



## Public Document Pack

# Uttlesford District Council

Chief Executive: Dawn French

## Cabinet

**Date:** Wednesday, 5th February, 2020

**Time:** 5.00 pm

**Venue:** Council Chamber - Council Offices, London Road, Saffron Walden, CB11 4ER

**Leader and Chair:** Councillor J Lodge

**Members:** Councillors A Armstrong, H Asker, D Eke, J Evans, N Hargreaves, P Lees and L Pepper

**Other attendees:** Councillors S Barker (Conservative Party Group Leader), C Day (Cabinet Deputy for Community Safety – Police and Emergency Services), A Dean (Liberal Democrat Party Group Leader), P Fairhurst (Green Party Group Leader), N Gregory (Chair of Scrutiny Committee), E Oliver (Chair of Governance, Audit and Performance Committee), R Pavitt (Uttlesford Independent Party Group Leader), A Storah (Cabinet Deputy for Planning) and M Sutton (Cabinet Deputy for Communities).

### 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 for absence and declarations of interest.

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|-----------|--|-----------|
| <b>2</b>  | <b>Minutes of the Previous Meeting</b>   | 5 - 8     |
|           | To consider the minutes of the meeting held on 9 January 2020.   |           |
| <b>3</b>  | <b>Questions or Statements from Non-Executive Members of the Council (standing item)</b>   |           |
|           | To receive questions or statements from non-executive members on matters included on the agenda.   |           |
| <b>4</b>  | <b>Matters Referred to the Executive by the Scrutiny Committee or by the Council (standing item)</b>   |           |
|           | To consider matters referred to the Executive for reconsideration in accordance with the provisions of the Overview and Scrutiny Procedure Rules or the Budget and Policy Framework Rules. |           |
| <b>5</b>  | <b>Consideration of reports from overview and scrutiny committees (standing item)</b>  |           |
|           | To consider any reports from Scrutiny Committee.   |           |
| <b>6</b>  | <b>Report of Delegated Decisions taken by Cabinet Members (standing item)</b>  |           |
|           | To receive for information any delegated decisions taken by Cabinet Members since the previous Cabinet meeting.  |           |
| <b>7</b>  | <b>Report on assets of community value determined by the Assets of Community Value and Local Heritage List Committee (standing item)</b>   |           |
|           | To receive for information any decisions made by the Assets of Community Value and Local Heritage List Committee since the previous Cabinet meeting.                                       |           |
| <b>8</b>  | <b>Draft Corporate Plan 2020 - 2024</b>  | 9 - 18    |
|           | To consider the Draft Corporate Plan 2020-24.  |           |
| <b>9</b>  | <b>Medium Term Financial Strategy and Budget Proposals - 2020/21</b>   | 19 - 170  |
|           | To consider the MTFs and Budget proposals for 2020-21.   |           |
| <b>10</b> | <b>Corporate Plan Delivery Plan 2019/20 Quarter 3 Progress Update</b>  | 171 - 190 |

To receive the Corporate Plan Delivery Plan 2019-20 Quarter 3 progress update.

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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.

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# Agenda Item 2

**CABINET held at COUNCIL CHAMBER - COUNCIL OFFICES, LONDON ROAD, SAFFRON WALDEN, CB11 4ER, on THURSDAY, 9 JANUARY 2020 at 7.00 pm**

Present: Councillor J Lodge (Chair)  
Councillors A Armstrong, D Eke, J Evans, N Hargreaves,  
P Lees, L Pepper

Also present: Cllr Day (Cabinet Deputy for Community Safety (Police and Emergency Services), A Dean (Leader of the Liberal Democrat Group), N Gregory (Chair of Scrutiny Committee), B Light (Representing the Green Party Group), R Pavitt (Leader of the Independent Group) and M Sutton (Cabinet Deputy for Communities)

Officers in attendance: D French (Chief Executive), A Bochel (Democratic Services Officer), R Harborough (Director - Public Services), S Pugh (Assistant Director - Governance and Legal), J Snares (Housing Strategy and Operations Manager) and A Webb (Director - Finance and Corporate Services)

## **CAB62 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillors Asker and Barker.

## **CAB63 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 4 December 2019 were approved and signed as a correct record of the meeting.

## **CAB64 QUESTIONS OR STATEMENTS FROM NON-EXECUTIVE MEMBERS OF THE COUNCIL (STANDING ITEM)**

Councillor Freeman spoke on the importance of the Planning Committee being able to adopt planning policies that were coming forward in the draft local plan. He suggested that Cabinet adopt these policies earlier in order for the Committee to have an adequate toolkit for dealing with the skills of developers.

The Chair said a report on this matter would be brought to an upcoming Planning Policy Working Group meeting.

Councillor Pavitt asked when an agreement that Easton Park should never have more than 10 properties built on it would be overturned.

The Assistant Director – Governance and Legal said the appropriate time to do this was in receipt of a planning application. The Chair suggested that officers look into whether this would be possible to achieve any earlier.

**CAB65 CONSIDERATION OF REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (STANDING ITEM)**

Councillor Gregory said that in his capacity of Chair of Scrutiny Committee, he and the Vice Chair, Councillor LeCount, had received a report from the Director – Finance and Corporate Services on the Norse contract which was discussed at the previous Cabinet meeting. They had been satisfied with the information they had received.

**CAB66 DRAFT CORPORATE PLAN 2020-24**

The Chair gave a summary of the report which set out the latest draft of the Corporate Plan. This document set out the Council's vision and priorities for the next four years and formed part of a wider strategic planning framework which directed how and where Council resources are allocated. The updated draft would be submitted to the Scrutiny at the 4 February meeting. It was important for the work on this plan to be done properly.

Councillor Hargreaves proposed a series of changes. Cabinet agreed to make the following amendments:

- Change 'encourage town and parish councils to better represent their communities' to 'support town and parish councils to better represent their communities'.
- Remove 'actively' from 'actively apply for all relevant grants'.
- Amend 3e in the 'Putting Residents First' section to read 'set a Medium Term Financial Strategy (MTFS) to fund council services by balancing the mix of investment, services and tax income, while maintaining adequate reserves.
- Change 'follow best practices for investment risk management and board composition' to 'follow best practices for investment risk management and Investment Board composition'.

Councillor Dean asked that the following be taken into account:

- There was currently not much in the plan that maintained the principle of maintaining or improving council services.
- It would be good to see a reference on lobbying on emissions from aviation.
- It would be good to see a reference to the ongoing work on providing properly affordable housing.
- Mention of pride of place should be made.
- Reducing other material residual waste should be made.

Councillor Day suggested that 3a in the 'Champion For Our District' section read 'work with the Police, Fire and Crime Commissioner and the Chief Constable to reduce crime in our area'.

Members noted the report.

**CAB67 HOMELESSNESS AND ROUGH SLEEPER STRATEGY**

Councillor Lees gave a summary of the report which said the Cross-Government Rough Sleeping Strategy had committed to ensuring that all local authorities had an up to date homelessness strategy available online by winter 2019. The updated Homelessness and Rough Sleeping Strategy had been attached to the report.

RESOLVED to adopt of the Homelessness and Rough Sleeping Strategy 2020-2025.

**CAB68 GARDEN COMMUNITIES DELIVERY MEMBER GOVERNANCE BOARD UPDATE JUNE 2019 – DECEMBER 2019**

The Chair gave a summary of the report which described the work of the Garden Communities Delivery Member Governance Board and the progress made over the last seven months, and identified the current work programme.

In response to a Member question, the Chair said the problems the North Essex Authorities (NEA) were experiencing raised issues for Uttlesford District Council's local plan, but the Council was working with the NEA to resolve various issues.

Councillor Day asked that a briefing be held for members to bring them up to speed on the work of the Garden Communities Delivery Member Governance Board and the delivery boards specific to each new garden community. The Chair said he would like papers from these meetings to be made available to other councillors if possible, to maintain the principle of transparency.

In response to a Member question, the Chief Executive said a briefing would be held for Members when the council received the Inspector's letter responding to its local plan.

Members noted the report.

**CAB69 NOMINATION OF THE QUEEN'S HEAD AS AN ASSET OF COMMUNITY VALUE**

Councillor Lees gave a summary of the report which asked Members to determine whether to list The Queen's Head, Littlebury as an Asset of Community Value.

Members noted that The Queen's Head met the criteria to be an Asset of Community Value.

RESOLVED to list The Queen's Head, Littlebury as an Asset of Community Value.

CAB70 **CHANGE OF REPRESENTATIVE ON THE LOCAL STRATEGIC PARTNERSHIP**

The Chair gave a summary of the report, which recommended appointing Councillor Lees to represent Uttlesford District Council on the Local Strategic Partnership.

RESOLVED to appoint Councillor Lees to be the Council's representative on the Local Strategic Partnership.

The meeting closed at 8.30pm.

# Agenda Item 8

<b>Committee:</b>	Cabinet	<b>Date:</b>	5 February 2020
<b>Title:</b>	Draft Corporate Plan 2020-24		
<b>Portfolio Holder:</b>	Councillor John Lodge, Leader of the Council		
<b>Report Author:</b>	Dawn French, Chief Executive <a href="mailto:dfrench@uttlesford.gov.uk">dfrench@uttlesford.gov.uk</a> Tel: 01799 510400	<b>Key decision:</b>	No

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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 and forms part of a wider strategic planning framework which directs how and where Council resources are allocated.
2. Scrutiny Committee reviewed the first (skeleton) of the draft corporate plan on 5 November 2019.
3. A more detailed draft was prepared for Cabinet to consider on 9 January 2020, when further amendments were agreed.
4. That more detailed draft, as amended by Cabinet, will be considered on 4 February 2020 and their comments reported verbally to Cabinet for consideration.

## Recommendations

5. That the draft Corporate Plan for 2020-24 be recommended to Council for approval.

## Financial Implications

6. There are no direct financial implications arising from this report. Any financial implications arising in the associated delivery plan will be identified in the budget and medium term financial strategy (MTFS).

## Background Papers

7. None.

## Impact

Communication/Consultation	The plan is derived from consultation within the R4U party, R4U stakeholder events and issues raised during canvassing for the local elections. There is an intention for the
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	council to undertake fuller engagement in 2020, 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. Members of the Scrutiny Committee considered the first (skeleton) draft of the corporate plan at their meeting on 5 November 2019. No comments were made regarding the vision or themes. However, members were keen to see the measures of success and specific actions, rather than general commitments.
9. Members considered the next draft of the corporate plan, including statements relating to the outcomes, at their meeting on 9 January 2020 and recommended some amendments, which have been incorporated into the latest draft attached at Appendix A.
10. The Scrutiny Committee are considering this latest draft at their meeting on 4 February 2020 and their comments will be reported verbally for Cabinet members' consideration.
11. As previously reported, the proposed corporate plan continues to prioritise the council's community leadership role. This includes focusing on bringing partners together, joining up local services, exercising influence in developing a shared local agenda, engaging with citizens and creating a vision for our locality. This is in addition to the council's more traditional role of meeting its statutory requirements and as a provider of good quality services.
12. Work has continued alongside the development of the corporate plan and the budget on the draft delivery plan; its purpose is to set out the more significant

actions/projects (outputs) required to progress towards achieving the outcomes in the corporate plan, that will be implemented in 2020-2021, together with the resource implications. This will be presented to Cabinet in April for approval.

## Risk Analysis

13.

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.

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**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 organisation 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>

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# Agenda Item 9

<b>Committee:</b>	Cabinet	<b>Date:</b>
<b>Title:</b>	Medium Term Financial Strategy and Budget Proposals - 2020/21	Wednesday, 5 February 2020
<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> No

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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. An Equality Impact Assessment is attached with this report as Appendix I.

## Recommendations

5. The Cabinet are requested to recommend for approval by the Council the 8 budget reports for 2020/21 as attached in Appendices A to H and the associated Annexes. The reports and individual recommendations are detailed in the table shown in point 10. The Equalities Impact Assessment is attached as Appendix I.

## Financial Implications

6. All financial implications are included in the individual reports as listed in the table in paragraph 10.

## Background Papers

7. 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.

## Impact

8.

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

9. All the budget reports and associated strategies are attached as Appendices A to I and a brief outline of each report is detailed below,

10. In all cases, numbers I - XVII, The Cabinet is requested to recommend that Council:

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	<p>I. Takes account of the advice in the report when determining the 2020/21 General Fund budget and Council Tax</p> <p>II. Approves the risk assessment relating to the robustness of estimates as detailed in the report</p> <p>III. Sets 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</p>

Report Title	Purpose of report	Recommendations
		<p>IV. Approve the Reserves Strategy set out in Annexe A1</p> <p>V. Agrees that no transfers to or from the Working Balance should be built into the 2020/21 budget</p>
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 current investment and future aspirations	<p>VI. Approve the Commercial Strategy 2020/21</p> <p>VII. Approve the revised investment fund of £300 million</p>
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	<p>IX. Approve the Treasury Management Strategy</p> <p>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</p>
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	<p>XI. Approve the Capital Strategy</p> <p>XII. Approve the Minimum Revenue Provision (MRP) as set out in Annexe E1</p>

Report Title	Purpose of report	Recommendations
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
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 £5,956,841  XVI. Approve the schedule of fees and charges as set out in Annexe H6
Appendix I 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	XVII. Note the outcome of the EQIA

## Risk Analysis

11.

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

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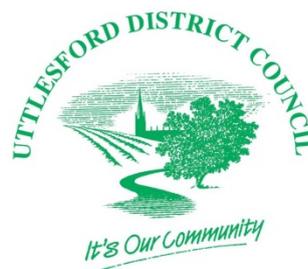
# Uttlesford District Council

## Reserves Strategy

### 2020/21



Prepared by:  
Angela Knight  
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 the council currently retains a 50% share, this will be increased to 75% in the planned reform of the scheme in 2021/22. 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 to the scheme moved from a 6 year to 4 year scheme and an 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. It is expected that legacy payments will continue even if the scheme is ended in 2021/22
  - 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 to reserves	Est'd balance	Transfer from General Fund	Transfer to General Fund	Transfer to reserves	Est'd balance	Transfer from General Fund	Transfer to General Fund	Transfer to reserves	Est'd balance	Transfer from General Fund	Transfer to General Fund	Transfer to reserves	Est'd balance	Transfer from General Fund	Transfer to General Fund	Transfer to reserves	Est'd balance	Transfer from General Fund	Transfer to General Fund	Transfer to reserves	Est'd balance				
<b>RINGFENCED RESERVES</b>																												
Business Rates	1,781	1,052		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					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)	1,114			(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>40</b>					<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	
Homelessness	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
Planning 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
Garden 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>(310)</b>		<b>5,947</b>	<b>25</b>	<b>(810)</b>		<b>5,137</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>25</b>	<b>(810)</b>		<b>8,496</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>	<b>25</b>	<b>(810)</b>		<b>11,623</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>

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>																									
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) Page 40	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 41 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

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# 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 by the Aspire companies 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.

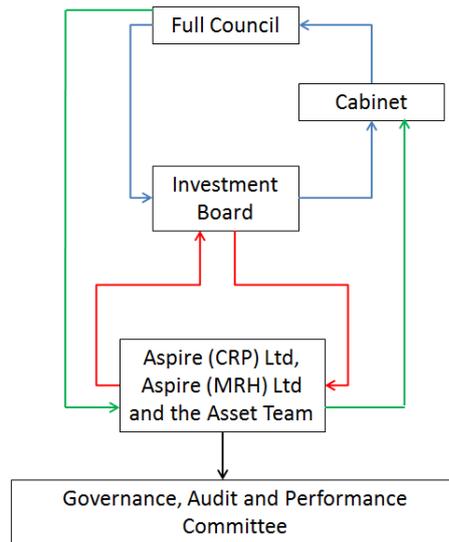
## **Proportionality**

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.

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# 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 provisional settlement announced on 20 December 2019; 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	39,868.69	1.74%
LCTS Discounts	(1,872.76)	(1,832.54)	-2.15%
Taxbase (net)	37,313.15	38,036.15	1.94%
Band D	£151.61	£156.61	3.30%
<b>Council Tax Yield</b>	<b>£5,657,106</b>	<b>£5,956,841</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 69

Reserve £'000	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	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

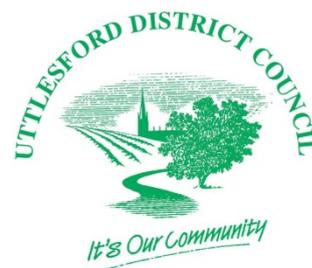
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# Uttlesford District Council Treasury Management Strategy 2020/21



**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>	

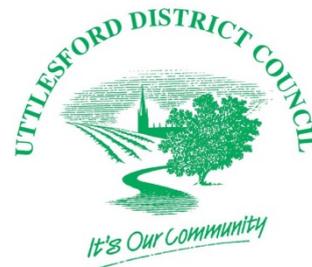


Appendix E

# 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	2019/20	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2020/2025
	Current Budget	Forecast Spend P7	Proposed Slippage to 2020/21	Original Forecast	Forecast	Forecast	Forecast	Forecast	Total
<b>£000</b>									
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**

HOUSING & ECONOMIC DEVELOPMENT 2019/20 to 2024/25	2019/20	2019/20	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2020/2025
	Current Budget	Forecast Spend P7	Proposed Slippage to 2020/21	Original	Forecast	Forecast	Forecast	Forecast	Total
£000									
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>

INVESTMENTS 2019/20 to 2024/25	2019/20	2019/20	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2020/2025
	Current Budget	Forecast Spend P7	Proposed Slippage to 2020/21	Original	Forecast	Forecast	Forecast	Forecast	Total
£000									
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>

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## 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>Reserve</b>									
<b>£'000</b>									
<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>

- 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>Reserve</b>									
<b>£'000</b>									
<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>0</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 £5,956,841 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 39,868.69 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 38,036.15.
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 £5,956,841.
8. The Council is therefore required to balance its net budget to a Council Tax Requirement of £5,956,841; 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	39,868.69	1.74%
LCTS Discounts	(1,872.76)	(1,832.54)	-2.15%
Taxbase (net)	37,313.15	38,036.15	1.94%
Band D	£151.61	£156.61	3.30%
<b>Council Tax Yield</b>	<b>£5,657,106</b>	<b>£5,956,841</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	£113,230
Additional income arising from UDC £5 increase	£186,506
<b>2019/20 Council Tax Requirement</b>	<b>£5,956,841</b>

10. The £5,956,841 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.

<b>Band</b>	<b>Proportion of Band D</b>	<b>2018/19 UDC Council Tax £</b>	<b>2019/20 UDC Council Tax £</b>	<b>Increase £5 £/year</b>
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:

Direct Service Revenue Budget Movements	
	£'000
Local Plan - legal fees and consultancy	520
Members Priorities (one off)	300
Norse Joint Venture first year costs	259
Garden Communities Delivery	203
Planning Appeals net of increased Development Control fees	155
Members Priorities (on-going)	145
Licensing restructure (net of income changes)	134
Building Control reduced income due to current market	115
Minor net variances	78
Neighbourhood Plans	50
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)
<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>

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

18. 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.
19. The Norse Group, a wholly owned subsidiary of Norfolk County Council is the largest local authority trading company in the UK.
20. 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.
21. 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.
22. 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

23. 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

24. 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.

25. 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.

26. 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

27. 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.

28. 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

29. 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

30. On 20 December the Council received the provisional notification of the settlement for 2020/21. Final figures are expected to be confirmed in February.
31. 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

32. 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.
33. 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).
34. 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

35. 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.
36. Where charges are statutory and outside the jurisdiction of Council these have not been included, but are available to view on the Council's website.
37. 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

38. 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 Annex

- 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	2019/20		2020/21	Increase / (Decrease)
	Outturn	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
			<b>(1,237)</b>
<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
			<b>953</b>

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 Member priorities	145 On-going
Finance & Administration	Corporate Management	In year support for additional Members priorities	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	Uttlesford 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	<b>£1,025.00</b>
		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	<b>£1,437.50</b>
		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	<b>£1,906.25</b>
		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	<b>£2,131.25</b>
		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	<b>£2,368.75</b>
		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	<b>£1,025.00</b>
		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	<b>£1,437.50</b>
		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	<b>£1,906.25</b>
		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	<b>£2,131.25</b>
		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	<b>£2,368.75</b>
		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	<b>£812.50</b>
		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	<b>£812.50</b>
		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						
Code	<u>Extension and New Build</u>	Full Plans				
		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	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...

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

Planning Pre-application advice	2019/20 charge £	2020/21 charge £	Does the charge include VAT?
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...

Environmental Health	2019/20 charge £	2020/21 charge £	Does the charge include VAT?
<b><u>Food and Water Safety</u></b>			
Food Safety course - level 2 certificate	80.00	80.00	No
Health Certificate for Export	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

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

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

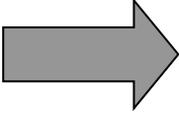
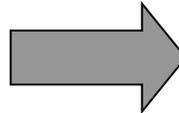
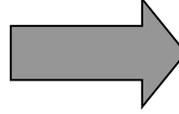
If you answered 'No' to any of the questions above please explain why, giving details of any legal justification.

**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>Date:</p> <p>Date of next review:</p> <p><i>For new strategies, policies, projects, contracts or decisions this should be one year from implementation.</i></p>	<p>Corporate Management Team, Cabinet Members, Local residents and Businesses and all the preceptors consulted 23 January 2019</p> <p>January 2020</p>

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<b>Committee:</b>	Cabinet	<b>Date:</b>	Wednesday 5 <sup>th</sup> February 2020
<b>Title:</b>	Corporate Plan Delivery Plan Progress Update – Quarter 3 2019/20		
<b>Portfolio Holder:</b>	Cllr John Lodge, Leader, Lead for Strategy, the Economy and Investment		
<b>Report Author:</b>	Dawn French, Chief Executive <a href="mailto:dfrench@uttlesford.gov.uk">dfrench@uttlesford.gov.uk</a> Tel: 01799 510400	<b>Key Decision:</b>	No

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## Summary

1. The Corporate Plan refresh 2019-2023 was agreed by Council at its meeting on 21<sup>st</sup> February 2019 and the delivery plan was agreed by Cabinet at its meeting on 28<sup>th</sup> February 2019. This report sets out progress against the Corporate Plan Delivery Plan between October 2019 and December 2019 (Quarter 3 2019/20).

## Recommendations

2. To note progress against the Corporate Plan Delivery Plan, attached at Appendix A.

## Financial Implications

3. All financial implications arising from the delivery plan were reflected in the budget for 2019/20, as approved by Full Council on 21<sup>st</sup> February 2019.

## 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.

None

## Impact

- 5.

Communication/Consultation	Consultation specific to projects within the delivery plan is undertaken when necessary.
Community Safety	Action <b>19-CPDP-04</b> highlights work relating to improving community safety.

Equalities	Equality impact assessments are undertaken in relation to specific projects, as necessary.
Health and Safety	Any health and safety implications resulting from actions or projects in the delivery plan are the subject of appropriate risk assessments, where necessary.
Human Rights/Legal Implications	Any human rights or legal implications arising from individual projects within the delivery plan are assessed and addressed.
Sustainability	Any sustainability implications arising from individual projects within the delivery plan are assessed and addressed.
Ward-specific impacts	Any ward specific issues arising from individual projects within the delivery plan are identified.
Workforce/Workplace	Any workforce implications arising from individual projects within the delivery plan are assessed and addressed.

## Situation

6. As agreed by Full Council at its meeting on 21<sup>st</sup> February 2019, the 2019-23 Corporate Plan's priorities remain:
  - Promote thriving, safe and healthy communities
  - Protect and enhance heritage and character
  - Support sustainable business growth
  - Maintain a financially sound and effective Council
7. Three additional points were added to underpin the Plan's priorities as important considerations for how the Council delivers its services:
  - To manage and minimise the environmental impact of our activities
  - To maximise the use of digital and SMART technology to enhance well-being
  - To demonstrate commitment to diversity and inclusion
8. The Corporate Plan Delivery Plan (CPDP), adopted by Cabinet at its meeting on 28<sup>th</sup> February, sets out the significant actions/projects (outputs), expected outcomes and performance measures by which success will be measured.
9. It was recognised when the CPDP was approved this year that the plan had been updated, but not significantly reworked and therefore providing continuity into the new municipal year.

10. Appendix A sets out progress against each element of the CPDP at the end of Quarter 3 2019/20, covering the period October 2019 to December 2019. Where significant progress has been made since after this period, this has been included in the narrative to give the most recent picture.
11. Progress has advanced on a number of priorities, however the following are drawn to members' attention as being of particular note:
- a. During Quarter 3 the last stage of works to the Castle were completed. The facility is now available for events, and we have taken our first booking.
  - b. A grant of £460,000 has been awarded by Homes England towards the construction of 16 new properties at the Moors in Little Dunmow. This grant will enable 8 of the 16 properties to be delivered at social rents. Initial site work commenced in December, and the completion of works is due in January 2021.
  - c. Officers have been working in partnership with Essex County Council and colleagues from other authorities to develop joint protocols for helping homeless 16/17 year olds, homeless families, supported accommodation for the vulnerable single homeless and the re-procurement of floating support services.
  - d. Two new PCSOs - part funded by UDC - are now in post within the district. One is for Saffron Walden Town area and the other covers the Elsenham, Stansted and Henham parishes.
  - e. The Children and Families Group supported the funding of 50 copies of the book 'It's a no money day' to distribute to the nurseries and primary schools in order to educate about the role of the foodbank within the local community.
  - f. Yoga4Health classes have been established and running for 20 weeks. Active Essex money has been used to continue the classes for a further 10 weeks due to the success. Classes are held in the Saffron Walden Day Centre.

## Risk Analysis

12.

Risk	Likelihood	Impact	Mitigating actions
The Delivery Plan cannot be delivered	2	4	Resources have been allocated to the Delivery Plan and it will be monitored regularly at Cabinet.
The Delivery Plan actions do not	1	4	Actions have been selected that are

<p>further the Council's priorities as intended</p>			<p>considered most appropriate to support the Council's priorities; evaluation will be ongoing to reflect on whether the outputs achieve the outcomes expected.</p>
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- 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 A: Q3 Corporate Plan Delivery Plan Actions Report 2019-20.

# Corporate Plan Delivery Plan 2019/20

## Quarter 3 Update – Cabinet



### Commitment 1: Promote thriving, safe and healthy communities

Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<b>19-CPDP-01 Day Centres</b>  Day centres that are efficient and effective and that promote activities to reduce social isolation and improve health and wellbeing	<p><b><u>Activities for 2019/20</u></b></p> <ul style="list-style-type: none"> <li>• New operating agreements in place for Great Dunmow and Stansted Day Centres.</li> <li>• Transfer staff to direct employment of the Council where appropriate.</li> <li>• Assist management committees' decision to new ways of working.</li> <li>• Work with management committees to develop the centres as places for activities to improve health and wellbeing.</li> </ul> <p><b><u>Output Measures and Milestones</u></b></p> <ul style="list-style-type: none"> <li>• Operating agreements in place - first agreement in place by end of September 2019. If require staff transferred - staggered throughout year. First staff to transfer in September 2019.</li> <li>• New ways of working implemented - staggered throughout the year. First of the two remaining day centres operating on new ways of working from Oct 2019.</li> </ul>	<ul style="list-style-type: none"> <li>• Within existing budget</li> <li>• Transferred staff posts</li> </ul>	31-Mar-2020	Richard Auty
			<p><b><u>Quarter 3 2019/20 Update (02/01/2020)</u></b></p> <p>Following the recruitment of the Day Centre Support Officer post, work is underway with regards to reviewing all operational processes at the Saffron Walden and Thaxted Centres. Progress has been hampered due to staff absence but by early February we will be back to a full complement and further improvements to day-to-day activities, usage and hire arrangements will be implemented.</p> <p>Positive discussions with the Management Committee at Great Dunmow have taken place with regard to a renewed agreement, which will be in place no later than April 2021. Discussions have been held with the Chair of Stansted Day Centre and short term support may be required from the council in early 2021.</p> <p>Further work will be undertaken in the new year with the Communities Team to explore areas of opportunity for usage and hire across all day centres. This will help the centres to become more community-focused and utilised by a wider range of groups and organisations.</p> <p>Senior Officers are awaiting any further information regarding future direction of the day centre service from the Cabinet Member following earlier discussions.</p>	

Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<p><b>19-CPDP-02 Local Plan</b></p> <p>A sound Local Plan that guides development to 2033, to address needs and opportunities whilst protecting and enhancing heritage and character.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 176</p>	<p><b><u>Activities for 2019/20</u></b></p> <ul style="list-style-type: none"> <li>• Prepare for and participate in its examination in the public realm.</li> <li>• Commence preparation of development plan documents setting out the master plans for the proposed garden communities.</li> </ul> <p><b><u>Output Measures/Milestones</u></b></p> <ul style="list-style-type: none"> <li>• Examination commenced.</li> <li>• First hearings planned for July 2019.</li> </ul>	<ul style="list-style-type: none"> <li>• Approved budget for a range of resources.</li> </ul>	<p>31-Mar-2020</p> <p><b><u>Quarter 3 2019/20 Update (17/01/2020)</u></b></p> <p>The Inspectors' letter has been received and the Council is giving thought to its response.</p>	<p>Gordon Glenday</p>

Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<b>19-CPDP-03 Promote Healthy Lifestyles</b>	<b><u>Activities for 2019/20</u></b> • Working with partners to increase the levels of participation in sports, leisure and cultural activities. • Raise awareness of local health & wellbeing activities for all residents. • Increase resident's awareness and skills to improve their health and wellbeing. • Maintain independent living through Disabled Facilities Grants.	• Within existing budget and Public Health grant.	31-Mar-2020	Roz Millership
Residents are active and optimise their health and wellbeing.	<b><u>Output Measures/Milestones</u></b> • Success will be measured by key performance indicators and the delivery of targets for each of the priorities as set out within the Health & Wellbeing delivery plan.		<b><u>Quarter 3 2019/20 Update (09/01/2020)</u></b>  During Quarter 3, we have continued working with partners to identify projects to promote healthy lifestyles within the district and the deliver the Health & Wellbeing Board's priorities. Examples of this work includes: <ul style="list-style-type: none"> <li>- Yoga4Health classes have been established and running for 20 weeks. Active Essex money has been used to continue the classes for a further 10 weeks due to the success. Classes are held in the Saffron Walden Day centre.</li> <li>- Social media training took place for the Active Uttlesford Network members and for other sports organisations/clubs locally. This was seen as a successful session by individuals who attended and took place on the 25<sup>th</sup> September.</li> <li>- Mental Health First Aid Training took place on the 18<sup>th</sup> November. This was for anyone in the Uttlesford district who is involved in physical activity, clubs/organisations or individuals.</li> <li>- Monthly family walks have been funded in partnership with Active Uttlesford to take place across Uttlesford for 12 months.</li> <li>- The Children &amp; Families Group supported the funding of 50 copies of the book 'It's a no money day', to distribute to the nurseries and primary schools in order to educate about the role of the foodbank.</li> </ul>	

Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<p><b>19-CPDP-04 Improve Community Safety</b></p> <p>Communities that feel safe and secure.</p>	<p><b><u>Activities for 2019/20</u></b></p> <ul style="list-style-type: none"> <li>• Further develop the activities of the Community Hub.</li> <li>• Deliver identified strategies of the new Strategic Assessment.</li> <li>• Work with partner agencies within the Community Safety Partnership to reduce and prevent crime and anti-social behaviour.</li> <li>• Ensure partnership working with town councils, parish councils and the PCSOs to address the fear of crime.</li> <li>• Make greater use of Restorative Justice (RJ) to help put right the harm caused by anti-social behaviour, enhancing public reassurance and confidence.</li> </ul> <p><b><u>Output Measures/Milestones</u></b></p> <ul style="list-style-type: none"> <li>• Success will be measured through annual surveys of residents, key performance indicators and the delivery of targets for each of the priorities as set out within the new Strategic Assessment.</li> <li>• Quarterly feedback from Towns and Parishes.</li> <li>• Monthly updates from PCSOs.</li> <li>• Quarterly update from RJ as to number of referrals and outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>• Within existing budget (including funding for two PCSOs).</li> <li>• Match funding in approved budget for further two PCSOs.</li> <li>• Partner agencies.</li> </ul>	<p>31-Mar-2020</p>	<p>Roz Millership</p> <p><b><u>Quarter 3 2019/20 Update (09/01/2020)</u></b></p> <p>The Community Safety Hub continues to strengthen and attracts agencies from outside of the District to work within the Partnership. Case meetings are held with partners which generates work for those within the hub, and in turn can help inform the work needed in the Partnership Plan. The Hub is also a vehicle to promote the MAC and the Think Family meeting and the work that takes place through the CSP. Examples of other forms of activities taking place include:</p> <ul style="list-style-type: none"> <li>- Safer Streets events in partnership with Essex County Council to address problems around traveller's sites.</li> <li>- From February to November 2019, there have been 15 referrals to the restorative justice service.</li> <li>- Two new PCSOs have been part funded by UDC; and are now in post. One is based in the Saffron Walden Town area, and other based in the Elsenham, Stansted and Henham parishes.</li> </ul> <p>In response to our secondary schools asking for assistance to work to tackle hidden harms, we have developed Project: Think Again. There have been four strands to the initial stage of this project:</p> <ul style="list-style-type: none"> <li>- The Ben Kinsella Trust: raising awareness of knife crime</li> <li>- Reach Every Generation/Essex Youth Offending Team – raising awareness of gang culture, the realities of joining a gang and the importance of making good life choices.</li> <li>- Essex Police Search Dogs: to remind pupils of school policies surrounding drugs and the criminal investigations that can be undertaken. The dogs will be used to conduct a high visibility search throughout the school.</li> <li>- Funding application to PFCC Community Safety Development Fund-Tic Box productions theatre company to deliver projects to all second schools for all year groups within the district. This will be promoted to other CSP's to run in their districts.</li> </ul>

Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<p><b>19-CPDP-05 Continued support for the voluntary sector</b></p> <p>Communities that are strong, self-sufficient, resilient and supportive.</p>	<p><b>Activities for 2019/20</b> Continued work with voluntary sector, particularly the CVSU, to support vulnerable individuals and communities through a range of projects.</p> <p><b>Output Measures/Milestones</b> These will be defined within each project.</p>	<ul style="list-style-type: none"> <li>• Within existing budget, including grants budget.</li> </ul>	<p>31-Mar-2020</p>	<p>Roz Millership</p> <p><b>Quarter 3 2019/20 Update (09/01/2020)</b></p> <p>Continued strengthening of partnership working with the voluntary sector. Current work includes:</p> <ul style="list-style-type: none"> <li>➤ Digital Buddies service continues to be promoted and we are considering further work with the CCG linking in with the health benefits of using digital devices.</li> <li>➤ Community Development work, modelled on the Young Foundation work, has taken place in Great Chesterford. This work is being led by residents and supported by officers, and is now being replicated in Ashdon &amp; Chrishall.</li> <li>➤ The mobile coffee bar is being used on a regular basis to allow engagement with our hard to reach communities and to help alleviate loneliness and isolation.</li> <li>➤ Uttlesford Save are now members of the Children and Families group and a regular contributor at the MAC, giving residents advice on managing their money.</li> <li>➤ United-in-Kind have a coat rail at Saffron Walden Library where residents can donate coats and those in need can take one. This 'coat exchange' is also running in the Great Dunmow Library.</li> <li>➤ The foodbank continues to be well used and data shows that during 2019 there were 1,397 clients in Uttlesford which is an increase of 40% up on 2018: 883 via Saffron Walden 491 via Great Dunmow 23 via Thaxted</li> <li>➤ In 2019 33,788kg of donations we made to the foodbank and 32,960kg distributed to residents.</li> </ul>

Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<p><b>19-CPDP-06 Prevent homelessness</b></p> <p>Increase in the prevention and the relief of homelessness within the district.</p>	<p><b><u>Activities for 2019/20</u></b></p> <ul style="list-style-type: none"> <li>Prevent Homelessness through early intervention methods.</li> </ul> <p><b><u>Output Measures/Milestones</u></b></p> <ul style="list-style-type: none"> <li>Success will be measured by key performance indicators and the delivery of targets for each of the priorities set out within the Homelessness Strategy. Performance monitoring of quarterly statistical reports including the number of homelessness cases; average time spent by homeseekers in temporary accommodation.</li> </ul>	<ul style="list-style-type: none"> <li>Within existing resources.</li> </ul>	<p>31-Mar-2020</p> <p><b><u>Quarter 3 2019/20 Update (02/01/2020)</u></b></p> <p>The Housing Options team continues to focus on prevention work and the Prevention PI remains above target for the year. They have embraced the principles of the Homelessness Reduction Act and with limited tools (an area of high housing costs and an unaffordable private sector) and are being creative in finding housing solutions for vulnerable people. This work was recognised when we were last visited by a MHCLG specialist advisor.</p> <p>The team are more aware of when advice will be more useful than taking a homeless application and doing more pre-application assessment work to support this approach. The number of homelessness main duty acceptances has increased slightly in the past quarter as was expected due to fewer properties on HomeOption and an increasing trend in more cases with complex lives.</p> <p>A new Homelessness and Rough Sleeper Strategy has been developed; this has been consulted on and approved by the Housing Board. It will be proceeding to Cabinet in January for formal adoption. The Homelessness Partnership meetings continue to be well attended and will have a role in monitoring the Strategy's Action Plan.</p> <p>Officers have been working with ECC and colleagues across Essex on joint protocols for Homelessness 16/17 year olds, homeless families, the re-procurement of floating support services and supported accommodation for the vulnerable single homeless. We have also now signed up the Essex Prison Protocol. UDC has also received confirmation that it will receive Homelessness Grant funding from central government of just over £105,000 for 2020/21. This is ring-fenced money for the continued resourcing of the homelessness prevention work.</p>	<p>Roz Millership</p>

Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<p><b>19-CPDP-07 Deliver Affordable Housing</b></p> <p>Good quality affordable homes for local people.</p>	<p><b>Activities for 2019/20</b></p> <ul style="list-style-type: none"> <li>• Contribute to the provision of affordable housing supply by delivering/acquiring further new Council homes.</li> <li>• Work with developers and Registered Social Landlords to ensure delivery of required numbers of affordable housing on development sites.</li> <li>• Continue to deliver the Housing Strategy particularly focused on ensuring the right tenures and quality of homes for vulnerable groups in the district.</li> </ul> <p><b>Output Measures/Milestones</b></p> <ul style="list-style-type: none"> <li>• Deliver new council homes or acquisitions through the Housing Revenue Account development programme.</li> <li>• Deliver required affordable housing targets in line with planned timescales.</li> </ul>	<ul style="list-style-type: none"> <li>• Within existing resources using RTB receipts.</li> <li>• Additional HRA borrowing potential.</li> </ul>	<p>31-Mar-2020</p> <p><b>Quarter 3 2019/20 Update (02/01/2020)</b></p> <p>The redevelopment of Hatherley Court in Saffron Walden (Phase 2) is now due to finish by the end of February 2020 and the completion of four new properties at Frambury Lane, Newport and four in Newton Grove, Great Dunmow are now expected in February/March 2020.</p> <p>DCH have been appointed as the contractor to build 16 new properties at The Moors in Little Dunmow. A grant of £460,000 has been awarded by Homes England towards this project, which will enable 8 of the 16 properties to be delivered at social rents. Initial site work commenced in December and demotion work will commence in January. Completion is due in January 2021.</p> <p>New plans have been developed for the site in Great Chesterford purchased by the HRA. The site already has planning permission for market houses; the new plans are for 13 affordable houses will be heard at Planning Committee in January. The preparation for detailed pre-tender designs is now underway at the Thaxted Road site in Saffron Walden following the granting of planning permission for 14 affordable rented dwellings. Work is also progressing on the designs for Walden Place in Saffron Walden that will enable the detachment and disposal of the Grade 2 listed building with the re-provision of the communal areas and additional sheltered flats.</p> <p>Initial discussions have been had with tenants at 2 sheltered schemes – Parkside in Saffron Walden, and Alexia House in Great Dunmow. This followed a decision by Members of the Housing Board to ask officers to look at the future re-development of both sites and to stop the allocation of future vacancies. These are the last sheltered schemes with unsuitable bed-site type accommodation.</p> <p>We are continuing to work with accounts business partner to ensure that Right-To-Buy receipts are spent in accordance with government</p>	<p>Roz Millership</p>

			<p>agreement. Also, we are looking to use Section 106 affordable housing receipts in conjunction with HRA funding to maintain the development programme. Further work is also investigating other opportunities of becoming affordable housing partners on Section 106 sites. The HRA has purchased 5 market properties in Saffron Walden, Stansted and Dunmow utilising Right-to-Buy receipts to increase the council's affordable housing stock. The purchase of four properties completed in December, and will be available for allocation at affordable rents in January 2020, and the fifth will complete in January. The alternative would have been to return the money to the government with interest to fund development programmes elsewhere</p> <p>Work is also underway on exploring the development potential of HRA-owned land in Saffron Walden and White Roding as well as building a disabled adapted bungalow to meet a specific family's needs on a underused parking site in Elsenham.</p>
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Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<p>19-CPDP-08 Improve private sector housing conditions</p> <p>Private sector housing that is healthy and safe to live in</p>	<p><b>Activities for 2019/20</b></p> <ul style="list-style-type: none"> <li>Implement the new range of measures to tackle rogue landlords under the powers available to the Council in the Housing &amp; Planning Act 2016.</li> </ul> <p><b>Output Measures/Milestones</b></p> <ul style="list-style-type: none"> <li>Success will be measured by key performance indicators.</li> </ul>	<ul style="list-style-type: none"> <li>Within existing resources.</li> </ul>	<p>31-Mar-2020</p>	<p>Roz Millership</p>
<p><b>Quarter 3 2019/20 Update (03/01/2020)</b></p> <p>During Quarter 3, officers engaged with the empty homes week issuing press releases, social media releases and manned stalls at markets in Saffron Walden &amp; Thaxted. Work to tackle unlicensed HMOs is ongoing. We are exploring online application systems and officers are beginning to work proactively to identify potentially licensable HMOs. Over the coming months we will be improving information on the UDC website.</p>				

## Commitment 2: Protect and enhance heritage and character

Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<p>19-CPDP-09 Walden Castle</p>	<p><b>Activities for 2019/20</b></p> <ul style="list-style-type: none"> <li>Installation of electricity, lighting and</li> </ul>	<ul style="list-style-type: none"> <li>Within existing resources.</li> </ul>	<p>31-Mar-2020</p>	<p>Nicola Wittman</p>

Castle opened for public access and suitable events.	security and establish an events programme.  <b>Output Measures/Milestones</b> <ul style="list-style-type: none"> <li>• Work completed and access available to all - by end of August 2019.</li> <li>• Events programme by December 2019.</li> </ul>		<b>Quarter 3 2019/20 Update (02/01/2020)</b>  The last stage of works to the Castle have now been completed. We have taken our first event booking.
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Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<b>19-CPDP-10 Museum Development Lottery Bid</b>  <ul style="list-style-type: none"> <li>• The lottery grant will lay the foundations for a larger grant application to extend the museum by providing funding for feasibility and options appraisals and an audience development study with public consultation.</li> <li>• In addition it will enhance the fundraising capabilities of the Saffron Walden Museum Society through training.</li> </ul>	<b>Activities for 2019/20</b> <ul style="list-style-type: none"> <li>• Bid to Lottery Fund</li> </ul> <b>Output Measures/Milestones</b> <ul style="list-style-type: none"> <li>• Work commenced on feasibility and options appraisal stages along with public consultation in preparedness for a bid to the HLF for an extension to the Museum building.</li> </ul>	<ul style="list-style-type: none"> <li>• Within existing resources.</li> </ul>	31-Mar-2020	Richard Auty
				<b>Quarter 3 2019/20 Update (02/01/2020)</b> After the introductory day with consultants, project steering group and museum focus group in October, a further round of site tours and small groups took place in November involving members of the Fourth Street team, curatorial staff and Council officers. Julia Holberry Associates ran a series of meetings with local stakeholders in November, in liaison with Fourth Street regarding their emerging options for consultation.  Because of the large amount of data and ideas to assimilate on the site, building, collections and stakeholder interviews, it was agreed in mid-December that the first options report from Fourth Street would be circulated promptly in January 2020, to allow time for their team to make full input. A report of work in progress was provided for the Curator and senior Project Team members as confirmation of work done. This enabled a schedule of meetings to be set up for January 2020 to consider the forthcoming Options report.

Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<b>19-CPDP-11 Street Cleansing Five Point Plan</b>	<b>Activities for 2019/20</b> <ul style="list-style-type: none"> <li>• Litter education initiative (delivered as</li> </ul>	<ul style="list-style-type: none"> <li>• Within existing resources.</li> </ul>	31-Mar-2020	Ben Brown

<p>A clean District that residents are proud of.</p>	<p>part of overall Waste education and awareness programme).</p> <ul style="list-style-type: none"> <li>• Street Cleansing vehicles to be branded to support litter education campaign.</li> <li>• Optimised street cleansing service.</li> <li>• Encouraging community litter picks.</li> <li>• Targeted enforcement activity</li> </ul> <p><b><u>Output Measures/Milestones</u></b></p> <ul style="list-style-type: none"> <li>• Reduced levels of litter and fly tips</li> <li>• Resident and business feedback on satisfaction</li> <li>• Pre and post campaign surveys</li> <li>• Number of community litter picks</li> <li>• Number of FPN or other enforcement sanctions.</li> </ul>		<p><b><u>Quarter 3 2019/20 Update (02/01/2020)</u></b></p> <p>The plan has largely been completed and some work streams will not become regular tasks. The only outstanding matter is vehicle signage which will be completed in Quarter 4.</p>
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**Commitment 3: Support sustainable business growth**

Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
19-CPDP-12 Economic	<u>Activities for 2019/20</u>	• Approved budget for	31-Mar-2020	Gordon Glenday

Page 185	<b>Development</b>	<ul style="list-style-type: none"> <li>• Delivery of the strategy including engagement in a joint digital infrastructure strategy across West Essex and East Herts.</li> <li>• Research the extent of lack of poor mobile communications and options for resolution.</li> <li>• Participation in the Stansted Airport College Advisory Group</li> <li>• Progress local economic strategies for each new garden community.</li> </ul> <p><b><u>Output Measures/Milestones</u></b></p> <ul style="list-style-type: none"> <li>• New car park machines procured.</li> <li>• Car parking strategy.</li> <li>• Progress with rollout of Phase 3 superfast broadband in Uttlesford.</li> <li>• Essex Digital Innovation Zone (DIZ) strategy in place.</li> <li>• Subject to outcome of bid to NEPP for capital funding for improvements to two car parks in Stansted Mountfitchet, implementation of works.</li> <li>• Subject to outcome of expression of interest in Future High Street Fund, development of full bid.</li> </ul>	<p>a range of activities.</p> <ul style="list-style-type: none"> <li>• External funding via bidding.</li> </ul>	
	<b>Strategy Action Plan</b> Positive interventions that support business growth.			<p><b><u>Quarter 3 2019/20 Update (02/01/2020)</u></b></p> <ul style="list-style-type: none"> <li>➤ Mobile communications survey has been procured in Quarter 4.</li> <li>➤ Consultation on the economic strategies for the Garden Communities is now underway.</li> <li>➤ Car park machine trial commencing in February. Survey of Christmas parking incentive has been completed and the report is due in January.</li> <li>➤ NEPP Committee meeting is scheduled for the 9<sup>th</sup> January to discuss capital funding bids for Stansted car parks.</li> <li>➤ Great Dunmow market review is underway, and due for completion in February.</li> </ul>

#### Commitment 4: Maintain a financially sound and effective Council

Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
19-CPDP-13 Medium Term Financial Strategy	<p><b><u>Activities for 2019/20</u></b></p> <ul style="list-style-type: none"> <li>• Budget monitoring carried out monthly</li> </ul>	<ul style="list-style-type: none"> <li>• Finance Team</li> <li>• SMT and CMT</li> </ul>	31-Mar-2020	Angela Knight

<p>To ensure that the Council maintains a budget that is financially viable and continues to provide services at an affordable level.</p>	<p>to ensure full understanding of the in-year financial position and enable remedial action to be taken if necessary.</p> <ul style="list-style-type: none"> <li>• To continue the rollout of Zero Based Budgeting and service reviews for 2020/21 budget preparation.</li> <li>• To prepare the MTFS and all supporting budget reports for 2020/21.</li> </ul> <p><b><u>Output Measures/Milestones</u></b></p> <ul style="list-style-type: none"> <li>• Monthly Budget monitoring with quarterly reports prepared for Cabinet.</li> <li>• Zero Based Budgeting for 2020/21 to begin in September to ensure approval process is complete to meet annual budget deadlines.</li> <li>• To identify areas of savings for 2020/21 (if this has not already been identified as part of the budget monitoring process).</li> <li>• 2020/21 budget papers and MTFS to be presented to Members in February 2019.</li> </ul>	<ul style="list-style-type: none"> <li>• All budget managers</li> </ul>	<p><b><u>Quarter 3 2019/20 Update (02/01/2020)</u></b></p> <p>The Medium Term Financial Strategy is in the final stages of production. The Financial Settlement was announced in late December, providing our funding allocations. A new investment opportunity was approved by members at Council in December.</p> <p>The MTFS will be presented to Scrutiny on 4<sup>th</sup> February, Cabinet on 13<sup>th</sup> February and finally for Full Council approval along with the other associated financial reports (including the Council Tax Resolution for 2020/21) on the 25<sup>th</sup> February.</p>
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Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
19-CPDP-14 Chesterford Research Park	<p><b><u>Activities for 2019/20</u></b></p> <ul style="list-style-type: none"> <li>• Evaluation and delivery of most affordable method of financing for new</li> </ul>	<ul style="list-style-type: none"> <li>• Within the resources allocated, in principle, in the Investment Strategy</li> </ul>	31-Mar-2020	Angela Knight
Significant contribution to the				<p><b><u>Quarter 3 2019/20 Update (02/01/2020)</u></b></p>

Council's revenue budget.	unit(s) <ul style="list-style-type: none"> <li>• Agreement to fund, if required, the building of additional units for a new tenant on the park.</li> <li>• Economic Development team work to promote the Park.</li> </ul> <p><b>Activities Measures/Milestones</b></p> <ul style="list-style-type: none"> <li>• At least one new request, if required, for funding for a new build unit received in 2019/20.</li> </ul>	(subject to Council final approval).	<p>The output for this action is for at least one new request during the 2019/20 year; however no new requests in 2019/20 have been received for financing for a new unit or refit of a vacant unit.</p> <p>Work is ongoing with the refurbishment of Building 60 and tenants to take occupation upon completion of the building in late Spring of 2020.</p>
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Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<b>19-CPDP-15 Uttlesford South Depot</b> Efficient and effective use of assets.	<p><b>Activities for 2019/20</b></p> <ul style="list-style-type: none"> <li>• Approved planning permission</li> <li>• Explore options for commencement of phase 1 prior to purchase of land.</li> <li>• Operational planning activities associated with new site.</li> </ul> <p><b>Output Measures/Milestones</b></p> <ul style="list-style-type: none"> <li>• Planning approval in June 2019.</li> <li>• Land purchased - by end of March 2020.</li> </ul>	<ul style="list-style-type: none"> <li>• Within existing resources.</li> </ul>	31-Mar-2020	Nicola Wittman
<p><b>Quarter 3 2019/20 Update (20/12/2019)</b></p> <p>The planning application is awaiting determination by the Planning Committee.</p>				

Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<b>19-CPDP-16 Workforce Development</b> An engaged and flexible workforce that is able to react to the	<p><b>Activities for 2019/20</b></p> <ul style="list-style-type: none"> <li>• Develop a people plan.</li> <li>• Bring on stream apprenticeships through apprenticeship levy.</li> </ul>	<ul style="list-style-type: none"> <li>• Within existing resources.</li> </ul>	31-Mar-2020	Richard Auty
<p><b>Quarter 3 2019/20 Update (02/01/2020)</b></p>				

changing local government environment.	<p><b>Output Measures/Milestones</b></p> <ul style="list-style-type: none"> <li>• An assessment of the skills gaps and shortages along with a remediation plan - end of December 2019.</li> <li>• More apprentices - throughout 2019/20.</li> </ul>		<p>HR Manager is now in post, and has met with members of the Corporate Management Team to discuss their workforce needs. The People Plan is currently in planning stage, and it is expected further work will commence during Quarter 4 2019/20.</p> <p>Meetings have been held with other local authorities, to establish how they have utilised the apprenticeship levy. The council is using some of the levy to upskill existing staff in Procurement, Planning and Building Control.</p>
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Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<p>19-CPDP-17 Citizens Access</p> <p>Enhance self-service for council customers.</p>	<p><b>Activities for 2019/20</b></p> <ul style="list-style-type: none"> <li>• Installation of online access to Council Tax, Rents, Housing Benefits and Business Rates.</li> </ul> <p><b>Output Measures/Milestones</b></p> <ul style="list-style-type: none"> <li>• Online account access for customers is available - Ready for use by end of December 2019 and promoted through 2020/21 annual billing.</li> </ul>	<ul style="list-style-type: none"> <li>• Approved budget for IT investment, and backfilling project team, if required.</li> </ul>	<p>31-Mar-2020</p>	<p>Richard Auty</p>
<p><b>Quarter 3 2019/20 Update (02/01/2020)</b></p> <p>The Council Tax, Business Rates &amp; Benefits modules of Citizens Access were successfully released to the public in Quarter 3 2019/20. Any technical issues identified have been resolved to ensure the continued availability of the system. The project group continues to meet on a monthly basis; focusing particularly on how to further promote the system, thereby increasing usage. The implementation of most modules is complete, with only the Housing Online (Rents) portion to complete which is expected during Quarter 4 2019/20.</p>				

Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<p>19-CPDP-18 Investment Strategy</p> <p>Moving towards a self-financing Council.</p>	<p><b>Activities for 2019/20</b></p> <ul style="list-style-type: none"> <li>• Acquisition of commercial units in accordance with the Investment Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• Within the resources allocated, in principle, in the Investment Strategy (subject to Council final</li> </ul>	<p>31-Mar-2020</p>	<p>Adrian Webb</p>
<p><b>Quarter 3 2019/20 Update (02/01/2020)</b></p>				

	<p><b>Output Measures/Milestones</b></p> <ul style="list-style-type: none"> <li>• One investment completed by 30th September 2019.</li> <li>• Second investment completed by 31st March 2020.</li> </ul>	approval).	Revised Commercial Strategy was approved at Full Council on 4 <sup>th</sup> December 2019. A new investment was also approved at that meeting, which will complete in early 2020/21.
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Programme / Project / Activity Title Code & Description	Outcome	Resources	Due Date	Officer Responsible
<p><b>19-CPDP-19 Environmental Services Delivery</b></p> <p>Ensuring that services are reliable, effective and offer good customer service.</p>	<p><b>Activities for 2019/20</b></p> <ul style="list-style-type: none"> <li>• Improvements in service delivery implemented and sustained.</li> </ul> <p><b>Output Measures/Milestones</b></p> <ul style="list-style-type: none"> <li>• Improvements in KPIs.</li> <li>• Improved customer service - reduced complaints, improved service standards, i.e. reduced wait times for bin deliveries, online booking on bulky waste collections.</li> </ul>	<ul style="list-style-type: none"> <li>• Within the resources allocated.</li> </ul>	31-Mar-2020	Ben Brown
			<p><b>Quarter 3 2019/20 Update (16/01/2020)</b></p> <p>Excellent progress towards improving performance has been made during the first three quarters of the year. The service has improved planned collection rates and bin delivery performance. In the workshop vehicles have been serviced and inspected as planned and good progress has been made towards achieving the Fleet Accreditation Status.</p> <p>Sickness continues to have a negative impact on proactive service delivery but the issue is actively being managed and the number of cases has reduced.</p> <p>The only other area where performance has fallen short of service standards is the time taken to return to missed collections. This in part has been due to sickness levels across the service, and the need to prioritise front line service delivery. It is worth noting that the number of customers affected has dramatically reduced.</p>	

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