



Public Document Pack

Uttlesford District Council

Chief Executive: Peter Holt

Cabinet

Date: Thursday, 1st December, 2022

Time: 7.00 pm

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

Broadcast:

<https://uttlesford.moderngov.co.uk/ieListDocuments.aspx?CIId=136&MIId=5969>

Leader and Chair: Councillor P Lees

Members: Councillors A Armstrong, A Coote, J Evans, R Freeman,
N Hargreaves, L Pepper, N Reeve and M Sutton

Other Attendees: Councillors M Caton (Liberal Democrat and Green Alliance Group Leader), G Smith (Conservative Party Group Leader), N Gregory (Chair of Scrutiny Committee), E Oliver (Chair of Governance, Audit and Performance Committee) and R Pavitt (Uttlesford Independent Party Group Leader)

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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.

2 Minutes of the Previous Meeting

6 - 14

To consider the minutes of the meeting held on 20 October 2022.

3 Questions or Statements from Non-Executive Members of the Council (standing item)

To receive questions or statements from non-executive members on matters included on the agenda.

4 Matters Referred to the Executive by the Scrutiny Committee or by the Council (standing item)

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.

5 Consideration of reports from overview and scrutiny committees (standing item)

To consider any reports from Scrutiny Committee.

6 Report of Delegated Decisions taken by Cabinet Members (standing item)

To receive for information any delegated decisions taken by Cabinet Members since the previous Cabinet meeting.

- [Local Plan Leadership Group Terms of Reference and Membership](#) – 2 November 2022.

7 Report on assets of community value determined by the Assets of Community Value and Local Heritage List Committee (standing item)

To receive for information any decisions made by the Assets of Community Value committee since the previous Cabinet meeting.

- No decisions to report.

8 Health & Wellbeing Strategy 15 - 33

To consider the Health and Wellbeing Strategy report.

9 Budget 2022/23 - Quarter 2 Forecast Outturn 34 - 60

To receive the Budget 2022/23 – Quarter 2 Forecast Outturn.

10 Treasury Management - Mid Year Review 2022/23 61 - 77

To receive the Treasury Management – Mid-Year Review 2022/23.

MEETINGS AND THE PUBLIC

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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 in the COMMITTEE ROOM - COUNCIL OFFICES, LONDON ROAD, SAFFRON WALDEN, CB11 4ER, on THURSDAY, 20 OCTOBER 2022 at 7.00 pm

Present: Councillor P Lees (Chair)
Councillors A Coote, J Evans, R Freeman, N Hargreaves,
L Pepper and M Sutton

Officers in attendance: P Holt (Chief Executive), B Ferguson (Democratic Services Manager), D Hermitage (Director of Planning) and A Knight (Assistant Director of Business and Change Management)

Also present: P Fairhurst (Liberal Democrat and Green Alliance Deputy Group Leader), N Gregory (Chair of Scrutiny Committee) and G Smith (Conservative Party Group Leader)

CAB37 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Armstrong and Reeve.

Councillor Fairhurst, Deputy Leader of the Liberal Democrat and Green Alliance Group, attended via Zoom in place of Councillor Caton, who had sent his apologies.

Councillors Coote and Freeman declared non-pecuniary interests as members of Saffron Walden Town Council.

CAB38 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting on 1 September 2022 were approved as a correct record.

CAB39 QUESTIONS OR STATEMENTS FROM NON-EXECUTIVE MEMBERS OF THE COUNCIL (STANDING ITEM)

There were no questions or statements from Non-Executive Members of the Council.

CAB40 CONSIDERATION OF REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (STANDING ITEM)

Councillor Gregory provided a report on behalf of the Scrutiny Committee.

He informed Cabinet that Scrutiny had met once since the previous Cabinet meeting and that there had been four matters for consideration:

- The Zero Carbon Communities Fund, which Scrutiny had commended. He thanked the Assistant Director for Environmental Services and the Portfolio Holder for Environment and Green Issues for their work.
- The Economic Recovery Delivery Plan, which Scrutiny considered as an outstanding piece of work.
- The Update on Planning Service Improvements which identified that the Director of Planning had worked extremely well in the brief period he had been with the Council and he noted the much improved responsiveness to individual enquiries from residents. He said that significant further improvements were necessary to improve the quality of service, which he was confident that the Director of Planning would pay particular attention to.
- A joint meeting with the Local Plan Leadership Group on 10th October 2022 and a discussion was scheduled for 28 October 2022 between officers, Cabinet Members, portfolio holders, Chairs and Vice-Chairs regarding the appropriate way to take effective oversight and scrutiny of the Local Plan process going forward. He said there was eight months until they intended to go to Regulation 18, some of which would be within the pre-election period, so it would be vital to remain focused and clear that timely and accurate reports were provided to officers, portfolio holders and Full Council. Proposals would be reported back to Scrutiny and the Local Plan Leadership Group (LPLG).

CAB41 MATTERS REFERRED TO THE EXECUTIVE BY THE SCRUTINY COMMITTEE OR BY THE COUNCIL (STANDING ITEM)

There were no matters referred to the Executive.

CAB42 REPORT OF DELEGATED DECISIONS TAKEN BY CABINET MEMBERS (STANDING ITEM)

Cabinet noted the following delegated decision taken by the Leader:

- Designation of Great Easton, Duton Hill and Tilty Neighbourhood Development Area

Councillor Evans said that he had attended a Great Easton Parish Council meeting, had explained the services and support that the Council provides in relation to neighbourhood planning and was pleased to see that it was being acted upon.

CAB43 REPORT ON ASSETS OF COMMUNITY VALUE DETERMINED BY THE ASSETS OF COMMUNITY VALUE AND LOCAL HERITAGE LIST COMMITTEE (STANDING ITEM)

There were no decisions to report.

CAB44 GREAT AND LITTLE CHESTERFORD NEIGHBOURHOOD PLAN

The Chair resolved to move to agenda item 12 as Councillor Gregory was required to leave to attend a Parish Council meeting.

Councillor Evans, the Portfolio Holder for Planning, Stansted Airport, Infrastructure Strategy and the Local Plan, presented the Great and Little Chesterford Neighbourhood Plan report. He commended the work of the Steering Group and proposed that Cabinet accept the Independent Examiner's recommended modifications to the Great and Little Chesterford Neighbourhood Plan in full and that the amended Great and Little Chesterford Neighbourhood Plan proceed to a Referendum in the Parishes of Great and Little Chesterford.

Councillor Coote seconded the proposal.

Councillor Gregory expressed his thanks to Officers who had assisted during the six years it had taken to reach this point. He also acknowledged the extensive work undertaken by the Parish Council's Steering Group, and in particular Councillors Fiona Wilkinson and Rachel Thackray who had both contributed an outstanding amount of detailed work over many years.

Councillor Pepper congratulated Great and Little Chesterford for their significant efforts. She said that it was important that the government provided the opportunity for communities to set out their positive vision of how they want their community and neighbourhood plan area to develop over time and ensure that new development was sympathetic to the surrounding area and met the needs of the community. She praised the introduction of allotments and the reopening of the village shop and asked whether consideration had been given to the introduction of electric vehicle charging points, which could possibly be grant funded.

Councillor Evans said that a Neighbourhood Plan did not prevent development but was an influential document that was part of the development plan once made and attention and weight would be afforded to them. He said that the Director of Planning had confirmed that there was a policy GLCMB3 which covered travel and electric vehicle charging points and was reflective of the Essex Design Guide.

The Leader moved to a vote. The proposal was approved unanimously.

RESOLVED:

- I. That Cabinet accepts the Independent Examiner's recommended modifications to the Great and Little Chesterford Neighbourhood Plan in full as set out in the Schedule at Appendix 2 and notes the recommendation that the amended Great and Little Chesterford Neighbourhood Plan should proceed to a Referendum of voters within the Parishes of Great and Little Chesterford to establish whether the plan should form part of the Development Plan for Uttlesford District Council.

- II. That Cabinet approves the holding of a referendum relating to the Great and Little Chesterford Neighbourhood Plan and, that it would include all the registered electors in Great and Little Chesterford Parishes.

Councillor Gregory left the meeting at 7.18pm.

CAB45 **BUDGET 2021/22 - FINAL OUTTURN**

Councillor Hargreaves, the Portfolio Holder for Finance and the Budget, presented the Budget 2021/22 – Final Outturn report.

He recommended that Members:

- Note the General Fund, Housing Revenue Account and Capital Programme outturn positions
- Approve the updated use of reserves and the allocation of the surplus for the General Fund, set out in paragraph 12 and Housing Revenue Account, set out in paragraph 56
- Approve the requested slippage for the Capital Programme as set out in paragraph 64

Councillor Pepper said that the two items identified by members as a priority were Climate Change and economic recovery. There had been an underspend which would be held in the reserves for two years, although nearly a third would be spent imminently. The waste management over spend of £405,000 was as a result of staff vacancies and additional agency fees and the reduction in trade waste income of £118,000 was due to businesses being closed during the pandemic.

In response to a question from Councillor Smith, Councillor Hargreaves said that:

- The Housing Revenue Account included a Public Loans Board long term fixed loan
- The commercial investments included a loan with Phoenix Life
- Other loans were covered within the Treasury Management report
- Since the end of March 2022 there was a further £80million Public Loans Board finance
- The response to Councillor Caton`s question shared with Full Council provided further in depth information

The Chief Executive said that they were modelling how it would look going forward which would be shared at the Member briefing scheduled for 22 November 2022.

In response to a question from Councillor Evans, Councillor Hargreaves said that the funds collected on behalf of other authorities as part of the Council Tax billing process were immediately forwarded to the appropriate authority. However, for accounting purposes these funds had been calculated as income, which created a distorted picture.

The Assistant Director of Business and Change Management said that some of the reserves were ringfenced for specific items and activities, such as the Business Rates Relief Section 31 grant and the Licensing reserves which was directly attributable to taxi licensing. There was also earmarked reserves which were allocated as appropriate.

In response to a question from the Leader, Councillor Hargreaves said that the auditor had not yet completed the audit due to staffing issues, which was a national issue.

In response to a question from Councillor Coote, the Assistant Director of Business and Change Management said that the slippage on empty dwellings was related to unrequired repair costs. An average budget would be set as it was not possible to predict exactly what repairs would be necessary and spend would fluctuate year on year.

Councillor Evans noted that the report included details of the Local Plan costs on paragraph 24 and provides complete information running through until 2026.

The Chief Executive said that although the Local Plan was delayed the overall budget had not changed.

Councillor Hargreaves said that it was possible that the delay could reduce the cost of delivering the Local Plan, as additional costs would have been incurred had the incomplete draft plan been taken to Regulation 18 prematurely.

Councillor Freeman seconded the proposal.

The Leader moved to a vote. The proposal was approved unanimously.

RESOLVED to:

- I. Note the General Fund, Housing Revenue Account and Capital Programme outturn positions.
- II. Approve the updated use of reserves and the allocation of the surplus for the General Fund, set out in paragraph 12 and Housing Revenue Account, set out in paragraph 56.
- III. Approve the requested slippage for the Capital Programme as set out in paragraph 64.

CAB46 TREASURY MANAGEMENT 2021/22 - FINAL OUTTURN

Councillor Hargreaves presented the Budget 2021/22 – Final Outturn report.

He recommended that Members note the 2021/22 Treasury Management Outturn attached as Appendix B.

Following a question from Councillor Evans the Assistant Director of Business and Change Management said that the investments were held within the United Kingdom as per the Council's Investment Strategy.

The report was noted.

CAB47 LOCAL COUNCIL TAX SUPPORT SCHEME PROPOSALS - 2023/24 AND CONSULTATION RESPONSES

Councillor Hargreaves presented the Local Council Tax Support Scheme Proposal – 2022/23 and Consultation Responses report.

He recommended that:

- Council approve the Local Council Tax Support Scheme for 2023/24 as set out below:
- The contribution rate is frozen for the ninth consecutive year at 12.5%.
- The Council continues to protect Vulnerable and Disabled Residents and Carers on a low income.

Following a question from Councillor Coote, Councillor Hargreaves agreed that the Local Council Tax Support item 11f would be reviewed to include more sympathetic adjectives.

Councillor Coote seconded Councillor Hargreaves' proposal.

The Leader moved to a vote. The proposal was approved unanimously.

RESOLVED that Cabinet approved the Local Council Tax Support Scheme for 2023/24 as set out below:

- I. The contribution rate was frozen for the ninth consecutive year at 12.5%.
- II. The Council continued to protect Vulnerable and Disabled Residents and Carers on a low income.

CAB48 CHRISTMAS CAR PARKING INCENTIVES

Councillor Freeman, the Portfolio Holder for Public and Council Services, presented the Christmas Car Parking Incentives report.

He recommended that Members approve the proposal, which was seconded by Councillor Sutton.

The Leader moved to a vote. The proposal was approved unanimously.

RESOLVED to approve:

- I. Free parking all day on Friday 25th November and Saturday 26th November 2022 in Saffron Walden (excluding Fairycroft Road) Great Dunmow and Stansted Montfitchet.
- II. Free parking from midday on the following dates; i. Saffron Walden (excluding Fairycroft Road car park) on 18/11, 30/11, 7/12, 14/12 and 21/12 ii. Great Dunmow on 1/12, 8/12, 15/12 and 22/12 iii. Stansted Mountfitchet on 1/11, 8/11, 15/11 and 22/11.
- III. Free parking all day between Christmas 25/12/22 – 1/1/23 (inclusive) in Saffron Walden (excluding Fairycroft Road), Great Dunmow and Stansted.

CAB49 **LOCAL DEVELOPMENT SCHEME (LOCAL PLAN REGULATION 18 CONSULTATION)**

Councillor Evans presented the Local Development Scheme (Local Plan Regulation 18 Consultation report.

He said the delay to the Local Plan process was not a political decision and was a matter that had resulted from an Officer`s recommendation as identified in the report to the joint meeting of Scrutiny and the LPLG on 10th October 2022. Such a delay was not unique to the authority, was a common occurrence and would permit a more coordinated approach to the evidence base

He recommended that Members adopt the revised Local Development Scheme of the Local Plan.

Councillor Pepper read Councillor Pavitt`s report which said that it had been seventeen years since the last Local Plan was published. This was the fourth recent attempt, this time against a background of chronic nationwide shortage of planning professionals, the disruption of the pandemic and continued defunding by the government. She said that the Administration needed to up their game to get the Local Plan across the line and that she was confident that the right people were in place to deliver.

Councillor Coote thanked Councillor Evans and officers for their hard work. He said that the most important thing was that the best Local Plan was achieved not when it was achieved.

Councillor Freeman echoed Councillor Coote`s comments and said that the work undertaken behind the scenes was integral. However, he said that he would like to see some more original thinking as the Council would face the same results if it continued to apply the same approach to this Local Plan.

The Leader said there would be a strong evidence base for the emerging Local Plan and that she had great faith in the Director of Planning and the Interim Local Plan and New Communities Manager, who was experienced in delivering a Local Plan in a rural district. Furthermore, a discussion was taking place between officers and members regarding governance and oversight of the

process. There had been criticism that the draft Local Plan would not be delivered before the May 2023 election; she noted that the Local Plan was not and should not be political.

Councillor Freeman seconded the proposal.

The Leader moved to a vote. The proposal was approved unanimously.

RESOLVED: to adopt the revised Local Development Scheme of the Local Plan.

CAB50 ZERO CARBON COMMUNITIES FUND

Councillor Pepper, the Portfolio Holder for Environment and Green Issues, Equalities, presented the Zero Carbon Communities Fund report.

She recommended that Members approve the proposed principles set out in appendix 1 of the report and note the draft timetable for Round 1 bids set out in appendix 2.

In response to a question from Councillor Coote, Councillor Pepper said that a panel likely consisting of herself and Councillor Pavitt would consider valid applications to the fund and successful applications would then be put forward to Cabinet as recommendations for consideration.

The Chief Executive said that the process would mirror the existing grants programme which was well known to a number of the local groups that would likely apply and was tried and tested within the authority.

Councillor Coote seconded the proposal.

The Leader moved to a vote. The proposal was approved unanimously.

RESOLVED: to approve the proposed principles and note the draft timetable.

CAB51 INDEPENDENT HOUSING OMBUDSMAN`S SCHEME COMPLAINTS HANDLING CODE SELF ASSESSMENT

Councillor Coote, the Portfolio Holder for Housing, presented the Independent Housing Ombudsman`s Scheme Complaints Handling Code Self Assessment report.

He recommended that Members approve the Self Assessment of the Independent Housing Ombudsman`s Scheme Complaints Handling Code and commended the Chief Executive for his handling of the situation.

Councillor Hargreaves seconded the proposal.

The Leader moved to a vote. The proposal was approved unanimously.

RESOLVED: to approve the Self Assessment of the Independent Housing Ombudsman`s Scheme Complaints Handling Code.

CAB52 EXCLUSION OF PUBLIC AND PRESS

RESOLVED that under section 1001 of the Local Government Act 1972, the public be excluded for the following items of business due to consideration of reports containing exempt information within the meaning of section 1001 and paragraphs 1, 3 and 5 part 1 Schedule 12A Local Government Act 1972.

CAB53 COMPLAINT UPHeld BY THE LOCAL GOVERNMENT OMBUDSMAN

The Chief Executive presented the Complaint Upheld by the Local Government Ombudsman report.

He recommended that Members note the actions taken by officers in response to the findings of the Local Government and Social Care Ombudsman, both directly related to the individual complainant, but also to the neighbouring homes.

The report was noted.

The meeting ended at 8:41pm.

Committee:	Cabinet	Date:	Thursday, 1 December 2022
Title:	Uttlesford Health & Wellbeing Strategy 2023-2028		
Portfolio Holder:	Cllr Maggie Sutton, Portfolio Holder for Communities, Health, Youth, Public Safety, Emergency Planning and liaison with the Police and Fire & Rescue Service		
Report Author:	Faye Marriage, Senior Health Improvement Officer fmarriage@uttlesford.gov.uk	Key decision:	Yes

Summary

1. This report seeks Cabinet endorsement and support for the Uttlesford Health & Wellbeing Strategy 2023-2028. This follows the previous Strategy 2019-2022.
2. Uttlesford Health & Wellbeing Strategy 2023-2028 is a partnership document, produced by Uttlesford District Council on behalf of Uttlesford Health & Wellbeing Board. The Strategy provides information and evidence to support priorities and actions over the next five years and, furthermore, presents a basis for future funding acquisition.

Recommendations

3. Cabinet is requested to endorse and support Uttlesford Health & Wellbeing Strategy 2023-2028, attached to this report, to be implemented with effect from 1st January 2023.

Financial Implications

4. None currently. However, projects that are agreed to be taken forward by Uttlesford Health & Wellbeing Board will need to take account of existing resources currently made available by the Council and funding made available by Essex County Council Public Health.

Background Papers

5. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report. Priorities were identified following a Strategy workshop event, held on 13th July 2022, and using data and information captured within some of the following documents:
 - Essex All-Age Carers Strategy 2022
 - Essex Children and Young People's Plan 2020

- Essex Early Years and Childcare Strategy 2022-2027
- Essex Joint Health and Wellbeing Strategy 2022-2026
- Everyone's Essex: our plan for levelling up the county 2021 to 2025
- Fit for the Future Physical Activity and Sport Strategy for Essex, Southend and Thurrock 2021-2031
- Hertfordshire and West Essex Integrated Health and Care Strategy 2018
- NHS West Essex Local Delivery Plan for Adult Mental Health Services 2019-2024
- Southend, Essex and Thurrock Dementia Strategy (currently being refreshed)
- Uttlesford Climate Crisis Strategy 2021-2030
- Uttlesford District Council's Corporate Plan 2022-2026
- Uttlesford District Council's Housing Strategy
- Uttlesford District Council's Indoor and Built Facilities Strategy 2019
- Uttlesford District Council's Playing Pitch Strategy & Action Plan 2019

Impact

6.

Communication/Consultation	Consultation has taken place with relevant stakeholders throughout Summer 2022. A public consultation was also held in September 2022.
Community Safety	N/A
Equalities	The strategy is likely to make a significant contribution to advancing equality for those with protected equality characteristics and address health inequality. Priorities for action are based on evidence and focus on improving health outcomes. The Strategy has been equality impact assessed.
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	N/A
Ward-specific impacts	Potential targeted work in identified Wards.
Workforce/Workplace	Communities, Health & Wellbeing – within existing resources.

Situation

7. Uttlesford Health & Wellbeing Strategy 2023-2028 has been prepared on behalf of Uttlesford Health & Wellbeing Board following the expiration of the previous Strategy (2019-2022). Numerous organisations, including Uttlesford District Council, can greatly influence the health prevention agenda and working collaboratively is the most effective way to ensure that the clear overlaps are recognised.
8. The strategy has been influenced by feedback from consultation carried out with the general public, partners, interested stakeholders and members.
9. The Strategy sets five key health and wellbeing priorities that seek to improve public health and wellbeing and prevent ill health via the work of the board:
 - **Improve and support mental wellbeing**
 - **Enable people to live healthy, active lifestyles throughout their lives**
 - **Build healthy, resilient, active communities**
 - **Alleviate pressures associated with increased costs of living**
 - **Improve access to services and facilities**
10. Evidence supporting the priorities and aims of the strategy have been identified from various sources, including the Essex Joint Strategic Needs Assessment (JSNA), which was updated in 2022.
11. The Council has received grant funding from Essex County Council Public Health to address our priorities.
12. This Strategy sets the local direction for health prevention and provides the supporting information and evidence required to shape the subsequent delivery plan.

Risk Analysis

13.

Risk	Likelihood	Impact	Mitigating actions
Not having a strategy/delivery plan in place	1, The Strategy has already been developed in partnership with all interested parties. Work on the delivery	3, By not having a strategic direction/focus in place, concentrated efforts and subsequent effectiveness	Agreed strategy with a delivery plan that partners have agreed to in place

	plan is ongoing	of Uttlesford Health & Wellbeing Board may be reduced	
Uncertainty around future Public Health Grant funding	2, There could be a reduction in funding due to the uncertain economic climate	2, A reduction in funding could impact future commissioning intentions	Mitigating actions are being devised to minimise the effect on service delivery

1 = Little or no risk or impact

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

3 = Significant risk or impact – action required

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

Uttlesford Health & Wellbeing Strategy

2023-2028

All Children, Young People
and Adults in Uttlesford
can Live Healthy, Fulfilling
and Long Lives





Foreword

In 2019, the Uttlesford Health & Wellbeing Strategy was refreshed whilst maintaining the key ambition to improve the health and wellbeing of our residents.

When the strategy was developed, nobody anticipated the COVID-19 pandemic, the global impact of which has affected us all, in various degrees. Despite the challenges the pandemic brought, and may continue to bring, communities across our district have come together in a way that highlights why Uttlesford is a desirable place to live. The district has demonstrated our residents' resilience, capacity for care, and compassion. COVID-19 has arguably been one of the biggest challenges in generations for our residents, the NHS, the volunteer community sector and local Businesses.

It is timely that we are now in a position to renew our strategy and focus on the impact of recent affairs, and we have included the cost-of-living crisis which will impact the health and wellbeing of our residents.

This new strategy outlines the current health profile of our residents and highlights the new challenges that are faced within our communities. It provides an evidence base to enable work by Uttlesford Health & Wellbeing Board to be informed and appropriately targeted. We will build on the strengths, assets and expertise of individuals and communities, also letting you, our residents, inform and work with us. Only by doing this together can we develop and make things better. As we move forward, we will continue our efforts to ensure that Uttlesford remains a great place to grow up, live, work and enjoy life to the full.



Cllr Petrina Lees



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01

Background

This Strategy has been produced by Uttlesford Health & Wellbeing Board. The aim of the Board is to work collaboratively with a wide range of partners to help Uttlesford residents to live long, healthy lives.

The purpose of this document is to provide information and evidence to support actions over the next five years and furthermore, to present a basis for future funding acquisition. It follows the previous Health & Wellbeing Strategy 2019-2022.

Uttlesford Health & Wellbeing Board, which is administered by Uttlesford District Council and independently chaired, consists of a range of partners listed below:

- Active Essex
- Alzheimer's Society
- Community Agents Essex
- Essex County Council Public Health
- Essex County Fire & Rescue Service
- Essex Wellbeing Service
- Hertfordshire & West Essex Integrated Care System (ICS)
- Uttlesford Citizens Advice
- Uttlesford Community Action Network (UCAN)
- Uttlesford District Council
- Uttlesford Foodbank

- Uttlesford Health
- Mind in West Essex
- Support 4 Sight
- Volunteer Uttlesford
- West Essex Voluntary, Community, Faith and Social Enterprise (VCFSE)

The Board works with numerous groups that exist across Essex, including the Primary Care Networks (PCNs) and the local NHS commissioning area across West Essex and Hertfordshire, known as the Integrated Care System (ICS). Furthermore, it works collaboratively with other groups managed by Uttlesford District Council, specifically the Community Safety Partnership (CSP), the Children and Families Group and the Employment, Economic, Skills & Transport (EEST) Group.



Strategic Context

We have designed our approach with the aims and strategic plans of our Health and Wellbeing Board partners in mind. This document supports and is aligned to numerous local plans and strategies, including:

- Essex All-Age Carers Strategy 2022
- Essex Children and Young People's Plan 2020
- Essex Early Years and Childcare Strategy 2022-2027
- Essex Joint Health and Wellbeing Strategy 2022-2026
- Everyone's Essex: our plan for levelling up the county 2021 to 2025
- Fit for the Future Physical Activity and Sport Strategy for Essex, Southend and Thurrock 2021-2031
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- Uttlesford District Council's Housing Strategy
- Uttlesford District Council's Indoor and Built Facilities Strategy 2019
- Uttlesford District Council's Playing Pitch Strategy & Action Plan 2019



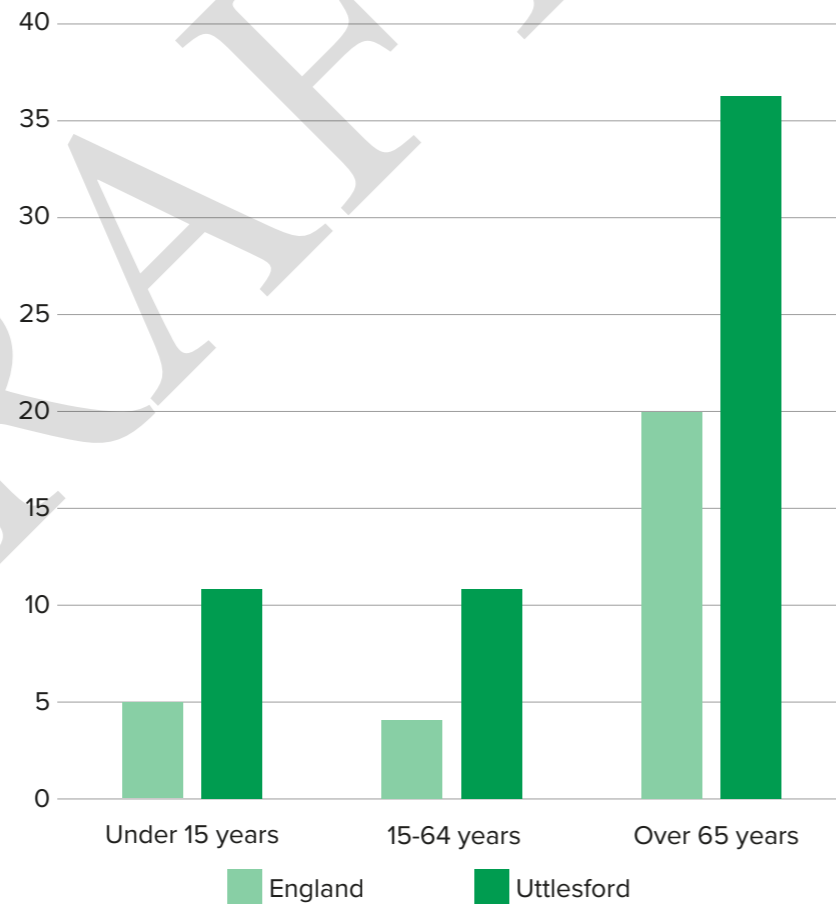
02

Introduction

There are 91,300 people living in Uttlesford (ONS, 2022)¹. The population size has increased by 15% since the previous Census in 2011. This is significantly higher than the overall increase for England at 7% and East of England at 8%. Graph 1 illustrates the percentage increases in population by age group between 2011 and 2021. Uttlesford has seen larger increases in all age groups compared with the rest of England, however most notable is the increase in the over 65s at 36%. This rise in older adults will considerably increase demand on local health and social care services.

It is also important to note that in August 2022, there were 321 Ukrainian guests staying with sponsors in Uttlesford under the Homes for Ukraine scheme. This is something that needs to be recognised when we look at access to services and provision within the district.

Graph 1. Population percentage growth from 2011-2021
England and Uttlesford



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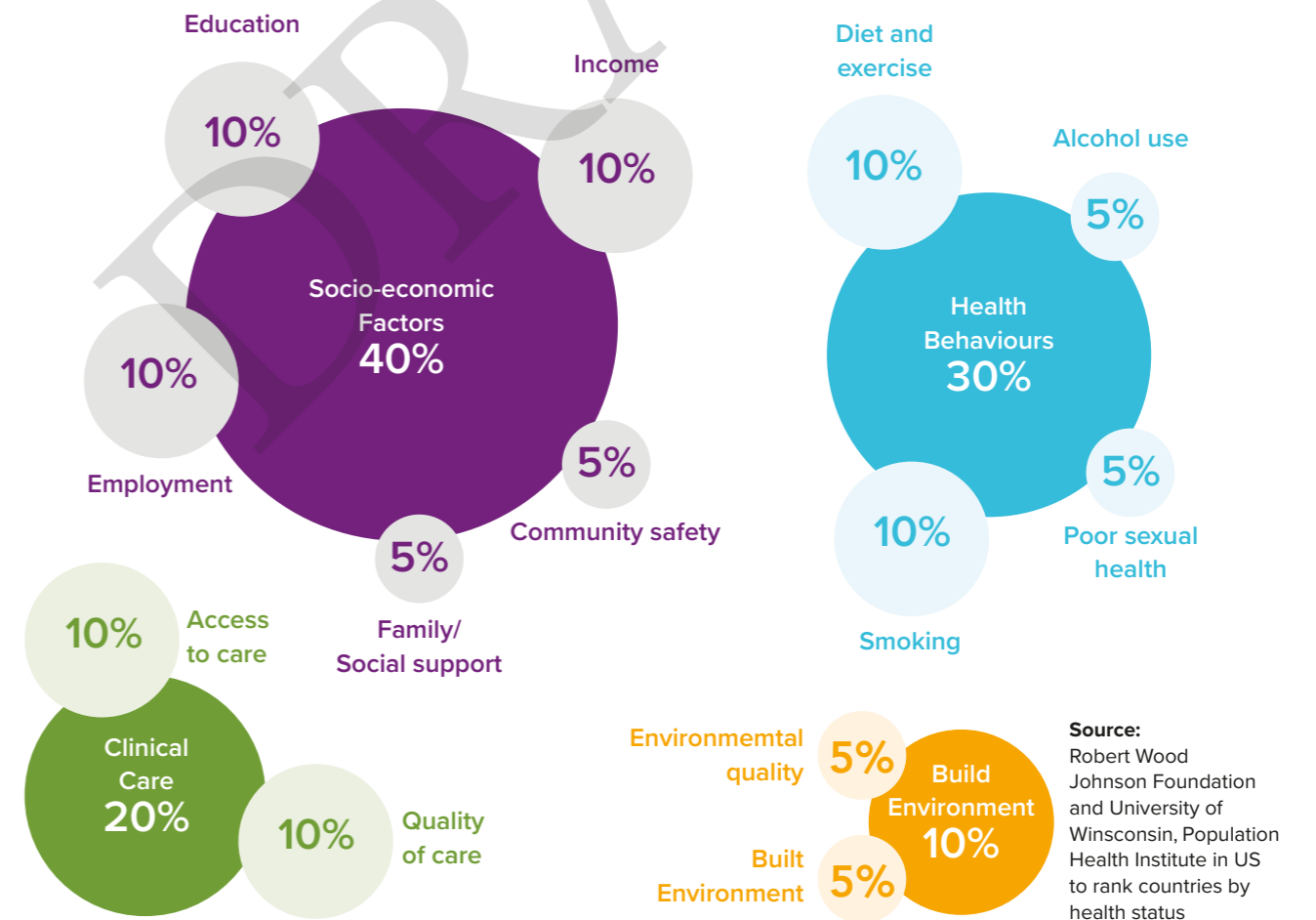


Robert Wood Johnson (RWJ) Model

Many residents lead healthy and prosperous lives; however, this is not the case for all. Some people struggle with their physical health or mental health, or a combination of the two. There are various factors that can influence this, including the environment, housing, access to services, education, financial

circumstances, and lifestyle choices. These are reflected within the Robert Wood Johnson (RWJ) model, which illustrates the many factors that, if improved, can help make communities healthier places to live, learn, work, and play.

Policies and programs at a local, county, and national level play an important role in influencing these. By implementing strategies that target the specific health challenges of a community, there is an opportunity to influence how long and how well people live.





Focusing on Health Prevention

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Preventive health deals with the prevention of illness to decrease the burden of disease and associated risk factors. Preventing ill health and promoting positive messages around wellbeing is the core aim of this strategy.

We will work collaboratively with wide-ranging partners to improve the health of our population, improve access to support and early intervention and enable personal empowerment to reduce demand on primary and secondary healthcare services. This will be focused and targeted work, looking at the broader picture associated with population health, as outlined within the RWJ model. There will be overarching priorities with specific actions, which will be reviewed by the Board on an ongoing basis.

Health Equality & Health Equity

Health equality means treating everyone in the same way, delivering the same care and offering the same level of service to all. Health equity, on the other hand, means that people have the same opportunities based on their needs, i.e., means tested opportunities (St Catherine University, 2022).

Both health equality and health equity are important considerations in our work. Uttlesford is the least deprived local authority in Essex and one of the least deprived in England (ECC, 2019), however there are areas of deprivation, outlined within section 4.1(2), which can cause inequalities within our communities and mean that some people live a longer and healthier life than others.

Healthy life expectancy (HLE) is a measure that estimates the average number of years that an individual is expected to live in a state of self-assessed good or very good health.

Across Uttlesford wards, there is a...

- Six year gap in healthy life expectancy at birth for males (Great Dunmow South, 66 years; Wimbish and Debden, 72 years)
- Nine year gap for females (Stansted South, 68; Wimbish and Debden, 77 years)

This highlights the importance of resourcing and delivering universal services at a scale and intensity that is proportionate to the degree of need (also known as proportionate universalism).



Access To Support and Services

Uttlesford is a large, rural and dispersed district. The district is categorised by DEFRA as Rural 80 which means that more than 80% of the population live in rural settlements putting Uttlesford in the top 12% most rural areas of the country. This can make it more difficult for people to access services and general activities, especially younger and older individuals, who may not have access to a car or regular public transport.

People may also face barriers to access opportunities digitally. Older people are more likely to be digitally excluded than others. 20% of the district's population is aged 65 years and over. Further sections of the population at risk of digital exclusion include:

- people in lower income groups
- people without a job
- people in social housing
- people with disabilities

- people with fewer educational qualifications excluded left school before 16
- people living in rural areas
- homeless people
- people whose first language is not English

(NHS Digital, 2022)

We must understand and consider accessibility – both physical and digital – and appreciate the barriers that some may face to reduce potential health inequalities within our district.

Post COVID-19

It is important to recognise that whilst COVID-19 and its vaccination programmes will continue to evolve, behaviours and attitudes have changed since the pandemic and its associated lockdowns, which may have negatively influenced health-related outcomes. Socio-economic factors such as reduced income and job loss, as well as increased caring responsibilities (particularly for women), have posed significant barriers to engaging with health promoting behaviours (McBride et al., 2021).

An estimated 1.5 million people living in private households in the UK (2.4% of the population) were experiencing self-reported long COVID (symptoms persisting for more than four weeks after the first suspected COVID-19 infection that were not explained by something else) as of 31 January 2022 (ONS, 2022)². Whilst this figure is low, we must still appreciate that there will be people in the district living with long COVID who may need extra support. Furthermore, we will continue to promote and support the COVID-19 vaccination programme to ensure that our most vulnerable residents have greater protection.



Climate Change

Climate change affects the social and environmental determinants of health – clean air, safe drinking water, sufficient food and secure shelter. Reducing emissions of greenhouse gases through better transport, food and energy-use choices can result in improved health, particularly through reduced air pollution (WHO, 2021).

Climate change is already impacting health in numerous ways, including illnesses caused by extreme weather events, such as heatwaves, storms and floods, which are becoming increasingly frequent, the disruption of food systems, increases in food- and water-borne diseases, and mental health issues (WHO, 2021).

In 2019, Uttlesford District Council declared a climate and ecological emergency and committed to achieving net-zero carbon status by 2030 and protecting and enhancing biodiversity by producing a bold plan of action that is

realistic, measurable, and deliverable. Furthermore, the Council has adopted a Climate Change Interim Planning Policy document to influence development proposals to mitigate and adapt to climate change. The Policy sets out how The Council intends to judge whether development proposals adequately mitigate and adapt to climate change. It is important that any overlapping work to address climate change (i.e. increasing opportunities for active travel), is coordinated and communicated effectively amongst partners to reduce any duplicated efforts.

Cost-of-living Crisis

Increases in costs of living have already – and will have – a considerable impact on everybody. The cost-of-living crisis has surpassed COVID-19 as the main concern for many communities. Due to rising costs, changes in household disposable incomes will impact on health. This may be experienced differently across households. There will be some

who were already struggling, who are now harder hit, and others who will be seeking financial help for the first time to purchase essentials.

Increasing costs of fuel and food will mean that many people will struggle to heat their homes, fill their cars with fuel and put food on the table. Fuel is important in Uttlesford. Many homes are old and have low energy efficiency scores, making them expensive to heat. Also, given the rural nature

of the district, transport by car or bus is essential in most areas. Increasing fuel prices will therefore mean that many of our residents will be very hard hit by this crisis.

The RWJ model illustrates that socio-economic factors carry the most weight (40%) for determining health outcomes, highlighting the importance of this. We must therefore find ways to support our communities through these challenging and unprecedented times.



03

Health in Uttlesford

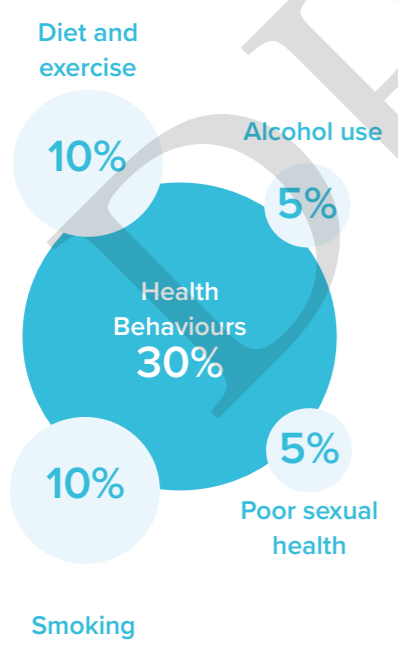
The health of people in Uttlesford is generally better than the England average. However, there are key issues associated with the rurality of the area and the potential to overlook local inequalities, which are masked by Uttlesford's generally affluent socio-economic profile.

Here we will look at the four pillars of the Robert Wood Johnson (RWJ) model indicating the wider determinants of health. We will focus on how our communities in Uttlesford are affected by these key elements, which will provide supporting evidence for our priorities.

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4.1 Robert Wood Johnson Model: Determinants of Health

Health Behaviours



Our lifestyle choices can greatly impact our health. The amount of activity we do, the food and drink choices that we make and whether we choose to smoke, can individually and collectively affect our risk of developing numerous diseases, including type 2 diabetes, cancer and cardiovascular disease. Whilst our behaviours and choices are individual, they are significantly shaped by the environments in which we live, i.e., availability and access to healthy/unhealthy foods and the opportunities available to be active.

Diet and exercise

Diet plays an important role in our overall health. A healthy diet can protect against many diseases such as heart disease, cancer and diabetes. It can also support good dental health.

High fruit and vegetable consumption is one element of the diet that can have a positive impact on health outcomes. According to surveys, 60% of adults in Uttlesford eat the recommended "5-a-day" fruits and vegetables on a usual day. Although this is higher than many other areas within Essex, numbers have gradually decreased over recent years (63% in 2015/16). Encouraging and supporting people to eat a healthy diet will be an important element of our work, especially during the cost-of-living crisis, which will see food prices rise and expected greater demand on Foodbanks. One aspect of this will be promoting the opportunity for those who are eligible to claim NHS Healthy Start vouchers to purchase healthy foods.

Data from March 2022 indicates that only 55% of eligible families in Uttlesford were accessing these vouchers.

Being active plays a significant role in maintaining a healthy body weight and supporting mental wellbeing. Recent Active Lives data indicates that 33% of adults in Uttlesford are active for less than 150 minutes a week (Sport England, 2021), which is the recommended level of activity for disease prevention (NHS, 2021). Activity levels have dropped slightly over recent years. The impact of COVID-19 in some cases has encouraged further activity in those who were already active, whilst the number of inactive people has slightly increased (Sport England, 2021).

There are notable access issues towards facilities and services, both able and disabled, especially in rural localities. Some of these are highlighted within Uttlesford's Sports Facilities Strategy and Playing Pitch Strategy. We need to think of ways to activate isolated communities, such as improving transportation links or building upon existing assets within smaller parts of the district. This needs to be done in collaboration with communities to enable environments that encourage sustained behaviour change. The Active Uttlesford Network, a group that is administered by Uttlesford District Council and Active Essex, will work to address the barriers that people face to being active within our district. This work will feed in to Uttlesford Health & Wellbeing Board.

Smoking

Smoking is the largest preventable cause of disease and health inequalities in England. Furthermore, smoking in pregnancy is a leading contributor to poor health outcomes during pregnancy and childbirth for both child and mother.

Health data indicates that approximately 13% of adults in Uttlesford smoke (OHID, 2021). Approximately 22% of adults with a long-term mental health condition are smokers and in 2020, 11% of pregnant women smoked at the time of delivery (OHID, 2021).

We must promote and enable easy access to smoking cessation services, especially if there are barriers associated with accessing such opportunities.

Alcohol and drug use

The rate of alcohol-related hospital admissions in Uttlesford was 1,318 per 100,000 population in 2020/21. This was the 8th highest of the 12 districts in Essex. Furthermore, there were 6 deaths related to drug misuse between 2019 and 2021. Whilst comparatively lower than other areas, it is notable that data may be skewed towards areas where access to support services is easier, such as more urban areas, which may therefore increase health inequalities. This needs to be analysed in greater depth to reduce these figures further and enable people to access the support that they need.

Sexual health

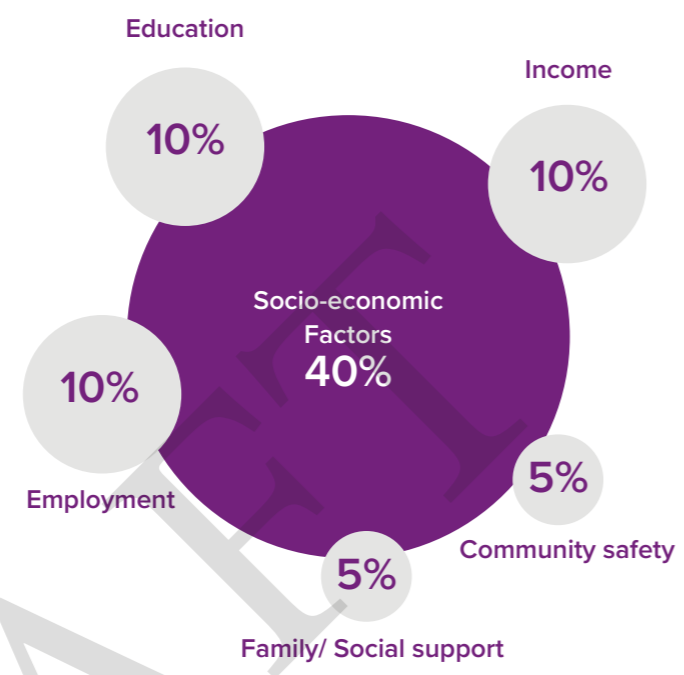
In Uttlesford the under 18 conception rate per 1,000 population has been consistently below the Essex, East of England and England levels and has seen an overall decreasing trend since 2017 up until 2019. Uttlesford saw a 38% increase in rate in 2020, in contrast to the decrease seen across the rest of the region and country. There has been a fluctuating trend in the percentage of these conceptions leading to abortion in Uttlesford since 2010 through to 2020. Uttlesford saw an 83% increase in 2020, taking Uttlesford way above comparator areas. England in contrast saw a decrease in 2020 (ECC, 2020). This requires further analysis to determine an appropriate course of action.

The rate of sexually transmitted infections (STIs) in Uttlesford is lower than other areas. In 2020, there were 290 reported STIs per 100,000 population, compared with 562 in England and 377 in Essex. This could be a reflection the age demographic within the district. It is, however, possible that data may be skewed towards areas where access to relevant services is better, thus underestimating the level of need. We will promote preventative messages around STIs and furthermore, seek to address any potential service access issues.

Socio-Economic Factors

Income
Lower socioeconomic status (SES), whether measured by education, poverty, or other indicators, predicts worse health outcomes.

The Index of Multiple Deprivation (IMD) is the official measure of relative deprivation in England and is part of a suite of outputs that form the Indices of Deprivation (IoD). The seven domains of deprivation, which contribute to the IMD are: income, employment, education, health, crime, barriers to housing and services, and living environment (English Indices of Deprivation, 2019).



Uttlesford is one of the 20% least deprived local authorities in England, however about 18% (3,272) of children live in low-income families, after housing costs* (JSNA, 2020)¹. This figure is likely to increase with rising costs of living.

have worse health than a poorer individual living in a deprived area, for example (Stafford & Marmot, 2003), although the evidence for this is not conclusive. We must, however, be mindful of this and focus efforts on areas of need within the district as part of our work to support the UK's Levelling Up agenda to reduce inequalities.

Table 1 shows the ten most deprived lower super output areas (LSOA) and their corresponding wards within Uttlesford, according to IMD scores, and in order of deprivation (English Indices of Deprivation, 2019). This helps inform where efforts should be targeted.

Deprivation in affluent areas can be very challenging. It has been suggested that a poorer individual living in a wealthier area may

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LSOA Name	Ward Name
1 Uttlesford 002C	Saffron Walden Castle
2 Uttlesford 009D	High Easter & the Rodings
3 Uttlesford 006D	Thaxted & the Eastons
4 Uttlesford 006B	Takeley
5 Uttlesford 007D	Great Dunmow North
6 Uttlesford 006A	Stansted South & Birchanger
7 Uttlesford 007F	Great Dunmow North
8 Uttlesford 008A	Great Dunmow South & Barnston
9 Uttlesford 004C	The Sampfords
10 Uttlesford 003E	Littlebury, Chesterford & Wenden Lofts

**The official DWP indicator for children in low income families (previous slides) reports on a 'before housing costs' (BHC) basis. That is, it takes no account of the fact that comparing incomes for households in different parts of the country where housing costs vary does not produce a like for like comparison of disposable incomes. As a result, the figures potentially understate the impact of low income in areas with higher housing costs.*

*In order to get estimates that are more sensitive to these costs, Loughborough University have produced an **after housing costs (AHC) set of local child poverty indicators**, using local data on rents and house prices to supplement DWP figures.*

Employment

A high healthy life expectancy (HLE) is strongly correlated with higher employment rates, particularly for men (The Health Foundation, 2022). There are four mechanisms by which unemployment might affect health: poverty, stress, unhealthy behaviours, and implications for future employment (Bartley, 1994). Recent figures indicate that 83% of 16–64-year-olds in Uttlesford are economically active (employed or active in the labour force). Furthermore, median gross pay for full-time workers (male and female) in 2021 was £728.30/week (ONS, 2021). Whilst this is higher than the East of England (£628.60/week), property prices in Uttlesford are equally higher than figures for the Eastern region due to the district's proximity to London and Cambridge. For example, the average price of a property is £411,283 for the Eastern region compared to £614,695 for Uttlesford (UDC, 2022).

Support services

Certain service providers have recorded notable changes in the needs of residents in recent years. In 2019/20, Uttlesford Foodbank issued approximately 600 food parcels. By 2021/22, this had risen to 1,160 food parcels. This near doubling of referrals is reflected by other Foodbanks nationally. The pandemic is likely to have influenced this as well as the removal of £20/week uplift to Universal Credit in October 2021.

Furthermore, Uttlesford Citizens Advice has seen a considerable increase in clients since 2019 regarding energy debts (see graph 2). The cost-of-living crisis will likely add to this as well as Foodbank referrals, highlighting the need to work collaboratively and support the services that are going to be helping residents most during these challenging times.

Graph 2. No. of clients seen by Uttlesford Citizen's Advice regarding energy debt during winter months



Community safety

Living in an unsafe area can cause anxiety, depression, and stress, and is linked to higher rates of pre-term births and low birthweight babies, even when income is accounted for (County Health Rankings and Roadmaps, 2022).

The crime rate in Uttlesford is one of the lowest in Essex. In 2021, there were 51 reported crimes per 100,000, compared with 117 in Harlow (JSNA, 2022). Whilst comparatively low, there are some areas with higher crime rates than others. At mid-super output level (MSOA), Takeley, Airport and Mountfitchet South reported the highest number of crimes in the district between 2019-2020, at 2,241, compared with 284 at Audley End, Ashdon and the Chesterfords. This provides guidance to target work in the areas that need it most.

An Essex-wide initiative called Risk-Avert is a school-based programme giving young people the skills and confidence to make better choices when faced with issues such as drugs, alcohol, self-harm, youth violence and poor mental health. It is offered freely to all schools across the county. Whilst there are primary and secondary programmes available, take up in primary schools in Uttlesford is low – four primary schools delivered the programme in 2021-2022. We will work with our partners and colleagues within Uttlesford Community Safety Partnership to improve this figure.

Clinical Care



Primary care already plays an essential role in preventing ill health and tackling health inequalities. The recent Fuller Stocktake report (2022) indicates three areas in which primary care is taking a more active role in creating healthy communities and reducing the incidence of ill health: by working with communities, through more effective use of data, and via close working relationships with local authorities.

The inception of Integrated Care Systems (ICSs) in 2022 provides a refreshing opportunity to re-shape and significantly improve the way in which health and social care services are designed and delivered across the UK. Uttlesford is part of Hertfordshire and West Essex ICS. There is a great opportunity here for Uttlesford Health & Wellbeing Board to work collaboratively with the Hertfordshire and West Essex ICS and the two Primary Care Networks (PCNs) in Uttlesford, which enable GP Practices to collaborate, to ensure that health prevention opportunities are established. It is also important that communication does not stop at the northern border of the district, where Essex meets Cambridgeshire. Many residents use health services at Addenbrooke's Hospital in Cambridge. We must therefore

work with all surrounding partners to effectively maintain and improve health outcomes for our residents.

Wider primary care teams could also be much more effectively harnessed, specifically the potential to increase the role of community pharmacy, dentistry, optometry and audiology in the prevention agenda and utilising the Making Every Contact Count (MECC) approach. The MECC approach enables health and care workers to engage people in conversations about improving their health by addressing risk factors such as alcohol, diet, physical activity, smoking and mental wellbeing.

Here are some examples taken from the Fuller Stocktake report (2022) to give insight into how this might work:

- on early years and children's services: working with nurseries to tackle dental caries in the under-fives and improve MMR vaccine delivery; working with school immunisation services on HPV vaccination uptake and child and adolescent mental health services; community health

service teams improving diagnosis of autism and helping improve the health and life chances of children with special educational needs, as well as safeguarding;

- on cancer diagnosis: community pharmacy playing a more active role in signposting eligible people to screening and supporting early diagnosis;
- on lifestyle choices: referring to alcohol and smoking support services, if appropriate, during routine eye tests

One example of how the PCNs in West Essex (Uttlesford, Harlow and Epping Forest) have improved opportunities for people to receive additional support following a consultation with the GP is via the recruitment of Social Prescribing Link Workers. According to the West Essex Voluntary, Community, Faith and Social Enterprise (VCFSE), which consists of local voluntary sector and wider partners, 30% of referrals made in the first half of 2022 were from NHS contracted social prescribers, indicating the importance of recognising an individual's holistic needs.



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Built Environment



Covering an area of approximately 641 square kilometres, Uttlesford is the largest local authority in Essex in terms of area, and the least populated in terms of numbers and density. Approximately 4% of the district consists of built environment, 96% is agriculture and forestry land. Consequently, residents have the second highest travel times to local services compared to the Essex average of 19 minutes, with an average of 24 minutes by walking or public transport to eight key services.

The design of places including homes, where we work and public spaces are important for promoting health. Factors linked to place, including the quality and scale of housing, the amount of living space within homes, employment opportunities, the provision, quality and design of open space and recreation, the balance of local services and the general feel of an area can all reinforce positive behaviours and a sense of wellbeing.

Planners play an essential role in shaping the environments in which we live. Well-planned neighbourhoods can increase the opportunity for people to walk or cycle to employment,

shops, schools, parks, services, facilities, improve sustainable public transport and increase opportunities for social interaction. This supports healthier lifestyles for residents, a more socially vibrant local neighbourhood and brings with it associated economic and environmental benefits.

Uttlesford District Council is in the process of developing a new Local Plan which will outline how the Council will support vibrant and healthy communities, and reflect current and future needs across health, social and cultural well-being. The Council is also in the process of developing a design guide for new development in Uttlesford which will include engagement with residents, to improve and enhance placemaking across the district. It is important that this work is effectively aligned with our work within Uttlesford Health & Wellbeing Board to ensure that appropriate partners can support community cohesion where required.

Housing

Living in a house that is cold and/or damp can cause respiratory conditions such as flu, pneumonia and bronchitis and cardiovascular conditions, such as heart attacks and strokes.

In 2020, before increased fuel costs, 12% of houses (approximately 4,000) in Uttlesford were described as fuel poor, a term used to describe living in a property with a low energy efficiency rating and low disposable income (JSNA, 2020)¹. The highest concentrations of fuel poverty in the private sector are found in the wards of The Sampfords, Littlebury and Wenden Lofts. For excess cold, the highest concentrations are in the wards of The Sampfords, Wenden Lofts and The Rodings. Furthermore, 24% (6,882) of private sector dwellings and 29% (1,273) of private rented dwellings in Uttlesford are estimated to have a low Energy Performance Certificate rating (EPC below band E). These homes are expensive to heat and will be even more so with increasing fuel costs.



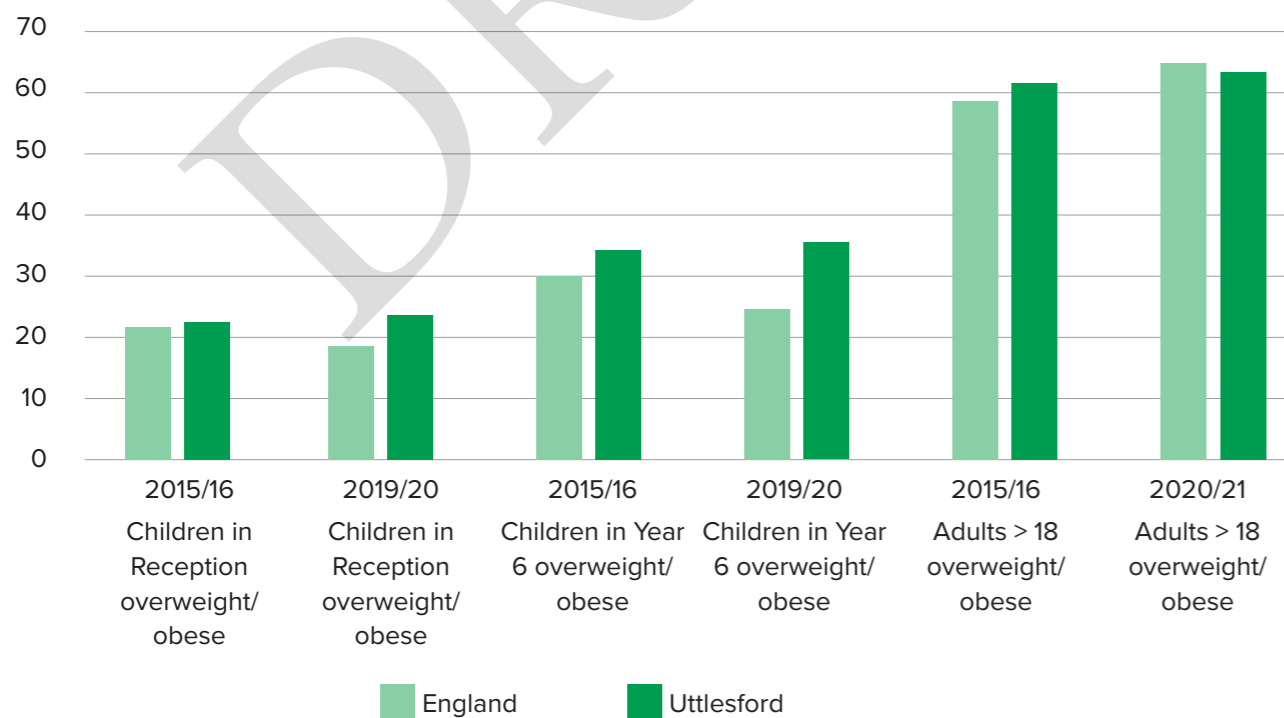


4.2 Healthy Weight

Being overweight (body mass index (BMI) ≥ 25) or obese (BMI ≥ 30) increases an individual's risk of many serious diseases and health conditions. In Uttlesford, we have seen a decrease in Reception aged children (4-5 years) measuring as overweight or obese in recent years. A similar pattern has been observed in Year 6 pupils. In adults, however, there has been a 14% increase since 2016, which is not dissimilar to the pattern we are seeing on a national scale (see graph 3).

Whilst it is positive to see a reduction in children's data, it does not mean that the issue and factors contributing to excess weight have been resolved. It is important that we recognise the significance of excess weight in relation to health and the wider determinants that contribute to its development. All four sections of the RWJ model can influence an individual's weight and work that is undertaken to address obesity must therefore reflect this.

Graph 3. Percentage of overweight and obesity in children and adults: Uttlesford and England



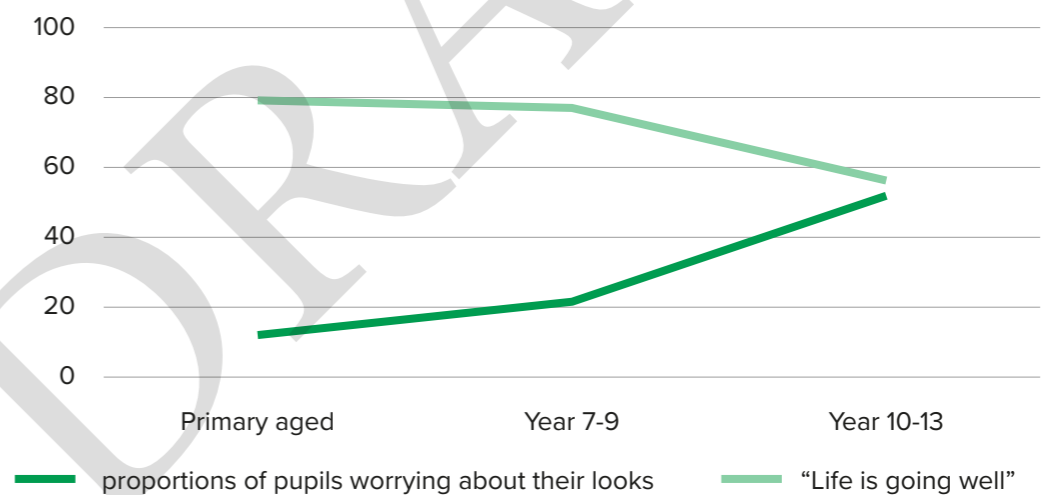
4.3 Mental Health

Uttlesford has the lowest percentage of patients with mental health disorders such as schizophrenia and bipolar affective disorder within Essex (JSNA, 2019/20). However, 1 in 4 people will experience a mental health problem of some kind each year in England. 1 in 6 people report experiencing a common mental health problem, such as anxiety or depression, in any given week in England (Mind, 2022). On average, 1,806 Uttlesford individuals accessed primary care mental health services (IAPT) between April 2021-April 2022.

Children and Young People

The most recent School's Health and Wellbeing Survey (SHEU, 2019), which was completed by 1,505 school children in Uttlesford, highlighted that 65% of girls in Year 10-13 (15-18-year-olds) said that they wanted to lose weight. Furthermore, an increase in the proportions of pupils worrying about their looks was observed as age increased, whilst fewer students agreed with the statement "life is going well" as they reached Year 10-13 (see graph 4).

Graph 4. Percentage of pupils at primary and secondary schools in Uttlesford - mental health indicators



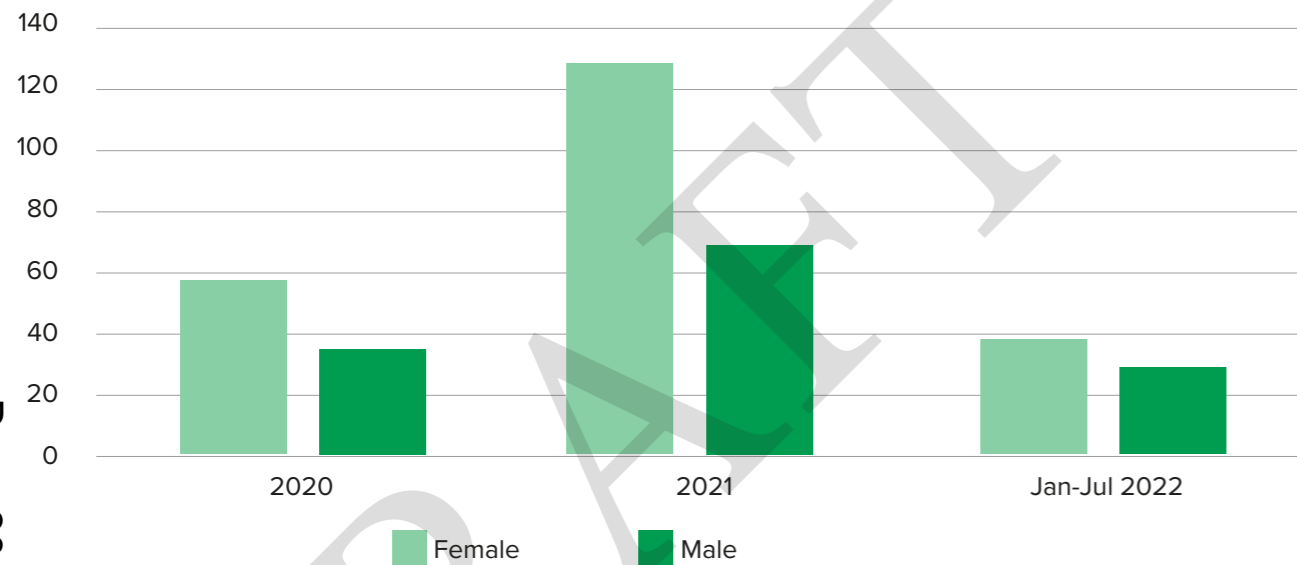
Of all those asked in secondary schools (350 pupils), 73% agreed with the statement 'My life is going well'; 85% said they had a good life and 65% said they have what they want in life; 9% wished they had a different life. It is important to note that this survey was conducted pre-COVID 19 and its associated lockdowns and school closures.

Graph 5 shows that there was a steep incline in children presenting with initial mental health needs in Uttlesford in 2021, particularly in girls. Figures for 2022 reflect mid-year findings (up to July 2022), it is predicted that these values will also be higher than 2020. There is uncertainty, at this stage, as to whether this spike is a result of COVID-19 and its related lockdown measures or other causes.

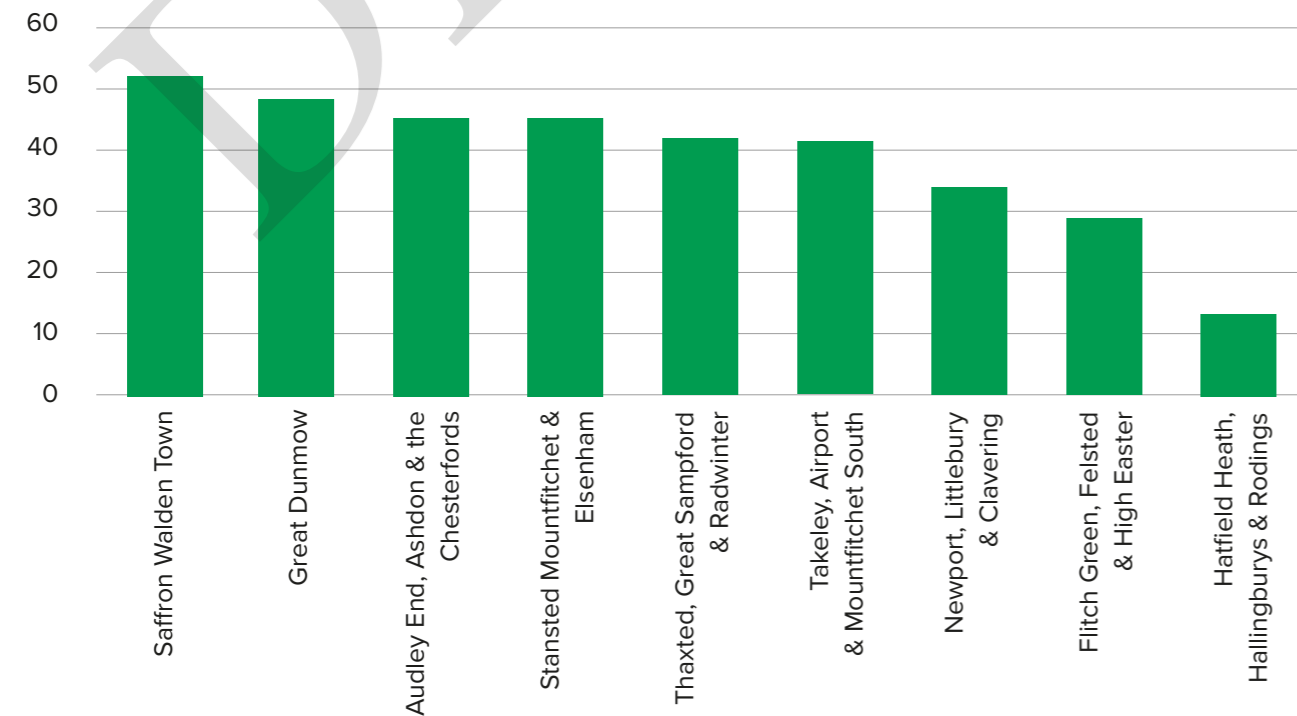
Additionally, there are areas within the district that have higher numbers of children requiring an early triage step, namely Saffron Walden and Great Dunmow, likely due to the concentration of children within these areas (see graph 6).

We will work specifically with partners within Uttlesford Children and Families Group and our local secondary schools to assess the type of support and preventative actions that can be carried out to address mental health issues in young people.

Graph 5. No. of children presenting with initial mental health needs



Graph 6. No. of children subject to an Early Help Triage Step



Adults

Mental health issues are wide-ranging and so, therefore, are the causes. One particular cause for conditions such as anxiety, depression and stress is related to concerns around money or debt. Mental ill-health can also make it more difficult to manage money effectively. According to the Mental Health Foundation (2021), half of all adults with a debt problem also live with mental ill-health.

Last year 2,381 clients in Uttlesford sought help from Citizens Advice. Mental health was the number one health condition affecting clients. It is predicted that the cost-of-living crisis will increase these numbers, highlighting the need to collaborate and devise a plan of action that supports our residents and the services that are supporting those seeking help.

Older Adults

Whilst older adults may experience similar issues faced by younger adults, older adults are more likely to encounter factors such as living alone, the loss of family or friends, chronic illness and hearing loss, which can increase the risk of loneliness and social isolation.

Loneliness and social isolation

Loneliness is not the same as social isolation. People can be isolated (alone) yet not feel lonely. People can be surrounded by other people, yet still feel lonely (Age UK, 2022). Loneliness amongst older people is associated with increased rates of depression, and older people with a high degree of loneliness are twice as likely to develop Alzheimer’s as those with a low degree of loneliness (Age UK, 2022).

Accessing social spaces physically and digitally can have a marked impact in improving mental well-being and reducing loneliness (Good Things Foundation, 2022). Last year, the Lloyds Consumer Digital Index found that those who are online, for example, feel they are more able to connect with others and feel less lonely and more connected to other people and their communities (Lloyds Bank, 2021).

Uttlesford Community Action Network (UCAN), formerly known as the Council for Voluntary Services Uttlesford (CVSU), works with people who have reported feeling lonely. UCAN delivers several projects to combat loneliness, including a Walking Buddies scheme and digital inclusion schemes. They also coordinate the Essex Shed Network’s “Men’s Shed” projects, which specifically support men who may be at risk of being lonely. UCAN is an active member of Uttlesford Health & Wellbeing Board and we will continue to collaborate to support those who may be at risk.

Dementia

Research shows there are more than 850,000 people in the UK who have dementia. One in 14 people over the age of 65 have dementia, and the condition affects 1 in 6 people over 80. The number of people with dementia is increasing because people are living longer. It is estimated that by 2025, the number of people with dementia in the UK will be more than 1 million (NHS, 2020).

The recorded prevalence of dementia in people aged 65 years and older and living in West Essex (Uttlesford, Epping Forest or Harlow) was 5% in 2020 – this is the second highest clinical commissioning area across the county (JSNA, 2020) 2. In Uttlesford, 80 people were referred to memory clinics between April-June 2022. Furthermore, of the 122,103 people over 45 years recorded on GP practice registers, 745 have a diagnosis of dementia, of which 15 are under 65 years of age. We are likely to see an increase over the coming years due to our growing older population, which means we will also see an increase in people caring for loved ones too.

Uttlesford Dementia Action Alliance (UDAA) works to address the issues that people with dementia and their carers face within the community. UDAA is supported by Uttlesford Health & Wellbeing Board and the Alzheimer’s Society and also guided by people who are living with dementia or caring for someone who is. A new action plan was developed in 2022 to work towards becoming a “dementia friendly community” – a place where people with dementia are understood, respected, and supported.



04

Our Vision and Priorities

Our Vision

All children, young people, and adults in Uttlesford can live healthy, fulfilling and long lives



Our Priorities

Our priorities have been established as a culmination of the information and evidence put forward within section 3. No one service or organisation can achieve this alone. This will require strong collaboration and joint working through effective working groups and reporting structures channelled through Uttlesford Health & Wellbeing Board.

5 Key Priorities

1. Improve and support mental wellbeing
2. Enable people to live healthy, active lifestyles throughout their lives
3. Build healthy, resilient, active communities
4. Alleviate pressures associated with increased costs of living
5. Improve access to services and facilities

Each priority will have specific areas of focus, which will be determined by the Board. Subsequent actions and delivery mechanisms will be presented and published on Uttlesford District Council's website.



05

Delivery and Monitoring

Our actions will develop over time and will be regularly reviewed by Uttlesford Health & Wellbeing Board.

Initially, we will:

- Establish specific areas of focus within each priority, utilising the evidence set out within this strategy, as well as any new emerging evidence
- Set up appropriate action groups that are required to report to Uttlesford Health & Wellbeing Board to enable delivery against our priorities and specific areas of focus
- Create an action plan that indicates what we will do with realistic timescales, which will be monitored at Uttlesford Health & Wellbeing Board meetings and published on Uttlesford District Council's website
- Create a method of communicating health-related messages and information to organisations and the public
- Work with wider partners to establish a method of evaluation to measure success and determine adjustments to our work



06

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Agenda Item 9

Committee:	Cabinet	Date:	Thursday, 1 December 2022
Title:	Budget Forecast Outturn - 2022/23 Quarter 2		
Portfolio Holder:	Councillor Neil Hargreaves, Portfolio Holder for Finance and Budget		
Report Author:	Jody Etherington, Assistant Director - Finance jetherington@uttlesford.gov.uk	Key decision:	No

Summary

1. This report details the financial performance of the General Fund, Housing Revenue Account, Capital Programme and Treasury Management. It is based upon actual expenditure and income from April to September and predicts a forecast for the end of the 2022/23 financial year.
2. The General Fund is predicting a net overspend of £779,000, made up of various under and overspends which are detailed in the body of this report.
3. The Housing Revenue Account is forecasting a net overspend before capital financing of £1.176 million. This means that there is less funding available for the Capital Programme than initially budgeted, and the timing of capital works may need to be reviewed. Further details are set out below.
4. The Capital Programme is forecasting a net underspend of £7.180 million, with an estimated £7.310 million of individual project underspends to be carried forward as capital slippage. This leaves an actual full year predicted net overspend of £130,000. This is made up of a number of individual under and overspends as set out in this report.

Recommendations

5. The Cabinet is recommended to
 - I. Note the General Fund, Housing Revenue Account and Capital Programme forecast outturn positions; and
 - II. Approve HRA capital expenditure of £1.641 million on the Walden Place redevelopment, to be funded partly from the Capital Reserve (£614,000) with the remainder coming from HRA revenue contributions.

Financial Implications

6. Included in the main body of the report

Background Papers

7. None

Impact

Communication/Consultation	Corporate Management Team (CMT) and Informal Cabinet Briefing (ICB)
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

General Fund Revenue Account

8. The forecast for net operating expenditure is an overspend of £895,000. This includes various specific over and underspends which are taken through earmarked reserves, and after adjusting for these the net forecast overspend on the General Fund is £779,000. The following table provides a summary of the current forecast, and a detailed budget summary and the predicted position for each service is shown in Appendix A.

£'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Direct Service Budgets					
Net Service Expenditure	13,468	17,341	17,522	19,446	1,923
Corporate Items					
Capital Financing and MRP	2,672	5,131	7,266	4,637	(2,630)
Recharge to HRA	(1,699)	(1,747)	(1,747)	(1,781)	(34)
Investment Income	(8,202)	(11,774)	(11,774)	(11,346)	427
Borrowing Cost	1,343	2,835	2,835	4,560	1,725
Other Corporate Items	453	425	425	152	(273)
Net Expenditure	(5,433)	(5,130)	(2,995)	(3,779)	(785)
Funding					
New Homes Bonus Grant	(2,823)	(1,343)	(1,343)	(1,343)	0
Business Rates Retention	886	(4,368)	(4,368)	(4,643)	(275)
Rural Services Grant	(293)	(293)	(293)	(293)	0
Covid 19 Support Funding	(948)	(1,552)	(1,552)	(1,520)	31
Council Tax - Collection Fund	(79)	6	6	6	0
	(3,258)	(7,550)	(7,550)	(7,794)	(244)
Net Operating Expenditure	4,777	4,662	6,978	7,873	895
Net transfers to/(from) other earmarked reserves	363	1,742	(574)	(690)	(115)
Council Tax (precept levied on Collection Fund)	(6,159)	(6,404)	(6,404)	(6,404)	0
(Under)/Overspend	(1,019)	0	0	779	779

Direct Service Budgets

9. The forecast overspend of £1.923 million on the delivery of direct services includes the following significant exceptional items:-
- A £2.100 million compensation payment in respect of the Stansted Airport planning appeal.
 - An overspend of £187,000 on staff costs as a direct result of the 2022/23 pay award being higher than the assumptions made at the time of budget setting.
 - An overspend of £151,000 as a result of increased utility costs across the Council's operational estate.
10. Of the total overspend amount, £1.560 million will be funded from earmarked reserves, leaving a net overspend after reserve transfers of £363,000. This is summarised in the table below:

£'000	2021/22 Outturn	2022/23				2022/23	
		Original Budget	Current Budget	Forecast Outturn	Forecast Variance	Variance funded through earmarked reserves	Net forecast variance after reserve transfers
Portfolio Budgets							
Communities & Partnerships	1,076	1,066	1,066	1,341	275	(128)	147
Housing & Economic Development	1,489	2,699	2,699	2,466	(232)	(68)	(300)
Environmental Services	3,993	5,812	5,812	5,018	(794)	727	(67)
Finance & Administration	6,910	7,515	7,696	7,933	237	8	245
Airport compensation	0	0	0	2,100	2,100	(2,100)	0
Staff pay award	0	250	250	437	187	0	187
Increased utility costs	0	0	0	151	151	0	151
Subtotal - Portfolio Budgets	13,468	17,341	17,522	19,446	1,923	(1,560)	363

11. The most significant service variances which are not funded through earmarked reserves are as follows:-

Overspends or reduced income

- Development control – overspend of £285,000 on legal fees and consultancy related to planning appeals (excluding Stansted Airport)
- Development control – overspend of £226,000 on staff costs due to the extensive use of agency staff to cover hard to fill vacancies.
- Finance – overspend of £216,000 on staff costs due to the use of agency staff and one-off restructuring costs.
- PFI – overspend of £169,000 due to increased utility costs and inflation.
- Canfield – underachievement of rental income of £129,000 due to voids at the start of the year.
- Legal – overspend of £114,000 on staff costs due to the use of agency staff to cover hard to fill vacancies.

Underspends or increased income

- Development control – overachievement of income of £414,000 as the impact of planning designation on application income has not been as large as anticipated.
- Council tax – increased income from preceptor shareback arrangements of £295,000 due to higher than budgeted collection rates.
- Waste management – saving of £126,000 on waste processing costs due to lower than anticipated gate fees.

12. All individual service variances >£30,000 are set out in detail at Appendix B.

Corporate Items

13. The forecast underspend of £2.630 million on capital financing and MRP includes the following significant variances:-

- A net underspend of £1.123 million on capital projects to be funded from revenue. The majority of this (£1.011 million) relates to the Council's commercial property portfolio – this amount was put aside in the capital slippage reserve to finance ancillary acquisition costs but is now unlikely to be required. For the purpose of this forecast it has been assumed that any unspent amount will be transferred to the Medium Term Financial Strategy reserve at year-end.
- An underspend of £1.426 million on minimum revenue provision (MRP) charges due to the late completion of two significant commercial property assets, and a review of the annuity rates used in accordance with the Council's MRP policy. Whilst both of these factors reduce the MRP charge payable in the current year, the total amount to be charged over the life of the Council's assets will remain the same.

14. The Council's commercial investments continue to generate a significant positive contribution to the General Fund, currently forecast at £4.723 million net of associated borrowing costs and MRP. However, the recent increase in borrowing costs as a result of the wider economic situation has meant an underachievement against budget of £822,000. This is summarised in the table below:

Investment Income Analysis	Budget	Forecast	Variance
	£'000	£'000	£'000
Income			
Aspire (CRP)	(2,449)	(2,420)	28
Other commercial investments	(9,599)	(9,295)	304
	(12,048)	(11,716)	332
Costs			
Commercial consultancy and fees	274	369	95
	274	369	95
Net Investment Asset Income	(11,774)	(11,346)	427
Borrowing costs	2,835	4,560	1,725
Treasury Investment Income (included within Other Corporate Items)	(7)	(276)	(268)
Minimum Revenue Provision (included within Capital Financing and MRP)	3,281	2,204	(1,076)
Brokerage fees (included within Direct Service Budgets - Financial Services)	120	134	14
Total contribution from investment assets	(5,546)	(4,723)	822

Funding

15. The forecast favourable variance on business rate income of £275,000 is due to higher than expected section 31 grant income in year. This is income which the Council receives from government as compensation for centrally determined business rate reliefs (such as expanded retail discount). Increased income in one year is usually offset by a larger deficit on the collection fund at year-end – for this reason it is Council policy that any additional income be transferred to the Business Rates reserve at year-end to fund future deficit repayments.

General Fund Reserves

16. The total General Fund reserves balance at 1 April 2022 was £23,823,000. The current budget includes a net draw on reserves of £574,000. However, due to the variances in year set out above, the forecast draw on specific earmarked reserves is now £690,000. This, together with the forecast net overspend of £779,000, leaves a forecast closing reserve balance of £22,354,000.
17. Variances between budgeted reserve movements and the current forecast are set out in the following table:

Movement in Reserves - Forecast Change in Net Transfers	Drawn down £'000	Additions £'000	£'000
Budget (net use of reserves)			(574)
Direct services			
Airport Compensation	(2,100)		Contribution towards airport compensation costs.
Local Plan		499	Lower than anticipated drawdown of Sustainable Communities reserve due to delays in Local Plan process.
Air Quality Grants		121	Grant received in 2022/23 to be spent in future years.
Community Grants & Contributions	(111)		Drawdown of underspent grants rolled forward from 2021/22, to be spent in 2022/23.
Public Health Grants		86	Forecast underspend against grants received in year - to be spent in future years.
Homelessness Grants	(78)		Drawdown of previous years' homelessness grants to fund eligible expenditure in year.
Economic Development		64	Slippage against 3 year Economic Development Programme - unspent amount will remain in reserves to be spent in future years.
Planning Policy		39	Net underspend in Planning service on Neighbourhood Plans - unspent amount will remain in reserves for future years.
Climate Change	(39)		Overspend against 3-year Climate Change Programme in year - will reduce amount available in future years.
Health & Wellbeing Grants	(29)		Drawdown of health and wellbeing grants from previous years to fund eligible expenditure in year.
Council Tax Discounts - Household Support Fund		19	Underspend against budgeted Household Support Fund expenditure.
Emergency Planning	(17)		Drawdown of 2021/22 new burdens funding to fund activity in-year.
Elections	(11)		Drawdown of reserve to fund Neighbourhood Plan Referendum costs in Elections service.
Development Control	(8)		Drawdown of Planning reserve to meet eligible service expenditure in year.
Licensing		5	Small variance in forecast net expenditure on ringfenced licensing activities.
Total reserve movements for direct services	(2,392)	832	(1,560)
Other reserve movements			
Capital Slippage		1,182	Lower than anticipated drawdown due to further slippage and underspends on capital programme. Remaining amount to be reviewed at year-end.
Working Balance		168	Above budgeted increase in forecast working balance requirement due to variances elsewhere.
Business Rates		98	Transfer of excess S31 grant income to fund deficit repayments in future years.
Capital Expenditure	(3)		Drawdown from Climate Change reserve to fund tree planting.
Total other reserve movements	(3)	1,448	1,445
Forecast net use of reserves			(690)

18. A full table showing all forecast General Fund reserve movements is included at Appendix C.

Housing Revenue Account (HRA)

19. The HRA budget anticipates a net operating surplus of £3.352 million. The current forecast is for a reduced surplus of £2.176 million (i.e. an adverse variance of £1.176 million). The most significant variances are as follows:-

- Unplanned spending of £240,000 on a review of housing services following the Council's self-referral to the Regulator of Social Housing.
- An overspend of £100,000 on consultancy relating to the refresh of the HRA Business Plan.
- An overspend of £667,000 on depreciation charges as a result of increased property valuations as at 1 April 2022. Whilst this represents a revenue charge to the HRA, this amount is transferred to the Major Repairs Reserve in order to fund future capital works on the Council's existing housing stock.

20. The original budget anticipated applying most of the operating surplus, together with £270,000 from the Capital Projects reserve, to fund capital expenditure totalling £3.590 million in year. However, the actual requirement for funding to be allocated in year is now forecast to be significantly higher at £4.674 million.

21. The main reason for the increase in the revenue cost of the Capital Programme is in relation to the Walden Place redevelopment. The budget for this project was reallocated by Cabinet in January 2022 to support the purchase of affordable homes – however the project has continued to progress and now requires funding of £1.641 million. It is now recommended that Cabinet approve this expenditure for 2022/23, to be partly funded by the drawdown of the remaining unallocated Capital Reserve (£614,000). This forecast has been prepared on the assumption that approval is granted.

22. The table below summarises the forecast position on the HRA, assuming that the capital programme proceeds as planned. A more detailed breakdown of income, expenditure and other movements is set out at Appendix D.

£'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Housing Revenue Income					
Total Service Income	(16,056)	(16,832)	(16,832)	(16,728)	104
Total Service Expenditure	4,786	5,126	5,126	5,553	427
Total Corporate Costs	8,086	8,354	8,354	9,000	646
OPERATING (SURPLUS)/DEFICIT	(3,184)	(3,352)	(3,352)	(2,176)	1,176
Funding of Capital Programme from HRA	2,239	3,590	3,590	3,655	65
Use of Reserves	(1,166)	(238)	(238)	1,104	1,343
Total Use of Reserves/Funding	1,073	3,352	3,352	4,759	1,407
(SURPLUS)/DEFICIT	(2,111)	0	0	2,584	2,584

23. As shown by the table above, after capital financing there is a forecast deficit on the HRA of £2.584 million. However, the opening balance on usable revenue reserves (excluding the working balance which must be maintained for prudence) is only £340,000. Therefore there are insufficient reserves to support the planned Capital Programme at present.
24. It is important to note that the use of reserves figure above includes transfers of £3.388 million to the Capital Slippage reserve in respect of capital expenditure budgeted to take place in 2022/23 which is now forecast to slip to future years. Clearly the Council has discretion over this amount, and it is likely that some of this expenditure will now need to be financed from surpluses in future years (which may necessitate the pausing or slowing of some projects) in order to maintain a positive balance in reserves as at 31 March 2023.

HRA Reserves

25. The total balance on HRA reserves (including earmarked reserves) at 1 April 2022 was £3.189 million. The forecast total balance at 31 March 2023 is £1.710 million. However, as above there are insufficient funds within usable revenue reserves to absorb the net forecast overspend, so there will be a need to reduce earmarked capital reserves accordingly. Forecast reserve movements are set out in more detail at Appendix E.

Capital Programme

26. The current budget for the 2022/23 Capital Programme is £45.700 million, and this is made up of the original budget of £36.782 million and slippage of £8.918 million brought forward from 2021/22. The slippage includes £1.641 million in relation to Walden Place which was not approved as part of the 2021/22 outturn report and now requires Cabinet approval (see paragraph 21).
27. The forecast outturn spend is predicted to be £38.520 million, which represents a total net underspend of £7.180 million. It is estimated that year-end slippage requests will total £7.310 million, leaving a residual overspend on the capital budget of £130,000.
28. The most significant variances on individual capital projects are as follows:-

General Fund

- An underspend of £4.668 million on development of the commercial property portfolio, of which £1.414 million represents retention payments to be paid in future years.
- An overspend of £1.800 million on the new depot site in relation to car park resurfacing – there was no budget in 2022/23 for any further spend on this site.
- An underspend of £498,000 on the vehicle replacement programme – a slippage request is likely to be submitted for the full unspent amount.
- An underspend of £100,000 on superfast broadband – a slippage request is likely to be submitted for the full unspent amount.

Housing Revenue Account

- An underspend of £3.601 million across three sheltered accommodation schemes at Walden Place, Alexia House and Parkside, due to delays in progressing these projects. It is anticipated that the full amount of the underspend will be required in future years.
- An overspend of £579,000 on the development of new homes at Great Chesterford.
- Total net overspends of £471,000 on the repair and maintenance of the existing housing stock (undertaken by Norse), with further slippage of £943,000 anticipated on specific projects where underspends are forecast.
- An underspend of £460,000 on the development of new homes at Thaxted Road, of which slippage of £48,000 is forecast for project completion next year.
- An underspend of £450,000 on the development of new homes at Takeley due to project delays – this budget will be required in future years.
- An underspend of £111,000 against the budget allocated for new homes on future sites – a slippage request will be submitted at year-end for the final unspent amount.

29. The full Capital Programme is set out in Appendix F.

Treasury Management

30. Treasury management activities have been carried out in accordance with the Treasury Management Strategy approved by Council in February 2022.

31. For the period from April to September 2022, the Council's weighted average cost of borrowing was 1.67%, whilst the weighted average return on treasury investments was 0.97%. The Council's borrowing over the period is summarised in the table below, while a detailed list of all borrowing and investments is included at Appendix G.

Counterparties	Balance at 1 April 2022 (£)	Balance at 30 September 2022 (£)	Weighted Average Interest Rate (%)
Other Local Authorities	171,000,000	161,000,000	0.63%
Phoenix	36,702,686	36,401,121	2.86%
Public Works Loan Board	78,407,000	158,407,000	3.36%
Total Borrowing	286,109,686	355,808,121	1.67%

32. During the period, the Bank of England base rate increased from 0.75% to 2.25%. It was increased again to 3.00% in November 2022, and further increases are anticipated over the coming months. This has begun to impact upon the Council's cost of borrowing, particularly in relation to loans taken out more recently. In the first six months of the year the Council has continued to benefit from low rates on fixed term loans agreed in previous years, but as these come to an end and need to be refinanced the cost of borrowing will increase further. It is currently forecast that the Council's average cost of borrowing for the full year will be 2.40%.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Actual income and expenditure will vary from forecast, requiring adjustments to budget and/or service delivery	2 – some variability is inevitable	2 – budget will be closely monitored and prompt action taken to deal with variances	Budgetary Monitoring and monthly analysis of the financial position

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

General Fund Budget Summary

£'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Portfolio Budgets					
Communities & Partnerships	1,076	1,066	1,066	1,341	275
Housing & Economic Development	1,489	2,699	2,699	2,466	(232)
Environmental Services	3,993	5,812	5,812	5,018	(794)
Finance & Administration	6,910	7,515	7,696	7,933	237
Airport compensation	0	0	0	2,100	2,100
Staff pay award - excess over budgeted amount	0	250	250	437	187
Increased utility costs - not yet allocated to services	0	0	0	151	151
Subtotal - Portfolio Budgets	13,468	17,341	17,522	19,446	1,923
Corporate Items					
Capital Financing Costs	2,491	1,771	3,906	2,432	(1,473)
IFRS 16 charge	0	80	80	0	(80)
Investment Asset - MRP	181	3,281	3,281	2,204	(1,076)
Investment Asset income	(8,202)	(11,774)	(11,774)	(11,346)	427
Treasury Investment Income	(10)	(7)	(7)	(276)	(268)
Borrowing costs	1,343	2,835	2,835	4,560	1,725
PFI interest cost	360	348	348	348	0
Pension Fund - Added Years	91	85	85	80	(5)
Exceptional corporate item - bad debt	12	0	0	0	0
HRA share of Corporate Core	(372)	(360)	(360)	(360)	0
Recharge to HRA	(1,328)	(1,387)	(1,387)	(1,421)	(34)
Subtotal - Corporate Items	(5,433)	(5,130)	(2,995)	(3,779)	(785)
Funding					
Council Tax - Collection Fund Balance	55	34	34	34	0
Council Tax - S31 Funding	(134)	(28)	(28)	(28)	0
Business Rates - Collection Fund Balance	4,837	(593)	(593)	(593)	0
Business Rates - UDC Share (net of tariff)	(1,112)	(1,477)	(1,477)	(1,477)	0
Business Rates - Levy Payment (safety net reimbursement)	989	724	724	953	230
Business Rates - Renewable Energy Scheme	(134)	(140)	(140)	(140)	0
Business Rates - Section 31 Funding	(3,694)	(2,881)	(2,881)	(3,386)	(505)
New Homes Bonus	(2,823)	(1,343)	(1,343)	(1,343)	0
Rural Services Delivery Grant	(293)	(293)	(293)	(293)	0
Government Support funding	(948)	(1,552)	(1,552)	(1,520)	31
Subtotal - Funding	(3,258)	(7,550)	(7,550)	(7,794)	(244)
Subtotal - Net Operating Expenditure	4,777	4,662	6,978	7,873	895
Net Transfers to/(from) Reserves					
Ringfenced Reserves	(1,291)	979	(1,156)	(756)	400
Core Reserves - Airport Compensation	0	0	0	(2,100)	(2,100)
Core Reserves - Other	792	1,838	1,657	3,305	1,648
Member Priority Reserve	854	(1,075)	(1,075)	(1,237)	(163)
Grants Reserve	8	0	0	99	99
Subtotal - Movement in Earmarked Reserves	363	1,742	(574)	(690)	(115)
COUNCIL TAX REQUIREMENT	5,140	6,404	6,404	7,183	779
Council Tax (precept levied on Collection Fund)	(6,159)	(6,404)	(6,404)	(6,404)	0
OVERALL NET POSITION (Under) / Over spend	(1,019)	0	0	779	779

Portfolio Service Variances**Communities and Partnerships**

£'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Forecast Outturn	Variance
Community Information	35	21	21	23	1
Day Centres	76	95	95	97	3
Emergency Planning	32	34	34	51	17
Grants & Contributions	617	518	518	626	108
Leisure & Performance	41	48	48	12	(36)
Saffron Walden Museum	217	238	238	252	14
New Homes Bonus	78	78	78	78	0
Private Finance Init	4	34	34	202	169
Renovation Grants	(24)	0	0	0	0
Portfolio Total	1,076	1,066	1,066	1,341	275

Housing & Economic Development

£'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Forecast Outturn	Variance
Building Surveying	(105)	(40)	(40)	(103)	(63)
Committee Admin	289	311	311	301	(10)
Customer Services Centre	501	612	612	598	(14)
Democratic Represent	323	351	351	336	(15)
Economic Development	181	504	504	405	(99)
Climate Change	62	381	381	381	(0)
Health Improvement	102	193	193	214	21
Homelessness	89	138	138	137	(2)
Lifeline	(136)	0	0	0	0
Communications	183	249	249	198	(51)
Portfolio Total	1,489	2,699	2,699	2,466	(232)

Portfolio Service Variances**Environmental Services**

£'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Forecast Outturn	Variance
Animal Warden	3	7	7	3	(3)
Grounds Maintenance	407	373	373	368	(5)
Car Park	(474)	(458)	(458)	(440)	18
Development Control	(505)	591	591	652	61
Depots	60	65	65	32	(33)
Street Cleansing	390	425	425	395	(30)
Housing Strategy	57	60	60	63	4
Highways	(3)	7	7	7	(0)
Local Amenities	(13)	(12)	(12)	(13)	(1)
Licensing	(186)	(206)	(206)	(159)	46
Vehicle Management	457	478	478	536	59
Public Health	580	758	758	481	(277)
Planning Management	390	467	467	453	(14)
Planning Policy	1,274	1,931	1,931	1,394	(538)
Planning Specialists	240	219	219	225	7
Waste Management	720	428	428	342	(85)
Community Safety	316	383	383	373	(10)
Street Services	284	298	298	305	7
Portfolio Total	3,993	5,812	5,812	5,018	(794)

Portfolio Service Variances**Finance and Administration**

£'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Forecast Outturn	Variance
Asset Management	165	95	95	204	108
Benefits Admin	239	343	343	321	(22)
Contract, Performance and Risk Management	0	0	49	49	0
Corporate Management	1,557	1,474	1,572	1,714	141
Central Services	350	432	432	401	(30)
Conducting Elections	(40)	0	0	17	17
Electoral Registration	33	35	35	39	4
Financial Services	1,154	1,210	1,063	1,327	264
Housing Benefits	(44)	149	149	145	(4)
Human Resources	333	383	383	335	(48)
Internal Audit	157	162	162	137	(24)
Information Technology	1,593	1,710	1,710	1,699	(11)
Land Charges	(53)	(57)	(57)	(64)	(6)
Legal Services	461	325	325	451	126
Local Taxation	(44)	(100)	(100)	(110)	(10)
Norse Partnership	379	409	409	411	2
Non Domestic Rates	(130)	(146)	(146)	(146)	(0)
Offices	398	406	406	524	118
Revenues Admin	443	739	739	664	(75)
Council Tax Discounts	(42)	(54)	128	(184)	(312)
Portfolio Total	6,910	7,515	7,696	7,933	237

General Fund Variances

Direct Services - Overspends >£30,000	Forecast Variance £'000	Commentary
		Includes £216k overspend on staff costs due to use of agency staff to fill hard to recruit vacancies and one-off reorganisation costs. Also includes overspend on treasury
Financial Services	264	management costs due to increased borrowing activity in year.
Private Finance Init	169	Increased utility costs and higher than budgeted inflation.
Corporate Management	141	Includes GF share of costs of housing review (£60k), net overspend on planning related staff costs (£46k), and unbudgeted legal costs (£35k).
Legal Services	126	Overspend is due to the use of agency staff to fill hard to recruit vacancies, along with two Code of Conduct investigations conducted in year.
Offices	118	Includes £129k underachievement of rental income from Canfield site, due to voids at start of the year. Other significant variances include overspend on staff costs relating to project manager for Canfield (£50k), underspend on business rates at Walpole (£51k), and one-off unbudgeted letting fees relating to Canfield (£40k).
Asset Management	108	Mainly due to overspend on repairs and maintenance of operational estate.
Grants & Contributions	108	Planned overspend of amounts underspent in 2021/22 - to be funded from earmarked reserve.
Development Control	61	Overspend of £286k on legal fees and consultancy related to planning appeals (excluding Stansted Airport), and overspend of £225k on staff costs due to the use of agency staff to fill hard to recruit posts. Partially offset by £414k overachievement of income, as impact of planning designation has not been as significant as initially forecast.
Vehicle Management	59	Mainly due to overspend on vehicle repairs and maintenance.
Licensing	46	Includes £72k underachievement of taxi licensing income as volume of work has still not returned to pre-Covid levels.

Direct Services - Underspends >£30,000	Forecast Variance £'000	Commentary
Planning Policy	-538	Includes £499k underspend due to delays to Local Plan - this will be transferred to the Sustainable Communities reserve for use in future years. Also includes underspend of £39k on Neighbourhood Plans which will again be transferred to reserves.
Council Tax Discounts	-312	Mainly due to higher than budgeted income from preceptors under shareback arrangements, due to higher than budgeted collection of council tax.
Public Health	-277	Includes £354k of unbudgeted government grant income relating to transitional funding, air quality and asylum seekers. Some of this will be used to support additional spend in year, whilst £192k will be transferred to reserves to be spent in future years. Offset against this are overspends of £58k on Commercial Team staff costs from use of agency staff, and £36k on veterinary services.
Economic Development	-99	Delays to Economic Development programme - most of this underspend (£64k) will be retained in the Economic Development reserve for use in future years.
Waste Management	-85	Includes underspend of £126k on waste disposal costs due to lower than budgeted gate fees, and £63k overachievement of garden waste income, offset by overspends on diesel (£42k) and hire of vehicles (£32k), and underachievement of income from bin sales (£30k).
Revenues Admin	-75	Includes underspend on staff costs (£45k) and unbudgeted new burdens funding (£39k).
Building Surveying	-63	Mainly due to overachievement of fee income due to increased volume of work.
Communications	-51	Mainly due to underspend on staff costs as a result of vacancies.
Human Resources	-48	Mainly due to underspend on staff costs as a result of a vacancy in year.
Leisure & Performance	-36	Underspend on staff costs due to a vacancy in year.
Depots	-33	Includes underspend on utilities at old depot sites due to decreased usage, plus unbudgeted rental income from Saffron Walden depot.
Central Services	-30	Mainly due to underspend on staff costs as a result of vacancies.
Street Cleansing	-30	Mainly due to underspend on staff costs as a result of vacancies.

Appendix C

General Fund Reserves

£'000	Balance 1 April 2022	Transfer From General Fund	Transfer to General Fund	Transfer Between Reserves	Balance 31 March 2023
Ringfenced Reserves					
Business Rates	4,571	870	0	0	5,440
Capital Slippage	2,350	0	(953)	(1,053)	344
Licensing	66	0	0	0	66
Leisure/Private Finance Initiative	1,102	0	0	0	1,102
Working Balance	1,517	380	0	0	1,897
TOTAL RINGFENCED RESERVES	9,605	1,250	(953)	(1,053)	8,849
Core Reserves					
Commercial Assets	1,060	2,200	0	740	4,000
Medium Term Financial Strategy	6,432	25	(1,004)	906	6,360
Strategic Initiatives	1,663	0	(1,663)	0	0
Total Core Reserves	9,155	2,225	(2,667)	1,646	10,360
Member Priorities					
Economic Development	1,484	0	(266)	(593)	625
Planning	794	24	(18)	0	800
Sustainable Communities	1,470	0	(221)	0	1,249
Major Sports Facilities	105	0	(105)	0	0
Climate change	625	320	(372)	0	574
Voluntary Sector	41	0	(6)	0	35
Total Member Priorities	4,519	344	(988)	(593)	3,282
Grants					
Homelessness	357	0	(78)	0	279
Health & Wellbeing	186	0	(29)	0	157
Air Quality	0	121	0	0	121
Public Health	0	86	0	0	86
Total Grants	543	207	(107)	0	643
TOTAL USABLE RESERVES	14,218	2,776	(3,762)	1,053	14,285
NET FORECAST OVERSPEND					(779)
TOTAL RESERVES	23,823	4,025	(4,715)	0	22,354

Housing Revenue Account Summary

£'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Housing Revenue Income					
Dwelling Rents	(14,817)	(15,553)	(15,553)	(15,482)	71
Garage Rents	(223)	(225)	(225)	(223)	2
Other Rents etc	0	(1)	(1)	(5)	(3)
Charges for Services & Facilities	(1,016)	(986)	(986)	(1,015)	(29)
Contributions towards Expenditure	(1)	(66)	(66)	(3)	63
TOTAL INCOME	(16,056)	(16,832)	(16,832)	(16,728)	104
Housing Finance & Business Management					
Rents, Rates & Other Property Charges	104	78	78	109	30
	104	78	78	109	30
Housing Maintenance & Repairs Service					
Common Service Flats	177	256	256	279	23
Estate Maintenance	1	2	2	2	0
Housing Sewerage	16	16	16	17	1
Newport Depot	4	5	5	5	0
Property Services	87	49	49	469	420
Housing Repairs (Norse Services)	3,371	3,743	3,743	3,699	(44)
Housing Repairs (Other)	58	0	0	0	0
	3,712	4,070	4,070	4,470	400
Housing Management & Homelessness					
Housing Services	491	516	516	526	10
Sheltered Housing Services	479	461	461	418	(44)
	970	977	977	944	(34)
Staff pay award - excess over budgeted amount	0	0	0	30	30
Total Service Expenditure	4,786	5,126	5,126	5,553	427
Other Costs					
Bad Debt Provision	(1)	100	100	99	(1)
Depreciation - Dwellings (to MRR)	3,751	3,935	3,935	4,445	511
Depreciation - Non-Dwellings (to MRR)	137	22	22	178	156
Interest/Costs re HRA Loan	2,574	2,570	2,570	2,569	(0)
Investment Income	(3)	(10)	(10)	(75)	(65)
Uttlesford Norse Partnership Profit Share	(69)	0	0	0	0
Pension Costs - Added Years	18	0	0	16	16
Recharge from General Fund	1,328	1,387	1,387	1,421	34
HRA Share of Corporate Core	372	360	360	360	(0)
Right to Buy Admin Allowance	(21)	(10)	(10)	(16)	(5)
Total Non-Service Expenditure	8,086	8,354	8,354	9,000	646
TOTAL EXPENDITURE	12,872	13,480	13,480	14,552	1,072
OPERATING (SURPLUS)/DEFICIT	(3,184)	(3,352)	(3,352)	(2,176)	1,176
MRP - Repayment of HRA Loan	2,000	0	0	0	0
Funding of Capital Programme from HRA					
Capital Schemes Funded from Revenue	2,239	3,590	3,590	3,655	65
	2,239	3,590	3,590	3,655	65
Transfers to/from Reserves					
Capital Projects	0	(270)	(270)	(884)	(614)
Change Management Reserve	0	0	0	0	0
Potential Developments	0	0	0	0	0
HRA Slippage Reserve	(1,166)	0	0	1,904	1,904
Sheltered Housing Reserve	0	0	0	0	0
Transformation Reserve	0	0	0	0	0
Working Balance	0	32	32	85	53
Movement in Reserves	(1,166)	(238)	(238)	1,104	1,343
(SURPLUS)/DEFICIT	(111)	0	0	2,584	2,584

Appendix E

Housing Revenue Account Reserves

Reserve £'000	Balance 1 April 2022	Transfer from HRA	Transfer to HRA	Transfer between Reserves	Balance 31 March 2023
<u>RINGFENCED RESERVES</u>					
Working Balance	471	85	0	0	556
TOTAL RINGFENCED RESERVES	471	85	0	0	556
<u>USABLE RESERVES</u>					
Revenue Reserves	180	0	0	0	180
Revenue Projects	160	0	0	0	160
	340	0	0	0	340
<u>Capital Reserves</u>					
Capital Projects	884	0	(884)	0	0
Potential Projects Reserve	10	0	0	0	10
HRA Slippage Reserve	1,484	3,388	(1,484)	0	3,388
	2,378	3,388	(2,368)	0	3,398
TOTAL USABLE RESERVES	2,718	3,388	(2,368)	0	3,738
NET FORECAST OVERSPEND					(2,584)
TOTAL RESERVES	3,189				1,710

Capital Programme expenditure summary

SCHEME	ORIGINAL BUDGET 2022/23	SLIPPAGE FROM 2021/22	VIREMENTS 2022/23	CURRENT BUDGET 2022/23	FORECAST	FORECAST TO BUDGET VARIANCE	FORECAST SLIPPAGE TO 2023/24
Communities & Partnerships	110	72	0	182	144	(38)	41
Environmental Services	365	1,156	0	1,521	1,024	(497)	523
Finance & Administration	260	1,200	0	1,460	3,271	1,811	80
Housing and Economic Development	280	613	0	893	720	(173)	100
Commercial Investments	26,792	1,098	0	27,890	23,222	(4,668)	1,414
Total General Fund	27,807	4,138	0	31,945	28,381	(3,564)	2,157
Housing Revenue Account	8,975	4,780	0	13,755	10,139	(3,616)	5,153
TOTAL CAPITAL PROGRAMME	36,782	8,918	0	45,700	38,520	(7,180)	7,310

Capital Programme financing summary

£'000	GENERAL FUND	HOUSING REVENUE ACCOUNT	TOTAL
Borrowing	23,136	0	23,136
Grants and Contributions	200	0	200
Revenue Contribution (RCCO)	555	1,287	1,841
Internal Borrowing	2,863	0	2,863
Reserves	956	2,368	3,324
S106	18	0	18
Capital Receipts	653	1,677	2,330
Major Repairs Reserve	0	4,807	4,807
TOTAL FINANCING	28,381	10,139	38,520

Capital Programme General Fund

SCHEME	ORIGINAL BUDGET 2022/23	SLIPPAGE FROM 2021/22	VIREMENTS 2022/23	CURRENT BUDGET 2022/23	FORECAST	FORECAST TO BUDGET VARIANCE	FORECAST SLIPPAGE TO 2023/24
GENERAL FUND							
COMMUNITIES & PARTNERSHIPS							
Community Project Grants	110	72	0	182	141	(41)	41
Tree Planting	0	0	0	0	3	3	0
TOTAL COMMUNITY & PARTNERSHIPS	110	72	0	182	144	(38)	41
ENVIRONMENTAL SERVICES							
Vehicle Replacement Programme	240	1,066	0	1,306	808	(498)	498
Household Bins	70	0	0	70	72	2	0
Kitchen Caddies	10	0	0	10	8	(2)	0
Garden Waste Bins	20	0	0	20	18	(2)	0
Trade Waste Bins	10	0	0	10	38	28	0
Car Parking Machine Replacement	0	65	0	65	65	0	0
Electric Car Charges	15	0	0	15	15	0	0
White Street Car Park	0	25	0	25	0	(25)	25
TOTAL ENVIRONMENTAL SERVICES	365	1,156	0	1,521	1,024	(497)	523

Capital Programme General Fund

SCHEME	ORIGINAL BUDGET 2022/23	SLIPPAGE FROM 2021/22	VIREMENTS 2022/23	CURRENT BUDGET 2022/23	FORECAST	FORECAST TO BUDGET VARIANCE	FORECAST SLIPPAGE TO 2023/24
FINANCE & ADMINISTRATION							
ICT							
Minor Items IT	20	0	0	20	37	17	0
PCI Compliance	20	40	0	60	20	(40)	0
PSN CoCo	30	0	0	30	82	52	0
Asset Management System	0	30	0	30	30	0	0
Cyber Security	20	72	0	92	92	0	0
Grounds Maintenance & Vehicle Systems	0	43	0	43	0	(43)	43
Licensing - Lalpac to Idox Uni	0	0	0	0	9	9	0
Scanner Replacement	0	30	0	30	30	0	0
Sharepoint	0	18	0	18	18	0	0
WiFi	0	36	0	36	25	(11)	11
Northgate Housing Assets	0	20	0	20	0	(20)	0
Corporate Mobile Refresh	0	37	0	37	37	0	0
ICT - New Sites	0	326	0	326	300	(26)	26
Cloud Telephone System	49	0	0	49	49	0	0
Web-to-Print Solutions	0	9	0	9	7	(2)	0
Sub Total	139	661	0	800	736	(64)	80
Council Asset Works							
Council Offices Improvements (General)	96	189	0	285	285	0	0
New Depot Site	0	0	0	0	1,800	1,800	0
Day Centre Cyclical Improvements	25	0	0	25	25	0	0
Swan Meadow Car Park Resurface	0	240	0	240	240	0	0
Museum Boiler	0	34	0	34	90	57	0
London Road - Fire Alarm Upgrade	0	50	0	50	50	0	0
Section 106 Agreements	0	0	0	0	18	18	0
Sub Total	121	512	0	633	2,508	1,875	0
Other							
Postal Software	0	27	0	27	27	0	0
Sub Total	0	27	0	27	27	0	0
TOTAL FINANCE AND ADMINISTRATION	260	1,200	0	1,460	3,271	1,811	80

Appendix F continued...

Capital Programme General Fund

SCHEME	ORIGINAL BUDGET 2022/23	SLIPPAGE FROM 2021/22	VIREMENTS 2022/23	CURRENT BUDGET 2022/23	FORECAST	FORECAST TO BUDGET VARIANCE	FORECAST SLIPPAGE TO 2023/24
HOUSING AND ECONOMIC DEVELOPMENT							
Disabled Facilities Grants	200	0	0	200	200	0	0
Empty Dwellings	10	13	0	23	0	(23)	0
Private Sector Renewal Grants	70	0	0	70	20	(50)	0
Superfast Broadband	0	600	0	600	500	(100)	100
TOTAL HOUSING AND ECONOMIC DEVELOPMENT	280	613	0	893	720	(173)	100
INVESTMENTS							
Investments	26,792	1,098	0	27,890	23,222	(4,668)	1,414
TOTAL INVESTMENTS	26,792	1,098	0	27,890	23,222	(4,668)	1,414

Capital Programme Housing Revenue Account

HOUSING REVENUE ACCOUNT							
Cash Incentive Scheme Grants	50	41	0	91	50	(41)	0
TOTAL	50	41	0	91	50	(41)	0
RTB SCHEMES							
The Moors	0	75	0	75	34	(41)	0
Thaxted Road	0	1,860	0	1,860	1,400	(460)	48
Great Chesterford	0	371	0	371	950	579	0
Gold Close	0	0	0	0	4	4	0
Future Sites	2,000	0	(1,789)	211	100	(111)	111
Takeley	500	0	0	500	50	(450)	450
Woodlands, Gt Dunmow	0	0	1,789	1,789	1,789	0	0
TOTAL RTB SCHEMES	2,500	2,307	0	4,807	4,327	(480)	609
SHELTERED SCHEMES							
Hatherley Court	0	0	0	0	35	35	0
Walden Place	0	1,641	0	1,641	200	(1,441)	1,441
Alexia House	1,400	0	0	1,400	350	(1,050)	1,050
Parkside	1,480	0	0	1,480	370	(1,110)	1,110
TOTAL SHELTERED SCHEMES	2,880	1,641	0	4,521	955	(3,566)	3,601
HRA - UTTLESFORD NORSE							
HRA Repairs	3,445	790	0	4,235	4,522	287	933
UPVC Fascia's and Guttering	100	(6)	0	94	150	56	0
Resurfacing Access Road	0	(3)	0	(3)	135	138	0
Lift Replacement	0	10	0	10	0	(10)	10
TOTAL UTTLESFORD NORSE	3,545	791	0	4,336	4,807	471	943

Appendix F continued...

Section 106

With Conditions	31 March 2022	Income	Adjustment	Drawn Down - Capital	Balance at 30 Sept 2022
	£'000	£'000	£'000	£'000	£'000
S106 Receipts in Advance					
Priors Green, Takeley	78	-	-	-	78
Land north of Ingrams, Felsted	10	-	-	-	10
Rochford Nurseries/Foresthall Park, Stansted	20	-	-	(18)	2
The Orchard, Elsenham	42	-	-	-	42
Wedow Road, Thaxted	53	-	-	-	53
Sector 4 Woodlands Park, Gt Dunmow	10	-	-	-	10
Keers Green Nurseries, Aythorpe Roding	120	-	-	-	120
Land adjacent to S/W Hospital	31	-	-	-	31
Land at Blossom Hill Farm, Henham	33	-	-	-	33
Land at Webb & Hallett Road, Flitch Green, Felsted	33	-	-	-	33
Land south side of Radwinter Road	322	-	-	-	322
Land North side of Stansted Road Elsenham	377	-	-	-	377
Land South of Stansted Road, Elsenham	330	-	-	-	330
Total	1,459	-	-	(18)	1,441

Other Bodies	31 March 2022	Income	Adjustment	Transferred to other bodies	Balance at 30 June 2022
	£'000	£'000	£'000	£'000	£'000
S106 Receipts in Advance					
Sector 4 Woodlands Park (Helena Romanes School)	165	-	-	-	165
Brewers End, Takeley	31	-	-	-	31
Land adj Hailes Wood, Elsenham	10	-	-	-	10
Land at Flitch Green, Felsted	67	-	-	-	67
Land adjacent to S/W Hospital	1	-	-	-	1
Ashdon Road Commercial Centre	34	-	-	(6)	28
Land south of Stansted Road, Elsenham	53	-	-	-	53
Land south of Ongar Road, Dunmow	17	-	-	-	17
Land at 119 Radwinter Road, adj S/W Hospital	15	-	-	-	15
Land North of Ongar Road, Gt Dunmow	21	-	-	-	21
Land at Bury Water Lane, Newport	29	-	-	-	29
Land at Elsenham Nuseries	14	-	-	-	14
Bury Water Lane, Newport	26	-	-	-	26
Walpole Farm, Cambridge Road, Stansted	53	-	-	-	53
14 Stortford Road, Gt Dunmow	35	-	-	-	35
Land west of Woodside Way, Gt Dunmow	264	-	-	-	264
Land west of Parsonage Road, Takeley	-	62	-	-	62
Grants and Contributions to Other Bodies	835	62	-	(6)	891

Without Conditions	31 March 2022	Income	Adjustment	Drawn Down - Capital	Balance at 30 June 2022
	£'000	£'000	£'000	£'000	£'000
S106 Unapplied					
Affordable Housing	813	-	-	-	813
Dunmow Eastern Sector	18	-	-	-	18
Woodlands Park, Gt Dunmow	36	-	-	-	36
Bell College, Saffron Walden	15	-	-	-	15
Priors Green, Takeley	8	-	-	-	8
Foresthall Park, Stansted	33	-	-	-	33
Lt Walden Road/Ashdon Road, Saffron Walden	98	-	-	-	98
Oakwood Park, Takeley	5	-	-	-	5
Total	1,026	-	-	-	1,026

Appendix G

Treasury Management Investments April – September 2022

Date of Investment	Counterparty	Amount (£)	Date of Repayment	Interest Rate %
11-Jun-21	Thurrock Borough Council	2,000,000	10-Jun-22	0.55%
17-Jan-22	DMO	3,000,000	15-Jul-22	0.55%
21-Feb-22	North Lanarkshire Council	3,000,000	21-Nov-22	0.55%
30-Mar-22	DMO	10,600,000	01-Apr-22	0.55%
01-Apr-22	DMO	7,400,000	04-Apr-22	0.55%
05-Apr-22	DMO	1,000,000	12-Apr-22	0.55%
12-Apr-22	DMO	1,150,000	14-Apr-22	0.55%
19-Apr-22	DMO	2,500,000	21-Apr-22	0.55%
03-May-22	DMO	1,000,000	10-May-22	0.77%
16-May-22	DMO	3,000,000	19-May-22	0.80%
10-Jun-22	DMO	2,000,000	24-Jun-22	0.99%
15-Jun-22	DMO	3,200,000	16-Jun-22	0.80%
24-Jun-22	DMO	2,000,000	26-Sep-22	1.30%
15-Jul-22	DMO	1,300,000	19-Jul-22	1.05%
15-Jul-22	DMO	3,000,000	17-Oct-22	1.56%
15-Aug-22	DMO	3,400,000	18-Aug-22	1.55%
05-Sep-22	DMO	3,250,000	06-Sep-22	1.55%
06-Sep-22	DMO	2,000,000	08-Sep-22	1.55%
22-Sep-22	DMO	5,000,000	12-Oct-22	2.00%
22-Sep-22	DMO	8,000,000	19-Oct-22	2.00%
22-Sep-22	DMO	6,000,000	20-Oct-22	2.00%
22-Sep-22	DMO	4,000,000	21-Oct-22	2.00%
29-Sep-22	DMO	50,000,000	06-Oct-22	1.96%
30-Sep-22	Cheshire East Borough Council	2,000,000	16-Dec-22	2.65%
Weighted average interest rate for period				<u>0.97%</u>

Money Market Funds

Fund Name	Opening Balance (£) 01/04/2022	Closing Balance (£) 30/09/2022	No. of days invested	Average 1 day yield
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund	450,000	900,000	183	1.16%
Aviva Investors Sterling Liquidity Fund	750,000	550,000	183	1.16%
CCLA - The Public Sector Deposit Fund	800,000	500,000	183	1.14%
Federated Short-Term Sterling Prime Fund	450,000	900,000	183	1.18%
Invesco Sterling Liquidity Portfolio (Institutional)	0	1,050,000	180	1.19%

Borrowing April – September 2022

Other Local Authorities

Date of borrowing	Institution	Amount (£)	Date of Repayment	Interest Rate %
18-Jun-20	Oxfordshire County Council	5,000,000	19-Jun-23	1.20%
30-Jun-20	Gloucestershire County Council	5,000,000	30-Jun-22	0.95%
24-Nov-20	Guildford Borough Council	3,000,000	24-May-22	0.45%
24-Nov-20	Spelthorne Borough Council	5,000,000	24-May-22	0.45%
20-Apr-21	West Yorkshire Combined Authority	3,500,000	12-Apr-22	0.12%
21-Apr-21	Devon County Council	2,500,000	20-Apr-22	0.13%
21-Apr-21	Hampshire County Council	3,000,000	20-Apr-22	0.13%
30-Apr-21	Brighton & Hove City Council	4,000,000	29-Apr-22	0.13%
30-Apr-21	London Borough of Newham	5,000,000	29-Apr-22	0.13%
02-Jun-21	St. Helens M.B.C	5,000,000	01-Jun-22	0.25%
07-Jun-21	Derbyshire County Council	11,500,000	06-Jun-22	0.35%
12-Aug-21	Vale of Glamorgan Council	2,000,000	11-Aug-22	0.06%
09-Sep-21	Middlesbrough Teeside Pension Fund	7,000,000	08-Sep-22	0.10%
09-Sep-21	Newcastle Upon Tyne, North Tyneside Authority	10,000,000	08-Sep-22	0.12%
09-Sep-21	West of England Combined Authority	10,000,000	08-Sep-22	0.12%
14-Sep-21	Crawley Borough Council	5,000,000	13-Sep-22	0.20%
14-Sep-21	East Sussex County Council	5,000,000	13-Sep-22	0.25%
14-Sep-21	Lancashire County Council	10,000,000	13-Sep-22	0.30%
14-Sep-21	West Midlands Combined Authority	10,000,000	13-Sep-22	0.20%
23-Sep-21	West Yorkshire Combined Authority	6,000,000	25-Jul-22	0.06%
21-Oct-21	Hyndburn Borough Council	2,000,000	17-Oct-22	0.15%
21-Oct-21	New Forest District Council	1,000,000	17-Oct-22	0.15%
22-Nov-21	Camb. & Peterborough Combined Authority	7,000,000	24-Oct-22	0.35%
22-Nov-21	Bridgend County Borough Council	3,000,000	21-Nov-22	0.25%
22-Nov-21	Flyde Borough Council	2,000,000	21-Nov-22	0.35%
22-Nov-21	Police & Crime Commissioner for Avon & Somerset	2,000,000	21-Nov-22	0.40%
22-Nov-21	Ryedale District Council	2,000,000	21-Nov-22	0.35%
22-Nov-21	Somerset County Council Pension Fund	5,000,000	21-Nov-22	0.40%
02-Dec-21	Comhairle Nan Eilean Siar	3,000,000	21-Nov-22	0.20%
21-Jan-22	West Yorkshire Combined Authority	4,000,000	21-Nov-22	0.25%
17-Feb-22	Scarborough Borough Council	3,000,000	04-Apr-22	0.32%
08-Mar-22	Scarborough Borough Council	5,000,000	01-Aug-22	0.68%
17-Mar-22	Greater Manchester Pension Fund	2,000,000	03-May-22	0.50%
28-Mar-22	Newport City Council	3,000,000	04-Apr-22	0.59%
30-Mar-22	Vale of Glamorgan Council	1,500,000	03-May-22	0.58%
30-Mar-22	West Midlands Combined Authority	8,000,000	30-Sep-22	0.85%
12-Apr-22	West Yorkshire Combined Authority	3,500,000	12-Oct-22	0.85%
20-Apr-22	Barnsley Metropolitan Borough Council	5,500,000	20-Oct-22	0.85%
21-Apr-22	Bedford Borough Council	2,000,000	15-Jul-22	0.79%
21-Apr-22	City and County of Swansea	4,500,000	21-Oct-22	0.94%
29-Apr-22	London Borough of Newham	5,000,000	28-Oct-22	0.90%
29-Apr-22	London Borough of Newham	4,000,000	28-Oct-22	0.90%
03-May-22	Mid Devon District Council	2,000,000	01-Aug-22	0.86%
19-May-22	Cheshire West & Chester Council	2,000,000	07-Jun-22	0.82%
19-May-22	Cheshire West & Chester Council	3,000,000	01-Jul-22	0.85%

Continued...

Date of borrowing	Institution	Amount (£)	Date of Repayment	Interest Rate %
24-May-22	London Borough of Newham	8,000,000	23-May-23	1.20%
06-Jun-22	Barnsley Metropolitan Borough Council	5,000,000	06-Dec-22	1.21%
06-Jun-22	London Borough of Waltham Forest	5,000,000	06-Dec-22	1.21%
06-Jun-22	Vale of Glamorgan Council	1,500,000	06-Dec-22	1.21%
20-Jun-22	Cheshire West & Chester Council	1,000,000	27-Jun-22	1.07%
20-Jun-22	Cheshire West & Chester Council	2,000,000	01-Jul-22	1.07%
30-Jun-22	Local Government Association	1,500,000	29-Jun-23	1.30%
30-Jun-22	Local Government Association	1,500,000	29-Jun-23	1.30%
30-Jun-22	Salford City Council	2,000,000	29-Jun-23	1.30%
21-Jul-22	Greater Manchester Combined Authority	6,500,000	28-Jul-22	1.07%
25-Jul-22	West Yorkshire Combined Authority	6,000,000	07-Jun-23	1.25%
28-Jul-22	Greater Manchester Combined Authority	6,500,000	11-Aug-22	1.27%
11-Aug-22	Liverpool City Region Combined Authority	4,500,000	18-Aug-22	1.57%
11-Aug-22	Middlesbrough Council	4,000,000	18-Aug-22	1.57%
18-Aug-22	Blaenau Gwent Borough Council	5,000,000	08-Sep-22	1.57%
18-Aug-22	Scarborough Borough Council	5,000,000	08-Sep-22	1.57%
22-Aug-22	Bedford Borough Council	3,000,000	01-Sep-22	1.57%
05-Sep-22	Middlesbrough Borough Council	5,000,000	30-Nov-22	2.15%
08-Sep-22	Cheshire West & Chester Council	5,000,000	08-Dec-22	2.17%
08-Sep-22	Torfaen County Borough Council	5,000,000	08-Dec-22	2.17%
08-Sep-22	Buckinghamshire Council	10,000,000	04-Aug-23	3.00%
08-Sep-22	Blaenau Gwent Borough Council	5,000,000	07-Sep-23	3.00%
08-Sep-22	Northern Ireland Housing Executive	10,000,000	07-Sep-23	3.00%
13-Sep-22	Crawley Borough Council	5,000,000	13-Dec-22	2.20%
13-Sep-22	South Ribble Borough Council	3,000,000	07-Sep-23	3.00%
13-Sep-22	East Sussex County Council	5,000,000	12-Sep-23	3.00%
13-Sep-22	South Lakeland District Council	3,000,000	12-Sep-23	3.00%
13-Sep-22	South Oxfordshire District Council	7,000,000	12-Sep-23	3.00%
20-Sep-22	Scarborough Borough Council	2,000,000	03-Oct-22	1.78%
30-Sep-22	Rotherham Metropolitan Borough	7,000,000	30-Nov-22	2.05%
Weighted average interest rate				0.63%

Phoenix

Date of borrowing	Loan Type	Initial Loan Amount (£)	Loan Period	Loan Balance at 1 April 2022	Loan Balance at 30 Sept 2022	Date of Final Repayment	Interest Rate %
05-Jul-17	Annuity	10,000,000	40 years	9,919,645	9,838,141	05-Jul-57	2.86%
06-Jul-20	Annuity	12,000,000	37 years	11,903,574	11,805,769	05-Jul-57	2.86%
05-Jul-21	Annuity	15,000,000	36 years	14,879,467	14,757,211	05-Jul-57	2.86%
Weighted average interest rate for period							2.86%

Public Works Loan Board

Date of borrowing	Loan Type	Initial Loan Amount (£)	Loan Period	Loan Balance at 1 April 2022	Loan Balance at 30 Sept 2022	Date of Final Repayment	Interest Rate %
28-Mar-12	Maturity	2,000,000	11 years	2,000,000	2,000,000	28-Mar-23	2.56%
28-Mar-12	Maturity	3,000,000	12 years	3,000,000	3,000,000	28-Mar-24	2.70%
28-Mar-12	Maturity	3,000,000	13 years	3,000,000	3,000,000	28-Mar-25	2.82%
28-Mar-12	Maturity	3,000,000	14 years	3,000,000	3,000,000	28-Mar-26	2.92%
28-Mar-12	Maturity	3,000,000	15 years	3,000,000	3,000,000	28-Mar-27	3.01%
28-Mar-12	Maturity	3,000,000	16 years	3,000,000	3,000,000	28-Mar-28	3.08%
28-Mar-12	Maturity	3,000,000	17 years	3,000,000	3,000,000	28-Mar-29	3.15%
28-Mar-12	Maturity	4,000,000	18 years	4,000,000	4,000,000	28-Mar-30	3.21%
28-Mar-12	Maturity	4,000,000	19 years	4,000,000	4,000,000	28-Mar-31	3.26%
28-Mar-12	Maturity	4,000,000	20 years	4,000,000	4,000,000	28-Mar-32	3.30%
28-Mar-12	Maturity	4,000,000	21 years	4,000,000	4,000,000	28-Mar-33	3.34%
28-Mar-12	Maturity	4,000,000	22 years	4,000,000	4,000,000	28-Mar-34	3.37%
28-Mar-12	Maturity	4,000,000	23 years	4,000,000	4,000,000	28-Mar-35	3.40%
28-Mar-12	Maturity	4,000,000	24 years	4,000,000	4,000,000	28-Mar-36	3.42%
28-Mar-12	Maturity	5,000,000	25 years	5,000,000	5,000,000	28-Mar-37	3.44%
28-Mar-12	Maturity	5,000,000	26 years	5,000,000	5,000,000	28-Mar-38	3.46%
28-Mar-12	Maturity	5,000,000	27 years	5,000,000	5,000,000	28-Mar-39	3.47%
28-Mar-12	Maturity	5,000,000	28 years	5,000,000	5,000,000	28-Mar-40	3.48%
28-Mar-12	Maturity	5,000,000	29 years	5,000,000	5,000,000	28-Mar-41	3.49%
28-Mar-12	Maturity	5,407,000	30 years	5,407,000	5,407,000	28-Mar-42	3.50%
22-Sep-22	Annuity	30,000,000	49 years	-	30,000,000	22-Sep-71	4.28%
29-Sep-22	Maturity	50,000,000	8 years	-	50,000,000	27-Sep-30	4.16%
Weighted average interest rate for period							3.36%

Committee:	Cabinet	Date:	
Title:	Treasury Management - Mid Year Review 2022/23	Thursday,	1 December 2022
Portfolio Holder:	Councillor Neil Hargreaves, Portfolio Holder for Finance and Budget		
Report Author:	Jody Etherington, Assistant Director - Finance jetherington@uttlesford.gov.uk	Key decision:	No

Summary

1. The Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the 'CIPFA Code') requires the publication of treasury management semi-annual and annual reports.
2. This report is for the period 1 April to 30 September 2022.
3. The Council's Treasury Management Strategy for 2022/23 was approved at a meeting of the Full Council in February 2022.
4. This report is to give members an update on the current treasury management activities and other factors that may influence or affect the financial markets.
5. Treasury management activities are defined by CIPFA as:

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

Recommendations

6. The Cabinet is recommended to note the Treasury Management Mid-Year Review 2022/23 set out in Appendix A.

Financial Implications

7. As set out at Appendix A.

Background Papers

8. None

Impact

Communication/Consultation	Corporate Management Team (CMT) and Informal Cabinet Briefing (ICB)
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. The Council 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 risks are therefore central to the Council's treasury management strategy.
10. The main risks to the Council's treasury activities are:
 - I. Liquidity risk (inadequate cash resources)
 - II. Market or interest rate risk (fluctuations in interest rates)
 - III. Inflation risk (exposure to change in prices)
 - IV. Credit and counterparty risk (security of investments)
 - V. Refinancing risks (impact of debt maturing in future years)
 - VI. Legal and regulatory risk (i.e. non-compliance with requirements)
11. A detailed report is attached as Appendix A and this has been compiled with the support of our external treasury advisors Arlingclose Ltd.
12. Treasury Management activities on investments and borrowing are detailed in the Budget Monitoring – Qtr. 2 Forecast Outturn report, included as a separate agenda item for tonight's meeting.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Liquidity	2 – unlikely due to forward planning of income receipts and expenditure	2 – we would incur additional costs of borrowing from external sources	Cash in and out flows are managed on a daily basis. All income and expenditure is planned and built in to cash flow statements. A minimum amount of £1m is maintained to cover any unexpected events
Interest Rate fluctuations	2 – there is normally a period prior to rises being announced	3 – this could significantly affect the cost of borrowing if they went up	The interest rate forecasts and projections are monitored regularly and we receive regular updates from our consultants (Arlingclose), in addition action has been taken recently to reduce the Council's exposure by fixing a greater proportion of borrowing for the longer term

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.

Treasury Management Mid-Year Review 2022/23

Introduction

The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires it to approve treasury management semi-annual and annual reports. This semi-annual report provides an update on the position for the 6 months ended 30 September 2022.

The Council's treasury management strategy for 2022/23 was approved by Full Council on 22 February 2022. The Council 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 risk remains central to the Council's treasury management strategy.

CIPFA published its revised Treasury Management Code of Practice (the "TM Code") and Prudential Code for Capital Finance in December 2021. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments. The principles within the two Codes took immediate effect although local authorities could defer introducing the revised reporting requirements within the revised Codes until the 2023/24 financial year, which this Council has elected to do.

Treasury risk management at the Council is conducted within the framework of the TM Code. This Code now also includes extensive additional requirements for service and commercial investments, far beyond those in the 2017 version.

External Context

Economic background: The ongoing conflict in Ukraine has continued to put pressure on global inflation and the economic outlook for UK and world growth remains weak. The UK political situation towards the end of the period following the government's 'fiscal event' increased uncertainty further.

The economic backdrop during the April to September period continued to be characterised by high oil, gas and commodity prices, ongoing high inflation and its impact on consumers' cost of living, no imminent end in sight to the Russia-Ukraine hostilities and its associated impact on the supply chain, and China's zero-Covid policy.

Central Bank rhetoric and action remained robust. The Bank of England, Federal Reserve and the European Central Bank all pushed up interest rates over the period and committed to fighting inflation, even when the consequences were in all likelihood recessions in those regions.

UK inflation remained extremely high. Annual headline CPI hit 10.1% in July, the highest rate for 40 years, before falling modestly to 9.9% in August. RPI registered 12.3% in both July and August. The energy regulator, Ofgem, increased the energy price cap by 54% in April, while a further increase in the cap from October, which would have seen households with average energy consumption pay over £3,500 per annum, was dampened by the UK government stepping in to provide around £150 billion of support to limit bills to £2,500 annually until 2024.

The labour market remained tight through the period but there was some evidence of easing demand and falling supply. The unemployment rate for April fell to 3.8% and declined further to 3.6% in July. Although now back below pre-pandemic levels, the recent decline was driven by an increase in inactivity rather than demand for labour. Pay growth in July was 5.5% for total pay (including bonuses) and 5.2% for regular pay. Once adjusted for inflation, however, growth in total pay was -2.6% and -2.8% for regular pay.

With disposable income squeezed and higher energy bills still to come, consumer confidence fell to a record low of -44 in August, down from -41 in the previous month. Quarterly GDP fell 0.1% in the April-June quarter driven by a decline in services output, but slightly better than the 0.3% fall expected by the Bank of England.

The Bank of England increased the official Bank Rate to 2.25% over the period. From 0.75% in March, the Monetary Policy Committee (MPC) pushed through rises of 0.25% in each of the following two MPC meetings, before hiking by 0.50% in August and again in September. August's rise was voted by a majority of 8-1, with one MPC member preferring a more modest rise of 0.25%. The September vote was 5-4, with five votes for an 0.5% increase, three for an 0.75% increase and one for an 0.25% increase. The Committee noted that domestic inflationary pressures are expected to remain strong and so given ongoing strong rhetoric around tackling inflation further Bank Rate rises should be expected, and indeed since the end of the period the rate has again risen to 3.00% at the beginning on November.

On 23rd September the UK government, following a change of leadership, announced a raft of measures in a 'mini budget', loosening fiscal policy with a view to boosting the UK's trend growth rate to 2.5%. With little detail on how government borrowing would be returned to a sustainable path, financial markets reacted negatively. Gilt yields rose dramatically by between 0.7% - 1% for all maturities with the rise most pronounced for shorter dated gilts. The swift rise in gilt yields left pension funds vulnerable, as it led to margin calls on their interest rate swaps and risked triggering large scale redemptions of assets across their portfolios to meet these demands. It became necessary for the Bank of England to intervene

to preserve market stability through the purchase of long-dated gilts, albeit as a temporary measure, which has had the desired effect with 50-year gilt yields falling over 100bps in a single day.

Bank of England policymakers noted that any resulting inflationary impact of increased demand would be met with monetary tightening, raising the prospect of a much higher Bank Rate and consequential negative impacts on the housing market.

After hitting 9.1% in June, annual US inflation eased in July and August to 8.5% and 8.3% respectively. The Federal Reserve continued its fight against inflation over the period with a 0.5% hike in May followed by three increases of 0.75% in June, July and September, taking policy rates to a range of 3% - 3.25%.

Eurozone CPI inflation reached 9.1% in August, with energy prices the main contributor but also strong upward pressure from food prices. Inflation has increased steadily since April from 7.4%. In July the European Central Bank increased interest rates for the first time since 2011, pushing its deposit rate from -0.5% to 0.0% and its main refinancing rate from 0.0% to 0.5%. This was followed in September by further hikes of 0.75% to both policy rates, taking the deposit rate to 0.75% and refinancing rate to 1.25%.

Financial markets: Uncertainty remained in control of financial market sentiment and bond yields remained volatile, continuing their general upward trend as concern over higher inflation and higher interest rates continued to dominate. Towards the end of September, volatility in financial markets was significantly exacerbated by the UK government's fiscal plans, leading to an acceleration in the rate of the rise in gilt yields and decline in the value of Sterling.

Due to pressure on pension funds, the Bank of England announced a direct intervention in the gilt market to increase liquidity and reduce yields.

Over the period the 5-year UK benchmark gilt yield rose from 1.41% to 4.40%, the 10-year gilt yield rose from 1.61% to 4.15%, the 20-year yield from 1.82% to 4.13% and the 50-year yield from 1.56% to 3.25%. The Sterling Overnight Rate (SONIA) averaged 1.22% over the period.

Credit review:

Having completed its full review of its credit advice on unsecured deposits at UK and non-UK banks, in May the Council's treasury advisers (Arlingclose) extended the maximum duration limit for five UK banks, four Canadian banks and four German banks to six months. The maximum duration for unsecured deposits with other UK and non-UK banks on Arlingclose's recommended list is 100 days. These recommendations were unchanged at the end of the period.

Arlingclose continued to monitor and assess credit default swap levels for signs of credit stress but made no changes to the counterparty list or recommended durations. Nevertheless, increased market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Council’s counterparty list recommended by Arlingclose remains under constant review.

Local Context

On 31 March 2022, the Council had net borrowing of £262.5m arising from its revenue and capital income and expenditure. 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. These factors are summarised in table 1 below.

Table 1: Balance Sheet Summary

	31.3.22 Actual £m
General Fund CFR	18.0
HRA CFR	80.6
Investments CFR	225.0
Total CFR	323.6
Less: PFI debt liabilities	(4.0)
Loans CFR	319.6
External borrowing	(286.1)
Internal borrowing	33.5
Less: Usable reserves	(33.1)
Less: Working capital	(24.0)
Net Investments	23.6

The treasury management position on 30 September 2022 and the change over the six months is shown in table 2 below.

Table 2: Treasury Management Summary

	31.3.22	6 months	30.9.22	30.9.22
	Balance	Movement	Balance	Weighted
	£m	£m	£m	Average
				Rate
				%
Long-term borrowing	120.1	72.7	192.8	3.59
Short-term borrowing	166.0	(3.0)	163.0	1.65
Total borrowing	286.1	69.7	355.8	
Short-term investments	18.6	62.4	81.0	1.93
Cash and cash equivalents	5.0	(0.6)	4.4	1.83
Total investments	23.6	61.8	85.4	
Net borrowing	262.5	7.9	270.4	

Over the past 6 months, the Council has sought to reduce its exposure to interest rate risk by refinancing a significant portion of its short-term borrowing to long-term borrowing. As such, towards the end of September the Council took out £80 million of new fixed rate PWLB borrowing to replace short-term borrowing due to reach maturity between September and December 2022. This has led to a temporary increase in total borrowing, and this excess cash has been invested in short-term deposits primarily with the Debt Management Office (DMO). As the old short-term loans reach maturity then both total borrowing and investment balances will return to their pre-September levels.

Borrowing

CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Council.

The Council currently holds commercial investments that were purchased prior to the change in the CIPFA Prudential Code. Before undertaking further additional borrowing the Council will review the options for exiting these investments.

There will be no further borrowing to acquire commercial investments primarily for yield, except where permitted by the Prudential Code (i.e. for prudent active management and rebalancing of the existing portfolio, for maximising the value of existing property assets, and for the refinancing of existing debt).

Borrowing Strategy and Activity

As outlined in the treasury strategy, the Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

Over the April to September period short term PWLB rates rose dramatically, particular in late September after the Chancellor's 'mini-budget', including unfunded tax cuts and additional borrowing to fund consumer energy price subsidies. Exceptional volatility threatened financial stability, requiring Bank of England intervention in the gilt market. Over a twenty-four-hour period some PWLB rates increased to 6%, before the intervention had the desired effect, bringing rates back down by over 1% for certain maturities. A truly wild and unprecedented period in fixed income markets, with a direct impact on PWLB rates. Interest rates rose by over 2% during the period in both the long and short term. As an indication the 5-year maturity certainty rate rose from 2.30% on 1 April to 5.09% on 30 September; over the same period the 30-year maturity certainty rate rose from 2.63% to 4.68%

At 30 September the Council held £363.8m of loans, an increase of £70.7m since 31 March 2022, as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 30 September are summarised in table 3A below.

Table 3A: Borrowing Position

	31.3.22	6 months	30.9.22	30.9.22	30.9.22
	Balance	Movement	Balance	Weighted	Weighted
	£m	£m	£m	Average Rate	Average
				%	Maturity
					Years
Public Works Loan Board	78.4	80.0	158.4	3.75	17.4
Phoenix Life Ltd	36.7	(0.3)	36.4	2.86	34.8
Local authorities	171.0	(10.0)	161.0	1.64	0.4
Total borrowing	286.1	69.7	355.8		

To enable certainty of cost to be achieved without suffering a cost of carry in the intervening period, the Council arranged £23.5m of forward starting loans with a weighted average interest rate of 2.27% for the delivery of cash in up to 1 years' time, details of which are below.

	Amount £m	Rate %	Loan Period (years)	Forward Period (months)
Local authority 1	11.5	1.80	1.0	3
Local authority 2	5.0	2.25	1.0	9
Local authority 3	7.0	3.05	1.0	2
Total borrowing	23.5	2.27		

Table 3B: Long-term loans outstanding at 30 September 2022

	Amount £m	Rate %	Initial Period (Years)
Public Works Loan Board	3.0	2.70%	12
Public Works Loan Board	3.0	2.82%	13
Public Works Loan Board	3.0	2.92%	14
Public Works Loan Board	3.0	3.01%	15
Public Works Loan Board	3.0	3.08%	16
Public Works Loan Board	3.0	3.15%	17
Public Works Loan Board	4.0	3.21%	18
Public Works Loan Board	4.0	3.26%	19
Public Works Loan Board	4.0	3.30%	20
Public Works Loan Board	4.0	3.34%	21
Public Works Loan Board	4.0	3.37%	22
Public Works Loan Board	4.0	3.40%	23
Public Works Loan Board	4.0	3.42%	24
Public Works Loan Board	5.0	3.44%	25
Public Works Loan Board	5.0	3.46%	26
Public Works Loan Board	5.0	3.47%	27
Public Works Loan Board	5.0	3.48%	28
Public Works Loan Board	5.0	3.49%	29
Public Works Loan Board	5.4	3.50%	30
Public Works Loan Board	30.0	4.28%	49
Public Works Loan Board	50.0	4.16%	8
Phoenix Life Ltd	36.4	2.86%	40
Total long-term borrowing	192.8		

Treasury Investment Activity

The TM Code defines treasury management investments as those which arise from the Council's cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use in the course of business.

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Council's investment balances ranged between £10 and £85.5 million due to timing differences between cash inflows and outflows. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.22	6 months	30.9.22	30.9.22	30.9.22
	Balance	Movement	Balance	Weighted Average Rate	Weighted Average Maturity
	£m	£m	£m	%	days
Government (incl. local authorities)	18.6	62.4	81.0	1.93	27.2
Money Market Funds	2.5	1.4	3.9	2.07	-
Banks (unsecured)	2.5	(2.0)	0.5	-	-
Total investments	23.6	61.8	85.4		

Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council'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.

With the increases in Bank Rate over the period under review, and the prospect of more increases to come, short-dated cash rates, which had ranged between 0.7% - 1.5% at the end of March, rose by around 1.5% for overnight/7-day maturities and by nearly 3.5% for 9-12 month maturities.

By end September, the rates on DMADF deposits ranged between 1.85% and 3.5%. The return on the Council's Sterling low volatility net asset value (LVNAV) Money Market Funds ranged between 0.5% - 0.58% in early April and between 1.95% - 2.12% at the end of September.

Non-Treasury Investments

The definition of investments in CIPFA's revised 2021 Treasury Management Code covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).

Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) also includes within the definition of investments all such assets held partially or wholly for financial return.

As at 30 September 2022 the Council had invested £242.93m on such investments in:

- directly owned property £182.96m
- loans to subsidiary – Aspire (CRP) Ltd - £59.97m

A full list of the Council’s directly owned property investments is shown below:

Directly Owned Property	31.03.22 Actual £m	30.09.22 Actual £m
Skyway House, Parsonage Road, Takeley - Offices	20.81	20.81
Deer Park Road, Livingston, Scotland - Vet Practice	5.24	5.24
Stane Retail Park, Colchester - Retail Park	27.12	27.37
Chorley - Regional Distribution Centre	58.30	58.30
Gloucester - Distribution Centre	33.90	43.27
Tewkesbury - Offices and Warehouse	24.47	27.97
TOTAL	169.84	182.96

These investments (including the loans to Aspire) are forecast to generate £11.3m of investment income for the Council for the full year after taking account of direct costs.

Compliance

The Director of Finance and Corporate Services reports that the majority of treasury management activities undertaken during the quarter complied fully with the CIPFA Code of Practice and the Council’s approved Treasury Management Strategy. There was one area of non-compliance. As can be seen in table 6, the banks (unsecured) limit was breached, this happened once and was due to a large unconfirmed payment being received after the external investment deadline. Compliance with specific investment limits is demonstrated in table 6 below.

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 5 below.

Table 5: Debt Limits

	2022/23 Maximum £m	30.09.22 Actual £m	2022/23 Operational Boundary £m	2022/23 Authorised Limit £m	Complied?
Borrowing	356.8	355.8	395	415	✓
PFI	4.2	4.1	5	5	✓
TOTAL	361.0	359.9	400	420	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Table 6: Investment Limits

	2022/23 Maximum £m	30.09.22 Actual £m	2022/23 Limit £m	Complied?
UK Central Government	76.0	76.0	Unlimited	✓
UK Local Authorities including Police and Fire per authority	3.0	3.0	3.0	✓
Secured Investments	0.0	0.0	3.0	✓
Banks (unsecured)	2.5	0.5	2.0	✗
UK Building Societies without credit ratings	0.0	0.0	2.0	✓
Registered Providers (unsecured)	0.0	0.0	2.0	✓
Money Market Funds, per fund	2.0	1.1	2.0	✓
Strategic Pooled Funds	0.0	0.0	2.0	✓
Real Estate Investment trusts	0.0	0.0	2.0	✓
Saffron Building Society	0.0	0.0	0.5	✓
Other Investments	0.0	0.0	2.0	✓

Treasury Management Indicators

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

Security: The Council 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.

	30.09.22 Actual	2022/23 Target	Complied?
Portfolio average credit rating	AA	A	✓

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments.

	30.09.22 Actual	2022/23 Target	Complied?
Total cash available within 3 months	£4.43m	£2m	✓

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates was:

	30.09.22 Actual	2022/23 Target	Complied?
Upper limit on one-year revenue impact of a 1% rise in interest rates	£206,060	£2m	✓
Upper limit on one-year revenue impact of a 1% fall in interest rates	-£206,060	-£2m	✓

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

Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. [This indicator covers the risk of replacement loans being unavailable, not interest rate risk.] The upper and lower limits on the maturity structure of all borrowing were:

	30.9.22 Actual %	Upper Limit %	Complied?
Under 12 months	45.92	70	✓
12 months and within 24 months	1.07	50	✓
24 months and within 5 years	3.26	50	✓
5 years and within 10 years	20.50	80	✓
10 years and within 20 years	16.58	80	✓
20 years and above	12.66	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 were:

	2022/23	2023/24	2024/25
Actual principal invested beyond year end	£0m	£0m	£0m
Limit on principal invested beyond year end	£10m	£10m	£10m
Complied	✓	✓	✓

Arlingclose’s Economic Outlook for the remainder of 2022/23 (based on 26th September 2022 interest rate forecast)

	Current	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Official Bank Rate													
Upside risk	0.00	0.50	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	2.25	4.25	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.75	4.25	3.75	3.25
Downside risk	0.00	-1.00	-1.00	-0.75	-0.50	-0.50	-0.50	-0.75	-1.25	-1.50	-1.75	-1.75	-1.75

Arlingclose expects Bank Rate to rise further during 2022/23 to reach 5% by the end of the year.

The MPC is particularly concerned about the demand implications of fiscal loosening, the tight labour market, sterling weakness and the willingness of firms to raise prices and wages.

The MPC may therefore raise Bank Rate more quickly and to a higher level to dampen aggregate demand and reduce the risk of sustained higher inflation. Arlingclose now expects Bank Rate to peak at 5.0%, with 200bps of increases this calendar year.

This action by the MPC will slow the economy, necessitating cuts in Bank Rate later in 2024.

Gilt yields will face further upward pressure in the short term due to lower confidence in UK fiscal policy, higher inflation expectations and asset sales by the BoE. Given the recent sharp rises in gilt yields, the risks are now broadly balanced to either side. Over the longer term, gilt yields are forecast to fall slightly over the forecast period.

Background:

Monetary policymakers are behind the curve having only raising rates by 50bps in September. This was before the “Mini-Budget”, poorly received by the markets, triggered a rout in gilts with a huge spike in yields and a further fall in sterling. In a shift from recent trends, the focus now is perceived to be on supporting sterling whilst also focusing on subduing high inflation.

There is now an increased possibility of a special Bank of England MPC meeting to raise rates to support the currency. Followed by a more forceful stance over concerns on the looser fiscal outlook. The MPC is therefore likely to raise Bank Rate higher than would otherwise have been necessary given already declining demand. A prolonged economic downturn could ensue.

Uncertainty on the path of interest rates has increased dramatically due to the possible risk from unknowns which could include for instance another Conservative leadership contest, a general election, or further tax changes including implementing windfall taxes.

The government's blank cheque approach to energy price caps, combined with international energy markets priced in dollars, presents a fiscal mismatch that has contributed to significant decline in sterling and sharp rises in gilt yields which will feed through to consumers' loans and mortgages and business funding costs.

UK government policy has mitigated some of the expected rise in energy inflation for households and businesses flattening the peak for CPI, whilst extending the duration of elevated CPI. Continued currency weakness could add inflationary pressure.

The UK economy already appears to be in recession, with business activity and household spending falling. The short- to medium-term outlook for the UK economy is relatively bleak.

Global bond yields have jumped as investors focus on higher and stickier US policy rates. The rise in UK government bond yields has been sharper, due to both an apparent decline in investor confidence and a rise in interest rate expectations, following the UK government's shift to borrow to loosen fiscal policy. Gilt yields will remain higher unless the government's plans are perceived to be fiscally responsible.

The housing market impact of increases in the Base Rate could act as a "circuit breaker" which stops rates rising much beyond 5.0%, but this remains an uncertainty.