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## REVENUE ESTIMATES FOR 2021/22

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### Background

1. Each year Cabinet is required to make a proposal to Council to agree a budget for the next financial year. This report contains the recommendations of Cabinet for a budget for 2021/22.
2. The budget proposals from Cabinet have since been amended under delegation to allow for:
  - Submission of a statutory estimate (NDR1) for Business Rate Retention Income which was completed after Cabinet. The net budgetary impact of finalising the business rate accounting estimates is Nil as all changes are neutralised by the use of Business rate retention reserve. The reserve is used to hold the multi-year flow of accounting entries for the Business Rate Retention scheme. **Section 8** contains declaration of Business Rate surplus or deficit for the year.
  - The Government has announced a final grant settlement for 2021/22 and there are no changes to the Council's funding compared to the provisional settlement reported to Cabinet.
  - The report now includes details of Parish Precepts.
3. The budget report in **Appendix 1**, provides the funding for core Council Services and supports the aims of Our Chelmsford, Our Plan. The budget reflects the need to find budget reductions to offset low government funding and to invest in the priorities of the authority. Key elements of the budget proposals are:
  - New Capital and Revenue Service Investment as shown in **Section 4**.
    - New Revenue investment of £100k of which £73k is ongoing after 2021/22.
    - New capital investment of £1.855m. This is predominantly targeted to achieve improvements to the Civic Theatre.
  - Council Tax proposal. The Government rules allow Chelmsford to raise Council tax up to £5.00 without triggering a local referendum. It is proposed to increase the City Council's Council Tax by 2.49% or just under 10 pence per week (£4.95 per year) in 2021/22, similar to the level of increase in previous years.
  - A review of reserves to ensure that they are sufficiently robust to sustain the Council in the medium term, as set out in **Section 6**.
  - The report identifies precepts for other bodies and special expenses and their effect on the overall Council Tax levels in **Section 8** of **Appendix 1**.
4. **Financial Challenges**  
The report identifies an estimated budget shortfall for 2022/23 of £2.2m and a further £0.6m by 2025/26, however these estimates will change over time as events and income become more certain. Details can be found in **Section 6** of Appendix 1.

5 **Risks and a Robust Budget in Section 7**

An analysis of the major risks contained within the budget, and an opinion on the robustness of the estimates and the adequacy of reserves, is made by the Director of Financial Services in **Section 7**, in line with statutory requirements. The Director identifies the key considerations that have been taken into account in arriving at the opinion, which Members are required to consider when setting the Council's budget.

6 A Council Tax Resolution (**Appendix 2**) has been prepared which identifies the legal information required to set the Council Tax for 2021/22 for Chelmsford City.

7 Additional wording has been added to a number of items within **Appendix 1**, to provide further information to readers of the document.

8 **Cabinet Resolved that it be RECOMMENDED THAT COUNCIL** approves the budget report in **Appendix 1**:

- i. The new Capital and Revenue investments in Council Services shown in **Section 4**
- ii. The Revenue Budgets in **Section 9** and Capital Budgets in **Section 10**
- iii. The delegations to undertake capital schemes identified in **Section 4, Table 5**
- iv. An increase to the average level of Council Tax for the City Council increasing the average annual Band D Council Tax to £203.95 in **Section 8**
- v. The fees & charges changes outside the budget guidelines as set out in **Section 3**
- vi. The movement in reserves shown in **Section 6**
- vii. Special expenses, Parish and Town Councils precepts as identified in **Section 8, Table 11**.
- viii. Delegation to the Chief Executive to agree after consultation with the Leader of the Council the pay award for 2021/22 within the normal financial delegations.

**Cabinet Resolved that the Council note** the Budget Forecast in **Section 6** and the report of the Director of Financial Services on the risks and robustness of the budget in **Section 7**.

9 **Council is recommended to approve;**

The Council Tax Resolution in **Appendix 2**, which fulfils the legal requirements to set a Council Tax for 2021/22

**List of Appendices**

- 1 Budget Report 2021/22
- 2 Council Tax Resolution

**Background Paper**

Nil

### Corporate Implications

Legal/Constitutional: To meet the legal requirements placed on the Council to set a balanced budget and approve a level of Council Tax for the coming year

Financial: As detailed in the report

Potential impact on climate change and the environment: The Council's budget supports the Council in delivering its environmental objectives

Contribution toward achieving a net zero carbon position by 2030:

The report provides funding for initiatives to contribute towards this goal.

Personnel:

N/A

Risk Management:

A review of the risks is identified

Equality and Diversity:

The budget report itself does not require its own equality impact assessment but individual proposals within the report are considered for their impact, and equality impact assessments are produced where applicable

Health and Safety:

N/A

Digital:

N/A

Other:

N/A



## Budget report 2021/22

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## Section 1 Introduction to the Council's 2021/22 Budget

This report contains the revenue and capital budgets for 2021/22 and background context.

The budget reflects the impact of the Covid-19 pandemic. It forecasts significant reductions in the level of Council income in 2021/22 and a significant use of reserves to reduce the shortfall. It is financially sustainable, and in line with Council policy, to use the Unearmarked reserves as the income shortfalls in 2021/22 are mostly expected to be temporary. Additionally, the overall level of reserves is sufficient over the medium term to cover other financial risks.

The pandemic has meant budgets and forecasts have been subject to regular revision as measures to contain the virus change. The length and impact of the Government's Covid-19 regulations are uncertain. So, it is likely that the actual level of income and expenditure for 2021/22 will be materially different from the forecasts contained in this budget report. The report identifies a £7.557m shortfall before Council actions and one-off Government funding.

The level of reserves to manage the financial risk is therefore the key assurance that the budget plans are affordable. It should be noted that the report identifies reserve levels that depend on the forecast of 2020/21 income and expenditure which may also be materially different when a financial outturn is determined after the 31<sup>st</sup> March 2021.

The table below shows a summary of how the revenue budget has changed and how it has been balanced between 2020/21 and 2021/22:

Summary Budget Movements Between 2020/21 and 2021/22	
£000s	
2,794	Base Budget Position (see Section 3)
4,763	Covid Losses (see Section 3)
<b>7,557</b>	<b>Initial Budget Gap</b>
-2,215	Government Funding (Section 2)
-2,101	Savings & Efficiencies (Section 3)
155	Service Enhancements (revenue and capital Section 4)
-1,723	Asset Replacement Reserve (See Section 5)
-352	Council Tax Income (Section 6)
-1,321	Use of Unearmarked Reserves
<b>-</b>	<b>Budget Gap</b>

The Government is providing significant extra one-off funding for 2021/22 and **Section 2** identifies the various streams of funding. The funding position is now finalised.

The Council, in common with all other Local Authorities, has faced significant revenue budget pressures for a number of years. **Section 3** identifies the cost pressures the Council continues to face. By practising strong financial management, we have planned and dealt with those challenges. The actions, savings and efficiencies proposed to balance the budget are identified in **Section 3** in Table 3c.

Even within the financial constraints, there is a need to adapt and improve service provision to deliver Our Chelmsford, Our Plan. **Section 4** identifies the new investments in services that are funded by revenue and capital resources in the 2021/22 budget.

**Sections 5 to 7** identify the medium- to long-term financial planning issues that the Council needs to consider.

The Local Government Act 2003 Section 25 includes a specific personal duty on the Chief Financial Officer (CFO) to make a report to the authority when it is considering its budget and Council Tax for the forthcoming year. The report must deal with the robustness of the estimates and the adequacy of the reserves included within the budget. (For the purpose of the Act, 'reserves' include 'general balances'.) The Act requires the Council to have regard to the report in making its decisions. The report is contained in **Section 7**.

The Government has based its grant funding settlement on the assumption that all Councils will increase their Council Tax by the maximum allowed before a referendum is required, which is £5. The budget includes proposals to increase an average band D Council Tax by £4.95 per year, after allowing for rounding of Council Tax bills into ninths.

**Section 8** identifies the detail of the Council Tax proposals and the associated legal matters, including meeting the legal requirement to declare a Business Rate Surplus or Deficit.

**Sections 9 & 10** contain a breakdown of the revenue and capital budgets.

## Section 2

### Government Funding

The Council's main Government revenue streams are often referred to as Formula grant or Settlement Funding Assessment. The Government has based its settlement on the assumption that all Councils will increase their Council Tax by the maximum allowed (before a referendum is required).

The Government has for the last few years proposed reviews of the funding arrangements for Local Government, but each review has been delayed. The Government has again committed to making radical changes with a new target of implementation during 2022/23. The changes are expected to include:

- Reset Business Rate Baselines, which initially is likely to reduce income from the business rate retention scheme
- Changing how funding is allocated between local authorities, 'fair funding'
- Reform of the New Homes Bonus Scheme

Further discussion of these matters is covered in **Sections 6 and 7**.

**Table 1** below shows a comparison of 2020/21 Government funding to the provisional settlement and final settlement for 2021/22. The 2021/22 settlement is for a one-year period only, so there remains uncertainty regarding the Government's long-term funding intentions. There are a number of new grants which the Government says it has provided to reflect the challenges caused by Covid-19. The grants are un-ringfenced (can be used for any purpose).

**Table 1**

Funding Streams	2020/21	2021/22 (provisional)	2021/22 (Final)
	£m	£m	£m
<b>A) Revenue Support Grant</b>	0	0	0
<b>B) Baseline business rate retention</b>	3.4	3.4	3.4
<b>C) Sec 31 Grants</b>	0.28	0.18	0.18
<b>Ongoing Funding</b>	<b>3.68</b>	<b>3.58</b>	<b>3.58</b>
<b>Temporary Funding 2021/22</b>			
<b>D) Lower Tier Funding</b>		0.64	0.64
<b>E) Covid-19 Expenditure pressures grant</b>		0.78	0.78
<b>F) Local Council Tax Support Grant</b>		0.19	0.19
<b>G) Sales, Fees and Charges Grant</b>		0.7	0.7
<b>H) Local tax income guarantee 20-21 Losses</b>		Payable in 2020/21	Payable in 2020/21
<b>Temporary Funding</b>		<b>2.31</b>	<b>2.31</b>

- A. Revenue Support Grant (RSG) £Nil – a central government grant given to local authorities which can be used to finance revenue expenditure on any service. The amount of RSG given to each authority is determined by a needs assessment which includes estimates of local resources such as council tax, population and other local data. The Council lost all its remaining RSG in 2018/19, however some authorities still receive RSG as a result of the needs assessment.

- B. Business Rates Baseline £3.4m – the City Council retains only a small share (around 4%) of the Business Rates collected locally; a Government formula is used to determine the amount the local authority can keep. The Business Rate Retention scheme detailed later is measured against this baseline.
- C. Section 31 Grants (£0.177m) – The complexity of the Business Rates Retention Scheme has led to grants being paid to local authorities for Government initiatives such as not increasing business rates in line with inflation. These grants vary in value each year.

#### **Temporary Grants**

- D. Lower Tier Services Grant £0.65m. The Government is allocating a one-off new “un-ringfenced” (can be spent on anything) Lower Tier Services Grant in 2021-22, which will allocate £111 million to local authorities with responsibility for lower tier services (for example, homelessness, planning, recycling and refuse collection, and leisure services). This is shared using a traditional needs-assessment methodology and a “floor” to ensure that no local authorities have a reduction in spending power as measured by Government. The Government has stated “it is clear that this funding is in response to the current exceptional circumstances and is a one-off. No local authority should take this funding floor as guaranteeing similar funding floors in future years, including in future finance reforms.”
- E. Covid-19 Expenditure pressures grant £0.78m. This is “un-ringfenced” so can be spent on anything but the Government has suggested the priorities: adult social care, children’s services, public health services, household waste services, shielding the clinically extremely vulnerable, homelessness and rough sleeping, domestic abuse, managing excess deaths, support for re-opening the country and, in addition, the additional costs associated with the local elections in May 2021.
- F. Local Council Tax Support Grant £0.189m. New funding for 2021-22 in recognition of the increased costs of providing local council tax support (LCTS) and other help to economically vulnerable households following the pandemic. The funding is un-ringfenced and can be used for any purpose including to provide other support to vulnerable households, which may be through local welfare schemes. The Council budget proposes that it is used to fund additional costs of the LCTS scheme that may occur during 2021/22. Such additional costs will impact on the budget in 2022/23 and later years through Collection Fund (Council Tax) deficits. The Council policy is to fund Collection fund deficits by using Unearmarked Reserves, so £0.189m grant will be transferred into Unearmarked reserves.
- G. Sales, Fees and Charges. The Council estimate of the grant is £0.7m and un-ringfenced. The scheme would again feature a 5% deductible rate, whereby councils will absorb losses up to 5% of their planned sales, fees and charges income against the 2020/21 budget, and compensation for 75% of eligible losses.
- H. Local tax income guarantee for 2020-21. This funding will be used to make up 75% of calculated losses in Council Tax and Business Rate income. The grant will be included in 2020/21 outturn. The Council Tax element is anticipated to be around £70k. The Business Rate grant is uncertain and will be dealt with as part of the 2020/21 closure of accounts.

With the exception of Local Council Tax Support, all un-ringfenced grants will be used generally to support the budget instead of drawing down reserves. The LCTS grant will be held in the Unearmarked Reserves during 2021/22 and used to offset the additional impact of LCTS costs in later years which will be identified when the Collection Fund deficits are estimated.

#### **Retained Business Rate Growth (Above Baseline Funding)**

Under this scheme, the Government allows local authorities to share some of the growth in Business rate income in their area.

The Government scheme is materially unchanged from 2021/22, so in summary:

- i. A baseline funding position is calculated on our historic business rates collection, adjusted by a ‘tariff’ payment. A local authority must pay a tariff if its individual authority business



rates share is greater than its assessed baseline funding level. Conversely, a local authority will receive a top-up if its baseline funding level is greater than its individual authority business rate share. The City Council in 2021/22 must pay a tariff of £27.5m and is able to retain Baseline Funding of £3.40m of the Business Rates it collects.

- ii. Under the Business Rates Retention Scheme, local authorities can come together on a voluntary basis to pool their business rates receipts and then agree collectively how these will be distributed between pool members. Pooling provides the opportunity to keep a greater share of business rates growth which otherwise would be paid to Government as a 'Levy'. However, the protection each authority receives is less in the event of losses, so in the event of the pool having an overall reduction in Business Rate Income against the Baseline set by Government, an authority could share a higher burden than they would have done outside a pool. Chelmsford has been a member of an Essex pool for a number of years and re-joined for 2021/22. The income from the pool is difficult to project as it relies upon the approach taken by other authorities as well as Chelmsford.  
The Business Rate Retention Scheme is complex with gains and losses occurring in one financial year but then not impacting on the Council's finances until later ones. The Business Rate Retention Reserve is used to manage these timing differences. The value of Business Rate transactions passing through the Council's revenue account will be significantly increased during 2020/21 and 2021/22 due to Covid-19. Some £20m will be transferred into the Business Rate Timing Reserve in 2020/21 and paid out in 2021/22 and following years. This transfer reflects the support provided by Government to businesses for Covid-19 and in reality these are accounting entries will have little impact on the Council's finances.
- iii. The forecast for the business rate retention scheme income is based on assumptions regarding the level of appeals made by taxpayers against their property valuations and reliefs. It is of note that some taxpayers are making appeals for the effects of Covid-19 on their businesses. This type of claim may not be eligible but, if it were, it could have an impact on the Retention Scheme and Council income.
- iv. The Government is providing support to Councils to meet some types of business rate losses arising from Covid-19 under the Local tax income guarantee grant for 2020-21. The grant will be payable in 2021/22 and accrued for in 2020/21 but it is unclear at this time how much grant will be received.
- v. The Council's budget reflects only £200k of Business Rate Retention being used to support annual service expenditure which is broadly the same as 2019/20 and 2020/21. This reflects the level of risk in the estimates of Business Rate Retention income.
- vi. The Council is required to finalise, and provide to Government, its Business Rate Retention income estimate in late January; this report to Council includes the updated position and a legal declaration of Surplus/deficit is made in **Section 8**.

#### New Homes Bonus (NHB)

This is a grant paid by central government to local authorities. It aims to reward councils for each additional home added to the council tax base, including newly built properties and conversions as well as long-term empty properties brought back into use, after allowing for certain deductions such as demolitions. An additional sum is paid for each new affordable home built. The scheme, as previously reported, has over its life been made less generous. New payments are only receivable for one year rather than the previous four years. The expected funding for New Homes Bonus is shown in **Table 2** below:

**Table 2**

	2019/20	2020/21	2021/22	2022/23	2023/24
	£000s	£000s	£000s	£000s	£000s
2016/17	715				
2017/18	1,082	1,082			
2018/19	1,134	1,134	1,134		
2019/20	884	884	884	884	
2020/21		1,326			
2021/22			1,113		
2022/23				Not known	
2023/24					Not known
	3,815	4,426	3,131	884	0

It has been assumed in the financial planning that:

- the sums payable will be contributed to the Chelmsford Development Reserve which is available to be used to fund the capital programme or other large one-off projects and
- no further NHB will be received after 2022/23.

#### **Homelessness Grant**

The government has changed the homelessness funding arrangements. A Homelessness Prevention Grant replaces two existing funding streams: the Flexible Homelessness Support Grant and the Homelessness Reduction Grant. The funding provided is £877k, an increase of £106k over 2020/21 budget.

The grant is ringfenced for the following purposes:

- To fully implement the Homelessness Reduction Act and contribute to ending rough sleeping by increasing activity to prevent single homelessness,
- Reduce family temporary accommodation numbers through maximising family homelessness prevention,
- Eliminate the use of unsuitable bed and breakfast accommodation for families for longer than the statutory six-week limit.

The Housing expenditure budgets have been increased to match the additional funding.

### **Section 3**

#### **Cost Pressures, Covid-19 Assumptions and Efficiencies**

#### Cost Pressures

The cost pressures are detailed in table 3a below. It should be noted that Covid-19 is not felt to result in significant additional costs, rather loss of income, so Table 3a reflects many of the normal issues the Council faces when setting its budget, including some normal income changes. Background narrations of the more significant items are set out after the table.

**Table 3a Cost Pressures 2021/22**

<b>2021/22</b>	
<b>£000s</b>	<b><u>(Increases/changes over previous year)</u></b>
662	Pay inflation - 2% year on year
30	Utilities - 2% year on year
-300	Fees & charges 2% inflation
204	Interest Income
534	Minimum Revenue Provision (capital financing) & interest
225	Pension deficiency
114	Riverside & other business rates
200	Recycling income (price volatility)
40	CIL - review of allocation of administrative fee
30	Ground Maintenance Income
15	Audit fees
	<b><u>Review of 2019/20 Outturn</u></b>
20	Tree Maintenance
153	Housing Benefit Subsidy Funding
38	Fleet costs
108	Leisure Casual Staff & Centre Maintenance
75	Utilities
46	Outturn review of Leisure Income (Dovedale & CSAC)
65	Outturn review of Hylands Income
246	Housing Other - cost of Temporary accommodation
50	Insurance Claims - annual contribution
239	Other
<b>2,794</b>	<b>Total</b>

#### **Cost Inflation and Pay**

The Council experiences cost inflation on the supplies and services it purchases. The budget only allows for increases on Pay, Business Rates and Energy. This means, in real terms, service budgets decrease in 2021/22. The real terms reduction is difficult to quantify as each service purchases different supplies and services and therefore experiences different inflation.

A potential pay award of 2% (£662k) was built into earlier budget planning, as usual. However, this has now been modified in line with the Government's guidance for other public sector workers (excluding the NHS), replacing the value of a 2% award with an increase of £250 per annum to those grades earning below £24,000. The resulting net reduction in costs is included alongside other savings and efficiencies in Table 3c.

The Council is required to consult with Unison before implementing changes to staffing pay and conditions. Additionally, national pay bargaining on behalf of local government workers may influence the outcome of local negotiations. It is therefore proposed that a delegation be made to the Chief Executive to agree, after consultation with the Leader of the Council, the pay award for 2021/22 with any change from the above assumptions being funded in 2021/22 from General (unearmarked) reserves within the normal financial delegations.

Inflation changes in the cost for Utilities are £30k in 2021/22.

### **Fees and Charges Inflation**

The budget guidelines recommended a 2% increase in fees and charges in 2021/22. The areas where a different approach is recommended in the budget are:

- Building Control. Additional increase is recommended on the savings schedule, Table 3c
- Bereavement Services. Additional increase is recommended on the savings schedule, Table 3c
- Pre-application planning charge. Additional increase is recommended on the savings schedule, Table 3c
- Court Fees. Additional increase is recommended on the savings schedule, Table 3c
- Car Parking Charges. No increase in current charges is recommended

### **Minimum Revenue Provision and Interest**

The variance reflects the net impact on the budget from additional borrowing costs. More details can be found in **Section 5**.

### **Pension Costs – 3-year Actuarial Valuation**

The Council is obliged by statute to offer its employees membership of the Local Government Pension Scheme (administered in Essex County Council). The scheme changed from a “final salary” to a “career average” scheme in 2014/15. The scheme offers members a defined benefit funded by employee and employer contributions. Every three years an actuarial valuation of the fund takes place which determines the Council’s contributions for the current employees and a deficiency payment to make good any estimated historic shortfalls in the fund’s assets measured against its expected liabilities.

For the 3-year valuation period from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2023, it is more cost-effective to fund the 3-year pension deficiency cost with an up-front payment as a discount is offered compared to paying by annual instalments. The Council therefore makes contributions into a reserve to ensure it has funds to meet the next valuation cycle’s upfront payment. It is planned to increase the 2021/22 budget by £225k and for later years by £175k each year until the annual payment into the deficiency reserve reaches the required level.

### **Recycling Income**

The Council sells collected materials to part fund the cost of service. The prices achieved for these do change and currently there has been a significant decline.

### **Review of 2019/20 Outturn**

The Council has for the last two years reported an overspend of its budget at financial year-end. The Council does have in place a number of processes to try to resolve this potential trend. Officers have reviewed the 2019/20 overspend and recommend the budget is increased in several areas, as identified in the table. Matters perhaps requiring further explanation are:

- **Housing Services and Housing Benefits**

The Council’s Strategic Housing team has a significant budget intended to enable it to deliver statutory duties to alleviate homelessness. As well as the direct costs of housing services, the Council incurs additional costs (subsidy loss) from placing households in temporary accommodation due to the interaction with the Government’s Housing

Benefit rules which do not fully fund the cost to the Council of this temporary accommodation.

The capital programme 2020/21 approved a budget of £7m for investment in 20 additional, Council-owned properties to be used as temporary accommodation, with the aim of reducing both the direct cost of housing homeless families and this subsidy loss. In 2021-22, this is forecast to enable a net cost reduction of £150k in housing services as well as reducing the subsidy loss by some £50k, after making provision to repay debt used to fund the house purchases. The Government has also provided an extra £106k of funding for Homelessness Prevention services as part of the Settlement.

This means that there is additional funding of just over £300k in total for 2021-22 which we have used to increase the Housing Service's budget as contingency, to help manage the potential increase in caseload arising from the Council's statutory housing duties in a year when economic conditions may well lead to increased homelessness.

- **Leisure Casual Staff & Centre Maintenance**

The costs of the Leisure centres, especially Riverside, were due to be reviewed. It is not possible during the Covid-19 pandemic to undertake that review. The costs identified in 2019/20 outturn review should therefore be built into the base budget subject to a review, post-pandemic.

### **Covid-19 Forecast Financial Impact (Income Changes)**

**Table 3b**

<b>2021/22 £000s</b>	<b>COVID-19 Losses</b>
2,228	Car Parking (30% loss compared to 2020/21 budget)
30	Building control
146	Theatre - full audiences by Panto 2021
108	Budgeted Savings 2020/21 not achieved Theatres
50	Museum - income loss
36	Legal and Democratic income from legal agreement work
1,257	Rents (High Chelmer and Meadows)
505	Leisure
35	Ice show cancelled
88	Markets Income loss
80	Hylands Income loss
150	Council Tax Sharing Agreement. Fall in number of properties built
50	Housing Benefit Bad debt provision increase
<b>4,763</b>	<b>Total Covid-19 Losses</b>

**Section 6** Revenue Forecast and Reserves, identifies the assumed changes in income in later years, which includes a recovery in many income streams. The Director of Financial Services in **Section 7** comments on the risks around fluctuations in income, including how that will be managed, but effectively that will be by having robust reserves.

### **Efficiencies**

The increased costs identified and enhancement to services give rise to a budget gap. To fund some of this shortfall, Directors and Cabinet Members have identified cost reductions and income generation plans whose financial impact is shown on the next page in **Table 3c**.

## Savings and Efficiencies

Service	Description	Indicative Saving 2021/22 £s	Indicative Saving 2022/23 £s	Indicative Saving 2023/24 £s	Note
Pay Award	The pay award is budgeted at 2% (£660k) across the Council. In line with the government's guidance on Public Sector Pay the 2% pay award for staff has been removed from the budget apart from the payment of £250 for those staff earning less than £24,000. Any potential pay award will be subject to negotiations with the union via a delegation to the Chief Executive in consultation with the Leader.	£541,000	£541,000	£541,000	
Bereavement Service	Bereavement Services income including increase in cremation charge to just below the Essex average (equates to a 12% increase)	£193,300	£193,300	£193,300	
Service Reviews	A number of reviews of service costs are being undertaken and the current target for savings is shown	£282,320	£282,320	£282,320	
Parks	Introduce car parking charges at Hylands.	£145,000	£290,000	£290,000	
Insurance	Agreed new insurance arrangements	£110,000	£110,000	£110,000	Renegotiated prices and structure of insurance
Car Parking	one-off payment from Park and Ride Operational Fund.	£100,000			one-off saving
Revenues and Benefits	Vacancy savings: Respond to changing caseloads through organisational changes to Benefits Service coupled with increased automation in Council Tax administration, enabling vacant posts to be released.	£75,600	£75,600	£75,600	Improved productivity from homeworking has reduced risks
Events	Increase ticket price for 3Foot festival	£71,000	£71,000	£71,000	
Digital Services	Changes to the print service	£57,000	£57,000	£57,000	
Planning	one-off payment from Garden Communities PPA to reduce the Local Plan budget in 2021-22.	£50,000			Costs will be incurred; will existing resource be sufficient
Planning	Additional income from Master planning work for 2 years	£50,000	£50,000		Costs will incurred will existing resource be sufficient

## Savings and Efficiencies

Service	Description	Indicative Saving 2021/22 £s	Indicative Saving 2022/23 £s	Indicative Saving 2023/24 £s	Note
Arts & Culture	Review project budget after Essex 2020 project	£45,200	£45,200	£45,200	
City Life	Review delivery mechanism for City Life content	£40,000	£40,000	£40,000	Greater use of digital to produce the saving so efforts must directed to avoid exclusion
Planning	Planning Post (vacant)	£31,900	£31,900	£31,900	
Customer Services	Customer Service Centre. Vacant post	£30,000	£30,000	£30,000	
Love Your Chelmsford	Reduction in capacity of Technical Support Team at Freightier House [post is vacant]	£28,000	£28,000	£28,000	
Digital Services	Remove vacant service desk post	£24,000	£24,000	£24,000	
Building Services	Changes in staffing level within the Facilities Management and Post Room team reflecting workload flow and demand.	£22,900	£22,900	£22,900	Already implemented
Building Control	Increase Building Applications charges by 5%	£21,000	£21,000	£21,000	This necessary to ensure full recovery of costs as required by statute
Finance	Finance restructure enabling release of vacant post	£20,000	£20,000	£20,000	Implementation of new practices following launch of new One Council, Technology One, ERP Finance module
Theatres	Review box office software and ticketing	£20,000	£20,000	£20,000	
Planning	Reduce budget for appointing Counsel / consultants supporting planning appeals from £69k to £50k	£19,000	£19,000	£19,000	
Legal & Democratic	New Election team management arrangements	£16,000	£16,000	£16,000	

## Savings and Efficiencies

Service	Description	Indicative Saving 2021/22 £s	Indicative Saving 2022/23 £s	Indicative Saving 2023/24 £s	Note
Vehicle Fleet	Stop using Tracker system.	£15,000	£15,000	£15,000	
Pest Control	Changes to the provision of pest control services	£15,000	£30,000	£30,000	
Revs and Bens	Court Fees, increase to ensure recovery of costs. Charge increase from £92.50 to £95.00, in line with most other Essex LAs	£15,000	£15,000	£15,000	
Planning	Charges for supporting Recreational disturbance Avoidance & Mitigation Strategy (RAMS). The Council is providing admin and Mgt from existing resources	£13,000	£13,000	£13,000	
CCTV	CCTV income from Maldon for provision of monitoring services	£10,000	£10,000	£10,000	
Planning	Reduce Conservation Grants Budget from £20k to £10k	£10,000	£10,000	£10,000	
Planning	Increase pre-application inquiry fees by 10%.	£10,000	£10,000	£10,000	
Digital Services	Printing costs reduce as we move to paperless working	£8,000	£8,000	£8,000	
Accountancy & Exchequer	Technical VAT change to some Leisure Income	£7,800	£13,000	£13,000	
Accountancy & Exchequer	Cheque Printing - cease printing cheques	£2,000	£2,000	£2,000	
Accountancy & Exchequer	Work for Recreational disturbance Avoidance & Mitigation Strategy (RAMS). Provide financial administration.	£2,000	£2,000	£2,000	
	<b>Total</b>	<b>£2,101,020</b>	<b>£2,116,220</b>	<b>£2,066,220</b>	



### **Digital Portfolio Office**

The Council established a Digital Portfolio Office (DPO) in order to accelerate the Digital Programme and reap the benefits from the investment in digital technology. The projects undertaken are on an invest-to-save basis and it is anticipated that over time the savings generated together with the service enhancements will significantly outweigh the investment. As with any new initiative, particularly involving technology, it cannot be said with complete certainty what the level of benefits will be. Initially, a budget for 2020/21 of £150k was established to develop proof of concept and a further £500k was made available through a specific reserve on successful completion of pilot work. The pilots have been successful and the second tranche (£500k) of funding has been released. The Reserve will be spent on staffing costs to develop business cases, design business processes and purchase any additional software. The 2021/22 budget includes planned DPO savings of £78k, but to sustain ongoing Digital investment, any savings will initially be used to repay the reserve. Whilst at this stage the annual staffing costs will initially be greater than the savings delivered, it is anticipated that the work streams currently being explored will deliver savings that outweigh the cost of investment. The DPO Reserve is shown in **Section 6** on reserves. The 2021/22 budget will be treated as an extension of the Pilot; progress will be reviewed, and an update included in the 2022/23 budget.

## **Section 4**

### **2021/22 Service Investment**

The Council's budget is a financial plan to contribute to delivering Our Chelmsford, Our Plan. This section of the report identifies increases in 2021/22 budget to deliver new corporate initiatives. These investments in services are categorised according to how they are funded.

#### **Revenue Funded Service Investments**

There are two types:

- Those that create ongoing costs and must be funded from ongoing financial resources to be sustainable. Examples of sustainable funding streams are statutory sources of income such as Council tax or grants and Council-generated income such as fees and charges or from budget reductions/service efficiencies.
- One-off or temporary enhancements funded by the use of unearmarked reserves or temporary income streams such as one-off grants.

The one-off service investments are being funded by Unearmarked Reserves. The ongoing items are being built into the ongoing base budget and will be funded from ongoing income sources.

**Table 4** on the next page identifies the new revenue service investments.

#### **Capital Investments in Services**

Capital Expenditure relates to the acquisition or enhancement of assets which have a useful life in excess of 12 months and are charged to the Council's balance sheet. To be an enhancement, the expenditure on the asset must lengthen substantially the useful life of the asset, increase substantially its open market value or increase substantially the extent to which the Council can use the asset.

Local Authorities can, under statute, also fund grants to other bodies or individuals from capital resources, if they meet the definition of capital. Such items are referred to in the capital programme as REFCUS (Revenue Expenditure Funded by Capital Under Statute). Additionally, Government can, on an individual basis, grant permission to capitalise non-capital costs such as redundancy.

Council approval is sought annually each February for the Capital Strategy, which provides details of overall funding and capital expenditure plans. A summary of how revenue and capital expenditure are linked is included in **Section 5** of this report.

**TABLE 4 - REVENUE FUNDED - New Service Investment for 2021/22**

Scheme		Cost 2021/22 £000s	Cost Ongoing £000s	Details
1	Transport and Operation of Knife Angel	10.6	0	
2	Digital Apprentice	13	13	The service took on 2 developer apprentices in Sept 2019 and they have worked out exceptionally well. They will graduate in January 2022 and therefore to ensure a rolling stock of apprentices, we would like to recruit 1 new apprentice in Sept 2021.
3	O365 & D365 Licence Growth	15.4	15.4	As more services are bought onto the platform for Dynamics and new starters to the organisation over the course of the year, additional licences will be required.
4	Extension of MetaCompliance Agreement	4.8	0	The MetaCompliance system assists the Council in reaching some of its compliance milestones for GDPR, as well as providing data protection training to staff. The agreement includes Data Mapping, Data Protection Training, Phishing and Policies. Just prior to GDPR, the Council signed a three-year agreement with the system provider. It is necessary to extend the products we currently have for one more year before a partly reduced product set can be considered. By signing this agreement, our provider is offering December to March free of charge, and the one-year extension will run from April 2021 to March 2022.
5	Letting Aquila House	20	0	Property Services Professional Fees (one-off for rent review/lease renewal for Aquila House)
6	Credit Processing Regulations	5	1.6	Additional Software requirements to meet new regulations

Scheme	Cost 2021/22 £000s	Cost Ongoing £000s	Details
7 Provision of Chelmsford Greening project, Conservation and Arboricultural Services	31	43	<p>The Chelmsford City Council - Mass Tree and Woodland Planting Policy calls for the implementation of a 10-year tree and woodland planting programme, whilst routine regular conservation and arboricultural activities/requirements continue. In practice, there is a requirement to identify sites for woodland and street tree planting, site checks/scoping, organise practical tree planting and volunteer/community liaison and participation, site monitoring and organising continued aftercare/replacement planting to establish the planted areas/trees. In the meantime, in past 3 years the level of expenditure on routine tree works has exceeded budget and for 2020/21 onwards the tree budget has been uplifted by £25k (30%) reflecting higher levels of requirements and activity (arranged and managed by the Conservation and Arboricultural Officer). The safety inspections of the City Council's tree stock is risk assessed as requiring an annual safety/condition inspection of all trees in the most highly frequented public areas such as parks and recreation grounds (some 8,500 trees). The level of annual inspections in the past 3 years have not reached 100% of this annual inspection requirement. The current level is on average 85%. In part this is due to other work commitments and in the short/medium term further work pressures are anticipated. This indicates levels of requirements and activity beyond the available resources. A further factor prompting a review of these arrangements is that the current Conservation and Arboricultural Officer is reaching retirement age. The post represents among its scope a critical safety and risk management function which requires specific expertise/qualification, experience and familiarity with the City Council's tree stock. It follows that a succession plan needs to be devised and implemented to ensure future consistency and continuation of arrangements.</p>
<b>Total</b>	<b>99.8</b>	<b>73</b>	<b>One-off costs funded from Reserves and Ongoing Costs are funded from ongoing income</b>

### **Approval of New Capital Schemes**

**Table 5** shows the new capital schemes. Within the scheme narrations in **Table 5**, the approval process for capital expenditure is dealt with in three ways: firstly a number of schemes are fully approved for officers to undertake; a second category requires Directors and Cabinet members to agree a more detailed business case before undertaking the scheme; a third category allows for the budget to be initially approved by Council with delegation to future Cabinet meetings to agree individual business cases. The ongoing revenue impact is £55k in 2021/22 and further £88k in 2022/23.

**Table 5 - CAPITAL PROGRAMME - New Schemes Identified for Approval**

	Details	2020/21	2021/22	2022/23	2023/24	2024/25	Later Years	Total Spend
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
	<b>New Schemes (see table 5 for details)</b>							
1	Flood Lighting Central Park Skateboard Ramps		35					35
2	Wayfinding Signs Phase 3		100	50				150
3	Townfield Street Car Park Water Ingress Prevention Works		360					360
4	Hylands Park Introduction Car Parking Charges		135					135
	<u>Schemes where Delegation Required for Cabinet/Officers to Spend Once Business Cases Received</u>							
5	Digital Services Helpdesk System		25					25
9	Web Platform Architecture Upgrade and Development		75	75				150
7	Civic Theatre Enhancement Project		1,000					1,000
	<b>Sub Total</b>	<b>0</b>	<b>1,730</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,855</b>

Details	2020/21	2021/22	2022/23	2023/24	2024/25	Later Years	Total Spend
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<u>Potential Funding</u>							
External Funding Agreed - Wayfinding Signs	-50	-50	-50				-150
<b>Total of New Scheme Proposals After Funding Applied</b>	<b>-50</b>	<b>1,680</b>	<b>75</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,705</b>

## CAPITAL PROGRAMME - New Schemes Identified for Approval Narrative

### New Schemes

### Details (delegations in red italics)

1 Flood lighting Central Park Skateboard Ramps

This scheme is a proposal for the provision of flood lighting at the Central Park Skateboard Ramps. This will extend the time the skateboard ramps can be used safely into the evenings, especially in the autumn and winter when dusk is early. It is technically feasible to install LED-type floodlighting on 6 columns, each 8 metres high, equipped with an independent electrical supply and switch gear allowing the floodlights to be time-managed and operated remotely. Consideration will be given to type of floodlight to ensure an appropriate lighting (lumen) level on all surfaces avoiding double/false shadows. *It is requested that delegated authority is given to the Director of Public Places to spend within the approved budgets.*

2 Wayfinding Signs Phase 3

This proposal is for the implementation of Phase 3 of the City Centre Wayfinding Scheme, which comprises a further 35 signs. Essex County Council (ECC) has agreed to fund this scheme over three years with contributions from the Local Highways Panel (LHP). This will further enhance the Chelmsford public realm programme, providing residents and visitors to the City Centre with clear directional information and continue to build on Chelmsford's reputation as the premier retail and leisure destination in Essex and further support the £15m investment through the Chelmsford City Growth Package being implemented by ECC. It will also support the City Centre's recovery from the economic impact of COVID-19. The wayfinding signs help to give confidence to members of the public to walk and cycle in the city centre, by helping them find where to go when using our streets and spaces, therefore helping to achieve the Council's objective of becoming net zero carbon by 2030. *It is requested that delegated authority is given to the Director of Sustainable Communities to spend within the approved budgets.*



3 Townfield Street Car Park Water Ingress Prevention Works

This proposal is to repair the water seeping through cracks in roof levels 6 and 7, by stripping all the existing coating on the top decks and applying a new structural waterproofing system. This will ensure that the building continues to be well maintained and prolongs the useful life of the structure and makes a significant difference to the customer experience. There has been concrete falling from the ceiling and landing on the upwards ramp to level 4 from level 3. Inspections of the car park have identified numerous cracks and water ingress. Should the water continue to seep through the cracks in these areas, this could cause degradation to the concrete decking slab and could lead to health and safety concerns for staff and the public. Furthermore, this could increase future maintenance or repair costs and reduce the overall life of the building. It is estimated that there will be an 8-week period of closure whilst the works are completed. *It is requested that delegated authority is given to the Director of Sustainable Communities to spend within the approved budgets.*

4 Hylands Park Introduction Car Parking Charges

This proposal seeks approval for the funding of car parking machines and additional security measures, including CCTV, to be installed at Hylands Park to support the introduction of car parking charges. The additional income generated from this proposal is included in the revenue estimates and forecast to be £290k per annum. *It is requested that delegated authority is given to the Director of Public Places to spend within the approved budgets.*

## 5 Digital Services Helpdesk System

This proposal seeks to replace the current on-premise Service Desk software with a more capable, cloud-based product. This will support the strategic development of Digital Services, reduce the administrative cost per incident and enhance the communication between Digital Services and their customers and key users, as well as improving the ability for flexible remote working. The project deliverables will include an enhanced single-sign-on, self-service portal to support IT requests, bids and small projects. The current software has been in place since 2009 and its functionality is outdated, with services such as instant chat and artificial intelligence not featured. The Service Desk resource was reduced by one permanent position from September 2020. Without a new system, the current volume of support calls will result in an impaired capacity to achieve the agreed Service Level Agreements (SLAs). There is also the potential for the Service Desk replacement to be made available as a central solution to other departments or organisations allowing them to service their customers through a customised portal. The annual costs of a new cloud-based product are estimated to be £20k per annum which is an increase of £14k per annum compared to the existing system. *It is requested that delegated authority is given to the Director of Connected Chelmsford, after consultation with the Cabinet Member for Connected Chelmsford, to agree on the selection and acquisition of an appropriate cloud-based system which meets the requirements of the organisation and to spend within the approved budgets.*

6 Web Platform Architecture Upgrade and Development

The Council currently operates multiple web platforms and has over 40 differing types of online presence. This is spread across our main website, microsites, standalone sites and public access portals. This presents a problem for the Council in maintaining so many differing platforms at not only a skills level but also in terms of keeping the vast amount of information current. It also creates a large overhead in costs to maintain all the platforms using many different suppliers. This proposal therefore is about using new technology that will allow the Council to use a single platform to cater for all the Council's needs. This will include building new websites, microsites and portals and for each offering to have their own unique branding. This will remove the need for multiple suppliers and will allow service teams to update and refresh content as required. The key here is that the Council will have the ability and flexibility to create new sites as required for zero cost. The current main website supplier has proven to be unreliable in recent months and has indicated that the product is at the end of its life. This capital bid is required to set up and develop the new platform and to transfer existing offerings onto the platform. These are one-off costs and not recurring. There is an opportunity to present more information online and for residents and businesses to interact in a paperless fashion thereby helping the Council to achieve its objective of being net zero carbon by 2030. The proposal is for an additional full-time contractor post to perform the initial development work and then, ongoing, for the role to maintain the new platform. Once the initial development has been completed a consultant would be appointed to develop and project manage the implementation work. The net ongoing revenue budget is estimated to be £40k per annum. *It is requested that delegated authority is given to the Director of Connected Chelmsford, after consultation with the Cabinet Member for Connected Chelmsford, to agree on the preferred option for implementation which meets the requirements of the organisation and to spend within the approved budgets.*

## 7 Civic Theatre Enhancement Project

This proposal focuses on two main areas of improvement:

1. Rethinking the front of house, transforming the Foyer across both the Civic and Cramphorn Theatres into a joined-up, welcoming and active social hub. Including a Cafe/Bar, Tourist Information Centre with integrated box office facilities and flexible event spaces. Creating a prestigious destination venue to attract the wider Chelmsford demographic rather than just providing a facility for theatre customers.
2. Replacing the seating in the main Civic Theatre House with a more flexible, retractable solution. Creating room for a multitude of configurations and programming from stand-up music gigs and comedy cabaret-style to theatre in the round, conventions and tea dances. Maintaining at least the existing 500 seating capacity, exploring possible future steps to enable the venue to take larger commercial touring shows, e.g. back-of-house provisions.

*It is requested that delegated authority is given to Cabinet to agree the preferred option for a scheme which achieves the outcomes of the proposed scope of the project within the proposed budget and for the Director of Connected Chelmsford to deliver the scheme within the approved budget.*

## **Section 5**

### **The impact of Capital Expenditure on the Revenue Budget**

The Council is required by statute to produce a Capital Strategy each year. It gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services. It also provides an overview of how the associated risks are managed and the implications for the future financial sustainability of the Council. The next few paragraphs are a short summary of how the capital expenditure links to the revenue budget.

The Council capital programme is shown in **Section 4** (table 5, new schemes) and **Section 10** (Replacement Programme and previously approved schemes). The capital programme is different from revenue budgets in that borrowing and asset sales may be used to fund expenditure.

The Council's financing of its capital programme is always estimated as part of the budget process and concluded at financial year-end. The actual methods of financing can differ from the estimates depending whether the relative costs of each method change. The Director of Financial Services will determine the optimal mix of resources at the end of the financial year.

The Medium-Term Financial Strategy identified the following policy:

The Council will only undertake capital investment in support of its priorities and where it supports asset maintenance, invest-to-save schemes or strategic intent (such as the provision of affordable housing). Capital spending plans, whether funded from internal resources or through borrowing, will be affordable, prudent and sustainable.

The impact on the Council's revenue budget of undertaking capital investment is via:

- Additional running costs, income or savings resulting from the acquisition of equipment or on completion of a capital project.
- Funding of capital schemes
  - A. Direct Revenue Financing of capital schemes. An expenditure line in the Council's Revenue budget which in effect funds capital expenditure
  - B. Borrowing costs. Interest and principal repayments (Minimum Revenue Provision (MRP)) are a revenue cost
  - C. Aborted Schemes. Feasibility or design works on schemes that are aborted are revenue cost. So, any such costs funded from capital, capital grants or borrowing will need to be charged to revenue resources. This is a requirement under government accounting practice.

#### **A. Direct Revenue Financing of capital schemes**

The revenue budget for 2021/22 contains a contribution to (Direct Revenue Financing) Capital expenditure of £3.1m.

- New Homes Bonus (NHB) has previously contributed to funding of capital expenditure and will continue to do so. The NHB of £3.1m (current year allocation plus previous legacy payments) will be fully utilised to fund capital expenditure. The funding will pass through the Chelmsford Development reserve and remain there if unspent in 2021/22 until applied in a later year to the capital programme.
- The Council has previously made contributions (£1.7m per year) to an Asset Replacement Reserve (ARR) which could then be used to finance capital expenditure. Mostly this would be to fund short-life assets (vehicles and plant). Given the significant financial pressures on the Council it is proposed to cease this

contribution and instead undertake additional borrowing. This borrowing would be repaid by MRP contributions met by revenue. Both funding mechanisms result in revenue contributions to the capital programme. The financial impact on the revenue budget of ceasing the ARR is to release £1.7m of savings into the 2021/22 budget. The saving will gradually reduce in size over the next few years as MRP costs increase to repay borrowing. This change will result in an additional interest cost after 5 years of around £85k per annum, however, it remains an option to avoid this interest cost by re-instating the ARR should savings or additional funding become available.

#### B. Borrowing Costs

The Council's capital programme does require the use of borrowing which is currently planned to be internal borrowing using council cash balances instead of taking on external loans. The cost of internal borrowing is the interest forgone from not investing Council funds and a Minimum Revenue Provision. These matters are discussed in the Capital Strategy 2021/22 elsewhere on the agenda.

Minimum Revenue Provision, money set aside to repay the principal of debt of £966k. Further details can be found in the Capital Strategy 2021/22. The MRP charge is made to revenue budgets for any assets funded from borrowing the year after the asset is complete. The use of borrowing means the Council will finance its programme on a sustainable basis but through annual contributions to repay debt. The gross budget variation between 2020/21 and 2021/22 is £888k but

- Operational Leasing budgets transferred out of services and included in the MRP reserve: £396k
- Additional debt cost from not making 2019/20 and 2020/21 revenue contributions to capital (boosting reserves instead) in 2021/22: £140k
- Self-Financing Housing Purchases: £70k

Debt costs for the authority can increase if planned capital receipts are delayed, as borrowing will be used to fund the capital expenditure instead.

#### C. Aborted Schemes Feasibility or Design Works

The Council can charge feasibility and design works to capital resources only when a scheme creates an asset. Should a scheme not continue to completion, any costs charged to capital would be required under Government accounting practice to be charged to revenue. The risk of costs falling on revenue increases when the Council undertakes schemes with partners or where the scheme is only viable due to external funding. In these circumstances, the Council may find it cannot continue with a scheme for reasons beyond its control. The capital programme includes a number of large schemes with significant third-party involvement; the works at Chelmer Waterside, supported by Homes England's Housing Infrastructure Fund (HIF), are the best example. Given the significant size of these types of scheme and their structure, provision should be made for the risks of costs falling back onto revenue by creating an earmarked reserve to alleviate the consequences, which is detailed in **Section 6**.

## **Section 6**

### **Balanced Revenue Budget 2021/22, Forecast & Reserves**

#### **Balanced Revenue Budget 2021/22**

Covid-19 income losses of £4.8m estimated for 2021/22, created a significant challenge to balance the budget. Given the size of the gap, it is prudent to target to resolve the shortfall over two years, rather than one. This will avoid the risk of making savings that may not be necessary due to forecasting error. More importantly, most of the income losses caused by Covid-19 are likely to be temporary, reducing in severity during 2021/22, with only a few services such as Car Parking expected to suffer long-term losses. In line with the Council's Financial Strategy, it is proposed to use Unearmarked Reserves, £1.321m, to support the 2021/22 Revenue budget.

Additional one-off Government funding has also been provided for 2021/22, which provides support to meet these temporary income losses, and additional costs, due to Covid-19. This reduces the immediate strain on Reserves which had previously been expected to be much higher.

The draft budget assumes a Council tax increase of £4.95 (£340k of extra income), the maximum allowed without a referendum. After allowing for a tax-base increase, this results in total additional Council Tax income of £405k. Further details on Council Tax can be found in **Section 8**.

**Table 6a** below summarises the movements and variation in resources applied to balance the 2021/22 budget.

**Table 6a Balanced Revenue Budget 2021/22**

<b>2021/22</b>	
<b>£000s</b>	<b>Balanced Revenue Budget 2021/22</b>
<b>2,794</b>	Base Budget Position (see section 2)
<b>4,763</b>	Covid Losses (see Section 2)
<b>7,557</b>	<b>Budget Gap</b>
100	Growth in Revenue Budget
55	New Capital Schemes
-2,101	Savings (Section 2)
-405	Council Tax Funding
53	Council Tax Deficit (funded Unearmarked reserves)
-1,723	Fund asset replacement from debt
<b>3,536</b>	<b>Budget Gap (before use of unearmarked reserves) &amp; One-off Govt Funding</b>
102	Change in Business rate including Sec 31 grants
-700	Sales, Fees and Charges Grant
-189	Local Council Tax Support
-783	Covid-19 Expenditure pressures grant
-645	Lower Tier Grant
-1,321	Use of Unearmarked Reserves
<b>-</b>	<b>Budget Gap remaining</b>

Without the additional Government funding, the Council would have used £3.5m (budget use £1.321m) of Reserves to meet one-off pressures and enable a transition to a post-Covid-19 income position. The explanation on the Revenue forecast and Reserves below plus the Risks & Robust Budget Section (**section 7**) provide further context as to why it is prudent to meet the budget gap from one-off resources.

#### Revenue Budget Forecast

The Director of Financial Services produces regular forecasts of the Council's finances and an annual Medium-Term Financial Strategy which uses these forecasts to set out a financial strategy to manage the financial challenges faced.

The Budget should be considered along with the forecast (including Reserves and Council tax) when decisions are made regarding whether the budget is affordable and sustainable.

A forecast of capital expenditure and income is contained in the Capital Strategy, in line with statutory requirements.

#### **Revenue Forecast**

In summary the projected budget shortfalls are shown in **Table 6** below:

<b>Year on Year Budget Forecast Budget Changes</b>	<b>2022/23 £000s</b>	<b>2023/24 £000s</b>	<b>2024/25 £000s</b>	<b>2025/26 £000s</b>	<b>Notes</b>
Pre-Covid-19 Budget Position	967	513	482	317	<b>A</b>
Covid-19 Income changes	-2,403	-50	-	-	<b>B</b>
<b>Initial Budget Gap</b>	<b>-1,436</b>	<b>463</b>	<b>482</b>	<b>317</b>	
Service Investments	388	300	300	300	<b>C</b>
Impact of 2021/22 Savings	-15	50	-	-	<b>D</b>
Council Tax Income	-526	-525	-577	-540	<b>E</b>
Government Funding (net)	2,517	-	-	-	<b>F</b>
Use of Unearmarked Reserves	1,250	-	44	-	<b>G</b>
<b>Budget Gap</b>	<b>2,178</b>	<b>288</b>	<b>249</b>	<b>77</b>	
<b>Cumulative</b>		<b>2,466</b>	<b>2,715</b>	<b>2,792</b>	

The notes to Table 6 are:

- A. Base Assumptions: These costs are essentially the normal year-on-year increases for pay inflation 2% £660k, pension fund deficiency £175k, MRP £495k (2022/23), less assumed increases from inflationary price rises on fees and charges levied by the Council £450k. The MRP cost rises more slowly after 2022/23 reflecting the costs within the approved capital programme, anticipated capital receipts and the removal of ARR (**Section 5**).
- B. Income Recovery Assumptions: The 2021/22 Budget includes £4.8m of losses but the forecast projects a recovery of £2.4m of income in 2022/23. Broadly, all income streams are expected to return to pre-Covid-19 levels with the exception of
  - Car Parking Income. This expected to return to 80% of pre-Covid-19 levels
  - Rental Income from shopping centres is not expected to recover until 2023/24.
- C. Service Investments: The impact of the 2021/22 revenue and capital service investments (**Section 4**) will not be fully realised until 2022/23. Additionally, a presumed £300k of service enhancements are allowed for in each year.



- D. Impact of 2021/22 Savings plan: The identified savings are not all ongoing so, as these benefits cease, the budget gap for later years increases. Details are in **Section 3**
- E. Council Tax Income: The forecast assumes 800 properties a year are built in Chelmsford and a £5 increase in annual Band D, which is the current maximum allowed for by Government (without triggering a referendum).
- F. Government funding: The settlement is for one year, 2021/22, and nearly all the key elements are proposed to be reviewed by the Government in 2021/22. The reviews have in most cases all been deferred from previous years. Given the uncertainty, the forecast reflects the removal of all the new grants deemed one-off by Government (£2.2m), changes to Sec31 grants and the reset of Business Rate Retention baseline (£200k of Business Rate Retention income that currently supports ongoing service expenditure).
- G. Reserve: The use of reserves in 2021/22 to support the budget is effectively the same as one-off income, so the forecasts assume this will cease in 2022/23. Any additional use of reserves should be considered in the light of the overall level of reserves and budget risk.

### Reserves

The Reserves are intended to be used in the following circumstances:

- The need to fund planned one-off expenditure/loss of income such as:
  - The use of reserves to temporarily balance loss of car parking income
  - Capital funding including the partial funding of the redevelopment of Riverside
- The need to protect against unbudgeted risks, for example:
  - Business Rate retention timing difference or reduced business rate income
  - Temporary falls in income
  - Homelessness and other demand-led costs

The Council will seek to increase the level of its unearmarked reserves (General Fund plus Contingency) and maintain this at an appropriate level commensurate with the level of financial risk it faces. As a minimum, the Council should work towards a target level of approximately £9m, whilst recognising that the level of balances will fluctuate over time as it adjusts to short-term pressures in the revenue budget. **Section 7** identifies the issues that the Director of Financial Services considers when setting the target.

The Reserve levels have been updated and are discussed below.

In summary, the material transfers to and from reserves in 2021/22 are:

**Table 7**

Transfer +to/-from reserve £m	Reserve Name
<u>Contribution from Revenue:</u>	
£0.717m	To the Pension deficiency cost
£3.1m	New Homes Bonus to Chelmsford Development Reserve and then contribute to Capital
£0.05m	Insurance Reserve. The Council as part of its Risk Management Strategy self-insured part of some types of claims. The funding comes from the insurance reserve. The insurance reserve has in the past been funded from Council underspends. It is proposed to start making revenue contributions to the insurance reserve from 2021/22, with annual increases thereafter, so that the fund will eventually have some £200-£250k of annual funding.
Savings of £0.078m	DPO: The projects identified will enable budgets to be reduced
<u>Transfer from General Fund and Contingency</u>	
£2.0m	To establish Infrastructure Provision, as discussed in Section 5 note c.
£0.3m	To Local Development Framework. To fund local plan expenditure.
<u>Use of Reserves to Support expenditure</u>	
£0.19m	Local Development framework
£0.16m	DPO Reserve. To support investment in Digital Technology. See <b>Section 3</b>
£0.1m	Use of Park and Ride Reserve as a saving in 2021/22
£3.1m	Chelmsford Development Reserve to support the capital programme
£0.2m	Anticipated use of Insurance reserve to cover uninsured losses.
£1.321m	Use of General Balance to meet Covid-19 losses and other items, including the Council Tax deficit for 2020/21

A forecast of the reserves for 2021/22 and future years is shown in **Table 8**, at the end of this section. It also identifies the purpose of each reserve and any delegation for their use.

Table 8 - Usable Reserves Projections															
			2020/21 (Forecast)			2021/22 Budget				2022/23 (Forecast)			2023/24 (Forecast)		
			Opening Balance	Budgeted (use of) / contribution to reserves	Closing Balance	Opening Balance	Budgeted (use of) / contribution to reserves	Transfers	Closing Balance	Opening Balance	Budgeted (use of) / contribution to reserves	Closing Balance	Opening Balance	Budgeted (use of) / contribution to reserves	Closing Balance
Earmarked			£000s	£000s	£000s	£000s	£000s		£000s	£000s	£000s		£000s	£000s	£000s
1 Cultural Support 'Fund'			154		154	154			154	154		154	154		154
2 Chelmsford development			0		0	0			0	0		0	0		0
3 Infrastructure Provision			0		0	0		2,000	2,000	2,000		2,000	2,000		2,000
4 Growth fund			69		69	69			69	69		69	69		69
5 Insurance			1,183		1,183	1,183	-150		1,033	1,033	-100	933	933	-50	883
6 Local Development Framework			642	-191	451	451	-190	300	561	561	-200	361	361	-225	136
7 Pension deficiency			3,370	-2,136	1,234	1,234	717		1,951	1,951	892	2,843	2,843	-1,611	1,232
8 Park and Ride			213		213	213	-100		113	113		113	113		113
9 Hylands House Reserve			3		3	3			3	3		3	3		3
10 Housing Initiatives				150	150	150			150	150		150	150		150
11 DPO Reserve			108	142	250	250	-80		170	170	-80	90	90	-80	10
12 Project Evaluation Resrve				390	390	390			390	390		390	390		390
13 Carry forwards			50	-50	0	0			0	0		0	0		0
Total Earmarked Reserves			5,792	-1,695	4,097	4,097	197	2,300	6,594	6,594	512	7,106	7,106	-1,966	5,140
Unearmarked															
14 General Fund & Contingency			10,641	1,974	12,615	12,615	-1,321	-2,300	8,994	8,994	-44	8,950	8,950	-44	8,906
			10,641	1,974	12,615	12,615	-1,321	-2,300	8,994	8,994	-44	8,950	8,950	-44	8,906
Total other reserves			16,433	279	16,712	16,712	-1,124	0	15,588	15,588	468	16,056	16,056	-2,010	14,046
Not Available to Support Spend, until financial year end when the actual position is determined.															
15 Business Retention reserve			1,954	20,657	22,611	22,611	-16,874		5,737	5,737	-1,443	4,294	4,294	-1,443	2,851

Reserves - Purpose and Delegation																
		Purpose							Delegation							
1	Cultural Support 'Fund'	To contribute to Cultural Services costs							Relevant Director & Cabinet member							
2	Chelmsford development	To support the ongoing development of the Chelmsford City area. New Homes Bonus plus other expected one off income will be added to the reserve							Director of Finance & cabinet member for a Fairer Chelmsford							
3	Infrastructure Provision	To manage the risk of Capital costs becoming chargeable to revenue							Director of Finance & cabinet member for a Fairer Chelmsford							
4	Growth fund	Funding Held for Strategic Planning issues							Relevant Director & Cabinet member							
5	Insurance	To meet losses and policy excesses where more appropriate to insure internally than							Relevant Director & Cabinet member							
6	Local Development Framework	To meet expenditure on the LDF							Relevant Director & Cabinet member							
7	Pension deficiency	To support the financing of the annual deficiency payments on the pension fund. To fund one off staff costs e.g. flexible retirements, redundancy.							Chief Executive, Director of Corporate Services for one off staff costs.							
8	Park and Ride	Contingency to smooth management contract costs of Park and Ride							Relevant Director & Cabinet member							
9	Hylands House Reserve	To contribute to Hylands House and Estate costs							Relevant Director & Cabinet member							
10	Housing Initiatives	To establish funding to undertake initial stages of projects that may not be capital							Director of Finance & Cabinet member							
11	DPO Reserve	The Medium Term Financial Strategy reported to October 2019 Cabinet established a DPO process and an additional sum is made available to support the work, subject to the success of pilot schemes							Chief Executive							
12	Project Evaluation Resrve	The capital programme includes scheme which require further feasibility and business work, so this reserve enables production of robust business plans							Director of Finance & Cabinet member							
13	Carry forwards	These are working balances arising from the carry forward policy, set out in financial regulations							Relevant Director & Cabinet member							
15	General Fund	These are uncommitted working balances to meet the unforeseen needs of the							Normal Supplementary estimate rules (within constitution)							
16	Business Retention reserve	To meet one off costs arising from Business Rate Retention scheme							To be used by Director of Finance as part of the annual closure of the Business Rate account							

## **Section 7**

### **Risks & Robust Budget**

#### **Statement from the Chief Financial Officer under s25 of the Local Government Act 2003**

##### **Introduction**

The Local Government Act 2003 (Section 25) places a statutory duty on the Chief Financial Officer to report to the authority, at the time the budget is considered and the council tax is set, on the robustness of the budget estimates and the adequacy of the financial reserves. The Act requires the Council to have regard to the report in making its decisions at its budget and council tax setting meetings.

In expressing this opinion, I have considered the financial management arrangements of the Council, the overall financial and economic environment, the financial risk facing the Council, the budget assumptions, the level of reserves, and the Council's overall financial standing.

##### **Financial Management Arrangements**

The Council has a rigorous system of budget monitoring and financial control in place, with regular reporting both at Executive and Scrutiny level, via the Audit & Risk Committee (year-end review), Overview and Scrutiny Panel (mid-year review) and Cabinet. Where budget variances have arisen, prompt management actions are identified to minimise any adverse effect and enable early corrective action to be put in place where relevant.

The budget process for 2021/22 included informal discussions and workshop sessions with Cabinet Members in order to ascertain the priorities for the budget, and to understand cost drivers, demand pressures and the underlying assumptions contained within the budget, such as inflation, interest rates and the cost of borrowing.

Cabinet Members also supplied an additional layer of budget challenge to the process, through meetings with their Directors, to explore opportunities for efficiencies, cost reduction or income generation. The Council's Management Team has reviewed and challenged the budget at various stages throughout its construction, including the reasonableness of the key budget assumptions, such as estimates of inflationary and corporate financial pressures, realism of income targets and the extent to which known trends and liabilities are provided for.

The budget has been prepared within the terms of the Medium-Term Financial Strategy and in consideration of the key financial risks identified.

In recent years, there has been a growing trend to increase the range of tools available to Councils to assess, and where necessary, improve their financial management. The Chartered Institute for Public Finance and Accountancy (CIPFA) has developed a Financial Management Code, designed to support good practice in financial management by setting out a series of principles supported by specific standards and statements of good practice. The Council will carry out a self-assessment against the new Code and create an action plan if required to meet the over-arching principles. CIPFA also produce an annual Resilience Index which allows authorities to view their position in respect of a range of indicators of financial risk. While such tools can be blunt instruments, which do not take account of local circumstance, they are nevertheless a useful starting point for provoking internal challenge.

The Council continues to meet requirements to produce what has now become a suite of financial management reporting, including the budget report, Medium-Term Financial Strategy (MTFS), Treasury Management and Investment Strategies and Capital Strategy, which form the framework for financial decision-making. In addition, the Council has due regard to both statutory and non-statutory guidance including the Prudential Code for Capital Finance in Local Authorities and related MHCLG Investment Guidance. Due to the financial effects of Covid-19 on the Council's budget, additional reporting has been undertaken during the year, including a financial briefing note to all Members in the early months of the crisis, and both a July MTFS and an updated MTFS in November/December to ensure early budget actions were captured and progressed in a timely manner. In addition, there have been regular opportunities for Members to raise queries in weekly briefings from the Chief Executive or during Member Information sessions on capital financing or budget setting, for example.

Reporting against the financial framework is undertaken via the budget monitoring process referred to earlier in this section and through the external review of the financial statements of the Council and its arrangements to secure economy, efficiency and effectiveness in its use of resources (value for money conclusion) from the Council's external auditors and is supported by the Performance review work of the Overview and Scrutiny Committee, the Treasury Management and Investment Sub-committee and the recently refreshed Risk Management process.

I consider the financial management arrangements of the Council to be sufficiently robust to maintain adequate and effective control of the budget for 2021/22.

### **Financial and Economic Environment, Risks and Assumptions**

Chelmsford has received additional (but one-off) funds from the Local Government Finance Settlement and associated emergency funding for Covid-19 pressures. Without this additional Covid-19-related funding, the Council would have had to draw considerably higher amounts from its reserves to plug the temporary gap in its budget, while waiting for income streams to recover over time. This would have left the Council with a severely reduced buffer to deal with unpredicted spending (such as future unknown events related to Covid or anything else or to compensate for any falls in major income streams).

The Government has a headline figure of "core spending power" (CSP), which is meant to represent the overall revenue funding available for local authority services. For 2021/22 this will rise by 4.5% across England. However, this assumes maximum Council Tax increases and growth in the number of homes paying Council Tax. This would not hold true for many authorities, including Chelmsford, who are likely to experience lower than average Council Tax base growth, due to slow down in development. There could be a further fall in Council Tax income from an increasing caseload for local council tax support.

For Chelmsford, core spending power for 2021/22 as measured by Government, is in fact retained at its 2020/21 level i.e. zero growth. The major reduction in New Homes Bonus, due to removal of legacy payments from 2020/21, meant that an overall reduction in resources would have been experienced. To combat this, the Government introduced a floor mechanism, for 2021/22 only, so that the new Lower Tier Services grant was topped up by an additional £500k (from £145k to £645k in total) to avoid a reduction in overall CSP.

	2020/21	2021/22	Change £m	Change %
<b>Core Spending Power (£m)</b>	21.553	21.553	0.0	0.0%
<i>Breakdown of core spending power:</i>				
Settlement Funding Assessment	3.408	3.408	0.0	0.0%
Assumed Council Tax	13.582	14.192	0.610	4.5%
Other grants	4.563	3.953	-0.610	-13.4%

<i>Breakdown of other grants:</i>				
New Homes Bonus	4.426	3.130	-1.296	-29.3%
Lower Tier Services Grant	-	0.645	0.645	
Other	0.137	0.178	0.041	30.0%

The risks inherent in the funding announcement are multi-fold. First and foremost is the continued uncertainty provided by a single-year Settlement, exacerbated by the lack of information on progress with the Fair Funding review, rescheduled for introduction in 2022/23, which could see seismic shifts in the redistribution of funding between authorities, based on a major overhaul of the mechanism for assessing their relative needs. While the 2021/22 Settlement removed the threat of negative Revenue Support Grant and provided the funding floor mechanism described above, there is no guarantee that this will not unwind under a new allocation mechanism, leaving the Council worse off. The expectation would be that any major redistributive effects would have some sort of transition arrangements attached, to allow Councils time to respond, however, this is simply speculation at this point.

The remodelling of the Business Rates Retention Scheme has also been deferred, with one of the major factors at play being whether the baselines for business rates growth will be reset within the system, potentially wiping out gains to date. The New Homes Bonus Scheme is also set for review, with both the 2020/21 and 2021/22 allocations being announced for a single year payment instead of being payable for 4 years as per previous allocations. While Chelmsford City Council has reaped the benefits of New Homes Bonus by supporting and facilitating local housing growth, it is difficult to predict what future changes to the scheme may mean locally. Outside of core spending power, funding streams for homelessness support and prevention have been increased but, once again, are for a single year with no certainty as to future allocations or mechanisms for distribution.

During 2020/21, much of the financial focus has been on the effect of the coronavirus pandemic on the Council's income streams, with parking, commercial rents, Leisure and other income streams being badly hit. For 2021/22, and beyond, assumptions have been made in the budget as to how quickly, and to what extent, these income streams will recover. While compensation has been announced for some losses in the first three months of the new financial year, some effects may be longer lasting. It remains to be seen, for example, whether the demand for parking returns to previous levels as High Streets take time to recover, businesses look for premises in new locations and people work from home more often than before the pandemic.

The economic climate may also have an effect on income received for other services offered by the Council, on the collection rates for both Council tax and Business Rates, and on the level of bad debts experienced by the Council. The efficacy of Test and Trace and the speedy roll-out of vaccines will be essential in supporting a return to a more stable economic future.

These are all key considerations in assessing the robustness of the estimates contained within the budget report and the adequacy of the Council's reserves. There is interplay between the two, as the more certain we can be about the estimates, the lower the level of "just in case" reserves we need to keep and vice versa. The 2021/22 budget will contain a great deal of uncertainty and risk, and while the estimates are the best that can be produced under the current circumstances, it is vital that sufficient reserves are held to guard against changes to these estimates.

The Council continues to seek other forms of funding and has an excellent track record in securing grant from a variety of sources such as Homes England (Housing Infrastructure Fund), MHCLG (Rough Sleeper Initiatives, Rapid Rehousing Pathway, Next Steps Accommodation Programme), Arts Council (Culture Recovery Fund), National Lottery Heritage Fund and many others. However, it is important that any one-off funding is used to provide additional services over and above that provided by core delivery or to provide one-off enhancements to assets, rather than to form any part of funding for on-going service delivery.

Financial Risk within the budget has been mitigated by using New Homes Bonus to support capital spend via the Chelmsford Development Reserve, building up the insurance reserve to fund uninsured losses and creating a reserve to hedge against the risk from aborted capital projects. In addition, sums have been set aside previously to support the Digital Portfolio Office (DPO), in order to drive technological change from within the business and build on the infrastructure already in place. The DPO is expected to deliver on-going revenue savings or efficiencies in service delivery, once costs are paid back to the reserve, adding to the financial sustainability of the Council moving forward.

Risk is further mitigated by holding back income from the Business Rates Retention Scheme until it is certain and not building it into base budgets at the start of the year. Business Rates income can be volatile and heavily affected by national and local economic conditions and assumptions around appeals against business rates, which can take years to unwind and require the Council to set aside sums to settle current and future appeals. At this stage, it is unknown whether businesses will be able to appeal their business rate valuations due to the effect of Covid-19, under what is known as a Material Change of Circumstances. The Valuation Office Agency (VOA) are currently considering this matter which could have far-reaching consequences for business rates income.

Complex assumptions are incorporated into the estimates for Business Rates income and the provision for appeals, as well as provision for bad debts across wider service areas including Council Tax and Benefits. Other assumptions within the budget include pay assumptions, pension valuations, inflation assumptions and interest rate assumptions. These are based on expert knowledge both within and outside of the Council, using experts where necessary and incorporating data from the Bank of England, central government statistics and other sources. Assumptions around demand levels are based on the professional expertise and local knowledge of service managers, within the local economic and demographic context, and take account of the continuing growth of the City area. Income budgets are set having due regard to demand constraints, affordability, cost inflation pressures, trend analysis and strategic aims. Further detail on the assumptions used in the budget are set out in **Section 3** of the budget report.

I consider that these budget proposals take due regard to risk, including the financial and economic environment, that the assumptions within the budget are reasonable and the estimates used are robust.



### **Level of Reserves and overall Financial Standing**

In the wake of Covid-19, we have seen a number of Councils reportedly considering issuance of a section 114 notice, as they struggle to balance their budgets. A s114 notice stops all non-essential spending and provides for a 21-day period for the Council to consider the report and what action it may take as a result. A further notice must be issued if the budget remains unbalanced. Cipfa amended their guidance on issuing s114 notices, so that Councils could hold off issuing them if they were in talks with Government about funding. This has likely reduced the number of s114 reports that would otherwise have been issued in response to the effects of Covid-19. In November, Croydon Council became only the second authority in 20 years to issue a s114 notice, due to a reported potential budget gap for 2020/21 of some £66m, a significant part of which was non-Covid-19 related, with the Council requiring Government support to enable it to return to financial sustainability.

Whilst having robust estimates, that are adhered to, is critical to balancing any budget, the level of reserves held to support any movement in the estimates is critical for longer-term sustainability. In past years, councils have been criticised for holding too high a level of reserves but more recently, given the increased awareness of the potential for local government failure, there has been greater emphasis on financial sustainability, which requires holding a “reasonable” level of reserves. What is reasonable will be dependent on local circumstances and there is no mandated minimum level set by regulators.

The Council’s Medium-Term Financial Strategy previously set a target for its unallocated reserves (General Fund and Contingency) of 5% of its gross revenue expenditure (around £7m) whilst recognising that the level held will fluctuate over time as it adjusts to short-term pressures in the revenue budget. The latest Strategy, approved by Council in December 2020, contained a recommendation to increase this target level to £9m. While this is only a small percentage rise (to around 6% of gross expenditure) it provides some additional capacity to cope with variations in the estimates. This is vital in the current circumstances, particularly given the volatility of the Council’s income streams during the pandemic and the increased difficulty of projecting how these income streams will respond in the future. This will be affected by the level of restrictions imposed by Government, the progress of vaccination, the economic landscape and the level of any further Government funding.

We have seen during 2020/21, that Chelmsford’s levels of reserves would have been inadequate to balance the budget without Government support and measures taken internally to divert funds that would otherwise have been used for capital acquisitions. Chelmsford has also fared poorly in comparison of its reserves with other authorities, although care must be taken when considering such indices, as local circumstance is not always fed into the calculations.

The high-level forecast set out in **Section 6** shows a potential budget gap of £2.2m in 2022/23 rising to some £2.8m by 2025/26. The report has already highlighted the potential risks in this forecast, not least from the unknown changes that may occur in Government funding from 2022/23, and reserves need to be at a level to support these future risks.

The Council will need to make an early start on identification of savings proposals to ensure a balanced budget moving forward and will continue to look for innovation and efficiency in its use of resources. The economic climate however may curtail some forms of income generation as commercial rents are squeezed, business rates income falls, or other income streams do not recover as predicted. In addition, the regulatory framework continues to change with tighter restrictions on borrowing from the Public Works Loan Board effectively ruling out commercial

investment predominantly for return (this is set out in more detail in the Council's Investment Strategy) and an expected tightening of the Prudential Code that sets out the framework for Capital financing by local authorities.

After many years as a debt-free authority, following transfer of its Housing stock in 2002, the Council's capital receipts have largely been deployed, requiring it now to borrow to support the Capital programme. The estimates contained in the budget make assumptions about the level of borrowing and the costs of carrying debt (provision for repayment (MRP) and interest costs). The Capital budget assumes some capital receipts during the programme timescale and the Council has earmarked next year's New Homes Bonus to support capital expenditure. Previously the Council made revenue contributions to the Asset Replacement Reserve to support capital expenditure, but these contributions have been ceased in order to balance the budget and are replaced in part by revenue cost of debt as described above. This approach is supported by the MTFS.

Changes to timing of project delivery and/or the timing or level of capital receipts or external funding will affect the level of borrowing required and the impact on the revenue account. While the Capital Programme over the medium-term is an ambitious one, the cost of any borrowing to fund this programme is prudent and affordable within the terms of the Prudential Code and can be met from the revenue budget as set out in the report. As decisions made now can affect the Council for many years to come, in terms of interest payment and provision for repayment of borrowing, it is important to ensure that the on-going effect of borrowing is affordable in future years. The potential variability, however, again highlights the need for sufficient reserves to be maintained to be able to respond to any changes in costs and timing.

In addition to un-earmarked reserves, the Council holds a number of earmarked reserves to provide for future expenditure such as pension deficit payments, to guard against specific risk such as the proposed new reserve to support revenue costs of abortive capital projects, and to hold uncertain income until it is fully realised (Business Rates Retention income). Further detail on these reserves is contained in **Section 6** of the report.

The Council has a good track record for delivering its budget commitments and making prudent financial provision against risk and for future expected spending plans.

I consider the level of reserves presented in the budget estimates to be adequate to support the on-going financial sustainability of the Council. However, early identification of future net savings (cost reductions or increased income generation) is essential to support the sound financial standing of the Council.

### **Conclusions**

Taking all of the above into account, as the Council's Chief Financial Officer, I am satisfied that the budget proposals set out in this report are robust and sustainable and that the level of reserves is adequate to address the financial risk facing the Council.

Amanda Fahey - Director of Financial Services/Chief Financial Officer

## **Section 8**

### **Council Tax & Business Rates**

The Council's budget is heavily dependent on Council tax income. Not only is the amount significant (£14m) but it also provides a stable income. The Council has only limited discretion to increase Council Tax, as the Government annually set a threshold which if exceeded requires a local referendum.

The Council also benefits from business rates, keeping some 4% of the total business rates raised locally. This share is determined as part of the Government's formula funding assessment. Additionally, through the Business Rates Retention Scheme, the Council receives one-off rewards for growth in the total local business rate income. The Council has no ability to increase local business rates but does have some limited ability to locally offer reductions in business rates paid but at the Council's cost.

This section identifies the issues arising from Business Rates and Council Tax when setting the Council's Budget for 2021/22.

#### **Council Tax Referendums**

The Government has announced that Council Tax increases of the greater of either 2% or £5 for District authorities will not be subject to a local referendum. The budget includes proposals to increase a band D Council Tax by up to £4.95 per year.

#### **Council Tax, Parish Grant & Special Expenses Proposal 2021/22**

The Council levies Council Tax by identifying a Precept (net Council expenditure after government grants); a charge is then calculated for each residential property. The average of these charges is expressed as a "Band D Average". The average is estimated by dividing the precept by the tax base (the number of Band D equivalent properties in the City Council area). The tax base for 2021/22 is 68,579.83.

A summary of the known Council Tax charges from each of the precepting authorities (an average is shown for Parishes) is shown in **Table 10**.

**Table 10**

	<b>2020/21</b>	<b>2021/22</b>	<b>Increase</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>
Chelmsford City Council (average)	199.00	203.95	4.95	2.49%
Essex County Council	1,321.11	1,340.91	19.80	1.50%
Police, Fire and Crime Commissioner for Essex	198.63	208.53	9.90	4.98%
Essex Police, Fire & Crime Commissioner Fire & Rescue Authority	73.89	73.89	0.00	0.00%
	1,792.63	1,827.28	34.65	
Parish and Town Councils (average)	38.56	39.93	1.37	3.55%
<b>TOTAL</b>	<b>1,831.19</b>	<b>1,867.21</b>	<b>36.02</b>	

There was a review of Special Expenses during 2020/21 and the allocations reflect the findings of the review and are shown in **Table 11**.

A Council Tax resolution has been drafted for Council approval and is attached in Appendix 2 . The dates when the precepts became known are Essex County Council on the 23<sup>rd</sup> February and Essex Police & Fire 4<sup>th</sup> February. The report was published before the Essex County Council meeting and therefore it is possible an amendment to resolution might be needed and the Director of Financial Services will update Council should that be necessary.

The Director of Financial Services will prepare a formal Council Tax and Budget resolution for February Council based on the Cabinet recommendations in this report. The budget resolution is a technical document which reflects the information contained in the Revenue Budget reports. The resolution can only be completed on receipt of all the Parish information and after the Council has declared its Collection Fund Surplus or Deficit.

The Average Band D Council Tax for Chelmsford City for 2021/22 is £203.95.

Collection fund surplus/deficit: As part of the formal budget-setting process, the Council is required to estimate each year the estimated surpluses or deficits arising from Council Tax and Business Rates collection.

#### **Council Tax Surplus or Deficit**

The Collection Fund records the amount of income collected from Council Tax, the LCTS costs, together with precept payments to principal authorities. These elements will generate a surplus or a deficit which should be taken into account when determining the Council Tax for the following year. Chelmsford City Council's share of the Council Tax Deficit for 2021/22 is £143k; the Government allows this to be spread over 3 years (using a set formula) so £53k is included within the 2021/22 budget.

#### **Business Rate Surplus or Deficit**

To meet the legal requirements when setting the budget for 2021/22, the Council is required to declare by the 31st January 2021 a Business Rate Retention Surplus or Deficit, after submitting a return (NDR1) to Government. The Business Rate Retention figures contained in this report reflect the NDR1 position (Cabinet January 2021 included provisional figures). The impact of Covid 19 and the various reliefs result in a complex series of accounting entries between revenue and reserves across a number of years. These accounting entries are based on current estimates and have no net impact on the Council's real finances.

<b>The estimated Business Rate retention position for 2021/22 is made up of</b>	<b>£000s</b>
deficit relating to prior years	20,903
Deferral of deficit required by government regulation	2,886
2021/22 Income above Baseline Business Rate Income	998
Business Rate Pool Income	345
<b>Total</b>	<b>16,674</b>

The deficits have no impact on the level of Council Tax and are effectively fully funded by the business rates retention scheme.

CHARGES TO PARISH AND TOWN COUNCIL AREAS																	Table 11
2020/21									2021/22								
<-- PARISH PRECEPTS -->									<-- PARISH PRECEPTS -->								
<----- BAND D EQUIVALENTS ----->									<----- BAND D EQUIVALENTS ----->								
PARISH/ TOWN COUNCIL	Precept Request	Rounding to ninths	Rounded Precept	CCC charge (excl Special Expenses)	Special Expenses	Total CCC charge	Net Parish Precept	Total Charge to Parishes	Precept Request	Rounding to ninths	Rounded Precept	CCC charge (excl Special Expenses)	Special Expenses	Total CCC charge	Net Parish Precept	Total Charge to Parishes	
	(1)	(2)	(3)		(5)		(4)	(6)	(1)	(2)	(3)		(5)		(4)	(6)	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Great Baddow	434,319	219	434,538	171.27	13.41	184.68	79.56	264.24	438,650	-170	438,480	179.10	8.28	187.38	80.64	268.02	
Little Baddow	46,053	2	46,055	171.27	13.59	184.86	52.83	237.69	46,053	34	46,087	179.10	19.08	198.18	52.56	250.74	
Boreham	89,950	18	89,968	171.27	11.16	182.43	65.61	248.04	89,950	-5	89,945	179.10	5.67	184.77	63.09	247.86	
Broomfield	139,316	-20	139,296	171.27	15.30	186.57	55.44	242.01	139,500	-104	139,396	179.10	22.50	201.60	55.08	256.68	
Chignal	7,600	8	7,608	171.27	11.16	182.43	26.28	208.71	7,600	4	7,604	179.10	29.70	208.80	24.12	232.92	
Danbury	212,481	68	212,549	171.27	6.03	177.30	87.57	264.87	265,623	-8	265,615	179.10	3.42	182.52	109.17	291.69	
Galleywood	106,214	-75	106,139	171.27	24.21	195.48	50.22	245.70	107,223	-47	107,176	179.10	27.54	206.64	51.12	257.76	
Good Easter	10,700	2	10,702	171.27	4.50	175.77	62.01	237.78	10,710	6	10,716	179.10	17.55	196.65	61.29	257.94	
East Hanningfield	35,703	15	35,718	171.27	11.25	182.52	72.00	254.52	35,892	18	35,910	179.10	26.37	205.47	73.44	278.91	
South Hanningfield	86,500	0	86,500	171.27	4.32	175.59	72.63	248.22	86,500	-45	86,455	179.10	19.44	198.54	71.82	270.36	
West Hanningfield	26,828	-10	26,818	171.27	15.93	187.20	56.07	243.27	26,625	-15	26,610	179.10	21.33	200.43	55.89	256.32	
Highwood	31,851	7	31,858	171.27	12.60	183.87	100.17	284.04	31,851	8	31,859	179.10	19.62	198.72	98.01	296.73	
Great & Little Leighs	30,000	-6	29,994	171.27	25.02	196.29	26.28	222.57	30,000	-17	29,983	179.10	32.58	211.68	26.01	237.69	
Margaretting	12,420	-12	12,408	171.27	14.76	186.03	32.04	218.07	12,420	-1	12,419	179.10	19.89	198.99	31.68	230.67	
Mashbury	0	0	0	171.27	9.63	180.90	0.00	180.90	0	0	0	179.10	17.55	196.65	0.00	196.65	
Pleshey	7,506	6	7,512	171.27	19.26	190.53	54.09	244.62	8,432	3	8,435	179.10	17.55	196.65	61.47	258.12	
Rettendon	41,494	-15	41,479	171.27	15.21	186.48	53.82	240.30	42,099	-27	42,072	179.10	24.48	203.58	53.82	257.40	
Roxwell	15,000	-15	14,985	171.27	1.53	172.80	31.41	204.21	15,000	-6	14,994	179.10	0.00	179.10	31.32	210.42	
Runwell	100,450	79	100,529	171.27	2.79	174.06	56.16	230.22	109,438	33	109,471	179.10	17.91	197.01	59.76	256.77	
Sandon	33,530	31	33,561	171.27	25.11	196.38	44.46	240.84	35,200	-26	35,174	179.10	23.31	202.41	47.70	250.11	
Springfield	387,242	-349	386,893	171.27	34.56	205.83	49.23	255.06	410,540	89	410,629	179.10	31.86	210.96	51.93	262.89	
Stock	44,790	35	44,825	171.27	12.60	183.87	37.53	221.40	44,790	-52	44,738	179.10	18.90	198.00	37.71	235.71	
Great Waltham	49,898	36	49,934	171.27	15.39	186.66	53.01	239.67	53,180	-39	53,141	179.10	21.78	200.88	56.61	257.49	
Little Waltham	44,102	-1	44,101	171.27	14.85	186.12	54.81	240.93	44,355	0	44,355	179.10	23.85	202.95	54.81	257.76	
South Woodham Ferrers	428,187	78	428,265	171.27	29.16	200.43	70.38	270.81	428,187	159	428,346	179.10	23.85	202.95	70.47	273.42	
Woodham Ferrers & Bicknacre	77,610	29	77,639	171.27	4.23	175.50	62.91	238.41	82,621	26	82,647	179.10	18.63	197.73	66.87	264.60	
Writtle	132,100	5	132,105	171.27	10.26	181.53	65.34	246.87	136,063	-66	135,997	179.10	2.34	181.44	67.59	249.03	
Town Centre (non-Parished area)				171.27	43.02	214.29	0.00	214.29					179.10	33.57	212.67	0.00	212.67
TOTALS		2,631,844	135	2,631,979					2,738,502	-249	2,738,253						
AVERAGE						199.00	38.56	237.56					203.95	39.93	243.88		
NOTES																	
(1) The total amount that the Parish/ Town Council intend to spend in the year.																	
(2) An adjustment to make the Parish/Town precept divisible by 9 for Council Tax charging purposes.																	
(3) The rounded Parish/ Town Council precept that is charged to the parishioners of the Parish.																	
(4) The net Parish/ Town Council precept expressed as a charge to the average parish Band D property.																	
(5) The actual amount spent on Special Expense items by the City Council in individual Parish/ Town Council areas, expressed as a charge on the average Band D property.																	
(6) The total charge in individual Parish/ Town Council areas for Parish/ Town Council expenditure (the Parish/ Town Council precept), and Special Expense items, expressed as a charge on the average Band D property.																	

## Section 9

### Revenue Budget Reports

#### Revenue Service Budgets

This section contains

1. Subjective Analysis of the Council Revenue Budget (**Table 12**)
2. A summary of the budget (**Table 13**)
3. Service Budgets (Expenditure and Income) for 2021/22 (**Table 14**)

**Table 12 - SUBJECTIVE ANALYSIS OF THE REVENUE BUDGET**

2019/20 Actual £000s		2020/21 Original £000s	2021/22 Estimate £000s
	<b>EXPENDITURE</b>		
32,977	Employees - Salaries	36,588	33,678
432	- Other	277	343
7,241	Premises	6,624	7,146
5,735	Supplies and Services	5,350	5,466
2,390	Transport and Plant	2,243	1,865
7,632	Third Party Payments	8,154	7,487
39,289	Benefit Payments	44,235	39,035
-	Miscellaneous	-	
<b>95,696</b>	<b>TOTAL CONTROL EXPENDITURE</b>	<b>103,471</b>	<b>95,020</b>
	<b>INCOME</b>		
-38,729	Government Grants	-43,871	-38,510
-3,708	Other Grants and Reimbursements	-2,131	-2,409
-1,159	Sales	-1,231	-919
-24,504	Fees and Charges	-27,239	-24,104
-8,943	Rents	-9,631	-7,975
-606	Other	-493	-505
<b>-77,649</b>	<b>TOTAL CONTROL INCOME</b>	<b>-84,595</b>	<b>-74,422</b>
<b>18,047</b>	<b>NET CONTROL EXPENDITURE</b>	<b>18,876</b>	<b>20,598</b>
	<b>INTERNAL RECHARGES</b>		
23,929	Service Management and Overheads	25,174	25,352
-24,082	Recharges	-25,341	-25,507
<b>-153</b>		<b>-168</b>	<b>-155</b>
<b>17,894</b>	<b>SERVICE EXPENDITURE</b>	<b>18,708</b>	<b>20,443</b>
	<b>OTHER ITEMS</b>		
-765	Interest Receivable & Investment Income	-494	-290
56	Interest Payable & MRP	80	1,009
-4,126	Business Rate Retention Adjustment	-2,262	16,673
-	Direct Revenue Financing of Capital	4,823	3,130
-4,011	New Homes Bonus & Other Govt Grants	-4,652	-5,625
<b>-8,846</b>		<b>-2,505</b>	<b>14,897</b>
	<b>USE OF RESERVES AND BALANCES</b>		
2,629	Contributions - from / to Earmarked Reserves	726	-16,677
4,558	Contributions - from / to Un-Earmarked Reserves	162	-1,321
<b>7,187</b>		<b>888</b>	<b>-17,998</b>
<b>16,235</b>	<b>BUDGET REQUIREMENT</b>	<b>17,090</b>	<b>17,342</b>
-3,353	<b>LESS GOVERNMENT SUPPORT</b>	-3,408	-3,408
54	Collection Fund (Surplus) / Deficit	-100	53
<b>12,936</b>	<b>CALL ON COLLECTION FUND</b>	<b>13,582</b>	<b>13,987</b>

**TABLE 13 - SUMMARY OF REVENUE ESTIMATES**

2020/21 Original Estimate £'000	Original Estimates 2021/22	2021/22 Estimated Spend £'000	2021/22 Estimated Income £'000	2021/22 Net Estimate £'000
330	<b>Chief Executive</b>	498	0	498
8,380	<b>Connected Chelmsford</b>	10,100	-1,739	8,361
-195	<b>Fairer Chelmsford - CDRM</b>	229	-200	29
3,348	<b>Fairer Chelmsford</b>	49,913	-47,660	2,253
-3,919	<b>Sustainable Development</b>	6,584	-8,565	-1,981
10,932	<b>Greener &amp; Safer Chelmsford</b>	27,696	-16,258	11,438
18,876	<b>Service Expenditure</b>	95,020	-74,422	20,598
	<b>Other General Fund Items</b>			
-168	- Charges to SEPP			-155
-494	- Interest Income			-290
80	- Minimum Revenue Provision & Interest Paid			1,009
4,823	- Revenue Funding of Capital			3,130
-4,706	- Other Grants (including New Homes Bonus, Section 31 Grants)			-5,625
-1,946	- Business Rate Retention Scheme			16,673
	<b>Earmarked Reserves</b>			
-50	- Use of Carry Forward Reserves			0
1,746	- Business Rates Retention Scheme Reserve			-16,874
-1,286	- Contributions to / -use of Other Earmarked reserves			197
16,874	<b>Net Expenditure</b>			18,663
216	Contribution to / -from Balances			-1,321
17,090	<b>Budget Requirement</b>			17,342
-3,408	Baseline Retained Business Rates			-3,408
-100	Council Tax -Surplus/+Deficit			53
13,582	<b>Income from Council Tax</b>			13,987



## CHIEF EXECUTIVE

2020/21 Original Budget £		2021/22 Estimated Spend £	2021/22 Estimated Income £	2021/22 Net Estimate £
329,600	CHIEF EXECUTIVE & DPO	497,500	-	497,500
<b>329,600</b>		<b>497,500</b>	<b>0</b>	<b>497,500</b>
<b>329,600</b>		<b>497,500</b>	<b>0</b>	<b>497,500</b>

## CONNECTED CHELMSFORD

2020/21 Original Budget £		2021/22 Estimated Spend £	2021/22 Estimated Income £	2021/22 Net Estimate £
	<b>DIRECTOR OF CONNECTED CHELMSFORD</b>			
253,300	DIRECTOR OF CONNECTED CHELMSFORD	258,500	-	258,500
<b>253,300</b>		<b>258,500</b>	<b>0</b>	<b>258,500</b>
	<b>DIGITAL SERVICES</b>			
2,841,800	DIGITAL SERVICES	2,925,100	-50,000	2,875,100
<b>2,841,800</b>		<b>2,925,100</b>	<b>-50,000</b>	<b>2,875,100</b>
	<b>MARKETING AND ENGAGEMENT TEAM</b>			
794,700	CUSTOMER SERVICES	764,000	-	764,000
1,027,800	MARKETING & ENGAGEMENT	1,061,100	-341,900	719,200
<b>1,822,500</b>		<b>1,825,100</b>	<b>-341,900</b>	<b>1,483,200</b>
	<b>HUMAN RESOURCES</b>			
778,800	HUMAN RESOURCES	781,500	-37,800	743,700
124,400	PAYROLL	129,200	-4,200	125,000
<b>903,200</b>		<b>910,700</b>	<b>-42,000</b>	<b>868,700</b>
	<b>LEGAL &amp; DEMOCRATIC SERVICES</b>			
692,600	LEGAL AND DEMOCRATIC SERVICES	795,600	-18,500	777,100
222,600	ELECTIONS	241,000	-1,300	239,700
777,800	DEMOCRATIC SERVICES	786,100	-	786,100
<b>1,693,000</b>		<b>1,822,700</b>	<b>-19,800</b>	<b>1,802,900</b>
	<b>CULTURE</b>			
191,600	CULTURE	82,900	-	82,900
70,100	THEATRES	1,538,900	-1,217,100	321,800
604,500	MUSEUM	736,600	-68,300	668,300
<b>866,200</b>		<b>2,358,400</b>	<b>-1,285,400</b>	<b>1,073,000</b>
<b>8,380,000</b>		<b>10,100,500</b>	<b>-1,739,100</b>	<b>8,361,400</b>

## FAIRER CHELMSFORD - CDRM

2020/21 Original Budget £		2021/22 Estimated Spend £	2021/22 Estimated Income £	2021/22 Net Estimate £
-195,100	CORPORATE MANAGEMENT & DEMO. REPRESENT.	229,200	-200,700	28,500
-195,100		229,200	-200,700	28,500
-195,100		229,200	-200,700	28,500

## FAIRER CHELMSFORD

2020/21 Original Budget £		2021/22 Estimated Spend £	2021/22 Estimated Income £	2021/22 Net Estimate £
	<b>DIRECTOR OF FINANCIAL SERVICES</b>			
172,800	FINANCE MANAGER	181,800	-3,100	178,700
3,412,800	FINANCE CM & DRM	765,500	-5,100	760,400
<b>3,585,600</b>		<b>947,300</b>	<b>-8,200</b>	<b>939,100</b>
	<b>ACCOUNTANCY, SYSTEMS &amp; EXCHEQUER</b>			
303,700	FINANCE EXCHEQUER	292,600	-	292,600
722,900	ACCOUNTANCY	695,300	-2,400	692,900
<b>1,026,600</b>		<b>987,900</b>	<b>-2,400</b>	<b>985,500</b>
	<b>PROCUREMENT, RISKS &amp; INSURANCE</b>			
162,600	PROCUREMENT	140,000	-	140,000
290,000	VOLUNTARY GRANTS	290,000	-	290,000
141,800	INSURANCE & RISK	147,100	-	147,100
55,200	FRAUD INVESTIGATIONS	55,300	-	55,300
<b>649,600</b>		<b>632,400</b>	<b>0</b>	<b>632,400</b>
	<b>AUDIT</b>			
185,000	INTERNAL AUDIT	189,900	-	189,900
<b>185,000</b>		<b>189,900</b>	<b>0</b>	<b>189,900</b>
	<b>PROPERTY SERVICES</b>			
-5,040,800	PROPERTY HOLDINGS	136,500	-3,866,500	-3,730,000
403,500	PROPERTY - SUPPORT SERVICES	436,900	-2,000	434,900
<b>-4,637,300</b>		<b>573,400</b>	<b>-3,868,500</b>	<b>-3,295,100</b>
	<b>BENEFITS &amp; REVENUES</b>			
212,000	REVENUES	829,000	-642,800	186,200
472,000	HB ADMINISTRATION	930,900	-540,500	390,400
255,800	HB CONTROL & DEVELOPEMENT	258,600	-	258,600
-238,200	HB SUBSIDY	38,135,000	-38,416,600	-281,600
<b>701,600</b>		<b>40,153,500</b>	<b>-39,599,900</b>	<b>553,600</b>

	HOUSING SERVICES			
161,500	STRATEGIC HOUSING	1,327,300	-941,100	386,200
217,900	TEMPORARY ACCOMMODATION	1,519,100	-1,322,100	197,000
175,800	BED & BREAKFAST	2,174,500	-1,896,300	278,200
21,000	HOUSING NEEDS	33,000	-12,200	20,800
244,500	STRATEGIC HOUSING - RDGS	268,500	-	268,500
1,016,300	STRATEGIC HOUSING SUPPORT	1,106,200	-9,000	1,097,200
<b>1,837,000</b>		<b>6,428,600</b>	<b>-4,180,700</b>	<b>2,247,900</b>
<b>3,348,100</b>		<b>49,913,000</b>	<b>-47,659,700</b>	<b>2,253,300</b>

## SUSTAINABLE DEVELOPMENT

2020/21 Original Budget £		2021/22 Estimated Spend £	2021/22 Estimated Income £	2021/22 Net Estimate £
	<b>DEVELOPMENT MANAGEMENT</b>			
612,500	DEVELOPMENT MANAGEMENT	1,979,800	-1,500,600	479,200
-81,300	LOCAL LAND CHARGES	134,200	-224,100	-89,900
<b>531,200</b>		<b>2,114,000</b>	<b>-1,724,700</b>	<b>389,300</b>
	<b>ECONOMIC DEVELOPMENT AND IMPLEMENTATION</b>			
248,100	ECONOMIC DEVELOPMENT & IMPLEMENTATION	548,900	-265,000	283,900
<b>248,100</b>		<b>548,900</b>	<b>-265,000</b>	<b>283,900</b>
	<b>BUILDING CONTROL</b>			
122,900	BUILDING CONTROL	546,000	-463,800	82,200
<b>122,900</b>		<b>546,000</b>	<b>-463,800</b>	<b>82,200</b>
	<b>PLANNING POLICY</b>			
957,700	PLANNING POLICY	877,600	-114,700	762,900
<b>957,700</b>		<b>877,600</b>	<b>-114,700</b>	<b>762,900</b>
	<b>CAR PARK OPERATIONS</b>			
-5,867,800	CAR PARKS	2,000,400	-5,617,900	-3,617,500
136,700	PARKING SUPPORT	141,300	-	141,300
-47,400	PARK AND RIDE	355,400	-378,600	-23,200
<b>-5,778,500</b>		<b>2,497,100</b>	<b>-5,996,500</b>	<b>-3,499,400</b>
<b>-3,918,600</b>		<b>6,583,600</b>	<b>-8,564,700</b>	<b>-1,981,100</b>

## GREENER & SAFER CHELMSFORD

2020/21 Original Budget £		2021/22 Estimated Spend £	2021/22 Estimated Income £	2021/22 Net Estimate £
	<b>OPERATIONS</b>			
1,946,700	WASTE & GARDEN COMPOSTING	2,408,300	-549,900	1,858,400
-513,700	TRADE WASTE	1,013,200	-1,505,900	-492,700
604,700	RECYCLING - MRF, GENERAL & FOOD	3,390,700	-2,866,800	523,900
408,300	VEHICLE MAINTENANCE WORKSHOP	480,700	-72,500	408,200
<b>2,446,000</b>		<b>7,292,900</b>	<b>-4,995,100</b>	<b>2,297,800</b>
	<b>STREET CARE AND PERFORMANCE</b>			
159,200	PUBLIC CONVENIENCES	160,200	-	160,200
-182,700	MARKET	413,300	-458,400	-45,100
1,625,700	STREET CLEANING	1,564,200	-85,700	1,478,500
108,000	STREET SERVICES	213,600	-114,400	99,200
184,800	SERVICE DEVELOPMENT TEAM & NICE	165,500	-	165,500
271,100	FREIGHTER HOUSE DEPOT	262,600	-8,000	254,600
1,002,500	FREIGHTER HSE CUSTOMER & BUSINESS SUPP	1,007,700	-	1,007,700
<b>3,168,600</b>		<b>3,787,100</b>	<b>-666,500</b>	<b>3,120,600</b>
	<b>BUILDING SERVICES</b>			
504,200	BUILDING SERVICES - SUPPORT	478,200	-	478,200
1,167,100	BUILDING SERVICES - PROPERTIES	1,304,000	-170,700	1,133,300
243,800	ENERGY & CONTRACT MANAGEMENT	255,200	-	255,200
84,400	PRINT UNIT	28,100	-	28,100
<b>1,999,500</b>		<b>2,065,500</b>	<b>-170,700</b>	<b>1,894,800</b>
	<b>PUBLIC HEALTH AND PROTECTION SERVICES</b>			
41,900	HIGHWAYS	44,700	-	44,700
-6,100	SCIENTIFIC	35,600	-43,600	-8,000
-205,400	LICENSING	170,600	-383,200	-212,600
-4,900	BUSINESS COMPLIANCE	9,300	-13,600	-4,300
27,400	PUBLIC HEALTH PROTECTION	40,200	-13,500	26,700
27,600	HEALTH & SAFETY	27,600	-	27,600
-5,100	PEST CONTROL	12,900	-24,100	-11,200
1,444,300	PUBLIC HEALTH & PROTECTION SUPPORT	1,433,500	-27,100	1,406,400
279,200	CCTV	359,700	-53,800	305,900
109,400	COMMUNITY SAFETY	134,700	-27,300	107,400
9,900	HOUSING STANDARDS	49,400	-36,900	12,500
1,600	ANIMAL WELFARE	15,900	-14,300	1,600
<b>1,719,800</b>		<b>2,334,100</b>	<b>-637,400</b>	<b>1,696,700</b>
	<b>PARKS AND GREEN SPACES</b>			
-7,000	ALLOTMENTS	18,100	-28,500	-10,400
509,600	PARKS & HERITAGE CUSTOMER & BUSINESS SUP	554,400	-	554,400
45,000	HYLANDS PARK & ESTATE	110,200	-211,100	-100,900

79,800	PARKS GARDENS & RECREATION GROUNDS	116,500	-16,200	100,300
126,400	PLAY AREAS	126,800	-	126,800
-64,100	PARKS EVENTS & ACTIVITIES	1,300	-65,600	-64,300
-96,900	OUTDOOR SPORTS & PLAYING FIELDS	301,700	-364,200	-62,500
100,300	TREE INSPECTION & MAINTENANCE	124,000	-3,700	120,300
-11,600	NATURAL & GREEN SPACE, COMMON	15,400	-27,100	-11,700
-1,000	AMENITY GREEN SPACE& GREEN INFRASTR	177,600	-178,700	-1,100
2,057,100	GROUND MAINTENANCE OPERATIONS	2,492,900	-434,700	2,058,200
185,100	GROUND MAINTENANCE - CREMATORIUM	186,000	-	186,000
-1,465,300	CEMETERY AND CREMATORIUM	623,900	-2,308,700	-1,684,800
<b>1,457,400</b>		<b>4,848,800</b>	<b>-3,638,500</b>	<b>1,210,300</b>
	<b>LEISURE AND HERITAGE SERVICES</b>			
-28,300	DOVEDALE SPORTS CENTRE	203,800	-168,200	35,600
258,400	CHELMSFORD SPORTS AND ATHLETIC CENTRE	832,900	-496,200	336,700
-462,700	RIVERSIDE ICE AND LEISURE	3,695,100	-3,376,100	319,000
380,200	SOUTH WOODHAM FERRERS LEISURE CENTRE	1,084,100	-666,100	418,000
-210,000	CULTURAL EVENTS	-	-210,000	-210,000
259,100	COMMUNITY SPORTS & WELLBEING	366,200	-110,600	255,600
-56,000	HYLANDS HOUSE & VISITORS CENTRE	1,185,400	-1,122,500	62,900
<b>140,700</b>		<b>7,367,500</b>	<b>-6,149,700</b>	<b>1,217,800</b>
<b>10,932,000</b>		<b>27,695,900</b>	<b>-16,257,900</b>	<b>11,438,000</b>



## Section 10

### Capital Budget Reports

#### Capital Budgets

This section contains:

- Revisions to Existing Approved Capital Schemes – Details in **Table 15** and **Table 16**
- Revisions to the Asset Replacement Programme 2020/21 and proposals for new budgets for 2021/22 – Details in **Table 17** and **Table 18**

#### **Introduction**

The capital programme for 2020/21 identified in **Section 10** of this report reflects updated information in December 2020.

Capital schemes have in most cases two types of cost. One-off, those which result from procuring or improving an asset and are funded from capital and On-going, those incurred to run the asset and these must be funded from Council Tax, i.e. revenue costs.

Capital expenditure is separated between Capital Schemes and the Asset Replacement Programme.

Capital schemes are one-off projects which are required to either maintain an existing service, for example essential repairs to an existing car park, or aim to enhance service delivery or generate additional income, for example additional provision of sports facilities.

The Asset Replacement Programme ensures that the existing service provision is maintained and replaces larger items of equipment and vehicles as the need arises.

#### Existing Approved Capital Schemes

Project Officers have been monitoring schemes and the updated budgets in **Table 15** reflect the latest estimated cost information. The total estimated cost is £129.840m.

A summary of variations for the current approved total scheme costs across all years is a net decrease of £10.057m. Proposed increases in budget will require approval. Details of the £10.057m net decrease are shown in **Table 15** with further details in **Table 16** where those variations are in excess of £25k.

Scheme number 19, Hylands Park North Kiosk Toilet Refurbishment, needs Cabinet approval of an increase in cost to ensure timely delivery of the project. A £10k additional budget is required due to higher returned tenders for works. Increase from £138k to £148k.

#### Asset Replacement Programme

In order to maintain the existing level of service delivery it is necessary to replace items of equipment and vehicles on a regular basis.

Previously, asset replacements have been approved as part of the overall programme. A decision has been taken to challenge the need for scheduled replacements to take place, and although an

estimated overall cost of the asset replacement programme will be kept for forward planning purposes to enable the monitoring of the resource position, approval of individual items will be on an annual basis.

#### 2020/21 Asset Replacements

**Table 17** provides details of the 2020/21 asset replacement programme. The current approved programme is £3.619m. It has now been identified that £374k is required to be rephased to 2021/22 and future years, due to services deferring or delays in acquiring the assets. These assets require approval to be rephased to 2021/22. Details of these delays are provided in **Table 18**.

**Table 17** also shows a net change in scheme costs, a net reduction of £46k. Increases to individual budgets will require approval. **Table 18** provides further details for those variations in excess of £25K.

After allowing for the above adjustments, **Table 17** shows the total proposed budget requirement for 2020/21 as £3.212m.

#### 2021/22 Replacements

As stated above, £374k will need to be rephased, with £345k into 2021/22.

**Table 17** provides details of the new asset replacements or refurbishments for 2021/22 which total £6.346m.

**Table 17** includes a number of items that need approval by Cabinet in order to have timely delivery

- Scheme 41 £10k additional budget required for Wet team Vehicle due to increased cost.
- Scheme 22 £13k CSAC Plant Additional ventilation system due to Covid-19.
- Scheme 29 £4k Chancellor Park floodlights - increased cost due to expanded scope of scheme.

These need to be agreed by Cabinet. Due to the need to raise orders quickly, Cabinet approval of the budget in January 2021 is sought. The balance of costs is for approval by Council in February 2021.

#### Capital and Revenue Resources

The Council funds its capital programme from leasing, contributions, government grants, capital receipts, revenue contributions and borrowing.

The Capital Strategy 2021/22 identifies the capital resources position and the Medium-Term Financial Forecast in **Section 6** identifies the revenue budget position allowing for financing costs. The Prudential Indicators are detailed in the Capital Strategy 2021/22.

		<b>CAPITAL SCHEMES</b>	<b>VARIATION IN TOTAL CAPITAL SCHEME COSTS</b>							
			Latest Approved Budget - Approved July 2020 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval				
Committed Spend 31st December 2020			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s			
		<b>Connected Chelmsford</b>								
	1	Theatres' Toilets Phase I	155		155	-155	0		Proposal withdrawn	Approved at Council February 2020 and programmed for 2021/22.
	2	Theatres' Modernisation Phase I	100		100	-100	0		Proposal withdrawn	Approved at Council February 2020 and programmed for 2022/23. Delegated authority to Director and Cabinet Member for Connected Chelmsford.
		<b>Fairer Chelmsford</b>								
	3	Provision for Temporary Car Park Provision - Wharf Road	798		798	-798	0		Proposal Withdrawn	Approved Council July 2016. November 2020 - No scheme identified for this provision therefore removed from programme.
1,457	4	Enabling Lockside Growth Area	450	4,050	4,500		4,500		In Negotiations Late delivery	A Report taken to Cabinet in March 2018 requesting £4.5m and recommended to go on for Council approval. As there was a requirement to spend the budget earlier than the Council approval in July 2018 a sum of £450k was approved via an urgency. The remaining budget for the scheme was approved by Council in July 2018.
472	5	Homelessness Initiatives - Acquisition of Property for Temporary Accommodation	567		567		567		Yes	Unspent budget following the completion of the Modular Unit schemes. Agreed by delegation to purchase property for use as temporary accommodation.
950	6	Investment for Future Development - Riverside Demolition	940	30	970		970		Completed	Approved at Cabinet June 2018. Additional £30k approved at Cabinet November 2019.
20	7	Galleywood Hall Development Industrial Units	1,200		1,200	-400	800		Awaiting planning permission - Late Delivery	Approved at Council February 2019.
37	8	Bridge Repairs	300		300		300		No	Approved at Council February 2019. May 2020 non urgent works deferred to later year.
	9	Land Acquisition Cemetery/Crematorium	1,800	1,800	3,600		3,600		To identify potential Land Site	Approved at Council February 2019. Additional £1.8m approved Council February 2020.
	10	High Chelmer Roof	1,500		1,500		1,500		Awaiting Proposal	Approved at Council February 2020 and programmed for 2021/22.
	11	Refurbishment of Commercially Leased Properties	720		720		720		Under Review	Approved at Council February 2020 and programmed for 2021/22. Delegated authority to Director and Cabinet Member for Fairer Chelmsford.
	12	Strategic Property Purchase	10,000		10,000	-10,000	0		Proposal Withdrawn	Approved at Council February 2020 and currently programmed for 2021/22. Delegated authority to Director and Cabinet Member for Fairer Chelmsford.
4	13	Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy	7,000		7,000		7,000		Yes	Approved at Council February 2020 and currently programmed for 2020/21. Delegated authority to Director and Cabinet Member for Fairer Chelmsford.
	14	Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy and Affordable and Social Housing	9,900		9,900		9,900		Business Case to be Developed	Approved at Council February 2020 and currently programmed for 2020/21. Delegated authority to Director and Cabinet Member for Fairer Chelmsford. The programme of spend has been reviewed and it is now anticipated that any spend will be delayed until 2021/22.
		<b>Greener and Safer Chelmsford</b>								

Table 15

			Latest Approved Budget - Approved July 2020 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval					
Committed Spend 31st December 2020			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative	
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s				
	15	Cemetery and Crematorium Infrastructure	6,800		6,800	10	6,800		Business Case to be Developed	Approved Council February 2020 with a delegation for Cabinet to approve a final scheme.	
348	16	Coval Lane Window Replacement	250	100	350		350		Yes	£250k approved Council February 2019. Additional £100k approved at Cabinet July 2019.	
	17	Civic Offices Improvement Programme	460		460		460		Under Review	Approved Council February 2020 with a delegation for the Director and Cabinet Member for Safer and Greener Chelmsford to approve a final scheme.	
11	18	Community Flood Improvements	184		184		184		Third party Dependent - Late Delivery	Capital grant received to enable the works to be completed. This scheme was approved by Cabinet in June 2017.	
2	19	Hylands Park North Kiosk Toilet Refurbishment	60	78	138		148		Earlier Delivery	£60k approved Council February 2019. Scheme review resulted in additional £138k approved July 2020 Cabinet.	
138	20	Hylands Estate Structural Work to Pleasure Garden Pond	147	-8	139		139		Yes	£147k approved Council February 2019. Contingency not required therefore reduction in budget reported at July 2020 Council.	
34	21	Hylands' Hanbury Memorial Garden	45		45		45		Yes	Approved via supplementary estimate 2/9/19 funded by a contribution from The Friends of Hylands House (FOHH).	
28	22	Galleywood Common Access Road Improvements	30		30		30		Yes	Approved at Council February 2020 and programmed for 2021/22.	
	23	Saltcoats Park and Compass Gardens Car Park	253		253		253		Earlier Delivery	Approved at Council February 2020 and programmed for 2021/22.	
	24	Beaulieu Park Pavilion Refurbishment	57		57		57		Yes	Approved at Council February 2020 and programmed for 2021/22.	
	25	Chancellor Park Pavilion Works	46		46		46		Yes	Approved at Council February 2020 and programmed for 2021/22.	
	26	Rivers and Waterways Improvements	600	-107	493		493		Scheme to be developed	Approved at Council February 2020 with a delegation to the Director and Cabinet Member for Greener and Safer Chelmsford. Programmed over 3 years commencing 2021/22.	
	27	Automatic Floodgates and Provision of Locks - Feasibility		107	107		107		Yes	Budget approved September 2020 Cabinet. Budget vired from Rivers and Waterways Improvements.	
	28	Mass Tree planting and Woodland Creation	4,400		4,400		4,400		Yes	Approved at Council February 2020 £4.4m with delegated authority to Director of Public Places and the Director of Finance and the relevant Cabinet Members. Funding to be sought circa £2m. Three year programme scheduled wef 2021/22.	
9	29	CIL Landscape Enhancement Scheme Chignal Road	11		11		11		Yes	CIL funding approved October 2018 Chignal Road Landscaping scheme approved February 2019 Council.	
	30	CIL Parks and Open Space	6		6		6		No	£6k CIL funding approved July 2019 for Coronation Park Basketball Court.	
3	31	CIL Savernake Road Scout Hut Replacement Windows	4		4		4		No	Approved via delegation as per CIL report March 2019 £4k for windows, CCC owned building.	
532	32	Chelmsford Indoor Market Refurbishment	500	100	600		600		No	Approved supplementary estimate February 2018. Scheme design is still to be finalised. Additional supplementary estimate approved for £200k December 2018 in order to implement the preferred design with suspended ceiling. Estimate reduced by £50k. New budget reported Council February 2020. A further reduction in budget, £50k, was noted by Council in July 2020.	
40,146	33	Riverside Ice and Leisure Centre Scheme	950	39,216	40,166		40,166		Building Works Completed	£700,000 approved Council July 2015. £60,000 budget vired to fund conversion of outdoor pool to car park. £180K approved April Cabinet for Project Manager and a further £945K approved June Cabinet for the design to RIBA stage 7. £400K approved at October 2016 Cabinet for early enabling works (main contractor). Additional £1m approved Cabinet April 2017 for early works. Additional early works required a further £500k, approved in June. £250k approved for Cafe fit out at Council February 2018. Full scheme cost excluding cafe approved at July 2018 Council as £35.216m. Additional £4.5m approved at February 2019 Council. Additional £200k approved by Cabinet November 2019.	
22	34	Riverside Elevations	2,000		2,000		2,000		Under Review	£2m approved at Council February 2020 with delegation to Cabinet to approve detailed scheme.	

			Latest Approved Budget - Approved July 2020 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval					
Committed Spend 31st December 2020			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative	
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s				
31	35	Dovedales - Grant for Works 2019/20	32	2	34	-78	34			Approved at Council February 2019 contribution towards new studio. Additional £2k approved November 2019 cabinet based on actual spend.	
15	36	Dovedales - Grant for Works 2020/21	42		42		42			Approved at Council February 2020 and programmed for 2020/21.	
108	37	SWFLC Wet Changing Rooms Upgrade Phase 2	104		104		104	Yes		£104k approved at Council February 2019.	
42	38	CSAC Refurbishment of Changing Room	42		42		42	Under Review		£42k approved at Council February 2019. Deferred to 2021/22 scheme will be reviewed.	
155	39	Hylands House Refurbishment First Floor Accommodation	174		174		174	Earlier Delivery		£174k approved at Council February 2019 3 year programme for refurbishment.	
24	40	Hylands House Refurbishment Terrace Room	35		35		35	Yes		£35k approved via supplementary estimate December 2019. Scheme funded by contribution from Friends of Hylands House.	
22	41	Hylands House Banqueting Room Refurbishment	24		24		24	Yes		Approved at Council February 2020 and programmed for 2020/21.	
	42	Hylands House Stable Block Toilets	44		44		44	Yes		Approved at Council February 2020 and programmed for 2022/23.	
		<b>Sustainable Development</b>									
1,667	43	Flood Alleviation Scheme	6,100	400	6,500		6,500	Dependent on Third Party - Late delivery		Increased cost of scheme from EA now capped at £6.5 million approved Cabinet July 2013	
152	44	Public Realm Wayfinding Signs Phase 2	310	-155	155		155	Unspecified		Approved at Council February 2018. Two year programme to go ahead only if funding is secured from ECC and CIL. CIL funding of £78k approved January 2019. As funding not secured from ECC the scheme has been reduced. Forecast to complete in 2020/21.	
132	45	Public Realm Tindal Square Design	160	320	480		480	No		Approved at Council February 2018. The design works will not be completed until 2020/21. Additional £320k approved by Cabinet June 2020 for design and tender to be funded from S106. A further report will be taken to Council after the tenders are back in March 2021 for approval of the scheme and budget.	
72	46	Public Realm City Centre Greening/Tree Planting	115	-33	82		4	Yes		Approved at Council February 2018. Three year programme. To date actual spends have not been capital and therefore budget reduced in year of spend as transferred to revenue.	
4	47	HIF Access Road and Bridge - CCC Budget		250	250		250	Yes		Virement from 5 above sum allocated for HIF bid design works.	
1,033	48	HIF Access Road and Bridge - Grant Funded	15,500	11,000	26,500		26,500	Yes		£15.5m approved at Council February 2020 with a delegation to Cabinet to approve final scheme. Report taken to September cabinet requesting an additional budget of £11m of which is to be funded by £5.05m CIL, £1.1m S106 and £2.85m additional HIF grant. £2m provision for commuted sum could also be funded by CIL if available otherwise it would result in additional borrowing. This will need to be approved by Council. £11m approved by Council December 2020.	
1,461	49	S106 Beaulieu Park Station	100	1,550	1,650		1,650	Unspecified		Scheme approved for £100,000 via Director of Sustainable Communities delegated authority. £1,550,000 approved at Council February 2016. The expenditure on this scheme will be funded by S106.	
1,793	50	S106 Beaulieu Park Station 2nd Phase	2,917		2,917		3,431	Unspecified		£2,917m approved at February Council 2018. The expenditure on this scheme will be funded by S106.	
1,311	51	S106 Beaulieu Sports Facility	477	834	1,311		1,311	Unspecified		£477k approved by Cabinet in January 2019 with delegation to spend further S106 contributions when received. Additional contributions received and therefore added to approved budget.	
37	52	S106 Public Art Bond Street	44		44		44	Yes		Approved by delegation February 2019.	
13	53	S106 Stonebridge Illuminations	37	6	43		43	Yes		Approved by delegation April 2019. Additional budget approved by delegation March 2020 £6k.	
6	54	S106 River Can Pathway Lighting Design	10	6	16		16	Yes		Approved by delegation £10k January 2020. Additional budget approved by delegation March 2020 £6k.	
21	55	S106 Public Art Channels	21		21		21	Yes		Approved by delegation January 2020 £21k.	
3	56	S106 Habitat Mitigation	3		3		3	Unspecified		Requests from Essex County Council for grant from S106 towards the cost of works.	
55	57	CIL REFCUS Schemes 19/20	72	30	102		102	Yes		Scheme approved April 2019 £72k. Revenue Expenditure Funded by Capital Under Statute (REFCUS). NEW £30k various CIL schemes approved July 2019.	
7	58	CIL REFCUS Schemes 20/21	17		17		17	Unspecified		£17k Approved March 2020.	

		Latest Approved Budget - Approved July 2020 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval					
Committed Spend 31st December 2020		Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative	
£000s	SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s				
	59 CIL Sutherland Lodge Refurbishment	525		525	950	525		Awaiting Business case - Late delivery	Approved Council July 2017.	
56	60 CIL North Avenue Youth Centre Grant	41	15	56		56		Yes	Approved CIL funding April 2018. NEW Additional £15k CIL funding approved July 2019.	
	61 CIL St Andrew's Scout Hut Building	80		80		80		Yes	CIL funding approved Cabinet October 2018 scheme to be included in capital programme approved by February Council 2019.	
47	62 CIL Moulsham Lodge Community Centre Café (MLCT)	47		47		47		Yes	CIL funding approved July 2019.	
15	63 CIL Sanctus First Floor Refurbishment Grant	15		15		15		Yes	CIL funding approved July 2019.	
	64 CIL Homelessness Day Centre CHESS New London Rd	300		300		300		Yes	CIL funding approved July 2019.	
	65 CIL Age Concern First Floor Extension Grant	212		212		212		Yes	Approved scheme with CIL funding March 2020.	
24	66 CIL Integrated Cycling Infrastructure Grant	100		100		100		Yes	CIL funding approved at meeting of the CIL Panel 23/1/2020.	
	67 CIL Trinity Road School Improvements					950			Proposal for CIL funding will need to be approved by Cabinet once notification of support received from ECC's Capital Investment Board.	
89	68 High Chelmer Multi Storey Car park (HCMSCP) Movement Joints	105		105		105		No	Approved at Council February 2017. Scheme was originally forecast to complete by September 2018. These works are now being carried out with the drainage works (scheme 71) and it is anticipated that they will be completed in 2020/21.	
46	69 HCMSCP Drainage Improvements	31		31		31		No	Approved at Council February 2018. See scheme 70 for details.	
49	70 Enabling Role - Housing	237		237		237		Dependent on Third party - Late delivery	The remaining balance is for a previously agreed payment to CHP.	
52,703	Grand Total	80,306	59,591	139,897	-10,057	129,840				
				Net Variation	-10,057					
65,567	Total Forecast Expenditure to 31/3/2021	Summary of Changes Since Previous Council Reports 2020				£000's				
		Latest Approved Council July 2020				144,656				
-12,864	Forecast Remaining in Year Expenditure									
		Supplementary Estimates Approved for Existing Schemes				11,320				
		Completed schemes removed				-16,079				
		Total Approved Budget				139,897				
		Latest Forecast Variations shown above (Increased Budgets Require Approval)				-10,057				
		Latest Forecast Budget March 2021				129,840				

<b>Capital Schemes - Reasons for Projected Variations to Latest Approved Total Scheme Costs More Than £25,000</b>							
Scheme Description	Latest Approved Budget	Latest Estimated Expenditure - If Additional Budget Requires Approval	Variation	Variation Type	Percentage Change in Scheme Cost	Reason	
	£000s	£000s	£000s				
<b>Director of Connected Chelmsford</b>							
1 Theatres' Toilets Phase I	155	0	-155	Saving on Budget	-100.00%	There is a new scheme proposal being submitted for a larger project of enhancements works to the theatres and therefore this budget provisions has been removed.	
2 Theatres' Modernisation Phase I	100	0	-100	Saving on Budget	-100.00%	There is a new scheme proposal being submitted for a larger project of enhancements works to the theatres and therefore this budget provisions has been removed.	
<b>Director of Fairer Chelmsford</b>							
3 Provision for Temporary Car Park Provision - Wharf Road	798	0	-798	Saving on Budget	-100.00%	Decision to remove provision from programme as scheme no longer required.	
7 Galleywood Hall Industrial Units	1,200	800	-400	Saving on Budget	-33.33%	Following the planning application the size of the project has been reduced which has resulted in a reduction in cost. This will also impact on the revenue which will be generated from the scheme as the number of units available for rent will be reduced.	
12 Strategic Property Purchase	10,000	0	-10,000	Saving on Budget	-100.00%	Decision to remove provision from programme as PWLB borrowing regulations have changed and can not borrow against investment properties.	
<b>Sustainable Development</b>							
46 Public Realm City Centre Greening/Tree Planting	82	4	-78	Saving on Budget	-95.12%	Budget and spend to be transferred to revenue as spend does not qualify as capital.	
50 S106 Beaulieu Park Station	2,917	3,431	514	Additional Budget Required	17.62%	ECC have informed us of the estimated cost of the works up to the end of March 2021, an additional £514k. The S106 contribution will not be received from the developer until April 2021.	
67 CIL Trinity Road School Grant	0	950	950	Additional Budget Required	100.00%	This scheme has been discussed by the CIL panel and CCC are awaiting the outcome of ECC's Capital Investment Board which met in early October. Once ECC confirms their support the scheme will require Cabinet approval.	

**Table 16**

CAPITAL ASSET ROLLING/REPLACEMENT PROGRAMME																		
2020/21											2021/22							
2020/21 ASSET REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE VARIATIONS FROM LATEST APPROVED ESTIMATE											2021/22 ASSET REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE PROJECTED VARIATIONS FROM LATEST APPROVED PROGRAMME AND REQUESTS FOR NEW BUDGETS							
VARIATION FROM 2020/21 BUDGET ONLY											2021/22 BUDGET							
Committed Spend 31/12/2020	CAPITAL ASSET REPLACEMENT PROGRAMME	Original Approved Estimates for 2020/21	Additional/ Reduced (-) Approved Budget	Reason for Change - see Key Below	Latest Approved Estimates for 2020/21	Analysis of Variations			Variance for 2020/21 Additional Budget	Total Proposed Budget Requirement 2020/21	Original Approved Estimate 2021/22	Additional/ Reduced (-) Approved Budget	Reason for Change - see key below	Latest Estimate for 2021/22	Variations			Total Proposed Budget Requirement for 2021/22
						Change in Scheme Phasing	New Proposal	More/Less (-) Than Approved Budgets							Re phasing from 2020/21	More/Less(-) Than Approved Budgets - More Requires Approval	Approved Replacements Deferred from 2021/22 to Later Years	
£000s	SCHEME DESCRIPTION	£000s	£000s		£000s	£000s	£000s	£000s	£000s	£000s		£000s		£000s	£000s	£000s	£000s	£000s
	<b>Connected Chelmsford</b>																	
55	1 Digital Services Replacement Programme	373	-80	PH, PV	293	-181			-181	112		90	PH	90	181	48		319
	Financial Module of Enterprise Resource Planning (ERP)	89			89				0	89				0				0
36	3 Civica System Upgrade	36			36				0	36				0				0
8	4 Theatres' Fire Alarm Replacement	15			15				0	15				0				0
	5 Theatres' Equipment	149			149				0	149				0		40		40
	6 Cramphorn Theatre Replacement Floor	17			17				0	17				0				0
	<b>Fairer Chelmsford</b>																	
	No Schemes				0				0	0				0				0
	<b>Greener and Safer Chelmsford</b>																	
113	7 CCTV Replacement Equipment	118			118			-5	-5	113				0		7		7
40	8 CCTV Various Schemes Sites CIL	67			67				0	67				0				0
75	9 CCTV Maldon DC Joint Procurement	74	1	PV	75				0	75				0				0
	10 Crematorium Equipment	17			17	-17			-17	0				0	17			17
	11 Crematorium Columbarium	14			14	-14			-14	0				0	14			14
	12 Civic Centre Alarm	46			46				0	46				0				0
	13 Civic Centre Boiler Flues	32	-32	PH	0				0	0		32	PH	32			-32	0
	14 Civic Centre Building Management System	13			13				0	13				0				0
	15 Civic Centre Server Room Air Conditioning													0		40		40
	16 Civic Centre Floor Replacements													0		31		31
	17 Print and Post Room Replacement Equip.	25			25	-25			-25	0				0	25	3		28
	18 Dovedales Replacement Equipment	5	-5	PH	0				0	0		5	PH	5		5		10
110	19 Riverside Replacement Equipment	150			150				0	150				0		48		48
7	20 CSAC Replacement Equipment	60	-47	PH	13				0	13		47	PH	47		88		135
	21 CSAC Flood lights	29			29	-29			-29	0				0				0
	22 CSAC Plant				0		13		13	13				0		6		6
	23 SWFLC Replacement Programme	58	-54	PH	4				0	4		56	PH, PV	56		9		65
12	24 SWFLC Plant Replacement	19	-7	PH	12				0	12		7	PH	7				7
	25 Riverside Plant Replacement	8			8				0	8				0				0
	26 Hylands Pavilion Replacement Flooring	48			48			-8	-8	40				0				0
	27 Play Area Replacements	265	-265	PH	0				0	0	311	-46	PH	265				265
	28 Outdoor Gyms		39	SEG	39				0	39				0				0
	29 Sports Equipment, floodlights, Irrigation	10			10			4	4	14				0				0
	30 Parks Replacement Vehicles and Equipment	205	-60	PH, PV, SEN	145				0	145		89	PH	89		482		571
	31 PHPS Vehicles	24			24			-24	-24	0				0		100		100
	32 PHPS Air Monitoring Equipment				0				0	0				0		20		20
	33 PHPS Street Lighting	21			21	-21			-21	0				0	21			21
	34 CIL Street Lighting Meadows Car Park	5			5				0	5				0				0
16	35 Freight House Plant	16			16				0	16				0				0
	36 Travel pool Cars	60	-60	PH	0				0	0		60	PH	60				60
	37 Scootas for the Disabled	2			2				0	2				0		8		8
	38 Retail Market Intruder Alarm	13			13			-13	-13	0				0				0
31	39 Retail Market Vehicle	24	7	PV	31				0	31				0				0
	40 Street Cleansing Vehicles	0			0				0	0	356			356		326		682

Table 17



[illegible]

Reasons for Variations Greater Than £25,000 in Asset Replacement Programme							Table 18
	Scheme Description	Latest Approved Budget	Estimated Budget Required	Variation	Variation Type	Percentage Change	
		£000s	£000's	£000s			
	<b><u>2020/21</u></b>						
	<b><u>Connected Chelmsford</u></b>						
1	Digital Services Replacement Programme	293	112	-181	Rephasing of spend to 2021/22	-61.77%	
	<b><u>Greener and Safer Chelmsford</u></b>						
17	Print and Post Room Replacement Equip.	25	0	-25	Rephasing of spend to 2021/22	-100.00%	
21	CSAC Floodlights	29	0	-29	Rephasing of spend to 2022/23	-100.00%	
41	Wet Team Vehicles	71	0	-71	Rephasing of spend to 2021/22	-100.00%	

**COUNCIL TAX RESOLUTION****INTRODUCTION**

To set the 2021/22 Council Tax for Chelmsford City Council, the Council is asked to approve the information as set out in this Resolution.

**Council Tax**

The Council Tax Requirements for this Council and the precepts for the other precepting authorities are detailed below.

Chelmsford City Council's council tax requirement is £13,986,847 after allowing for a deficit balance on the Collection Fund of £52,854. This results in an average Band D Council Tax of £203.95.

The Parish and Town Council precepts are detailed in the recommendation below and total £2,738,253. This results in an average Band D Council Tax figure of £39.93.

Essex County Council has set a precept at £91,959,380 after allowing for a deficit balance on the collection fund of £293,925. This results in a Band D Council Tax of £1,340.91.

Police, Fire and Crime Commissioner for Essex has set a precept at £14,300,952, after allowing for a deficit balance on the collection fund of £44,192. This results in a Band D Council Tax of £208.53.

Essex Police, Fire and Crime Commissioner Fire and Rescue Authority has set a precept at £5,067,364 after allowing for a deficit balance on the collection fund of £16,439. This results in a Band D Council Tax of £73.89.

The formal Council Tax Resolution is given below. If the Resolution is approved the Council Tax for 2021/22 will be as follows.

	<b>2020/21</b>	<b>2021/22</b>	<b>Increase</b>	<b>Increase</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>
Chelmsford City Council (average)	199.00	203.95	4.95	2.49%
Essex County Council	1,321.11	1,340.91	19.80	1.50%
Police, Fire and Crime Commissioner for Essex	198.63	208.53	9.90	4.98%
Essex Police, Fire & Crime Commissioner Fire & Rescue Authority	73.89	73.89	0.00	0.00%
	<hr/>	<hr/>	<hr/>	
	1,792.63	1,827.28	34.65	
Parish and Town Councils (average)	38.56	39.93	1.37	3.55%
	<hr/>	<hr/>	<hr/>	
<b>TOTAL</b>	1,831.19	1,867.21	36.02	

**RECOMMENDED** that in accordance with the provisions of the Local Government Finance Act 1992 as amended ("the Act"):

The following be approved :-

1 (a)	Council Tax Requirement for 2021/22	£
	Chelmsford City Council	13,986,847
	Parish and Town Councils	2,738,253
	Total Council Tax requirement	<u>£16,725,100</u>
(b)	The individual Parish budgets were set out in Table 11 of the Council report	
2	It be noted that the Director of Financial Services, under delegated authority, calculated the following amounts as its Council Tax base for the year 2021/22 in accordance with regulation 3 of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 made under Section 31B(3) of the Act.	
(a)	The amount calculated by the Council, in accordance with regulation 3 of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as its council tax base for the year.	<u>68,579.83</u>
(b)	Part of the Council's area (Parish or Town Council, or the Town Centre)	2021/22 Tax Base (Band D equivalent)
	GREAT BADDOW	5,437.50
	LITTLE BADDOW	876.84
	BOREHAM	1,425.66
	BROOMFIELD	2,530.80
	CHIGNAL	315.26
	DANBURY	2,433.04
	GALLEYWOOD	2,096.56
	GOOD EASTER	174.84
	EAST HANNINGFIELD	488.97
	SOUTH HANNINGFIELD	1,203.77
	WEST HANNINGFIELD	476.12
	HIGHWOOD	325.06
	GT. & LITTLE LEIGHS	1,152.73
	MARGARETTING	392.01
	MASHBURY	45.35
	PLESHEY	137.22
	RETTENDON	781.72
	ROXWELL	478.74
	RUNWELL	1,831.85
	SANDON	737.39
	SPRINGFIELD	7,907.35
	STOCK	1,186.38
	GT. WALTHAM	938.72
	LT. WALTHAM	809.25
	SOUTH WOODHAM FERRERS	6,078.41
	WOODHAM FERRERS & BICKNACRE	1,235.93
	WRITTLE	2,012.09
		43,509.56
	special expense area of TOWN CENTRE (non Parished area)	<u>25,070.27</u>
		<u>68,579.83</u>

Being the amounts calculated by the Council, in accordance with regulation 6 of these Regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items relate.

3	The following amounts be now calculated by the Council for the year 2021/22 in accordance with Sections 30 to 36 of the Act:-	
		£
(a)	The aggregate of the amounts which the Council estimates for the items set out in Section 31A (2)(a) to (f) of the Act	151,337,998
(b)	The aggregate of the amounts which the Council estimates for the items set out in Section 31A (3)(a) to (d) of the Act	-134,612,898
(c)	The amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its council tax requirement for the year (including parish precepts)	16,725,100
(d)	The amount at 3(c) above divided by the amount at 2(a) above, calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its council tax for the year (including parish precepts)	243.88
(e)	The aggregate amount of all special items referred to in Sections 34(1) and 35 of the Act	4,442,453
(f)	The amount at 3(d) above less the amount given by dividing the amount at 3(e) above by the amount at 2(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates (excluding parish precepts)	179.10

(g) Part of the Council's area (Parish or Town Council, or the Town Centre)

*	Basic Council Tax per Band D £	<--- Special Items --->		TOTAL per Band D £
		Special Expenses per Band D £	Parish Precepts per Band D £	
GREAT BADDOW	179.10	8.28	80.64	268.02
LITTLE BADDOW	179.10	19.08	52.56	250.74
BOREHAM	179.10	5.67	63.09	247.86
BROOMFIELD	179.10	22.50	55.08	256.68
CHIGNAL	179.10	29.70	24.12	232.92
DANBURY	179.10	3.42	109.17	291.69
GALLEYWOOD	179.10	27.54	51.12	257.76
GOOD EASTER	179.10	17.55	61.29	257.94
EAST HANNINGFIELD	179.10	26.37	73.44	278.91
SOUTH HANNINGFIELD	179.10	19.44	71.82	270.36
WEST HANNINGFIELD	179.10	21.33	55.89	256.32
HIGHWOOD	179.10	19.62	98.01	296.73
GT. & LITTLE LEIGHS	179.10	32.58	26.01	237.69
MARGARETTING	179.10	19.89	31.68	230.67
MASHBURY	179.10	17.55	0.00	196.65
PLESHEY	179.10	17.55	61.47	258.12
RETTENDON	179.10	24.48	53.82	257.40
ROXWELL	179.10	0.00	31.32	210.42
RUNWELL	179.10	17.91	59.76	256.77
SANDON	179.10	23.31	47.70	250.11
SPRINGFIELD	179.10	31.86	51.93	262.89
STOCK	179.10	18.90	37.71	235.71
GT. WALTHAM	179.10	21.78	56.61	257.49
LT. WALTHAM	179.10	23.85	54.81	257.76
SOUTH WOODHAM FERRERS	179.10	23.85	70.47	273.42
WOODHAM FERRERS & BICKNACRE	179.10	18.63	66.87	264.60
WRITTLE	179.10	2.34	67.59	249.03
special expense area of TOWN CENTRE (non Parished area)	179.10	33.57	0.00	212.67

The amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 2(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate. The effect on individual banded properties is shown in Annex A.

(h) Valuation Bands

That the amounts detailed in Annex A being the amounts given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 4 It be noted that for the year 2021/22 Essex County Council, the Police, Fire and Crime Commissioner for Essex and the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown below:-

<u>PRECEPTING AUTHORITY</u>	<----- VALUATION BANDS ----->							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Essex County Council	893.94	1,042.93	1,191.92	1,340.91	1,638.89	1,936.87	2,234.85	2,681.82
Police, Fire and Crime Commissioner for Essex	139.02	162.19	185.36	208.53	254.87	301.21	347.55	417.06
Essex Police, Fire and Crime Commissioner Fire and Rescue Authority	49.26	57.47	65.68	73.89	90.31	106.73	123.15	147.78

- 5 Having calculated the aggregate in each case of the amounts at 3(h) and 4 above, the Council, in accordance with Section 30(2) of the Act, hereby sets the amounts detailed in Annex B attached as the amounts of council tax for the year 2021/22 for each of the categories of dwellings shown.

**ANNEX A: Chelmsford City Council - Council taxes 2021/22 - Excluding Essex County Council, Police, Fire & Crime Commissioner for Essex & Essex Police, Fire and Crime Commissioner Fire and Rescue Authority**

Parish of:-	-----> VALUATION BANDS ----->							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
GREAT BADDOW	178.68	208.46	238.24	268.02	327.58	387.14	446.70	536.04
LITTLE BADDOW	167.16	195.02	222.88	250.74	306.46	362.18	417.90	501.48
BOREHAM	165.24	192.78	220.32	247.86	302.94	358.02	413.10	495.72
BROOMFIELD	171.12	199.64	228.16	256.68	313.72	370.76	427.80	513.36
CHIGNAL	155.28	181.16	207.04	232.92	284.68	336.44	388.20	465.84
DANBURY	194.46	226.87	259.28	291.69	356.51	421.33	486.15	583.38
GALLEYWOOD	171.84	200.48	229.12	257.76	315.04	372.32	429.60	515.52
GOOD EASTER	171.96	200.62	229.28	257.94	315.26	372.58	429.90	515.88
EAST HANNINGFIELD	185.94	216.93	247.92	278.91	340.89	402.87	464.85	557.82
SOUTH HANNINGFIELD	180.24	210.28	240.32	270.36	330.44	390.52	450.60	540.72
WEST HANNINGFIELD	170.88	199.36	227.84	256.32	313.28	370.24	427.20	512.64
HIGHWOOD	197.82	230.79	263.76	296.73	362.67	428.61	494.55	593.46
GT. & LITTLE LEIGHS	158.46	184.87	211.28	237.69	290.51	343.33	396.15	475.38
MARGARETTING	153.78	179.41	205.04	230.67	281.93	333.19	384.45	461.34
MASHBURY	131.10	152.95	174.80	196.65	240.35	284.05	327.75	393.30
PLESHEY	172.08	200.76	229.44	258.12	315.48	372.84	430.20	516.24
RETTENDON	171.60	200.20	228.80	257.40	314.60	371.80	429.00	514.80
ROXWELL	140.28	163.66	187.04	210.42	257.18	303.94	350.70	420.84
RUNWELL	171.18	199.71	228.24	256.77	313.83	370.89	427.95	513.54
SANDON	166.74	194.53	222.32	250.11	305.69	361.27	416.85	500.22
SPRINGFIELD	175.26	204.47	233.68	262.89	321.31	379.73	438.15	525.78
STOCK	157.14	183.33	209.52	235.71	288.09	340.47	392.85	471.42
GT. WALTHAM	171.66	200.27	228.88	257.49	314.71	371.93	429.15	514.98
LT. WALTHAM	171.84	200.48	229.12	257.76	315.04	372.32	429.60	515.52
SOUTH WOODHAM FERRERS	182.28	212.66	243.04	273.42	334.18	394.94	455.70	546.84
WOODHAM FERRERS & BICKNACRE	176.40	205.80	235.20	264.60	323.40	382.20	441.00	529.20
WRITTLE	166.02	193.69	221.36	249.03	304.37	359.71	415.05	498.06
special expense area of								
TOWN CENTRE (non Parished area)	141.78	165.41	189.04	212.67	259.93	307.19	354.45	425.34

**ANNEX B: Chelmsford City Council - Council taxes 2021/22 - At taxpayer level**

Parish of:-	-----> VALUATION BANDS ----->							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
GREAT BADDOW	1,260.90	1,471.05	1,681.20	1,891.35	2,311.65	2,731.95	3,152.25	3,782.70
LITTLE BADDOW	1,249.38	1,457.61	1,665.84	1,874.07	2,290.53	2,706.99	3,123.45	3,748.14
BOREHAM	1,247.46	1,455.37	1,663.28	1,871.19	2,287.01	2,702.83	3,118.65	3,742.38
BROOMFIELD	1,253.34	1,462.23	1,671.12	1,880.01	2,297.79	2,715.57	3,133.35	3,760.02
CHIGNAL	1,237.50	1,443.75	1,650.00	1,856.25	2,268.75	2,681.25	3,093.75	3,712.50
DANBURY	1,276.68	1,489.46	1,702.24	1,915.02	2,340.58	2,766.14	3,191.70	3,830.04
GALLEYWOOD	1,254.06	1,463.07	1,672.08	1,881.09	2,299.11	2,717.13	3,135.15	3,762.18
GOOD EASTER	1,254.18	1,463.21	1,672.24	1,881.27	2,299.33	2,717.39	3,135.45	3,762.54
EAST HANNINGFIELD	1,268.16	1,479.52	1,690.88	1,902.24	2,324.96	2,747.68	3,170.40	3,804.48
SOUTH HANNINGFIELD	1,262.46	1,472.87	1,683.28	1,893.69	2,314.51	2,735.33	3,156.15	3,787.38
WEST HANNINGFIELD	1,253.10	1,461.95	1,670.80	1,879.65	2,297.35	2,715.05	3,132.75	3,759.30
HIGHWOOD	1,280.04	1,493.38	1,706.72	1,920.06	2,346.74	2,773.42	3,200.10	3,840.12
GT. & LITTLE LEIGHS	1,240.68	1,447.46	1,654.24	1,861.02	2,274.58	2,688.14	3,101.70	3,722.04
MARGARETTING	1,236.00	1,442.00	1,648.00	1,854.00	2,266.00	2,678.00	3,090.00	3,708.00
MASHBURY	1,213.32	1,415.54	1,617.76	1,819.98	2,224.42	2,628.86	3,033.30	3,639.96
PLESHEY	1,254.30	1,463.35	1,672.40	1,881.45	2,299.55	2,717.65	3,135.75	3,762.90
RETTENDON	1,253.82	1,462.79	1,671.76	1,880.73	2,298.67	2,716.61	3,134.55	3,761.46
ROXWELL	1,222.50	1,426.25	1,630.00	1,833.75	2,241.25	2,648.75	3,056.25	3,667.50
RUNWELL	1,253.40	1,462.30	1,671.20	1,880.10	2,297.90	2,715.70	3,133.50	3,760.20
SANDON	1,248.96	1,457.12	1,665.28	1,873.44	2,289.76	2,706.08	3,122.40	3,746.88
SPRINGFIELD	1,257.48	1,467.06	1,676.64	1,886.22	2,305.38	2,724.54	3,143.70	3,772.44
STOCK	1,239.36	1,445.92	1,652.48	1,859.04	2,272.16	2,685.28	3,098.40	3,718.08
GT. WALTHAM	1,253.88	1,462.86	1,671.84	1,880.82	2,298.78	2,716.74	3,134.70	3,761.64
LT. WALTHAM	1,254.06	1,463.07	1,672.08	1,881.09	2,299.11	2,717.13	3,135.15	3,762.18
SOUTH WOODHAM FERRERS	1,264.50	1,475.25	1,686.00	1,896.75	2,318.25	2,739.75	3,161.25	3,793.50
WOODHAM FERRERS & BICKNACRE	1,258.62	1,468.39	1,678.16	1,887.93	2,307.47	2,727.01	3,146.55	3,775.86
WRITTLE	1,248.24	1,456.28	1,664.32	1,872.36	2,288.44	2,704.52	3,120.60	3,744.72
special expense area of								
TOWN CENTRE (non Parished area)	1,224.00	1,428.00	1,632.00	1,836.00	2,244.00	2,652.00	3,060.00	3,672.00

- 6 The increase in Chelmsford City Council's relevant basic amount of Council Tax for 2021/22 is £4.95 (2.49%), which is below the guideline increase issued in accordance with the provisions of section 52ZB Local Government Finance Act 1992. The increase is therefore not excessive.

Parish and Town Council	Council Tax required		<--- Band D --->		
	2020/21	2021/22	2020/21	2021/22	Increase
	£	£	£	£	%
Great Baddow	434,538	438,480	79.56	80.64	1.36%
Little Baddow	46,055	46,087	52.83	52.56	-0.51%
Boreham	89,968	89,945	65.61	63.09	-3.84%
Broomfield	139,296	139,396	55.44	55.08	-0.65%
Chignal	7,608	7,604	26.28	24.12	-8.22%
Danbury	212,549	265,615	87.57	109.17	24.67%
Galleywood	106,139	107,176	50.22	51.12	1.79%
Good Easter	10,702	10,716	62.01	61.29	-1.16%
East Hanningfield	35,718	35,910	72.00	73.44	2.00%
South Hanningfield	86,500	86,455	72.63	71.82	-1.12%
West Hanningfield	26,818	26,610	56.07	55.89	-0.32%
Highwood	31,858	31,859	100.17	98.01	-2.16%
Great & Little Leighs	29,994	29,983	26.28	26.01	-1.03%
Margaretting	12,408	12,419	32.04	31.68	-1.12%
Mashbury	0	0	0.00	0.00	0.00%
Pleshey	7,512	8,435	54.09	61.47	13.64%
Rettendon	41,479	42,072	53.82	53.82	0.00%
Roxwell	14,985	14,994	31.41	31.32	-0.29%
Runwell	100,529	109,471	56.16	59.76	6.41%
Sandon	33,561	35,174	44.46	47.70	7.29%
Springfield	386,893	410,629	49.23	51.93	5.48%
Stock	44,825	44,738	37.53	37.71	0.48%
Great Waltham	49,934	53,141	53.01	56.61	6.79%
Little Waltham	44,101	44,355	54.81	54.81	0.00%
South Woodham Ferrers	428,265	428,346	70.38	70.47	0.13%
Woodham Ferrers & Bicknacre	77,639	82,647	62.91	66.87	6.29%
Writtle	132,105	135,997	65.34	67.59	3.44%
	<u>2,631,979</u>	<u>2,738,253</u>	1,471.86	1,513.98	