



Public Document Pack

Uttlesford District Council

Chief Executive: Peter Holt

Cabinet

Date: Thursday, 29th June, 2023

Time: 7.00 pm

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

**Leader and
Chair:** Councillor P Lees

Members: Councillors A Coote, J Evans, N Hargreaves (Vice-Chair), N Reeve
and M Sutton

**Other
Attendees:** Councillors S Barker (Conservative Party Group Leader), N Gregory
(Chair of Scrutiny Committee), E Oliver (Chair of Audit and
Standards Committee), R Pavitt (Uttlesford Independent Party Group
Leader) and G Sell (Liberal Democrat Group Leader),

Public Speaking

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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

5 - 9

To consider the minutes of the meeting held on 16 March 2023.

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.

- [Appointments to North Essex Parking Partnership](#) – 2 June 2023
- [Appointments to Outside Bodies](#) – 2 June 2023
- [Response to DLUHC consultation on Planning Fees and Performance](#) – 18 April 2023

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.

- None received.

8	Appointments to Committees of Cabinet 2023/24	10
	To consider appointments to Committees of Cabinet 2023/24.	
9	Appointments to Working Groups of Cabinet 2023/24	11 - 15
	To consider the Terms of Reference and membership appointments to Working Groups of Cabinet 2023/24.	
10	Outside Bodies Appointments 2023/24	16
	To consider Outside Bodies appointments for 2023/24.	
11	Appointments to the North Essex Parking Partnership and the West Essex Wellbeing Joint Committee	17
	To consider appointments to Joint Committees 2023/24.	
12	Officer Decisions - Write Offs 2022/23	18 - 21
	To consider the Officer Decisions – Write Offs 2022/23 report.	
13	Local Council Tax Support Scheme Proposals - 2024/25	22 - 28
	To consider the Local Council Tax Support Scheme Proposals 2024/25 report.	
14	2022/23 Financial Outturn	29 - 68
	To consider the Financial Outturn report 2022/23.	
15	Treasury Management - 2022/23 Outturn	69 - 82
	To consider the Treasury Management 2022/23 Outturn report.	
16	Housing Update - Repairs and Maintenance	83 - 90
	To receive the Housing Update – Repairs and Maintenance report.	
17	Blueprint Uttlesford - Update	91 - 100
	To receive an update on Blueprint Uttlesford.	

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 at COUNCIL CHAMBER - COUNCIL OFFICES, LONDON ROAD, SAFFRON WALDEN, CB11 4ER, on THURSDAY, 16 MARCH 2023 at 7.00 pm

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

Officers in attendance: P Holt (Chief Executive), J Etherington (Assistant Director of Finance), B Ferguson (Democratic Services Manager), P Holt (Chief Executive) and A Webb (Director - Finance and Corporate Services)

Also in attendance: Councillors Fairhurst (deputising for the Leader of the Liberal Democrat and Green Group).

CAB82 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were received from Councillors Armstrong and Reeve as members of Cabinet.

Councillor Caton, Leader of the Liberal Democrat and Green Group, sent his apologies and Councillor Fairhurst deputised in his place.

Councillor Gregory, Chair of the Scrutiny Committee, and Councillor Smith, Leader of the Conservative Group, sent their apologies.

CAB83 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 9 February 2023 were approved as a correct record.

CAB84 QUESTIONS OR STATEMENTS FROM NON-EXECUTIVE MEMBERS OF THE COUNCIL (STANDING ITEM)

There were no questions from non-executive members.

CAB85 CONSIDERATION OF REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (STANDING ITEM)

There were no reports to consider from Overview and Scrutiny Committees.

CAB86 REPORT OF DELEGATED DECISIONS TAKEN BY CABINET MEMBERS (STANDING ITEM)

The following delegated decisions were noted:

- Response to CAA Consultation: Revised Airspace Change Process Guidance (CAP1616) – 8 March 2023.
- Response to DLUHC consultation: Levelling-up and Regeneration Bill: reforms to national planning policy – 2 March 2023.
- Designation of Little Hallingbury Neighbourhood Plan Area – 28 February 2023.

CAB87 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 in regards to Assets of Community Value and Local Heritage List.

CAB88 ZERO CARBON COMMUNITIES FUND OUTCOME

Councillor Pepper presented the report regarding the Zero Carbon Communities Fund, which stated that the Climate Change programme had agreed an allocation of £300,000 over the next two years to enable funding of community projects that would support the delivery of priorities within the Council's Climate Change Strategy. Twenty applications had been received by the closing date, with a total of £250,000 funding requested. The evaluation and selection of projects took place in January and applications were independently evaluated, with eleven projects approved to receive grant awards. She said the second round would take place in August 2023. She proposed approval of the recommendation stated in the report.

Councillor Hargreaves seconded the proposal.

Councillor Lees said she had received correspondence from a resident which praised the application process as it had brought people together in order to help the local community.

In response to a question regarding publicity of the Fund, Councillor Pepper said the scheme was promoted via the "Let's Talk Uttlesford" programme.

The proposal was approved unanimously.

RESOLVED:

- I. To note the evaluation and selection process that has been undertaken to determine the successful projects in this funding round.
- II. To approve the list of successful projects agreed by the selection panel and listed in Appendix 3.

CAB89 DEVELOPER CONTRIBUTIONS SUPPLEMENTARY PLANNING DOCUMENT

Councillor Evans presented the Developer Contributions supplementary planning document report, which recommended that the Developer Contributions guidance be adopted as a formal supplementary planning document (SPD) and form part of the development plan for the district. He said the production of the SPD formed part of the s106 agreement implementation pathway, which was part of the Planning Service Implementation Plan. The document set out the procedures that the Council would follow in negotiating s106 agreements and summarised the evidence base for calculating individual contributions. He commended the report and proposed the recommendation.

In response to questions regarding the viability policy, the Director of Planning said viability requirements were set in national policy but the council could make its expectations of developers clear in terms of having an independent audit of viability assessments submitted.

In response to a comment from Councillor Fairhurst regarding misunderstandings surrounding s106 agreements, Councillor Evans said the benefit of this document was that it was written in plain English and councillors should promote the SPD with their parish and town councils. He said it was not a panacea for “rewarding” communities subject to development but it did make the Council’s expectations of developers clear.

In response to a question from Councillor Lees regarding bio-diversity quotas, the Director of Planning said the national target was 10% but Essex councils were considering “clubbing” together in order to go above that. Options were being explored.

Councillor Freeman seconded the proposal.

The recommendation was approved unanimously.

RESOLVED to approve the Developer Contributions SPD for adoption.

CAB90 MEMBERS NEW HOMES BONUS SPEND AND RECIPIENTS 2022/23

Councillor Sutton spoke to the Members’ New Home Bonus Spend and Recipients report, which provided details of the 2022/23 New Homes Bonus Member Ward Initiative grant allocations.

The report was noted.

CAB91 WORKFORCE PLAN 2023-2027

Councillor Lees presented the Workforce Plan 2023-27 report, which demonstrated how the Council intended to create an agile workforce that could help achieve the ambitious goals set out in the Corporate Plan and Blueprint Uttlesford. It was a four year plan which would be reviewed annually to ensure it

remained fit for purpose. Furthermore, an Action Plan would accompany the Workforce Plan, setting out specific actions to achieve the stated aspirations and target dates for each. This was a 'work in progress' and was subject to staff engagement and feedback.

In response to a question from Councillor Coote, the Human Resource Manager said the Plan would be communicated to staff in June. Staff would be given the opportunity to prioritise actions then, such as staff development.

Councillor Coote said there was no agenda and further input was required from staff in creating this future programme.

The Chief Executive said this was a work in progress and would be co-created with staff. A Staff Conference was taking place in June and this Plan would be discussed and built upon.

Cabinet members commended the report and said it was a good starting point.

Councillor Coote said he wanted more involvement from staff and the Trade Unions. Further work was required.

The HR Manager said this was a live document and the Plan would continue to be worked upon and improved. Staff would be engaged and would participate in the process.

The report was noted.

CAB92 BUDGET 2022/23 - QUARTER 3 FORECAST OUTTURN

Councillor Hargreaves presented the Quarter 3 Forecast Outturn report, which detailed the financial performance of the General Fund, Housing Revenue Account, Capital Programme and Treasury Management. The report was based upon actual expenditure and income from April to December, and predicted a forecast for the end of the 2022/23 financial year.

He highlighted overspends and underspends, virements required and forecasts for the General Fund, Housing Revenue Account and the Capital Programme. He said that the revenue generated by the Council's investment portfolio had increased to nearly £17million in the past four years. He proposed approval of the recommendation set out in the report.

In response to a question regarding financial assistance to leisure centres, the Director of Corporate and Financial Services said the Government had released £63million to help modernise swimming pools. However, the work required to decarbonise existing swimming pools was very expensive.

Councillor Sutton seconded the proposal.

The recommendation was approved unanimously.

RESOLVED to:

- I. Note the General Fund, Housing Revenue Account and Capital Programme forecast outturn positions; and
- II. Approve the General Fund virements set out at paragraph 19.

CAB93 HOUSING REVENUE ACCOUNT 2023/24 - UPDATE

Councillor Hargreaves spoke to the report regarding the Housing Revenue Account 2023/24, which referred to the significant work undertaken following the self-referral to the social housing regulator and the housing stock control survey. Interim findings had now allowed officers to begin to project the cost implications to the Housing Revenue Account (HRA) of dealing with the hazards, such as damp and mould. The pace of all of this work has been such that the full financial implications were not fully developed at the time of setting the Housing Revenue Account (HRA) budget for 2023/24. Cabinet was therefore recommended to approve additional one-off revenue expenditure of up to £1 million during 2023/24, to be funded by a reduction in revenue contributions to capital. He proposed the recommendation set out in the report.

Members discussed the issue of mould, damp and ventilation requirements. There was recognition that ventilation was a factor but the age of the housing stock, across the nation as well as in the district, needed to be taken into account and this appeared to be the primary reason for mould in the majority of cases. Work would continue on the Council's housing stock and information on ventilation requirements would be shared with tenants in due course.

Councillor Freeman said the Council was right to self-refer itself to the social housing regulator and commended the Chief Executive for his advice on the subject. He seconded the proposal.

The recommendation was approved unanimously.

RESOLVED to:

- i. Approve additional one-off HRA revenue expenditure of up to £1 million in 2023/24, as set out at Appendix A;
- ii. Note that this additional expenditure will be financed by replacing up to £1 million of planned revenue contributions to capital with currently uncommitted capital receipts (under the principle already set out in the Capital Programme 2023/24 that capital receipts be used before revenue contributions where possible); and
- iii. In the event that the capital receipt from the Walden Place redevelopment is not received by 31 March 2024, approve a temporary increase in HRA internal borrowing of up to £1 million until such time as the receipt arrives, at which point the borrowing will be repaid.

The meeting was closed at 8.30pm.

Agenda Item 8

PROPOSED MEMBERSHIP 2023-24: **COMMITTEES OF CABINET**

ASSETS OF COMMUNITY VALUE AND LOCAL HERITAGE LIST COMMITTEE:

Cllrs Sutton (C), Evans, Reeve

VOLUNTARY SUPPORT GRANTS COMMITTEE:

Cllrs Hargreaves (C), P Lees, M Sutton and Neil Reeve

CABINET WORKING GROUPS 2023/24

Name of Group	Terms of reference	No of Members	Membership
Community Achievement Panel	To oversee the organisation of the Community Achievement Awards scheme and make recommendations on the recipients of those awards.	5	P Lees Chair M Sutton R Pavitt R Silcott J Moran
Housing Board	<ol style="list-style-type: none"> 1. Inform on and monitor the performance and delivery of all Council housing related strategies and policies 2. Monitor housing related performance indicators 3. Inform on and monitor the Council's Housing 4. Monitor the Council's Housing Revenue Account 5. Monitor and inform on the delivery of affordable housing units in the District 6. Consider the use of existing housing stock and other housing assets 	10 + 2 tenant reps	A Cooté Chair P Lees V Chair C Fiddy R Freeman M Tayler G Driscoll B Regan S Barker C Martin A Dean
Investment Board	<p>Status This is a working group of the Cabinet. It may make recommendations but is not a decision-making body. The Investment Board will be constituted by members with a knowledge of commercial investment, supplemented with external training as necessary, and supported by industry expert independent people.</p> <p>Membership Nine members of the Council to be appointed by the Cabinet, on nomination by group leaders. The group will also have two independent members of the</p>	9 + 2 Independent members	N Reeve Chair N Hargreaves V Chair D McBirnie J Evans G Bagnall C Criscione

Name of Group	Terms of reference	No of Members	Membership
	<p>public to provide additional support and guidance to the members. Quorum to be 50% of the Board membership (including the two independent members i.e. 6 when fully appointed).</p> <p>Attendance Officers will attend to support the Working Group as necessary. The Working Group may invite other parties to attend and to contribute to meetings as it decides.</p> <p>Meetings The Working Group will fix its own timetable for meetings. Meetings will be open to the public, subject to the exclusion rules that apply to committee meetings. Agendas and minutes will be published on the Council website.</p> <p>Officer support A senior Council officer will be designated as the lead officer for the Working Group. Democratic Services will provide administrative support for the Working Group.</p>		<p>R Gooding G Sell N Gregory</p>
Local Plan Leadership Group	<p>(Status) <input type="checkbox"/> The LPLG is a working group of the Cabinet. It may make recommendations but is not a decision-making body.</p> <p>(Membership) <input type="checkbox"/> Nine members of the Council to be appointed to the LPLG by Cabinet. Substitutes are not permitted.</p> <p>(Quorum) <input type="checkbox"/> The quorum of a meeting will be one quarter of the total number of working group members (three). During any meeting if the Chairman counts the number of members present and declares there is not a quorum present, then the meeting will be adjourned immediately.</p> <p>(Function)</p>	9	<p>G Bagnall Chair R Pavitt V Chair J Evans N Reeve R Freeman M Tayler R Gooding C Criscione J Loughlin</p>

Name of Group	Terms of reference	No of Members	Membership
	<ul style="list-style-type: none"> <input type="checkbox"/> To assist the Council in the preparation of a local plan which meets the agreed development needs of the district during the course of the plan period in the most appropriate manner; <input type="checkbox"/> To make recommendations to Cabinet as to the preparation of the draft Uttlesford Local Plan 2020 – 2040, and related planning policy documents, in the light of both documents submitted by officers to the Leadership Group for consideration and any other matters as the Group sees fit; <input type="checkbox"/> To enable members of the public to address the Group for a maximum of 4 minutes and to provide a copy of their statement, subject to having registered to speak in advance; <input type="checkbox"/> To enable councillors from Uttlesford District Council and Town and Parish Councils to address the Group for a maximum of 5 minutes and to provide a copy of their statement, subject to having registered to speak in advance; <p>(Meetings)</p> <ul style="list-style-type: none"> <input type="checkbox"/> In order to manage the time of the meeting, no more than 10 people shall address the meeting, at the chairs discretion this may be extended; <input type="checkbox"/> Meetings shall generally be held in public but may be held in private if the Group considers that to be either desirable or necessary in the interests of commercial confidentiality, or there were matters arising which might otherwise be considered detrimental to the Local Plan making process, if discussed in public; <input type="checkbox"/> To meet as frequently as necessary in order to enable the preparation of the plan to proceed in accordance with the current timetable; <input type="checkbox"/> To make recommendations to officers as to any particular items the Group would like to see addressed at the next, or a forthcoming, meeting. 		
Museum Management Working Group	<ol style="list-style-type: none"> 1. The Group shall comprise the Cabinet Member with responsibility for the Museum Service and four further members and five directors of the Society. 2. The Museum Curator shall attend all meetings of the Group in an advisory capacity and in accordance with the requirements of the national 	5	M Sutton Chair A Reeve V Chair J Moran J Davey

Name of Group	Terms of reference	No of Members	Membership
	<p>Accreditation Scheme for museums or any replacement thereof.</p> <p>3. Meetings shall normally be held in private and the Council shall meet the costs of all MMWG meetings and be responsible for the taking of minutes at such meetings.</p> <p>4. The Group is to meet a minimum of four times in a year in order to:-</p> <ul style="list-style-type: none"> i. Receive a quarterly report from the Museum Curator about the Museum Service. ii. Agree and recommend to the Council and the Society the provision of the Uttlesford Museum Service and the Museum Service strategic objectives and long term plans iii. Discuss matters and make recommendations to the Council and the Society on matters relating to the management of the Museum Service where a decision needs to be taken or an action needs to be ratified by the Council and/or the Society including the purchase or disposal of objects and the loan of objects to other museums iv. Act as the Museum's governing body for the purpose of the Accreditation scheme and implementation of appropriate codes of practice v. Appoint from the Group the Council's representative to attend at and report on any relevant meetings of other organisations as determined by the Group vi. Invite representatives of other Uttlesford museums and public galleries to attend a meeting of the Group if necessary or appropriate to the matters under discussion vii. Recommend to the Council hours of opening to the public and the admission charges to be levied on all users of the Museum having regard to promoting accessibility of the Museum and social inclusion and any requirements imposed on the Museum Service by other agencies. viii. Where appropriate make recommendations to the Society and/or the 		G Sell

Name of Group	Terms of reference	No of Members	Membership
	<p>Council concerning alterations to the interior or exterior of the Museum building major projects capital developments and any other significant proposals affecting the Museum</p> <p>ix. Generally promote and act as advocates for the Museum</p>		
Stansted Airport Advisory Panel	<p>1) Form an overview of policy and operational issues in relation to Stansted</p> <p>2) Monitor the activities of the airport in the interests of the people of the district.</p> <p>3) Review and anticipate future developments at the airport and in aviation policy.</p>	7	<p>J Evans Chair</p> <p>M Coletta</p> <p>M Foley V Chair</p> <p>M Sutton</p> <p>J Moran</p> <p>M Lemon</p> <p>A Dean</p>

Agenda Item 10

PROPOSED REPRESENTATIVES ON OUTSIDE BODIES 2023-24

Organisation	Number	Representative (s)
Armed Forces and Community Covenant	1	Daniel McBirnie
Board of Turpins Indoor Bowling Club	1	Alex Reeve
Campaign to Protect Rural Essex	1	Martin Foley
Committee of the Friends of the Maltings	1	Alex Armstrong
Community Safety Partnership	1	Maggie Sutton
Cooperation for Sustainable Development Board	1	John Evans
Dunmow Day Centre Management Cttee	1	John Davey
Dunmow Museum Management Cttee	1	John Davey
Dunmow Town Strategy Group		Alex Armstrong
Essex County Traveller Unit	1	Chris Criscione
Essex Coastal Forum	1	John Evans
Essex Councils Climate Forum	1	Neil Reeve
Essex Flood Partnership Board	1	Richard Pavitt
Essex Waste Partnership Board	1	Neil Reeve
Friends of Bridge End Gardens	1	Richard Freeman
Harlow and Gilston Garden Town Board	1	John Evans
Historic England Heritage Champion	1	Geoffrey Sell
Local Government Association - General Assembly	1	Petrina Lees
LGA – SPARSE Rural Assembly	1	John Evans
Local Strategic Partnership	1	Maggie Sutton
UK Innovation Corridor	1	Petrina Lees
Parking and Traffic Regulation outside London Adjudication Committee	1	Geof Driscoll
Saffron Walden Arts Trust	1	Chloe Fiddy
Saffron Walden Business Improvement District (SW BID)	1	Neil Hargreaves
Saffron Walden Museum Society	1	Maggie Sutton
Stansted Airport Consultative Committee	1	John Evans
Stansted Airport Community Trust Fund		Maggie Sutton
Strategic Aviation Special Interest Group	1	John Evans
Thaxted Guildhall Management Cttee	1	Mike Tayler
Uttlesford Association of Local Councils	1	Petrina Lees
Uttlesford Citizens' Advice Bureau	1	Richard Freeman
Uttlesford Community Travel	1	Geoffrey Sell
Uttlesford Norse Services Ltd Board	1	Petrina Lees
Uttlesford Norse Services Ltd Liaison	1	Arthur Coote

PROPOSED MEMBERSHIP 2023-24: JOINT COMMITTEES

NORTH ESSEX PARKING PARTNERSHIP:

Substantive Member: Cllr N Hargreaves

Substitute Member: Cllr N Reeve

WEST ESSEX WELLBEING JOINT COMMITTEE:

Cllrs M Tayler and M Sutton

Agenda Item 12

Committee: Cabinet

Date: 29 June 2023

Title: Officers Decision – Write offs 2022/23

Portfolio Holder: Portfolio Holder for Finance and Budget

Report Author: Angela Knight, Assistant Director - Resources
aknight@uttlesford.gov.uk

Key decision:
No

Summary

1. This report details Officers decisions under delegated powers to authorise write offs less than £10,000 in line with the constitution and the Financial Regulations.
2. The write offs relate to Business Rates, Council Tax, Housing Benefit, Housing Rents and Sundry Debtors.
3. The total value of monies owed to the Council which have been written off by officers for the financial year 2022/23 is £392,360, of which £145,645 has a direct financial impact on the Council.
4. All the amounts written off have been through the council's recovery process and proved to be either unrecoverable or uneconomical to pursue any further.

Recommendations

5. The Cabinet is recommended to note the contents of this report

Financial Implications

6. Any financial implications are included in the body of the report

Background Papers

7. None

Impact

- 8.

Communication/Consultation	Budget Holders and CMT have been consulted
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 total sum of write offs actioned in 2022/23 was £392,360, of which £145,645 has a direct impact on the Council.

Write Off Amounts				
	2021/22	2022/23		UDC share
Council Tax	£166,811	224,784	9%	20,231
Business Rates	£69,081	70,270	40%	28,108
Benefits	£8,915	52,165	100%	52,165
Housing Rent	£16,724	39,851	100%	39,851
Sundry Debtors	£1,300	8,077	100%	8,077
Sundry Debtors (prior years write back)	£0	(2,787)		(2,787)
	£262,831	£392,360		£145,645

10. The level of debt in 2022/23 has increased compared to the previous financial year 2021/22, this is due to the following.
- The 2021/22 was still managing the recovery from the Pandemic where recovery processes were limited by Government legislation, so this increased the level of recovery action and write offs in 2022/23.
 - The increased pressure of the Cost of Living crisis has made it more difficult to recover aged debt.
11. For Business Rates and Council Tax the apportioned written off amounts are applied to the main preceptors final account balances within the collection fund (with the exception of Parishes for Council Tax as the amounts are immaterial). The Council only bears the financial impact of our share, which is based on the same percentages as the income collected. The total value of the Council share of write offs are applied to the final balance against the Council's revenue account.
12. The main reasons for writing off debts are;
- Bankruptcy (personal and businesses)
 - Company in administration/liquidation
 - Independent voluntary Agreements (IVA's)
 - Unable to trace debtor or deceased
 - Uneconomical to continue to try and recover
13. It should be noted that although these amounts have been written off, if information becomes available on the debtor/s showing a change in circumstances we would reinstate the debt and pursue the amounts owed using the appropriate recovery process.

14. The above table shows an amount of £2,787 which had been written off in prior years but due to changes in circumstances we were able to recover these monies and credit the income back to the revenue account.
15. The Council is committed to supporting residents who are vulnerable and/or on a low income by offering early intervention and support in personal budgeting and arranging personal payment plans to manage any outstanding arrears. This support includes one to one support and advice meetings, offered either in person, telephone call or by video call with officers who specialise in providing this direct personal advice and support.
16. Prior to writing off a debt, officers will explore all avenues available to them to maximise the recovery of monies owed to the Council. There are clear procedures that are in place for recovery of all monies owed.
17. The procedures for the recovery of housing benefit overpayment are attached as Appendix A. Council Tax, Business Rates and Housing rents recovery processes are available on our website, at the following links;
- [Council Tax Debt Recovery Procedures](#)
[Business Rates Debt Recovery procedures](#)
[Housing Rent Arrears Policy](#)
18. A report was presented to Cabinet on 30th November 2018 giving delegated authority to the Chief Finance Officer (S151) to write off individual debts up to a value of £10,000. Any individual amounts above this would be subject to Cabinet approval.

Risk Analysis

19.

Risk	Likelihood	Impact	Mitigating actions
None this report is for information only			

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.

Recovery - Housing Benefit Overpayments.

When an overpayment occurs due to either a reduction in entitlement or the cancellation of a claim, we will seek to recover the debt by the following methods;

1. From ongoing entitlement.
2. From any outstanding underpayments
3. By direct invoice.

Our invoices state that full repayment is required within 14 days, but if the debtor cannot make full repayment instalments can be arranged.

If payment is not made, and instalments have not been agreed. We will issue a reminder notice after 21 days. If this fails to secure payment, or a payment proposal, a Final Notice will be issued.

A County Court judgement can be obtained if payment is not received.

We have reciprocal agreements with other Local Authorities that they will recover our overpayments from the entitlement of claimants that have moved from our area to theirs, and vice-versa.

We are able to ask the DWP to make deductions from most Benefits.

We can attach earnings at source, without obtaining a Court Order.

We also have in place a system where the Council's Bailiff for Council Tax and Non Domestic Rates, will undertake to collect a debt on our behalf as our Agents.

Writing off Debts

If an overpayment has been caused by Local Authority error, we would write off the overpayment if the claimant cannot be deemed to have reasonably known they were being overpaid.

If the overpayment is otherwise recoverable, we would only write off the debt in the following circumstances:

- The claimant has died, and there is either no Next of Kin or Estate.
- The debt is over 6 years old.
- If the debt is treated as being a qualifying debt subject to a Bankruptcy Order, an Individual Voluntary Arrangement, or a Debt Relief Order.
- If the debtor has moved and cannot be traced.
- If Her Majesties Courts and Tribunals Service find against the council at appeal.

Agenda Item 13

Decision Maker:	Cabinet	Date: 29 June 2023
Title:	Local Council Tax Support Scheme Proposals 2024/25	
Portfolio Holder:	Portfolio Holder for Finance and Economy Cllr Neil Hargreaves	
Report Author:	Angela Knight, Assistant Director – Business and Change Management aknight@uttlesford.gov.uk	Key decision: No

Summary

1. There is a requirement to annually review the Local Council Tax Support (LCTS) Scheme and propose changes to the scheme for the following financial year. The decisions made, even if no change is proposed, must then be consulted upon before a decision is taken at Full Council in December on the final scheme for the following financial year.
2. A consultation will be carried out during the summer of 2023 on the scheme proposals to set a contribution rate and continue to protect Vulnerable and Disabled residents and Carer's on a low income.
3. As can be seen from the table in paragraph 16 Uttlesford has administered the scheme with the lowest percentage contribution requirement of any authority in Essex for ten years. This demonstrates that whilst the council has had sufficient funds to support the scheme it has done so.
4. In 2013/14 when the original scheme was introduced the contribution rate was set at 8.5%. This increased in 2014/15 to 12.5% and it has remained at this rate for each subsequent year.
5. The Exceptional Hardship Fund is available to support residents and claimants who are suffering financial hardship. In 2023/24 the Council has set up a new one year, Cost of Living Support Fund providing financial assistance to those who are struggling with increased costs and inflation.

Recommendations

6. The Cabinet is requested to recommend the Local Council Tax Support Scheme for 2024/25 is consulted on the following basis:
 - I. The contribution rate is frozen at 12.5% for 2024/25.
 - II. The Council continues to protect Pensioners, Vulnerable and Disabled Residents and their Carer's on a low income.

Financial Implications

7. Detailed in the main body of this report.

Background Papers

8. None

Impact

Communication/Consultation	Proposals subject to public consultation and discussions with major preceptors
Community Safety	None.
Equalities	An equalities impact assessment will be completed as part of developing final proposals for decisions by Cabinet and the Council later in the year.
Health and Safety	None.
Human Rights/Legal Implications	Compliance with relevant legislation.
Sustainability	The objective is to achieve a financially sustainable set of arrangements.
Ward-specific impacts	None.
Workforce/Workplace	Ongoing demands on the Revenues & Benefits, Housing and Customer Service teams

Local Council Tax Support (LCTS) current scheme

9. LCTS replaced Council Tax Benefit (CTB) from 1 April 2013. The Council has adopted a scheme which has the following key elements:
 - a) Pensioners on low income protected from adverse changes (as required by Government)
 - b) Disabled people, Carer's and blind people on a low income receive discretionary protection from adverse changes
 - c) Working age people previously on full CTB pay no more than 12.5% of the council tax bill
 - d) £25 per week of earned wages income disregarded from assessment (to provide a work incentive)
 - e) Child Benefit and Child Maintenance disregarded from assessment (to minimise exacerbation of child poverty, or accusations of same)
 - f) Hardship Policy to enable additional support for genuine extreme hardship cases.

Essex Sharing Agreement

10. An Essex wide income sharing agreement was entered into with all billing authorities and major preceptors at the time of implementation of the new LCTS scheme.
11. The main principles of the agreement are to ensure a joint approach in maximising income collection, reduce fraud, ensure compliance, and increase the taxbase.
12. By working proactively on fraud this ensures that our tax base is maintained at the maximum level generating extra revenue for both the major preceptors and billing authorities.
13. Preceptors receive a share of all income generated for Council Tax and this is allocated through the Collection Fund at year end.
14. The increased income generated specifically from these activities and internal decisions made by UDC each year is monitored by ECC, and the preceptors have agreed to share their element of the increased income with the Local Authorities.
15. The major preceptors also provide funding through this agreement for;
 - a) an officer to ensure the efficient administration of the LCTS scheme and provide claimants with dedicated support in debt management.
 - b) two officers to work directly on all areas of fraud and compliance within Council Tax.
 - c) contributions towards the Exceptional Hardship Scheme which has a £17,000 annual budget (£10,000 UDC element), plus Essex County Council provide an additional £5,000 for admin support.

Contribution Rates across Essex

16. The council has the lowest percentage contribution rate within Essex with the highest being set at 30%. Colchester reduced their contribution rate for 2023/24 from 20% to 15%.
17. It is too early to tell if any other Local Authorities will reduce their contribution rates for the next financial year, this information should be available for the November Cabinet report along with the main consultation responses.

Contribution Rates 2023/24			
	%		%
Basildon	25	Harlow	24
Braintree	24	Maldon	20
Brentwood	25	Rochford	25
Castle Point	30	Southend-on-Sea	25
Chelmsford	23	Tendring	20
Colchester	15	Thurrock	25
Epping Forest	25	Uttlesford	12.5

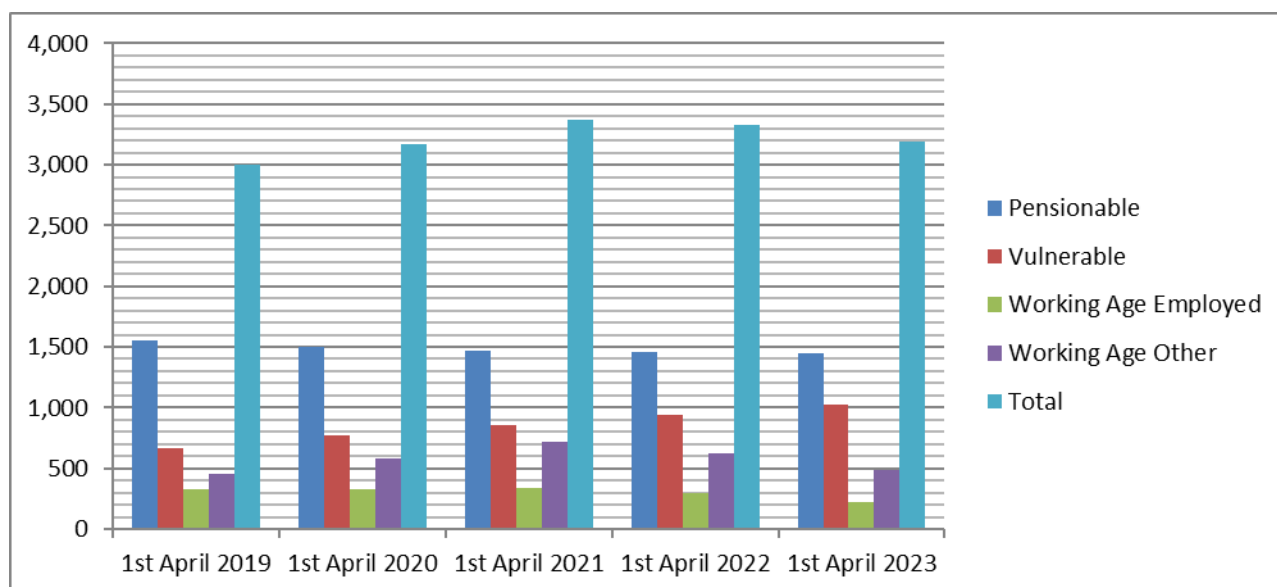
Claimant Caseload

18. The data and figures used in the following tables are based on 2023/24 caseload information on 1 April 2023.

19. The following table and graph provide an analysis of each category of claimant and how the caseloads have changed over the past 5 years.

	1st April 2019	1st April 2020	1st April 2021	1st April 2022	1st April 2023
Pensionable	1,557	1,497	1,466	1,458	1,452
Vulnerable	664	766	851	943	1,027
Working Age Employed	323	331	337	297	223
Working Age Other	452	577	714	627	485
Total	2,996	3,171	3,368	3,325	3,187

	1/4/19	1/4/20	In year movement	1/4/21	In year movement	1/4/22	In year movement	1/4/23	In year movement
Pensionable	1,557	1,497	-60	1,466	-31	1,458	-8	1,452	-6
Vulnerable/Disabled	664	766	102	851	85	943	92	1,027	84
Working Age - Employed	323	331	8	337	6	297	-40	223	-74
Working Age - unemployed	452	577	125	714	137	627	-87	485	-142
Total Claimants	2,996	3,171	175	3,368	197	3,325	-43	3,187	-138



20. The overall number of claimants has reduced for the second year in a row, with the biggest decrease seen in the working age category. This category was expected to decrease as we came out of the Pandemic and people were able to engage with businesses and organisations to gain employment.

21. The overall decrease in caseload is offset by the vulnerable and disabled category where there is a further increase this year in the numbers of people requiring support. This category has shown an annual increase year on year for five years.

Contribution Rate

22. The contribution rate at 12.5% currently generates approximately £188,191 per year for the Council and the major preceptors, of the total income generated the council receives approximately £26,347 in line with their percentage share of the overall council tax income. This calculation uses an average award, so depending on caseload this income figure could increase or decrease over the year.
23. The table below sets out the additional income of an increase to the contribution rate to preceptors and is shown in 2.5% increments. Each 2.5% increase will generate additional income of £37,638, of which the council will receive £5,269 in line with their percentage share of the overall council tax income.

Income increases to preceptors.

Percentage Contribution	Average liability income due £'000	Increased income @ 2.5% increments £'000	UDC share of increased income @ 2.5% increment £'000
12.50%	£188,191	-	-
15%	£225,830	£37,638	£5,269
17.50%	£263,468	£75,277	£10,539
20%	£301,106	£112,915	£15,808

*Income collection ranges from 87% to 90% so the actual income received is likely to be lower than the figures in the above table.

Cost impact to claimants.

24. It is impossible to identify and calculate precise figures for each claimant as the contribution level varies dependant on the claimant's financial circumstances and this can change multiple times during the year.
25. The figures in the table below are shown for a working age unemployed person in receipt of full LCTS support, 87.5% discount. So this is the impact of the minimum payment that would be required to be made.

Percentage Contribution	Total cost per year £	Total cost per week £	Increase @ 2.5% per year £	Increase @ 2.5% per week £
12.50%	265.81	5.11	-	-
15%	318.97	6.13	£53.16	£1.02
17.50%	372.13	7.16	£106.32	£2.04
20%	425.29	8.18	£159.48	£3.07

26. The table in paragraph 19 shows the number of people in receipt of LCTS support, for the working age categories, 485 unemployed compared to 223 in work (low income and/or part time). The increase in the contribution rate will affect both working age categories.

Exceptional Hardship Fund (EHF) and Cost of Living Support

27. The Council holds a ring-fenced budget specifically to support all residents who are suffering financial hardship due to unforeseen circumstances, and you do not have to be eligible for LCTS to make an EHF claim. The EHF is supported by the major preceptors as part of the Essex Sharing Agreement.
28. The annual budget held for this fund is £17,000 with UDC contributing £10,000 and the major preceptors contributing £7,000, Essex County Council also provide a further £5,000 to support the administration of the fund.
29. The EHF is subject to award criteria and supports all residents who find themselves in financial difficulties, you do not have to be in receipt of LCTS to qualify, making this scheme fully inclusive to all residents. Full details can be found using the following link: <https://www.uttlesford.gov.uk/ehf>
30. It is recommended that the EHF fund is used to provide additional financial support to residents rather than reducing the contribution rate.
31. In addition the Council has set up a specific one year Cost of Living Support Fund providing £195,000 additional financial support to residents who are struggling financially, again this scheme is not limited to those already in receipt of benefits. The scheme is inclusive for all residents who find themselves in financial hardship during this difficult period of increased costs and inflation. Full details of the fund can be found using the following link: [Cost of living support fund - Uttlesford District Council](#)

Full cost of LCTS scheme (estimated)

32. The following table shows that the forecast financial position for UDC in 2024/25 will be an estimated net cost of £315,335. The costing has been based on the current caseload expenditure as of 1 April 2023 and the preceptor share back estimate on 2023/24 predicted collection rates.

33. The expenditure figure in the table is based on the contribution rate of 12.5%.

LCTS Expenditure 2022/23	County, Fire and Police Share 2022/23	UDC Share 2022/23		LCTS Expenditure 2023/24	County, Fire and Police Share	UDC Share 2023/24
3,975,729	3,419,127	556,602	LCTS Discounts	4,015,237	3,453,104	562,133
0	0	(210,049)	Major Preceptors Income share back (12%)	0	0	(246,820)
3,975,729	3,419,127	346,553	Net of LCTS Scheme & Discounts	4,015,237	3,453,104	315,313
120	103	17	Staff support costs (Fraud, Compliance and Recovery)	120	103	17
17	7	10	LCTS Hardship Scheme	17	7	10
0	0	(5)	LCTS Hardship Scheme - ECC Admin support	0	0	(5)
137	110	346,575	Total Net Cost	4,015,374	3,453,214	315,335

Consultation Process

34. The consultation will run for the period 3 July to 4 September 2023 and the full consultation report will be presented to Cabinet on the 2 November.

35. The consultation will be carried out using an online form using an open text box format and for those who do not use digital services, paper copies will be available on request.
36. The consultation will be extensively publicised via a press release to all local media and newspapers, E-newsletters were sent to all the subscribers on our mailing lists. In addition, the consultation will be promoted on Facebook and Twitter in July, with reminders in August.
37. The major preceptors, (Essex County Council, Essex Police, Fire and Crime Commissioner) and Town and Parish Councils will be sent an email directly inviting them to provide their views on the proposals.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Assumptions about costs and income levels are incorrect	3 - a high degree of variability and estimation is involved	3 - adverse or favourable cost affecting the council budget/collection fund	Monitor trends closely and review scheme each year to make necessary adjustments.
Cost of living and the effect of inflation on the economy longer term	2 - possible that there will be more claims by residents struggling with everyday costs	2 – cost of the scheme will increase	Monitor caseload and work with preceptors on managing the scheme and impacts

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.

Committee:	Cabinet	Date:	Thursday, 29 June 2023
Title:	Financial Outturn – 2022/23		
Portfolio Holder:	Portfolio Holder for Finance and Budget		
Report Author:	Jody Etherington, Assistant Director of Finance JEtherington@uttlesford.gov.uk	Key decision:	No

Summary

1. This report sets out the 2022/23 final outturn position for the General Fund, Housing Revenue Account (HRA) and Capital Programme. It also provides an update on the Council's reserve position, and a brief summary of treasury management activity for the year.
2. It is important to note that, whilst significant work has been undertaken to ensure the accuracy of this report, the Council's accounts from the 2019/20 financial year onwards are still subject to external audit. Any issues arising from the outstanding audit work may impact on the figures in this report, and any significant changes will be reported to Cabinet upon the conclusion of this work.
3. The final outturn position on the General Fund is a net underspend against budget of £342,000. This is made up of various under and overspends which are detailed in the body of this report. It is proposed that the underspend amount is placed in the Medium Term Financial Strategy reserve to support the Council as it transitions to a lower cost base through the Blueprint Uttlesford programme.
4. The final outturn position on the Housing Revenue Account (HRA) is a deficit of £91,000. This is a significant deterioration of the position as forecast when setting the Medium Term Financial Strategy, and has arisen as a result of unforeseen overspends in a number of areas. The implication of this is that available revenue reserves within the HRA are very close to the prudent minimum 'working balance' as advised by the Section 151 Officer and agreed by Full Council, and headroom to absorb any further unforeseen cost pressures in 2023/24 is very limited indeed. Further details are set out in paragraphs 46 and 47.
5. There are net underspends against the Capital Programme of £19.407 million, of which slippage requests have been submitted for Cabinet approval of £14.442 million (see paragraph 40).

Recommendations

6. Cabinet is recommended to:

- i) Note the contents of this report, including the General Fund, HRA and Capital Programme outturn positions and Medium Term Financial Strategy update;
- ii) Approve the proposed General Fund reserve movements set out in the table at paragraph 21, and approve placing the General Fund underspend amount of £342,000 in the Medium Term Financial Strategy reserve;
- iii) Approve the proposed Housing Revenue Account reserve movements set out in the table at paragraph 33, and approve funding the Housing Revenue Account deficit amount of £91,000 from the Housing Revenue Account Revenue Reserves; and
- iv) Approve the capital slippage requests totalling £14.442 million as set out at paragraph 40.

Financial Implications

7. The financial implications are set out throughout the main body of this report.

Background Papers

8. All background papers referred to by the author in the preparation of this report are published on the Council's website.

Impact

9.

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

10. The outturn for net operating expenditure is an underspend of £2.110 million – however much of this underspend relates to project slippage (both capital and revenue) for which amounts need to be set aside in reserves to be spent in future years. After adjusting for transfers to and from earmarked reserves, the General Fund shows an overall net underspend against budget of £342,000. The final General Fund outturn position is summarised in the table below, whilst a more detailed breakdown is provided at Appendix A1.

£'000	2021/22	2022/23			
	Final Outturn	Original Budget	Current Budget	Final Outturn	Final Variance
Direct Service Budgets					
Net Service Expenditure	13,468	17,342	17,523	18,008	485
Corporate Items					
Capital Financing and MRP	2,672	5,131	7,418	3,922	(3,496)
Recharge to HRA	(1,700)	(1,747)	(1,747)	(1,870)	(123)
Investment Income	(8,202)	(11,774)	(11,774)	(11,462)	312
Borrowing Cost	1,343	2,835	2,835	4,434	1,599
Other Corporate Items	454	425	425	124	(301)
Net Expenditure	(5,433)	(5,130)	(2,843)	(4,852)	(2,009)
Funding					
New Homes Bonus Grant	(2,823)	(1,343)	(1,343)	(1,343)	0
Business Rates Retention	885	(4,367)	(4,367)	(4,965)	(598)
Rural Services Grant	(293)	(293)	(293)	(293)	0
Other Government Grants	(948)	(1,552)	(1,552)	(1,521)	31
Council Tax - Collection Fund	(79)	5	5	(14)	(19)
	(3,258)	(7,550)	(7,550)	(8,136)	(586)
Net Operating Expenditure	4,777	4,662	7,130	5,020	(2,110)
Net transfers to/(from) other earmarked reserves	363	1,742	(726)	1,042	1,768
Council Tax (precept levied on Collection Fund)	(6,159)	(6,404)	(6,404)	(6,404)	0
Underspend	(1,019)	0	0	(342)	(342)

11. It should be noted that the original budget for 2022/23 included a planned deficit of £214,000 to be funded from the Medium Term Financial Strategy reserve. The underspend of £342,000 against this budget therefore indicates a true surplus on the General Fund of £128,000.

Direct Service Budgets

12. The overspend of £485,000 on the delivery of direct services comprises an exceptional £2.100 million compensation payment in respect of the Stansted Airport planning appeal, and a net underspend on other services of £1.615 million.

13. Where services are funded from earmarked reserves (such as ringfenced grants or other resources specifically allocated by members), any under or overspend will be matched by a corresponding transfer to or from the relevant reserve. In 2022/23, there were net transfers from earmarked reserves in respect of service variances totalling £515,000 (see Appendix A5 for full breakdown). After taking this into account, the residual outturn position on direct services is an underspend of £30,000, as set out in the table below:

£'000	2021/22	2022/23				2022/23	
	Final Outturn	Original Budget	Current Budget	Final Outturn	Final Variance	Variance funded through earmarked reserves	Net variance after reserve transfers
Portfolio Budgets							
Communities & Partnerships	1,076	1,066	1,054	1,036	(18)	148	130
Housing & Economic Development	1,489	2,699	2,679	2,044	(635)	342	(293)
Environmental Services	3,993	5,812	5,812	5,093	(719)	933	214
Finance & Administration	6,910	7,765	7,978	7,735	(243)	162	(81)
Airport compensation	0	0	0	2,100	2,100	(2,100)	0
Subtotal - Portfolio Budgets	13,468	17,342	17,523	18,008	485	(515)	(30)

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

Overspends and reduced income

- Development management – overspend of £271,000 on legal fees and consultancy relating to planning appeals.
- Little Canfield – underachievement of rental income of £228,000 due to delays in tenants occupying the site.
- Development management – overspend of £177,000 on staff costs (net of contribution from earmarked reserves) due to the extensive use of agency staff to cover hard to fill vacancies.
- Leisure PFI – overspend of £169,000 due to additional support given to the operator in light of increased utility costs, and higher than budgeted inflationary increases to other contract costs.
- Financial services – agency costs of £168,000 which were not in the budget as a result of staff vacancies during the year.
- Taxi licensing – underachievement of income of £151,000 as a result of lower than anticipated volumes of work post-Covid.
- Waste fleet – overspend of £137,000 on diesel due to higher than budgeted fuel costs.
- Legal services – net overspend of £136,000 on staff costs due to the use of agency staff to cover hard to fill vacancies.

- Waste collection – net overspend of £135,000 on staff costs due to the use of agency staff to cover vacancies and sickness during the year.

Underspends and increased income

- Development management – overachievement of income of £390,000 due to fewer applications than anticipated going directly to the Planning Inspectorate, and the receipt of unbudgeted income for Planning Performance Agreements (PPAs).
- Council tax collection – increased income from preceptor shareback arrangements of £233,000 due to higher than budgeted collection rates.
- Revenues administration – unbudgeted new burdens grants totalling £203,000 received during the year.
- Kitchen waste – overachievement of income of £101,000.

15. Final outturn for each individual service is reported at Appendix A2, whilst variances >£30,000 are set out in detail at Appendix A3.

Corporate Items

16. The underspend of £3.496 million on capital financing and MRP includes the following significant variances:-

- A net underspend of £2.007 million on capital projects to be funded from revenue resources. This includes £1.007 million relating 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 no longer required and it is proposed that this is transferred back to the Medium Term Financial Strategy reserve. It also includes an underspend of £600,000 on the superfast broadband project which will now slip into 2023/24 – funding for this has already been set aside in the capital slippage reserve to be drawn down when spend is incurred. Further details on capital project variances and slippage requests are set out at Appendix C2.
- An underspend of £1.409 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 2022/23, the total amount to be charged over the life of the Council's assets will remain the same.

17. During 2022/23, the Council's commercial investments generated a net positive contribution to the General Fund of £5.050 million (net of associated borrowing costs and MRP). However, the recent increase in borrowing costs has meant an underachievement against budget of £496,000. This is summarised in the table below:

Investment Income Analysis	Budget	Outturn	Variance
	£'000	£'000	£'000
Income			
Aspire (CRP)	(2,449)	(2,452)	(3)
Other commercial investments	(9,599)	(9,404)	195
	(12,048)	(11,856)	192
Costs			
Commerical consultancy and fees	274	394	120
	274	394	120
Net Investment Asset Income	(11,774)	(11,462)	312
Borrowing costs	2,835	4,434	1,599
Treasury Investment Income (included within Other Corporate Items)	(8)	(375)	(367)
Minimum Revenue Provision (included within Capital Financing and MRP)	3,280	2,211	(1,069)
Brokerage fees (included within Direct Service Budgets - Financial Services)	121	142	21
Total contribution from investment assets	(5,546)	(5,050)	496

18. Recharges to the Housing Revenue Account for centralised support costs are based upon an apportionment of actual costs, according to estimated usage of the relevant services. For example, HR costs are apportioned according to headcount. Recharges to the HRA are £123,000 higher than budgeted which reflects increased costs in relation to a number of recharged services, most notably revenues administration and the Customer Service Centre.

Funding

19. The favourable variance of £598,000 on business rates retention income is due to a number of factors, including the receipt of higher than expected section 31 grant income during the year. This is income which the Council receives from government as compensation for centrally determined business rate reliefs (such as expanded retail discount). Of the total additional income amount, £382,000 has been put aside in the Business Rates reserve in accordance with the Council's longstanding policy to set aside a proportion of its business rates gains to fund future anticipated deficits in the collection fund.

Reserves

20. The total General Fund reserves balance at 1 April 2022 was £23.823 million. The budget includes a net draw on reserves of £726,000. However, due to the variances in year set out above, the actual proposed position is a net contribution to specific reserves of £1.042 million. This, together with the overall underspend of £342,000, leaves a closing reserve balance at 31 March 2023 of £25.207 million.

21. A full table showing all proposed reserve movements for approval by Cabinet is set out below:

£'000	Balance 1 April 2022	Transfer From General Fund	Transfer to General Fund	Transfer Between Reserves	Balance 31 March 2023
<u>Ringfenced Reserves</u>					
Business Rates	4,571	1,153	0	0	5,724
Capital Slippage	2,350	17	(361)	(1,085)	921
Licensing	66	46	(49)	0	63
Leisure/Private Finance Initiative	1,102	0	0	0	1,102
Working Balance	1,517	149	0	0	1,666
Total Ringfenced Reserves	9,606	1,365	(410)	(1,085)	9,476
<u>Core Reserves</u>					
Commercial Assets	1,060	2,200	0	740	4,000
Medium Term Financial Strategy	6,432	40	(871)	960	6,561
Strategic Initiatives	1,663	0	(1,663)	0	0
Total Core Reserves	9,155	2,240	(2,534)	1,700	10,561
<u>Member Priorities</u>					
Economic Development	1,484	0	(200)	(614)	670
Planning	794	34	(95)	0	733
Sustainable Communities	1,470	135	(141)	0	1,464
Major Sports Facilities	105	150	0	0	255
Climate change	625	320	(103)	0	842
Voluntary Sector	41	5	(5)	(1)	40
Coronation Celebration Grants	0	32	0	0	32
Total Member Priorities	4,519	676	(544)	(615)	4,036
<u>Grants</u>					
Homelessness	357	0	(84)	0	273
Health & Wellbeing	186	31	(12)	0	205
Public Health	0	243	0	0	243
Shared Prosperity Fund	0	40	0	0	40
Other	0	31	0	0	31
Total Grants	543	345	(96)	0	792
Total Usable Reserves	14,217	3,261	(3,174)	1,085	15,389
Net Underspend	0	342	0	0	342
Total Reserves	23,823	4,968	(3,584)	0	25,207

22. In addition, it is proposed that the net underspend of £342,000 is placed into the Medium Term Financial Strategy reserve, which will bring the balance of this reserve at 31 March 2023 to £6.903 million.

23. The main variances between budgeted reserve movements and the actual proposed outturn are as follows:

- Airport compensation – £2.100 million has been drawn down from the Strategic Initiatives and Medium Term Financial Strategy reserves to meet this one-off cost.
- Capital slippage – draw down of the reserve to fund capital expenditure in year was £1.943 million less than forecast, due to further slippage and underspends on capital projects. Of this amount, £1.085 million (mostly relating to commercial properties) is no longer required, and it is proposed that this is transferred to the Medium Term Financial Strategy reserve.
- Local Plan – the drawdown from the Sustainable Communities reserve is £714,000 lower than budgeted, due to the decision to delay the Local Plan process, and the receipt of a specific grant towards Local Plan costs which will be spent in future years.
- Business rates – excess income totalling £382,000 will be transferred to the Business Rates reserve in line with Council policy for providing against future collection fund deficits.
- Public health grants – a net underspend of £243,000 against unbudgeted grant income will be put aside in a separate reserve to be spent in future years.
- Climate change – slippage of £227,000 against the 3-year climate change programme will be held in the Climate Change reserve to be spent in future years.
- Community grants and contributions – a net contribution to reserves of £149,000 in respect of grants awarded but not yet drawn down.
- Economic development – slippage of £130,000 against the 3-year business recovery programme will be held in the Economic Development reserve to be spent in future years.
- Local Highways Panel – an underspend of £115,000 on Local Highways Panel work will be placed in reserves to be spent in future years.

24. A full table showing all variances on reserve movements is set out at Appendix A5.

Housing Revenue Account (HRA)

25. The HRA original budget was for an operating surplus of £3.352 million. This, together with net transfers from reserves of £238,000, was to be used to finance capital expenditure of £3.590 million in the year.

26. The actual outturn is an operating surplus of £1.353 million, i.e. an underachievement against budget of £1.999 million. However, following a review of the HRA capital programme and financing arrangements during the year, the requirement for revenue financing of capital works in year has been significantly reduced. As a result, the final outturn position on the HRA after capital financing and reserve transfers is a deficit of £91,000, as set out in the table below:

£'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Final Outturn	Final Variance
Housing Service Income	(16,056)	(16,832)	(16,832)	(16,457)	375
Housing Service Expenditure					
Housing Finance & Business Management	104	78	78	130	52
Housing Maintenance & Repairs Service	3,712	4,071	4,071	4,868	797
Housing Management & Homelessness	970	977	977	1,140	163
Total Service Expenditure	4,786	5,126	5,126	6,138	1,012
Non-Service Expenditure	8,086	8,354	8,354	8,966	612
Total Expenditure	12,872	13,480	13,480	15,104	1,624
Operating (Surplus) / Deficit	(3,184)	(3,352)	(3,352)	(1,353)	1,999
MRP - Repayment of HRA Loan	2,000	0	0	0	0
Funding of Capital Programme from HRA	2,239	3,590	5,074	2,876	(2,198)
Movement in Reserves	(1,166)	(238)	(1,722)	(1,432)	290
(Surplus) / Deficit	(111)	0	0	91	91

27. A more detailed breakdown of the HRA outturn position is provided at Appendix B1.

Service Income and Expenditure

28. The most significant variances on HRA service income and expenditure are as follows:-

- Stock condition survey – unbudgeted expenditure of £420,000 on a full stock condition survey in response to damp and mould concerns (as approved by Cabinet in December 2022).
- Dwelling rents – underachievement of income of £338,000. Since setting the 2022/23 budget, the Council has identified that many of its general needs tenants have been overcharged rent by approximately 1% as a result of administrative errors in calculating the rent increases for 2021/22 and 2022/23. As a result, many tenants had their rent reduced from February 2023, and in addition a provision of £179,000 has been made in respect of refunds to tenants which will be made as soon as the overcharged amounts have been verified.

- Utility costs – overspend of £285,000 as a result of increased energy costs. Most of the additional costs in 2022/23 cannot be passed on to tenant as service charges are set annually in advance, and the rise in energy costs throughout 2022/23 could not have been foreseen when setting the budget.
- Senior staff support and consultancy – unbudgeted spend of £169,000 on agency staff and external consultancy to cover Assistant Director – Housing, Health and Communities post (which was vacant for part of the year), and to provide additional professional support in resolving some of the issues which have arisen following the Council’s self-referral to the Regulator of Social Housing earlier in the year.

Non-Service Expenditure

29. The net overspend of £612,000 on non-service expenditure includes an overspend of £653,000 on depreciation charges. Depreciation is based upon the value of the Council’s assets which is subject to market fluctuations – since asset values increased at 1 April 2022 the depreciation charge for the year is higher than budgeted. Whilst this represents a revenue charge to the HRA, this amount is required by statute to be transferred to the Major Repairs Reserve where it can be used to fund future capital works on the Council’s housing stock.

30. A full breakdown of the other elements of non-service expenditure is set out at Appendix B1.

Contributions to Capital Programme

31. There is a net underspend on revenue contributions to the capital programme of £2.198 million. As part of the 2023/24 budget setting process, it was identified that the HRA will have limited revenue resources available to fund capital works in the short-term, and a decision was taken to pause development on three schemes – namely new build housing at Takeley, and the redevelopment of sheltered housing units at Alexia House and Parkside. As a result, the total underspend on the planned revenue contribution for these three schemes in 2022/23 was £2.217 million, and this therefore accounts for the majority of the variance above.

Reserves

32. The total HRA revenue reserves balance as at 1 April 2022 was £3.301 million. The budget includes a net draw on reserves of £1.722 million. However, due mainly to variances in the capital programme, the actual proposed position is now a net draw on reserves of £1.432 million. This, together with the overall deficit of £91,000, leaves a closing reserve balance at 31 March 2023 of £1.778 million.

33. A full table showing all proposed reserve movements for approval by Cabinet is set out below:

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	78	0	0	549
TOTAL RINGFENCED RESERVES	471	78	0	0	549
<u>USABLE RESERVES</u>					
Revenue Reserves	292	0	0	0	292
Revenue Projects	160	0	0	0	160
	452	0	0	0	452
<u>Capital Reserves</u>					
Capital Projects	884	0	(884)	0	0
Potential Projects Reserve	10	0	0	0	10
HRA Slippage Reserve	1,484	858	(1,484)	0	858
	2,378	858	(2,368)	0	868
TOTAL USABLE RESERVES	2,830	858	(2,368)	0	1,320
NET OVERSPEND	0	0	(91)	0	(91)
TOTAL RESERVES	3,301	936	(2,459)	0	1,778

34. In addition, it is proposed that the net overspend of £91,000 is funded from Revenue Reserves, which will reduce the balance at 31 March 2023 to £201,000.

35. The main variances between budgeted reserve movements and the actual proposed outturn are as follows:

- Capital slippage – assuming that the requested capital slippage is approved by Cabinet (see paragraph 40), an unbudgeted transfer to the HRA Slippage reserve of £858,000 will be required to fund this (and other forecast future overspends) in future years.
- Capital Projects reserve – the budget originally had a drawdown of £270,000 from this reserve to fund capital expenditure in year. However, after the full review of the capital programme undertaken as part of the 2023/24 budget round, it is now proposed to draw this reserve in full in 2022/23 (a total drawdown of £884,000, or £614,000 more than budgeted). As above, separate provision has been made for known capital slippage to 2023/24 where it is planned to fund this from revenue resources.

Capital Programme

36. The overall budget for the 2022/23 capital programme was £45.700 million, made up of an original budget of £36.782 million and slippage of £8.918 million brought forward from 2021/22.

37. Final outturn capital expenditure was £26.293 million, i.e. an underspend of £19.407 million. Of this underspent amount, slippage requests have been submitted totalling £14.442 million, leaving a 'true' underspend figure of £4.965 million. This is shown in the table below:

Capital Expenditure £'000	Original Budget 2022/23	Slippage from 2021/22	Virements 2022/23	Current Budget 2022/23	Final Outturn 2022/23	Final Variance 2022/23	Requested Slippage to 2023/24
Communities & Partnerships	110	71	0	181	88	(93)	18
Housing and Economic Development	280	613	0	893	389	(504)	600
Environmental Services	365	1,156	0	1,521	1,071	(450)	549
Finance & Administration	260	1,200	0	1,460	1,312	(148)	659
Commercial Investments	26,792	1,098	0	27,890	14,512	(13,378)	10,153
Total General Fund	27,807	4,138	0	31,945	17,372	(14,573)	11,979
Housing Revenue Account	8,975	4,780	0	13,755	8,921	(4,834)	2,463
Total Capital Programme	36,782	8,918	0	45,700	26,293	(19,407)	14,442

38. The main capital variances which are not due simply to project slippage were as follows:-

General Fund

- Commercial investment portfolio – a net underspend of £3.225 million (after required slippage). This is due to a number of factors, including the fact that there has been no new development work at Chesterford Research Park in 2022/23 (and none currently in the capital programme), an underspend against the budget for ancillary acquisition costs, and offset against this a significant final payment in respect of the Amazon development which was initially expected in 2021/22 but not paid until 2022/23.
- Little Canfield – unbudgeted spend of £685,000 in relation to car park resurfacing, to be financed through borrowing.
- Disabled Facilities Grants – an overspend of £139,000 which will be funded by underspent grants from previous years.

Housing Revenue Account

- Capital programme review – as part of the 2023/24 budget setting round, a decision was taken to pause development at three housing sites due to limitations on the level of revenue resources available to support capital expenditure. These were the development of new build housing at Takeley, and the redevelopment of sheltered housing units at Alexia House and Parkside. As a result of this decision taking during the year, the total underspend against these projects (net of a small amount of slippage for commitments already made) was £3.191 million.

The latest Medium Term Financial Strategy contains provision to restart these projects from 2024/25.

- Thaxted Road – an overspend on new housing development of £540,000.
- Housing stock capital repairs – a net overspend (after slippage) of £442,000 on housing repairs delivered by Uttlesford Norse.

39. The detailed capital programme outturn is set out at Appendix C2, whilst sources of capital finance are summarised at Appendix C1.

Capital Slippage Requests

40. The following capital slippage requests totalling £14.442 million have been submitted for Cabinet approval:

Capital Slippage Requests £'000	Current Budget 2022/23	Final Outturn 2022/23	Final Variance 2022/23	Requested Slippage to 2023/24
General Fund				
Community Project Grants	181	77	(104)	18
Superfast Broadband	600	0	(600)	600
Vehicle Replacement Programme	1,306	851	(455)	455
Car Parking Machine Replacement	65	0	(65)	65
Electric Car Chargers	15	1	(14)	14
White Street Car Park	25	10	(15)	15
Asset Management System	30	0	(30)	30
Cyber Security	92	4	(88)	20
Grounds Maintenance & Vehicle Systems	43	0	(43)	43
Scanner Replacement & Postal Software	57	42	(15)	15
Sharepoint	18	0	(18)	18
Wifi	36	16	(20)	20
ICT - New Sites	326	139	(187)	187
Web-to-Print Solutions	9	0	(9)	7
Swan Meadow Car Park Resurface	240	0	(240)	240
Museum Boiler	33	4	(29)	29
London Road - Fire Alarm Upgrade	50	0	(50)	50
Investments	27,890	14,512	(13,378)	10,153
Total General Fund				11,979
Housing Revenue Account				
The Moors	75	1	(74)	34
Takeley	500	8	(492)	42
Woodlands, Gt Dunmow	1,789	1,149	(640)	640
Garden Sites	111	37	(74)	74
Walden Place	1,641	310	(1,331)	1,331
Alexia House	1,400	13	(1,387)	22
HRA Repairs	4,235	4,311	76	320
Total Housing Revenue Account				2,463
Total Capital Slippage Requests				14,442

41. Note that the 'HRA Repairs' project above is comprised of a number of individual sub-projects (e.g. heating, structural work, major roof work, etc.). Although there is an overall overspend of £76,000, there are sufficient underspends on individual sub-projects to cover the slippage of £320,000 which has been requested by Uttlesford Norse. Should this amount be approved, discussions will be held with Norse to determine how this should best be allocated across the individual sub-projects.
42. Where the above amounts are to be funded from revenue resources, and there is no pre-existing provision for this in future budgets, an equivalent transfer to the relevant Capital Slippage reserve has been proposed in 2022/23 to ensure that funds are available when expenditure is incurred.
43. In addition to the above slippage, forecast future overspends have been identified on a number of HRA capital projects as set out in the table below:-

Forecast Future Overspends	
£'000	
Thaxted Road	266
Walden Place	22
Woodlands, Gt Dunmow	20
Great Chesterford	3
Total	311

44. Whilst no formal additional budget request has been made at this stage, for reasons of prudence the proposed transfer to the HRA Capital Slippage reserve of £858,000 (see paragraph 35) includes £196,000 in respect of the above overspends. This represents the proportion of the overspend which it is anticipated will need to be financed from revenue resources.

Medium Term Financial Strategy Update

45. The current Medium Term Financial Strategy (MTFS) was approved by Council in February 2023. Due to the requirement to set each year's budget before the end of the preceding year, it is always necessary to estimate the level of reserves which will be available to the Council at the start of the year, and actual outturn can differ from the assumptions made.
46. The following table sets out the impact of the 2022/23 outturn position on key revenue reserves over the life of the MTFS period. Note that this table focusses on those revenue reserves which are freely available to support future deficits and transformation work, namely the Medium Term Financial Strategy reserve in the General Fund, and the Revenue Reserve and Revenue Projects Reserve in the HRA:

Reserve £'000	1 April 2023	31 March 2024	31 March 2025	31 March 2026	31 March 2027	31 March 2028
General Fund - Medium Term Financial Strategy Reserve						
Estimated balance per Medium Term Financial Strategy	5,918	3,051	5,253	4,674	2,940	2,865
Variations arising on 2022/23 outturn	985	985	985	985	985	985
Revised Estimated Balance	6,903	4,036	6,238	5,659	3,925	3,850
Housing Revenue Account - Revenue Reserve & Revenue Projects Reserve						
Estimated balance per Medium Term Financial Strategy	1,091	1,169	1,794	1,794	1,718	1,650
Variations arising on 2022/23 outturn	(730)	(730)	(730)	(730)	(730)	(730)
Revised Estimated Balance	361	439	1,064	1,064	988	920

47. The above table demonstrates that the Council remains financially sustainable in the medium term. However, within the HRA, variances since the MTFS have resulted in a reduction in free reserves of £730,000, to only £361,000. For context, this represents approximately one week of gross HRA expenditure. This means that the headroom available in the HRA to absorb any additional cost pressures in the current financial year is very low indeed, and the forecast outturn position will need to be monitored very closely throughout the year.

48. Within the General Fund, there has been an increase in free reserves of £985,000 from the MTFS forecast. Whilst this is welcome, it has come about as a result of one-off variances in 2022/23, and must be seen in the context of a forecast annual budget gap of £6.598 million by 2027/28. This one-off boost to reserves does not, therefore, result in any change to the urgent need to deliver recurring savings as set out in the MTFS.

49. A detailed breakdown of the reasons for the above movements in free reserves is set out at Appendices E1 and E2.

Treasury Management

50. The Council undertakes treasury management activities in line with the approved Treasury Management Strategy and Capital Strategy. Borrowing is undertaken to support capital expenditure, whilst excess cash balances are invested to provide a return (whilst prioritising security and liquidity over yield).

Borrowing

51. During the year, the Council's weighted average cost of borrowing was 2.40%, as set out in the table below:-

Counterparties	Balance at 1 April 2022 (£)	Balance at 31 March 2023 (£)	Weighted Average Interest Rate (%)
Other Local Authorities	171,000,000	100,000,000	1.21%
Building Societies	0	5,000,000	3.80%
Phoenix	36,702,686	36,095,243	2.86%
Public Works Loan Board	78,407,000	158,314,827	3.60%
Total Borrowing	286,109,686	299,410,070	2.40%

52. A detailed list of all Council borrowing throughout the year is set out at Appendix F1.

Investments

53. The Council invests excess cash by way of fixed term deposits (with other local authorities or central government), and through the use of money market funds as recommended by its treasury management advisors, Arlingclose.

54. During the year, the weighted average interest rate achieved on fixed term deposits was 2.05%, and a detailed list of all deposits is set out at Appendix F2.

55. In March 2023, following the failure of Silicon Valley Bank and Signature Bank in the USA, the Council took proactive steps to limit its exposure to any contagion risk. On 17 March, all money market fund deposits were withdrawn, and since this date any excess daily cash has been deposited overnight with the Debt Management Office (DMO) of HM Treasury.

56. It should be noted that this represents an ultra-cautious approach, and the situation will be kept under review with the assistance of Arlingclose. The impact on investment returns is minimal, since the yield spread between the DMO and money market funds is usually only around 0.05%.

Risk Analysis

57.

Risk	Likelihood	Impact	Mitigating actions
Material adjustments to outturn figures will be required as a result of outstanding external audit work going back a number of years.	2 – it is likely that some adjustments will be required.	3 – could be significant depending upon the nature and amount of any adjustments, particularly if they impact the HRA where headroom to absorb additional costs is low	Internal quality assurance work on figures prior to audit; regular communication with auditors throughout audit process to identify and mitigate any potential issues early.
Housing Revenue Account reserves are close to prudent minimum level – further cost pressures or variances in 2023/24 may not be covered by available resources.	3 – it is likely that there will be some additional cost pressures or variance from budget in 2023/24.	4 – potential catastrophic operational and reputational impact if HRA were to go into deficit.	Close monitoring against budget throughout the year; early identification of potential cost pressures and work done to identify appropriate funding sources, e.g. through cutting non-essential expenditure elsewhere.

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 Outturn Summary

Appendix A1

£'000	2021/22	2022/23			
	Final Outturn	Original Budget	Current Budget	Final Outturn	Final Variance
Direct Service Budgets					
Communities & Partnerships	1,076	1,066	1,054	1,036	(18)
Housing & Economic Development	1,489	2,699	2,679	2,044	(635)
Environmental Services	3,993	5,812	5,812	5,093	(719)
Finance & Administration	6,910	7,765	7,978	7,735	(243)
Airport compensation	0	0	0	2,100	2,100
Subtotal - Direct Service Budgets	13,468	17,342	17,523	18,008	485
Corporate Items					
Capital Financing Costs	2,491	1,771	4,058	1,711	(2,347)
IFRS 16 charge	0	80	80	0	(80)
Investment Asset - MRP	181	3,280	3,280	2,211	(1,069)
Investment Asset income	(8,202)	(11,774)	(11,774)	(11,462)	312
Treasury Investment Income	(10)	(8)	(8)	(375)	(367)
Borrowing costs	1,343	2,835	2,835	4,434	1,599
PFI interest cost	360	348	348	348	0
Pension Fund - Added Years and Strain Costs	92	85	85	168	83
Exceptional corporate item - bad debt	12	0	0	(17)	(17)
HRA share of Corporate Core	(372)	(360)	(360)	(399)	(39)
Recharge to HRA	(1,328)	(1,387)	(1,387)	(1,471)	(84)
Subtotal - Corporate Items	(5,433)	(5,130)	(2,843)	(4,852)	(2,009)
Funding					
Council Tax - Collection Fund Balance	55	33	33	33	0
Council Tax - S31 Funding	(134)	(28)	(28)	(47)	(19)
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	988	724	724	877	153
Business Rates - Renewable Energy Scheme	(134)	(140)	(140)	(141)	(1)
Business Rates - Section 31 Funding	(3,694)	(2,881)	(2,881)	(3,631)	(750)
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)	(1,521)	31
Subtotal - Funding	(3,258)	(7,550)	(7,550)	(8,136)	(586)
Subtotal - Net Operating Expenditure	4,777	4,662	7,130	5,020	(2,110)
Net Transfers to/(from) Reserves					
Ringfenced Reserves	(1,291)	979	(1,308)	(130)	1,178
Core Reserves - Airport Compensation	0	0	0	(2,100)	(2,100)
Core Reserves - Other	792	1,838	1,657	3,506	1,849
Member Priority Reserve	854	(1,075)	(1,075)	(483)	592
Grants Reserve	8	0	0	249	249
Subtotal - Movement in Earmarked Reserves	363	1,742	(726)	1,042	1,768
Council Tax Requirement	5,140	6,404	6,404	6,062	(342)
Council Tax (precept levied on Collection Fund)	(6,159)	(6,404)	(6,404)	(6,404)	0
Overall Net Position (Under) / Overspend	(1,019)	0	0	(342)	(342)

General Fund Services Outturn

Appendix A2

Communities & Partnerships £'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Final Outturn	Final Variance
Community Information	35	21	21	23	2
Day Centres	76	95	95	28	(67)
Emergency Planning	32	34	34	36	2
Grants & Contributions	617	518	518	391	(127)
Leisure & Performance	41	48	36	0	(36)
Saffron Walden Museum	217	238	238	268	30
New Homes Bonus	78	78	78	94	16
Private Finance Init	4	34	34	203	169
Renovation Grants	(24)	0	0	(7)	(7)
Portfolio Total	1,076	1,066	1,054	1,036	(18)

Housing & Economic Development £'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Final Outturn	Final Variance
Building Surveying	(105)	(40)	(40)	(68)	(28)
Committee Admin	289	311	311	302	(9)
Customer Services Centre	501	612	592	552	(40)
Democratic Represent	323	351	351	329	(22)
Economic Development	181	504	504	290	(214)
Climate Change	62	381	381	114	(267)
Health Improvement	102	193	193	179	(14)
Homelessness	89	138	138	139	1
Lifeline	(136)	0	0	0	0
Communications	183	249	249	207	(42)
Portfolio Total	1,489	2,699	2,679	2,044	(635)

Environmental Services £'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Final Outturn	Final Variance
Animal Warden	3	7	7	4	(3)
Grounds Maintenance	407	373	373	386	13
Car Park	(474)	(458)	(458)	(436)	22
Development Control	(506)	591	591	698	107
Depots	60	65	65	51	(14)
Street Cleansing	390	425	425	433	8
Housing Strategy	57	60	60	62	2
Highways	(3)	7	7	5	(2)
Local Amenities	(14)	(12)	(12)	(13)	(1)
Licensing	(186)	(206)	(206)	(95)	111
Vehicle Management	457	477	477	518	41
Public Health	580	758	758	461	(297)
Planning Management	389	467	467	466	(1)
Planning Policy	1,274	1,931	1,931	1,160	(771)
Planning Specialists	240	218	218	185	(33)
Waste Management	720	428	428	596	168
Community Safety	315	383	383	304	(79)
Street Services	284	298	298	308	10
Portfolio Total	3,993	5,812	5,812	5,093	(719)

Finance & Administration £'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Final Outturn	Final Variance
Asset Management	165	95	95	109	14
Benefits Admin	239	343	343	332	(11)
Contract, Performance and Risk Management	0	0	44	29	(15)
Corporate Management	1,557	1,724	1,822	1,535	(287)
Central Services	350	432	432	399	(33)
Conducting Elections	(40)	0	0	38	38
Electoral Registration	34	35	35	36	1
Financial Services	1,154	1,210	1,099	1,295	196
Housing Benefits	(44)	149	149	68	(81)
Human Resources	333	383	383	329	(54)
Internal Audit	157	162	162	137	(25)
Information Technology	1,593	1,710	1,710	1,736	26
Land Charges	(53)	(57)	(57)	(37)	20
Legal Services	461	325	325	475	150
Local Taxation	(44)	(100)	(100)	(92)	8
Norse Partnership	379	409	409	398	(11)
Non Domestic Rates	(130)	(146)	(146)	(147)	(1)
Offices	398	406	406	704	298
Revenues Admin	443	739	739	534	(205)
Council Tax Discounts	(42)	(54)	128	(143)	(271)
Portfolio Total	6,910	7,765	7,978	7,735	(243)

General Fund Services – Major Variances

Appendix A3

Direct Services - Overspends >£30,000	Variance Commentary £'000
Offices	298 Includes £228k underachievement of rental income at Little Canfield due to delays in tenants occupying the site - this has now been partially resolved although there is likely to be a further loss of £90k income in 2023/24. Also, £82k overspend on utilities due to increased energy costs, £77k overspend on staff costs following recruitment of Estate Manager and contract extension for Tenant Liaison Officer not in original budget, and £54k one-off professional fees relating to new lettings at Little Canfield. Offset by underspends of £85k on cleaning and security costs, and £51k on business rates at Walpole Meadows as rateable value is lower than originally estimated.
Financial Services	196 Includes £168k unbudgeted spend on agency staff due to staff vacancies (which have now been filled), and £51k overspend on treasury management due to increased activity (e.g. debt refinancing) and maintenance of external credit rating. Partially offset by salary saving of £36k on vacant procurement post for first 9 months of the year which has now transferred to Contract, Performance and Risk Management.
Private Finance Init	169 Additional support to operator in respect of increased utility costs, plus higher than budgeted inflationary increases to other contract costs.
Waste Management	168 Includes £137k overspend on diesel due to increased fuel costs, £135k net overspend on staff costs due mainly to the use of agency staff to cover vacancies and sickness, and £46k overspend on hire of waste vehicles. Also, underachievement of income of £29k for bin sales and £19k for trade waste. Offset by overachievement of income of £101k for kitchen waste and £69k for garden waste, and £51k underspend on processing and disposal costs which are subject to market forces.
Legal Services	150 Includes £136k net overspend on staff costs due to the use of agency staff to cover ongoing vacancies in hard to recruit posts, and £61k overspend on external legal fees due to increased caseload in year (including standards complaints and compulsory purchase order work). Offset by £31k overachievement of income related to section 106 planning agreement, due to higher caseload and increased fees charged as a result of better time recording.
Licensing	111 Mainly due to underachievement of taxi licensing income as work volumes have not returned to pre-Covid levels (net of associated cost savings).
Development Control	107 Includes net overspend of £271k on legal and consultancy fees relating to planning appeals due to the use of more expensive external resources than budgeted, and £260k on staff costs due mainly to ongoing use of agency staff to cover hard to recruit posts. Offset by overachievement of income of £390k due to fewer applications than anticipated going directly to the Planning Inspectorate and unbudgeted PPA income, and £51k underspend on professional fees relating to planning applications. Net overspend is partially financed by £83k contribution from earmarked reserves.
Vehicle Management	41 Mainly due to increased cost of vehicle parts and maintenance.
Conducting Elections	38 Mainly due to overspend on postage in relation to district elections in May 2023.
Saffron Walden Museum	30 Mainly due to increased utility costs following energy price rises.

Direct Services - Underspend >£30,000	Variance Commentary £'000
Planning Policy	(771) Includes £579k net underspend due to delays to the Local Plan, and £135k of unbudgeted grant income relating to specific Local Plan activities which have not yet taken place. These amounts will be transferred to the Sustainable Communities reserve for use in future years. In addition, there was a net underspend of £58k (after associated grant income) on Neighbourhood Plan preparation work.
Public Health	(297) Includes £372k of unbudgeted government grant income including grants for transitional support, air quality and asylum seekers. Associated net additional expenditure related to these activities was £129k, primarily on additional staff and professional consultancy costs. The remaining £243k will be transferred to reserves to be spent in future years. Also, net overachievement of food inspection income of £34k (after associated additional costs) relating mainly to increased inspection requirements for green beans.
Corporate Management	(287) Budget includes £250k central provision for staff pay award which is no longer required as pay award has been actioned and costs reflected in individual services. Also, underspend of £115k on the Council's contribution to the Local Highways Panel due to work not completed in year - this includes £100k which was held over in reserves from previous years and will be rolled forwards again, whilst the remaining £15k underspend this year will also be placed into reserves for use in future years. Offset by net overspend of £46k on staff and agency costs (due to one-off severance costs and the use of agency staff to cover vacancies), and unbudgeted legal costs of £35k.
Council Tax Discounts	(271) Includes £233k overachievement of income from preceptor shareback scheme (due to higher than budgeted collection of council tax), and £40k underspend on local council tax discounts (where spend depends upon level of applications received).
Climate Change	(267) Includes £227k slippage against 3 year Climate Change Programme - unspent amount will remain in reserves to be spent in future years. Also underspend of £30k on core salary budget due to vacancy in year.
Economic Development	(214) Includes £130k slippage against 3 year Business Recovery Programme - unspent amount will remain in reserves to be spent in future years. Also, received £105k of unbudgeted grant income relating to the Shared Prosperity Fund - with associated unbudgeted expenditure of £65k (remaining amount to be transferred to reserves for future years). Also includes underspend of £29k against core grants budget.
Revenues Admin	(205) Mainly due to receipt of additional new burdens grant funding not included in the budget.
Grants & Contributions	(127) Includes underspend of £150k on Major Sports Facilities grants due to recipients not yet meeting conditions for drawdown - this amount will be put aside in reserves to fund the grants in future years provided conditions are met (e.g. planning permission is granted). Offset by £38k overspend on Jubilee grants which were initially paid for out of Community Project Grants capital budget, but are in fact revenue in nature so have been transferred here.
Housing Benefits	(81) Both housing benefit expenditure, and the associated government subsidy income from which it is mostly funded, are sensitive to a number of factors including claimant caseloads and level/types of overpayments. Expenditure on core housing benefits (net of subsidy income) was £89k lower than budgeted, due to these factors differing from the assumptions made when setting the budget. In addition, the allowance for bad debts on overpayment recovery was £37k lower than budgeted. This was offset by a £35k net overspend on discretionary housing payments.

Direct Services - Underspends >£30,000	Variance Commentary £'000
Community Safety	(79) Includes £57k of unbudgeted grant income for activities relating to domestic abuse - there is £37k of associated unbudgeted spend, with the remaining amount transferred to reserves to be spent in future years. Also, £51k underspend on Community Support Officers following reduction in number of officers funded.
Day Centres	(67) Mainly due to underspend on grants to third party operators as a result of delays in occupation and finalising service level agreements.
Human Resources	(54) Mainly due to underspend on staff costs as a result of a vacancy in year.
Communications	(42) Mainly due to underspend on staff costs as a result of vacancies in year.
Customer Services Centre	(40) Mainly due to underspend on staff costs as a result of vacancies in year.
Leisure & Performance	(36) Nil costs in year due to staff vacancy - this post has been transferred to Contract, Performance and Risk Management with effect from 1 January 2023.
Planning Specialists	(33) Mainly due to unbudgeted grant income received in year - unspent amount of £18k will be transferred to reserves to be spent in future years.
Central Services	(33) Mainly due to underspend on staff costs as a result of a vacancy in year.

General Fund Revenue Reserves

Appendix A4

£'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	1,153	0	0	5,724
Capital Slippage	2,350	17	(361)	(1,085)	921
Licensing	66	46	(49)	0	63
Leisure/Private Finance Initiative	1,102	0	0	0	1,102
Working Balance	1,517	149	0	0	1,666
TOTAL RINGFENCED RESERVES	9,606	1,365	(410)	(1,085)	9,476
Core Reserves					
Commercial Assets	1,060	2,200	0	740	4,000
Medium Term Financial Strategy	6,432	382	(871)	960	6,903
Strategic Initiatives	1,663	0	(1,663)	0	0
Total Core Reserves	9,155	2,582	(2,534)	1,700	10,903
Member Priorities					
Economic Development	1,484	0	(200)	(614)	670
Planning	794	34	(95)	0	733
Sustainable Communities	1,470	135	(141)	0	1,464
Major Sports Facilities	105	150	0	0	255
Climate change	625	320	(103)	0	842
Voluntary Sector	41	5	(5)	(1)	40
Coronation Celebration Grants	0	32	0	0	32
Total Member Priorities	4,519	676	(544)	(615)	4,036
Grants					
Homelessness	357	0	(84)	0	273
Health & Wellbeing	186	31	(12)	0	205
Public Health	0	243	0	0	243
Shared Prosperity Fund	0	40	0	0	40
Other	0	31	0	0	31
Total Grants	543	345	(96)	0	792
TOTAL USABLE RESERVES	14,217	3,603	(3,174)	1,085	15,731
TOTAL RESERVES	23,823	4,968	(3,584)	0	25,207

Note that the above table assumes that the proposal to transfer the in-year underspend to the Medium Term Financial Strategy reserve is approved.

General Fund Reserve Movement Variances

Appendix A5

Movement in Reserves - Change in Net Transfers	Drawn down £'000	Additions £'000	£'000
<u>Variances relating to direct services</u>			
Airport Compensation	(2,100)		Contribution towards airport compensation costs.
Local Plan		714	Lower than anticipated drawdown of Sustainable Communities reserve due to delays in Local Plan process and receipt of specific grant to be spent in future years.
Public Health Grants		243	Underspend against grants received in year - to be spent in future years.
Climate Change		238	Revenue underspend against 3 year Climate Change Programme - unspent amount (less contributions to capital of £11k) will remain in reserves to be spent in future years.
Community Grants & Contributions		149	Grants which have been awarded in 2022/23 but where drawdown conditions have not yet been met, less drawdown for grants awarded in previous years but paid out in 2022/23.
Economic Development		130	Slippage against 3 year Economic Development Programme - unspent amount will remain in reserves to be spent in future years.
Local Highways Panel		115	Underspend on Local Highways Panel work - unspent amount will remain in reserves to be spent in future years.
Homelessness Grants	(84)		Drawdown of previous years' homelessness grants to fund eligible expenditure in year.
Development Management	(83)		Drawdown of Planning reserve to meet eligible service expenditure in year.
Economic Development		40	Shared Prosperity Fund grant received in 2022/23 to be spent in future years.
Revenues Admin		21	Underspend against budget for additional reserve-funded posts due to in-year vacancy.
Community Safety		20	Underspend against grants received in year - to be spent in future years.
Neighbourhood Planning		19	Net underspend against budget on Neighbourhood Plan production and referendums.
Health & Wellbeing Grants		19	Net drawdown of health and wellbeing grants to fund eligible expenditure in year.
Council Tax Discounts - Household Support Fund		18	Underspend against budgeted Household Support Fund expenditure.
Planning Specialists		18	Underspend against grants received in year - to be spent in future years.
Elections Grants		8	New burdens grants related to voter identification received in 2022/23 to be spent in the following year.
Emergency Planning	(5)		Drawdown of 2021/22 new burdens funding to fund activity in-year.
Saffron Walden Museum		3	Grants received to be spent in future years.
Licensing		2	Variance in net expenditure on ringfenced licensing activities to be funded from previous surpluses held in reserves.
Total variances relating to direct services (carried forward to next page)	(2,272)	1,757	(515)

Movement in Reserves - Change in Net Transfers	Drawn down £'000	Additions £'000	£'000
Total variances relating to direct services (brought forward from previous page)	(2,272)	1,757	(515)
<u>Other reserve movement variances</u>			
Capital Slippage		1,943	Lower than anticipated drawdown due to slippage and underspends on capital programme.
Business Rates		382	Transfer of excess business rates retention income to fund deficit repayments in future years.
Working Balance	(63)		Below budgeted increase in forecast working balance requirement due to variances elsewhere.
Coronation Grants		32	Set aside amounts for Coronation Grants to be awarded in 2023/24.
Capital Expenditure	(11)		Drawdown from Climate Change reserve to fund tree planting.
Total other reserve movement variances	(74)	2,357	2,283
Budgeted net use of reserves			(726)
Net use of reserves (before underspend)			1,042

Housing Revenue Account Outturn Summary

Appendix B1

£'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Final Outturn	Final Variance
Housing Service Income					
Dwelling Rents	(14,817)	(15,553)	(15,553)	(15,215)	338
Garage Rents	(222)	(225)	(225)	(222)	3
Other Rents etc	0	(1)	(1)	(3)	(2)
Charges for Services & Facilities	(1,016)	(987)	(987)	(1,007)	(20)
Contributions towards Expenditure	(1)	(66)	(66)	0	66
Reimbursement of Costs	0	0	0	(10)	(10)
TOTAL INCOME	(16,056)	(16,832)	(16,832)	(16,457)	375
Housing Finance & Business Management					
Rents, Rates & Other Property Charges	104	78	78	130	52
	104	78	78	130	52
Housing Maintenance & Repairs Service					
Common Service Flats	176	256	256	526	270
Estate Maintenance	1	2	2	4	2
Housing Sewerage	16	16	16	18	2
Newport Depot	4	5	5	3	(2)
Property Services	86	49	49	634	585
Housing Repairs (Norse Services)	3,371	3,743	3,743	3,682	(61)
Housing Repairs (Other)	58	0	0	1	1
	3,712	4,071	4,071	4,868	797
Housing Management & Homelessness					
Housing Services	491	516	516	692	176
Sheltered Housing Services	479	461	461	448	(13)
	970	977	977	1,140	163
Total Service Expenditure	4,786	5,126	5,126	6,138	1,012
Non-Service Expenditure					
Bad Debt Provision	(1)	100	100	58	(42)
Depreciation - Dwellings (to MRR)	3,751	3,935	3,935	4,445	510
Depreciation - Non-Dwellings (to MRR)	137	22	22	165	143
Interest/Costs re HRA Loan	2,574	2,570	2,570	2,601	31
Investment Income	(3)	(10)	(10)	(105)	(95)
Uttlesford Norse Partnership Profit Share	(69)	0	0	(90)	(90)
Pension Costs - Added Years	18	0	0	38	38
Recharge from General Fund	1,328	1,387	1,387	1,471	84
HRA Share of Corporate Core	372	360	360	399	39
Right to Buy Admin Allowance	(21)	(10)	(10)	(16)	(6)
Total Non-Service Expenditure	8,086	8,354	8,354	8,966	612
TOTAL EXPENDITURE	12,872	13,480	13,480	15,104	1,624
OPERATING (SURPLUS)/DEFICIT	(3,184)	(3,352)	(3,352)	(1,353)	1,999
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	5,074	2,876	(2,198)
	2,239	3,590	5,074	2,876	(2,198)
Transfers to/from Reserves					
Capital Projects	0	(270)	(270)	(884)	(614)
HRA Slippage Reserve	(1,166)	0	(1,484)	(626)	858
Working Balance	0	32	32	78	46
Movement in Reserves	(1,166)	(238)	(1,722)	(1,432)	290
(SURPLUS)/DEFICIT	(111)	0	0	91	91

Housing Revenue Account Revenue Reserves

Appendix B2

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	78	0	0	549
TOTAL RINGFENCED RESERVES	471	78	0	0	549
<u>USABLE RESERVES</u>					
Revenue Reserves	292	0	(91)	0	201
Revenue Projects	160	0	0	0	160
	452	0	(91)	0	361
<u>Capital Reserves</u>					
Capital Projects	884	0	(884)	0	0
Potential Projects Reserve	10	0	0	0	10
HRA Slippage Reserve	1,484	858	(1,484)	0	858
	2,378	858	(2,368)	0	868
TOTAL USABLE RESERVES	2,830	858	(2,459)	0	1,229
TOTAL RESERVES	3,301	936	(2,459)	0	1,778

Note that the above table assumes that the proposal to fund the in-year overspend from Revenue Reserves is approved.

Capital Programme Summary

Appendix C1

Capital Expenditure £'000	Original Budget 2022/23	Slippage from 2021/22	Virements 2022/23	Current Budget 2022/23	Final Outturn 2022/23	Final Variance 2022/23	Requested Slippage to 2023/24
Communities & Partnerships	110	71	0	181	88	(93)	18
Housing and Economic Development	280	613	0	893	389	(504)	600
Environmental Services	365	1,156	0	1,521	1,071	(450)	549
Finance & Administration	260	1,200	0	1,460	1,312	(148)	659
Commercial Investments	26,792	1,098	0	27,890	14,512	(13,378)	10,153
Total General Fund	27,807	4,138	0	31,945	17,372	(14,573)	11,979
Housing Revenue Account	8,975	4,780	0	13,755	8,921	(4,834)	2,463
Total Capital Programme	36,782	8,918	0	45,700	26,293	(19,407)	14,442

Capital Financing £'000	General Fund	Housing Revenue Account	Total
Borrowing	15,924	0	15,924
Grants and Contributions	364	0	364
Revenue Contribution (RCCO)	407	508	915
Earmarked Reserves	372	2,368	2,740
S106 Contributions	18	0	18
Capital Receipts	287	1,587	1,874
Major Repairs Reserve	0	4,458	4,458
Total Capital Financing	17,372	8,921	26,293

Capital Programme Detail

Appendix C2

General Fund Capital Projects £'000	Original Budget 2022/23	Slippage from 2021/22	Virements 2022/23	Current Budget 2022/23	Final Outturn 2022/23	Final Variance 2022/23	Requested Slippage to 2023/24
Communities & Partnerships							
Community Project Grants	110	71	0	181	77	(104)	18
Saffron Walden Castle	0	0	0	0	0	0	0
Tree Planting	0	0	0	0	11	11	0
Total Communities & Partnerships	110	71	0	181	88	(93)	18
Housing and Economic Development							
Disabled Facilities Grants	200	0	0	200	339	139	0
Empty Dwellings	10	13	0	23	10	(13)	0
Private Sector Renewal Grant	70	0	0	70	10	(60)	0
Compulsory Purchase Order	0	0	0	0	6	6	0
Superfast Broadband	0	600	0	600	0	(600)	600
Shared Prosperity Fund	0	0	0	0	24	24	0
Total Housing and Economic Development	280	613	0	893	389	(504)	600
Environmental Services							
Vehicle Replacement Programme	240	1,066	0	1,306	851	(455)	455
Household Bins	70	0	0	70	86	16	0
Kitchen Caddies	10	0	0	10	16	6	0
Garden Waste Bins	20	0	0	20	28	8	0
Trade Waste Bins	10	0	0	10	39	29	0
Car Parking Machine Replacement	0	65	0	65	0	(65)	65
Electric Car Chargers	15	0	0	15	1	(14)	14
White Street Car Park	0	25	0	25	10	(15)	15
Faircroft Car Park	0	0	0	0	40	40	0
Total Environmental Services	365	1,156	0	1,521	1,071	(450)	549
Finance & Administration							
ICT							
Minor Items IT	20	0	0	20	37	17	0
PCI Compliance	20	40	0	60	16	(44)	0
PSN CoCo	30	0	0	30	5	(25)	0
Asset Management System	0	30	0	30	0	(30)	30
Cyber Security	20	72	0	92	4	(88)	20
Grounds Maintenance & Vehicle Systems	0	43	0	43	0	(43)	43
Licensing - Lalpac to Idox Uni	0	0	0	0	0	0	0
Scanner Replacement & Postal Software	0	57	0	57	42	(15)	15
Sharepoint	0	18	0	18	0	(18)	18
Wifi	0	36	0	36	16	(20)	20
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	139	(187)	187
Cloud Telephone system	49	0	0	49	0	(49)	0
Web-to-Print Solutions	0	9	0	9	0	(9)	7
Appointment Reservation	0	0	0	0	7	7	0
Video Conferencing	0	0	0	0	(2)	(2)	0
Telephony System (8x8)	0	0	0	0	7	7	0
Sub Total	139	688	0	827	308	(519)	340
Council Asset Works							
Council Offices Improvements (General)	96	189	0	285	293	8	0
New Depot Site	0	0	0	0	685	685	0
Day Centre Cyclical Improvements	25	0	0	25	4	(21)	0
Swan Meadow Car Park Resurface	0	240	0	240	0	(240)	240
Museum Boiler	0	33	0	33	4	(29)	29
London Road - Fire Alarm Upgrade	0	50	0	50	0	(50)	50
Section 106 agreements	0	0	0	0	18	18	0
Sub Total	121	512	0	633	1,004	371	319
Total Finance & Administration	260	1,200	0	1,460	1,312	(148)	659
Total General Fund Service Portfolios	1,015	3,040	0	4,055	2,860	(1,195)	1,826

General Fund Capital Projects £'000	Original Budget 2022/23	Slippage from 2021/22	Virements 2022/23	Current Budget 2022/23	Final Outturn 2022/23	Final Variance 2022/23	Requested Slippage to 2023/24
General Fund Service Portfolios brought forward from previous page	1,015	3,040	0	4,055	2,860	(1,195)	1,826
Investments							
Investments	26,792	1,098	0	27,890	14,512	(13,378)	10,153
Total Investments	26,792	1,098	0	27,890	14,512	(13,378)	10,153
Total General Fund	27,807	4,138	0	31,945	17,372	(14,573)	11,979

Housing Revenue Account Capital Projects £'000	Original Budget 2022/23	Slippage from 2021/22	Virements 2022/23	Current Budget 2022/23	Final Outturn 2022/23	Final Variance 2022/23	Requested Slippage to 2023/24
RTB Schemes							
The Moors	0	75	0	75	1	(74)	34
Thaxted Road	0	1,160	0	1,160	1,700	540	0
Great Chesterford	0	1,072	0	1,072	1,082	10	0
Gold Close	0	0	0	0	8	8	0
Future sites	2,000	0	(1,900)	100	1	(99)	0
Takeley	500	0	0	500	8	(492)	42
Woodlands, Gt Dunmow	0	0	1,789	1,789	1,149	(640)	640
Garden Sites	0	0	111	111	37	(74)	74
Total RTB Schemes	2,500	2,307	0	4,807	3,986	(821)	790
Sheltered Schemes							
Hatherley Court	0	0	0	0	29	29	0
Walden Place	0	1,641	0	1,641	310	(1,331)	1,331
Alexia House	1,400	0	0	1,400	13	(1,387)	22
Parkside	1,480	0	0	1,480	104	(1,376)	0
Total Sheltered Schemes	2,880	1,641	0	4,521	456	(4,065)	1,353
Uttlesford Norse							
HRA Repairs	3,445	790	0	4,235	4,311	76	320
UPVC Fascias and Guttering	100	(6)	0	94	94	0	0
Resurfacing Access Road	0	(3)	0	(3)	15	18	0
Lift Replacement	0	10	0	10	38	28	0
Total Uttlesford Norse	3,545	791	0	4,336	4,458	122	320
Other							
Cash Incentive Scheme Grants	50	41	0	91	21	(70)	0
Total Other	50	41	0	91	21	(70)	0
Total Housing Revenue Account	8,975	4,780	0	13,755	8,921	(4,834)	2,463

Capital Reserves

Appendix C3

Capital Reserves £'000	Balance 1 April 2022	Additions to Reserve	Use of Reserve	Balance 31 March 2023
General Fund				
Capital Grants Unapplied - S106	1,026	18	(18)	1,026
Capital Grants Unapplied - Other	168	657	(364)	461
Capital Receipts	293	395	(630)	58
Total General Fund	1,487	1,070	(1,012)	1,545
Housing Revenue Account				
Major Repairs Reserve	1,031	4,610	(4,458)	1,183
Capital Receipts	3,311	2,582	(1,602)	4,291
Total Housing Revenue Account	4,342	7,192	(6,060)	5,474
Total Capital Reserves	5,829	8,262	(7,072)	7,019

Section 106 Balances

Appendix D

S106 Contributions With Conditions (Receipts in Advance) £'000	Balance at 1 April 2022	Income	Drawn Down - Capital Financing	Balance at 31 March 2023
Priors Green, Takeley	78	0	0	78
Land north of Ingrams, Felsted	10	0	0	10
Rochford Nurseries/Foresthall Park, Stansted	20	0	(18)	2
The Orchard, Elsenham	42	0	0	42
Wedow Road, Thaxted	53	0	0	53
Sector 4 Woodlands Park, Gt Dunmow	10	0	0	10
Keers Green Nurseries, Aythorpe Roding	120	0	0	120
Land adjacent to S/W Hospital	31	0	0	31
Land at Blossom Hill Farm, Henham	33	0	0	33
Land at Webb & Hallett Road, Flitch Green, Felsted	33	0	0	33
Land south side of Radwinter Road	322	0	0	322
Land North side of Stansted Road Elsenham	377	0	0	377
Land South of Stansted Road, Elsenham	330	0	0	330
Total	1,459	0	(18)	1,441

S106 Contributions Held on Behalf of Other Bodies £'000	Balance at 1 April 2022	Income	Transferred to Other Bodies	Balance at 31 March 2023
Sector 4 Woodlands Park (Helena Romanes School)	165	0	0	165
Brewers End, Takeley	31	0	0	31
Land adj Hailes Wood, Elsenham	10	0	0	10
Land at Flitch Green, Felsted	67	0	0	67
Land adjacent to S/W Hospital	1	0	0	1
Ashdon Road Commercial Centre	34	0	(6)	28
Land south of Stansted Road, Elsenham	53	0	0	53
Land south of Ongar Road, Dunmow	17	0	0	17
Land at 119 Radwinter Road, adj S/W Hospital	15	0	0	15
Land North of Ongar Road, Gt Dunmow	21	0	0	21
Land at Bury Water Lane, Newport	29	0	0	29
Land at Elsenham Nuseries	14	0	0	14
Bury Water Lane, Newport	26	0	0	26
Walpole Farm, Cambridge Road, Stansted	53	0	0	53
14 Stortford Road, Gt Dunmow	35	0	0	35
Land west of Woodside Way, Gt Dunmow	264	0	0	264
Land west of Parsonage Road, Takeley	0	62	0	62
Total	835	62	(6)	891

S106 Contributions Without Conditions (Capital Grants Unapplied) £'000	Balance at 1 April 2022	Income	Drawn Down - Capital Financing	Balance at 31 March 2023
Affordable Housing	813	0	0	813
Dunmow Eastern Sector	18	0	0	18
Woodlands Park, Gt Dunmow	36	0	0	36
Bell College, Saffron Walden	15	0	0	15
Priors Green, Takeley	8	0	0	8
Foresthall Park, Stansted	33	0	0	33
Lt Walden Road/Ashdon Road, Saffron Walden	98	0	0	98
Oakwood Park, Takeley	5	0	0	5
Total	1,026	0	0	1,026

MTFS to Outturn Reconciliation – General Fund

Appendix E1

General Fund - Medium Term Financial Strategy	Decreases	Increases	Total
Reserve Reconciliation	£'000	£'000	£'000
Estimated balance at 31 March 2023 per MTFS			5,918
<u>Variations relating to direct services</u>			
Waste Management	(181)		Includes higher than anticipated diesel costs (£83k), disposal and processing costs (£74k), and consultancy costs (£23k). Also £57k higher than anticipated staff costs due to the increased use of agency staff. Offset by £101k higher than anticipated kitchen waste income.
Revenues Admin		140	Mainly due to the receipt of new burdens grant funding which was not announced by central government until late March 2023.
Asset Management		95	Mainly due to a reduction in revenue costs of repairs and maintenance. Upon review at year-end, much of the work initially charged here was found to be capital in nature, so has been capitalised and where appropriate funded from capital resources.
Housing Benefits		78	Includes £37k lower than anticipated bad debt losses related to benefit overpayments. Also, cost to the Council of paying out statutory benefits (net of government subsidy) was £29k lower than forecast.
Offices	(75)		Mainly due to lower than forecast rental income at Little Canfield.
Day Centres		73	Mainly due to forecast operator grants not being made this year as service level agreements have not been finalised.
Licensing	(64)		Mainly due to lower than anticipated income from taxi licensing.
Community Safety		57	Mainly due to lower than anticipated spending on Community Support Officers.
Other		180	Net total of other direct service variances which are individually <£50k.
Total variances relating to direct services	(320)	623	303
<u>Other variances</u>			
Commercial Investments		341	Higher than anticipated net income from commercial property portfolio, comprising higher rental income, lower borrowing costs, and higher treasury investment income. Delays in the timing of development payments have reduced the need to borrow in year, whilst increased interest rates have led to higher returns on treasury deposits.
Capital Financing Costs		120	Lower than anticipated revenue contribution to capital expenditure (after adjusting for slippage), primarily related to underspends on ICT projects.
Local Highways Panel		115	Underspend on Local Highways Panel work will be retained in the Medium Term Financial Strategy reserve to fund work in future years.
Recharges to Housing Revenue Account		88	Higher than anticipated net recharge to the HRA (including corporate core costs) as a result of variances elsewhere, and updated apportionment percentages.
Other		18	Net total of other variances which are individually <£50k.
Total other reserve movement variances	0	682	682
Actual outturn balance at 31 March 2023			6,903

MTFS to Outturn Reconciliation – Housing Revenue Account

Appendix E2

HRA - Revenue Reserves and Revenue Projects Reserve Reconciliation	Decreases £'000	Increases £'000	Total £'000
Estimated balance at 31 March 2023 per MTFS			1,091
<u>Variances</u>			
Capital Financing Costs	(310)		Higher than anticipated revenue contribution to capital expenditure (after adjusting for slippage), primarily related to overspend at Thaxted Road.
Utility costs	(254)		Higher than anticipated utility costs - most of this additional cost can not be passed on to tenants as service charges are set before the beginning of the year.
Damp and mould response	(220)		The MTFS assumed £200k of spend in 2022/23 on the Council's response to damp and mould issues - the actual spend in year on stock condition survey work was £420k.
Uttlesford Norse profit share		90	Receipt of profit share from Uttlesford Norse Services Ltd in respect of 2021/22.
Recharges from General Fund	(88)		Higher than anticipated net recharge from the General Fund (including corporate core costs) as a result of variances on support services, and updated apportionment percentages.
Dwelling rents	(67)		Lower than anticipated income from dwelling rents.
Other		119	Net total of other variances which are individually <£50k.
Total variances	(939)	209	(730)
Actual outturn balance at 31 March 2023			361

Borrowing

Appendix F1

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%
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%

Continued...

Date of borrowing	Institution	Amount (£)	Date of Repayment	Interest Rate %
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%
30-Nov-22	West Midlands Combined Authority	7,000,000	29-Nov-23	3.05%
06-Dec-22	West Midlands Combined Authority	11,500,000	05-Dec-23	1.80%
20-Feb-23	South Gloucestershire Council	3,000,000	01-Jun-23	3.90%
16-Feb-23	Middlesbrough Council	2,000,000	03-Apr-23	3.90%
16-Mar-23	Merthyr Tydfil County Borough Council	2,000,000	03-Apr-23	4.35%
20-Mar-23	Bridgend County Borough Council	4,000,000	01-Jun-23	4.55%
23-Mar-23	Swansea City Council	1,500,000	15-May-23	4.40%
28-Mar-23	Scarborough Borough Council	2,000,000	04-Apr-23	4.30%
Weighted average interest rate				<u>1.21%</u>

Building Societies

Date of borrowing	Institution	Amount (£)	Date of Repayment	Interest Rate %
01-Feb-23	Furness Building Society	5,000,000	02-May-23	3.80%
Weighted average interest rate				<u>3.80%</u>

Phoenix

Date of borrowing	Loan Type	Initial Loan Amount (£)	Loan Period	Loan Balance at 1 April 2022	Loan Balance at 31 Mar 2023	Date of Final Repayment	Interest Rate %
05-Jul-17	Annuity	10,000,000	40 years	9,919,645	9,755,471	05-Jul-57	2.86%
06-Jul-20	Annuity	12,000,000	37 years	11,903,574	11,706,565	05-Jul-57	2.86%
05-Jul-21	Annuity	15,000,000	36 years	14,879,467	14,633,207	05-Jul-57	2.86%
Weighted average interest rate							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 31 Mar 2023	Date of Final Repayment	Interest Rate %
28-Mar-12	Maturity	2,000,000	11 years	2,000,000	0	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	0	29,907,827	22-Sep-71	4.28%
29-Sep-22	Maturity	50,000,000	8 years	0	50,000,000	27-Sep-30	4.16%
09-Feb-23	Maturity	2,000,000	2 years	0	2,000,000	27-Mar-25	4.03%
Weighted average interest rate							3.60%

Treasury Management Investments

Appendix F2

Fixed Term Deposits

Date of Investment	Counterparty	Amount (£)	Date of Repayment	Interest Rate %
11-Jun-21	Thurrock Borough Council	2,000,000	10-Jun-22	0.20%
17-Jan-22	DMO	3,000,000	15-Jul-22	0.22%
21-Feb-22	North Lanarkshire Council	3,000,000	21-Nov-22	0.75%
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%
06-Oct-22	DMO	50,000,000	13-Oct-22	1.95%
12-Oct-22	DMO	1,600,000	17-Oct-22	1.95%
13-Oct-22	DMO	50,000,000	20-Oct-22	1.95%
17-Oct-22	DMO	4,000,000	07-Nov-22	2.04%
20-Oct-22	DMO	7,000,000	24-Oct-22	1.85%
20-Oct-22	DMO	34,000,000	27-Oct-22	1.85%
20-Oct-22	DMO	9,000,000	28-Oct-22	1.85%
27-Oct-22	DMO	20,000,000	21-Nov-22	2.34%
27-Oct-22	DMO	14,000,000	30-Nov-22	2.42%
01-Nov-22	DMO	4,500,000	17-Nov-22	2.45%
07-Nov-22	DMO	5,000,000	14-Nov-22	2.65%
14-Nov-22	DMO	5,000,000	21-Nov-22	2.70%
15-Nov-22	DMO	3,000,000	21-Nov-22	2.67%
21-Nov-22	DMO	6,000,000	28-Nov-22	2.70%
28-Nov-22	DMO	6,000,000	05-Dec-22	2.80%
30-Nov-22	DMO	10,000,000	08-Dec-22	2.80%
01-Dec-22	DMO	5,000,000	19-Dec-22	2.89%
05-Dec-22	DMO	6,000,000	13-Dec-22	2.82%
13-Dec-22	DMO	1,050,000	20-Dec-22	3.10%
15-Dec-22	London Borough of Newham	3,000,000	15-Jun-23	3.80%
20-Dec-22	Woking Borough Council	3,000,000	20-Jun-23	3.80%
03-Jan-23	DMO	6,850,000	10-Jan-23	3.30%
10-Jan-23	DMO	7,000,000	19-Jan-23	3.32%
01-Feb-23	DMO	6,700,000	09-Feb-23	3.66%
09-Feb-23	DMO	2,000,000	16-Feb-23	3.82%

Continued...

Date of Investment	Counterparty	Amount (£)	Date of Repayment	Interest Rate %
09-Feb-23	DMO	2,000,000	28-Mar-23	3.84%
16-Mar-23	DMO	1,730,000	17-Mar-23	3.82%
17-Mar-23	DMO	2,700,000	20-Mar-23	3.82%
21-Mar-23	DMO	3,650,000	22-Mar-23	3.82%
22-Mar-23	DMO	4,000,000	23-Mar-23	3.82%
23-Mar-23	DMO	3,400,000	24-Mar-23	3.95%
24-Mar-23	DMO	3,500,000	27-Mar-23	4.05%
27-Mar-23	DMO	2,700,000	28-Mar-23	4.05%
28-Mar-23	DMO	3,950,000	29-Mar-23	4.05%
29-Mar-23	DMO	2,000,000	30-Mar-23	4.03%
29-Mar-23	Leeds City Council	2,000,000	29-Oct-23	4.45%
30-Mar-23	DMO	1,700,000	31-Mar-23	4.05%
31-Mar-23	DMO	4,050,000	03-Apr-23	4.05%
Weighted average interest rate for period				<u>2.05%</u>

Money Market Funds

Fund Name	Opening Balance (£) 01/04/2022	Closing Balance (£) 31/03/2023	Average Daily Balance (£)	No. of days invested	Average 1 day yield
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund	450,000	0	1,126,630	349	2.11%
Aviva Investors Sterling Liquidity Fund	750,000	0	881,068	349	2.05%
CCLA - The Public Sector Deposit Fund	800,000	0	1,010,740	350	2.08%
Federated Short-Term Sterling Prime Fund	450,000	0	1,077,507	349	2.09%
Invesco Sterling Liquidity Portfolio (Institutional)	0	0	956,603	346	2.10%

Committee:	Cabinet	Date:	29 June 2023
Title:	Treasury Management - Mid Year Review 2022/23		
Portfolio Holder:	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. This report covers the 2022/23 financial year.
2. 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."
3. Treasury management has been undertaken in line with the Treasury Management Strategy which was approved by Full Council in February 2022.

Recommendations

4. The Cabinet is recommended to note the Treasury Management Outturn Report 2022/23 set out at Appendix A.

Financial Implications

5. As set out at Appendix A.

Background Papers

6. 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

7. 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.
8. 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)
9. A detailed report is attached at Appendix A and this has been compiled with the support of our external treasury advisors, Arlingclose Ltd.

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 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 Outturn Report 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 the Council to approve treasury management semi-annual and annual reports.

The Council's treasury management strategy for 2022/23 was approved at a meeting 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.

The CIPFA *Prudential Code for Capital Finance in Local Authorities 2021* (the 'Prudential Code') includes a requirement for local authorities to provide a Capital Strategy, which is a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 22 February 2022.

External Context

Economic background: The war in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a mild recession. The economic backdrop during the January to March period continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending.

Central Bank rhetoric and actions remained consistent with combatting inflation. The Bank of England, US Federal Reserve, and European Central Bank all increased interest rates over the period, even in the face of potential economic slowdowns in those regions.

Starting the financial year at 5.5%, the annual CPI measure of UK inflation rose strongly to hit 10.1% in July and then 11.1% in October. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again in February. Annual headline CPI registered 10.4% in February, up from 10.1% in January, with the largest upward contributions coming from food and housing. RPI followed a similar pattern during the year, hitting 14.2% in October. In February RPI measured 13.8%, up from 13.4% in the previous month.

Following the decision by the UK government under Rishi Sunak and Jeremy Hunt to reverse some of the support to household energy bills announced under Liz Truss, further support in the form of a cap on what energy suppliers could charge households was announced in the March Budget to run from April until the end of June 2023. Before the announcement, typical household bills had been due to rise to £3,000 a year from April.

The labour market remained tight albeit with some ongoing evidence of potential loosening at the end of the period. The unemployment rate 3mth/year eased from 3.8% April-June to 3.6% in the following quarter, before picking up again to 3.7% between October-December. The most recent information for the period December-February showed an unemployment rate of 3.7%.

The inactivity rate was 21.3% in the December-February quarter, slightly down from the 21.4% in the first quarter of the financial year. Nominal earnings were robust throughout the year, with earnings growth in December-February at 5.7% for total pay (including bonuses) and 6.5% for regular pay. Once adjusted for inflation, however, both measures were negative for that period and have been so throughout most of the year.

Despite household budgets remaining under pressure, consumer confidence rose to -36 in March, following readings of -38 and -45 in the previous two months, and much improved compared to the record low of -49 in September. Quarterly GDP was soft through the year, registering a 0.1% gain in the April-June period, before contracting by (an upwardly revised) -0.1% in the subsequent quarter. For the October-December period it was revised upwards to 0.1% (from 0.0%), illustrating a resilient but weak economic picture. The annual growth rate in Q4 was 0.6%.

The Bank of England increased the official Bank Rate to 4.25% during the financial year. From 0.75% in March 2022, the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period, with recent hikes of 50bps in December and February and then 25bps in March, taking Bank Rate to 4.25%. March's rise was voted by a majority of 7-2, with two MPC members preferring to maintain Bank Rate at 4.0%. The Committee noted that inflationary pressures remain elevated with growth stronger than was expected in the February Monetary Policy Report. The February vote was also 7-2 in favour of a hike, and again with two members preferring to keep Bank Rate on hold. Since the year-end, there has been a further hike of 25bps to 4.50% on 11 May 2023.

After reaching 9.1% in June, annual US inflation slowed for eight consecutive months to 6% in February. The Federal Reserve continued raising interest rates over the period with consecutive increases at each Federal Open Market Committee meeting, taking policy rates to a range of 4.75%- 5.00% at the March meeting.

From the record high of 10.6% in October, Eurozone CPI inflation fell steadily to 6.9% in March 2023. Energy prices fell, but upward pressure came from food, alcohol, and tobacco. The European Central Bank continued increasing interest rates over the period, pushing rates up by 0.50% in March, taking the deposit facility rate to 3.00% and the main refinancing rate to 3.50%.

Financial markets: Uncertainty continued to be a key driver of financial market sentiment and bond yields remained relatively volatile due to concerns over elevated inflation and higher interest rates, as well as the likelihood of the UK entering a recession and for how long the Bank of England would continue to tighten monetary policy. Towards the end of the period, fears around the health of the banking system following the collapse of Silicon Valley Bank in the US and purchase of Credit Suisse by UBS caused further volatility.

Over the period the 5-year UK benchmark gilt yield rose from 1.41% to peak at 4.70% in September before ending the financial year at 3.36%. Over the same timeframe the 10-year gilt yield rose from 1.61% to peak at 4.51% before falling back to 3.49%, while the 20-year yield rose from 1.82% to 4.96% and then declined to 3.82%. The Sterling Overnight Rate (SONIA) averaged 2.24% over the period.

Credit review: Early in the period, Moody's affirmed the long-term rating of Guildford Borough Council but revised the outlook to negative. The agency also downgraded Warrington Borough Council and Transport for London.

In July Fitch revised the outlook on Standard Chartered and Bank of Nova Scotia from negative to stable and in the same month Moody's revised the outlook on Bayerische Landesbank to positive.

In September S&P revised the outlook on the Greater London Authority to stable from negative and Fitch revised the outlook on HSBC to stable from negative.

The following month Fitch revised the outlook on the UK sovereign to negative from stable. Moody's made the same revision to the UK sovereign, following swiftly after with a similar move for a number of local authorities and UK banks including Barclays Bank, National Westminster Bank (and related entities) and Santander.

During the last few months of the reporting period there were only a handful of credit changes by the rating agencies, then in March the collapse of Silicon Valley Bank (SVB) in the US quickly spilled over into worries of a wider banking crisis as Credit Suisse encountered further problems and was bought by UBS.

Credit Default Prices had been rising since the start of the period on the back of the invasion of Ukraine, and in the UK rose further in September/October at the time of the then government's mini budget. After this, CDS prices had been falling, but the fallout from SVB caused a spike on the back of the heightened uncertainty. However, they had moderated somewhat by the end of the period as fears of contagion subsided, but many are still above their pre-March levels reflecting that some uncertainty remains.

On the back of this, the Council's treasury management adviser (Arlingclose) reduced the recommended maximum duration limit for unsecured deposits for all UK and Non-UK banks/institutions on its counterparty list to 35 days as a precautionary measure. No changes were made to the names on the list.

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 as recommended by Arlingclose remains under constant review.

Local authorities remain under financial pressure, but Arlingclose continues to take a positive view of the sector, considering its credit strength to be high. Section 114 notices have been issued by only a handful of authorities with specific issues. While Arlingclose's advice for local authorities on its counterparty list remains generally unchanged, a degree of caution is merited with certain authorities. The Council will continue to follow Arlingclose's advice in this regard.

Local Context

At 31 March 2023, the Council had net borrowing of £286.8 million 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	2022/23 Movement £m	31.3.23 Actual £m
General Fund CFR	16.1	0.6	16.7
HRA CFR	80.9	0.0	80.9
Investments CFR	226.6	11.9	238.5
Total CFR	323.6	12.5	336.1
Less: Other debt liabilities *	-4.2	0.2	-4.0
Borrowing CFR	319.4	12.7	332.1
Less: Usable reserves	-33.0	-1.0	-34.0
Less: Working capital	-23.9	12.6	-11.3
Net borrowing	262.5	24.3	286.8

* PFI liabilities that form part of the Council's total debt.

The Council pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

The treasury management position at 31 March 2023 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.22 Balance £m	2022/23 Movement £m	31.3.23 Balance £m	31.3.23 Weighted Average Rate %
Long-term borrowing	120.1	70.5	190.6	3.61
Short-term borrowing	166.0	-57.2	108.8	2.68
Total borrowing	286.1	13.3	299.4	
Short-term investments	18.6	-6.5	12.1	3.99
Cash and cash equivalents	5.0	-4.5	0.5	1.88
Total investments	23.6	-11.0	12.6	
Net borrowing	262.5	24.3	286.8	

Borrowing Update

The 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 authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

However, where an authority already holds a commercial property portfolio, as in the case of this Council, the Prudential Code does permit further capital expenditure on the prudent active management and rebalancing of the portfolio, and maximising the value of existing property

assets. All of the capital expenditure on the commercial property portfolio in 2022/23 falls into one of the permitted categories, for example the development of investment sites already held.

Before undertaking further additional borrowing the Council will review the options for exiting these investments, in line with the requirements of the Prudential Code.

Borrowing Strategy and Activity

As outlined in the Treasury Management Strategy, the Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing lower 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 and, where practicable, to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The cost of both long and short-term borrowing rose dramatically over the year, with rates at the end of March around 2% - 4% higher than those at the beginning of April. Rate rises have been driven primarily by inflation and the need for central banks to control this by raising interest rates. Particularly dramatic rises were seen in September after Liz Truss' 'mini-budget' included unfunded tax cuts and additional borrowing to fund consumer energy price subsidies: over a 24-hour period some PWLB rates increased to 6%. Rates have now fallen from September peaks but remain volatile and well above recent historical norms. The PWLB 10 year maturity certainty rate stood at 4.33% at 31 March 2023, 20 years at 4.70%, and 30 years at 4.66%.

A new HRA PWLB rate of gilt yield plus 0.4% (0.4% below the currently available certainty rate) was announced on 15 March 2023. This discounted rate is to support local authorities borrowing for Housing Revenue Accounts and the delivery of social housing and is expected to be available from June 2023, initially for a period of one year.

Given the rise in interest rates throughout the year, the Council has taken proactive steps to limit its exposure to future interest rate risk by rebalancing the debt portfolio so a higher proportion of debt is fixed for the longer term. This included, in September 2022, taking our £80 million of new long-term PWLB loans to replace short-term borrowing from other local authorities which matured in the second half of the year. The percentage of debt which is fixed for more than one year has increased from 42% to 64% as a result.

At 31 March 2023 the Council held £299.4 million of loans, (an increase of £13.3 million from 31 March 2022), as part of its strategy for funding previous and current years' capital programmes. Outstanding loans at 31 March 2023 are summarised in the tables below.

Table 3A: Borrowing Position

	31.3.22 Balance	2022/23 Movement	31.3.23 Balance	31.3.23 Weighted Average Rate	31.3.23 Weighted Average Maturity
	£m	£m	£m	%	years
Public Works Loan Board	78.4	79.9	158.3	3.76	13.8
Phoenix Life Ltd	36.7	-0.6	36.1	2.86	20.0
Local authorities (long-term)	5.0	-5.0	0.0	-	-
Local authorities (short-term)	166.0	-66.0	100.0	2.62	0.4
Building societies	0.0	5.0	5.0	3.80	0.1
Total borrowing	286.1	13.3	299.4	3.27	9.8

Table 3B: Long-dated loans outstanding

	31.3.23 Balance	Rate	Period Remaining
	£m	%	(Years)
PWLB Maturity Loan	2.0	4.03%	2.0
PWLB Maturity Loan	3.0	2.82%	2.0
PWLB Maturity Loan	3.0	2.92%	3.0
PWLB Maturity Loan	3.0	3.01%	4.0
PWLB Maturity Loan	3.0	3.08%	5.0
PWLB Maturity Loan	3.0	3.15%	6.0
PWLB Maturity Loan	4.0	3.21%	7.0
PWLB Maturity Loan	50.0	4.16%	7.5
PWLB Maturity Loan	4.0	3.26%	8.0
PWLB Maturity Loan	4.0	3.30%	9.0
PWLB Maturity Loan	4.0	3.34%	10.0
PWLB Maturity Loan	4.0	3.37%	11.0
PWLB Maturity Loan	4.0	3.40%	12.0
PWLB Maturity Loan	4.0	3.42%	13.0
PWLB Maturity Loan	5.0	3.44%	14.0
PWLB Maturity Loan	5.0	3.46%	15.0
PWLB Maturity Loan	5.0	3.47%	16.0
PWLB Maturity Loan	5.0	3.48%	17.0
PWLB Maturity Loan	5.0	3.49%	18.0
PWLB Maturity Loan	5.4	3.50%	19.0
Phoenix Annuity Loan	14.6	2.86%	34.3
Phoenix Annuity Loan	11.7	2.86%	34.3
Phoenix Annuity Loan	9.8	2.86%	34.3
PWLB Annuity Loan	29.9	4.28%	48.5

The Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short- and long-term borrowing was maintained.

Other Debt Activity

After £0.2 million repayment of prior years' Private Finance Initiative liabilities, total debt other than borrowing stood at £4.0 million on 31 March 2023, taking total debt to £303.4 million.

Treasury Investment Activity

The CIPFA Code defines treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represent balances that 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 £10.1 and £91.8 million due to timing differences between income and expenditure. Investment balances were significantly higher than usual following the taking of £80 million of new PWLB loans in late September 2022 as set out above - as these loans were used to repay other borrowing maturing in subsequent months the balance fell back to £12.6 million by the end of the financial year. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.22	2022/23	31.3.23	31.3.23	31.3.23
	Balance	Movement	Balance	Weighted Average Rate	Weighted Average Maturity
	£m	£m	£m	%	years
Government (incl. local authorities)	18.6	-6.5	12.1	3.99	0.2
Money Market Funds	2.5	-2.5	0.0	-	-
Banks (unsecured)	2.5	-2.0	0.5	1.88	0.0
Total investments	23.6	-11.0	12.6	3.89	0.2

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.

Bank Rate increased from 0.75% at the beginning of the year to 4.25% at the end of March 2023. Short-dated cash rates, which had ranged between 0.7% - 1.5% at the beginning of April, rose by around 3.5% for overnight/7-day maturities and 3.3% for 6-12 month maturities.

By the end of March 2023, the rates on DMADF deposits ranged between 4.05% and 4.15%. The return on the Council's sterling Low Volatility Net Asset Value (LVNAV) Money Market Funds ranged between 0.51% and 0.58% p.a. at the start of April 2022, and between 3.88% and 3.96% by mid-March 2023.

Following the failure of Silicon Valley Bank and Signature Bank in the USA in March 2023, the Council took proactive steps to limit its exposure to any potential contagion risk by withdrawing its investments in Money Market Funds. Since this time, any excess cash has been deposited overnight with the DMADF. This is a cautious approach which is under constant review, although it should be noted that the impact on investment returns is minimal.

A summary of risk and return metrics are shown in the extracts from Arlingclose’s quarterly investment benchmarking report in table 5 below.

Table 5: Investment Benchmarking - Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure %	Weighted Average Maturity days	Rate of Return %
31.03.2022	3.57	AA-	21.00	50	0.44
31.03.2023	4.65	A+	5.00	71	3.89
Similar LAs	4.74	A+	63.00	56	0.73
All LAs	4.71	A+	59.00	12	1.59

Non-Treasury Investments

The definition of investments in the CIPFA 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 broadens the definition of investments to include all such assets held partially or wholly for financial return.

The Council has invested the following total principal sums in directly owned property:

Commercial Property - Sums Invested	31.3.22 Actual £m	31.03.23 Actual £m
Skyway House, Parsonage Road, Takeley – Offices	20.8	21.3
Deer Park Road, Livingston, Scotland – Veterinarian Practice	5.2	5.2
Stane Retail Park, Colchester – Retail Park	27.1	27.2
Chorley – Regional Distribution Centre	58.3	58.3
Gloucester – Distribution Centre	33.9	43.3
Tewkesbury – Offices and warehouse	24.5	29.1
TOTAL	169.8	184.4

These investments generated £9.0 million of investment income for the Council in 2022/23 after taking into account direct costs.

In addition, as at 31 March 2023 the Council had invested £60.0 million in loans to its subsidiary, Aspire (CRP) Ltd, which holds a 50% share in investment property at Chesterford Research Park. These loans generated income of £2.5 million of investment income during the year.

All non-treasury investments are acquired and managed in line with the Commercial Strategy approved each year by Full Council, and available on the Council’s website. This sets out in more detail the risks to the Council of holding such investments, mitigating actions taken, and governance and oversight arrangements.

The principle risks of tenant defaults, void periods, and unexpected refurbishment costs are managed by setting aside sums in a commercial asset reserve. As at 31 March 2023 this reserve stood at £4 million, and there is provision in the Medium Term Financial Strategy to increase this amount by £1 million in each of the following 5 years.

The total contribution to the Council's budget generated by commercial investments in 2022/23 (net of associated borrowing costs and repayment of principal) was £5.1 million, representing 28% of the Council's net direct service expenditure.

Compliance

All treasury management activities undertaken during the year complied fully with the CIPFA Code and the Council's approved Treasury Management Strategy, with one minor exception. The investment limit for banks (unsecured) was breached on three occasions during the year due to large unconfirmed receipts after the external investment deadlines (in two cases), and in one case an administrative oversight which meant that the deadline for authorising an external investment was missed. In all cases the excess amount remained with the Council's principle bankers (Barclays), and action was taken to rectify the situation on the following working day.

Compliance with specific treasury management limits is demonstrated in the tables below.

Table 7: Debt Limits

	2022/23 Maximum £m	31.3.23 Actual £m	2022/23 Operational Boundary £m	2022/23 Authorised Limit £m	Complied
Borrowing	356.8	299.4	395.0	415.0	✓
Other long-term liabilities (PFI)	4.2	4.0	5.0	5.0	✓
TOTAL	361.0	303.4	400.0	420.0	✓

Table 8: Investment Limits

	2022/23 Maximum £m	31.3.23 Actual £m	2022/23 Limit* £m	Complied
Banks (unsecured)	4.1	0.6	2.0	☒
UK Central Government	76.0	4.1	Unlimited	✓
UK Local Authorities including Police and Fire per authority	3.0	3.0	3.0	✓
Money Market Funds, per fund	2.0	0.0	2.0	✓

* The above limits are those set out in the 2022/23 Treasury Management Strategy. Investment limits were increased with effect from 21 February 2023 as set out in the 2023/24 Treasury Management Strategy. In all cases, compliance has been assessed against the relevant limits in force at the time.

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.

	31.3.23 Actual	2022/23 Target	Complied
Portfolio average credit rating	A+	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 within a rolling three-month period, without additional borrowing.

	31.3.23 Actual	2022/23 Target	Complied
Total cash available within 3 months	£10.7m	£2.0m	✓

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

	31.3.23 Actual	2022/23 Limit	Complied
Upper limit on one-year revenue impact of a 1% rise in interest rates	£0.6m	£2.0m	✓
Upper limit on one-year revenue impact of a 1% fall in interest rates	£0.6m	£2.0m	✓

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

Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	31.3.23 Actual %	Upper Limit %	Complied
Under 12 months	36	70	✓
12 months and within 24 months	2	50	✓
24 months and within 5 years	4	50	✓
5 years and within 10 years	25	80	✓
10 years and within 20 years	18	80	✓
20 years and above	15	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 Council'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 long-term principal invested beyond year end	0	0	0
Limit on long-term principal invested beyond year end	£10m	£10m	£10m
Complied	✓	✓	✓

Committee:	Cabinet	Date:	29 June 2023
Title:	Update on the Housing Repairs and Maintenance Services		
Report Author:	Peter Holt, Chief Executive pholt@uttlesford.gov.uk 01799 510400	Key Decision:	No

Summary

1. This report updates Cabinet on the current status of the repairs and maintenance services provided by Uttlesford Norse Services Ltd (UNSL) and the work being delivered by the council in working with UNSL to drive up performance and increase tenant satisfaction.
2. Following the council's self-referral to the Regulator of Social Housing on 23 August 2022 for potential breach of the regulatory Home Standard and its subsequent decision in March 2023 not to serve a Regulatory Notice against UDC, this report sets out the current position in terms of health and safety compliance.
3. Following the recent Stock Condition Survey commissioned by the council in December 2022, this report updates Cabinet on the outcome of the survey and actions being taken to address the issues identified. This includes damp and mould issues.
4. This report provides an update to Cabinet on the creation of a new capital improvement programme, in light of the findings of the stock condition survey, including damp and mould issues.
5. This report updates Members how UNSL is performing across other areas of the repairs and maintenance service.
6. This report provides an update to Cabinet on the current position regarding remediation works at Reynolds Court, Newport, in relation to fire safety measures.

Recommendations

7. Cabinet is invited to discuss the detail provided in this report and to raise any queries and issues it determines appropriate for further consideration and potential action.
8. Cabinet is invited to note the information provided within the contents of this report.

Financial Implications

9. There are no additional financial implications to be considered by Members at this time, however Cabinet’s attention is drawn to the claim to the original property developer for costs in relation to Reynolds Court (point 5 below) and rent income lost as result of unacceptable void turnaround times (point 4 below).

Background Papers

10. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report:
- Report of the Chief Executive, Housing Update to Cabinet, 22 December 2022
 - Report of the Chief Executive, Housing Update to GAP 30 August 2022

Impact

11.

Communication/Consultation	<p>The new regulatory Tenant Satisfaction Measures survey which UDC will deliver this year focuses on gaining the perspective of tenants on how landlord services are provided, with a specific focus on repairs, maintenance and safety in the home.</p> <p>Communication on the progress being made in respect of repairs and maintenance is key, to provide tenants with reassurance on UDC’s commitment to delivering safe and good quality homes.</p>
Community Safety	<p>There are no specific impacts in relation to the wider community.</p>
Equalities	<p>Tenants and residents who have a long-term illness or disability, the very young and old, will be more adversely affected by homes which are in a poor-state of repair. In particular homes which have poorly performing heating systems, where health and safety risks are inadequately managed or where there is damp and mould. Where there is a cultural or language barrier, this may impact on a tenants’ ability to properly access council services, including reporting repairs and/or arranging access for their completion.</p>

Health and Safety	The health and safety of our tenants and leaseholders, their visitors, and also of staff is the central driving factor behind the urgent management actions in relation to property maintenance.
Human Rights/Legal Implications	Legal, statutory and contractual issues are again a set of driving factors addressed explicitly in this report.
Sustainability	The Capital Improvement Programme delivered by council in future years, will focus on the sustainability of the housing asset.
Ward-specific impacts	All wards
Workforce/Workplace	This report specifically addresses not only those staff (not only housing, but others such as benefit advisors) whose work takes them into tenants' and leaseholders' homes in the course of their duties, but also a much wider group of staff, as the issues in this report include, for example, the fire and legionella checks of council buildings such as the London Road headquarters.

Situation

1. Health and safety compliance

Following UDC's self-referral to the Regulator of Social Housing in August 2023, and the Regulator's subsequent decision to take no further action, the council has been robustly clienting this part of the service, with weekly reporting and on-going weekly in-person 'Maintenance Touch Point' meetings.

The recent appointment by the council of a highly qualified and experienced housing compliance specialist as part of the new client team, has further bolstered the council's ability to micro-manage UNSL in this crucial area. The council's new interim 'Safer Homes Officer' is working side-by-side with the UNSL's Compliance Manager, at the UNSL depot. A key part of this new role is to 'bring home' all of the housing asset and compliance data, with every piece of certification shared by UNSL being checked, before it is allowed into the council's new asset database.

All operational procedures and assurance systems are being reviewed, to ensure that health and safety compliance is being properly delivered and agreement has now been reached with UNSL that UDC's Safer Homes Officer will attend all contract meetings held between UNSL and the heating and electrical contractors.

The council is seeking Injunctions to gain access to carry out safety checks, where tenants have persistently refused to cooperate. A number of cases are scheduled to be heard before Chelmsford Court during June and July. Some tenants have now given access, once notified of the Court date and associated costs, for which they would become liable where the matter proceeds to Court. The council's newly appointed client-side surveyor is also cold-calling tenants who are not engaging, before and during the legal process, for the purpose of gaining access.

The current performance position for health and safety compliance against 6 C's plus CO and smoke detectors, is set out in the table below. The data has been validated through the external process carried out between November 2022 and January 2023 and through ongoing validation by the council's client team.

Compliance area	Performance		Comments
	No. expired	% compliant	
Electrical safety domestic	18	99.35%	The council was granted its first injunction with costs on 20 June – more cases are scheduled for July – and more court dates are starting to come through now. All outstanding cases are with the council's out-sourced lawyers.
Within 10 years (legal req.)			
Within 5 years (best practice)	240	92%	
Electrical safety communal areas within 5 years	0	100%	N/A
Annual gas service, domestic	8	99.59%	Two injunctions with costs were awarded on 20 June at court. There are two further injunction hearings currently scheduled for July. All cases are with the council's lawyers and in various legal stages, including final legal letter/awaiting court dates.
Annual gas service, communal areas	0	100%	N/A
Fire Risk Assessments (FRAs) in date	0	100%	There are no high-risk actions outstanding from previous FRAs.

Compliance area	Performance		Comments
	No. expired	% compliant	
			N/A
Water hygiene	0	100%	UDC is working with UNSL to identify and report on follow-up actions arising from risk assessments.
Lifting equipment	1	99.15%	Awaiting a replacement part – therefore poses no risk as cannot be operated.
Asbestos risk assessments communal	0	100%	There are no high-risk follow up actions outstanding from previous risk assessments.
CO and smoke alarms – additional regulatory requirement	Being verified	Being verified	Properties which are deemed non-compliant as identified during the stock condition survey – a number are legally compliant although not hard-wired. Site visits are in progress to follow up and these will then be reported on in future reports.

2. Stock Condition Survey and identification of hazards

In December 2022 UDC commissioned an independent stock condition survey via Savills, for all its 2800 homes. The purpose of the survey was to provide a real-time assessment of the condition of the property, focusing on whether council homes meet the statutory 'Decent Homes Standard' and other factors such as their 'green' credentials. This includes identifying the presence of health and safety hazards, based on the government's statutory Housing Health and Safety Rating System (HHSRS). HHSRS categorises 29 types of hazards, classified within a prescribed formula, with ratings being 'minor, moderate or severe', or categories 3, 2, and 1 respectively. This includes damp and mould, as recently highlighted to Members, in the aftermath of the death of Awaab Ishaak and the subsequent instruction to authorities from the Secretary of State in November 2022. The other key purpose of the survey is to identify where capital works are required and when they should be carried out, based on a series of requirements laid down in legislation.

The stock condition survey was completed at the end of March 2023, with 90% being successfully visited. Where tenants refused access, a further tranche of visits will be scheduled over coming months and if necessary, enforcement action will be taken to gain access.

The council is now managing post-survey actions, including arranging follow-up surveys and works for all severe and moderate cases, before addressing the minor cases. UNSL have been unable to deliver follow up in-depth surveys in any significant number, due to a self-acknowledged lack of capacity and as such the council commissioned external surveying companies to carry out full surveys of severe damp and mould cases. The council has now appointed two temporary surveyors to visit each property with moderate cases of damp and mould. All other types of hazards are also being addressed, as appropriate to the type of hazard. For example, electrical hazards were visited immediately upon identification by Savills. Specialist surveys and housing management visits have also been the required approach for other types of hazards and UNSL's heating contractor is visiting properties which were identified as having insufficient CO and heat detectors. The council's client team is monitoring progress on an almost daily basis.

Remediations will take the form of either a responsive repair, and/or being included on the capital improvement programme, and/or requiring a housing management intervention. For responsive repairs, the council has provided UNSL with a list of required works. There is concern that due to lack of capacity, UNSL will not be able to deliver the responsive repairs within a reasonable timescale and UDC has pressed UNSL to commit to delivering these works and has requested that Norse provide additional capacity ring-fenced for this purpose. UDC is awaiting a response. Should this not happen, UDC will need to re-consider how these works can be delivered on account of the fact that these are works to remediate identified health and safety hazards.

3. Capital Asset Improvement Programme

In light of the information provided above, the council has been working alongside Savills to draw up a revised capital programme. This will ensure that where properties do not meet the Decent Homes Standard, they are prioritised within the next few years of the programme, on a risk-based approach. Discussions are underway with UNSL, to ensure that any additional works which they have identified as being required, can be assessed and where appropriate, included on the programme, again taking a risk-based approach. UDC is currently awaiting UNSL's information, so that the capital programme for 2023-4 can be signed off. There is no anticipation that the budget already agreed for this year's programme will be exceeded.

It has come to the council's attention recently that some tenants have been told by UNSL contractors that their new kitchen/bathroom etc has been delayed and the council will need to put in place a communication plan, to provide clarity on the situation.

4. General performance of the wider repairs and maintenance service

UNSL continues to underperform against all areas of the service, in particular the management of voids, and there are continued complaints by tenants about responsive repairs. Performance against KPIs is not being achieved. This is despite UDC engaging in intensive contract management.

In relation to voids, UDC is losing significant income, due to the unreasonable lengths of time taken to prepare homes for re-let, with some empty homes standing empty for 50-100 days, for no acceptable reason. There is also concern with the quality of voids being returned to UDC and as such, each and every void is being inspected by the UDC client team, before the council can accept the property back. There is poor/unclear communication from UNSL to UDC of issues or delays in the voids process, making it difficult for the housing management team to have confidence that sign-up dates agreed with tenants can be honoured.

In addition to lost rent income and high resource requirements on the part UDC's housing team, this situation is impacting on the council's ability to provide for people in housing need, including those living in emergency accommodation.

Across the service more widely, there have also been a number of concerning incidences of service failure, which have been occurring on an almost weekly basis, in relation to properly preparing homes for re-letting, failing to properly manage asbestos in individual dwellings and failing to alert UDC when issues occur.

As a result of the above issues, UDC's client team and the Interim Director are spending a dis-proportionate amount of time in 'crisis management', in order to keep tenants safe and provide good quality homes.

5. Update on Reynolds Court – fire safety issues

As previously reported to Cabinet, the development company has been held to account for the identified failings in the fire safety provision within Reynolds Court, for which it is responsible.

Over previous months, the council has been overseeing the original property developer's improvement programme and works have now been completed. This includes intrusive inspections of additional flats by the original property developer upon the instruction of the council. The flats chosen had no previously reported issues, and the aim of this activity was to provide assurance that those flats originally properly signed off are safe. These additional inspections did not find any failure.

To provide additional assurance, UDC commissioned an accredited fire safety company to provide independent sign-off to the original property developer's work. Issues have been identified by the independent company and discussions are now underway with the original property developer and the independent company so that these matters can be resolved. Once signed off, UDC will update the Fire and Rescue Service, with the aim of gaining their approval to remove the waking watch.

The original property developer have accepted liability and have confirmed that they will compensate the council for costs incurred, including those relating to the waking watch.

Following the issues at Reynolds Court, the council has arranged for inspections of other sheltered schemes to take place, to ensure that there are no similar issues elsewhere. However, it should be noted the Reynolds Court is unique in its structure, and as such, there is no reason at this time to have concerns – the first of these inspections has now taken place and no issues of concern were identified. The quality of fire risk assessments is also being audited by UDC’s new Safer Homes (compliance) officer.

Risk Analysis

6.

Risk	Likelihood	Impact	Mitigating actions
<p>Health and safety failure</p> <p>The risks associated with health and safety compliance failings have reduced significantly, due to ongoing management of UNSL by UDC, regular monitoring and direct intervention.</p> <p>However due to the ongoing issues across the UNSL operation, there remains some likelihood that there will be failings in health and safety management.</p>	2	4	As detailed throughout this report
<p>Reputational risk</p> <p>The issues highlighted in the report above impacts on the council’s tenants and as such carries a reputational risk – given the high prominence in the media regarding social housing providers and tenants’ complaints, the impact will be relatively high. This is coupled with the risk of regulatory intervention, which under the emerging new legislation, can be triggered by poor customer satisfaction.</p>	2	3	As detailed through this report

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.

Committee:	Cabinet	Date: Thursday, 29 June 2023
Title:	Blueprint Uttlesford	
Report Author:	Peter Holt, Chief Executive pholt@uttlesford.gov.uk	Key Decision: No
Portfolio Holder:	Cllr Petrina Lees, Leader of the Council	

Summary

1. This report updates Members on the progress with the Council's overarching corporate change programme, **Blueprint Uttlesford**, including in relation to organisational culture and development. It seeks approval from Cabinet for the outline programme of service reviews to be completed over each of the subsequent four years so as to deliver the savings and incomes as anticipated in the Medium Term Financial Strategy approved by Members in February 2023. It also seeks approval from Members for the guiding principles to be applied throughout the change programme.

Recommendations

2. Cabinet is asked to **note** the progress in developing the Workforce Plan, as set out in paragraphs 11-12 below.
3. Cabinet is asked to **approve** the overarching principles to be applied throughout the Blueprint Uttlesford programme, as set out in section 13-17.
4. Cabinet is asked to **approve** the schedule of service reviews for the next four financial years as set out in section 18 to 19.
5. Cabinet is asked to **note** the structure in place to deliver the **Blueprint Uttlesford** change programme as set out in sections 20 to 32.

Financial Implications

6. The dual purpose of the **Blueprint Uttlesford** change programme is to drive continuous improvement in the way the Council works through organisational culture and development, as well as to ensure that the Council is best geared up to live within its means with the financial constraints as already set out in the Medium Term Financial Strategy, agreed by Members in February 2023. It is important to note that the current four year savings requirement of £6.6 million is subject to ongoing review, and will inevitably fluctuate due to prevailing circumstances, largely outside of Uttlesford's control or influence. Central Government, for example, has over recent years only made a single year financial settlement to local councils, and so officers have had to make assumptions for future year settlements that will inevitably require adjustment when Government actually makes its annual decisions.

7. The successful delivery of the **Blueprint Uttlesford** change programme is therefore of major financial importance to the authority.
8. Although Members have previously established a transformation reserve of £1 million to support the costs of delivering the change programme – whether through invest-to-save initiatives, in paying for specialist capacity to deliver short-term pieces of specialist work, or in potentially funding costs of any unavoidable redundancies – the specific proposals in this report do not involve any material expenditure.

Background Papers

9. 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.

- 2023-2028 Medium Term Financial Strategy

Impact

- 10.

Communication/Consultation	Development of individual initiatives within Blueprint Uttlesford will involve substantial stakeholder engagement in exploring options and in co-creating solutions.
Community Safety	Some specific initiatives to be developed over the coming four years will have some community safety implications that will be explored more fully at the time.
Equalities	Development of individual initiatives within Blueprint Uttlesford will routinely involve equality and health impact assessments – and an overall EQHIA is attached for this overall programme below.
Health and Safety	Some specific initiatives to be developed over the coming four years may have some health and safety implications that will be explored more fully at the time.
Human Rights/Legal Implications	Some specific initiatives to be developed over the coming four years will have some legal implications that will be explored more fully at the time.
Sustainability	Some specific initiatives to be developed over the coming four years will have some

	sustainability implications that will be explored more fully at the time.
Ward-specific impacts	All wards
Workforce/Workplace	The Blueprint Uttlesford change programme will have substantial workforce implications.

Situation

Progress with the Workforce Plan

11. Cabinet approved the outline Workforce Plan in March 2023. A series of workshops have been held with the Council's Senior Management Team of service managers, and with staff in June.
12. Senior Managers and Staff have been consulted and asked for feedback on the plan as a whole and on the separate priorities. It is important that we get staff engagement, and the action plan captures their views. The key areas where feedback has been requested is.
 - Has the plan captured the right things? Has anything been missed?
 - What should our year 1 priorities be?
 - Do the current values and behaviours used for appraisals need refreshing? What should they include?
 - Member/Officer relationships, what are the challenges and what works well?
13. Staff are able to submit feedback via a number of channels, the consultation process closes on the 31 August and all feedback will be collated to inform the final action plan which will go live in early October.

Overarching principles to be applied throughout Blueprint Uttlesford

14. These underpinning values of the authority, as set out in its Corporate Plan, drive and shape the work of ***Blueprint Uttlesford***:
 - Putting residents first
 - Be an active place maker for our towns and villages
 - Be a progressive custodian for our rural environment
 - Be a champion for our district

Making Uttlesford the best place to live, work and play



15. Members are invited to adopt the following operating principles to guide the way **Blueprint Uttlesford** is built and delivered:

- Protect and enhance services, infrastructure, outcomes and community resilience as much as possible.
- Actively involve service users, staff, councillors and partners in developing creative, positive and sustainable options
- Opportunities to make sustainable income increases (relative to their impact on local communities) and entrepreneurialism shall be prioritised, as shall genuine efficiencies rather than false economies. It is unlikely these opportunities will meet the scale of the authority's financial challenge, and so there will also need to be reductions in services to balance the books.
- The scale of the challenge – taking out in the region of 25% of our net income and spend over the next five years to 2028 – is such that there can be nothing off the table, with fresh thinking and radical approaches considered with an open mind alongside established approaches. This means that every single council service or function will be reviewed in one of the following four years. As a guiding principle, every effort shall be made to carry out a major review of each service area only once in the next four years, so that service users and staff alike in that area can enjoy stability for the rest of that period.
- An objective evidence base and a thorough impact assessment of possible changes will guide our work, not be an afterthought, and we will strive to get things right first time
- Be a good employer.

16. To particularly deliver this last operating principle – to be a good employer – it is important to note that the considerable majority of the council’s net spend is on staffing, compared to spending on external contracts, goods and services. It is therefore absolutely certain that by 2028 the authority will employ substantially fewer people, down from the current c330 staff (full time equivalents).

17. A clear hierarchy has been established and shared with staff, consistent with the council’s existing employment policies, with employment law, and with good practice, which means that on those occasions where sustainably increasing income and reducing non-staff spend have been exhausted for any opportunity and further reductions are still necessary, the approach will be in this order:

1. Use vacancies (including those posts filled only temporarily)
2. Redeployment opportunities
3. Possible targeted voluntary severance scheme (*though it is important to note that there is unlikely to be any general severance scheme open to all staff, rather than to narrow groups of staff where job numbers in that particular area need to be reduced)
4. Compulsory redundancy absolute last resort

18. Beyond that, the Workforce Plan currently being implemented will have a particular focus on investing in developing and cross-skilling staff so that they are best equipped to fill job opportunities in the Council perhaps broader than (or entirely different to) their previous substantive role.

Schedule of services to be reviewed over the next four years

19. Members are invited to agree the following schedule of service reviews, with each Council service or function being reviewed by design just once over the next four years (with the exception of senior management, which is scheduled to be considered for two separate reviews and potential cuts).

2024/25 budget	2025/26 budget	2026/27 budget	2027/28 budget
(To be developed by autumn 2023)	(To be developed by autumn 2024)	(To be developed by autumn 2025)	(To be developed by autumn 2026)
Review of commercial assets	London Road office rental income	Planning	Human Resources
Dunmow depot sale	Trade waste	Mailroom & Printroom	Finance
Local Highways Panel contribution	Domestic waste	Senior Staffing	ICT

Grants	Communities work	Democratic Services	Customer Service Centre
Revenues and Benefits	Day Centres	Elections	Homelessness
Environmental Health and Licensing	Facilities	Legal Services	Executive Assistant team
Museum		Climate Change	Contracts & Performance Team
Economic Development			Internal Audit
Senior staffing			Communications & Website
Members' New Homes Bonus grants			
Car Parking			
Highways Rangers – budget adjustment			
Customer Service Centre provision in Thaxted			
Est. £3.2 million savings requirement	Est. £1.3 million savings requirement	Est. £1.3 million savings requirement	Est. £0.8 million savings requirement

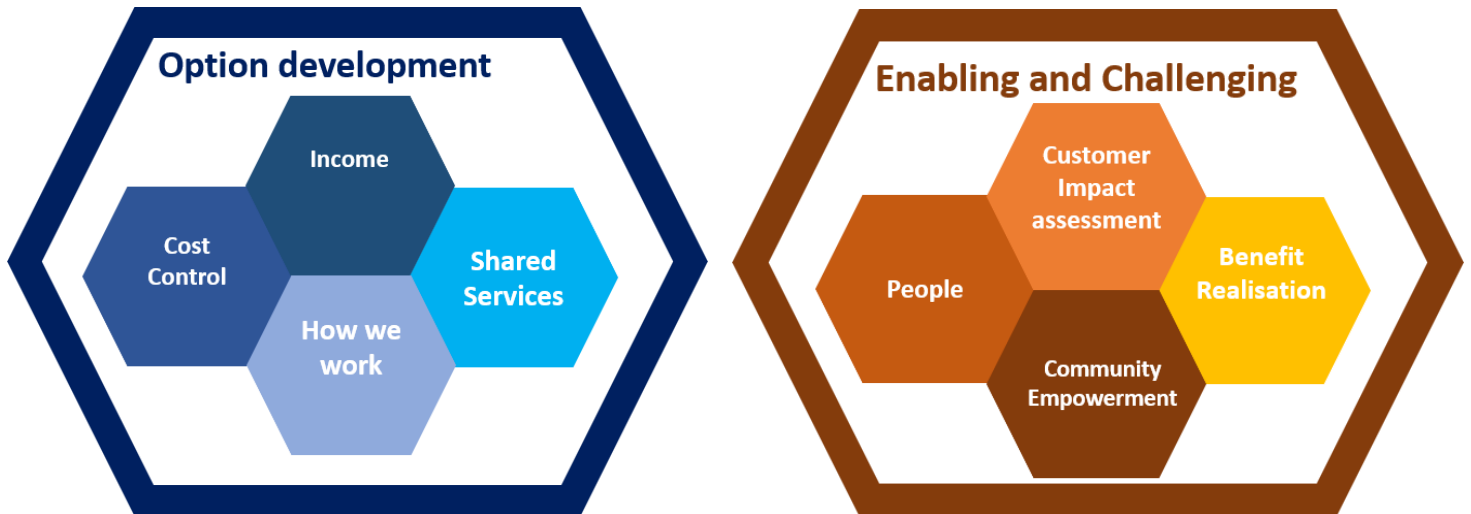
20. Corporate support services have generally been placed in the final of the four year column because they are central to the deliverability of the changes in the previous three years.

Structure and process for these reviews

21. Each review will be bespoke to its nature but will operate consistently within the principles established above – including active engagement with stakeholders, including elected Members. Uttlesford District Council is a member-led authority, and so all key decisions will be taken by Members in line with the Council's Constitution, with only decisions previously delegated to officers within the Schedule of Delegated Powers (itself agreed by Councillors)

taken at the operational level. Various decisions will therefore be brought forward in due course to Cabinet and/or full Council, either separately or as part of the annual Budget round.

22. The operational work on each service/function review will be co-led by two officers – one a senior officer in the service in question, and the other a senior officer from another part of the council providing objective input. Each service review will be supported further by a range of 8 cross-cutting workstreams:

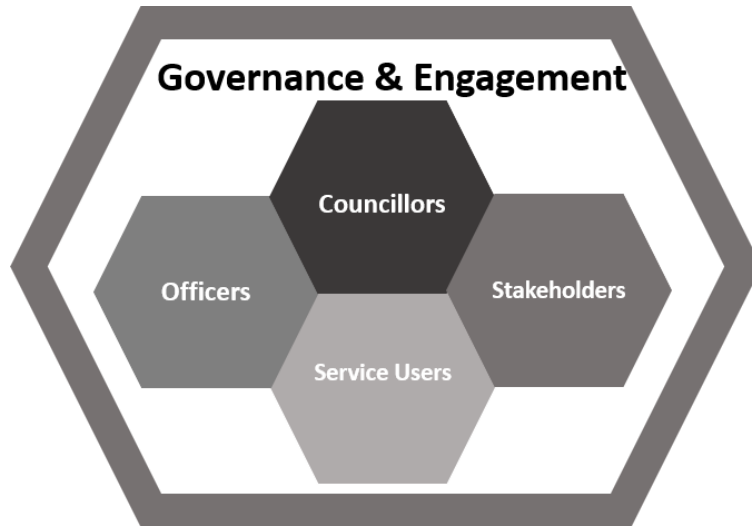


23. The **Income** workstream will concentrate expertise and best practice on entrepreneurialism and sustainably maximising income (considering its impact on the community of fees levied).
24. The **Cost Control** workstream will bring to each review (and the programme as a whole) expertise and best practice on value for money, and spotting and maximising opportunities for generating sustainable savings through increased organisational efficiency.
25. The **Shared Services** workstream will concentrate expertise and best practice on opportunities for both organisational resilience and potential savings that can potentially be achieved by exploiting shared services opportunities (e.g. with neighbouring councils).
26. The **How we work** workstream will concentrate expertise and best practice on business process re-engineering, systems reviews, channel shift and process self-serve/automation, and exploiting opportunities emerging through Artificial Intelligence and Machine Learning.
27. The **Customer Impact Assessment** workstream will concentrate expertise and best practice on understanding the impacts on individuals and communities, and work closely with the **Community Empowerment** workstream, which will develop and share expertise in building community resilience and reducing reliance on shrinking public services.

28. The **People** workstream will focus on staffing, and in particular the delivery of the Workforce Plan, and its application to individual service reviews, whether around staff training & development, and in support of the aspiration to remain a good employer throughout.
29. The **Benefit realisation** workstream will test financial assumptions and projections and keep track of both financial and service quality targets and their delivery. This workstream will be apply the constant vigilance to make sure that plans actually deliver.
30. There will be a ninth workstream operating throughout the **Blueprint Uttlesford** change programme and which will be intimately involved in each service/function review – the **Climate Crisis** workstream. This will ensure that neither climate crisis opportunities nor unintended consequences are overlooked.
31. The Chief Executive and the Corporate Management Team will ensure that all other major corporate programmes and initiatives are coordinated alongside the work of the **Blueprint Uttlesford** change programme to ensure that they are all pulling in the same direction.



32. Stakeholder engagement also will be a central focus of the **Blueprint Uttlesford** change programme:



33. The **Blueprint Uttlesford** change programme structure at an operational officer level therefore fits together thus:



Risk Analysis

34.

35. Risk	Likelihood	Impact	Mitigating actions
That the authority does not have credible, deliverable	low	high	The Blueprint Uttlesford

plans and capacity in place to deliver the net spending reductions required and agreed within the Medium Term Financial Strategy			programme as described above.
That the authority has insufficient support funding in place to deliver the changes which cumulatively deliver the net spending reductions required and agreed within the Medium Term Financial Strategy	low	moderate	The Blueprint Uttlesford programme as described above.
That the authority makes cuts in isolation from its overall ambitions and objectives.	low	high	The Blueprint Uttlesford programme as described above.
That the authority makes cuts in isolation from active engagement with its stakeholders.	low	high	The Blueprint Uttlesford programme as described above.

- 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.