



Public Document Pack

Uttlesford District Council

Chief Executive: Peter Holt

Cabinet

Date: Tuesday, 19th March, 2024

Time: 7.00 pm

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

Broadcast:

<https://uttlesford.moderngov.co.uk/ieListDocuments.aspx?CIId=136&MIId=6152>

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), 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 - 14
To consider the minutes of the meeting held on 20 February 2024.
- 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 and Committees**
To receive for information any delegated decisions taken by Cabinet Members and Cabinet Committees since the previous Cabinet meeting.
 - [Voluntary Organisation Support Grants Allocation: Voluntary Support Grant Committee on Thursday, 29th February, 2024, 10.30 am](#)
- 7 Assets of Community Value** 15 - 23
To receive the update report regarding Assets of Community Value.
- 8 2023/24 Q3 Corporate Core Indicators (CCIs) Outturn Report** 24 - 31

9	Revocation of the Saffron Walden Air Quality Management Area	32 - 44
	To consider the report regarding the Revocation of the Saffron Walden Air Quality Management Area.	
10	Removal of Article 4 Hatfield Heath	45 - 53
	To consider the report regarding the removal of an Article 4 in Hatfield Heath.	
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	To consider the report regarding an Article 4 in High Roding.	
12	Quarter 3 Financial Forecast - 2023/24	58 - 93
	To receive the Quarter 3 Financial Forecast 2023/24.	
13	Quarter 3 Treasury Management 2023/24	94 - 109
	To consider the report regarding Quarter 3 Treasury Management.	

MEETINGS AND THE PUBLIC

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Agenda Item 2

CABINET held at COUNCIL CHAMBER - COUNCIL OFFICES, LONDON ROAD, SAFFRON WALDEN, CB11 4ER, on TUESDAY, 20 FEBRUARY 2024 at 7.00 pm

Present: Councillor P Lees (Chair)
Councillors J Evans, N Hargreaves (Vice-Chair) and M Sutton

Officers in attendance: J Etherington (Director of Finance, Revenues and Benefits), P Holt (Chief Executive), A Knight (Director of Business Performance and People), C Shanley-Grozavu (Democratic Services Officer) and A Webb (Strategic Director of Finance, Commercialisation and Corporate Services)

Also present: Councillors S Barker (Conservative Group Leader), R Gooding (Conservative Group), N Gregory (Chair of Scrutiny Committee), J Moran (Conservative Group) and G Sell (Liberal Democrat Group Leader)

CAB58 PUBLIC SPEAKERS

The Leader announced that Agenda Item 14 (Car Park Tariff and Changes to the Management and Use of Car Parks) would be moved forward and taken after the standing items.

The following speakers addressed the Cabinet. Copies of their statements have been appended to the minutes:

- Julie Redfern
- Matt Gurnett
- Toni Gabell
- Matt Grady
- Shara Vickers

Councillor Hargreaves made the following comments, in response to points raised by the speakers:

- Catons Lane in Saffron Walden would become a chargeable car park, with an available season ticket option.
- The parameters for dealing with petitions was outlined within the petition scheme in the Council's constitution. Saffron BID's petition was accepted as a valid petition, and the number of signatures triggered a discussion at the Scrutiny Committee.
- The Council had many statutory duties, and the funding for this was restricted both by government and Council Tax rises. Discretionary revenue from car parking was one way to help balance the budgetary need.

CAB59 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence had been received by Councillors Coote, Reeve and Pavitt.

Councillor Gregory declared that he was a user of the district's car parks. The Chief Executive clarified that all members were potentially users of the public car parks, and it did not need to be declared.

For transparency, Councillor Sell also declared that he was a member of Stansted Parish Council who owned the Crafton Green Car Park.

CAB60 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 18th December 2023 and 9th January 2024 were approved as a correct record.

CAB61 QUESTIONS OR STATEMENTS FROM NON-EXECUTIVE MEMBERS OF THE COUNCIL (STANDING ITEM)

There were none.

CAB62 CONSIDERATION OF REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (STANDING ITEM)

The Chair of Scrutiny Committee provided an update on matters considered at its previous meeting.

He said that the Committee had noted the amendments made to the Corporate Plan, in particular the inclusion of the Council's strategies within the Performance Indicators. When members discussed the upcoming budget, it was felt that the General Fund was robust, but there were concerns around the long-term maintenance of the Housing Revenue Account.

In respect of the Car Park Tariff Review, the Committee noted the range and extent of price rises as well as the alterations to the original proposed. He said that he was surprised that the petition was withdrawn at the last moment.

Finally, he confirmed that a Task and Finish group had been set-up on Operational Resilience with the Terms of Reference and a schedule of both public and private meetings to be shortly agreed.

CAB63 REPORT OF DELEGATED DECISIONS TAKEN BY CABINET MEMBERS (STANDING ITEM)

The following delegated decisions were taken by Cabinet Members since the previous Cabinet meeting:

- Decision - Establishment of Local Plan Panel on 31 January 2024.
- Decision - Designation of Lindsell Neighbourhood Parish Area and Lindsell Parish Neighbourhood Forum on 11 January 2024.

CAB64 REPORT ON ASSETS OF COMMUNITY VALUE DETERMINED BY THE ASSETS OF COMMUNITY VALUE AND LOCAL HERITAGE LIST COMMITTEE (STANDING ITEM)

There were none.

CAB65 CAR PARK TARIFF AND CHANGES TO THE MANAGEMENT AND USE OF CAR PARKS

Councillor Hargreaves presented the report regarding the Car Park Review and Consultation Responses. He confirmed that there had been alternations to the proposals, including a reduction to the season ticket rates, which were available within the supplementary agenda pack. He addressed a number of comments raised within the consultation, such as the free parking scheme in Ely and the unviability of a Park and Ride scheme.

He requested members made a decision as to the whether to bring the seasons tickets for Stansted in line with those for Saffron Walden and Great Dunmow; it was noted that this, however, would be a significant percentage increase in comparison to the other areas.

The following points were raised:

- It was part of the Great Dunmow Co-op's retail offering to refund customers for their parking at the Chequers Lane Car Park. This was not a formal arrangement with the Council.
- Free season tickets had previously been issued to parents dropping off and picking up their children from St Marys Primary School to address the limited parking issues in the area. As these season tickets had no time restrictions, and thus parents could use the car park freely outside of these hours, it was proposed that an alternative option be set up to assist in traffic congestion during the school hours.
- The newly introduced hybrid season ticket would be purchased and administered through MiPermit. An Enforcement Officer would be able to use this app to check the registration plates of a vehicle and see how many days had been used.
- The North Essex Parking Partnership currently managed both the on and off-street parking provisions for the Council. This contract would be extended for the new arrangements.
- Waitrose plc, the joint owner of Fairycroft Road Car Park, had formally objected to the tariff increases. There was a dispute as to whether the branch had received payments for their share of the income generated and officers confirmed that the last payment was made in October 2023.
- The proposed price rises were not disproportioned to the charges of neighbouring authorities.

- The petitioner's suggestion to offer free parking on a Sunday by raising the Saturday tariff had not been considered, however there was scope to examine this as part of the biannual review.
- There were concerns that the proposals for Stansted would have a detrimental impact to those who were employed locally as well as push more parking into residential side roads already affected by the issue of airport fly-parking.

Councillor Hargreaves proposed approval of the recommendations set out in both the committee and supplementary reports, however requested that the Stansted season tickets be set at the same level as Saffron Walden and Great Dunmow.

This was seconded by Councillor Evans.

A copy of the agreed tariffs have been appended to the minutes.

RESOLVED: that following consideration of the consultation responses and the petition submitted by Saffron Walden BID.

- i. Approve the parking tariffs and changes to the management of the car parks as set out in paragraph 10, and as amended in paragraph 11 of the supplementary report.
- ii. Agree the season ticket option for Stansted to be as set out in table 4.
- iii. Officers be authorised to implement the approved tariff and management changes as set out in the timetable at paragraph 50 of the committee report.

CAB66 **LORD BUTLER LEISURE CENTRE - RAAC**

The Leader announced Agenda Item 10 (Lord Butler Leisure Centre – RAAC) would be moved forward.

Councillor Hargreaves presented the report regarding RAAC and Lord Butler Leisure Centre in Saffron Walden. He confirmed that the required work was now complete, and the Council had no legal obligation to contribute to the costs. The contribution would be made in the spirit of partnership working and would be paid for by an underspend from within the PFI budget which had been budgeted to support the significant increases in the cost of utilities.

Members welcomed the corrective works which had been undertaken, and the reopening of the squash court.

Councillor Hargreaves proposed approval of the recommendation as set out in the report.

This was seconded by Councillor Lees.

RESOLVED: to approve funding a 25% share of the cost of the RAAC in the sum of £41,147.

CAB67 **ALLOCATION OF GRANT FUNDING (SPORTS PROVISION MAJOR PROJECTS)**

The Leader announced Agenda Item 12 (Allocation of Grant Funding – Sports Provision Major Projects) would be moved forward.

Councillor Sutton presented the report on the allocation of Grant Funding for Sports Provision Major Projects. She gave thanks to officers and proposed the approval of the two grants, as recommended by the grants panel.

In response to questions from Councillor Sell, officers clarified that previous allocations of the grant funding had gone to a range of projects across the district, however there would be no further allocations due to changes around the rules for generating income from assets. The Council were working with the voluntary sector to find alternative funding streams, including building a pipeline of future need to prepare organisations for government funding.

It was also confirmed that the criteria for applying for the grants was circulated and organisations were chased on several occasions where it was found that documentation was missing in their application.

Councillor Lees proposed approval of the recommendations outlined within the report.

This was seconded by Councillor Hargreaves.

RESOLVED: that

- i. A grant of £37,000 is awarded to Takeley Parish Council for major improvements to the recreation ground.
- ii. A grant of £17,000 is awarded to Dunmow United Football Club towards rebuilding their clubhouse, which was removed due to asbestos.

CAB68 **QUARTER 2 FINANCIAL FORECAST - 2023/24**

Councillor Hargreaves presented the Quarter 2 Financial Forecast for 2023/24. He said that there was a forecast net underspend on the General Fund of £1.286m meaning that the actual deficit to be funded from the MTFS reserve in 2023/24 was now predicted to be £1.654m. Members were asked to approve two revenue virements, one from Planning and another in Information Governance, as well as three reserve movements and the repurposing of the HRA revenue projects reserve.

In response to a question from Councillor Barker, officers confirmed that the new external audit framework had commenced in April 2023, and the PSAA had raised the scale fees by 150%.

In addition, officers clarified that Uttlesford Norse Limited was not a trading company, and therefore the profit share from the partnership was recycled Council money.

Councillor Hargreaves proposed approval of the recommendations outlined within the report.

This was seconded by Councillor Evans.

RESOLVED: to

- i. Note the contents of this report, in particular the General Fund, Housing Revenue Account and capital programme forecast outturn positions, and updated prudential indicators.
- ii. Approve the General Fund revenue virements set out at paragraphs 20-21.
- iii. Approve the General Fund reserve movements set out at paragraphs 29-34, namely:
 - i. to separately identify £1 million of the £6.903 million Medium Term Financial Strategy reserve balance as at 1 April 2023 as a transformation reserve;
 - ii. to transfer £1 million from the business rates reserve to the transformation reserve; and
 - iii. to transfer £4 million from the business rates reserve to the MTFS reserve.
- iv. Approve the repurposing of the £160,000 HRA revenue projects reserve as a transformation reserve, and the transfer of £420,000 of the forecast HRA surplus into this reserve in 2023/24, as set out at paragraph 41.

Councillor Gregory left the meeting at 20:30.

CAB69 TREASURY MANAGEMENT QUARTER REPORT - 2023/24

Councillor Hargreaves presented the Treasury Management Quarter 2 Report for 2023/24.

The report was noted.

CAB70 ENDING INTRODUCTORY TENANCIES

Councillor Lees presented the report on ending Introductory Tenancies. She said that the removal of Introductory Tenancies would provide more stability for Council Housing tenants and enable them to settle into their home. Furthermore, it would be a better use of Housing Officers' time in order to focus on a new programme of tenancy audits for all tenants.

She confirmed that a further paper would be brought considering the succession rights of tenancies, following further discussion at the Housing Board.

Councillor Lees proposed approval of the recommendations set out within the report.

This was seconded by Councillor Sutton.

RESOLVED: to

- i. approve the ending of introductory tenancies and the granting of secure tenancies to all new tenants.
- ii. approve and adopt the revised Tenancy Policy, pending further review.
- iii. approve the issue of new secure tenancies to all tenants currently on introductory tenancies unless there is current enforcement action being taken to end the tenancy.

CAB71 ZERO CARBON COMMUNITIES GRANTS

Councillor Sutton presented the report for Zero Carbon Communities Grant report. She confirmed that there were 15 projects recommended, as detailed in Appendix 2.

Members commended the successful applications. It was confirmed that the funding would not be repeated, due to amendments to the governments rules around generating income from investments.

Councillor Sutton recommended approval of the recommendations set out within the report. This was seconded by Councillor Evans.

RESOLVED: to

- i. Note the evaluation and selection process that has been undertaken to determine the successful projects in this funding round.
- ii. Approve the list of successful projects agreed by the selection panel as listed in Appendix 2.
- iii. Note that five of the successful applications (Appendix 2, nos. 1, 2, 10, 12, 15) meet the Rural England Prosperity Fund criteria for capital funding, for community net zero infrastructure projects. These projects are to receive full funding.

CAB72 CORPORATE PLAN 2023-27

Councillor Lees presented the revised Corporate Plan for 2023-27. She highlighted that, following consideration at two meetings of the Scrutiny Committee, a number of recommendations had been implemented such as the inclusion of every Council strategy within the Performance Indicators.

Councillor Barker requested that a report be brought forward around broadband coverage in the district as AI was not possible when there were still areas without coverage.

Councillor Lees proposed approval of the recommendation set out in the report. This was seconded by Councillor Hargreaves.

RESOLVED: that the updated Corporate Plan 2023-2027 is recommended to Council for approval.

Councillor Barker left the meeting at 20:58

CAB73 **MEDIUM TERM FINANCIAL STRATEGY 2024-2029 AND ANNUAL BUDGET 2024/25**

Councillor Hargreave presented the Medium-Term Financial Strategy 2024-29 and Annual Budget 2024/25. He thanked officers for their work and drew members attention to a number of points including the freeze of Green Waste charges, the increase in both Council Tax and Social Housing rent and the capital fund spends on additional provision for bin collections.

He concluded to say that this was a cautious budget. The Council needed to find £6.9m in net savings that year, of which £2.1m had already been found from Blueprint Uttlesford. Providing that Blueprint Uttlesford continued to deliver, the Council were on track to balance the deficit within five years.

Councillor Lees noted that there had only been 147 responses to the Budget Consultation and requested that more be done to get further responses in future.

Councillor Hargreaves proposed that the recommendations outlined in paragraph 6 of the report go to Full Council. This was seconded by Councillor Sutton.

RESOLVED: to

- i. note and have regard to the section 25 report when considering the budgets for 2024/25;
- ii. note the risk assessment relating to the robustness of estimates as set out at paragraph 9 of the section 25 report;
- iii. recommend to Council that the working balances for 2024/25 be set at £1.909million for the General Fund and £654,000 for the Housing Revenue Account;
- iv. recommend to Council the approval of the Commercial Strategy 2024-29;
- v. note the key risks and assumptions set out at paragraph 30 of the Medium Term Financial Strategy 2024-2029;
- vi. recommend to Council the approval of the Medium Term Financial Strategy 2024-2029 (as amended by the Addendum to this report);
- vii. recommend to Council the approval of an increase in the sector limit for other investments from £2million to £3million, as detailed at paragraph 50 of the Treasury Management Strategy 2024/25;

- viii. recommend to Council the setting of the treasury management prudential indicators as set out at paragraphs 63-71 of the Treasury Management Strategy 2024/25 (as amended by the Addendum to this report);
- ix. recommend to Council the approval of the Treasury Management Strategy 2024/25 (as amended by the Addendum to this report);
- x. recommend to Council the approval of an increase in both the authorised limit and operational boundary for other long term liabilities from £5million to £10 million, as set out in paragraphs 25-26 of the Capital Strategy 2024/25;
- xi. recommend to Council the approval of the Minimum Revenue Provision Statement 2024/25 as set out at Annexe E1;
- xii. recommend to Council the setting of the capital prudential indicators as summarised at Annexe E2 (as amended by the Addendum to this report);
- xiii. recommend to Council the approval of the Capital Strategy 2024/25 (as amended by the Addendum to this report);
- xiv. recommend to Council the approval of the Capital Programme 2024/25 - 2028/29, including the planned application of capital financing set out at Annexe F4;
- xv. recommend to Council the approval of increases in HRA rents as follows:
 - General needs, supported accommodation and temporary accommodation – a 7.7% increase in accordance with the cap set by government for social rents;
 - Garage rents – to be increased in line with September 2023 CPI (6.7%)
- xvi. recommend to Council the approval of the changes in HRA support and service charges set out at paragraphs 21-27 of the Housing Revenue Account budget report;
- xvii. recommend to Council the approval of the proposed HRA reserve movements for 2024/25 set out at paragraphs 47-50;
- xviii. recommend to Council the approval of the Housing Revenue Account Budget 2024/25;
- xix. recommend to Council the approval of the Council Tax Requirement for 2024/25 of £7,055,774, equivalent to £176.74 for a band D property, representing a £5.13 increase on the 2023/24 amount;
- xx. recommend to Council the approval of the proposed General Fund reserve movements for 2024/25 as set out at paragraphs 63-66 of the General Fund budget report (as amended by the Addendum to this report), including the use of £1.176million from the Medium Term Financial Strategy reserve to balance the General Fund budget;
- xxi. recommend to Council the approval of the schedule of fees and charges for 2024/25 as set out at Annexe H5 (as amended by the Addendum to this report);

- xxii. recommend to Council the delegation of authority to the Strategic Director of Finance, Commercialisation and Corporate Services (Section 151 Officer) to set and/or amend fees and charges in relation to services which are operating in competition with commercial providers, for example trade waste;
- xxiii. recommend to Council the approval of the General Fund budget for 2023/24 (as amended by the Addendum to this report); and
- xxiv. note the contents of the Budget Consultation Report 2024/25

CAB74 EXCLUSION OF PUBLIC AND PRESS

RESOLVED: to exclude the public and press for the following item on the grounds that they contained exempt information within the meaning of section 100I and paragraph 3 (Information relating to the financial or business affairs of any particular person, including the authority holding that information) part 1 Schedule 12A Local Government Act 1972.

CAB75 SALE OF A COMMERCIAL PORTFOLIO ASSET(S)

Councillor Hargreaves presented the report regarding the Sale of a Commercial Portfolio Asset(s). He outlined the feedback received from the recent Investment Board meeting, held on 15th February 2024.

Members discussed the report.

Councillor Hargreaves proposed approval of the report recommendations. This was seconded by Councillor Lees.

RESOLVED: to

- i. Endorse the view of the Investment Board that the Directors of Aspire (CRP) Limited should commence marketing and complete the sale of the 50% share of Chesterford Research Park, subject to Full Council approval.
- ii. Recommend to Council that, in accordance with CIPFA guidelines, the receipt is used to reduce short term borrowing.

Meeting ended at 21:25

APPENDIX 1: PUBLIC SPEAKER STATEMENTS

APPENDIX 2: APPROVED CAR PARKING TARIFFS

Committee: Cabinet

Date: Tuesday, 19
March 2024

Title: Assets of Community Value Update

Report Author: Demetria Macdonald (Senior Planner)
dmacdonald@uttlesford.gov.uk

Key decision: No

Summary

1. The Localism Act 2011 introduced the concept of an 'Asset of Community Value'. Section 87 of the Localism Act places a duty of Local Authorities to 'maintain a list of land in its area that is land of community value'.
2. An Asset is of community value if (in the opinion of the local authority) either:
 - an actual current use of the building or other land that is not an ancillary use furthers the social wellbeing or social interests of the local community, and
 - it is realistic to think that there can continue to be non-ancillary use of the building or other land which will further (whether or not in the same way) the social wellbeing or social interests of the local community.or
 - there is a time in the recent past when an actual use of the building or other land that was not an ancillary use furthered the social wellbeing or interests of the local community, and
 - it is realistic to think that there is a time in the next five years when there could be non-ancillary use of the building or other land that would further (whether or not in the same way as before) the social wellbeing or social interests of the local community.
3. The Act states that "social interest" "includes (in particular) each of the following – (a) cultural interest, (b) recreation interest and (c) sporting interests.
4. Assets of community value are buildings or land which involve the physical use by the community and include for example a village shop, pub, community centre, allotment, or recreation ground.
5. The purpose of this report is to update members on recent decisions concerning the Listing of Assets of Community Value which were made under delegated powers following agreement from Cllr Sutton, Strategic Director of Planning and the Head of Legal.

Recommendations

6. That Cabinet notes the following delegated decisions:

Assets of Community Recommended for Listing

Appendix 1 to this report sets out the details for each of the nominations which officers recommended and are listed as an asset of community value. These are:

1. The Bluebell Inn, Hempstead
2. Little Hallingbury Mill, Little Hallingbury
3. The Cricketers Arm, Quendon & Rickling
4. Fleur De Lys, Widdington
5. Cross Keys Hotel, Saffron Walden
6. The Allotment Gardens, High Roding
7. Windmill Hill Allotments, Saffron Walden
8. Allotments Crocus Fields, Saffron Walden
9. Car Park Little Hallingbury
10. Fairycroft House, 37 Audley Road, Saffron Walden
11. Cricket Pavilion, Rickling Green
12. Grove Lawn Tennis Club, John Dane Player Court, Saffron Walden
13. Saffron Walden Golf Course, Windmill Hill, Saffron Walden

Assets of Community Not Recommended for Listing

Appendix 2 lists those nominations which officers were not recommending for listing as assets of community value.

1. The Hop Poles Public House, Great Hallingbury
2. Jubilee Wood, High Easter
3. Saffron Hotel, Saffron Walden

Financial Implications

7. There are direct financial implications arising at the stage which relate to the formal process of identifying and contacting asset owners and, if relevant, registering an asset as a Land Charge. These costs are met from existing budget and staff resources.
8. There is also an unquantifiable financial risk to the Council if there was a claim for compensation. This needs to be kept under review and at an appropriate time consideration should be given to establishing a contingency reserve to mitigate the risk to the Council's budget. However, the potential liability should not be considered in deciding whether or not this is an asset of community value.

Background Papers

9. The submissions referred to by the author in the preparation of this report are available for inspection from the author of the report.
10. Submissions for consideration as Assets of Community Value and any representations are available on the website at <https://www.uttlesford.gov.uk/planning-applications>

Impact

12.

Communication/Consultation	In line with paragraph 8 of The Assets of Community Value (England) Regulations 2012 the Council has taken all practicable steps to give information that it is considering listing the land to the owner of the land, freeholder and occupant.
Community Safety	No impact.
Equalities	The duty will affect all equally
Health and Safety	No impact
Human Rights/Legal Implications	Pursuant to s.19 Human Rights Act 1998 the Secretary of State has certified that in his opinion the Localism Act is compatible with the Convention.
Sustainability	No impact
Ward-specific impacts	No Impact
Workforce/Workplace	No impact

Situation

13. S89 of the Act states that land in a local authority area which is of community value may be included in its list of assets of community value only in response to a “community nomination”, or where permitted by regulation made by the Secretary of State. A community nomination means a nomination by a parish council in respect of land in the parish council’s area or “by a person that is a voluntary or community body with a local connection”.

14. All the nominations have been made by Town or Parish Councils falling within the definition of a parish council for these purposes and the nominated properties are within their respective areas.

15. A nomination must also include:

- A description of the nominated land including its proposed boundaries.
- Any information the nominator has about the freeholders, leaseholders and current occupants of the site.
- The reasons for nominating the asset, explaining why the nominator believes the asset meets the definition in the Act.
- The nominator's eligibility to make the nomination.

16. All the nominations that were considered met these requirements and were it valid nominations under S89(2)(i).

a. Does the use of the building (current or recent past) further the social wellbeing or interests of the community?

17. Appendices 1 and 2 sets out the evidence submitted by each of the Town and Parish Councils in their nomination form of why the building or land furthers the social wellbeing or interests of the community.

b. Is it realistic to think that in the next 5 years the use of the building could further the social wellbeing or interests of the community.

18. In considering this question, the test is whether it is "realistic" to think that the use of the building could further the social wellbeing or interests of the community. It is not a balance of probabilities test – realistic means "more than fanciful". The use does not have to be the same as that which took place within the recent past.

Representations

19. By way of an example, the Council received 30 representations in support of The Fleur De Lys Public House and 4 representations regarding the Saffron Hotel submissions. Numbers vary from case to case and all representations fully considered.

Conclusion

20. All nominations submitted and considered by the Council were valid.

21. In 2023, 16 Nominations were received and under decided under Delegated Powers (in agreement with the Chair of Assets of Community Value and Heritage Listing Committee – Cllr Sutton, The Strategic Director of Planning

and Head of Legal/Monitoring Officer), 13 nominations were Listed and 3 were not listed.

22. Properties shown in Appendix 1 have been included in the Council's List of Assets of Community Value and Appendix 2 shows assets that have not been included.

Risk Analysis

23.

Risk	Likelihood	Impact	Mitigating actions
The nominating body or the owner is challenges the decision reached.	2 Medium that one of the bodies will be unhappy with the decision.	3 The owner has rights of internal review and appeal and can claim for compensation. The nominating body does not have rights of review or appeal. A new nomination can be made with additional information. If it felt the Council had acted unlawfully, it could seek to challenge by way of judicial review.	Carefully scrutinise submissions for inclusion on the Asset List so as to ensure only those which comply with the criteria are included. Legal advice sought throughout.

1 = Little or no risk or impact

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

3 = Significant risk or impact – action required

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

Appendix 1: NEW ASSETS OF COMMUNITY VALUE NOMINATED & LISTED

Appendix 2: ASSETS OF COMMUNITY VALUE NOMINATED NOT LISTED

APPENDIX 1: NEW ASSETS OF COMMUNITY VALUE NOMINATED & LISTED

RESTAURANTS/PUBS

1. UTT/23/0538/ACV: **The Bluebell Inn**, High Street Hempstead (Nomination Expires 18/04/2028)

The **public house**, though closed in early 2020, was nominated by Hempstead Parish Council for its importance and role in the recent past as a social venue in the village and submission of credible evidence that the community intends to purchase the property. It was considered to meet the statutory criteria for listing as an ACV in that there was a time in the recent past when its actual use, which was not an ancillary use, furthered the social wellbeing and interests of the local community. It is also realistic that there is a time in the next five years when there could be non-ancillary use that would further the social wellbeing and interests of the local community. As such, the Blue Bell Inn was designated under delegated powers on 18 April 2023.

2. UTT/23/0441/ACV: **Little Hallingbury Mill**. Mill Lane (Nomination Expires 18/04/2028)

The Little Hallingbury Mill **Restaurant** (then temporarily closed for refurbishment) was nominated by Little Hallingbury Parish Council for its restaurant use and as a venue hire. It was considered to meet the statutory criteria for listing as an ACV and furthers the social wellbeing or social interests of the local community. As such, the Little Hallingbury Mill Restaurant was designated under delegated powers on 18 April 2023.

3. UTT/23/0527/ACV: **The Cricketers Arms** Quendon & Rickling (Nomination Expires 18/04/2028)

The Cricketers Arms **public house** was nominated by Quendon & Rickling Parish Council for its non-ancillary use and as a venue for social gatherings for both Rickling Green/Quendon residents as well as residents of nearby villages and users of the nearby cricket facilities. It was considered to meet the statutory criteria for listing as an ACV and furthers the social wellbeing or social interests of the local community. As such, the Cricketers Arms public house was designated under delegated powers on 18 April 2023.

4. UTT/23/2537/ACV: **Fleur De Lys**, Widdington (Nomination Expires 28/11/2028)

The **public house** was nominated by Widdington Parish Council for its role as a venue for social gatherings, sporting events, fetes for both residents as well as residents of nearby villages and it is the only public house in the village. It was considered to meet the statutory criteria for listing as an ACV and furthers the social wellbeing or social interests of the local community. As such, the Fleur De Lys was designated under delegated powers on 28 November 2023.

5. UTT/23/2584/ACV: **Cross Keys Hotel**, 32 High Street Saffron Walden (Nomination Expires 14/12/2028)

The Cross Keys Hotel was nominated by Saffron Walden Town Council for its non-ancillary use as a public house, and restaurant and as a venue for socialising. It was considered to meet the statutory criteria for listing as an ACV and furthers the social wellbeing or social interests of the local community. As such, the Cross Keys Hotel was designated under delegated powers on 14 December 2023.

ALLOTMENTS

6. UTT/23/1183/ACV: The Allotment Gardens, High Roding, The Street (Nomination Expires 20/10/28)

The allotment gardens were nominated by High Roding Parish Council for being in existence for the past 150 years and for offering the opportunity for recreational and social interaction between members of the local community. It was considered to meet the statutory criteria for listing as an ACV and furthers the social wellbeing or social interests of the local community. As such, the Allotment Gardens were designated under delegated powers on 20 October 2023.

7. UTT/23/0477/ACV: Windmill Hill Allotments, Bridge End, Saffron Walden (Nomination Expires 18/04/2028)

The Windmill Hill allotment gardens were nominated by Saffron Walden Town Council for the local community to grow fruit, vegetables and flowers and provide opportunities for social interaction between members of the local community from a variety of backgrounds. It was considered to meet the statutory criteria for listing as an ACV and furthers the social wellbeing or social interests of the local community. As such, the Windmill Hill Allotments were designated under delegated powers on 18/04/2023.

8. UTT/23/0478/ACV Allotment Gardens, Crocus Fields (Nomination Expires 18/04/2028)

The Allotment Gardens, Crocus Fields allotment gardens were nominated by Saffron Town Council for the local community to grow fruit, vegetables and flowers and provide opportunities for social interaction between members of the local community from a variety of backgrounds. It was considered to meet the statutory criteria for listing as an ACV and furthers the social wellbeing or social interests of the local community. As such, the Allotment Gardens at Crocus Fields were designated under delegated powers on 18/04/2023.

CAR PARKS

9. UTT/23/0439/ACV: Car Park Little Hallingbury (Nomination expires 18/04/2028)

The Car Park, Little Hallingbury was nominated by Little Hallingbury Parish Council for its close geographic and functional relationship to the variety of communal facilities within the village as well as providing a convenient means of access, particularly for those of limited mobility, to this wide array of social activities. It was considered to meet the statutory criteria for listing as an ACV and furthers the social wellbeing or social interests of the local community. As such, the Car Park was designated under delegated powers on 18 April 2023.

MEETING PLACES

10. UTT/23/0482/ACV: Faircroft House, 37 Audley Road, Saffron Walden, CB11 3HD (Nomination expires 18/04/2028)

The Faircroft House was nominated by Saffron Town Council for acting as a venue for several cultural events, with a focus on live music, theatre, and quiz nights, and is a flexible space which accommodates a service promoting health and wellbeing, including a dementia support group. It was considered to meet the statutory criteria for listing as an ACV and furthers the social wellbeing or social interests of the local community. As such, Faircroft House was designated under delegated powers on 18 April 2023.

RECREATIONAL / SPORTING

11. UTT/23/0605/ACV: Cricket Pavilion, Rickling Green (Nomination Expires 18/04/28)

The Rickling Cricket Pavilion was nominated by Quendon & Rickling Parish Council for its provision of a meeting/changing area for sporting and recreational facilities. It was considered to meet the statutory criteria for listing as an ACV and furthers the social wellbeing or social interests of the local community. As such, the Rickling Cricket Pavilion was designated under delegated powers on 18 April 2023.

12. UTT/23/0486/ACV: Grove Lawn Tennis Club, John Dane Player Court, Saffron Walden (Nomination Expires 18/04/28)

The Grove Lawn Tennis Club was nominated by Saffron Walden Town Council for its sporting and recreational facilities to the local community. It was considered to meet the statutory criteria for listing as an ACV and furthers the social wellbeing or social interests of the local community. As such, the Grove Lawn Tennis Club was designated under delegated powers on 18 April 2023.

13. UTT/23/0483/ACV: Saffron Walden Golf Course Windmill Hill (Nomination Expires 18/04 28)

The Saffron Walden Golf Course was nominated by Saffron Walden Town Council for its associated courses which facilitate sporting and recreational interests both to members as well as the public. It was considered to meet the statutory criteria for listing as an ACV and

further the social wellbeing or social interests of the local community. As such, the Saffron Walden Golf Course was designated under delegated powers on 18 April 2023.

APPENDIX 2: ASSETS OF COMMUNITY VALUE NOMINATED NOT LISTED

RESTAURANTS/PUBS

1. UTT/23/0535/ACV: The Hop Poles Public House, Great Hallingbury

The nomination was submitted by Great Hallingbury Parish Council.

The Hop Poles Public House has been closed and not been in use for approximately 9 years. No evidence has been provided in the Nomination application to demonstrate that there was a time in the recent past in which the Hop Poles Public House has furthered the social wellbeing or social interests of the local community.

2. UTT/23/2586/ACV: **Saffron Walden Hotel, Saffron Walden**

Based on the information provided by Saffron Walden Town Council the motivation for nominating the hotel as an Asset of Community Value is to protect the hotel use in its town centre location. This reason is not sufficient to cause the building to qualify for listing as an ACV.

Saffron Walden Hotel is the principal use, and the bar/restaurant are ancillary uses. The nomination meets the statutory exemption test set out in Section 88 Schedule 1 paragraph 2(b)(iii) Localism Act 2012 whereby a hotel is exempt from listing.

RECREATIONAL / SPORTING

3. UTT/22/3389/ACV: **Jubilee Wood, High Easter Parish Council**

The nomination is refused for the following reasons:

- i. No information or data was submitted to evidence the Local Community who use the land.
- ii. There is insufficient evidence in the nomination regarding how current and future use of the land furthers and will further the 'social wellbeing or social interests of the local community.
- iii. The Council requires nominations for ACV to provide robust supporting information that would evidence usage by the local community that furthers social wellbeing or interests.

Agenda Item 8

Committee: Cabinet

Date:

Title: Corporate Core Indicators (CCIs) 2023/24
Q3 Performance Update

Tuesday, 19th
March 2023

Portfolio Holder: Cllr. Petrina Lees, Leader of the Council

Report Author: Angela Knight, Director of Business
Performance and People
aknight@uttlesford.gov.uk
Paula Evans, Contract, Performance and Risk
Manager
pevans@uttlesford.gov.uk

Key decision:
N

Summary

1. This report presents members with 2023/24 Q3 (October-December) performance data and analysis for the suite of Corporate Core Indicators (CCIs).
2. The CCIs were identified to enable the Corporate Management Team and Members to focus on key areas of performance across the council.
3. Where possible, benchmarking comparisons to other similar Local Authorities has been conducted and presented as a separate analysis exercise.
4. Performance trends have been highlighted and analysed to identify where improvement may be needed particularly when comparing against other 'statistical nearest neighbour' authorities.

Recommendations

5. None. The report is for information only.

Financial Implications

6. There are no direct financial implications associated with this report.

Background Papers

7. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report:

None.

Impact

8.

Communication/Consultation	Reviewed by Corporate Management Team (CMT) and Informal Cabinet Board (ICB)
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Corporate Core Indicators

- 9. The Corporate Core Indicators (CCI’s) have been developed to provide focus on key service provision areas across the authority. They include a number of new indicators which have not been previously reported on thus limiting some of the analysis that can be completed for them.
- 10. Of the 30 indicators identified, a total of 27 indicators have Q3 outturn data and supporting performance notes entered against them. Where applicable, outturn data is compared to both the previous quarters and year’s internal data; this is set out in detail at Appendix A.
- 11. When reviewing the indicators, the following should be noted:
 - Indicators ending with (max) means a **higher** outturn is good performance
 - Indicators ending with (min) means a **lower** outturn is a good performance
- 12. Overall, the statuses of the indicators and performance levels are comparable with 2023/24 Q2 outturns;
 - for Q3 there are **14** at green status (achieving or exceeding target), **6** amber (within 10% of target) and **7** red (over 10% off target)
 - in Q2 there were **12** at green status, **5** amber and **8** red
- 13. However, further analysis indicates that there are more indicators trending as improving in performance against target for the short trend (15) as well as the long trend (16).

Benchmarking

- 14. In addition to reporting against our internal targets and performance, an exercise to benchmark our performance externally has been carried out.

15. The benchmarking group used for the purposes of this report represents Uttlesford District Council's statistical near neighbours (SNN), as identified in the annual Financial Resilience Index produced by CIPFA, this list has been updated for Q3 following an update by CIPFA (see table below).

Authority	Area km² (2021)	Population (2022)
Uttlesford	641.18	92,578
Harborough	591.78	100,481
Winchester	660.97	130,268
Tandridge	248.19	88,707
Vale of White Horse	577.62	142,116
South Cambridgeshire	901.63	165,633
Sevenoaks	369.2	121,106
Tonbridge and Malling	240.14	133,661
Waverley	345.17	130,063
South Oxfordshire	678.53	151,820
Hart	215.27	100,910
Test Valley	627.58	132,871
Tewkesbury	414.42	97,000
Mole Valley	258.32	87,769
East Hampshire	514.44	127,319
Bromsgrove	216.97	100,076

16. The Nearest Neighbours Model is determined by 40 different metrics across a wide range of social-economic indicators and is designed to help interpret results and deep dive into how the statistical differences between other authorities arises.
17. As there were no other formal benchmarking groups identified at the time of formalising the CCI suite, these were thought to be a good starting point on which to build our benchmarking knowledge. Although it should be noted that this group of SNN is a very close match to the comparative data available on the LG Inform platform, Value for Money Profiles.
18. The benchmarking data contained in this report and the detailed information in Appendix A has been obtained directly from equivalent performance officers in the SNN authorities and/or published data on their authority websites.
19. Comparative data for 7 of the 27 indicators has been obtained and a minimum and maximum value has been identified for each indicator, but for benchmarking purposes the average of the group has been used to determine a comparable performance level for Uttlesford's Q3 outturns. A summary of the benchmarking data for the current group of local authorities selected is set out in the table below.

Benchmarking Comparison Summary

Please note that our performance is compared against smaller groups within the Statistical Near Neighbours group as set out in the table earlier in the report, as data is either not available or not in a comparable format for us to use. These are high level comparisons; detailed comparisons on how each authority calculates its indicators has not been carried out.

No. of LA's	Indicator	Average performance level	UDC Outturn	Performance Comments
3	CCI 05: % Information Governance requests (FOIs & EIRs) dealt with in 20 working days (max)	93%	87%	UDC's performance is lower than the 2 other comparative organisations. Since we introduced FOI champions (Liaison Officers) in most service areas it has resulted in significantly improving our response rate year on year and it is anticipated that UDC performance will continue to improve.
5	CCI 09: % of Council Tax collected (max)	85%	84%	UDC's performance is the lowest out of the 5 in the group. Some of the other authorities in the benchmarking group have more generous Council Tax support schemes that impacts positively on their collection rates.
5	CCI 10: % of Non-domestic Rates Collected (max)	84%	82%	UDC's performance is 4th out of the 5 in the group.
4	CCI 24: Processing of Planning Applications: Major Applications (within 13 - 16 weeks with EIA or including any Extension of Time) (max)	88%	85%	UDC's performance is in the middle of the group and slightly below the average.
4	CCI 25: Processing of Planning Applications: Non-major Applications (within 8 weeks or including any Extension of Time) (max)	87%	84%	UDC's performance is in the middle of the group and slightly below the average for the group.
4	CCI 26: % of appeals upheld for Major Applications (min)	8%	13%	UDC has the highest number of its appeals upheld within the group reported. This is the metric for which UDC's planning service is designated. It is noted that the comparator authorities have far more up to date Local Plans and thus are likely to be able to better defend planning refusals. The publishing of UDC's five-year housing supply will assist going forward, as will the eventual adoption of a new Local Plan.
5	CCI 28: % Household waste sent for reuse, recycling and composting (max)	47%	49%	UDC's performance is in the middle of the group and above the average.

Risk Analysis

20.

Risk	Likelihood	Impact	Mitigating actions
<p>If performance indicators do not meet quarterly/annual targets then areas such as customer satisfaction and statutory adherence to government led requirements could be affected leading to a loss in reputation for the Council.</p>	<p>2 – The majority of performance measures perform on or above target. Where necessary, accompanying notes to individual performance indicators detail improvement plans.</p>	<p>3 – The majority of service areas in the Council are customer-facing so has the potential to impact reputationally, service delivery and financially.</p>	<p>Performance is monitored by CMT, and Cabinet on a quarterly basis. Short and long term analysis is carried out to identify performance trends, this supports the appropriate action/improvement plans to be put in place to address issues.</p>

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.

2023/24 Corporate Core Indicators (CCIs) - Q3 Outturn

Benchmarking data - 2023/24 Q3

PI No:	PI Title:	Uttlesford DC							
		Q3 2022/23	Q2 2023/24	Q3 Target	Q3 Outturn	Status	Short Trend	Long Trend	Q3 2023/24 Performance Note:
ORGANISATION/GOVERNANCE									
CCI 01	Average number of days lost per FTE through short-term sickness absence based on rolling 12 months (min)	5.60	5.18	4.70	5.08				Numerator: 1442.69 (total short term FTE days lost) Denominator: 284.04 (total FTE) 110 employees took a period of short term absence of which over a third of these were due to minor conditions such as colds/headaches and upset stomachs. We are supporting employees wherever we can to minimise their sickness absence.
CCI 02	Average number of days lost per FTE through long-term sickness absence during rolling 12 months (min)	4.01	4.51	4.00	4.91				Numerator: 1394.38 (total long term FTE days lost) Denominator: 284.04 (total FTE) There were 27 people who account for the long term absences of which 8 have left the organisation, 16 have returned to work and 3 are still on sick leave. 39% of the long term absences were due to stress/depression/anxiety majority. We are supporting employees wherever we can to minimise their sickness absence.
CCI 03	Average days taken to complete candidate pre-employment checks (min)	n/a	11	15	12				Numerator: 7 (no. of new starters) Denominator: 82 (total working days taken on all new starters) On average our target for completing pre-employment checks is 15 days and we are performing very well at 12 days. Of the 7 new starters only 1 fell short of our target and this was out of our control as he did not have a valid driving licence.
CCI 04	% of Leavers that leave within their first year of employment (min)	n/a	26%	15%	30%				Numerator: 13 (total left in 1st year) Denominator: 46 (total leavers) 8 worked in ES 2 worked in Planning 2 worked in Performance 1 worked in Audit Reasons for leaving varied; enticed back to previous workplace, role wasn't what they expected, offered a promotion, dismissed whilst under probation and resigned whilst under investigation.
CCI 05	% Information Governance Requests (FOIs & EIRs) dealt with in 20 working days (max)	n/a	72%	95%	87%				Numerator: 164 Denominator: 189 9 were responded to over 20 working days. 4 responses are not yet due as the date for response has not yet been reached. 3 requests were unclear and further clarity was requested which has not yet been received from the requestor. 9 requests have not yet received a response and have been hastened with the service areas concerned.
CCI 06	% of calls answered vs number of calls received across the council (max)	n/a	95%	90%	96%				Numerator: 17,892 Denominator: 18,652 (Total abandoned calls: 896) Please note these figures relate only to calls into the council's Customer Service Centre. The target has been exceeded this quarter. A lower call volume has led to shorter wait times. Customer Services management continue to work with back offices to improve processes and provide support to individual advisors to manage call handling times as efficiently as possible.
CCI 07	Contract Management	Indicator still to be determined following introduction of revised processes							
CCI 08	Resident Satisfaction	Indicator still to be determined - further research and analysis to be completed							
COST OF LIVING CRISIS									
CCI 09	% of Council Tax collected (max) *	85%	56.82%	84.00%	84.07%				Numerator: £67,644,505.70 Denominator: £80,458,360.66 Collection rate is just above target which is an excellent result considering the economic climate. Prompt action in account adjustments and issue of income generating notices has accounted for this.
CCI 10	% of Non-domestic Rates Collected (max) *	84.11%	55.84%	79.00%	82.27%				Numerator: £42,258,210.30 Denominator: £51,363,452.49 Target exceeded despite economic climate although target set lower than last year to account for this.

Benchmarking Group				Benchmarking Notes
Number	Minimum	Average	Maximum	
3	87%	93%	97%	UDC's performance is lower than the 2 other comparative organisations. Since we introduced FOI champions (Liaison Officers) in most service areas it has resulted in significantly improving our response rate year on year and it is anticipated that UDC performance will continue to improve.
5	84%	85%	86%	UDC's performance is the lowest out of the 5 in the group. Some of the other authorities in the benchmarking group have more generous Council Tax support schemes that impacts positively on their collection rates.
5	82%	84%	85%	UDC's performance is 4th out of the 5 in the group.

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Agenda Item 9

Committee:	Cabinet	Date:	Tuesday, 19 March 2024
Title:	Revocation of the Saffron Walden Air Quality Management Area		
Portfolio Holder:	Cllr Neil Reeve, Portfolio Holder for the Environment and Climate Change		
Report Author:	Marcus Watts, Environmental Health Manager - Protection mwatts@uttlesford.gov.uk Tel: 01799 510595	Key decision:	No

Summary

1. This report updates Members on measured Nitrogen Dioxide levels within Saffron Walden and seeks to approve an order made under Environment Act 1995 Part IV Section 83(2) (b) to revoke the Saffron Walden Air Quality Management Area.

Recommendations

2. To agree the Order to revoke the Air Quality Management Area for Nitrogen Dioxide at Saffron Waden as provided within Appendix A.

Financial Implications

3. None

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.
 - Supporting Statement – Revocation of the Saffron Walden Air Quality Management Area
 - The Revocation Order
 - Air Quality Annual Status Report 2022
 - LAQM Technical Guidance (TG22)
 - LAQM Policy Guidance (PG22)

Impact

- 5.

Communication/Consultation	The Council has consulted with DEFRA as part of its Annual Status Report and they have made it clear that revocation of the
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	AQMA should occur. Revoking the AQMA follows statutory guidance Local Air Quality Management (LAQM) (Technical Guidance (TG22) and LAQM Policy Guidance (PG22) which the Council has a duty to comply with.
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	UDC will be considered in breach of statutory guidance should the Council fail to revoke the AQMA.
Sustainability	None
Ward-specific impacts	Saffron Walden
Workforce/Workplace	None

Situation

6. Under the Environment Act 1995 all lower tier local authorities are obliged to review and assess air quality in line with the Government's air quality strategy. The Department for Environment, Food and Rural Affairs (DEFRA) has the national lead, and closely supervises the work of local authorities in relation to their air quality duties.
7. The National Air Quality Strategy sets out objectives for certain pollutants and local authorities are required to ensure that these objectives are met. The objective level for nitrogen dioxide is 40µgm³ (micrograms per cubic meter) measured as an annual mean and 200 µgm³ measured as an hourly mean (the hourly measure should not be exceeded more than 18 times a year).
8. All councils exceeding the National Air Quality Objectives are required to declare an Air Quality Management Area (AQMA) for the affected area and develop an Air Quality Action Plan setting out how it intends to reduce pollution levels.
9. The Council currently monitors Nitrogen Dioxide levels by a network of 43 diffusion tubes located throughout the district, for the purpose of meeting its requirements under the Environment Act 1995. Within Saffron Walden alone, 24 diffusion tubes are distributed throughout the town. In addition, the Council has two real time monitoring stations. One at London Road and the other at Thaxted Road. Information on current pollution levels can be found at www.uttlesford.gov.uk/air-quality and also on the recently updated website essexair.org.uk.

10. Uttlesford District Council has only one AQMA, declared in September 2012 covering a circle of 1400m diameter centred on Elm Grove, in Saffron Walden. In common with many market towns, access to Saffron Walden from surrounding areas and within the town is largely dependent on the private car. Elevated emissions are associated with high volumes of slow moving traffic, stopping and starting to negotiate junctions and pedestrian crossings, leading to higher levels of emissions than free flowing traffic.
11. The topography of Saffron Walden is such that the centre is low-lying in relation to the outer areas, which reduces the amount of dispersion of emissions by air flow. A major additional factor is the geographical constraints of the historic streets of the town centre, much of which is a conservation area, limiting how modern levels of traffic can be moved around and the type of mitigation measures which can be undertaken. Tall buildings on both sides of narrow streets lead to recirculation of air flow that can trap pollutants, resulting in reduced dispersion and elevated concentrations. Many residential properties are also located close to the roadside, raising the likelihood of occupiers being exposed to vehicle emissions.
12. Traffic queues build at the major junctions predominantly during the morning and late afternoon peak travel periods for school and commuter journeys. The declaration for the AQMA in Saffron Walden was made due to measured high levels of Nitrogen Dioxide at four of these major junctions, namely
 - a) Thaxted Road/East St /Radwinter Road/Chaters Hill
 - b) High Street/ George St/Abbey Lane
 - c) Debden Road/London Road
 - d) Bridge Street/Castle St
13. Measurement records show that in 2015, two monitoring locations exceeded the 40µgm³ Air Quality Objective for Nitrogen Dioxide. In 2016 there were five locations that exceeded that level. Since 2017 there have been no reported exceedances.
14. Paragraph 4.10 of the Local Air Quality Management (LAQM) Policy Guidance (August 2022) states, *“For revocation this should demonstrate that air quality objectives are being met and will continue to do so. In other words, they should have confidence that the improvements will be sustained. Further information is provided in the Technical Guidance, but typically this is after three years or more compliance.”*
15. Para 3.57 of the Local Air Quality Management (LAQM) Technical Guidance (August 2022) provides further details and states *“The revocation of an AQMA should be considered following three consecutive years of compliance with the relevant objective as evidenced through monitoring. Where NO₂ monitoring is completed using diffusion tubes, to account for the inherent uncertainty associated with the monitoring method, it is recommended that revocation of an AQMA should be considered following three consecutive years of annual*

mean NO2 concentrations being lower than 36µg/m3 (i.e. within 10% of the annual mean NO2 objective). There should not be any declared AQMAs for which compliance with the relevant objective has been achieved for a consecutive five-year period.”

16. Information provided within Appendix B in support of this report provides further information on the background of the AQMA and demonstrates the overall decline in trend in nitrogen dioxide levels.
17. Following a revocation, the local authority is now required to draw up a Local Air Quality Strategy to ensure air quality remains a high-profile issue and to ensure it can respond quickly should there be any deterioration in condition. This work is planned for 2024.
18. In addition to the required strategy, the full results of continuing air quality monitoring within the district must continue to be reported to Defra within its Annual Status Report (ASR).
19. It should be noted that in 2021 DEFRA awarded UDC £517K to support measures to improve local AQ and raise awareness within Saffron Walden. The grant funding was not issued on the basis of the AQMA. Further grant funding applications for funding to support ongoing work have been made and we await the outcome of this in March 24.

Risk Analysis

20.

Risk	Likelihood	Impact	Mitigating actions
Failure to revoke the AQMA is likely to result in some criticism from DEFRA	3	1	Act to revoke the AQMA
It could be perceived by the public that there are no issues with poor air quality within Saffron Walden	2	1	There is currently an extensive media campaign to raise awareness of AQ, supported by DEFRA grant funding. Whilst the revocation of the AQMA is a good news story, it is also an opportunity to remind the residents of the risk of poor AQ and the benefits of active

			travel.
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- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.



Appendix A

**UTTLESFORD DISTRICT COUNCIL ORDER
ENVIRONMENT ACT 1995 Part IV SECTION 83(2)(b)
ORDER REVOKING AN AIR QUALITY MANAGEMENT AREA**

Uttlesford District Council, in exercise of the powers conferred on it by Section 83(2)(b) of the Environment Act 1995 HEREBY makes the following order:

1. The Order shall revoke the area known as the Air Quality Management Area for Nitrogen Dioxide at Saffron Walden, as shown in the attached map, being centred on Elm Grove in Saffron Walden town centre, and extending in a circle of 1400 meters diameter from that point.

2. The Order shall come into force on 20th March 2024.

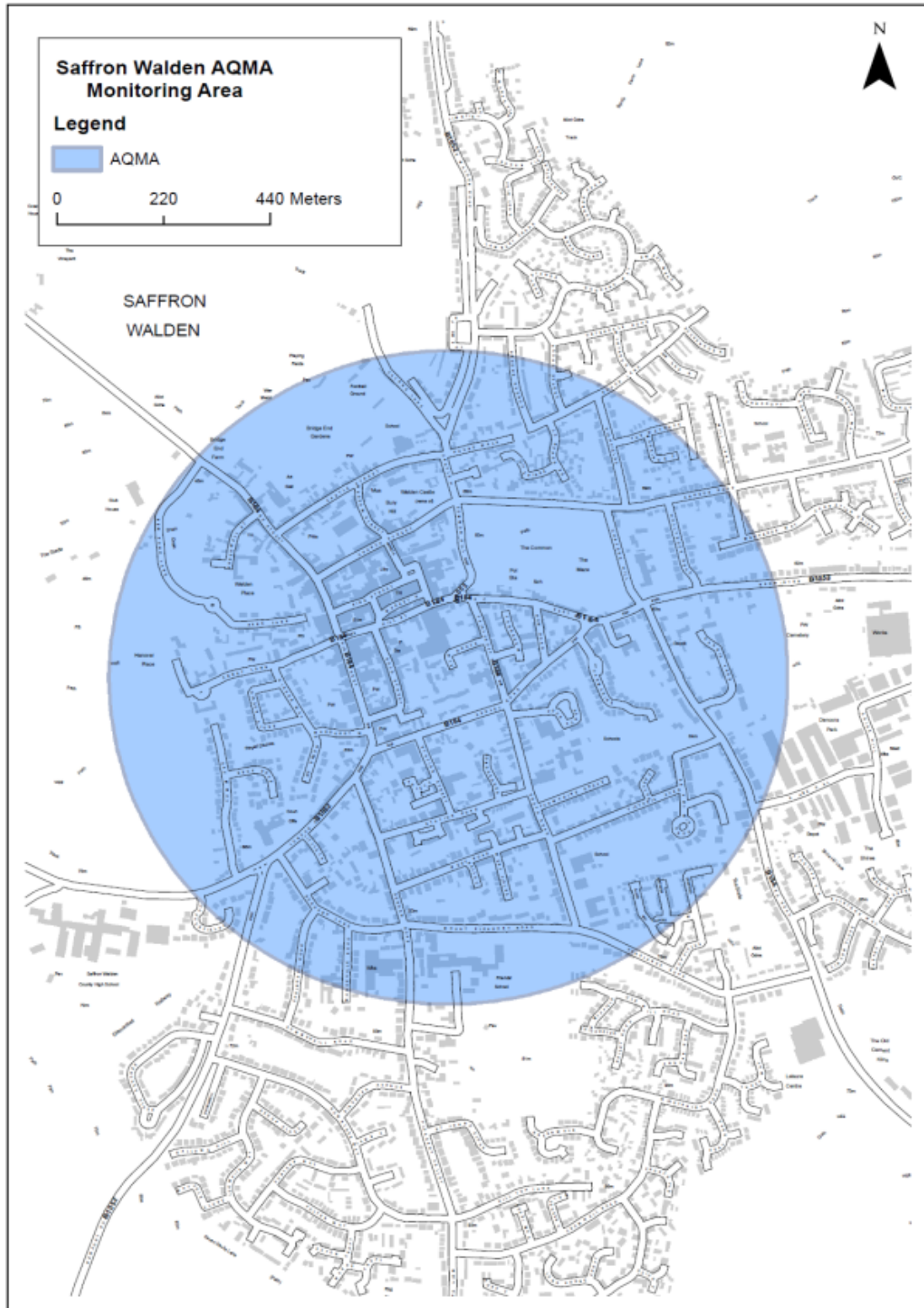
The Common Seal of UTTLESFORD DISTRICT COUNCIL was hereto affixed on
DATE and signed in the presence of

INSERT SEAL HERE

Authorised Signatory



Appendix A





Supporting Statement

REVOCAION OF THE SAFFRON WALDEN AIR QUALITY MANAGEMENT AREA(AQMA)

Introduction

Following a successful and sustained reduction in air pollution in Saffron Walden over several years the council is now required to revoke the air quality management area (AQMA) that covers Saffron Walden town centre. Air quality monitoring will not stop as a result of this revocation, nor will our duty to report annually on the status of Air Quality, but it does mean that the AQMA will no longer show on searches as a polluted area.

Background

Local authorities have a duty under the Environment Act 1995 to monitor the quality of air within their administrative areas, produce an annual report (Annual Status Report) and designate special management areas known as air quality management areas (AQMA) where pollutants exceed certain levels.

Breaches of the annual mean air quality objective (AQO) for nitrogen dioxide were occurring in some areas of Saffron Walden and in 2007 three AQMA's were declared, called Saffron Walden 1, 2 and 3. Following a consultation in 2011, a larger AQMA named Saffron Walden AQMA was declared in 2012 and the existing AQMA's were revoked under section 83 (2) of the Act.

Substantial monitoring has been undertaken in Saffron Walden since then including 24 nitrogen dioxide diffusion tubes and two fixed air quality monitors. Figure 1 below shows the map of the AQMA boundary. Figure 2 shows the locations of historical exceedances.

Appendix B

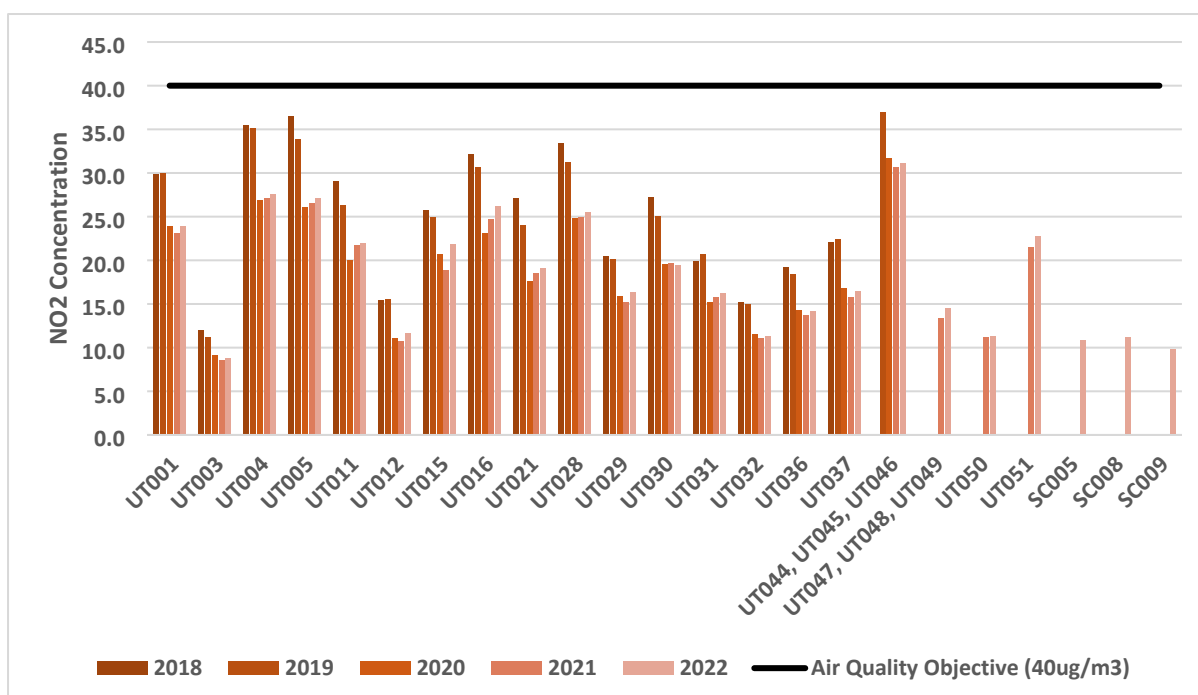
When a Local Authority declares an AQMA, the Environment Act requires an Action Plan to be produced for these designated areas, setting out the actions that the Council intends to take to meet the objectives and to maintain levels below the objective for the 5 year life of the plan. The latest Action plan was adopted in 2017.

Current air quality monitoring within Saffron Walden has shown that levels of nitrogen dioxide are comfortably below the objective level of 40 micrograms per meter cubed (40 µg/m³). See Appendix 1 for full results.

Recent reductions are likely to be down to changes in improvements in vehicle emission standards and the presence of more hybrid and electric vehicles on the road.

Results are summarised in the chart below and shows a continued downward trend. Please note that 2020 annual results have been impacted by the various COVID-19 related restrictions in place throughout the year.

Chart 1: Trends of nitrogen dioxide monitoring in Saffron Walden showing all monitoring below the air quality objective of 40 micrograms per meter cubed.



The above results show there is no breach of air quality objectives and this has been the case for the last seven years. Guidance recommends at least three years without a breach of the air quality objective before revocation.

The proposed revocation was outlined in our 2022 Annual Status Report and Defra have confirmed in their feedback the Council must proceed with plans to revoke the AQMA as keeping AQMAs in place longer than required risks diluting their meaning and impacting public trust in LAQM.

Appendix B

Further information in support of the revocation can be found with the Local Plan Regulation 18 Saffron Walden Air Quality Modelling Assessment, prepared by AECOM in September 2023. This assessment estimated the annual mean nitrogen dioxide concentrations to include the forecast growth and strategic development included within the new Local Plan. The modelling confirms that there will be no nitrogen dioxide concentrations that exceed the AQ objectives in 2040.

APPENDIX 1: Saffron Walden Annual Mean NO2 Monitoring Results: Non-Automatic Monitoring (Annual mean AQ objective 40 ug/m3)

Diffusion Tube ID	X OS Grid Ref (Easting)	Y OS Grid Ref (Northing)	Site Type	2018	2019	2020	2021	2022
UT001	553709	238417	Urban Centre	29.8	30.0	23.9	23.1	23.9
UT003	553554	238218	Urban Background	12.0	11.1	9.1	8.5	8.7
UT004	553598	238595	Kerbside	35.5	35.1	26.9	27.1	27.5
UT005	554336	238454	Kerbside	36.4	33.9	26.0	26.6	27.1
UT009	552403	223965	Roadside	33.6	30.1	23.5	23.6	24.4
UT010	551246	233649	Kerbside	22.2	21.5	16.3	14.7	15.3
UT011	553697	238452	Urban Centre	29.0	26.3	19.9	21.7	22.0
UT012	553879	238510	Urban Background	15.4	15.5	11.0	10.8	11.6
UT015	553739	238317	Roadside	25.8	24.9	20.7	18.9	21.8
UT016	554413	238474	Roadside	32.1	30.7	23.1	24.7	26.2
UT017	560023	221444	Roadside	14.9	14.6	10.1	10.4	10.3
UT018	551035	225199	Roadside	26.7	24.4	20.0	18.6	19.2
UT019	550950	225039	Roadside	35.0	31.9	22.8	24.8	25.6
UT020	551535	225065	Roadside	35.7	30.7	25.3	25.2	24.1
UT021	554212	238436	Roadside	27.0	24.0	17.6	18.4	19.1
UT024	554671	221010	Rural	13.1	11.4	9.2	8.3	9.2
UT028	553755	238092	Roadside	33.4	31.2	24.8	25.0	25.5
UT029	553770	238076	Roadside	20.5	20.1	15.9	15.1	16.3
UT030	553875	237764	Kerbside	27.2	25.0	19.6	19.7	19.4
UT031	554178	237767	Roadside	19.8	20.7	15.2	15.8	16.2
UT032	553625	237856	Roadside	15.2	15.0	11.5	11.1	11.2
UT033	551377	224913	Roadside	26.9	23.8	18.7	20.4	20.3
UT034	556101	221243	Roadside	26.2	24.6	18.0	18.1	18.8
UT036	553718	238530	Urban Centre	19.2	18.4	14.3	13.6	14.1
UT037	553923	238770	Kerbside	22.0	22.4	16.8	15.7	16.5
UT039	552154	234033	Roadside	30.1	27.1	20.7	21.8	21.2
UT040	552113	234505	Roadside	19.8	20.5	15.5	15.3	15.8
UT041	552091	233630	Roadside	18.7	19.2	15.5	15.5	15.6
UT042	552152	233878	Roadside	N/A	24.1	18.7	17.2	17.5
UT043	552135	234344	Roadside	N/A	22.9	16.4	18.3	17.9
UT044, UT045, UT046	554357	238443	Roadside	N/A	37.0	31.6	30.7	31.1
UT047, UT048, UT049	553570	237908	Roadside	N/A	N/A	N/A	13.4	14.5
UT050	554103	238140	Roadside	N/A	N/A	N/A	11.2	11.3
UT051	553700	238525	Roadside	N/A	N/A	N/A	21.5	22.8
UT052	561074	225855	Roadside	N/A	N/A	N/A	17.4	17.6
UT053	562329	221841	Roadside	N/A	N/A	N/A	12.1	12.7
UT054	561443	230778	Kerbside	N/A	N/A	N/A	14.8	15.3
UT055	551347	224227	Roadside	N/A	N/A	N/A	11.1	12.5
UT056	553765	226325	Kerbside	N/A	N/A	N/A	16.0	17.9
SC001	551954	234407	Kerbside	N/A	N/A	N/A	N/A	11.8
SC002	551745	233551	Urban Background	N/A	N/A	N/A	N/A	12.1
SC003	551090	229882	Urban Background	N/A	N/A	N/A	N/A	8.5
SC004	550700	242786	Kerbside	N/A	N/A	N/A	N/A	9.6
SC005	554206	237791	Kerbside	N/A	N/A	N/A	N/A	10.8
SC006	553183	237809	Urban Background	N/A	N/A	N/A	N/A	9.9
SC007	554274	236977	Kerbside	N/A	N/A	N/A	N/A	10.3

Appendix B

Diffusion Tube ID	X OS Grid Ref (Easting)	Y OS Grid Ref (Northing)	Site Type	2018	2019	2020	2021	2022
SC008	553827	238760	Kerbside	N/A	N/A	N/A	N/A	11.2
SC009	554647	238768	Urban Background	N/A	N/A	N/A	N/A	9.8
SC010	558738	242228	Kerbside	N/A	N/A	N/A	N/A	10.9
SC011	560712	237445	Roadside	N/A	N/A	N/A	N/A	7.6
SC012	564448	235428	Urban Background	N/A	N/A	N/A	N/A	8.2
SC013	566021	224425	Urban Background	N/A	N/A	N/A	N/A	9.0
SC014	562157	223004	Urban Background	N/A	N/A	N/A	N/A	9.7
SC015	561768	221940	Urban Background	N/A	N/A	N/A	N/A	16.4
SC016	566539	220583	Suburban	N/A	N/A	N/A	N/A	9.5
SC017	567888	220640	Kerbside	N/A	N/A	N/A	N/A	9.5
SC018	568970	221065	Kerbside	N/A	N/A	N/A	N/A	9.3
SC019	567836	220381	Suburban	N/A	N/A	N/A	N/A	9.6
SC020	559352	213692	Roadside	N/A	N/A	N/A	N/A	10.6
SC021	552205	215040	Urban Background	N/A	N/A	N/A	N/A	10.9
SC022	550247	217452	Roadside	N/A	N/A	N/A	N/A	11.1
SC023	554805	216625	Kerbside	N/A	N/A	N/A	N/A	11.3
SC024	557175	221325	Kerbside	N/A	N/A	N/A	N/A	10.5
SC025	556364	221459	Roadside	N/A	N/A	N/A	N/A	10.6
SC026	551926	224040	Suburban	N/A	N/A	N/A	N/A	12.8
SC027	550937	222982	Kerbside	N/A	N/A	N/A	N/A	11.9
SC028	550955	225769	Kerbside	N/A	N/A	N/A	N/A	10.8
SC029	551258	225077	Kerbside	N/A	N/A	N/A	N/A	10.8
SC030	559308	235549	Kerbside	N/A	N/A	N/A	N/A	8.0
SC031	555570	233402	Kerbside	N/A	N/A	N/A	N/A	10.6
SC032	554726	228069	Roadside	N/A	N/A	N/A	N/A	8.5
SC033	547732	224823	Kerbside	N/A	N/A	N/A	N/A	8.2
SC034	549109	226575	Kerbside	N/A	N/A	N/A	N/A	9.8
SC035	547427	231562	Roadside	N/A	N/A	N/A	N/A	9.1
SC036	544494	239406	Suburban	N/A	N/A	N/A	N/A	6.4

Agenda Item 10

Committee: Cabinet

Date: Tuesday, 19
March 2024

Title: Removal of Article 4, Land at Friars Lane (off Chelmsford Road), Hatfield Heath

Portfolio Holder: Councillor John Evans, Portfolio Holder for Planning

Report author: Nigel Brown, Head of Development Management & Enforcement
nbrown@uttlesford.gov.uk

Key decision: No

Summary

1. Land at Friars Lane, Hatfield Heath, is subject to an Article 4 Direction dated 12 January 2012
2. Local Planning Authorities are legally bound to review Article 4 Directions within their district on a regular basis. The owners of the land have approached the Council have requested that the need for the Article 4 be reviewed.
3. On the review of this Article 4 it is considered that it is no longer required.

Recommendations

4. That the Article 4 Direction be removed from the land defined as Friars Lane (off Chelmsford Road), Hatfield Heath.

Financial Implications

5. The recommendation would require the advertising of the removal of the Article 4 which would cost in the region of £600 - 700. This can be met from existing budgets for Development Management

Background Papers

6. The following papers were referred to by the author in the preparation of this report:

- Article 4 Direction for Friars Lane (off Chelmsford Road), Hatfield Heath

Impact

7.

Communication/Consultation	Through formal advertising following decision
Community Safety	Not affected.

Equalities	Not affected.
Finance	Advertising costs can be met from existing budgets. The document will be disseminated through the website.
Health and Safety	Not affected.
Human Rights/Legal Implications	Not affected.
Sustainability	Not affected
Ward-specific impacts	Within Hatfield Heath Ward
Workforce/Workplace	Existing staff resources.

Situation

8. This report relates to an existing Article 4 Direction made on a specific piece of land at Friars Lane (off Chelmsford Road), Hatfield Heath.
9. A direction under Article 4 of the Town and Country Planning (General Permitted Development) Order 1995, is a tool to restrict specific permitted development. An Article 4 can made in a blanket way across defined policy areas such as Conservation Areas, or as in the case of this Article 4 with respect of a specific issue related to a site.
10. The Article 4 Direction was considered, and made, on this piece of land in response to a potential threat of an unauthorised development occurring on the site. Although the unauthorised development would have required planning permission, some activities through permitted development could have resulted in some harmful preparatory development by stealth.
11. The Article 4 was made on 12 January 2012 and restricts specific parts of the Town and Country Planning (General Permitted Development) Order 1995; that would normally be permitted development these are in summary:
 - Part 2 (Classes A & B) Gates, Fences, Walls and other enclosures and construction of new accesses.
 - Part 4 (Class B) Temporary Uses 28 day uses (and more restricted 14 day uses)
 - Part 5 (Class A) Use as a caravan Site
 - Part 6 (Class B) Agricultural permitted development on land less 5 hectares
 - Part 7 (Class A) Forestry permitted development.
12. Article 4 Directions are required to be reviewed on a regular basis; this Article 4 has not been reviewed in the twelve years it has been in place. Government advice is clear that Article 4 should not be retained on sites unnecessarily. It is unknown whether the threat of the unauthorised use was a real or perceived one in 2012; that said it is now considered that the threat no longer exists.
13. The options for the Council are:

- Remove the Article 4 Direction
- Vary the Article 4 Direction
- Confirm the retention of the Article 4 Direction

14. As the reasoning for the Article 4 is no longer considered relevant it is not considered prudent or justified to retain the Article 4 Direction on this land. Therefore, it is requested that the Article 4 is removed and the required legislative process of notification and advertising takes place.

12. Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
None			

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.

ARTICLE 4 DIRECTION

UTTLESFORD DISTRICT COUNCIL

TOWN AND COUNTRY PLANNING ACT 1990

TOWN AND COUNTRY PLANNING (GENERAL PERMITTED DEVELOPMENT) ORDER 1995 (AS AMENDED)

Direction under Article 4 of the Town and Country Planning (General Permitted Development) Order 1995 Restricting Permitted Development

RECITALS:-

1. Uttlesford District Council (hereafter referred to as "the Authority") is the local planning authority in respect of the area of land specified in this direction and defined in article 4(4) of the Order
2. The Authority is satisfied that it is expedient that the development described in Schedule 2 to the Town and Country Planning (General Permitted Development) Order 1995 (hereafter referred to as "the Order") and specified in this direction should not be carried out unless permission is granted for it upon an application

NOW THEREFORE the Authority in pursuance of article 4(1) of the Order and all other powers thereby enabling

DIRECTS THAT:-

1. The permission granted by article 3 of the Order shall not apply to development specified in the First Schedule to this Direction in the area specified in the Second Schedule to this Direction (hereafter referred to as "the Land")
2. Pursuant to article 6(1) of the Order this Direction does not require the approval of the Secretary of State because it relates only to development permitted by:
 - a. Part 2 Classes A and B of Schedule 2 of the Order; and
 - b. Part 4 Class B of Schedule 2 of the Order; and
 - c. Part 5 Class A of Schedule 2 of the Order; and

d. Part 6 Class B of Schedule 2 of the Order; and

e. Part 7 Class A of Schedule 2 of the Order for;

and the Authority considers that all the above development would be prejudicial to the proper planning of its area or constitute a threat to the amenities of its area.

3. This Direction is made in accordance with Article 4(1) of the Order and in accordance with article 6(7) shall remain in force until the end of the period of six (6) months from the date upon which it is made unless confirmed by the local planning authority before the end of the six month period
4. In accordance with article 6(6)(a) of the Order this Direction comes into force in respect of any part of the Land on the date on which notice of the making of this Direction is served on the occupier of that part of the land or if there is no occupier upon the owner thereof

GIVEN UNDER THE COMMON SEAL OF UTTLESFORD DISTRICT COUNCIL the
twenty-sixth day of September 2011

THE FIRST SCHEDULE

(The Development)

- a. Part 2 Classes A and B of Schedule 2 of the Order for the erection, construction, maintenance, improvement or alteration of a gate, fence, wall or other means of enclosure; and the formation, laying out and construction of a means of access to a highway, respectively; and
- b. Part 4 Class B of Schedule 2 of the Order for the use of any land for any purposes for not more than 26 days in total in any calendar year, of which not more than 14 may be for the purposes referred to in Paragraph b2 (e.g. motorcycle racing) and the provision on the land of any moveable structure for the purposes of the permitted use; and
- c. Part 5 Class A of Schedule 2 of the Order for the use of the land, other than a building, as a caravan site in the circumstances referred to in paragraph A.2. to cover the use for a caravan site as specified in paragraphs 2 to 10 of Schedule 1 to the 1960 Caravan Sites and Control of Development Act 1960; and

- d. Part 6 Class B of Schedule 2 of the Order for the carrying out on agriculture land comprising an agricultural unit of less than 5 hectares, the extension or alteration of an agricultural building; the installation of additional or replacement plants or machinery; the provision, rearrangement or replacement of a sewer, main pipe, cable or other apparatus; rearrangement or replacement of a private way; the provision of a hard surface; the deposit of waste; or the carrying out of any of the following operations in connection with fish farming, namely, repairing ponds and raceways, the installation of grading machinery, aeration equipment or flow meters and any associated channel; the dredging of ponds and the replacement of tanks and nets; and
- e. Part 7 Class A of Schedule 2 of the Order for the carrying out on land used for the purposes of forestry, including afforestation, of development reasonably necessary for those purposes consisting of, works for the erection, extension or alteration of a building; the formation, alteration or maintenance of private ways; operations on that land or on land held or occupied with that land, to obtain the materials required for the formation, alteration or maintenance of such ways; and other operations;

THE SECOND SCHEDULE

(The Land)

Land at Friars Lane (off Chelmsford Road) Hatfield Heath – as shown edged and hatched in red on the attached plan

**THE COMMON SEAL of UTTLESFORD
DISTRICT COUNCIL** was hereunto affixed
in the presence of


Authorised Signatory



CONFIRMED UNDER THE COMMON SEAL OF UTTLESFORD DISTRICT

COUNCIL the *twelfth* day of *January* 201*7*2

**THE COMMON SEAL of UTTLESFORD
DISTRICT COUNCIL** was hereunto affixed
in the presence of

RA Whyte



Authorised Signatory

PROPOSED DEVELOPMENT
FRIARS LANE
HATFIELD HEATH
CM22 7BE

PROPOSED SITE PLAN

AS STATED **MAY 18** **TC**
PLANNING
BRD/15/02400/052-A



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General Form of Judgment or Order

In the County Court at Peterborough	
Claim Number	1CB00674
Date	13 March 2019



UTTLESFORD DISTRICT COUNCIL	1 st Claimant Ref
DAVID WORRELL	1 st Defendant Ref CA/CA/4WOR001-3

Before His Honour Judge Yelton sitting at the County Court at Cambridge, 197 East Road, Cambridge, CB1 1BA.

Upon reading the Defendant's application dated 28th February 2019

and upon the Claimant and Defendant agreeing the following terms

By Consent

IT IS ORDERED THAT :-

1. The Injunction Order issued on the 26th September 2011 before Her Honour Judge Plumstead sitting at Cambridge County Court, 197 East Road, Cambridge, CB1 1BA and directed to the then defendant Mr David Worrell forbidding him, or his servant or agent, from using the land at Friars Lane, Hatfield Heath, Essex for any purpose other than agriculture or grazing or open land unless authorised by planning permission to do so, be discharged forthwith.

2. Each party shall bear its own costs.

Dated 11 March 2019

Agenda Item 11

Committee: Cabinet

Date: Tuesday,

Title: Proposed Article 4 Direction, Land at Attridges Farm, High Roding

19 March 2024

Portfolio Holder: Councillor John Evans, Portfolio Holder for Planning

Report author: Nigel Brown, Head of Development Management & Enforcement

Key decision: No

Summary

1. Land at Attridges Farm, High Roding, since 2021 has been the subject of online advertising of individual plots for unconditional sale. The land has little if any planning potential.
2. Sales of individual strips and plots has resulted in the introduction of some fences and enclosures which are permitted development under Part 2 (Classes A & B) of the Town and Country Planning (General Permitted Development) Order 1995. This concentration is detrimentally affecting the character of this part of the countryside.
3. It is considered prudent to consider the making of an Article 4 Direction restricting some permitted development activity. Specifically.
 - Part 2 (Classes A & B) Gates, Fences, Walls and other enclosures and construction of new accesses.
 - Part 4 (Class B) Temporary Uses 28 day uses (and more restricted 14 day uses)
 - Part 5 (Class A) Use as a caravan Site
 - Part 6 (Class B) Agricultural permitted development on land less 5 hectares
 - Part 7 (Class A) Forestry permitted development.

Recommendations

4. That an Article 4 Direction be defined for Land at Attridges Farm, High Roding.

Financial Implications

5. The recommendation would require the advertising of the imposing of the Article 4 which would cost in the region of £600 - 700. This can be met from existing budgets for Development Management

Background Papers

6. The following papers were referred to by the author in the preparation of this report:

- Location Map of Site

Impact

7.

Communication/Consultation	Through formal advertising following decision
Community Safety	Not affected.
Equalities	Not affected.
Finance	Advertising costs can be met from existing budgets. The document will be disseminated through the website.
Health and Safety	Not affected.
Human Rights/Legal Implications	Not affected.
Sustainability	Not affected
Ward-specific impacts	Within High Easter and the Rodings Ward
Workforce/Workplace	Existing staff resources.

Situation

8. This report relates to a proposed Article 4 Direction at Attridges Farm, Rands Road, High Roding.
9. A direction under Article 4 of the Town and Country Planning (General Permitted Development) Order 1995, is a tool to restrict specific permitted development. An Article 4 can be made in a blanket way across defined policy areas such as Conservation Areas, or as in the case of this Article 4 with respect of a specific issue related to a site.
10. The site in question is currently an area of agricultural land in High Roding. Strips and plots of the land are currently being offered online for sale unconditionally. The plots have very little planning potential; however, the plots are being purchased. New purchasers have tended to erect fencing to delineate the plots. The impact can be detrimental to the rural character by the creation of a number of closely enclosed plots.
11. Planning permission would be required for formal uses of the plots, however under permitted development rights as defined within the Town and Country Planning (General Permitted Development) Order 1995; the plots could be developed or used, albeit on a restrictive basis, without the need for planning permission, which would likely detract from the open nature of the site.

12. It is therefore considered proportionate and prudent to create an Article 4 Direction restricting the following permitted development elements.

- Part 2 (Classes A & B) Gates, Fences, Walls and other enclosures and construction of new accesses.
- Part 4 (Class B) Temporary Uses 28 day uses (and more restricted 14 day uses)
- Part 5 (Class A) Use as a caravan Site
- Part 6 (Class B) Agricultural permitted development on land less 5 hectares
- Part 7 (Class A) Forestry permitted development.

13. As with all such directions, this Article 4 will be reviewed after a few years to check that it is still required,.

12. Risk Analysis

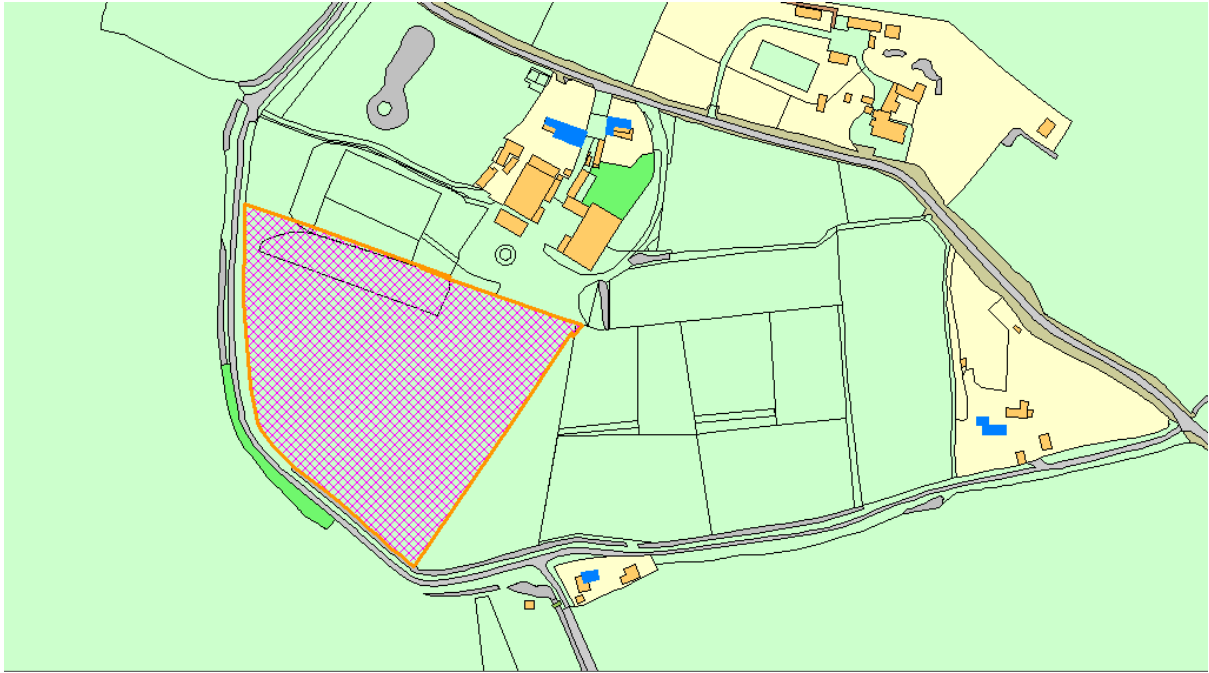
Risk	Likelihood	Impact	Mitigating actions
None			

1 = Little or no risk or impact

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

3 = Significant risk or impact – action required

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



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Organisation: Uttlesford District Council 04/03/2024

Agenda Item 12

Committee:	Cabinet	Date:	Tuesday, 19 March 2024
Title:	Quarter 3 Financial Forecast - 2023/24		
Portfolio Holder:	Councillor Neil Hargreaves, Portfolio Holder for Finance and the Economy		
Report Author:	Jody Etherington, Director of Finance, Revenues and Benefits JEtherington@uttlesford.gov.uk	Key decision:	No

Summary

1. This report sets out the latest forecast financial performance of the General Fund, Housing Revenue Account, and capital programme, together with a summary of the Council's treasury management position and updated prudential indicators. It is based upon actual income and expenditure from April to December 2023, together with forecasts for the remainder of the financial year.
2. At present, there is a forecast net underspend on the General Fund of £1.432 million. This should be seen in the context of a budgeted General Fund deficit (to be funded from reserves) of £2.940 million – the forecast underspend therefore reduces this deficit to £1.508 million. Further details are set out in paragraphs 12-26.
3. The Housing Revenue Account is forecasting a net underspend of £458,000. It has previously been agreed to transfer £420,000 of this underspend into a new transformation reserve (alongside the £160,000 currently held in the revenue projects reserve) to fund one-off costs associated with replacing the housing maintenance and capital improvements contract with Uttlesford Norse Services Ltd (UNSL). Further details are set out in paragraphs 27-30.
4. The current year approved capital programme totals £32.970 million. Forecast capital expenditure is now £32.513 million. After taking into account forecast slippage of £1.296 million, this represents a net overspend of £839,000. Further details are set out in paragraphs 31-32.
5. Throughout the period, the Council's treasury management activities have been carried out in accordance with the Treasury Management Strategy approved by Council in February 2023, with the exception of two minor breaches of the counterparty investment limit in respect of overnight balances with Barclays Bank. On both occasions, the issue was rectified on the following business day. Further details are set out at paragraphs 33-39, and in the Treasury Management Q3 Outturn report presented to Cabinet alongside this report.

6. Prudential indicators which relate to treasury management are reported separately within the Treasury Management Q3 Report. Other prudential indicators are set out at paragraphs 40-43 of this report.
7. Two General Fund revenue virements have been put forward for Cabinet approval as part of this report – see paragraphs 19-20.

Recommendations

8. The Cabinet is recommended to:
 - i. Note the contents of this report, in particular the General Fund, Housing Revenue Account and capital programme forecast outturn positions, and updated prudential indicators.
 - ii. Approve the General Fund revenue virements set out at paragraph 19.

Financial Implications

9. Financial implications are set out throughout this report.

Background Papers

10. None

Impact

- 11.

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

12. The original General Fund budget for 2023/24 included a planned deficit of £2.667 million to be funded from the Medium Term Financial Strategy (MTFS)

reserve. Subsequent decisions taken by Cabinet to allocate £250,000 towards remedial works at Mortimer's Gate in August 2023, and £23,000 towards IDOX development in November 2023, have increased the planned deficit for the year to £2.940 million.

13. The latest forecast against this budget is a net underspend of £1.432 million, meaning that the actual deficit to be funded from the MTFs reserve in 2023/24 is now predicted to be £1.508 million.
14. A summary of the General Fund forecast is set out in the table below, with a more detailed breakdown provided at Appendix A:

General Fund 2023/24 - Q3 Forecast Summary					
	2022/23	2023/24	2023/24	2023/24	2023/24
	Outturn	Original	Current	Forecast	Forecast
	£'000	Budget	Budget	Outturn	Variance
	£'000	£'000	£'000	£'000	£'000
Service portfolios	18,008	19,251	19,274	18,286	(988)
Investment property					
Investment property income (net of management costs)	(11,462)	(11,974)	(11,974)	(12,443)	(469)
Borrowing costs	4,434	8,410	8,410	8,549	139
Minimum revenue provision (MRP)	2,211	2,804	2,804	2,516	(288)
Subtotal - Investment property	(4,817)	(760)	(760)	(1,378)	(618)
Corporate items					
Capital financing	1,711	2,441	2,830	2,490	(340)
Leisure PFI interest	348	334	334	334	-
Corporate pension costs (added years and deficit repair)	168	545	545	541	(4)
Treasury investment income	(375)	(337)	(337)	(477)	(140)
Net recharges to Housing Revenue Account (HRA)	(1,870)	(1,967)	(1,967)	(2,011)	(44)
Bad debt costs	(17)	-	-	-	-
Subtotal - Corporate items	(35)	1,016	1,405	877	(528)
External funding					
Retained business rates (including S31 grants)	(4,372)	(5,272)	(5,272)	(5,413)	(141)
Collection fund (surplus)/deficit	(560)	249	249	249	-
New Homes Bonus	(1,343)	(432)	(432)	(432)	-
Other government grants	(1,861)	(2,901)	(2,901)	(2,901)	-
Subtotal - External funding	(8,136)	(8,356)	(8,356)	(8,497)	(141)
Subtotal - Net operating expenditure	5,020	11,151	11,563	9,288	(2,275)
Transfers to/(from) earmarked reserves	1,042	(4,457)	(4,869)	(4,026)	843
Total - Council tax requirement	6,062	6,694	6,694	5,262	(1,432)
Council tax	(6,404)	(6,694)	(6,694)	(6,694)	-
Over/(under)spend	(342)	-	-	(1,432)	(1,432)

Service Portfolios

15. There is a forecast net underspend on General Fund services (before reserve movements) of £988,000.
16. 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. After taking into account reserve movements, the adjusted net underspend on General Fund services is £442,000, as summarised in the table below:

General Fund Services - Q3 Forecast	2022/23 Outturn	2023/24 Original Budget	2023/24 Current Budget	2023/24 Forecast Outturn	2023/24 Forecast Variance	2023/24 Variance to Earmarked Reserves	2023/24 Forecast Net Variance
	£'000	£'000	£'000	£'000	£'000	£'000	
Service portfolios							
Communities and Local Partnerships	1,300	1,464	1,464	1,211	(253)	38	(215)
Environment and Climate Change	2,776	3,529	3,529	3,899	370	188	558
Finance and the Economy	1,353	1,613	1,620	1,893	273	(95)	178
Housing and Equalities	194	262	262	79	(183)	163	(20)
Planning	4,545	2,650	2,650	2,634	(16)	17	1
Strategy and Governance	3,075	4,241	4,241	3,376	(865)	100	(765)
Corporate Services	4,765	5,492	5,508	5,194	(314)	135	(179)
Subtotal - Service portfolios	18,008	19,251	19,274	18,286	(988)	546	(442)

17. The largest forecast service variances not funded through earmarked reserves are as follows:-

Overspends

- Waste management – overspend of £502,000 on waste processing and disposal costs due mainly to higher than anticipated external processing charges. These costs are driven by market forces and are highly volatile and difficult to predict.
- Audit fees – overspend of £161,000 due mainly to significant increase to centrally set scale fees this year.
- Vehicle maintenance – overspend of £113,000 on vehicle maintenance and materials as a result of rising costs and an aging vehicle fleet.
- Estate maintenance – overspend of £105,000 on planned and ad hoc repairs across the Council's General Fund estate, due to the age of the estate and recent acquisitions of Little Canfield and Walpole Meadows.

Underspends and increased income

- Staff pay award – a central contingency of £250,000 was set aside in the 2023/24 budget in case the final negotiated staff pay award exceeded the levels assumed when setting individual service budgets. In reality, the final settlement was very close to the budgeted amount, and only £21,000 of the contingency was required, leaving an underspend of £229,000.
- Building control – unbudgeted income of £169,000 relating to new commercial income streams.

- Council offices – one-off additional income of £127,000 relating to rental income at Little Canfield. This is a technical accounting adjustment in respect of income which should have been recognised in 2022/23 but was omitted in error.
- Local Highways Panel – underspend of £100,000 due to withdrawal from Local Highways Panel.

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

Virements

19. Cabinet is requested to approve the following small virements which relate to the in-year impact of staff restructures arising from a review of the Revenues and Benefits service under Blueprint Uttlesford:

- A virement of £13,320 from Benefits Administration to Revenues Administration.
- A virement of £7,890 from Revenues Administration to Financial Services.

20. Note that the General Fund tables throughout this report and its appendices show the position as it would look following the approval of the above virements.

Investment Property

21. The Council's investment property portfolio is projected to return a net positive contribution of £1.378 million to the General Fund in 2023/24, against a budget of £760,000 (i.e. increased income of £618,000). The components of the variance are as follows:-

- Overachievement of net investment income of £469,000, due mainly to additional interest income earned following delays to the completion of one of the Council's investment properties in 2023/24.
- An underspend of £288,000 on minimum revenue provision (MRP), again due to a delay to the completion of the Council's final commercial unit. Since this was completed after 1 April 2023, there will now be no MRP charge in respect of this asset in 2023/24. MRP will instead commence at 1 April 2024 – the same total amount of MRP will need to be charged over the life of the asset.
- An overspend of £139,000 on borrowing costs due to higher than anticipated interest rates – this is offset by higher than anticipated treasury investment income of £140,000 included in corporate items below.

Corporate Items

22. The forecast net underspend of £340,000 on capital financing includes the following significant variances:-

- An underspend of £224,000 on Mortimer's Gate – in August 2023 Cabinet approved expenditure of up to £250,000 to fund remedial works to address a planning and environmental health issue around an electricity sub-station at Mortimer's Gate. The latest estimate is that the works will cost £176,000, of which £150,000 will be funded using an external developer's contribution, leaving £26,000 to be funded from General Fund revenue resources.
- An underspend of £100,000 due to project slippage on the superfast broadband project – this amount is anticipated to be carried forward in the capital slippage reserve to be spent in future years.
- An overspend of £174,000 on capital costs to be funded from revenue in respect of professional services relating to the final stages of construction of the Council's commercial property portfolio.

23. Treasury investment income is forecast to be £140,000 higher than budget due to higher than anticipated interest rates.

General Fund Reserves

24. The total General Fund reserves balance at 1 April 2023 was £25.207 million. The current budget includes a net draw on reserves of £4.869 million. However, due to the variances in year set out above, the forecast net draw on specific earmarked reserves is now £4.026 million. This, together with the forecast net underspend of £1.432 million, leaves a forecast closing reserve balance of £22.613 million.

25. Variances between budgeted reserve movements and the current forecast are set out in the table on the following page:

Movement in Reserves - Forecast Variance in Net Transfers	Drawdowns £'000	Additions £'000	Net Total £'000	Comments
Budgeted net use of earmarked reserves			(4,869)	
Reserve variances relating to direct services				
Homelessness		165		Return net underspend against Homelessness Prevention Grant to reserves for spending in later years - the reason for the large underspend is the unexpected receipt of an additional £167,000 of grant income in 2023/24 relating to Homes for Ukraine
Climate change		135		Revenue underspend against 3 year climate change programme - some will be used to fund capital projects as below, with unspent amount to remain in reserves to be used in future years
Cost of Living Support Fund		135		Return unspent amount of Cost of Living Support Fund in 2023/24 to reserves - will fund an extension to the scheme for 2024/25
Community grants and contributions	(127)			Drawdown of amounts set aside in 2022/23 for grants which had not been paid out by year end
Community safety		119		Net underspend against grants received for supporting asylum seekers, to be carried forward for future years
Local Highway Panel		100		Budgeted contribution from reserves no longer required as Council is no longer a member
Licensing		74		Variance in net expenditure on ringfenced licensing activities to be funded from previous surpluses held in reserves
Local Plan		66		Forecast underspend in 2023/24 due to work slippage - amount to remain in reserves to fund future year expenditure
Business Recovery Fund	(56)			Additional drawdown from Business Recovery Fund to fund expenditure in 2023/24 which has slipped from earlier years
Health and wellbeing		47		Includes £36,000 of additional unbudgeted grants received in year which will be spent in future years, along with underspend on other grant funded activities, again with unspent amounts to be kept in reserves for future years
Air quality grant	(41)			Higher than anticipated drawdown of grant received in 2022/23 to fund spend in year
Shared Prosperity Fund	(40)			Drawdown of grant received in 2022/23 to fund expenditure in year
Planning specialists	(13)			Drawdown of grant received in 2022/23 for new biodiversity net gain activity to fund spend in 2023/24
Public health grants	(13)			Higher than budgeted net drawdown of grants received in 2022/23 due to higher than anticipated spend
Neighbourhood Planning	(3)			Unbudgeted drawdown of reserves to fund expenditure in year
Housing strategy	(2)			Drawdown from Planning reserve to fund grants to Community Led Homes groups
Total - Reserve variances relating to direct services	(295)	841	546	
Other reserve variances				
Capital slippage		184		Lower than anticipated drawdown from capital slippage reserve due mainly to further slippage
Business rates		141		Latest forecast shows higher than budgeted net retained income from business rates, mainly due to an adjustment to the tariff payable to government following the 2023 revaluation - difference to be drawn down from business rates reserve
Working balance		116		Above budgeted increase in working balance requirement due to variances elsewhere
New loan to Aspire	(108)			Drawdown from commercial assets reserve to fund borrowing costs associated with new loan to Aspire during development period (while no income is generated)
Climate change	(36)			Use of climate change reserve to fund climate-related capital projects
Total - Other reserve variances	(144)	441	297	
Forecast net use of reserves (before underspend)			(4,026)	

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

Housing Revenue Account (HRA)

27. The forecast outturn on the HRA is a net underspend of £458,000, as set out in the table below. A more detailed breakdown is provided at Appendix D.

Housing Revenue Account 2023/24 - Q3 Forecast	2022/23 Outturn	2023/24 Original Budget	2023/24 Current Budget	2023/24 Forecast Outturn	2023/24 Forecast Variance
	£'000	£'000	£'000	£'000	£'000
Service income	(16,457)	(18,233)	(18,233)	(18,318)	(85)
Service expenditure					
Finance and business management expenditure	130	114	114	209	95
Maintenance and repairs service expenditure	4,868	4,822	4,822	4,635	(187)
Management and homelessness expenditure	1,140	1,054	1,054	1,040	(14)
Additional one-off HRA revenue costs	-	-	1,000	802	(198)
Subtotal - Service expenditure	6,138	5,990	6,990	6,686	(304)
Other operating income and expenditure					
Bad debts	58	100	100	100	-
Depreciation	4,610	4,768	4,768	4,547	(221)
Borrowing costs	2,601	2,618	2,618	2,600	(18)
Treasury investment income	(105)	(95)	(95)	(133)	(38)
Uttlesford Norse Partnership profit share	(90)	-	-	(78)	(78)
Corporate pension costs (added years and deficit repair)	38	29	29	46	17
Share of corporate and democratic core costs	399	403	403	412	9
Other recharges from General Fund	1,471	1,564	1,564	1,599	35
Right to buy administration allowance	(16)	(10)	(10)	(14)	(4)
Subtotal - Other operating income and expenditure	8,966	9,377	9,377	9,079	(298)
Subtotal - Operating (surplus)/deficit	(1,353)	(2,866)	(1,866)	(2,553)	(687)
Capital financing	2,876	2,758	2,617	2,753	136
Transfers to/(from) earmarked reserves	(1,432)	108	(751)	(658)	93
Over/(under)spend	91	-	-	(458)	(458)

28. The operating surplus on the HRA is forecast to be £2.553 million, which is £687,000 higher than the budgeted figure of £1.866 million. The main variances from budget are as follows:-

Overspend

- There is a forecast overspend of £105,000 in respect of council tax on void properties, as a result of a higher than expected level of voids throughout the year.

Underspends and increased income

- Depreciation charges are £221,000 lower than budgeted due to lower than anticipated property valuations as at 1 April 2023. Although this represents a revenue saving to the HRA, it means a corresponding

reduction in the amount transferred to the Major Repairs Reserve in year to fund capital works on the Council's existing housing stock.

- In March 2023, Cabinet approved additional one-off revenue expenditure of £1 million to fund urgent issues arising in the HRA. This included the establishment of a contract management team to oversee the Council's main repairs and maintenance contract, and revenue resources required to deal with damp and mould issues throughout the housing stock. Per the latest forecast, only £802,000 of this amount is likely to be required, i.e. an underspend of £198,000.
- The latest forecast shows dwelling rent income which is £159,000 higher than budget, due mainly to new affordable housing stock completed during the year.
- Utility costs across the HRA estate are forecast to be £127,000 lower than budget due largely to lower than anticipated gas consumption and a fall in gas prices from October 2023.

HRA Revenue Reserves

29. The total balance on HRA revenue reserves (including earmarked reserves) at 1 April 2023 was £1.778 million. The forecast total balance at 31 March 2024 is now £1.578 million. This includes a prudent minimum working balance of £598,000, a transformation reserve of £580,000, and other specific reserves of £83,000. This will leave £317,000 in unallocated revenue reserves.

30. The table at Appendix E shows the forecast HRA revenue reserve position in full.

Capital Programme

31. The current budget for the 2023/24 capital programme is £32.970 million. This comprises an original budget of £8.628 million, slippage from previous years of £14.442 million, and additional approvals in year of £9.900 million (consisting of £7.550 million in 2023/24 of new loans to Aspire, £2.100 million for capital works at the new depot site, and £250,000 for remedial works at Mortimer's Gate).

32. The forecast outturn spend is now £32.513 million, which is £457,000 lower than the current budget. However, after taking into account estimated slippage of £1.296 million on specific projects, this represents an overall net overspend of £839,000. The most significant variances on individual capital projects are set out below, with a full breakdown provided at Appendix F:-

General Fund

- Capital expenditure of £262,000 is anticipated in respect of capital grants awarded from the UK Shared Prosperity Fund and Rural England Prosperity Fund. These schemes are funded in their entirety from

government grants, the terms of which set a minimum level of expenditure which must be capital in nature.

- Capital expenditure of £210,000 is anticipated in respect of air quality monitoring which was not included in the 2023/24 capital programme. This has arisen as a result of the Council being awarded £396,000 of grant income which is ringfenced for this purpose, to be spent over 2 years. Some match funding is required, which will be financed from the Council's Climate Change reserve (an estimated £36,000 in 2023/24).
- An underspend of £145,000 on car park maintenance is forecast due to project slippage – any unused budget will be slipped to the following year.
- An underspend of £127,000 is forecast against the vehicle replacement project as a result of fewer orders than anticipated being placed – any unused budget will be slipped to the following year.
- An underspend of £100,000 is forecast against a budget of £600,000 for the superfast broadband project – this amount will be held in the capital slippage reserve for use in future years, particularly in supporting initiatives to improve connectivity across the district.

Housing Revenue Account

- An underspend of £479,000 on maintenance of the existing HRA housing stock under the contract with Uttlesford Norse Services Ltd (UNSL) – the majority of this is due to work slippage, with an amount of £390,000 anticipated to slip to 2024/25.
- An in-year overspend of £268,000 on the Walden Place redevelopment project, primarily as a result of additional groundworks and archaeological oversight required in the early stages of the project. Further payments are anticipated in 2024/25 and 2025/26 which are likely to increase the overall overspend to around £386,000 by the time the project has been completed.
- An overspend of £214,000 on new build housing at Thaxted Road (compared to total project spend over a 5 year period of £3.765 million) – this overspend was anticipated towards the end of 2022/23 and an amount set aside in the capital slippage reserve to finance the 60% share which cannot be financed from right-to-buy receipts.
- An underspend of £111,000 in relation to new builds on garden sites due to project slippage – any unused budget will be slipped to the following year, with 60% put aside in the capital slippage reserve to cover the portion which cannot be financed from right-to-buy receipts.

Treasury Management

33. Treasury management activities have been carried out throughout the period in accordance with the Treasury Management Strategy approved by Council in February 2023, with the exception of two brief and minor breaches of individual counterparty investment limits, as set out in the following paragraphs.
34. The Treasury Management Strategy places a limit on the total amount which can be invested with any one individual counterparty. The purpose of this is to limit the Council's exposure in the unlikely event of the failure or default of any of the financial institutions with which the Council invests. The individual counterparty investment limit for unsecured investments with banks is £3 million.
35. On two occasions in November 2023, the Council missed the daily deadline for investing excess cash in its operational bank accounts. One of these was due to human error, whilst the other was as a result of IT issues temporarily preventing access to online banking. As a result, on these two occasions, the total amount deposited overnight with Barclays Bank (the Council's operational bankers) exceeded the £3 million limit.
36. On both occasions, the level of the breach was relatively small (£347,000 and £149,000), and the situation was fully rectified on the following day. The risk arising for the Council from these breaches was therefore considered to be very low.
37. For the period from April to December 2023, the Council's weighted average cost of borrowing was 3.67%, whilst the weighted average return on treasury investments was 4.97%. The return on investments is higher than the cost of borrowing as investments tend to be placed for a shorter period (less than one year and sometimes as short as overnight), whereas a significant proportion of the Council's borrowing has been fixed for the longer term. This means that recent increases in interest rates have been reflected relatively quickly within the investment portfolio, whereas the Council continues to benefit from lower interest rates on its borrowing where this was secured in earlier years. Nevertheless, the Council's borrowing far exceeds the balances invested, and the Council remains exposed to interest rate risk on refinancing. Further details are provided within the Q3 Treasury Management Outturn report presented to the same Cabinet meeting as this report.
38. The Council's borrowing over the period is summarised in the table on the following page, whilst a detailed list of all borrowing and investments is included at Appendix G:

Borrowing	Opening Balance 1 April 2023 £'000	Closing Balance 31 Dec 2023 £'000	Weighted Average Interest Rate %
Other local authorities	100,000	99,500	3.83%
UK building societies	5,000	-	3.80%
Phoenix	36,095	35,785	2.86%
Public Works Loan Board	158,315	158,221	3.76%
Total Borrowing	299,410	293,506	3.67%

39. During the period, the Bank of England base rate continued to rise from 4.25% at 1 April 2023 to 5.25% by 30 September 2023. Since then, the base rate has remained stable, and the Council's treasury management advisers now feel that it is likely that the base rate has peaked. Nevertheless, as the Council's borrowing falls due, it is likely that refinancing rates will continue to be higher than those of the borrowing being replaced for the foreseeable future. As such, the Council's cost of borrowing is forecast to continue to rise, with the average cost of borrowing for the full year now forecast to be around 3.78%.

Prudential Indicators

40. From 1 April 2023, local authorities are required to monitor and report their prudential indicators on at least a quarterly basis.

41. The table on the following page sets out the latest forecasts in respect of the Council's non-treasury management prudential indicators:

Prudential Indicators 2023/24	2023/24 Budget £m	2023/24 Forecast £m	Variance £m
Estimate of capital expenditure			
General Fund services	2.3	4.9	2.6
Commercial investments	0.9	17.6	16.7
Housing Revenue Account	9.3	9.8	0.5
Total - Estimate of capital expenditure	12.5	32.3	19.8
Estimate of capital financing requirement (CFR) at 31 March			
General Fund services	17.8	18.2	0.4
Commercial investments	245.7	253.1	7.4
Housing Revenue Account	80.5	81.9	1.4
Total - Estimate of capital financing requirement (CFR) at 31 March	344.0	353.2	9.2
Gross debt at 31 March*	310.0	320.1	10.1
Authorised limit			
Authorised limit for borrowing	415.0	415.0	-
Authorised limit for other long-term liabilities*	5.0	5.0	-
Total - Authorised limit for external debt	420.0	420.0	-
Operational boundary			
Operational boundary for borrowing	395.0	395.0	-
Operational boundary for other long-term liabilities*	5.0	5.0	-
Total - Operational boundary for external debt	400.0	400.0	-
Proportion of financing costs to net revenue stream	84%	82%	(2%)
Proportion of net income from commercial investments to net revenue stream	54%	82%	28%
* Includes Private Finance Initiative (PFI) and lease liabilities			

42. Key variances from budget in respect of the above indicators are as follows:-

- Increased capital expenditure of £19.8 million, due mainly to capital slippage from 2023/24 being £10.5 million higher than anticipated when the prudential indicators were set (mainly relating to slippage on the development one of the Council's commercial investment assets), and additional capital expenditure of £9.9 million approved in year.
- Increased capital financing requirement (CFR) of £9.2 million, due mainly to additional capital expenditure of £9.9 million approved in year (of which £7.6 million relates to new loans to Aspire for further development at Chesterford Research Park).
- Forecast gross debt has increased by £10.1 million, which is broadly in line with the increase in CFR.
- Proportion of net income from commercial investments to net revenue stream has increased from 54% to 82%. This indicator was initially set at by reference to 2021/22 outturn figures for investment income – however

now that more commercial properties have been completed, investment income has increased which has resulted in the increase to this indicator.

43. Reporting against the prudential indicators relating to treasury management is undertaken separately within the Treasury Management Q3 Report 2023/24.

Risk Analysis

44.

Risk	Likelihood	Impact	Mitigating actions
Actual outturn will vary from forecast, requiring adjustments to budget and/or service delivery	2 – as the current forecasts have been prepared towards the end of the year, the likelihood of significant variances at outturn should be reduced	2 – budget will continue to be closely monitored and prompt action taken if necessary to control and report variances	Continued regular analysis of the financial position

1 = Little or no risk or impact

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

3 = Significant risk or impact – action required

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

General Fund Summary

General Fund 2023/24 - Q3 Forecast Summary	2022/23	2023/24	2023/24	2023/24	2023/24
	Outturn	Original	Current	Forecast	Forecast
		Budget	Budget	Outturn	Variance
	£'000	£'000	£'000	£'000	£'000
Service portfolios					
Communities and Local Partnerships	1,300	1,464	1,464	1,211	(253)
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Subtotal - Corporate items	(35)	1,016	1,405	877	(528)
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Collection fund (surplus)/deficit	(560)	249	249	249	-
New Homes Bonus	(1,343)	(432)	(432)	(432)	-
Other government grants	(1,861)	(2,901)	(2,901)	(2,901)	-
Subtotal - External funding	(8,136)	(8,356)	(8,356)	(8,497)	(141)
Subtotal - Net operating expenditure	5,020	11,151	11,563	9,288	(2,275)
Transfers to/(from) earmarked reserves					
Ringfenced reserves	(130)	(1,232)	(1,371)	(857)	514
Core reserves	1,406	(1,867)	(2,140)	(2,147)	(7)
Member priority reserves	(483)	(1,137)	(1,137)	(1,036)	101
Grant reserves	249	(221)	(221)	14	235
Subtotal - Transfers to/(from) earmarked reserves	1,042	(4,457)	(4,869)	(4,026)	843
Total - Council tax requirement	6,062	6,694	6,694	5,262	(1,432)
Council tax	(6,404)	(6,694)	(6,694)	(6,694)	-
Over/(under)spend	(342)	-	-	(1,432)	(1,432)

General Fund Service Portfolios

Communities and Local Partnerships	2022/23	2023/24	2023/24	2023/24	2023/24
	Outturn	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000	£'000	£'000
Community Hubs	28	95	95	40	(55)
Emergency Planning	36	35	35	26	(9)
Grants & Contributions	391	369	369	489	120
Health Improvement	179	228	228	55	(173)
Saffron Walden Museum	268	266	266	275	9
Ward Member Grants	94	78	78	78	-
Community Safety	304	393	393	248	(145)
Total - Communities and Local Partnerships	1,300	1,464	1,464	1,211	(253)

Environment and Climate Change	2022/23	2023/24	2023/24	2023/24	2023/24
	Outturn	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000	£'000	£'000
Animal Welfare	4	4	4	3	(1)
Grounds Maintenance	386	445	445	428	(17)
Depots	51	(50)	(50)	(34)	16
Climate Change	114	450	450	338	(112)
Environmental Protection	335	526	526	511	(15)
Street Cleansing	433	466	466	478	12
Imported Food	(194)	(176)	(176)	(172)	4
Licensing	(95)	(48)	(48)	(214)	(166)
Vehicle Management	518	560	560	661	101
Environmental Health - Commercial	320	483	483	504	21
Waste Management	596	543	543	1,117	574
Street Services	308	326	326	279	(47)
Total - Environment and Climate Change	2,776	3,529	3,529	3,899	370

Finance and the Economy	2022/23	2023/24	2023/24	2023/24	2023/24
	Outturn	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000	£'000	£'000
Car Parks	(436)	(432)	(432)	(404)	28
Economic Development	290	478	478	514	36
Financial Services	1,296	1,116	1,123	1,252	129
Private Finance Initiative	203	451	451	531	80
Total - Finance and the Economy	1,353	1,613	1,620	1,893	273

Housing and Equalities	2022/23	2023/24	2023/24	2023/24	2023/24
	Outturn	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000	£'000	£'000
Homelessness	139	190	190	6	(184)
Housing Strategy	62	72	72	73	1
Housing Improvement Grants	(7)	-	-	-	-
Total - Housing and Equalities	194	262	262	79	(183)

Planning	2022/23	2023/24	2023/24	2023/24	2023/24
	Outturn	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000	£'000	£'000
Building Control	(68)	(97)	(97)	(227)	(130)
Development Management	2,798	194	233	427	194
Highways Infrastructure Planning	5	80	80	1	(79)
Planning Management	466	512	473	497	24
Planning Policy	1,160	1,696	1,696	1,618	(78)
Planning Specialists	184	265	265	318	53
Total - Planning	4,545	2,650	2,650	2,634	(16)

Strategy and Governance	2022/23	2023/24	2023/24	2023/24	2023/24
	Outturn	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000	£'000	£'000
Contract, Performance and Risk Management	29	181	181	166	(15)
Committee Administration	302	345	205	173	(32)
Corporate Management	1,535	2,418	2,418	1,515	(903)
Democratic Representation	329	355	355	357	2
Conducting Elections	38	100	100	109	9
Electoral Registration	36	34	174	178	4
Internal Audit	137	165	165	142	(23)
Information Governance	-	-	65	65	-
Local Amenities	(13)	(13)	(13)	(13)	-
Legal Services	475	393	328	466	138
Communications	207	263	263	218	(45)
Total - Strategy and Governance	3,075	4,241	4,241	3,376	(865)

Corporate Services	2022/23	2023/24	2023/24	2023/24	2023/24
	Outturn	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000	£'000	£'000
Asset Management	109	136	136	242	106
Benefits Administration	332	467	454	453	(1)
Customer Services Centre	552	603	603	531	(72)
Community Information Centres	23	23	23	(29)	(52)
Central Services	399	454	454	434	(20)
Housing Benefits	68	143	143	231	88
Human Resources	329	408	408	353	(55)
Information Technology	1,736	1,823	1,846	1,868	22
Land Charges	(37)	(53)	(53)	(22)	31
Council Tax Collection	(92)	(100)	(100)	(110)	(10)
Norse Partnership	398	437	437	437	-
Non Domestic Rates Collection	(147)	(146)	(146)	(152)	(6)
Offices	704	603	603	444	(159)
Revenues Administration	534	710	716	632	(84)
Council Tax Support	(143)	(16)	(16)	(118)	(102)
Total - Corporate Services	4,765	5,492	5,508	5,194	(314)

Overspends >£30,000

Service Portfolio	Forecast Commentary £'000
Waste Management	574 Includes overspend of £502,000 on waste disposal and processing costs which are volatile and determined by market forces, an overspend of £63,000 on vehicle hire costs, underachievement of trade waste income of £46,000, and £35,000 overspend on staff costs due mainly to the use of agency staff to cover vacancies. Partially offset by £59,000 higher than budgeted net income from recycling credits (including kitchen and green waste).
Development Management	194 Includes an overspend of £295,000 on staff costs mainly as a result of using agency staff to cover hard-to-recruit vacant posts, underachievement of PPA income of £68,000, unbudgeted compensation payments totalling £44,000 in respect of three developments, and an overspend of £34,000 on professional fees relating primarily to ecology advice. Offset slightly by increased planning application fees of £75,000, a £75,000 saving on PPA consultancy costs due to lower volumes of work and more being carried out in-house, unbudgeted backlog government funding of £59,000, and a total underspend of £29,000 on costs relating to planning appeals.
Legal Services	138 Includes net overspend of £44,000 as a result of having to use agency staff to cover vacant posts in year, and a further overspend of £65,000 on external consultancy which will again be related to vacant posts meaning more work needing to be outsourced.
Financial Services	129 Includes unbudgeted spend of £65,000 on agency staff mainly to support production of backlog statutory accounts and staff training, and overspend of £49,000 on insurance due mainly to higher than budgeted annual increase to premiums.
Grants & Contributions	120 Mainly relates to grants awarded from previous years' budgets but anticipated to be paid out this year, including £100,000 of Major Sports Facility grants which are not fully allocated or where payment conditions have not yet been met. Funds have been set aside in earmarked reserves to cover these grants.
Asset Management	106 Mainly due to an overspend on planned and ad hoc repair costs across the Council's General Fund estate, as a result of the aging condition of the estate and recent acquisitions of Little Canfield and Walpole Meadows.
Vehicle Management	101 Mainly relates to overspend on vehicle maintenance and material costs based upon year-to-date experience. Costs have risen and vehicles are aging - two vehicles will be replaced in 2024/25.
Housing Benefits	88 Expenditure on housing benefits, and associated subsidy income, is largely outside of the control of the Council. Both depend upon the number of claimants and their circumstances. Mandatory housing benefit expenditure is currently forecast to be £358,000 higher than budget, with subsidy income forecast to be £270,000 higher than budget.
Private Finance Initiative	80 Includes £80,000 higher than budgeted unitary payments to the PFI operator, mainly following higher than anticipated contractual price increases, and a £41,000 contribution towards resolving RAAC issues at Lord Butler Leisure centre, offset by a £42,000 reduction in additional utility support payments following reduction in energy prices.
Planning Specialists	53 Includes overspend of £82,000 on external conservation consultancy.
Economic Development	36 Includes £56,000 overspend on the three year Business Recovery Programme as a result of slippage of work from previous years, to be funded from the economic development reserve, offset by net £39,000 saving on vacant post.

Service Portfolio	Forecast Commentary £'000
Land Charges	31 Mainly due to lower than budgeted income as a result of lower volumes of work.

Underspends >£30,000

Service Portfolio	Forecast Commentary £'000
Corporate Management	(903) The budget included a central contingency amount of £516,000 in respect of excess agency staff costs for hard-to-recruit areas (Planning, Legal and Finance). Whilst the budget is held centrally, the associated costs are left in the relevant services so as to show the true overspend position on each service - this results in a corresponding underspend being shown here. The budget also included a central contingency of £250,000 in respect of above budgeted pay increases across the council - the pay award has now been agreed and reflected across all services, so this contingency is no longer required. In addition, there is a saving of £200,000 (of which £100,000 had been set aside in earmarked reserves) in respect of the Council's withdrawal from the Local Highways Panel. There is also an underspend of £95,000 on other staff costs primarily related to the vacancy in and subsequent deletion of the post of Assistant Director - Legal. These underspends are offset by an overspend of £161,000 in external audit fees, due to significant fee increases this year.
Homelessness	(184) Includes £167,000 one-off top-up to Homelessness Prevention Grant in respect of Homes for Ukraine scheme - unspent amounts will be transferred to reserves to support homelessness expenditure in future years.
Health Improvement	(173) Includes £63,000 underspend on staff costs due mainly to vacancies and staff leave, and underspend of £31,000 on grant funded health and wellbeing activity. Unspent grant amounts will be put into reserves to be spent in future years. Also includes ringfenced grant income of £41,000 which relates to 2022/23 but was omitted in error from last year's accounts, and a further £36,000 of additional unbudgeted grants in 2023/24.
Licensing	(166) Includes £76,000 underspend on staff costs due mainly to vacant posts (net of agency costs), and £70,000 higher than budgeted income from taxi licensing.
Offices	(159) Includes £127,000 of rental income relating to 2022/23 which was omitted from prior year's accounts in error, and underspend of £66,000 on staff costs due mainly to vacancies in year, offset by £43,000 overspend on utility costs across council office buildings based upon latest forecasts.
Community Safety	(145) Includes £167,000 of unanticipated grant income in relation to asylum seekers and domestic abuse, and £49,000 of related expenditure. The unspent amount will be transferred to an earmarked reserve for use in future years.
Building Control	(130) Includes £169,000 net unbudgeted income from new commercial income streams, offset by a reduction in income of £67,000 from core surveying work. The reduction in core work has also allowed some posts to be held vacant, resulting in an underspend on staff costs of £33,000.
Climate Change	(112) Includes underspend of £164,000 against the three year climate change programme - of which around £36,000 will be spent on capital works relating to climate change, with the remainder held in reserves to fund expenditure in future years. Also includes £52,000 overspend on staff costs due to new Project Officer post - to be funded in 2023/24 from air quality grants.

Service Portfolio	Forecast Commentary £'000
Council Tax Support	(102) Includes £135,000 underspend on Cost of Living Support Fund due to a lack of applicants - the unspent amount will be transferred to reserves for a similar scheme next year (subject to member approval). Offset by £45,000 reduction in shareback income as a result of fall in collection rates.
Revenues Administration	(84) Includes £43,000 unbudgeted new burdens funding and £18,000 underspend on staff costs due mainly to staff leave.
Highways Infrastructure Planning	(79) Saving due to closure of Highways Ranger service - this service was previously funded by Essex County Council until 2022/23, but funding was withdrawn this year.
Planning Policy	(78) Includes £114,000 underspend on external costs related to the Local Plan as a result of some work slipping into 2024/25, and £40,000 of unbudgeted additional grant income. Offset by £88,000 overspend on staff costs, mainly as a result of having to use agency staff to cover hard to recruit vacant posts.
Customer Services Centre	(72) Underspend mainly due to vacant posts in year.
Human Resources	(55) Underspend mainly due to a vacant post for part of the year.
Community Hubs	(55) Includes £30,000 underspend on grant expenditure.
Community Information Centres	(52) Mainly due to rent savings following closure of Dunmow Community Information Centre in 2020.
Street Services	(47) Underspend mainly due to vacant posts in year.
Communications	(45) Underspend mainly due to a vacant post in year.
Committee Administration	(32) Underspend on staff costs due mainly to vacancy held in year.

General Fund Reserves

Appendix C

General Fund Revenue Reserves - Q3 Forecast	Actual Balance 1 April 2023 £'000	Transfers from General Fund £'000	Transfers to General Fund £'000	Transfers Between Reserves £'000	Forecast Balance 31 March 2024 £'000
Ringfenced reserves					
Business rates	5,724	-	(78)	(5,000)	646
Capital slippage	921	-	(736)	(10)	175
Licensing	63	44	-	-	107
Leisure/Private Finance Initiative	1,102	-	(295)	-	807
Working balance	1,666	208	-	-	1,874
Total - Ringfenced reserves	9,476	252	(1,109)	(5,010)	3,609
Core reserves					
Commercial assets	4,000	1,000	(108)	-	4,892
Transformation	1,000	-	-	1,000	2,000
Medium Term Financial Strategy	5,903	-	(1,607)	4,021	8,317
Total - Core reserves	10,903	1,000	(1,715)	5,021	15,209
Member priorities					
Economic development	670	-	(386)	-	284
Planning	733	-	(19)	-	714
Sustainable communities	1,464	-	(350)	-	1,114
Climate change	842	-	(290)	-	552
Major sports facilities	255	-	(100)	-	155
Voluntary sector	40	-	(1)	(4)	35
Coronation celebration grants	32	-	(25)	(7)	-
Cost of living support fund	-	135	-	-	135
Total - Member priorities	4,036	135	(1,171)	(11)	2,989
Grants					
Homelessness	273	65	-	-	338
Health and wellbeing	205	22	-	-	227
Air quality	120	-	(120)	-	-
Public health	123	119	(31)	-	211
Shared Prosperity Fund	40	-	(40)	-	-
Other	31	-	(1)	-	30
Total - Grants	792	206	(192)	-	806
Total General Fund revenue reserves	25,207	1,593	(4,187)	-	22,613

Housing Revenue Account Forecast

Appendix D

Housing Revenue Account 2023/24 - Q3 Forecast	2022/23 Outturn	2023/24 Original Budget	2023/24 Current Budget	2023/24 Forecast Outturn	2023/24 Forecast Variance
	£'000	£'000	£'000	£'000	£'000
Service income					
Dwelling rents	(15,215)	(16,506)	(16,506)	(16,665)	(159)
Garage rents	(222)	(245)	(245)	(237)	8
Other rents	(3)	(34)	(34)	(32)	2
Charges for services and facilities	(1,007)	(1,448)	(1,448)	(1,366)	82
Reimbursement of costs	(10)	-	-	(18)	(18)
Subtotal - Service income	(16,457)	(18,233)	(18,233)	(18,318)	(85)
Finance and business management expenditure					
Rents, rates and other property charges	130	114	114	209	95
Subtotal - Finance and business management expenditure	130	114	114	209	95
Maintenance and repairs service expenditure					
Common service flats	526	574	574	462	(112)
Estate maintenance	4	2	2	4	2
Housing sewerage	18	20	20	19	(1)
Newport Depot	3	10	10	5	(5)
Property services	634	256	256	185	(71)
Housing repairs (Norse)	3,682	3,960	3,960	3,960	-
Housing repairs (other)	1	-	-	-	-
Subtotal - Maintenance and repairs service expenditure	4,868	4,822	4,822	4,635	(187)
Management and homelessness expenditure					
Housing services	692	572	572	556	(16)
Sheltered housing services	448	482	482	484	2
Subtotal - Management and homelessness expenditure	1,140	1,054	1,054	1,040	(14)
Additional one-off HRA revenue costs	-	-	1,000	802	(198)
Subtotal - Service expenditure	6,138	5,990	6,990	6,686	(304)
Other operating income and expenditure					
Bad debts	58	100	100	100	-
Depreciation	4,610	4,768	4,768	4,547	(221)
Borrowing costs	2,601	2,618	2,618	2,600	(18)
Treasury investment income	(105)	(95)	(95)	(133)	(38)
Uttlesford Norse Partnership profit share	(90)	-	-	(78)	(78)
Corporate pension costs (added years and deficit repair)	38	29	29	46	17
Share of corporate and democratic core costs	399	403	403	412	9
Other recharges from General Fund	1,471	1,564	1,564	1,599	35
Right to buy administration allowance	(16)	(10)	(10)	(14)	(4)
Subtotal - Other operating income and expenditure	8,966	9,377	9,377	9,079	(298)
Subtotal - Operating (surplus)/deficit	(1,353)	(2,866)	(1,866)	(2,553)	(687)
Capital financing					
Financing of capital expenditure in year	2,876	2,758	2,617	2,753	136
Subtotal - Capital financing	2,876	2,758	2,617	2,753	136
Transfers to/(from) earmarked reserves					
Working balance	78	30	30	49	19
Revenue reserves	-	78	78	78	-
Slippage reserve	-	-	(859)	(785)	74
Capital projects	(1,510)	-	-	-	-
Subtotal - Transfers to/(from) earmarked reserves	(1,432)	108	(751)	(658)	93
Over/(under)spend	91	-	-	(458)	(458)

Housing Revenue Account Reserves

Appendix E

HRA Revenue Reserves - Q3 Forecast	Actual Balance 1 April 2023 £'000	Transfers from General Fund £'000	Transfers to General Fund £'000	Transfers Between Reserves £'000	Forecast Balance 31 March 2024 £'000
Ringfenced reserves					
Working balance	549	49	-	-	598
Total - Ringfenced reserves	549	49	-	-	598
Usable reserves					
Revenue reserves	201	116	-	-	317
Transformation	160	420	-	-	580
Total - Usable reserves	361	536	-	-	897
Earmarked for capital purposes					
Potential projects reserve	10	-	-	-	10
HRA capital slippage reserve	858	71	(856)	-	73
Subtotal - Earmarked for capital purposes	868	71	(856)	-	83
Total - HRA revenue reserves	1,778	656	(856)	-	1,578

Capital Expenditure Summary

Capital Expenditure - Q3 Forecast	2023/24 Original Budget £'000	Slippage from 2022/23 £'000	2023/24 Adjustments £'000	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Forecast Variance £'000	Forecast Slippage to 2024/25 £'000
General Fund							
Communities and Local Partnerships	215	47	-	262	180	(82)	50
Environment and Climate Change	290	470	-	760	848	88	153
Finance and the Economy	-	919	-	919	920	1	262
Housing and Equalities	240	-	-	240	250	10	-
Planning	-	-	250	250	176	(74)	-
Corporate Services	332	390	2,100	2,822	2,688	(134)	164
Investments	-	10,153	7,550	17,703	17,640	(63)	63
Subtotal - General Fund	1,077	11,979	9,900	22,956	22,702	(254)	692
Housing Revenue Account							
Existing stock maintenance	4,781	320	-	5,101	4,622	(479)	390
New builds and redevelopment	2,698	2,143	-	4,841	5,154	313	192
Other	72	-	-	72	35	(37)	22
Subtotal - Housing Revenue Account	7,551	2,463	-	10,014	9,811	(203)	604
Total - Capital expenditure	8,628	14,442	9,900	32,970	32,513	(457)	1,296

Capital Financing Summary

Capital Financing - Q3 Forecast	2023/24 Original Budget £'000	Slippage from 2022/23 £'000	2023/24 Adjustments £'000	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Forecast Variance £'000	Forecast Slippage to 2024/25 £'000
General Fund							
Grants and external contributions	200	-	-	200	826	626	-
Direct revenue contributions	515	-	250	765	667	(98)	-
Earmarked reserves	-	921	-	921	773	(148)	175
Capital receipts	-	197	-	197	40	(157)	157
Borrowing	362	10,861	9,650	20,873	20,396	(477)	360
Subtotal - General Fund	1,077	11,979	9,900	22,956	22,702	(254)	692
Housing Revenue Account							
Grants and external contributions	293	45	-	338	271	(67)	67
Direct revenue contributions	1,608	1,088	(1,000)	1,696	1,897	201	70
Earmarked reserves	-	725	-	725	856	131	-
Major Repairs Reserve	4,781	320	-	5,101	4,622	(479)	390
Capital receipts	869	285	1,000	2,154	1,165	(989)	77
Borrowing	-	-	-	-	1,000	1,000	-
Subtotal - Housing Revenue Account	7,551	2,463	-	10,014	9,811	(203)	604
Total - Capital financing	8,628	14,442	9,900	32,970	32,513	(457)	1,296

General Fund Capital Projects

Communities and Local Partnerships	2023/24 Original Budget £'000	Slippage from 2022/23 £'000	2023/24 Adjustments £'000	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Forecast Variance £'000	Forecast Slippage to 2024/25 £'000
Day centre cyclical improvements	25	-	-	25	10	(15)	-
Museum boiler	-	29	24	53	58	5	-
Guildhall exterior works	50	-	-	50	-	(50)	50
Museum buildings	30	-	(24)	6	6	-	-
Community project grants	110	18	-	128	106	(22)	-
Total - Communities and Local Partnerships	215	47	-	262	180	(82)	50

Environment and Climate Change	2023/24 Original Budget £'000	Slippage from 2022/23 £'000	2023/24 Adjustments £'000	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Forecast Variance £'000	Forecast Slippage to 2024/25 £'000
Household bins	70	-	-	70	65	(5)	-
Trade waste bins	10	-	-	10	26	16	-
Kitchen caddies	10	-	-	10	16	6	-
Garden waste bins	20	-	-	20	34	14	-
Electric car chargers	15	14	-	29	3	(26)	26
Vehicle replacement programme	165	456	-	621	494	(127)	127
Air quality monitoring	-	-	-	-	210	210	-
Total - Environment and Climate Change	290	470	-	760	848	88	153

Finance and the Economy	2023/24 Original Budget £'000	Slippage from 2022/23 £'000	2023/24 Adjustments £'000	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Forecast Variance £'000	Forecast Slippage to 2024/25 £'000
Car park maintenance	-	255	-	255	110	(145)	145
Car parking machine replacement	-	64	-	64	48	(16)	17
Superfast broadband	-	600	-	600	500	(100)	100
UK Shared Prosperity Fund	-	-	-	-	59	59	-
Rural England Prosperity Fund	-	-	-	-	203	203	-
Total - Finance and the Economy	-	919	-	919	920	1	262

Housing and Equalities	2023/24 Original Budget £'000	Slippage from 2022/23 £'000	2023/24 Adjustments £'000	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Forecast Variance £'000	Forecast Slippage to 2024/25 £'000
Private sector renewal grants	35	-	-	35	10	(25)	-
Disabled Facilities Grants	200	-	-	200	240	40	-
Empty dwellings	5	-	-	5	-	(5)	-
Total - Housing and Equalities	240	-	-	240	250	10	-

Planning	2023/24 Original Budget £'000	Slippage from 2022/23 £'000	2023/24 Adjustments £'000	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Forecast Variance £'000	Forecast Slippage to 2024/25 £'000
Mortimer's Gate	-	-	250	250	176	(74)	-
Total - Planning	-	-	250	250	176	(74)	-

Corporate Services	2023/24 Original Budget £'000	Slippage from 2022/23 £'000	2023/24 Adjustments £'000	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Forecast Variance £'000	Forecast Slippage to 2024/25 £'000
Council offices improvements (general)	170	-	-	170	170	-	-
New depot site	-	-	2,100	2,100	2,193	93	-
London Road - fire alarm upgrade	-	50	-	50	-	(50)	50
Minor items IT	20	-	-	20	20	-	-
PCI compliance	20	-	-	20	20	-	-
Members' IT equipment	21	-	-	21	15	(6)	-
PSN CoCo	30	-	-	30	20	(10)	-
Asset management system	-	30	-	30	3	(27)	-
Cyber security	20	20	-	40	22	(18)	-
Grounds maintenance and vehicle systems	-	43	-	43	-	(43)	43
Licensing - Lalpac to Idox Uni	-	-	-	-	7	7	-
Scanner replacement and postal software	-	15	-	15	12	(3)	-
Sharepoint	-	18	-	18	10	(8)	8
WiFi	-	20	-	20	17	(3)	-
ICT - new sites	-	187	-	187	150	(37)	37
Web-to-Print solutions	-	7	-	7	4	(3)	-
Move to servers Azure/AWS	50	-	-	50	25	(25)	25
E-form completion and e-signatures	1	-	-	1	-	(1)	1
Total - Corporate Services	332	390	2,100	2,822	2,688	(134)	164

Investments	2023/24 Original Budget £'000	Slippage from 2022/23 £'000	2023/24 Adjustments £'000	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Forecast Variance £'000	Forecast Slippage to 2024/25 £'000
Investments	-	10,153	7,550	17,703	17,640	(63)	63
Total - Investments	-	10,153	7,550	17,703	17,640	(63)	63

Housing Revenue Account Capital Projects

Housing Revenue Account	2023/24 Original Budget £'000	Slippage from 2022/23 £'000	2023/24 Adjustments £'000	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Forecast Variance £'000	Forecast Slippage to 2024/25 £'000
Existing stock maintenance	4,781	320	-	5,101	4,622	(479)	390
New builds and redevelopment							
The Moors	-	34	-	34	35	1	-
Thaxted Road	-	-	-	-	214	214	-
Great Chesterford	31	-	-	31	35	4	-
Takeley	-	42	-	42	42	-	-
Woodlands, Great Dunmow	1,652	640	-	2,292	2,211	(81)	81
Garden sites	489	74	-	563	452	(111)	111
Walden Place	526	1,331	-	1,857	2,125	268	-
Alexia House	-	22	-	22	30	8	-
Parkside	-	-	-	-	10	10	-
Subtotal - New builds and redevelopment	2,698	2,143	-	4,841	5,154	313	192
Other							
Cash incentive scheme grants	50	-	-	50	35	(15)	-
Asset management system	22	-	-	22	-	(22)	22
Subtotal - Other	72	-	-	72	35	(37)	22
Total - Housing Revenue Account	7,551	2,463	-	10,014	9,811	(203)	604

Section 106 Contribution Balances

S106 Contributions with Conditions (Receipts in Advance)	Opening Balance 1 April 2023 £'000	Income £'000	Drawn Down - Capital Financing £'000	Closing Balance 31 Dec 2023 £'000
Priors Green, Takeley	78	-	-	78
Land north of Ingrams, Felsted	10	-	-	10
Rochford Nurseries/Foresthall Park, Stansted	2	-	-	2
The Orchard, Elsenham	42	-	-	42
Wedow Road, Thaxted	53	-	-	53
Sector 4 Woodlands Park, Gt Dunmow	10	-	-	10
Keers Green Nurseries, Aythorpe Roding	120	-	-	120
Land adjacent to S/W Hospital	31	-	-	31
Land at Blossom Hill Farm, Henham	33	-	-	33
Land at Webb & Hallett Road, Flitch Green, Felsted	33	-	-	33
Land south side of Radwinter Road	322	-	-	322
Land North side of Stansted Road Elsenham	377	-	-	377
Land South of Stansted Road, Elsenham	330	-	-	330
77 High Street, Great Dunmow	-	197	-	197
Total - S106 contributions with conditions	1,441	197	-	1,638

S106 Contributions Held on Behalf of Other Bodies	Opening Balance 1 April 2023 £'000	Income £'000	Transferred to Other Bodies £'000	Closing Balance 31 Dec 2023 £'000
Sector 4 Woodlands Park (Helena Romanes School)	165	-	-	165
Brewers End, Takeley	31	-	-	31
Land adj Hailes Wood, Elsenham	10	-	-	10
Land at Flitch Green, Felsted	67	-	-	67
Land adjacent to S/W Hospital	1	-	-	1
Ashdon Road Commercial Centre	28	-	-	28
Land south of Stansted Road, Elsenham	53	-	-	53
Land south of Ongar Road, Dunmow	17	-	-	17
Land at 119 Radwinter Road, adj S/W Hospital	15	-	-	15
Land North of Ongar Road, Gt Dunmow	21	-	-	21
Land at Bury Water Lane, Newport	29	-	-	29
Land at Elsenham Nuseries	14	-	-	14
Bury Water Lane, Newport	26	-	-	26
Walpole Farm, Cambridge Road, Stansted	53	-	-	53
14 Stortford Road, Gt Dunmow	35	-	-	35
Land west of Woodside Way, Gt Dunmow	264	-	-	264
Land west of Parsonage Road, Takeley	62	-	-	62
77 High Street, Great Dunmow	-	9	-	9
Land west of Hall Road, Elsenham	-	74	-	74
Total - S106 contributions held on behalf of other bodies	891	83	-	974

S106 Contributions without Conditions (Capital Grants Unapplied)	Opening Balance 1 April 2023 £'000	Income £'000	Drawn Down - Capital Financing £'000	Closing Balance 31 Dec 2023 £'000
Affordable Housing	813	-	(271)	542
Dunmow Eastern Sector	18	-	-	18
Woodlands Park, Gt Dunmow	36	-	-	36
Bell College, Saffron Walden	15	-	-	15
Priors Green, Takeley	8	-	-	8
Foresthall Park, Stansted	33	-	-	33
Lt Walden Road/Ashdon Road, Saffron Walden	98	-	-	98
Oakwood Park, Takeley	5	-	-	5
Land west of Hall Road, Elsenham	-	166	-	166
Total - S106 contributions without conditions	1,026	166	(271)	921

Investments – Fixed Term Deposits

Investment Date	Repayment Date	Counterparty	Amount £'000	Interest Rate %
15 Dec 2022	15 Jun 2023	London Borough of Newham	3,000	3.80%
20 Dec 2022	20 Jun 2023	Woking Borough Council	3,000	3.80%
29 Mar 2023	30 Oct 2023	Leeds City Council	2,000	4.45%
31 Mar 2023	03 Apr 2023	DMO	4,050	4.05%
03 Apr 2023	04 Apr 2023	DMO	6,120	4.05%
04 Apr 2023	05 Apr 2023	DMO	5,150	4.05%
05 Apr 2023	06 Apr 2023	DMO	5,400	4.05%
06 Apr 2023	11 Apr 2023	DMO	3,350	4.05%
11 Apr 2023	12 Apr 2023	DMO	4,600	4.05%
12 Apr 2023	13 Apr 2023	DMO	4,750	4.05%
13 Apr 2023	14 Apr 2023	DMO	3,500	4.05%
14 Apr 2023	17 Apr 2023	DMO	3,500	4.05%
17 Apr 2023	18 Apr 2023	DMO	6,750	4.05%
18 Apr 2023	19 Apr 2023	DMO	6,850	4.05%
19 Apr 2023	20 Apr 2023	DMO	6,750	4.08%
20 Apr 2023	21 Apr 2023	DMO	3,300	4.08%
21 Apr 2023	24 Apr 2023	DMO	2,700	4.08%
24 Apr 2023	25 Apr 2023	DMO	3,150	4.08%
25 Apr 2023	26 Apr 2023	DMO	3,480	4.08%
26 Apr 2023	27 Apr 2023	DMO	4,120	4.08%
27 Apr 2023	28 Apr 2023	DMO	3,750	4.08%
28 Apr 2023	02 May 2023	DMO	6,200	4.08%
02 May 2023	03 May 2023	DMO	4,770	4.10%
03 May 2023	04 May 2023	DMO	5,020	4.10%
04 May 2023	05 May 2023	DMO	4,440	4.10%
05 May 2023	09 May 2023	DMO	4,600	4.10%
09 May 2023	10 May 2023	DMO	5,300	4.10%
10 May 2023	11 May 2023	DMO	5,530	4.10%
11 May 2023	12 May 2023	DMO	4,500	4.35%
12 May 2023	15 May 2023	DMO	4,560	4.35%
15 May 2023	16 May 2023	DMO	7,050	4.38%
16 May 2023	17 May 2023	DMO	7,160	4.38%
17 May 2023	18 May 2023	DMO	7,300	4.38%
18 May 2023	19 May 2023	DMO	1,760	4.38%
19 May 2023	22 May 2023	DMO	1,900	4.38%
22 May 2023	23 May 2023	DMO	2,600	4.38%
23 May 2023	24 May 2023	DMO	2,460	4.38%
24 May 2023	25 May 2023	DMO	2,580	4.38%
25 May 2023	26 May 2023	DMO	2,250	4.38%
26 May 2023	30 May 2023	DMO	2,410	4.38%
30 May 2023	31 May 2023	DMO	2,780	4.38%
31 May 2023	01 Jun 2023	DMO	3,900	4.38%
01 Jun 2023	02 Jun 2023	DMO	3,000	4.38%
02 Jun 2023	05 Jun 2023	DMO	3,200	4.38%
05 Jun 2023	06 Jun 2023	DMO	2,900	4.38%
06 Jun 2023	07 Jun 2023	DMO	3,120	4.38%
07 Jun 2023	08 Jun 2023	DMO	2,000	4.38%
08 Jun 2023	09 Jun 2023	DMO	2,820	4.38%
09 Jun 2023	12 Jun 2023	DMO	2,930	4.38%

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Investment Date	Repayment Date	Counterparty	Amount £'000	Interest Rate %
12 Jun 2023	13 Jun 2023	DMO	3,000	4.38%
13 Jun 2023	14 Jun 2023	DMO	3,120	4.38%
14 Jun 2023	15 Jun 2023	DMO	3,100	4.38%
15 Jun 2023	16 Jun 2023	DMO	2,530	4.38%
15 Jun 2023	29 Jun 2023	DMO	3,000	4.52%
16 Jun 2023	19 Jun 2023	DMO	2,740	4.38%
19 Jun 2023	20 Jun 2023	DMO	1,400	4.38%
20 Jun 2023	21 Jun 2023	DMO	1,870	4.38%
20 Jun 2023	27 Jun 2023	DMO	3,000	4.55%
21 Jun 2023	22 Jun 2023	DMO	1,900	4.38%
22 Jun 2023	23 Jun 2023	DMO	1,370	4.63%
22 Jun 2023	23 Jun 2023	DMO	1,000	4.63%
23 Jun 2023	26 Jun 2023	DMO	2,510	4.88%
26 Jun 2023	27 Jun 2023	DMO	3,000	4.88%
27 Jun 2023	28 Jun 2023	DMO	3,180	4.88%
27 Jun 2023	28 Jun 2023	DMO	3,000	4.88%
28 Jun 2023	29 Jun 2023	DMO	3,400	4.88%
28 Jun 2023	05 Jul 2023	DMO	3,000	4.88%
29 Jun 2023	30 Jun 2023	DMO	5,200	4.88%
30 Jun 2023	03 Jul 2023	DMO	2,780	4.88%
30 Jun 2023	28 Jun 2024	Harlow Council	3,000	5.78%
03 Jul 2023	04 Jul 2023	DMO	6,900	4.88%
04 Jul 2023	05 Jul 2023	DMO	7,050	4.88%
05 Jul 2023	06 Jul 2023	DMO	9,400	4.88%
06 Jul 2023	07 Jul 2023	DMO	8,850	4.88%
07 Jul 2023	10 Jul 2023	DMO	9,470	4.88%
10 Jul 2023	11 Jul 2023	DMO	2,340	4.88%
10 Jul 2023	17 Jul 2023	DMO	8,000	4.88%
11 Jul 2023	12 Jul 2023	DMO	2,470	4.88%
12 Jul 2023	13 Jul 2023	DMO	2,600	4.88%
13 Jul 2023	14 Jul 2023	DMO	1,950	4.88%
14 Jul 2023	17 Jul 2023	DMO	2,070	4.88%
17 Jul 2023	18 Jul 2023	DMO	10,520	4.88%
17 Jul 2023	01 Aug 2024	Derby City County	3,000	5.85%
18 Jul 2023	19 Jul 2023	DMO	10,590	4.88%
19 Jul 2023	20 Jul 2023	DMO	5,800	4.88%
21 Jul 2023	24 Jul 2023	DMO	3,200	4.88%
24 Jul 2023	25 Jul 2023	DMO	3,960	4.90%
25 Jul 2023	26 Jul 2023	DMO	4,220	4.90%
26 Jul 2023	27 Jul 2023	DMO	4,300	4.88%
27 Jul 2023	28 Jul 2023	DMO	4,050	4.88%
28 Jul 2023	31 Jul 2023	DMO	4,220	4.90%
31 Jul 2023	01 Aug 2023	DMO	4,000	4.88%
01 Aug 2023	02 Aug 2023	DMO	1,900	4.88%
01 Aug 2023	08 Aug 2023	DMO	5,000	5.06%
02 Aug 2023	03 Aug 2023	DMO	2,200	4.88%
03 Aug 2023	04 Aug 2023	DMO	1,770	5.13%
04 Aug 2023	07 Aug 2023	DMO	1,690	5.13%
07 Aug 2023	08 Aug 2023	DMO	1,860	5.13%
08 Aug 2023	09 Aug 2023	DMO	5,210	5.13%
09 Aug 2023	10 Aug 2023	DMO	5,350	5.13%
10 Aug 2023	11 Aug 2023	DMO	4,170	5.13%
11 Aug 2023	14 Aug 2023	DMO	4,270	5.13%
14 Aug 2023	15 Aug 2023	DMO	6,270	5.13%

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Investment Date	Repayment Date	Counterparty	Amount £'000	Interest Rate %
15 Aug 2023	16 Aug 2023	DMO	7,860	5.13%
16 Aug 2023	17 Aug 2023	DMO	7,920	5.13%
17 Aug 2023	18 Aug 2023	DMO	1,530	5.13%
18 Aug 2023	21 Aug 2023	DMO	1,950	5.13%
21 Aug 2023	22 Aug 2023	DMO	2,840	5.13%
22 Aug 2023	23 Aug 2023	DMO	2,830	5.13%
23 Aug 2023	24 Aug 2023	DMO	6,890	5.13%
29 Aug 2023	30 Aug 2023	DMO	6,100	5.13%
30 Aug 2023	31 Aug 2023	DMO	5,190	5.13%
31 Aug 2023	01 Sep 2023	DMO	4,660	5.13%
01 Sep 2023	04 Sep 2023	DMO	12,700	5.13%
04 Sep 2023	05 Sep 2023	DMO	12,920	5.13%
05 Sep 2023	06 Sep 2023	DMO	14,100	5.13%
06 Sep 2023	07 Sep 2023	DMO	14,470	5.13%
07 Sep 2023	08 Sep 2023	DMO	3,470	5.13%
08 Sep 2023	11 Sep 2023	DMO	4,410	5.13%
11 Sep 2023	12 Sep 2023	DMO	9,450	5.13%
12 Sep 2023	13 Sep 2023	DMO	6,170	5.13%
13 Sep 2023	14 Sep 2023	DMO	6,270	5.13%
14 Sep 2023	15 Sep 2023	DMO	1,380	5.13%
15 Sep 2023	18 Sep 2023	DMO	4,810	5.18%
18 Sep 2023	19 Sep 2023	DMO	5,030	5.20%
19 Sep 2023	20 Sep 2023	DMO	1,150	5.18%
20 Sep 2023	21 Sep 2023	DMO	1,430	5.18%
21 Sep 2023	22 Sep 2023	DMO	2,160	5.25%
22 Sep 2023	25 Sep 2023	DMO	2,600	5.17%
25 Sep 2023	26 Sep 2023	DMO	2,830	5.17%
26 Sep 2023	27 Sep 2023	DMO	2,880	5.17%
27 Sep 2023	28 Sep 2023	DMO	2,850	5.17%
28 Sep 2023	29 Sep 2023	DMO	2,180	5.17%
29 Sep 2023	02 Oct 2023	DMO	2,650	5.17%
29 Sep 2023	02 Oct 2023	DMO	1,160	5.17%
02 Oct 2023	03 Oct 2023	DMO	3,580	5.17%
03 Oct 2023	04 Oct 2023	DMO	2,210	5.17%
04 Oct 2023	05 Oct 2023	DMO	2,480	5.17%
05 Oct 2023	06 Oct 2023	DMO	2,310	5.17%
06 Oct 2023	09 Oct 2023	DMO	2,460	5.17%
09 Oct 2023	10 Oct 2023	DMO	1,900	5.17%
11 Oct 2023	12 Oct 2023	DMO	2,100	5.17%
12 Oct 2023	13 Oct 2023	DMO	1,100	5.17%
13 Oct 2023	16 Oct 2023	DMO	1,800	5.17%
16 Oct 2023	17 Oct 2023	DMO	5,470	5.17%
17 Oct 2023	18 Oct 2023	DMO	5,460	5.17%
18 Oct 2023	19 Oct 2023	DMO	5,550	5.17%
19 Oct 2023	20 Oct 2023	DMO	1,050	5.17%
20 Oct 2023	23 Oct 2023	DMO	1,070	5.17%
24 Oct 2023	25 Oct 2023	DMO	1,000	5.17%
25 Oct 2023	26 Oct 2023	DMO	1,100	5.17%
26 Oct 2023	27 Oct 2023	DMO	3,350	5.17%
27 Oct 2023	30 Oct 2023	DMO	3,180	5.17%
30 Oct 2023	31 Oct 2023	DMO	5,440	5.17%
31 Oct 2023	01 Nov 2023	DMO	5,600	5.17%
01 Nov 2023	02 Nov 2023	DMO	6,670	5.17%
02 Nov 2023	03 Nov 2023	DMO	2,880	5.17%

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Investment Date	Repayment Date	Counterparty	Amount £'000	Interest Rate %
03 Nov 2023	06 Nov 2023	DMO	3,010	5.17%
06 Nov 2023	07 Nov 2023	DMO	3,320	5.17%
07 Nov 2023	08 Nov 2023	DMO	3,600	5.17%
08 Nov 2023	09 Nov 2023	DMO	4,600	5.17%
09 Nov 2023	10 Nov 2023	DMO	3,940	5.17%
10 Nov 2023	13 Nov 2023	DMO	4,020	5.17%
13 Nov 2023	14 Nov 2023	DMO	8,100	5.17%
13 Nov 2023	12 Nov 2024	Aberdeen City Council	2,000	5.60%
14 Nov 2023	15 Nov 2023	DMO	6,170	5.17%
15 Nov 2023	16 Nov 2023	DMO	9,950	5.17%
16 Nov 2023	17 Nov 2023	DMO	2,550	5.17%
17 Nov 2023	20 Nov 2023	DMO	2,650	5.17%
20 Nov 2023	21 Nov 2023	DMO	2,340	5.17%
21 Nov 2023	22 Nov 2023	DMO	2,560	5.17%
22 Nov 2023	23 Nov 2023	DMO	2,400	5.17%
23 Nov 2023	24 Nov 2023	DMO	1,490	5.17%
24 Nov 2023	27 Nov 2023	DMO	2,200	5.17%
27 Nov 2023	28 Nov 2023	DMO	2,600	5.17%
29 Nov 2023	30 Nov 2023	DMO	2,850	5.17%
01 Dec 2023	04 Dec 2023	DMO	8,300	5.17%
04 Dec 2023	05 Dec 2023	DMO	8,700	5.19%
05 Dec 2023	06 Dec 2023	DMO	6,570	5.19%
06 Dec 2023	07 Dec 2023	DMO	3,680	5.19%
07 Dec 2023	08 Dec 2023	DMO	3,400	5.19%
08 Dec 2023	11 Dec 2023	DMO	4,320	5.19%
11 Dec 2023	12 Dec 2023	DMO	4,440	5.19%
12 Dec 2023	13 Dec 2023	DMO	4,550	5.19%
13 Dec 2023	14 Dec 2023	DMO	4,650	5.19%
14 Dec 2023	15 Dec 2023	DMO	4,290	5.19%
15 Dec 2023	18 Dec 2023	DMO	6,970	5.19%
18 Dec 2023	19 Dec 2023	DMO	6,760	5.19%
19 Dec 2023	20 Dec 2023	DMO	2,820	5.19%
20 Dec 2023	21 Dec 2023	DMO	3,130	5.19%
21 Dec 2023	22 Dec 2023	DMO	1,280	5.19%
22 Dec 2023	27 Dec 2023	DMO	2,120	5.19%
27 Dec 2023	28 Dec 2023	DMO	2,370	5.19%
28 Dec 2023	29 Dec 2023	DMO	2,490	5.19%
29 Dec 2023	02 Jan 2024	DMO	3,020	5.19%
Weighted average interest rate for period				4.97%

Investments – Money Market Funds

Fund Name	Opening Balance £'000 01/04/2023	Closing Balance £'000 31/12/2023	No. of days invested	Average 1 day yield
Federated Short-Term Sterling Prime Fund	0	0	1	5.36%
Invesco Sterling Liquidity Portfolio (Institutional)	0	0	5	5.26%

Borrowing – Other Local Authorities

Borrowing Date	Repayment Date	Counterparty	Amount £'000	Interest Rate %
18 Jun 2020	19 Jun 2023	Oxfordshire County Council	5,000	1.20%
24 May 2022	23 May 2023	London Borough of Newham	8,000	1.20%
30 Jun 2022	29 Jun 2023	Salford City Council	2,000	1.30%
30 Jun 2022	29 Jun 2023	Local Government Association	1,500	1.30%
30 Jun 2022	29 Jun 2023	Local Government Association	1,500	1.30%
25 Jul 2022	07 Jun 2023	West Yorkshire Combined Authority	6,000	1.25%
08 Sep 2022	04 Aug 2023	Buckinghamshire Council	10,000	3.00%
08 Sep 2022	07 Sep 2023	Northern Ireland Housing Executive	10,000	3.00%
08 Sep 2022	07 Sep 2023	Blaenau Gwent Borough Council	5,000	3.00%
13 Sep 2022	07 Sep 2023	South Ribble Borough Council	3,000	3.00%
13 Sep 2022	12 Sep 2023	South Oxfordshire District Council	7,000	3.00%
13 Sep 2022	12 Sep 2023	East Sussex County Council	5,000	3.00%
13 Sep 2022	12 Sep 2023	South Lakeland District Council	3,000	3.00%
30 Nov 2022	29 Nov 2023	West Midlands Combined Authority	7,000	3.05%
06 Dec 2022	05 Dec 2023	West Midlands Combined Authority	11,500	1.80%
16 Feb 2023	03 Apr 2023	Middlesbrough Council	2,000	3.90%
20 Feb 2023	01 Jun 2023	South Gloucestershire Council	3,000	3.90%
16 Mar 2023	03 Apr 2023	Merthyr Tydfil County Borough Council	2,000	4.35%
20 Mar 2023	01 Jun 2023	Bridgend County Borough Council	4,000	4.55%
23 Mar 2023	15 May 2023	Swansea City Council	1,500	4.40%
28 Mar 2023	04 Apr 2023	Scarborough Borough Council	2,000	4.30%
20 Apr 2023	03 Jul 2023	West Yorkshire Combined Authority	4,500	4.25%
18 May 2023	01 Jun 2023	Middlesbrough Council	1,000	4.40%
22 May 2023	01 Aug 2023	Rushcliffe Borough Council	5,000	4.45%
23 May 2023	21 May 2024	Bridgend County Borough Council	4,000	4.60%
23 May 2023	21 May 2024	South Oxfordshire District Council	3,000	4.60%
23 May 2023	21 May 2024	South Oxfordshire District Council	1,000	4.60%
07 Jun 2023	06 Jun 2024	Crawley Borough Council	5,000	2.25%
15 Jun 2023	08 Aug 2023	London Borough of Havering	2,500	4.65%
19 Jun 2023	19 Jul 2023	North Northamptonshire Council	8,000	4.75%
29 Jun 2023	03 Jul 2023	Coventry City Council	3,500	5.00%
29 Jun 2023	03 Jul 2023	South Cambridgeshire District Council	1,000	5.00%
03 Jul 2023	17 Jun 2024	West Yorkshire Combined Authority	4,500	5.20%
19 Jul 2023	19 Jan 2024	North Hertfordshire District Council	2,000	5.20%
19 Jul 2023	01 Jul 2024	Police & Crime Commissioner for Avon & Somerset	5,000	5.80%
21 Jul 2023	02 Oct 2023	West Yorkshire Police	3,500	5.05%
04 Aug 2023	02 Aug 2024	Gloucestershire County Council	5,000	5.30%
04 Aug 2023	02 Aug 2024	Hyndburn Borough Council	2,000	5.20%
04 Aug 2023	02 Aug 2024	Local Government Association	1,500	5.50%
04 Aug 2023	02 Aug 2024	Local Government Association	1,500	5.50%
21 Aug 2023	01 Sep 2023	Torfaen County Borough Council	4,500	5.15%
23 Aug 2023	14 Sep 2023	Middlesbrough Council	4,000	5.16%
29 Aug 2023	29 May 2024	Barnsley Metropolitan Borough Council	5,000	5.20%
01 Sep 2023	01 Mar 2024	Royal Borough of Kingston Upon Thames	5,000	5.75%
07 Sep 2023	07 May 2024	Northern Ireland Housing Executive	5,000	5.70%
07 Sep 2023	07 May 2024	The Vale of Glamorgan Council	3,000	5.70%
11 Sep 2023	11 Jun 2024	London Borough of Sutton	5,000	5.76%
12 Sep 2023	10 Sep 2024	North Northamptonshire Council	5,000	5.70%
12 Sep 2023	10 Sep 2024	South Oxfordshire District Council	7,000	5.70%
21 Sep 2023	02 Oct 2023	Kirklees Council	4,500	5.40%
21 Sep 2023	15 Jul 2024	East Suffolk Council	5,000	5.80%

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Borrowing Date	Repayment Date	Counterparty	Amount £'000	Interest Rate %
22 Sep 2023	03 Oct 2023	Rochdale Borough Council	2,000	5.53%
28 Sep 2023	09 Oct 2023	Merseyside Fire & Rescue Authority	1,500	5.40%
19 Oct 2023	01 Nov 2023	Middlesbrough Council	6,500	5.25%
26 Oct 2023	02 Nov 2023	Coventry City Council	3,000	5.45%
13 Nov 2023	15 Jul 2024	East Suffolk Council	4,000	5.60%
20 Nov 2023	01 Dec 2023	Cheshire East Council	3,500	5.40%
29 Nov 2023	05 Dec 2023	Kirklees Council	5,000	5.40%
29 Nov 2023	15 Dec 2023	The Vale of Glamorgan Council	2,000	5.50%
05 Dec 2023	05 Aug 2024	Cornwall Council	15,000	5.75%
14 Dec 2023	02 Jan 2024	Gwynedd Council	3,000	5.45%
14 Dec 2023	02 Jan 2024	Rotherham MBC	3,000	5.45%
Weighted average interest rate for period				3.83%

Borrowing – UK Building Societies

Borrowing Date	Repayment Date	Counterparty	Amount £'000	Interest Rate %
01 Feb 2023	02 May 2023	Furness Building Society	5,000	3.80%
Weighted average interest rate for period				3.80%

Borrowing – Phoenix

Borrowing Date	Loan Type	Initial Amount £'000	Loan Period	Opening Balance 1 April 2023 £'000	Closing Balance 30 Sept 2023 £'000	Final Repayment Date	Interest Rate %
05 Jul 2017	Annuity	10,000	40 years	9,755	9,672	05 Jul 2057	2.86%
06 Jul 2020	Annuity	12,000	37 years	11,707	11,606	05 Jul 2057	2.86%
05 Jul 2021	Annuity	15,000	36 years	14,633	14,507	05 Jul 2057	2.86%
Weighted average interest rate for period							2.86%

Borrowing – Public Works Loan Board (PWLB)

Borrowing Date	Loan Type	Initial Amount £'000	Loan Period	Opening Balance 1 April 2023 £'000	Closing Balance 30 Sept 2023 £'000	Final Repayment Date	Interest Rate %
28 Mar 2012	Maturity	3,000	12 years	3,000	3,000	28 Mar 2024	2.70%
28 Mar 2012	Maturity	3,000	13 years	3,000	3,000	28 Mar 2025	2.82%
28 Mar 2012	Maturity	3,000	14 years	3,000	3,000	28 Mar 2026	2.92%
28 Mar 2012	Maturity	3,000	15 years	3,000	3,000	28 Mar 2027	3.01%
28 Mar 2012	Maturity	3,000	16 years	3,000	3,000	28 Mar 2028	3.08%
28 Mar 2012	Maturity	3,000	17 years	3,000	3,000	28 Mar 2029	3.15%
28 Mar 2012	Maturity	4,000	18 years	4,000	4,000	28 Mar 2030	3.21%
28 Mar 2012	Maturity	4,000	19 years	4,000	4,000	28 Mar 2031	3.26%
28 Mar 2012	Maturity	4,000	20 years	4,000	4,000	28 Mar 2032	3.30%
28 Mar 2012	Maturity	4,000	21 years	4,000	4,000	28 Mar 2033	3.34%
28 Mar 2012	Maturity	4,000	22 years	4,000	4,000	28 Mar 2034	3.37%
28 Mar 2012	Maturity	4,000	23 years	4,000	4,000	28 Mar 2035	3.40%
28 Mar 2012	Maturity	4,000	24 years	4,000	4,000	28 Mar 2036	3.42%
28 Mar 2012	Maturity	5,000	25 years	5,000	5,000	28 Mar 2037	3.44%
28 Mar 2012	Maturity	5,000	26 years	5,000	5,000	28 Mar 2038	3.46%
28 Mar 2012	Maturity	5,000	27 years	5,000	5,000	28 Mar 2039	3.47%
28 Mar 2012	Maturity	5,000	28 years	5,000	5,000	28 Mar 2040	3.48%
28 Mar 2012	Maturity	5,000	29 years	5,000	5,000	28 Mar 2041	3.49%
28 Mar 2012	Maturity	5,407	30 years	5,407	5,407	28 Mar 2042	3.50%
22 Sep 2022	Annuity	30,000	49 years	29,908	29,814	22 Sep 2071	4.28%
29 Sep 2022	Maturity	50,000	8 years	50,000	50,000	27 Sep 2030	4.16%
09 Feb 2023	Maturity	2,000	2 years	2,000	2,000	27 Mar 2025	4.03%
Weighted average interest rate for period							3.76%

Agenda Item 13

Committee:	Cabinet	Date:	Tuesday, 19 March 2024
Title:	Treasury Management Q3 Report - 2023/24		
Portfolio Holder:	Councillor Neil Hargreaves, Portfolio Holder for Finance and the Economy		
Report Author:	Jody Etherington, Director of Finance, Revenues and Benefits JEtherington@uttlesford.gov.uk	Key decision:	No

Summary

1. The Council is required to follow the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the 'CIPFA Code') in all its treasury management activities.
2. The CIPFA Code requires each local authority to set a Treasury Management Strategy on an annual basis (which was approved by Full Council in February 2023), and to publish reports setting out performance against this strategy at least twice per year.
3. In addition, with effect from 1 April 2023, all local authorities are now required to publish and monitor their key prudential indicators on a quarterly basis. This report fulfils this requirement in respect of the Council's treasury management prudential indicators for Quarter 3. Other prudential indicators are reported in the Quarter 3 Financial Forecast presented to Cabinet alongside this report.
4. 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."
5. During the quarter, all treasury management activity has been undertaken in line with the approved Treasury Management Strategy 2023/24, with the exception of two minor breaches of the counterparty investment limit in respect of overnight balances with Barclays Bank. Further details are set out at paragraphs 14-17 below.
6. The detailed report at Appendix A, prepared with the assistance of the Council's treasury management advisers (Arlingclose), summarises the Council's treasury management activities for the period from 1 April to 31 December 2023.

Recommendations

7. The Cabinet is recommended to note this report, including the detailed Treasury Management Report Q3 2023/24 at Appendix A.

Financial Implications

8. As set out at Appendix A.

Background Papers

9. None.

Impact

10.

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

11. 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.

12. 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)
13. A detailed report is attached at Appendix A and this has been compiled with the support of the Council's external treasury management advisers, Arlingclose.

Compliance

14. The Treasury Management Strategy places a limit on the total amount which can be invested with any one individual counterparty. The purpose of this is to limit the Council's exposure in the unlikely event of the failure or default of any of the financial institutions with which the Council invests. The individual counterparty investment limit for unsecured investments with banks is £3 million.
15. On two occasions in November 2023, the Council missed the daily deadline for investing excess cash in its operational bank accounts. One of these was due to human error, whilst the other was as a result of IT issues temporarily preventing access to online banking. As a result, on these two occasions, the total amount deposited overnight with Barclays Bank (the Council's operational bankers) exceeded the £3 million limit.
16. On both occasions, the level of the breach was relatively small (£347,000 and £149,000), and the situation was fully rectified on the following day. The risk arising for the Council from these breaches was therefore considered to be very low.
17. In all other respects, treasury management activities have been carried out in full accordance with the Treasury Management Strategy 2023/24 as approved by Full Council, for the period from 1 April 2023 to 31 December 2023. Further details are set out at Appendix A.

Risk Analysis

18.

Risk	Likelihood	Impact	Mitigating actions
Liquidity – lack of cash available to meet commitments as they fall due	2 – unlikely due to forward planning of receipts and expenditure	2 – would incur additional costs of short-term 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 – increased borrowing costs due to higher rates on refinancing of debt	3 – in the current environment of high interest rates it is likely that much of the debt which falls due will need to be refinanced at higher rates	3 – significant increase in borrowing costs, although this is modelled within the Council's Medium Term Financial Strategy (MTFS) and closely monitored	Interest rate forecasts and projections are monitored regularly with regular updates from consultants (Arlingclose). In addition, action has been taken 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 Report Q3 2023/24

Introduction

The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires it to approve, as a minimum, treasury management semi-annual and annual outturn reports.

This report includes the new requirement in the 2021 Code, mandatory from 1 April 2023, of quarterly reporting of the treasury management prudential indicators. The non-treasury management prudential indicators are incorporated in the Council's Quarter 3 Financial Forecast.

The Council's Treasury Management Strategy for 2023/24 was approved at a meeting on 21 February 2023. 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.

External Context

Economic background:

UK inflation rates finally started to decline, mirroring the sharp but earlier drop seen in the Eurozone and US. Despite the fall, the Consumer Price Index (CPI) remained substantially in excess in the Bank of England's (BoE) 2% target, at 3.9% for November 2023. Market expectations for further rises in the BoE Bank Rate fell from October through to the end of 2023, indicating that the 5.25% level reached in August 2023 was indeed the peak for Bank Rate.

Economic growth in the UK remained weak over the period, edging into recessionary territory. In calendar Q3 2023, the economy contracted by 0.1%, following no change in Q2. Monthly GDP data showed a 0.3% contraction in October, following a 0.2% rise in September. While other indicators have suggested a pickup in activity in the subsequent months, Q4 GDP growth is likely to continue the weak trend.

July data showed the unemployment rate increased to 4.2% (3mth/year) while the employment rate rose to 75.7%. Pay growth edged lower as the previous strong pay rates waned; total pay (including bonuses) growth was 7.2% over the three months to October 2023, while regular pay growth was 7.3%. Adjusting for inflation, pay growth in real terms was positive at 1.3% and 1.4% for total pay and regular pay respectively.

Inflation continued to fall from its peak as annual headline CPI declined to 3.9% (down from 4.6%) in November 2023. The largest downward contribution came from energy and food prices. The core rate also surprised on the downside, falling to 5.1% from 5.7%.

The BoE's Monetary Policy Committee (MPC) held Bank Rate at 5.25% throughout the period, although a substantial minority continued to vote for a 25 basis point rate rise. The Bank continues to tighten monetary policy through asset sales, as it reduces the size of its balance sheet. Financial market Bank Rate expectations moderated over the period as falling inflation and weakening data showed that higher interest rates were working in the UK, US, and Eurozone.

Following the December MPC meeting, Arlingclose, the Council's treasury adviser, maintained its central view that 5.25% is the peak in Bank Rate. Short term risks are broadly balanced, but over the remaining part of the time horizon the risks are to the downside from economic activity weakening more than expected.

The lagged effect of monetary policy together with the staggered fixed term mortgage maturities over the next 12-24 months means the full impact from Bank Rate rises are still yet to be felt by households. As such, while consumer confidence continued to improve over the period, it is likely this will reverse at some point and spending will struggle. Higher rates will also impact exposed businesses; according to S&P/CIPS survey data the UK manufacturing and construction sectors contracted during the quarter. The services sector recovered, however, with the Purchasing Managers' Index (PMI) rising strongly in December, possibly due to improving consumer confidence.

The US Federal Reserve held its key interest rate at 5.25-5.50% over the period. While policymakers continued to talk up the risks to inflation and therefore interest rates, this stance ebbed over the quarter culminating in a relatively dovish outcome from the December FOMC meeting.

The European Central Bank continues to resist market policy loosening expectations, but the Eurozone CPI rate has fallen sharply as GDP growth has markedly slowed, hitting 2.4% in November (although rising to 2.9% on energy-related base effects).

Financial markets

Financial market sentiment and bond yields remained volatile, but the latter rapidly trended downwards towards the end of 2023 on signs of sharply moderating inflation and economic growth.

Gilt yields fell towards the end of the period. The 10-year UK benchmark gilt yield rose from 4.57% to peak at 4.67% in October before dropping to 3.54% by the end of December 2023. The Sterling Overnight Rate (SONIA) averaged 5.19% over the period.

Credit review

Arlingclose maintained the advised maximum duration limit for all banks on its recommended counterparty list at 35 days over the period.

In October, Moody's revised the outlook on the UK's Aa3 sovereign rating to stable from negative. This led to similar rating actions on entities that include an element of government support in their own credit ratings, including banks and housing associations. Local authorities were, however, downgraded on expectations of lower government funding.

Following the issue of a section 114 notice, in November Arlingclose advised against undertaking new lending to Nottingham City Council. After reducing its recommended duration on Warrington Borough Council to a maximum of 100 days in September, the local Council was subsequently suspended from the Arlingclose recommended list following a credit rating downgrade by Moody's to Baa1.

Arlingclose continued to monitor and assess credit default swap levels for signs of ongoing credit stress, but no changes were made to recommended durations over the period.

Heightened market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Council's counterparty list recommended by Arlingclose remains under constant review.

Local Context

On 31 March 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

	31.3.23 Actual £m	31.3.24 Forecast £m
General Fund CFR	16.7	18.2
Investments CFR	238.5	253.1
HRA CFR	80.9	81.9
Total CFR	336.1	353.2
Less: Other debt liabilities *	(4.0)	(3.9)
Borrowing CFR	332.1	349.3
Less: Usable reserves	(34.0)	(31.8)
Less: Working capital	(11.3)	(11.3)
Net borrowing	286.8	306.2

* finance leases, PFI liabilities and transferred debt that form part of the Council's total debt

The treasury management position on 31 December 2023 and the change since 31 March 2023 is shown in table 2 below.

Table 2: Treasury Management Summary

	31.3.23 Balance £m	Net Movement £m	31.12.23 Balance £m	31.12.23 Weighted Average %
Long-term borrowing	190.6	(0.4)	190.2	3.61
Short-term borrowing	108.8	(5.5)	103.3	5.25
Total borrowing	299.4	(5.9)	293.5	4.19
Short-term investments	12.1	(1.1)	11.0	5.60
Cash and cash equivalents	0.5	0.1	0.6	2.38
Total investments	12.6	(1.0)	11.6	5.44
Net borrowing	286.8	(4.9)	281.9	

Borrowing

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

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.

Interest rates have seen substantial rises over the last two years, although these rises began to plateau in the later months of 2023. Rates over the last three quarters were at the peak between June and October, since then they have fallen back to lows last seen in April 2023. Gilt yields have remained volatile, facing upward pressure following signs that UK growth had been more resilient and inflation stickier than expected. However more recent signs of slowing inflation and the perception of an increasingly struggling economy have now begun to change this sentiment, resulting in falling gilt yields and, consequently, PWLB rates.

On 31 December, the PWLB certainty rates for maturity loans were 4.19% for 10-year loans, 4.90% for 20-year loans and 4.67% for 50-year loans. Their equivalents on 31 March 2023 were 4.33%, 4.70% and 4.41% respectively.

A new PWLB rate for the Housing Revenue Account (HRA) which is 0.4% below the certainty rate was made available from 15 June 2023. This rate will now be available until June 2025. The discounted rate is to support local authorities borrowing for the HRA, and for refinancing existing HRA loans, providing a window of opportunity for HRA-related borrowing and to replace the Council's £8 million of loans relating to the HRA maturing during this time frame.

At 31 December 2023 the Council held £293.5 million of loans as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 31 December are summarised in table 3A below.

Table 3A: Borrowing Position

	31.3.23		31.12.23	31.12.23	31.12.23
	Balance	Net	Balance	Weighted	Weighted
	£m	Movement	£m	Average	Average
		£m		Rate	Maturity
				%	Years
Public Works Loan Board	158.3	(0.1)	158.2	3.76	13.1
Phoenix Life Ltd	36.1	(0.3)	35.8	2.86	19.5
Government (incl. local authorities)	100.0	(0.5)	99.5	5.35	0.5
Building Societies	5.0	(5.0)	0.0	0.00	0.0
Total borrowing	299.4	(5.9)	293.5	4.19	9.6

The Council's short-term borrowing cost has continued to increase with the rise in Bank Rate and short-dated market rates. The average rate on the Council's short-term loans as at 31 December

2023 of £103.3 million was 5.25%, this compares with 4.66% on £108.3 million as at 30 September 2023.

Table 3B: Long-dated Loans borrowed

	31.12.23 Balance £m	Rate %	Period Remaining (Years)
PWLB Maturity Loan	2.0	4.03	1.2
PWLB Maturity Loan	3.0	2.82	1.2
PWLB Maturity Loan	3.0	2.92	2.2
PWLB Maturity Loan	3.0	3.01	3.2
PWLB Maturity Loan	3.0	3.08	4.2
PWLB Maturity Loan	3.0	3.15	5.2
PWLB Maturity Loan	4.0	3.21	6.2
PWLB Maturity Loan	50.0	4.16	6.7
PWLB Maturity Loan	4.0	3.26	7.2
PWLB Maturity Loan	4.0	3.30	8.2
PWLB Maturity Loan	4.0	3.34	9.2
PWLB Maturity Loan	4.0	3.37	10.2
PWLB Maturity Loan	4.0	3.40	11.2
PWLB Maturity Loan	4.0	3.42	12.2
PWLB Maturity Loan	5.0	3.44	13.2
PWLB Maturity Loan	5.0	3.46	14.2
PWLB Maturity Loan	5.0	3.47	15.2
PWLB Maturity Loan	5.0	3.48	16.2
PWLB Maturity Loan	5.0	3.49	17.2
PWLB Maturity Loan	5.4	3.50	18.2
Phoenix Annuity Loan	35.8	2.86	33.5
PWLB Annuity Loan	29.8	4.28	47.7

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

Treasury Management Investment Activity

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

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year to date, the Council's investment balances ranged between £8.0 and £22.5 million due to timing differences between income and expenditure. The investment position is shown in table 4 on the following page.

Table 4: Treasury Investment Position

	31.3.23	Net Movement	31.12.23	31.12.23 Weighted Average Rate	31.12.23 Weighted Average Maturity
	Balance £m	£m	Balance £m	%	years
Government (incl. local authorities)	12.1	(1.1)	11.0	5.60	0.4
Banks (unsecured)	0.5	0.1	0.6	2.38	0.0
Total investments	12.6	(1.0)	11.6	5.44	0.4

Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

As demonstrated by the liability benchmark in this report, the Council expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments.

Bank Rate increased by 1% over the period, from 4.25% at the beginning of April to 5.25% by the end of December. During the year, rates on investments with other local authorities for around one year have ranged between 5.60% and 5.85%. The rates on DMADF deposits also rose, increasing from 4.05% (overnight rate) on 31 March 2023 to 5.19% by 31 December 2023.

The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking 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 %
31.03.2023	4.65	A+	5	71	3.89
31.12.2023	5.04	A+	5	157	5.44
Similar LA's	4.81	A+	57	54	5.12
All LA's	4.80	A+	60	11	4.95

Non-Treasury Investments

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

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

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

	31.03.23 Actual £m	31.12.23 Actual £m
Skyway House, Parsonage Road, Takeley - Offices	21.3	21.3
Deer Park Road, Livingston, Scotland - Vet Practice	5.2	5.2
Stane Retail Park, Colchester - Retail Park	27.2	27.7
Chorley - Regional Distribution Centre	58.3	58.3
Gloucester - Distribution Centre	43.3	43.3
Tewkesbury - Offices and Warehouse	29.1	35.6
TOTAL	184.4	191.4

These investments are forecast to generate £10.0 million of investment income for the Council in 2023/24 after taking account of direct costs.

In addition, as at 31 December 2023 the Council had invested principal amounts of £62.9 million in loans to its subsidiary, Aspire (CRP) Ltd, which holds a 50% share in investment property at Chesterford Research Park. These loans are forecast to generate investment income of £2.4 million 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 (with a £1 million use of the reserve forecast over the two years 2023/24 and 2024/25, to cover borrowing costs in relation to further ongoing development at the Park).

The total contribution generated by commercial investments in 2023/24 (net of associated borrowing costs and repayment of principal) is forecast at £1.4 million, representing 8% of the Council's forecast net direct service expenditure. This contribution has decreased in recent years due to increased borrowing costs, and is forecast to become negative in the short-term (£1.8 million deficit in 2024/25 followed by a £0.1 million deficit in 2025/26), before returning to a positive contribution in the medium-term as interest rates continue to fall.

Consultations

In December 2023 DLUHC published two consultations: a "final" consultation on proposed changes to regulations and statutory guidance on MRP which closed on 16 February, and a "call for views" on capital measures to improve sector stability and efficiency which closed on 31 January.

Draft regulations and draft statutory guidance are included in the MRP consultation. The proposals remain broadly the same as those in June 2022 – to limit the scope for authorities to (a) make no MRP on parts of the capital financing requirement (CFR) and (b) to use capital receipts in lieu of a revenue charge for MRP.

In preparation for the revised guidance, the Council has already made changes to its MRP policy with effect from 2022/23 to reflect the additional requirements which are shortly to be introduced. The new guidance as consulted upon is not, therefore, anticipated to have a significant impact on this Council.

In its call for views on capital measures, Government wishes to engage with councils to identify and develop options for the use of capital resources and borrowing to support and encourage 'invest-to-save' activity and to manage budget pressures without seeking exceptional financial support. Whilst Government has identified some options including allowing authorities to capitalise general cost pressures and meet these with capital receipts, there is no commitment to take any of the options forward.

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 two occasions during November 2023 due to the Council missing the daily deadline for authorising external investments. In both cases the excess amount remained with the Council's principle bankers (Barclays), the level of the breach was relatively low (<£0.4 million), 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 6: Investment Limits

	2023/24 Maximum £m	31.12.23 Actual £m	2023/24 Limit £m	Complied?
UK Central Government	14.5	3.0	Unlimited	✓
UK Local Authorities including Police and Fire per authority	3.0	3.0	5.0	✓
Secured Investments	0.0	0.0	5.0	✓
Banks (unsecured)	3.3	0.6	3.0	✗
UK Building Societies without credit ratings	0.0	0.0	3.0	✓
Registered Providers (unsecured)	0.0	0.0	3.0	✓
Money Market Funds per fund	1.0	0.0	5.0	✓
Strategic Pooled Funds	0.0	0.0	3.0	✓
Real Estate Investment Trusts	0.0	0.0	3.0	✓
Saffron Building Society	0.0	0.0	0.5	✓
Other Investments	0.0	0.0	3.0	✓

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 on the following page.

Table 7: Debt Limits

	2023/24 Maximum £m	31.12.23 Actual £m	2023/24 Operational Boundary £m	2023/24 Authorised Limit £m	Complied?
Borrowing	299.4	293.5	395.0	415.0	✓
PFI	4.0	3.9	5.0	5.0	✓
TOTAL	303.4	297.4	400.0	420.0	✓

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

Treasury Management Prudential Indicators

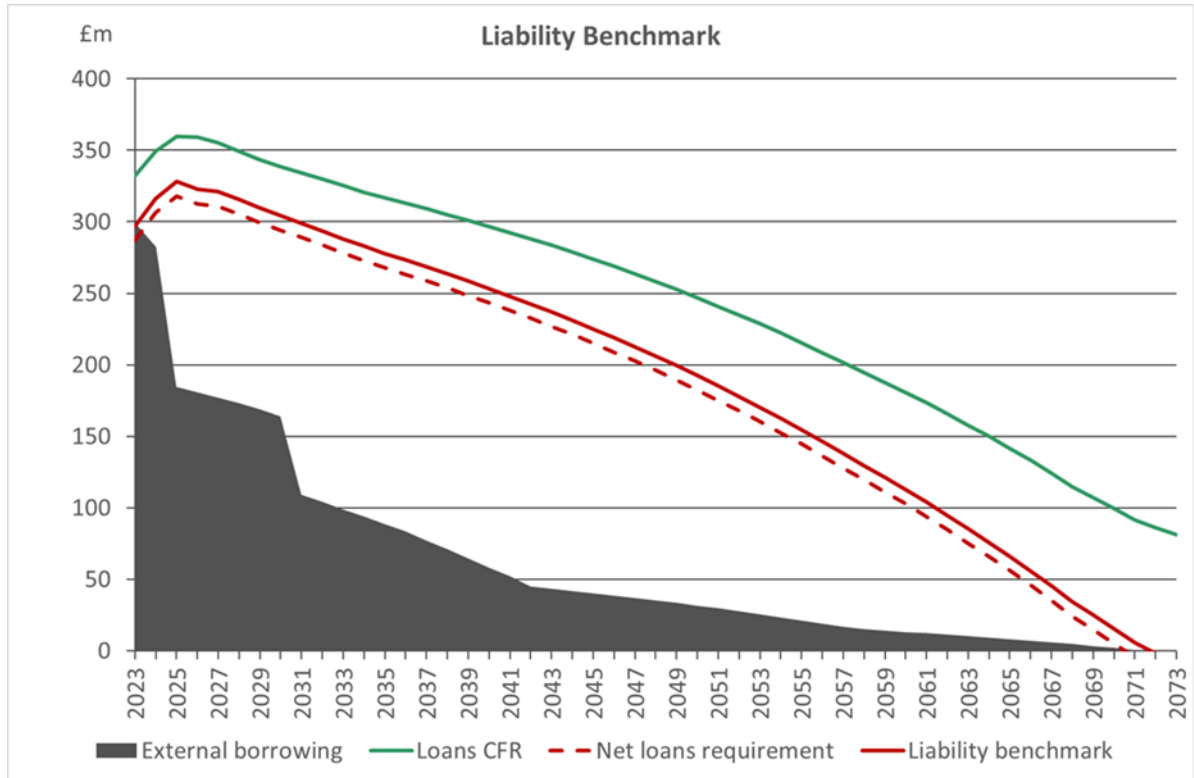
As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following treasury management prudential indicators.

1. Liability Benchmark:

This new indicator compares the Council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £10 million required to manage day-to-day cash flow.

	31.3.23 Actual £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m
Loans CFR	332.1	349.3	359.9	359.2
Less: Usable reserves	(34.0)	(31.8)	(30.6)	(35.2)
Less: Working capital	(11.3)	(11.3)	(11.3)	(11.3)
Add: Minimum investments	10.0	10.0	10.0	10.0
Liability Benchmark	296.8	316.2	328.0	322.7

Following on from the medium-term forecast above, the long-term liability benchmark has been calculated assuming approved levels of capital expenditure funded by borrowing until 2028/29, minimum revenue provision on new capital expenditure based on the Council's approved MRP policy and expenditure and reserves all increasing by inflation of 2% per annum after the end of the current 5-year MTFS period. This is shown in the chart below together with the maturity profile of the Council's existing borrowing.



Whilst borrowing may be above the liability benchmark, strategies involving borrowing which is significantly above the liability benchmark carry higher risk. The gap between the actual agreed fixed rate loans (in grey) and the liability benchmark (solid red line) provides an indication of the level of borrowing which the Council will need to refinance in future years (assuming no further capital expenditure beyond that already forecast).

2. Maturity Structure of Borrowing:

This indicator is set to control the Council’s exposure to refinancing risk. The limits on the maturity structure of all borrowing were:

	31.12.23 Actual %	Upper Limit %	Complied?
Under 12 months	35.21	50	✓
12 months and within 24 months	1.99	50	✓
24 months and within 5 years	4.00	50	✓
5 years and within 10 years	25.27	80	✓
10 years and within 20 years	18.95	80	✓
20 years and above	14.58	100	✓

The maturity date of borrowing is the earliest date on which the lender can demand repayment.

3. Long-term Treasury Management Investments:

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 prudential limits on the long-term treasury management limits are:

	31.12.23 Actual £m	2023/24 Limit £m	Complied?
Limit on principal invested beyond year end	8.0	10.0	✓

Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Additional 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.

	31.12.23 Actual	2023/24 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.

	31.12.23 Actual £m	2023/24 Target £m	Complied?
Total cash available within 3 months	3.6	2.0	✓

Interest Rate Exposures:

This indicator is set to control the Council's exposure to interest rate risk. Bank Rate rose by 1.25% from 4.25% on 1 April 2023 to 5.25% by 31 December 2023.

	31.12.23 Actual £m	2023/24 Target £m	Complied?
Upper limit on one-year revenue impact of a 1% rise in interest rates	0.5	1.5	✓
Upper limit on one-year revenue impact of a 1% fall in interest rates	0.5	1.5	✓

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

For context, the changes in interest rates during the quarter were:

	31.3.23 Actual %	31.12.23 Actual %
Bank Rate	4.25	5.25
1-year PWLB certainty rate (maturity)	4.78	5.13
5-year PWLB certainty rate (maturity)	4.31	4.19
10-year PWLB certainty rate (maturity)	4.33	4.37
20-year PWLB certainty rate (maturity)	4.70	4.90
50-year PWLB certainty rate (maturity)	4.41	4.68