

# Council AGENDA

**Monday, 1<sup>st</sup> June 2020 at 7.15 pm**

In accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, this meeting will be held via Zoom and by the Council's YouTube channel – Braintree District Council Committees.

Members of the public will be able to view and listen to this meeting via YouTube.

To access the meeting please use the link below:

<http://www.braintree.gov.uk/youtube>

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**Members of the Council are requested to attend this meeting to transact the business set out in the Agenda.**

## **Membership:-**

Councillor J Abbott	Councillor P Horner	Councillor Mrs J Sandum
Councillor J Baugh	Councillor D Hume	Councillor Miss V Santomauro
Councillor Mrs J Beavis	Councillor H Johnson	Councillor Mrs W Scattergood
Councillor D Bebb	Councillor Mrs A Kilmartin	Councillor Mrs W Schmitt
Councillor K Bowers	Councillor D Mann	Councillor P Schwier
Councillor G Butland	Councillor T McArdle	Councillor Mrs G Spray
Councillor J Coleridge	Councillor J McKee	Councillor P Tattersley
Councillor G Courtauld	Councillor A Munday	Councillor P Thorogood
Councillor Mrs M Cunningham	Councillor Mrs I Parker	Councillor N Unsworth
Councillor T Cunningham	Councillor Mrs J Pell	Councillor R van Dulken
Councillor Mrs C Dervish	Councillor I Pritchard	Councillor D Wallace
Councillor P Euesden	Councillor M Radley	Councillor T Walsh
Councillor T Everard	Councillor R Ramage	Councillor Mrs L Walters
Councillor Mrs D Garrod	Councillor S Rehman	Councillor Miss M Weeks
Councillor A Hensman	Councillor F Ricci	Councillor Mrs S Wilson
Councillor S Hicks	Councillor B Rose	Councillor J Wrench
		Councillor B Wright

Members unable to attend the meeting are requested to forward their apologies for absence to the Governance and Members Team on 01376 552525 or email [governance@braintree.gov.uk](mailto:governance@braintree.gov.uk) by 3pm on the day of the meeting.

A WRIGHT  
Chief Executive

## **INFORMATION FOR MEMBERS - DECLARATIONS OF INTERESTS**

### **Declarations of Disclosable Pecuniary Interest, Other Pecuniary Interest or Non-Pecuniary Interest**

Any member with a Disclosable Pecuniary Interest, other Pecuniary Interest or Non-Pecuniary Interest must declare the nature of their interest in accordance with the Code of Conduct. Members must not participate in any discussion of the matter in which they have declared a Disclosable Pecuniary Interest or other Pecuniary Interest or participate in any vote, or further vote, taken on the matter at the meeting. In addition, the Member must withdraw from the chamber where the meeting considering the business is being held unless the Member has received a dispensation from the Monitoring Officer.

### **Question Time**

In response to Coronavirus the Council has implemented new procedures for public question time.

The Agenda allows for a period of up to 30 minutes when members of the public can speak. Members of the public wishing to speak are requested to register by contacting the Governance and Members Team on 01376 552525 or email [governance@braintree.gov.uk](mailto:governance@braintree.gov.uk) by midday on the working day before the day of the Committee meeting. For example, if the Committee Meeting is due to be held on a Tuesday, the registration deadline is midday on Monday, (where there is a bank holiday Monday you will need to register by midday on the previous Friday).

The Council reserves the right to decline any requests to register if they are received after this time.

Registered participants must submit their written questions/statements no later than 9am on the day of the meeting by emailing them to [governance@braintree.gov.uk](mailto:governance@braintree.gov.uk)

Participation will be via the submission of a written question or statement which will be read out by the Chairman or an Officer during the meeting. All written questions or statements should be concise and should be able to be read within the 3 minutes allotted for each question/statement. The question/statement will be published on the Council's website. The Council reserves the right to remove any defamatory comment in the submitted question/statement.

### **Documents**

Agendas, reports and minutes for all the Council's public meetings can be accessed via [www.braintree.gov.uk](http://www.braintree.gov.uk)

We welcome comments from members of the public to make our services as efficient and effective as possible. If you have any suggestions regarding the meeting you have attended, you can send these via [governance@braintree.gov.uk](mailto:governance@braintree.gov.uk)

- 1 Apologies for Absence**
- 2 Minutes of the Previous Meeting**  
To approve as a correct record the minutes of the meeting of Full Council held on 17th February 2020 (copy previously circulated).
- 3 Declarations of Interest**  
To declare the existence and nature of any Disclosable Pecuniary Interest, other Pecuniary Interest or Non-Pecuniary Interest relating to items on the agenda having regard to the Code of Conduct for Members and having taken appropriate advice where necessary before the meeting.
- 4 Public Question Time**  
(See paragraph above)
- 5 To receive any announcements/statements from the Chairman and/or Leader of the Council.**
- 6 To receive a statement from the Leader of the Council, Councillor Graham Butland - Update on the Local Plan**
- 7 To receive a statement from the Returning Officer, Andy Wright - Update on the Parliamentary Boundary Review**
- 8 Motion by Councillor James Abbott - Cycling Motion** **5 - 5**
- 9 COVID-19 – Impact on Council Finances** **6 - 16**
- 10 Discretionary Business Rate Discount Relief and Council Tax Schemes** **17 - 29**
- 11 Decisions made by the Chief Executive under Urgency Provisions** **30 - 35**
- 12 Councillor Graham Butland - Leader's Report to Council** **36 - 45**

<b>13</b>	<b>Recommendation from Cabinet - 28<sup>th</sup> May 2020 - Horizon 120 - Infrastructure - PUBLIC</b>	<b>46 - 54</b>
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Members are asked to note that for this item and Agenda Item 15 a Minute Extract Report will follow the meeting of Cabinet on 28<sup>th</sup> May 2020.

<b>14</b>	<b>Exclusion of the Public and Press</b>
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To agree the exclusion of the public and press for the consideration of any Items for the reasons set out in Part 1 of Schedule 12(A) of the Local Government Act 1972.

**PRIVATE SESSION**

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<b>15</b>	<b>Recommendation from Cabinet - 28<sup>th</sup> May 2020 - Horizon 120 - Infrastructure - PRIVATE</b>
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Members are asked to note that for this item and Agenda item 13 a Minute Extract Report will follow the meeting of Cabinet on 28<sup>th</sup> May 2020.

**Motion by Councillor James Abbott - Cycling Motion**

**Agenda No: 8**

<b>Motion presented by:</b>	<b>Councillor James Abbott</b>
<b>Motion Seconded by:</b>	<b>Councillor Mrs Jenny Sandum</b>
<b>Motion support by:</b>	<b>Councillor Bob Wright</b>
	<b>Councillor Tom Walsh</b>
	<b>Councillor Nick Unsworth</b>
	<b>Councillor Miss Michelle Weeks</b>
	<b>Councillor Stevie Hicks</b>
	<b>Councillor Mrs Joanne Beavis</b>
	<b>Councillor Paul Thorogood</b>

**Cycling Motion**

Council notes the multiple benefits of cycling which include:

- Achieving modal shift which in turn reduces the number of car journeys, reduces CO2 emissions and improves local air quality
- Improved health for those able and keen to take up opportunities to cycle
- Improved social wellbeing

Council also notes that segregation of cycling from traffic is important to maximise these benefits by making cycling as safe and as attractive as possible.

Therefore Council agrees that in developing the Local Plan, in working with partners such as Essex County Council on developing cycling strategies and in working with developers and local communities, Braintree District Council will positively support the long term development of a comprehensive cycling network that is, as far as possible, segregated from traffic and which serves residents both within towns and villages and between them, and which also links in with key public transport infrastructure such as railway stations.

Appropriate Notice of the Motion has been given to the Chief Executive in accordance with Council Procedural Rule 18 of Chapter 2 of the Constitution.

COVID-19 – Impact on Council Finances		Agenda No: 9
Portfolio	Finance and Performance	
Corporate Outcome:	A high performing organisation that delivers excellent and value for money services Delivering better outcomes for residents and businesses and reducing costs to taxpayers	
Report presented by:	Councillor David Bebb, Cabinet Member for Finance and Performance Management	
Report prepared by:	Trevor Wilson, Head of Finance	
Background Papers:	Public Report	
	Key Decision: No	
Executive Summary:		
1. <u>Introduction</u>		
<p>The COVID-19 pandemic has had and continues to have a significant impact on the residents, communities and businesses in the District. The Council is playing a key role in providing support through both its own services and additional services delivered on behalf of the Government. Whilst this expenditure is placing pressures on the finances of the Council the main impact is from the reduction in income received for services which have temporarily either ceased or been reduced significantly.</p> <p>This report provides an update on the financial support provided to businesses and council tax payers (including that to be funded by Government) and an initial assessment of the impact of the pandemic on the Council's finances.</p>		
2. <u>Businesses</u>		
<p>The Government announced in the Budget on 11<sup>th</sup> March 2020 a number of measures to assist businesses suffering financial hardship as a consequence of the impact of COVID-19 pandemic.</p>		
2.1 Business Support Grants		
<p>Two grant funding schemes were introduced for 2020/21: the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund.</p> <p>As at Thursday 7<sup>th</sup> May, grants had been paid to 2,182 businesses with a total value of £25.42m.</p>		

On 1<sup>st</sup> May the Government announced that a discretionary fund would be set up to accommodate certain small businesses previously outside the scope of the business grant funds scheme. At the time of writing, detailed guidance together with the allocation of the funds available to each authority are awaited.

## **2.2 Business Rate – Retail Hospitality & Leisure discount and Nursery Relief**

The Retail Hospitality & Leisure discount scheme was increased from 50% to 100% and the maximum Rateable Value limit of £51,000 was removed for 2020/21. In addition the Government determined that the discount was not State Aid.

The discount has been applied to 803 businesses for 2020/21, with a total value of £17.72m.

On 18<sup>th</sup> March the Department for Education announced that to support nurseries, they will also be eligible for a business rates holiday for one year. 100% relief has been granted to 20 nurseries for 2020/21, with a total value of £182k.

The amount of business rates collected in April was £2.32million, this is less than the amount collected for the same period last year, of £5.04million, and is mainly due to the significant increase in reliefs granted.

## **3. Council Taxpayers**

The Government announced at the Budget that local authorities would receive an allocation from the £500m Hardship Fund to deliver relief to council tax payers in their area; the Council received £891,670 on 3<sup>rd</sup> April.

The Government's strong expectation is for billing authorities to provide all recipients of working age local council tax support during the financial year 2020-21 with a further reduction in their annual council tax bill of £150.

After an extended period of discussion between the MHCLG and the main system suppliers, the necessary software update has been received and tested. Enabling the reductions of up to £150 to be applied to the council tax accounts of all recipients of working age local council tax support and revised bills to be issued in the week commencing 11<sup>th</sup> May.

The amount of Council Tax collected in April was £10.862million, a collection rate of 10.85%, this compares to £10.875million (11.66%) collected in the same period last year.

It should be noted that no reminders have been sent for missed payments in April and that all actions of enforcement agencies have been ceased temporarily.

## **4. Potential Impact of COVID-19 on the Council's Finances**

The Government requested an indication of the financial implications of the pandemic on local authorities over the initial period of March and April and a projection for the year.

This return identified potential additional expenditure of £245,000 (£111,000 in 2019/20 and £134,000 in 2020/21) and a reduction of income received of £3.066million (£217,000 and £2.849million) providing an estimated total impact of £3.311million.

The assessment of reduced income is based on a prediction that the current arrangements will impact for the first quarter with recovery levels of 50% for quarter 2, 70% for quarter 3 and 90% for quarter 4. Anticipated reduction in dividends from the pooled funds is based on information provided by Arlingclose.

The Council received an allocation of £61.4k on 27<sup>th</sup> March from the Government's £1.6billion Local Authority Support Grant and on 28<sup>th</sup> April the Government published the allocations of the second tranche of £1.6billion of support to local authorities – the Council is to receive £1,505,471. This provides a total allocation of £1,566,882 to cover the financial losses.

The Government has requested local authorities submit an updated return on 15<sup>th</sup> May. The information requested has been increased and covers the position for April, May and the full year. The figures for the full year are to be based on the assumption the 'current restrictions remain in place until the end of July 2020, and thereafter the situation reverts entirely back to a position you anticipated prior to COVID-19. Note that this assumption is intended for accounting purposes only and solely to improve consistency in the returns provided and should in no way be interpreted as government policy.'

Finally, a more detailed review of the Council's finances will be undertaken in August which will be based on actual expenditure and income as at the end of the first quarter of the financial year.

#### **Recommended Decision:**

Members are asked to note the report.

#### **Purpose of Decision:**

To inform Members of the current impact of the COVID-19 pandemic on the Council's finances.



**Any Corporate implications in relation to the following should be explained in detail.**

<p><b>Financial:</b></p>	<p>The Council has received a total allocation of £1,566,882 from the Government's Local Authority support Grant to cover the financial losses incurred as a result of the COVID-19 pandemic.</p> <p>An assessment of the potential financial losses was undertaken in mid-April in response to a request from the Government. The assessment shows that unbudgeted expenditure of £111k and reduced income of £217k were recorded in March (accounted for in 2019/20). The potential additional expenditure in 2020/21 is £245k and the potential loss of income is £2.849million. The combined total covering both years is £3.311million.</p> <p>A further assessment is currently in progress in order to respond to a revised Government form to be returned on 15<sup>th</sup> May 2020.</p> <p>The Council has exercised its discretionary powers to implement a number of support programmes for businesses and council taxpayers on behalf of the Government. The Council will receive full reimbursement of the grants, discounts and reliefs awarded from the Government.</p> <p>The Council's cashflow continues to be closely monitored with no concerns at this time. Indeed the precept payments to the major preceptors and parish/town councils together with the pension deficit payments, for 2020/21 to 2022/23, were all made as scheduled in April/May. Cashflow has been helped by the Government deferring the business rate payments due from the Council, for April to June, until the remaining 9 months of the year.</p> <p>Reduced sums collected for business rates and for council tax income reflect the potential impact on the year, of £3.2m and £2.47m respectively, however this is based on the first 2 weeks of April only and the amounts remain collectable and may be received in the following year(s). No assessment of the level of write-offs during the year has been made at this time – these would present a cost on the Collection Funds with the shortfalls for all preceptors needing to be recovered in 2021/22.</p>
<p><b>Legal:</b></p>	<p>No matters arising out of this report.</p>
<p><b>Safeguarding:</b></p>	<p>No matters arising out of this report.</p>

<b>Equalities/Diversity:</b>	It has not been necessary to conduct an Equality Impact Assessment as a result of this financial update report.
<b>Customer Impact:</b>	No matters arising out of this report.
<b>Environment and Climate Change:</b>	No matters arising out of this report.
<b>Consultation/Community Engagement:</b>	No matters arising out of this report.
<b>Risks:</b>	[insert details or insert "No matters arising out of this report"]
<b>Officer Contact:</b>	Trevor Wilson
<b>Designation:</b>	Head of Finance
<b>Ext. No:</b>	2801
<b>E-mail:</b>	Trevor.wilson@braintree.gov.uk

## **1. Introduction**

The COVID-19 pandemic has had and continues to have a significant impact on the residents, communities and businesses in the District. The Council is playing a key role in providing support through both its own services and additional services delivered on behalf of the Government. Whilst this expenditure is placing pressures on the finances of the Council the main impact is from the reduction in income received for services which have temporarily either ceased or been reduced significantly.

This report provides an update on the financial support provided to businesses and council tax payers (including that to be funded by Government) and an initial assessment of the impact of the pandemic on the Council's finances.

## **2. Businesses**

The Government announced in the Budget on 11<sup>th</sup> March 2020 a number of measures to assist businesses suffering financial hardship as a consequence of the impact of COVID-19 pandemic.

### **2.1 Business Support Grants**

Two grant funding schemes were introduced for 2020/21: the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund:

- Small Business Grant Fund – for all businesses in England in receipt of either Small Business Rates Relief or Rural Rates Relief in the business rates system are eligible for a payment of £10,000; and
- Retail, Hospitality and Leisure Grant – for businesses in England that would have been in receipt of the Expanded Retail Discount (which covers retail, hospitality and leisure) on 11 March with a rateable value of less than £51,000 are eligible for a payment of either £10,000 or £25,000 depending whether the rateable value is below or above £15,000.

For both schemes businesses must also meet eligibility criteria prescribed by the Government.

The Council received £31.57m on 1<sup>st</sup> April from the Government, the amount being based on the Government's assessment of eligible businesses in the Braintree District.

A total of 2,557 businesses were sent a letter and application form on 26<sup>th</sup> /27<sup>th</sup> March inviting them to apply for the grants.

As at Thursday 7<sup>th</sup> May, grants had been paid to 2,182 businesses with a total value of £25.42m.

On 1<sup>st</sup> May the Government announced that a discretionary fund would be set up to accommodate certain small businesses previously outside the scope of the business grant funds scheme. At the time of writing, detailed guidance together with the allocation of the funds available to each authority are awaited.

## **2.2 Business Rate – Retail Hospitality & Leisure discount**

The Retail Hospitality & Leisure discount scheme was increased from 50% to 100% and the maximum Rateable Value limit of £51,000 was removed for 2020/21. In addition the Government determined that the discount was not State Aid.

The discount has been applied to 803 businesses for 2020/21, with a total value of £17.72m. The cost of the discount is to be covered by a section 31 grant from the Government, the detail of how this is to be paid to local authorities is awaited.

## **2.3 Business Rate – Nursery Relief**

On 18<sup>th</sup> March the Department for Education announced that to support nurseries, they will also be eligible for a business rates holiday for one year.

100% relief has been granted to 20 nurseries for 2020/21, with a total value of £182k. The cost of the relief is to be covered by a section 31 grant from the Government, the detail of how this is to be paid to local authorities is awaited.

## **2.4 Cashflow support – Business Rates**

Support regarding business rates to/from Government to assist the Council's cashflow include:

- £2.289m paid on 27<sup>th</sup> March for Section 31 grants (re: original reliefs prior to COVID-19 support) – normally paid in instalments across the year
- Business rate payments due to Government for three months deferred until later in the year – value £5.8m
- Anticipate further Section 31 grant income in respect of the additional Retail Hospitality & Leisure discount and Nursery relief mentioned above.

The amount of business rates collected in April was £2.32million, this is less than the amount collected for the same period last year, of £5.04million, and is mainly due to the significant increase in reliefs granted as detailed above.

## **2.5 Business Improvement Districts**

On 1<sup>st</sup> May, the Government announced financial support for Business Improvement Districts with a fund of £6.1million. The money is to be paid to local authorities and dispersed to Business Improvement Districts. Detail of the allocation for the Witham Industrial Watch is awaited at this current time.

## **3. Council Taxpayers**

The Government announced at the Budget that local authorities would receive an allocation from the £500m Hardship Fund to deliver relief to council tax payers in their area.

The Government's strong expectation is that billing authorities will provide all recipients of working age local council tax support during the financial year 2020-21 with a further reduction in their annual council tax bill of £150, using their

discretionary powers to reduce the liability of council tax payers outside of their formal LCTS scheme design.

The Council received £891,670 on 3<sup>rd</sup> April from Government being sum allocated to the Council in respect of Hardship Fund.

After an extended period of discussion between the MHCLG and the main system suppliers, the necessary software update has been received and tested. Enabling the reductions of up to £150 to be applied to the council tax accounts of all recipients of working age local council tax support and revised bills to be issued in the week commencing 11<sup>th</sup> May.

Whilst the balance of the allocation can be used at the Council's discretion to support others in hardship the Council's Benefits Team are aware of an increase in the number of claimants of Universal Credit who are expected to also claim LCTS from the Council and each of whom will also be entitled to the £150 allocation. It is proposed therefore to refrain from agreeing any additional support measures until the number of new claimants of LCTS is known.

The amount of Council Tax collected in April was £10.862million, a collection rate of 10.85%, this compares to £10.875million (11.66%) collected in the same period last year.

The main method of council tax payment is by Direct Debit; the amounts requested on 1<sup>st</sup> April totalled £7.42m and on 1<sup>st</sup> May totalled £7.497m.

Direct Debits which were returned unpaid on 1<sup>st</sup> April (of 548) and on 1<sup>st</sup> May (of 172) were not represented as normal process but were instead the DD payment method was removed from the account and the customers were written to suggesting other payment methods and requesting to pay what they can at this time with an option to return to DD in future.

It should be noted that no reminders have been sent for missed payments in April and that all actions of enforcement agencies have been ceased temporarily.

#### **4. Payments to Preceptors and Essex Pension Fund**

Assessment of the Council's cashflow has enabled the payments to preceptors and Essex Pension Fund to take place as originally planned, as follows:

- Essex County Council – Business Rates £1.55m paid on 30<sup>th</sup> April; Council Tax precept £5.832m paid on 1<sup>st</sup> May
- Essex Police – Council Tax precept £884k paid on 1<sup>st</sup> May
- Essex Fire – Council Tax precept £361k paid on 1<sup>st</sup> May
- Parish and Town Councils – 50% of Council Tax precepts £1.237m paid on 30<sup>th</sup> April

In addition, the Council had agreed to pay the pension deficit payments for 2020/21 to 2022/23 in a single payment in April 2020. A payment to the Essex Pension Fund of £2.468m was made on 30<sup>th</sup> April

## **5. Potential Impact of COVID-19 on the Council's Finances**

To-date expenditure coded to the COVID-19 cost centre is £151.7k; this is mainly IT equipment (£124k) and housing costs (hotels and B&B's of £26k).

The Government requested an indication of the financial implications of the pandemic on local authorities over the initial period of March and April and a projection for the year. A return was duly made on 15<sup>th</sup> April.

This was obviously produced at short notice and with relatively few days on which to base the assessment. The assessment of reduced income is based on a prediction that the current arrangements will impact for the first quarter with recovery levels of 50% for quarter 2, 70% for quarter 3 and 90% for quarter 4. Anticipated reduction in dividends from the pooled funds is based on information provided by Arlingclose.

The summary below shows the return submitted plus some detail of the income generating areas impacted:

<b>Financial Implications - Summary</b>			
	<b>March</b>	<b>April</b>	<b>Full Year</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Expenditure</b>			
Housing (including homelessness services)	-	4	48
Environmental and Regulatory (including excess death management)	-	11	32
Other Services (includes IT equipment)	111	5	54
<b>Total Estimated Additional Expenditure</b>	<b>111</b>	<b>20</b>	<b>134</b>
<b>Income</b>			
Sales, Fees & Charges	167	282	1,493
Commercial Income (Rents)	-	20	0
Other	50	152	1,356
<b>Total Estimated Reduction in Income</b>	<b>217</b>	<b>454</b>	<b>2,849</b>
Estimated Reduction in Business Rates	-	548	3,204
Estimated Reduction in Council Tax	-	433	2,479
<b>Income Includes:</b>			
Planning fees			559
Car Parks			465
Building Control			128
Leisure Contract			92
Horticulture			66
Community Transport			43
Recycling and Trade Waste			205
Land charges			92
Benefit Overpayments recovered			60
Court costs recovered			104
Council Tax Sharing			173
Business Rates Pool share			276
Interest & Dividends			426
Other - various			160
			<b>2849</b>

This return identified potential additional expenditure of £245,000 (£111,000 in 2019/20 and £134,000 in 2020/21) and a reduction of income received of £3.066million (£217,000 and £2.849million) providing an estimated total impact of £3.311million.

The Council received an allocation of £61.4k on 27<sup>th</sup> March from the Government's £1.6billion Local Authority Support Grant.

On 28<sup>th</sup> April the Government published the allocations of the second tranche of £1.6billion of support to local authorities – the Council is to receive £1,505,471. This provides a total allocation of £1,566,882 to cover the financial losses.

Whilst the reductions in business rate and council tax income reflect the potential impact on the year (based on the first 2 weeks of April only) the amounts remain

collectable and may be received in the following year(s). No assessment of the level of write-offs during the year has been made at this time – these would present a cost on the Collection Funds with the shortfalls for all preceptors needing to be recovered in 2021/22.

The Government has requested local authorities submit an updated return on 15<sup>th</sup> May. The information requested has been increased and covers the position for April, May and the full year. The figures for the full year are to be based on the assumption the 'current restrictions remain in place until the end of July 2020, and thereafter the situation reverts entirely back to a position you anticipated prior to COVID-19. Note that this assumption is intended for accounting purposes only and solely to improve consistency in the returns provided and should in no way be interpreted as government policy.'

Completion of the return was in progress at the time of writing. A verbal update will be provided at the meeting.

Other issues to be considered, over the coming months, for the Medium-Term Financial Strategy period include:

- the value and timing of capital receipts which have been assumed in the Council's cashflow and for funding capital projects
- Potential impact on the funding of the Capital Programme; particularly pipeline schemes;
- Financial Settlement for 2021/22 – The Government confirmed on 28<sup>th</sup> April that the Review of Relative Needs and Resource and 75% business rates retention will no longer be implemented in 2021/22 and indicated that it will continue to work with councils on the best approach to the next financial year, including how to treat accumulated business rates growth and the approach to the 2021/22 local government finance settlement.
- reduced investment returns received by the Essex Pension Fund and the potential impact for the next triennial review scheduled for March 2022 which will determine the level of deficit contribution and ongoing contribution for 2023/24 to 2025/26.

Finally, in addition to the Government's request for an updated financial impact assessment as at mid-May a more detailed review of the Council's finances will be undertaken in August and this will be based on actual expenditure and income as at the end of the first quarter of the financial year.



<b>Discretionary Business Rate Discount/Relief and Council Tax Schemes</b>		<b>Agenda No: 10</b>
<b>Portfolio</b>	<b>Finance and Performance</b>	
<b>Corporate Outcome:</b>	<b>Delivering better outcomes for residents and businesses and reducing costs to taxpayers</b>	
<b>Report presented by:</b>	<b>Councillor David Bebb, Cabinet Member for Finance and Performance Management</b>	
<b>Report prepared by:</b>	<b>Trevor Wilson, Head of Finance</b>	
<b>Background Papers:</b>	<b>Public Report</b>	
Item 4 'Care Leavers' - Essex Leaders' and Chief Executives' Meeting 5 <sup>th</sup> December 2019	<b>Key Decision: Yes</b>	
<b>Executive Summary:</b>		
<p>In its response to the COVID-19 pandemic, the Government made a series of announcements, commencing with the Budget on 11<sup>th</sup> March 2020, introducing a range of measures to support businesses and economically vulnerable people and households and which local authorities were requested to use their discretionary powers to bring into effect.</p> <p>For each measure announced and introduced, in accordance with published guidance, the Government confirmed that it would fully reimburse local authorities of the costs incurred.</p> <p>The measures which have been introduced under the local authorities discretionary powers are:</p> <ul style="list-style-type: none"><li>• Business Rates – Expanded Retail Discount 2020/21</li><li>• Business Rates – Pubs Discount</li><li>• Business Rates – Nursery Discount 2020/21</li><li>• Business Grant Schemes – Small Business Grant Fund; Retail, Hospitality and Leisure Grant and Discretionary Business Grant Fund</li><li>• Support to Council Taxpayers - Council tax: COVID-19 hardship fund 2020/21</li></ul> <p>The discretionary relief power to grant Business Rate discounts is provided under section 47 of the Local Government Finance Act 1088 (as amended) and the relevant discretionary power to reduce the council tax liability of individuals comes under Section 13A(1)(c) of the Local Government Finance Act 1992.</p>		

Given the urgency for the Council to provide these measures to businesses and council tax payers at the earliest opportunity it was agreed by the Cabinet Member for Finance and Performance Management in consultation with the Corporate Director (Finance) that the Council would exercise its discretionary power, as appropriate, on 20<sup>th</sup> March 2020.

Council is asked to endorse this decision.

### **Council Tax – Care Leaver exemption policy**

The Council Budget and Council Tax 2020/21 and Medium Term Financial Strategy 2020/21 to 2023/24 report considered by Council on 17<sup>th</sup> February included a reference that an Essex wide council tax exemption policy for care leavers was being developed and that the finalised policy would be brought to Council for approval at the earliest opportunity.

The policy only applies to specified persons leaving the care of Essex County Council until they reach the age of 21. The principle behind the policy is that a care leaver living alone or solely with other care leavers will pay no council tax (in much the same way as the exemption which is applied to students).

Essex County Council has agreed to reimburse billing authorities for the cost of reducing council tax liabilities in respect of its own care leavers up to the age of 21 in proportion to its share of the precept. This would leave this Council bearing approximately 28% of the cost.

The relevant discretionary power to introduce this policy to reduce the council tax liability to care leavers comes under Section 13A(1)(c) of the Local Government Finance Act 1992.

### **Recommended Decision:**

Members are asked to:

1. Endorse the use of the Council's discretionary powers to introduce the following schemes in 2020/21:
  - Expanded Retail Discount 2020/21
  - Pubs Discount 2020/21
  - Nursery Discount 2020/21
  - Business Grant Schemes – Small Business Grant Fund; Retail, Hospitality and Leisure Grant and Discretionary Business Grant Fund
  - Support to Council Taxpayers - Council tax: COVID-19 hardship fund 2020/21

As detailed in the main report and in accordance with the relevant guidance issued by the Government. The cost of the each of the schemes to be reimbursed in full by the Government.

And

2. Agree to introduce a Council Tax Exemption policy for Care Leavers leaving the care of Essex County Council until they reach the age of 21, as detailed in appendix A to the main report, with effect from 1<sup>st</sup> April 2020.

<b>Purpose of Decision:</b>
<p>To endorse the decision to introduce the measures announced by the Government, in its response to the COVID-19 pandemic, for the benefit of businesses and residents in the Braintree District.</p> <p>To agree the implementation of a policy to use local discretionary powers to reduce the Council Tax liability of people aged less than 21 who have left the care of Essex County Council.</p>

**Any Corporate implications in relation to the following should be explained in detail.**

<b>Financial:</b>	<p>The Council is to be reimbursed fully by the Government through the issuing of Section 31 Grants to cover the costs of each of the measures introduced under the Government's COVID-19 Response.</p> <p>The Council will also receive New Burdens Grants to compensate for the additional costs of introducing the measures.</p> <p>The estimated cost of the Council Tax Exemption policy for care leavers is approximately £18,000; of which Essex County Council will be responsible for 72% with this Council responsible for the remaining 28% or approximately £5,000.</p>
<b>Legal:</b>	<p>Local authorities have discretionary powers to grant Business Rate discounts under section 47 of the Local Government Finance Act 1088 (as amended); to reduce the council tax liability of individuals/groups under Section 13A(1)(c) of the Local Government Finance Act 1992 and Section 1 of the Localism Act 2011 to award discretionary grant payments.</p>
<b>Safeguarding:</b>	No matters arising out of this report.
<b>Equalities/Diversity:</b>	<p>Additional financial support with council tax liabilities is to all working age claimants of the Council's Local Council Tax Support scheme, as suggested by the Government.</p> <p>Claimants of pensionable age requesting support with their council tax payments are entitled to claim under the former council tax benefit which provides support of up to 100% of their liability (this compares to a maximum of 76% under the LCTS scheme for working age claimants).</p>
<b>Customer Impact:</b>	No matters arising out of this report.
<b>Environment and Climate Change:</b>	No matters arising out of this report.
<b>Consultation/Community Engagement:</b>	No matters arising out of this report.
<b>Risks:</b>	No matters arising out of this report.
<b>Officer Contact:</b>	Trevor Wilson
<b>Designation:</b>	Head of Finance
<b>Ext. No:</b>	2801
<b>E-mail:</b>	Trevor.wilson@braintree.gov.uk

## 1. Background

- 1.1 The Council, on 24<sup>th</sup> February 2020, agreed to exercise its discretionary powers under Section 47 (3) of the Local Government Finance Act 1988 to agree changes to Business Rate Relief schemes, as follows:
- 1.2 The Retail Rate Relief scheme for 2019/20 and 2020/21 agreed by Council on 25<sup>th</sup> February be amended for 2020/21 to:
  - Increase the amount of discount from one-third to 50%; and
  - Include cinemas and live music venues to the list of eligible businesses. The definition for live music venues to be as described in the MHCLG guidance 'Business Rates – Retail Discount 2020/21 Local Authority Guidance' published on 27<sup>th</sup> January 2020.
- 1.3 The Rate Relief, of £1,500, to Local Newspapers for 2019/20, agreed by Council on 25<sup>th</sup> February 2019, be extended to apply in the years 2020/21 to 2024/25.
- 1.4 A discount of £1,000 for Pubs with a rateable value of less than £100,000 be agreed for 2020/21. Eligible pubs should:
  - Be open to the general public;
  - Allow free entry other than when occasional entertainment is provided;
  - Allow drinking without food to be consumed;
  - Permit drinks to be purchased at a bar.

For these purposes, it should exclude: restaurants, cafes, nightclubs, hotels, snack bars, guesthouses, boarding houses, sporting venues, music venues, festival sites, theatres, museums, exhibition halls, cinemas, concert halls and casinos.
- 1.5 In response to the impact of COVID-19 pandemic on businesses and the economy the Government announced in the Budget on 11<sup>th</sup> March 2020 a number of measures to assist businesses suffering financial hardship. For a number of the measures the Government requested that local authorities use their discretionary powers to expand the business rate relief schemes further and also to administer and deliver a business support grant scheme on its behalf.

## 2. Support to Businesses

### 2.1 Business Rates – Expanded Retail Discount 2020/21

- 2.1.1 In the Budget on 11<sup>th</sup> March the Government announced that it would increase the discount to 100% and extend it to include the leisure and hospitality sectors.
- 2.1.2 On 17<sup>th</sup> March the Chancellor confirmed that the Government would also be removing the £51,000 rateable value threshold for the expanded retail discount.

- 2.1.3 On 25<sup>th</sup> March the Government announced a further expansion to the Expanded Retail Discount to remove some of the previous exclusions from the relief. This is to ensure that some businesses that were previously excluded but are now required to close, such as estate agents, letting agents, betting shops and bingo halls, will be eligible for the relief.
- 2.1.4 The Government confirmed that it would fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003).
- 2.1.5 The properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:
- a) as shops, restaurants, cafes, drinking establishments, cinemas and live music venues,
  - b) for assembly and leisure; or
  - c) as hotels, guest & boarding premises and self-catering accommodation.
- 2.1.6 The Government has issued guidance on this discount scheme which includes details of what it considers falls within the types of uses identified at 2.1.3 a) to c) and also importantly the types of uses it does not consider to be an eligible use. A copy of the guidance is available using this [LINK](#).
- 2.1.7 The Guidance also confirms that ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties and also that following an assessment it has determined that the business rates expanded retail, leisure and hospitality discount 2020/21 is not a state aid.

## **2.2 Business Rates – Pubs Discount**

- 2.2.1 The Chancellor announced, as a temporary measure for 2020/21, that he would increase the level of the pubs discount to £5,000 for pubs with a rateable value less than £100,000.
- 2.2.2 However, pubs were subsequently included under the Retail Discount when this was expanded to cover the leisure and hospitality sectors.

## **2.3 Business Rates – Nursery Discount 2020/21**

- 2.3.1 On 18<sup>th</sup> March, the Government announced that many childcare providers would pay no business rates in 2020/21.
- 2.3.2 Properties that will benefit from this relief will be hereditaments occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage.
- 2.3.3 The total amount of government-funded relief available for each property for 2020/21 under this scheme is 100% of the bill, after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, excluding those where local authorities have

used their wider discretionary relief powers introduced by the Localism Act which are not funded by section 31 grants.

- 2.3.4 The Government has issued guidance on this discount scheme and a copy of the guidance is available using this [LINK](#).
- 2.3.5 The Guidance also confirms that ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties and also that following an assessment it has determined that the Nursery discount 2020/21 is not a state aid.

## 2.4 Business Grant Schemes

- 2.4.1 At Budget, the Chancellor announced that all businesses eligible for Small Business Rates Relief and Rural Rates Relief would receive a grant of £3,000 each to help with the impact of Covid-19. On 17<sup>th</sup> March, the Chancellor confirmed that the Government would increase the value of this to £10,000 per business.
- 2.4.2 In addition on the 17<sup>th</sup> March the Government also announced that it would provide those businesses in the retail, hospitality and leisure sectors with an additional cash grant of up to £25,000 per business.
- 2.4.3 On 1<sup>st</sup> April 2020 the Council received a payment of £31.57million, the allocation was based on the Government's assessment of the likely eligible businesses from the Rating List for our District.
- 2.4.4 **Small Business Grant Fund.** Under the Small Business Grant Fund (SBGF) all businesses in England in receipt of either Small Business Rates Relief (SBRR) or Rural Rates Relief (RRR) in the business rates system will be eligible for a payment of £10,000 in line with the eligibility criteria specified by the Government.
- 2.4.5 Exclusions to Small Business Grant Fund include:
  - a) Hereditaments occupied for personal uses. Examples of where there may be personal use include private stables and loose boxes, beach huts and moorings.
  - b) Car parks and parking spaces. And
  - c) Businesses which as of the 11<sup>th</sup> March were in liquidation or were dissolved will not be eligible.
- 2.4.5 **Retail, Hospitality and Leisure Grant.** Under the Retail, Hospitality and Leisure Grant (RHLG), businesses in England that would have been in receipt of the Expanded Retail Discount (which covers retail, hospitality and leisure) on 11<sup>th</sup> March with a rateable value of less than £51,000 will be eligible for the following cash grants per property:
  - a) Eligible businesses in these sectors with a property that has a rateable value of up to and including £15,000 will receive a grant of £10,000, in line with the eligibility criteria specified by the Government; and

- b) Eligible businesses in these sectors with a property that has a rateable value of over £15,000 and less than £51,000 will receive a grant of £25,000, in line with the eligibility criteria specified by the Government.
- 2.4.6 The person to receive the grant (SBGF or RHLG) will be the person who according to the billing authority's records was the ratepayer in respect of the hereditament on the 11<sup>th</sup> March 2020.
- 2.4.7 Where the Local Authority has reason to believe that the information that they hold about the ratepayer on the 11<sup>th</sup> March 2020 is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct ratepayer. Local Authorities should make clear to recipients that the grant is for the ratepayer and may be liable for recovery if the recipient was not the ratepayer on the eligible day.
- 2.4.8 The Local Authority must call or write to the business, stating that by accepting the grant payment, the business confirms that they are eligible for the grant schemes.
- 2.4.9 State Aid applies to these schemes, and all recipients are required to comply with the maximum permitted funding under the relevant State Aid rules – EUR 200,000 over three years under the De Minimis Regulation, or EUR 800,000 under the COVID-19 Temporary Framework for UK Authorities.
- 2.4.10 The Government has specified that it will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error. The Government Grants Management Function and Counter Fraud Function will make their digital assurance tool, Spotlight, available to Local Authorities.
- 2.4.11 The Government has issued guidance on these grant schemes and a copy of the guidance is available using this [LINK](#).
- 2.4.12 The Government will, in line with the eligibility criteria set out in the guidance, reimburse Local Authorities that pay grants to eligible businesses. Central government will fully reimburse Local Authorities, in line with the guidance, for the cost of the grant (using a grant under section 31 of the Local Government Act 2003).
- 2.4.13 **Discretionary Business Grant Fund.** On 1<sup>st</sup> May the Government announced that a discretionary fund would be set up to accommodate certain small businesses previously outside the scope of the business grant funds scheme.
- 2.4.14 The Government in announcing the new fund outlined its expectations:
- the additional fund is to be aimed at small businesses with ongoing fixed property-related costs. Local authorities to be



asked to prioritise businesses in shared spaces, regular market traders, small charity properties that would meet the criteria for Small Business Rates Relief, and bed and breakfasts that pay council tax rather than business rates. But local authorities may choose to make payments to other businesses based on local economic need. The allocation of funding will be at the discretion of local authorities.

- Businesses must be small, under 50 employees, and they must also be able to demonstrate that they have seen a significant drop of income due to Coronavirus restriction measures.
- There will be three levels of grant payments. The maximum will be £25,000. There will also be grants of £10,000. Local authorities will have discretion to make payments of any amount under £10,000. It will be for councils to adapt this approach to local circumstances.

2.4.15 Guidance was issued by the Government on 13<sup>th</sup> May which sets out the criteria required to be used and also the allocation of funding available. The allocation available is calculated at 5% of the projected spend totals for the Small Business and Retail, Hospitality and Leisure Grants Funds as reported to the Government on 4<sup>th</sup> May. On this basis the allocation for this Council is £1,537,250. A copy of the guidance is available using this [LINK](#).

2.4.16 At the time of writing, the details of the Council's Discretionary Business Grant Fund were being developed together with the application form required to receive the additional information as specified in the guidance.

### **3. Support to Council Taxpayers**

- 3.1 As part of its response to COVID-19, the government announced in the Budget on 11<sup>th</sup> March that it would provide local authorities in England with £500 million of new grant funding (Council tax: COVID-19 hardship fund 2020/21) to support economically vulnerable people and households in their local area.
- 3.2 The Government recognises that COVID-19 is likely to cause fluctuations in household incomes and recognises that, as a result, some individuals may struggle to meet council tax payments. Councils will already have established their local council tax support schemes for 2020/21. The Government therefore expects that billing authorities will primarily use their grant allocation to reduce the council tax liability of individuals in their area, using their discretionary powers under Section 13A(1)(c) of the Local Government Finance Act 1992.
- 3.3 The Government's strong expectation is that billing authorities will provide all recipients of working age local council tax support ('LCTS') during the financial year 2020/21 with a further reduction in their annual council tax bill of £150, using their discretionary powers to reduce the liability of council tax payers outside of their formal LCTS scheme design. A copy of the Government's guidance is available using this [LINK](#).

- 3.4 Allocations to billing authorities have been made on the basis of their share of the national caseload of working age LCTS recipients using the most recent published data (2019/20, Q3).
- 3.5 The allocation for this Council for the financial year 2020/21 is £891,670 (based on 4,128 claimants). The money was received on 3<sup>rd</sup> April, paid as a grant under section 31 of the Local Government Act 2003.
- 3.6 Following the Government's guidance all recipients of working age local council tax support ('LCTS') during the financial year 2020/21 will receive a further reduction in their annual council tax bill of £150. Existing claimants have received the reduction applied to their council tax accounts and revised bills were sent in the week commencing 11<sup>th</sup> May. The total amount of the reduction is being monitored, against the grant allocation received, as the number of new claimants of working age is increasing and each successful claimant will also be entitled to a reduction of £150.
- 3.7 If a balance of the grant monies allocated to the Council exists at the end of June 2020 then consideration will be given to establishing a local approach to using the remaining grant to assist the most vulnerable residents in the District.

#### **4. Council Tax – Care Leavers**

- 4.1 The Council Budget and Council Tax 2020/21 and Medium Term Financial Strategy 2020/21 to 2023/24 report considered by Cabinet on 10<sup>th</sup> February and Council on 17<sup>th</sup> February included the reference:

*Discussions are currently being held with other Essex billing authorities and Essex County Council regarding the potential introduction of a council tax exemption for care leavers, aged 21 and under, from 1<sup>st</sup> April 2020. This exemption is currently only mandatory in Wales but can be introduced in England under discretionary powers. If a proposal is agreed in principle by all Essex billing authorities then this will be presented for consideration by Cabinet and Full Council at the earliest opportunity.*

- 4.2 There is currently no policy in place with respect to granting s13(A)(1)(c) discretionary relief but, as it is proposed that council tax liability is to be reduced on a regular basis for a whole class of persons, it is considered that a written policy is required. The subject has been discussed by the billing authority Council Tax teams across Essex. To ensure consistency across Essex the same policy is to be recommended to each billing authority. The proposed policy is attached at Appendix A.
- 4.3 It should be noted that the policy only applies to specified persons leaving the care of Essex County Council until they reach the age of 21. The unitary authorities of Thurrock and Southend have implemented their own policies covering their own care leavers.
- 4.4 The principle behind the policy is that a care leaver living alone or solely with other care leavers will pay no council tax (in much the same way as the

exemption which is applied to students). A care leaver who joins a household which already pays council tax will be granted as much relief as is required to ensure that the existing council tax liability does not increase as a result of their presence in the household.

- 4.5 In all cases, the care leaver is required to ensure that they apply for all applicable national or local reliefs, discounts, exemptions or reductions to ensure that the council tax liability is reduced by as much as possible before any discretionary assistance is calculated. This principle is aimed at reducing the cost of the policy as far as possible.
- 4.6 The policy will take effect from 1<sup>st</sup> April 2020 and the cost will be monitored throughout each financial year.
- 4.7 Essex County Council has agreed to reimburse billing authorities for the cost of reducing council tax liabilities in respect of its own care leavers up to the age of 21 in proportion to its share of the precept. This would leave this Council bearing approximately 28% of the cost. It has not been possible to accurately estimate the cost of supporting care leavers because the billing authorities do not know exactly which qualifying care leavers have council tax liabilities and Essex County Council has not been able to release these details due to data protection restrictions. A rough estimate is that the cost would be less than £5,000 per annum to the Council.
- 4.8 Reimbursement of Essex County Council's share of the cost will take place in arrears as agreed by an amendment to the existing Council Tax Sharing agreement, which has been in place since 2013/14.

**Care Leavers and Council Tax Policy****1. Introduction**

This policy utilises the discretionary power available to billing authorities arising from S13A(1)(c) of the Local Government Finance Act 1992 to reduce, or further reduce, the amount of council tax a care leaver is liable to pay with effect from 1<sup>st</sup> April 2020.

**2. Definitions**

For the purpose of this policy, a 'care leaver' is defined as:

A person aged up to 21, who has either

- (a) been looked after by Essex County Council 'Essex' for at least 13 weeks since the age of 14; and who was looked after by the local authority at school-leaving age or after that date; or
- (b) who is entitled to leaving care support from Essex.

The Children Act 1989 defines the categories of children entitled to leaving care support as:

'Eligible children' are those young people aged 16-17 who are still in care and have been 'looked after' for a total of 13 weeks from the age of 14 and including their 16th birthday;

'Relevant children' are those young people aged 16 and 17 who have already left care, and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17;

'Former relevant children' are those young people aged 18, 19 or 20 who have been eligible and/or relevant.

**3. Policy Statement**

For the purpose of calculating the amount of discretionary council tax reduction to apply, care leavers and those in their household are required to take steps to minimise their liability for council tax by claiming discounts, exemptions and council tax reduction.

After all discounts, exemptions and council tax reduction have been claimed the Council will reduce the council tax liability so that the liability of the household is the same that it would have been had the care leaver been a 'disregarded persons' (such as students) as detailed in s11 and Schedule 1 of the Local Government Finance Act 1992.

For example:

A care leaver joining an existing household with a single person discount in place will be given sufficient discretionary relief to ensure that the council tax liability does not increase as a result of their presence.

A household where only care leavers are liable to pay council tax will be given sufficient discretionary relief to extinguish the council tax liability completely.

A care leaver in a property, which would otherwise be exempt from council tax, will be given sufficient discretionary relief to ensure that no council tax continues to be payable.

<b>Decisions made by the Chief Executive under Urgency Provisions</b>		<b>Agenda No: 11</b>
<b>Portfolio</b> See body of report <b>Corporate Outcome:</b> See body of report <b>Report presented by:</b> Andy Wright, Chief Executive <b>Report prepared by:</b> Emma Wisbey, Governance and Member Manager		
<b>Background Papers:</b>		<b>Public Report</b>
Decisions made by the Chief Executive under Constitutional powers.		<b>Key Decision: No</b>
<b>Executive Summary:</b>  <p>All decisions taken by the Chief Executive under his urgency powers are required to be reported an appropriate meeting of Council, Cabinet or the relevant committee a following the decision.</p> <p>Each decision has been published on the Council's website and can be viewed on the Website <a href="#">here</a> and by clicking on the unique Decision Number or subject heading.</p> <p><b>Decision No. <a href="#">DDN001</a></b></p> <p>Subject: <a href="#">Investing Suffolk's Materials Recycling Facility</a>  Decision Maker: Chief Executive – Andy Wright  Date of Decision: 27<sup>th</sup> March 2020  Corporate Outcome: Overall Strategy and Direction</p> <p>Decision:</p> <p>The Chief Executive exercised the urgency powers granted to him to decide that the Council should invest in the Materials Recycling Facility at Great Blakenham to share in profits from the same. He also delegated responsibility for concluding the necessary documentation to the Corporate Director (Finance) in consultation with relevant Cabinet Members. This was a time sensitive decision to protect the financial interests of the Council. The decision had been included for consideration by Full Council on 23 March 2020, however this meeting was cancelled at short notice as a consequence of the rapidly evolving Covid-19 public health emergency.</p> <p><b>Decision No. <a href="#">DDN002</a></b></p> <p>Subject: <a href="#">Democratic Processes and Decision Making during a pandemic (Covid-19 / Coronavirus)</a>  Decision Maker: Chief Executive – Andy Wright</p>		

Date of Decision: 2<sup>nd</sup> April 2020  
Corporate Outcome: Overall Strategy and Direction

Decision:

The Chief Executive exercised the urgency powers granted to him to make decisions as to how the Council would continue to operate whilst the ability to make decisions through the calling of meetings of Members of the Council was suspended as a consequence of the public health shielding and social distancing provisions imposed by the Government. He decided to:-

- a. Appoint the following officers as deputy statutory officers to carry out the statutory functions of the roles in the event that sickness prevents the incumbent, appointed by Full Council, being able to fulfil their statutory function:
  - i. Head of Paid Service – Cherie Root, Corporate Director;
  - ii. Section 151 Officer – Trevor Wilson, Head of Finance;
  - iii. Monitoring Officer – Emma Wisbey, Governance and Member Manager
- b. Amend the quorum required for all Council meetings during the public health emergency period to the statutory minimum of one quarter of the Councillors called to the meeting or 3, whichever is the greater,
- c. Allow Councillors to nominate a substitute member to take their place on a committee in the event of absence through sickness or self-isolation, provided that the substitute member has had appropriate training if the committee is a committee dealing with regulatory issues (i.e. Planning or Licensing) and has notified the Head of Governance of the nomination in writing in advance of the meeting. .
- d. Provide appropriate and relevant information to Town and Parish Councils in the district to help them help their community – by way of email;
- e. Ask the Head of Governance to ensure appropriate arrangements are in place for the execution of urgent documents, including making suitable arrangements for the Council's seal to be applied to said documents.
- f. Postpone all meetings of Members scheduled until 30 April 2020 be postponed pending the enactment of regulations under s78 Coronavirus Act 2020.

This was a time sensitive decision considered necessary to advance the business of the Council given the shielding and social distancing restrictions imposed by the Government.

**Decision No. [DDN003](#)**

Subject: [Adoption of the Corporate Strategy 2020 – 2024](#)  
Decision Maker: Chief Executive – Andy Wright  
Date of Decision: 8<sup>th</sup> April 2020  
Corporate Outcome: Overall Strategy and Direction

**Decision:**

The Chief Executive exercised the urgency powers granted to him to decide that the Council should adopt the Corporate Strategy 2020 – 2024. The Corporate Strategy forms the framework for the Council's annual plan, and the business plans for each directorate.

This was a time sensitive decision to promote the conduct of the Council's business. The Corporate Strategy was considered by Cabinet on 9 March 2020 and commended to Council. It was included for consideration by Full Council on 23 March 2020, however this meeting was cancelled at short notice as a consequence of the rapidly evolving Covid-19 public health emergency.

**Decision No. [DDN004](#)**

Subject: [Proposals to support those licensed by the Council during the Covid-19 public health emergency](#)

Decision Maker: Chief Executive – Andy Wright

Date of Decision: 16<sup>th</sup> April 2020

Corporate Outcome: Environment and Place & Finance and Performance

**Decision:**

The Chief Executive exercised the urgency powers granted to him to decide to:

- 1) Increase the term of all vehicle and driver licences that are due to expire between April 1st 2020 and June 30th 2020 by a period of 6 months without further requirements.
- 2) In the event where a vehicle licence has been surrendered or not re-licensed since the introduction of the Government's current lockdown measures and the 30th June 2020, the Council will relax the requirement that places an age limit on vehicles as follows:
  - (i) Private hire vehicles and hackney carriages to be no more than 5 years old at first registration,
  - (ii) Wheelchair accessible vehicles of any type to be no more than 8 years old at first registration.

This relaxation will only apply to vehicles that were already been licensed by the Council before the lockdown procedures were introduced.

- 3) Where an event has been cancelled due to Covid-19, the Council allows the organisers to resubmit a Temporary Events Notice for a future date without further charge. It is not recommended to make refunds beyond the terms of this assistance.

**Decision No. [DDN005](#)**

Subject: [Local Development Order – Horizon 120 – To agree a Local Development Order for the site](#)

Decision Maker: Chief Executive – Andy Wright



Date of Decision: 16<sup>th</sup> April 2020

Corporate Outcome: A well connected and growing district with high quality homes and infrastructure  
A prosperous district that attracts business growth and provides high quality employment opportunities

Decision:

The Chief Executive was asked to exercise his urgency powers in relation to the making of a Local Development Order (LDO). This matter was considered to be time sensitive to ensure the furtherance of economic and social benefits arising from the proposed development at Horizon 120. Given the likely economic impacts arising from the ongoing situation with COVID-19, the planning system has an important role to play in helping to deliver growth and create jobs, both during the construction phase and after completion of the development. The matter was included on the agenda for consideration by full Council on 23 March 2020 (which was published on 13 March 2020) but the meeting was cancelled as a consequence of the public health emergency caused by Covid-19 coronavirus.

The Chief Executive decided to:

1. Delegate to the Corporate Director of Growth the authority to make any minor changes to the final documents (LDO, Design Code and Statement of Reasons);
2. Adopt and publish the Horizon 120 Local Development Order, Design Code and Statement of Reasons as amended;
3. Authorise the Head of Planning to provide copies of the required documents to the Secretary of State (the LDO, Design Code and Statement of Reasons within 28 days of the adoption);
- 4) 4. Authorise the Planning Development Manager to place the LDO, Design Code and Statement of Reasons on the Planning Register within 14 days of the date of adoption.

**Decision No. [DDN006](#)**

Subject: [Remote hearings and democratic processes during a pandemic](#)

Decision Maker: Chief Executive – Andy Wright

Date of Decision: 23<sup>rd</sup> April 2020

Corporate Outcome: Corporate/Emergency Planning

Decision:

The Chief Executive was invited to consider proposals to dealing with the barriers, risks and potential solutions for remote hearings during the current public health emergency, and decided to exercise the urgency powers granted to him by the Constitution to:

1. Identify and procure a suitable digital platform to be utilised for local authority meetings;
2. Draft an addendum to the Council Procedure Rules addressing the practicalities of remote while the Government recommends that shielding, self-isolation and social distancing are maintained (i.e. in relation to voting, access to documents and facilities that can be employed to allow the meeting to be held remotely);

3. Identify and prioritise Council and Committee meetings to be conducted via a digital platform;
4. Issue guidance to officers and members on decision making via a digital platform;
5. Identify the mechanism by which local councils will be able to publish their documents on the Council's website;
6. Confirm that the Council will not hold an AGM in the municipal year 2020 / 2021.

**Decision No. [DDN007](#)**

Subject: [Provision of Monetary Relief to Fusion in response to the Covid 19 crisis for April 2020](#)

Decision Maker: Chief Executive – Andy Wright

Date of Decision: 4<sup>th</sup> May 2020

Corporate Outcome: Health and Communities

Decision:

The Chief Executive agreed to offer monetary relief of £55.8k for the month of April. This sum consists of the following (figures exclude VAT where applicable):

- Waiver of the management fee for April of £16.1k
- A grant of £37.9k towards the residual costs detailed within your letter referenced above to be paid by the Council
- Waiver of £1.8k against the outstanding PV Panel Recharge owed by Fusion to BDC

It is recommended, in common with many other Fusion customers, that BDC do not provide the requested £31.2k a month to fund the 20% of furloughed employee wage costs not covered by the Government funded Job Retention Scheme.

The above relief will be paid on the basis that Fusion

- Provides full open book accounting, clearly showing the contribution from BDC ;
- Engage with Local Partnerships, sharing its efforts to identify opportunities to mitigate cost and secure any Government support that becomes available;
- Seeks such insurance compensation as it can under its relevant policies, again providing full transparency and returning sums to the Council if and once they are available;
- Confirms that this monetary relief is the only financial recompense which will be sought by Fusion from BDC for April and that additional requests for money under any contractual provisions will not be made;
- Removes the £10 per month membership freeze fee currently set for members

This relief and the offer of Local Partnership involvement would be offered in full mitigation of the impact on Fusion of Covid-19.

**Recommended Decision:**

For Members to note the decisions taken by the Chief Executive.

**Purpose of Decision:**

The reasons for decision can be found in the individual decision.

**Any Corporate implications in relation to the following should be explained in detail.**

<b>Financial:</b>	None arising out of this report.
<b>Legal:</b>	<p>Article 13 (Paragraph 3.1.10) enables the Chief Executive to take urgent decisions in respect of either an executive or non- executive function which is considered necessary to protect the interests of or for advancing the business of the Council. In those circumstances, the Chief Executive is authorised to take urgent decisions following consultation with the Leader of the Council and the relevant portfolio holder in respect of executive matters and the Chairman (or Vice Chairman) of Council or the relevant committee in respect of non-executive functions. All urgent decisions will be reported to the next appropriate meeting of Council, Cabinet or the relevant committee;</p> <p>There are no legal issues arising out of this report.</p>
<b>Safeguarding:</b>	None arising out of this report.
<b>Equalities/Diversity:</b>	None arising out of this report.
<b>Customer Impact:</b>	None arising out of this report.
<b>Environment and Climate Change:</b>	None arising out of this report.
<b>Consultation/Community Engagement:</b>	None arising out of this report.
<b>Risks:</b>	None arising out of this report.
<b>Officer Contact:</b>	Emma Wisbey
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**LEADER'S REPORT TO COUNCIL – OVERALL  
STRATEGY AND DIRECTION**

**Agenda No: 12**

**1. Introduction**

- 1.1. Since the middle of March, our district along with the rest of the country has faced significant changes and challenges that could not have been foreseen a few months ago. This report to Council aims to summarise the Council and District response to COVID to date and highlight some of the work going on in each portfolio currently.
- 1.2. Whilst the Council's focus is on responding and eventually leading the district recovery, there have still been a number of other key projects and activities that have progressed where it has been possible and safe to do so, and some of this is also summarised in this report.

**2. Maintaining Critical Services**

- 2.1 From the start of the pandemic, services implemented business continuity plans to enable them to continue to operate critical services. This has meant that some services have been suspended or reduced, however we have been able to maintain all critical services throughout the pandemic.
- 2.2 The protection of our staff is paramount and therefore we introduced social distancing measures in all services including our waste crews, to increase safety. This is not a practice that has been implemented by all authorities, but one that we felt was important. Understandably there was an impact from this, and we suspended our garden waste collections and bulky waste collections, allowing us to focus on our essential grey bins, food waste and recycling collections. We have been overwhelmed by kind-hearted messages of support for our waste and recycling collection crews and members will have seen some of the posters drawn for crews, some of which are now proudly displayed in cabs. We restarted garden waste collections from the 18th May, initially on a four-week cycle and are starting bulky waste collections from today, 1st June.
- 2.3 Many services have been delivered in a different way, including more use of virtual meetings, most office-based staff working from home and customer interaction largely over the phone or internet. Our customers and staff have adapted well to this since our main buildings have been closed to the public and most services have been able to continue. Some teams, such as building control have been able to provide a limited onsite service where this is external and can be done safely.

- 2.4 Our environmental health team need special mention, with the pollution team continuing to deal with an ever increasing neighbour complaints during the lock down period and the Food and licensing teams taking on the new enforcement role having to enforce the new business closure regulations and enforce social distancing in the work place.
- 2.5 As lockdown continues one positive element is the improvement to the natural environment and, with that in mind, Cllr Mrs Schmitt will be bringing a paper to Cabinet in July setting out a revised time table for the delivery of the new air quality strategy. This work had to be put on hold, as the key officers in the project have been central to the council response to the Covid-19 emergency.
- 2.6 Due to the Climate Change Group Officers being the Emergency Planning Officers the May Climate Change Meeting had to be cancelled. The July 20th meeting will take place, but the programme will be re arranged. The interim Report will now go to 6th July Cabinet. Due to changes that may take place in society due to Covid-19 and the Essex County Council Climate Committee the final report will be presented to Cabinet on 8th February 2021.
- 2.7 In some areas service demand has decreased and in others there has been an increase in demand, including new requirements for resource. Heads of Service are reviewing this situation daily and staff in areas with capacity are supporting those colleagues who have an increase in demand and need further resource. This has meant that we have not furloughed any staff and have been able to resource the increase in demand largely internally, including the provision of staffing for the Community Hub.

### **3. Supporting Local Democracy**

- 3.1 Part of the new legislation that came out in early April temporarily removed the legal requirement for local authorities to hold public meetings in person during the coronavirus pandemic. Regulations that allowed local authorities to hold public meetings virtually by using video or telephone conferencing technology were brought in. The public will still have access to public meetings through remote means. This change ensures effective local decision making and transparency during the national effort to fight the coronavirus pandemic. Our staff and members have been working hard to introduce arrangements to allow us to carry out our meetings which started with the Planning Committee on 12th May.
- 3.2 We have announced there will be no Annual General Meeting (AGM) for the Civic Year 2020/21. We took the decision to cancel the AGM (originally due to be held on April 20th) to ensure resources can be focussed on other meetings. Chairman of the Council, Cllr Angela Kilmartin will remain in position for another year, as will the Vice Chairman Cllr Sue Wilson. The Council's appointments for 2019/20 to its Committees, including Committee Chairman, and to outside bodies remain in place for the civic year 2020/21. The next AGM is scheduled for 19th April 2021.

3.3 Since lockdown commenced, the Chief Executive has been called upon to exercise his emergency powers to take 7 urgent decisions which were considered necessary to protect the interests of, or for the advancing of, the business of the Council. Full details of these decisions are set out in a further report on the Agenda.

#### **4. Supporting Communities**

4.1 On March 30th, 2020 we set up a virtual community hub to provide support to those people who needed to be shielded from the virus as part of the national community shield project.

4.2 To date the hub based in Community Services has dealt with over 200 referrals for individuals that do not have any support through family, friends or neighbours and require assistance with food shopping or prescription/medication collections. These referrals are either dealt with by our own Community Transport Team or passed on to Town and Parish Councils or community and voluntary groups. The response within our communities to this pandemic has been fantastic and it is both pleasing and encouraging to see so many individuals willing to help the vulnerable and elderly across the district.

4.3 The hub is also making contact with those individuals deemed at highest risk and in receipt of the government food parcels; to date they have contacted over 700 individuals to check on their welfare and to see if they require any extra support. More recently the team has been asked to carry out welfare calls to those individuals at highest risk who did not register with government to see if they have any support needs.

4.4 The Community Transport Team has also been delivering food parcels to individuals and families from the foodbank and collecting unwanted food parcels from those who do not require them and wish to donate them to the foodbank. Foodbanks have reported a 60% increase in demand since the lockdown began.

4.5 We have received referrals from the Essex Welfare Service for people requesting support for shopping, collection of medication, befriending and mental health support. We have also contacted people that the government has identified as being high risk and requiring additional support. We have worked with 50 partners as part of the hub.

4.6 The community hub response would not have been possible without the support of volunteers working tirelessly to help people living in their communities, and the support of Community 360, our volunteering support agency. Volunteers have in some cases been organised through local groups or parish councils and other times just groups of people who want to help and co-ordinate a dynamic response. We are grateful for all of those involved and look to see how we can provide support longer term to develop opportunities that this increase in volunteering presents.

- 4.7 Residents on a low income are supported by the Local Council Tax Support (LCTS). Central government has provided additional funding to support individuals that may struggle to meet council tax payments. This funding has been used to provide a reduction of £150 on the council tax accounts of those working age claimants in receipt of LCTS. We have also supported residents that need it to be able to pay their council tax over 12 months as opposed to over 10 months to help them during this difficult time.
- 4.8 The Housing Options Team has continued to work with customers who are at risk of homelessness via telephone calls. The Team are encouraging people to stay where they are if possible, for now, unless of course it is unsafe for them to do so. There is a hold on evictions until at least 25 June by private and social landlords.
- 4.9 We have accommodated around 15 people who were rough sleeping or who had no choice but to leave other accommodation. The Rough Sleeping Outreach Team is now operational again in the Braintree District now that they have the necessary personal protective equipment. This service is provided as part of the Rough Sleeper Initiative Project with five other Councils and the Chelmsford based Homelessness Charity CHESS.
- 4.10 We continue to provide help to people at risk of homelessness and support people in the community that are facing difficulties. We have seen an increase in the number of people seeking help and support with their housing problems because of financial and other pressures linked to the pandemic. We are looking at all options and this includes working with other Essex Councils and our housing association partners to discuss issues and understand how we can best support people who are struggling at this time.
- 4.11 As our residents continue to experience self-isolation and social distancing, the impact on mental health and wellbeing is becoming increasingly apparent. The Council working with partners will continue to circulate initiatives that can be shared with parish councils, voluntary groups, and residents. Active Essex provides a weekly online activity schedule that can be accessed through the Council's social media channels and contacts.

## **5. Supporting Businesses**

- 5.1 As a Council we have been responsible for implementing the Government's support measures to local business community during the COVID19 crisis. At the time of writing this report, 2153 grants have been issued with a value totalling £25.1 million. We are now assessing how we best allocate an additional £1.5 million of discretionary grant to the business community. The Business Secretary, Alok Sharma MP, commended BDC for its work on getting the grants out to businesses quickly. Officers and Members are working with other local authorities to ensure local government can play its active role in supporting the economy during a recovery phase.
- 5.2 We have also administered business rate relief to retail, hospitality & leisure businesses and to nurseries.

- 5.3 In addition we have supported businesses with additional support such as referrals to our partners at the BEST Growth Hub who have been running diagnostic checks on businesses to identify other programmes of support for them.
- 5.4 Our licensing team have been supporting those businesses and individuals whose livelihoods have been impacted by COVID and looked to adapt licensing arrangements or provide advice and guidance where possible.
- 5.5 Business communication has been a priority for us. Our closed business Facebook group has really come into its own during the Coronavirus pandemic - businesses have joined in their hundreds and we have used the group to share information from central government, us as the local authority and other training and funding opportunities available locally.
- 5.6 In the early days of the lockdown the closed Facebook group had a dual purpose, it proved to be a place where local business people could seek support from us as the local authority but also from fellow local business people many dealing with the same sorts of issues as they struggled with the challenges posed by the pandemic on their business.
- 5.7 The work on the closed Facebook group has been complemented by a proactive business bulletin e-newsletter to reach our local business audience. We have also been using the channels in the past to promote business continuity information to highlight the need for our businesses to be thinking about their business continuity plans.

## **6. Supporting the National Response**

- 6.1 Several our services have been required to support the national response, and we have identified where our skills and assets can aid others who are crucial to the response effort.
- 6.2 Our regulatory services teams have been required to interpret and manage guidance and support to businesses and residents regarding the Health Protection Coronavirus regulations, particularly in relation to the closure of premises.
- 6.3 As more people have been required to stay at home, this has changed the nature and demand for services, including an increase in domestic noise and nuisance complaints, as well as a rise in complaints regarding social distancing in businesses.
- 6.4 Our Environmental Health Officers are interpreting the government guidance in respect of the new work place rules as they will be responsible for ensuring that the correct measures are put in place in any building sites or factories that have re-opened after the latest PM's announcement. They will also be involved in the



national effort to scale up the track and trace of contacts of any new Covid-19 cases to reduce the spread of the virus.

6.5 We made the decision to cancel our Braintree Street Markets for March, April, and May to help protect our residents, visitors, traders, and staff. We kept Braintree & Witham markets open during the pandemic for those trading food and groceries only. This gave residents an alternative to supermarkets to get essentials.

6.6 Braintree District Council worked in partnership with the North Essex Parking Partnership (NEPP), to issue digital permits that allowed NHS and critical key workers to park in its Pay & Display car parks free of charge. Permits are valid until 30 September 2020.

## **7. Leading Communication**

7.1 Our communications team has led a proactive approach to districtwide communication, which has been used multiple times as an example of good practice by the LGA. There are regular updates to:

- Residents
- Businesses
- Parish and Town Councils
- Stakeholders and partners
- Staff and Members

7.2 There is a section on the Braintree District Council website for residents and businesses where all service updates have been posted: [www.braintree.gov.uk/coronavirus](http://www.braintree.gov.uk/coronavirus). Residents have been encouraged to get in contact with us if they needed to throughout the pandemic via email, website, or phone call. There is also extensive use of social media and a significant increase in the reach of these channels.

7.3 Residents have also been encouraged to sign up to our e-newsletters (Sign up: [www.braintree.gov.uk/tellmemore](http://www.braintree.gov.uk/tellmemore)). Across all our e-newsletter topics we now have more than 30,400 subscribers. This has gone up by 36% per cent since 1st March 2020.

7.4 BDC has promoted local and national campaigns, including Essex Welfare services and domestic abuse and child abuse campaigns to make sure residents have access to the support they may need.

7.5 We regularly promote the PHE Every Mind Matters campaign to our residents. The campaign encourages adults to take steps to look after their mental health, using Every Mind Matters and its self-care resources. The Every Mind Matters platform was updated with Covid-19 mental health guidance.

7.6 Our Livewell website also keeps residents across Essex up to date with all health-related opportunities.

7.7 In April we asked our communities to help us shine a light on heroes in our community. We published stories about the efforts and achievements of residents and business who helped in the fight against coronavirus.

## **8. Working with Partners**

8.1 The response to COVID is something that requires us all to work together. The formal emergency planning response countywide has been through the Essex Resilience forum. This is a partnership of all local authorities, emergency services, health, and other partners along with government representation to ensure a co-ordinated response to the pandemic.

8.2 As well as this we have several suppliers and partners as an organisation who we have been working with to keep services and projects running.

8.3 Some of our partners have been impacted significantly by the pandemic and we are doing what we can to support them. This includes Fusion who were required to close leisure centres following government guidance in March. We will need to continue to work with partners as we move into the recovery stage to ensure effective restoration of services and understand and respond to the longer-term impacts that the pandemic has created.

## **9. Preparing for Recovery**

9.1 On 10th May, the Prime Minister set out the government's early plans for the national recovery strategy. We have received some guidance as to how we need to go about doing this and will continue to do so over the coming weeks and months. Our early approach to recovery will focus on:

- Restoration of services
- Understanding and responding to the organisational impact including financial impact
- Community support and recovery
- Economic recovery and business support
- Public spaces

This will be adapted as we start to further understand the national and local impacts.

9.2 Some early actions we are taking include focussing the Councillor Community Grant scheme on supporting communities to respond and recover from the impact of COVID-19. Ward members understand their local areas and can direct this funding to the groups who are supporting communities.

## **10. Ongoing Major Projects**

10.1 Throughout the period of the emergency we have continued to make progress on some of the key projects of the Council.

### ***Braintree Town Centre Pedestrianisation***

- 10.2 This continues at a pace, with initial works being carried out on Bank Street. The design panels consisting of representatives from the town, the council and the museum have met virtually, and our design team are developing exciting proposals for the High Street, Great Square, and the Market Square. A meeting was arranged for members of the Reference Group and other local Ward members. Procurement for a contractor to deliver this phase of the project will begin shortly.

### ***Manor Street***

- 10.3 The site remains operational despite restrictions and controls put in place in accordance with Government Guidelines following the Covid-19 situation. We are monitoring Kier's compliance with their Site Operational Procedures.
- 10.4 The project is currently on programme. Recent works include completion of archaeological surveys, service diversions and asbestos removal. Preparation is underway for commencement of sheet piling. Demolition of the toilet block is complete.
- 10.5 Due to Covid-19, UKPN cancelled all non-essential works and there is a possibility of future delays to the project because of a temporary sub-station not being connected and redundant HV cables being moved as planned. The team found ways to mitigate the effect of this, and now UKPN have agreed to return to site as a matter of some urgency.
- 10.6 All pre-commencement planning conditions have now been discharged.
- 10.7 There are some risks of shortages of certain building materials with reports of some companies forward ordering up to 3 months of plasterboard. The employer's agent has been asked to advise on how forward ordering might mitigate pressure on costs and availability.

### ***Horizon 120***

- 10.8 Due to the Covid-19 situation, Balfour Beatty postponed the start on site of earthworks to 14th April 2020 following the establishment of their Site Operational Procedures, which follow Government Guidelines.
- 10.9 Our archaeological specialist has also re-commenced on 14th April with further exploratory works following the discovery of Roman pottery shards and potential prehistoric pits and ditches.
- 10.10 Final queries, raised by Highways England, have now been resolved. As a result, it is now anticipated that the Local Development Order will be formally adopted imminently.
- 10.11 A series of meetings, initially virtual, has been arranged with Marshgate Developments and Economic Development to review the impact of the current

Covid-19 crisis on the local commercial market and potential occupiers of Horizon 120.

10.12 Legal due diligence is substantially complete to conclude the option agreement, with the original/adjoining owners, to include the transfer of the land required for the new southern access.

10.13 Gridserve's Contractor has left the site and works to the new electric forecourt have been suspended.

### ***Affordable Housing Development***

10.14 We had expected around 200 completions in 2020/21. Feedback from housing associations and developers suggests that at least 3 months delay is likely to be experienced on sites with homes already nearing completion. We are therefore estimating completions of around 150 affordable homes but expect to experience a more significant downturn in numbers next year as developers delay starting homes.

### ***Leisure Centres***

10.15 On 20th March 2020, following the Government's decision to shut leisure centres as part of its actions to slow the spread of Covid-19, all Fusion operated Leisure Centres in the Braintree District closed. The resulting reduction in income has significantly impacted the leisure industry. Braintree District Council has provided financial relief to Fusion, along with several other authorities, to support them whilst they are unable to generate income through the management of our facilities.

10.16 In parallel with the above BDC set up a Fusion Customer Group representing 13 Local Authorities to support an open exchange and drive a consistent approach with Fusion. BDC also initiated conversations with Local Partnerships (a joint venture between the Local Government Association and HM Treasury) to provide commercial support to the Fusion customer group in considering how best to work with Fusion during this crisis.

10.17 The Halstead Artificial Grass Pitch project has been postponed from the planned start on site date of 4th May 2020 as all the Fusion site staff have been placed on furlough leave.

## **11. Financial Implications for the Council**

11.1 The impact of the pandemic on the financial position of all local authorities, including Braintree District Council, has been enormous. A separate paper is included on the financial situation is included on the agenda.

## **12. Keeping Members Informed**

- 12.1 As Leader, I have tried to keep members informed throughout the period of lockdown by issuing regular reports of meetings that I have participated in and forwarding detailed papers from both the Local Government Association and the District Council Network. I have also copied to members letters that I have received from Ministers.
- 12.2 The Cabinet has met on an informal and virtual basis every Wednesday evening throughout the period of lockdown. I have also instituted a regular weekly meeting with Group Leaders to discuss matters relating the emergency.

## **13. Finally, A Huge**

### **THANK YOU**

to all our staff, throughout the whole organisation, who have responded so professionally and risen so magnificently to the challenge that has confronted them. I am sure that I speak for all members when I say how grateful we are to them.

Councillor Graham Butland  
Leader of the Council

<b>Contact:</b>	Councillor Graham Butland
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<b>Horizon 120 - Infrastructure</b>		<b>Agenda No: 13</b>
<b>Portfolio</b>	<b>Corporate Transformation</b>	
<b>Corporate Outcome:</b>	<b>A sustainable environment and a great place to live, work and play</b> <b>A prosperous district that attracts business growth and provides high quality employment opportunities</b>	
<b>Report presented by:</b>	<b>Councillor John McKee, Cabinet Member for Corporate Transformation</b>	
<b>Report prepared by:</b>	<b>Aidan Kelly, Interim Head of Strategic Investment</b>	
<b>Background Papers:</b>		<b>Public Report</b>
Public and Private Reports and Minutes of Cabinet:- <a href="#">11<sup>th</sup> February 2019</a> <a href="#">2<sup>nd</sup> December 2019</a>  Public and Private Reports and Minute of Full Council <a href="#">25<sup>th</sup> February 2019</a> <a href="#">22<sup>nd</sup> July 2019</a>		<b>Key Decision: No</b>
<b>Executive Summary:</b>		
This report proposes that: <ul style="list-style-type: none"> <li>• Approval is granted for the infrastructure works contract to be procured through the Scape Group Framework.</li> <li>• At the completion of the procurement process the contract is awarded for the infrastructure works.</li> <li>• A total scheme cost budget, is approved.</li> <li>• Approval is sought from Council for the additional budget for the infrastructure works.</li> <li>• The Business Case, approved in February 2019, be amended to show the total capital expenditure, projected land sales receipts and a net surplus.</li> </ul>		

**Recommended Decision:**

That Cabinet approves:

1. The infrastructure works contract to be procured through the Scape Group Framework, subject to approval being obtained from Council.
2. That the Corporate Director (Growth), in consultation with the Corporate Director (Finance), award the infrastructure works contract at the completion of the procurement process.
3. That Cabinet recommends to Full Council that the scheme budget, for Horizon 120, be increased.

**Purpose of Decision:**

The purpose of the recommended decision is:

- To enable the infrastructure works to be completed in one phase; and
- Allow for a constructor to be procured through the appropriate route to ensure that the scheme proceeds in accordance with the project timescales.

**Any Corporate implications in relation to the following should be explained in detail.**

<b>Financial:</b>	<p>Budget approvals for the scheme comprise of the approval for land acquisitions and business planning (February 2018), and (July 2019).</p> <p>The combined effect of bringing forward all infrastructure works, and to accommodate an overall increase in works and costs, means that to complete the scheme requires an increase in the capital budget allocation.</p>
<b>Legal:</b>	<p>The proposal set out in this report includes a capital increase to the scheme budget. Accordingly this requires Council's approval.</p> <p>The proposal sets out that the infrastructure works will be procured via the Scape Group Framework. This Framework is available to Local Authorities to use for construction projects.</p>
<b>Safeguarding:</b>	No matters arising out of this report

<b>Equalities/Diversity:</b>	It has not been necessary to conduct an Equalities Impact Assessment as this proposal is a refinement of an existing and approved project
<b>Customer Impact:</b>	No matters arising out of this report
<b>Environment and Climate Change:</b>	No matters arising out of this report
<b>Consultation/Community Engagement:</b>	No matters arising out of this report
<b>Risks:</b>	The additional risks, relevant to this proposal, are summarised in Section 5 below. On balance, the proposal is advantageous and serves to mitigate the overall level of risk
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<b>Designation:</b>	Interim Head of Strategic Investment
<b>Ext. No:</b>	2580
<b>E-mail:</b>	Aidan.kelly@braintree.gov.uk



## 1. Background

- 1.1. Further to previous reports, a Local Development Order (LDO) has now been finalised and adopted; earthworks have commenced and the land transaction, authorised by Cabinet on 2<sup>nd</sup> December 2019, has completed.
- 1.2 Prior to the Covid-19 crisis, five companies had agreed terms for bespoke buildings, providing over two hundred thousand square feet on seventeen acres. Unfortunately, since that time, one company has withdrawn. The remaining four companies are committed and will require buildings to be delivered within the next 18 months. The current requirements will utilise approximately twelve acres.
- 1.3 The development is being actively marketed by two local agents and via a website ([www.horizon120.com](http://www.horizon120.com)), which is updated monthly. Enquiries are still being generated albeit at a reduced level during the lockdown period. It should be noted that no interest has been received from hotel operators. The hotel sector is likely to be one of the worst affected by the Covid-19 crisis and one of the last to recover. It is therefore unlikely that hotel interest, in the development, will be secured in the short or medium term.
- 1.4 Current and recent marketing has been focussed upon retaining the interest of the four companies mentioned in 1.2 above. Three of these companies will occupy plots in Zone C, which is designated for logistics and warehouses. One company is a high-tech manufacturer of electro-magnetic components and will be located in Zone B. A separate brand (Eos) has been developed for this zone and will be launched in June 2020.

## 2 Infrastructure

- 2.1 The earthworks have commenced on site. These works include profiling the site to allow a gradient from the southeast corner to the northwest corner, or Zone D, where a new attenuation pond, and wildlife habitat, is being created. The earthworks contract also includes the creation of a new highways junction, on the southern boundary, which will serve the Gridserve development. The electric forecourt was originally expected to be open for business at the end of June 2020 but this is likely to be delayed until September 2020.
- 2.2 The earthworks are being undertaken by Balfour Beatty, who were procured via the Scape Public Sector Framework.
- 2.3 Balfour Beatty have completed the detailed technical design and are now seeking at least three tenders for each of a range of sub-contract packages. Balfour Beatty have also now obtained quotations for connections for electricity, gas, telephone, water, foul drainage and fibre-optic cable. Surface water drainage is being managed on-site by a system of swales connecting to a storm water drain, which will discharge into the new attenuation pond, in the northwest corner.
- 2.4 The infrastructure required on site is being procured in 3 stages:

- 2.4.1 Feasibility, which included detailed design and programming. This stage is now complete.
- 2.4.2 Stage 1 - which includes re-profiling the site and formation of a highways junction on the southern boundary. This stage is currently underway and is expected to be completed in June 2020.
- 2.4.3 Stage 2 – infrastructure, which includes the northern highways junction, estate roads, landscaping and statutory utilities. In accordance with SCAPE Framework protocols, this sum is in effect a guaranteed maximum price and is expected to reduce, when the sub-contract tenders are returned. The Council will have sight of all sub-contract tenders and be able to validate the final contract sum.
- 2.5 Following the appointment of Balfour Beatty for the earthworks, considerable due diligence, including negotiations with the statutory utilities, has resulted an estimated capital cost, for the complete infrastructure.
- 2.6 The figures have been included in a revised financial model which is referred to in the financial section below.
- 2.7 The figures, are the estimated maximum external costs. The revised financial model has also made provision for carrying costs such as professional fees, archaeology work, and capitalised personnel and interest costs.
- 2.8 The revised business case is deliberately cautious, reflecting both a reduced land value for at least the next six months, the total infrastructure costs and capitalised interest. The valuation advice showed a current reduction per net developable acre but confirmed that, as the current situation is a health rather than a financial crisis, values can be expected to recover over twelve months

### 3 Options

- 3.1 It is possible to delay the infrastructure works or to only complete part. There are however compelling reasons why that would not be advisable.
  - 3.1.1 It is a planning condition that the new pond, in Zone D, is created and landscaped as soon as possible to allow removal of the existing pond, on the southern boundary. Removal of this latter pond is required to create the southern highways junction.
  - 3.1.2 The infrastructure design includes a surface water system based upon a network of swales connecting to a storm drain, under the spine road, which discharges into a new pond, in Zone D, which will be terraced and lined to ensure that it holds water in all but periods of extremely hot weather. The system avoids the need for expensive pumping stations and storm-water attenuation under the road.
  - 3.1.3 Partial completion would require additional expenditure, in the future, to meet the cost of remobilisation by a contractor and as a result of construction cost

inflation. The Office for National Statistics recently reported that construction cost inflation ran at 2.1% for the calendar year 2019.

- 3.1.4 Partial completion is likely to be subject to delay as it may require a new procurement process as Balfour Beatty are unlikely to be cost effective for smaller contracts
- 3.1.5 The four businesses, currently planning to relocate to Horizon 120, are subject to lease expiry on their current premises. If they do not have confidence in delivery, it will be in their best interest to seek other alternatives.
- 3.1.6 Perhaps most importantly, completing the infrastructure will position Horizon 120 to be particularly attractive in the post Covid-19 recovery. Horizon 120's unique selling points will include detailed planning permission, exceptionally low risk delivery in addition to being well placed on the strategic road network and commanding competitive values compared to nearby markets.

#### 4 Risks

- 4.1 This section will address the additional risks arising from the proposal set out in this report and will not reiterate the risks previously considered in respect of the Horizon 120 development.
- 4.2 Failure to complete the infrastructure may undermine confidence that the site will be delivered and would provide an incentive for the currently interested parties to withdraw.
- 4.3 Delay is likely to lead to increased costs.
- 4.4 It is possible that the infrastructure will be completed and that no occupiers will be secured. Given the lack of competing sites, in the sub-region, this risk is considered to be notional.
- 4.5 As summarised in 2.10 above, valuation advice has indicated that the Covid-19 crisis will have a short-term and adverse impact on land values.
- 4.6 The revised Business Case assumes recovery, by late 2020. The valuation advice is that this reflects the lack of competition and Horizon's distinctive offer of both infrastructure under way and detailed planning permission in advance for compliant schemes.
- 4.7 As a prudent measure, a second valuation opinion is being commissioned. It should however be noted that formal valuations are being delayed by the lock-down regulations. The valuation, referred to above, was undertaken immediately before the lock-down.
- 4.8 There is the risk that these assumptions may be optimistic and not borne out in practice. It is however considered that the assumptions represent a reasonable mid-case position being neither too pessimistic nor reflecting the potential for Horizon 120 to command a premium given the lack of competitive sites of this quality and value in the sub-region.

## 5 Finance

- 5.1 Full Council received a business case for Horizon 120 at its meeting held on 19<sup>th</sup> February 2019.
- 5.2 A capital budget was approved to progress a phased delivery of infrastructure works (having completed the relevant land acquisitions).
- 5.3 The business plan was reviewed and reported to Full Council on 22<sup>nd</sup> July 2019, when an increase in the capital budget for infrastructure was approved– this included provision for a second access to the site.
- 5.4 The Council has now received updated cost estimates provided by Balfour Beatty, which have taken into account proposals to increase the scope of infrastructure works and to complete them as a single phase. A review of all other professional and other fees has also been undertaken, along with a revised cash flow.
- 5.5 Compared to February 2019, scheme cost estimates are higher for infrastructure works (reflecting an increased scope of works and generally higher costs); higher costs for professional and other fees, offset largely by reductions in the marketing and planning costs to be incurred compared with that originally assumed). The revised estimate also allows for some minor off-site highways works and archaeology works that have recently become necessary
- 5.6 Financing costs have increased overall due to a combination of earlier and higher expenditure coupled with re-profiling of serviced land sales and market value assumptions.
- 5.7 The Project Director has advised that there is potential for costs to be reduced through tendered sub-contractor works; however, there are also risks from increased costs on utilities. The assumption by the Project Director at this stage is that these are likely to be outweighed by the expected reduction in the feasibility estimate.
- 5.8 The amount and timing of income from the sale of serviced land has been reviewed, including the potential short-term downturn in market values during the current coronavirus pandemic.
- 5.9 Based on the revised cost estimate and income projections this results in a revised net cash surplus.
- 5.10 As the project has always anticipated generating capital income, expenditure incurred to date has not been financed from usable capital resources (e.g. capital receipts and reserves), but instead has relied on borrowing that is expected to be repaid from this income stream.
- 5.11 As a treasury management decision this borrowing has so far been internalised by drawing down on cash that is held for other purposes and which would otherwise have been temporarily invested at short-term rates.

This strategy is sustainable to the extent that surplus cash balances remain available. In the event that this not the case then the Council would need to increase its external borrowing on a short-medium term basis pending receipt of income from land sales.

- 5.12 The latest scheme estimate currently assumes that external borrowing is incurred to meet the project net cash-flow from April 2020 at an annual rate of interest and which is capitalised i.e. added to the overall scheme cost. This approach continues to be subject to the option to internalise borrowing from a treasury management perspective achieving an overall lower cost of financing.
- 5.13 The ability to capitalise interest costs only exist during the development phase. Once capital works have finished, any interest incurred on outstanding borrowing (i.e. after applying any capital income to reduce the level of borrowing) would become chargeable to the General Fund revenue account. The estimated cost of this is reflected in the overall scheme estimate.
- 5.14 Funding this will require some balancing of revenue costs vis-à-vis future capital gains which the Corporate Director (Finance) can manage through the flexible use of capital balances and reserves when determining financing of the whole capital programme.
- 5.15 Any capital borrowing would normally require Minimum Revenue Provision (MRP) to be set aside from the General Fund revenue account reflecting the amortised cost of debt spread over the number of years from which benefits from the investment are derived. However, as the intention is to generate capital income to repay borrowing in the first instance, it is not considered necessary to provide for additional annual MRP.
- 5.16 This position can be maintained provided the Council's strategy continues to be one of actively selling serviced land plots, and the market value of such land for sale remains at/ above the costs that have been incurred (proportionate to the amount of serviced land still held for sale). If the market value of the residual land falls below the attributable debt then it would be prudent to set aside MRP (or otherwise apply other capital balances to reduce debt). MRP would not normally be chargeable during the development period of a scheme.
- 5.17 Subject to approval, it is proposed to let an infrastructure works contract, to Balfour Beatty.

## 6 Impact assessment

- 6.1 The impact is as per the impact assessment, for the wider development as outlined in below

Corporate Strategy Objective	Direct Impact of Proposed Scheme
A sustainable environment and a great place to live, work and play.	The development will include extensive, structured landscape with links to the Great Notley Country Park.

A well-connected and growing District with high-quality homes and infrastructure.	A key objective will be to reduce outward commuting, by Braintree residents
A prosperous District that attracts business growth and provides high-quality employment opportunities.	Despite the currently uncertain macro-economic climate, there is clear evidence that the site is attracting local and sub-regional companies seeking to expand
A high performing organisation that delivers excellent value for money.	Horizon 120 is projected to realise an Internal Rate of Return (IRR) At this preliminary stage, it is anticipated that the “option land” will be equally successful.

## 7 Legal implications

- 7.1 The proposals do not fit the scope of the delegations granted by Council in December 2019. Accordingly the budget increase is referred to Cabinet for consideration, before requiring Full Council approval.
- 7.2 The infrastructure works will be procured through the SCAPE Framework. This Framework is available for Local Authorities to use for construction projects. This Framework has already been used as part of this scheme in the identification of Balfour Beatty for the earthworks required on site.

## 8 Summary

- 8.1 The Council now has both the opportunity and the responsibility to realise the potential, of Horizon 120, achieving what the private sector, working alone, failed to deliver over the preceding ten years
- 8.2 The proposals above are consistent with the agreed vision but require decisions which lie beyond the delegated authorities approved in July and in December 2019.
- 8.3 The purpose of this report is to make specific recommendations, and to seek further delegated authority, in order to expedite effective governance and decision making, whilst minimising delay.