

Cabinet AGENDA

Monday 7th September 2020 at 7.15pm

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>

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

Membership:-

Portfolio

Overall Vision and Strategic Direction	Councillor G Butland (Leader of the Council)
Economic Development and Infrastructure	Councillor T Cunningham (Deputy Leader of the Council)
Communities, Culture and Tourism	Councillor F Ricci
Corporate Transformation	Councillor J McKee
Environment and Place	Councillor Mrs W Schmitt
Finance and Performance Management	Councillor D Bebb
Health and Wellbeing	Councillor P Tattersley
Homes	Councillor K Bowers
Planning	Councillor Mrs G Spray

Invitees:

Representatives of the Green Party and Independent Group, Halstead Residents Association and Labour Group.

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 by 3pm on the day of the meeting.

A WRIGHT
Chief Executive

INFORMATION FOR MEMBER – DECLARATIONS OF MEMBERS' INTERESTS

Declaration of Disclosable Pecuniary Interests (DPI), Other Pecuniary Interests (OPI) or Non-Pecuniary Interests (NPI).

Any Member with a DPI, OPI or NPI 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 DPI or OPI 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.

Public Question Time – Registration and Speaking:

In response to the Coronavirus the Council has implemented procedures for Public Question Time for its virtual meetings which are hosted via Zoom.

The Agenda allows for a period of up to 30 minutes for Public Question Time.

Participation will be via the submission of a written question or statement which will be read out by an Officer or the Registered Speaker during the meeting. All written questions or statements should be concise and should be able to be read **within 3 minutes** allotted for each question/statement.

Members of the public wishing to participate are requested to register by contacting the Governance and Members Team on 01376 552525 or email 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 for Public Question Time if they are received after the registration deadline.

Upon registration members of the public may indicate whether they wish to read their question/statement or to request an Officer to read their question/statement on their behalf during the virtual meeting. Members of the public who wish to read their question/statement will be provided with a link to attend the meeting to participate at the appropriate part of the Agenda.

All registered speakers are required to submit their written questions/statements to the Council by no later than 9am on the day of the meeting by emailing them to governance@braintree.gov.uk. In the event that a registered speaker is unable to connect to the virtual meeting their question/statement will be read by an Officer.

Questions/statements received by the Council will be published on the Council's website. The Council reserves the right to remove any defamatory comment in the submitted questions/statements.

The Chairman of the Committee has discretion to extend the time allocated for public question time and to amend the order in which questions/statements are presented to the Committee.

Documents: Agendas, Reports, Minutes and Public Question Time questions and statements can be accessed via www.braintree.gov.uk

Data Processing: During the meeting the Council will be collecting performance data of participants' connectivity to the meeting. This will be used for reviewing the functionality of Ms Teams/Zoom and YouTube as the Council's platform for virtual meetings and for monitoring compliance with the legal framework for Council meetings. Anonymised performance data may be shared with third parties.

For further information on how the Council processes data, please see the Council's Privacy Policy. https://www.braintree.gov.uk/info/200136/access_to_information/376/privacy_policy

We welcome comments 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 to governance@braintree.gov.uk

PUBLIC SESSION	Page
1 Apologies for Absence	
2 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.	
3 Minutes of the Previous Meeting To approve as a correct record the minutes of the meeting of Cabinet held on 13th July 2020 (copy previously circulated).	
4 Public Question Time (See paragraph above)	
5 FINANCE & PERFORMANCE MANAGEMENT	
5a Recommendation from the Corporate Governance Group - 23rd July 2020 - Treasury Management Annual Report 2019/20 Note: The report to the Corporate Governance Group is set out in pages 9 - 30 of this Agenda.	6 - 30
5b First Quarter Performance Report 2020-21	31 - 66
5c Medium-Term Financial Strategy 2020-21 to 2023-24	67 - 79
6 CORPORATE TRANSFORMATION	
6a Strategic Risk Management	80 - 109
7 ENVIRONMENT & PLACE	
7a Changes to the Off-Street Parking Places Order 2019	110 - 115
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8a Development of New Temporary Accommodation	116 - 123

Recommendation from the Corporate Governance Group – 23 rd July 2020 – Treasury Management Annual Report 2019-20		Agenda No: 5a
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 D Bebb, Cabinet Member for Finance and Performance Management	
Report prepared by:	Jessica Mann, Governance and Members Officer	
Background Papers:	Public Report	
Treasury Management Strategy Statement 2019/20 approved by Cabinet on 11th February 2019 and Full Council 25th February 2019	Key Decision: No	
Council Budget and Council Tax 2019-20 and Medium Term Financial Strategy 2019-20 to 2022-23		
Report and Minutes of the Corporate Governance Group 23rd July 2020		
Executive Summary:		
MINUTE EXTRACT		
38	<u>TREASURY MANAGEMENT ANNUAL REPORT 2019/20</u>	
INFORMATION: Members gave consideration to a report which focused on the treasury management activities of the Council for the period 2019/20.		
<p>The Council's Treasury Management Strategy Statement (TMSS) for 2019/20 had been approved previously at the meeting of Full Council on 25th February 2019, and a mid-year report was later considered by the Corporate Governance Group on 24th October 2019. The latter report was subsequently presented to Cabinet on 18th December 2019.</p>		
<p>Members were informed that the Council's capital expenditure for 2019/20 was £6.999m, which was a lower amount than had been projected at the time of the TMSS approval and mid-year review. The main area where expenditure in 2019/20 was less than had been expected was in relation to the District Investment Programme, particularly on the Manor Street regeneration scheme and the Horizon 120 project; however, it was highlighted that both projects would</p>		

start to incur higher expenditure throughout 2020/21 as they had now both progressed to construction phase. The reduced expenditure for the period 2019/20 was reflected in the Council's Capital Financing Requirement (CFR), which was £12.803m at 31st March 2020.

It was reported that there had been a slight reduction in other long-term liabilities; these had been incurred during previous years to acquire property and vehicles and were being repaid by annual revenue payments. External borrowing remained at £6m and was comprised of two Lender Option and Borrower Option loans that were originally taken out in 2002. The Council's total internal borrowing at the 31 March 2020 was £4.6m, which had been incurred on the Horizon 120 Project. It was anticipated that the Council would sell service-land plots at this site in the near future which would reduce this borrowing requirement. Members were reminded that the Council was forecasting an increase in borrowing due to the District Investment Programme and that borrowing in advance of this need was kept under review.

In terms of the Council's investment activity, it was reported that investment balances averaged £63.640m over the year, and ranged between £50.187m and £73.265m. This was higher than had been expected due to the reduced expenditure on capital investment. As at 31st March 2020, the Council's total cash balances for investment was £52.309m. During the financial year, the amount invested in the Council's pooled funds was increased by £1m, which was added to the Kames Diversified Income Fund. The total amount invested in long-term pooled funds was therefore £19m as at 31st March 2020. The Council had also increased the amounts lent to other local authorities where demand had risen following an increase in the cost of borrowing to local authorities through the Public Works Loan Board in October 2019. The Covid-19 pandemic resulted in sharp falls in financial markets towards the end of the financial year leading to a reduction in the value of the Council's pooled fund investments, which totalled £16.744m as at 31st March 2020, representing an unrealised loss of £2.256m at that point. Members were advised, however, that there had been some notable recovery in values and that, at the current time, the funds were approximately £940k lower than the total sum invested. Members were also advised that the CCLA Property Fund had suspended dealing in the fund due to the significant uncertainty created by the pandemic over the valuation of property assets. This move was in line with the requirements of the Financial Conduct Authority. The position is being kept under review by the Council with Arlingclose.

As a client of Arlingclose, it was explained that the Council received quarterly benchmarking information; the current data indicated that the Council compared favourably on a number of indicators, and that this was especially so in relation to the credit quality of internally managed investments, and overall returns from income..

Interest paid on borrowing amounted to £393,549. Investment income for the year was £1,280,973, which represented an overachievement against the budget of £250,014. The pooled funds were a significant element of this at £922,622, with short-term investments contributing £358,351 of interest. In light of the heightened risks over the level of future investment income, the Cabinet Member for Finance and Performance Management had agreed to increase the treasury management reserve by the amount of income overachieved against the budget

in 2019/20. The balance on the reserve was therefore £1,217,413 as at 31st March 2020.

Members were informed that the Council's net rental income from its property portfolio was £2.233m. The Council also had a number of service loans and at 31st March 2020, the amount outstanding on these was £54,724.

Finally, it was confirmed that the Council continued to retain Arlingclose as its treasury management advisors.

DECISION: The Corporate Governance Group recommended to Cabinet acceptance of the Treasury Management Annual Report 2019/20 prior to its submission to Full Council.

REASON FOR DECISION: The Council has adopted the CIPFA Code of Practice for Treasury Management in Public Services, which requires that the Council receives an annual report on the treasury management function. This report is to be considered first by the Corporate Governance Group in order to exercise its responsibility for scrutiny over treasury management activities. The report will then be considered by Cabinet before submission to Full Council with the benefit of any proposed changes and/or comments of the Corporate Governance Group.

Treasury Management Annual Report 2019-20		Agenda No:
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:	Phil Myers, Financial Services Manager	
Report prepared by:	Phil Myers, Financial Services Manager	
Background Papers:	Public Report	
Treasury Management Strategy Statement 2019/20 approved by Cabinet on 11 th February 2019 and Full Council 25 th February 2019 <u>Council Budget and Council Tax 2019-20 and Medium Term Financial Strategy 2019-20 to 2022-23</u>		Key Decision: No
Executive Summary:		
1. <u>Introduction</u>		
1.1. The Council has adopted the Chartered Institute of Public Finance and Accountancy's <i>Treasury Management in the Public Services: Code of Practice</i> (the CIPFA Code) which requires the Council to approve a treasury management strategy prior to the commencement of the financial year; receive at least one mid-year report; and then receive an annual report after the financial year-end.		
1.2. The Council's Treasury Management Strategy Statement (TMSS) for 2019/20 was approved by Full Council on 25 th February 2019 as part of the overall Budget and Council Tax setting for 2019/20. A mid-year report was considered by the Corporate Governance Group on 24 th October 2019 and subsequently by the Cabinet on 18 December 2019.		
2. <u>Treasury Management Strategy Statement (TMSS) 2019/20</u>		
2.1 The TMSS was based on the following presumptions: <ul style="list-style-type: none"> A forecast spend on the capital programme of around £30m, funded by a combination of £11m of own resources and the balance from a mixture of internal and external borrowing, this borrowing being for projects under the District Investment Programme. 		

- The availability of cash balances for investment – the assumption was that these would average around £41m comprising core cash of circa £30million and in-year cash flows of £11m.
- Maintaining the Council's approach to risk by diversification of its investments including retaining longer-term investments to counter the risks associated with a prolonged period of low interest rates

2.2. These assumptions were subsequently updated in the Mid-Year report mainly to reflect changes in the spending profile for projects within the District Investment programme.

3. External Context

3.1. The report includes an economic and market commentary of the 2019/20 financial year, provided by the Council's treasury management advisors, Arlingclose attached as **Appendix A**.

4. Capital Expenditure and Financing

4.1. The Council's capital expenditure and financing have a significant impact on both the levels of borrowing required and cash balances available for investment.

4.2. Actual capital spend in the year was £6.999m which was much lower than originally planned when the TMSS was approved, and also less than that projected at the mid-year stage. The main areas where spending was lower than expected was for projects within the District Investment programme, particularly the Braintree Town Centre regeneration scheme, and Horizon 120. However, both of these projects have now entered phases of development which will mean significant spend is incurred during 2020/21. The general capital programme, comprising housing related initiatives and wider service projects was also under spent against profile. The amount of borrowing required was £1.333m of internal borrowing for the Horizon 120 project.

4.3. Further details of the outcomes from the Council's capital expenditure in 2019/20 can be found in the Annual Performance Report which was considered by Cabinet at their meeting on 13th July 2020.

4.4. Capital expenditure and the extent to which this has been financed from either revenue or capital resources is reflected in the Capital Financing Requirement or CFR, which is derived from the Council's Balance Sheet. The CFR can therefore be considered a proxy indicator as to the amount of external borrowing the Council could reasonably justify as being incurred to meet past capital expenditure; however, actual borrowing could be different.

4.5. The report shows that at the end of the year the CFR was £12.803m, compared to borrowing and finance lease liabilities totalling £8.180m. The difference of £4.623m represents the amount of internal borrowing that has been used to fund

capital expenditure by drawing down on the Council's own cash reserves. Whilst internal borrowing is currently a cost effective alternative to external borrowing, this can only be regarded as temporary as at some point in the future the cash used is likely to be required for its original purpose. The main reason for the current level of internal borrowing relates to the acquisition of land in 2019 and subsequent development related expenditure for the proposed employment site at Horizon 120. This project is expected to generate capital income which will then be used to repay this borrowing and hence its use is appropriate for the short-medium term funding required.

5. Borrowing and Other Debt

- 5.1. Borrowing which is outstanding comprises two £3m Lender Option, Borrower Option (LOBO) loans, which were originally taken out in 2002. These loans give the lender the option to propose at six-monthly intervals a change in the interest rate being charged, and which if exercised, gives the Council the right to repay the loan(s) in full at no additional cost. The continuing low interest rate environment means that to date the lender has not exercised their options, and any early repayment has previously been judged not to be cost effective on the terms proposed.
- 5.2. Outstanding finance lease liabilities are a form of borrowing incurred in previous years to acquire use of property and vehicles repaid from annual revenue repayments.
- 5.3. The Council's medium term plans forecast an increased need to borrow for its District Investment programme. Analysis undertaken during the year on the potential "cost of carry" did not indicate that borrowing in advance of this need would be cost effective. However, this position remains under review taking into account interest rate forecasts and the Council's developing investment programme.

6. Investment Activity

- 6.1. Usable reserves and working capital represent the underlying resources available for investment. In addition, the extent to which the Council's borrowing differs from its CFR will add/ detract from cash balances, and in-year timing differences between income received and expenditure incurred (working capital) will also effect the amount available to invest. During the year the Council's investment balances averaged £63.640m, and ranged between £50.187m and £73.265m. These balances were higher than originally anticipated due mainly to the reduced level of spend on capital investment.
- 6.2. Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its

investments before seeking the highest rate of return, or yield. Consequently, the Council's objective when investing money has been to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low returns.

- 6.3. In furtherance of these objectives, and given the continuing risk and below inflation returns from short-term unsecured bank investments, the amount invested in long-term pooled funds was increased by adding a further £1m to the Kames Diversified Income Fund, taking the total invested in pooled funds to £19m at 31st March 2020. These investments continue to be made on the basis that, provided they are held for the medium-long term, they would offer enhanced returns whilst recognising there could be short-term volatility in market pricing. The Council holds distributing share classes in these funds in order to receive regular dividend income.
- 6.4. An increase in the cost of borrowing to local authorities through the Public Works Loan Board in October 2019, saw an increased level of activity in the local to local market, as authorities with borrowing requirement sought alternatives, whilst offering potential investors returns that exceeded those available in the market. Consequently, the level of loans to local authorities increased in the Council's portfolio with amounts lent rising from £6m at the end of March 2019 to £13m at the end of March 2020. A recent credit update issued by Arlingclose in the wake of the coronavirus pandemic and its potential impact on the finances of local authorities concluded that they remained comfortable with clients investing with other UK local authorities for periods of up to 2 years, subject to clients setting appropriate counterparty limits and diversifying large exposures widely over different local authorities.
- 6.5. At 31st March 2020, the total market valuation (fair value) of the Council's pooled funds was £16.744m, representing an unrealised loss of £2.256m on the amounts invested. This change in market valuation was most prominent in equity funds and in particular those funds exposed to UK equities, following significant volatility across global financial markets due to the outbreak of the coronavirus pandemic in the last quarter of the year. Whilst statutory regulations mean that this loss does not have an immediate impact on the General Fund balances, nevertheless, the drop in value does represent a potential future risk until such time markets recover.
- 6.6. With the recent sharp fall in economic activity and the uncertainty this created in the property market, the Council was informed in late March that dealings in the CCLA Property fund would be suspended until further notice. This was in line with the rules of the Financial Conduct Authority which requires funds to take action where there is material uncertainty over pricing of over 20% of assets held. This action was not unique to this fund. The position continues to be kept under review in conjunction with Arlingclose.

6.7. As a client of Arlingclose, the Council receives quarterly benchmarking information which is summarised in the report. This shows that the Council's position compared favourably on a number of indicators, particularly in relation to the credit quality of internally managed investments. Income Return was higher; however, Total Return was impacted by the marked drop in financial markets in the final quarter of the year. This was also reflected in the measure of Strategic Fund Volatility where the Council has above average exposure to these types of funds, and particularly UK equity funds.

7. Financial Implications

7.1. Interest paid on borrowing amounted to £283,103, at an average rate of 4.7%. Further interest of £110,446 was paid on finance leases.

7.2. Total investment income for the year was £1,280,973 (equivalent to an overall return of 2.01%), and which was £250,014 more than budget due to a combination of higher cash balances and increased market interest rates. Within this overall performance, dividend income from long-term pooled funds was £922,622, a 4.98% return, whereas short-term investments contributed £358,351 of interest which equated to a return of 0.79%.

7.3. A treasury management reserve is maintained to aid management of the potential financial risks from treasury activities. In light of the heightened risks over the level of future investment income, the Cabinet Member for Finance and Performance Management agreed as part of the budget carry forward process to increase the reserve by the amount of income overachieved against budget in 2019/20. This meant the balance on the reserve at 31st March 2020 was £1,217,413.

8. Other Non-Treasury Investments and Loans

8.1. Although not classed as treasury management activities, the CIPFA Code requires the Council to report on investments for policy reasons outside of normal treasury management. This includes service investments for operational and/or regeneration reasons as well as commercial investments which are made mainly solely for financial reasons. The Council holds direct property investments with a market value at 31st March 2020 of £37.246m comprising: industrial land and units; shops; offices; and other commercial property. Properties are leased to third parties generating rental income for the Council. Net rental income was £2.233m, representing a return of 6.1% on the value of assets.

8.2. The overall market value of investment property increased by £0.983m, due mainly to rent reviews and other changes to lease terms resulting in improved yields. This increase in value is caveated by the uncertainties surrounding property valuations in the current economic climate.

8.3. The Council also has a number of loans which have been made for service reasons. At 31st March 2020, the amount outstanding on these was £54,724. During the year loans totalling £246,660 were repaid.

9. Compliance Report

9.1. The Corporate Director (Finance) can confirm that all treasury management activities undertaken during 2019/20 complied fully with the CIPFA Code of Practice and the Council's approved TMSS. Compliance with debt and investment limits is demonstrated in the main report through a number of indicators.

10. Treasury Management Indicators

10.1. The Council measures and manages its exposures to treasury management risks using a number of indicators. The report confirms that activity during the year was contained within the relevant limits.

11. Treasury Management Advisors

11.1. The Council continued to employ Arlingclose as its treasury management advisors. Regular communications and updates on related matters have been received by officers, and Arlingclose attended meetings of the Strategic Investment Programme Group held during the year.

Recommended Decision:

To recommend to Cabinet acceptance of the Treasury Management Annual Report 2019/20 prior to its submission to Full Council.

Purpose of Decision:

The Council has adopted the CIPFA Code of Practice for Treasury Management in Public Services, which requires that the Council receives an annual report on the treasury management function. This report is to be considered first by the Corporate Governance Group in order to exercise its responsibility for scrutiny over treasury management activities. The report will then be considered by Cabinet before submission to Full Council with the benefit of any proposed changes and/ or comments of the Corporate Governance Group.

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

Financial:	No new financial implications arise out of this report which is a report on treasury management activities in the 2019/20 financial year. The financial implications of these activities are reflected in the Council's budgetary outturn and Statement of Accounts.
Legal:	The Council's treasury management activities are subject to regulation by a number of professional codes, underpinned by statutory regulations and advice. There are no new legal implications from the report, although the report does contain details of changes to the regulatory framework.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	None.
Environment and Climate Change:	None.
Consultation/Community Engagement:	None.
Risks:	No new risks introduced. The report details activities that have been undertaken to manage the inherent risks within the treasury management function.
Officer Contact:	Phil Myers
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Treasury Management Annual Report 2019/20

1. Introduction

- 1.1. The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Council to approve a treasury management strategy prior to the commencement of the financial year; receive at least one mid-year report; and then receive an annual report after the financial year-end.
- 1.2. The Council's Treasury Management Strategy Statement (TMSS) for 2019/20 was approved by Full Council on 25 February 2019 as part of the overall Budget and Council Tax setting for 2019/20. A mid-year report was considered by the Corporate Governance Group at its meeting on 24 October 2019, and subsequently by the Cabinet on 18 December 2019.
- 1.3. The Council invests substantial sums of money and continues to hold legacy borrowing and is therefore exposed to a range of financial risks, including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management activities.

2. Treasury Management Strategy Statement (TMSS) 2019/20

- 2.1. The original TMSS approved for the year was based on the following assumptions:
 - A forecast spend on the capital programme of around £30m, funded by a combination of £11m of own resources and the balance from a mixture of internal and external borrowing, this borrowing being for projects under the District Investment Programme.
 - The availability of cash balances for investment – the assumption was that these would average around £41m comprising core cash of circa £30million and in-year cash flows of £11m.
 - Maintaining the Council's approach to risk by diversification of its investments including retaining longer-term investments to counter the risks associated with a prolonged period of low interest rates.
- 2.2. These assumptions were subsequently updated in the Mid-Year report mainly to reflect changes in the spending profile for projects within the District Investment programme.

3. External Context

3.1. A brief economic and market commentary of the 2019/20 financial year, provided by the Council's treasury management advisors, Arlingclose, is attached at **Appendix A**.

4. Capital Expenditure and Financing

4.1. The Council's capital expenditure and financing have a significant impact on both the levels of borrowing required and cash balances available for investment.

4.2. The following table shows the position as originally estimated in the TMSS, alongside the updated forecast in the Mid-Year report, and then the final outturn for the year:

Table 1: Capital Expenditure & Financing 2019/20			
	TMSS £000	Forecast¹ £000	Actual £000
Capital programme	3,943	4,131	2,563
District Investment Programme	26,398	7,472	4,436
Total Expenditure	30,341	11,603	6,999
<i>Funded by:</i>			
Capital receipts	(2,740)	(2,703)	(1,004)
District Investment Strategy reserve	(4,528)	(1,454)	(1,670)
Better Care Funding	(1,122)	(1,001)	(843)
Other Grants & Contributions	(1,253)	(1,528)	(1,493)
Revenue and reserves	(2,011)	(1,497)	(656)
External borrowing	(12,157)	0	0
Internal borrowing	(6,530)	(3,420)	(1,333)
Total Finance	(30,341)	(11,603)	(6,999)

¹ As per Mid-Year report

4.3. The above table shows that actual capital spend for 2019/20 was much lower than originally planned. The main reason for this lower spend related largely to projects within the District Investment Programme, particularly the Braintree Town Centre regeneration scheme, and Horizon 120. However, both of these projects have now entered phases of development which will result in significant expenditure being incurred during 2020/21. The general capital programme, comprising housing related initiatives and wider service projects was also under spent against profile. The amount of borrowing required in the year was £1.333m of internal borrowing for the Horizon 120 project.

- 4.4. Further details of the outcomes from the Council's capital expenditure in 2019/20 can be found in the Annual Performance Report which was considered by Cabinet at their meeting on 13 July 2020.
- 4.5. Capital expenditure and how this has been financed is reflected in a balance sheet derived measure known as the Capital Financing Requirement or CFR. The CFR indicates the extent to which spending on capital has yet to be financed from the Council's own resources, including, where required, amounts charged annually to the General Fund revenue account in the form of Minimum Revenue Provision (or MRP). The CFR can therefore be considered a proxy for the amount of external borrowing the Council could justify as being incurred to meet past capital expenditure; however, actual borrowing could be different.
- 4.6. The following table shows the movement in the CFR for the year, compared to that assumed in the TMSS and as forecast in the mid-year report:

Table 2: Capital Financing Requirement (CFR) 2019/20			
	TMSS £000	Forecast £000	Actual £000
CFR at start of the year	12,366	12,215	12,215
Increase due to internal borrowing	18,687	3,420	1,333
Mortgage repayment	-	-	(47)
Minimum Revenue Provision	(382)	(379)	(379)
Finance leases annual principal	(308)	(305)	(319)
Net change in CFR	17,997	2,736	588
CFR at end of the year	30,363	14,951	12,803

- 4.7. The lower capital spend in the year meant that the CFR at the end of the year was significantly less than was originally anticipated.

5. Borrowing and Other Debt

- 5.1. The following table shows the amount of borrowing and other debt and how this has changed over the year:

Table 3: Borrowing and Other Long-Term Liabilities			
	Borrowing £000	Finance Leases £000	Total £000
Amounts owed 1 April 2019	6,000	2,499	8,499
Additions	-	-	-
Repayments	-	(319)	(319)
Amounts owed 31 March 2020	6,000	2,180	8,180

5.2. Borrowing comprises two £3m Lender Option, Borrower Option (LOBO) loans, which were originally taken out in 2002, where the lender has the option to propose a change in the interest rate at six-monthly intervals, at which point the Council then has the option to either accept the new rate or to repay the loan(s) at no additional cost. During the year the lender did not exercise their option.

5.3. Finance leases are arrangements which take the form of borrowing where interest is paid and the liability is extinguished by annual revenue repayments. The majority of the amount outstanding relates to a long-term lease for a property asset, with the remainder being financing for operational vehicles.

5.4. The following table compares the CFR with the level of current external borrowing:

Table 4: CFR compared to external borrowing		
	31-Mar-19 £000	31-Mar-20 £000
CFR at the end of year	12,215	12,803
Less finance leases	2,499	2,180
Borrowing CFR	9,716	10,623
Less external borrowing	6,000	6,000
Internal borrowing	3,716	4,623

5.5. The table above shows that at the end of March 2020, the Council's external borrowing was lower than its CFR (as was the case at 31st March 2019). This reflects the extent to which the Council has internalised its borrowing requirement i.e. used its own cash resources instead of increasing its external borrowing. Whilst internal borrowing is currently a cost effective alternative to external borrowing, this can only be regarded as temporary as at some point in the future the cash used is likely to be required for its original purpose. The main reason for the current level of internal borrowing relates to the acquisition of land in 2019 and subsequent development related expenditure

at Horizon 120. This project is expected to generate capital income which will then be used to repay this borrowing and hence its use is appropriate for the short-medium term funding required.

- 5.6. Whilst the Council's medium term plans forecasts an increase in its borrowing requirements, analysis undertaken during the year did not indicate that borrowing in advance of this need would be cost effective, due to the net "cost of carry". However, this position remains under review taking into account interest rate forecasts and the Council's developing investment programme.

6. Investment Activity

- 6.1. During the year the Council's investment balances averaged £63.640m, and ranged between £50.187m and £73.265m. These balances were higher than originally anticipated due mainly to the reduced level of capital expenditure. The year-end investment position and year-on-year change is shown in the table below:

Table 5: Treasury Management Investment Activity						
	31-Mar-19 Balance £000	2019/20 Movement		31-Mar-20 Balance £000	31-Mar-20 Rate %	31-Mar-20 WAM¹ days
		Made £000	Matured £000			
Long-Term Investments						
Equity funds	13,000	-	-	13,000	5.14%	T+3/4
Diversified funds	2,000	1,000	-	3,000	4.68%	T+3
Property fund	3,000	-	-	3,000	4.54%	1mth ²
Sub-Total Long-Term	18,000	1,000	-	19,000	4.98%	
Short-Term Investments						
UK Banks & Building Societies	6,000	6,000	(12,000)	-	-	-
Non UK Banks	3,000	3,000	(6,000)	-	-	-
Other Local Authorities	6,000	20,000	(13,000)	13,000	0.96%	101
Debt Management Office (UK Govt)	-	54,000	(51,500)	2,500	0.05%	1
Money Market Funds – LVNAV	8,000	41,500	(35,500)	14,000	0.43%	On call
Money Market Funds – VNAV	4,000	-	-	4,000	0.76%	T+2
Sub-Total Short-Term	27,000	124,500	(118,000)	33,500	0.65%	
Long and Short-Term Investments	45,000	125,500	(118,000)	52,500	1.80%	
Lloyds Bank current account	1,527			(191)		
Total Investments	46,527			52,309		

¹ Weighted Average days to Maturity. Where "T+" is stated this means settlement is x no. of days following the Transaction Date

² Units normally redeemable on each Valuation Date (i.e. end of each month) - dealing currently suspended

- 6.2. Usable reserves and working capital represent the underlying resources that are available for investment. As highlighted in paragraph 5.4 the Council is internally borrowing for capital purposes which has the effect of reducing cash available for treasury management investment. In-year cash flows typically result in cash balances peaking around Sept/ Oct before then reducing back to the final closing position. The following table shows the main sources of cash that is represented in the investment balances at the 31st March:

Table 6: Source of Cash Balances for Investment		
	31-Mar-19	31-Mar-20
	£000	£000
General Fund unallocated balance	5,787	6,882
Earmarked reserves	22,625	21,931
Capital receipts	15,843	18,445
Former CHIP Fund monies	3,102	1,933
Other capital grants and contributions	3,159	4,665
Collection Fund balances and provision	6,034	7,806
Working capital	-6,307	-4,730
Usable reserves and working capital	50,243	56,932
Difference between CFR and actual borrowing	-3,716	-4,623
Cash balances for Investment	46,527	52,309

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

6.4. In furtherance of these objectives, and given the continuing risk and low returns from short-term unsecured bank deposits, the amount invested in long-term pooled funds was increased by £1m with this being added to the Kames Diversified Income Fund. This took the total amount invested in long-term pooled funds to £19m at 31st March 2020. These investments have been made on the basis that, if held for the medium-long term, they would offer enhanced returns whilst recognising there could be short-term volatility in market pricing. The Council holds distributing share classes in order to receive regular income.

6.5. An increase in the cost of borrowing to local authorities through the Public Works Loan Board in October 2019, saw an increased level of activity in the local to local market, as authorities with borrowing requirement sought alternatives, whilst offering potential investors returns that exceeded those available in the market. Consequently, the level of loans to local authorities increased in the Council's portfolio with amounts lent rising from £6m at the end of March 2019 to £13m at the end of March 2020. A recent credit update issued by Arlingclose in the wake of the coronavirus pandemic and its potential impact on the finances of local authorities concluded that they remained comfortable with clients investing with other UK local authorities for periods of up to 2 years, subject to clients setting appropriate counterparty limits and diversifying large exposures widely over different local authorities.

6.6. At the 31st March 2020, the total market valuation (fair value) of the Council's pooled funds was £16.744m, representing an unrealised loss of £2.256m on the amounts invested. This change in market valuation was most prominent in equity funds and in particular those funds exposed to UK equities, following significant volatility across global financial markets due to the outbreak of the coronavirus pandemic in the last quarter of the year.

6.7. The following table shows the position for each of the Council's long-term pooled fund investments:

Table 7: Long-Term Pooled Funds at 31 March 2020		
	<u>Invested</u>	<u>Fair Value</u>
	£000	£000
Schroder UK Income Maximiser Seeks to provide income and capital growth with target income of 7% p.a. by investing in mainly UK equities	2,500	1,573
Threadneedle UK Equity Income Steady growth in income and acceptable capital growth. Aims for a yield greater than 110% of the FTSE All Share Index	5,000	4,424
M&G Global Dividend Fund Aims to: deliver an income stream that increases every year; deliver a yield above that available from the MSCI All Countries World Index over any five year period; and deliver a higher total return over the MSCI All Countries World Index over any five year period	2,500	2,683
M&G UK Income Distribution Fund Aims to increase income distributions over time and targets a yield greater than the FTSE All-Share Index. The investment manager will also aim for capital growth.	3,000	2,383
CCLA Local Authorities Property Fund Aims to provide long-term capital and income return. The fund must pay out the income it generates.	3,000	3,044
Investec Diversified Income Fund Aims to provide steady income (4-6% p.a.) and the opportunity to grow the value of the investment over the long term by investing in an actively managed global multi-asset portfolio	1,000	917
Kames Diversified Monthly Income Fund Aims to provide income with the potential for capital growth over the medium term. The fund also aims for half to two-thirds of the volatility of the MSCI World Index.	2,000	1,720
Total	19,000	16,744

6.8. Under accounting rules changes in the fair (market) value of pooled funds represents a proper charge (or credit) in the Council's Statement of Accounts.

However, under statutory regulations this accounting impact is adjusted so that there is no immediate effect on the Council's General Fund balances until such time shares/ units are sold. This statutory reversal is currently in place for a period of five years ending 31st March 2023. Nevertheless, the current drop in value does represent a potential future risk until such time markets recover.

6.9. With the sharp fall in economic activity following the outbreak of the coronavirus pandemic and the uncertainty this created in the property market, the Council was informed in late March that dealings in the CCLA Property Fund would be suspended until further notice. This was in line with the rules of the Financial Conduct Authority which requires funds to take action where there is material uncertainty over pricing of over 20% of assets held. This action was not unique to this fund. The position continues to be kept under review in conjunction with the Council's treasury advisors, Arlingclose.

6.10. As a client of Arlingclose, the Council receives quarterly benchmarking information which is summarised in the table below:

Table 8: Arlingclose Client Benchmarking								
	Client Nos.	Credit Score	Credit Rating	Bail-in Exposure	WAM (days)	Strategic Fund Volatility	Income Return	Total Return
31-Mar-19		4.34	AA-	64%	74	7.0%	2.41%	3.29%
30-Jun-19		4.58	A+	78%	38	7.0%	1.90%	1.10%
30-Sep-19		4.50	A+	73%	38	8.0%	1.80%	1.10%
31-Dec-19		4.46	AA-	83%	33	7.0%	2.06%	5.03%
31-Mar-20		3.91	AA-	49%	44	20.1%	1.96%	-3.86%
Similar LAs	49	3.95	AA-	59%	53	5.1%	1.55%	-0.78%
All LAs	127	4.03	AA-	56%	20	7.6%	1.23%	-0.34%

6.11. The table above shows that the Council's position compared favourably on a number of indicators, particularly in relation to the credit quality of internally managed investments. Income Return was higher; however, Total Return (including change in fair value) was impacted by the marked drop in financial markets in the final quarter of the year. This is also reflected in the Strategic Fund Volatility index and the comparison with other Arlingclose clients where the Council's above average exposure to these types of funds shows (33% vs 25% and 16% by client group respectively), as well as the mix of funds currently being used (with an above average exposure to UK equities). As noted in paragraph 6.7, the change in market value effecting the total return does not have an immediate impact on the Council's usable resources.

7. Financial Implications

- 7.1. Interest paid on borrowing amounted to £283,103, at an average rate of 4.7%. Further interest of £110,446 was paid on finance leases.
- 7.2. Total investment income for the year was £1,280,973 (equivalent to an overall return of 2.01%), and which was £250,014 more than budget due to a combination of higher cash balances and increased market interest rates. Within this overall performance, dividend income from long-term pooled funds was £922,622, a 4.98% return, whereas short-term investments contributed £358,351 of interest which equated to a return of 0.79%.
- 7.3. A treasury management reserve is maintained to aid management of the potential financial risks from treasury activities. In light of the heightened risks over the level of future investment income due to the current economic downturn the Cabinet Member for Finance and Performance Management agreed as part of the budget carry forward process to increase the reserve by the amount of income overachieved against budget in 2019/20. This meant the balance on the reserve at 31st March 2020 was £1,217,413.

8. Non-Treasury Investments and Loans

- 8.1. Although not classed as treasury management activities, the CIPFA Code now requires the Council to report on investments for policy reasons outside of normal treasury management. This includes service investments for operational and/or regeneration as well as commercial investments which are made mainly for financial reasons. The Council holds direct property investments with a market value of £37.246m comprising: industrial land and units; shops; offices; and other commercial property. Properties are leased to third parties generating rental income. Net rental income was £2.233m, representing a return of 6.1% on the average value of assets.
- 8.2. The overall market value of investment property increased by £0.983m, due mainly to rent reviews and other changes to lease terms resulting in improved yields. This increase in value is caveated by the uncertainties surrounding property valuations in the current economic climate.
- 8.3. The Council also has a number of loans which have been made for service reasons. At 31st March 2020, the amount outstanding on these was £54,724. During the year one loan of £200,000 was repaid in accordance with the terms of the loan, and a mortgage loan of £46,660 was repaid early.

9. Compliance Report

- 9.1. The Corporate Director (Finance) can confirm that all treasury management activities undertaken during 2019/20 complied fully with the CIPFA Code of

Practice and the Council's approved TMSS. Compliance with specific limits is demonstrated below.

Table 9: Compliance against Borrowing Limits					
	2019/20 Maximum	31-Mar-20 Actual	2019/20 Operational Boundary	2019/20 Authorised Limit	Complied
	£m	£m	£m	£m	
Borrowing	6.000	6.000			
Finance Lease	2.499	2.180			
Total Debt	8.499	8.180	35.000	50.000	✓

9.2. Table 9 demonstrates compliance against the operational boundary and authorised limit for external debt. Whilst the operational boundary is a management tool for in-year monitoring, and under the Code may be breached on occasions due to variations in cash flow, this is not counted as a compliance failure. However, at no point during the 2019/20 year was total debt above the operational boundary. The Authorised Limit was set with an expectation of increased borrowing being required to support the District Investment Programme; however, as reported in Section 4 actual spend was much lower in the year.

9.3. In approving the TMSS, limits were set for amounts invested and these are detailed in the table below:

Table 10: Compliance against Investment Limits				
	2019/20 Max £m	31-Mar-20 Max £m	2019/20 Limit £m	Complied
Any single UK/ Non-UK bank or building society (unsecured)	3.000	0.000	3.000	✓
Any single AAA rated Money Market Fund	5.000	5.000	5.000	✓
Loans to any single UK Local Authority	3.000	3.000	5.000	✓
Any single unrated Investment (Pooled) Fund	5.000	5.000	5.000	✓
Aggregate Unrated Investment Funds	19.000	19.000	20.000	✓

9.4. For the purposes of day-to-day banking the aim is to maintain a balance of no more than £1.5m on the Council's current accounts, subject to short-term cash flow requirements. Table 11 shows how the Council performed against this objective.

Table 11: Day-to-Day Banking Balance

	2019/20 Min	2019/20 Max	2019/20 Weighted Average	31-Mar-20 Actual
Objective:	£m	£m	£m	£m
Aim not to have > £1.5m at any time	0.145	5.586	1.594	0.615
No of days <= £1.5m			185	
As % of days in the year			51%	

9.5. The above performance compares to the previous year where a balance equal to or less than £1.5m was achieved on 219 days or 60%. Counterparty restrictions recommended by the Council's treasury management advisors coupled with the overall increase in cash balances meant that higher balances were held for short durations.

10. Treasury Management Indicators

- 10.1. The Council measures and manages its exposures to treasury management risks using the following indicators:
- 10.2. **Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk.

Table 12: Compliance against Interest Exposure Limits

	31-Mar-20 Actual £m	2019/20 Limit £m	Complied
Investments			
Upper limit on the one year revenue impact of a 1% drop in interest rates	0.452	0.750	✓

- 10.3. **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limit on the long-term principal sum invested to final maturities longer than 364 days, or where the intention was to hold the investment for more than one year was £20m. At the 31 March 2020, the amount held with intention of being longer than 364 days was £19m, as per the Council's holdings in pooled funds.

11. Treasury Management Advisors

- 11.1. The Council continued to employ Arlingclose as its treasury management advisors. Regular communications and updates on related matters have been

received by officers and Arlingclose attended meetings of the Strategic Investment Programme Group held during the year.

Appendix A – Economic and Market Commentary by Arlingclose (April 2020)

Economic background: The UK's exit from the European Union and future trading arrangements, had remained one of major influences on the UK economy and sentiment during 2019/20. The 29th March 2019 Brexit deadline was extended to 12th April, then to 31st October and finally to 31st January 2020. Politics played a major role in financial markets over the period as the UK's tenuous progress negotiating its exit from the European Union together with its future trading arrangements drove volatility, particularly in foreign exchange markets. The outcome of December's General Election removed a lot of the uncertainty and looked set to provide a 'bounce' to confidence and activity.

The headline rate of UK Consumer Price Inflation fell to 1.7% y/y in February, below the Bank of England's target of 2%. Labour market data remained positive. The International Labour Organisation (ILO) unemployment rate was 3.9% in the three months to January 2020 while the employment rate hit a record high of 76.5%. The average annual growth rate for pay excluding bonuses was 3.1% in January 2020 and the same when bonuses were included, providing some evidence that a shortage of labour had been supporting wages.

Gross Domestic Product (GDP) growth in Q4 2019 was reported as flat by the Office for National Statistics. Service sector growth slowed and production and construction activity contracted on the back of what at the time were concerns over the impact of global trade tensions. The annual rate of GDP growth remained below-trend at 1.1%. Then coronavirus swiftly changed everything. COVID-19, which had first appeared in China in December 2019, started spreading across the globe causing plummeting sentiment and falls in financial markets not seen since the Global Financial Crisis as part of a flight to quality into sovereign debt and other perceived 'safe' assets.

In response to the spread of the virus and sharp increase in those infected, the government enforced lockdowns, central banks and governments around the world cut interest rates and introduced massive stimulus packages in an attempt to reduce some of the negative economic impact to domestic and global growth.

The Bank of England, which had held policy rates steady at 0.75% through most of 2019/20, moved in March to cut rates to 0.25% from 0.75% and then swiftly thereafter brought them down further to the record low of 0.1%. In conjunction with these cuts, the UK government introduced a number of measures to help businesses and households impacted by a series of ever-tightening social restrictions, culminating in pretty much the entire lockdown of the UK.

The US economy grew at an annualised rate of 2.1% in Q4 2019. After escalating trade wars and a protracted standoff, the signing of Phase 1 of the trade agreement between the US and China in January was initially positive for both economies, but COVID-19 severely impacted sentiment and production in both countries. Against a slowing economic outlook, the US Federal Reserve began cutting rates in August.

Following a series of five cuts, the largest of which were in March 2020, the Fed Funds rate fell to range of 0% - 0.25%. The US government also unleashed a raft of COVID-19 related measures and support for its economy including a \$2 trillion fiscal stimulus package. With interest rates already on (or below) the floor, the European Central Bank held its base rate at 0% and deposit rate at -0.5%.

Financial markets: Financial markets sold off sharply as the impact from the coronavirus worsened. After starting positively in 2020, the FTSE 100 fell over 30% at its worst point with stock markets in other countries seeing similar huge falls. In March sterling touched its lowest level against the dollar since 1985. The measures implemented by central banks and governments helped restore some confidence and financial markets have rebounded in recent weeks but remain extremely volatile. The flight to quality caused gilts yields to fall substantially. The 5-year benchmark falling from 0.75% in April 2019 to 0.26% on 31st March. The 10-year benchmark yield fell from 1% to 0.4%, the 20-year benchmark yield from 1.47% to 0.76% over the same period. 1-month, 3-month and 12-month bid rates averaged 0.61%, 0.72% and 0.88% respectively over the period.

Since the start of the calendar year 2020, the yield on 2-year US treasuries had fallen from 1.573% to 0.20% and from 1.877% to 0.61% for 10-year treasuries. German bund yields remain negative.

A summary of UK rates across different periods is shown in the Table below:

Table: Money Market Rates

	Bank Rate	Overnight LIBID	7-day LIBID	1-mth LIBD	3-mth LiBID	6-mth LIBID	12-mth LIBID
Average	0.72	0.52	0.66	0.61	0.72	0.80	0.88
Maximum	0.75	0.70	0.70	0.70	0.83	0.96	1.08
Minimum	0.10	0.01	0.60	0.42	0.64	0.72	0.80
Spread	0.65	0.69	0.10	0.28	0.19	0.24	0.28

LIBID= London Interbank Bid Rate

Credit review: In Q4 2019 Fitch affirmed the UK's AA sovereign rating, removed it from Rating Watch Negative (RWN) and assigned a negative outlook. Fitch then affirmed UK banks' long-term ratings, removed the RWN and assigned a stable outlook. Standard & Poor's also affirmed the UK sovereign AA rating and revised the outlook to stable from negative. The Bank of England announced its latest stress tests results for the main seven UK banking groups. All seven passed on both a common equity Tier 1 (CET1) ratio and a leverage ratio basis. Under the test scenario the banks' aggregate level of CET1 capital would remain twice their level before the 2008 financial crisis.

After remaining flat in January and February and between a range of 30-55bps, Credit Default Swap spreads rose sharply in March as the potential impact of the

coronavirus on bank balance sheets gave cause for concern. Spreads declined in late March and through to mid-April but remain above their initial 2020 levels. NatWest Markets Plc (non-ringfenced) remains the highest at 128bps and National Westminster Bank Plc (ringfenced) still the lowest at 56bps. The other main UK banks are between 65bps and 123bps, with the latter being the thinly traded and volatile Santander UK CDS.

While the UK and Non-UK banks on the Arlingclose counterparty list remain in a strong and well-capitalised position, the duration advice on all these banks was cut to 35 days in mid-March.

Fitch downgraded the UK sovereign rating to AA- in March which was followed by a number of actions on UK and Non-UK banks. This included revising the outlook on all but a few banks on the counterparty list to negative. Having revised their outlooks to negative, Fitch upgraded the long-term ratings on Canadian and German banks but downgraded the long-term ratings for Australian banks. HSBC Bank and HSBC UK Bank, however, had their long-term ratings increased by Fitch to AA-.

First Quarter Performance Report 2020/21		Agenda No: 5b
Portfolio	Finance and Performance Management	
Corporate Outcome:	A high performing organisation that delivers excellent and value for money services	
Report presented by:	Councillor David Bebb, Cabinet Member for Finance & Performance Management	
Report prepared by:	Tracey Headford – Business Solutions Manager	
Background Papers:		Public Report
First Quarter Performance Management Report 2020/21		Key Decision: No
<p>Executive Summary:</p> <p>The Council normally provides a report to demonstrate the performance of the Council at the end of the first quarter (April to June 2020) in relation to our Annual Plan which sets out key activities and measures to check our performance against the priorities of the Corporate Strategy 2020-24.</p> <p>Due to the Covid-19 pandemic, the Annual Plan for 2020/21 was amended to ensure it was able to reflect the support required to help our residents, communities and businesses recover and this was agreed at Cabinet in July.</p> <p>Therefore, progress against activities in the Annual Plan for 2020/21 will commence from the second quarter and the first quarter report will focus on how the Council has dealt with the unprecedented challenge brought by Covid-19 with updates included for any projects that have continued in the first quarter of the year.</p> <p>This performance report addresses what has been achieved in the first three months of the financial year under our new Corporate Strategy themes and also looks at what we need to do to assist in the recovery of our district.</p> <p>Financial Performance</p> <p>The following summarises the financial position for the year as projected at this first quarter (Q1):</p> <ul style="list-style-type: none"> • An overall adverse variance is projected for the year of £919,000 (+6%) against budget. • Across all services staffing budgets are forecast to be underspent by £425,000; however, after allowance for the corporate efficiency target of £300,000 and provision for a higher than anticipated pay award, this results in a net projected overspend of £10,000. • Other expenditure is projected to be over budget by £396,000. • Income is projected to be under achieved by £513,000. • Within this overall variance the estimated impact of the COVID-19 pandemic on 		

the revenue account is a net shortfall of £3.348 million, against which the Council has received funding from Government of £1.894 million, leaving a net shortfall due to COVID-19 of £1.454 million.

For a detailed explanation of the financial performance, please refer to page 19 onwards of the full report.

Recommended Decision:

Cabinet is asked to note and endorse the Council's performance as at the end of the year, as detailed in the attached report.

Purpose of Decision:

To inform the Cabinet of the performance of the Council.

Any Corporate implications in relation to the following should be explained in detail	
Financial:	An assessment of the Council's financial position against the agreed budget for the year is provided and is based on income and expenditure during the year.
Legal:	There are no legal issues raised by this report.
Safeguarding	There are no safeguarding issues raised by this report.
Equalities/Diversity	Equalities and diversity issues are considered fully in the Council's key projects, where appropriate.
Customer Impact:	There has been some impact due to the Covid-19 pandemic and the report will include detail of the Council's response. Information is included on how we intend to support residents, communities and businesses moving forward. A summary of complaints received each quarter, analysed by outcome (justified, partially justified or not justified) is provided.
Environment and Climate Change:	The Enhancing our Environment priority has a number of actions that are designed to have a positive impact on the environment and climate change.
Consultation/Community Engagement:	Consultation is considered fully in the Council's key projects, as appropriate.
Risks:	Risks regarding the assumptions used in determining the predicted financial outturn for the year are identified.
Officer Contact:	Tracey Headford
Designation:	Business Solutions Manager
Ext. No.	2442
E-mail:	Tracey.headford@braintree.gov.uk

FIRST QUARTER PERFORMANCE MANAGEMENT REPORT

1ST APRIL 2020 TO 30TH JUNE 2020

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Purpose of the report

The Council normally provides a report to demonstrate the performance of the Council at the end of the first quarter in relation to our Annual Plan which sets out key activities and measures to check our performance against the priorities of the Corporate Strategy 2020-24. Due to the Covid-19 pandemic, the Annual Plan for 2020/21 was amended to ensure it was able to reflect the support required to help our residents, communities and businesses recover.

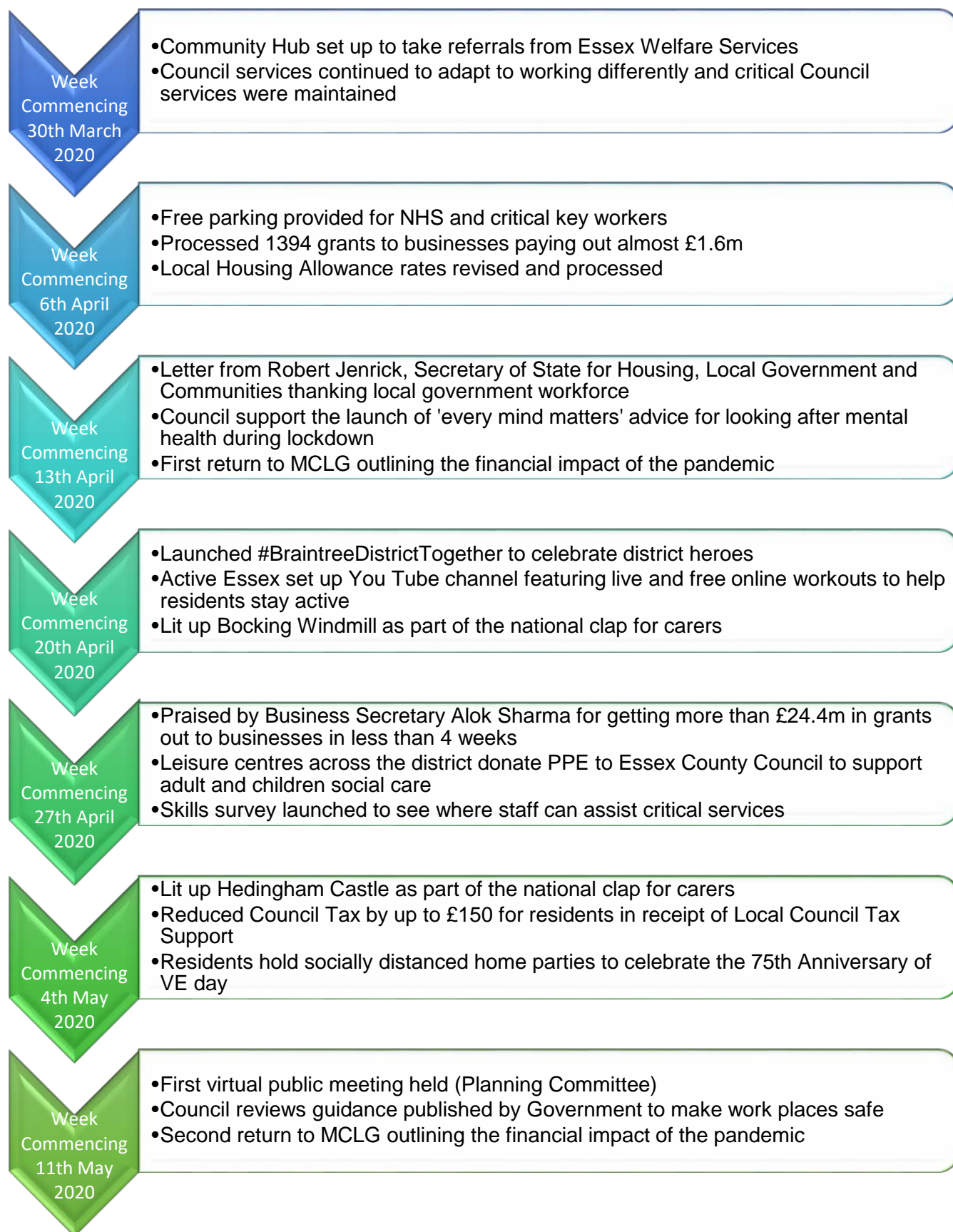
The Annual Plan 2020/21 was presented to Cabinet in July and progress against the activities will commence from the second quarter. Rather than not providing a report, the first quarter will be reported differently, focusing on how the Council has dealt with the unprecedented challenge brought by Covid-19. Updates are still included for any projects that have continued in the first quarter of the year. Further detail is also provided in relation to complaints, our people, health and safety and our finances.

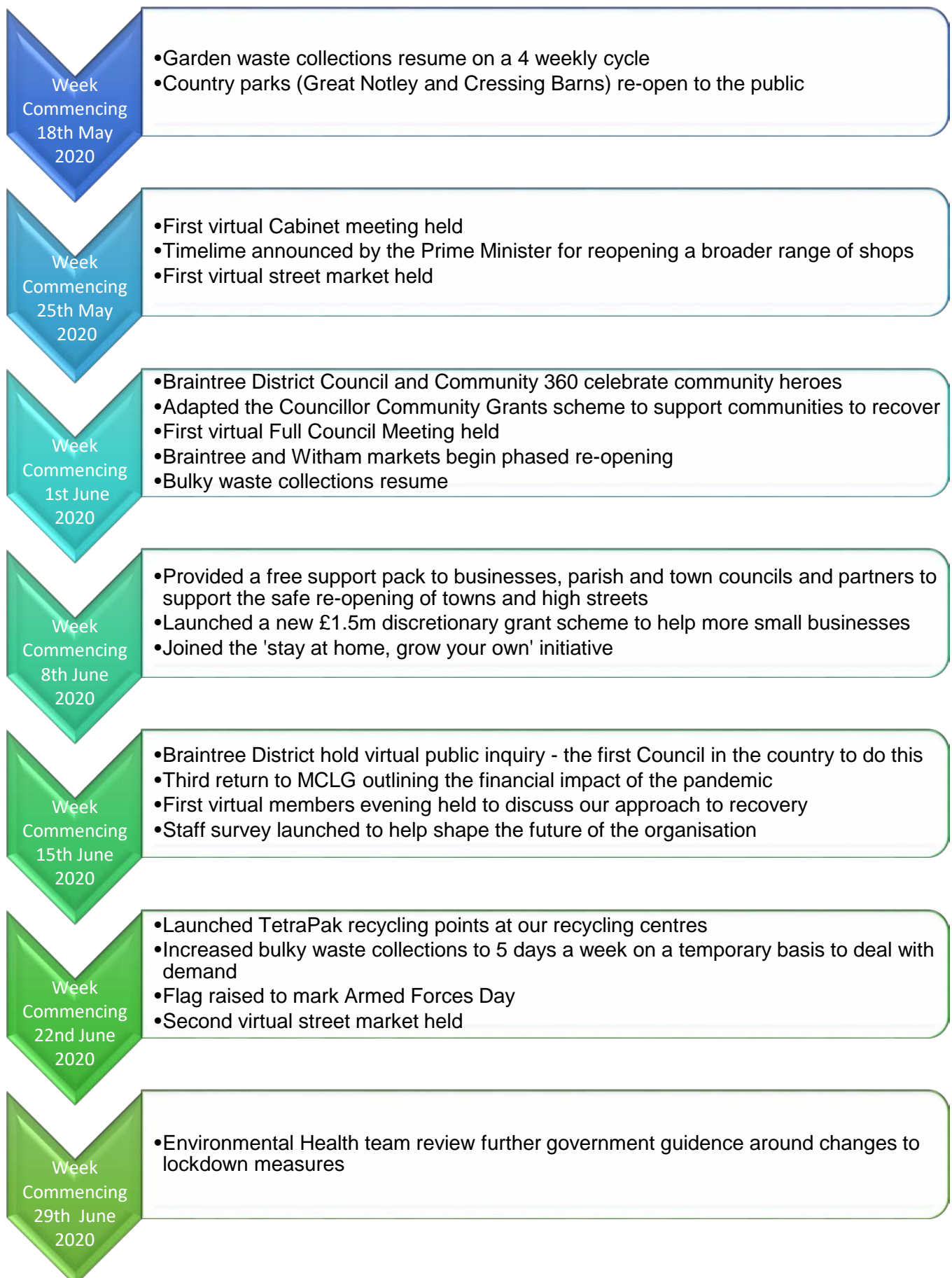
Like many councils across the UK, Braintree District Council has been working to address the challenges brought by Covid-19. From the onset, we have responded as quickly as possible to support local businesses, the voluntary and community sector and local residents. The Council needed to change the way it delivered services and has dealt with the response whilst keeping services running as much as possible.

Throughout this report, there are examples of how the Council have reviewed the way in which they work to ensure continuation of services. Cross departmental working has been the key to the success of responding to the needs of residents, communities and businesses as well as embracing change and new technology to drive the transformation of the organisation so that we can effectively respond to events and plan for the future.

In April, The council agreed our new Corporate Strategy for 2020 -2024. This performance report will address what has been achieved in the first three months of the financial year under our new Corporate Strategy themes and also looks at what we need to do to assist in the recovery of our district.

Summary Timeline of District response





CONNECTING PEOPLE AND PLACES



Local Plan

In May 2020, the Planning Inspector followed up his examination with a letter on the joint section one of the Local Plan shared by Braintree District Council, Tendring District Council and Colchester Borough Council advising that to take the plan forward, there are two options:

1. To propose and consult on main modifications to remove the Colchester/Braintree borders and west of Braintree Garden Community proposals for the plan or,
2. Withdraw the plan from examination

Despite the Planning Inspector finding that two of the proposed Garden Communities are not currently deliverable, he has said that the Plan can be made sound subject to modifications.

The council has asked the Planning Inspector for the full list of modifications so we can consider the proposed changes and what it means for our district. A future meeting of Full Council will be arranged to discuss the options and decide on the next stage of the process which could include consultation on the Inspectors proposed changes to the Plan.

Pedestrianisation of Braintree Town Centre

The pedestrianisation of Braintree Town Centre has seen the first phase of construction works completed increasing the disabled parking spaces to 17 for people to use when visiting the town centre. The next phase of works in Fairfield Road have also started which include resurfacing of the footways and carriageways, as well as a new bus gate incorporating a new cycle route for cyclists. Other works include street lighting, drainage and traffic signal improvements. The works started in June and are expected to take up to 11 weeks to complete. The Council continues to work behind the scenes on the final design for the main High Street area which will be shared with the public when finalised.

Victoria Square redevelopment

The Victoria Square redevelopment in Manor Street has also commenced. Early access to the government operating standards ensured the site was Covid-19 safe and compliant to allow works to continue in line with the programme.

Street Markets

Whilst some areas such as street markets were forced to stop to tackle Covid-19, it didn't mean that the council had forgotten the vital role street markets have played in bringing communities together and increasing footfall in our town centres. To ensure the success of the street markets continued, a new venture was launched and at the end of May, the council hosted their first virtual street market providing traders with a new online outlet to showcase their goods and interact with customers. This new venture is hosted through Facebook connecting residents with local small independent traders to keep the district's street market community spirit alive. Two virtual street markets have been held in the first quarter and these are set to continue.

Weekly Markets

The outdoor weekly markets continued to provide access to essential goods throughout lockdown and the wider market re-opened in a phased approach with changes to layouts to allow space around individual stalls for the safety of traders and customers.

Support to Town Centres

When the Government announced that non-essential retail could re-open from the 15th June, the council worked with local retail businesses, parish and town councils as well as partners to help support the re-opening of town centres. Measures were put in place to help people shop safely including floor markings and signage to remind people of how to shop safely and responsibly. Local businesses were provided with a support pack on the government guidance to ensure a safe re-opening of their business including posters to display, indoor and outdoor floor stickers have also been provided free of charge. The council will continue to work with everyone and monitor the impacts on our town centres and high streets to identify any other measures that may need to be put in place.



ENHANCING OUR ENVIRONMENT



Parks and Open Spaces

At the beginning of lockdown, the Council closed all play areas and outdoor gyms in line with government guidance. Parks and open spaces remained open and the horticultural team worked hard to maintain these areas ensuring they were kept clean and tidy to allow residents to use their local area and stay active. The country parks at Cressing Temple and Great Notley were closed by Essex County Council but re-opened in line with government guidance in May, however, play equipment remained out of use. Great Notley continued with their annual maintenance programme to parts of the play trail whilst the play areas were not in use.

Recycling

It has always been difficult to recycle food and beverage drinks cartons as they are made of a mixture of materials and with there being no mechanical way to separate these items from our recycling, it was becoming less cost effective to selectively remove these items by hand. In June, the Council agreed arrangements to install and maintain food and drink carton recycling bins at a number of recycling sites across the district allowing residents to continue recycling food and beverage drink cartons.

Waste collection services

A number of waste services were suspended and brought back in when safe to do so. Braintree District Council worked hard to ensure that refuse, clear sacks and food waste collections could continue but due to social distancing measures put in place, a decision was made to temporarily suspend garden waste and bulky waste collections. Both services started reinstatement in June with garden waste being collected on a monthly basis to begin with. Due to the increase in demand for bulky waste collections, this service has been temporarily increased from three days a week to five days.

With the closure of council owned buildings, customers were no longer able to collect recycling sacks and the service saw a significant increase in requests for clear sacks dealing with up to 1000 requests a week. The Council responded well to this by redeploying staff to ensure all requests were dealt with as quickly as possible. The annual clear sack deliveries commenced in June and will continue through to early October.

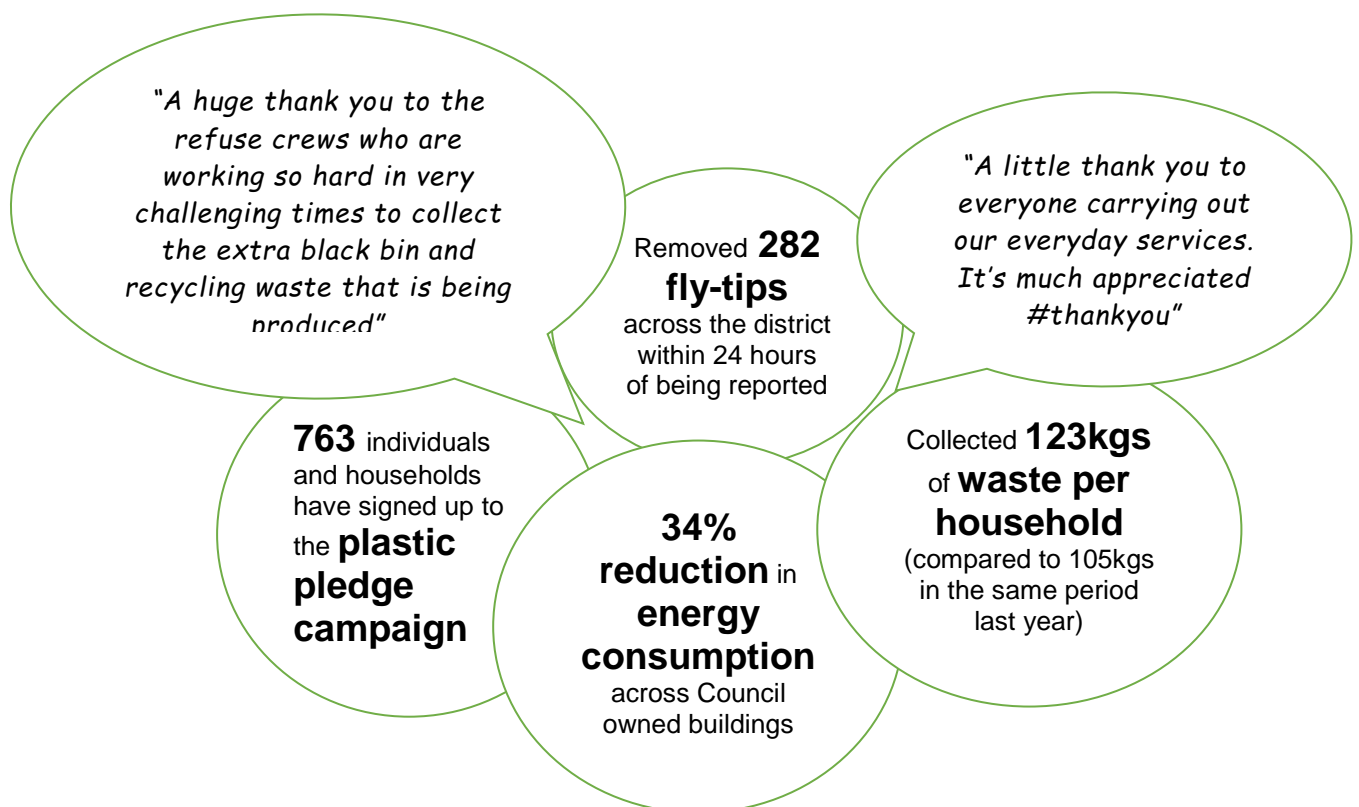
The Operations team also saw an increase in the number of fly tips across the district due

to local recycling centres being closed and dealt with 282 fly tips in the first quarter of the year, an increase of 35% compared to the same period last year. The Council's enforcement team carry out investigations of each fly tip and will issue a fixed penalty notice and proceed to prosecution if evidence is found of who committed the offence. There are currently 10 fly-tipping prosecution cases being progressed.

Climate change

Work has continued on reviewing the Climate Change Local Strategy although the climate change action group suspended meetings at the beginning of lockdown. Like everywhere else, there has been a positive impact on pollution levels across the district due to the reduction in the number of vehicles on the road during the lockdown period and we will look to embed some of the changes and new approaches introduced during these times in the strategy.

The Council have also continued to promote the Essex plastic pledge campaign to reduce plastic waste by making a few simple changes. Across all authorities in Essex, Braintree has received the highest number of individual pledges and the second highest number of household pledges. The campaign will now run until March 2021 rather than to the original end date of December 2020.



SUPPORTING OUR COMMUNITIES



Community Hub

In the first few weeks of lockdown, Braintree District Council set up the Community Hub dealing with referrals from the Essex Welfare Service for people who were vulnerable and shielding and required assistance with shopping and prescriptions because they did not have any nearby friends or family available. The Community Services team (including Community Transport, Health and Wellbeing and Braintree Town Hall staff) supported the virtual Community Hub and in the first quarter, they have dealt with 323 referrals and contacted a further 1,117 individuals deemed extremely vulnerable.

The hub referred residents to local community groups or the Community Transport team to help carry out tasks and provide residents with access to vital food and medicine supplies. The Community Hub also made befriending calls to check on people's welfare and alleviate feelings of loneliness and isolation as well as signposting and offering support where required. For those unable to be contacted via phone, doorstep welfare checks were carried out.

The Community Transport team also distributed 182 food parcels from the foodbank for those that needed them and collected 88 unwanted Government food parcels from those who did not require them – to donate to the foodbank as well as collecting and delivering shopping and prescriptions. The Community Transport team also transported 124 people to medical appointments.

Councillors' Community Grant Scheme

In supporting communities to recover from the pandemic, the council has adapted the Councillors' Community Grant scheme to focus on recovery from coronavirus. The scheme has also been changed to allow grants to be awarded to some of the newly formed groups that may not have a governing document or formal structure in place allowing community groups to continue to support their communities throughout the next stages of COVID response.

Stay at Home, Grow Your Own

To support the health and wellbeing of residents in the Braintree District, a new community project, funded under the Livewell campaign, was launched to encourage people to 'Stay at Home, Grow Your Own'. In partnership with Abberton Rural Training, 150 free planting starter kits were given away containing everything needed to start growing small food items

at home.

Rough Sleeping

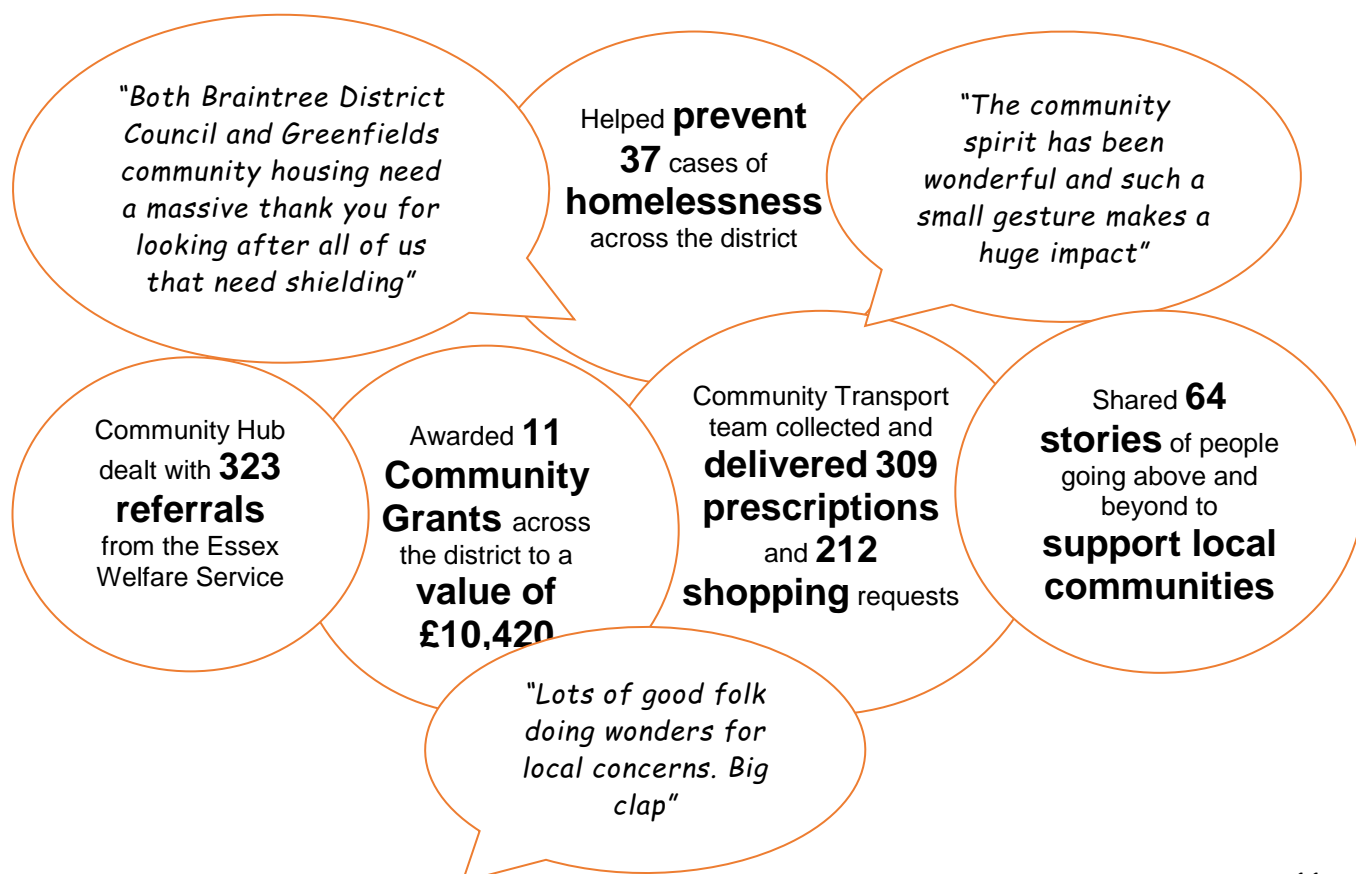
At the beginning of lockdown, local authorities were asked to urgently accommodate all rough sleepers and the Council responded to this quickly providing accommodation to people who were rough sleeping in the district. In total, 20 people who were or would have been sleeping rough have been accommodated. The Housing service have been working to meet the support needed and look at more permanent accommodation and opportunities to access support to help with retention of tenancies.

#BraintreeDistrictTogether

In April, the Council launched a campaign using the hashtag #BraintreeDistrictTogether to celebrate and say thank you to residents, community groups and local businesses who were going above and beyond carrying out fantastic acts of kindness to support their local community during the pandemic. The campaign has been recognised as good practice by the LGA for celebrating the valuable contribution people are making across the district. #BraintreeDistrictTogether has been widely shared across our social media platforms and the stories have been seen by over 349,370 people.

Livewell

Following the closure of leisure centres across the district, the Livewell website has been updated to assist people in continuing with exercise programmes and introduced home based exercise videos for people who were shielding to allow them to stay active and keep fit. As well as providing details on physical health, information and advice on mental health is being provided to support people to look after their emotional health and wellbeing whilst at home during the pandemic including signposting to a number of support services available.



PROMOTING PROSPERITY



Horizon 120

Construction works on the roads at the new Horizon 120 Business and Innovation Park in Great Notley is underway with Balfour Beatty taking the lead on the build of two access roads and a central spine road on the business park site. The planning for an entrance off the Cuckoo Way roundabout, a second access point from the A131 to the south and a central spine road was agreed at a meeting of the Planning Committee in February 2020. Horizon 120 is already attracting the attention of well-established companies keen to relocate their growing businesses to the future-proofed site.

I-Construct

The Council has secured the European Regional Development funding to progress the delivery of the construction phase of the project. The new Innovation Centre will provide a focal point for business support, job creation and product development in the construction sector. A paper will be presented to Cabinet in the coming months to award the construction contract enabling the project to proceed with in line with project timescales.

Tourism

We never thought we would be encouraging people not to visit the Braintree district, but that is how the first quarter of the year started. A promotional video was created encouraging people to stay at home and the new Visit Braintree District website was used to provide updates and supported businesses by running promotions and hosting events on their facebook pages. Residents were asked to share their photos of the district to virtually reflect on all the things people love and miss about the district. When places started to re-open, information on changes and guidance on re-openings to keep everyone safe was published on the Visit Braintree District website and social media.

Business Engagement

Business engagement has been a priority for Braintree District Council for some time and it has prioritised establishing the right channels to reach its audience. One of their primary communications channels is a closed Facebook Group for businesses in the district. During the pandemic, the facebook group has seen an increase of 193% in the number of members. The group is used to share information from central government, the council and advise of training and funding opportunities available locally. It also provided a place where local business people could seek support from other local business people,

many dealing with the same sorts of issues as they struggled with the challenges posed by the pandemic on their business.

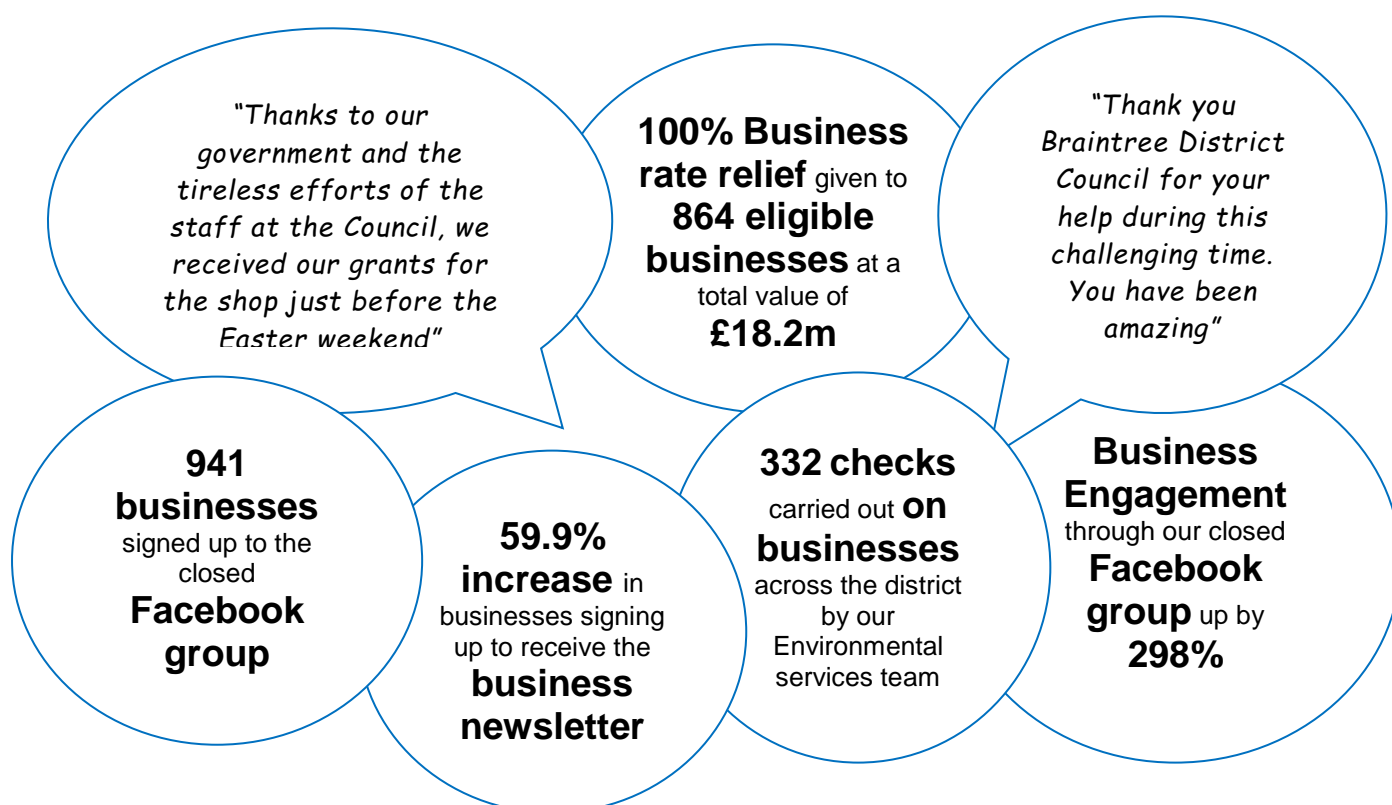
Our Economic Development team have also provided additional business support to over 400 businesses across the district by referring them to the Best Growth Hub who have been running diagnostic checks with businesses to identify other programmes of support for them.

Business Grants

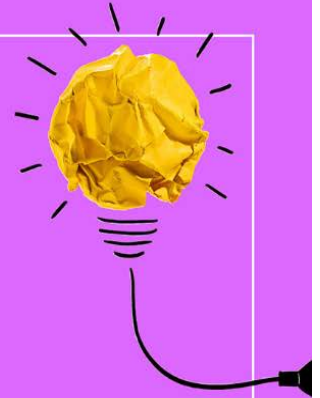
When the government announced the support package for businesses, the council sent out 2,557 application forms to eligible businesses and almost 1600 were received in the first couple of weeks. Of these, the Council processed 1394 grants to business with the council paying out almost £16m before Easter.

Further discretionary grant schemes were launched to help more small businesses impacted by Covid-19. The additional funding supported small businesses, micro businesses and charities with ongoing fixed property-related costs such as rental costs allowing them to apply for grants between £2,000 and £10,000. As at the end of the first quarter, the Council has processed grants to 2,392 businesses paying out £27.955m.

Further support is being provided to businesses by working closely with the Economic Development team to ensure all businesses are aware of what they are entitled to.



DELIVERING AND INNOVATING



Asset Management Strategy

The Council have continued to develop the new Asset Management Strategy to support our investments in property. The Strategy will link closely to our Corporate Strategy and Medium Term Financial Strategy.

Home working

The significant changes and measures needed for managing our workforce through the pandemic has driven culture change across the organisation including supporting staff to work easily from home. This was a transformation that seemed impossible at the start and which happened almost overnight due to the hard work of our IT team in mobilising MS Teams, the provision of laptops, phones, webcams and support in setting everyone up to stay in contact easily.

Safe accommodation was provided for any staff unable to work from home. All guidance for staff regarding home working has been updated and our learning and development team have promoted our e-learning platform and provided access to training to assist staff and managers.

Council decision making

Despite the pandemic, Braintree District Council still needed to make decisions and ensure that local democracy continued. The government removed the legal requirement for local authorities to hold public meetings in person during the pandemic and brought in regulations allowing local authorities to hold virtual meetings and Braintree District Council were one of the first councils to do this.

The IT team and Governance team were crucial in providing the support to the meetings to ensure everything was tested thoroughly beforehand and not forgetting to address meeting etiquette. The council used MS Teams to host its first meeting of the Planning Committee which took place on the 12th May. Since then, the Council has used both MS teams and Zoom to host meetings and in the first quarter, a total of 15 meetings have been held including Cabinet and Full Council. There have also been two licensing hearings. The next stage of this process will be public participation which again will require thorough testing before being introduced.

Keeping everyone informed

Good and regular communication has been critical throughout the first quarter of the year. Things were changing at a rapid pace and there was an increased demand for communications. Our web advice was placed online within days and a new area of our website created to provide advice and guidance for residents, communities and businesses all in one place.

Social media has content focussed on help and advice, how our services have changed and showcasing the fantastic work of our volunteer community.

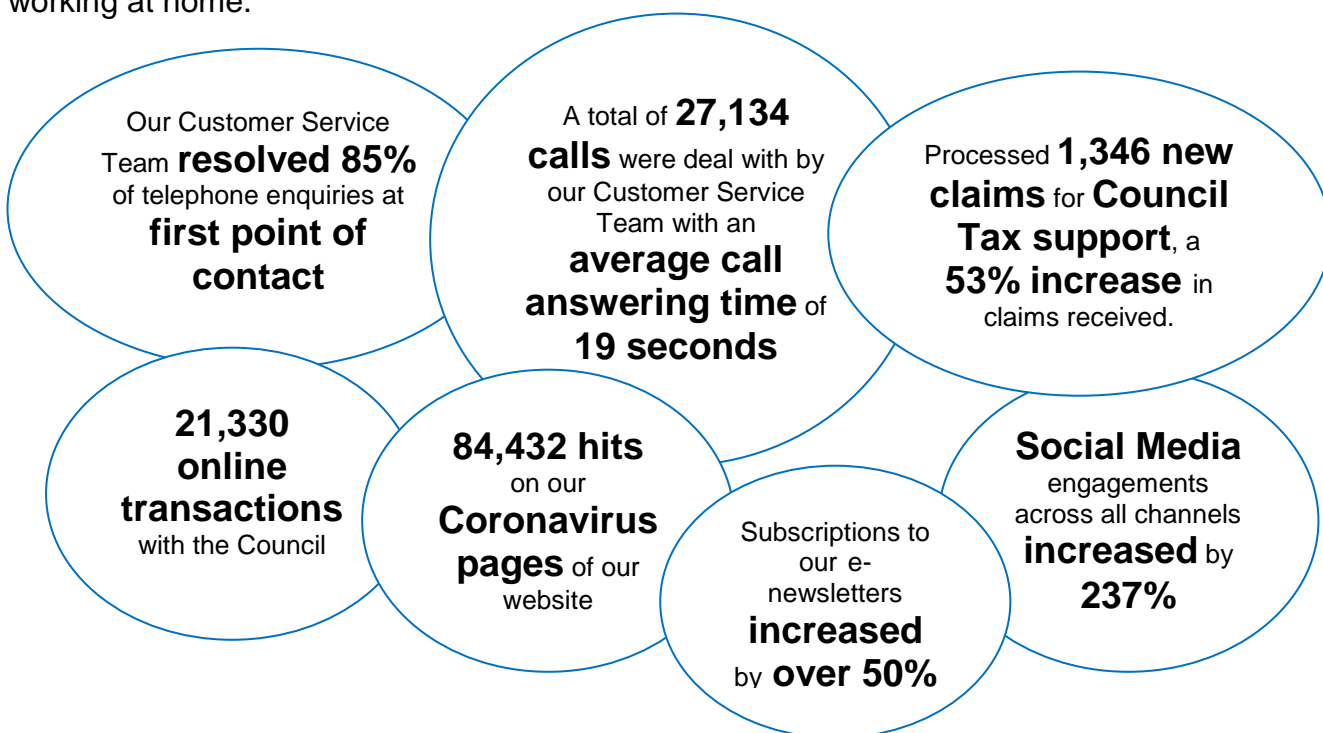
Our customer service phone lines have remained open throughout and we increased the number of people taking calls to deal with the high volume of contact. The customer service team also supported a number of services by dealing with their calls enabling them to prioritise their workloads in supporting our residents and businesses.

MP's, Councillors, Town and Parish Councils, partner organisations and neighbouring authorities were provided with a regular briefings to keep everyone updated with the latest information from the council regarding how we continued to support residents, communities and businesses as well as providing details as to how we were responding to the pandemic including changes to our services.

Staff were also kept well informed and were able to contribute any issues or concerns to senior managers through daily updates ensuring that we were able to respond to the needs of our residents and businesses in a timely manner. Weekly blogs by the Chief Executive provided detailed updates and information to staff.

Health and wellbeing

Our greatest asset is our people and keeping them safe whilst they deliver key services has been crucial. Our Procurement team were quick to purchase PPE early on to support our front line staff to continue to work safely and our HR team launched a health and wellbeing programme for all staff and managers to look after emotional health and wellbeing whilst working at home.



Complaints

The quarterly complaints analysis for the first quarter of 2020/21 is detailed below. This is compared with 2019/20 figures shown in brackets. The figures represent all three stages of the complaints process.

Complaint Category	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 2020/21	TOTAL
Justified	43 (45)	(52)	(51)	(44)	(192)
Not Justified	55 (54)	(69)	(49)	(49)	(221)
Partially Justified	19 (23)	(24)	(14)	(29)	(89)
Not known	0 (0)	(0)	(0)	(2)	(2)
Total	117 (121)	(145)	(114)	(124)	(504)

Comments

The majority of complaints are in relation to the Operations service, in particular, complaints around missed waste collections. The reasons for missed collections vary with the majority being due to having difficulty accessing roads due to either road closures or more parked vehicles in roads due to lockdown.

Crews were also changed around to accommodate the new ways of working to adhere to social distancing guidelines meaning crews had to familiarise themselves with new routes and collection points. To follow social distancing guidelines, the number of crew members needed for a collection was reduced to a maximum of two in a vehicle at any one time. The third crew member joined the collection vehicle using a separate, smaller council vehicle or in some cases, two collection vehicles were used at the same time. The waste crews endeavour to return to collect any missed waste within 48 hours of being reported.

The Council received a few complaints in respect of the decision to suspend the garden waste collection and reinstate this on a four weekly cycle. This was due to prioritising the waste collections and ensuring our crews were supported and protected whilst out and about in the district collecting waste. All complaints are reviewed on a regular basis to help identify improvements to processes and the service provided.

In the first quarter of 2020/21, of the 117 complaints received:

- 113 are stage one complaints
- 2 are stage two complaints
- 2 are stage three complaints

A summary of Local Government Ombudsman (LGO) cases:

The LGO suspended their services in March due to the pandemic. They resumed services from the 22nd May but were initially only looking at existing cases of which there are none for Braintree. The LGO have commenced investigations of new complaints with effect from the 29th June 2020.

Our Organisation

The following is a selection of our people performance measures:

People: Indicators of Performance	Q1 20/21	Q2 20/21	Q3 20/21	Q4 20/21	Change on previous period	Yearly Target
Total headcount	487				- 5	-
Number of temporary staff	25				- 2	-
Total staff FTE	436.74				- 4.94	-
Level of employee turnover	1.44%				+ 0.42	-
Number of leavers	7				+ 2	-
Number of starters	2				- 14	-
Working days lost to sickness per employee	0.68 days				-1.16 days	8.0 days
Percentage of staff with nil sickness	94%				Cumulative	-
Number of learning hours	1693.5				- 260.5	-
Number of delegates	58				- 4	-
Number of apprentices **	19				-	-

Year on Year Headcount Analysis	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	472	470	464	466	481	492

** BDC's apprenticeship programme runs from September each year. The figures reflect level 2 and level 3 apprenticeships.

Health & Safety

The following is a selection of our health and safety performance measures. The data is for information purposes only.

Health and safety is a crucial responsibility of everyone within the organisation. This information is used to improve the management of health and safety of staff, our customers, residents and other non-employees we come into contact with. Monitoring is undertaken by the corporate health and safety committee and action plans will be put in place where necessary.

Health & Safety: Indicators of Performance	Q1	Q2	Q3	Q4	
	(2019/20 figure in brackets)				
Total number of reported accidents/ incidents, calculated from:	10 (11)	(4)	(14)	(11)	
<i>Accidents/ incidents to employees</i>	8 (9)	(3)	(14)	(10)	<i>The majority of incidents relate to the waste service in respect of slips and strains whilst collecting waste</i>
<i>Accidents/ incidents to contractors</i>	2 (1)	(0)	(0)	(0)	
<i>Accidents/ incidents to non-employees</i>	0 (1)	(1)	(0)	(1)	
Time lost in days due to employee accidents/ incidents	0 (6)	(4)	(7)	(0)	
Number of reported verbal/ physical incidents to employees	2 (1)	(0)	(1)	(4)	<i>Verbal abuse to a member of our staff who was strimming a communal area and verbal abuse to a Housing advisor</i>
Number of near miss incidents	0 (1)	(0)	(0)	(0)	
Number of Accidents/ incidents registered resulting in insurance/ compensation claim	0 (1)	(1)	(0)	(1)	
Number of claims settled	1 (1)	(0)	(0)	(1)	

Financial Performance

This part of the report provides an updated review of the financial position for the year. It examines the latest forecast for spending on day-to-day service provision compared to the budget for the year. Also included is a summary of treasury management activities; projected movements on the General Fund balance; and a summary of spending to date on capital projects.

Background

Full Council approved a net budget of £15.226 million for the 2020/21 financial year. This included planned spending across all services totalling £13.888 million; corporate items amounting to £1.638 million; and an overall efficiency target to be achieved in-year of £300,000.

Financing of the budget was to be from a combination of: general government grants (£22,000); business rates (£5.192 million); and Council Tax (£10.012 million).

During the year individual budgets may be updated in accordance with the Council's Budget and Policy Framework Procedure, and against which quarterly performance is monitored.

Following a delegated decision to approve a capital contribution towards expenditure on facilities used by the operator that processes the Council's household recycling material, a budget adjustment of £151,460 has been made between the waste management service (reflecting savings to be made on processing costs) and treasury management (to reflect annual repayments of principal and the opportunity cost of interest foregone).

Summary Financial Position

The following summarises the financial position for the year as projected at this first quarter (Q1):

- An overall adverse variance is projected for the year of £919,000 (+6%) against budget.
- Across all services staffing budgets are forecast to be underspent by £425,000; however, after allowance for the corporate efficiency target of £300,000 and provision for a higher than anticipated pay award, this results in a net projected overspend of £10,000.
- Other expenditure is projected to be over budget by £396,000.
- Income is projected to be under achieved by £513,000.
- Within this overall variance the estimated impact of the COVID-19 pandemic on the revenue account is a net shortfall of £3.348 million, against which the Council has received funding from Government of £1.894 million, leaving a net shortfall due to COVID-19 of £1.454 million.

Revenue Spending

The following statement shows the overall budget variances projected for the year incorporating the impact of the COVID-19 pandemic and other variances:

Service	Updated Budget £'000	Projected Spend £'000	Adverse (Positive) variance against budget				RAG Status
			Staffing £'000	Other Expenditure £'000	Gross Income £'000	Total £'000	
Asset Management	(2,473)	(2,433)	(3)	19	24	40	A
Community Services	393	455	(4)	(17)	83	62	R
Corporate Management	1,451	1,470	14	-	5	19	A
Economic Development	198	198	-	-	-	-	G
Environment & Leisure	982	1,246	(125)	(49)	438	264	R

Finance	1,458	1,828	(155)	(56)	581	370	R
Governance	1,171	1,196	(13)	(41)	79	25	A
Housing Services	924	828	(29)	(25)	(42)	(96)	G
Human Resources	360	376	19	(3)	-	16	A
ICT & Facilities	1,645	1,656	12	(1)	-	11	A
Marketing and Communications	557	595	6	(23)	55	38	A
Operations	6,121	6,456	33	(354)	656	335	R
Strategic Investment	21	21	-	-	-	-	G
Sustainable Development	955	1,174	(180)	(8)	407	219	R
Service Total	13,763	15,066	(425)	(558)	2,286	1,303	R
Corporate Financing	1,763	2,009	135	(10)	121	246	R
COVID-19 central fund	-	964	-	964	-	964	R
Efficiency target	(300)	-	300	-	-	300	
Total before COVID-19 grants	15,226	18,039	10	396	2,407	2,813	R
COVID-19 government grants	-	(1,894)	-	-	(1,894)	(1,894)	G
Net Total General Fund	15,226	16,145	10	396	513	919	R

RAG Status: G = favourable or nil variance, A = up to 5% adverse variance or <£50k, R = > 5%

Analysis of the Projected Budget Full-Year Variances

It is difficult to be precise about the extent to which projected variances arise due solely to the COVID-19 pandemic, particularly with regards income as under normal circumstances there would inevitably be some level of budget variance. A level of judgement has therefore had to be applied in making this assessment. The following table shows how the projected full year variance has been attributed in terms of COVID-19 impact or for other reasons:

Reason for variance:	Adverse (Positive) variance against budget			
	Staffing	Other Expenditure	Income	Total
	£'000	£'000	£'000	£'000
COVID-19	47	899	2,402	3,348
Other ¹	(37)	(503)	5	(535)
Total before COVID-19 grants	10	396	2,407	2,813

¹ Staffing variances shown net of the £300k corporate efficiency target

COVID-19 Pandemic and impact on the Council's Finances

The Covid-19 pandemic has had a considerable impact on the Council's finances. Following the lockdown announced on 23 March 2020, the Council had to adapt quickly, putting considerable additional resource into ensuring rough sleepers are safe, providing temporary accommodation for those in need, administering business rate reliefs and other grants, and supporting the most vulnerable residents, including operating a virtual community hub. Staff had to quickly adapt to working from home supported with the necessary ICT equipment. During the crisis the Council has worked with key partners providing immediate financial assistance during lockdown and working together to bring back services as restrictions are being lifted.

The Council is currently forecasting losses in income from across many of its services totalling £2.402 million, with the main areas affected being car parking, planning fees, leisure management, local tax and benefit recoveries, waste management, and the council tax sharing arrangement. Reductions in investment income are also anticipated as a consequence of very low interest rates and a fall in dividends paid by the corporate sector. Forecast reductions in council tax and business rate income will initially manifest in higher arrears; however, write-offs may increase as the economic impact persists and businesses in particular struggle to recover. Any amounts written off will initially impact the Collection Fund (rather than the General Fund account), but will then impact on the Council's finances in future years through its share of the Collection Fund balance. A reduction in the financial gain from the Essex business rate pool is expected due to reduced business growth and increases in irrecoverable debts.

Additional unbudgeted expenditure has been incurred and is expected to continue over the remainder of the year with a current forecast total of £946,000 for this central fund. The Council is also reporting other expenditure budget variances within individual services.

The Council's District Investment programme remains susceptible to the general economic climate through potentially reduced market values on capital receipts and additional capital costs due to contract delays following lockdown and the introduction of additional measures by contractors in line with government guidance.

To date the Government has provided grants totalling £1.894 million for the 2020/21 financial year (including £170,000 of New Burdens funding for administering business grants). This is in addition to the £61,411 provided in 2019/20 and which was used to partially fund additional ICT equipment.

It is still difficult to quantify with any certainty the longer-term financial effects of the pandemic. In addition, the Council awaits further details from the Government on an income support scheme whereby any shortfall in fees and charges greater than 5% of what was originally budgeted will be supported by government at a level of 75p in the £. At this time, however, the net shortfall due to COVID-19 of £1.454 million is being partially offset by service underspends due to other reasons (£535,000), leaving the remaining £919,000 to be met from a combination of the Treasury Management earmarked reserve (£306,000) and unallocated General Fund balances (£613,000).

Further Commentary on Budget Variances

Staffing

Staffing budgets include both directly employed staff, and bought-in/ agency staff, the latter being used where additional resources are required to meet increased service demands and/ or the need for specialist skills; to provide cover in cases of absence (e.g. vacancies, holidays, sickness, maternity etc.); or where in-house staff are assigned to work on other projects and priorities.

Further detail of the projected staffing budget variances is provided in the following table:

Service – Staffing Budgets	Updated Budget	Projected Spend	Adverse/ (Positive) variance	RAG Status
	£'000	£'000	£'000	
Asset Management	330	327	(3)	G
Community Services	433	429	(4)	G
Corporate Management	1,435	1,449	14	A
Economic Development	206	206	-	G
Environment & Leisure	1,732	1,607	(125)	G
Finance	2,893	2,738	(155)	G
Governance	717	704	(13)	G
Housing Services	1,032	1,003	(29)	G
Human Resources	280	299	19	A
ICT & Facilities	839	851	12	A
Marketing & Communications	445	451	6	A
Operations	6,034	6,067	33	A
Strategic Investment	429	429	-	G
Sustainable Development	1,904	1,724	(180)	G
Service Total	18,709	18,284	(425)	G
Corporate Financing	10	145	135	R
Efficiency	(300)	-	300	
Total	18,419	18,429	10	A

RAG Status: G = favourable or nil variance, A = up to 5% adverse variance or <£50k, R = > 5%

Commentary on staffing variations:

Based on the information known at the end of Q1 there is a projected underspend across all services of £425,000.

COVID-19 related Staffing Variances

Overall net additional staffing costs within service budgets due to COVID-19 are forecast to be £47,000 for the year. This includes measures introduced for operational staff to help maintain social distancing. Additional payments have also been required to ensure daily office coverage of Gold Command. Partially offsetting these costs are savings anticipated where services can flex staffing hours in response to reduced customer demands.

Other Staffing Variances

The largest service area with a projected underspend is **Sustainable Development** (-£180,000). This is mainly due to vacancies with three posts in **Development Management** currently vacant: a planner due to be filled in October; an administrative officer, and a senior enforcement role both of which are expected to be filled by December. In total the estimated budget saving is £163,000, although this is partially offset by increased spending on agency staff (£60,000). **Landscape Services** has one post vacant with another becoming vacant from mid-August, both of which are not expected to be filled until at least December. There are also reduced hours being worked in this service area, making a total forecast underspend of £77,000.

Projected underspends in **Finance** (including the Customer Service Centre) total £155,000, due mainly to 4 posts being vacant and which, subject to any unplanned changes in pressure on services, are expected to remain so for the rest of the financial year. Other savings have been generated from a flexible retirement which was approved after the original budget was set, and reductions in staff hours.

Environment and Leisure is projecting underspends (-£125,000), with two posts vacant, one in Building Control and the other in Health Development.

The **Strategic Investment Team** continues to operate with a mix of permanent and interim staffing which is being flexed according to project priorities and workloads. Over the last few months a senior project manager has been recruited along with a part-time administrator. It is currently expected that resources will need to be increased during the year by the addition of an interim project director and project manager. The forecast spend for the year on staffing for the team is now £760,000, which is £331,000 higher than originally planned for 2020/21, and reflects the increase in projects in progress and in development. This increased cost will be borne partially by an increase in recharges by the team to capital projects (£125,000), with the balance met from reserves. The budget for the team is currently funded from a mixture of revenue and capital resources which were originally allocated over an estimated four-year period. The level of spending to date remains within the overall resources allocated.

Under **Corporate Financing** an additional cost of £135,000 is shown. This relates to an expected increase in the annual pay award with effect from April 2020 that is yet to be confirmed. The original budget provided for an increase of 2%; however, after consulting employers, an offer was made to the unions for an increase of 2.75%. At the current time the unions are consulting with their members.

The budget provided for a **Corporate Efficiency Target** which in previous years has been achieved from in-year staffing variances. The amount included in this year's budget was increased by £100,000 to £300,000 based on past experience. The projected variances across all services currently exceeds this target by £125,000, and after taking into account the potential increase in the pay award, this leaves a net staffing variance of £10,000 projected for the year.

Other Service Expenditure

Other expenditure is forecast to be overspent by a net £396,000 by the end of the year. This includes estimated additional spending due to COVID-19 of £899,000, which is partially offset by reductions in spending due to other reasons of £503,000.

COVID-19 related Other Service Expenditure Variances

At the outbreak of the COVID-19 pandemic the Council established a central fund to account for the additional expenditure incurred. The forecast spend in this central fund for the year is £964,000. This is largely made up of financial support provided to the Council's leisure operator for the initial period of the lockdown, with further funding set aside to be used as the Council works closely with the operator to remobilise and open up leisure facilities to the public in a safe manner following the lifting of restrictions. To support this, Full Council approved on 27 July 2020, to create a provision of up to £700,000 to be drawn from unallocated General Fund balances. Other areas of spending due to COVID-19 include:

- Costs incurred in providing accommodation for rough sleepers and those vulnerable to homelessness (£70,000 net of housing benefit).
- Communications including mail-outs on changes to green waste services (£58,000).
- ICT equipment to support remote working and virtual meetings (£63,000), along with system changes to allow for administration of business grants and hardship reliefs (£15,000).
- Additional staffing costs and operational equipment and supplies (£68,000).

Other budget variances which are attributed to COVID-19 include:

- **Operations - Waste Management** – a net saving of £7,000, which comprises: additional costs on vehicles due to social distancing measures (+£40,000); higher payments for mixed dry waste as lockdown increased household recycling tonnages (+£39,000); and extra costs due to increased demand for recycling sacks (+£7,000); with these being offset by savings on transport and disposal costs for street cleansing, trade waste, and green waste collections as these services were either suspended or produced lower tonnages (-£93,000).
- **Asset Management:** Additional holding costs of £14,000 incurred on one of the Council's investment properties due to a prospective tenant pulling out from a lease completion when lockdown measures were introduced. The property has since been re-let to another tenant from August.
- Across **Various Services** savings are projected as a consequence of lower expenditure being incurred where this is directly related to income activity which has also reduced (-£60,000).

Non COVID-19 related Other Expenditure Variances

Projected underspends for other reasons total £503,000. The main service areas contributing to these variances are:

- **Operations** (-£337,000): mainly in relation to **Waste Management**, where costs are forecast to be lower for vehicles due primarily to the sharp fall in diesel prices (-£102,000) and fleet maintenance and spot hire costs are also expected to be lower (-£32,000). Savings are being made on the processing costs of recycling materials as a result of the Council's capital investment towards improved facilities (-£57,000). New arrangements for the collection of bulky waste are incurring lower operating costs (-£28,000) than budgeted, partly due to suspension of the service for a period of time. Vehicle options for running the service are under review to manage weight restrictions and which may lead to some increase in costs in future. Reductions in market pricing means the cost of black and clear sacks is estimated to be lower (-£22,000).
- **Finance** (-£33,000): Mainly in relation to bank and credit card transaction costs, along with savings on the replacement system used for making BACS payments/ collections.
- **Governance** (-£30,000): Lower expenditure is forecast on Member's allowances and expenses, including those relating to the Chair and Vice-Chair and other Civic hospitality.
- **Environment and Leisure** (-£26,000): a lower than anticipated service charge from the landlord at the Braintree Retail Village – this relates to the land lease for the Braintree swimming centre and includes a prior year adjustment – and a reduction in building insurances.
- **Housing Services** (-£24,000): mainly due to an anticipated lower recharge from Eastlight Community Housing in respect of maintained temporary properties, as government legislation preventing evictions appears to have led to reduced demand for non-covid related housing needs.

External Income

A significant proportion of the Council's budget is reliant on external income. Grants and subsidies from government, alongside income from business rates are major elements, originally totalling around £30million.

The amount of business rates ultimately retained by the Council depends on the actual amounts collectable (taking into account changes in the Valuation List, exemptions and reliefs granted, and provisions for non-collection and rating appeals). Variances are accounted for via the Collection Fund and taken into account when determining future budgets and council tax setting. Fluctuations from those elements which have a direct impact on the General Fund revenue account, e.g. the levy payable on growth or grants received from Government to fund certain discretionary reliefs, are managed via the Business Rate Retention reserve.

As a participant in the Essex Business Rates Pool the Council is entitled to an additional share of income from business rate growth. The final determination and receipt of the actual amount will be made after year-end returns have been collated by the County Council from each of the participating authorities. Sums received from this arrangement are initially held in the Business Rate Retention reserve pending decisions on how the money is to be utilised. The budget assumed an amount of £560,000 would be generated and added to this reserve. However, this is likely to change due to the impact of COVID-19 on business rate growth across the county and deterioration in recoverability of arrears. It is difficult to be precise about the knock-on impacts to the Pool from these factors and how this translates to the amount received by the Council, but at the present time a reduction of £276,000 is being estimated and which would result in a lower amount being transferred to reserve.

Other external income for which the Council has budgeted £15.573 million comes from a variety of sources that are subject to external demands and other influences, meaning these are more

susceptible to variations against budget. It is currently forecast that services will under achieve against their income budgets by a net £2.407 million and almost totally attributable to COVID-19, both as a result of the lockdown and assumptions about the rate of recovery over the coming months.

Service	Updated Budget	Joint Financing & Other Reimburs.	Sales, Fees & Charges	Rents & Service Charges	Other Income	Total	RAG status
		4,436	6,153	3,161	1,823	15,573	
	£000	<i>Adverse (Positive) Variance £000 against Budget :</i>					
Asset Management	3,358	-	20	4	-	24	A
Community Services	201	-	71	-	12	83	R
Corporate Management Plan	10	5	-	-	-	5	A
Economic Development	-	-	-	-	-	-	G
Environment & Leisure	1,218	21	384	-	33	438	R
Finance	2,458	284	-	-	297	581	R
Governance	198	-	66	-	13	79	R
Housing	38	-	(42)	-	-	(42)	G
Human Resources	-	-	-	-	-	-	G
ICT & Facilities	2	-	-	-	-	-	G
Marketing & Communications	139	32	39	-	(16)	55	R
Operations	5,395	-	616	46	(6)	656	R
Strategic Investment	300	-	-	-	-	-	G
Sustainable Development	1,696	-	407	-	-	407	R
Service Total	15,013	342	1,561	50	333	2,286	R
Corporate Financing	560	121	-	-	-	121	R
Total before COVID-19 grants	15,573	463	1,561	50	333	2,407	R
COVID-19 government grants		-	-	-	(1,894)	(1,894)	G
Net Total	15,573	463	1,561	50	(1,561)	513	A

RAG Status: G = positive or nil variance, A = up to 5% adverse variance or <£50k, R = adverse variance greater than 5% and >£50k at Individual Business Plan level

Joint Financing & Other Reimbursements

The total budget for income from joint financing and other reimbursements is £4.436 million, the main sources of which are: Essex County Council contributions towards service costs (£2.417 million); the Council Tax Sharing and Investment Agreement with the major precepting bodies (£559,000); Housing Benefit (HB) overpayment recoveries and Local Tax costs recovered (£725,000); subscriptions to the Procurement Hub (£195,000); business rate collection allowance (£187,000); planning performance agreements (£85,000); and sponsorship income (£67,000).

Commentary on Joint Financing & Other Reimbursements

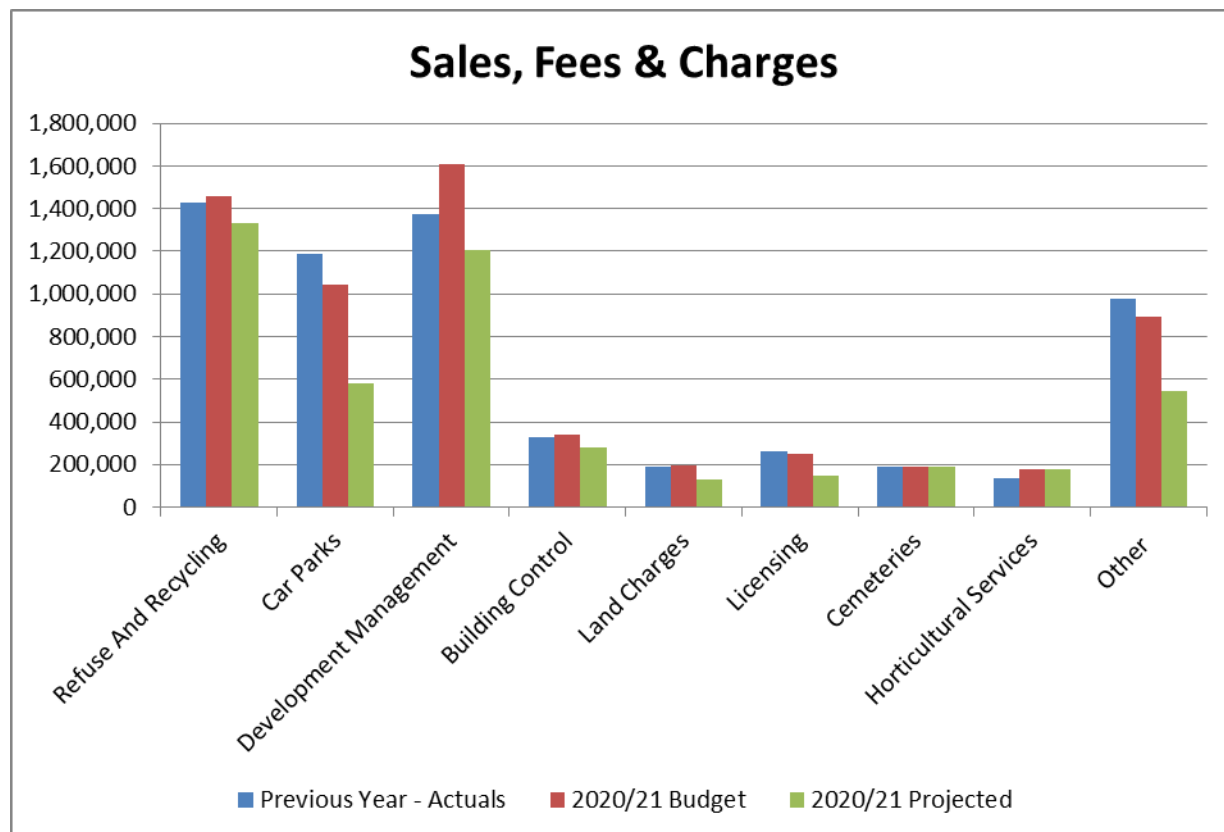
At Q1 an adverse variance for the year is predicted of £463,000 across all services, mainly comprising:

Finance: A projected reduction in HB overpayment recoveries (-£133,000) and Local Tax cost recoveries (-£117,000). This was due to the suspension of recovery action whilst resources were prioritised towards administering the new business rate reliefs and grants, and the extra hardship support to local council tax support recipients, including rebilling of accounts. Recovery procedures resumed during June which triggered an upturn in amounts being collected. However, progress on recovering amounts due will depend on the capacity of the courts to deal with cases. Amounts outstanding at the end of year will continue to be subject to the Council's normal recovery procedures for the collection of outstanding debts.

Corporate Financing: the anticipated reduction in the in-year council tax collection rate will impact on the amount the Council is able to receive under the sharing agreement with major preceptors. At present this reduction is estimated at £121,000 for the year.

Sales, Fees & Charges

The budget for income from sales, fees & charges is £6.153 million against which it is projected that there will be a net underachievement of £1.561 million. The following chart shows the position for the main income streams:



Commentary on Fees and Charges:

- **Refuse and Recycling:** An overall projected shortfall of £124,000, the majority of which has arisen from the suspension and cancellation of accounts by commercial customers during lockdown (-£95,000).
- **Car Parks:** A substantial reduction in car park income from pay and display and season ticket/permit income arising from much lower usage during lockdown. Furthermore, the North Essex Parking Partnership ceased enforcement during this period resulting in a lower level of Penalty Charge Notice income than would normally be expected over this period. The current projection is an overall under achievement against budget of £462,000, with some recovery anticipated within this amount over the remainder of the year. Consumer confidence, the extent of home working and the overall general economy will obviously have an impact.
- **Development Management:** In the period April-June income was £196,000 compared to a budget profile of £362,000, although June saw a small spike compared to the first two months which has been repeated again in July. Income is subject to both overall demand for the service and also the extent of major applications being received from developers. It is possible that applications that were not submitted at the start of the year will now come through with some catch up effect later in the year. However sites have only recently re-opened and so it is still too early to gauge trends. At this stage the forecast is

for income for the year to be £1.068 million against a budget of £1.450 million, a shortfall of £382,000. In 2019/20 actual income was £1.239 million. Pre-application income is also expected to be down against budget for the year by £30,000.

- **Building Control:** Income from fee-earning activities in the first quarter of the year, including work-in-progress brought forward, was around 3% down against the same period for the previous year. The service anticipates full-year income to be around £280,000, compared to a budget of £336,000 (£332,000 achieved in 2019/20) and which is £56,000 lower than budget. However, compensating against this reduction in income, the service continues to carry a vacant post meaning there are savings on staff costs.
- **Local Land Charges:** The forecast reflects actual loss of income in the first quarter (£27,000) and income for July until the end of the financial year at 25% lower than the previous year. This results in projected income for the year of £128,000 which is £66,000 lower than budget. With the recent government announcement on scrapping stamp duty on house purchases of up to £500,000 until 31 March 2021, this may lead to a flurry of activity in the housing market which could lead to an improved income position.
- **Other Income –** The total budget is £892,000 across a wide range of differing services, including: Community Transport; the Town Hall Centre; Braintree Enterprise Centre conference income; non-commercial property service charges; graphics and marketing income; and fees received from the leisure management operator. Overall it is currently projected that income will be lower for the year by £347,000. The most significant element within this shortfall relates the waiver of the leisure management fee for the year which forms part of the overall package of support aimed at getting the Council's leisure facilities back available for public use safely. A fall in demand for the Community Transport service means a shortfall in income is predicted of £71,000 for the year. However, during this time staff and volunteers from this service have been involved in the setting-up and operation of a virtual community hub, providing support to vulnerable residents, including assistance with shopping. With the Town Hall Centre closed during lockdown and with new social distancing measures in place, this has reduced the forecast income from bookings for the year by £35,000.

Rental Income & Commercial Property Service Charges

The budget for rental income from land & property is £3.161 million – comprising the investment and commercial property portfolio, markets, housing properties, and other let properties. The overall projected outturn for the year is a shortfall of £50,000.

Commentary on Rental Income:

- **Operations – Markets:** There was a 70% drop in income in the first quarter, and whilst this has now picked up in July, the level is still around 33% lower than the monthly average for last year, leading to a projected shortfall for the year of £40,000. **Parks & Open Spaces:** minor rental income from land is projected to be lower by £6,000.
- **Asset Management:** Not a significant variance at this stage. To support tenants during the current crisis the service has been granting some three month rent deferrals with repayment plans in place to collect rents over an extended period. The current estimate is that £17,780 of 2020/21 income will be collected in 2021/22.

Other Service & Corporate Income

Total budgeted Other Income is £1.823 million of which £615,220 is internal recharges including staffing costs that are expected to be charged against capital projects (£483,000). Other external income is projected to be underachieved by £333,000.

Other external income includes the following streams:

- **Investment & Other Interest Income:** The budgeted amount is £1.061 million, against which it is projected to be under achieved by £306,000, of which £244,000 is from an estimated reduction in dividend income from pooled fund investments. The balance of the shortfall of £62,000 is mainly due to the drop in short-term interest rates after the Bank of England cut the UK Base Rate in March 2020, from 0.75% to 0.10%. Whilst the level of cash balances has been increased due to government funding towards COVID-19 measures, including business grants, these additional balances have been placed with the Debt Management Account facility (UK Government) to ensure the highest level of security but which has been paying interest of between 0.01% and 0.075%. A treasury management reserve is maintained against which it is planned to offset this shortfall in income rather than reducing the unallocated General Fund balances.
- **Carbon Management: Solar Panel Feed-in-Tariffs** the budget of £92,450 is currently anticipated to be achieved for the year, whereas **external work** for another local authority is anticipated to be lower by £15,000 as programmes of work were halted by the contracting authority due to the COVID-19 situation.

COVID-19 Grants

The Government has provided three tranches of COVID-19 grant to the authority totalling £1.785 million, with £61,411 being accounted for in 2019/20, and the balance of £1.724 million being credited to the 2020//21 financial year. In addition, £170,000 has been received as New Burdens funding towards costs associated with administering business grants.

A grant of £50,000 has been received from Essex County Council to fund expenditure incurred by the Council on contact tracing activities. As the amount to be spent has yet to be determined this grant has not been reflected in the Q1 position, as any underspend would have to be returned.

Treasury Management

The Council's treasury management activity to the end of the quarter is summarised in the table below:

Amount Invested at start of the year	Activity to the end June		Amount Invested at end of the quarter
	New Investments	Investments Matured	
£53.11m	£428.08m	£412.50m	£68.69m
Average amount invested for the period			£72.28m
Highest amount invested			£94.72m

There was a significant increase in the amount of cash to be managed during the first quarter due primarily to funding received from central government to pay grants and hardship relief to businesses and to residents in receipt of council tax support. In addition, the Council received a further tranche of COVID-19 grant, along with changes to the cash flow profile for certain transactions between the Council and government. This additional cash flow has been managed through the Debt Management Office Account Facility (UK Government).

Investments totalling £19m continued to be held in long-term pooled funds across a range of property, equity and diversified funds.

The remaining balance of investments were held in short-term instruments including Lloyds bank account (for immediate liquidity); Money Market Funds; and loans to other local authorities.

Interest and dividends earned to the end of the quarter total £230,318, which is equivalent to an annualised rate of return of 1.28%:

Investments	Average Amount Invested	Interest & Dividends Earned	Annualised Return %
Long-Term Pooled Funds	£19.00m	£173,224	3.66%
Short-Term	£53.28m	£57,094	0.43%
Total	£72.28m	£230,318	1.28%

Whilst investment returns were bolstered by the dividend income from long-term pooled funds; nevertheless this was around 25% lower than the income received for the same period last year. Short-term investment rates have fallen due to the Base Rate reductions made in March 2020. Loans to other local authorities secured in the final quarter of previous financial year provided some upturn in yield.

Following on from the dramatic reductions in the value of pooled funds at the end of the last financial year, much of this downturn has been recovered during this first quarter, with valuations at the end of June totalling £18.06m; representing an unrealised loss of £940,000.

It is currently projected that investment returns will be £306,000 lower than budget due to the current economic downturn. This shortfall will be met by drawing down on the Treasury Management reserve, leaving a balance in this reserve of £968,000.

Market Commentary

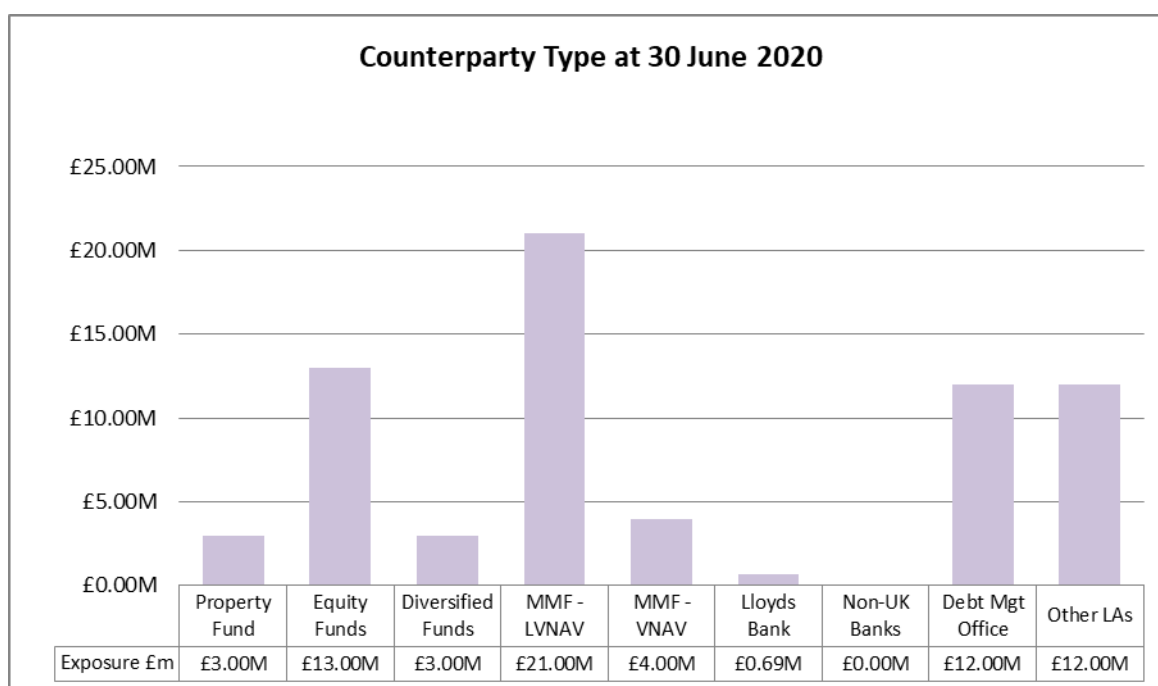
The UK's exit from the European Union took a back seat during the first quarter as the global economic impact from coronavirus took centre stage. Part of the measures taken to stop the spread of the pandemic included the government implementing a nationwide lockdown in late March which effectively shut down almost the entire UK economy. These measures continued throughout most of the quarter with only some easing of restrictions at the end of May and into June.

After selling off sharply in March, equity markets started recovering in April and while still down on their pre-crisis levels, the Dow Jones and FTSE 100 and 250 have made up around half of the losses. Measures implemented by central banks and governments continue to maintain some degree of general investor confidence, however volatility remains.

Ultra-low interest rates and the flight to quality continued to keep gilts yields low over the period with the yield on some short-dated government bonds turning negative. 1-month, 3-month and 12-month bid rates averaged 0.04%, 0.28% and 0.44% respectively over the quarter.

The extent of losses that banks and building societies may suffer due to the impact from the coronavirus epidemic remains uncertain but is expected to be substantial. Consequently, in early June, a number of UK banks and building societies were suspended from the Council's counterparty list for unsecured deposits. Whilst better capitalised than before the 2007-09 financial crisis, under the current economic circumstances these entities were suspended for reasons of prudence. For those remaining on the list, the investment duration advice from Arlingclose remains at up to 35 days.

At the end of the quarter the Council's investment portfolio comprised the following:



LVNAV = Low Volatility Net Asset Value i.e. the Fund value is expected to remain fairly constant

VNAV = Variable Net Asset Value i.e. the Fund value can fluctuate meaning that investors may receive back more or less than invested

General Fund Balances

General Fund balances are held for the following reasons:

- As a contingency against unforeseen events
- To meet short-term or non-recurrent one-off costs that are not provided in the base budget and/ or are incurred to achieve future savings and efficiencies.

Based on the projected outturn set out above, the anticipated movements on the General Fund balances are:

	£'000
Balance at 1 April 2020	6,882
Addition/(deductions):	
Budgeted addition	222
Funding for one-off investment	(136)
Pension Fund triennial payment	(1,645)
Projected budget variance at Q1	(919)
Transfer from Treasury Management reserve	306
Estimated Balance at 31 March 2020	4,710

Movements shown on the General Fund balance are in respect of:

- The budget approved by Council included an anticipated addition to balances of £222,269, reflecting savings anticipated being made in advance of future years' budget shortfalls.
- An allocation from General Fund balances was approved by Full Council in February 2020, to meet one-off budget requirements: £14,000 in total for upgrading the CCTV at the Town Hall Centre and funding a Legal Services case management system; and a total of £122,000 provision for loss of income during the redevelopment of the Manor Street area.

- In 2020/21 the Council is making a one-off payment to the Essex Pension Fund covering the period April 2020 to March 2023, which is being part funded from General Fund balances. A repayment back into balances will be made in 2021/22 and 2022/23.
- The projected outturn variance for the year would mean a withdrawal from balances of £919,000, which includes the provision for remobilisation of leisure services approved by Full Council at the meeting held on 27 July 2020.
- A transfer from the Treasury Management reserve of £306,000 to reflect the shortfall in investment and interest income reflected in the Q1 projected variance.

Risks and Assumptions

The forecasts reflect service managers' "best estimate" of the predicted outturn for the year. Whilst the previous year outturn and trends in-year have been considered; the position is uncertain due to the longer term impact arising from the coronavirus pandemic. Consequently assumptions have had to be made regarding the extent and pace at which the Council is able to return to business as usual, accepting however, that activities remain restricted as a result of social distancing. There is also the risk that future spikes of reported coronavirus cases could impact either locally and/ or nationally.

Directors and service managers continue to scrutinise all expenditure commitments in light of the planned savings set out in the Medium Term Financial Strategy. External income is inherently difficult to predict as it is substantially demand led and impacted by external factors.

Planning application fee projections are based on the best information available regarding when developers are likely to submit planning applications for growth locations within the district - this could change and income could be significantly higher or lower than projected. Income will be influenced by both the number and type of planning applications received.

Investment income is influenced by the overall level of cash balances held, which in turn are dependent upon the progress of the strategic investment programme and other capital projects, and the level of capital receipts generated. Market sentiment will impact on the value of the Council's long-term pooled fund investments; whereas general economic conditions in both the UK and globally will influence the dividend returns. Interest rates will impact on short-term investments.

The income which is offset from costs incurred for the processing of recycling material collected from households is subject to regular review of the composition of material collected assessed across the whole of the Suffolk Waste Partnership contract, which the Council is party, and market indices for the sale of materials.

The original budget assumed that £483,000 of staffing costs can be recharged to capital projects, which has now increased by a further £125,000 due to the higher staffing expenditure expected in the Strategic Investment Team (SIT). The actual amount recharged will depend on the extent to which projects progress and staff are working on activities that can properly be treated as capital under accounting rules, with any shortfall impacting the General Fund (and/ or quickening the pace at which allocated reserves are used for SIT staffing costs).

The nature of the UK's exit from the European Union after the current transition period ends on 31 December 2020, remains a critical issue. Consequently, there still remains a high level of uncertainty about the economic implications which might manifest in activities undertaken by the Council in the run up to exit and beyond leading to a differing outcome from position currently projected, for example:

- Income generating activities, particularly those which could be influenced by the level of business confidence and future plans, e.g. planning, building control, commercial property rents, etc.
- Income and total returns from financial investments through changes in interest rates, volatility in financial markets, and general market sentiment over negotiations on future trading arrangements.
- Business, housing and other community support services which provide advice, guidance and direct support to those that will be affected by the UK's exit.

Capital Investment

Taking into account projects which were in progress and carried forward from earlier years, new projects approved as part of the Budget agreed in February 2020, and the subsequent decisions taken in-year by Council, the overall capital programme currently totals £58.250m. Delivery of significant projects will span a number of years, therefore, the amount expected to be spent in the current year is £40.303m. The following table shows how much has been spent at the end of Q1.

	Profiled Spend 2020/21 £000	Actual Spend at Quarter 1 £000	Actual Spend at Quarter 1 % of Profile
Commercial and investment property	267	-	0%
Horizon 120	12,466	494	4%
Manor Steet regeneration	17,579	1,440	8%
I-Construct	2,224	1	0%
Town Centre improvements	2,776	50	2%
Springwood Drive business units and parking	113	-	0%
Planned maintenance to Council premises	638	41	6%
Replacement vehicles and plant	137	-	0%
Information technology systems & equipment	527	19	4%
Play areas, parks and open spaces	328	13	4%
Environmental improvements	23	1	4%
Paths, cycleways, and other infrastructure	222	-	0%
Operational equipment	144	-	0%
Sports and leisure facilities improvements	15	-	0%
Waste Management	1,228	1,228	100%
Grants to registered social landlords	1	-	0%
Disabled facilities grants	674	78	12%
Capitalised interest	368	-	0%
Capital salaries	573	157	27%
Total	40,303	3,522	9%

Actual spend to the end of Q1 is relatively low at 9%. This is partly due to the impact of Covid-19 restrictions during this period which caused a general slowdown in project progress and reduced demand in some areas, e.g. disabled facility grants. A number of projects have now been deferred until 2021/22, particularly at leisure facilities as the focus has switched to supporting remobilisation of services.

At this stage, projected variances to budget total a net additional capital spend of £102,000, mainly due to an overall increase in the estimated recharges of staff time to capital projects, reflecting the current priorities of the Strategic Investment team.

Major projects allow for potential capitalised development interest, the total of which is shown in the above table. However, at present any borrowing requirement relating to these projects is likely to be internalised in the short-medium term using the Council's own cash balances. On this basis the capital programme would underspend against this allowance, with the opportunity cost reflected in the Council's treasury management position.

Capital resources

The original estimate was to generate £12.520m of capital resources from the sale of council-owned assets, including serviced land at Horizon 120 and residential sales at Manor Street. At present arrangements are progressing towards finalising agreements and land transfers.

Other estimated resources to be generated in the year included £1.5million from preserved right-to-buy (RTB) receipts. Eastlight (previously Greenfields) has reported that 3 RTB sales have been completed up to the end of Q1 generating approximately £234,000 for the Council. Eastlight have also advised that a further 28 applications are in progress. Based on the timing and likelihood of progression to completion, experience suggests an estimated total of 16 sales may complete this year generating circa £1.532m for the Council. This position compares to 15 sales completed last year which generated £1.878 million for the Council.

VAT shelter monies due to the Council at the end of Q1 were £44,310, which suggest that this is on track to achieving the estimate for the year of £150,000.

The Council has received £931,000 from the Better Care Fund, which is used to meet expenditure incurred under the Council's disabled facilities grant scheme.

Medium-Term Financial Strategy 2020/21 to 2023/24		Agenda No: 5c
Portfolio	Finance and Performance Management	
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 & Performance Management	
Report prepared by:	Trevor Wilson, Head of Finance	
Background Papers:	Public Report	
<u>Council Budget and Council Tax 2020/21 and Medium-Term Financial Strategy 2020/21 to 2023/24 report to Cabinet 10th February 2020 and Council 17th February 2020</u>		Key Decision: No
Executive Summary:		
1. Background		
<p>1.1 The Medium-Term Financial Strategy (MTFS) 2020/21 to 2023/24 was agreed by Council on 17th February 2020. The level of council tax (Band D) for 2020/21 was set at £184.68, an increase of £4.95 or 2.75%. A proportion of the revenue raised was planned to be added to balances in 2020/21.</p> <p>1.2 At the time the MTFS was agreed the anticipated funding shortfalls to be identified for the three-years; 2021/22 to 2023/24 were £395k, £174k and £334k respectively.</p> <p>1.3 This report provides:</p> <ul style="list-style-type: none"> • An update on the current year's Budget and the estimated impact of the Covid-19 pandemic; • An update on the progress of the Government's proposed 75% Business Rate Retention scheme and the Fair Funding and 2020 Spending Reviews; • The approach on developing the Budget for 2021/22 and rolling the MTFS period forward to cover the period 2021/22 to 2024/25; • An option, if the Government offers an opportunity, to participate in a bid by Essex authorities to operate an Essex Business Rates pooling arrangement for 2021/22; • Events and issues which may impact over the period of the Council's proposed MTFS; and • The timetable to achieve the setting of the council tax and budget for 2021/22 at the meeting of the Full Council on 22nd February 2021. 		

2. Current Year 2020/21 Update

- 2.1 The first detailed review of the Council's finances for this year has been undertaken based on the income and expenditure in the first quarter. Detail of the review is provided in the First Quarter Performance Report. In summary, the review predicts a net shortfall against budget for the year of £919,000, of which the estimated impact of the Covid-19 pandemic is £3.348million; a combination of reduced income (£2.402million) and additional unbudgeted expenditure (£946,000), against which the Council has received funding from Government of £1.894million. The net shortfall due to Covid-19 of £1.454million is being partially offset by service underspends, of £535,000, due to a variety of other reasons leaving the remaining £919,000 to potentially be met from a combination of the Treasury Management earmarked reserve (£306,000) and at this time from the unallocated General Fund balance (£613,000).
- 2.2 The Government has announced further support for local authorities with an income support scheme whereby shortfalls in fees and charges greater than 5% of what was originally budgeted will be funded by Government at a rate of 75p in the £, the detail of the scheme is, however, still awaited. Once the detail has been received an estimate of the support will be calculated and this will consequently reduce the amount of the shortfall required to be funded from the unallocated General Fund balance.
- 2.3 Whilst assumptions have been made for the remaining nine months to enable a predicted outturn for the year these are subjective and reality may ultimately lead to significant variation from the predicted position. The main area which is proving difficult to predict is the rate at which income streams will recover as the Lockdown arrangements are lifted.
- 2.4 The assumptions will need to be developed over the coming months to inform the setting of a budget for 2021/22 and confirmation will need to be sought from the Government as to whether the support for shortfalls of income from fees and charges will be continued into 2021/22. In addition, the service underspends anticipated in the current year which are ongoing will need to be refined and taken into account in determining the overall shortfall to be addressed.

3. Local Government Funding

- 3.1 **Spending Review.** The Government has announced that there will be a Comprehensive Spending Review this year and that it is due to be published in Autumn 2020. This will set out the Government's spending plans for the next three years.
- 3.2 **Fair Funding Review and Business Rates Retention.** On 28th April 2020, the Secretary of State for Housing, Communities and Local Government confirmed that the review of Relative Needs and Resource (Fair Funding) and 75% business rates retention will no longer be implemented in 2021/22.
- 3.3 **Local Government Finance Settlement.** With the Fair Funding Review and the 75% Business Rate Retention scheme no longer being implemented in 2021/22, it is assumed that the Financial Settlement for 2021/22 will be based on rolling forward the current year settlement but within the funding limit determined for Local Government set as an outcome of the Comprehensive Spending Review.

3.4 New Homes Bonus. It is assumed that the scheme for 2020/21 is extended to 2021/22, with the amount of funds this Council would expect to receive is a minimum of £341,000; in respect of the legacy payments for the two years 2018/19 and 2019/20, plus an amount for 2021/22 which will be based on the growth in housing numbers recorded in the Council Tax system between October 2019 and 2020.

3.5 Business Rate Pool. With the Government expected to give Local Government a one-year Finance Settlement for 2021/22 it would appear that an invitation for areas to form a business rate pool may be received. If this is the case it is proposed that the Council considers participating with other Essex authorities and if appropriate submit a request for an Essex Pool to be designated for 2021/22.

4. Events and Issues which may impact on the Council's MTFS

4.1 The nature of the UK's exit from the European Union after the current transition period ends on 31st December 2020, remains a critical issue. Consequently, there still remains a high level of uncertainty about the economic implications which might manifest in activities undertaken by the Council in the run up to exit and beyond leading to a differing outcome from position currently projected.

4.2 The Government has recently announced its intention to publish a Recovery and Devolution White Paper in the Autumn 2020, setting out its plans for the devolution of powers, freedoms and flexibilities alongside intentions to increase the number of unitary and combined authorities and elected Mayors.

5. Developing the Budget and Council Tax for 2021/22 and rolling forward the MTFS for 2021/22 to 2024/25

5.1 A heightened degree of uncertainty exists over the finances of Local Government as a result of the Covid-19 pandemic; the UK's imminent departure from the European Union; and the Government's proposal to make changes to Local Government funding.

5.2 The Local Government Finance Settlement for 2021/22, expected in mid-December, and confirmation of whether financial support from the Government will continue are key in determining the anticipated shortfalls in the Council's finances for both the Budget and Council Tax for 2021/22 and for the MTFS 2021/22 to 2024/25.

5.3 Work is currently in progress on assessing the effects of the Covid-19 pandemic on the Council, with a structured approach looking at:

- Restoration of Services
- Organisational Impact
- Community Impact
- Economic Impact
- Safer Public Spaces

5.4 The Organisational Impact strand is considering the effects on finances, staff and service demand and considering how the Council may change its approach both from need caused by the pandemic and through the lessons learnt in shifting its operating model during this period. Opportunities for savings and efficiencies over

the short and medium-terms will be identified and these will be put forward for consideration to Members and/or Management Board, as appropriate.

- 5.5 Given the uncertainties that exist in the short term it would be an option to consider using balances to allow a measured approach to identifying cost reductions or additional income to be agreed and implemented over the next 18 months.

6. Budget process Timetable

- 6.1 Details of the budget process timetable are contained in the report.

Recommended Decision:

Members are asked to:

- a) Note the 2021/22 budget process timetable as detailed in the report;
- b) Agree that authority is delegated to the Cabinet Member for Finance and Performance Management and the Corporate Director (Finance) to give agreement of the Council's participation in an Essex pooling arrangement for 2021/22, should the opportunity arise and is deemed to be beneficial to the Council; and
- c) Agree that authority is delegated to the Corporate Director (Finance) in consultation with the Cabinet Member for Finance and Performance Management to award the contract(s) for the Council's insurance cover arrangements due to commence on 1st October 2020.

Purpose of Decision:

Good governance arrangements through the proactive management of the Council's finances over the short and medium term.

Any Corporate implications in relation to the following should be explained in detail.	
Financial:	Detailed in the report.
Legal:	No matters arising out of this report, however, legal implications will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.
Safeguarding:	No matters arising out of this report.
Equalities/Diversity:	It has not been necessary to conduct an Equality Impact Assessment at this stage, however, equalities and/or diversity implications will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.
Customer Impact:	No matters arising out of this report, however, customer impact will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.
Environment and Climate Change:	No matters arising out of this report, but environmental and climate change impact will be considered, as necessary, for all budget saving proposals as they are prepared as part the budget setting process.
Consultation/Community Engagement:	<p>Consultation to help inform and shape the priorities for the new Corporate Strategy 2020-24 was undertaken with residents and businesses between 24th June and 2nd August 2019.</p> <p>The Corporate Strategy 2020-2024 provides the focus for resource allocation over the medium-term.</p> <p>Adoption of the Corporate Strategy 2020-2024 was agreed by the Chief Executive exercising urgency powers on 8th April 2020 and this action was reported to Cabinet on 28th May 2020.</p>
Risks:	<p>The continuing impact of the Covid-19 pandemic.</p> <p>The outcome of the Comprehensive Spending Review for 2020 on the funding the Council is allocated by means of the business rates it is able to retain for 2021/22.</p> <p>The impact on the Council of the Government's proposed introduction of a 75% Business Rate Retention scheme coupled with the outcome of the Fair Funding Review. The Council anticipates losing the amount of business rates</p>

	<p>growth above the existing Baseline figure (currently estimated at £1.5million) and should no damping adjustment be applied to lessen the impact this would add significantly to the shortfalls needing to be addressed.</p> <p>The impact on the public sector as a result of the United Kingdom's withdrawal from the European Union on 31st December 2020.</p>
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1. Background

- 1.1 The Medium-Term Financial Strategy (MTFS) 2020/21 to 2023/24 was agreed by Council on 17th February 2020. The level of council tax (Band D) for 2020/21 was set at £184.68, an increase of £4.95 or 2.75%. A proportion of the revenue raised was planned to be added to balances in 2020/21. The decision to increase by the maximum permissible, under the Government's referendum threshold, was made taking account of the forecast shortfalls in resources over the medium-term and particularly the uncertainties of the Government's intention to make changes to Local Government funding, expected to be effective from 1st April 2021, and this was to be set within the context of a review of Public Sector Spending during 2020 which would set spending plans for the next four years.
- 1.2 At the time the MTFS was agreed the anticipated position for the three-years; 2021/22 to 2023/24, was as follows:

	2021/22	2022/23	2023/24
Budget Requirement	£15,299,188	£15,726,368	£16,168,343
Budget shortfall to be addressed	£394,962	£173,680	£334,165
Council Tax at Band D	£188.37	£192.06	£195.84
Council Tax increase for financial planning purposes	2.00%	1.96%	1.97%

- 1.3 The projections include savings and additional income identified to be delivered over the period; increases in the level of council tax based on the previous permitted maximum of 2%; revenue and cashflow implications of the Manor Street development from 2021/22; and on the assumption that the current Local Government funding arrangements continue in the absence of any clear proposals for the 75% Business Rate Retention scheme and potential impacts of the Fair Funding and 2020 Spending Reviews.
- 1.4 This report provides:
- An update on the current year's Budget and the estimated impact of the Covid-19 pandemic
 - An update on the progress of the Government's proposed 75% Business Rate Retention scheme and the Fair Funding and 2020 Spending Reviews;
 - the approach on developing the budget for 2021/22 and rolling the MTFS period forward to cover the period 2021/22 to 2024/25;
 - Option, if the Government offers an opportunity, to participate in a bid by Essex authorities to operate an Essex Business Rates pooling arrangement for 2021/22;
 - Events and issues which may impact over the period of the Council's proposed MTFS; and
 - the timetable to achieve the setting of the council tax and budget for 2021/22 at the meeting of the Full Council on 22nd February 2021.

2. Current Year 2020/21 Update

Revenue Account

- 2.1 Since Mid-April the Government has requested that local authorities complete a monthly return on the financial impact of the Covid-19 pandemic. Whilst these returns helped the Government to determine initial funding support for local authorities, by necessity they have been based on data for relatively short periods of time, on assumptions of the levels of recovery that may be achieved in the remainder of the year (assumptions were prescribed by the Government for the May return) and with changes to the information requested as the returns were developed month by month.
- 2.2 The first detailed review of the Council's finances for this year has been undertaken based on the income and expenditure in the first quarter. Detail of the review is provided in the First Quarter Performance Report, which can be found in a separate agenda item for this meeting. The information produced was used to complete the Government return submitted on 31st July.
- 2.3 In summary, the review predicts a net shortfall against budget for the year of £919,000, of which the estimated impact of the Covid-19 pandemic is £3.348million; a combination of reduced income (£2.402million) and additional unbudgeted expenditure (£946,000), against which the Council has received funding from Government of £1.894million. The net shortfall due to Covid-19 of £1.454million is being partially offset by service underspends due to a variety of other reasons, of £535,000, leaving the remaining £919,000 to potentially be met from a combination of the Treasury Management earmarked reserve (£306,000) and at this time from the unallocated General Fund balance (£613,000).
- 2.4 The Government has announced further support for local authorities with an income support scheme whereby shortfalls in fees and charges greater than 5% of what was originally budgeted will be funded by Government at a rate of 75p in the £, the detail of the scheme is, however, still awaited. Once the detail has been received an estimate of the support will be calculated and this will consequently reduce the amount of the shortfall required to be funded from the unallocated General Fund balance.
- 2.5 The predicted outturn includes an increase to the provision for the annual Pay Award, due on 1st April 2020, of £135,000. This is in recognition of the latest offer from the Employers Organisation to the Unions of 2.75%, which compares to a provision allowed in the Budget of 2%. This addition to the base budget will increase the estimated shortfall for 2021/22.
- 2.6 Whilst assumptions have been made for the remaining nine months to enable a predicted outturn for the year these are subjective and reality may ultimately lead to significant variation from the predicted position. The main area which is proving difficult to predict is the rate at which income streams will recover as the Lockdown arrangements are lifted. These will be determined by a number of factors including the extent to which our residents' and communities' confidence returns to allow them to want to use the services provided by or on behalf of the Council, the potential interruption to recovery of either a localised or national lockdown and the timescale until the population has been vaccinated .

- 2.7 The potential variation to the predicted outturn will be lessened by the extent of the Government's proposed support for shortfalls of income from fees and charges.
- 2.8 There is also potential for variation due to the Council's insurance cover which is subject to re-tender as the existing policies are due for renewal on 1st October 2020. With regard to the award of the contract(s) it is proposed that authority be delegated to the Corporate Director (Finance) in consultation with the Cabinet Member for Finance and Performance Management to award the contract(s) for the Council's insurance cover arrangements.
- 2.9 The assumptions will need to be developed over the coming months to inform the setting of a budget for 2021/22 and confirmation will need to be sought from the Government as to whether the support for shortfalls of income from fees and charges will be continued into 2021/22. In addition, the service underspends anticipated in the current year which are ongoing will need to be refined as will the revenue implications of the strategic investment schemes and taken into account in determining the overall shortfall to be addressed.

Council Tax and Business Rates Collection

- 2.10 The monthly Government return has included a section on the projected impact on council tax and business rate collection. The assessment conducted for the July return indicates that the estimated amount of council tax not collected in the year could be just over £2million (a proportion of this is due to an increase in the amount of Local Council Tax Support (LCTS) awarded) and that of business rates could be just under £2.4million. The majority of these amounts will remain due and the Revenues Team will continue to seek recovery in the current year and into following years. However, the additional LCTS cost and any amounts determined as uncollectable and are written off will represent a loss on the Collection Fund in the year. If the Collection Fund is in deficit then this normally has to be recovered from council taxpayers via the major preceptors in the following year.
- 2.11 However, the Secretary of State for Housing, Communities and Local Government, Robert Jenrick, speaking at the Local Government Association virtual annual conference in early July, announced that at the Spending Review the Government would publish details on the 'fair apportionment' of irrecoverable council tax and business rates losses, between central and local government, for 2020/21.
- 2.12 In addition the Ministry for Housing Communities and Local Government (MHCLG) has also announced that there will be a phased repayment of council tax and business rates deficits over three years, rather than requiring complete repayment of deficits next year.

3. Local Government Funding

- 3.1 **Spending Review.** The Government has announced that there will be a Comprehensive Spending Review this year and that it is due to be published in Autumn 2020. This will set out the Government's spending plans for the next three years. Given the impact Covid-19 has had on the economy, the Chancellor of the Exchequer has been clear there will need to be tough choices in other areas of spending at the review.
- 3.2 **Fair Funding Review and Business Rates Retention.** On 28th April 2020, the Secretary of State for Housing, Communities and Local Government confirmed that the review of Relative Needs and Resource (Fair Funding) and 75% business rates retention will no longer be implemented in 2021/22. Stating that this will allow councils to focus on meeting the immediate public health challenge posed by the pandemic.
- 3.3 The Secretary of State also stated that the government 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.
- 3.4 **Local Government Finance Settlement.** With the Fair Funding Review and the 75% Business Rate Retention scheme no longer being implemented in 2021/22, it is assumed that the Financial Settlement for 2021/22 will be based on rolling forward the current year settlement but within the funding limit determined for Local Government under the Comprehensive Spending Review. Consequently it is also assumed that the Negative Revenue Support Grant adjustment, originally proposed for 2019/20 but was subsequently withdrawn by the Government, will not be applied for a second year, as in 2020/21.
- 3.5 **New Homes Bonus (NHB).** With the Settlement Funding Assessment for 2020/21 being for one year only, the Government announced that any funding beyond 2020/21 would be subject to the 2020 Spending Review and potential new proposals to incentivise housing growth, and therefore the NHB allocations in 2020/21 would not result in legacy payments being made in subsequent years on those allocations.
- 3.6 At the time of writing, no consultation on proposed changes to the NHB scheme have been published. Therefore assuming the scheme for 2020/21 is extended to 2021/22 then the amount of funds this Council would expect to receive is a minimum of £341,000; in respect of the legacy payments for the two years 2018/19 and 2019/20, plus an amount for 2021/22 which will be based on the growth in housing numbers recorded in the Council Tax system between October 2019 and 2020.
- 3.7 **Business Rate Pool.** The Council has participated in an Essex Business Rate Pool each year since 2015/16, resulting in additional resources of £2.844million from the first five years with an estimated sum of £560,000 anticipated for the current year (the actual amount will be determined after 31st March 2021).
- 3.8 With the Government expected to give Local Government a one-year Finance Settlement for 2021/22 then it would appear that an invitation for areas to form a business rate pool may be forthcoming. If this is the case it is proposed that the

Council considers participating with other Essex authorities and if appropriate submit a request for an Essex Pool to be designated for 2021/22.

- 3.9 In previous years, the deadline for the submission to the MHCLG of a proposal for a Pooling arrangement has been late September and although this may be later this year it is expected that this would be prior to the next meeting of Cabinet, scheduled for 23rd November 2020. Given this timescale it is proposed that authority be delegated to the Cabinet Member for Finance and Performance Management and the Corporate Director (Finance) to determine the Council's participation in an Essex pooling arrangement for 2021/22.

4. Events and Issues which may impact on the Council's MTFS

UK departure from the European Union

- 4.1 The nature of the UK's exit from the European Union after the current transition period ends on 31st December 2020, remains a critical issue. Consequently, there still remains a high level of uncertainty about the economic implications which might manifest in activities undertaken by the Council in the run up to exit and beyond leading to a differing outcome from position currently projected, for example:

- Income generating activities, particularly those which could be influenced by the level of business confidence and future plans, e.g. planning, building control, commercial property rents, etc.
- Income and total returns from financial investments through changes in interest rates, volatility in financial markets, and general market sentiment over negotiations on future trading arrangements.
- Business, housing and other community support services which provide advice, guidance and direct support to those that will be affected by the UK's exit.

Devolution

- 4.2 Given the timeframe of this Medium-Term Financial Strategy it is noted that the Government has recently announced its intention to publish a Recovery and Devolution White Paper in the Autumn 2020, setting out its plans for the devolution of powers, freedoms and flexibilities alongside intentions to increase the number of unitary and combined authorities and elected Mayors.
- 4.3 Details of the Government's plans contained in the White Paper will be considered following publication in the Autumn 2020.

5. Developing the Budget and Council Tax for 2021/22 and rolling forward the MTFS for 2021/22 to 2024/25

- 5.1 A heightened degree of uncertainty exists over the finances of Local Government as a result of the Covid-19 pandemic, the UK's imminent departure from the European Union and the Government's proposal to make changes to Local Government funding.
- 5.2 The Local Government Finance Settlement for 2021/22, expected in mid-December, and confirmation of whether financial support from the Government

will continue are key in determining the anticipated shortfalls in the Council's finances for both the Budget and Council Tax for 2021/22 and for the MTFS 2021/22 to 2024/25.

5.3 Work is currently in progress on assessing the effects of the Covid-19 pandemic on the Council, with a structured approach having been adopted looking at:

- Restoration of Services
- Organisational Impact
- Community Impact
- Economic Impact
- Safer Public Spaces

5.4 The Organisational Impact strand is considering the effects on finances, staff and service demand and considering how the Council may change its approach both from need caused by the pandemic and through the lessons learnt in shifting its operating model during this period. Opportunities for savings and efficiencies over the short and medium-terms will be identified and these will be put forward for consideration to Members and/or Management Board, as appropriate.

5.5 The annual review of discretionary fees and charges for services will be undertaken by service managers. This will be in accordance with the Council's Charging Policy: the general principle of which is that service users should make a direct contribution to the cost of providing services at their point of use.

5.6 Should the Secretary of State retain the council tax increase limit for district councils, at the higher of £5 or 2%, for 2021/22 then this would create an option for additional council tax of approximately £72,000 over that provided in the current MTFs.

5.7 Whilst the Council has the option to use balances to help meet a funding shortfall this is not a sustainable solution over the medium-term; as the balances can only be used once. In addition monies held in balances prior to being needed form part of the Council's investment portfolio, including the pooled funds, and generate returns to support the revenue budget.

5.8 However, given the uncertainties that exist in the short term it would be an option to consider using balances to allow a measured approach to identifying cost reductions or additional income to be agreed and implemented over the next 18 months.

5.9 The estimated amounts of unallocated balances held are:

General Fund Balance at 1 st April 2020	£6.882m
Agreed additions to balance for 2020/21	£0.222m
Pension Fund Deficit payment	(£1.645m)
Funding for one-off investment	(£0.136m)
Anticipated 2020/21 outturn (as per Q1 report)*	(£0.919m)
Treasury Management Reserve transfer	£0.306m

General Fund Balance at 31st March 2021 £4.710m

*Note: * The projected outturn variance for the year would mean a withdrawal from balances of £919,000, which includes the provision for remobilisation of leisure services approved by Full Council at the meeting held on 27th July 2020.*

Receipts from the Essex Business Rate Pool

Balance at 1 st April 2020	£1.344m
Potential share for 2020/21	£0.560m

Balance at 31st March 2021

£1.904m

6. Budget process Timetable

Key dates for the proposed Budget process 2021/22 are provided in the table below:

7 th September 2020	Cabinet	Budget process and timetable for 2021/22
16 th October 2020	Strategy Workshop	Priorities, Finances and Savings
18 th November 2020	Performance Management Board	Initial budget proposals (revenue and capital) - All members invited to attend.
23 rd November 2020	Cabinet	Initial budget proposals (revenue and capital)
7 th December 2020	Council	
Mid December 2020	Government announcement	Government Settlement Funding Assessment and New Homes Bonus notification received
January 2021	Business Community	Consultation on budget proposals – article included in January edition of the Business Bulletin
3 rd February 2021	Performance Management Board	Consultation on final budget proposals and updated MTFS - All members invited to attend
8 th February 2021	Cabinet	Final budget proposals and updated MTFS
22 nd February 2021	Council	2021/22 Budget and Council Tax approved

Strategic Risk Management		Agenda No: 6a
Portfolio	Corporate Transformation	
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 John McKee, Cabinet Member for Corporate Transformation	
Report prepared by:	Trevor Wilson, Head of Finance	
Background Papers:		Public Report
		Key Decision: No
Executive Summary:		
<p>The report provides members with an updated Strategic Risk Register for the Council. The Strategic Risk Register agreed by the Cabinet on 10th February 2020 has been reviewed by the Corporate Management Team during July and August; the outcome is an updated draft register for approval by Cabinet. This is the first formal update of the Strategic Risk Register since the impact of the Covid-19 pandemic on the District's residents, communities and businesses and on the Council.</p> <p>The register details the risks which have potential to impact on the delivery of the Corporate Strategy over the medium-term. In addition to undertaking this review of the register the Management Board ensures that the register continues to be current by regularly reviewing and updating the strategic risks, as necessary.</p> <p>The strategic risk register forms one part of the Council's overall approach to risk management, other facets include:</p> <ul style="list-style-type: none"> • processes for identifying and recording operational risks, • Risk registers for major projects, • Business continuity planning, and • Emergency planning. <p>The existing eleven Strategic Risks were reviewed with amendments to the narrative recommended and following consideration of the risk rating for each it is also recommended that the rating of the three following risks be increased:</p> <ul style="list-style-type: none"> • Risk 2 – Economic Development from C2 to B2; • Risk 7 – Return on Investments from D2 to C2; and • Risk 8 – Emergency Planning from D1 to C1 		

The updated register is attached at Appendix B.

The number of risks above the Risk Tolerance Line (See Appendix A) and therefore requiring active management is now eleven.

A summary of the risk ratings made at the reviews are shown in the table below:

Risk Rating	November 2019	August 2020
B2 (<i>High likelihood/ Critical impact</i>)	2	3
C1 (<i>Significant likelihood/ Catastrophic impact</i>)	0	1
C2 (<i>Significant likelihood/ Critical impact</i>)	7	7
D1 (<i>Low likelihood/ Catastrophic impact</i>)	1	0
D2 (<i>Low likelihood/ Critical impact</i>)	1	0
Total number of risks on Strategic Register	11	11

Management Action Plans for managing each of the eleven risks above the risk tolerance line are owned and maintained by a Corporate Director. Details of the risks together with the Management Action Plans are provided at Appendix B.

Recommended Decision:

Members are asked to agree the updated Strategic Risk Register and the Action Plans, for managing the high rated risks, as detailed in Appendix B to the report.

Purpose of Decision:

To demonstrate that the Council regularly identifies the strategic risks which may affect the achievement of its objectives and that it actively manages them, as appropriate.

Any Corporate implications in relation to the following should be explained in detail.	
Financial:	Risks and associated management action plans concerning the Council's finances are highlighted in risks 1 (Medium-Term Financial Strategy), 7 (Return on Investments) and 10 (Strategic Investment).
Legal:	There are no specific risks of a legal nature at this time.
Safeguarding:	Potential safeguarding risks are covered under the Community Resilience risk (4) and associated management action plan.
Equalities/Diversity:	The Council's processes and approach to equalities and diversity are well developed and are not regarded as a risk.
Customer Impact:	There are a number of deprived areas in the district with children in poverty, health inequalities, lack of skills and higher unemployment. This has been exacerbated as the impact of the Covid-19 pandemic begins to manifest and this is identified under risk 4 (Community Resilience). A management action plan is included detailing the actions taken and planned to reduce the risk.
Environment and Climate Change:	Climate Change (risk 11) was added by Members attending the Development Evening in November 2019.
Consultation/Community Engagement:	No specific risk identified concerning consultation and community engagement however these are important elements in a number of the strategic risks on the register e.g. Planning and Community Resilience.
Risks:	A robust Risk Management process is an important element of the Council's governance arrangements.
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Designation:	Head of Finance
Ext. No:	2801
E-mail:	Trevor.wilson@braintree.gov.uk

STRATEGIC RISK PROFILE

Braintree District Council – Reviewed July/August 2020

LIKELIHOOD ↑	A				
	B			1,2, 3	
	C			4, 5, 6, 7, 9, 10, 11	8
	D				
	E				
	F				
		IV	III	II	I
		IMPACT →			

APPENDIX A

KEY:

Likelihood:

A – Very High
 B – High
 C – Significant
 D – Low
 E – Very Low
 F – Almost impossible

Impact:

I – Catastrophic
 II – Critical
 III – Marginal
 IV – Negligible

Medium-Term Financial Strategy – 1Risk Rating: **B2** (B2 February 2020)

Management Board Owner – Corporate Director (CF)

Vulnerability	Trigger	Consequence
<p>The Council is unable to set a balanced Budget for the ensuing year and have a deliverable Financial Strategy over the Medium-Term.</p> <p>Local authorities' finances have been adversely impacted by the Covid-19 pandemic and although the Government has provided emergency funding in 2020/21 it is anticipated that the Council may need to use its balances to meet any shortfall in the year. The impact on income levels across services in 2020/21 and how these may recover over the short and medium terms are extremely difficult to determine.</p> <p>The pandemic has also impacted on residents and businesses in the District and on their ability to meet council tax and business rate liabilities, which in turn impacts on the finances of the precepting authorities.</p> <p>The Government has been proposing fundamental change to Local Government funding: planning to introduce 75% Business Rates Retention and implement the outcomes of the Fair Funding Review and the Spending Review. Although planned for 2020/21 this has been delayed until 2021/22 with the Funding Settlement for the current year being for a single year and based on rolling forward the 2019/20 settlement.</p> <p>The Government had previously announced that the New Homes Bonus (NHB) scheme was to be reviewed but this has also been postponed until 2021/22.</p> <p>Uncertainty continues in the build up to the UK's departure from the European Union on 31st December 2020 and in particular the impact on Local Government finances.</p>	<p>The Council's financial plans are adversely impacted by:</p> <ul style="list-style-type: none"> • Circumstances change which render the planned cost reductions/additional income unachievable • Other financial assumptions prove incorrect. Including significant income budgets not being achieved e.g. interest receivable on the investments in equity, multi-asset and property funds. • Other organisations which provide significant contributions to the Council face their own funding pressures and may require greater reductions than expected. • Economic conditions and market fluctuations cause changes at or before contract renewal. • Capital receipts not received as planned and capital resources insufficient to finance capital programme. • Business rates collected less than expected due for example to successful appeals being greater than the provision made. • Business Rates baseline reset for 2021/22, as determined by the Fair Funding Review, does not enable the Council to retain business rates growth achieved prior to reset (estimate of £1.515m in 2020/21). • Future Spending Reviews and Autumn Statement(s) require further savings from local government. 	<ul style="list-style-type: none"> • Shortfall in resources both in year and following years. • Financial savings are not achieved; balances used more than planned. • Priorities and projects are not delivered. • Cuts necessary to services • Rushed decisions to find other savings • Staff unsettled and de-motivated. • Assets not fit for purpose • Satisfaction levels with the Council fall • Section 114 notice issued by the Corporate Director (Finance) that it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>Robust budget review and setting process involving Management Board and Cabinet Members developed over a number of years</p> <p>Unallocated balance significantly exceeds minimum level of £1.5m - actual £6.88m as at 31st March 2020.</p> <p>Earmarked reserves to meet potential fluctuations: Estimated Business Rate Retention reserve (£2.7m) and Treasury Management (£1.27m).</p> <p>Regular Budgetary Control and monitoring processes.</p> <p>Council policy to use New Homes Bonus to fund infrastructure project delivery and affordable homes.</p> <p>Strategy to increase income including investments (e.g. commercial property and solar panels) to achieve improved rate of return over the medium-term.</p> <p>Monitoring of investment counter-parties and returns on investments by Arlingclose, Treasury Advisors.</p>	<p>Close monitoring of cashflow, unbudgeted expenditure and income levels, including council tax and business rates, during the pandemic.</p> <p>Monitor financial viability of key contract partners and commercial property tenants.</p> <p>Participate in consultation as proposals for the new 75% Business Rates Retention scheme and the Fair Funding Review are published.</p> <p>Monitor the disposal of assets against planned timescale for receipt of sale proceeds.</p> <p>Continue work on development of financial resilience indicators.</p>	Corporate Director (CF)	<p>Cost reductions and income delivered on time and as budgeted.</p> <p>Setting a balanced base budget and having plans to meet funding shortfalls in subsequent years of MTFS.</p> <p>Service and performance levels delivered as planned.</p> <p>Collection rates of council tax and business rates achieve targets.</p> <p>Budget variations reported in timely manner with explanation and action plan, as appropriate.</p>	Monthly	<p>Dec. 2020 – Provisional funding settlement for 2021/22 announced by Gov't</p> <p>Feb. 2021 – Full Council sets council tax and budgets for 2021/22</p>	<p>Budget and MTFS provide a balanced base budget for 2020/21 including a 2.75% increase in council tax to £184.68 (Band D).</p> <p>For planning purposes council tax increases in future years are at the core referendum threshold of 2% for 2021/22 onwards.</p> <p>Planned approach to addressing the estimated shortfalls in 2021/22 to 2023/24.</p> <p>Member Strategic Investment Group established to consider all proposed investments.</p> <p>Investment Evaluation Tool used to assess all investment opportunities.</p> <p>External Auditors, BDO LLP, reported in their 2018/19 Annual Audit Letter that they did not identify any significant issues and concluded that the Council has appropriate arrangements in place to ensure that it can sustainably deploy resources in the medium term.</p>

Economic Development – 2

Risk rating: **B2** (C2 February 2020)

Management Board Owner – Corporate Director (DC)

Vulnerability	Trigger	Consequence
<p>The Council has identified Economic Growth as a key Corporate priority for the District as set out in the Corporate Strategy.</p> <p>The impact of COVID-19 on the economy of the district is not fully understood yet, but is likely to be significant. This could result in loss of jobs and businesses as well as a negative impact on growth.</p> <p>The Plan for Growth was agreed by Cabinet and includes both a 5 year and rolling 1 year action plan of key priorities. These include infrastructure, business support and skills development projects.</p> <p>Most of the priorities in the action plan require work with partners who may or may not have the same level of commitment to a project as BDC</p> <p>Funding from other partners or government may not be available to support the action plan priorities</p> <p>UK departure from the EU and other macroeconomic uncertainties may have an impact on the economy and business decision making.</p>	<p>Lack of investment in infrastructure prevents business growth and job creation.</p> <p>Shortage of required skills to meet the need of businesses in the District</p> <p>Businesses are not provided with the support necessary to maximise opportunities for growth and development</p> <p>Amount of business rates collected reduced</p> <p>Increasing unemployment rate in the District</p> <p>Decreasing opportunities for education, training and apprenticeships</p>	<ul style="list-style-type: none">• Reduction in jobs• Fewer new businesses being created• Jobs left unfilled due to lack of skilled employees• Disinvestment by existing businesses• Less investment in infrastructure• Businesses feel disengaged and cannot access support networks• Falling productivity rates in the District• Falling Gross Value Added (GVA) in the District• Loss of revenue / growth in business rates• Rising unemployment rates

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>BDC COVID-19 Recovery Plan includes an Economic Recovery plan, led by the portfolio holder and Corporate Director, in partnership with key stakeholders.</p> <p>Strong working relationship with stakeholders, education providers and partner local authorities on projects, priorities and strategies.</p> <p>District Plan for Growth being implemented, setting clear economic priorities over 1 year and 5 year periods.</p> <p>Braintree Education and Skills board has been established and is progressing projects</p> <p>Braintree Town Centre Partnership has been established and an independent chair appointed</p> <p>Investment in key priorities to secure match funding</p> <p>Strategic Business Engagement Strategy approved by members and is being implemented.</p> <p>Strong engagement with local businesses.</p>	<p>Continuing to develop our relationship with key stakeholders to ensure shared goals and priorities are met</p> <p>Marketing and promotion of BDC/Partner business support services.</p> <p>Effective implementation of skills projects agreed by the Education and Skills Board</p> <p>Continue to provide appropriate levels of support to the Town Centre Partnership and other business led groups.</p> <p>Continue to source local and national funding sources which could provide grants for key projects</p> <p>Continuous review of business engagement programme to ensure it is meeting the requirements of businesses.</p>	Corporate Director (DC)	<p>Creation of new jobs</p> <p>New Business start-ups</p> <p>Business growth in the District</p> <p>Inward Investment in the District</p> <p>Investment into District infrastructure</p> <p>Unemployment rate</p> <p>Business funding opportunities explored</p> <p>Empty commercial premises</p> <p>Readership of the Business Bulletin and other social media posts.</p> <p>Number of Apprenticeships</p>	Quarterly		<p>Education and skills board has engagement from schools colleges and employers</p> <p>Braintree Town Centre Partnership continues to be supported and develop.</p> <p>Funding for infrastructure has been secured from ECC and Highways England and funding for skills projects has been secured through ECC.</p> <p>Young Entrepreneurs Programme has been launched.</p> <p>Provided Business Support Grants to over 2,600 businesses in the District on behalf of the Gov't.</p> <p>Awarded 100% Business Rate Relief to over 880 businesses on behalf of the Gov't.</p>

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>Braintree District tourism website launched alongside partnership forum</p> <p>The North Essex Economic Board is continuing to develop and the Strategy has been agreed</p>		Corporate Director (DC)		Quarterly		<p>North Essex are working together to consider skills, inward investment and business support.</p> <p>Working with the new group Back to Business Essex Group</p>

Planning – 3

Risk Ratings: **B2** (B2 February 2020)

Management Board Owner – Corporate Director (DC)

Vulnerability	Trigger	Consequence
<p>Braintree District Council has an adopted Core Strategy and has prepared a new Local Plan which was submitted in October 2017 and remains under examination. However up to the date of adoption the Local Plan only provides limited weight in decision making.</p> <p>Government policy on housing need has changed since the last Local Plan was adopted and the Council is now in a position where it must deliver a substantially higher number of homes. There is a requirement on the Council to show a deliverable 5 year supply of housing land at this new higher target and to pass a new Housing Delivery Test.</p>	<p>Local Plan being delayed or being found unsound by the Planning Inspector and needing to be withdrawn</p> <p>Government changes to national policies, guidance or methodologies which have implications for Plan or decision making.</p> <p>Land owners submitting speculative planning applications.</p> <p>Planning Inspectors concluding that the local authority does not have a 5 year housing supply.</p> <p>Failure of the Council to pass the Housing Delivery Test when results are published each November.</p> <p>The North Essex Partnership broken by one or more local authority partners</p>	<ul style="list-style-type: none">• Further delays to the Local Plan process if further changes or evidence are required.• Council may need to produce a new Local Plan• Council may have to approve planning applications on sites outside of those proposed in the existing or draft Local Plan which would result in development which conflicts with the agreed spatial strategy• The Council failing to meet its requirements for housing need, including the needs for affordable housing.• Infrastructure requirements of new developments may not be sufficiently met.• Loss of appeals on planning applications for development on unallocated sites outside of development boundaries.• A presumption in favour of sustainable development may need to be implemented if the Council substantially failed the Housing Delivery Test.

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>The Council has received a letter from the section 1 Inspector which has proposed modifications to the section 1 Local Plan which would allow it to proceed to adoption if they are implemented.</p> <p>Strong communications Plan with all information published on the website and communicated to residents and stakeholders through social media, traditional media and leaflets delivered directly to all households at key points.</p> <p>Strong working relationship with major developers on key housing/commercial sites in the District.</p> <p>Good working relationships with key stakeholders in the District.</p> <p>The Planning teams are now fully staffed which will ensure the planning teams are able to deal with the increase in the number, scale and complexity of planning applications.</p>	<p>Project Plan and risk record for the Local Plan continually kept under review and updated as required.</p> <p>Matters for information and decision continue to be reported to the relevant committee or Full Council.</p> <p>Continued communication on the next steps of the Local Plan process and on key planning applications and appeals.</p> <p>Continue to hold regular meetings with developers, partners and key stakeholders.</p> <p>Internal resources kept under review to ensure they are fit for purpose.</p>	Corporate Director	<p>Local Plan adoption</p> <p>Outcome of appeal decisions relating to non-allocated sites.</p> <p>Outcome of the Housing Delivery Test</p> <p>Development Management Performance Data</p>	Quarterly	Autumn 2020	<p>The modifications consultation on the section 1 Local Plan is in progress.</p> <p>Work is underway to prepare any updated evidence necessary for the section 2 examination.</p> <p>Press release issued at key points in the process</p> <p>The Development Management team continue to work through the backlog of planning applications which were received during lock down.</p>

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>The Development Management Improvement Plan has implemented a series of improvements and efficiencies to the DM service.</p> <p>Examiners have been appointed to consider the section 2 of the Local Plan.</p>						

Community Resilience – 4

Risk Rating: **C2** (C2 February 2020)

Management Board Owners – Corporate Directors (CF) and (CR)

Vulnerability	Trigger	Consequence
<p>The community does not have the resilience to support itself and requires significant intervention. People are not able to support themselves, and inequalities prevent people from having the opportunities to live a good quality life.</p> <p>There are a number of deprived areas in the district with children in poverty, health inequalities, lack of skills and higher unemployment. This has been exacerbated as the impact of the pandemic begins to manifest.</p> <p>This, combined with the impact of welfare changes and the potential loss of significant roles in specific economic sectors, could have a further impact on those who are struggling financially.</p> <p>Mental and Emotional Health and Wellbeing decreases and there are an increasing number of people who suffer from mental health issues.</p> <p>There is a growing population of older people, within the district and nationally, a proportion of whom will require public services.</p> <p>The Homelessness Reduction Act 2017(HRA) came into force in April 2018, it means the Council needs to assist more people, at an earlier stage if they are facing homelessness. Staff now work more intensively and for longer with people to help prevent and relieve their homelessness. The team has been restructured and new staffing appointments made across the Housing Team. Funding resources are in place but may not be sufficient in the longer term. Partnership working with other agencies is key to help tackle the sometimes complex reasons why people become homeless.</p>	<p>Demand for services from the Council and other public sector organisations increases which exceed our capacity to meet.</p> <p>Funding from the government to support duties reduces/ceases.</p> <p>The impact of higher unemployment and/or reduced hours of employment is not yet clear but is likely to impact on many Council services</p>	<ul style="list-style-type: none"> • Potential increase in people seeking the Council's assistance with problems. • Reduction in community confidence • Increased demand for temporary accommodation. • Increased demands on the Council's Services. • Increased health inequalities. • Increase in number of households in fuel poverty and increase in number of children in poverty. • People feel more socially isolated and lonely • People have an increased risk of suffering from physical or mental health issues • Charities are less able to support communities and there are less volunteers • Requests for Discretionary Housing Payments and/or Exceptional Hardship Fund payments exceed resources allocated. • Housing projects at risk of closure and/or change of access arrangements, which may mean additional temporary housing needs to be sourced. • Reductions and changes to supported housing and floating support may impact on other public services, eg health and police.

Vulnerability	Trigger	Consequence
<p>Local Housing Allowance (LHA) rates have now increased, bringing them back into line with the 30th percentile rent for each property size. While this is welcome, it will impact on people close or at the Benefit Cap level. It also increases the cost of new homes let at 'Affordable Rent' levels.</p> <p>Charities have been affected financially and through restrictions around volunteers are unable to continue in the role that they have been in supporting communities.</p> <p>Some people have lost confidence and feel unable to go out shopping or to meet other people, decreasing their independence and increasing their social isolation and loneliness.</p> <p>People do not take opportunities to live an active lifestyle and are more susceptible to physical and mental health issues as a result.</p> <p>There is an increase in different views of the national and local response to COVID, which results in reduced community confidence and less people abiding by the guidelines.</p>		

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>Community Recovery Workstream a key theme in the COVID recovery plan. This is being led by two portfolio holders and the Corporate Director.</p> <p>Action plan covers:</p> <ul style="list-style-type: none"> • Housing • People • Communities • Health <p>Work with Citizens Advice; Eastlight; Dept. for Work and Pensions to assist those affected by the welfare changes.</p> <p>Homelessness and Rough Sleeping Strategy - 2018 to 2023</p> <p>Supporting residents to be healthy and live well working with a range of partners through the Livewell Boards and the Health and Wellbeing Panel.</p>	<p>Ensure continued work with the Health and Wellbeing panel and other partners to identify and respond to community needs.</p> <p>Regularly update on the Community Recovery Workstream through the Recovery Co-ordination Group which reports into Cabinet.</p> <p>Regular reviews of the impact the welfare changes are having on those affected by reforms and work with key partners.</p> <p>Exploring alternative funding arrangements to seek to sustain housing projects.</p> <p>Continue to review and implement actions in the Homelessness Strategy. This includes working with a wide range of partners:</p> <ul style="list-style-type: none"> • The Braintree District Homelessness Prevention Partnership • Essex Prevents Homelessness – This work programme is sponsored by Essex Chief Executives. Work with our Essex partners to develop new ways or working to prevent homelessness. 	Corporate Director	<p>Services able to meet the increased demand for services.</p> <p>Community confidence and resilience measures remains stable</p> <p>Customer satisfaction with their quality of life and place to live remains stable</p> <p>Funding sufficient to support those residents in extreme financial difficulties with council tax and/or rent.</p> <p>Increased number of residents in employment.</p> <p>That a level of supported housing is retained in the district with continued nominations rights available to this Council.</p>	Quarterly		<p>Community Recovery PID and Action plan drafted.</p> <p>Initial actions underway</p> <ul style="list-style-type: none"> • Community Employment Support Officer bid • Schools engagement to support students returning • Next Steps Accommodation programme • Community Hub Support • LiveWell • Mental Health Forum <p>Corporate response to COVID, strong framework and links to Essex Resilience Forum.</p> <p>Community360 to help support the voluntary sector.</p> <p>New Government grants and BDC funding to meet the new homelessness duties.</p> <p>Community grants;- BDC's Councillors' Community Grant Fund and The Braintree District and Greenfields Community Fund. Focus on COVID from BDC grants</p>

<p>Discretionary Housing Payments - Govt. funding of £307,762 for 2020/21. Short-term assistance available to tenants facing difficulty with their rent.</p> <p>Gov't Hardship funding of £150 applied to council tax accounts of working age claimants receiving LCTS.</p> <p>Exceptional Hardship Fund of £14,384 for 2020/21. Short-term support available to council tax support claimants.</p>	<p>Support Community 360 to provide assistance to charities and community groups across the district.</p>		<p>Homelessness Reduction Act 2017 – maintaining or increasing the number of applicants whose homelessness is prevented or relieved.</p>			
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Service and Project Delivery – 5

Risk Rating: **C2** (C2 February 2020)

Management Board Owner – Corporate Director (CF)

Vulnerability	Trigger	Consequence
<p>Reduced resources impact on the Council's ability to deliver good quality services. Service delivery and resilience requires a well-managed and motivated workforce with the capacity and capability to deliver. With an aging workforce the Council has recognised the important challenges around workforce planning and talent management for the future.</p> <p>Health & Safety - Breach in processes/ procedures leading to a health and safety or security incident (including an act of terrorism).</p> <p>Service delivery is heavily reliant on the availability of systems.</p> <p>The Council has approved a number of significant projects. It is essential that there is the capability and capacity available to deliver.</p> <p>Increase in home working results in increased reliance on computer systems and remote access as well as virtual meeting technology to deliver services and projects.</p>	<p>Key people leave or are unavailable for work (small teams or specialist areas are most vulnerable).</p> <p>Competitive recruitment markets particularly in relation to the growth agenda.</p> <p>Major incident.</p> <p>Computerised systems unavailable for use for a prolonged period.</p>	<ul style="list-style-type: none">• The organisation is stretched too far and resulting in service delivery failure• Mistakes made and corners cut• Customer satisfaction falls• Employees are disengaged and demotivated.• Loss of good people.• Increased key person dependency• Loss of corporate memory• Failure to deliver Council's priorities and Annual Plan• Remaining staff fail to cope• Change programmes difficult to implement• Actual or potential injury or loss of life.• Financial loss / impact on value of assets;• Reputational damage• Data loss

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>People Strategy and Workforce development plans</p> <p>Workforce planning and succession planning included in Business Plans</p> <p>Staff support arrangements include:</p> <ul style="list-style-type: none"> • Employee Wellbeing Strategy • Mental Health & Work related stress policy • Free and confidential Employee counselling service • Free and confidential employee assistance helpline <p>Security policies – regularly reviewed and updated</p> <p>Training/education in cyber security for users</p> <p>Training programme for managers</p> <p>Disaster recovery plan: Emergency generator; Independent resilient network; Alternative accommodation identified – Town Hall</p> <p>Business continuity exercise for senior managers held annually</p> <p>Increased focus on ICT operational delivery to ensure high availability of systems and resilience of infrastructure.</p>	<p>Ensure that there is effective management and change control of all systems to minimise disruptions.</p> <p>Individual disaster recovery arrangements in place for all systems.</p> <p>Consider ICT resourcing to ensure sustainable longer term.</p>	Corporate Director (CF)	<p>Computer unavailability is minimised</p> <p>Uninterrupted service delivery</p> <p>No long-term vacancies</p>	Quarterly	Business Plans produced December/January	<p>Funding for the Strategic Investment Team agreed for a four-year period</p> <p>Additional staffing resources agreed for Planning and Housing services</p>

Affordable Housing and Homelessness – 6

Risk rating: **C2** (C2 February 2020)

Management Board Owner – Corporate Directors (DC & CF)

Vulnerability	Trigger	Consequence
<p>As Eastlight has developed many of the sites in its ownership, we are increasingly reliant on market delivery of new homes to facilitate affordable housing provision. In the short-term (this year and next) delivery of new affordable housing is likely to be good but a downturn in the market could present a serious challenge.</p> <p>We rely heavily on mainstream new development and in the past few years have negotiated for a really significant supply of new affordable homes.</p> <p>The impact of homelessness is being managed locally but relies on continuing funding of support services by Essex County Council. Compared to many other Essex LAs, we have good local provision, so any review of resources is likely to take resources away from the District.</p> <p>In addition, other LAs and in particular London Boroughs, are increasingly looking to place people out of London. Many London Boroughs are actively pursuing opportunities such as office conversions to make nominations outside of their area.</p> <p>Unpredictable impact on the economy and the housing market of pandemic.</p> <p>Our current capacity to meet housing need relies in part on Eastlight continuing with existing policies by which all vacancies are advertised through Gateway to Homechoice.</p>	<p>Market downturn</p> <p>Government intervenes to require higher proportions of starter homes or other reduced-cost tenures.</p> <p>Developers push back on the number of affordable homes required on developments.</p> <p>Cost of housing (labour and materials) rises making them unaffordable</p> <p>Government policy on planning permissions and reducing red tape may reduce our supply of affordable housing on new sites under new policies. It is also likely to lead to more office-to-flats conversions (Permitted Development Rights)</p> <p>Increase in homelessness presentations and households joining the Housing Register due to economic impact of the pandemic.</p> <p>Change of policy following merger with Colne Housing.</p>	<ul style="list-style-type: none"> • Affordable housing need not met • Homeless households remain longer in temporary accommodation as fewer rented homes become available for letting through 'Gateway to Homechoice' choice based lettings scheme. • Cost to the Council of providing temporary accommodation increases • Young people/key workers leave the district • Some housing associations withdraw from higher-risk accommodation, such as supported housing schemes • Inability to find suitable affordable accommodation for larger families • Unable to provide supported housing in particular for under 35's, who will not receive enough benefit to cover the rent for self-contained accommodation. • Increased workload & staff and temporary accommodation costs to manage increased demand for services. • Difficulty recruiting experienced / suitable staff as demand for such staff increases • If Eastlight keep a separate transfer list (as Colne Housing currently does) we could see fewer available properties being advertised for Housing Register applicants.

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>New Housing Strategy adopted in 2016/17</p> <p>New Homelessness Strategy adopted in 2018/19</p> <p>Work with a range of housing associations to ensure that we can meet the varied needs of local residents and make sure we do not miss out on affordable housing opportunities.</p> <p>Underwriting schemes and purchase of land for affordable housing developments as opportunity and finance allow.</p> <p>Working with other providers.</p> <p>Participating fully in work of 'Essex Prevents'; joint working with ECC to agree how we can prevent homelessness.</p> <p>Bid for 'Next Steps' funding being developed with ECC for short and longer term accommodation costs associated with rough sleepers.</p>	<p>Housing Research and Development Team continues to look for innovative ways of increasing affordable housing with developers and Registered Social Landlords.</p> <p>Use of Stat Nav toolkit to help identify need across the District.</p> <p>Build working relationships with developers to deliver affordable housing through S.106 agreements.</p> <p>Support 'Next Steps' and other future funding opportunities.</p>	Corporate Director	<p>Local target for an average 100 dwellings per annum</p> <p>Maintaining a manageable number of temporary accommodation placements (under 50 at any one time)</p>	Quarterly		<p>Regular meetings with all housing associations with local development programmes.</p> <p>Stat Nav data updated each year.</p> <p>165 completions of new affordable homes in 2018/19 and 233 in 2019/20 We expect 200 completions in 2020-21 if developments proceed as currently planned. This is likely to be the highest delivery for at least the last 25 years.</p> <p>Authority delegated to Cabinet Members for Housing and Finance and Performance Management to agree acquisitions and funding commitments within the overall affordable housing budget in order to allow timely decisions to be taken and prevent opportunities being lost.</p>

Return on Investments – 7

Risk Rating: **C2** (D2 February 2020)

Management Board Owner – Corporate Director (CF)

Vulnerability	Trigger	Consequence
<p>The Council has an Investment Strategy which seeks to optimise use of available resources that includes investing in property, housing and other assets as well as investing surplus monies with financial institutions to achieve a reasonable rate of return and support the Council's revenue account.</p> <p>The security of the money invested is paramount but the Investment Strategy distinguishes between the investment of monies available only in the short-term due to cashflow requirements and monies (core funds) which are available for investment over the medium to long-term.</p> <p>The Council has increased its property portfolio where return on investment has been attractive and the quality of the tenant and the tenancy term has been good.</p> <p>The impact of the Covid-19 pandemic on the economic climate on financial institutions makes the selection of: a strong counterparty with which to invest, the selection of an asset, to purchase, and the tenant, to occupy and rent property, even more crucial.</p> <p>The Treasury is concerned about the increase in investment in commercial property by local authorities.</p>	<p>Failure of investment counterparty.</p> <p>Tenant ceases trading leading to void period and requirement to find a new tenant.</p> <p>Collapse in the equity market at a time when the Council needs to release money by selling the equity pooled funds.</p> <p>Funds are needed to be recalled at short notice.</p>	<ul style="list-style-type: none">• Loss of the principal sum and / or interest due on investments of surplus monies• Loss of rental income and increased costs (e.g. unoccupied business rates)• Impact on the Council's revenue account requiring unplanned service cuts and / or use of balances• Decline in Council reputation

Actions/controls already in place	Required action/ management control	Responsibility for action	Critical success factors and KPI's	Review frequency	Key dates	Progress to date
<p>The Council has an established Strategic Investment Group of Members responsible for advising on and monitoring the Investment Strategy</p> <p>A Treasury Management Strategy is agreed annually by Council. A Mid-year and an end-of-year report on the TMS are received by Council.</p> <p>The Council has set a limit of £20million on the amount of funds to be invested in pooled funds (equities and property) with the aim of achieving higher rates of return and capital growth over the medium term (3 to 5 years).</p> <p>The Council has engaged Arlingclose as Treasury Management advisor – providing advice on and monitoring of investment counter parties and advice on borrowing requirements.</p>	Update Asset Strategy.	Corporate Director		Monthly		<p>Responded to the Treasury's consultation on PWLB Lending Terms.</p> <p>District Growth Officers Group established to monitor Strategic Investment Programme.</p>

Risk: Emergency Planning – 8Risk Rating: **C1** (D1 February 2020)

Management Board Owner – Corporate Director (CR)

Vulnerability	Trigger	Consequence
<p>Braintree District Council has responsibilities under the Civil Contingencies Act (CCA) 2004a as a Category 1 responder: to plan for and respond to major emergencies working alongside the blue light services. Part 1 of CCA 2004 places legal obligations on emergency services and local authorities to assess the risk of, plan and exercise for emergencies as well as undertake business continuity management.</p> <p>BDC does not have the resources to respond effectively to the Emergency and deliver services.</p> <p>BDC are not resilient to continue to operate services through Business Continuity Planning.</p> <p>The COVID pandemic has added an extra dimension as it cannot be responded to in the same way as previous emergency planning issues. This is due to the long term nature and progression of the pandemic.</p>	<p>Emergency event both response and recovery</p> <p>New roles and legislative powers that require enactment and management</p>	<p>District Wide</p> <ul style="list-style-type: none">• Possible loss of life or serious harm or injury to residents and/or staff.• Loss of physical assets e.g. premises• Ineffective response to an incident causes extended disruption.• Vulnerable residents at risk through lack of core service delivery.• Delays in recovery phase <p>Council</p> <ul style="list-style-type: none">• Lack of preparedness results in the inability to deliver key/critical services e.g. benefits, refuse collection, homelessness applications, food inspections, etc.• Increased short term demand for services e.g. housing - alternative accommodation, repairs, waste team clean-up operation• Major impact on reputation if the Council is perceived to not provide an adequate response.• Council facing Public Inquiry – risk of cost, reputation and public trust• Priorities and projects are not delivered.• Being found wanting at public inquiry.

Actions/controls already in place	Required action/ management control	Responsibility for action	Critical success factors and KPI's	Review frequency	Key dates	Progress to date
<p>A robust, peer reviewed Emergency Plan has been developed.</p> <p>Communications & Media plan</p> <p>A Members Protocol has been produced setting out guidance for Members during an emergency.</p> <p>Mutual Aid – agreements are in place between authorities BDC is strengthening its procedures to receive Mutual Aid;</p> <p>Each service has to be resilient, through planned and tested procedures, to unexpected and potentially long term challenges.</p> <p>Pandemic Flu Plan agreed</p> <p>Active management of the current COVID response at organisational and Essex Resilience Forum levels.</p> <p>Regular review of our response and adaptation of response if required</p>	<p>Bi-yearly review of Emergency Plan</p> <p>Bi-yearly review of Communications and Media Plan</p> <p>Rest Centres plan – run an annual exercise</p> <p>Continue to deliver training programme</p> <p>Dialogue with partner organisations</p> <p>Services need to demonstrate the capability and capacity to manage excessive additional demand due the Council's responsibility for response and recovery under the CCA 2004, Housing Act. Local Government Act and other relevant legislation.</p>	<p>Corporate Director</p>	<p>Service and performance levels delivered as planned.</p>	<p>Annual</p>		<p>Training delivered: senior/tactical training, recovery training, logistics training, rest centre training; communications training</p> <p>Peer reviewed training programme for staff involved at all levels, volunteers-tactical-strategic</p> <p>New starters will have a requirement to assist in emergencies detailed in their role profiles.</p> <p>Testing of dual emergency response – Exercise July 2020</p> <p>Active response in progress using command structures to COVID.</p>

Risk: Information Management and Cyber Security – 9Risk Rating – **C2** (C2 February 2020)

Management Board Owner – Corporate Director (CF and CR)

Vulnerability	Trigger	Consequence
<p>The Council has been responsive to technology and has used it to shape the way services are delivered, to drive efficiency and improve productivity.</p> <p>With the increased use of technology and larger amounts of information stored comes an increase of the impact created through cyber security threats.</p> <p>It is essential that customer's information, much of which is sensitive, is kept safe and that the Council ensures business continuity through strong management of its information and systems.</p> <p>The impact of changes in Data Protection legislation potentially impacts our ability to carry out services effectively and creates significant extra work for staff.</p> <p>The exit from the European Union, may impact on Data Protection legislation and the ability of the Council and its partners to manage and transfer personal data.</p> <p>Increased reliance on technology, including remote working tools since more staff have been working from home.</p> <p>More staff and members are meeting virtually, introducing a new type of cyber security vulnerability.</p>	<p>Cyber attack Hacking Distributed Denial of service Phishing/Spear Phishing Ransomware Emerging threats</p> <p>Information Security or Data Breach incident</p> <p>Loss of computer systems</p> <p>Loss of access to physical or digital information through emergency incident</p> <p>Staff do not manage data effectively</p>	<ul style="list-style-type: none">• Loss of ability to deliver service/degradation in service• Loss of reputation• Enforcement from Information Commissioner's Office with a potentially significant fines and reputational damage• Inability to collect/payout money to customers• Inability to share customer data with partners• The Council cannot meet its requirements under the Data Protection legislation• The Council is not able to adequately manage its information, which would then prevent it from being able to carry out services effectively.

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>Information security policies – regularly reviewed and updated</p> <p>External auditing and challenge on a regular basis against policies and systems as well as regular external penetration testing with action plans created</p> <p>Regular review of technical infrastructure, including firewalls, hardware and software</p> <p>PSN Compliance</p> <p>Training/education in cyber security for users</p> <p>6-weekly meeting of cyber-security sub-group to review all aspects of cyber-security</p> <p>Regular meta-compliance checks for all employees and members</p> <p>Project Plan to deliver and ensure ongoing management of Data Protection legislation.</p> <p>Controls in place around the implementation of virtual meetings software and clear guidance for staff and members</p>	<p>Continued review of cyber security arrangements</p> <p>Raise awareness of information management and cyber security issues for all staff and members</p> <p>Review resourcing requirements around data protection and information management</p> <p>Targeted training</p> <p>Induction courses for new entrants</p> <p>Software kept up to date</p> <p>End of life hardware replaced as and when necessary</p> <p>Continue to keep abreast of cyber security issues and ensure that these are factored into BDC response.</p>	Corporate Director	<p>Up to date Reviews</p> <p>Year on year improvements</p> <p>Number of articles published/ seminars delivered</p> <p>Training demand met</p> <p>New entrants on induction within 2 weeks of joining</p>	Quarterly		<p>Project Plan to ensure ongoing management of Data Protection legislation.</p> <p>PSN compliance up to date 2020</p> <p>Regular attendance at Cyber Security summits/meetings at national level</p> <p>Online training available for all staff and part of the induction process</p> <p>Programme of updates in place for all software, hardware and infrastructure</p> <p>Regular vulnerability checks and internal and external penetration testing</p>

Strategic Investment - 10

Risk rating **C2** (C2 February 2020)

Management Board Owner – Corporate Director (DC)

Vulnerability	Trigger	Consequence
<p>The District Investment Strategy targets capital investments to support infrastructure improvements, with particular emphasis on: improved healthcare facilities, enhanced town centres, increased employment and business opportunities, improved highways infrastructure.</p> <p>Investment intervention is required to support planned housing and population growth in the District.</p> <p>Capital investments must make a positive financial return for BDC.</p> <p>Most of the identified investment opportunities require work with partners who may or may not have the same level of commitment to a project as BDC.</p> <p>Funding from other partners or government may not be available to support the action plan priorities.</p> <p>UK's exit from the EU, COVID and other macroeconomic uncertainties may adversely affect BDC's ability to deliver financially viable capital investments: for example, increased construction costs, house price deflation, and commercial rent deflation.</p> <p>Failure to secure planning consent on development projects.</p> <p>Inadequate systems and processes lead to inconsistent decision making, failure to agree and stick to priorities, under- utilisation of finite resources, weak cost control, over-reliance on external advice without proper challenge or consideration of the brief/scope/purpose. Insufficient stakeholder management.</p>	<p>Lack of investment in infrastructure acts as a barrier to required housing growth and reduces opportunities for businesses to grow.</p> <p>Inability to secure prudential borrowing at preferential interest rates.</p> <p>Prolonged period (>six months) of house price deflation.</p> <p>Prolonged period (>12 months) of commercial rent deflation.</p> <p>Above inflation increase in construction costs.</p> <p>Projects undeliverable due to refusal of planning consent.</p> <p>Failure to sell/lease newly developed properties.</p> <p>Failure to clarify and agree core project and/or programme objectives, Critical Success Factors (CSF) or KPIs.</p> <p>Approval of Local Plan generates urgency on detail without proper and independent consideration of options.</p> <p>Project failure or delay due to lack of stakeholder engagement.</p> <p>Page 106 of 126</p>	<ul style="list-style-type: none">• Lack of infrastructure could inhibit delivery of Local Plan housing numbers• Approved schemes already in development may not achieve required financial return• Potential for existing businesses/jobs relocating outside of District• Fewer new businesses/jobs being created• Falling Gross Value Added (GVA) in the District• Loss of revenue growth in Council Tax and Business Rates• Expectations raised and disappointed• Unplanned and/or abortive expenditure• Dilution of political support for programme• Public perception of Council lavish spending and lack of effective control• Interest charges have to be charged to revenue rather than capitalized against the project

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>District Investment reserve approved and ring-fenced.</p> <p>All investment opportunities rely on cost/value advice provided by expert third party specialists.</p> <p>All investment opportunities appraised via industry-standard development software.</p> <p>Strong working relationship with Essex County Council, Haven Gateway, the South East Local Enterprise Partnership (LEP), Homes England on major projects and key priorities</p> <p>Engagement with relevant BDC teams (Asset Management, Operations) to ensure early engagement on scheme design to ensure end product is lettable and fit-for-purpose.</p> <p>Procurement of appropriate architects and planning consultants for each scheme.</p>	<p>Continual monitoring of costs and spend.</p> <p>Continued use of expert third parties to provide comprehensive cost estimates and advice of market trends.</p> <p>Consistent modelling to agreed financial parameters.</p> <p>Increased networking and promotion of BDC's investment aspirations with key external stakeholders and potential funders. Continue to source local and national funding resources which could provide grants for key projects.</p> <p>Implementation of timely, high-quality marketing strategies for all development projects.</p> <p>Early engagement with Planning Team and judicious use of the pre-application process.</p> <p>Increase organisational "maturity" and embed rigorous and consistently applied processes and reporting.</p> <p>Regular review of approved parameters and hurdle rates.</p> <p>Weighted NPV measure to reflect non-financial priorities</p>	<p>Chief Executive Corporate Director (DC)</p>	<p>Delivery of all projects approved via District Investment Strategy</p> <p>Delivery of all projects to budget and approved financial return</p> <p>Delivery of all projects to budget and approved financial return</p> <p>Leverage of third party funding to support BDC capital projects</p> <p>New Business start-ups</p> <p>Sale/letting of new properties at approved levels and to approved timescales.</p> <p>Achievement of detailed planning consent first time, every time.</p> <p>CSF's & KPI's: Jobs created; Spend in local economy; Business rates generated.</p>	<p>Quarterly</p>		<p>Consistent presentation of detailed costs to all BDC approval bodies. Joint-working with Finance Team to model financial impact of all opportunities.</p> <p>Procurement of expert commercial and property agents to advise on achievable values, marketing and sales rates.</p> <p>Manor Street and pedestrianisation projects progressing according to schedule.</p> <p>Horizon 120 –Local Development Order agreed and project progressing.</p> <p>Significant funding allocated via LEP for Enterprise Centre.</p>

Climate Change – 11

Risk Rating: **C2** (C2 February 2020)

Management Board Owner – Corporate Director (CR)

Vulnerability	Trigger	Consequence
<p>'Climate change' refers to changes in the earth's climate that are caused by increasing levels of greenhouse gases such as carbon dioxide (CO₂) in the atmosphere.</p> <p>Climate change adaptation describes measures that can be put into place to help us adapt the changes in our climate that are now inevitable. These changes range from increased temperatures and drought conditions to extreme weather events such as intense periods of rainfall and subsequent flash flooding.</p> <p>The Council has declared a "Climate Emergency" with an aim to make Braintree District Council activities, as far as practical, carbon neutral by 2030.</p> <p>Climate change will impact council services, from the buildings that we manage through to open spaces and our role in emergency planning, as well as impacting on Braintree district residents, particularly those who are most vulnerable.</p> <p>The services provided by the Council are reliant on access to all parts of the district by our vehicles and the ability of staff to travel to their place of work.</p> <p>Business Continuity plans are essential for the Council to be able to respond to the effect of climate change on our estate and our staff which impacts our services. This is combined with the potential increasing and changing demand for services including parks and landscapes, environmental health, community support, health and wellbeing, building control etc.</p>	<p>Increase in mean temperature</p> <p>Decrease in air quality</p> <p>Depletion of key resources including water</p> <p>Severe weather event(s)</p> <p>Failure to deliver 2030 carbon neutral target</p>	<ul style="list-style-type: none"> • Failure to maintain/deliver services and an increased cost of delivering services • Increased financial costs for Council (due to insurance excesses/ pressures on service delivery) • Reduction in resilience of the organisation • Reputation of Council damaged through failure to deliver services. • Failure to give local community leadership in preparing for climate change.

Action/controls already in place	Required management action/control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Progress to-date
<p>Climate Local Strategy 2014 to 2018 in place and a number of actions being undertaken to reduce negative impact on climate from council services and assets as well as encouraging residents and businesses to reduce their impact on the climate.</p> <p>A Climate Change working group has been established. An action plan is to be developed to ensure all Council functions and decision making is in line with the shift to carbon neutral by 2030.</p> <p>Emergency Plan considers climate related risks and our response to this type of emergency.</p> <p>Climate Local Strategy has a number of actions in place to support the community to adapt to climate change.</p> <p>Business Continuity plan for the organisation to respond to risks</p>	<p>New Climate Strategy being developed with the support of the Climate Change working group.</p> <p>Continue to review Emergency Plan to consider emerging issues and risks.</p> <p>Business Continuity plan is being reviewed to specifically consider climate risks.</p>	<p>Corporate Director</p> <p>Sustainability Manager</p> <p>Sustainability Manager</p>	<p>New Climate Strategy and Action Plan received by Council</p>		<p>Feb 2021</p>	<p>Completed actions from the Climate Local Action Plan 2014 – 2018. Further details on achievement available</p> <p>Declared Climate Emergency July 2019</p> <p>Climate Change Working Group in place representing the Council, Businesses and Residents with academic support to develop the next Climate Local Strategy</p> <p>Annual Emergency Planning desktop exercise, concerning severe weather, for BDC</p> <p>Officer group established to encourage waste reduction by staff and at council premises.</p>

Changes to the Off-Street Parking Places Order 2019		Agenda No: 7a
Portfolio	Environment and Place	
Corporate Outcome:	Create thriving town centres for everyone to enjoy; Build strong, effective partnerships across the public, private, voluntary and community sector taking a place based approach to achieve more for the District; and Supporting the District to reduce waste, energy consumption, carbon emissions and pollution	
Report presented by:	Councillor Mrs Wendy Schmitt, Cabinet Member for Environment and Place	
Report prepared by:	Samir Pandya, Operations Strategy & Policy Manager	
Background Papers:	Public Report	
	Key Decision: Yes	
Executive Summary:		
<p>1.1 Braintree District Council (the Council) Off Street Parking Places Order 2019 (OSPPO) is a legal document that details the regulation of the Council's public car parks and sets out the charging periods and tariffs for the parking places included within the Order. Whilst changes to parking tariffs can be accommodated by issuing a variation to the Order, more fundamental changes require an amendment order to be made.</p> <p>1.2 The North Essex Parking Partnership (NEPP) undertakes on-street parking enforcement across the whole of the North Essex on behalf of Essex County Council, and off-street parking enforcement is an optional extra available to partner authorities. The Council opted to enter into an SLA with the NEPP for off-street parking enforcement and this covers those car parks identified within the Council's OSPPO.</p> <p>1.3 A number of changes are have occurred since the OSPPO was last published and this now needs to be revised to allow the Council and associated third parties to continue to manage their car parks effectively. Due to the inclusion of additional car parking sites, the Council will be required to revoke the OSPPO and issue a new order.</p>		

Recommended Decision:

Cabinet agrees:

1. To incorporate the Councils car parks at Enterprise Drive and Rayne Road as referred to in this report within the Braintree District Council (Off-Street Parking Places) Order 2019 on the basis that these are available for permit holders only.
2. To incorporate the car parks and tariff at Stoneham Street, Coggleshall, as referred to in this report within the Braintree District Council (Off-Street Parking Places) Order 2019.
3. To increase the tariff at Hadfelda Square car park, Hatfield Peverel, as referred to in this report, within the Braintree District Council (Off-Street Parking Places) Order 2019.
4. To increase the season ticket charges at Silks Way car park, Braintree as referred to in this report, within the Braintree District Council (Off-Street Parking Places) Order 2019.
5. Subject to paragraph 6, to authorise the Operations Strategy & Policy Manager in consultation with the Legal Services Operations Manager to take all such steps as are expedient and necessary to amend the Braintree District Council (Off-Street Parking Places) Order 2019 in accordance with recommendations 1 to 4 of this report, subject to such minor modifications as the Operations Strategy & Policy Manager considers necessary.
6. To report any objections to the amended Order to Cabinet Member Environment & Place in consultation with the Cabinet Member, Corporate, and where the objection relate to the parish Council car parks, in consultation with the respective Parish Council, for determination before the said Order is confirmed.

Purpose of Decision:

To facilitate the introduction of parking enforcement at three more car parks and to update the parking charges for those car parks included within the OSPPO as required by law.

Any Corporate implications relating to the following should be explained in detail	
Financial:	The cost of advertising will be covered within existing budgets. There are no other financial implications to the Council.
Legal:	Due to the nature of the proposed changes, the Council will be required to implement a new Order in order to allow the changes to be implemented.
Equalities/Diversity	Equality/Diversity issues are not affected by the proposed changes to the OSPPO.
Customer Impact:	The proposals will impact upon all users of the car parks as outlined in the report.
Environment and Climate Change:	Not applicable.
Consultation/Community Engagement:	This will take the form of statutory consultation: the first to advertise the planned changes and the second to advertise the final Order.
Risks:	The Council may attract adverse publicity in relation to the proposed parking tariffs, albeit two of these relate to car parks owned by Parish Councils. It is anticipated that there will be more objections to proposals for the car park at Stoneham Street, Coggeshall, as this will be the first time parking charges have been introduced. It will be for the respective Parish Councils to consider any objections and modifications relevant to their car parks as a result of feedback from the consultation.
Officer Contact:	Samir Pandya
Designation:	Operations Strategy and Policy Manager
Ext. No.	3335
E-mail:	sampa@braintree.gov.uk

1. Background

- 1.1 The Council is responsible for a number of car parks in various locations within Braintree. The Council controls its public car parks by means of a legal order known as the Off-Street Parking Places Order. This is a legal means by which the Council makes charges for parking in car parks and enforces the failure to pay or meet any one or more of a number of specific terms and conditions. The OSPPO details the regulation of the Council's public car parks and sets out the charging periods and tariffs for the parking places included within the original OSPPO. Whilst changes to parking tariffs can be accommodated by issuing a Variation to the OSPPO, more fundamental changes require a new Order to be issued.
- 1.2 Currently, NEPP undertakes on-street parking enforcement on behalf of the partner authorities across the whole of North Essex, and off-street parking enforcement is an optional extra available to partner authorities. The Council opted to enter into an SLA with the NEPP for off-street parking enforcement and this covers those car parks included in the Council's OSPPO as required. The NEPP is unable to enter into any independent arrangements outside of the Partnership.
- 1.3 A number of changes have occurred since the OSPPO was last published and there is now a need for the OSPPO to be revised to allow the Council and associated third parties to continue to manage their car parks effectively, this includes the increase in tariffs at some identified car parks, and also the inclusion of additional car parking sites. Accordingly, due to the inclusion of additional sites within the Order, the Council are required to make a new order which would seek to amend the original OSPPO and will need to advertise the new amendment Order which will incorporate all the proposed changes as set out in this report.

2. Proposed Changes

- 2.1 The car park at Enterprise Drive, Braintree, is operated by the Council's Asset Management Team and is available for permit holders only. However, it has been brought to the Council's attention that members of the public are using this car park whilst not holding the appropriate permit. This is causing difficulties and resulting in a shortage of spaces for those who do hold a permit. Accordingly, Asset Management have asked that the Council include the car park within the OSPPO so that parking enforcement can be introduced and undertaken by NEPP.
- 2.2 In addition the Council also owns and operates the car park off Rayne Road, Braintree, on the site of the former St. Michael's Hospital. This car park has a dual role: from 9am to 5pm, Monday to Friday, it is available to members of the public for a maximum of 2 hrs free of charge, outside of these hours, parking is restricted to permit holders only. Permits are available to the residents of 167-201 Rayne Road to compensate them for the loss of on-street parking when the redevelopment of this site took place. There is now a need to introduce enforcement at this car park to control unauthorised parking, but this cannot be done unless the car park is included within the OSPPO.
- 2.3 The Council have also undertaken a review of the charges held under the OSPPO. In particular, Silks Way car park was last reviewed in 2011. Accordingly it is now necessary to bring the charges in line with other car parks within the area and

therefore the proposal is to increase the season ticket charges at Silks Way car park, Braintree, from £350/pa to £450/pa. This car park is managed directly by the Council's Asset Management Team and is a season ticket holders' car park. The car park is already included in the OSPPO, but the tariff needs to be amended.

- 2.4 Coggeshall Parish Council (CPC) has asked that their car park at Stoneham Street be reinstated within the OSPPO to enable enforcement by the NEPP. The Council will recall that this car park transferred from the Council to CPC in November 2014 to enable local management of the car park. CPC is also proposing to introduce a parking tariff to help fund the maintenance costs associated with the car park. Subsequently this car parking site will also need to be included in the Amendment Order.
- 2.5 Hatfield Peverel Parish Council (HPPC) is proposing an increase in the season ticket charges for their Hadfelda Square car park from £150/pa to £160/pa. This is another car park that was transferred to the local Parish Council, although it remained within the Council's OSPPO to enable the NEPP to enforce on behalf of HPPC. Consequently any changes to their parking tariff necessitates an variation to the OSPPO.
- 2.6 With regard to 2.4 and 2.5 above, it is noted that the Parish Councils could create their own Off Street Parking Places Orders and engage a private company to carry out parking enforcement on their behalf. However, both Parish Councils have expressed a preference for the NEPP to carry out this function on their behalf. As NEPP are not able to enter into a direct arrangement with them, it was agreed that the car parks would be included in the Council's Order. All costs associated with the enforcement will be met by each of the Parish Councils.

3. Options Considered

- 3.1 Essentially, in respect of the car parks at both locations there are two options, either to proceed with incorporating them into the OSPPO or not to do so. Officers recommend that these car parks are incorporated into the Order so that the limited number of spaces available are used in accordance with the terms and conditions applicable to the car park, and that and contravention can be subject to enforcement action.

4. Considerations

- 4.1 The OSPPO can only be changed with the permission of the Council and as such the purpose of this report is to seek such permission. If granted, a statutory consultation will follow. Under the Road Traffic Regulations 1984, the Council could revise its tariffs on those car parks already contained within the OSPPO by issuing a notice of the proposed changes being made to the charges, however, due to the inclusion of new car parking sites, it is necessary for the Council to issue a new Order, that would seek to amend the OSPPO. This Order, if issued, will be known as Braintree District Council, (Off Street Parking Places) Amendment Order 2020.
- 4.2 The Amendment Order will be subject to a statutory consultation period. The Council will be required to advertise the Amendment Order inviting comments from members of the public and key stakeholders, before advertising the final changes

in light of the outcome of the consultation. Should any objections to the proposals be received, these will have to be considered and a final judgement made on whether to modify or proceed with the proposals as advertised. To help streamline this process, it is proposed that the Cabinet Member, Environment & Place, be authorised to agree the final Amendment Order using delegated powers.

- 4.3 The Council does not set the parking tariffs for car parks it does not own. Consequently, any objections linked to the charges proposed by the two Parish Councils will be passed to them to consider and respond. Any objections to the proposals for the Enterprise Drive, Silks Way and Rayne Road car parks will be dealt with by the Council.

5. Financial Considerations

- 5.1 The cost of amending the OSPPO in accordance with the proposals contained in this report will consist of the cost of advertising the public notice in the local press (a statutory requirement). This cost will be met by Asset Management from within their existing budgets.

6. Legal Considerations

- 6.1 It is proposed to make a legal order that will amend the existing Off Street Parking Places Order to incorporate the Asset Management car parks referred to in this report, as well as the two car parks identified in Coggleshall and Hatfield Peverel. Orders are made under provisions of the Road Traffic Regulation Act 1984 (as amended) (the 1984 Act).
- 6.2 The Order will be drafted in accordance with the decisions Cabinet make on the proposals in this report. It will then be advertised and consulted upon in accordance with the requirements of the 1984 Act and The Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 (as amended).
- 6.3 The Regulations require a minimum 21-day period for the submission of any objections. Once any objections have been considered they will be the subject to consideration by the Cabinet Member Environment & Place in consultation with the Cabinet Member, Corporate, for determination before the said Order is confirmed.
- 6.4 Once any objections have been determined and any applicable changes made to the draft Order, a final version shall be made and, in accordance with the Regulations, a 'notice of making' shall be published within 14 days and objectors notified of the Council's decision.

Development of New Temporary Accommodation		Agenda No: 8a
Portfolio Corporate Outcome:	Homes A well connected and growing district with high quality homes and infrastructure Residents live well in healthy and resilient communities where residents feel supported	
Report presented by:	Councillor Kevin Bowers, Cabinet Member, Homes	
Report prepared by:	Tim Lucas, Housing Research & Development Manager	
Background Papers:	Public Report	
None	Key Decision: No	
Executive Summary: The Council currently owns 4 flats in Bradford Street, Braintree which are used as temporary accommodation for people who are homeless. The accommodation is very useful but has limitations which are set out in the report. The Housing Research & Development Team has identified a council-owned site near Progress Court, Braintree and has been looking at whether this would be a suitable site for a replacement scheme. All of the original appraisals were based on the assumption that the Council would develop the land and maintain ownership but it has become clear that it may be more practical and viable for Eastlight Community Homes to undertake the development on behalf of the Council. Although it appears the site can accommodate 4 flats, this would be subject to planning permission. There are 4 steps to the process for which member approval is being sought: 1. The site is immediately adjacent to (but not accessible from) an allotment site owned by the Council. To make sure that the land is correctly assigned, the site has to be identified as 'housing' land. This would not affect the existing allotment site. 2. The site access is across land owned by Eastlight Community Homes. In 2019, Greenfields Home Committee agreed for the land to be transferred to the Council in exchange for Council-owned land adjoining an adjacent property. The adjacent property is owned by Eastlight but the Land Registry identifies the Council as owning part of the garden. This is effectively an un-corrected error in the stock transfer transaction. Under this proposal, the Cabinet is being asked to approve the transfer of the Council's land intended for development and the land from the adjacent property in return for nomination rights for the properties to be constructed on the site.		

3. The intention is to seek a high specification for the flats as the accommodation needs to be suitable for people who may pose some risk to themselves or others. At this stage, the final cost of the build of the scheme is uncertain but even with the land passed to them without charge, it is expected that Eastlight will need additional grant funding. Eastlight is able to bid to Homes England (HE) for grant and the Council would support that as the best use of resources but may need to be prepared to grant fund the build cost if it is not possible to secure funding from HE. Previous experience has been that, if planning approval is granted, HE is normally looking for schemes providing certainty of completion to allocate their grant funding. Currently, the Council's Housing Capital Budget stands at over £1million and funding can be committed from that budget.
4. This report is seeking approval for the details of the investment in the scheme to be delegated to the Cabinet Member for Homes on the assumption that the spending will be within the Housing Capital Budget.

Recommended Decision:

1. That the identified parcel of land adjacent to Progress Court is made available for the development of housing.
2. That the Cabinet agrees to transfer the area of land for development to Eastlight Community Housing, together with the land required to remedy the boundary issues with the neighbouring property. The transfer is subject to the provision of a suitable scheme of housing to which the Council will retain nomination rights.
3. That Council officers work with Eastlight Community Homes to identify any shortfall in funding for a suitable scheme and if that is the case, the Council supports a bid for funding to Homes England with a fallback position of support from the Council's Housing Capital budget, up to a maximum of £200,000.
4. Approval of the final level of investment within the Housing Capital budget is delegated to the Cabinet Member for Homes.

Purpose of Decision:

To secure purpose-built temporary accommodation for use by the Council in meeting its homelessness duties.

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

<p>Financial:</p>	<p>Capital Costs The Local Authority Social Housing Grant (LASHG) budget stands at £1,057,780. The main purpose of the fund has been for the Council to secure affordable housing to which we can make nominations.</p> <p>The report identifies that successful commissioning of the proposed development would permit the Bradford Street flats currently owned by the Council and used as temporary accommodation to be decommissioned and sold. A valuation report on the 4 flats at Bradford Street in August 2017, indicated a minimum of £200,000 for the building. An updated valuation will be commissioned and it is expected to show an uplift.</p> <p>The decision recommendation suggests a maximum cap on any financial contribution from BDC of £200,000. This ties in with the sale value of the property in Bradford Street.</p> <p>Revenue Costs The current costs of maintaining the Bradford Street scheme are met from the Housing Service budget. If the scheme is used in the same way as Bradford Street, terms will have to be negotiated with Eastlight for covering void costs and for repair/turnover costs associated with temporary accommodation.</p>
<p>Legal:</p>	<p>The current area of land is adjacent to the Council owned allotments off Bunyan Road, Braintree but there is no clear access between the 2 areas of land and the area proposed for development has no specific current use, although it is maintained by the Council. It is mainly laid to grass. The report recommends defining the land as being available for housing as a sensible precursor to the development.</p> <p>The Bunyan Road land is classified as a non-statutory allotment. A s123 Notice will have to be served and published in the newspaper for 2 consecutive weeks, allowing at least 2 weeks for objections. Legal advice recommends seeking Cabinet approval for the decision to transfer the land and to then serve the notice and delegate the power to consider any objections to the Cabinet Member and Director.</p> <p>Greenfields' Land Committee agreed to a land 'swap', with the access land being transferred to the Council, in exchange for the garden area. We expect no issue with Eastlight about a transfer of our land to them and officers have already indicated that in principle, they will work with us on this scheme.</p>

Safeguarding:	The scheme itself is proposed to be used as temporary accommodation for people who have become homeless. The project team will explore whether CCTV can be part of the specification to enable monitoring of the scheme.
Equalities/Diversity:	No specific equalities or diversity issues
Customer Impact:	The scheme will be a significant improvement over the current units for people accommodated.
Environment and Climate Change:	We will consider the environmental impact of the scheme as we specify the building.
Consultation/Community Engagement:	Occupiers of neighbouring properties will be consulted during the planning process.
Risks:	<p>The change of use of the land may raise a number of objections as it is identified as part of the Bunyan Road allotment site but, in reality, is not cultivated or used as an allotment. There is no evidence that this was ever the case.</p> <p>It is feasible that Eastlight cannot design and secure a scheme that meets our housing needs and is acceptable in planning terms on this site. If so, the Council could be left with the original parcel of land.</p> <p>It is possible that patterns of demand will change in the future and the scheme may become surplus to requirements for homeless households. Officers will seek to secure long-term nomination rights regardless of how the scheme is used.</p> <p>The continuing use of the flats in Bradford Street poses financial risk as the Council may have to invest significantly to maintain safety standards there. The new scheme will be designed with high standards of safety and Eastlight has the capacity and resources to manage the asset.</p>
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Designation:	Housing Research & Development Manager
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1. Background

- 1.1. The Homelessness Reduction Act (HRA) came into force in April 2018. Under the new Act, district councils have enhanced duties to people who are homeless or threatened with homelessness. To tie in with the new Act, the Council published a new Homelessness Strategy and changed completely the process for dealing with homeless households.
- 1.2. Changes have included:
 - 1.2.1. Reviewing the way the Housing Options Team functioned to make sure that it has sufficient staff resources to cope with the expected increase in the numbers of people accessing its services;
 - 1.2.2. Undertaking a review of work with private sector landlords, including a report by an expert adviser, funded by a grant from the Local Government Association; *and*
 - 1.2.3. Assessing the Council's access to temporary accommodation for homeless households. The recommendations in this report stem from this assessment.
- 1.3. The Council's Housing Options Team uses the former public house on the corner of Bradford Street and Church Lane, Braintree as temporary accommodation for homeless households. The building is converted to 4 self-contained units but there are some issues due to the size and layout of the flats.
- 1.4. The two bedsits are very small and cooking facilities are limited to a microwave in one of them. The one bed flat on the first floor is accessed by an internal staircase. And this is the only means of escape. To mitigate risks, there are linked fire alarms and heat detectors.
- 1.5. The principle of the Council being able to control access to 4 units has been valuable to the Council. It will be important to agree with Eastlight how access to a new scheme would be kept separate from existing arrangements for other units and made available for the Council's nominated homeless households.
- 1.6. Since the stock transfer, the Council has relied on housing association providers to accommodate people that we have a duty to and we have found that a variety of accommodation types and sizes is vital to meeting our legal duties.
- 1.7. The site identified is adjacent to Progress Court in Braintree and backs onto the Salvation Army Citadel. It has the advantages of being:
 - the right size for a small block of flats;
 - in a location that is within easy walking distance of Causeway House and the town centre;
 - in a setting that does not appear to immediately impact on many other properties.

2. Scheme Costs

- 2.1. The Council's original appraisal indicated estimated build costs and overheads of £531,190 but further estimates by the Council's consultant, were significantly higher. Passing the land to Eastlight enables their existing Team to use their known contractors to make sure that the scheme is feasible and viable. The Housing Research & Development Team does not have the capacity to manage the build of the scheme – the Team has been involved in many housing schemes

but responsibility for overseeing the build has always been taken by partner housing associations.

- 2.2. If members approve the principle of the scheme, it is proposed that officers work with Eastlight to undertake a new appraisal of costs and identify costs that cannot be met by the expected rental income.

3. Capital Budget

- 3.1. The Local Authority Social Housing Grant (LASHG) budget stands at £1,057,780. The budget includes £390,000 in s106 receipts from payments in lieu of affordable housing. The earliest of the payments was received in respect of 3 sites during 2017/18. This funding is ring-fenced for affordable housing and must be spent within 5 years or could be reclaimed by the developers. This is therefore a valid use of these resources.
- 3.2. A valuation report on the 4 flats at Bradford Street in August 2017, indicated a minimum value of £200,000 for the building. The building will be available for sale once the new scheme is commissioned.
- 3.3. At this stage, it therefore seems prudent to set a financial limit on the Council's financial contribution to the proposed scheme. A limit of £200,000 is suggested as it ties in with the expected resale value of the property in Bradford Street.

4. Running Costs

- 4.1. The running costs for the Bradford Street properties are met by the Housing Services budget. Maintenance and repair of the building is overseen by the Council's Assets and Valuations Team, while the management of tenants is undertaken by officers in the Housing Options Team.
- 4.2. The Average management and maintenance cost over the last 5 years was £23,920.50 per year and the property will need significant investment in the future to remain useable as accommodation.
- 4.3. Expenditure in 2017/18 included dealing with the costs of a break-in during which one flat was stripped of copper piping and the damage resulted in a long period when it was not available for use.

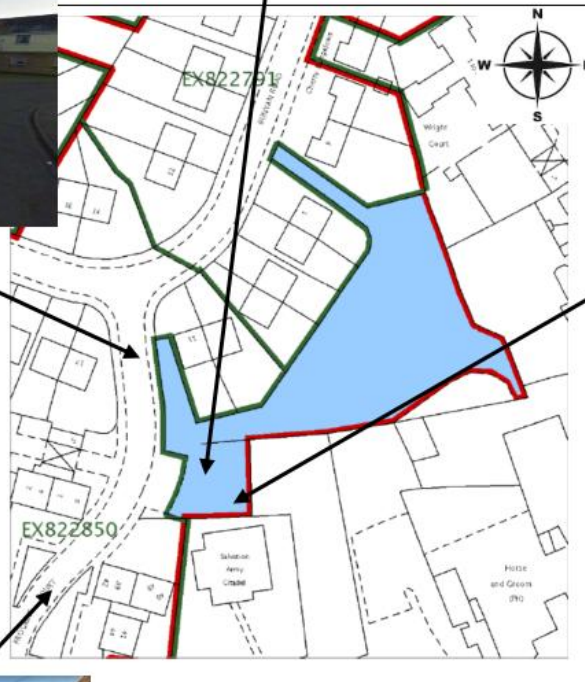
5. The Site

- 5.1. The original plan was to effectively undertake a 'swap' of land, with the Council securing the land required for access and amenity space/parking from Eastlight while passing the area of resident's garden to Eastlight. This report is seeking approval to undertake the legal process for a change of use of the land for transfer from allotment site to housing land and then pass the whole site to Eastlight.
- 5.2. Officers are therefore seeking Member approval for the principle of the actions required to facilitate the change of use and land transfer, while issues arising from the transfer and agreement of the Council's financial investment are delegated to the Cabinet Member for Homes and the Corporate Director.
- 5.3. The following pages show the layout of the site and the area around it.

Description of the Progress Court Site

Current appearance of main area of land.
The wall is on the east (right hand side) on
the drawing below

Eastlight property with boundary
shown on Land Registry Title as
within BDC land area



Boundary to Salvation
Army Citadel (southern
site boundary)



View of area from Progress
Court (land area is on the right
hand side).



Area of site used as allotments
(unaffected by proposed
development and transfer)

1. Land area identified for transfer to Eastlight



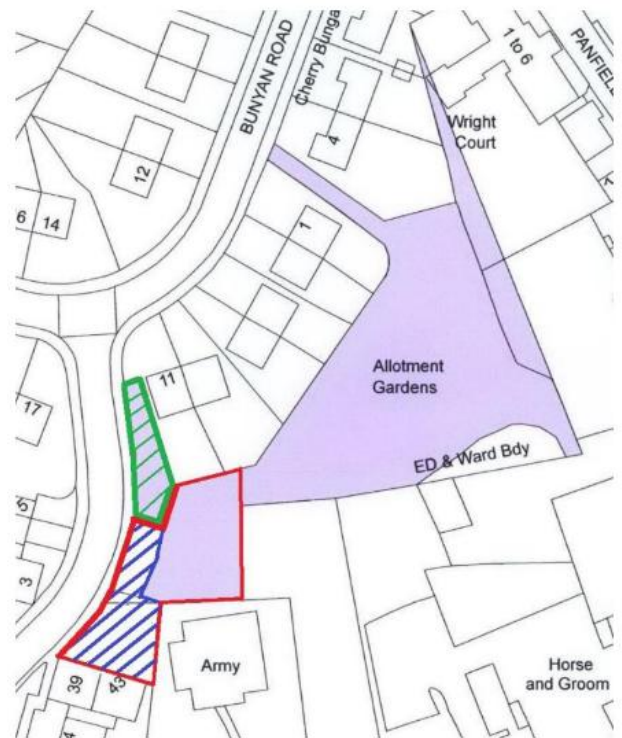
2. Land forming part of the adjacent garden







3. Land owned by Eastlight but available for the scheme



4. Summary



-  BDC land currently identified as allotment
-  Outline of new housing site
-  Eastlight land available for access and amenity/parking
-  BDC land in neighbour's garden

Cabinet Member Decisions made under delegated powers		Agenda No: 9
Portfolio See body of report Corporate Outcome: Report presented by: Not applicable – report for noting Report prepared by: Chloe Waight, Governance Business Officer		
Background Papers:		Public Report
Cabinet Decisions made by individual Cabinet Members under delegated powers.		Key Decision: No
Executive Summary: All delegated decisions taken by individual Cabinet Members and Chief Officers are required to be published and listed for information on the next Cabinet Agenda following the decision. Since the last Cabinet meeting the following delegated decisions have been taken (details as at time of decision): Councillor Mrs W Schmitt – Cabinet Member for Environment and Place. Decision taken on 4th March 2020 To agree the increase in the Council’s Schools Grounds Maintenance Service Level Charges (SLA) from 1 April 2020 to 31 March 2021 as set out at Appendix A. Councillor Mrs W Schmitt – Cabinet Member for Environment and Place. Decision taken on 4th March 2020 This decision approves that the 2020-21 charges for commercial waste collections provided by the Council’s in-house waste management service. Councillor Mrs W Schmitt – Cabinet Member for Environment and Place. Decision taken on 4th March 2020 <ol style="list-style-type: none"> 1. Subject to the Council’s statutory obligations under the Local Government Act 1972 and the Localism Act 2011, agree in principle to the disposal of the land known as Cut Throat Lane Allotments. 2. To approve the comment the statutory process for notice under the Local Government Act 1972 and the Localism Act 2011 for the disposal of the land known as Cut Throat Lane Allotments. 		

Councillor J McKee – Cabinet Member for Corporate Transformation. Decision taken on 3rd July 2020

That the Cabinet Member for Corporate Transformation approves the disposal of the Council owned land adjoining 101 Church Lane, Bocking, Braintree for the sum of £18,000.

Councillor P Tattersley – Cabinet Member for Health and Communities. Decision taken on 30th July 2020

To agree the core price increases proposal across the Leisure Contract from 1st April 2020 as per clause 10.1 in the specification an increase on core prices of CPIX at the month of January 2020 which was 1.8%. The increase proposed by Fusion averages at 1.9% *(reasons for the increases above inflation are listed in point 4.

Cabinet Decisions made by individual Cabinet Members under delegated decisions can be viewed on the Access to Information page on the Council's website.

www.braintree.gov.uk

Recommended Decision:

For Cabinet to note the delegated decisions.

Purpose of Decision:

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

Any Corporate implications in relation to the following should be explained in detail.	
Financial:	None arising out of this report.
Legal:	None arising out of this report.
Safeguarding:	None arising out of this report.
Equalities/Diversity:	None arising out of this report.
Customer Impact:	None arising out of this report.
Environment and Climate Change:	None arising out of this report.
Consultation/Community Engagement:	None arising out of this report.
Risks:	None arising out of this report.
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