<b>3,163</b>	<b>1,890</b>	<b>815</b>	<b>1,477</b>	<b>750</b>	<b>767</b>	<b>5,699</b>
Investments	0	4,250	0	8,386	23,039	9,500	0	0	40,925
<b>Sub Total</b>	<b>0</b>	<b>4,250</b>	<b>0</b>	<b>8,386</b>	<b>23,039</b>	<b>9,500</b>	<b>0</b>	<b>0</b>	<b>40,925</b>
<b>Housing Revenue Account Capital Schemes</b>									
HRA Capital	12,855	9,091	3,722	6,997	5,649	5,649	5,649	5,649	29,593
<b>Sub Total</b>	<b>12,855</b>	<b>9,091</b>	<b>3,722</b>	<b>6,997</b>	<b>5,649</b>	<b>5,649</b>	<b>5,649</b>	<b>5,649</b>	<b>29,593</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>22,806</b>	<b>20,222</b>	<b>6,885</b>	<b>17,273</b>	<b>29,503</b>	<b>16,626</b>	<b>6,399</b>	<b>6,416</b>	<b>76,217</b>

### Financing

CAPITAL PROGRAMME 2019/20 to 2024/25 £000	2019/20 Current Budget	2019/20 Forecast Spend P7	2019/20 Proposed Slippage to 2020/21	2020/21 Original	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2020/2025 Total
<b>General Fund</b>									
Grants and External Contributions	208	284	0	200	200	200	200	200	1,000
Revenue Contributions (RCCO)	6,428	3,815	3,163	459	209	120	49	16	853
Capital Receipts	0	0	0	261	271	340	411	429	1,712
Internal Borrowing	3,315	3,315	0	970	135	817	90	122	2,134
External Borrowing	0	3,717	0	8,386	23,039	9,500	0	0	40,925
<b>General Fund Sub Total</b>	<b>9,951</b>	<b>11,131</b>	<b>3,163</b>	<b>10,276</b>	<b>23,854</b>	<b>10,977</b>	<b>750</b>	<b>767</b>	<b>46,624</b>
<b>Housing Revenue Account (HRA)</b>									
Grants and External Contributions	571	717	0	0	0	0	0	0	0
Revenue Contributions	2,901	1,739	0	1,325	505	450	450	450	3,180
Capital Receipts	1,950	1,777	1,056	975	600	600	600	600	3,375
Funded from Reserves	2,186	873	1,666	0	0	0	0	0	0
Major Repairs Contribution	4,247	3,985	0	4,697	4,544	4,599	4,599	4,599	23,038
Borrowing	1,000	0	1,000	0	0	0	0	0	0
<b>HRA Sub Total</b>	<b>12,855</b>	<b>9,091</b>	<b>3,722</b>	<b>6,997</b>	<b>5,649</b>	<b>5,649</b>	<b>5,649</b>	<b>5,649</b>	<b>29,593</b>
<b>Total Capital Financing</b>	<b>22,806</b>	<b>20,222</b>	<b>6,885</b>	<b>17,273</b>	<b>29,503</b>	<b>16,626</b>	<b>6,399</b>	<b>6,416</b>	<b>76,217</b>

**ANNEX F2 – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO**

COMMUNITIES & PARTNERSHIPS 2019/20 to 2024/25	2019/20 Current Budget	2019/20 Forecast Spend P7	2019/20 Proposed Slippage to 2020/21	2020/21 Original	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2020/2025 Total
£000									
S/W Castle - Motte & Bailey	54	110	0	0	0	0	0	0	0
Community Project Grants	110	110	0	110	110	110	110	110	550
Tree Planting	0	0	0	15	0	0	0	0	15
<b>Sub Total</b>	<b>164</b>	<b>220</b>	<b>0</b>	<b>125</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>565</b>
<b>PORTFOLIO TOTAL</b>	<b>164</b>	<b>220</b>	<b>0</b>	<b>125</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>565</b>

ENVIRONMENTAL SERVICES 2019/20 to 2024/25	2019/20 Current Budget	2019/20 Forecast Spend P7	2019/20 Proposed Slippage to 2020/21	2020/21 Original	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2020/2025 Total
£000									
Vehicle Replacement Programme	2,996	2,996	0	880	45	727	0	32	1,684
Household Bins	70	70	0	70	70	70	70	70	350
Kitchen Caddies	10	10	0	10	10	10	10	10	50
Garden Waste Bins	20	20	0	20	20	20	20	20	100
Trade Waste Bins	30	30	0	30	30	10	10	10	90
Car Parking Machine Replacement	92	92	0	0	0	0	0	0	0
Electric Car Charges	0	10	0	15	15	15	15	0	60
Grounds Maintenance Equipment	0	16	0	0	0	0	0	0	0
White Street Car Park	25	25	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>3,243</b>	<b>3,269</b>	<b>0</b>	<b>1,025</b>	<b>190</b>	<b>852</b>	<b>125</b>	<b>142</b>	<b>2,334</b>
<b>PORTFOLIO TOTAL</b>	<b>3,243</b>	<b>3,269</b>	<b>0</b>	<b>1,025</b>	<b>190</b>	<b>852</b>	<b>125</b>	<b>142</b>	<b>2,334</b>

## ANNEX F2 – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO

FINANCE & ADMINISTRATION 2019/20 to 2024/25	2019/20 Current Budget	2019/20 Forecast Spend P7	2019/20 Proposed Slippage to 2020/21	2020/21 Original	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2020/2025 Total
£000									
ICT									
Minor Items IT	20	20	0	20	20	20	20	20	100
PCI Compliance	48	48	0	20	20	20	20	20	100
PSN CoCo	50	50	0	30	30	30	30	30	150
Core switches - Replacement	24	24	0	0	0	0	0	0	0
Replacement Electoral System	60	60	0	0	0	0	0	0	0
Hot Desking/Mobile working	96	96	0	0	0	0	0	0	0
Asset Management System	30	30	0	0	0	0	0	0	0
Cyber Security	32	32	0	20	20	20	20	20	100
Grounds Maintenance & Vehicle Systems	95	95	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	21	21	0	0	0	0	0	0	0
Members IT Equipment	30	30	0	0	0	0	0	0	0
Mobile / Web Payments	40	40	0	0	0	0	0	0	0
Network Monitoring & Threat Protection	30	30	0	0	0	0	0	0	0
Scanner Replacement	0	0	0	30	0	0	0	0	30
Sharepoint	0	0	0	30	0	0	0	0	30
WiFi	0	0	0	50	0	0	0	0	50
Northgate Housing Assets	0	0	0	20	0	0	0	0	20
<b>Sub Total</b>	<b>597</b>	<b>597</b>	<b>0</b>	<b>220</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>580</b>
<b>Council Asset Works</b>									
Council Offices Improvements (General)	173	173	0	120	120	120	120	120	600
Single Depot	4,563	2,000	2,563	0	0	0	0	0	0
Day Centre Cyclical Improvements	73	73	0	25	25	25	25	25	125
Guildhall Buildings Works	0	11	0	0	0	0	0	0	0
Museum Buildings	49	49	0	0	0	0	0	0	0
London Road Heating	36	36	0	0	0	0	0	0	0
London Road Electrical	71	71	0	0	0	0	0	0	0
London Road - Fire Alarm Upgrade	0	0	0	50	0	0	0	0	50
London Road - LED Lighting	0	0	0	45	0	0	0	0	45
<b>Sub Total</b>	<b>4,965</b>	<b>2,413</b>	<b>2,563</b>	<b>240</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>820</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>5,589</b>	<b>3,037</b>	<b>2,563</b>	<b>460</b>	<b>235</b>	<b>235</b>	<b>235</b>	<b>235</b>	<b>1,400</b>

**ANNEX F2 – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO**

<b>HOUSING &amp; ECONOMIC DEVELOPMENT 2019/20 to 2024/25</b>	<b>2019/20 Current Budget</b>	<b>2019/20 Forecast Spend P7</b>	<b>2019/20 Proposed Slippage to 2020/21</b>	<b>2020/21 Original</b>	<b>2021/22 Forecast</b>	<b>2022/23 Forecast</b>	<b>2023/24 Forecast</b>	<b>2024/25 Forecast</b>	<b>2020/2025 Total</b>
<b>£000</b>									
Disabled Facilities Grants	260	260	0	200	200	200	200	200	1,000
Empty Dwellings	10	10	0	10	10	10	10	10	50
Private Sector Renewal Grants	70	70	0	70	70	70	70	70	350
Compulsory Purchase Order	0	0	0	0	0	0	0	0	0
Superfast Broadband	600	0	600	0	0	0	0	0	0
Air Quality Monitoring	15	15	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>955</b>	<b>355</b>	<b>600</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>1,400</b>
<b>PORTFOLIO TOTAL</b>	<b>955</b>	<b>355</b>	<b>600</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>1,400</b>

<b>INVESTMENTS 2019/20 to 2024/25</b>	<b>2019/20 Current Budget</b>	<b>2019/20 Forecast Spend P7</b>	<b>2019/20 Proposed Slippage to 2020/21</b>	<b>2020/21 Original</b>	<b>2021/22 Forecast</b>	<b>2022/23 Forecast</b>	<b>2023/24 Forecast</b>	<b>2024/25 Forecast</b>	<b>2020/2025 Total</b>
<b>£000</b>									
Aspire - CRP Infrastructure	0	4,250	0	0	0	6,000	0	0	6,000
Aspire - CRP Fit out	0	0	0	0	0	3,500	0	0	3,500
Investment 2	0	0	0	8,386	23,039	0	0	0	31,425
<b>Sub Total</b>	<b>0</b>	<b>4,250</b>	<b>0</b>	<b>8,386</b>	<b>23,039</b>	<b>9,500</b>	<b>0</b>	<b>0</b>	<b>40,925</b>
<b>PORTFOLIO TOTAL</b>	<b>0</b>	<b>4,250</b>	<b>0</b>	<b>8,386</b>	<b>23,039</b>	<b>9,500</b>	<b>0</b>	<b>0</b>	<b>40,925</b>

## ANNEX F2 – 5 YEAR CAPITAL PROGRAMME BY PORTFOLIO

HOUSING REVENUE ACCOUNT 2019/20 to 2024/25  £000	2019/20 Current Budget	2019/20 Forecast Spend P7	2019/20 Proposed Slippage to 2020/21	2020/21 Original	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2020/2025 Total
<b>Annual Programme of Works</b>									
Annual maintaining of the housing stock	3,499	3,529	0	3,597	3,499	3,499	3,499	3,499	17,593
<b>Sub Total</b>	<b>3,499</b>	<b>3,529</b>	<b>0</b>	<b>3,597</b>	<b>3,499</b>	<b>3,499</b>	<b>3,499</b>	<b>3,499</b>	<b>17,593</b>
<b>Other</b>									
UPVC Fascia's and Guttering	100	100	0	100	100	100	100	100	500
Cash Incentive Scheme Grant	50	50	0	50	50	50	50	50	250
HRA IT - Contingency	20	20	0	0	0	0	0	0	0
Light Vans Replacement Programme	183	0	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>353</b>	<b>170</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	0	0	0	0	2,000	2,000	2,000	6,000
Developer Sites / Market Properties	975	1,610	0	0	0	0	0	0	0
Sheds Lane	15	15	0	0	0	0	0	0	0
Newton Grove	322	322	0	0	0	0	0	0	0
Frambury Lane	538	538	0	0	0	0	0	0	0
The Moors (RTB)	1,596	135	980	0	0	0	0	0	0
The Moors (non-RTB)	1,596	135	980	0	0	0	0	0	0
Thaxted Road	150	150	0	2,350	650	0	0	0	3,000
Great Chesterford	1,300	1,350	0	900	1,350	0	0	0	2,250
<b>Sheltered Redevelopments</b>									
Reynolds Court	110	110	0	0	0	0	0	0	0
Hatherley Court	482	869	0	0	0	0	0	0	0
Walden Place	1,787	25	1,762	0	0	0	0	0	0
<b>Other Schemes</b>									
Resurfacing Trunk Roads	133	133	0						0
<b>Sub Total</b>	<b>9,003</b>	<b>5,392</b>	<b>3,722</b>	<b>3,250</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>11,250</b>
<b>PORTFOLIO TOTAL</b>	<b>12,855</b>	<b>9,091</b>	<b>3,722</b>	<b>6,997</b>	<b>5,649</b>	<b>5,649</b>	<b>5,649</b>	<b>5,649</b>	<b>29,593</b>

**ANNEX F3 – CAPITAL FINANCING**

<b>CAPITAL PROGRAMME 2019/20 to 2024/25 £000</b>	<b>2019/20 Current Budget</b>	<b>2019/20 Forecast Spend P7</b>	<b>2019/20 Proposed Slippage to 2020/21</b>	<b>2020/21 Original</b>	<b>2021/22 Forecast</b>	<b>2022/23 Forecast</b>	<b>2023/24 Forecast</b>	<b>2024/25 Forecast</b>	<b>2020/2025 Total</b>
<b>General Fund</b>									
Disabled Facilities Grant	208	208	0	200	200	200	200	200	1,000
PLACE Scheme funding	0	0	0	0	0	0	0	0	0
General Fund Capital Receipts	0	0	0	261	271	340	411	429	1,712
Third Party Contributions	0	76	0	0	0	0	0	0	0
<b>Revenue Funding</b>									
Communities and Partnerships	164	160	0	15	0	0	0	0	15
Environmental Services	525	535	0	139	129	60	49	0	377
Finance & Administration	4,992	2,440	2,563	225	0	0	0	0	225
Housing and Economic Development	747	147	600	80	80	60	0	16	236
Internal Borrowing	3,315	3,315	0	970	135	817	90	122	2,134
<b>Sub Total - General Fund</b>	<b>9,951</b>	<b>6,881</b>	<b>3,163</b>	<b>1,890</b>	<b>815</b>	<b>1,477</b>	<b>750</b>	<b>767</b>	<b>5,699</b>
<b>Investment</b>									
RCCO	0	533	0	0	0	0	0	0	0
Borrowing	0	3,717	0	8,386	23,039	9,500	0	0	40,925
<b>Sub Total - General Fund</b>	<b>0</b>	<b>4,250</b>	<b>0</b>	<b>8,386</b>	<b>23,039</b>	<b>9,500</b>	<b>0</b>	<b>0</b>	<b>40,925</b>
<b>Housing Revenue Account</b>									
<b>Business Plan Schemes</b>									
Funded from reserves	1,983	799	1,666	0	0	0	0	0	0
Major Repairs Contribution	648	410	0	1,000	945	1,000	1,000	1,000	4,945
HRA Revenue Funding - RCCO	2,290	1,689	0	1,275	455	400	400	400	2,930
HCA Grant Funding	571	0	0	0	0	0	0	0	0
Contribution	561	717	0	0	0	0	0	0	0
Capital Receipts - RTB	1,450	1,277	294	975	600	600	600	600	3,375
Capital Receipts - Other	500	500	762	0	0	0	0	0	0
Borrowing requirement	1,000	0	1,000	0	0	0	0	0	0
<b>Sub Total - Business Plan Schemes</b>	<b>9,003</b>	<b>5,392</b>	<b>3,722</b>	<b>3,250</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>11,250</b>
<b>Other Schemes</b>									
Funded from reserves	203	74	0	0	0	0	0	0	0
Major Repairs Contribution	3,599	3,575	0	3,697	3,599	3,599	3,599	3,599	18,093
Other Major Repairs Contribution	0	0	0	0	0	0	0	0	0
HRA Revenue Funding - RCCO	50	50	0	50	50	50	50	50	250
Borrowing requirement	0	0	0	0	0	0	0	0	0
<b>Sub Total - Other Schemes</b>	<b>3,852</b>	<b>3,699</b>	<b>0</b>	<b>3,747</b>	<b>3,649</b>	<b>3,649</b>	<b>3,649</b>	<b>3,649</b>	<b>18,343</b>
<b>Sub Total - Housing Revenue Account</b>	<b>12,855</b>	<b>9,091</b>	<b>3,722</b>	<b>6,997</b>	<b>5,649</b>	<b>5,649</b>	<b>5,649</b>	<b>5,649</b>	<b>29,593</b>
<b>TOTAL SOURCES OF FINANCING</b>	<b>22,806</b>	<b>20,222</b>	<b>6,885</b>	<b>17,273</b>	<b>29,503</b>	<b>16,626</b>	<b>6,399</b>	<b>6,416</b>	<b>76,217</b>

## Housing Revenue Account – Budget 2020/21

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### Summary

1. This report sets out the Housing Revenue Account (HRA) budget and the reserves position for 2020/21.
2. Housing and supported accommodation rents to be increased by 2.7% as per central government policy. When a property is re-let the rent will be revised to the formula rent level.
2. Other income and service charges for 2020/21 have been set on the following basis:
  - Garage rents are increased by RPI of 2.4%
  - Housing related support charges are increased in line with actual costs
  - Intensive housing management charges are increased in line with actual costs
  - Lifeline charges remain the same as 2019/20
  - Heating, Service and Sewerage charges are increased in line with actual costs
3. The Housing Board reviewed the Housing Revenue Budget for 2020/21 and the five year financial strategy on the 21 November and the Tenants Forum also reviewed the housing rent and service charge proposals on the 14 November.

### Background

4. The HRA budget for 2020/21 reflects the service arrangements and investments in relation to the Council's housing services for the ninth year under 'Self Financing'.
5. The new financial arrangements enable the service to stand alone financially and take 'local' decisions for housing services.
6. Decisions about the level of expenditure in the Housing Revenue Account 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.
7. The Business Plan sets the financial strategy for Housing and the budget proposals are reflected in this report.
8. 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
9. 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

10. 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 Housing Revenue Account (HRA) borrowing cap had been removed.
11. 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.
12. 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. The Government policy of rent reductions over 4 years, the last year of these reductions was in 2019/20, has had a significant impact on income levels and limits the affordability of additional borrowing. Any increase in financing costs can only be met from finding savings elsewhere in the HRA.
13. 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 or directly purchase over 115 homes despite the previous borrowing cap.

## Housing Revenue Account Budget 2020/21

14. The budget identifies a net operating surplus of £213,000 made up of total income of £15,979,000 and total expenditure of £15,766,000. Legislation on the use of capital receipts allows the HRA to apply the right to buy capital receipts against the principal loan repayment, of £2,000,000, this allows the HRA to allocate £1,427,000 funding for capital schemes.
15. The table below summarises the HRA budget for 2020/21, a more detailed breakdown is set out in Annex G1.

	2019/20 Original Budget £'000	2020/21 Original Budget £'000	Budget Movement £'000
Dwelling Rents	(14,147)	(14,667)	(520)
Rents and Charges (other)	(1,204)	(1,312)	(108)
<b>Service Income</b>	<b>(15,352)</b>	<b>(15,979)</b>	<b>(627)</b>
Housing Finance & Business Management	75	75	0
Housing Maintenance and Repairs Service	3,317	3,303	(15)
Housing Management and Homlessness	1,099	1,186	87
<b>Service Expenditure</b>	<b>4,491</b>	<b>4,564</b>	<b>73</b>
Recharge from General Fund	1,693	1,375	(318)
Depreciation and Impairment	3,979	4,621	642
Interest/Costs re HRA Loan	4,604	4,613	9
Other (net)	433	594	161
<b>Non-Service Expenditure</b>	<b>10,708</b>	<b>11,202</b>	<b>494</b>
<b>Operating (Surplus)/Deficit</b>	<b>(152)</b>	<b>(213)</b>	<b>(61)</b>
Capital Receipt Reserve (for HRA Loan)	(2,000)	(2,000)	(0)
Funding of Capital Programme from HRA	2,692	1,325	(1,367)
Transfer to/from (-) Reserves	(540)	888	1,427
<b>HRA (Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

16. The following table provides more details on the budget movements from 2019/20 to 2020/21;

Budget Movements	Amount £'000
<b>2019/20 Operational Surplus</b>	<b>(152)</b>
Dwelling Rents inflationary increase	(520)
Other Income (service charges) in line with actuals	(108)
Housing Repairs/Property Maintenance/Estate Management	(104)
Housing Services and Sheltered Accommodation	87
Change to accounting method from Proxy to actual asset life	642
Pension Fund Deficit - triennial payment	126
Recharge to General Fund for central services	(318)
Net minor changes	134
Total budget movements	(61)
<b>2020/21 Operational Surplus</b>	<b>(213)</b>

### **Uttlesford Norse Ltd (UNL) Joint Venture**

17. In November 2019 Cabinet approved a Joint Venture (JV) with the Norse Group for the provision of planned and responsive repairs for Housing along with facilities and cleaning services. The Norse Group, a wholly owned subsidiary of Norfolk County Council is the largest local authority trading company in the UK.
18. The UNL partnership is about resilience and quality of service, to remain a viable service without Norse, the Council would have needed to invest heavily in its ICT and operating systems of work.
19. Working with Norse, the Council will achieve significant cost savings on procurement of supplies and services. Cost savings around scale are easily achieved, for example, mobile working software for UNL are in the region of one third of the price being quoted to UDC for the same software.
20. The recruitment of an additional role of Operations Director or similar title, will help to deliver the commercial acumen needed to win business outside of the existing service, such as school cleaning contracts, housing association repairs contracts etc. Profit from these activities is shared 50:50 between Norse and UDC, with the UDC income being retained by the General Fund.

### **National Social Rent Policy**

21. 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.
22. 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.
23. The majority of the council's new build properties are let at affordable rent and the additional income make it possible to build more homes.
24. 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.

25. 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 2020/21. The business plan fundamentally requires this level of increase to take place to remain viable following a period of 4 years during which there has been an annual reduction in all social rents of 1% in line with Government requirements.
26. It is proposed that the council continue with the policy where the property 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.

#### **Financial Impact on annual rental income**

27. In 2020/21 rental income is proposed to be increased by 2.7% this will give an average rent of £100.84. The average rent in 2019/20 was budgeted as £97.78 however the actual average rent as at September 2019 was £98.18.

#### **Garage rents**

28. The Council manages a total of 450 garages, of these 305 are rented by private residents. It is proposed to increase the garage rents by RPI of 2.4% (as at September 2019). The current weekly rent is £10.62 and this will increase to £10.87 (excluding VAT) per week for 2020/21.

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

29. 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).
30. The review resulted in the introduction of an Intensive Housing Management (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 their support costs.
31. All HRS funding from ECC ceased from April 2017 and the cost of support and intensive housing management 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 the appropriate benefits to pay for it.
32. It is proposed 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 are proposed to be set at:

i) Intensive Housing Management (IHM):	£17.04 per week
ii) Housing Related Support (HRS):	£6.51 per week
<b>TOTAL CHARGE:</b>	<b>£23.54 per week</b>

#### **Lifeline Service**

33. It is proposed charges for the council's Lifeline service are not raised by inflation this year. This is because any increase in charges may result in further losses of service users to more competitively priced providers who now operate in the district. It should

be noted that many of the competitors in the district do not offer the same levels of service that the council provides. However, for some service users price is the main influencing factor in choosing a telecare service, the current cost of the service to be maintained at:

- i) Lifeline service: £4.45 (exc. VAT) per week
- ii) Lifeline service plus extra sensors: £5.45 (exc. VAT) per week

### Heating, service and sewerage charges

- 34. 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.
- 35. General needs and sheltered housing services and sewerage charges are calculated on the same basis as Leasehold/freehold properties.
- 36. Heating charges will be calculated and charged in line with actual costs.

### Reserves

- 37. The reserves position for 2020/21 is shown in the table below and this is based on the estimated position at quarter 2 of 2019/20.

HRA Reserves	2019/20 Quarter 2 Forecast				2020/21 Estimates			
	Actual Balance 1st April 2019	Transfer from HRA	Transfer to HRA	Transfer between Reserve Estimated Balance 31 March 2020	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Balance 31 March 2021
<b>Ringfenced Reserves</b>								
Working Balance	489		(16)	473		(10)		463
	489	0	(16)	473	0	(10)	0	463
<b>Usable Reserves</b>								
Revenue Reserves	60			60				60
Revenue Projects	0			0				0
Transformation Reserve	180			180				180
	240	0	0	240	0	0	0	240
<b>Capital Reserves</b>								
Capital Projects	0			0	897			897
Potential Projects Reserve	0			0				0
Sheltered Housing Projects Reserve	0			0				0
HRA Slippage Reserve	2,313		(898)	1,415				1,415
	2,313	0	(898)	1,415	897	0	0	2,313
<b>TOTAL USABLE RESERVES</b>	<b>2,553</b>	<b>0</b>	<b>(898)</b>	<b>1,655</b>	<b>897</b>	<b>0</b>	<b>0</b>	<b>2,552</b>
<b>TOTAL RESERVES</b>	<b>3,042</b>	<b>0</b>	<b>(914)</b>	<b>2,127</b>	<b>897</b>	<b>(10)</b>	<b>0</b>	<b>3,015</b>

- 38. The following table details the Capital Receipts and the Major Repairs Reserve.

Capital Receipt Reserve	2019/20 Quarter 2 Forecast				2020/21 Estimates			
	Actual Balance 1st April 2019	Transfer from HRA	Transfer to HRA	Transfer between Reserve Estimated Balance 31 March 2020	Transfer from HRA	Transfer to HRA	Transfer between Reserve	Balance 31 March 2021
<b>Capital Receipt Reserve</b>								
Capital Receipt Reserve - RTB	3,226	1,600	(3,671)	1,154	1,600	(1,036)		1,718
Capital Receipt Reserve - Other	40			40				40
<b>Capital Receipt Reserve - Total</b>	<b>3,266</b>	<b>1,600</b>	<b>(3,671)</b>	<b>1,194</b>	<b>1,600</b>	<b>(1,036)</b>	<b>0</b>	<b>1,758</b>
<b>Major Repairs Reserve (MRR)</b>								
MRR	473	3,888	(4,026)	334	4,621	(4,697)		258

## 5 Year Budget forecast

39. 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.

## Self financing and 30 year Business Plan

40. As part of the self financing arrangements a 30 year Business plan was produced to set out the council's priorities for the housing stock, this was updated in 2016. Annex G2 provides an update on the progress to date.

## Impact

41.

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	EQIA submitted with the agenda to cover all budget reports
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
Changes in legislation may alter the assumptions contained in the proposed 2020/21 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 – due to the withdrawal of the supporting people	2 – increased arrears and resources	Housing officers and Benefit Welfare Officer provide

	grant, welfare reforms inc. the roll out of Universal Credit	needed to support tenants to manage their payments	Tenant support for those in financial difficulty.
Vulnerable people at risk due to loss of supporting people grant and discontinued support from ECC for Lifeline alarms	3 – residents may struggle financially to self-fund	3 – extra support from officers and increased benefit claims and/or hardship grants	Increased officer support for tenants affected - will need help with their finances. Residents on HB can claim for supported services.
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
Increases in Right to Buy discounts present a risk as the Council may be unable to replace stock at the same rate as sales	2 – Sales are already higher than estimated in the business plan	2 – Repayment of capital receipt to government	Continuous review of the Business Plan and possible options for new build housing/purchase of stock from the market

**Housing Revenue Account – 2019/20 Budget**

£'000	2018/19 Original Budget	2019/20 Current Budget	2020/21 Original Budget	Budget changes
<b>Housing Revenue Income</b>				
Dwelling Rents	(14,147)	(14,147)	(14,667)	(520)
Garage Rents	(224)	(224)	(230)	(5)
Other Rents etc	(3)	(3)	(3)	0
Charges for Services & Facilities	(977)	(977)	(1,079)	(102)
Contributions towards Expenditure	0	0	0	0
<b>TOTAL INCOME</b>	<b>(15,352)</b>	<b>(15,352)</b>	<b>(15,979)</b>	<b>(627)</b>
<b>Housing Finance &amp; Business Management</b>				
Rents, Rates & Other Property Charges	75	75	75	0
	75	75	75	0
<b>Housing Maintenance &amp; Repairs Service</b>				
Common Service Flats	204	204	209	5
Estate Maintenance	152	152	196	44
Housing Repairs	2,561	2,561	2,457	(104)
Housing Sewerage	58	58	60	2
Newport Depot	24	24	25	0
Property Services	318	318	356	38
	3,317	3,317	3,303	(15)
<b>Housing Management &amp; Homelessness</b>				
Housing Services	470	470	495	26
Sheltered Housing Services	629	629	691	62
	1,099	1,099	1,186	87
<b>Total Service Expenditure</b>	<b>4,491</b>	<b>4,491</b>	<b>4,564</b>	<b>73</b>
<b>Other Costs</b>				
Bad Debt Provision	100	100	100	0
Depreciation - Dwellings (to MRR)	3,888	3,888	4,555	667
Depreciation - Non- Dwellings (to MRR)	91	91	66	(25)
Interest/Costs re HRA Loan	2,604	2,604	2,613	9
Repayment of HRA Loan	2,000	2,000	2,000	0
Investment Income	(42)	(42)	(13)	29
Pension Costs - Added Years	19	19	19	0
Pension Deficit - Triennial payment	0	0	126	126
Recharge from General Fund	1,693	1,693	1,375	(318)
HRA Share of Corporate Core	366	366	372	6
Right to Buy Admin Allowance	(10)	(10)	(10)	0
<b>Total Non-Service Expenditure</b>	<b>10,708</b>	<b>10,708</b>	<b>11,202</b>	<b>494</b>
<b>TOTAL EXPENDITURE</b>	<b>15,199</b>	<b>15,199</b>	<b>15,766</b>	<b>567</b>
<b>OPERATING (SURPLUS)/DEFICIT</b>	<b>(152)</b>	<b>(152)</b>	<b>(213)</b>	<b>(61)</b>
Funding from Cap Rec Res for HRA Loan	(2,000)	(2,000)	(2,000)	0
<b>Funding of Capital Programme from HRA</b>				
Capital Schemes Funded from Revenue	2,692	2,692	1,325	(1,367)
	2,692	2,692	1,325	(1,367)
<b>Transfers to/(from) Reserves</b>				
Capital Projects	(153)	(153)	897	1,050
Change Management Reserve	0	(355)	0	355
Potential Developments	(355)	0	0	0
HRA Slippage Reserve	0	0	0	0
HRA Slippage Reserve	0	0	0	0
Sheltered Housing Reserve	0	0	0	0
Transformation Reserve	0	0	0	0
Working Balance	(31)	(31)	(10)	21
	(539)	(539)	888	1,427
<b>(SURPLUS)/DEFICIT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Housing Revenue Account Business Plan Priorities for Action**  
**2016 – 2021**

Action	Timescale	Resources	Outcome	Update January 2020
<b>1. Operate a sound and viable housing business in a professional and cost effective manner</b>				
Continue to develop business plan financial model to inform investment and service planning	Ongoing	Within existing resources	HRA that continues to be managed on sound business principles	<p>The council has been undertaking formal business planning for the Housing Revenue Account (HRA) since the introduction of the self-financing regime for council housing in 2012</p> <p>From 2020/21 The Council's social and affordable rents have been modelled at CPI+1%. The business plan fundamentally requires this level of increase to take place to remain viable following a period of 4 years during which there has been an annual reduction in all social rents of 1% in line with Government requirements</p>
Prepare for supporting people funding reductions	Mar-17	Within existing resources	Options identified to enable key services to continue to be delivered	<p>Complete. New delivery model for sheltered housing in place. Tenants have been written to and new charges explained. All costs are now fully recoverable from tenants since the ending of support grant funding from county</p> <p>A new Intensive Housing Management (IHM) charge has been introduced – this can be included in Housing Benefit claim to reduce impact on residents receiving this service</p>
Improve performance management systems in Housing Services	Mar-17	Within existing resources	PI targets based on a combination of performance of peer LA's in HouseMark benchmarking group and historic UDC performance data	Complete. The Housing Service has developed a suite of Performance Indicators (PIs) to monitor services against its own targets, and to provide customers with information on how our

Action	Timescale	Resources	Outcome	Update January 2020
				services are performing. These PIs are monitored by managers on a monthly basis, with key indicators reported quarterly to CMT
Maximise income to the HRA by achieving high collection rates for rents, service charges, sewage charges, garage rents and miscellaneous invoices	Ongoing	Within existing resources	Rent arrears action taken at an earlier stage to prevent arrears from escalating. Providing debt support and signposting to tenants/leaseholders who are struggling. Corporate approach to rent collection to ensure join-up with individual cases	Income collection has been separated from the debt support work resulting in a significant reduction in rent arrears  All costs for services provided are fully recovered through annual charges
Implement re-chargeable repairs policy	Apr-16	Within existing resources	Improve recovery of costs of repairs which are tenants' responsibility	Complete. A new re-charge policy has been written to clarify the definition of rechargeable repairs and to improve the recovery of costs associated with rechargeable repairs and to deter misuse or negligence of Council property by tenants  By identifying and recovering these costs, it enables the council to reinvest the money to help improve services and properties which will ultimately benefit tenants
Evaluate the alternative options available for the delivery of housing services through strategic and /or operational partnerships	Apr-17	Within existing resources	Options identified for step change improvement in value for money	Alternative options for the delivery of housing repairs and void works have been evaluated with the preferred option being a joint venture with the Norse Group.  Uttlesford Norse Ltd, jointly owned on an equal basis by Uttlesford District Council and Norse, will take on all the housing response repairs, maintenance and void works from 1 April 2020
Review the arrangements for the management of non-	Oct-16	Within existing resources	Rationalisation of management responsibilities and clarification of	Complete. Asset Management and Development Strategy in place

Action	Timescale	Resources	Outcome	Update January 2020
housing assets			development potential	
Ensure the void turnaround figures do not exceed targets to minimise rent losses	Ongoing	Within existing resources	Rent loss through voids minimalised	<p>A further review of the void processes carried out in 2019 following recommendations from the Tenant Regulatory Panel (TRP)</p> <p>New processes introduced include a move to weekly bids and advertising hard to let bungalows as being available for any age groups on the first time of advertising</p> <p>Whilst the review shows that the new processes that have been implemented are working well the void turnaround figure is exceeding targets. This is in part due to a number of unpopular hard to let properties affecting the void figures. For each of these void properties Officers consider if they represent a development opportunity or what can be done to make them more desirable</p>
<b>2. Ensure that all the council's tenants live in a decent home in settled communities for as long as needed, consistent with the council's Tenant Strategy</b>				
Review Tenant Strategy to ensure that local housing need is met and assets are used effectively, utilising all available flexibilities	Apr-17	Within existing resources	Updated strategy	Complete. Strategy has been reviewed. No change to policy recommended at this time
Create a tenancy sustainment team	Aug-16	Within existing resources	Increased support for vulnerable tenants. A failed tenancy costs the Council several thousands of pounds so the success of this team will ultimately save money for re-investment in the housing stock	Complete. Team in place. Successful Tenancy Sustainment Programme implemented. We have been able to prevent evictions, organise sustainable repayment programmes and tenancies, and help individuals who have been previously unable to engage with us and many

Action	Timescale	Resources	Outcome	Update January 2020
				other support organisations
Improve the information on the housing stock	Apr-17	Within existing resources	Accessible up to date stock data	Complete. New stock data management system (SAM) has been implemented. Work is progressing on collecting stock data and a temporary surveyor has been employed to carry out survey work in the first year (2019/20) - it is anticipated that thereafter a 100% stock condition survey will be achieved on a rolling 5 year basis
Continue to manage and maintain the housing stock effectively and efficiently ensuring that properties meet, as a minimum, the decent homes standard	Ongoing	Within identified resources - approximately £5.3m pa	Well maintained homes and assets to minimum decent homes standard	Planned works programmes are progressing well. The authority is continuing to deliver a significant programme of investment in the stock to ensure that all properties meet the decent homes standard  A robust monthly budget monitoring process has been implemented to ensure that projects are delivered on budget
Deliver an improved repairs and maintenance service through: 1. Enhancement of mobile technology for repairs and voids teams; 2. Electronic van stocking of operatives' vehicles 3. Online reporting of repairs	Aug-16	£120k	Homes well maintained Improved tenant satisfaction More efficient and responsive deployment of personnel	Complete. Project plan to deliver IT improvements, including mobile technology, has been implemented  From 1 April 2020, under the new joint venture with Norse, new ICT systems will be introduced including mobile technology, electronic van stock and online reporting of repairs. The new ICT systems will integrate with Northgate, the Council's current housing system
Improve average energy efficiency for council properties	Apr-17	£530k	Reduced fuel costs for residents	Complete. All works identified in Phase I, II and III of the Business Plan have been completed and include the installation of air source heat pumps/external wall cladding/solar panels to

Action	Timescale	Resources	Outcome	Update January 2020
				council properties  Further properties have been identified for improvement works and budgets are being prepared for works to be carried out in 2020/21
Continue to fund disabled adaptations for tenants and improve the delivery process	Ongoing	£260k pa	Reduction in the time people have to wait for adaptations	Disabled Adaptation Policy in place. There continues to be a high demand for disabled adaptations however we are currently able to meet all requests within a reasonable timescale
Undertake fundamental review of policies and procedures to ensure service is 'Fit for Purpose'	Ongoing	Within existing resources	Policies in place that reflect best practice/current legislation	All policies and procedures along with equality impact assessments are regularly reviewed. Changes identified are brought to the tenant forum and housing board for approval
<b>3. Help tenants and leaseholders get involved with decisions about their housing</b>				
Continue to develop Housing Regulatory Panel to scrutinise the performance of the Housing Service and to undertake service reviews	Ongoing	5k pa - training for members	A Housing Regulatory Panel that deliver in-depth challenging inspections - achieving improvements that really matter to tenants	The TRP have carried out a review of repairs and the sheltered housing service following their successful review of the Void process. Reports have been presented to officers and progress with implementing the recommendations are reported to the TRP and Housing Board
Review the approach to gathering tenant feedback and satisfaction	Mar-17	Within existing resources	Refreshed approach to assessing tenant satisfaction to inform service improvement planning	Complete. Online satisfaction survey has been designed so that tenants can feed back immediately after repair is carried out  New STAR tenant satisfaction/feedback survey sent to all tenants in November 2019. Results have been analysed and show an overall improvement in satisfaction with housing services (see below)
Link tenant participation with	Ongoing	Within existing	Skilled Tenant Forum and Tenant	Annual training programme in place

Action	Timescale	Resources	Outcome	Update January 2020
opportunities for skill development		resources	Regulatory Panel members	
Publish annual tenants report	Ongoing	£3k pa	Annual report published	In the process of preparing 2019/20 annual report to tenants which will include performance data as well as satisfaction data from the STAR survey
Benchmark service with other landlords through HouseMark	Ongoing	Within existing resources	Core benchmarking data uploaded to HouseMark for full organisational review	<p>The Housing Service uses Housemark to benchmark its performance against other landlords</p> <p>Latest core benchmarking data has been submitted – performance data and comparison with other authorities is reviewed by officers at section heads meeting</p> <p>Performance compares well to other councils, with indicators relating to rent collection and repairs sitting within the top quartile. Compared to the previous year, costs have remained roughly the same in all areas except lettings which has marginally increased, whilst performance has improved in repairs and tenancy management</p> <p>Whilst Performance Indicators are instrumental in assessing performance, the opinion and views of tenants adds an extra depth and validity to the council's performance and service improvement works. In 2019 the council carried out a district wide survey of tenants and residents (STAR survey).</p> <p>Using a core questions set compiled by HouseMark comparative data has been</p>

Action	Timescale	Resources	Outcome	Update January 2020
				<p>obtained on the services offered to tenants. In addition the inclusion of additional questions has provided information regarding the way the council engages with tenants through the tenant forum and tenant regulatory panel</p> <p>Results of STAR 2019 show that levels of satisfaction have remained positive amongst all service areas within housing services over the 5 year period of the business plan. The survey shows that the majority of tenants are satisfied with the overall services provided (80.42%)</p>
<b>4. Regenerate the stock/estates and build new affordable rented council housing in an efficient and effective manner</b>				
Deliver the new homes programme	Mar-21	£6.898m	New homes to replace those lost through RTB sales - approximately 6 -10 per year	<p>The development programme is on track - 114 properties have been delivered to date during the life of the business plan and work has commenced on site for a further 33 properties.</p> <p>Officers are continuing to investigate possibility of UDC becoming delivery partner on some S106 sites - subject to sufficient RTB receipts</p>
Deliver Sheltered scheme re-development programme	Mar-18	£11.5m	Fit for purpose accommodation for the elderly	<p>Holloway Crescent and Mead Court have been demolished to provide new build general needs properties. Reynolds Court and Hatherley Court Phase I have been re-developed</p> <p>Members have approved plans to progress the re-development of Walden Place – project due to commence in 2020/21</p> <p>Consultation has begun on the re-development of Alexia House and Parkside</p>

Action	Timescale	Resources	Outcome	Update January 2020
Review Housing Asset Management Strategy	Apr-18	Within existing resources	Established a clear policy on the use of HRA assets, regeneration and development	Complete. Strategy has been reviewed
Develop and implement initiatives for improving estates	Ongoing	Within existing resources	Delivery of estate improvement/ regeneration initiatives as part of the housing asset management strategy. Delivery of resident led improvements	Regular trailer events being held with more agencies offering to attend.  Estate inspections carried out. Work identified has been added to the planned work programme. Consultation with residents affected has commenced
Carry out development appraisals of identified sites and review business plan capacity to develop	Mar-21	Revenue cost of £50k pa for officer/surveyor to co-ordinate works	Established housing development programme	Proposals/plans have been drawn up for sites in Great Chesterford and Saffron Walden that will deliver 27 council properties. The financing of these schemes will be through a combination of RTB receipts, S106 receipts, HRA funds and borrowing  A number of garage and infill sites and excess garden land are being assessed for development viability, or for the opportunity to sell in order to cross-subsidise the development programme

## General Fund and Council Tax – 2020/21

### Summary

1. This report sets out detailed revenue estimates for the General Fund and the Council Tax requirement for 2020/21. This budget must be considered alongside the report made by the Director of Finance and Corporate Services 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 also presented earlier on the agenda.
2. The estimates, as summarised in Annex H1, show a Council Tax Requirement of £5,956,840 which balances to the level of Council Tax yield, assuming an increase of £5 in Council Tax for a Band D equivalent property.
3. The estimates in this report are based on the recommended Capital Programme, Treasury Management Strategy, Commercial Strategy and Housing Revenue Account budget for 2020/21 considered earlier in this agenda.

### Council Tax – 2020/21

4. By law the budget (Council Tax Requirement) has to balance to the expected Council Tax income receivable.
5. The Director of Finance and Corporate Services (s151 Officer), under delegated authority, has approved the gross Council Tax base of 39,868.68 to be used for setting the 2020/21 draft Council Tax, an increase of 1.74% on the 2019/20 figure of 39,185.91.
6. 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 1,832.54 and this produces a taxbase for budget setting purposes of 38,036.14.
7. The 2019/20 UDC Band D equivalent Council Tax was £151.61. 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 2020/21 of £156.61. Multiplied by the taxbase, this produces a Council Tax yield of £5,956,840.
8. The Council is therefore required to balance its net budget to a Council Tax Requirement of £5,956,840; the increase in tax base and Band D equivalent for 2020/21 compared to 2019/20 is illustrated in the table below.

	2019/20	2020/21	% Change
Taxbase (gross)	39,185.91	39,868.68	1.74%
LCTS Discounts	(1,872.76)	(1,832.54)	-2.15%
Taxbase (net)	37,313.15	38,036.14	1.94%
Band D	£151.61	£156.61	3.30%
<b>Council Tax Yield</b>	<b>£5,657,106</b>	<b>£5,956,840</b>	<b>5.23%</b>

9. The Council Tax Yield is higher than the equivalent sum for 2019/20 and an analysis of the income for the increase in taxbase and Band D equivalent is set out below:

<b>2019/20 Council Tax Requirement</b>	<b>£5,657,106</b>
Additional income arising from Taxbase increases	£113,228
Additional income arising from UDC £5 increase	£186,506
<b>2019/20 Council Tax Requirement</b>	<b>£5,956,840</b>

10. The £5,956,840 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.
11. Assuming an increase of £5 in Council Tax, the amount of Uttlesford Council Tax, by each Council Tax band, is shown below.

Band	Proportion of Band D	2018/19 UDC Council Tax £	2019/20 UDC Council Tax £	Increase £5 £/year
A	6/9ths	101.07	104.41	3.33
B	7/9ths	117.92	121.81	3.89
C	8/9ths	134.76	139.21	4.44
D	9/9ths	151.61	156.61	5.00
E	11/9ths	185.30	191.41	6.11
F	13/9ths	218.99	226.21	7.22
G	15/9ths	252.68	261.02	8.33
H	18/9ths	303.22	313.22	10.00
<b>Total</b>				

## General Fund Budget

12. A summary of the 2020/21 General Fund budget is shown in the table below. A more detailed summary is set out in Annex H1 and each portfolio budget is set out in Annex H2.

£'000	2019/20	2019/20	2020/21	
	Original Budget	Current Budget	Original Budget	Increase / (Decrease)
<b>Direct Service Budgets</b>				
Net Service Expenditure	12,948	12,948	14,874	1,925
<b>Corporate Items</b>				
Capital Financing	1,892	7,628	1,672	(5,956)
Recharge to HRA	(2,059)	(2,059)	(1,747)	312
Other Corporate Items	85	85	1,028	943
Investment Income (net of charges)	(1,624)	(1,624)	(2,124)	(501)
<b>Net Expenditure</b>	<b>(1,705)</b>	<b>4,030</b>	<b>(1,171)</b>	<b>(5,202)</b>
<b>Funding</b>				
New Homes Bonus Grant	(2,969)	(2,969)	(3,635)	(666)
Business Rates Retention	(4,294)	(4,294)	(3,317)	977
Rural Services Grant	(279)	(279)	(279)	(0)
Council Tax - Collection Fund Balance	(67)	(67)	(20)	47
	<b>(7,609)</b>	<b>(7,609)</b>	<b>(7,251)</b>	<b>358</b>
<b>Net Operating Expenditure</b>	<b>3,634</b>	<b>9,370</b>	<b>6,452</b>	<b>(2,919)</b>
Net transfers to/(from) other earmarked reserves	2,023	(3,713)	(495)	3,219
Council Tax Requirement	5,657	5,657	5,957	300
Council Tax (precept levied on Collection Fund)	(5,657)	(5,657)	(5,957)	(300)
<b>(Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Direct Service Budgets

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

£'000	2019/20	2019/20	2020/21	
	Original Budget	Current Budget	Original Budget	Increase / (Decrease)
Employees	12,339	12,485	13,195	710
Premises	811	811	752	(59)
Transport	708	708	695	(12)
Supplies & Services	7,521	7,410	9,316	1,906
Third Party Payments	195	195	211	17
Transfer Payments	14,359	14,323	12,525	(1,798)
<b>Expenditure</b>	<b>35,931</b>	<b>35,931</b>	<b>36,693</b>	<b>762</b>
External Funding	(1,622)	(1,622)	(1,703)	(81)
Fees & Charges	(5,945)	(5,945)	(6,037)	(91)
Specific Government Grants	(14,831)	(14,831)	(13,475)	1,356
Other Income	(584)	(584)	(605)	(20)
<b>Income</b>	<b>(22,983)</b>	<b>(22,983)</b>	<b>(21,820)</b>	<b>1,163</b>
<b>Net portfolio expenditure</b>	<b>12,948</b>	<b>12,948</b>	<b>14,874</b>	<b>1,925</b>

14. The following table is a reconciliation of the movement from the 2019/20 budget to the 2020/21 budget. A full analysis of all budget changes, savings, growth and adjustments are detailed in Annex H3.

	£'000	£'000
<b>Council Tax Requirement 2019/20</b>		<b>5,657</b>
<b>Direct Service Budgets</b>		
Restated Base (removal of one off in year items)	(1,237)	
Inescapable Growth (Inflationary increases)	953	
Service Growth	3,001	
Service Efficiencies/Savings	(326)	
Income changes (net)	<u>(466)</u>	
		1,925
<b>Corporate Items</b>		
Capital Financing	(5,584)	
Pension Fund Triennial Payment	571	
HRA recharge/Corporate Core	312	
Investment Income and Charges	<u>(501)</u>	
		(5,202)
<b>Funding</b>		
Business Rates Income	977	
Funding	<u>(619)</u>	
		358
Movement in Reserves (net)	<u>3,219</u>	
		<u>3,219</u>
<b>Council Tax Requirement 2020/21</b>		<b><u>5,957</u></b>

15. The direct service budget shows a net budget increase of £1,925,000, the key elements of the changes are explained in the following points:

- I. The budget movements to restated base are items of expenditure which were approved for 2019/20 only and have now been removed from the budget
- II. Inescapable growth relates to inflationary and incremental increases for salaries and other service expenditure inflation
- III. The service growth of £3,001,000 is netted off by £326,000 of increased efficiencies and £466,000 of a net additional income, this gives net adjusted growth of £2,209,000. Of the net growth of £2,209,000, £ 870,000 is funded from earmarked reserves, this gives an actual revenue cost of £1,339,000.

16. The service investment includes allocations of:

- I. £300,000 direct revenue funds to support members' initiatives, these can be one off or on-going, as this will be included in the base budget for future years.
- II. £300,000 has been allocated using the additional New Homes Bonus received as part of the 2020/21 financial settlement to support resources relating to work on the Local Plan.

17. The following table provides an analysis of the direct service impact in the councils control:

<b>Direct Service Revenue Budget Movements</b>	
	<b>£'000</b>
Local Plan - legal fees and consultancy	520
Funding for additional resources to support the Local Plan	300
Administration Priorities (on-going)	300
Norse Joint Venture first year costs	259
Garden Communities Delivery	203
Planning Appeals net of increased Development Control fees	155
Licensing restructure (net of income changes)	134
Building Control reduced income due to current market	115
Trade Waste fee income	(167)
Housing Benefit Subsidy based on estimated claimants	(149)
Insurance Contract Renewal	(110)
Border and Food Inspections increased fee income	(45)
Minor net variances	(27)
<b>Total service revenue impact</b>	<b>1,489</b>
<b>Items funded from Reserves/Grant received</b>	
Garden Communities Delivery	835
Development Control	20
Neighbourhood Plans	15
MHCLG Grant Funding - supporting reduction in Homelessness	(150)
	<b>720</b>
<b>Total net Service movement</b>	<b>2,209</b>

18. The Administration have identified a budget of £300,000 to fund expenditure that links to their priorities and these are detailed as follows;

- £50,000 for additional engagement with residents through Neighbourhood plans
- £65,000 for climate change initiatives
- £30,000 to fund an additional member of staff in The Exchange in Stansted
- £30,000 for additional grant funding
- £20,000 to expand Tourist Information Centres in Saffron Walden and Great Dunmow
- £20,000 to fund a 50% share of a Police Community Support Officer for Great Dunmow
- £15,000 to support Parish Councils with Civic Pride initiatives
- £5,000 to support Saffron Hall's Music for Thought to help people with Dementia

#### **Uttlesford Norse Ltd (UNL) Joint Venture**

19. In November 2019 Cabinet approved a Joint Venture (JV) with the Norse Group for the provision of planned and responsive repairs for Housing along with facilities and cleaning services. The budget for 2020/21 reflects the financial position for the JV to 'go live' on 1 April 2020.

20. The Norse Group, a wholly owned subsidiary of Norfolk County Council is the largest local authority trading company in the UK.

21. The UNL partnership is about resilience and quality of service. To remain a viable service without Norse, the Council would have needed to invest heavily in its ICT and operating systems of work. Working with Norse, the Council will achieve significant cost savings on procurement of supplies and services. Cost savings around scale are easily achieved, for example, mobile working software for UNL are in the region of one third of the price being quoted to UDC for the same software.
22. The recruitment of an additional role of Operations Director or similar title, will help to deliver the commercial acumen needed to win business outside of the existing service offering, such as school cleaning contracts, housing association repairs contracts etc. Profit from these activities is shared 50:50 between Norse and UDC, with the UDC income being retained by the General Fund.
23. The £259k is first year management cost that will enable the new service to transform and deliver the resilience and quality of service. The business model shows these costs reducing from year 2 of the Joint Venture.

### **Corporate Items**

24. The capital financing decrease is due to the following items
  - I. New Depot Site – The timeline for this project is currently not defined, due to this the cost has not been included in the 2020/21 budget, but the funds will be held in the reserve (corresponding entry shown in reserves of £4,563,000) and released as necessary to cover the cost of the project
  - II. The PFI interest of £372,000 has previously been included in the capital financing cost and is now shown as a separate line
  - III. The remaining £1,021,000 relates to expected slippage as identified in quarter 2 budget monitoring for the capital programme and is included in the capital slippage reserve and will be released as required in the financial year
25. Pension Fund cost of £571,000 - The council is required to make contributions to the pension fund for the predicted deficit in retirement benefits for its employees. The pension fund is administered by Essex County Council and the fund is revalued every three years and an updated position and costing is provided. The council is offered the option to pay either an annually amount or a discounted upfront triennial payment. The proposal is to make the triennial payment of £571,000 to take advantage of this discounted sum.
26. Investment income has increased by a net £501,000, this is made up of £794,000 additional income for the following items;
  - I. Increase in interest from loans to subsidiary (Aspire (CRP) Ltd) to support development at Chesterford Research Park
  - II. A new investment that is being purchased directly by the Council; more information is included in the MTFs and Commercial Strategy presented earlier in tonight's agenda.

The cost of borrowing for the above investments will offset this income by £293,000.

27. The HRA recharge reduction of £318,000 is directly related to the level of corporate and central services resources required to support the housing function and a contra entry is reflected in the HRA budget, also included in tonight's agenda.

## Funding

28. The Business Rates income is based on actual expected collection, although there is a reduction of £977,000 compared to 2019/20 budget, this was due to a one year inflated position of £941,000 for appeals provision. In previous years the Council was required to hold a provision to cover the costs of possible successful appeals dating back to the 2010 revaluation list. The Valuation Office carried out a revaluation of hereditaments in 2017 and this reduced our risk of large and costly appeals. The Council still holds a provision for appeals but the financial impact has significantly reduced. The 2020/21 budget reflects the actual level of income we expect to receive.
29. New Homes Bonus has been extended for a one year period in line with the postponement of the Fair Funding Review; this is a one off payment and will attract no legacy payments. The increase of £666,000 is due to the Council achieving growth above the baseline of 0.4% and an increase in the overall fund allocated by Government.

## Risks and Assumptions

30. 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. A full analysis of all operational service risks and assumptions have been included in Annex H4.

## Local Government Finance Settlement

31. The Council received the final settlement notification for 2020/21 on the 6 February 2020.
32. There is continued uncertainty about the level of funding in future years and this was discussed in more detail in the Medium Term Financial Strategy (MTFS) earlier in the agenda.

## General Fund Reserves

33. 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 be maintained at £1,300,000 and has been included in the 2020/21 Budget.
34. Annex H5 shows a summary of the current reserves, a detailed breakdown of the reserves transfers and the working balance calculation is shown within the Section 25 report and the Reserves Strategy (Appendix A and Annex A1 in tonight's agenda).
35. The table below sets out the proposed use of reserves in the 2020/21 budget.

Reserves	
£'000	
<b>Use of Reserves - to/(from)</b>	
Business Rates	197 Allocated to support future years income reductions due to funding reforms
Licensing	34 Reserve top up in relation to the schedule of taxi licences renewals (3 or 5 years)
Transformation	(3) Allocated to support governance working group
Elections	25 Annual contribution for the elections 4 year cycle
Homelessness	102 MHCLG grant to support homelessness reduction (Grant £150k less £48k for in year resource)
Planning	(15) Support additional Neighbourhood Plans
Developments	(835) Drawdown on MHCLG grant for Garden Communities delivery and Development Plan Documents
<b>Total</b>	<b>(495)</b>

## Fees and Charges review

36. 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.
37. Where charges are statutory and outside the jurisdiction of Council these have not been included, but are available to view on the Councils website.
38. Where services are operating in competition with other commercial providers, for example trade waste, the service manager needs to have authority 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	An EQIA is included with the agenda papers
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

39. 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".

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

- Annex H1 – General Fund Budget Summary
- Annex H2 – Portfolio Budgets
- Annex H3 – Schedule of Budget Adjustments
- Annex H4 – Risks and Assumptions
- Annex H5 – General Fund Reserves Summary
- Annex H6 – Fees and Charges

## General Fund Budget – 2019/20

£000	2019/20 Original Budget	2019/20 Current Budget	2020/21 Original Budget	Increase/ (Decrease)
<b>Portfolio Budgets</b>				
Communities & Partnerships	895	853	914	61
Environmental Services	3,481	4,123	5,065	942
Finance & Administration	6,781	6,181	7,040	859
Housing & Economic Development	1,792	1,792	1,855	64
<b>Subtotal - Portfolio Budgets</b>	<b>12,948</b>	<b>12,948</b>	<b>14,874</b>	<b>1,925</b>
<b>Corporate Items</b>				
Capital Financing Costs	1,892	7,628	1,672	(5,956)
Pension Triennial Payment	0	0	571	571
Pension Fund - Added years	85	85	85	0
Recharge to HRA	(1,693)	(1,693)	(1,375)	318
HRA share of Corporate Core	(366)	(366)	(372)	(6)
PFI interest cost	0	0	372	372
Investment Income	(2,119)	(2,119)	(2,912)	(794)
Interest charge	495	495	788	293
<b>Subtotal - Corporate Items</b>	<b>(1,705)</b>	<b>4,030</b>	<b>(1,171)</b>	<b>(5,202)</b>
<b>Funding</b>				
Council Tax Collection Fund Balance	(67)	(67)	(20)	47
Business Rates - Collection Fund Balance	(941)	(941)	(26)	915
Business Rates - UDC Share (net of tariff)	(2,577)	(2,577)	(2,440)	137
Business Rates - Levy Payment (safety net reimbursement)	566	566	690	124
Business Rates - Section 31 Funding	(1,212)	(1,212)	(1,408)	(196)
Business Rates - Renewable Energy Scheme	(129)	(129)	(133)	(4)
Rural Services Grant	(279)	(279)	(279)	(0)
New Homes Bonus	(2,969)	(2,969)	(3,635)	(666)
<b>Subtotal - Funding</b>	<b>(7,609)</b>	<b>(7,609)</b>	<b>(7,251)</b>	<b>358</b>
<b>Subtotal - Net Operating Expenditure</b>	<b>3,634</b>	<b>9,370</b>	<b>6,452</b>	<b>(2,919)</b>
<b>Net Transfers to/(from) Reserves</b>				
Business Rates	941	941	197	(744)
Licensing	24	24	34	10
Capital Slippage	0	(1,173)	0	1,173
Working balance	28	28	0	(28)
Medium Term Financial Strategy	0	0	0	0
Transformation	0	0	(3)	(3)
EU Exit	200	200	0	(200)
Funding	1,060	1,060	0	(1,060)
Elections	(55)	(55)	25	80
Homelessness	(20)	(20)	102	122
Health & Wellbeing	0	0	0	0
Planning	(309)	(309)	(15)	294
Strategic Initiatives	0	0	0	0
Developments	0	0	(835)	(835)
New Homes Bonus Ward Members	(16)	(16)	0	16
Waste Depot Relocation Project	0	(4,563)	0	4,563
Waste Management	170	170	0	(170)
Private Finance Initiative	0	0	0	0
<b>Subtotal - Movement in Earmarked Reserves</b>	<b>2,023</b>	<b>(3,713)</b>	<b>(495)</b>	<b>3,219</b>
<b>Council Tax Requirement</b>	<b>5,657</b>	<b>5,657</b>	<b>5,957</b>	<b>300</b>
<b>Council Tax (Precept levied on Collection Fund)</b>	<b>(5,657)</b>	<b>(5,657)</b>	<b>(5,957)</b>	<b>(300)</b>
<b>(Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Communities and Partnerships

£000	2018/19 Outturn	2019/20 Original Budget	2019/20 Current Budget	2020/21 Original Budget	Increase / (Decrease)
Community Information	48	47	47	51	3
Day Centres	67	73	73	91	18
Emergency Planning	1	26	26	26	0
Grants & Contributions	351	358	358	394	36
Leisure & Performance	67	83	41	43	2
Saffron Walden Museum	186	215	215	227	13
New Homes Bonus	96	78	78	78	0
Private Finance Init	(32)	15	15	3	(12)
Communities Partnership	0	0	0	0	0
<b>Portfolio Total</b>	<b>784</b>	<b>895</b>	<b>853</b>	<b>914</b>	<b>61</b>

**Finance and Administration**

£000	2018/19	2019/20	2019/20	2020/21	Increase /
	Outturn	Original Budget	Current Budget	Original Budget	(Decrease)
Enforcement	0	0	0	0	0
Benefits Admin	224	301	301	343	42
Business Improvement	0	0	0	0	0
Corporate Management	1,070	1,291	1,291	1,907	615
Conveniences	20	20	20	0	(20)
Central Services	449	444	444	457	13
Corporate Team	40	682	82	49	(33)
Conducting Elections	1	101	101	1	(100)
Electoral Registration	31	55	55	55	0
Financial Services	1,098	1,111	1,111	1,065	(46)
Housing Benefits	(5)	72	72	(77)	(149)
Human Resources	299	280	280	377	97
Internal Audit	126	139	139	150	12
Information Technology	1,362	1,402	1,402	1,532	130
Land Charges	(86)	(88)	(88)	(66)	22
Legal Services	186	179	179	182	3
Local Taxation	(108)	(90)	(90)	(100)	(10)
Non Domestic Rates	(144)	(144)	(144)	(146)	(2)
Office Cleaning	179	208	208	213	5
Offices	376	377	377	648	271
Revenues Admin	536	582	582	597	16
Council Tax Discounts	(150)	(141)	(141)	(148)	(7)
<b>Portfolio Total</b>	<b>5,507</b>	<b>6,781</b>	<b>6,181</b>	<b>7,040</b>	<b>859</b>

**Environmental Services**

£000	2018/19 Outturn	2019/20		2020/21	Increase / (Decrease)
		Original Budget	Current Budget	Original Budget	
Animal Warden	29	16	16	8	(8)
Grounds Maintenance	296	333	333	355	22
Car Park	(732)	(661)	(661)	(668)	(6)
Development Control	(499)	(241)	(245)	(125)	121
Depots	45	51	51	53	3
Garden Communities	0	0	909	1,638	729
Street Cleansing	411	403	403	415	12
Housing Strategy	50	54	54	57	3
Highways	(0)	4	4	6	3
Local Amenities	8	(12)	(12)	(12)	0
Licensing	(257)	(375)	(375)	(282)	92
Vehicle Management	496	477	477	483	6
Public Health	584	669	669	678	9
Planning Management	345	385	392	407	15
Planning Policy	437	1,334	1,022	910	(111)
Planning Specialists	145	151	151	218	68
Waste Management	578	363	363	311	(52)
Community Safety	235	286	328	370	42
Street Services	284	244	244	240	(4)
<b>Portfolio Total</b>	<b>2,454</b>	<b>3,481</b>	<b>4,123</b>	<b>5,065</b>	<b>942</b>

**Housing and Economic Development**

£000	2018/19 Outturn	2019/20 Original Budget	2019/20 Current Budget	2020/21 Original Budget	Increase / (Decrease)
Building Surveying	(40)	(126)	(126)	7	133
Committee Admin	294	346	346	288	(57)
Customer Services Centre	379	451	451	547	96
Democratic Represent	324	361	361	352	(9)
Economic Development	225	265	265	272	7
Energy Efficiency	26	34	34	34	0
Housing Grants	0	0	0	0	0
Health Improvement	119	155	155	169	14
Homelessness	89	234	234	107	(128)
Lifeline	(155)	(159)	(159)	(158)	1
Communications	224	229	229	237	7
<b>Portfolio Total</b>	<b>1,485</b>	<b>1,792</b>	<b>1,792</b>	<b>1,855</b>	<b>64</b>

**Budget movements - 2019/20 – 2020/21**

<b>CURRENT BUDGET 2019/20 to RESTATED BASE 2019/20</b>			
<b>Portfolio</b>	<b>Service</b>	<b>Description</b>	<b>£'000</b>
Environmental Services	Planning Policy	Garden Communities - Development Plan Document one-year costs	(550)
Environmental Services	Planning Policy	Net budget increase to support the Local Plan	(382)
Finance & Administration	Conducting Elections	Budget to cover local/district elections	(100)
Environmental Services	Licensing	Staffing increase to cover additional work met with additional income	(92)
Housing & Economic Development	Committee Administration	Agency staff to cover part year vacancy	(74)
Housing & Economic Development	Building Surveying	Temporary contract to fulfil additional airport work	(48)
Finance & Administration	Central Services	Temporary post for GDPR compliance scanning	(24)
Finance & Administration	Revenues Administration	Temporary post for new property and tax base work	(18)
Housing & Economic Development	Democratic Representation	New external training for elected members	(15)
Finance & Administration	Revenues Administration	One off Rateable Value Finder subscription to support efficiencies	(13)
Environmental Services	Public Health	Extra staffing hours for additional inspections met by fees	(11)
Environmental Services	Public Health	Additional inspections fees used to fund temp post above	11
Finance & Administration	Revenues Administration	Business Rates New Burdens Grant	12
Housing & Economic Development	Building Surveying	Income from airport work associated with additional post	65
			<u>(1,237)</u>
<b>INESCAPABLE ADJUSTMENTS (£10K MINIMUM)</b>			
<b>Portfolio</b>	<b>Service</b>	<b>Description</b>	<b>£'000</b>
Various	Staffing	Inflationary and incremental increases in salaries	767 On-going
Environmental Services	Waste Services	Net waste processing and gate fees	118 On-going
Finance & Administration	Information Technology	Inflationary increase in support/license fees	59 On-going
		Net other immaterial changes	9
			<u>953</u>

SERVICE GROWTH (£10K MINIMUM)			
Portfolio	Service	Description	£'000
Environmental Services	Garden Communities	Fees for Garden Communities Development Plan Document (DPD)	522 On-going
Environmental Services	Planning Policy	Local Plan continuation work	520 One-off
Environmental Services	Garden Communities	Consultants for Garden Communities Delivery programme	516 On-going
Finance & Administration	Corporate Management	On-going support future the Administrations priorities (includes £30,000 grants, £65,000 climate change and balance yet to be allocated of £65,000)	145 On-going
Finance & Administration	Corporate Management	Funding for additional resources to support the Local Plan	300 One-off
Finance & Administration	Facilities	Impact of Joint Venture costs of facilities and cleaning management	259 On-going
Environmental Services	Development Control	Increased to reflect the current levels of appeals	215 One-off
Environmental Services	Licensing	Staffing increase 2 additional permanent posts created	100 On-going
Environmental Services	Planning Policy	Neighbourhood plan engagement with residents	50 Fixed Term
Finance & Administration	Human Resources	Net increase in HR staffing after restructure of service	33 On-going
Finance & Administration	Information Technology	Additional remote working licenses and wifi upgrade	31 On-going
Housing & Economic Development	Customer Service Centre	Additional resource to support Customer Information Centre resourcing	30 On-going
Housing & Economic Development	Health Improvement	NHS funded health improvement food education post	25 On-going
Finance & Administration	Central Services	Resourcing for GDPR scanning	24 One-off
Environmental Services	Development Control	Service investment from government 20% fees agreement	20 On-going
Communities & Partnerships	Grants & Contributions	Grants for expansion of Tourist Information Centres	20 One-off
Environmental Services	Community Safety	50% funding of PCSO for Great Dunmow Town Council	20 One-off
Environmental Services	Public Health	Additional hours for enforcement officer post	20 On-going
Communities & Partnerships	Day Centres	Staffing at Saffron Walden day centre	18 On-going
Finance & Administration	Financial Services	Increased use of brokers to support borrowing for investment strategy	16 On-going
Housing & Economic Development	Communications	Additional hours for communication post in relation to Garden Communities	16 On-going
Finance & Administration	Financial Services	On-going increase in use of credit and debit cards for payments to the Council	15 On-going
Communities & Partnerships	Grants & Contributions	Civic pride funding for parish councils	15 One-off
Environmental Services	Planning Policy	Neighbourhood plan consultant costs	15 Fixed Term
Finance & Administration	Central Services	Annual equipment rental of post-email equipment to reduce postage costs	11 On-going
Finance & Administration	Human Resources	Undertaking of staff wellbeing survey	10 One-off
Communities & Partnerships	Day Centres	Costs of rates due to responsibility of day Centres brought back to UDC	10 On-going
		Net other immaterial changes	25
			<b>3,001</b>
<b>Growth to be offset against reserves or fees</b>			
		Neighbourhood plan consultant costs drawn from neighbourhood reserve	(15)
		Garden communities DPD and consultants cost drawn from Developments reserve	(835)
		Development control service investment from government 20% fees agreement	(20)
			<b>(870)</b>
		<b>Total actual growth</b>	<b>2,131</b>

## Annex H3 continued...

SERVICE EFFICIENCIES / SAVINGS (£10K MINIMUM)			
Portfolio	Service	Description	£'000
Finance & Administration	Financial Services	New insurance premiums contract	(110) On-going
Environmental Services	Planning Policy	Planning policy manager post deleted	(74) On-going
Housing & Economic Development	Communications	Uttlesford life printed magazine replaced by social media publication	(31) On-going
Environmental Services	Waste Services	Bin delivery service brought in-house	(30) On-going
Finance & Administration	Conveniences	Cessation of support grant for Hill Street Toilets to Town Council	(20) On-going
Environmental Services	Animal Warden	Saving from deleted post - service contracted in	(13) On-going
Finance & Administration	Offices	Utility costs reduced due to energy efficient LED lighting project	(12) On-going
Finance & Administration	Financial Services	Reduction in staffing hours and use of apprenticeship levy	(10) On-going
Finance & Administration	Central Services	New print room equipment rental costs	(10) On-going
Environmental Services	Public Health	Saving in additional staff hours and associated travel costs	(10) On-going
		Net other immaterial changes	(7)
			<u>(326)</u>

CHANGES IN INCOME (£10K MINIMUM)			
Portfolio	Service	Description	£'000
<b>Increases</b>			
Environmental Services	Development Control	Net change in fees reflected movement of the market	(60) On-going
Communities & Partnerships	Day Centres	Net income for associated with UDC running costs for Day Centres	(14) On-going
Finance & Administration	Financial Services & Corporate Team	Increased work for Subsidiaries by Directors and Finance reflected in recharge	(10) On-going
Housing & Economic Development	Health Improvement	NHS grant to fund new food education post	(20) On-going
Environmental Services	Licensing	5 year operator license renewal	(49) On-going
Environmental Services	Licensing	On-going increase in taxi vehicle licenses	(78) On-going
Environmental Services	Public Health	Net increase based on capital reimbursement for grant work and waste transfer fees	(14) On-going
Environmental Services	Public Health	Increase in border and food inspections historical on-going trend	(55) On-going
Environmental Services	Waste Services	Estimated increase in trade waste customers	(167) On-going
Finance & Administration	Local Tax Collection	Increased recovery of court costs	(10) On-going
		Net other immaterial changes	(23)
			<u>(500)</u>
<b>Decreases</b>			
Housing & Economic Development	Building Surveying	Reflects current market trends	115 On-going
Finance & Administration	Land Charges	Reduction in land charges fees due to downward trend in property market	20 On-going
Environmental Services	Licensing	Based on new applications only renewals on 3 year cycle	163 On-going
Environmental Services	Waste Services	Reduction is due to the number of estimated subscribers previous and current year payment methods	35 On-going
			<u>332</u>
<b>Uncontrollable changes</b>			
Finance & Administration	Housing Benefits	Net change in Housing Benefit/rent rebate due to estimated annual use and migration of Universal Credit	(149) On-going
Finance & Administration	Benefits Administration	Change in Department of Work and Pensions calculation methods in grant payment	0 On-going
Housing & Economic Development	Homelessness	Additional government (MHCLG) grant for supporting homelessness reduction	(150) One-off
			<u>(299)</u>
		<b>Total net changes to income</b>	<u><u>(466)</u></u>

**Risks and Assumptions – 2020/21****Definitions****Probability**

Low - Possible, but unlikely

Medium - Probable

High - Almost certain

**Impact**

Low - possible variance of £5,000 to £20,000

Medium - possible variance of £20,001 to £50,000

High - possible variance of over £50,000

**Favourable** - expenditure lower than budget, or income higher than budget**Adverse** - expenditure higher than budget, or income lower than budget

Annex 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	Penalty income could be affected either positively or negatively - trials in 2 car parks in Saffron Walden - The Common and Dunmow - White Street	Trials of new ticket machines are taking place across two car parks. The penalty income is based on lower income in these 2 car parks for 3 months as new ticket machines allow customers to extend the time in the car park without the need to return to the car park. The risk is that income may not be affected and if the machines are not installed in all car parks then income may still rise.	M	L	L
Car Parks	Increase in revenue if ticket prices go up	There is to be a review of ticket prices Feb/Mar 2020. If the prices are updated the income is likely to change and can affect usage.	L	M	M
Communications	Public Leaflet	Utlesford Life printed magazine has been replaced with electronic communications. It maybe that there will be a requirement to reintroduce something similar	M	-	M
Development Control	Planning fees	It is assumed that planning applications will continue to come in at the current rate. There is a risk that activity will slow down due to the unknown impacts of EU Exit.	M	-	H
Planning Policy and Garden Communities	Local Plan	Additional funds will be required to progress the Local Plan regardless of the decision to withdraw or continue	H	-	H
Building Control	Building Control do not recruit to vacancies and need to keep agency staff	It is assumed that Building Control team will eventually fill their vacant posts. However, if they are unsuccessful the cost of the agency staff may not be covered by the vacant posts and if there is insufficient income generated then they might not have the funds to pay for the agency person	L	-	M
Development Control	Planning Appeals	The level of appeals is an unknown, but the current prediction is that the level of appeals could be higher than budgeted. The cost of officer time along with cost of Barristers and Consultants will increase.	H	-	H
Energy Efficiency	Energy and 'Climate Change Emergency'	The Administration have declared a 'Climate Change Emergency'. It has not yet established what initiatives/actions will be implemented and the associated costs of these	M	-	M/H

## Annex 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 Management/Street Services	GRY - Waste and recycling gate fees	Budget assumes an inflationary increase in charges, market rates for recyclable materials remains 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 Management/Street Services	GRY - Garden waste income	Budget assumes sales are similar to previous years. Subscriptions to the chargeable garden waste service do not reach expected levels.	L	L	L
Waste Management/Street 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 Management/Street 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. Spend is therefore difficult to predict with certainty.	M	H	H
Waste Management/Street Services	All cost centres - Fuel supplies	Based on contractual indexation clauses an average increase of 3% has been assumed. However this is subject to petrol & diesel price volatility and the actual costs could go up or down.	M	L	M
Waste Management/Street Services	GRY - Container supply and delivery (new developments)	Estimated units based on anticipated new developments - may go up or down	M	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
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 the EU exit	M	L	H
Public Health	ECC Better Care Fund allocation for Disabled Facilities Grants	There is a risk, although not anticipated that the BCF allocation will reduce in 20/21. In addition with the withdrawal of Council revenue funding, there is a risk of a substantial overspend in 20/21 or delays in adaptations	M	L	H
Public Health	Proactive Enforcement	Enforcement activities are likely to increase during 20/21. This is likely to result in more Fixed Penalty Notices being issued and greater income arising from waste collection receipts.	M	M	L
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
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

## Annex 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)
Financial Services	Bank Fees	It is assumed the bank fees will remain at a constant level but there is a risk due to an annual fees assessment by Barclays that this could rise	M	-	M
Financial Services	Merchant Charges	It is assumed the merchant charges will increase to current forecasted levels. There is a risk that the current level underestimates the trend in payment methods from cash to cards.	M	-	L
Financial Services	Insurance	It is assumed that insurance premiums will increase only by inflation, there is risk that more claims could be received than anticipated leading to the renewal premiums increasing	L	-	M
Grants	Grant applications	Revised process for grants introduced in 2016/17 however there still may be a possibility that budgeted amounts are not realised through lack of applications. There is also a risk that Grant funding be allocated above the actual budgeted amounts	L	M	L
External Grants	Community Safety Partnerships and Health & 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
Day Centres	Day centres not under direct UDC management	If the council does not have reassurance that all aspects of its insurance responsibilities are being met then this may lead to potential breaches of legislation, court costs and/or a serious user accident.	M	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
Corporate Team	Asset Management Consultants	There is a risk that more work on assets is required than estimated, leading to additional costs.	M	L	M
Local Amenities	Turpins Bowls	A rent review is due in the financial year. This may impact on the amount of rental being received from the asset.	M	M	L
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
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 overspent. There is a risk of both under or overspending this budget in 2020/21	L	L	L

Annex 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)
Housing Benefit	DCLG LCTS Admin Grant	It is assumed that the LCTS Admin Grant will be paid at similar or slightly reduced levels to 2019/20. The notification of grant amounts are unlikely to be made available until early 2020. There is therefore a risk that the amount budgeted may change being more likely adverse than favourable impact.	M	L	M
Housing Benefit	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 during the 2020/21 financial year however the impact is expected to be minimal due to UDC's high pensioner caseload.	M	L	H
Housing Benefit	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
Housing Benefit	DWP Rent Rebate and Allowance Subsidy	It is assumed that Rent Rebate Subsidy can continue to be claimed in line with levels reflected in previous years. There is however a continued risk that an increase in new burdens and DWP incentives, could incur subsidy implications due to limited percentages of overpayment amounts being able to be claimed. There is also a risk that, if local authority error overpayments exceed the DWP stated upper threshold, no subsidy could be claimed for these amounts	M	L	H
Housing Benefit	DWP Discretionary Funding	It is assumed the governments Discretionary Housing Payment Funding will remain relatively stable, if not slightly decrease for the 2020/21 financial year. There is a risk however that the amount granted will not meet local requirements following the implementation of Universal Credit and therefore the authority may need to 'top the fund up' out if it's own finances (up to a maximum of 2.5 times DWP amount).	L	L	M

Annex 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)
Non Domestic Rates	NNDR Court Costs	It is assumed that the level of Business Rate recovery will increase or stay the same. The amount of costs awarded are by way of Magistrates Court there is a low probability of our application for costs being refused	L	L	L
Non Domestic Rates	S31 Government grant - Business Relief a	It is assumed that the government grant will be the same as calculated.	L	L	L
Local Taxation	Council Tax Court Costs	It is assumed that the level of Council Tax recovery will increase or stay the same. The amount of costs awarded are by way of Magistrates Court there is a low probability of our application for costs being refused	L	L	L
Council Tax Discounts	Council Tax Sharing agreement	The current sharing agreement is currently being negotiated for the next 3 years. The sharing agreement income is based on the current year's share back at qtr2 at a 12% shareback on Tax Base growth through fraud and Compliance work	H	L	H
Revenues Admin	Legal Fees	Potential for an increase due to large businesses requiring recovery action. In addition the legal team are investigating transferring some legal work outside of UDC so payments may need to be made to third parties for areas such as Fraud and complex Council Tax cases	M	L	M

**General Fund Reserves 2020/21**

Reserve £000	2019/20 Quarter 2 Forecast				Estimated Balance 31 March 2020	2020/21 Estimates			
	Actual Balance 1 April 2019	Forecast Transfer from General Fund	Forecast Transfer To General Fund	Forecast Transfer between Reserves		Forecast Transfer from General Fund	Forecast Transfer To General Fund	Forecast Transfer between Reserves	Estimated Balance 31 March 2021
<b>RINGFENCED RESERVES</b>									
Business Rates	1,781	1,052			2,833	197			3,030
Department for Work and Pensions Licensing	71				71				71
Capital Slippage	90	57	(33)		114	34			148
Working balance	1,171		(569)		602				602
	1,272	28			1,300	0			1,300
<b>TOTAL RINGFENCED RESERVES</b>	<b>4,387</b>	<b>1,137</b>	<b>(602)</b>	<b>0</b>	<b>4,921</b>	<b>231</b>	<b>0</b>	<b>0</b>	<b>5,152</b>
<b>USABLE RESERVES</b>									
<u>Financial Management Reserves</u>									
Medium Term Financial Strategy	1,336	450	(450)		1,336				1,336
Transformation	1,168		(55)		1,114		(3)		1,111
EU Exit	128	385			513				513
Funding	0	1,060			1,060				1,060
	2,632	1,895	(505)	0	4,022	0	(3)	0	4,019
<u>Contingency Reserves</u>									
Emergency Response	40				40				40
	40	0	0	0	40	0	0	0	40
<u>Service Reserves</u>									
Economic Development	61				61				61
Elections	100	25	(80)		45	25			70
Homelessness	218	116	(20)		314	150	(48)		416
Health & Wellbeing	72	12			84				84
Planning	1,247	52	(330)		969				969
Neighbourhood Planning	70		(15)		55		(15)		40
Housing Strategy	25				25				25
Development Control	159		(25)		134				134
Strategic Initiatives	2,160		(500)		1,660				1,660
Developments	1,152	202			1,354		(835)		519
New Homes Bonus Ward Members	0				0				0
Waste Depot Relocation Project	4,649		(2,000)		2,649				2,649
Waste Management	201	170			371				371
Private Finance Initiative	247	48			295				295
	10,361	625	(2,970)	0	8,016	175	(898)	0	7,294
<b>TOTAL USABLE RESERVES</b>	<b>13,033</b>	<b>2,520</b>	<b>(3,475)</b>	<b>0</b>	<b>12,078</b>	<b>175</b>	<b>(901)</b>	<b>0</b>	<b>11,353</b>
<b>TOTAL RESERVES</b>	<b>17,420</b>	<b>3,657</b>	<b>(4,077)</b>	<b>0</b>	<b>16,999</b>	<b>406</b>	<b>(901)</b>	<b>0</b>	<b>16,505</b>

**Fees and Charges – 2020/21**

<b>Building surveying other charges</b>	<b>2019/20 charge £</b>	<b>2020/21 charge £</b>	<b>Does the charge include VAT?</b>
Provision of Energy Performance Certificates (Depends on size of property)	POA	POA	Yes
Copying charges (statutory limitations)	10p a sheet + £25 per hour officer time if job exceeds 1 hou		Yes

<b>Street Naming and Numbering</b>	<b>2019/20 charge £</b>	<b>2020/21 charge £</b>	<b>Does the charge include VAT?</b>
<u>Charge per dwelling/unit</u>			
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

Annex H6 continued...

STANDARD CHARGES SCHEDULE 1- NEW DWELLINGS Dwelling houses and Flats						
Code	New Build Houses or Bungalows Not Exceeding 250m <sup>2</sup>		Plan Charge	Inspection Charge*	Building Notice*	Regularisation Charge*
HO1	1 Plot	Fee	£310.00	£460.00	£820.00	£1,025.00
		VAT	£62.00	£92.00	£164.00	
		<b>Total</b>	<b>£372.00</b>	<b>£552.00</b>	<b>£984.00</b>	
HO2	2 Plots	Fee	£395.00	£705.00	£1,150.00	£1,437.50
		VAT	£79.00	£141.00	£230.00	
		<b>Total</b>	<b>£474.00</b>	<b>£846.00</b>	<b>£1,380.00</b>	
HO3	3 Plots	Fee	£465.00	£960.00	£1,525.00	£1,906.25
		VAT	£93.00	£192.00	£305.00	
		<b>Total</b>	<b>£558.00</b>	<b>£1,152.00</b>	<b>£1,830.00</b>	
HO4	4 Plots	Fee	£520.00	£1,085.00	£1,705.00	£2,131.25
		VAT	£104.00	£217.00	£341.00	
		<b>Total</b>	<b>£624.00</b>	<b>£1,302.00</b>	<b>£2,046.00</b>	
HO5	5 Plots	Fee	£580.00	£1,215.00	£1,895.00	£2,368.75
		VAT	£116.00	£243.00	£379.00	
		<b>Total</b>	<b>£696.00</b>	<b>£1,458.00</b>	<b>£2,274.00</b>	
<b><u>New Build Flats Not Exceeding 250m<sup>2</sup> and Not More Than 3 Storeys</u></b>						
FL1	1 Plot	Fee	£310.00	£460.00	£820.00	£1,025.00
		VAT	£62.00	£92.00	£164.00	
		<b>Total</b>	<b>£372.00</b>	<b>£552.00</b>	<b>£984.00</b>	
FL2	2 Plots	Fee	£395.00	£705.00	£1,150.00	£1,437.50
		VAT	£79.00	£141.00	£230.00	
		<b>Total</b>	<b>£474.00</b>	<b>£846.00</b>	<b>£1,380.00</b>	
FL3	3 Plots	Fee	£465.00	£960.00	£1,525.00	£1,906.25
		VAT	£93.00	£192.00	£305.00	
		<b>Total</b>	<b>£558.00</b>	<b>£1,152.00</b>	<b>£1,830.00</b>	
FL4	4 Plots	Fee	£520.00	£1,085.00	£1,705.00	£2,131.25
		VAT	£104.00	£217.00	£341.00	
		<b>Total</b>	<b>£624.00</b>	<b>£1,302.00</b>	<b>£2,046.00</b>	
FL5	5 Plots	Fee	£580.00	£1,215.00	£1,895.00	£2,368.75
		VAT	£116.00	£243.00	£379.00	
		<b>Total</b>	<b>£696.00</b>	<b>£1,458.00</b>	<b>£2,274.00</b>	
<b><u>Conversion to</u></b>						
COH	Single dwelling house (Where total floor area does not exceed 150m <sup>2</sup> )	Fee	£265.00	£385.00	£650.00	£812.50
		VAT	£53.00	£77.00	£130.00	
		<b>Total</b>	<b>£318.00</b>	<b>£462.00</b>	<b>£780.00</b>	
COF	Single Flat (Where total floor area does not exceed 150m <sup>2</sup> )	Fee	£265.00	£385.00	£650.00	£812.50
		VAT	£53.00	£77.00	£130.00	
		<b>Total</b>	<b>£318.00</b>	<b>£462.00</b>	<b>£780.00</b>	
<b>Notifiable Electrical work (in addition to the above, where applicable.)</b>						
DNE	(Where a satisfactory certificate will not be issued by a Part P registered electrician)	Fee	£250.00	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		
		VAT	£50.00			
		<b>Total</b>	<b>£300.00</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 H6 continued...

STANDARD CHARGES						
SCHEDULE 2 WORK TO A SINGLE DWELLING						
Limited to work not more than 3 storeys above ground level						
		Full Plans				
Code	<u>Extension and New Build</u>	Plan Charge	Inspection Charge*	Building Notice Charge*	Regularisation Charge*	
<b>DX1</b>	Separate single storey extension with floor area not exceeding 40m <sup>2</sup>	Fee	£155.00	£325.00	£495.00	<b>£618.75</b>
		VAT	£31.00	£65.00	£99.00	
		<b>Total</b>	<b>£186.00</b>	<b>£390.00</b>	<b>£594.00</b>	
<b>DX2</b>	Separate single storey extension with floor area exceeding 40m <sup>2</sup> but not exceeding 100m <sup>2</sup>	Fee	£170.00	£400.00	£600.00	<b>£750.00</b>
		VAT	£34.00	£80.00	£120.00	
		<b>Total</b>	<b>£204.00</b>	<b>£480.00</b>	<b>£720.00</b>	
<b>DX3</b>	Separate extension with some part 2 or 3 storeys in height and a total floor area not exceeding 40m <sup>2</sup>	Fee	£160.00	£360.00	£545.00	<b>£681.25</b>
		VAT	£32.00	£72.00	£109.00	
		<b>Total</b>	<b>£192.00</b>	<b>£432.00</b>	<b>£654.00</b>	
<b>DX4</b>	Separate extension with some part 2 or 3 storeys in height and a total floor area exceeding 40m <sup>2</sup> but not exceeding 100m <sup>2</sup>	Fee	£240.00	£455.00	£725.00	<b>£906.25</b>
		VAT	£48.00	£91.00	£145.00	
		<b>Total</b>	<b>£288.00</b>	<b>£546.00</b>	<b>£870.00</b>	
<b>DG0</b>	A building or extension comprising solely of a garage, carport or store not exceeding 100m <sup>2</sup>	Fee	£110.00	£240.00	£345.00	<b>£431.25</b>
		VAT	£22.00	£48.00	£69.00	
		<b>Total</b>	<b>£132.00</b>	<b>£288.00</b>	<b>£414.00</b>	
<b>DNH</b>	Detached non-habitable domestic building with total floor area not exceeding 50m <sup>2</sup>	Fee	£110.00	£240.00	£345.00	<b>£431.25</b>
		VAT	£22.00	£48.00	£69.00	
		<b>Total</b>	<b>£132.00</b>	<b>£288.00</b>	<b>£414.00</b>	
<b><u>Conversions</u></b>						
<b>DLC</b>	First and second floor loft conversions	Fee	£170.00	£385.00	£615.00	<b>£768.75</b>
		VAT	£34.00	£77.00	£123.00	
		<b>Total</b>	<b>£204.00</b>	<b>£462.00</b>	<b>£738.00</b>	
<b>DOC</b>	Other work (e.g. single garage conversions)	Fee	£85.00	£205.00	£290.00	<b>£362.50</b>
		VAT	£17.00	£41.00	£58.00	
		<b>Total</b>	<b>£102.00</b>	<b>£246.00</b>	<b>£348.00</b>	
<b><u>Alterations (inc underpinning)</u></b>						
<b>DTH</b>	Renovation of a thermal element	Fee	£60.00	£110.00	£165.00	<b>£206.25</b>
		VAT	£12.00	£22.00	£33.00	
		<b>Total</b>	<b>£72.00</b>	<b>£132.00</b>	<b>£198.00</b>	
<b>DRW</b>	Replacement windows, rooflights, roof windows or external glazed doors	Fee	£60.00	£110.00	£165.00	<b>£206.25</b>
		VAT	£12.00	£22.00	£33.00	
		<b>Total</b>	<b>£72.00</b>	<b>£132.00</b>	<b>£198.00</b>	
<b>DA1</b>	Cost of work not exceeding £5000 (inc Renewable Energy Systems)	Fee	£60.00	£110.00	£165.00	<b>£206.25</b>
		VAT	£12.00	£22.00	£33.00	
		<b>Total</b>	<b>£72.00</b>	<b>£132.00</b>	<b>£198.00</b>	
<b>DA2</b>	Cost of work exceeding £5000 but not exceeding £25000	Fee	£125.00	£240.00	£365.00	<b>£456.25</b>
		VAT	£25.00	£48.00	£73.00	
		<b>Total</b>	<b>£150.00</b>	<b>£288.00</b>	<b>£438.00</b>	
<b>DA3</b>	Cost of work exceeding £25000 but not exceeding £100000	Fee	£180.00	£415.00	£650.00	<b>£812.50</b>
		VAT	£36.00	£83.00	£130.00	
		<b>Total</b>	<b>£216.00</b>	<b>£498.00</b>	<b>£780.00</b>	
<b>DA4</b>	Cost of work exceeding £100000 but not exceeding £250000	Fee	£275.00	£635.00	£940.00	<b>£1,175.00</b>
		VAT	£55.00	£127.00	£188.00	
		<b>Total</b>	<b>£330.00</b>	<b>£762.00</b>	<b>£1,128.00</b>	
<b>Notifiable Electrical work in addition to the above, where applicable.</b>						
<b>DNE</b>	(Where a satisfactory certificate will not be issued by a Part P registered electrician)	Fee	£250.00			<b>£300.00</b>
		VAT	£50.00			
		<b>Total</b>	<b>£300.00</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 H6 continued...

STANDARD CHARGES						
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 £
NX1	Single storey with floor area not exceeding 40m <sup>2</sup>	Fee	£165.00		£350.00	£643.75
		VAT	£33.00		£70.00	
		<b>Total</b>	<b>£198.00</b>		<b>£420.00</b>	
NX2	Single storey with floor area exceeding 40m <sup>2</sup> but not exceeding 100m <sup>2</sup>	Fee	£185.00		£425.00	£762.50
		VAT	£37.00		£85.00	
		<b>Total</b>	<b>£222.00</b>		<b>£510.00</b>	
NX3	With some part 2 or 3 storey in height and a total floor area not exceeding 40m <sup>2</sup>	Fee	£280.00		£535.00	£1,018.75
		VAT	£56.00		£107.00	
		<b>Total</b>	<b>£336.00</b>		<b>£642.00</b>	
NX4	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>	Fee	£310.00		£695.00	£1,256.25
		VAT	£62.00		£139.00	
		<b>Total</b>	<b>£372.00</b>		<b>£834.00</b>	
<b>Alterations</b>						
NO1	Cost of work not exceeding £5000	Fee	£65.00		£145.00	£262.50
		VAT	£13.00		£29.00	
		<b>Total</b>	<b>£78.00</b>		<b>£174.00</b>	
NO2	Replacement windows, rooflights, roof windows or external glazed doors (not exceeding 20 units)	Fee	£65.00		£145.00	£262.50
		VAT	£13.00		£29.00	
		<b>Total</b>	<b>£78.00</b>		<b>£174.00</b>	
NO3	Renewable energy systems (not covered by an appropriate Competent Persons scheme)	Fee	£65.00		£145.00	£262.50
		VAT	£13.00		£29.00	
		<b>Total</b>	<b>£78.00</b>		<b>£174.00</b>	
NO4	Installation of new shop front	Fee	£65.00		£145.00	£262.50
		VAT	£13.00		£29.00	
		<b>Total</b>	<b>£78.00</b>		<b>£174.00</b>	
NO5	Cost of work exceeding £5000 but not exceeding £25000	Fee	£140.00		£270.00	£512.50
		VAT	£28.00		£54.00	
		<b>Total</b>	<b>£168.00</b>		<b>£324.00</b>	
NO6	Replacement windows, rooflights, roof windows or external glazed doors (exceeding 20 units)	Fee	£140.00		£270.00	£512.50
		VAT	£28.00		£54.00	
		<b>Total</b>	<b>£168.00</b>		<b>£324.00</b>	
NO7	Renovation of thermal elements	Fee	£140.00		£270.00	£512.50
		VAT	£28.00		£54.00	
		<b>Total</b>	<b>£168.00</b>		<b>£324.00</b>	
NO8	Installation of Raised Storage Platform within an existing building	Fee	£140.00		£270.00	£512.50
		VAT	£28.00		£54.00	
		<b>Total</b>	<b>£168.00</b>		<b>£324.00</b>	
NO9	Cost of works exceeding £25000 but not exceeding £100000	Fee	£200.00		£480.00	£850.00
		VAT	£40.00		£96.00	
		<b>Total</b>	<b>£240.00</b>		<b>£576.00</b>	
N10	Fit out of building up to 100m <sup>2</sup>	Fee	£170.00		£425.00	£743.75
		VAT	£34.00		£85.00	
		<b>Total</b>	<b>£204.00</b>		<b>£510.00</b>	
N11	Cost of works exceeding £100000 but not exceeding £250000	Fee	£280.00		£665.00	£1,181.25
		VAT	£56.00		£133.00	
		<b>Total</b>	<b>£336.00</b>		<b>£798.00</b>	

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

## Annex H6 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>

Other Planning fees and charges	2019/20 charge £	2020/21 charge £	Does the charge include VAT?
Documents provided under Local Government Access to Information Act 1985	10p a sheet plus £25 per hour if job exceeds 1 hour	10p a sheet plus £25 per hour if job exceeds 1 hour	Yes
Documents - TPO, BPN, LB			
Planning & Building Regulation Decision Notices			
Uttlesford Local Plan Adopted 2005	25.00	25.00	Yes
Emerging Local Plan	75.00	75.00	Yes
Confirmation regarding Agricultural Ties	42.00	42.00	Yes
An administrative pre application submission check for householder applications	35.00	35.00	No
To retain a % of fee paid if the application is withdrawn; Pre-Applications		15%	Yes
Parish and Town Councils - Neighbourhood Planning mapping	The time charged will be at the appropriate officer hourly rate		No
S106/Legal Agreement Monitoring Fee - including monetary value		Bespoke Fee	Yes
S106/Legal Agreement Monitoring Fee - including non-monetary value		Bespoke Fee	Yes
Listed Building Authorisation Check (Vendor/Purchaser)		1000.00	No
Solicitor's queries regarding compliance with Enforcement Notices		POA	

**Annex H6 continued...**

<b>Planning Pre-application advice</b>	<b>2019/20 charge £</b>	<b>2020/21 charge £</b>	<b>Does the charge include VAT?</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	n/a	300.00	Yes
- Meeting 1 hr and written advice	300.00	450.00	Yes
- Follow up advice	150.00	225.00	Yes
MINOR development			
- Written Advice only	150.00	175.00	Yes
- Meeting 1 hr and written advice	350.00	375.00	Yes
- Follow up advice	150.00	175.00	Yes
MINOR development and Heritage* advice			
- Written Advice only	250.00	450.00	Yes
- Meeting 1 hr and written advice	450.00	550.00	Yes
- Follow up advice	200.00	275.00	Yes
Strategic MAJOR (Residential development of 100+ and commercial developments of 5,000+ square metres of floor space or on sites over 3 hectares)			
- Meeting 1 hr and written advice	2400.00	2700.00	Yes
- Follow up advice	865.00	1000.00	Yes
Strategic MAJOR (Residential development of 100+ and commercial developments of 5,000+ square metres of floor space or on sites over 3 hectares) including Heritage* Advice			
- Written advice only	n/a	2000.00	Yes
- Meeting 1 hr and written advice	2700.00	3000.00	Yes
- Follow up advice	1015.00	1250.00	Yes
Large Scale MAJOR (Residential development of 50-99 dwellings and commercial developments of 2,000-4,999 square metres of floor space or on sites of 2-3 hectares)			
- Written Advice only	860.00	1000.00	Yes
- Meeting 1 hr and written advice	1360.00	1500.00	Yes
- Follow up advice	680.00	850.00	Yes
Large Scale MAJOR (Residential development of 50-99 dwellings and commercial developments of 2,000-4,999 square metres of floor space or on sites of 2-3 hectares) including Heritage Advice*			
- Written Advice only	1010.00	1500.00	Yes
- Meeting 1 hr and written advice	1660.00	2250.00	Yes
- Follow up advice	830.00	1000.00	Yes
Small Scale MAJOR (Residential development of 10 - 49 dwellings and commercial developments of 1,000-1,999 square metres of floor space or on sites of 1 - 2 hectares)			
- Written Advice only	540.00	750.00	Yes
- Meeting 1 hr and written advice	990.00	1250.00	Yes
- Follow up advice	495.00	600.00	Yes
Small Scale MAJOR (Residential development of 10 - 49 dwellings and commercial developments of 1,000-1,999 square metres of floor space or on sites of 1 - 2 hectares) and Heritage Advice*			
- Written Advice only	690.00	900.00	Yes
- Meeting 1 hr and written advice	1290.00	1500.00	Yes
- Follow up advice	645.00	850.00	Yes
Planning Performance Agreements (PPAs)	POA	POA	
High Hedge Complaints	500.00	500.00	Yes

\*Heritage advice includes Locally Listed Buildings/ Ancient Monuments/Works or development in a Conservation Area.

## Annex H6 continued...

Car Parking	2019/20 charge £	2020/21 charge £	Does the charge include VAT?
<b>Great Dunmow</b>			
<b>White Street</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>New Street/Chequers &amp; Angel Lane</b>			
30 Minutes	0.40	0.40	Yes
1 Hour	0.60	0.60	Yes
3 Hours	1.20	1.20	Yes
<b>Chequers</b>			
Season Ticket (6 months) - Renewals only	175.00	175.00	Yes
Season Ticket (per annum) - Renewals only	300.00	300.00	Yes
<b>Stansted Mountfitchet</b>			
<b>Lower Street</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>Crafton Street</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 H6 continued...

Car Parking	2019/20 charge £	2020/21 charge £	Does the charge include VAT?
<b>Saffron Walden</b>			
<b>Faircroft</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>Common</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>Rose &amp; Crown</b>			
30 Minutes	0.50	0.50	Yes
1 Hour	0.70	0.70	Yes
2 Hours	1.20	1.20	Yes
<b>Swan Meadow</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>Coaches</b>			
5 Hours	3.00	3.00	Yes
9 Hours	6.00	6.00	Yes

**Annex H6 continued...**

<b>Environmental Health</b>	<b>2019/20 charge £</b>	<b>2020/21 charge £</b>	<b>Does the charge include VAT?</b>
<b><u>Food and Water Safety</u></b>			
Food Safety course - level 2 certificate	80.00	80.00	No
Health Certificate for Export	90.00	92.50	No
Food disposal if required	at cost	at cost	Yes
Voluntary Surrender Certificate	90.00	92.50	No
Water Samples (Airport)	25.00	26.00	Yes
Private water supply sampling and analysis under Regulation 10 (small supplies) - per visit (plus laboratory fee)	46.00	47.50	Yes
Group A parameter sampling and analysis (large supplies)	46.00	47.50	Yes
Group B parameter sampling and analysis (large supplies)	92.00	95.00	Yes
Investigation (per hour)	58.00	59.50	No
Risk Assessment (per hour)	58.00	59.50	No
EIR information	113.00	116.50	No
Contaminated land	113.00	116.50	No
Officer charges for works in default - per hour	55.00	56.50	No
Chemical Water Samples on request	Charged at	Charged at	Yes
<b><u>Imported Food Inspection Charges</u></b>			
POAO per CVED (Products of animal origin) (per	180.00	185.50	No
POAO per additional CVED on same AWB	50.00	51.50	No
POAO per CVED Out of Hours additional fee (Products of	75.00	77.50	No
Organic product certificate office hours	70.00	72.00	No
Organic product certificate out of office hours	250.00	257.50	No
High Risk NAO per CED (Non animal origin)	55.00	56.50	No
High Risk NAO sampling fee + laboratory charges	65.00	67.00	No
High Risk NAO per CED Out of Hours	65.00	67.00	No
High Risk NAO Out of Hours sampling fee + laboratory	95.00	98.00	No
High Risk destruction charge + disposal costs	60.00	62.00	No
IUU Catch Certificate EEA	25.00	26.00	No
IUU Catch Certificate non EEA	50.00	51.50	No
CED rejection fee	75.00	77.50	No
Consignment abandon fee	60.00	62.00	No
ID check - Weekdays	50.00	51.50	No
ID check - Weekends	85.00	87.50	No
Organics check - Weekdays	40.00	41.00	No
Organics check - Weekends	60.00	62.00	No
Melamine check	75.00	77.50	No
Destruction Supervision	55.00	56.50	No

**Annex H6 continued...**

<b>Environmental Health</b>	<b>2019/20 charge £</b>	<b>2020/21 charge £</b>	<b>Does the charge include VAT?</b>
<b>Animals</b>			
Micro chipping - Pets - Microchip event (service no longer	18.00	n/a	Yes
Stray dog - administrative costs (plus kennel and vet fees	51.00	52.50	No
Stray dog - statutory fee	25.00	26.00	No
<b>Other charges</b>			
<b>HMO (Homes of Multiple Occupancy) Licensing Fees</b>			
HMO licence fee for up to 5 bedrooms * part 1 fee	510.00	525.50	No
HMO licence fee for up to 5 bedrooms * part 2 fee	571.00	588.00	No
HMO licence fee for 5 letting rooms or more - charge per ac	30.00	31.00	No
HMO licence fee for up to 5 bedrooms - Renewal charge	571.00	588.00	No
HMO licence fee - Incomplete Application	30.00	31.00	No
Reminder letter on failure to apply for a licence	30.00	31.00	No
Variation of licence (i.e. change in address or new	9.00	9.50	No
Missed appointment	128.00	132.00	No
Any other correspondence such as sending out a final	30.00	31.00	No
<p>* The total cost of licensing an HMO in 2020/21 with Uttlesford District Council is £1,113.50 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	168.00	173.00	No
Housing improvement notice - fixed price	246.00	253.50	No
Suspended improvement notice - fixed price	246.00	253.50	No
Prohibition order - fixed price	246.00	253.50	No
Suspended prohibition order - fixed price	246.00	253.50	No
Emergency prohibition order - fixed price	246.00	253.50	No
Emergency remedial action notice - fixed price	246.00	253.50	No

**Annex H6 continued...**

<b>Land Charges</b>	<b>2019/20 charge £</b>	<b>2020/21 charge £</b>	<b>Does the charge include VAT?</b>
Note: Since March 2017 VAT has been payable on all charged searches aside from LLC1 enquiries.			
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
CON29O*	18.00	18.00	Yes
* The following CON29O 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>			

<b>Lifeline (Council Tenants and Private Residents)</b>	<b>2019/20 charge £</b>	<b>2020/21 charge £</b>	<b>Does the charge include VAT?</b>
Lifeline units - Level 1 - Weekly charge - including evening and weekend emergency response visits	5.34	5.34	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)	6.54	6.54	Yes*
*a zero rating for VAT will apply if the customer can provide evidence that they have a disability			

**Annex H6 continued...**

<b>Day Centres</b>	<b>2019/20 charge £</b>	<b>2020/21 charge £</b>	<b>Does the charge include VAT?</b>
<b><u>Thaxted</u></b>			
Meal	5.00	5.00	Yes
Hall hire per hour	8.00	8.00	Yes
Kitchen hire per hire	10.00	10.00	Yes
Kitchen and hall hire together - per hire and the charge per hour	15.00 8.00	15.00 8.00	Yes Yes
Local Groups; Kitchen and hall hire together - per hire and the charge per hour	10.00 8.00	10.00 8.00	Yes Yes
<b><u>Saffron Walden</u></b>			
Meal (main)	6.00	6.00	Yes
Meal (dessert)	1.30	1.30	Yes
Hall hire per hour	8.50	8.50	Yes
Kitchen hire per hour	10.00	10.00	Yes
Kitchen and hall hire together - per hire and the charge per hour	15.00 8.50	15.00 8.50	Yes Yes
Local Groups; Kitchen and hall hire together - per hire and the charge per hour	10.00 8.50	10.00 8.50	Yes Yes
<b><u>Takeley</u></b>			
Hall hire per hour	7.50	n/a*	Yes
Kitchen Hire per hour	10.00	n/a*	Yes
Kitchen and hall hire together - per hire and the charge per hour	10.00 7.50	n/a* n/a*	Yes Yes
* Takeley no longer available for hire (decommissioned 1st November 2019)			

<b>Democratic Services</b>	<b>2019/20 charge £</b>	<b>2020/21 charge £</b>	<b>Does the charge include VAT?</b>
Road closure order	36.00	36.00	Yes

Annex H6 continued...

Museum	2019/20 charge £	2020/21 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
Admission Charge children	0.00	0.00	N/A
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 (from September 2017)	120.00	120.00	Yes
Taught session schools w hole day (from September 2017)	210.00	210.00	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 (charges for other activities and events may vary)	1.50	1.50	Yes
<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 view ing 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 (per hour for 2017-18)	78.00	78.00	Yes
Saturday half-day	90.00	90.00	Yes
Saturday w hole 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

Annex H6 continued...

Licensing	2019/20 charge £	2020/21 charge £	Does the charge include VAT?
<b>Taxi Licensing</b>			
Drivers (licence valid for 3 years)			
- New Application	216.00	216.00	No
- Renewal	215.00	215.00	No
Drivers (licence valid for 2 years)			
- New Application	199.00	199.00	No
- Renewal	198.00	198.00	No
Drivers (licence valid for 1 years)			
- New Application	182.00	182.00	No
- Renewal	181.00	181.00	No
Operators (licence valid for 5 years)			
- New Application	478.00	478.00	No
- Renewal	476.00	476.00	No
Vehicles (licence valid for 1 year)			
- New Application	108.00	108.00	No
- Renewal	96.00	96.00	No
Vehicle Licence Transfer Fee	100.00	100.00	No
CRB checks	Charged at cost	cost	No
<b>Caravan Site Licence Fees</b>			
<u>New Applications</u>			
1-5 pitches	405.00	417.00	No
6-10 pitches	405.00	417.00	No
11-20 pitches	486.00	500.50	No
21-50 pitches	569.00	586.00	No
51-100 pitches	747.00	769.50	No
>100 pitches	810.00	834.50	No
<b>Other Licences</b>			
Skin piercing premises & 1 person	180.00	185.50	No
Skin piercing additional person	10.00	10.50	No
Skin piercing additional Treatment (at same time)	35.00	36.00	No
Additional ear piercing operator added at a later date	40.00	41.00	No
Additional operator added at a later date (other)	60.00	62.00	No
Additional treatment added at a later date	70.00	72.00	No
Table and Chairs on the Highway	125.00	125.00	No
<b>Scrap Metal</b>			
Grant of a site or collectors licence	367.00	378.00	No
- each additional site after first site	192.00	198.00	No
Renewal of a site or collectors licence	322.00	331.50	No
- each additional site after first site	192.00	198.00	No
Variation of a site or collectors licence	130.00	134.00	No
- each additional site being added to the licence	322.00	331.50	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 H6 continued...**

Licensing	2019/20 charge £	2020/21 charge £	Does the charge include VAT?
<b>Licences</b>			
Animal boarding establishment (cattery, kennel, dog day care)*			
- Part A fee	271.00	279.00	No
- Part B fee	176.00	181.50	No
- Re-inspection	129.00	133.00	No
- Variation	20.00	20.50	No
Riding Establishments *			
- Part A fee	334.00	344.00	No
- Part B fee	188.00	193.50	No
- Re-inspection	181.00	186.50	No
- Variation	20.00	20.50	No
Home boarding *			
- Part A fee	185.00	190.50	No
- Part B fee	192.00	198.00	No
- Re-inspection	129.00	133.00	No
- Variation	20.00	20.50	No
Dog breeding establishment *			
- Part A fee	250.00	257.50	No
- Part B fee	176.00	181.50	No
- Re-inspection	129.00	133.00	No
- Variation	20.00	20.50	No
Pet shop *			
- Part A fee	271.00	279.00	No
- Part B fee	179.00	184.50	No
- Re-inspection	129.00	133.00	No
- Variation	20.00	20.50	No
Dangerous wild animals * - Quote on application (based on a 2 year licence)			
	POA	POA	No
Zoo licence (5 years) * - Quote on application (based on a 5 year licence)			
	POA	POA	No
Keeping or Training Animals for Exhibition * - Quote on application (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.			
<b>Additional Costs</b>			No
Cattery, Kennel, Dog Day Care	61.00	62.00	No
Riding Establishments	123.00	125.00	No
Home Boarders	61.00	62.00	No
Breeders	61.00	62.00	No
Pet Shop	61.00	62.00	No
Keeping or Training Animals for Exhibition - Quote on appli	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 H6 continued...

Refuse Collection & Recycling	2019/20 charge £	2020/21 charge £	Does the charge include VAT?
<b><u>Bulky Waste Collection Service</u></b>			
Minimum charge for 2 items	17.50	17.50	No
Each additional item	8.75	8.75	No
Waste Electrical Equipment Collection Services (1 item)	17.50	17.50	No
Each additional item	8.75	8.75	No
Garden Waste Bags	1.20	1.20	No
<b><u>Garden Waste Collection Service</u></b>			
240 litre w heeled bin (online payment or DD)	35.00	n/a	No
240 litre w heeled bin (payment by DD)	35.00	40.00	No
240 litre w heeled bin (Other Payment Options)	45.00	46.00	No
Bin delivery charge	22.00	22.50	No
<b><u>Waste container supply and delivery (new developments)</u></b>			
Full set of containers, Green lidded bin, Grey lidded bin, Food Caddy	50.00	75.00	No
<b><u>Town and Parish Council Garden Waste weekend collection</u></b>			
Charge per hour	68.00	70.00	No
<b><u>Trade Waste Collection and Disposal Charges</u></b>			
Trade sacks (85 litres)	3.00	3.00	No
Bins 180 litres	6.00	6.14	No
Bins 240 litres	8.00	8.19	No
Bins 660 litres	13.22	13.54	No
Bins 1100 litres	20.39	20.88	No
Skip 8 cu yd	154.04	n/a	No
Skip - 12 cubic yard (light materials)	154.04	157.74	No
Skip - 12 cubic yard (heavy materials)	241.40	247.19	No

Print Room	2019/20 charge £	2020/21 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 H6 continued...

Housing	2019/20 charge £	2020/21 charge £	Does the charge include VAT?
<b><u>Garage Rents</u></b>			
Private (per week)	12.74	13.04	Yes
Tenants (per week)	10.62	10.87	No
<b><u>Sheltered Housing Scheme</u></b>			
Intensive Housing Management (IHM) (per week)	15.38	15.24	No
Housing Related Support (HRS) (per week)	6.26	5.92	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)	3.60	3.60	Yes
Small one off Clearance	24.00	24.00	Yes
Large one off Clearance	54.00	54.00	Yes
<b><u>Guest Rooms - Sheltered Accommodation</u></b>			
Guest Room (per night)	18.00	18.00	Yes

**COUNCIL TAX RESOLUTION 2020/21****PURPOSE**

The purpose of this Appendix is to enable the Council to calculate and set the Council Tax for 2020/21.

**BACKGROUND**

The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the Council to calculate a Council Tax requirement for the year, not its budget requirement as previously.

**PRECEPT LEVELS**

The following precept levels have been received.

- **Essex County Council** met on 11 February 2020 and set their precept at **£50,249,925**. This results in a 2020/21 County Council Band D Council Tax of **£1,321.11**, an increase of £50.67 (3.99%). This comprises a 2% increase for the adult social care precept and a 1.99% increase for the general county fund.
- **Essex Police, Fire and Crime Commissioner Fire and Rescue Authority** met on 6 February 2020 and set their precept at **£2,810,490**. This results in a 2020/21 PFCC Fire and Rescue Authority Band D Council Tax of **£73.89**, an increase of £1.44 (1.99%) on the previous year.
- The **Police, Fire & Crime Commissioner for Essex – Policing and Community Safety** set their precept on 6 February 2020 at **£7,555,118**. This results in a 2020/21 PFCC Police Authority Band D Council Tax of **£198.63**, an increase of £5.67 (2.94%) on the previous year.
- The **Town & Parish Councils'** precepts are detailed in Annex 1 and total **£3,705,740**. This results in an average Town/Parish Council Band D Council Tax of **£97.43**, an average increase of £5.93 (6.48%) on the previous year.
- The Cabinet of **Uttlesford District Council** met on 13 February 2020 and decided to recommend a Council Tax Requirement of **£5,956,840**. Assuming this is approved by the Council on 25 February 2020, this results in a District Council Band D Council Tax of **£156.61**, an increase of £5.00 (3.30%) on the previous year.

**The total of all precepts levied is therefore £70,278,113. This results in an average total Band D Council Tax of £1,847.67, an increase of £68.71 (3.86%) on the previous year.**

Subject to the Council approving the Council Tax Resolution, the following tables summarise Council Tax bills for 2020/21.

### Summary of average Band D Council Tax bill

Authority	2019/20	2020/21	Change £	Change %
	Band D £	Band D £		
Essex County Council	1,270.44	1,321.11	50.67	3.99
PFCC - Essex Fire	72.45	73.89	1.44	1.99
PFCC - Essex Police	192.96	198.63	5.67	2.94
Uttlesford District Council Town/Parish Councils (average)	151.61	156.61	5.00	3.30
	91.50	97.43	5.93	6.48
<b>Total Band D (average)</b>	<b>1,778.96</b>	<b>1,847.67</b>	<b>68.71</b>	<b>3.86</b>

### Summary of average Council Tax bills (all bands)

Band	Chargeable Dwellings		Proportion of Band D	Average 2019/20	Average 2020/21	Increase in 2020/21 £
	No.	%		Council Tax before discounts £	Council Tax before discounts £	
A	1,099	2.97	6/9ths	1,185.97	1,231.78	45.81
B	3,764	10.17	7/9ths	1,383.64	1,437.08	53.44
C	8,375	22.64	8/9ths	1,581.29	1,642.37	61.08
D	7,352	19.87	9/9ths	1,778.96	1,847.67	68.71
E	6,819	18.43	11/9ths	2,174.28	2,258.26	83.98
F	4,755	12.85	13/9ths	2,569.61	2,668.85	99.24
G	4,422	11.95	15/9ths	2,964.93	3,079.45	114.52
H	414	1.12	18/9ths	3,557.92	3,695.34	137.42
<b>Total</b>	<b>37,000</b>	<b>100.00</b>				

The formal Council Tax Resolution is set out overleaf.

## COUNCIL TAX RESOLUTION

The Council is recommended to resolve as follows:

1. To note that on 5 December 2019 the Director of Finance and Corporate Services, acting under delegated authority, calculated the Council Tax Base for 2020/21:
  - (a) Taxbase for the whole Council area is 39,868.68 Band D equivalents, before adjusting for Local Council Tax Support discounts
  - (b) For the whole Council area, the estimated value of Local Council Tax Support discounts is a taxbase reduction of 1832.54 Band D equivalents
  - (c) Taxbase for the whole Council area, after adjusting for Local Council Tax Support discounts is 38,036.14 Band D equivalents. This being the figure to be used for precept calculation purposes
  - (d) For dwellings in those parts of its area to which a Parish precept relates as shown in Annex 1.
2. To determine that the Council Tax requirement for the Council's own purposes for 2020/21 (excluding town/parish precepts) is £5,956,840.
3. That the following amounts be calculated for the year 2020/21 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended (the Act):
  - (a) £76,690,425 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by town/parish councils.
  - (b) £67,027,974 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
  - (c) £9,662,451 Being the amount by which the aggregate of 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (including town/parish precepts).
  - (d) £254.03 Being the amount at 3(c) above, divided by the Council Tax Base shown at 1(c) above, as the basic amount of its Council Tax for the year (including town/parish precepts)
  - (e) £3,705,740 Being the aggregate amount of all special items (town/parish precepts) referred to in Section 34(1) of the Act (as per the attached Annex 1)
  - (f) £156.61 Being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by the Council Tax Base shown at 1(c) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Town/Parish precept relates.
4. To note that Essex County Council and the Office of Police, Fire and Crime Commissioner have issued precepts to the Council in accordance with Section 40 of the Act for each category of dwellings in the Council's area and these are shown in the table in point 5 below.

5. That the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2020/21 for each part of its area and for each of the categories of dwellings.

	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
	<b>£</b>							
Essex County Council	880.74	1,027.53	1,174.32	1,321.11	1,614.69	1,908.27	2,201.85	2,642.22
PFCC - Essex Police	132.42	154.49	176.56	198.63	242.77	286.91	331.05	397.26
PFCC - Essex Fire	49.26	57.47	65.68	73.89	90.31	106.73	123.15	147.78
Uttlesford District Council	104.41	121.81	139.21	156.61	191.41	226.21	261.02	313.22
<b>Aggregate amounts excluding Town/Parish Councils</b>	<b>1,166.83</b>	<b>1,361.30</b>	<b>1,555.77</b>	<b>1,750.24</b>	<b>2,139.18</b>	<b>2,528.12</b>	<b>2,917.07</b>	<b>3,500.48</b>

6. Determines that the Council's basic amount of Council Tax for 2020/21 is not excessive in accordance with the principles approved under Section 52ZD(1) of the Act, and as shown in the calculation below.

(a) Amount/percentage increase defined by the Secretary of State as constituting an excessive increase for 2020/21: maximum increase of £5 or 2%

(b) Change in the Council's basic amount of Council Tax:

2019/20 amount	£151.61
2020/21 amount	£156.61
Amount of increase:	£5
Percentage increase:	3.30%

The figure at 6(b) is equal to the allowed increase at 6(a) above and therefore the Council's basic amount of Council Tax for 2020/21 is not excessive and no referendum is required.

7. Amounts payable in each town/parish at each band, comprising aggregate sums derived from all precepts are set out in Annex 2.

## TOWN/PARISH COUNCILS – 2020/21 TAXBASE AND PRECEPTS

Parish	2020/21 Taxbase (Gross)	2020/21	2020/21 Taxbase (net)	2020/21 Precept	2020/21 Band D	2019/20 Band D	Incr/Decr(-)	AMOUNT REQUIRED BY PARISH 2020/21							
	Before LCTS adjustment	LCTS adjust.	After LCTS adjust.	£	£	£	%	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	Band D equiv	Band D equiv	Band D equiv												
Arkesden	201.01	(0.92)	200.09	11,000.00	<b>54.98</b>	46.38	18.5%	36.65	42.76	48.87	54.98	67.20	79.42	91.63	109.96
Ashdon	390.16	(12.07)	378.09	40,000.00	<b>105.79</b>	92.75	14.1%	70.53	82.28	94.04	105.79	129.30	152.81	176.32	211.58
Aythorpe Roding	136.34	(2.34)	134.00	2,720.00	<b>20.30</b>	20.56	-1.3%	13.53	15.79	18.04	20.30	24.81	29.32	33.83	40.60
Barnston	401.60	(23.02)	378.58	27,885.00	<b>73.66</b>	72.93	1.0%	49.11	57.29	65.48	73.66	90.03	106.40	122.77	147.32
Berden	231.56	(7.94)	223.62	8,885.00	<b>39.73</b>	37.46	6.1%	26.49	30.90	35.32	39.73	48.56	57.39	66.22	79.46
Birchanger	370.65	(19.66)	350.99	10,215.00	<b>29.10</b>	56.41	-48.4%	19.40	22.63	25.87	29.10	35.57	42.03	48.50	58.20
Broxted	260.99	(17.42)	243.57	12,000.00	<b>49.27</b>	53.15	-7.3%	32.85	38.32	43.80	49.27	60.22	71.17	82.12	98.54
Chickney	23.85	(0.15)	23.70	0.00	<b>0.00</b>	0.00	0.0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chrishall	261.35	(6.89)	254.46	30,600.00	<b>120.25</b>	124.65	-3.5%	80.17	93.53	106.89	120.25	146.97	173.69	200.42	240.50
Clavering	672.68	(17.38)	655.30	18,041.00	<b>27.53</b>	31.91	-13.7%	18.35	21.41	24.47	27.53	33.65	39.77	45.88	55.06
Cothen	400.74	(10.85)	389.89	18,758.00	<b>48.11</b>	47.74	0.8%	32.07	37.42	42.76	48.11	58.80	69.49	80.18	96.22
Cothen & Wenden Lofts	314.85	(10.09)	304.76	12,500.00	<b>41.02</b>	41.49	-1.1%	27.35	31.90	36.46	41.02	50.14	59.25	68.37	82.04
Eskenham	1,476.27	(82.80)	1,393.47	82,500.00	<b>59.20</b>	57.20	3.5%	39.47	46.04	52.62	59.20	72.36	85.51	98.67	118.40
Farnham	198.79	(7.78)	191.01	9,000.00	<b>47.12</b>	56.83	-17.1%	31.41	36.65	41.88	47.12	57.59	68.06	78.53	94.24
Felsted	1,397.51	(60.11)	1,337.40	77,000.00	<b>57.57</b>	52.11	10.5%	38.38	44.78	51.17	57.57	70.36	83.16	95.95	115.14
Green	969.87	(24.07)	945.80	37,880.00	<b>40.05</b>	33.58	19.3%	26.70	31.15	35.60	40.05	48.95	57.85	66.75	80.10
Great Canfield	233.65	(1.45)	232.20	7,500.00	<b>32.30</b>	34.17	-5.5%	21.53	25.12	28.71	32.30	39.48	46.66	53.83	64.60
Great Chesterford	772.69	(29.12)	743.57	131,113.00	<b>176.33</b>	151.89	16.1%	117.55	137.15	156.74	176.33	215.51	254.70	293.88	352.66
Great Dunmow	4,506.05	(303.38)	4,202.67	625,951.00	<b>148.94</b>	138.04	7.9%	99.29	115.84	132.39	148.94	182.04	215.14	248.23	297.88
Great Easton & Tilty	521.31	(14.13)	507.18	25,600.00	<b>50.48</b>	50.45	0.1%	33.65	39.26	44.87	50.48	61.70	72.92	84.13	100.96
Great Hallingbury	375.07	(12.22)	362.85	14,175.00	<b>39.07</b>	38.36	1.9%	26.05	30.39	34.73	39.07	47.75	56.43	65.12	78.14
Hadstock	168.51	(4.74)	163.77	10,185.00	<b>62.19</b>	62.19	0.0%	41.46	48.37	55.28	62.19	76.01	89.83	103.65	124.38
Hatfield Broad Oak	589.66	(26.59)	563.07	62,800.00	<b>111.53</b>	86.97	28.2%	74.35	86.75	99.14	111.53	136.31	161.10	185.88	223.06
Hatfield Heath	934.27	(55.33)	878.94	42,145.00	<b>47.95</b>	48.37	-0.9%	31.97	37.29	42.62	47.95	58.61	69.26	79.92	95.90
Hempstead	223.26	(7.01)	216.25	9,250.00	<b>42.77</b>	44.04	-2.9%	28.51	33.27	38.02	42.77	52.27	61.78	71.28	85.54
Henham	659.10	(11.37)	647.73	38,779.00	<b>59.87</b>	59.48	0.7%	39.91	46.57	53.22	59.87	73.17	86.48	99.78	119.74
High Easter	355.56	(8.27)	347.29	22,800.00	<b>65.65</b>	33.00	98.9%	43.77	51.06	58.36	65.65	80.24	94.83	109.42	131.30
High Roding	241.42	(13.16)	228.26	17,500.00	<b>76.67</b>	56.56	35.6%	51.11	59.63	68.15	76.67	93.71	110.75	127.78	153.34

**TOWN/PARISH COUNCILS – 2020/21 TAXBASE AND PRECEPTS**

Parish	2020/21 Taxbase (Gross)	2020/21	2020/21 Taxbase (net)	2020/21 Precept	2020/21 Band D	2019/20 Band D	Incr/Decr(-)	AMOUNT REQUIRED BY PARISH 2020/21							
	Before LCTS adjustment	LCTS adjust.	After LCTS adjust.	£	£	£	%	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	Band D equiv	Band D equiv	Band D equiv												
Langley	191.71	(2.94)	188.77	16,855.00	<b>89.29</b>	91.18	-2.1%	59.53	69.45	79.37	89.29	109.13	128.97	148.82	178.58
Leaden Roding	292.11	(20.09)	272.02	6,500.00	<b>23.90</b>	23.75	0.6%	15.93	18.59	21.24	23.90	29.21	34.52	39.83	47.80
Lindsell	124.79	(2.44)	122.35	0.00	<b>0.00</b>	0.00	0.0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Little Bardfield	131.36	(8.09)	123.27	3,250.00	<b>26.36</b>	24.37	8.2%	17.57	20.50	23.43	26.36	32.22	38.08	43.93	52.72
Little Canfield	535.91	(27.25)	508.66	28,000.00	<b>55.05</b>	51.69	6.5%	36.70	42.82	48.93	55.05	67.28	79.52	91.75	110.10
Little Chesterford	111.15	(0.35)	110.80	2,500.00	<b>22.56</b>	22.86	-1.3%	15.04	17.55	20.05	22.56	27.57	32.59	37.60	45.12
Little Dunmow	220.41	(7.31)	213.10	15,000.00	<b>70.39</b>	71.57	-1.6%	46.93	54.75	62.57	70.39	86.03	101.67	117.32	140.78
Little Easton	221.56	(9.30)	212.26	25,612.00	<b>120.66</b>	108.88	10.8%	80.44	93.85	107.25	120.66	147.47	174.29	201.10	241.32
Little Hallingbury	756.66	(21.88)	734.78	39,000.00	<b>53.08</b>	53.96	-1.6%	35.39	41.28	47.18	53.08	64.88	76.67	88.47	106.16
Littlebury	413.33	(14.73)	398.60	32,000.00	<b>80.28</b>	75.82	5.9%	53.52	62.44	71.36	80.28	98.12	115.96	133.80	160.56
Manuden	330.16	(9.19)	320.97	10,350.00	<b>32.25</b>	31.25	3.2%	21.50	25.08	28.67	32.25	39.42	46.58	53.75	64.50
Margaret Roding	99.66	(7.35)	92.31	2,000.00	<b>21.67</b>	21.51	0.7%	14.45	16.85	19.26	21.67	26.49	31.30	36.12	43.34
Newport	1,222.82	(71.18)	1,151.64	150,000.00	<b>130.25</b>	111.36	17.0%	86.83	101.31	115.78	130.25	159.19	188.14	217.08	260.50
Quendon & Rickling	334.35	(17.86)	316.49	12,500.00	<b>39.50</b>	40.44	-2.3%	26.33	30.72	35.11	39.50	48.28	57.06	65.83	79.00
Roxwintar	303.87	(11.71)	292.16	18,530.00	<b>63.42</b>	53.89	17.7%	42.28	49.33	56.37	63.42	77.51	91.61	105.70	126.84
Saffron Walden	7,106.76	(378.76)	6,728.00	1,167,736.00	<b>173.56</b>	168.51	3.0%	115.71	134.99	154.28	173.56	212.13	250.70	289.27	347.12
Sampfords, The	410.91	(12.16)	398.75	8,000.00	<b>20.06</b>	30.57	-34.4%	13.37	15.60	17.83	20.06	24.52	28.98	33.43	40.12
Sewards End	249.91	(4.33)	245.58	12,300.00	<b>50.09</b>	49.35	1.5%	33.39	38.96	44.52	50.09	61.22	72.35	83.48	100.18
Stagsted	3,551.91	(159.34)	3,392.57	349,137.00	<b>102.91</b>	90.40	13.8%	68.61	80.04	91.48	102.91	125.78	148.65	171.52	205.82
Stebbing	735.82	(21.38)	714.44	51,450.00	<b>72.01</b>	72.00	0.0%	48.01	56.01	64.01	72.01	88.01	104.01	120.02	144.02
Strethall	15.64	0.00	15.64	0.00	<b>0.00</b>	0.00	0.0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Takeley	2,094.11	(106.33)	1,987.78	154,533.00	<b>77.74</b>	77.83	-0.1%	51.83	60.46	69.10	77.74	95.02	112.29	129.57	155.48
Thaxted	1,485.76	(84.26)	1,401.50	122,500.00	<b>87.41</b>	85.63	2.1%	58.27	67.99	77.70	87.41	106.83	126.26	145.68	174.82
Ugley	224.16	(8.72)	215.44	6,200.00	<b>28.78</b>	27.97	2.9%	19.19	22.38	25.58	28.78	35.18	41.57	47.97	57.56
Wendens Ambo	236.28	(5.87)	230.41	13,000.00	<b>56.42</b>	44.77	26.0%	37.61	43.88	50.15	56.42	68.96	81.50	94.03	112.84
White Roding	183.67	(3.63)	180.04	7,600.00	<b>42.21</b>	42.12	0.2%	28.14	32.83	37.52	42.21	51.59	60.97	70.35	84.42
Wicken Bonhunt	117.44	(4.78)	112.66	2,000.00	<b>17.75</b>	17.57	1.0%	11.83	13.81	15.78	17.75	21.69	25.64	29.58	35.50
Widdington	260.09	(7.03)	253.06	25,000.00	<b>98.79</b>	48.40	104.1%	65.86	76.84	87.81	98.79	120.74	142.70	164.65	197.58
Wimbish	617.60	(14.02)	603.58	17,405.00	<b>28.84</b>	28.84	0.0%	19.23	22.43	25.64	28.84	35.25	41.66	48.07	57.68
<b>Total</b>	<b>39,868.68</b>	<b>(1,832.54)</b>	<b>38,036.14</b>	<b>3,705,740.00</b>	<b>97.43</b>	<b>91.50</b>	<b>6.48%</b>	<b>64.95</b>	<b>75.78</b>	<b>86.60</b>	<b>97.43</b>	<b>119.08</b>	<b>140.73</b>	<b>162.38</b>	<b>194.86</b>

## 2020/21 COUNCIL TAX AMOUNTS FOR EACH TOWN/PARISH &amp; BAND

Council Tax 2020/21	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Ratio to Band D:	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	£	£	£	£	£	£	£	£
Arkesden	1,203.48	1,404.06	1,604.64	1,805.22	2,206.38	2,607.54	3,008.70	3,610.44
Ashdon	1,237.36	1,443.58	1,649.81	1,856.03	2,268.48	2,680.93	3,093.39	3,712.06
Aythorpe Roding	1,180.36	1,377.09	1,573.81	1,770.54	2,163.99	2,557.44	2,950.90	3,541.08
Barnston	1,215.94	1,418.59	1,621.25	1,823.90	2,229.21	2,634.52	3,039.84	3,647.80
Berden	1,193.32	1,392.20	1,591.09	1,789.97	2,187.74	2,585.51	2,983.29	3,579.94
Birchanger	1,186.23	1,383.93	1,581.64	1,779.34	2,174.75	2,570.15	2,965.57	3,558.68
Broxted	1,199.68	1,399.62	1,599.57	1,799.51	2,199.40	2,599.29	2,999.19	3,599.02
Chickney	1,166.83	1,361.30	1,555.77	1,750.24	2,139.18	2,528.12	2,917.07	3,500.48
Chrishall	1,247.00	1,454.83	1,662.66	1,870.49	2,286.15	2,701.81	3,117.49	3,740.98
Clavering	1,185.18	1,382.71	1,580.24	1,777.77	2,172.83	2,567.89	2,962.95	3,555.54
Debden	1,198.90	1,398.72	1,598.53	1,798.35	2,197.98	2,597.61	2,997.25	3,596.70
Elmdon & Wenden Lofts	1,194.18	1,393.20	1,592.23	1,791.26	2,189.32	2,587.37	2,985.44	3,582.52
Elsenham	1,206.30	1,407.34	1,608.39	1,809.44	2,211.54	2,613.63	3,015.74	3,618.88
Farnham	1,198.24	1,397.95	1,597.65	1,797.36	2,196.77	2,596.18	2,995.60	3,594.72
Felsted	1,205.21	1,406.08	1,606.94	1,807.81	2,209.54	2,611.28	3,013.02	3,615.62
Fritch Green	1,193.53	1,392.45	1,591.37	1,790.29	2,188.13	2,585.97	2,983.82	3,580.58
Great Canfield	1,188.36	1,386.42	1,584.48	1,782.54	2,178.66	2,574.78	2,970.90	3,565.08
Great Chesterford	1,284.38	1,498.45	1,712.51	1,926.57	2,354.69	2,782.82	3,210.95	3,853.14
Great Dunmow	1,266.12	1,477.14	1,688.16	1,899.18	2,321.22	2,743.26	3,165.30	3,798.36
Great Easton & Tilty	1,200.48	1,400.56	1,600.64	1,800.72	2,200.88	2,601.04	3,001.20	3,601.44
Great Hallingbury	1,192.88	1,391.69	1,590.50	1,789.31	2,186.93	2,584.55	2,982.19	3,578.62
Hadstock	1,208.29	1,409.67	1,611.05	1,812.43	2,215.19	2,617.95	3,020.72	3,624.86
Hatfield Broad Oak	1,241.18	1,448.05	1,654.91	1,861.77	2,275.49	2,689.22	3,102.95	3,723.54
Hatfield Heath	1,198.80	1,398.59	1,598.39	1,798.19	2,197.79	2,597.38	2,996.99	3,596.38
Hempstead	1,195.34	1,394.57	1,593.79	1,793.01	2,191.45	2,589.90	2,988.35	3,586.02
Henham	1,206.74	1,407.87	1,608.99	1,810.11	2,212.35	2,614.60	3,016.85	3,620.22
High Easter	1,210.60	1,412.36	1,614.13	1,815.89	2,219.42	2,622.95	3,026.49	3,631.78
High Roding	1,217.94	1,420.93	1,623.92	1,826.91	2,232.89	2,638.87	3,044.85	3,653.82
Langley	1,226.36	1,430.75	1,635.14	1,839.53	2,248.31	2,657.09	3,065.89	3,679.06
Leaden Roding	1,182.76	1,379.89	1,577.01	1,774.14	2,168.39	2,562.64	2,956.90	3,548.28
Lindsell	1,166.83	1,361.30	1,555.77	1,750.24	2,139.18	2,528.12	2,917.07	3,500.48
Little Bardfield	1,184.40	1,381.80	1,579.20	1,776.60	2,171.40	2,566.20	2,961.00	3,553.20
Little Canfield	1,203.53	1,404.12	1,604.70	1,805.29	2,206.46	2,607.64	3,008.82	3,610.58
Little Chesterford	1,181.87	1,378.85	1,575.82	1,772.80	2,166.75	2,560.71	2,954.67	3,545.60
Little Dunmow	1,213.76	1,416.05	1,618.34	1,820.63	2,225.21	2,629.79	3,034.39	3,641.26
Little Easton	1,247.27	1,455.15	1,663.02	1,870.90	2,286.65	2,702.41	3,118.17	3,741.80
Little Hallingbury	1,202.22	1,402.58	1,602.95	1,803.32	2,204.06	2,604.79	3,005.54	3,606.64
Littlebury	1,220.35	1,423.74	1,627.13	1,830.52	2,237.30	2,644.08	3,050.87	3,661.04
Manuden	1,188.33	1,386.38	1,584.44	1,782.49	2,178.60	2,574.70	2,970.82	3,564.98
Margaret Roding	1,181.28	1,378.15	1,575.03	1,771.91	2,165.67	2,559.42	2,953.19	3,543.82
Newport	1,253.66	1,462.61	1,671.55	1,880.49	2,298.37	2,716.26	3,134.15	3,760.98
Quendon & Rickling	1,193.16	1,392.02	1,590.88	1,789.74	2,187.46	2,585.18	2,982.90	3,579.48
Radwinter	1,209.11	1,410.63	1,612.14	1,813.66	2,216.69	2,619.73	3,022.77	3,627.32
Saffron Walden	1,282.54	1,496.29	1,710.05	1,923.80	2,351.31	2,778.82	3,206.34	3,847.60
Sampfords, The	1,180.20	1,376.90	1,573.60	1,770.30	2,163.70	2,557.10	2,950.50	3,540.60
Sewards End	1,200.22	1,400.26	1,600.29	1,800.33	2,200.40	2,600.47	3,000.55	3,600.66
Stansted	1,235.44	1,441.34	1,647.25	1,853.15	2,264.96	2,676.77	3,088.59	3,706.30
Stebbing	1,214.84	1,417.31	1,619.78	1,822.25	2,227.19	2,632.13	3,037.09	3,644.50
Strethall	1,166.83	1,361.30	1,555.77	1,750.24	2,139.18	2,528.12	2,917.07	3,500.48
Takeley	1,218.66	1,421.76	1,624.87	1,827.98	2,234.20	2,640.41	3,046.64	3,655.96
Thaxted	1,225.10	1,429.29	1,633.47	1,837.65	2,246.01	2,654.38	3,062.75	3,675.30
Ugley	1,186.02	1,383.68	1,581.35	1,779.02	2,174.36	2,569.69	2,965.04	3,558.04
Wendens Ambo	1,204.44	1,405.18	1,605.92	1,806.66	2,208.14	2,609.62	3,011.10	3,613.32
White Roding	1,194.97	1,394.13	1,593.29	1,792.45	2,190.77	2,589.09	2,987.42	3,584.90
Wicken Bonhunt	1,178.66	1,375.11	1,571.55	1,767.99	2,160.87	2,553.76	2,946.65	3,535.98
Widdington	1,232.69	1,438.14	1,643.58	1,849.03	2,259.92	2,670.82	3,081.72	3,698.06
Wimbish	1,186.06	1,383.73	1,581.41	1,779.08	2,174.43	2,569.78	2,965.14	3,558.16

# Uttlesford District Council

## Fast-track equality impact assessment (EqIA) tool

### What is this tool for?

This tool will help you to assess the impact of existing or new strategies, policies, projects, contracts or decisions on residents and staff. It will help you to deliver excellent services, by making sure that they reflect the needs of all members of the community and workforce.

### What should be equality impact assessed?

You only need to equality impact assess strategies, policies, projects, contracts or decisions that are **relevant** to equality. If you are not sure whether your activity is relevant to equality take the 'relevance test' on Page 9.

### How do I use the tool?

This tool is easy to use and you do not need expert knowledge to complete it. It asks you to make judgments based on evidence.

The tool uses a system of red flags  to give you an indication of whether or not your responses are identifying potential issues. Getting a red flag does not necessarily indicate a problem, but it does mean that your assessment is highlighting issues or gaps in data that may require further investigation or action.

*If there is insufficient space to answer a question, please use a separate sheet.*

General information		
1	Name of strategy, policy, project, contract or decision.	Budget 2020/21
2	What is the overall purpose of the strategy, policy, project, contract or decision?	To set The Council's Medium Term Financial Strategy, Council Tax and Annual Budget for 2020/21, in line with the Corporate Priorities and taking into account the budget consultation responses from Local Residents and Businesses and preceptors
3	Who may be affected by the strategy, policy, project, contract or decision?	<input checked="" type="checkbox"/> Residents <input checked="" type="checkbox"/> Staff <input type="checkbox"/> A specific client group/s e.g. linked by geographical location, social economic factors, age, disabilities, gender, transgender, race, religion or sexual orientation (please state)
4	Responsible department and Head of Division.	Adrian Webb, Director of Finance and Corporate Services
5	Are other departments or partners involved in delivery of the strategy, policy, project, contract or decision?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes – all departments
Gathering performance data		
6	Do you (or do you intend to) collect this monitoring data in relation to any of the following <u>diverse groups</u> ?	<input type="checkbox"/> Age <input type="checkbox"/> Disability <input type="checkbox"/> Sex <input type="checkbox"/> Race <input type="checkbox"/> Gender Reassignment <input type="checkbox"/> Sexual Orientation <input type="checkbox"/> Religion & Belief <input type="checkbox"/> Pregnancy and Maternity <input type="checkbox"/> Marriage and Civil Partnerships <input type="checkbox"/> Rural Isolation

7	How do you (or how do you intend to) monitor the impact of the strategy, policy, project, contract or decision?	<input checked="" type="checkbox"/> Performance indicators or targets <input type="checkbox"/> User satisfaction <input type="checkbox"/> Uptake <input type="checkbox"/> Consultation or involvement <input type="checkbox"/> Workforce monitoring data <input checked="" type="checkbox"/> Complaints <input type="checkbox"/> External verification <input type="checkbox"/> Eligibility criteria <input type="checkbox"/> Other (please state): <input type="checkbox"/> None 

Analysing performance data		
8	<p>Consider the impact the strategy, policy, project, contract or decision has already achieved, measured by the monitoring data you collect. Is the same impact being achieved for diverse groups as is being achieved across the population or workforce as a whole?</p>	<p> <input type="checkbox"/> Yes *  <input type="checkbox"/> No*  <input type="checkbox"/> Insufficient   <input checked="" type="checkbox"/> Not applicable  </p> <p><i>*Please state your evidence for this, including full document titles and dates of publication for audit purposes. Where applicable please also state the nature of any issues identified:</i></p> <p>No specific groups are referred to in the document and none of the information within it will have a differential impact on any group.</p>
9	<p>Is uptake of any services, benefits or opportunities associated with the strategy, policy, project, contract or decision generally representative of <u>diverse groups</u>?</p>	<p> <input type="checkbox"/> Yes *  <input type="checkbox"/> No*  <input type="checkbox"/> Insufficient   <input checked="" type="checkbox"/> Not applicable  </p> <p><i>*Please state your evidence for this, including full document titles and dates of publication for audit purposes. Where applicable please also state the nature of any issues identified:</i></p> <p>No specific groups are referred to in the document and none of the information within it will have a differential impact on any group.</p>

## Checking delivery arrangements

10 You now need to check the accessibility of your delivery arrangements against the requirements below. Click on the hyperlinks for more detailed guidance about the minimum criteria you should meet.

*If assessing a proposed strategy, policy, project, contract or decision, indicate 'Yes' if you anticipate compliance by launch of implementation.*

Yes      No       N/A

The [premises](#) for delivery are accessible to all.

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	-------------------------------------

[Consultation](#) mechanisms are inclusive of all.

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------	--------------------------

[Participation](#) mechanisms are inclusive of all.

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	-------------------------------------

If you answered 'No' to any of the questions above please explain why giving details of any legal justification.

**Checking information and communication arrangements**

11 You now need to check the accessibility of your information and communication arrangements against the requirements below. Click on the hyperlink for more detailed guidance about the minimum criteria you should meet.

*If assessing a proposed strategy policy, project, contract or decision, indicate 'Yes' if you anticipate compliance by launch of implementation.*

	Yes	No 	N/A
<a href="#">Customer contact</a> mechanisms are accessible to all.	<input type="checkbox"/>	<input type="checkbox"/>	X
Electronic, web-based and paper information is accessible to all.	X	<input type="checkbox"/>	<input type="checkbox"/>
Publicity campaigns are inclusive of all.	<input type="checkbox"/>	<input type="checkbox"/>	X
Images and text in documentation are representative and inclusive of all.	<input type="checkbox"/>	<input type="checkbox"/>	X

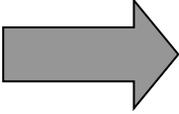
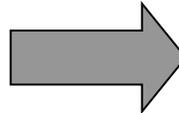
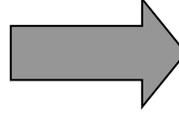
If you answered 'No' to any of the questions above please explain why, giving details of any legal justification.

**Future Impact**

12 Think about what your strategy, policy, project, contract or decision is aiming to achieve over the long term and the ways in which it will seek to do this. This is your opportunity to take a step back and consider the practical implementation of your strategy, policy, project, contract or decision in the future. As well as checking that people from diverse groups will not be inadvertently excluded from or disadvantaged by any proposed activities, it is also an opportunity to think about how you can maximize your impact, reach as many people as possible and really make a difference to the lives of everyone in Uttlesford regardless of their background or circumstances. Is it likely to inadvertently exclude or disadvantage any diverse groups?

No  
 Yes \*   
 Insufficient evidence 

\*Please state any potential issues identified.

Improvement actions	
13	<p>If your assessment has highlighted any potential issues or red flags, can these be easily addressed?</p> <p> <input type="checkbox"/> Yes  <input type="checkbox"/> No*   <input checked="" type="checkbox"/> Not applicable         </p> <p><i>*If Yes, please describe your proposed action/s, intended impact, monitoring arrangements implementation date and lead officer:</i></p>
Making a judgement – conclusions and next steps	
14	<p>Following this fast-track assessment, please confirm the following:</p> <p> <input checked="" type="checkbox"/> There are no inequalities identified that cannot be easily addressed or legally justified  No further action required. Complete this form and implement any actions you identified in Q13 above         </p> <p> <input type="checkbox"/> There is insufficient evidence to make a robust judgement.  Additional evidence gathering required (go to Q17 on Page 7 below).         </p> <p> <input type="checkbox"/> Inequalities have been identified which cannot be easily addressed.  Action planning required (go to Q18 on Page 8 below).         </p>
15	<p>If you have any additional comments to make, please include here.</p> <p><input type="checkbox"/> None</p>
Completion	
16	<p>Name and job title</p> <p>Angela Knight Assistant Director, Resources</p>
	<p>Name/s of any assisting officers and people consulted during assessment:</p> <p>Corporate Management Team, Cabinet Members, Local residents and Businesses and all the preceptors consulted</p> <p>Date:</p> <p>23 January 2019</p> <p>Date of next review:</p> <p>January 2020</p> <p><i>For <b>new</b> strategies, policies, projects, contracts or decisions this should be one year from implementation.</i></p>

# Agenda Item 11

**Committee:** Council

**Date:**

**Title:** Pay Policy Statement

25 February 2020

**Report Author:** Richard Auty, Assistant Director – Corporate Services

## Summary

1. There is a requirement under the Localism Act 2011 for councils to publish an annual Pay Policy Statement which sets out the pay and remuneration of its employees for the forthcoming year.
2. The policy also includes data on the gender pay gap. Publication of this data is required by the Equalities Act 2010 (Specific Duties and Authorities).

## Recommendations

3. Council is recommended to:

Approve the Pay Policy Statement

Give delegated authority to the Assistant Director – Corporate Services to update the Pay Policy Statement and associated documents with pay multiple figures as at 31 March 2020 and with revised salary information once the 2020/21 national pay award is agreed.

## Financial Implications

4. There are no implications for the Council's budget beyond those approved as part of the 2020/21 budget setting process

## Background Papers

5. 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.

None

## Impact

- 6.

Communication/Consultation	None
Community Safety	None
Equalities	None

Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	The policy sets out the council's remuneration scheme for staff

### Situation

7. The Localism Act 2011 put in place a requirement for Councils to approve a Pay Policy Statement before the start of each financial year. The Pay Policy Statement will be used for the forthcoming year to determine recruitment, retention and reward for existing and new staff.
8. All relevant legislation, government directives and guidance notes have been used to compile this Pay Policy Statement.
9. In accordance with the Council's wish to demonstrate transparency, and to comply with the requirements of the Localism Act, the Pay Policy Statement and associated documents will be published on the Council's website.
10. Delegated authority is sought to update figures in two sections of the Pay Policy Statement during the 2020/21 year without the need to bring the policy back to Full Council for further approval:

### Pay Multiple

11. Under the Localism Act the Council is required to publish pay multiple data. This is the ratio between the highest paid taxable earnings and the median earnings figure of the Council's workforce and is in section 6 of the Pay Policy Statement. The Act specifies the Pay Multiple should be calculated using figures as at 31 March. Given the need to approve the Pay Policy Statement before 1 April and the logic in presenting the Pay Policy Statement alongside the budget for the forthcoming year at the February Full Council meeting, it is not possible to include the data.
12. The Pay Policy Statement attached to this report instead contains the pay multiple based on figures as at 31 December 2019. If Full Council grants the request to delegate responsibility to update this figure, the Pay Policy Statement will be republished in early April 2020 with the calculation as at 31 March 2020.

## Salary Information

13. At the time of publishing the Pay Policy Statement, there has been no agreement regarding the 2020/2021 annual cost of living increase, which is negotiated on behalf of councils between the Local Government Association and Trade Unions. If Full Council grants the request to delegate responsibility to update these figures, the Pay Policy Statement and associated documents will be republished when agreement is reached.

## Risk Analysis

14.

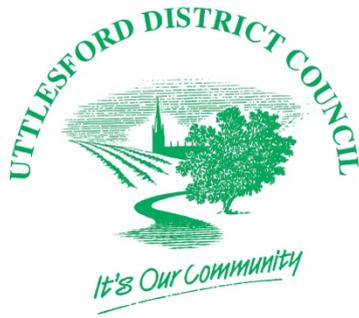
Risk	Likelihood	Impact	Mitigating actions
Council does not approve the Pay Policy by 31 March deadline	1 – the Pay Policy Statement is presented in advance of the deadline. It summarises established schemes and practices and contains data that is mandated by Government	3 – the council would be in breach of the Localism Act and Equalities Act	The Pay Policy Statement is presented well ahead of the deadline for publication

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.



# Pay Policy Statement 2020/21

Published  
April 2020

# Contents

<b>Section</b>	<b>Description</b>	<b>Page</b>
1	Background	3
2	Introduction	3
3	Terms & Conditions of Employment	4
4	Remuneration arrangements of Chief Officers	4
5	Remuneration of employees who are not Chief Officers	5
6	Pay Multiple	5
7	Increments in Pay	6
8	Annual Cost of Living Award	6
9	Living Wage	6
10	Average Salaries	7
11	Salary Ranges	7
12	Pay Protection	7
13	Job Evaluation	8
14	Additional Payments	8
15	Career Progression Scheme	11
16	Pensions	11
17	Severance Payments	11
18	Gender Pay Gap	12
19	More Information and Help	13

## **1. Background**

### **Localism Act 2011 – Openness and accountability in local pay**

- 1.1. Section 38(1) of the Localism Act requires local authorities to produce an annual pay policy statement.
- 1.2. The provisions in the Act do not seek to change the right of each local authority to have autonomy on pay decisions, however, it emphasises the need to deliver value for money for local taxpayers.
- 1.3. This statement has been approved by Full Council on 25 February 2020 and any changes during the year will be brought back to Full Council for the adoption at the earliest opportunity.
- 1.4. This statement applies to all Council employees (except Apprenticeships and other national trainee schemes which are subject to the relevant national pay schemes).

### **Local Government Transparency Code 2015**

- 1.5. The Council follows the transparency requirements on remuneration as set out in the Local Government Transparency Code 2015 (“the Code”), published by the Department for Communities and Local Government in February 2015, and the Local Transparency Guidance issued on 30 November 2015 by the Local Government Association.
- 1.6. Part of the Code includes publishing information relating to senior salaries within a local authority. A full list of all posts that are paid £50,000 or more per year that fall within the scope of the Accounts and Audit Regulations 2015 is published on the Council’s website [here](#).

## **2. Introduction**

- 2.1. The Council recognises that to attract, retain and motivate quality employees, fair and equitable pay and reward processes need to be adopted and managed. These processes should be based on the current and future requirements of the organisation. They should also recognise that changes in both employee expectations and motivational needs, along with influential external factors such as labour market conditions, need to be continually considered and managed through these policies.

- 2.2. Robust pay and reward processes provide clarification and understanding of what contributions and responsibilities are required of employees at all levels and how their input is recognised and rewarded. It also supports the identification of the required values, behaviours and performance levels of the organisation in order for it to meet its key corporate and operational goals.
- 2.3. All of the policies referred to in this document have been formulated in accordance with local and national pay and reward standards and guidance.
- 2.4. Employees will only be paid in accordance with the conditions outlined in this document.

### **3. Terms and Conditions of Employment**

- 3.1. For all roles, the terms and conditions of employment are in accordance with the following collective agreements / policies:
  - the National Joint Council for Local Government Services, set out in the Scheme of Conditions of Service (commonly known as the Green Book), as adopted by or on behalf of the Council
  - the East of England Regional Council for Local Government Employees Regional Agreements, as adopted by or on behalf of the Council
  - local collective agreements reached with trade unions recognised by the Council and
  - the policies of the Council.

In addition, the Council may from time to time adopt procedures which affects the terms and conditions of service. Local Agreements or those adopted by the Council will prevail over those agreed nationally or regionally.

### **4. Remuneration arrangements of Chief Officers**

- 4.1. For the purpose of this policy only, the term 'Chief Officer' is defined as:
  - Any member of the Corporate Management Team (CMT)
  - Any senior role on the pay grades 12 to 15
- 4.2. Roles that are evaluated on Grades 12 to 15 have an independent salary grade scheme applied to them which are determined locally.

- 4.3. The salary grades for Chief Officers from April 2020 are outlined in the table below:

Role	Grade	Minimum Annual Salary	Maximum Annual Salary
Chief Executive	15	£113,487	£118,741
Directors	14	£90,369	£93,522
Assistant Directors	13	£69,353	£72,506
Senior Managers	12	£52,540	£55,692

*NOTE: At the time of publishing this statement the NJC annual cost of living increase for 2020/21 had not yet been agreed.*

- 4.4. Appointments of the Chief Executive and the Statutory Officers are approved by Full Council.

## **5. Remuneration arrangements of employees who are not Chief Officers**

- 5.1. The Council adopts the recognised National Joint Council (NJC) salary grades (grades 3 to 11) for all other employees as detailed in the 'Green Book' ([see here](#)). These are developed through negotiations with Local Government employers and trade unions and are updated and applied in line with national circumstances. Each salary grade has incremental rises called Spinal Column Points (SCP).

## **6. Pay Multiple**

- 6.1. The 'pay multiple' is the ratio between the highest paid taxable earnings and the median earnings figure of the whole of the Council's workforce. The Council's highest paid employee is the Chief Executive and the current pay multiple is shown in the table below.
- 6.2. Earnings for the purpose of calculating the 'pay multiple' are defined covering all elements of remuneration that can be valued (e.g. all taxable earnings for 2019-19 including base salary, variable pay, bonuses, allowances and the cash value of any benefits in kind). The calculation of earnings excludes the cash value of pension provision.
- 6.3. The Council defines its 'lowest paid employees as those staff members whose role is evaluated at Grade 3 on the NJC salary grades. The reason for this definition is that this is the lowest grade in the Council. This excludes trainees and apprentices. The authority offers opportunities for apprenticeships and other national schemes such as school work experience placements. Apprenticeships have their own national pay scheme and are therefore outside of this policy.

Description	2019/2020 (FTE)
Highest Paid	£126,206
Median	£26,841.35
Lowest	£19,382.82
Highest to median ratio	4.7:1
Highest to lowest ratio	6.5:1

\*the salary for the highest paid employee (Chief Executive) includes an allowance paid for Returning Officer duties as outlined in paragraph 14

\*the figures on the table above are based on payments made from 01/01/2019 to 31/12/2019. These will be updated with payments for the period 01/04/2019 to 31/03/2020

## **7. Increments in Pay**

- 7.1. For all roles, increments in pay normally occur on an annual basis, subject to satisfactory performance demonstrated through the council's UPerform appraisal scheme. The increment reflects a move to the next level SCP within a grade. Once a role has reached the highest SCP within a grade there will be no further incremental pay awards.
- 7.2. It is expected that new recruits will commence their employment on the minimum point of the grade, except in exceptional circumstances.

## **8. Annual cost of living award**

- 8.1. For all roles, an annual 'cost of living' salary increase is applied in accordance with the National Joint Council (NJC).

## **9. Living Wage**

- 9.1. The Living Wage is an hourly rate set independently, updated annually and is calculated according to the basic cost of living using the "Minimum Income Standard" for the UK.
- 9.2. In January 2015, The Living Wage Foundation accredited the Council as a Living Wage Employer.
- 9.3. The Living Wage commitment will see that everyone working at the Council, regardless of whether they are permanent employees or third-party contractors and suppliers; receive a minimum hourly wage of at least the Living Wage. The minimum hourly rate that we pay our employees is £10.13 which is significantly higher than the Living Wage of £9.30 per hour and the National Minimum Wage of £8.31 (at the time of publishing this statement).

## **10. Average Salaries**

- 10.1. Based on staffing levels at the time of issuing this policy, from 2020/21 the approximate mean average salary for non-Chief Officer employees is £28,077 and the median salary is £26,317.
- 10.2. The minimum salary of our employees in 2020/21 is £19,554 FTE, Grade 3.
- 10.3. Based on staffing levels at the time of issuing this policy, in 2020/21 the mean average salary for Chief Officers is £69,291 and the median is £70,403.
- 10.4. At the time of publishing this statement the NJC annual cost of living increase for 2020/21 had not yet been agreed.

## **11. Salary Ranges**

- 11.1. It is the council's policy that the salary range for the role of Chief Executive will normally be no greater than seven times the average salary of a Grade 3 'Green Book' employee.
- 11.2. It is the council's policy that the salary range for the role of Director will normally be no greater than five times the average salary of a Grade 3 'Green Book' employee.
- 11.3. It is the council's policy that the salary range for the role of Assistant Director will normally be no greater than four times the average salary of a Grade 3 'Green Book' employee.
- 11.4. All annual salaries are paid pro rata to part time working officers based on the number of hours they are contracted to work.

## **12. Pay Protection**

- 12.1. The Council operates a pay protection policy which provides a mechanism to assist employees to adjust to a reduction in pay arising from organisational change, job evaluation or redeployment. Pay protection will apply to permanent employees from the effective date of the change of grade for a period of two years as follows:
  - Where the alternative suitable employment within the Council is at a lower grade, pay protection will be up to a maximum of one grade only

from the highest SCP of that lower graded post regardless of the employee's grade in their previous role for the first year following redeployment

- Pay protection for the second year will reduce to 50% of the amount paid in the first year.

### **13. Job Evaluation**

- 13.1. The salary grades and therefore the remuneration levels of employees are determined by the use of a job evaluation scheme. Job evaluation is a systematic process used to determine the relative worth of jobs within the organisation. It creates a rank order from the smallest to the largest job and ensures that consistent decisions in grades and rates of pay are made.
- 13.2. A job will be evaluated when a new role is created or a current post has significantly changed.
- 13.3. The Council uses two job evaluation schemes dependent on the expected outcome of the role being evaluated as follows:

Expected Grade outcome	Job Evaluation Scheme
Grade 3 to Grade 11	The Council's agreed Scheme
Grade 12 and above	The Hay Scheme

### **14. Additional Payments**

#### **14.1. Fees for Election Duties**

- 14.1.1. The Council has a duty to appoint a Returning Officer for all elections that it runs. For District and Parish elections, the Returning Officer fee is met by the District Council. This fee, and the fees of all other people employed by the Returning Officer, is paid in accordance with the Council's agreed scale of fees and expenses for elections. For national elections/referendums the fees are paid in accordance with the appropriate Statutory Fees and Charges order.

#### **14.2. Acting-up Payments**

- 14.2.1. Acting up payments are awarded where employees temporarily undertake duties at a higher grade. Payment is usually made where an employee is covering over 20% of the duties of the higher-grade post. The amount payable is calculated by assessing the percentage of the higher-level post

covered and the difference between the employee's current salary and the minimum of the grade of the post covered.

### **14.3. Secondments**

14.3.1. The authority provides the opportunity for employees to undertake roles on a secondment basis. In most cases the secondee will be paid at the same level as their substantive post however, where the secondment post is of a higher pay band than their current role, a higher salary may be applied for the secondment period. This salary will be agreed by all relevant managers and HR representatives.

### **14.4. Essential User Car Allowance and Mileage Rates**

14.4.1. The authority pays an Essential User Car Allowance to roles that meet the specified criteria. Where officers require the use of a vehicle to complete their day-to-day responsibilities, business mileage can be claimed. Essential user car allowance is only available to those qualifying people on salary grades up to and including Grade 11.

14.4.2. Any such allowances and mileage payments are calculated and applied in accordance with the HM Revenue and Customs rates.

### **14.5. Excess Travel Allowance**

14.5.1. Additional travelling expenses can be claimed by employees when their work base is changed by circumstances beyond their control or they are transferred to a new work base. The Officer is paid an allowance equal to the difference between the cost of travelling from their home to their new work place and from their home to their original workplace. The allowance is paid for a maximum period of three years from the date of transfer and is agreed within the scope of the 'Green Book' conditions.

### **14.6. Meeting Allowances**

14.6.1. Officers graded at 'Green Book' Grade 7 to Grade 12 can claim an allowance for attendance at evening and out of hours meetings relating to council business.

### **14.7. Overtime, Standby and Recall, and Emergency Response Payments**

14.7.1. Officers on SCP 27 and below may be entitled to overtime payments if they work beyond their normal contracted hours and have the agreement of their

line manager. They will be paid at time and a half, Monday to Saturday, and double time on Sundays at their hourly rate of pay, capped at SCP 27. Chief Officers have the discretion to authorise overtime payments above SCP 27 should they consider it appropriate.

14.7.2. Standby and Recall to Work payments apply if officers, in respect of their contracted duties, are required to be on a call out rota or list, or respond to calls outside of normal working hours. Eligibility for standby and recall to work payments will be confirmed in the terms and conditions of the officer's contract of employment and details are set out [here](#).

14.7.3. Officers who respond to a civil emergency either in the district or through mutual aid arrangements with other local authorities, are eligible for payment in line with the Council's overtime arrangements.

#### **14.8. Market Supplements**

14.8.1. The authority does not normally apply market supplement payments to any role. If however, the employment market dictates the need to apply a supplement to a particular role; this will be applied in accordance with a new policy.

#### **14.9. Long Service Awards**

14.9.1. The authority acknowledges the importance of employees who are committed to their work and wishes to reward the loyalty of those who have Long Service with the Council. Long Service Awards are given upon the successful completion of 20, 30 and 40 continuous service at the Council or one of its predecessor authorities as follows:

Completed Years' Service	Reward
20	£250 of vouchers
30	£500 of vouchers
40	£750 of vouchers

#### **14.10. Childcare Vouchers**

14.11. The Government launched a new scheme designed to assist employees with their childcare costs in 2018. The Council will continue to offer the Childcare Voucher scheme to existing users who entered the scheme on or before 4 October 2018 for as long as there is a demand and taxation advantage to offering it.

## **14.12. Vine Extras**

- 14.13. From April 2016 the authority has subscribed to Vine Extras. This is a reward gateway to a large number of retailers where employees can make savings on purchases. The cost to the authority is £4 per employee. By November 2019 there were 203 registered users who had placed 1944 orders with a total value of £169,490.

## **15. Career Progression Schemes**

- 15.1. In some areas of the authority officers are offered progression in their roles through a career progression scheme. Within such schemes, progression is usually awarded after successful completion of particular qualifications or work experience. Details of the scheme and how it will be applied to an individual will be documented in their contract of employment.

## **16. Pension**

- 16.1. The Local Government Pension Scheme (LGPS) is open to all new and existing employees of the authority. This is a qualifying pension scheme, which means it meets or exceeds the government's standards. Details of the scheme can be found [here](#).
- 16.2. Details of the Council's policy and decisions in respect of discretionary elements of the Scheme are published on the council's website [here](#).

## **17. Severance Payments**

- 17.1. On cessation of employment from the authority, officers including Chief Officers will only receive compensation:
- (a) in circumstances that are relevant e.g. redundancy
  - (b) in the application of any employer discretions provided by the LGPS and/or
  - (c) that complies with the specific term(s) of a Settlement Agreement.
- 17.2. The authority adopts an early retirement policy (see [here](#)).
- 17.3. In exceptional circumstances to avoid or settle a claim or potential dispute, the authority may agree payment of a settlement sum through the issue of a Settlement Agreement. All cases will be overseen by the Legal Department in conjunction with the relevant line manager to ensure all legal, financial and contractual responsibilities have been met and all settlement agreements

must be signed off by a Director or the Chief Executive. If a settlement sum is in excess of £100,000, and/or paid to the Chief Executive, it must be agreed by Full Council.

## 18. Gender Pay Gap

- 18.1. The Equalities Act 2010 (Specific Duties and Public Authorities) Regulations 2017 came into force on 31 March 2017. The Regulations require employers to report on the gender pay gap within their organisation.
- 18.2. The gender pay gap is a measurement of the difference between men and women's average salaries. It is not about men and women being paid differently for the same job, which has been prohibited by equal pay legislation since 1975.
- 18.3. The UK's gender pay gap has fallen over time. In 2007 it was 25%, while the Office for National Statistics (ONS) published in October 2019 put the figure at 17.3%.
- 18.4. The 2017 Regulations apply to defined public sector bodies (including councils) with at least 250 employees and require the publication of the following four measures of information based on a snapshot of pay information taken on 31 March:
- 18.5. The Council's Gender Pay Gap Information as at 31 March 2019 (snapshot date) is as follows:
- 18.6. The Council had a total of 364 employees, 165 (45%) were males and 199 (55%) were females.

1. *The difference between the average (mean and median) hourly rate of pay for male and female employees*

	Mean Hourly Rate	Median Hourly Rate
Male	£15.19	£12.78
Female	£14.90	£12.98
Difference in hourly rate of pay	1.9%	-1.56%

2. *The difference between the average (mean and median) bonuses paid to male and female employees over the period of 12 months ending with the snapshot date of 31 March*

### **No bonuses were paid**

3. *The proportion of male employees, and of female employees who were paid bonuses during the period of 12 months ending with the snapshot date*

### **No bonuses were paid**

4. *The proportion of male and female employees in each quartile (from highest paid to lowest paid) of the pay distribution (91 employees in each quartile)*

	No. of male employees	No. of female employees	Percentage of male employees	Percentage of female employees
Quartile 1	50	41	55%	45%
Quartile 2	26	65	29%	71%
Quartile 3	37	54	41%	59%
Quartile 4	52	39	57%	43%

### **Commentary**

18.7. The figures demonstrate there are no significant gender pay gap issues at Uttlesford District Council. Since last year there has been an increase in the number of women employed in the top two quartiles which demonstrates the council is promoting or recruiting women to higher paid jobs in the authority. Overall there has been a slightly larger increase in the mean hourly rate for men than for women which means men are now paid, on average, 1.9% more than women compared to 2018/19 when women were paid 2.26 per cent more than men. Analysis of the data does not reveal any particular cause, but it will be monitored in the coming year. Because the council has a small workforce, a relatively small number of personnel changes can have a noticeable impact on the figures. The median hourly rate is higher for women than for men.

18.8. The council continues to be an equal opportunities employer and offers a range of flexible working options for women and men alike.

### **19. More information and help**

19.1. All associated documents listed in this policy are available on the council's website [here](#). If you have any queries about this Statement please email: [humanresources@uttlesford.gov.uk](mailto:humanresources@uttlesford.gov.uk), or call on 01799 510424.

# Agenda Item 12

**Committee:** Council

**Date:** 25/02/2020

**Title:** Felsted Neighbourhood Plan

**Report Author:** Demetria Macdonald,  
Planning Policy Officer  
dmacdonald@uttlesford.gov.uk  
01799 510518

**Item for decision:**  
Yes

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## Summary

1. The Localism Act 2011 introduced a right for communities to draw up neighbourhood plans. Felsted Parish Council, with support and advice from the District Council, has produced a neighbourhood plan which has subsequently undergone a successful examination and referendum. This report considers whether the Felsted Neighbourhood Plan should be **made** (the Neighbourhood Plan legislation's term for adopted) by the District Council as part of the statutory development plan.
2. A neighbourhood plan, once 'made', forms part of the statutory development plan and sits alongside the Uttlesford Local Plan Adopted 2005. Should planning permission be sought in areas covered by an adopted Neighbourhood plan, the application must be determined in accordance with both the neighbourhood plan and the Local Plan unless material considerations indicate otherwise.

## Recommendations

3. That Council approves that the Felsted Neighbourhood Plan is formally 'made' as part of the statutory development plan for the District.

## Financial Implications

4. The examination and referendum were initially funded by Uttlesford District Council (UDC) at a cost of approximately £10,273.05 and £4,059.43 respectively. UDC will be able to claim up to £20,000.00 funding from MHCLG which will cover the cost of the examination and referendum.

## Background Papers

5. 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.

None

## Impact

6.

Communication/Consultation	The plan has undergone significant community involvement in its preparation
Community Safety	The plan deals with community safety
Equalities	The plan consulted with every resident
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	The plan deals with sustainability of the parish
Ward-specific impacts	Felsted
Workforce/Workplace	None

## Situation

7. The parish of Felsted was designated a neighbourhood plan area on 4 December 2014. The Neighbourhood Plan group then gathered evidence and undertook significant consultation. Pre-submission consultation under Regulation 14 was undertaken between 23 July and 21 September 2018.
8. The Felsted Neighbourhood Plan was submitted for Examination on 1 August July 2019. The examination was conducted via written representations as the Examiner decided that a public hearing would not be required. The Examiner's Report, detailing recommendations was received on 29 September 2019. On 26 November 2019, Cabinet accepted and endorsed the proposed changes to the Neighbourhood Plan as set out in the Examiner's Report and supported the Plan to go forward to referendum.
9. A referendum was held in Felsted Parish on Thursday 30 January 2020 posing the following question to eligible voters:  
  
*"Do you want Uttlesford District Council to use the neighbourhood plan for Felsted to help it decide planning applications in the neighbourhood area?"*
10. **31.76%** of registered electors recorded votes, **754** votes were cast of which **687** or **91.11%** were in favour of 'Yes', **65** or **8.62%** votes in favour of 'No' and **2** or **0.27%** ballot papers were rejected. It was therefore declared that more than half of those voting had voted In Favour of the Felsted Neighbourhood Plan.
11. In accordance with the Neighbourhood Planning Regulations, following the

outcome of the referendum it is now for the District Council to ‘make’ the neighbourhood plan so that it formally becomes part of the development plan for Uttlesford District.

12. Section 38A of the Planning and Compulsory Purchase Act 2004 (as amended) sets out the requirement for a local planning authority when it comes to making a neighbourhood plan. It is stated that:

*“(4) A local planning authority to whom a proposal for the making of a neighbourhood development plan has been made –*

*(a) must make a neighbourhood development plan to which the proposal relates if in each applicable referendum under that Schedule (as so applied) more than half of those voting have voted in favour of the plan, and*

*(b) if paragraph (a) applies, must make the plan as soon as reasonably practicable after the referendum is held.*

*(6) The authority are not to be subject to the duty under subsection (4) (a) if they consider that the making of the plan would breach, or would otherwise be incompatible with, any EU obligation or any of the Convention of the rights (within the meaning of the Human Rights Act 1998).”*

13. As a result of the outcome from the referendum and in accordance with the aforementioned legislation the Council is legally required to bring the plan into force following the successful referendum. It is recommended that the plan is formally made by the Council to become part of the development plan for the district and to help determine planning applications in the parish.

## Risk Analysis

14.

Risk	Likelihood	Impact	Mitigating actions
That the Neighbourhood Plan is not made	1 – Members have approved the proposed changes to the Plan following the examination.	4 – The Council will be in breach of its statutory duty under the Town and Country Planning Act 1990.	As the legislation concerning the recommendation is quite explicit there is no way of mitigating this risk.

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.

# FELSTED

## NEIGHBOURHOOD PLAN



2018-2033

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Respecting our Heritage, Defining our Future



Felsted Parish Council

## Felsted Neighbourhood Plan

### Foreword

Welcome to the Felsted Neighbourhood Plan (the Plan).

Work began on the Plan in July 2014 with the Parish Council's support for the formation of a Steering Group (SG) and our first meeting. The Plan is based entirely on the many months of consultation, the hundreds of comments and submissions made by you, the members of the community, to the Steering Group through surveys, at meetings and presentations and on independent research commissioned by the Steering Group. The Plan also draws on the Felsted Parish Plan completed in 2012 including the historical context of the Parish, which remains unchanged.

During the consultations, there has been a passionate desire to see our valued amenities, like a doctors' surgery and dispensary, together with the village shop and Post Office, protected and improved. There have also been strong and well-articulated objections to still further housing development.

However, simply saying 'no' to any housing development is not an option that was ever open to us or any community preparing a Neighbourhood Plan. In complying with the principles of the National Planning Policy Framework (NPPF) and Uttlesford's Local Plan, we were required to take a positive approach and to '*contribute to the achievement of sustainable development*'.

The obligation on us as a Steering Group is to present a Neighbourhood Plan that provides for the development of no less housing than the UDC Local Plan allocates for Felsted. Due to changes in the number of homes required across the district, UDC have had to consider sites in Felsted to meet identified housing need over the next 15 years.

We have tried to meet our obligation to take a positive approach to sustainable development and to identify development projects that offer the greatest community benefits, deliver some of the identified objectives, contribute to the vision for the Parish and finally – in the face of concerted and understandable objection to *any* further development in the Parish – fairly distribute development. The Plan presented here is what the Steering Group sincerely believes most of the community in Felsted has said it wants from planning policies from now until 2033.

As parishioners, it is axiomatic that the members of the SG have special interests in the future of Felsted. However, from the outset, the SG has been scrupulous in ensuring that members' conflicts or potential conflicts of interest have been fully disclosed and minuted.

Change is difficult. We don't expect that *everyone* in the Parish will be supportive of *every* aspect of the Plan. However, we hope that, when taken as a whole, the Plan will be seen as offering an ambitious, positive and innovative way forward for the next 15 years for the good of our community and we urge you to support it.

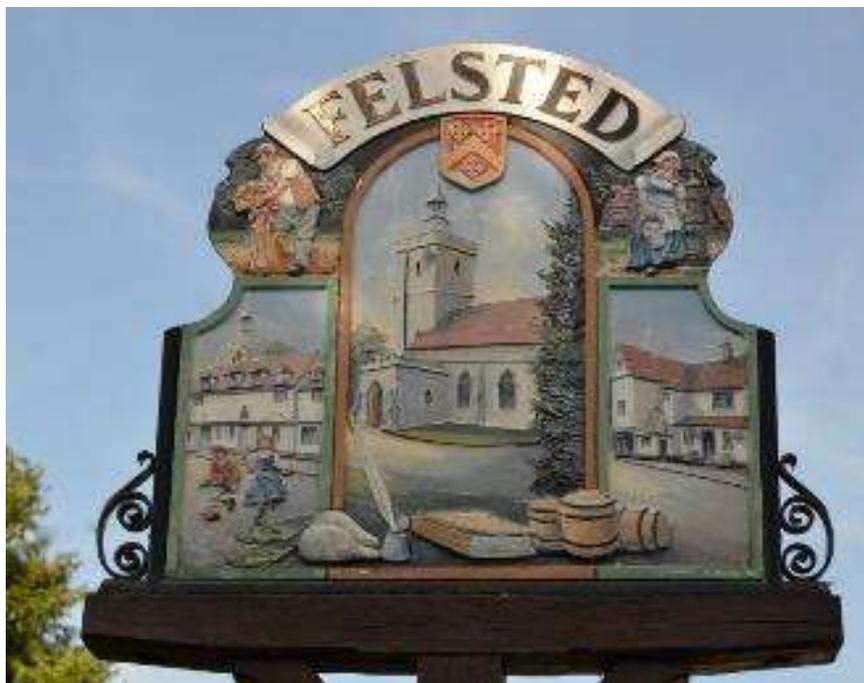
Finally, we would like to thank the members of the Steering Group and everyone in the Parish who contributed many hundreds of hours to developing this blueprint for our future.

Graham Harvey  
Chairman  
Felsted Parish Council

Roy Ramm  
Chairman  
Felsted Neighbourhood Plan Steering Group

## Contents

1. Introduction
2. The Neighbourhood Plan Area
3. Key Issues
4. Vision and Objectives
5. Planning Policy
6. Appendices



*Figure 1 Felsted Sign, Braintree Road*

## List of Policies

Theme	Policy Reference	Policy Title	Page
Protecting the Historic Village Centre	FEL/HVC1	Historic Village Centre	33
	FEL/HVC2	Existing Village Shop and Post Office	34
	FEL/HVC3	Royal British Legion Site	35
	FEL/HVC4	Additional Car Parking in the Village Centre	36
	FEL/HVC5	Managing Congestion at the T Junction in Felsted Village	36
Village Amenities Developing Our Schools	FEL/VA1	Doctors' Surgery	38
	FEL/VA2	Memorial Hall	39
	FEL/VA3	Infrastructure Priorities	40
	FEL/VA4	Burial Ground	40
	FEL/VA5	Recreational and Play Areas	40
Developing Our Schools	FEL/SC1	Supporting our Schools	42
	FEL/SC2	Felsted School	42
	FEL/SC3	Felsted School Follyfield Site	43
	FEL/SC4	Felsted School Facilities off Braintree Road and Garnetts Lane	43
	FEL/SC5	Felsted Primary School – Modernisation	44
	FEL/SC6	Felsted Primary School – Expansion	45
	FEL/SC7	Felsted Primary School Site	45
	Meeting Housing Needs	FEL/HN1	Meeting Housing Needs
FEL/HN2		Land At Braintree Road (Sunnybrook Farm)	52
FEL/HN3		Land At Station Road (Bury Farm)	55
FEL/HN4		Residential Development within Development Limits	56
FEL/HN5		Residential Development outside Development Limits	57
FEL/HN6		Supplemental Dwellings	58
FEL/HN7		Housing Mix	60
FEL/HN8		Habitats Regulations Assessment	61
Integrity, Character and Heritage	FEL/ICH1	High Quality Design	63
	FEL/ICH2	Signage Pollution	64
	FEL/ICH3	Light Pollution	64
	FEL/ICH4	Avoiding Coalescence	65
Supporting the Rural Economy	FEL/RE1	Start Up and Small Businesses	66
	FEL/RE2	Loss of Employment Uses	66
	FEL/RE3	Re-use of Rural Buildings	66
	FEL/RE4	Home Working	67
Countryside and Wildlife	FEL/CW1	Landscape and Countryside Character	68
	FEL/CW2	Nature Area including Felsted Fen	68
	FEL/CW3	Footpaths, Bridleways and Cycleways	69
	FEL/CW4	Green Infrastructure	71
Flood Risk	FEL/INF1	Water recycling and flood risk	71

## List of Maps

<b>Map</b>	<b>Title</b>
Map 1	Felsted Neighbourhood Plan Area
Map 2	Historic Village Centre
Map 3	Village Amenities
Map 4	Felsted School
Map 5	Felsted Primary School
Map 6	Housing Allocations
Map 7	Land at Braintree Road (Sunnybrook Farm Site)
Map 8	Land at Station Road (Bury Farm Site)
Map 9	Integrity, Character & Heritage
Map 10	Rural Economy
Map 11	Countryside & Wildlife
Map 12	Policy Map
Map 13	Policy Map – Felsted Village Inset
Map 14	Policy Map – Causeway End Map Inset
Map 15	Policy Map – Bannister Green Map Inset
Map 16	Policy Map – Watch House Green Map Inset

## Section 1 - Introduction

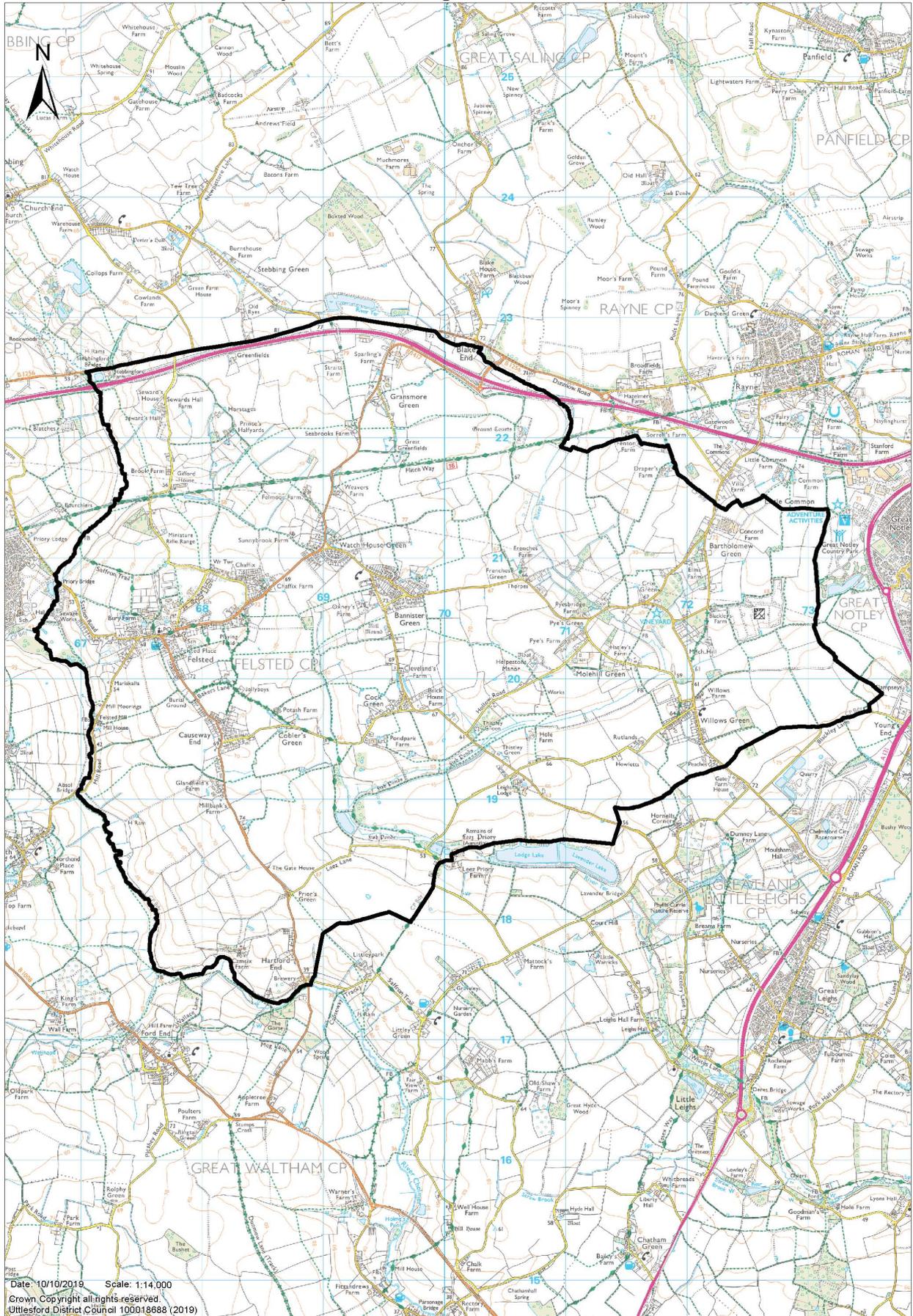
### 1.1 The Felsted Neighbourhood Plan

- 1.1.1 The Felsted Neighbourhood Plan (the Plan) is a new type of planning document. It forms part of the Government's new approach to planning, which aims to give local people more say about what development takes place in their area. This is set out by the Government in the Localism Act that came into force in April 2012.
- 1.1.2 There is a large amount of background information that has helped in producing the Plan (this is known as the 'Evidence Base'). This is available on the Felsted Neighbourhood Plan website: [www.felstednp.org.uk](http://www.felstednp.org.uk).
- 1.1.3 Felsted Parish Council received approval from Uttlesford District Council (UDC) to prepare a Neighbourhood Plan in 2014. On 4<sup>th</sup> December 2014 the Felsted Neighbourhood Area was designated for this purpose which is entirely coterminous with the boundary of the Parish of Felsted.
- 1.1.4 The Parish lies in the south-east corner of the District of Uttlesford, some 9 miles or 14.5 kilometres directly north of the City of Chelmsford. Felsted adjoins the parishes of Stebbing, Flitch Green and Little Dunmow, Great Waltham, Little Leighs, Great Leighs, Great Notley, Braintree, Rayne and Great Saling.
- 1.1.5 The Felsted Neighbourhood Plan covers the period 2018 – 2033. This is known as the Plan period. This was chosen as the minimum period over which a strategic assessment of the Parish could reasonably be projected and aligns with the draft UDC Local Plan which also extends to 2033. We have examined what has happened in the previous 20 years and used this as an indicator of the pressures for change but considered alignment with UDC to be an overriding factor.
- 1.1.6 The Plan has been developed through extensive consultation with the people of Felsted and other stakeholders with an interest in the Parish. Details of the consultation have been recorded in a series of reports that are available to download from Felsted Neighbourhood Plan's website. <sup>1</sup> As required by legislation, a Consultation Statement is submitted alongside the Neighbourhood Plan.
- 1.1.7 The stage the Plan has now reached in the process is that this is the submission draft plan which is being submitted to Uttlesford District Council as the Local Planning Authority. The Local Planning Authority will then publicise the Plan for a minimum of 6 weeks, before it is independently examined to ensure that it meets the Basic Conditions and other relevant legal requirements. The Plan will then finally come back to the Parish for a referendum. If more than 50% of those voting are in favour, the Plan will then be 'made' (adopted) by Uttlesford District Council, and will be used in the determination of planning applications.

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<sup>1</sup>The background survey data will remain available on the [www.felstednp.org.uk](http://www.felstednp.org.uk) website for 2 years after the plan is formally made.

Map 1: Felsted Neighbourhood Plan Area



Date: 10/10/2019 Scale: 1:14,000  
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Uttlesford District Council 100018688 (2019)

## 1.2 The Planning Policy Context

- 1.2.1 Although the Government's intention is for local people to decide what development is permitted in their towns and villages, the Localism Act sets out some important 'Basic Conditions' for Neighbourhood Plans, the legal requirements that we must meet before the plan can proceed to a local referendum. Full analysis of how the Plan meets the Basic Conditions is set out in the Basic Conditions Statement, submitted alongside the Plan. In short, the Basic Conditions that the Plan must meet are as follows:
- The Neighbourhood Plan must have appropriate regard to National Planning Policy and Guidance, namely the National Planning Policy Framework and National Planning Practice Guidance;
  - The Neighbourhood Plan must be in general conformity with the strategic policies contained within the development plan;
  - The Neighbourhood Plan must contribute to the achievement of sustainable development; and
  - The Neighbourhood Plan must not breach or be otherwise incompatible with European Union obligations, including Human Rights; and
  - The Neighbourhood Plan must not breach the requirements of Chapter 8 of Part 6 of the Conservation of Habitats and Species Regulations 2017
- 1.2.2 To provide context, this section provides an overview how the Plan for Felsted fits within the hierarchy of existing planning policy.
- 1.2.3 At a national level, Government establishes planning policies for England through the National Planning Policy Framework (NPPF) which sets out how sustainable development should be achieved through the plan-making and decision-making processes across the country. In July 2018, Government published a revised NPPF, which was further updated in February 2019. Owing to the fact that the Felsted Neighbourhood Plan is submitted after the cut-off point for specified transitional arrangements, the policies in the Neighbourhood Plan must have appropriate regard to those policies contained within the Revised NPPF (2019).
- 1.2.4 At a district level, Uttlesford District Council are responsible for preparing the Local Plan, which sets district-wide policies for use in the determination of planning applications. The extant Local Plan for Uttlesford was adopted in 2005, and thus the Neighbourhood Plan must be in general conformity with those policies within the 2005 Local Plan that apply within the Felsted Neighbourhood Area. At the time of writing, Uttlesford District Council have submitted the Uttlesford District Council Local Plan to the Secretary of State for Housing, Communities and Local Government, and the hearing sessions which form part of the mandatory Examination in Public are due to take place in July 2019.
- 1.2.5 The Felsted Neighbourhood Plan has been prepared in accordance with the 2005 Uttlesford Local Plan, but the SG has also been mindful of the emerging draft Local Plan so as to reduce the risk of any conflicts. Planning practice guidance and planning legislation states that where a neighbourhood plan policy conflicts with a local plan policy, the decision-maker must resolve the conflict in favour of the policy that has most recently become part of the development plan (adopted). It is, however, fully within the scope of guidance that neighbourhood plans be brought forward in advance of an up-to-date Local Plan, as long as there has been positive collaboration between the Qualifying Body preparing the Plan (the Parish Council) and the

Local Planning Authority.<sup>2</sup> The SG has worked positively with Uttlesford District Council as a key stakeholder and is grateful for their advice and assistance in preparing a plan that takes due consideration of Planning Practice Guidance.

1.2.6 The Neighbourhood Plan has been prepared to add a locally-distinctive layer of policies to ensure that development that comes forward is appropriate and suitable for our Parish. The basis for the neighbourhood plan has been the policies of the 2005 Local Plan, namely:

- General policies which address quality of life issues across the district, in respect of access, design, light pollution, infrastructure, parking standards, nature conservation, and the protection of the countryside;
- Economic Activity policies which address accessibility to the workplace, safeguarding land that is used for employment purposes, and the appropriate use of rural buildings;
- Built and Natural Environment policies which address the design of developments within Conservation Areas and those affecting Listed Buildings, open spaces and trees, and natural and historic landscapes;
- Housing policies which address housing development within development limits, replacement dwellings, housing mix, and affordable housing;
- Leisure and Cultural policies which address the loss of sports and recreational facilities, access to leisure and cultural facilities, and community facilities; and
- Retail and Services policies which address the retention of retail and other services in rural areas.

1.2.7 Additionally, in preparing the Plan, the SG has had regard to those policies in the emerging Local Plan, so as to ensure that our Plan does not become out of date if and when a new Local Plan has been adopted. This is articulated in the Basic Conditions Statement but the key aspects of the emerging Local Plan that have been taken into consideration are as follows

- Spatial Strategy policies;
- Housing policies;
- Employment policies;
- Retail policies;
- Transport policies;
- Infrastructure policies;
- Design and Construction policies;
- Environment policies;
- Countryside policies; and
- Policies relating to new housing development in specific locations.

1.2.8 The Felsted Neighbourhood Plan builds on these policies by outlining an approach to planning and new development that is suitable for Felsted. The SG have used the views and ideas of the local community in combination with local evidence to produce a positive plan for the future of our area.

1.2.9 A specific set of county-wide policies are set by Essex County Council, who are responsible for minerals and waste planning across Essex. Although it is not within the remit of neighbourhood planning to address minerals or waste planning issues, neighbourhood plans

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<sup>2</sup> Planning Practice Guidance, Para 009, Ref ID: 41-009-20160211

## Felsted Neighbourhood Plan: Respecting our heritage, defining our future

should have due regard to any such matters where there are implications for a given area. The Essex Minerals Local Plan (adopted in 2014) and the Essex and Southend-on-Sea Waste Local Plan (adopted in 2017) form part of the development plan for Felsted and relevant policies relate to safeguarding areas of land where there are minerals or waste planning issues, in addition to identifying consultation areas around those parcels of land where Essex County Council must be consulted on planning applications. The SG has worked to ensure that none of the policies in the plan would undermine or affect those issues addressed by the Minerals and Waste Local Plans.

- 1.2.10 The Plan has given local people the power to decide where new housing, businesses and parish amenities should be located. Without the Plan, the Parish Council has limited power to influence planning decisions and UDC would, based on the extant Local Plan, make these decisions on behalf of the people of Felsted.
- 1.2.11 The Plan provides a positive vision for the future of the Parish of Felsted and sets out clear planning policies to realise this vision. As required by the Localism Act these policies accord with higher level, strategic planning policies of UDC and the National Planning Policy Framework.

## Section 2 - The Neighbourhood Area

### 2.1 Geography

- 2.1.1. Felsted (sometimes spelt "Felsted") lies in the north west of Essex, south of the A120 and is located west of Braintree, east of Great Dunmow and north of Chelmsford. It lies on the north bank of the River Chelmer as it leaves Great Dunmow and turns south towards Chelmsford.
- 2.1.2. Felsted Parish enjoys the underlying charm of a beautiful rural setting. The historic village of Felsted is the heart of the Parish and is surrounded by 15 individual Greens and Hamlets. This is what attracts people to the area and what the Parish Council has a historic duty to protect. Preservation of our heritage is balanced with a duty to ensure that the Parish thrives and meets the evolving future needs of the community. The Parish boundary (and Neighbourhood Area boundary) is shown on Map 1.
- 2.1.3. The value and importance of Felsted as an outstanding place to live is often recognised. Most recently it has been:
- Winner of Rural Community Council for Essex Village of the Year 2015.
  - Identified as "One of the best places to live in the East of England and a 'Top drawer village" – The Sunday Times (2017)

### 2.2. Historical Overview

- 2.2.1. There was likely a settlement in Felsted as early as the Stone Age and there is evidence that the village was inhabited throughout the Bronze Age and the Roman Occupation. The first written evidence of a settlement comes with the Domesday Book of 1086 when approximately 360 people lived in the village.
- 2.2.2. The Normans were responsible for the tower of Felsted's Grade I listed Holy Cross Church, which dates from 1120. From the time of the Domesday Book to the fourteenth century the whole of Felsted Parish was under the ownership of the Lord of the Manor of Felsted. At the time, the Manor House was in the centre of the village, close to the Grade II listed Bury. The Manor was owned by the Holy Trinity Abbey in Caen until the war with France in 1338 when it was confiscated by the Crown. One hundred years later the manor was given to the Abbey of Sion who held it until the dissolution of the monasteries by Henry VIII in 1536.



Figure 2 The south door of Holy Cross Church Felsted

- 2.2.3. After the dissolution, most of the properties confiscated by the Crown were redistributed to allies of the King. One such ally was Richard Rich who 'acquired' up to 100 manors, mainly in Essex. He built a mansion for himself on the site of the old Augustinian priory, now known as Leez Priory on the outskirts of the village. Parts of this building still stand today and are Grade I listed.
- 2.2.4. Richard Rich became Lord Rich of Leez. He started a series of good works in Felsted and his foundation was that of Felsted School founded in 1564 in the vacant 'Trinity Guildhall' in the centre of the village. He also established the village alms houses. During the 1600s, after marrying Elizabeth Bouchier of the Felsted Manor of Grandcourts, Oliver Cromwell sent three of his sons to Felsted School.
- 2.2.5. Throughout this period and the 1700s, Felsted was a place of rural industry; it had at least one windmill and two watermills. In 1842 the industrial revolution brought the brewery to Hartford End, the brickworks to Causeway End and the railway came along in 1869, although most of the land remained agricultural. In Victorian times the population of Felsted grew to about 1,860.<sup>3</sup>
- 2.2.6. During the twentieth century, agriculture in Felsted saw the biggest change, as small farms disappeared, with the farmhouses becoming private houses and their land being merged into larger holdings. Livestock also disappeared, most of the remaining farms being solely arable. The century also brought other changes, including in 1926 the building of the sugar beet factory just over our Parish boundary in the Parish of Little Dunmow. In 1999, the factory was demolished and replaced by the new Parish of Flitch Green (Oakwood Park) housing development.
- 2.2.7. Following the Beeching reorganisation of the national railway system in the late 1960s the railway and Felsted Station closed. The population of Felsted grew slowly in the twentieth century, with small pockets of housing in-filling gaps in the village.

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<sup>3</sup> John Drury, *History of Felsted* (privately published, 1999) [ISBN 0-9536154-0-5](https://www.isbn-international.org/number/0-9536154-0-5)

- 2.2.8. The population of the Parish is now around 3,000 (2011 UK census data). Where in the past residents worked in or near the village, a substantial proportion of parishioners now commute to the surrounding towns and far beyond. The largest single employer in the Parish is Felsted School.<sup>4</sup>
- 2.2.9. The village of Felsted is the heart of the Parish and the village centre a place of great historical importance with 150 statutorily Listed Buildings. Much of it falls within the designated Conservation Area and within it are many listed properties (see Map 2). Some of these are shops and restaurants, generally domestic in scale. The church is the most ancient building and its tower and expansive graveyard dominate this part of the Conservation Area. Other fine structures lie just beyond the Conservation Area boundary including the restored Bury Farm barn, listed Grade II\*, that adds much architectural interest and diversity<sup>5</sup>.
- 2.2.10. Of the 50 Listed Buildings/groups of buildings identified on the Historic England list in the Conservation Area, 18% date from the 15th century or earlier; 20% from the 16th century; 30% from the 17th century; 12% from the 18th century and some 20% from the 19th and 20th centuries.

## 2.3. Character and Heritage

- 2.3.1. In preparing the Plan a full Character and Heritage assessment was commissioned from AECOM and is available to view on the website.

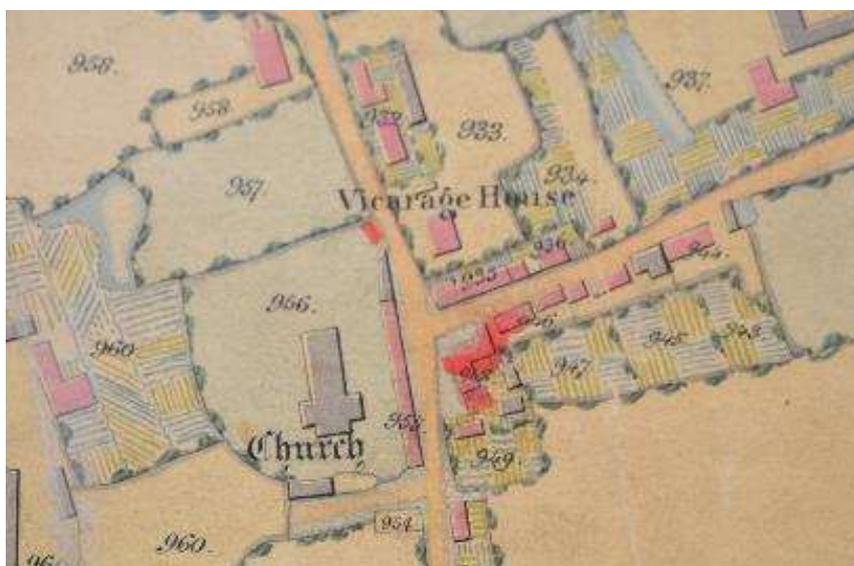


Figure 3 1838 Map of Felsted

- 2.3.2. The Parish enjoys a highly valued rural setting with many attractive feature areas, including the fishponds that stretch from Leez Priory to Leez Lodge and which are listed as an 'ancient monument', important woodland in Stebbing Road to the southwest of the Flitch Way and the Flitch Way itself.

<sup>4</sup> Office of National Statistic: Population and Household Estimates for England and Wales

<sup>5</sup> Further information on the Felsted Conservation Area can be found in the Felsted Conservation Area Character Appraisal published by UDC in December 2012.

## 2.4. Our People

- 2.4.1. At the time of the 2011 census there were 1,083 households in the Parish and a total population of 3,051 individuals. Since then more than 90 further homes have been constructed or approved.
- 2.4.2. Felsted's population is comparatively much older in relation to the national profile and the Uttlesford profile. Whilst people aged between 55 and 64 represent just over 10% of the population of Uttlesford, the figure for Felsted is 18%. For the age group 65-74 the difference is 16% versus 12% for Uttlesford and for those over 75 the figures are 12.5% and 9.0%. Overall both the median and the mean age of the population of Felsted is circa 40 years of age with 46% of the population aged over 55. It follows that easily accessible amenities, like health care and convenience shopping will become increasingly important to this ageing community.
- 2.4.3. Comparing house price data is difficult. Anecdotally, estate agents surveyed say that property in Felsted commands a higher price than in surrounding areas. 'Zoopla' data indicates the current average value of property in the Parish is significantly above the national average house price (£225,621) and Essex averages (£368,356). Felsted, with an overall average value of £607,958 was more expensive than nearby Rayne (£377,635), Dunmow (£458,845) and Great Notley (£404,742). In the past 5 years house prices in Felsted increased by 28.92 % and in the last 20 years, by 233%.

## 2.5. Amenities

- 2.5.1. The Parish is well-served by amenities which are highly valued by the community. In the village centre there is a doctors' surgery and dispensary, a highly regarded village shop and Post Office, two pubs – both serving food and one offering accommodation - an active branch of the Royal British Legion, an Indian restaurant, a tea shop and patisserie, a local estate agent, a hairdresser and beautician and two further retail outlets in the village centre. Bed and breakfast accommodation and holiday lets are also available in the village and elsewhere in the Parish. There are also three residential care homes.
- 2.5.2. The Parish has a much-loved Memorial Hall which is some 90 years old and a village playing field with excellent and exciting modern play facilities for children. There are also play areas at Watch House Green (2), Willows Green and Bannister Green.



*Figure 4 Children's Play Area – Braintree Road*

- 2.5.3. In the wider Parish, there is a nursery school at Whipper-Snappers and pre-school care is also offered by Little Acorns at Felsted Primary School.
- 2.5.4. Elderly residents benefit from the Felsted Alms Houses Charity. The charity built seven bungalows in 1876 and substantially renovated them in 1998. The charity caters for older or disabled persons, preferably with connections to the area. Monthly social activities include: over 60s friendship clubs, organised by local village clubs.



*Figure 5 Felsted Alms Houses – Braintree Road*

- 2.5.5. There are equestrian centres within the Parish and a successful wedding venue on the edge of the Parish at Leez Priory.
- 2.5.6. The spiritual needs of the community are met by Holy Cross Church, the United Reformed Church and the Crix Green Mission.
- 2.5.7. The Parish has a substantial allotment area in the village centre opposite Bury Chase (Woodleys) car park. The allotments are held in trust and must remain as such.

- 2.5.8. The fishponds between Leez Priory and Leez Lodge in the Ter valley are an ancient monument and there are important woodlands in Stebbing Road to the southwest of The Flitch Way.
- 2.5.9. Maintaining the amenities we enjoy, providing opportunities for their development and addressing issues like accessibility to the doctors' surgery and traffic congestion in the historic village centre throughout the Plan period are both key objectives and substantial challenges.

## 2.6. Getting Around

- 2.6.1. The only A road passing through the Parish is the A120. Most of the northern boundary of the parish is formed by the B1256 (the old A120). The B1417 is the main north-south route through the Parish linking with the B1008 to the south and the A1256 in the north-west and directly to the A1256 and indirectly to the A120 in the north east. The main junction in the Parish is in the centre of the village where the B1417, the Chelmsford Road meets Station Road and Braintree Road.
- 2.6.2. The Parish is served by the 16 bus which runs four times a day between Chelmsford and Wethersfield via Felsted. The 133 bus also runs through the village centre providing an hourly service from Braintree to Stansted Airport. The service passes through Braintree and Great Dunmow in either direction, with facilities that can be accessed by Felsted residents where there are connections to the wider transport network.
- 2.6.3. There are local private hire car services in the Parish.
- 2.6.4. There is an extensive and greatly valued footpath network throughout the Parish, including a major section of linear park known as The Flitch Way, providing an unrivalled amenity for walkers, cyclists (Part of the National Cycling Route - Route 16 ), and horse riders. The Parish also enjoys an extensive bridleway network and a number of designated 'Quiet Lanes'.
- 2.6.5. Part of the Parish formed a section of the 2014 Tour de France, increasing the Parish's attraction to cyclists still further. The lanes throughout the Parish are now major destinations for cycling enthusiasts and clubs.

## 2.7. Education

- 2.7.1. Felsted School is a flourishing independent HMC school for boys and girls aged 4 to 18, based on a safe, rural 80-acre village campus. It offers day, full and contemporary boarding options and provides a coach service for pupils across the region. With a distinguished 450-year history, occupying an iconic building on a visually significant site in the centre of the village and being the largest local employer, Felsted School's contribution to the social, sporting, cultural and economic fabric is critically important. Felsted School is rated 'Outstanding' in all areas of pastoral welfare and "excellent in every aspect" by the Independent Schools Inspectorate. Felsted School has a major impact on the reputational status of the Parish.



*Figure 6 The Tour de France in Chelmsford Road in 2014*

2.7.2. State Primary education is provided by the Felsted Primary School. Though the physical presence of the state Primary School at Watch House Green is by comparison more modest, its academic status is rated 'Outstanding' by Ofsted. The school is very highly valued, attracting two thirds of its pupils from outside the Parish. As such, the Primary School also makes an important contribution to Felsted being known more broadly as a place of educational excellence and, for that reason, a highly desirable place for families to live. There is no state secondary school in the Parish.

## **2.8. Health and Wellbeing**

2.8.1. Primary health care is provided by the practice at the Felsted Surgery and dispensary which is part of the John Tasker House and Felsted Surgeries group. The Practice was visited by the Care Quality Commission in 2015 and was rated as 'Good'. Within the community, the Practice is a highly regarded and valued asset.

## Section 3 - The Key Issues

### 3. The key issues that were raised throughout our extensive consultation

In preparing the Plan we conducted multiple consultation events and collected information through the use of various community surveys. Residents and stakeholders were kept informed via the Neighbourhood Plan website and updates to the Parish Council website. A full report of our consultation activity and how it has influenced the preparation of the Plan is set out in the Consultation Statement and submitted alongside the Neighbourhood Plan. The issues the community asked us to address in the Plan were clear.

#### 3.1. About Traffic and the Village Centre

- 3.1.1. Problems caused by limited parking facilities and increasing traffic and congestion are a serious cause for concern among residents who want a greater focus on pedestrians in the village centre. This is particularly acute because of the numbers of school children crossing Braintree Road and Stebbing Road during the day.
- 3.1.2. The negative impact of the weight, both in terms of numbers and size, of vehicular traffic on the fabric of buildings in the Historic Village Centre (HVC) and the harm caused by vibration and fumes was another issue of concern expressed by residents. These concerns are exacerbated looking forward over the Plan Period as the Parish faces the challenges of potential very large developments in neighbouring parishes.
- 3.1.3. School traffic has a negative impact on congestion. In the village and at Watch House Green congestion during the morning drop-off and the afternoon collection periods is a major concern. Observation and complaints from parishioners confirm that the number and size of vehicles is increasing. Badly parked vehicles obstruct the highway and the footway and are hazardous to other road users and pedestrians.
- 3.1.4. Stebbing Road runs directly through the 80 acre site occupied by Felsted School. The school has major facilities for students on both sides of Stebbing Road, frequently requiring students to move across the road during the school day. The road has a 30mph speed limit. The further development of facilities on the site will increase pedestrian traffic. Though a public thoroughfare, consideration needs to be given to how priority can be afforded to pedestrians and to slow vehicular traffic.
- 3.1.5. The Royal British Legion is a respected and valued amenity. However, the Legion building is unattractive and detracts from the visual amenity in the village centre. Additionally, the site occupied by the Royal British Legion and some adjacent properties also offer a valuable opportunity in the centre of the village to improve parking, increase public open space and to create a focal point around Holy Cross Church as it approaches its 900<sup>th</sup> anniversary in 2020. It could provide a location for the recently discovered and historic Felsted Market Cross stone.
- 3.1.6. The visual amenity of the historic village centre and the listed buildings are also seen to be vulnerable to insensitive signage, overhead cables and excessive lighting.

- 3.1.7. In the longer-term traffic volumes in the village and throughout the Parish would be very seriously negatively impacted by any changes to the junctions on the A120. Currently only westbound traffic on the A120 can exit the dual carriageway and enter Felsted via the roundabout at the junction with the B1417. There is no eastbound exit from the A120. Any changes to the junction with the B1417 that allowed east bound traffic on the A120 to both join and exit the dual carriageway would increase traffic volumes considerably, particularly if new large settlements are developed on our Parish borders.
- 3.1.8. Outside of planning policies, the Plan makes strong recommendations intended to further reduce congestion and to give priority to pedestrians in the village centre.

## 3.2. About Amenities

- 3.2.1. Retaining and improving village amenities is a key issue of concern to residents.
- 3.2.2. The services provided by the doctors' surgery and dispensary are enormously valued by the community and were consistently identified as the most important amenity the Plan should provide and demands for high quality local healthcare are inevitably increasing.
- 3.2.3. The current Practice has indicated that it will be unable to provide a service from the existing premises beyond the next 3-5 years. Modern surgery premises are required to have more advanced infection control measures – such as independent air-conditioning in every room and special anti-bacterial surfaces. The existing surgery building is small and does not meet NHS England standards. Access to the surgery is restricted and finding adjacent parking is often difficult, particularly for those with disabilities. The current site of the surgery and dispensary is not suitable for the development of a larger modern facility.
- 3.2.4. The Plan's entire purpose and focus is to reflect the needs of the people of Felsted and the strategy of the West Essex Clinical Commissioning Group (CCG). The CCG indicated support for the continued presence of a General Practice within the Parish of Felsted but accept that the current surgery building has limited viability and will not be fit for purpose for future needs.
- 3.2.5. The CCG's plan is that the surgery *servicing* Felsted will need to accommodate 4500 - 5000 patients. There are already approximately 2000 patients who should be looked after by Felsted surgery but who cannot be accommodated and have instead to go to John Tasker House (JTH) in Dunmow. However, JTH is also at capacity and cannot register any significant number of new patients. The CCG must commission new larger surgeries to serve the growing local community in the West Essex area.
- 3.2.6. The Plan retains its focus on the needs of the people of Felsted and acknowledges that unless a suitable site for a surgery is found *within* Felsted, the CCG will identify a site outside the Parish and the community will have lost a valued asset.



*Figure 7 Felsted Surgery, Braintree Road (left of image)*

- 3.2.7. The Steering Group initially pursued the idea of the development of a new Community Hub (including the doctors' surgery, village shop, and Memorial Hall) in a sustainable, central location in the Parish to provide more accessible and long-term access to valued services. Disappointingly, a coincidence of factors meant it became unrealistic to deliver this aspect of the project.
- 3.2.8. The current village shop and Post Office are also highly valued but occupy a Listed building (part Grade I) in the centre of the historic village. It struggles to offer the facilities that shoppers require. Access is difficult for people with even relatively minor disabilities and there is limited opportunity for the shop to offer the full range of goods and services customers seek. Deliveries to the shop and frequent short term on-road parking add to congestion at the Chelmsford Road, Braintree Road, Station Road junction.
- 3.2.9. A need for a new village hall was also clearly expressed during consultation. The Memorial Hall has served the Parish well but is 90 years old, in need of extensive maintenance and, in a parish of over 3,000 people, is only able to accommodate events for a maximum of 90 people. It does not meet the needs of the community currently or for the Plan period. However, the Memorial Hall Committee have embarked on a plan of their own to improve the facilities at the existing hall. Redevelopment of the Memorial Hall on its existing site is feasible.<sup>6</sup>
- 3.2.10. The burial ground at Holy Cross church has reached capacity and is closed for further interments. The United Reformed Church burial ground in Chelmsford Road is currently accepting burials of other denominations. This is not a permanent solution. The community want a suitable new site identified within the Parish.
- 3.2.11. UDC's advice on deliverability is that funding for community amenities is usually provided, at least in part, by market housing development. This makes protecting our amenities a particularly challenging and contentious policy objective to achieve in the face of community resistance to further housing development.

<sup>6</sup> See AECOM Feasibility Study on the FNP website.



*Figure 8 Felsted Memorial Hall*

### **3.3. About the Schools**

- 3.3.1. Throughout the consultation process it has been clear that the importance of the schools is well recognised and highly valued by the community, both as amenities and major sources of employment.
- 3.3.2. Currently the Primary School has a single form intake and the Board of Governors has indicated that they intend to meet the School's immediate accommodation needs on the existing site for the short term. Essex Education Authority has no current plans to expand the school. However, given population growth and housing developments within the School's catchment area, it is considered prudent to provide a policy framework to support the Primary School should it need to expand or move during the Plan period.
- 3.3.3. Felsted School has also indicated its intentions to expand and develop new facilities in and around its existing site.



*Figure 9 Felsted School*

- 3.3.4. The community wants the Plan to support expansion and redevelopment of the schools, to ensure the schools are better integrated into the wider community but also wants to ensure planning policies mitigate any negative impact of the Schools on congestion created or exacerbated by School traffic. Throughout the NP process, it has been clear that the School appreciates the support of the community.

### 3.4. About Housing

- 3.4.1. Felsted is a very desirable place to live. The result of a survey of estate agents indicated that the demand for property within Felsted is extremely high, creating continuing and unrelenting pressure for additional market housing development.
- 3.4.2. In the last twenty years, *excluding* replacement dwellings constructed on a one-for-one basis, over 200 new homes have been built in the Parish. Though increasing the demands and pressures on local amenities and infrastructure, they have delivered little or no contribution to the development or enhancement of amenities or responded to any specific significant needs identified by the Parish Council.
- 3.4.3. From the outset and throughout the Neighbourhood Planning process, the overwhelming response from parishioners has been that the Plan should resist further market housing development beyond that imposed by Uttlesford District Council's Local Plan or which has been identified as 'needed affordable housing' by independently conducted housing needs surveys. The Localism Act allows the Neighbourhood Plan to provide more than this number of houses and an amount of employment land, but it does not allow the Plan to provide for less.
- 3.4.4. Since the SG commenced work on the Plan, the pressure from central government on local authorities, including Uttlesford, for the development of more homes has increased considerably. Without a demonstrable 5 year housing supply pipeline, UDC has been much less effective in preventing development that has been resisted by parish councils. To meet its housing requirements, UDC have had to reconsider the Type A villages and other settlements in respect of housing allocations in the revised draft UDC Local Plan.
- 3.4.5. Concerns about excessive market housing development are repeatedly expressed by the Parish Council and many individual parishioners in their objections to planning applications. Through these comments, the community makes it clear that it wants the Plan to offer the strongest possible protection to the physical integrity of the Parish and its quiet rural nature.
- 3.4.6. These views are consistent with those expressed during the consultation work on the Parish Plan published in 2012 and have been repeatedly expressed by parishioners to the Parish Council and in objections to planning applications.<sup>7</sup>
- 3.4.7. Accurately identifying the need for affordable housing is essential to developing effective housing policy. Housing Needs Surveys are conducted upon the request of the Parish Council. The results of the report are valid for 3 years. Housing Needs Surveys are conducted on a Parish wide basis to determine the needs of that Parish. In May 2016 the

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<sup>7</sup>'Felsted Parish - A Plan for the Future' Published by Felsted Parish Council, available on [www.felstednp.org.uk](http://www.felstednp.org.uk)

Rural Community Council for Essex conducted a survey on behalf of Felsted Parish Council to determine the affordable housing need for the coming 3 years. The survey identified a need for 14 affordable units and 1 starter home, although it is noted that this focussed solely on locally-identified need. Regular Surveys are valuable and should be routinely considered by the Parish Council.

- 3.4.8. There is also concern that developments have not resulted in increased opportunity for moving within the Parish. Active, older residents, finding themselves unable to downsize into smaller high-quality homes, rather than leave the Parish, are remaining in homes they consider to be too large for their needs, meaning that high-demand housing (larger, family homes) are not as available as part of the market stock.

### **3.5. About Integrity and Character**

- 3.5.1. The community is vocal and determined in expressing its concern that 'excessive development' of market housing is harming the character and heritage of the village, the constituent Greens and hamlets and the rural nature of the Parish. This has been raised consistently as a key concern throughout our consultation.
- 3.5.2. There are also concerns that coalescence with neighbouring parishes puts at risk the integrity and the unique identity of historic Felsted. In addition to the concerns about development within the Neighbourhood Area, the situation is greatly exacerbated by the uncertainty of development proposals to the west of the Parish at 'Chelmer Mead', to the east in the development described as 'West of Braintree' and to the Great Leighs development in Chelmsford. These proposed developments present very significant risk, threatening to put unprecedented pressures on Felsted's built and green infrastructure and valued amenities.
- 3.5.3. Similarly, the individual charm of the constituent Greens and hamlets is also seen to be threatened by coalescence. Avoiding coalescence does not mean that the Plan rejects all development in a Green or hamlet, but it does require the Plan to place restrictions on developments that threaten the individual integrity of a settlement in order to minimise the risk of coalescence between settlements within the Parish.

### **3.6. About the Rural Economy**

- 3.6.1. The community is also concerned to protect and encourage the rural economy and to offer local employment by providing suitable opportunities for business. These aspirations go to the heart of ensuring that the Parish remains a vibrant and discrete community offering employment opportunities within its boundaries.
- 3.6.2. There is also concern that the development of economic activity in the Parish should be unobtrusive and appropriate to the rural setting.
- 3.6.3. We surveyed the attitudes of business owners in the Parish. Felsted is fundamentally a rural parish with a strong agricultural base. In general, farmers were concerned that it remains as such. The few responses received from other businesses were, with very few exceptions, were concerned only with issues outside the scope of the Neighbourhood Plan, like improved internet access and faster broadband speeds.

### 3.7. About the Countryside and the Environment

- 3.7.1. The community is fiercely protective of the natural environment and the green spaces that surround the village and give access to the 15 individual Greens and hamlets that comprise the Parish. The community demands that planning policies both protect the countryside and wildlife and ensure access is maintained.
- 3.7.2. There is concern that insufficient importance is given to the ecology of the Parish and more information needs to be offered to users of the footpaths and bridleways to ensure they better understand the environment and their impact on it.
- 3.7.3. Areas such as the nature area in the village allotment site and the recently designated Nature Area, adjacent to Felsted Fen, are highly regarded and valued.
- 3.7.4. Many of the concerns expressed during the consultations have been expressed to the Parish Council and to UDC over many years.



*Figure 10 The River Chelmer to the west of Mill Road*

### 3.8 Consultation Timeline

<b>When?</b>	<b>What?</b>
July 2014	Inaugural Meeting of the Felsted Neighbourhood Plan Steering Group
December 2014	Felsted Neighbourhood Area designated by Uttlesford District Council
March 2015	'Setting the Agenda for Consultation' document launched
May 2015	First village open day
Spring 2015	Consultation with schools and survey
Spring 2015	Consultation with Doctors' Surgery and survey
September 2015	Traffic survey
August 2015	Focussed workshop on key themes (1 of 3)
September 2015	Focussed workshop on key themes (2 of 3)
October 2015	Focussed workshop on key themes (3 of 3)
January 2016	Rural Community Council of Essex – housing needs survey
January 2016	Youth survey to accompany housing needs survey
March 2016	Estate agents survey
May 2016	Feedback session on Housing Needs Survey, Youth survey and Estate Agents survey
Throughout 2016	Heritage and character assessment undertaken by green leaders
Throughout 2016 and 2017	Feedback on drafting the plan via website and updates to the Parish Council
July 2017	Presentation of the Policy Intentions Document
April 2018	Update on the Neighbourhood Plan and housing
Summer 2018	Pre-Submission Consultation

## Section 4 - The Vision for Felsted

### 4.1. Developing the Vision

- 4.1.1. The vision for Felsted developed in the Neighbourhood Plan reflects the community's concerns and aspirations, identified as key issues through consultation. It attempts to say what we want our Parish to be working towards throughout the fifteen years of the Plan period to 2033.
- 4.1.2. The Plan brings forward policies that respect our heritage and define our future. Some things need to change but many aspects of the Parish will remain the same. One of the key objectives has been to plan to value what we have and to change as little as possible; another is to ensure that where inevitable and necessary changes take place they are appropriately planned for to ensure they bring real and enduring benefits to the people of Felsted.
- 4.1.3. Each of the policies in **Section 5** is directly related to and aimed at delivering an aspect of our vision.
- 4.1.4. There are some issues raised through the consultation process that are not deliverable through planning policies. These are nonetheless important to the community and though the Neighbourhood Plan cannot propose policies to facilitate their implementation they are supported.

### 4.2. The Vision

1. *Over the Plan period Felsted will continue to be a special place to live in a rural setting.*
2. *Our village amenities will have been expanded and enhanced, particularly our primary health care and village shopping. We will have a new larger community hall providing a focus for Parish public and private events.*
3. *Congestion at peak times will have been eased and pedestrians will be able to move around the village centre and our schools in safety and comfort.*
4. *The setting of listed buildings in the village centre along with Holy Cross Church will have been protected in an enhanced public space, which will have created a clearly defined historic centre, articulating to residents and visitors the value importance of this ancient settlement recorded in the Domesday Book*

5. *The dispersed nature of the Parish of Felsted with its 15 individual Greens and hamlets will remain. This Plan will have ensured the character and identity of this place and its ecology are protected from housing and infrastructure changes in the surrounding area.*
  6. *Felsted will have met housing needs and supported additional market housing development where it supports provision of parish amenities and facilitates continuity of residence in the Parish.*
  7. *Local employment will have been encouraged through supporting small business development.*
  8. *Our schools will continue to be emblematic of educational excellence, meet emerging demands and will play an active role in the community.*
  9. *The natural environment will have been protected and enhanced and a green infrastructure delivered.*
  10. *New technology will have been used to provide information to users of footpaths and bridleways about the historical setting of the countryside, its wildlife and what might be expected to be seen at any given location.*
- 4.2.1. The SG recognises that achieving this vision is very challenging. The SG would have ideally liked to have seen the key amenities provided in one place in a single development. Achieving this during our work on the Neighbourhood Plan has not proved possible. What is possible is the provision of a much-improved Surgery in community ownership with a small development of market housing at Station Road. The surgery in community ownership will generate a revenue stream for community amenities, which could include the redevelopment of the Memorial Hall and the relocation of the village convenience shop and Post Office.

### **4.3. How we will deliver the Vision**

- 4.3.1. The Vision will be delivered through the implementation of the Planning Policies detailed in Section 5 of this Plan, through the creation of a charitable trust to receive and distribute funds generated by supported development projects and by identifying issues to the Parish Council that are not deliverable through planning policy, but which have a material impact on our community.
- 4.3.2. The following table provides a list of the policies and which section of the Vision that they originate in. Additionally, the introductory text to policies provides commentary on which elements of the vision are being delivered.

<b>Theme</b>	<b>Policy Reference</b>	<b>Policy Title</b>	<b>Relationship to Vision</b>
Protecting the Historic Village Centre	FEL/HVC1	Historic Village Centre	Paragraphs 1, 2, 3, and 4
	FEL/HVC2	Existing Village Shop and Post Office	Paragraphs 1, 2 and 3
	FEL/HVC3	Royal British Legion Site	Paragraphs 1, 2, 3 and 4
	FEL/HVC4	Additional Car Parking in the Village Centre	Paragraphs 1, 2 and 3
	FEL/HVC5	Managing Congestion at the T Junction in Felsted Village	Paragraphs 1 and 3
Village Amenities	FEL/VA1	Doctors' Surgery	Paragraphs 1, 2 and 3
	FEL/VA2	Memorial Hall	Paragraphs 1, 2 and 3
	FEL/VA3	Infrastructure Priorities	Paragraphs 1 and 2
	FEL/VA4	Burial Ground	Paragraphs 1 and 3
	FEL/VA5	Recreational and Play Areas	Paragraphs 1 and 3
Developing Our Schools	FEL/SC1	Supporting our Schools	Paragraphs 1, 2, 3 and 8
	FEL/SC2	Felsted School	Paragraphs 1, 2, 3 and 8
	FEL/SC3	Felsted School Follyfield Site	Paragraphs 1, 2, 3 and 8
	FEL/SC4	Felsted School Facilities off Braintree Road and Garnetts Lane	Paragraphs 1, 2, 3, 4, 5 and 8
	FEL/SC5	Felsted Primary School – Modernisation	Paragraphs 1, 2, 3 and 8
	FEL/SC6	Felsted Primary School – Expansion	Paragraphs 1, 2, 3 and 8
	FEL/SC7	Felsted Primary School Site	Paragraphs 1 and 6
Meeting Housing Needs	FEL/HN1	Meeting Housing Needs	Paragraphs 1 and 6
	FEL/HN2	Land At Braintree Road (Sunnybrook Farm)	Paragraphs 1, 2, 3 and 6
	FEL/HN3	Land At Station Road (Bury Farm)	Paragraphs 1, 2 and 6
	FEL/HN4	Residential Development within Development Limits	Paragraphs 1, 5 and 6
	FEL/HN5	Residential Development outside Development Limits	Paragraphs 1, 5 and 6
	FEL/HN6	Supplemental Dwellings	Paragraphs 1, 5 and 6
	FEL/HN7	Housing Mix	Paragraphs 1 and 6
	FEL/HN8	HRA/SEA assessment	Paragraphs 1, 2 and 6
Integrity, Character and Heritage	FEL/ICH1	High Quality Design	Paragraphs 1, 5 and 9
	FEL/ICH2	Heritage Assets	Paragraphs 1, 4 and 5
	FEL/ICH3	Signage Pollution	Paragraphs 1 and 5

	FEL/ICH4	Light Pollution	Paragraphs 1 and 5
	FEL/ICH5	Avoiding Coalescence	Paragraphs 1, 5 and 9
Supporting the Rural Economy	FEL/RE1	Start Up and Small Businesses	Paragraphs 1, 2 and 7
	FEL/RE2	Loss of Employment Uses	Paragraphs 1 and 7
	FEL/RE3	Re-use of Rural Buildings	Paragraphs 1, 5 and 7
	FEL/RE4	Home Working	Paragraphs, 5 and 7
Countryside and Wildlife	FEL/CW1	Landscape and Countryside Character	Paragraphs 1, 5 and 9
	FEL/CW2	Nature Area including Felsted Fen	Paragraphs 1, 2, 5 and 9
	FEL/CW3	Footpaths, Bridleways and Cycleways	Paragraphs 1, 5, 9 and 10
	FEL/CW4	Green Infrastructure	Paragraphs 1, 5 and 9

#### 4.4. The Felsted Community Trust

- 4.4.1. The SG considered that establishing a charitable trust would be an effective mechanism to help secure the community benefit objectives of the Plan. The SG has worked with the Parish Council to create the Felsted Community Trust. Initially, contributions to the Trust may be required from the landowners and developers of schemes supported by the Plan. A doctors' surgery will be a capital project donated to the Felsted Community Trust by a developer of the identified site in Station Road. This will remain an asset of the Trust for the benefit of the community
- 4.4.2. Over the Plan period, the surgery will generate a return in rent from the doctors' practice that in turn will be available to the trustees to distribute to community projects, including funding for the village hall.

#### 4.5. Issues that are not deliverable through Planning Policy

- 4.5.1. There are a number of issues that have emerged through the consultation process as concerns or objectives which are outside the scope of the Plan's planning policy remit. These issues are nonetheless important, and their resolution would benefit the community. The Parish Council will seek to implement these projects through the identification of key partners and sources of funding.
- a) Notwithstanding the requirement in policy SC2, the road surfaces in Stebbing Road from the junction with Braintree Road to the junction with Garnett's Lane should be changed to indicate a pedestrian priority area.
  - b) In the event that further school facilities are developed on the playing fields to the west of Stebbing Road, the same considerations as described in (b) above should apply to the road surface between Garnetts Lane and the section of Stebbing Road adjacent to the playing fields. (See Map 4)
  - c) The construction of a new access for Felsted Primary School.

- d) Where significant developments in close proximity to the Parish are proposed, the Plan supports the Parish Council in expecting such proposals to be accompanied by a "Travel Plan, Transport Assessment and Statement" to assess the predicted flow of through traffic in the Felsted Conservation Area. Where potential increases are identified, mitigation measures will be sought to constrain traffic flow through the Felsted Conservation Area and avoid the Parish becoming a 'rat run' for traffic.
- e) New technology should be embraced, for example to provide charging points for electric vehicles and to communicate information about the Parish's history and ecology, Quick Reader codes should be used on public signage, including footpath signs and way markers offering access to information about the Parish. Any installations must be sympathetically incorporated into their surroundings.
- f) As part of traffic mitigation measures, School 'Park and Ride' or 'Park and Walk' schemes should be encouraged.
- g) Following any move of the village shop away from the 'T' Junction, the Parish Council should review parking restrictions in Station and Braintree Roads.
- h) A Pavement Parking Prohibition Order should be obtained and enforced to cover the whole village.
- i) Priority for local purchasers will be encouraged by asking developers to offer 'priority purchase' schemes for entry level properties, wherein parishioners are given an exclusive 3-month window during which they are able to express an interest in acquiring a newly developed property before it goes to open market.
- j) Proposals for allocated housing sites are expected to come forward within years 1 – 5 of the Plan period.

## Section 5 – The Policies

### 5.1. Protecting the Historic Village Centre



*Figure 11 Grade I Listed Holy Cross Church*

- 5.1.1. The Parish is substantially defined by an area in the centre of the Village that comprises some of the most iconic and best-known buildings in Felsted. To ensure this small area is properly recognised and protected and to provide context for the policies in this section, the Plan designates the Historic Village Centre (HVC) as a historic character area. The area is shown on Map 2 and is identified for its historic significance, its function as a focal point for amenities and services and the contribution that it makes to the Parish as a whole. It is not coterminous with the Conservation Area (CA) but many of the 49 Listed Buildings in the CA are in the HVC. The heritage assets of the village are described in detail in the comprehensive Felsted Heritage and Character Assessment report produced by AECOM.
- 5.1.2. Frequent short-term visits by customers and deliveries to the village shop in the HVC are identified as major causes of congestion at the 'T' junction of Braintree Road, Station Road and Chelmsford Road. Parking and deliveries for The Swan, The Boote House and The Royal British Legion are also, at different times, contributors to congestion. Holy Cross Church and Smylie Hall together with the Doctors' surgery and dispensary, Felsted School, and Felsted Primary School traffic, further east at Watch House Green, also contribute significantly to congestion.
- 5.1.3. The Plan seeks to address these concerns and meet the ambitions of the community by bringing forward policies on the use of premises that cause congestion, including the Schools, requiring them to include off road parking as part of any development proposals.

- 5.1.4. Like the community, Felsted School is also keen to improve traffic management in the village, but the success of this will be dependent on the Local Planning Authority agreeing to parts of the school's estate being adapted to provide additional parking.
- 5.1.5. The Plan proposes policies support the relocation of the village shop and Post Office and the Royal British Legion away from the Village Centre to alleviate traffic concerns whilst also providing the opportunity for expansion of services in new, more sustainable premises. The intention is to encourage the use of the vacated premises in ways that will attract less short-term visitation at peak times.
- 5.1.6. The Royal British Legion, the small car park (known locally as Woodley's car park) and the premises shown on Map 2 occupy important sites within the HVC. However, The Felsted Conservation Area Character Appraisal states that the car park provides a poor setting for the adjacent Norman church and other historic and listed buildings.<sup>8</sup> The Character Appraisal lists relatively modest ways in which the car park could be improved (e.g. replacing the wooden fence that defines the car park's western boundary with a native species hedgerow or reducing the impact of the wooden fence through planting). It also suggests that the site is an ideal location for a sensitively designed public convenience. The Plan is much more ambitious for the HVC and identifies a much more substantial opportunity for improvement and considers that these sites could be used to greatly enhance the general setting of the Felsted Conservation Area and the particular setting of the Grade I Listed Holy Cross Church. The Plan therefore includes policies that recognise and make the best use of the potential of these sites.
- 5.1.7. The policies in this section help to deliver the Vision for Felsted by protecting and enhancing village amenities to ensure that they remain viable within the Parish, by supporting the increase of parking facilities and helping to alleviate traffic congestion travelling through the village centre. The policies also seek to ensure that valued heritage assets and the historic character of the village centre are preserved and enhanced for the benefit of future generations.

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<sup>8</sup>Felsted Conservation Area and Management Proposals, Uttlesford District Council, 2012  
(<https://www.uttlesford.gov.uk/CHttpHandler.ashx?id=1919&p=0>)

### **FEL/HVC1 – Historic Village Centre**

The Historic Village Centre (as shown on Map 2) is designated as a historic character area and local centre for its historic significance, its contribution to the character of the Neighbourhood Area, as well as for its amenity value which provides a focal point of facilities and amenities for all residents and visitors alike.

To be supported development proposals within the Historic Village Centre must:

- Provide safe, and attractive pedestrian environment and improve the quality of the pedestrian environment; and
- Ensure that the choice of materials, forms and designs integrate sympathetically with the existing historic environment

To be supported proposals for additional services and facilities within the Historic Village Centre must demonstrate:

- i) safe access, and that off-street parking provision will be sufficient to avoid additional on-street parking;
- ii) the proposal will not result in severe traffic congestion; and
- iii) the proposal will not adversely affect residential amenity through noise, fumes, smells, or disturbance.

### **Existing Village Shop and Post Office**

- 5.1.8. The UDC draft Local Plan includes a policy (RET4) which resists the loss of shops and other community facilities beyond the district's town and local centres.<sup>9</sup> This Plan complements that approach by taking a similar approach to these uses within the HVC.
- 5.1.9. Policy HVC1 establishes what uses would be supported at the site of the existing village shop and Post Office in the event that they are vacated. It is of priority that existing traffic congestion and parking concerns at this location are not exacerbated and, where possible, improved as a result of any changes at this site.
- 5.1.10. Throughout the extensive consultation undertaken during the preparation of the Plan, it was particularly evident that the village shop and Post Office are highly treasured assets within our community. It is recognised that the existing shop and Post Office are not in the most appropriate location to secure their ongoing commercial viability, and that an alternative site may be secured in the Plan Period in the parish. The Plan supports the sustainability and continuation of the service provided by the shop and Post Office and seeks to provide the opportunity for the shop and Post Office to remain in the parish in the longer term.

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<sup>9</sup> UDC Draft Local Plan Policy RET4

### **FEL/HVC2 – Existing Village Shop and Post Office**

The relocation of the village shop and Post Office to an alternative site within the Felsted Neighbourhood Area to a location no less accessible to users and which will not necessitate on street parking will be supported.

In the event that the village shop and Post Office are vacated, change of use from Class A1 (Shops and retail outlet) to Class A3 (Food and drink), A2 (Professional Services), Class B1 (Business) and/or residential use on the site (shown on Map 3) will be supported.

Proposals must be subject to a Transport Statement/Assessment in accordance with ECC Development Management Policies (2011) to demonstrate that they will not exacerbate existing traffic congestion and parking issues at this location.

### **Royal British Legion Site**

- 5.1.11. The Plan recognises and seeks to support The Royal British Legion (RBL) as a valued and respected asset to the community. However, notwithstanding the affection in which it is held by members, the current building is of no architectural merit, detracts significantly from the setting of the Grade I Listed Norman Church and is not located centrally in relation to the more significant areas of population in the Parish. Parking is also limited. In the event that the RBL should seek to relocate within the Parish, the Plan supports moving the Club premises further east.
- 5.1.12. There are no existing public conveniences within the Historic Village Centre. There was previously WC provision at the side of The Swan Public House although this was removed following the withdrawal of Local Authority funding. During the public consultation, the lack of WC provision was raised as an issue for the SG to address, particularly at the first village open meeting where issues and options were considered.
- 5.1.13. The existing site of the RBL building and adjacent properties identified on Map 2 is ideally situated for the creation of public open space. In the event of any of those identified properties being vacated, opportunities are presented to create significant improvements to the setting of the Grade I Listed Holy Cross Church which serves as a significant focal point for the HVC in terms of local character and identity.
- 5.1.14. The Plan supports the creation of more public open space at the western end of Holy Cross Church incorporating the relocated Market Cross.
- 5.1.15. Due to the significance of this site in providing enhanced open space and public realm within the setting of the adjacent Holy Cross Church and due to the need to retain existing car parking capacity on the site it would not be appropriate to re-develop the site for housing or other uses that generate significant additional demand for parking spaces. The wider site is in a mix of ownerships, including the Parish Council, the British Legion and private landowners.
- 5.1.16. With regard to delivery, consideration has been given to the Felsted Community Trust

being the organisation to fund and manage this project. The SG acknowledges that this project is partially aspirational, although not undeliverable. The Community Trust will be in receipt of rental revenue from the new doctors' surgery (Policy FEL/HN3) and monies generated will be used to fund other community projects, as decided by the Trust.

### **FEL/HVC3 – Royal British Legion Site**

The relocation of Royal British Legion (RBL) elsewhere within the Neighbourhood Area will be supported. In the event that it successfully relocates within the Parish, the site (as shown on Map 2) is safeguarded for community use and for the provision of accessible public open space.

To be supported proposals relating to the existing RBL site must:

- i) Incorporate a public open space to enhance the setting of the Grade 1 Listed Holy Cross Church;
- ii) Accommodate the Market Cross stone;
- iii) Enhance the setting of the Conservation Area by creating a focal point using public realm improvements; and
- iv) Subject to viability considerations, include the provision of accessible public conveniences.
- v) Include public cycle parking facilities.

### **Additional car parking in the Historic Village Centre**

- 5.1.17. Congestion in the HVC at the 'T' junction of Chelmsford Road, Station Road and Braintree Road was amongst the most serious areas of concern raised during the consultation process. There are two main factors that contribute to the congestion; parked vehicles at all business premises at the 'T' junction and congestion caused by parents dropping and collecting children from Felsted School, especially those turning right into and out of the school grounds from Braintree Road.
- 5.1.18. In late 2015 and early 2016, the Steering Group arranged for a traffic survey to be undertaken by volunteers from the Parish. The survey was conducted during school term-time, to monitor the levels of traffic moving through the village. The results demonstrated nearly 4,000 traffic movements through the Parish at peak time of 7 – 9am, an increase of some 25% on a similar survey undertaken in 2007.
- 5.1.19. There is very limited scope in the HVC to increase parking facilities to resolve these issues. It is also recognised that on-street parking provides a form of traffic-calming, helping to reduce vehicle speeds. As such its removal would likely require traffic calming measures. Policy HVC3 seeks to ensure that development takes account of the need to reduce traffic and, where reduction is unachievable, to mitigate its impact.

**FEL/HVC4 – Additional Car Parking in the Village Centre**

The provision of additional off-street parking spaces within the Felsted Village Development Limits (as shown on Map 13) will be supported where they:

- do not harm the character or appearance of the local area;
- are appropriately landscaped;
- are sensitively designed to reflect the local area and any surrounding buildings; and
- alleviate pressure on the local highway network
- include cycle parking in accordance with the most up to date parking standards of the highway authority

**Managing Road Congestion at Felsted Village T Junction**

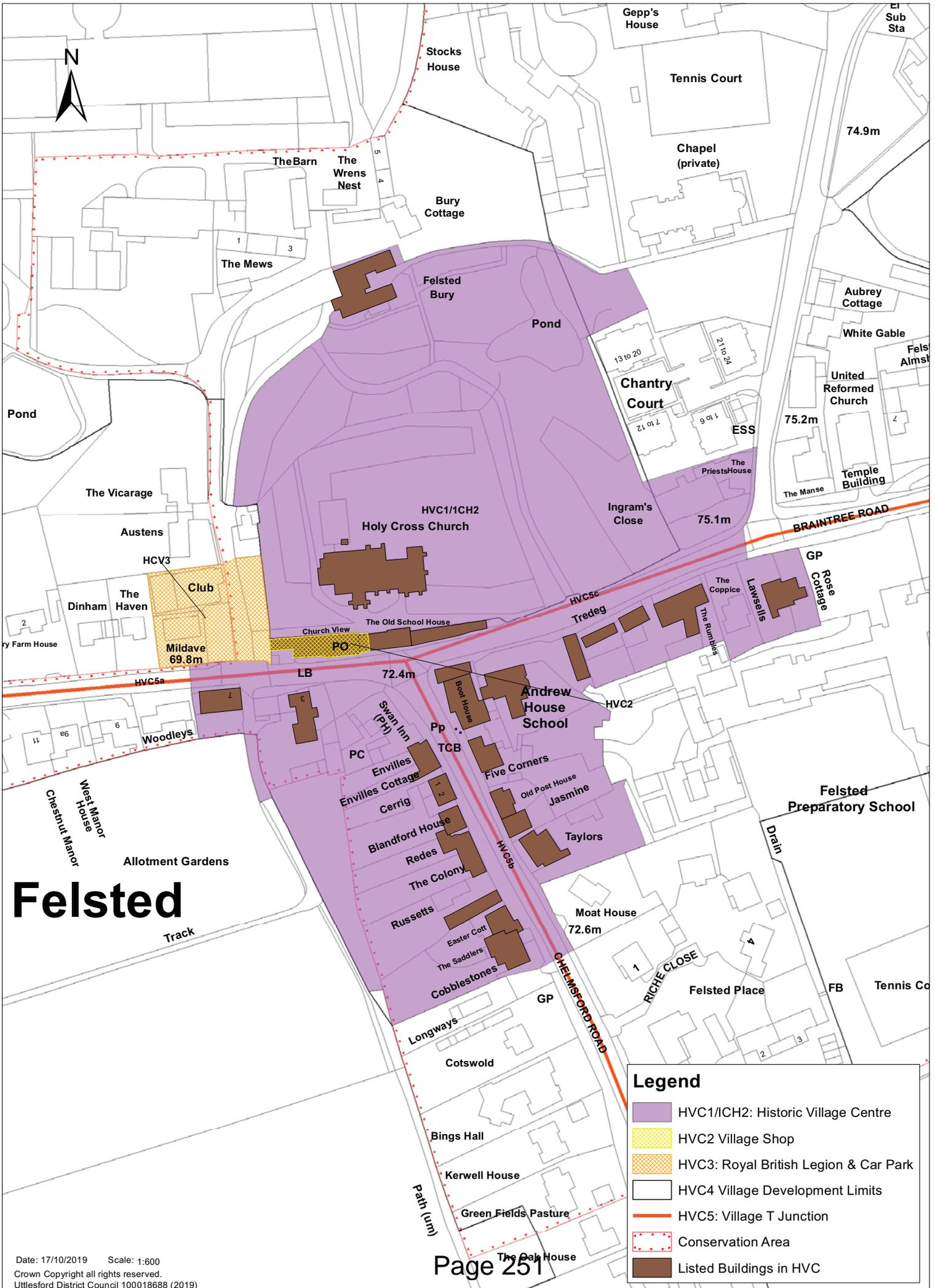
- 5.1.20. Movement of traffic through the village at peak times, particularly at drop off and pick up times at Felsted School, is significantly impeded by parked cars and goods deliveries at businesses within the HVC, in particular along Station Road, Chelmsford Road and Braintree road.
- 5.1.21. New development along such routes will unavoidably exacerbate existing issues of traffic congestion and therefore the following policy introduces a requirement for new developments to minimise any adverse impact that they may have on traffic flow or parking stress issues. This should be assessed and measured through the planning application process. Planning applications will be required to include a traffic impact assessment to demonstrate that the proposal will not further inhibit the free flow of traffic or exacerbate parking issues or identify and include appropriate mitigation measures where it cannot be demonstrated that there is no adverse impact.

**FEL/HVC5 – Managing Congestion at the T Junction in Felsted Village**

Development proposals which would increase the number of access points or significantly increase the volume of traffic in the areas identified on Map 2 (see below) must be subject to a Transport Statement/Assessment in accordance with ECC Development Management Policies (2011) to demonstrate how walking, cycling and passenger transport will be promoted and adverse impact on the existing conditions on the local highway network will be avoided:

- i) that section of Station Road between the Mill Road and Chelmsford Road junctions;
- ii) that section of Chelmsford Road between Station Road and Cromwell Park; and
- iii) that section of Braintree Road between Chelmsford Road and the War Memorial

# Map 2 : Historic Village Centre



## Felsted

### Legend

- HVC1/ICH2: Historic Village Centre
- HVC2 Village Shop
- HVC3: Royal British Legion & Car Park
- HVC4 Village Development Limits
- HVC5: Village T Junction
- Conservation Area
- Listed Buildings in HVC

## 5.2. Village Amenities

- 5.2.1. Throughout the consultation process, the community has been insistent that the Plan should do everything possible to protect the amenities we currently enjoy. This has proved challenging. The Doctors expressed a strong preference for a new location on the extreme western edge of the parish. In general development on the edge of parish is inconsistent with another objective, that of resisting coalescence.
- 5.2.2. The shop is another valued amenity. Many parishioners have said it is the ‘heart of the community’. However, the shop occupies a listed building in the village centre that constrains its ability to offer the kind of range of services that will be required throughout the Plan Period for it to remain viable as a commercial enterprise. Even if the shop could expand on this site, it would then exacerbate the problem of congestion in the village centre, another issue the SG has also been asked to resolve. If the shop is to continue to operate competitively and extend its services it will eventually, and in our view during the Plan Period, need to move to a larger and more accessible site.
- 5.2.3. The SG attempted to find a site that would allow co-location of amenities in a new Community Hub that met the needs of all stakeholders but was unable to do so. The Plan therefore includes policies that offer as much support as possible to the individual amenities to preserve their accessibility throughout the Plan Period.
- 5.2.4. During the course of preparation of the Plan, the SG received a presentation on a ‘Dementia Unit’ project for 120 residents in a community setting. The SG was impressed by the presentation. The SG considered that the unit was innovative and potentially offered a valuable amenity for our ageing community which, because of the proposed style, had relatively limited impact on the rural character of the parish. It also offered some limited benefits in relation to rural employment. On balance, the SG supported the project. However, we carefully considered whether it was within our remit to support the specific proposal and concluded that it had not been consulted on sufficiently for a specific policy to be included in the Plan.
- 5.2.5. The Plan recognises that new technologies offer the opportunity to reduce carbon emissions and encourage the use of electric vehicles. The installation of EV charging points infrastructure (active or passive) in accordance with agreed minimum standards will be strongly encouraged and supported at all developments (domestic and commercial) with parking facilities.
- 5.2.6. The Policies in this section help to deliver the vision for Felsted by supporting valued amenities to remain in the Parish in appropriate and modernised facilities whilst providing for appropriate development which does not cause additional stress to the highway network. Additionally, the policies support the provision of further village amenities and protect valued play and sports facilities within the Parish.

### Doctors’ Surgery

- 5.2.7. Retaining a surgery is a key community objective identified for inclusion in the Plan and it is the intention of this Plan to support the re-location of the doctors’ surgery within the Parish. Parishioners expressed strong support for the doctors but wished to see a surgery that

offered easier parking, better accessibility and a wider range of health services.

- 5.2.8. The existing single storey surgery building is located in the Conservation Area in close proximity to the Grade I Listed Cricket Pavilion. Any replacement structure of more than a single storey risks negatively impacting on the setting of this designated heritage asset. Single storey residential use or office use would be an appropriate re-use of the site in the event that it is vacated. The Plan ensures that the existing surgery site is not redeveloped without concern for the character and nature of the village setting and does not continue to contribute to congestion in the village.

#### **FEL/VA1 – Doctors' Surgery**

The relocation of the GP surgery and associated dispensary within the Neighbourhood Area will be supported. In the event that the Surgery successfully relocates within the Neighbourhood Area, the redevelopment of the site (as identified as VA1 on Map 3) for residential (C3) or professional services/office (A2) uses will be supported, where the proposal:

- conserves and enhances the character and setting of the Grade I Listed Cricket Pavilion; and
- does not adversely affect visual or residential amenity including through noise or traffic generation.

To be supported proposals must demonstrate that they will not necessitate on-street parking provision and will not exacerbate problems related to existing traffic congestion at this location.

#### **Memorial Hall**

- 5.2.9. Now over 90 years old The Memorial Hall, though greatly valued, can no longer be expected to meet all the needs of our enlarged community. The Hall is relatively small and was constructed to accommodate the needs of a population of just a third of the current size. It is lacking in modern amenities and has no real capacity to expand. The community has said it wants a larger place to meet; to hold private functions e.g. family parties, to facilitate larger community groups and to provide a venue for public meetings.
- 5.2.10. The site of the Memorial Hall is also important in that, potentially, it could provide vehicular access from Braintree Road to the Parish playing field and children's activity area. The current access is for pedestrians only: there is no vehicular access directly from Braintree Road. In the event that the Memorial Hall is relocated or redeveloped, the Plan seeks to improve vehicular access to these amenities.
- 5.2.11. A board of trustees administers the Memorial Hall. The trustees made it clear to the SG that their first choice is for the Memorial Hall, which they consider has significant sentimental value and important visual impact, to remain as it is and simply be refurbished. As an alternative the trustees would consider moving to the back of the existing site. Whilst this may provide access to the children's play area (5.2.9 above) neither of these proposals contribute to the Plan's wider objectives in relation to enhancing amenities.
- 5.2.12. The Plan therefore seeks to support the delivery of a new Village Hall as an asset for wider community use and safeguards the existing site for the benefit of the community. The re-development of the Memorial Hall also provides a significant opportunity to accommodate

the re-location of the Village Shop as supported by Policy HVC2.

#### **FEL/VA2 – Memorial Hall**

The redevelopment of the Memorial Hall (as shown as VA2 on Map 3) with a capacity of up to 250 people seated on the existing site or at another suitable site within the Neighbourhood Area will be supported.

In the event of the successful re-location of the Memorial Hall to an alternative site within the Neighbourhood Area, the site is safeguarded for a community use and/or A1 Retail. Provision of a new Village Shop and Post Office (as defined as a 'Small Shop' by the Sunday Trading Hours Act1994) will be supported, in line with Policy HVC2.

To be supported development or redevelopment proposals must not prevent future achievement of vehicular access to the recreational area to the rear of the site where additional car and cycle parking facilities may be provided.

#### **Infrastructure Priorities**

5.2.13. Also, pivotal to maintaining the integrity of Felsted is preserving the amenities within the Parish. In the event of housing proposals coming forward which trigger a Local Plan requirement for affordable housing and where there is no unmet need for such housing in the Parish, the infrastructure requirements set out in Policy **VA3** will take priority. Development proposals will be expected to contribute towards the delivery of necessary community infrastructure where appropriate. Section 106<sup>10</sup> contributions will meet the tests set out in the NPPF and be:

- Necessary to make the development acceptable in planning terms;
- Directly related to the development; and
- Fairly and reasonably related in scale and kind to the development.

5.2.14. Given the proposed housing development in and around Felsted over the Plan period, it is possible the existing primary school will need to accommodate an increased pupil intake. (See section 5.3, below). The Plan therefore directs infrastructure provision to support the potential expansion of the primary school, or appropriate enhancement of the existing facilities on the site, for example through the replacement of existing temporary buildings to facilitate the anticipated future growth.

5.2.15. Similarly, there are local aspirations for the replacement of both the Royal British Legion and the Memorial Hall. Conversations about both projects are ongoing, and the Plan includes policies to support those ambitions. The Plan therefore directs developer contributions through the Felsted Community Trust or Section 106 monies to support the realisation of projects such as improvements to the primary school, securing continued

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<sup>10</sup> Section 106 (S106) Agreements are legal agreements between Local Authorities and developers linked to planning permissions and are also known as planning obligations. They often include requirements for financial contributions from developers. Should Section 106 be supplemented by the introduction of Community Infrastructure Levy (CIL) the conditionality in VA3 is intended to similarly apply.

provision of a village hall and the Royal British Legion within our parish.

5.2.16. When considering the nature of developer contributions in respect of planning applications in the Neighbourhood Area, the following local infrastructure requirements will be given priority:

- Improvements to and enlargement of the Primary School;
- A village hall to accommodate up to 250 seated people;
- Premises for the relocation of the Royal British Legion

#### **FEL/VA3 – Infrastructure Priorities**

As part of any major development proposal, financial contributions or direct provision of new infrastructure will be sought to secure infrastructure improvements made necessary by the scheme. Use of developer contributions able to be locally determined will be directed to any of the following priorities:

- Improvements to and enlargement of the Primary School;
- A village hall to accommodate up to 250 seated people; and
- Premises for the relocation of the Royal British Legion.

#### **Burial Ground**

5.2.17. The cemetery at Holy Cross Church is closed and there is concern that there is no alternative facility. The Plan seeks to support the identification of a new sympathetically located burial ground within the Parish that provides safe vehicular access and adequate parking for visitors. If a new burial ground is identified the opportunity must be taken to design the grounds as additional green infrastructure to provide multiple benefits such as improvements to biodiversity, sense of place and improvement of health and well-being (including spiritual). Amenity provision and environmental enhancements will be encouraged.

#### **FEL/VA4 – Burial Ground**

The provision of a new burial ground within the Neighbourhood Area that provides safe vehicular access, off street parking for visitors so that on-street parking is not necessary and which enhances and/or extends the Green Infrastructure will be supported.

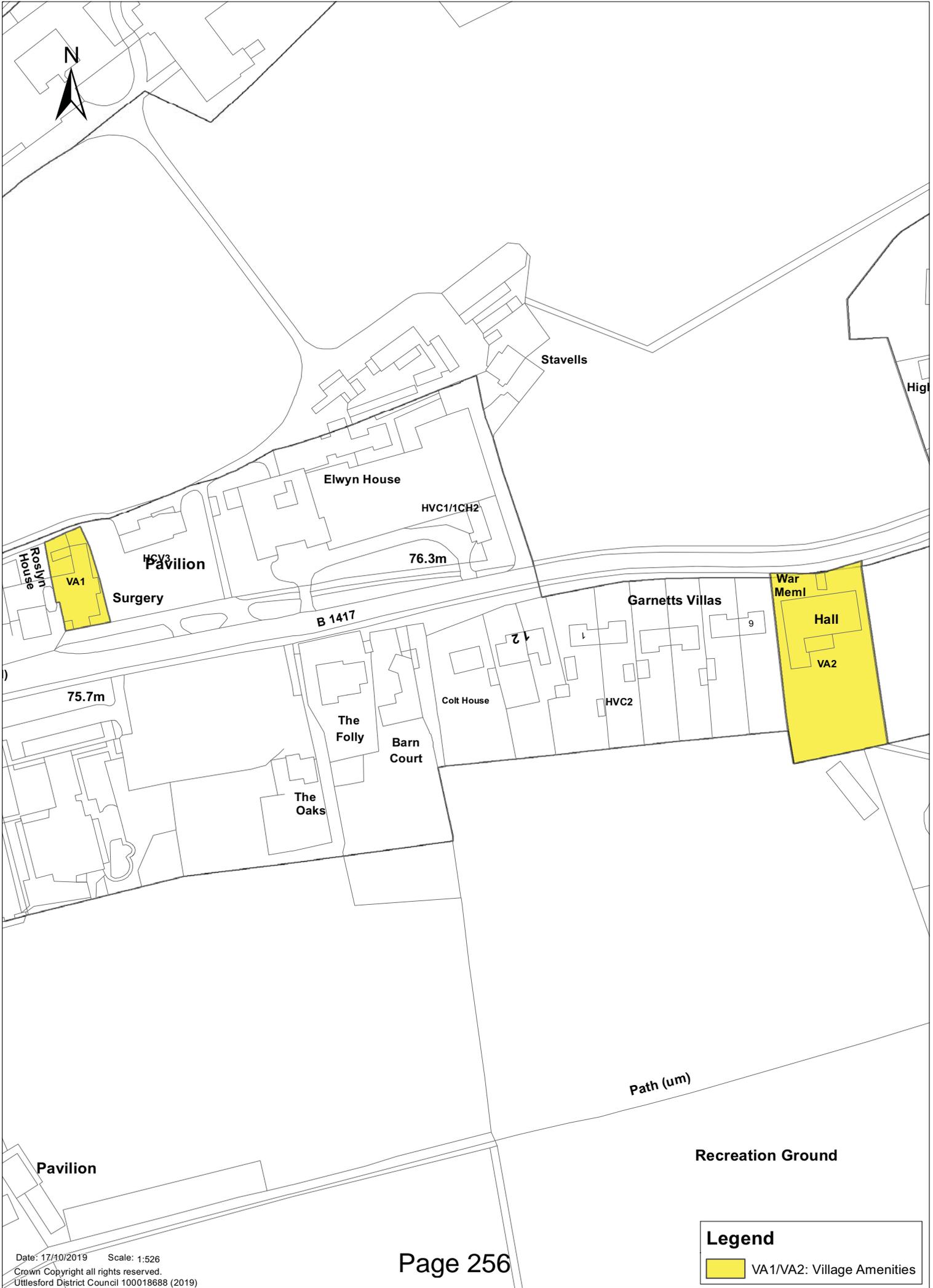
#### **Recreational and Play Facilities**

5.2.18. Recreational and play facilities are recognised as important amenities and form an integral part of the Green Infrastructure of the Parish. They contribute to the health and well-being of the community and were considered as valuable community assets during the consultations on the preparation of the Plan.

#### **FEL/VA5 – Recreational and Play Areas**

The change of use of any existing recreational or play facilities will not be supported unless an equivalent or better alternative facility is provided within the Neighbourhood Area in no less convenient location for users.

# Map 3: Village Amenities



**Legend**

 VA1/VA2: Village Amenities

### 5.3. Developing our Schools

- 5.3.1. The development of the schools in the Parish is strongly supported but, whilst recognising their cultural, social and economic importance, the community has demanded that greater consideration be given to their overall impact on the Parish. In particular there is concern that insufficient recognition is given to the congestion caused by school traffic.
- 5.3.2. Felsted School has developed new facilities and the Plan recognises the likelihood of a continuing need for development throughout the Plan period.
- 5.3.3. Felsted Primary School at Watch House Green also needs better facilities. Temporary classrooms need to be replaced and some additional buildings may be required during the Plan period in light of probable growth in demand for school places.
- 5.3.4. The Plan seeks to address these concerns by establishing generic policies for all Schools' development and specific policies for each school. The policies are intended to:
- Mitigate the impact of school traffic
  - Secure the future of a primary school within the Parish
  - Control parking and improve road safety
  - Encourage wider community use of school facilities
- 5.3.5. The policies in this section help to deliver the Vision for Felsted by providing support to the continuation and positive development of our highly-esteemed schools. Support is provided for the expansion of facilities and modernisation of facilities, whilst requiring that congestion and parking issues are addressed through new development proposals, helping to ensure that the schools continue to make a positive contribution to our Parish.

#### Supporting our Schools

- 5.3.6. Felsted is known as much for the quality of its schools as it is for its beautiful rural setting. Both the state primary school and Felsted School do much to enhance the reputation of the community, provide employment and enhance the social fabric of Felsted. The Plan seeks to offer the schools support and to encourage their development as places of educational excellence. At the same time, the Plan also seeks to mitigate the negative impacts of the schools on wider parish life by focusing on the schools' impact on traffic congestion.

### **FEL/SC1 – Supporting our Schools**

The following school related development proposals will be supported:

- Proposals to enable expansion and improvement of the schools, subject to it being demonstrated that they will not result in severe congestion or additional on-street parking.
- Park and Ride or Park and Walk schemes which are designed to, alleviate pressure on the local highways network and respect the character and appearance of the local area.
- Proposals that provide additional parking within or adjacent to the existing school site boundaries.

Development proposals that will result in additional on-street parking will not be supported.

### **Felsted School**

- 5.3.7. Stebbing Road runs directly through the 80-acre site occupied by Felsted School. The school has major facilities for students on both sides of this road, frequently requiring students to move across the road during the school day. Stebbing Road has a 30mph speed limit. The further development of facilities on the school site will increase pedestrian traffic. Though a public thoroughfare, consideration should be given to how priority can be given to pedestrians and in turn to slow vehicular traffic. The Plan makes recommendations in the non-planning section to address this issue.

### **FEL/SC2 – Felsted School**

The expansion of Felsted School's permanent facilities off Stebbing Road will be supported providing they include deliverable pedestrian priority plans developed in consultation with Essex County Council Highways to improve public safety in that section of Stebbing Road as marked on Map 4.

### **Felsted School Follyfield Site**

- 5.3.8. The location of the School's facilities in the centre of the village present a particularly acute challenge. The Plan seeks to ensure that the partial alleviation of congestion, currently provided by the use by the School of the Follyfield site for parking, are not lost through development of additional School facilities.
- 5.3.9. Access and egress of the Follyfield site by parents at peak times cause significant impediments to the free-flow of traffic through the centre of the village and is evidenced by the Traffic Survey undertaken by the SG and volunteers. Whilst the Plan provides support for the development of the school to ensure that it continues in its role as a valued asset to the Parish, it is acknowledged by the School and by residents that school pick up and drop off times give rise to significant traffic management issues, which remain a cause for concern.

- 5.3.10. Redevelopment of Felsted School is supported but the SG is keen to ensure that existing parking capacity on the Follyfield site is not compromised as a result of development proposals as well as ensuring that issues currently caused by accessing the site are not exacerbated. Policy SC3 therefore introduces a requirement for traffic management proposals to be submitted as part of a planning application to ensure that development proposals take full account of any adverse impacts on traffic issues and incorporate appropriate mitigation measures.
- 5.3.11. The preparation of the Schools section of the Plan has been undertaken in close collaboration with both schools as key stakeholders. Felsted School is keen to ensure that any future development is mutually beneficial for the wider community, recognising the impact that it has on local highways infrastructure, particularly in respect of traffic caused at peak times.

**FEL/SC3 – Felsted School Follyfield Site**

To be supported any scheme to redevelop Felsted School's Follyfield site (as shown on Map 4) must be subject to a Transport Statement/Assessment and provide a safe and suitable access and conform with the latest parking standards of the highway authority.

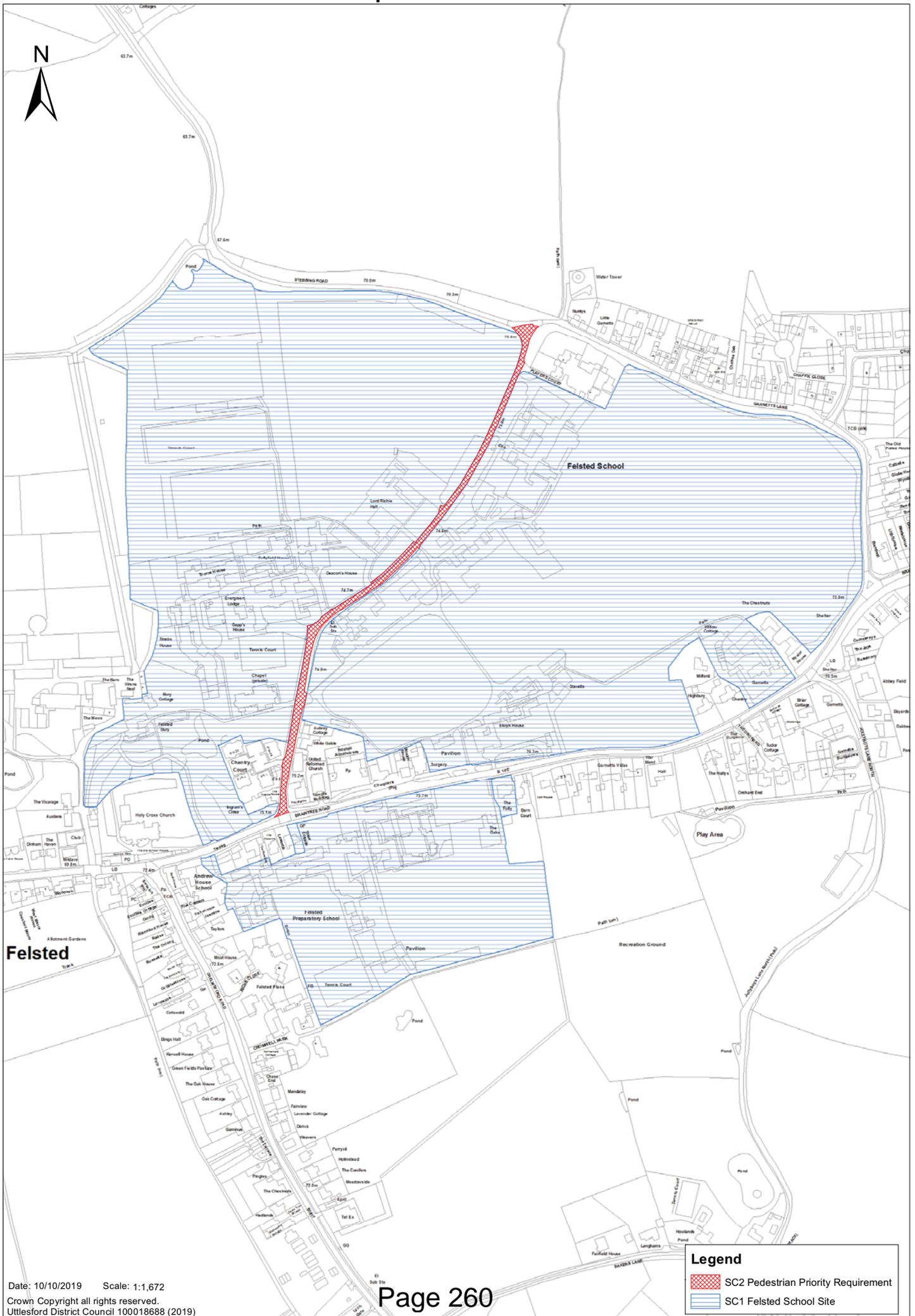
**Felsted School Facilities off Braintree Road or Garnetts Lane**

- 5.3.12. Whilst recognising the economic importance of Felsted School and supporting its continuing need for development, the Plan also recognises the need to ensure that development does not impair the open aspects of the village centre or create an urban or overbuilt environment detached from the overall rural community setting of the Parish. Consequently, the Plan supports the growth and redevelopment of Felsted School facilities but requires consideration to be given to their impact on the wider community and *where possible* to sharing amenities for wider community use.
- 5.3.13. The AECOM report notes the important contribution that Felsted School makes to the character of the Parish. The Plan supports that contribution and developments of the School that are sensitive to local character. The report highlights the substantial areas of well-maintained green space within Felsted School, which provide the setting of the historic buildings of the School. The report also notes that the cumulative impact of continued development of Felsted School has the potential to erode the character of the area and that open space in the village and rural fringes contributes positively to the setting and significance of heritage assets in the area.
- 5.3.14. Views from Braintree Road and Garnetts Lane across the significant open space in front of the main school building are defining factors in the character of the village centre, providing a locally-distinctive and historic landscape character. Further developments in Braintree Road or in Garnetts Lane have potentially negative and harmful impacts on the open views of the school.

**FEL/SC4 – Felsted School Facilities off Braintree Road and Garnetts Lane**

Any further development of Felsted School Facilities off Braintree Road or Garnetts Lane will not be supported unless it can be demonstrated through a townscape impact appraisal that the existing open vistas and views of the school will be maintained or enhanced.

# Map 4: Felsted School



**Felsted**

**Legend**

-  SC2 Pedestrian Priority Requirement
-  SC1 Felsted School Site

### **Felsted Primary School – Modernisation**

- 5.3.15. The SG carefully considered future potential growth of Felsted Primary School. The ECC document 'Meeting the demand for school places in Essex 2019-2028' indicates that there is no immediate Plan to increase the pupil intake of the School. However, it does show forecast data (both with and without actual birth information) indicating a small anticipated shortfall of places and an increasing trend for pupil numbers beyond the ECC plan period of 2028. As the plan period extends 5 years beyond the ECC Plan period up to 2033, the FNSG consider it prudent to assume at least a possibility of the school needing to increase pupil intake during NP period.
- 5.3.16. Felsted Primary School has 'single form entry'. It is possible that during the Plan Period, there will be continued growth requiring the School to expand its facilities. The Plan seeks to both meet the School's current needs and provide a contingency for expansion.
- 5.3.17. The Plan recognises and seeks to support the Primary School's need for modernisation. In particular, the existing temporary structures are incompatible with the delivery of high-quality education of the standard the community demands throughout the Plan period.
- 5.3.18. The primary aim of the policies in this section of the Plan is to support improvements and growth of Felsted Primary School on the *existing* site.
- 5.3.19. Notwithstanding the requirements of SC1, the Plan considers it unreasonable for modernisation of Felsted Primary School to be constrained, in limited circumstances, by any requirement for the school also to be required to address external issues of parking and traffic management. Therefore, the Plan supports the replacement of *existing* temporary structures without the conditionality contained in SC1 above.

#### **FEL/SC5 – Felsted Primary School - Modernisation**

The replacement of existing temporary buildings and other measures that modernise the Primary School (as shown on Map 5) will be supported where they reflect the character and appearance of the setting.

### **Felsted Primary School Expansion**

- 5.3.20. Parking and congestion is already a very significant concern at the existing Primary School site. The community is concerned about the extant congestion problem around the School, its impact on through traffic and the risk of accidents involving vehicles and pedestrians.
- 5.3.21. To alleviate these issues, the Plan applies policy SC1 and SC6 and makes any *expansion* of the school's facilities conditional on significant improvements to parking, public safety and traffic congestion. Additionally, the Plan identifies a site at Sunnybrook Farm for the development of new homes contingent on the developer providing both parking and drop-off facilities for School.

**FEL/SC6 – Felsted Primary School – Expansion**

To be supported the development and expansion of Felsted Primary School on the existing site, as shown in Map 5, must be subject to a Transport Statement/Assessment which considers local traffic management including:

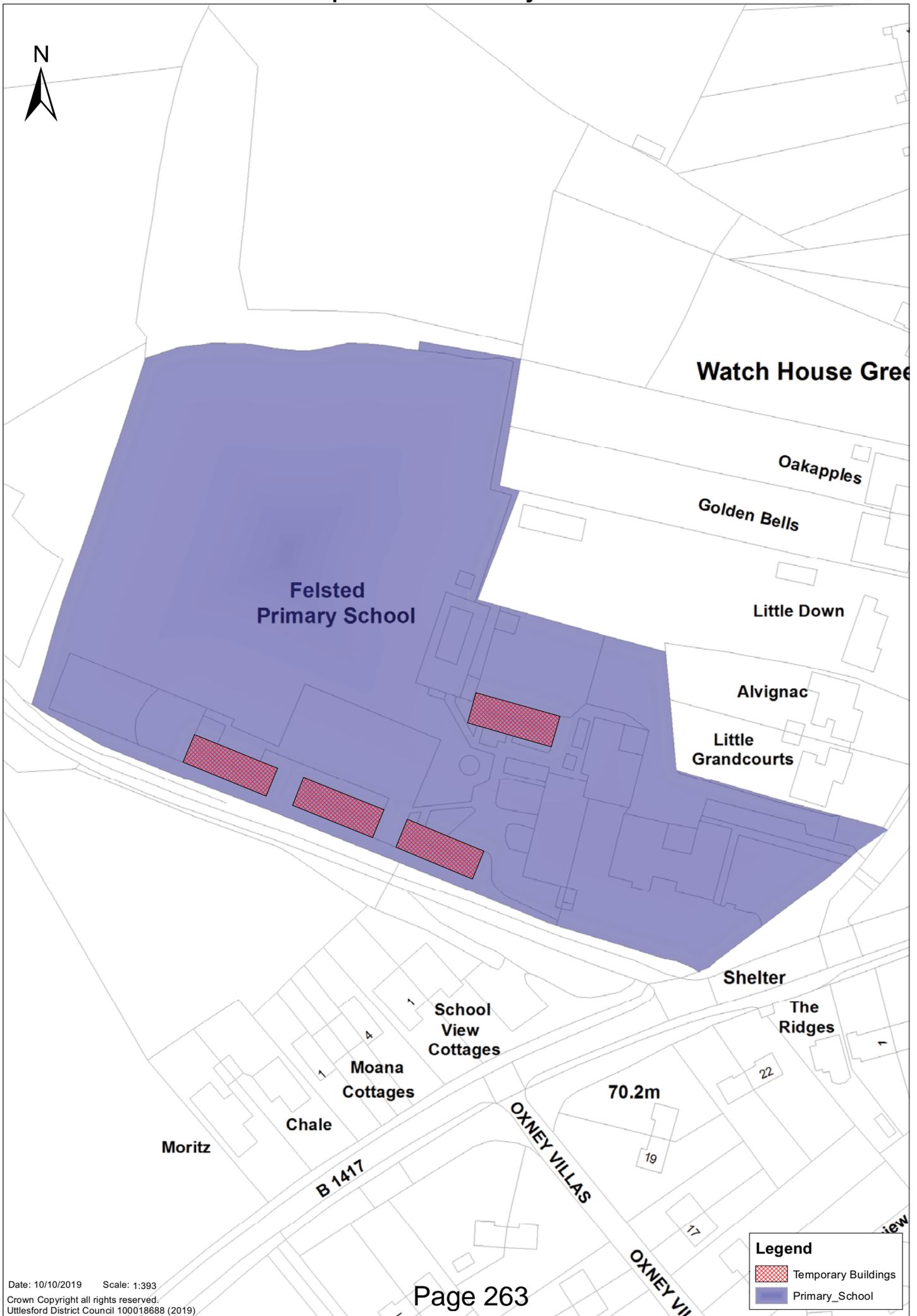
- i) Safe and effective vehicular access and egress for the school;
- ii) Substantial off-street short-term waiting;
- iii) Sufficient off-street parking for staff to avoid the necessity for staff to park on-street;
- iv) Safe off-road drop-off and pick-up areas;
- v) Improved walking and cycling routes and facilities;
- vi) Measures to reduce unsafe or inappropriate parking.

5.3.22. A secondary aim of Schools Policies in the Plan is to provide support for appropriate development of the Felsted Primary School Site *should* it become necessary to relocate the Primary School within the Parish. The Plan encourages developers of the site for housing to consult and engage with the local community through the preparation of a development brief that sets out the design of the development, mix of houses and the incorporation of Green Infrastructure.

**FEL/SC7 – Felsted Primary School Site**

In the event that the Primary School is successfully relocated to an alternative location within the Neighbourhood Area, the development of housing on the site (as shown on Map 5) will be supported subject to the development comprising a mix of dwelling types that reflects the latest assessment of local housing need.

# Map 5: Felsted Primary School



## 5.4. Meeting Housing Needs

- 5.4.1. The Plan policies aim to meet housing needs and address the community's concerns by offering policies which take a positive approach to sustainable development, but which also ensure maximum community benefits.
- 5.4.2. Consistent with the National Planning Policy Framework, the Plan supports a positive approach to the consideration of development proposals by decision-makers to identify sustainable proposals that can contribute positively to the Parish.
- 5.4.3. Neighbourhood Plans are not required to allocate sites for housing development. However, in order to maximise the benefits of accepting new housing development, in a climate of there being an identified "housing crisis" and an increasing demand for housing in Felsted, the Steering Group decided to allocate housing sites to meet current and anticipated future demand in Felsted. The allocations proactively contribute to the achievement of sustainable development and, at the same time, use the allocations to resolve major community issues.
- 5.4.4. The policies in this section help to deliver the Vision for Felsted by ensuring that the historic character of our Parish is protected whilst accommodating the delivery of new housing which meets identified need and also provides substantial benefit to the community. The policies ensure that new developments contribute positively to the village and are well integrated. Additionally, the policies provide support for appropriate development that meets additional needs generated by our population profile and provides the opportunity for younger people to access the market in affordable, high-quality housing.
- 5.4.5. The ageing demographic profile of our community requires that special consideration be given in planning policy to ensuring that valued amenities like the doctors' surgery, dispensary, village shop and Post Office are supported so they remain viable and accessible.
- 5.4.6. Accurately identifying the future need for affordable housing is essential to developing effective housing policy. Housing Needs Surveys (HNS) should be conducted every 3 years to ensure that the Parish's 'need' is properly understood on a continuing basis throughout the Plan period to 2033. A HNS was conducted in Felsted in 2016 by the RCCE.
- 5.4.7. The Rural Community Council for Essex (RCCE) conducted a survey to determine the affordable housing need for the 3 years commencing May 2016. The survey identified a need for 14 new affordable homes, which had been met by 2018. The survey is valid for 3 years.
- 5.4.8. A significant consideration for the Plan is meeting the specific needs of the ageing demographic of the Parish. Felsted's population in relation to the national profile and the Uttlesford profile is comparatively much older.

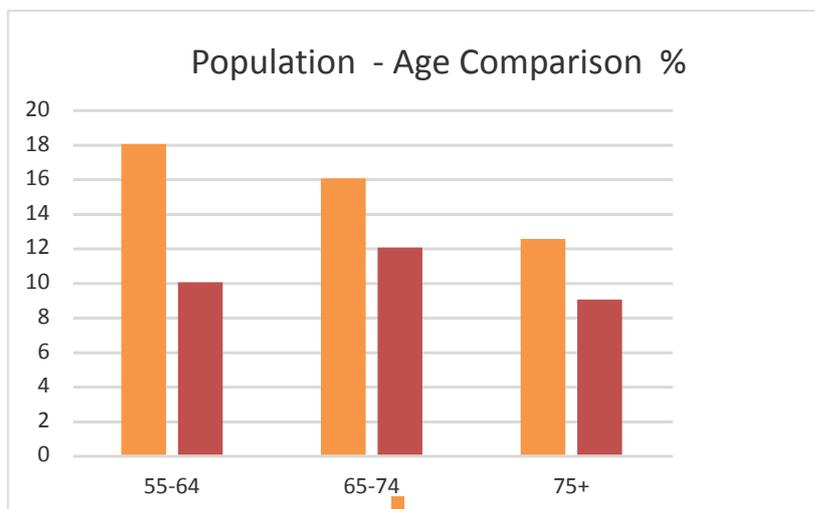


Figure 12 Office of National Statistics - 2011 Census data

- 5.4.9. Among this increasing number of older members of the community in Felsted, there is concern about the lack of suitable properties for downsizing. Many active older people occupy substantial family houses and, whilst they would like smaller, easier to manage properties, they do not want to relinquish the standard of comfort and amenity their homes provide or move away from Felsted - where they have long established social and family connections - to find suitable smaller places to live.
- 5.4.10. The survey of estate agents confirmed the anecdotal evidence gathered. Felsted is a highly desirable place to live and there is demand for housing of all kinds. This can be summed up by the comments of one agent who said, 'Build whatever you like in Felsted and it will sell'. Smaller homes, which encouraged older owners of large well-appointed family homes to downsize were in short supply as were lower cost, entry level homes.
- 5.4.11. Housing policies in the Plan are intended to maintain the rural character and heritage of the Parish as characterised in the AECOM report and to:-
- Meet any identified need for affordable housing
  - Help younger people remain in the Parish
  - Ensure development is controlled and is sustainable
  - Extract the maximum community value from major development<sup>11</sup>
  - Encourage the development of small high-quality homes suitable for downsizers with local connections to the Parish
  - Protect the Parish and its constituent hamlets from coalescence
  - Protect the character and heritage of the Parish
  - Protect and enhance the natural environment and Green Infrastructure network
- 5.4.12. The policy response to consultation requests, '*to provide more opportunity to downsize*' and '*to create opportunity for younger parishioners to remain*' is important to create conditions that foster social cohesion. Policies in the Plan should also encourage people to give up homes which are too large for their needs and provide opportunities for families to acquire larger family homes in the Parish without excessive over-development.

<sup>11</sup> 'Major development' means inter alia, '10 or more dwellings' (TOWN AND COUNTRY PLANNING, ENGLAND. The Town and Country Planning (Development Management Procedure) (England) Order 2015. Part 1, Article 2.)

- 5.4.13. UDC's draft Local Plan identifies Felsted as a Type A village. In early drafts of the Local Plan, Felsted (or other Type A villages – with the exception of Quendon and Rickling) were not identified as settlements that would see additional housing development through allocation in the Local Plan. However, in October 2017, the Government launched the consultation document "Planning for the Right Homes in the Right Places", which set out a revised methodology for Local Planning Authorities' Objectively Assessed Needs for housing growth. The consultation document stated very clearly that the figures calculated for each Local Planning Authority would be a minimum. The document stated a figure of some 136 units per year higher than set out in the draft UDC Local Plan. In the absence of a 5 year supply of deliverable housing sites (a requirement of the NPPF), there is an increasing level of interest and speculative development proposals coming forward, particularly in Felsted which has a very strong housing market.
- 5.4.14. Following informal conversations with UDC planning officers and consideration by the SG, it was recognised that the Parish would strongly resist any further housing development, but at the same time it was likely that the revised draft Local Plan would allocate housing sites for development in Felsted. UDC were unable to provide figures on a parish-by-parish basis, so were unable to identify a target number of units that Felsted would have to accommodate.
- 5.4.15. In order to maximise the benefits and choice for the community from the likely housing growth in the Plan period, the SG decided to push ahead with allocating sites for housing development in order to meet likely future needs, and to contribute to the higher target at a Local Plan level. Although the SG were reluctant to include further housing development in the Plan, it recognised the responsible way forward would be for the NP to allocate housing sites in order to prevent unwanted or unsuitable development that would otherwise be likely to come forward over the Plan period.
- 5.4.16. UDC have not provided a housing target at a neighbourhood-area level, and the SG therefore had to develop an appropriate methodology which is based on Planning Practice Guidance. This methodology also reflects local circumstances and the range of sites that may come forward as suggested by the Strategic Land Availability Assessment (SLAA)<sup>12</sup>. The process of establishing a housing target for Felsted and the consequent site selection to meet this target is set out in the Site Justification Evidence Base document.
- 5.4.17. The Plan's support for *any* additional market housing in the Parish has been strictly conditional on the basis that the schemes identified contribute to ongoing sustainability and bring with them significant long-term benefits to the community as identified through the consultation process
- 5.4.18. The specific development proposals identified in this Plan reflect the specific concerns of the community in relation to securing a doctors' surgery within the Parish and relieving the congestion caused by parking around Felsted Primary School. Both issues were recurring and consistent themes of the extensive consultations. Many months of negotiations with

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<sup>12</sup> The Strategic Land Availability Assessment (SLAA) is a technical study that informs the development of planning policies. It forms a register of available and achievable development sites and is used by the Local Planning Authority to determine how much land is available for housing. Sites are submitted to the SLAA for consideration during the Local Plan process and may be allocated by the Local Planning Authority for housing development.

stakeholders provided unique opportunities to both secure a most valued community asset and to ease serious traffic congestion in the parish. These opportunities would have been lost if the SG had not engaged with prospective developers.

#### **FEL/HN1– Meeting Housing Needs**

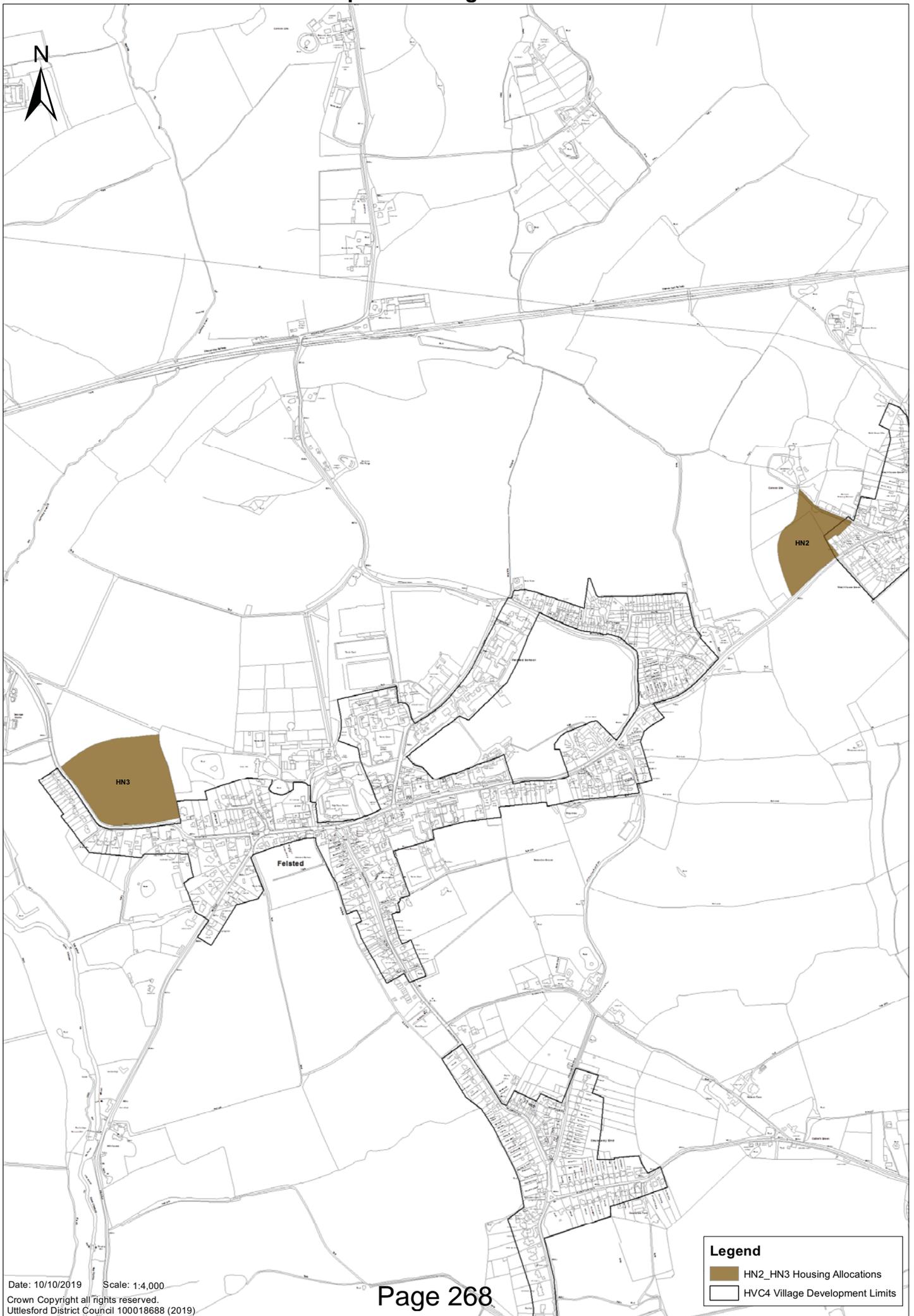
The following sites are allocated for housing development of approximately 63 new homes within the Plan period:

- FEL/HN2: Sunnybrook Farm Site (approximately 24 units).
- FEL/HN3: Bury Farm Site (approximately 39 units).

#### **Housing Site Allocations**

- 5.4.19. Identifying sites for development has been the most difficult aspect of the NP process. Parishioners have been unanimous in resisting further development. We have been particularly mindful of the strenuous opposition to any further development voiced by the residents of some areas of the Parish who feel besieged by building that has, in their view, irreversibly damaged the amenity of their communities. The community at Watch House Green has been particularly vocal in its objections to any further development. However, we have an obligation to support some development. We have carefully considered the long-term benefits, which could accrue from limited developments throughout the Plan Period and we have ensured that no single area bears the burden of unwanted development.
- 5.4.20. Sites have been considered and objectively assessed for their suitability, deliverability, achievability and availability and their contribution to the community. The potential sites were identified from the Strategic Land Availability Assessment (SLAA). The assessment provided by the SLAA formed the basis for the SG's Site Assessment work. Each site assessment included the UDC Status comment and where relevant the comments submitted to UDC by Felsted Parish Council.
- 5.4.21. Following the assessment process, and with consideration of the target set by Policy HN1, the sites at Sunnybrook Farm in Braintree Road (SHLAA site 20FEL15) and land adjacent to Bury Farm on the north side of Station Road (SHLAA site 01Fel15) were considered both appropriate and sustainable sites for new housing development in Felsted. Both sites offered very significant community benefits. Details of the assessment process are provided in the Site Assessment Evidence Base document. UDC's emerging Local Plan also identifies SHLAA site FEL2 Land East of Braintree Road for development. However, the NP does not allocate this site as other sites offer significantly greater community benefits.
- 5.4.22. Dialogue with landowners and their agents confirm that both schemes of development will be well within the Plan period. The landowner of the Bury Farm site recognises that the CCG's need for a new surgery in the next 18 -24 months. The landowner at Sunnybrook farm is less externally constrained but is nevertheless keen to see the development proceed quickly.

# Map 6: Housing Allocations



**Legend**

- HN2\_HN3 Housing Allocations
- HVC4 Village Development Limits

- 5.4.23. In relation to the UDC Local Plan, the site at Sunnybrook Farm (SLAA site 20FEL15) although assessed by UDC as *'available and development is considered achievable'* is not included in the Local Plan. The Site at land adjacent to Bury Farm (SHLAA site 01FEL15) is identified as Residential Development site (FEL1) site in the UDC Local Plan as Policy FEL 01.
- 5.4.24. The Neighbourhood Plan opposes development identified in the UDC Local Plan as FEL 2 as Land East of Braintree Road (SHLAA sites 17FEL15). Throughout the Plan we have ensured that the allocations we have proposed deliver enough housing to meet any reasonable allocation that could be applied to Felsted and also deliver additional benefits to the community. The additional development proposed for this site would, when taken cumulatively with the proposed development on the NP allocated sites, be excessive and far more than the Parish should reasonably be expected to support. The application has twice been rejected by UDC's Planning Committee and the SG consider that support by the UDC Local Plan for this site should be withdrawn. At most the site should be considered as a possible future Rural Exception site.
- 5.4.25. **The Sunnybrook Farm site in Braintree Road. SHLAA site 20FEL15:**  
Traffic congestion around the Felsted Primary School is an immediate and significant problem the community wants the Plan to address. Traffic surveys conducted revealed that a journey through the village was seriously impeded by more than 100 vehicles parked around the school. Local residents in Braintree Road and Ravens Crescent frequently complain of their driveways being blocked. Buses and other large vehicles are often obstructed at the junction of the B1417 and Ravens Crescent and on average a journey through the village takes five times longer during school opening and closing hours.
- 5.4.26. The Primary School is full and there is continuing pressure for places. During the Neighbourhood Plan Period – which extends beyond the ECC strategic plan period for the school – the SG considers there is a possibility the school will be under pressure to increase pupil intake. A larger primary school pupil population will attract additional vehicles and exacerbate the existing problems of traffic congestion and public safety. Therefore, it is considered prudent not only to address the current problem, but to make adequate provision for any increase in the size of the school over the Plan Period. The school has been consulted and supports the provision of the parking and the additional school facilities to meet immediate needs.
- 5.4.27. Development of the school as a service is outside the control of the Parish Council and is a matter for Essex County Council as the Education Authority. There is insufficient land in parish or currently in ECC ownership adjacent or sufficiently close to the school for off-road parking for school traffic. Additionally, given the pressure on education budgets, there can be no expectation that ECC could in the foreseeable future fund measures to alleviate traffic congestion caused by school traffic. Consequently, to resolve this high-priority concern identified through consultation, the SG engaged with a neighbouring land-owner.
- 5.4.28. Sunnybrook Farm site is immediately adjacent to the Primary School. Housing development on this site provides an opportunity to mitigate the congestion currently caused by school traffic and to provide some contingency for an increase in the size of the school. Support for the housing development proposal is entirely contingent on the provision by the developer of a new road to the west of the School and generous off-road parking and drop-

off areas. The specific location, design and details will take account of the operational requirements of the school and Education Authority and maximise land use, including the potential for the integration of the very small area of land under the control of Essex County Council.

- 5.4.29. The landowner has agreed to convey the land for the parking and the 'kiss and drop' area to the Parish through the Felsted Community Trust. Over the period of the Plan, the acquisition of this parking area offers the Trust an opportunity for a revenue stream through providing funding at the Trust's discretion for future community projects.
- 5.4.30. The Plan supports the development of 24 dwellings on this site on the basis of the additional benefits to the community by alleviating traffic congestion caused by the School at Watch House Green through the provision of significant off-street parking, a 'kiss and drop' facility and the proposed housing mix which promises opportunities for downsizing and first-time buyers.
- 5.4.31. This site was assessed as a SHLAA site by UDC and was found unsuitable as it is considered that development would not contribute to sustainable patterns of development as it could lead to coalescence
- 5.4.32. The SG also carefully examined the issue of coalescence and the visual impact of the scheme. The development is not linear and, whilst in general the Plan resists 'back land development', the scheme assists in maintaining the visual transition from Felsted village to the settlement at Watch House Green. Its impact is further mitigated by the proposal to retain the existing hedgerows and to 'double plant' a buffer zone in order to provide screening and protect amenity.
- 5.4.33. The Plan attaches significantly greater weight to the opportunity this development provides for delivering the urgent objective of reducing congestion caused by school traffic and does not therefore consider the limited degree of coalescence a precluding factor.
- 5.4.34. Properly secured to avoid inappropriate use, the site also offers an opportunity for a safe and secure recreational area. The car park will also serve as an additional recreational facility primarily for the Primary school but also for the wider community.
- 5.4.35. Indicative drawings for how the scheme could be laid out when brought forward by the developer are shown in Appendix 1.
- 5.4.36. The SG have had extensive discussions with the developers of this site and have agreed that the scheme, when brought forward, will include:
- Proposals for on-site SUDS through the provision of swales to mitigate surface water run-off<sup>13</sup> unless drainage studies dictate otherwise;
  - Measures for screening and landscape buffers to the site to avoiding coalescence;
  - A kiss and drop facility for the Primary School and significant car parking; and
  - A mix of dwellings to address local needs.

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<sup>13</sup> SUDS: Are physical structures built to receive surface water run-off and provide a drainage system;  
Swales: Are dry channels or ditches and basins are dry "ponds".

- A landscape buffer which could take various forms such as extended gardens, thick planning screen or bunding. The preferences of individual occupiers concerning the depth and design of this buffer will be established and a suitable scheme drawn up as a result. Issues of privacy will be taken into account, particularly if any footpaths are required to the north of the buffer.
- 5.4.37. Development of this site is considered as enabling development allowing the significant problem of traffic congestion around the primary school to be addressed. Affordable housing provision will need to take account of the effect on the viability of the development as a whole and its requirement to deliver the parking and kiss and drop facilities.
- 5.4.38. The landowners is supportive of the site being allocated and has conducted a viability appraisal. The AECOM viability study evidence supporting this plan has also confirmed the scheme is viable and can deliver the community identified benefits.

**FEL/HN2 – Land At Braintree Road (Sunnybrook Farm)**

The Plan allocates the Sunnybrook Farm Site as shown on Map 6 and Map 7 for housing development of approximately 24 units. To be supported development proposals must:

- i. Be subject to a Transport Statement/Assessment in accordance with ECC Development Management Policies (2011) and Car Parking Standards;
- ii. Identify and pursue opportunities to promote walking, cycling and public transport to improve accessibility and integration into the wider community and wider networks;
- iii. Protect the public's rights and ease of passage over the adjacent Public Footpath 12 (Felsted), ensuring it is maintained free and unobstructed at all times to ensure the continued safe passage of public on the definitive right of way;
- iv. Include a new access road, a kiss and drop facility and significant off-road landscaped lockable car parking provision for approximately 90 vehicles, including contingency provision pending future expansion of the Primary School. These should be designed to take account of any reasonable operational requirements of the school. All mitigation measures, including any off-site highway measures, will be secured through appropriate legal agreement(s) or, where appropriate, Grampian style planning conditions;
- v. Be screened with native hedgerows or tree screening to the western and northern boundaries to mitigate the visual impact of the development on the landscape;
- vi. Include a landscape buffer behind the existing properties at Braintree Road;
- vii. Include swales to provide SUDS running along new roads unless Drainage Strategy considerations dictate otherwise;
- viii. Provide a mix of housing to meet the latest assessment of local housing need including a significant proportion of two- or three-bedroom accommodation suitable for young families, and homes that are suitable for older people (which can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs), having regard to the supply of such units at the time of application;
- ix. Due to its location within the zone of influence of the Blackwater Estuary SPA and RAMSAR site, the proposal shall be accompanied by a project level Habitats Regulation Assessment which will demonstrate that the development proposal will have no adverse effects on the integrity of the European site; or, in the case of the Essex RAMS SPD being adopted, be subject to a financial contribution towards avoidance and mitigation measures as specified in the Recreational disturbance and Avoidance and Mitigation Strategy (RAMS) for the Essex Coast.

# Map 7: Sunnybrook Farm Site



**Legend**

 HN2

- 5.4.39. **Land in Station Road to the west of Bury Farm. SHLAA site 01Fel15:** This site is identified by UDC as development site (FEL1) in the UDC Local Plan.
- 5.4.40. The development is designed to mitigate adverse effects upon existing residential and community interests. It contributes towards wider and longer term planning benefits reasonable associated with the alleviation of any such impact. The Local Plan allocates “*approximately 40 dwellings*”. Discussions with the land-owner and his planning advisors have resulted in a scheme offering 39 dwellings, a development assessed in the Neighbourhood Plan as being sufficiently proximate to UDC’s requirement.
- 5.4.41. The site was also identified by Strutt and Parker, in an independent report commissioned by the SG, as a suitable site for a Community Hub including a doctors’ surgery.<sup>14</sup> However, this site is on the extreme western edge of the Parish and the SG did not consider that it could be recommended to the community as a ‘hub’ for all if the key village amenities. No other suitable site for a community hub could be found and the SG has worked with the landowner’s representative, the CCG and the GPs to secure the provision of a purpose-built surgery on this site.
- 5.4.42. The Clinical Commissioning Group’s role is to ‘buy’ health services for the people of the area it represents, in this instance West Essex. Currently, the CCG pays rent to the John Tasker House Practice for the Felsted surgery. The Felsted surgery is in need of replacement and the CCG does not have the capital funds for a new surgery nor does it consider the provision of health care on a ‘parish basis’. The CCG could not therefore guarantee that a new surgery – however funded – serving Felsted would be within the Parish. A new surgery building provided within Felsted will be leased by the CCG who will fund the provision of health services within the Parish.
- 5.4.43. The CCG told the SG that a new surgery is required that will initially meet the needs of circa 4500 people, about 70% of whom come from Felsted Parish, and with potential for growth. Over the Plan period an increasing number of patients will come from outside the Parish to the west. Consequently, unless a new surgery could be funded within Felsted, when the existing surgery closes, it is overwhelmingly likely that the increasingly aged population of Felsted would have to travel outside the Parish to see a doctor.
- 5.4.44. Modern clinical requirements mean that modern surgeries are much more costly than existing premises and require more capital than the John Tasker House practice could provide and more than individual GPs could consider.
- 5.4.45. Locating a new surgery within Felsted is consistent with the CCG’s plans for a new surgery in the coming 18 months. The doctors were very clear that a site in the centre of the village was unacceptable and a site to the west of the Parish was their preferred location. The doctors cited delays caused by school traffic and congestion at the junction of Chelmsford, Braintree and Station Roads and excessive journey times to a surgery in the centre of the Parish as being unacceptable. The assessed affordable housing need in the Parish having been met<sup>15</sup>, the Plan supports this site solely on the basis of it being enabling

<sup>14</sup> The Strutt and Parker Report is available on the FNP website as part of the Evidence Base.

<sup>15</sup> Affordable housing need was assessed in 2016 by the RCCE and was determined as being met by developments in Clifford Smith Drive and Porter Close.

development to provide a doctors' surgery. Affordable housing contributions through a planning obligation will need to take into account of the effect on the viability of the development scheme including its requirement to facilitate the delivery of the GP surgery.

- 5.4.46. Though on the western edge of the Parish, the site is served by the same bus service as the current service. Many patients at the existing surgery travel by car and the new surgery will have significant off-road patient parking. There is a footpath from the village centre to the site of the new surgery. Some Felsted patients will find it a little more difficult to visit a surgery at this location, equally others will find it easier. Given that, going forward, *any* new surgery in Felsted is expected to serve a much larger patient population from the west, this site reduces the impact of that traffic on the on the village centre. On balance we consider the location accessible and meeting the expressed needs of the community in Felsted.
- 5.4.47. If the Plan fails to deliver this surgery and the associated enabling housing, the CCG will seek an alternative location for a replacement surgery outside of Felsted. Local health provision would be lost but the housing element of the proposal, which is being promoted through the UDC Local Plan process, would almost certainly go ahead without any significant community benefit for Felsted.
- 5.4.48. The Plan seeks to deliver a surgery in the Parish by allocating this site for housing and supporting enabling development *solely* to secure the funding and delivery from the developer of a surgery and dispensary. A viability assessment conducted by the landowner and a second assessment conducted by AECOM in support of this Plan conclude that the development and provision of a surgery to be viable. The land-owner is committed to the scheme.
- 5.4.49. The Plan therefore supports development of no more than 39 dwellings on this site as being the most favourable option for our community. The landowner has agreed to convey the land and built surgery to the Parish through the Felsted Community Trust for leasing to a Doctors' Practice. The CCG have agreed to lease the surgery from the Felsted Community Trust, providing funding for future community projects within Felsted Parish. The Plan considers this a long-term benefit to community.
- 5.4.50. To minimise the risk of coalescence with Flich Green and to retain as much as possible of the existing streetscape, the Plan supports a development boundary which extends in a line from a point directly opposite the boundary of the existing dwellings on the west side of Station Road to the angle formed by the northern and eastern boundaries of the site. Additionally, the landowner will give the north western segment of site identified in SHLAA Site FEL1 which extends from the northern boundary of the proposed development in a triangular shape as a 'buffer' preventing further development.
- 5.4.51. The 'buffer' of the amenity land to the north-west of the site will be transferred directly (as opposed to the Felsted Community Trust) to the Parish. This land is essential in ensuring a clear break and avoiding coalescence between the village of Felsted and Flich Green and any developments outside and to the Parish to the West.
- 5.4.52. This buffer land also offers an area of open space directly opposite the recently designated Nature Area adjacent to Felsted Fen, enhancing the enjoyment of the adjacent footpaths, providing added public amenity and an opportunity to mitigate against harm caused by the

development to existing on-site ecology features, such as the hedgerows that bound the site.

- 5.4.53. The Plan's support for this site is also conditional on the landscaping of the north western boundary of this development retaining or reinstating hedgerows to secure a positive transition between the rural and built environments, serving as a gateway to the Parish, and to minimise any visual coalescence with the development at Flich Green.
- 5.4.54. Development of this site is considered as enabling development to facilitate the provision of a much needed doctors' surgery for the long-term health care needs of the community. Affordable housing provision will need to take account of the effect on the viability of the development as a whole and its requirement to deliver the surgery.
- 5.4.55. Indicative drawings of how the scheme might look when brought forward by the developer are shown in Appendix 2.

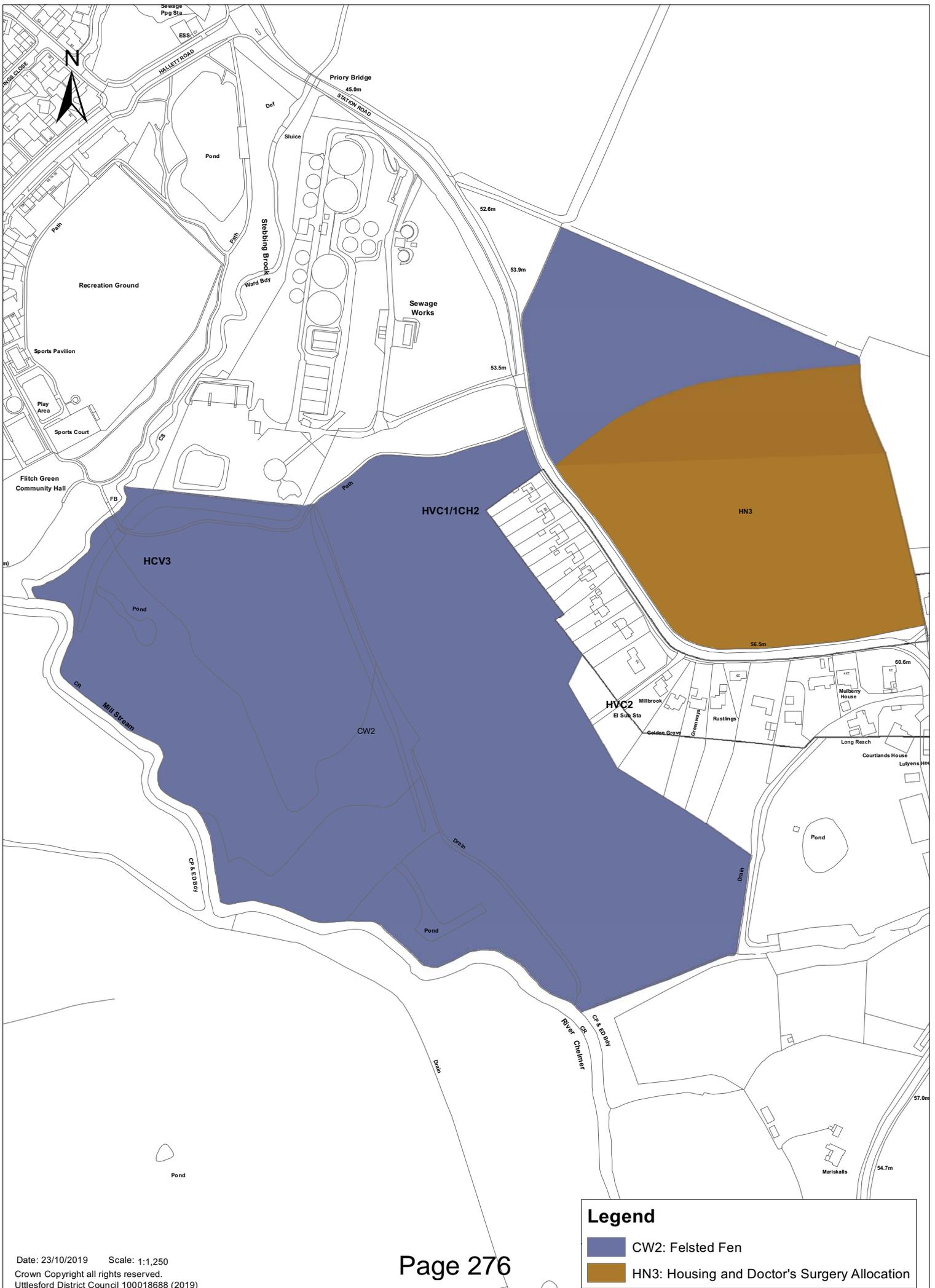
**FEL/HN3 – Land At Station Road (Bury Farm)**

The Plan allocates Bury Farm Site as shown on Map 6 and Map 8 for housing development of approximately 39 units and for the development of a doctor's surgery.

To be supported development proposals must:

- i) Provide land and building for the development of a doctors' surgery which:
  - a. Will feature as part of the comprehensive development of the wider site;
  - b. Provides a doctor's surgery and dispensary;
  - c. Is designed and landscaped so as to enhance the character and appearance of the area.
- ii) Incorporate a mix of housing to meet the latest assessment of local housing need including a significant proportion of two- or three-bedroom accommodation suitable for young families and older people, having regard to the supply of such units at the time of application;
- iii) Commence infrastructure development to enable Surgery construction on or before the development of the 10<sup>th</sup> dwelling;
- iv) Not extend beyond the end of the built form on the southern side of Station Road and provide landscaping and screening to the edge built-up area of the development to avoid coalescence with Flich Green and provide a positive visual transition into the village;
- v) Provide on-site natural open space to the north western end of the site as a continuation of the Nature Area and access to the adjacent Public Right of Way and safeguarded from future development;
- vi) Avoid unnecessary removal of hedgerows, where removal is necessary provide on-site replacement native hedgerows and;
- vii) Address the elevated topography of the site and the effect of the development on the landscape and views that contribute to the character of Felsted;
- viii) Allow operation of the surgery during the remainder of construction work on the site; and
- ix) Be subject to a Transport Statement/Assessment in accordance with ECC Development Management Policies (2011) and Car Parking Standards; and
- x) Identify and pursue opportunities to promote walking, cycling and public transport to improve accessibility and integration into the wider community and wider networks.

# Map 8: Bury Farm Site



Legend	
<span style="display: inline-block; width: 20px; height: 10px; background-color: #4a69bd; border: 1px solid black;"></span>	CW2: Felsted Fen
<span style="display: inline-block; width: 20px; height: 10px; background-color: #a0522d; border: 1px solid black;"></span>	HN3: Housing and Doctor's Surgery Allocation

### **Residential Development within the Development Limits**

- 5.4.56. The Local Plan identifies and designates 4 areas of Development Limits in the Parish: Felsted Village, Causeway End, Watch House Green and Bannister Green (shown on Map 12 and Map 13). The draft Local Plan provides for development within identified Development Limits that is in keeping with the local character and built environment.
- 5.4.57. Policy HN4 supplements that approach by defining appropriate development within Felsted's development limits and is only to be applied to development proposals within the development limits.

#### **FEL/HN4 – Residential Development within Development Limits**

Residential development proposals within the Local Plan Village Development Limits shown on Maps 12,13,14,15 and 16:

- i) The development respecting the character of the area in which it is located;
- ii) The development not having an unacceptable adverse impact on congestion in the Historic Village Centre or on the local highways network;
- iii) The proposed housing mix being appropriate to identified local housing needs including specific provision for older people looking to downsize, younger people looking to remain in the Parish, opportunities for shared ownership, starter homes and affordable housing; and
- iv) It being demonstrated that necessary infrastructure is in place or will be provided to serve the development.
- v) Demonstrating safe and suitable access, and being accompanied by a Transport Statement/Assessment, as appropriate, in accordance with the ECC Development Management Policies (2011).

### **Residential Development Proposals outside the Village Development Limits**

- 5.4.58. As identified by Policies HN1, HN2 and HN3, the SG recognises that new housing development will come forward in Felsted during the Plan period. Housing sites have been identified that are adjacent to the edges of the identified Village Development Limits in Felsted.
- 5.4.59. It is recognised by the SG that during the plan period, other development proposals may come forward outside the Village Development Limits which would be appropriate despite their countryside location. The SG carefully considered the development of 'infill home' in areas like the Greens. In this context, the Plan supports the UDC Local Plan (Regulation 19 Plan) policies SP10 and C1. Policy HN5 defines acceptable sustainable development outside of the Village Development Limits.

**FEL/HN5 – Residential Development Outside Development Limits**

Residential development proposals demonstrating safe and suitable access, and being accompanied by a Transport Statement/Assessment, as appropriate, in accordance with the ECC Development Management Policies (2011), outside the Local Plan Village Development Limits shown on Maps 12, 13, 14,15 and 16 will be supported where one or more of the circumstances set out in paragraph 79 of the National Planning Policy Framework apply or in the following circumstances:

- i) Rural Exception Housing, subject to the types of dwellings being provided being consistent with the needs identified in an up to date professionally assessed housing needs survey for the parish and subject to homes being allocated in perpetuity to those with a strong connection on a hierarchical cascade basis to Felsted Parish;
- ii) Limited market housing required to enable the delivery of rural exception Affordable housing;
- iii) Replacement dwellings where the size of replacement dwellings is dealt with on a site by site basis in line with Local Plan policy (See Adopted Plan 2005 Policy H7 – Replacement Dwellings and Emerging Local Plan (Reg 19) Policy H4);
- iv) Supplemental residential dwellings in line with Policy FEL/HN6;
- v) Development allowed in exceptional circumstances on the edge of the VDLs by other policies in this plan (SC4 and SC6) where the community has been actively engaged, via the provision of a development brief and where exceptional benefits to the community (including delivery of infrastructure requirements identified in this Plan) can be clearly demonstrated; or
- vi) Sites allocated in this plan (HN2, HN3).

5.4.60. Any starter homes being provided as part of rural exception sites affordable housing may not be subject to being allocated in perpetuity in order to comply with Government policy at the time.

**Supplemental dwellings**

5.4.61. The Plan recognises the value in providing opportunities for older people to downsize and to remain close to their established community. Similarly, where a greater degree of health care is required than that which can be provided in a primary dwelling, a supplemental development within the curtilage of existing residential dwellings could provide a solution with considerable community benefits. Supplemental dwellings are defined as residential units developed within the curtilage of existing homes which are necessary to enabling the existing resident to remain in their own home, through using the supplemental dwelling to house carers or family members whilst providing care to the resident.

5.4.62. The 2019 NPPF at Annex 2 provides a definition of older people as *“people over or approaching retirement age, including the active, newly-retired through to the very frail elderly; and whose housing needs can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs”* and Policy HN6 is to be interpreted using this definition.

5.4.63. Care is required to ensure that the policy intentions are not abused to secure development where it would otherwise be resisted. The Plan therefore offers limited support for supplemental dwellings on a case-by-case basis but also requires an applicant to surrender any unused Permitted Development Rights on the primary dwelling to limit over-

development of a residential site.

- 5.4.64. Implementation of this policy shall be by means of a condition forming part of any planning consent for a supplemental dwelling which restricts the separation for sale of the primary and supplemental dwellings for a period of 15 years and gives effect to the following intention:-

For a period of not less than 15 years from the grant of planning consent occupation of the dwelling shall be restricted to either of:-

- a) A qualifying person, defined as the person who prior to the grant of the consent owned and occupied the property within which the dwelling is to be built, or the spouse or dependant of such a person, or the widow or widower of such a person or
- b) A carer employed by or on behalf of a qualifying person.

#### **FEL/HN6 – Supplemental Dwellings**

Outside the Village Development Limits identified on Maps 12, 13, 14, 15 and 16 the development of a single supplemental dwelling wholly within the curtilage of an existing residential dwelling will be supported where Permitted Development Rights for the primary dwelling have been surrendered and the supplemental dwelling:

- i) Is essential to maintaining a familial or community link to an older person (or older people);
- ii) Is smaller in height and size than the primary dwelling and its size appears consistent with its function as a supplemental dwelling having regard to the size of plot and location of the primary dwelling on the plot;
- iii) Is complementary to the primary dwelling and sensitively designed in terms of style and setting; and
- iv) When taken together with the primary dwelling, does not result in over-development or excessive density of the whole site by comparison with its surroundings.
- v) Is able to demonstrate safe and suitable access to the local highway network in accordance with the ECC Development Management Policies (2011);
- vi) Restrictions are in place that prevent the supplemental dwelling being severed from the primary dwelling.

#### **Housing Mix**

- 5.4.65. **Support for Young Residents.** The Plan also recognises the need to offer scope for younger and less well-off members of the community to find an opportunity for independent living.
- 5.4.66. Felsted's population in relation to the national profile and the Uttlesford profile is comparatively much older. The average (mean) age of residents was 41.8 years (this compares with an average (mean) age of residents across the district 40.6 years. 20.9% of the parish's population was over the age of 60 at the time of the 2011 Census compared with 17% of the district's population.
- 5.4.67. In total there were 1,122 household spaces. Of these, 1,083 (96.5%) had at least one usual resident and 39 (3.5%) had no usual residents.
- 5.4.68. In terms of house sizes, the table below provides an indication of house sizes in the parish

compared to the district and the country. The table indicates that the parish is well stocked with larger homes and under provided with smaller homes.

5.4.69. Meanwhile, 21.3 % of households in Felsted parish are one-person households with 13.3 % of these being aged 65 or over. Of the 71.77 % family households in Felsted parish, 13.8 % are aged 65 or over.

5.4.70. Together with the findings of the Felsted Housing Needs Survey published in 2017, the statistics below indicate a clear evidenced need for smaller homes to come forward in the parish during the plan period.

	Felsted		Uttlesford		England	
	No	Percent	No	Percent	No	Percent
All Household Spaces With At Least One Usual Resident <sup>16</sup>	1083		31316		22063368	
No Bedrooms	0		31	0.10%	54938	0.25%
1 Bedroom	50	4.62%	2258	7.21%	2593893	11.76%
2 Bedrooms	207	19.11%	6601	21.08%	6145083	27.85%
3 Bedrooms	330	30.47%	11375	36.32%	9088213	41.19%
4 Bedrooms	306	28.25%	7456	23.81%	3166531	14.35%
5 or More Bedrooms	190	17.54%	3595	11.48%	1014710	4.60%

### Local Housing Needs Survey

5.4.71. An Affordable Housing Needs Survey was commissioned by Felsted Parish Council from RCCE (Rural Community Council of Essex) in January 2016. The survey was completed in March 2016. Of 1,085 forms distributed a total of 347 were returned. In summary the findings were:

An identified need for:

- 12 units for open market
- 3 units for shared ownership
- 14 units for affordable housing
- 2 starter homes

A recommendation from RCCE for the delivery of 14 affordable housing units as follows:

- 2 x 2 Bedroom Bungalows on the open market
- 2 x 2 Bedroom Houses on the open market
- 1 x 3 Bedroom Bungalow on the open market
- 1 x 3 Bedroom House on the open market
- 1 x 2 Bedroom House for shared ownership
- 1 x 2 Bedroom physically adapted bungalow at affordable rent
- 2 x 2 Bedroom bungalows at affordable rent
- 2 x 2 Bedroom houses at affordable rent
- 2 x 3 Bedroom houses at affordable rent

<sup>16</sup> Source: Census 2011 Number of Bedrooms (QS411EW)

- 5.4.72. The report noted “a significant need identified for downsizing accommodation for older residents within the parish, something which should be considered for future development.”
- 5.4.73. The 2016 Felsted Housing Needs Survey represents a snap shot in time and the Plan recommends that they are updated every 3 years. The need set out above indicates the need identified in 2016, which has since been met, rather than a future need.
- 5.4.74. Policy HN7 therefore encourages new developments to come forward that provide a mix of housing to meet any future locally identified need.

#### **FEL/HN7 – Housing Mix**

New housing development will be supported where it provides:

- two-bedroom or three-bedroom accommodation suitable for young families; or
- homes suitable for older people that can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs; or
- other types of accommodation identified in the latest assessment of local housing needs; and/or
- affordable housing.

Major Development proposals must be accompanied by an up-to-date housing needs assessment where one has not been conducted by a reputable source within the last 3 years to demonstrate how the development will meet local housing need.

#### **Habitats Regulations Assessment Screening (HRA)**

- 5.4.75. In August 2018, Natural England advised Uttlesford District Council and Felsted Parish Council that the steering group for the Essex Coast Recreational disturbance Avoidance and Mitigation Strategy (RAMS) have revised their identified Zones of Influence (Zols) following the undertaking of visitor surveys. Natural England advised Uttlesford District Council that the Zol for the Blackwater Estuary SPA and Ramsar had been increased to 22 km. This means the Zol stretches into the south eastern part of the Uttlesford District Council and Felsted Parish. Natural England’s position is that any new residential development within this part of Uttlesford District will have a likely significant effect on the sensitive features of the Blackwater Estuary. Once the Essex Coast Recreational Disturbance and Avoidance and Mitigation Strategy has been adopted, all proposals within the Zone of Influence will be subject to a financial contribution in line with that strategy.
- 5.4.76. At the time of writing the RAMs was not yet adopted but once it is adopted, it will comprise a package of strategic mitigation measures to address the effects of residential development to be funded through developer contributions. In the meantime, until the RAMs is in place, Natural England’s advice to UDC is that recreational impacts of the residential schemes are assessed through a project-level Habitats Regulation Assessment.

- 5.4.77. Natural England’s letter to UDC includes a template for the purpose of recording and assessing development schemes that fall within the Zones of Influence for the Essex Coast RAMS HRA. This includes a flow chart which concludes that for schemes which are not directly adjacent to a European designated site and provided the scheme is of 100 units or less, the scheme will not have adverse impacts on the integrity of the European sites provided that mitigation via a “proportionate financial contribution” which is “secured in line with Essex Coast RAMS requirements”.
- 5.4.78. The intent of Policy FEL/HN8 is to ensure all schemes that come forward within the Blackwater Estuary Zone of Influence are accompanied by a project level HRA in order that development complies with the Habitats Regulations.

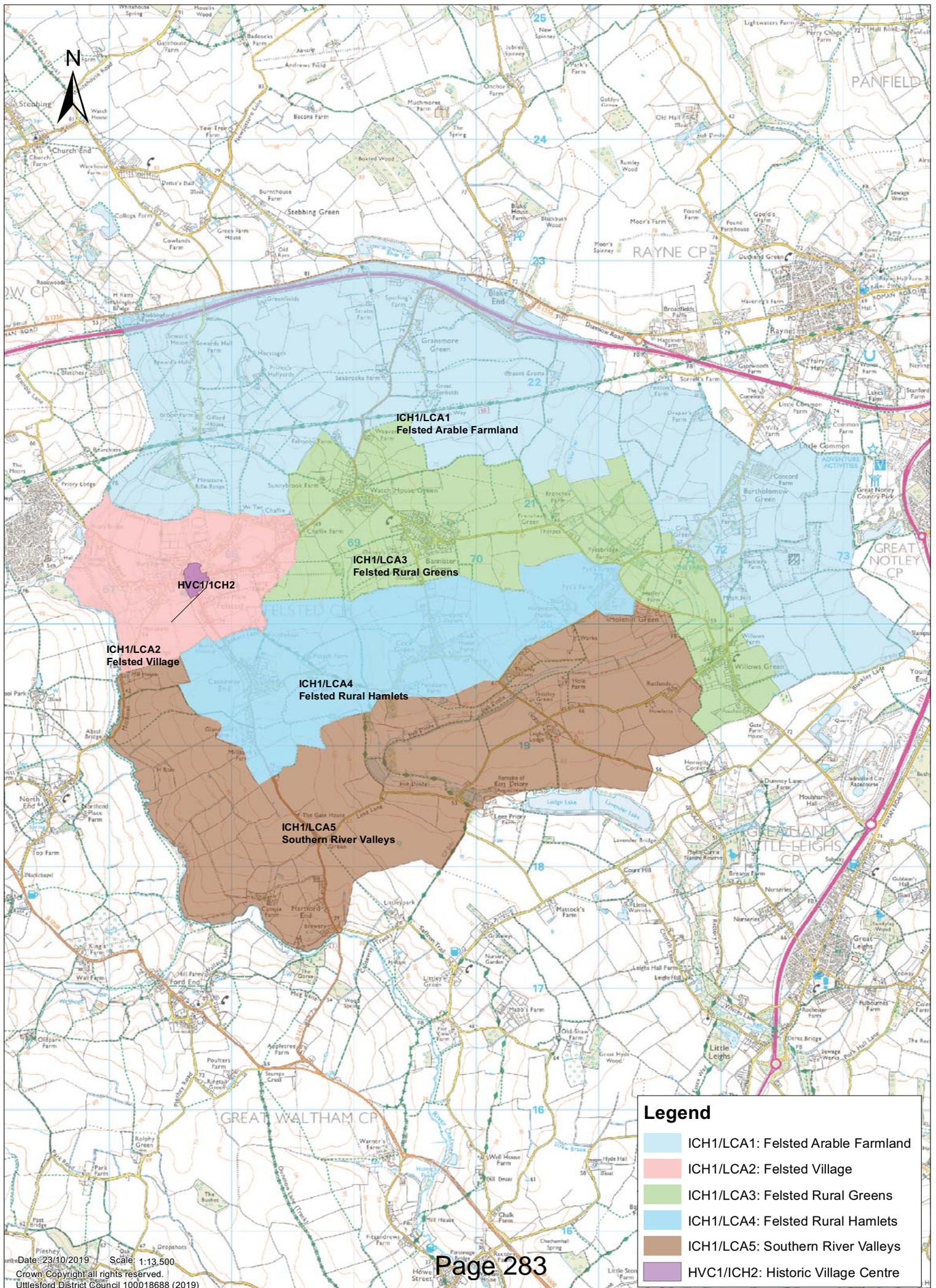
**FEL/HN8 – Habitats Regulations Assessment**

All residential development within the zones of influence of European Sites will be required to make a financial contribution towards mitigation measures, as detailed in the Essex Coast RAMS, to avoid adverse in-combination recreational disturbance effects on European sites. In the interim period, before the Essex Coast RAMS is completed, all residential development within the zones of influence will need to deliver all measures identified (including strategic) measures through project level HRAs, or, otherwise, to mitigation and recreational disturbance impacts in compliance with the Habitats Regulations and Habitats Directive.

## **5.5 Integrity, Character and Heritage**

- 5.5.1. Throughout the consultation, Parishioners wanted the Plan to ensure that where development is permitted it is complimentary to the character of the Parish as a whole and in particular to its heritage assets. There was particular antipathy towards high density development and ostentatious housing of the style found in other areas of Metropolitan Essex which are considered unsympathetic to a rural village setting.
- 5.5.2. To inform the Plan, Felsted Parish Council secured the support of AECOM (via Locality support for the neighbourhood planning process) to undertake a detailed heritage and character appraisal of the Neighbourhood Area. The appraisal resulted in the Felsted Heritage and Character Assessment (FHCA) which is now a key supporting document to the Neighbourhood Plan and is available to view alongside the Plan. Development proposals should reflect the FHCA report and be subject to early consultation with the Parish Council to ensure that the valuable and unique historic character of our parish is being appropriately reflected in new development proposals.
- 5.5.3. The policies in this section help to deliver the Vision for Felsted by ensuring that the historic characteristics of the Parish are preserved and enhanced through new development. The policies ensure that due account is taken of valued heritage assets and seek to minimise the harm caused by the saturation of signage and light pollution in the Parish. Additionally, the policies recognise the unique characteristics of each of the different settlements and hamlets in Felsted by seeking to minimise the impact of “urban sprawl” leading to coalescence.

# Map 9 - Integrity, Character & Heritage



### High Quality Design and Energy Efficiency

- 5.5.4. The FHCA identifies five distinct Landscape Character Areas (LCA) which are shown on the maps LCA 1-5 in the Assessment (available on the website). They are also shown on Map 9.
- 5.5.5. The FHCA includes a detailed analysis of each LCA and, as part of this analysis, identifies positive aspects of character, issues to be addressed and sensitivity to change. It is important that applicants for developments in the Parish, when drawing up detailed proposals, refer to the FHCA to ensure schemes are compliant with policy ICH1.
- 5.5.6. The positive aspects of the Felsted NP area in terms of heritage and character are summarised below:
- A very strong local vernacular, specifically cream rendered frontages sometimes with pargeting, red tiled roofs, wooden front doors, external red brick chimney stacks and unique decorative features such as house names and external lights;
  - Distinctive clusters of settlement that flank the primary road network;
  - Survival of many historic buildings, some of which have been converted to residential use but retain the historic façade;
  - A landscape that includes much field boundary vegetation promoting a strong sense of enclosure therefore enabling a rural character to prevail in close proximity to settlements;
  - Links to the wider landscape through the network of public rights of way and “Quiet Lanes”;
  - The triangular green that sits at the centre of many settlements is a distinctive feature of the area and settlements are separated from each other by areas of open countryside;
  - The ‘heritage style’ palette of wayfinding signage promotes a rural and historic character; and
  - The prominence of mature specimen trees delineating field boundaries.
- 5.5.7. When preparing planning proposals, to ensure compliance with policy ICH1, the Felsted Conservation Area Character Appraisal (FCA), (produced by Officers of Uttlesford District Council and approved by Cabinet 13 December 2012), should be a “Material Consideration”. The FCA Character Appraisal includes additional planning controls which are important to the designated areas and accord with the statutory definition, including land or buildings that afford special interest.
- 5.5.8. The positive aspects of the FCA in terms of heritage and character are summarised below:
- The general character and setting of Felsted and elements that should be retained or enhanced;
  - The historical significance of 50 Listed Buildings and their setting;
  - The setting of the Grade 1 Holy Cross Church;
  - The large area of open space attached to the school which is visually very important and makes a significant contribution to spatial quality; and
  - The significance of specific features such as certain trees, hedges, walls, gates and railings

- 5.5.9. Whilst energy efficiency targets are set nationally in Building Regulations, the Plan takes the opportunity to influence new development by supporting energy efficiency and renewable or new technology in proposals for new development.
- 5.5.10. The Plan supports Uttlesford Local Plan's policy on Electric Vehicles (EVs) and the installation of active spaces and passive provision for all appropriate developments. Active spaces are fully wired and connected, ready to use, EV charging points at parking spaces. Passive provision requires the necessary underlying infrastructure wiring (e.g. the capacity in the connection to the local electricity network and electricity distribution board, as well as cabling to parking spaces) to enable simple installation and activation of a charge point at a later date.

### **FEL/ICH 1 – High Quality Design**

To be supported all development proposals must respect the character and heritage of the Neighbourhood Area and bring about enhancements to that character. This means for all development:

- Sustaining, reinforcing or enhancing the positive aspects of Felsted's character as described in detail in the Felsted Heritage and Character Assessment and summarised in supporting text to this policy;
- Being locally distinctive through architectural quality, choice of materials, height, scale and layout;
- Maintaining and respecting visual integrity of the historical settlement patterns and identities within the Parish; and
- Sensitive boundary treatment retaining where possible vegetated boundaries particularly those of native hedgerows and trees and incorporating boundary treatments that are sympathetic to local style and vernacular.

Development proposals that follow the 'energy hierarchy' in reducing energy demand before implementing renewable energy, or make the most of solar gain and passive cooling through the orientation, layout and design of the development will be supported.

The installation of EV charging points infrastructure (active or passive) in all developments (domestic and commercial) with parking facilities will be supported.

For countryside locations:

- Sensitive treatment of the rural edge particularly around Felsted village with regard to impact on heritage assets and their setting including the surrounding landscape;
- All new build proposals outside the development limits must not harm their landscape setting; and
- Any replacement dwelling in an area of low density and isolated buildings in a large plot should respond to and respect the setting and should enhance the character of the area.

For the Conservation Area:

Preserving or enhancing the heritage significance of the Conservation Area itself (including its setting) and the individual heritage assets within them (including their setting) and demonstrating due regard to the Felsted Conservation Area Character Appraisal.

## Signage and Light Pollution

- 5.5.11. The character and feel of the Parish can also be harmed by inappropriate signage and damage by light pollution. Overhead cables were identified as an issue in the Felsted Conservation Area Character Appraisal 2012 and in the Felsted Heritage and Character Assessment 2017. Concern was expressed about the harm done to areas of heritage or scenic value by excessive street signs, road markings and unnecessary lighting detracting from the enjoyment of the night sky. These latter issues are outside the remit of the Plan but the Plan seeks wherever it can to exercise control of what is perceived by the community as pollution.

### FEL/ICH2 – Signage Pollution

Signage will only be supported provided that the proposal alone, or in combination with other signage, does not cause harm to the character or appearance of any heritage assets or the Historic Village Centre.

### FEL/ICH3 – Light Pollution

To be supported planning proposals:

- must not introduce overhead cables that will have an adverse effect on visual amenity; and
- only include external lighting that is essential, and include measures to avoid light spillage beyond the application site.

## Avoiding Coalescence

- 5.5.12. The character and integrity of the Parish is threatened by coalescence, both from developments on its boundaries and between settlements within the Parish. The AECOM Report highlights the risk of coalescence, particularly through the extension of some of the larger settlements within the Parish and the threat that this causes to the historical settlement pattern.
- 5.5.13. Throughout the consultation, parishioners were keen that the Plan appropriately recognises that the individual settlements and hamlets in Felsted are given due recognition for their distinctive architectural and landscape characteristics. Development proposals that sever the gaps between settlements could serve to cause considerable harm in terms of local distinctiveness between each settlement/Green within the Parish and with neighbouring settlements.
- 5.5.14. The Plan seeks to avoid development that would merge the Parish of Felsted with the Parishes of Flitch Green, Great Leighs, Great Notley, Rayne or other settlements along the Parish boundary.
- 5.5.15. Policy ICH4 offers protection from development that causes coalescence, defined as “urban sprawl” that will reduce the landscape gaps between individual settlements within the Parish and/or settlements within adjacent parishes.

**FEL/ICH4 – Avoiding Coalescence**

Development proposals that, as viewed from publicly accessible locations, will visually significantly diminish the openness of the gap:

- between Felsted village and the hamlets of the Neighbourhood Area (Bannister Green; Bartholomew Green; Causeway End; Cobblers Green; Cock Green; Crix Green; Frenches Green; Gransmore Green; Hartford End; Molehill Green; Prior's Green; Pye's Green; Thistley Green; Watch House Green; Willows Green); or
- between the hamlets of the Neighbourhood Area; or
- between the hamlets of the Neighbourhood Area and settlements in adjoining parishes will not be supported.

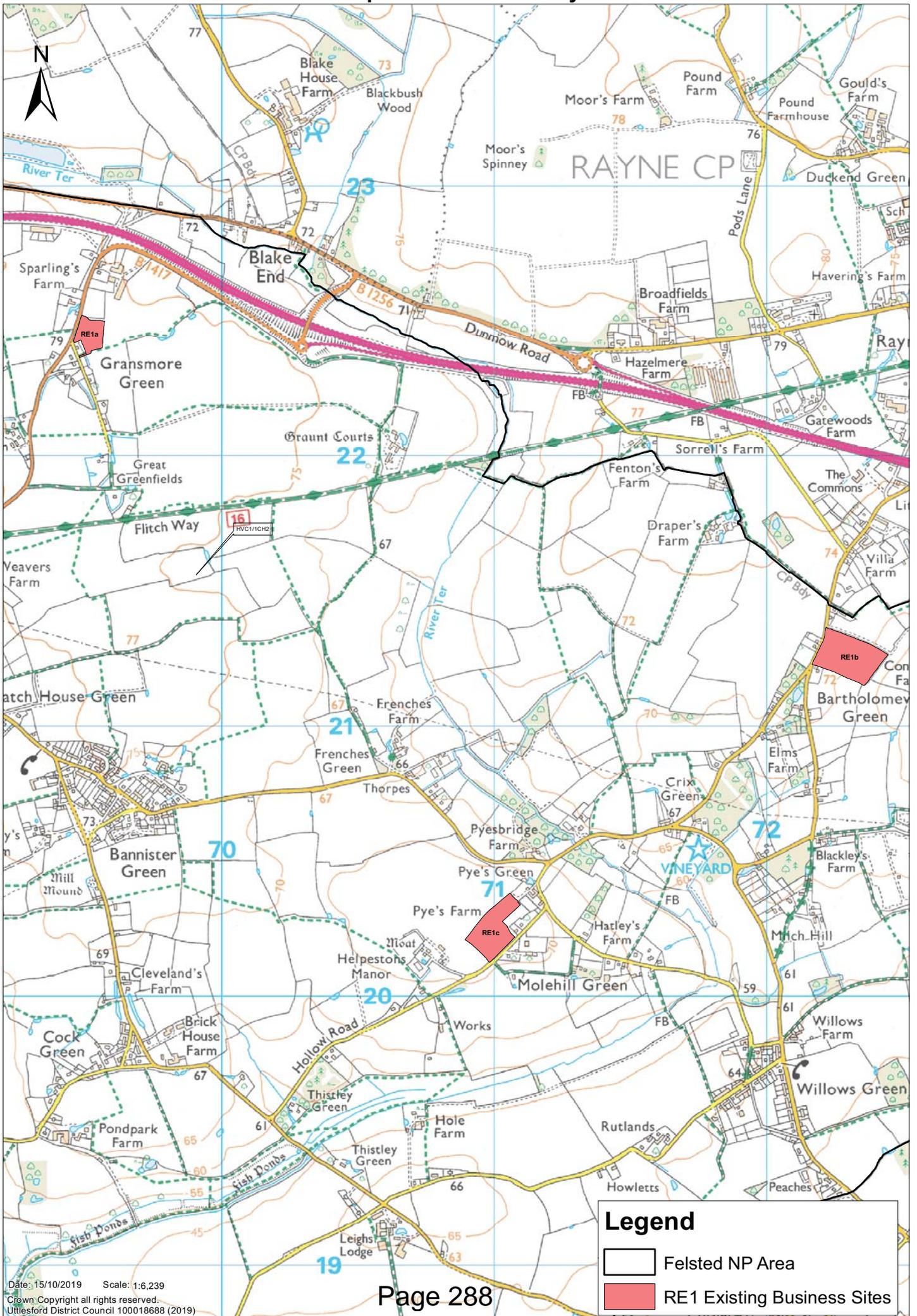
**5.6. Supporting the Rural Economy**



*Figure 13 Farmland in Mill Road*

- 5.6.1. An objective of the Plan is to recognise the need to protect and encourage the rural economy and to offer local employment by providing suitable opportunities for business and to help encourage younger people to remain in the Parish. These aspirations go to the heart of ensuring that the Parish remains a vibrant community offering employment opportunity within its boundaries.
- 5.6.2. It is recognised that small-scale businesses (including farming) are integral to the rural economy. A thriving rural economy in one settlement or Parish can support a whole network of satellite parishes and also provide important local employment opportunities.
- 5.6.3. The policies in this section help to deliver the Vision for Felsted by providing support to existing and new employment opportunities whilst ensuring that the character of the Parish is retained and enhanced and that new development does not cause harm to visual or residential amenity.

# Map 10: Rural Economy



### **Start-up and small businesses**

- 5.6.4. There are a range of businesses in Felsted (see Evidence Base) which operate at a small-scale. In order to support the ongoing economic sustainability of the Parish (and that of nearby Parishes), the Plan provides for suitable small-scale business development in the Parish which does not have adverse impacts on local residential amenity.

#### **FEL/RE1 – Start Up and Small Businesses**

The development of start-up and small business enterprises on ‘brown field sites’ or within the curtilage of existing business sites (as shown on Map 10) will be supported where it is demonstrated safe access can be achieved, and severe congestion will not be caused, and there will be no significant adverse impacts on local residential amenity.

### **Loss of employment uses**

- 5.6.5. To protect the economic sustainability of the Parish, the Plan resists the loss of employment and business opportunities which are valuable assets to the local community. Local employment opportunities also reduce the level to which Felsted is a “commuter” village, where those who live in the village travel elsewhere for work. Through the continuation of local employment opportunities, the Plan contributes to economic and also environmental sustainability.

#### **FEL/RE2 – Loss of Employment Uses**

The change of use away from business premises (Use Class B) to any other use will not be supported unless it can be demonstrated that there is no longer demand for the use to which the premises are committed. Evidence shall be required for a period of no less than 12 months of an active marketing campaign detailing exactly how, where and when the property was advertised, the number of sales particulars sent out, details of any inquiries made, and some professional assessments of the market value of the property in its business (Class B) use.

### **Re-use of rural buildings**

- 5.6.6. The enthusiasm for encouraging business development is tempered by concerns about the potential impacts on infrastructure, specifically the road network, which is particularly unsuited to high volumes of commercial traffic or heavy goods vehicles.

#### **FEL/RE3 – Re-use of Rural Buildings**

Development proposals for the reuse of existing rural buildings that create new employment opportunities or prevent the loss of existing employment opportunities will be supported, where it is demonstrated safe access can be achieved, and severe congestion will not be caused, and there will be no significant adverse impacts on residential amenity.

### Home working

- 5.6.7. The government's commitment to better internet connectivity for rural communities creates a welcome and valued opportunity for more people to work from home. Whilst this is broadly welcomed and supported, there is a need to ensure that domestic premises used for home working should not become a nuisance to neighbours.
- 5.6.8. The SG acknowledges that many proposals associated with home working do not generate a requirement for planning permission, given that a material change of use may not have taken place. Nevertheless, there will be some proposals that do require planning approval, and policy RE4 therefore lends support to proposals that enable home working where local residential and visual amenity will be maintained.

#### **FEL/RE4 – Home Working**

Development that enables home working will be supported where it does not change the overall character of the property's use as a residential dwelling, remains an ancillary use, and does not harm local residential or visual amenity.

## 5.7. Protecting the Countryside and Wildlife



*Figure 14 The Saffron Trail – towards Leez Priory*

- 5.7.1. Felsted is renowned for its rural setting which is enjoyed both by residents and visitors. Respecting the countryside is of fundamental importance to the Parish. The community demands measures to protect wildlife and the countryside. The Plan seeks to put the environment at the centre of planning policies. It requires consideration to be given to:
- improving access;
  - protecting vistas;
  - protecting open spaces; and
  - maintaining existing and new natural assets.

- 5.7.2. The policies in this section help to deliver the Vision for Felsted by protecting and enhancing the historic countryside character of the Parish, including its individual settlements and hamlets. Green infrastructure and the natural environment is offered protection and the Public Rights of Network will be enhanced to the benefit of residents and visitors alike.

### **Landscape and Countryside Character**

- 5.7.3. The Parish of Felsted lies within a high-quality agricultural countryside landscape. The preservation of the landscape character of Felsted is important to the community, providing as it does the backcloth to the individual greens and hamlets that make up the parish.
- 5.7.4. The countryside character of Felsted is integral to the unique identity of the Parish and should be protected for its own sake, as well as the important contribution that it makes to health and well-being, through the opportunities it provides for outdoor sport and recreation.
- 5.7.5. Open and green spaces in the Parish make an important contribution to the overall character of Felsted, as well as providing opportunities for outdoor sport, recreation and play. This contributes to the health and well-being of the Parish, as well as providing opportunities for increased social interaction and community cohesion

#### **FEL/CW1 – Landscape and Countryside Character**

To be supported development proposals must protect and enhance the landscape of the character area in which they are situated, and must not significantly harm the important long distance, short range and glimpsed views, identified in the Felsted Heritage and Character Assessment Report 2017.

### **Felsted Fen**

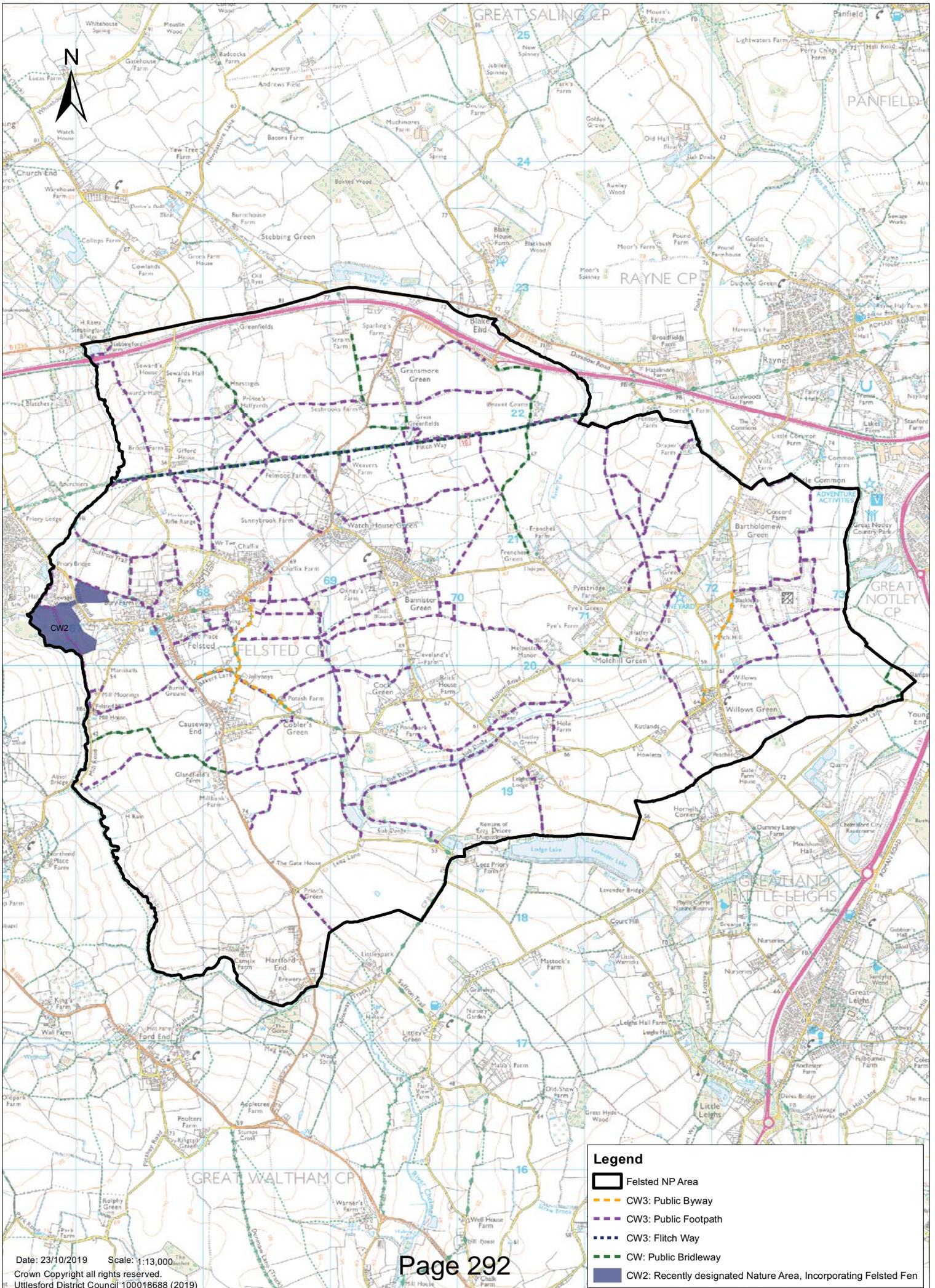
- 5.7.6. The recently designated Nature Area adjacent to Felsted Fen is intended to be a uniquely valued amenity. The Plan seeks to protect its diverse fauna and flora and ensure, subject to any requirement identified through VA5 in relation to the need for a burial ground, it remains otherwise undeveloped throughout then Plan period.
- 5.7.7. Felsted Fen is a designated Local Wildlife Site (reference UFD276) and the designation states:

*Although planted with Willows, this site retains a valuable fen-like vegetation of abundant Pond-sedge, Purple Loosestrife, Angelica, Soft Rush, Comfrey, Giant Horsetail and Nettle. Situated in the flood plain of the River Chelmer, this vegetation type would formerly have been more widespread but has been largely lost due to drainage or other developments. It is likely that the site extended northwards before being used for tipping.*

#### **FEL/CW2 – Nature Area including Felsted Fen**

The area defined on Map 11 is designated as a Nature Area important to the local community which will be protected from development, with the exception of development supported by Policy FEL/VA4.

# Map 11: Countryside and Wildlife



**Legend**

- Felsted NP Area
- CW3: Public Byway
- CW3: Public Footpath
- CW3: Flitch Way
- CW: Public Bridleway
- CW2: Recently designated Nature Area, Incorporating Felsted Fen

### **Footpaths, Bridleways and Cycleways**

- 5.7.8. The Parish is served by an extensive network of Public Rights of Way, including footpaths, byways, bridleways and cycleways. It is vital to the Parish that these are protected and where possible enhanced, as at present they are sometimes poorly maintained.
- 5.7.9. The amenity of the existing bridleways is greatly valued by horse riders but the network does not provide a circular route without the necessity of riding on some of the busier roads in the Parish. Whenever development takes place, the Plan requires every effort to be made to improve the bridleway network with the aim of creating a route that minimises the need for horses to be ridden on or across public roads.
- 5.7.10. Every opportunity should be taken to develop, enhance and connect Public Rights of Way and other path routes to a wider network, to local services/facilities (e.g. schools, GP Surgery) and to incorporate these as green corridors/ infrastructure. New developments should be located where these can be linked to services, facilities and infrastructure by a range of transport options including footpaths and cycle networks and that development should protect existing cycling, walking and equestrian routes.
- 5.7.11. The Plan recognises the importance to the community of the extensive Right of Way network in the Parish and seeks to ensure that it receives the highest level of protection and, where possible, enhancement.

#### **FEL/CW3 – Footpaths, Bridleways and Cycleways**

Any new development on or adjacent to an existing Public Right of Way or which is clearly visible from a Public Right of Way must consider the appearance of the proposal from the Right of Way and incorporate green landscaping to reduce any visual impacts.

Enhancements or extensions to the network, for example through improving accessibility or connectivity, will be supported and may be required where a scheme is likely to increase usage.

### **Biodiversity**

- 5.7.12. The Plan directs developers to the Essex biodiversity Validation checklist produced by ECC Place Services, which is a requirement for all planning applications considered a major development as defined by Article 8(7) of The Town and Country Planning (General Development Procedure) Order 1995.<sup>17</sup>

### **Green Infrastructure**

- 5.7.13. To protect the rural nature of the Parish the Plan provides a green infrastructure green spaces policy. The green infrastructure in Felsted provides a valuable natural heritage to accompany the rich and diverse built heritage found in the different settlements in the Parish. Green infrastructure contributes to social sustainability by enhancing health and wellbeing through ready access to the countryside, for opportunities for recreation. The

<sup>17</sup> <https://www.placeservices.co.uk/resources/natural-environment/essex-biodiversity-validation-checklist/>

Joseph Rowntree Foundation has outlined that public open space and green infrastructure is inherently valuable to the cultural and social life of communities, helping to facilitate a sense of place and enhance local identity.<sup>18</sup> Additionally, the Landscape institute argues that there are 5 key principles that encapsulate the important links between landscape and health:

- Health places improve air, water and soil quality, incorporating measures that help us adapt to, and where possible mitigate, climate change
- Healthy places help overcome health inequalities and can promote healthy lifestyles
- Healthy places make people feel comfortable and at ease, increasing social interaction and reducing antisocial behaviour, isolation and stress
- Healthy places optimise opportunities for working, learning and development
- Healthy places are restorative, uplifting and healing for both physical and mental health conditions.<sup>19</sup>

5.7.14 In addition green infrastructure contributes to climate change mitigation objectives through reducing run-off and mitigating against the risk of flooding, helping to enhance air quality through carbon capture and providing opportunities for wildlife. Throughout the consultations, Parishioners asked that consideration be given to protecting our valued countryside. The Plan includes a policy that supports the consideration and inclusion of green infrastructure objectives in development proposals in order for them to contribute positively to the environmental and social sustainability of the Neighbourhood Area.

5.7.15 Natural England has produced a guide which seeks to ensure that everyone, irrespective of where they live, has access to high quality, natural greenspace. The guide builds on and reviews the ANGSt standard, developed in the 1990s, which establishes distance standards for accessible, natural greenspace within close proximity to residential areas.<sup>20</sup> Policy CW4 seeks to ensure that developments make a positive contribution to Green Infrastructure networks within the Parish, providing guidance of how this may be delivered and achieved.

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<sup>18</sup> Joseph Rowntree Foundation, the Social Value of Public Spaces:

<https://www.jrf.org.uk/file/37319/download?token=NZo6ukzy&filetype=full-report>

<sup>19</sup> [https://www.landscapeinstitute.org/PDF/Contribute/PublicHealthandLandscape\\_CreatingHealthyPlaces\\_FINAL.pdf](https://www.landscapeinstitute.org/PDF/Contribute/PublicHealthandLandscape_CreatingHealthyPlaces_FINAL.pdf)

<sup>20</sup> Natural England's ANGSt Guide:

[http://webarchive.nationalarchives.gov.uk/20140605111422/http://www.naturalengland.org.uk/regions/east\\_of\\_england/ourwork/gi/accessiblenaturalgreenspacestandardangst.aspx](http://webarchive.nationalarchives.gov.uk/20140605111422/http://www.naturalengland.org.uk/regions/east_of_england/ourwork/gi/accessiblenaturalgreenspacestandardangst.aspx). Or [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/357411/Review8\\_Green\\_spaces\\_health\\_inequalities.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/357411/Review8_Green_spaces_health_inequalities.pdf)

### **FEL/CW4 – Green Infrastructure**

Development proposals should protect, and where possible enhance the natural environment. All proposals should seek to deliver measurable net biodiversity gain, in addition to protecting existing habitats and species. Proposals should seek to avoid any significant impacts on the natural environment. If avoidance isn't possible proposals which significantly affect, or have the potential to significantly affect, the natural environment should demonstrate that impacts on biodiversity, including flora and fauna, and local wildlife (including wildlife habitats), will be adequately mitigated and where this is not possible compensated. Development proposals will be supported where they:

- Protect and enhance existing green spaces and/or create new green/open spaces;
- Improve the connectivity between wildlife areas and green spaces through green corridors and/or improvements to the active travel networks;
- Enhance the visual characteristics and biodiversity of green spaces in close proximity to the development;
- Ensure their landscape schemes, layouts, access and public open space provision and other amenity requirements contribute to the connectivity, maintenance and improvement of the Green Infrastructure (GI) Network;
- Meet the latest Accessible Natural Greenspace Standards of Natural England so far as they are applicable to a rural village location, and subject to viability;
- Adopt the principles of Sustainable Urban Drainage (SUDs) and natural flood management, which will enhance biodiversity and ecosystems; or
- Enhance the multi-functional use of open spaces as part of the Green Infrastructure (GI) network.

Development proposals that are likely to have a negative impact on biodiversity, flora and fauna and local wildlife (including wildlife habitats) will only be permitted where the benefits of the development clearly outweigh any negative impacts to the nature conservation value of the feature or to its contribution to wider biodiversity objectives. Developments that are likely to have an adverse impact, either alone or in-combination, on a Special Protection Area, Special Area of Conservation, and / or Ramsar site must satisfy the requirements of the Habitats Regulations, determining site specific impacts and avoiding or mitigating against impacts where identified.

## **5.8 Flood Risk**

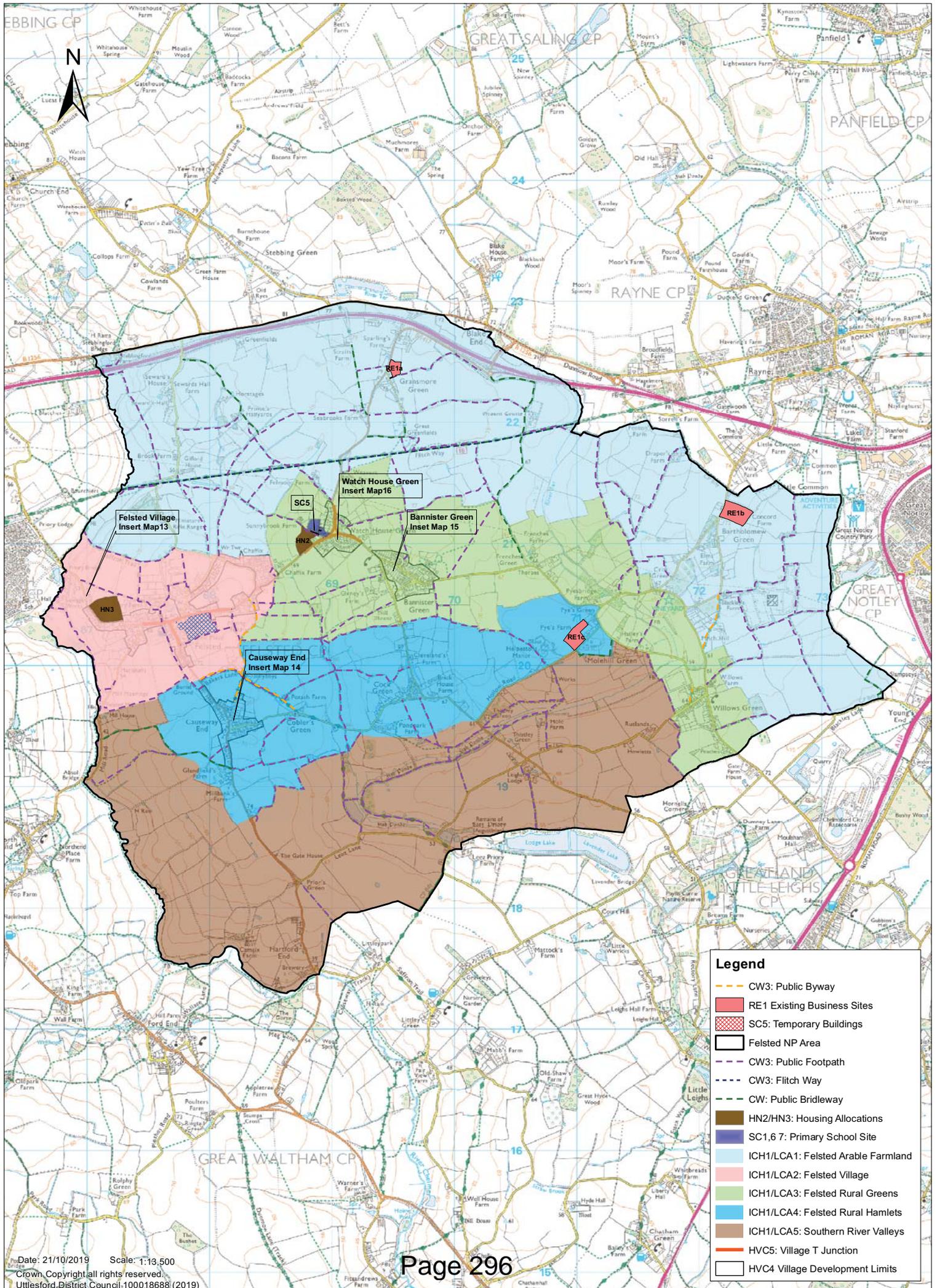
5.8.1 The Environment Agency requires that all proposals for development of 1 hectare or above in Flood Zone 1 and for development in Flood Zones 2 and 3 must be accompanied by a flood risk assessment that sets out the mitigation measures for the site and agreed with the relevant authority. Development in these flood zones must accord with those categories in the Flood Risk Vulnerability Classification, which are described as appropriate for the Flood Zone.

5.8.2 The site allocations in the Plan are in Flood Zone 1, so there are no identified issues in regard to flood risk. However, there maybe unmodelled watercourses in the area. Therefore, developments will be required to model these to determine flood risk.

### **FEL/INF1 – Flood Risk**

New development will only be supported where proposals demonstrate sufficient water reclamation capacity exists, and that fluvial flooding will not result.

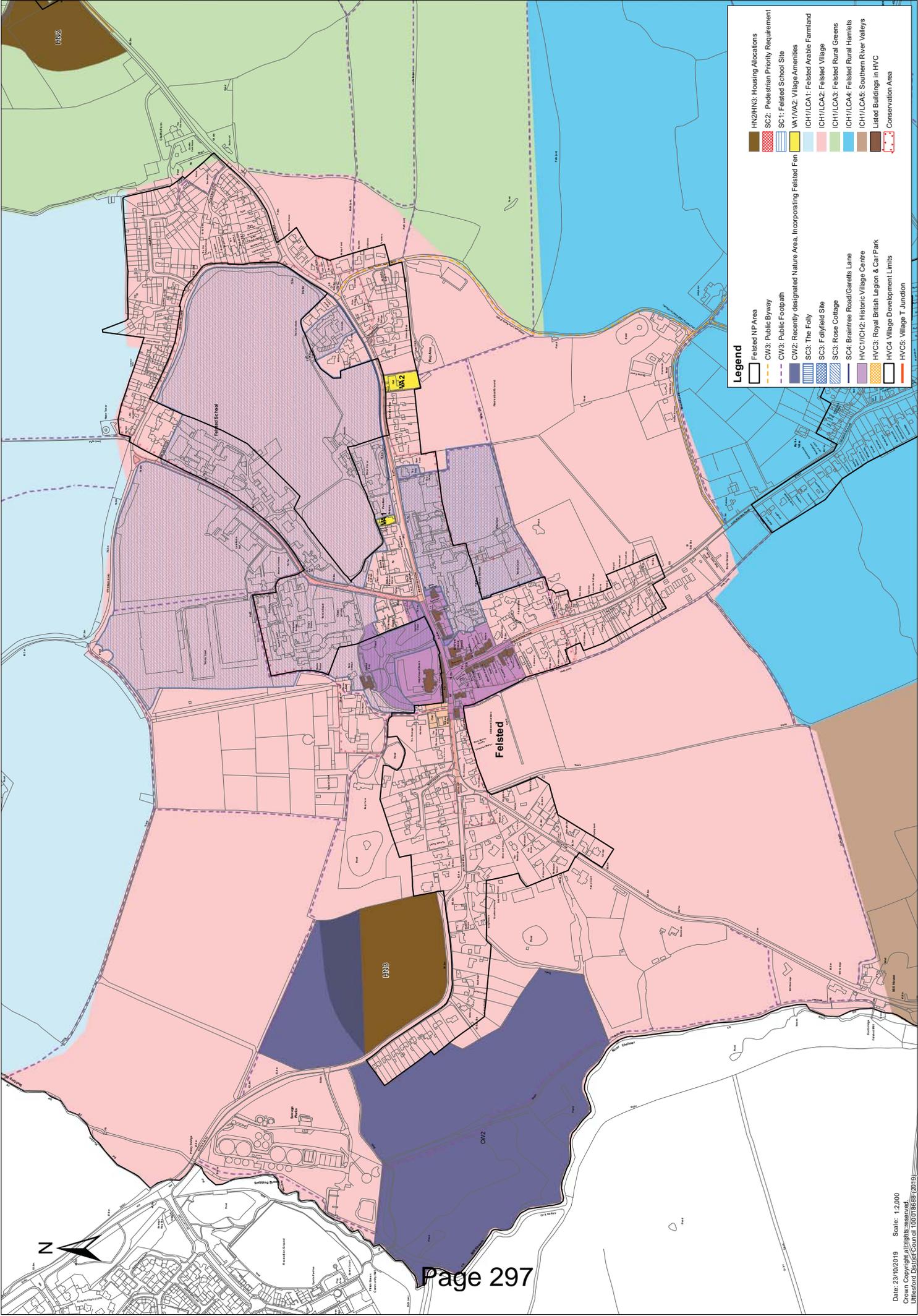
# Map 12- Policy Map



**Legend**

- CW3: Public Byway
- RE1 Existing Business Sites
- SC5: Temporary Buildings
- Felsted NP Area
- CW3: Public Footpath
- CW3: Flich Way
- CW: Public Bridleway
- HN2/HN3: Housing Allocations
- SC1,6,7: Primary School Site
- ICH1/LCA1: Felsted Arable Farmland
- ICH1/LCA2: Felsted Village
- ICH1/LCA3: Felsted Rural Greens
- ICH1/LCA4: Felsted Rural Hamlets
- ICH1/LCA5: Southern River Valleys
- HVC5: Village T Junction
- HVC4 Village Development Limits

Map13: Felsted Village Inset Map



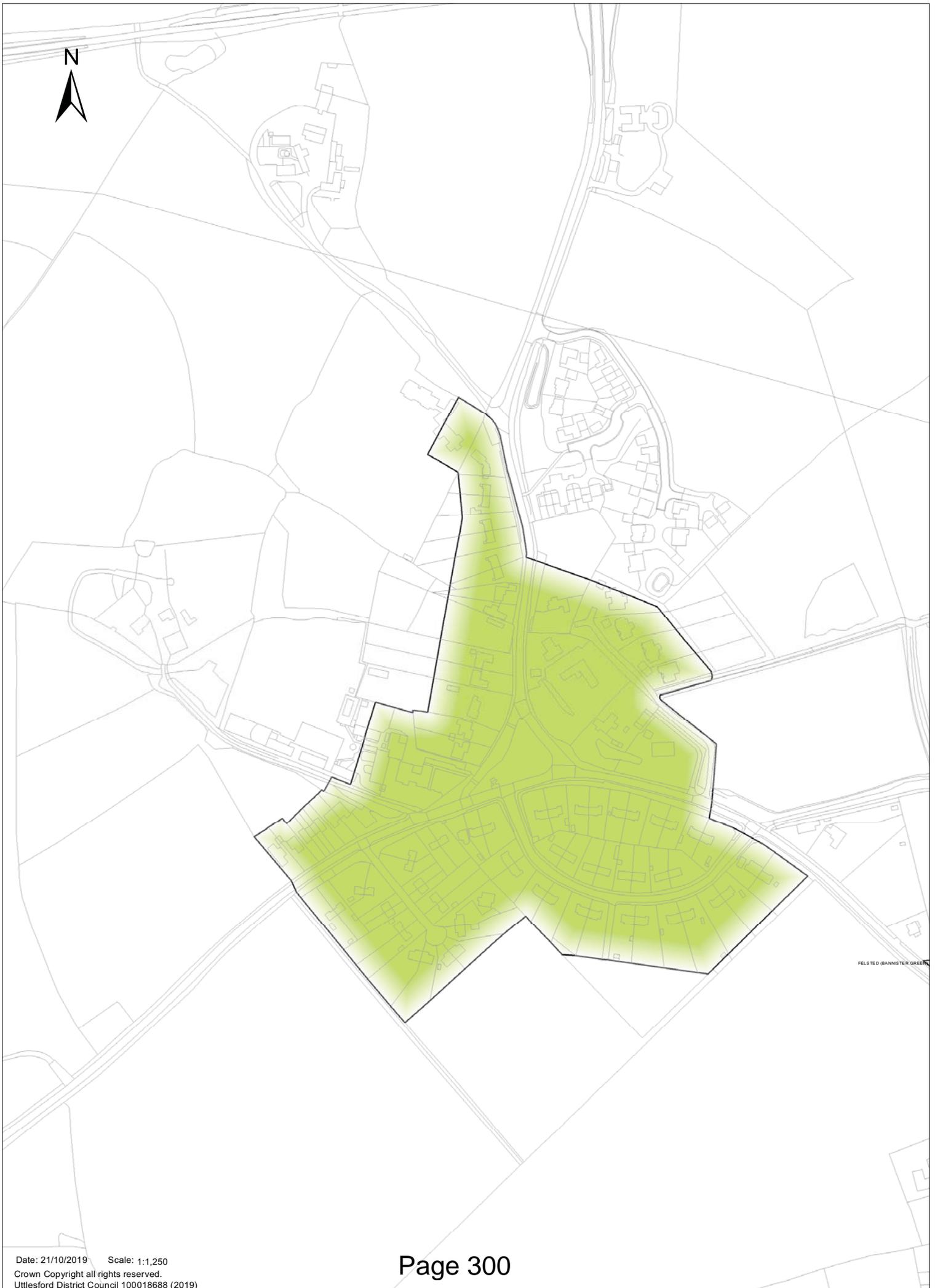
# Map 14: Causeway End Inset Map



# Map 15: Bannister Green Inset Map



# Map 16: Watch House Inset Map



# Section 6 - Appendices

## Appendix 1: Sunnybrook Farm Block Plan

### Sunnybrook Farm, Watch House Green, Felsted



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0m 25m 50m 75m 100m 125m 150m 175m 200m

Scale: 1:2500, paper size: A4



Title: Block Plan - Housing, Car Park & Amenity Land  
Date: July 2018

# Appendix 2: Bury Farm Block Plan



# Appendix 2A: Bury Farm Doctors' Surgery Examples



# Agenda Item 13

<b>Committee:</b>	Council	<b>Date:</b>	Tuesday 25 February 2020
<b>Title:</b>	Public Participation at Planning Committee Meetings		
<b>Report Author:</b>	Simon Pugh, Assistant Director - Governance and Legal spugh@uttlesford.gov.uk		

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## Summary

1. The Planning Committee set up a working group with a view to identifying improvements. One of the Working Group's first recommendations was a range of steps to enhance public participation. The Planning Committee has been trialling the changes since 21 August 2019. On 16 October it decided it wished to implement the changes on a permanent basis.
2. Public participation rights form part of the Council's Constitution. Changes to the Constitution are reserved for full Council on recommendation of the Governance, Audit and Performance ("GAP") committee.
3. The attached report was considered by the Governance, Audit and Performance Committee on 13 January. The Committee agreed with the Working Group's proposals subject to a minor addition and resolved to recommend that Council implements the changes on a permanent basis.
4. The minor addition mentioned in paragraph 3 above relates to paragraph 8(e) of the attached report with the heading "*Allowing town/parish council representatives to comment on statements made by applicants / agents*". The proposal was:  
  
*"...for the Planning Committee chair to invite town and parish council representatives to make any factual clarification (not statements) before committee goes into discussion."*
5. GAP members suggested that the opportunity should be extended to district and county councillors. There was some concern about amending the Working Group's proposals without consultation. However, this report's author has since contacted all Planning Committee members and substitutes inviting them to indicate any concern. No responses have been received.

## Recommendations from the Governance, Audit and Performance Committee

6. That the Council :
  - a. Adopts the changes to Planning Committee procedure identified in paragraph 8 of this report subject to the inclusion of reference to district and county councillors in paragraph 8 (e) of the report.

- b. Authorises the Assistant Director, Governance and Legal to amend the text of the Constitution to reflect the changes agreed.

### **Financial Implications**

7. None.

### **Background Papers**

8. The report to the Governance, Audit and Performance Committee on 13 January 2020 is annexed to this report. The Council's Constitution is published on its website at <https://www.uttlesford.gov.uk/article/5028/Constitution>. The minutes of a Planning Committee Working Group meeting of 11 July 2019 are annexed to this report.

## Appendix 1

<b>Committee:</b>	Governance, Audit and Performance Committee	<b>Date:</b>	Monday 13 January 2020
<b>Title:</b>	Public Participation at Planning Committee Meetings		
<b>Report Author:</b>	Simon Pugh, Assistant Director - Governance and Legal spugh@uttlesford.gov.uk		

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### Summary

1. The Planning Committee set up a working group with a view to identifying improvements. One of the Working Group's first recommendations was a range of steps to enhance public participation. The Planning Committee has been trialling the changes since 21 August 2019. On 16 October it decided it wished to implement the changes on a permanent basis.
2. Public participation rights form part of the Council's Constitution. Changes to the Constitution are reserved for full Council on recommendation of this committee.
3. The report asks the Committee to recommend that Council implements the changes on a permanent basis.

### Recommendations

4. That the Committee recommends full Council to:
  - a. Adopt the changes to Planning Committee procedure identified in paragraph 8 of this report.
  - b. Authorise the Assistant Director, Governance and Legal to amend the text of the Constitution to reflect the changes agreed.

### Financial Implications

5. None.

### Background Papers

6. There are no background papers to this report. The Council's Constitution is published on its website at <https://www.uttlesford.gov.uk/article/5028/Constitution>. The minutes of a Planning Committee Working Group meeting of 11 July 2019 are annexed to this report.

### Impact

7.

Communication/Consultation	The steps proposed are intended to improve communication with town and parish councils and with members of the public and should have a positive impact on communication and consultation..
Community Safety	There are no direct implications but improved public participation may help to identify issues relating to community safety.
Equalities	As for community safety.
Health and Safety	As for community safety.
Human Rights/Legal Implications	The proposed changes are lawful and may improve the quality of decision-making.
Sustainability	As for community safety.
Ward-specific impacts	As for community safety.
Workforce/Workplace	The extended speaking rights may mean that Planning Committee meetings take longer, with a consequent increase in the time taken in officer and member attendance. .

## Situation

8. The Planning Committee is proposing these changes:

**a. *Extension of maximum period of time allowed for town / parish council representatives to speak.***

Currently town/parish council representatives are permitted to speak for up to three minutes. The proposal is to increase this limit to five minutes.

**b. *Extension of maximum period of time allowed for public speakers.***

Currently public speakers are permitted to speak for up to three minutes. The proposal is to increase this to four minutes.

**c. *Removal of limit on number of public speakers***

The current scheme provides for a maximum of ten public speakers divided equally between supporters and objectors. The proposal is to keep the

maximum of ten speakers but not to distinguish between supporters and objectors.

If this is approved, there may be occasions on which the Chair would need to exercise discretion to ensure fairness; e.g. if all ten speaking slots were reserved by supporters or objectors, to the exclusion of others with different views who wished to speak.

***d. Maximum period of time allowed for applicants/ agents/developers to speak***

There is no explicit limit in the current rules but the proposal is to limit the “right of reply” of applicants and their representatives to fifteen minutes.

Again, there may be occasions on which it is appropriate to exercise discretion, particularly for major applications.

***e. Allowing town/parish council representatives to comment on statements made by applicants / agents.***

There is currently no provision for town/parish council representatives to comment on statements of fact made by applicants and their representatives. The proposal is for the Planning Committee chair to invite town and parish council representatives to make any factual clarification (not statements) before committee goes into discussion.

Some care needs to be taken when there is a dispute over material statements of fact. It may be necessary to obtain officer clarification or to initiate further investigation in some cases.

***f. Allowing a limited number of town / parish council representatives to attend, and participate in site visits.***

Currently one town or parish council representative may attend site visits. The proposal is to increase the number of representatives to two and to permit them to participate in the same way as Planning Committee members. The Council’s procedure for site visits states that:

*“The purpose of the site visit is to acquaint members with the site, not to hold a debate or take a decision, other than at the Committee meeting.”*

The procedure makes it clear that site visits are not an occasion for making representations regarding planning applications.

9. The Working Group considered other options for the conduct of Planning Committee meetings but decided not to take them forward, at least for the present. The Working Group suggested that the Planning Committee could meet in Great Dunmow to consider major applications in the Dunmow area. Presumably this would be a consideration in respect of major applications affecting other parts of the district; e.g. the Stansted area. This would not

require any changes to the Council’s rules, although there may be practical issues, such as the availability of a suitable venue.

## Risk Analysis

10.

Risk	Likelihood	Impact	Mitigating actions
That the duration of meetings is extended unduly, leading to late sittings or the need for additional meetings. Unduly long meetings might put at risk the quality of decisions and additional meetings would have resource implications and be an additional commitment for members and officers.	3	2	Keep the operation of the proposed changes under review and make adjustments if there are significant problems.

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.

## APPENDIX 2

### Planning Committee Working Group: 11<sup>th</sup> July 2019

#### Working to make the Planning Committee operation more user friendly

#### Meeting 1 notes & decisions

**Present: Cllr Merifield; Cllr Storah; Cllr Lemon; Cllr Pavitt; Cllr Loughlin; Nigel Brown; Gordon Glenday**

**Apologies: Cllr Gerard**

**1. Extension of maximum period of time allowed for town / parish council representatives.**

It was felt that it was important that Town and Parish Councillors were given the same length of time to speak as District Councillors are.

Therefore, from the **August** Planning Committee Meeting they will be allotted **five minutes** to make their comments / representations

See **Action 2 below** re timing mechanism

**2. Extension of maximum period of time allowed for public speakers.**

The discussion centred round giving public speakers some more time to make their representations. It was felt that there must still be a little leeway 10 -15 secs to finish their sentence. However, it was decided that either or both the timer to be on show or sound or light indicators to let speakers know they were close to end of their allotted time.

Therefore, from the **August** Planning Committee Meeting public speakers will be allotted **four minutes** to make comments / representations

**Action:** Nigel Brown / Gordon Glenday /Cllr Merifield – to explore and bring the most efficient and user friendly timing mechanism for **all speakers**

**3. Removal of limit on number of public speakers**

At present there is a cap of 10 speakers, 5 for and 5 against generally I believe, plus of course developer/agent/applicant. Those wanting to make representation at present must contact democratic services stating whether they are for or against. Therefore from perhaps return to when there was no maximum number, there was concern that there could be too many and committee times could be extended beyond practicable times. There was also a discussion about the accumulative time given to applicant/agent/developer to speak.

Therefore, from the **August** Planning Committee meeting there will be 10 speakers but Democratic Services will not have to allot to for and against.

Also the **maximum** time for applicants/ agents/developers will be **fifteen minutes**.

(suggest this may be less if number of speakers e.g. 3 public speakers)

N.B. Major applications or controversial ones will be considered on an individual basis

**Please Note** in relation to **discussion point 6** it was felt that **written representations should be included for those who cannot be present.**

**Action: Nigel Brown; Gordon Glenday; Democratic Services; Cllr Merifield**

**4. Allowing town/parish council representatives to comment on statements made by applicants / agents.**

Therefore, from this **August's** Planning Committee the chair will invite any factual clarification (not statements) before committee goes into discussion.

**5. Allowing limited number of town / parish council representatives to attend, and participate in site visits.**

It was felt by those present after a discussion of possibilities and possible problems that it would be appropriate for two representatives of either a town or parish council to be informed of, invited to attend and participate in site visits.

Therefore, for the **visits** for the **August Planning Committee** the relevant town or parish council will be informed that they can have two representatives, should they wish to attend and participate in the site visit. Initially the representatives to approach Nigel Brown as it was felt that this would appear more appropriate and could not be misinterpreted. This will be reviewed.

**Action: Nigel Brown; (Democratic Services?); Cllr Merifield**

**6. Changing meetings from afternoons to evenings.**

The idea of this was related to allow more residents/ members of the community that work to attend planning meetings. It was felt that we as a responsible council have a duty of care to the officers and the councillors who could be driving some distances especially in the winter. To be fair to those that work the meeting would have to start at 7pm or more likely 7.30pm therefore a meeting might not finish until 10 – 10.30pm or perhaps even later. This was felt unacceptable for safety and that officers and councillors might not be able to give full and proper attention to applications.

Therefore, at present this suggestion is not going forward to be actioned. However, see **discussion point 3** for the addition of the reading out of submitted written comments.

**7. Introduction of 'area committees' to be held at appropriate venues in the district.**

It was decided to keep the committee in Saffron Walden as it is at present. It was however suggested that major applications in the Dunmow area could be taken to committee in |Great Dunmow.

**Action: Nigel Brown; Gordon Glenday; Cllr Merifield** to find the most appropriate venue; **Working Group:** definition of a major application (size)

**8. Restructuring of committee reports to reflect the decision making process.**

The officers have already been thinking that the structure of officers reports needs changed. Cllr Storah explained that he feels the reports e.g. are not balanced and that for ease of reading and understanding the recommendation should come first and then the explanation of how it was reached. It was agreed that this is an ongoing piece of work to be brought back to the next working group for an update.

**Action: Cllr Storah** to give exemplar reports of the type he suggests so that N Brown and G Glenday can work on a template format. (ongoing)

This is a very positive start to this process, the above decisions or actions will be monitored and reviewed to see how they are working or progressing.

Thank you all for being so positive and contributing to improving the experience of and functioning of the Planning Committee.

The next working group date will be confirmed.

Cllr Sandi Merifield

Chair of Planning Committee

## COMMITTEE TIMETABLE 2020/21

Committee	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
<b>Council</b>	19		21			8		8		23		13	18
<b>Cabinet</b>	27		7		1	14	24		6	9	9		
<b>Scrutiny (for call in)</b>		11	22		16	29		9	21	24	24		
<b>Scrutiny</b>	21	25			24		5			2	4		
<b>Governance, Audit &amp; Performance</b>		2	30		10		10			4	16		
<b>Planning</b>	13	17*	8	5	2 30	28	25	16	20	17	17	14	12
<b>Licensing &amp; Environmental Health</b>			14				19				2		
<b>Standards</b>		15					2				8		

***Please note the following:***

- 1) All meetings are normally held at the Council Offices in Saffron Walden.
- 2) Scrutiny (for call-in) refers to Scrutiny Committee meetings which might happen, depending on whether the Committee decides to examine a decision made by Cabinet.
- 3) The Planning Committee on 17 June labelled with \* is a 2pm start

# Agenda Item 15

<b>Committee:</b>	Council	<b>Date:</b>	Tuesday, 25 February 2020
<b>Title:</b>	Business Rates Reliefs and Discounts 2020/21		
<b>Portfolio Holder:</b>	Councillor Neil Hargreaves Portfolio Holder for Budget and Finance		
<b>Report Author:</b>	Angela Knight, Assistant Director - Resources aknight@uttlesford.gov.uk	<b>Key decision:</b>	N

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## Summary

1. On 27 January 2020, the Financial Secretary to the Treasury made a Written Ministerial Statement announcing additional business rates measures that will apply from 1 April 2020.
2. The business rates retail discount scheme for occupied retail properties with a rateable value of less than £51,000 will increase from 33% to 50%.
3. A discount of £1,000 will be available to eligible pubs with a rateable value of less than £100,000 in 2020/21.
4. The extension of the £1,500 business rates discount for office space occupied by local newspapers will apply for an additional 5 years, 1 April 2020 to 31 March 2025.
5. Guidance has been provided by the Ministry for Housing, Communities and Local Government regarding the operation and delivery of the reliefs and discounts, this has been attached as Appendix B. The relief must be awarded in accordance with discretionary relief powers contained within the Local Finance Act 1988 (as amended).
6. The retail relief will be awarded automatically to eligible businesses by the Council and this is fully reimbursed via the Section 31 grant.
7. Discretion can be exercised under Section 47 of the Local Government Finance Act 1988 (as amended) (hereinafter "LGFA") in order to operate the above scheme.

## Recommendations

8. It is recommended that the Council:
  - Adopts the Business Rates Discretionary Rate Relief/Discount Policy as set out in Appendix A

## Financial Implications

9. The Council receives full reimbursement for all reliefs and discounts via a Section 31 grant subject to awards complying with the criteria.

New Burdens Grant will be made available for both software and additional administration costs. We have not yet been advised of the value of any grant to be paid.

## 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.

Local Government Finance Act 1988 Section 47  
Local Government Act 2003 Section 31  
MHCLG – Business Rates Retail Discount Guidance  
State Aid in accordance with the De Minimis Regulations (1407/2013);  
(Subject to potential changes following EU Exit).

## Impact

Communication/Consultation	Billing authority will be expected to have clear arrangements for communicating and awarding the reliefs and discounts.
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	Administered in accordance with discretionary relief powers contained within the Local Finance Act 1988 (as amended) State Aid – It's important that any qualifying ratepayer is checked to ensure no other state aid is being received by the recipient
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

## Situation

11. Full details of all business rates reliefs and discounts can be found in the Business Rates Reliefs and Discounts Policy attached as Appendix A. This includes the new and extended reliefs.
12. The Retail Relief was introduced to support Town Centre high streets as they evolve during a period where customer shopping habits have shifted to online purchases. This was introduced as a two year scheme in 2019/20 and applies to retail businesses with a rateable value of less than £51,000. For 2020/21 the relief has been increased from 33% to 50%.
13. Pub discount of £1,000 has been reintroduced for 2020/21 and is available to pubs with a rateable value of less than £100,000.
14. The Local Newspaper relief of £1,500 was due to end on 31 March 2020 and has now been extended until the 31 March 2025. This relief is only awarded for newspapers occupying office space.
15. The three new reliefs/discounts are to provide additional support to local businesses and will be awarded after taking account of all other mandatory and discretionary reliefs available, for example Small Business Rates Relief and Supporting Small Business Rates Reliefs.
16. All of the discretionary reliefs/discounts are fully reimbursed via the Section 31 grant.
17. Guidance has been provided by the Ministry of Housing, Communities and Local Government regarding the operation and delivery of the reliefs and discounts, these have been attached as Appendix B and C. The relief must be awarded in accordance with discretionary relief powers contained within the Local Finance Act 1988 (as amended)

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Reliefs awarded do not qualify for Section 31 grant	1	3	All reliefs and discounts are assessed and awarded in line with Government Guidance
Resources are not available to implement the scheme	1	2	An operational plan is in place to implement scheme and advise qualifying ratepayers
Software resource is not provided by Councils system provider (Northgate)	2	3	The software providers are currently working on the system requirements

- 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.

**UTTLESFORD DISTRICT COUNCIL**

**BUSINESS RATES - DISCRETIONARY RATE RELIEF/DISCOUNT POLICY**

**EFFECTIVE 1<sup>st</sup> April 2020**

**Approved by Council**

**Policy objectives**

1. To support the local economy by providing incentives for occupation of empty premises, encourage business start-up and business expansion within Uttlesford.
2. To support rural communities by providing assistance to businesses operating in rural locations.
3. To contribute to maximising the Council's financial position under the business rates retention scheme by encouraging longer term rateable value growth.
4. To support town centre high streets evolve during a period of significant changes in customer behaviour.

**Administration**

5. The policy will be administered by the Council's Revenues service, which will determine the relief application process.
6. The Revenues service will determine applications for relief, using the criteria set out in this policy. Applications for the Business Development category of relief will be assessed by the Council's Economic Development Officer who will notify the Revenues service of decisions made. The Council will have discretion to backdate awards of relief to the beginning of the current billing period.
7. Eligibility for relief will typically be based upon objective criteria such as the rateable value, location and nature of an organisation's business. A business's profitability will not ordinarily be a relevant factor for determining eligibility. The intention is for a streamlined process that is simple to administer for both applicants and the Council. The Council shall have the right to request any additional information it considers necessary to determine an application.
8. The over-riding consideration in the determination of any application is that the granting of relief must be judged to be in the wider interests of the Uttlesford community and its council tax payers.
9. Appeals against unsuccessful applications for relief will be determined by the Section 151 Officer, whose decision shall be final. There is no further right of appeal.
10. The granting of discretionary relief will typically be on a rolling one-year basis so that the Council has the agility to adjust the policy to reflect changing needs and circumstances.
11. The policy will be subject to annual review and approval by the Cabinet.

**State Aid Limitations**

12. All granting of discretionary rate relief is subject to limitations under applicable State Aid legislation and associated De Minimis Regulations.
13. The Regulations currently allow a business to receive up to 200,000 Euros of state aid over a rolling three year period.

14. In practice, this means that smaller, independent businesses are more likely to be eligible for a relief/discount and larger, national businesses (e.g. chain stores) less likely.

CATEGORY OF RELIEF	ELIGIBLE ORGANISATIONS	MANDATORY RELIEF	DISCRETIONARY RELIEF
<p><b>Retail Discount New</b></p>	<p>For occupied retail Properties with a rateable value of &lt;£51,000</p>	<p>Not applicable</p>	<p>To support Town Centre high streets as they evolve during a period where customer shopping habits have shifted to online purchases.</p> <ul style="list-style-type: none"> <li>• Must be a qualifying occupied retail premises as laid down in the policy but will include shops, restaurants, cafes, drinking establishments, cinemas, and live music venues</li> <li>• Must have a rateable Value of &lt;£51,000</li> <li>• The value of the Discount will be 50% of the bill.</li> <li>• The discount will only be applied after all other mandatory reliefs and other discretionary reliefs funded by Section 31 have been applied</li> <li>• Locally funded reliefs such as hardship relief must be applied after the Retail Discount</li> <li>• State Aid limits will apply</li> </ul> <p>Local Authorities will be fully reimbursed under Section 31 grant 2020/2021 is the second year of a two year scheme</p>
<p><b>PUB DISCOUNT</b></p>	<p>For Pubs with a rateable value of &lt; £100,000</p>	<p>Not applicable</p>	<p>In recognition of the important role that pubs play in urban and rural communities.</p> <p>Qualifying criteria for occupied premises only:</p> <ul style="list-style-type: none"> <li>• be open to the general public</li> <li>• allow free entry other than when occasional entertainment is provided</li> <li>• allow drinking without requiring food to be consumed</li> </ul>

CATEGORY OF RELIEF	ELIGIBLE ORGANISATIONS	MANDATORY RELIEF	DISCRETIONARY RELIEF
			<ul style="list-style-type: none"> <li>• Permit drinks to be purchased at a bar</li> <li>• Rateable value of &lt;£100,000</li> </ul> <p>Qualifying premises will receive a £1,000 discount:</p> <ul style="list-style-type: none"> <li>• The discount will only be applied after all other mandatory reliefs and other discretionary reliefs funded by Section 31 have been applied.</li> <li>• Locally funded reliefs such as hardship relief must be applied after the Retail Discount</li> <li>• State Aid limits will apply</li> </ul> <p>Local Authorities will be reimbursed under Section 31 grant For one year only (2020/2021)</p>
Supporting Small Businesses Relief	For small businesses who are losing some or all of their small business or rural rate relief	Not applicable	<p>To support ratepayers by limiting the amount of rates payable in each year to the greater of</p> <ul style="list-style-type: none"> <li>• Cash value of £600</li> <li>or</li> <li>• The matching cap on increases for small properties in the transitional relief scheme.</li> </ul> <p>The cash minimum increase will stay flat in each year which means that under this scheme by year 5 the eligible ratepayer will not be paying more than £3,000 than they did in 2016/2017.</p> <p>Local Authorities will be fully reimbursed under s31 grant</p> <p><b>Note</b> <i>Eligibility will not be lost with a change of occupier but will be lost if the property becomes vacant or is occupied by a charity or Community Amateur Sports Club.</i></p>

CATEGORY OF RELIEF	ELIGIBLE ORGANISATIONS	MANDATORY RELIEF	DISCRETIONARY RELIEF
<b>Local Newspaper Relief</b>	Local Newspapers occupying office space	Not applicable	One discount per newspaper title  Discount of £1,500 per newspaper title <b>Extended for 5 years, the discount applicable 1 April 2020 to 31 March 2025</b> Local Authorities will be reimbursed under Section 31 grant
<b>Rural Rate Relief</b>	Within a rural settlement with a population below 3,000, a sole general store, post office, food shop, public house or petrol station	Within a rural settlement with a population below 3,000, the following will receive 50% mandatory rate relief: <ul style="list-style-type: none"> <li>• A sole general store, post office or food shop with a RV &lt;£8,500</li> <li>• A sole public house or petrol station with a RV &lt;£12,500</li> </ul>	Must be within a rural settlement with a population below 3,000 <ul style="list-style-type: none"> <li>• A sole general store, post office, food shop, public house, petrol station with an RV exceeding the stated thresholds, but with an RV of up to £16,500, may be considered for up to 100% discretionary rate relief</li> <li>• A sole general store, post office, food shop, public house or petrol station with an RV of between £16,501 and £27,500 may be considered for 100% discretionary rate relief up to the value of the £16,500 RV level</li> </ul> <p><i>(For example, a qualifying business with an RV of £18,500 would receive 100% relief up to £16,500 RV and have to pay rates on the remaining £2,000 RV)</i></p> Discretionary local rural rate relief will be applied after any other applicable reliefs have been deducted
<b>Charitable relief</b>	Registered charities  Registered Community Amateur Sports Clubs	Charities and Registered Community Amateur Sports Clubs are entitled to 80% relief where the property is occupied by the Charity or Club and is wholly or mainly used for	Charities and Registered Community Amateur Sports Clubs may be considered for up to 20% discretionary rate relief.

CATEGORY OF RELIEF	ELIGIBLE ORGANISATIONS	MANDATORY RELIEF	DISCRETIONARY RELIEF
	Community Interest Companies	charitable purposes or as a Registered Community Amateur Sports Club.	Community Interest Companies that have charitable aims (and use profits for charitable purposes) may be considered for up to 100% discretionary rate relief.
<b>Business Development relief</b>	<p>New non-retail SME businesses starting up, operating from new premises or premises that have been unoccupied for 12 months*</p> <p>Expanding non-retail SME businesses who enlarge their existing premises, or occupy an additional premises that is new or has been unoccupied for 12 months*</p> <p>*including the conversion of former agricultural buildings</p>	Not applicable	<p>Qualifying businesses can be considered for discretionary rate relief of 50% for the first year and 25% for the second year. In the case of enlarged premises, the relief would be on the difference between the rates payable on the original premises and the rates payable on the extended premises.</p> <p>This is subject to demonstrating that:</p> <ul style="list-style-type: none"> <li>• A minimum three year lease / occupancy commitment exists*</li> <li>• The business will endeavour to ensure that at least 50% of the business's employees are Uttlesford residents</li> <li>• The business will endeavour to ensure that at least 25% of the business's supplies and services expenditure is with Uttlesford businesses.</li> </ul> <p><i>*In the event of the business vacating the premises within the first three years, the Council reserves the right to clawback the rate relief granted.</i></p>
<b>Small Business Rate Relief</b>	<p>Businesses with a rateable value of up to £14,999 will receive 100% small business rate relief</p> <p>For properties from £15,000 – £50,999 will have their business</p>	<p>From 1 April 2017 Businesses with an Rateable Value up to £12,000 will receive 100% relief.</p> <p>RV £12,000 to £14,999 – 100% relief decreases on a sliding scale by 1% for every £30 of RV between £12,000 and £14,999.</p>	None

CATEGORY OF RELIEF	ELIGIBLE ORGANISATIONS	MANDATORY RELIEF	DISCRETIONARY RELIEF
	rates calculated with the small business rate multiplier	RV £15,000 to £51,999 – no relief is allowed but the bill is calculated using the small business multiplier	
<b>Flooding Rate Relief</b>	Businesses whose premises are flooded due to bad weather	Not applicable	100% rate relief for three months from the date of the first flooding. (approved by Full Council 27 February 2014)
<b>Unoccupied property rating</b>	Any business	Business rates are not payable in the first three months that a property is empty. This is extended to six months in the case of certain industrial properties.  Certain definitions and exemptions apply – please see the website.	None
<b>Hardship Relief</b>	Businesses who are suffering financial hardship because of a one-off event demonstrably beyond their control.	Not applicable	Discretionary rate relief of up to 100% for a limited period depending on circumstances. Consideration would also be given to deferring payment due dates.



Ministry of Housing,  
Communities &  
Local Government

## Business Rates

Retail Discount 2020/21 – Local Authority Guidance



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Ministry of Housing, Communities and Local Government  
Fry Building  
2 Marsham Street  
London  
SW1P 4DF  
Telephone: 030 3444 0000

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January 2020

# Contents

<b>About this guidance</b>	<b>4</b>
<b>Introduction</b>	<b>4</b>
<b>Retail Discount</b>	<b>4</b>
How will the relief be provided?	4
Which properties will benefit from relief?	5
How much relief will be available?	8
State Aid	8
Splits, mergers, and changes to existing hereditaments	9
<b>Annex A: Calculation examples for 2020/21</b>	<b>10</b>
<b>Annex B: Sample paragraphs that could be included in letters to ratepayers about Retail Discount for 2020/21</b>	<b>12</b>
<i>'De minimis'</i> declaration	13
Refusal of Retail Discount form	14

## About this guidance

This guidance is intended to support local authorities in administering the business rates Retail Discount announced in a Written Ministerial Statement on 27 January 2020. This guidance applies to England only.

1. This guidance sets out the criteria which central government considers for this purpose to be retail and eligible for this discount. The guidance does not replace existing legislation.
2. Enquiries on this measure should be addressed to:  
[ndr@communities.gov.uk](mailto:ndr@communities.gov.uk)

## Introduction

3. The Government recognises that changing consumer behaviour presents a significant challenge for retailers in our town centres and is taking action to help the high street evolve.
4. The Government announced in the Budget on 29 October 2018 that it would provide a Business Rates Retail Discount, to apply in the years 2019/20 and 2020/21. In a Written Ministerial Statement on 27 January 2020 the Government announced that it would extend the value of the Retail Discount from one third of the bill to 50% in 2020/21. This relief will apply to occupied retail properties with a rateable value of less than £51,000 in the year 2020/21. Where an authority applies a locally funded relief under section 47 this is must be applied after the Retail Discount and, where appropriate, the 2020/21 pubs discount.
5. This document provides guidance to authorities about the operation and delivery of the policy. The Government expects that local authorities will include details of the relief to be provided to eligible ratepayers for 2020/21 in their bills for the beginning of that year.

## Retail Discount

### How will the relief be provided?

6. As this is a measure for 2020/21 only, the Government is not changing the legislation around the reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities that use their discretionary relief powers, under section 47 of the Local Government Finance Act 1988 (as amended), to grant relief. It will be for individual local billing authorities to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47. Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003). The

Government expects local government to apply and grant relief to qualifying ratepayers from the start of the 2020/21 billing cycle.

7. Central government will reimburse billing authorities and those major precepting authorities for the actual cost to them under the rates retention scheme of the relief that falls within the definitions in this guidance. However, authorities should continue to complete their NNDR1 for 2020/21 based on the previous one third discount scheme - local authorities will then be asked to provide a further and separate estimate of their likely total cost for providing the 50% relief in 2020/21.<sup>1</sup> Central government will provide payments to authorities to cover the local share, as per the usual process.
8. Local authorities will also be asked to provide outturn data on the actual total cost for providing the relief, as per the usual process, via the National Non-Domestic Rate 3 (NNDR3) forms for 2020/21. Any required reconciliations will then be conducted at these points.<sup>2</sup>

### **Which properties will benefit from relief?**

9. Properties that will benefit from the relief will be occupied hereditaments with a rateable value of less than £51,000, that are wholly or mainly being used as shops, restaurants, cafes, drinking establishments, cinemas and live music venues.
10. We consider shops, restaurants, cafes, drinking establishments, cinemas and live music venues to mean:
  - i. **Hereditaments that are being used for the sale of goods to visiting members of the public:**
    - Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
    - Charity shops
    - Opticians
    - Post offices
    - Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
    - Car/caravan show rooms
    - Second hand car lots
    - Markets
    - Petrol stations
    - Garden centres
    - Art galleries (where art is for sale/hire)

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<sup>1</sup> Should authorities have calculated the value of retail discount on a 50% basis, they do not need to recalculate this. However they must ensure that the department is notified that the figures have been calculated on that basis when submitting their NNDR1 form.

<sup>2</sup> As required in the NNDR3 guidance notes, the former categories of discretionary relief prior to the Localism Act (i.e. charitable/CASC/rural etc. top up and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before the retail discount.

**ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:**

- Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire

**iii. Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:**

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

**iv. Hereditaments which are being used as cinemas**

**v. Hereditaments that are being used as live music venues:**

- live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music.

Although we would expect this would be clear in most circumstances, guidance on this may be found in Chapter 16 of the statutory guidance issued in April 2018 under section 182 of the Licensing Act 2003.<sup>3</sup>

11. To qualify for the relief the hereditament should be wholly or mainly being used as shops, restaurants, cafes, drinking establishments, cinemas and live music venues. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.
12. The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide for authorities as to the types of uses that the Government considers for this purpose to be retail. Authorities should determine for themselves whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.
13. The list below sets out the types of uses that the Government does not consider to be retail use for the purpose of this relief. Again, it is for local authorities to determine for themselves whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under their local scheme.

**i. Hereditaments that are being used for the provision of the following services to visiting members of the public:**

- Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting offices

**ii. Hereditaments that are not reasonably accessible to visiting members of the public**

14. Generally speaking, the government also does not consider other assembly or leisure uses beyond those listed at paragraph 11 to be retail uses for the purpose of the discount. For example, theatres and museums are outside the scope of the scheme, as are nightclubs. Hereditaments used for sport or physical recreation (e.g. gyms) are also outside the scope of the discount. Where there is doubt, the local

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<sup>3</sup> The statutory guidance can be accessed here: <https://www.gov.uk/government/publications/explanatory-memorandum-revised-guidance-issued-under-s-182-of-licensing-act-2003>

authority should exercise their discretion with reference to the above and knowledge of their local tax base.

### How much relief will be available?

15. The total amount of government-funded relief available for each property for 2020/21 under this scheme is 50% of the bill, after mandatory reliefs and, with the exception of the 2020/21 pubs discount, other discretionary reliefs funded by section 31 grants have been applied, excluding those where local authorities have used their discretionary relief powers introduced by the Localism Act which are not funded by section 31 grants.<sup>4</sup> The 2020/21 pubs discount should be applied after the retail discount. There is no relief available under this scheme for properties with a rateable value of £51,000 or more. Of course, councils may use their discretionary powers to offer further discounts outside this scheme. However, where an authority applies a locally funded relief under section 47 this is must also be applied after the Retail Discount.
16. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for particular hereditament in the financial year 2020/21:

Amount of relief to be granted =

$$\frac{V}{2} \text{ where}$$

V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any other discretionary reliefs, excluding the pubs discount and those where local authorities have used their discretionary relief powers introduced by the Localism Act which are not funded by section 31 grants.<sup>5</sup>

17. This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
18. Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid De Minimis limits.

### State Aid

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<sup>4</sup> As required in the NNDR3 guidance notes, the former categories of discretionary relief prior to the localism act (i.e. charitable/CASC/rural etc. top up and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before the retail discount.

<sup>5</sup> As required in the NNDR3 guidance notes, the former categories of discretionary relief prior to the localism act (i.e. charitable/CASC/rural etc. top up and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before the retail discount.

19. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State aid. However, Retail Relief will be State aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)<sup>6</sup>.
20. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and the two previous financial years). Local authorities should familiarise themselves with the terms of this State aid exemption, in particular the types of undertaking that are excluded from receiving De Minimis aid (Article 1), the relevant definition of undertaking (Article 2(2))<sup>7</sup> and the requirement to convert the aid into Euros.<sup>8</sup>
21. To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State aid is not relevant to the De Minimis calculation). Annex B of this guidance contains a sample De Minimis declaration which local authorities may wish to use, to discharge this responsibility. Where local authorities have further questions about De Minimis or other aspects of State Aid law, they should seek advice from their legal department in the first instance.<sup>9</sup>
22. Whilst the UK is scheduled to leave the EU on 31 January 2020, the Withdrawal Agreement negotiated by the Government and the EU provides that during an implementation period State aid rules will continue to apply as now and will be subject to control by the EU Commission as at present. Local authorities should therefore continue to apply State aid rules, including De Minimis, to the relief for during the implementation period.

## **Splits, mergers, and changes to existing hereditaments**

23. The relief should be applied on a day to day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

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<sup>6</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

<sup>7</sup> The 'New SME Definition user guide and model declaration' provides further guidance: [http://ec.europa.eu/enterprise/policies/sme/files/sme\\_definition/sme\\_user\\_guide\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf)

<sup>8</sup> [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/infoeuro/infoeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm)

<sup>9</sup> Detailed State Aid guidance can also be found at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/15277/National\\_State\\_Aid\\_Law\\_Requirements.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15277/National_State_Aid_Law_Requirements.pdf)

## Annex A: Calculation examples for 2020/21

The retail discount (one third) is always calculated after mandatory relief and other discretionary reliefs funded by section 31 grant. The multiplier used here is provisional.

### Example 1: An occupied shop with a rateable value of £40,000

Gross rates (before any reliefs) = £40,000 x 0.499	= £19,960
Retail discount (50%):	= -£9,980
Rates due (after retail discount):	= £9,980

### Example 2: An occupied charity shop with a rateable value of £40,000

Gross rates (before any reliefs) = £40,000 x 0.512	= £20,480
Net rates after charity relief:	= <u>£4,096</u>
Retail discount (50%):	= -£2,048
Rates due (after charity relief and retail discount):	= £2,048

### Example 3: An occupied shop with a rateable value of £13,500 eligible for Small Business Rate Relief (SBRR)

Gross rates (before any reliefs) = £13,500 x 0.490	= £6,737
Net rates after SBRR (50%):	= <u>£3,368</u>
Retail discount (50%):	= -£1,684
Rates due (after SBRR and retail discount):	= £1,684

### Example 4: An occupied shop with a rateable value of £10,000 eligible for Small Business Rate Relief (SBRR)

Gross rates (before any reliefs) = £10,000 x 0.499	= £4,990
Net rates after SBRR (100%):	= £nil
Rates bill is nil and, therefore, no retail discount applies	

### Example 5: An occupied shop with a rateable value of £40,000 eligible for Transitional Relief (TR) and receiving Revaluation Discretionary Relief

Gross rates (before any reliefs) = £40,000 x 0.499	= £19,960
Transitional Relief (say):	= -£1,500
Net rates after Transitional Relief:	= £18,460
Net rates after Revaluation Discretionary Relief (say):	= <u>£15,460</u>
Retail discount (50%):	= -£7,730
Rates due (after TR, revaluation relief and retail discount):	= £7,730

### Example 6: An occupied shop with a rateable value of £18,000 previously paying nothing prior to revaluation 2017 and eligible for Supporting Small Businesses Relief (SSB)

Gross rates (before any reliefs) = £18,000 x 0.499	= £8,982
Supporting Small Businesses Relief (say):	= -£6,582

<b>Net rates after SSB:</b>	<b>= £2,400</b>
Retail discount (50%):	= -£1200
<b>Rates due (after SSB and retail discount):</b>	<b>= £1200</b>

**Example 7: A shop with a rateable value of £40,000 (example 1) but only occupied until 30 September 2020**

Gross rates (before any reliefs) = £40,000 x 0.499	= £19,960
Retail discount (50%):	= -£9,980
Rates due p.a. (after retail discount):	= £9,980
Daily charge while occupied (leap year):	= £27.34 per day
Occupied charge 1/4/20 to 30/9/20 (183 days):	= £4,976
Unoccupied property relief (1/10/20 to 1/1/21):	= £nil
Unoccupied property rates (1/1/21 to 31/3/21),	
£40,000 x 0.512 x 91/365	= £5,106
Rates due for the year (after retail relief):	= £10,082

**Example 8: A shop with a rateable value of £40,000 (example 1) with a rateable value increase to £60,000 with effect from 1 October 2020**

Gross rates (before any reliefs) = £40,000 x 0.499	= £19,960
Retail discount (50%):	= -£9,980
Rates due p.a. (after retail discount):	= £9,980
Daily charge while occupied (leap year):	= £27.34 per day
Charge 1/4/20 to 30/9/20 (182 days):	= £4,976
Daily charge on standard multiplier (1/10/20 to 31/3/21):	
(£60,000 x 0.512)/365	= £84.16 per day
Charge 1/10/20 to 31/3/21 (183 days):	= £15,402
Rates due for the year (after retail relief):	= £20,378

## Annex B: Sample paragraphs that could be included in letters to ratepayers about Retail Discount for 2020/21

In a Written Ministerial Statement on 27 January 2020 the Government announced that eligible retailers will receive a 50% discount on their business rates bills for one year from April 2020.

Relief will be provided to eligible occupied retail properties with a rateable value of less than £51,000 in 2020/21. Your current rates bill includes this Retail Discount.

Awards such as Retail Discount are required to comply with the EU law on State Aid.<sup>10</sup> In this case, this involves returning the attached declaration to this authority if you have received any other *de minimis* State Aid, including any other Retail Discount you are being granted for premises other than the one to which this bill and letter relates, and confirming that the award of Retail Discount does not exceed the €200,000 an undertaking<sup>11</sup> can receive under the *de minimis* Regulations EC 1407/2013.

Please complete the declaration and return it to the address above. In terms of declaring previous *de minimis* aid, we are only interested in public support which is *de minimis* aid (State Aid received under other exemptions or public support which is not State Aid does not need to be declared).

If you have not received any other *de minimis* State Aid, including any other Retail Discount you are being granted for premises other than the one to which this bill and letter relates, you do not need to complete or return the declaration.

If you wish to refuse to receive the Retail Discount granted in relation to the premises to which this bill and letter relates, please complete the attached form and return it to the address above. You do not need to complete the declaration. This may be particularly relevant to those premises that are part of a large retail chain, where the cumulative total of Retail Discount received could exceed €200,000.

Under the European Commission rules, you must retain this letter for three years from the date on this letter and produce it on any request by the UK public authorities or the European Commission. (You may need to keep this letter longer than three years for other purposes). Furthermore, information on this aid must be supplied to any other public authority or agency asking for information on '*de minimis*' aid for the next three years.

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<sup>10</sup> Further information on State Aid law can be found at <https://www.gov.uk/state-aid>

<sup>11</sup> An undertaking is an entity which is engaged in economic activity. This means that it puts goods or services on a given market. The important thing is what the entity does, not its status. Therefore, a charity or not for profit company can be undertakings if they are involved in economic activities. A single undertaking will normally encompass the business group rather than a single company within a group. Article 2.2 of the *de minimis* Regulations (Commission Regulation EC/ 1407/2013) defines the meaning of 'single undertaking'.

**‘De minimis’ declaration**

Dear [ ]

NON-DOMESTIC RATES ACCOUNT NUMBER: \_\_\_\_\_

The value of the non-domestic rates Retail Discount to be provided to [name of undertaking] by [name of local authority] is £ [ ] (Euros [ ]).

This award shall comply with the EU law on State Aid on the basis that, including this award, [name of undertaking] shall not receive more than €200,000 in total of *De minimis* aid within the current financial year or the previous two financial years). The *de minimis* Regulations 1407/2013 (as published in the Official Journal of the European Union L352 24.12.2013) can be found at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF> .

<b>Amount of <i>de minimis</i> aid</b>	<b>Date of aid</b>	<b>Organisation providing aid</b>	<b>Nature of aid</b>

I confirm that:

1) I am authorised to sign on behalf of \_\_\_\_\_ [name of undertaking]; and

2) \_\_\_\_\_ [name of undertaking] shall not exceed its *De minimis* threshold by accepting this Retail Discount.

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

## Refusal of Retail Discount form

Name and address of premises	Non-domestic rates account number	Amount of Retail Discount

I confirm that I wish to refuse Retail Discount in relation to the above premises.

I confirm that I am authorised to sign on behalf of \_\_\_\_\_ [name of undertaking].

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:



Ministry of Housing,  
Communities &  
Local Government

## Business Rates

Pubs Discount 2020/21 – Local Authority Guidance



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Ministry of Housing, Communities and Local Government  
Fry Building  
2 Marsham Street  
London  
SW1P 4DF  
Telephone: 030 3444 0000

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# Contents

<b>About this guidance</b>	<b>4</b>
<b>Introduction</b>	<b>4</b>
How will the relief be provided?	4
Eligibility criteria - which properties will benefit from relief?	5
How much relief will be available?	6
State Aid	6
Splits, mergers, and changes to existing hereditaments	7
<b>Annex A: Calculation examples for 2020/21</b>	<b>8</b>
<b>Annex B: Sample paragraphs that could be included in letters to ratepayers about Pubs Discount for 2020/21</b>	<b>9</b>
<i>'De minimis'</i> declaration	10
Refusal of Pubs Discount form	11

## About this guidance

1. This guidance is intended to support local authorities in administering the business “Pubs Discount 2020/21” scheme announced in a Written Ministerial Statement on 27 January 2020.
2. The guidance sets out how the scheme should operate and the eligibility criteria that should apply. This Guidance applies to England only.
3. Enquiries on this measure should be addressed to:  
[ndr@communities.gov.uk](mailto:ndr@communities.gov.uk)

## Introduction

4. The Government recognises the important role that pubs play in urban and rural communities across the country. In a Written Ministerial Statement on 27 January 2020, the Financial Secretary to the Treasury announced a £1,000 business rate discount for public houses with a rateable value of less than £100,000 for one year from 1 April 2020.

### How will the relief be provided?

5. As this is a measure for 2020-21 only, the Government is not changing the legislation around the reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant relief. It will be for individual local billing authorities to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.
6. Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003). The Government expects local government to apply and grant relief to qualifying ratepayers from the start of the 2020/21 billing cycle.
7. Local authorities will be asked to provide an estimate of their likely total cost for providing the relief in a supplementary return for 2020/21. Central government will provide payments to authorities to cover the local share, as per the usual process.
8. Local authorities will also be asked to provide outturn data on the actual total cost for providing the relief, as per the usual process, via the National Non-Domestic Rate 3 (NNDR3) forms for 2020-21. Any required reconciliations will then be conducted at these points.<sup>1</sup>

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<sup>1</sup> As required in the NNDR3 guidance notes, the former categories of discretionary relief prior to the Localism Act (i.e. charitable/CASC/rural etc. top up and not for profit) should be applied first in the sequence of discretionary reliefs and before the retail discount. This pubs discount should be applied after all other reliefs, including the retail discount, except for locally funded section 47 reliefs.

## Eligibility criteria - which properties will benefit from relief?

9. This section describes in principle the Pubs Discount 2020/21 scheme. Local authorities should use this section to determine eligibility for the relief. The scheme will be available to eligible occupied properties with a rateable value of less than £100,000. The majority of pubs are independently owned or managed and will not be part of chains. Where pubs are part of a chain, relief will be available for each eligible property in the chain, subject to meeting State Aid requirements.
10. There is no definitive description of a traditional pub or public house in law which could be readily used by local authorities to determine eligibility. The objective has been to adopt an approach that makes the design and eligibility of the scheme easy to implement by local authorities in a clear and consistent way, is widely accepted by the industry and which is consistent with the Government's policy intention as set out in this section.
11. The Government's policy intention is that eligible pubs should:
- be open to the general public
  - allow free entry other than when occasional entertainment is provided
  - allow drinking without requiring food to be consumed
  - permit drinks to be purchased at a bar.
12. For these purposes, it should exclude:
- restaurants
  - cafes
  - nightclubs
  - hotels
  - snack bars
  - guesthouses
  - boarding houses
  - sporting venues
  - music venues
  - festival sites
  - theatres
  - museums
  - exhibition halls
  - cinemas
  - concert halls
  - casinos
13. The proposed exclusions in the list at paragraph 12 is not intended to be exhaustive and it will be for the local authority to determine those cases where eligibility is unclear. We believe that billing authorities will already have a good understanding of the licensed premises in their areas and will be able to readily form a view on eligibility in the majority of cases. We expect local authorities to deliver the scheme using their knowledge of their business rates base and existing collection practices.

14. Where eligibility is unclear authorities should also consider broader factors in their considerations – i.e., in meeting the stated intent of policy that it demonstrates the characteristics that would lead it to be classified as a pub, for example being owned and operated by a brewery. Additionally, local authorities may also wish to consider other methods of classification, such as the planning system and the use classes order to help them decide whether a property is a pub or not. However, permission for a particular use class will not necessarily mean that the property meets the definition of a pub.

### **How much relief will be available?**

15. The total amount of government-funded relief available in the year 2020/21 under this scheme is £1,000 per eligible property. There is no relief available under this scheme for properties with a rateable value of £100,000 or more. Eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.
16. This relief should be applied to bills after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, including the retail discount, but excluding those where local authorities have used their discretionary relief powers under section 47 which are not funded by section 31 grants.<sup>2</sup> Of course, councils may use their discretionary powers to offer further discounts outside this scheme. However, where an authority applies a locally funded relief under section 47 this must also be applied after the pubs discount.
17. Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid De Minimis limits.

### **State Aid**

18. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However, pubs discount will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013).<sup>3</sup>
19. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and the two previous financial years). Local authorities should familiarise themselves with the terms of this State Aid exemption, in particular the types of undertaking that are excluded from receiving De Minimis aid (Article 1), the relevant definition of undertaking (Article 2(2))<sup>4</sup> and the requirement to convert the aid into Euros.<sup>5</sup>

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<sup>2</sup> As required in the NNDR3 guidance notes, the former categories of discretionary relief prior to the Localism Act (i.e. charitable/CASC/rural etc. top up and not for profit) should be applied first in the sequence of discretionary reliefs and before the retail discount. This pubs discount should be applied after all other reliefs, including the retail discount, except for locally funded section 47 reliefs.

<sup>3</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

<sup>4</sup> The 'New SME Definition user guide and model declaration' provides further guidance: [http://ec.europa.eu/enterprise/policies/sme/files/sme\\_definition/sme\\_user\\_guide\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf)

<sup>5</sup> [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/infoeuro/infoeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm)

20. To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation). Annex B of this guidance contains a sample De Minimis declaration which local authorities may wish to use, to discharge this responsibility. Where local authorities have further questions about De Minimis or other aspects of State Aid law, they should seek advice from their legal department in the first instance.<sup>6</sup>
21. Whilst the UK is scheduled to leave the EU on 31 January 2020, the Withdrawal Agreement negotiated by the Government and the EU provides that during an implementation period State aid rules will continue to apply as now and will be subject to control by the EU Commission as at present. Local authorities should therefore continue to apply State aid rules, including De Minimis, to the relief during the implementation period.

### **Splits, mergers, and changes to existing hereditaments**

22. The pubs discount should be applied on a day-to-day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

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<sup>6</sup> Detailed State Aid guidance can also be found at:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/15277/National\\_State\\_Aid\\_Law\\_Requirements.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15277/National_State_Aid_Law_Requirements.pdf)

## Annex A: Calculation examples for 2020/21

The retail discount (one third) is always calculated after mandatory relief and other discretionary reliefs funded by section 31 grant. The multiplier used here is provisional.

### **Example 1: An occupied pub with a rateable value of £40,000**

Gross rates (before any reliefs) = £40,000 x 0.499 = £19,960  
Retail discount (50%):= -£9,980  
Pubs discount (-£1,000):= -£1,000  
Rates due (after retail discount and pub discount): = £8,980

### **Example 2: An occupied pub with a rateable value of £70,000**

Gross rates (before any reliefs) = £70,000 x 0.512= £35,840  
Pub discount (-£1,000):= -£1,000  
Rates due (after pub discount):= £34,840

## Annex B: Sample paragraphs that could be included in letters to ratepayers about Pubs Discount for 2020/21

In a Written Ministerial Statement on 27 January 2020 the Government announced that eligible pubs will receive a £1,000 discount on their business rates bills for one year from April 2020.

Relief will be provided to eligible occupied pubs with a rateable value of less than £100,000 in 2020/21. Your current rates bill includes this pubs discount.

Awards such as pubs discount are required to comply with the EU law on State Aid.<sup>7</sup> In this case, this involves returning the attached declaration to this authority if you have received any other *de minimis* State Aid, including any other pub relief you are being granted for premises other than the one to which this bill and letter relates, and confirming that the award of pub relief does not exceed the €200,000 an undertaking<sup>8</sup> can receive under the *de minimis* Regulations EC 1407/2013.

Please complete the declaration and return it to the address above. In terms of declaring previous *de minimis* aid, we are only interested in public support which is *de minimis* aid (State Aid received under other exemptions or public support which is not State Aid does not need to be declared).

If you have not received any other *de minimis* State Aid, including any other pubs discount you are being granted for premises other than the one to which this bill and letter relates, you do not need to complete or return the declaration.

If you wish to refuse to receive the pubs discount granted in relation to the premises to which this bill and letter relates, please complete the attached form and return it to the address above. You do not need to complete the declaration. This may be particularly relevant to those premises that are part of a large pub chain, where the cumulative total of pubs discount received could exceed €200,000.

Under the European Commission rules, you must retain this letter for three years from the date on this letter and produce it on any request by the UK public authorities or the European Commission. (You may need to keep this letter longer than three years for other purposes). Furthermore, information on this aid must be supplied to any other public authority or agency asking for information on '*de minimis*' aid for the next three years.

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<sup>7</sup> Further information on State Aid law can be found at <https://www.gov.uk/state-aid>

<sup>8</sup> An undertaking is an entity which is engaged in economic activity. This means that it puts goods or services on a given market. The important thing is what the entity does, not its status. Therefore, a charity or not for profit company can be undertakings if they are involved in economic activities. A single undertaking will normally encompass the business group rather than a single company within a group. Article 2.2 of the *de minimis* Regulations (Commission Regulation EC/ 1407/2013) defines the meaning of 'single undertaking'.

**‘De minimis’ declaration**

Dear [ ]

NON-DOMESTIC RATES ACCOUNT NUMBER: \_\_\_\_\_

The value of the non-domestic rates pubs discount to be provided to [name of undertaking] by [name of local authority] is £ [ ] (Euros [ ]).

This award shall comply with the EU law on State Aid on the basis that, including this award, [name of undertaking] shall not receive more than €200,000 in total of *De minimis* aid within the current financial year or the previous two financial years). The *de minimis* Regulations 1407/2013 (as published in the Official Journal of the European Union L352 24.12.2013) can be found at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF> .

<b>Amount of <i>de minimis</i> aid</b>	<b>Date of aid</b>	<b>Organisation providing aid</b>	<b>Nature of aid</b>

I confirm that:

1) I am authorised to sign on behalf of \_\_\_\_\_ [name of undertaking]; and

2) \_\_\_\_\_ [name of undertaking] shall not exceed its *De minimis* threshold by accepting this pubs discount.

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

## Refusal of Pubs Discount form

Name and address of premises	Non-domestic rates account number	Amount of Pubs Discount

I confirm that I wish to refuse pubs discount in relation to the above premises.

I confirm that I am authorised to sign on behalf of \_\_\_\_\_ [name of undertaking].

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

<b>Committee:</b>	Council	<b>Date:</b>	Tuesday, 25 February 2020
<b>Title:</b>	International Holocaust Remembrance Alliance (IHRA) Working Definition of Antisemitism		
<b>Report Author:</b>	Dawn French, Chief Executive dfrench@uttlesford.gov.uk Tel: 01799 510400		

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## Summary

1. The Secretary of State for Housing Communities and Local Government has written to all local authorities encouraging them to adopt the International Holocaust Remembrance Alliance (IHRA) Working Definition of Antisemitism.
2. The definition is not designed to be legally binding but is intended to demonstrate a commitment to engaging with the experiences of Jewish communities.
3. Members are invited to debate the matter and propose to adopt the definition. If members are not minded to adopt the definition, the reasons for not doing so should be clearly set out.

## Recommendations

That the Council adopts the following non-legally binding working definition of antisemitism:

“Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.”

## Financial Implications

3. There are no financial implications arising from this report.

## Background Papers

4. 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:

Letter from Secretary of State for Housing Communities and Local Government – 15 October 2019.

## Situation

5. The International Holocaust Remembrance Alliance (IHRA), founded in 1998, is an inter-governmental body that unites governments and experts to

strengthen, advance and promote Holocaust education, research and remembrance and to uphold the commitments to the 2000 Stockholm Declaration. The United Kingdom has been member of the IHRA since it was founded in 1998.

6. In October 2019, the Secretary of State for Housing, Communities and Local Government wrote to local authorities expressing an urgent need to take action which includes adopting the definition. The letter is attached at Enclosure 1. It should be noted that no trace can be found of the letter of 2017 referred to in the 2019 letter.

7. The International Holocaust Remembrance Alliance (IHRA) adopted the following, non-legally binding, working definition of antisemitism:

“Anti-Semitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of anti-Semitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.”

8. The IHRA has published examples to guide organisations on the implementation of the definition, these are set out in Enclosure 2 and are considered to be essential supporting elements of the working definition.

9. There is no recent data recording the number of residents identifying as Jewish in Uttlesford but the 2011 Census reported 0.29% of the Uttlesford population was Jewish.

10. The Council’s equality policy seeks to ensure people are treated with dignity and respect and the causes of unfairness are understood and addressed. A hate crime is defined as a crime which is committed against someone due to their race, religion, gender, sexual orientation, age or disability. Tackling hate crime – which includes antisemitism - is important for the Council, not just because of the devastating consequences it can have for victims and their families, but also because it can divide communities.

11. Whilst the IHRA definition of Anti-Semitism is not legally binding its adoption will support the Council’s obligations under the Equality Act 2010, and its responsibilities under the Public Sector Equality Duty, to demonstrate due regard and to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not

12. The IHRA definition serves as a complementary measure that addresses equalities issues though seeking to deepen the understanding of anti-Semitism.

13. Members are advised that despite the request from the Secretary of State not all councils have adopted the IHRA definition, although the actual number is as yet unknown. The Secretary of State is intending to publish lists of adopting and non-adopting Councils. At the end of January 2020, he was quoted as saying:

*“I have been clear that all universities and local councils that have not already done so must adopt the International Holocaust Remembrance Alliance definition of anti-Semitism. It is shocking that some still haven’t, demonstrating a serious lack of respect for this issue. I will shortly publish the list of those councils that have told my department that they will adopt the definition and those that have explicitly refused to do so. Organisations like these should not expect to receive public money if they cannot demonstrate that they are fighting antisemitism.”*

## Risk Analysis

1.

Risk	Likelihood	Impact	Mitigating actions
There is a risk on the Council’s reputation and relationship with the Jewish community if the definition is not adopted	3 – whilst the population of Jews in Uttlesford may not be high, the issue of anti-semitism is of concern to the wider community	3 - whilst the population of Jews in Uttlesford may not be high, the issue of anti-semitism is of concern to the wider community	Adoption of the IHRA definition or a clear explanation of why the Council is not supportive of the definition.

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.

## Appendix 1:

### IHRA working definitions - examples to guide organisations

The IHRA has published examples to guide organisations on the implementation of the definition. The Alliance has pointed to the following examples which may serve as illustrations:

Manifestations might include the targeting of the state of Israel, however, criticism of Israel similar to that levelled against any other country cannot be regarded as antisemitic. Antisemitism frequently charges Jews with conspiring to harm humanity, and it is often used to blame Jews for "why things go wrong." It is expressed in speech, writing, visual forms and action, and employs sinister stereotypes and negative character traits.

The IHRA advises that contemporary examples of antisemitism in public life, the media, schools, the workplace, and in the religious sphere could, taking into account the overall context, include, but are not limited to:

- Calling for, aiding, or justifying the killing or harming of Jews in the name of a radical ideology or an extremist view of religion.
- Making mendacious, dehumanizing, demonizing, or stereotypical allegations about Jews as such or the power of Jews as collective — such as, especially but not exclusively, the myth about a world Jewish conspiracy or of Jews controlling the media, economy, government or other societal institutions.
- Accusing Jews as a people of being responsible for real or imagined wrongdoing committed by a single Jewish person or group, or even for acts committed by non-Jews.
- Denying the fact, scope, mechanisms (e.g. gas chambers) or intentionality of the genocide of the Jewish people at the hands of National Socialist Germany and its supporters and accomplices during World War II (the Holocaust).
- Accusing the Jews as a people, or Israel as a state, of inventing or exaggerating the Holocaust.
- Accusing Jewish citizens of being more loyal to Israel, or to the alleged priorities of Jews worldwide, than to the interests of their own nations.
- Denying the Jewish people their right to self-determination, e.g., by claiming that the existence of a State of Israel is a racist endeavour.
- Applying double standards by requiring of it a behaviour not expected or demanded of any other democratic nation.
- Using the symbols and images associated with classic antisemitism (e.g., claims of Jews killing Jesus or blood libel) to characterize Israel or Israelis.
- Drawing comparisons of contemporary Israeli policy to that of the Nazis.
- Holding Jews collectively responsible for actions of the state of Israel.

**Antisemitic acts are criminal** when they are so defined by law (for example, denial of the Holocaust or distribution of antisemitic materials in some countries).

**Criminal acts are antisemitic** when the targets of attacks, whether they are people or property – such as buildings, schools, places of worship and cemeteries – are selected because they are, or are perceived to be, Jewish or linked to Jews.

**Antisemitic discrimination** is the denial to Jews of opportunities or services available to others and is illegal in many countries.

## **North Essex Economic Strategy Motion for Council: 25 February**

This Council notes the North Essex Economic Strategy (NEES), but requests Cabinet to pause further work on the NEES pending detailed further clarification of;

- a. the economic benefits that the NEES will bring to Uttlesford.
- b. the role of Uttlesford within this strategy given our proximity to Cambridge and the knowledge based economy centred there.
- c. the opportunities for deeper cooperation and coordination with the local authorities, including the Mayoralty, of the Cambridge sub region.

Signatories:

- Cllr Gregory
- Cllr Pavitt
- Cllr Light

**Committee:** Council

**Date:**

**Title:** Briefing Note – North Essex Economic Strategy

25<sup>th</sup> February 2020

**Report Author:** Gordon Glenday, Asst Director, Planning  
gglenday@uttlesford.gov.uk

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## Summary

1. Context for the North Essex Economic Strategy (NEES) and Local Enterprise Partnership
  - The District was part of both the then Greater Cambridge Greater Peterborough Local Enterprise Partnership (GCGPLEP) and South East Local Enterprise Partnership (SELEP). Central Government has directed that no local authority should be served by more than one Local Enterprise Partnership and from March 31<sup>st</sup> 2021 the district will only form part of the SELEP.
  - This important change places even greater emphasis on Uttlesford developing its relationship with SELEP including via partnerships with other local authorities such as those authorities also involved in the development of the North Essex Economic Strategy. Working in partnership significantly enhances our ability to influence SELEP, promote the opportunities in Uttlesford and attract funding via the SELEP Prosperity Funding provided by Central Government to support the delivery of projects in LEP areas.
2. Context for the North Essex Economic Strategy and Other Partnerships
  - Uttlesford District Council is a member of the London Stansted Cambridge Consortium and of the Consortium's Central Area Alliance (alongside partners in Harlow, Epping Forest, East Herts, Broxbourne, Essex and Hertfordshire) and has a pivotal role facing north, south, east and west. In addition the Council is a member of the Digital Innovation Zone and Cross Border Tourism Partnership which also includes Harlow, Epping Forest, East Herts and Broxbourne councils.
3. North Essex Economic Strategy Action Plan

Work has been ongoing with the other local authority partners in the NEES to bring forward a number of projects to be included within a subsequent action plan which will be developed in the coming weeks. A number of specific projects have been put forward by this council for consideration by the partnership. These include a feasibility study for a new research institute / incubator centre at Chesterford Research Park; grow-on commercial property at CRP and in the Stansted airport location (Northside); rapid transit systems Stansted to Braintree and North Uttlesford and expansion of both the Aerozone and Airport College. The proximity to the Cambridge knowledge based economy will be a key driver in the attraction of a new research institute / incubator centre and grow-on space at Chesterford Research Park.

## **Fireworks Motion for Council: 25 February**

This Council resolves:

- 1) To encourage all public firework displays within Uttlesford District Council's administrative boundary to be advertised in advance of the event, allowing residents to take precautions for their animals and vulnerable people;
- 2) To actively promote a public awareness campaign about the impact of fireworks on animal welfare and vulnerable people – including the precautions that can be taken to mitigate risks;
- 3) To encourage local suppliers of fireworks to stock and emphasise through marketing quieter fireworks for public and private displays;
- 4) To write to the UK Government urging them to introduce legislation to limit the maximum noise level of fireworks to 90dB for those sold to the public for private displays; and
- 5) To further write to the UK Government urging them to explore fireworks licensing for private and public use.

Signatories:

- Cllr Criscione