



## Chelmsford City Council

22 February 2022

Budget for 2022-23

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Report by: Cabinet Member for Fairer Chelmsford

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### Purpose

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 2022/23.

### Recommendations:

1. That the Council notes the Budget Forecast in **Section 6** and the report of the Section 151 Officer on the risks and robustness of the budget in **Section 7**.
2. That the Council approves:
  - A. The budget report in **Appendix 1**, including:
    - 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 £208.86 in **Section 8**
    - v. The movement in reserves shown in **Section 6**
    - vi. Special expenses, Parish and Town Councils precepts as identified in **Section 8, Table 11**.
    - vii. A delegation to the Chief Executive to agree after consultation with the Leader of the Council the pay award for 2022/23 within the normal financial delegations.

viii. a delegation to the Section 151 Officer after consultation with the Cabinet Member for Fairer Chelmsford that should a surplus level of reserves be determined at 31<sup>st</sup> March 2022 then if appropriate an additional revenue contribution to capital is made in the financial year 2021/22.

B. The Council Tax Resolution in **Appendix 2**, which fulfils the legal requirements to set a Council Tax for 2022/23.

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## 1. Introduction

1.1 The budget proposals from Cabinet have since been amended and wording updated, under a 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 2022/23 and there is no change to the overall total of the Council's funding compared to the provisional settlement reported to Cabinet.
- The report now includes details of Parish Precepts & Band D Council Tax.

1.2 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.

1.3 Key elements of the budget proposals are:

- New Capital and Revenue Service Investment as shown in **Section 4**.
  - New Revenue investment of £434k of which £231k is ongoing.
  - New capital investment of £5.598m.
- Section 10, Capital Budgets show an increase of £6.2m to the existing capital programme predominantly on Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy
- 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 2.41% or just under 10 pence per week (£4.91 per year) in 2022/23, 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**.

### 3. Financial Challenges

The report identifies an estimated budget shortfall for 2023/24 of £1.7m and a further £1m by 2026/27, however these estimates will change over time as events and income become more certain. Details can be found in **Section 6** of Appendix 1.

### 4. Risks and a Robust Budget

In **Section 7**, the Section 151 officer analyses the major risks contained within the budget and provides an opinion on the robustness of the estimates and the adequacy of reserves, in line with statutory requirements. The Section 151 Officer 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.

### 5. Conclusion

A Council Tax Resolution (**Appendix 2**) has been prepared which identifies the legal information required to set the Council Tax for 2022/23 for Chelmsford City.

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#### List of appendices:

1. Budget Report 2022/23
2. Council Tax Resolution

#### Background papers:

Nil

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### 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 2022/23

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## Section 1 Introduction to the Council's 2022/23 Budget

This report contains the revenue and capital budgets for 2022/23 (financial year starting 1<sup>st</sup> April 2022) and background context. The Covid-19 pandemic has meant budgets and financial forecasts have been subject to regular revision as measures to contain the virus change.

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 2021/22 income and expenditure which may also be materially different when a financial outturn is determined after the 31<sup>st</sup> March 2022. The report will identify risks and a targeted level of reserves.

The table below shows a summary of how the revenue budget is proposed to change between the current year 2021/22 and next year 2022/23:

£000s	Summary Budget Movements Between 2021/22 and 2022/23
1,755	Cost Pressures (see Section 3)
-1,638	Income -reduced Covid impact (see Section 3)
1,266	Government Funding (Section 2)
-300	Business Rate Retention (Section 2)
-723	Savings & Efficiencies (Section 3)
214	Net cost Service Enhancements (revenue and capital Section 4)
-764	Council Tax Income (Section 8)
190	Less use of Reserves (Section 6)
<b>-</b>	<b>Budget Gap</b>

The Government has announced a one-year settlement for 2022/23 and **Section 2** identifies the various funding streams.

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 with 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 2022/23 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) (also known as Section 151 officer) 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 £4.91 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 (estimated)

The Government has provided Councils with a funding settlement for 2022/23.

The settlement includes the assumption that all Councils will increase their Council Tax by the maximum allowed (before a referendum is required), that is a £5 increase on a Band D property.

It is expected that funding methods and allocations will be changed by Government after 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, as a result of Government agendas on 'fair funding' and 'levelling up'
- Reform of the New Homes Bonus Scheme

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

The overall funding position available to support ongoing expenditure (ignoring Covid-19 funding) is a cash improvement of some £0.4m. However, the Government did commit to funding the cost of public sector NI increases, which is some £0.2m for the City Council. This leaves some £0.2m to fund the very significant financial pressures the Council faces. **Table 1** below shows a comparison of 2020/21 & 2021/22 Government funding to the provisional (reported to Cabinet)final settlement for 2022/23. Below the table there is a short explanation of each grant

**Table 1**

Funding Streams (Un-ringfenced)	2020/21	2021/22	2022/23 (provisional)	2022/23 (Final)
	£ms	£ms	£ms	£ms
A) Revenue Support Grant	0	0	0.0	0.0
B) Baseline business rate retention	3.4	3.4	3.4	3.4
C) Sec 31 Grants	0.3	0.2	0.3	0.4
D) Lower Tier Funding	0	0.6	0.7	0.6
E) New - 2022/23 Service grant	0	0	0.2	0.2
<b>Total Core Funding (excludes New Homes Bonus)</b>	<b>3.70</b>	<b>4.20</b>	<b>4.6</b>	<b>4.6</b>
<b>Temporary Covid Funding</b>				
F) Covid 19 Expenditure pressures grant	2.3	0.8	0	0
G) Local Council Tax Support Grant	0	0.2	0	0
H) Sales, Fees and Charges Grant (estimate)	7.8	0.7	0	0
<b>Covid Funding</b>	<b>10.1</b>	<b>1.7</b>	<b>0</b>	<b>0</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 (£0.348m) – The complexity of the Business Rates Retention Scheme has led to grants being paid to local authorities for Government initiatives such as freezing business rates rather than increasing it in line with inflation. These grants vary in value each year.
- D. Lower Tier Services Grant £0.644m. The Government allocated a “one-off” Lower Tier Services Grant in 2021/22 but it has continued into 2022/23. The grant is an allocation of £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. Spending power is discussed in **Section 7**. The future of the grant is no different to all the other funding streams and will no doubt be merged into whatever changes come into effect in 2023/24 from the Government’s levelling up and fairer funding agendas.
- E. 2022/23 Services Grant £0.235m. This has been provided to ensure that no local authorities have a reduction in spending power as measured by Government, just like the Lower Tier Grant. The funding (£822m) will be ongoing but will be allocated to authorities on a different basis in future. The government has stated that any transition to new funding arrangements will not take account of the Services grant allocation.

#### **Covid Funding (2021/22 only) items F-H**

Extraordinary support was provided for Covid financial pressures in 2020/21 & 2021/22. At the time of drafting no specific Covid-related funding has been provided for 2022/23.

#### 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 2022/23, 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 2022/23 must pay a tariff of £27.5m and is able to retain Baseline Funding of £3.4m 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 2022/23. 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.

- 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.
- iv. Additional net Retention income of £3.3m is expected in 2022/23. However, the Council's budget reflects £500k of Business Rate Retention being used to support annual service expenditure. This is a £300k increase over 2020/21. Officers have taken a more cautious approach on budgeting Business Rate income historically which has usually resulted in income being much higher than initially budgeted for. This year an increase in the initial amount used to support services is therefore considered reasonable.
- v. The Council is required to finalise, and provide to Government, its Business Rate Retention income estimate in late January which will be after the Cabinet meeting. The submission is made by completing a NDR1 return. The Section 151 Officer will therefore provide the Council with any appropriate amendments which result from the final estimates. Any changes would only have an impact on the Business Rate Retention Reserve.

#### 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
	£'000	£'000	£'000	£'000	£'000
2017/18	1082	1082			
2018/19	1134	1134	1134		
2019/20	884	884	884	884	
2020/21		1326			
2021/22			1113		
2022/23				1271	
2023/24					Not Known
	3100	4426	3131	2155	0

The government has been committed to radically changing New Homes Bonus for the last 3-4 years, so most authorities do not use the income to support ongoing service expenditure. The City Council has taken that approach. It has been assumed in the financial planning that:

- the sums payable will be contributed to the Chelmsford Development Reserve or directly used to fund capital expenditure or other large one-off projects; and
- no further NHB will be received after 2023/24.

## Homelessness Grant

The funding provided is £877k, which has been frozen at last year's level.

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 Government has provided other ring-fenced housing grants during the last year. It has also announced a £13k grant to support people forced to move home due to domestic violence in 2022/23.

**Section 3**  
**Cost Pressures, Covid-19 Assumptions and Efficiencies**

Cost Pressures

The cost pressures the Council is facing are detailed in table 3a below. Background narrations of the more significant items are set out after the table.

**Table 3a Cost Pressures 2022/23**

Variations from preceding year	Cost Pressures 2022/23
£000s	<u>(Increases/changes over previous year)</u>
830	Pay inflation - 2.5% 2022/23
515	Pay Inflation 2021/22 Increase
1,100	Utilities Inflation – 69 % electric & gas 209%% in 2022/23
241	Provision for Inflation Uncertainty
163	Inflation (on Fuel, Agency Staff, and repairs)
268	Housing and Temporary Accommodation
195	National Insurance
175	Pension deficiency
60	Other
89	Car Parks closures (Waterloo Lane part year only)
	<u>Compensating Factors</u>
-74	Capitalisation of Costs
-80	Lower than budgeted Gas usage
-89	Minimum Revenue Provision (capital financing)
-137	Hylands Car Parking charges (2nd year (full year))
-407	Car Parking Charges review
-411	Use of External Fund Managers & interest
-683	Fees & charges 3.2% inflation
<b>1,755</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 in normal years. This means, in real terms, service budgets decrease. The real terms reduction is difficult to quantify as each service purchases different supplies and services, so experiences different inflation. However, in 2021/22 and 2022/23 inflation and inflation expectations are historically high (5 to 6% as measured by CPI). It has therefore been necessary to add additional funding.

Pay: There is significant demand for labour in the UK at present and this with other factors has resulted in the need to increase staff pay at a faster rate than anticipated. A 2% pay award has recently been accepted by Council staff for 2021/22 at an additional cost of £515k. The 2022/23 budget assumption is a 2.5% increase. There is a risk that may be insufficient with inflation expected to be around 6% in April 2022.

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 2022/23 with any change from the above assumptions being funded in 2022/23 from General (unearmarked) reserves within the normal financial delegations.

Gas and Electric: The Council has in place a procurement contract which bulk buys on behalf of Councils nationally. The contract locks into gas and electric supply in stages, with a final price agreed in April. Initial indications from the supplier suggested a 38% increase in prices in 2022/23, however further advice was provided just before the new calendar year which required a late adjustment to the budget papers to Cabinet. The revised position is that the expected increase is 69% for electricity and 209% for gas. The initial Cabinet budget report contained £500k of additional resource to fund the 38% increase. The budget has been increased by a further £600k. So overall the 2022/23 budget has increased by £1.1m in total to meet the utility price increases.

Other Inflationary costs: The budget contains provision (£163k) for increased fuel, agency, and some repair costs. To de-risk to some extent the overall budget, a £241k inflation provision has been included. This would be used subject to the normal delegations, if required.

### **Housing Services and Housing Benefits**

The Council's Strategic Housing team has a significant budget 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. This is 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 number of households in Council Temporary Accommodation (TA) remains too high at around 300 in December 2021. It is expected that during 2022/23 it will average 348 in TA (369 by end of year). Also, there are increasing costs of TA (rents are rising), so it has been necessary to increase the budget by £268k. The Council has included capital programme budgets to help to address the costs of TA.

### **National Insurance**

From April 2022 there is going to be an increase in employee and employer national insurance rates of 1.25%. The cost to the City Council is £195k per year. The Government appears to have provided funding within the settlement.

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

The Council is obliged by statute to offer its employees membership of the Local Government Pension Scheme (administered by 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 was more cost-effective to fund the 3-year pension deficiency cost with an up-front payment as a discount was 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 2022/23 budget by £175k each year until the annual payment into the deficiency reserve reaches the required level.

### **Compensating Factors which have reduced Budget Pressures**

#### Minimum Revenue Provision (MRP)

The MRP is a revenue contribution made to capital each year to pay down any borrowings.

More details can be found in **Section 5**. A reduction in the expected MRP cost of £89k as capital expenditure was deferred due to Covid, so borrowing was lower than planned. The costs of MRP

are forecast to rise over the coming years and this is included in the revenue budget forecast shown in **Section 6**.

Use of External Fund Managers to increase cash Investment returns.

As has been reported previously to Council, the amount of its cash managed by external managers has been increased. There is a slight increase in risk to sums invested and higher-volatility to capital values. The increase in returns is expected to be £300k per annum.

Fees and Charges Inflation

The budget guidelines recommended a 2% increase in fees and charges in 2022/23. During the course of the budget process, it became apparent that a higher rate of inflation will be prevailing during 2021, 2022 and possibly 2023. The average rate of increase in fees and charges has therefore been set at 3.2% (September CPI rate). The setting of fees and charges is however more nuanced. Increases must reflect wider Council policy objectives and competitors. The area where there is a materially different approach is Car Parking Charges. A report is elsewhere on the agenda.

Covid-19 Forecast Financial Impact (Income Changes)

**Table 3b**

2022/23 £000s	<b>COVID 19 Impact and Recovery (-Improved/+lower)</b>
-1,015	Improved -Car Parking (only partial recovery to around 80% of 2020/21 budget)
380	Reduction in net Theatre income- this includes closure for refurbishment and full recovery in 2023/24
-128	Higher Rental Income including High Chelmer
-498	Additional Leisure Income (full recovery to pre covid levels)
-310	Additional Income from Council Tax Sharing Agreement with Essex County Council
-67	Other (net)
<b>-1,638</b>	<b>Total Covid Impacts</b>

Prior to the onset of the Omicron variant of Covid, income at the Council in most areas was recovering strongly. The outlook is now less certain, but the evidence now supports that income can recover quickly after the lifting of covid restrictions.

The changes in income identified above are compared to the 2021/22 budget which was lower in many cases than pre-covid income. So, the above variances unless stated do not imply income has fully recovered to pre-covid levels. Income in 2022/23 is expected to remain below pre-Covid-19 levels in the following key areas:

- Retail Markets
- Rents (retail)
- Office rents are lower due to a re-let.
- Civic building room hire
- Car Parking. Long stay car parking is not expected to recover as more people are working from home
- Theatre Income is expected to take several years to achieve pre-Covid-19 levels. The modernisation investment within the capital programme will make a full recovery more likely.

Clearly there is a significant risk that income will remain low or volatile during 2022/23. A judgement will need to be made during the year whether some services will have permanently lower income. This will require reductions in Council expenditure to offset losses but if income losses are just a temporary phenomenon, reserves can be used to fund the shortfalls. The current budget does use reserves (£0.8m) to offset Office rental and Theatre income shortfalls in 2022/23 (detailed in **Section 6**).

**Section 6** Revenue Forecast and Reserves, identifies the assumed changes in income in later years. The Section 151 Officer 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.

Table 3c Efficiencies

Type (Income generation/ Cost Saving)	Description	Saving 2022/23 £000s	Saving 2023/24 £000s
Income	Hylands music festival – additional income compared to current contract as a result of negotiations to switch dates and re-focus festival	-160	-160
Spend to Save	Recent purchase of on street Temporary Accommodation properties. Release saving	-85	-85
Expenditure	Sports and leisure centres – a variety of actions to improve efficiency and effectiveness following base budget review	-70	-70
Income	Planning Income	-50	-50
Staffing	Local Plan – vacant post	-40	-40
Expenditure	A range of minor budgets	-38	-38
Income	Theatre – bar income	-36	-36
Expenditure	Grounds Maintenance-operational savings associated with changes to the policy for creating and managing species-rich grassland.	-26	-26
Income	Building control. A range of initiatives (Building control is a financially ring-fenced account and this saving relates to items outside the ring-fenced account)	-20	-20
Expenditure	Training budget	-10	-10
Expenditure	Cash Collections – review of locations where cash accepted and collection rounds	-10	-10
Income	Hylands outdoor venue – income return from new outdoor space from weddings and other activities and pricing adjustments following EMC review	-25	-25
		<b>-570</b>	<b>-570</b>



## Section 4 2022/23 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 2022/23 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 one-off income. 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 2022/23**

<b>Scheme</b>	<b>Cost 22/23 £000s</b>	<b>Cost 23/24 £000s</b>	<b>Ongoing Cost £000s</b>	<b>Details</b>
1 Modernisation and Replacement of Digital Software and Equipment	100	100	100	The capital programme for 2022/23 includes the creation of £500k budget to support improvements and modernisation of the Council's Digital infrastructure. There is a need to increase the revenue budgets to support this investment and a £100k is sought to cover ongoing revenue running costs.
2 Legal Salary and Agency Costs	25	25	25	An increasing problem is recruitment and retention of staff.
3 Digital (Media) Marketing Post	31	31	31	Additional work loads including: Creating and editing images and videos to be used across social media channels, websites, and emails across Hylands Estate, Museums, and Events. Attending events outside of normal work hours to obtain GDPR compliant photos and videos to be used for future promotions
4 Cyber Security	75	75	75	There is nationally an increasing risk of Cyber attacks. The Council cannot prevent an attack but this funding will identify areas of higher risk and in event of an attack will help manage the consequences.
5 Strategic Planning Staffing	203	203	0	4 new staff on a 2 year fixed term contract are required to support the 'Chelmsford Garden Community' programme, at a cost of £203k in each year. This will be partly funded by one off income received in 2021/22 and 2022-23. The balance will be funded from income received in 2021/22 and held in reserves until used in 2023/24
Planning Income	-220	0	0	
<b>Total</b>	<b>214</b>	<b>434</b>	<b>231</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 based on planned funding including use of CIL and New Homes Bonus results in a revenue benefit of some £50k per year from completion of the schemes.

The budgets set out in the new schemes Table 5 and the approved programme in **Section 10**, are based on the best advice available. However, there is unprecedented inflationary pressure in the economy which make the outcomes of tenders for goods and services erratic. Changes in project cost will be dealt with under the normal financial delegation.

Table 5

## CAPITAL PROGRAMME - New Schemes Identified for Approval

							Later	Total
	Details	2021/22	2022/23	2023/24	2024/25	2025/26	Years	Spend
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
	<b>New Schemes (see table 5 for details)</b>							
1	Museum Roof Access		11					11
2	Land Disposal Costs	168	444					612
3	Market Road Public Convenience Roof		101					101
4	Chelmer Park Pavilion Roof		148					148
5	Crematorium Toilet Refurbishment		86					86
6	CSAC Floodlights Upgrade to LED		61					61
7	Hylands House Basement Toilet Refurbishment		150					150
8	Retail Market Drainage Improvements		31					31
9	Beaulieu Park Pavilion Health and Safety Works		33					33
10	S106 Central Park Lake Edge		62					62
11	Beaulieu Pk Conversion Tarmac Court to 3G Pitch and Floodlight Upgrade		90					90
12	Oaklands Park Upgrade Tennis Courts to MUGA		91					91
13	Townfield Street Car Park Strengthening Barriers		15					15
	<b><u>Schemes where Delegation Required for Cabinet/Officers to Spend Once Business Cases Received</u></b>							
14	Investment in Digital Technology		300	200				500
15	Initiatives to Increase Provision of Affordable Housing		993	650				1,643
16	Dovedales Sports Centre Refurbishment		36	1,428				1,464
17	Green Initiatives		125	375				500
	<b>Sub Total</b>	<b>168</b>	<b>2,777</b>	<b>2,653</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,598</b>

							Later	Total
	Details	2021/22	2022/23	2023/24	2024/25	2025/26	Years	Spend
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
	<b><u>Potential Funding</u></b>							
10	Central Park lake Edge S106		-62					-62
11	Beaulieu Pk Conversion Tarmac Court to 3G Pitch S106		-63					-63
12	Oaklands Park Upgrade tennis Courts to MUGA S106		-44					-44
15	Initiatives to Improve the Provision of Affordable Housing S106		-993	-650				-1,643
16	Dovedales Sports Centre Refurbishment CIL		-36	-1,158				-1,194
16	Dovedales Sports Centre Refurbishment Contribution from CCFE			-270				-270
	<b>Total of New Scheme Proposals After Funding Applied</b>	168	1,579	575	0	0	0	2,322

## Table 5 New Schemes Narratives

### **1. Museum Roof Access £11k**

This proposal is for the provision of steps and handrails to provide safe access across pitched roofs for maintenance purposes. At the moment, some areas of the roof cannot be accessed safely for maintenance purposes. Access to these areas is required on a regular basis and this requires the hire of a scaffold or mobile access platform. With this proposal there will be no ongoing hire costs.

Delegated authority to the Director of Connected Chelmsford to spend within the approved budgets is requested.

### **2. Land Disposal Costs £612k**

This proposal seeks the provision of a budget which will be used for the preparation of planning applications, including supporting survey and design work for Council-owned sites. This proposal is being made to secure future development opportunities of Council-owned sites that will be developed to provide affordable housing. Without this investment, the land will be retained by the Council and no additional housing will be created which will further impact the Council's revenue budget. There is the potential to recover some of this spend against receipts from the disposals. The proposed sites for disposal are Riverside (site of former pool), Glebe Road Car Park, Rectory Lane East Car Park, Coval Lane Car Park, Land St. Michaels Drive Roxwell, Medway Close garage site and land at Pease Place.

Delegated authority to the Director of Public Places to spend within the approved budgets is requested.

### **3. Market Road Public Convenience Roof £101k**

This proposal is for the replacement of the existing roof coverings with new built-up felt membrane, together with the replacement / improvement of roof insulation, roof outlets and associated works. The leaking roof has impacted upon the use of toilets as some areas have had to be cordoned off. Replacement of the covering will allow the toilets to maintain full capacity and upgrading of the insulation will improve the energy efficiency of the building.

Delegated authority to the Director of Public Places to spend within the approved budgets is requested.

### **4. Chelmer Park Pavilion Roof £148k**

The Chelmer Park Pavilion provides useful changing facilities and accommodation for local sports clubs and the community to allow the sports facilities at the park to be fully enjoyed by Chelmsford residents and visitors to Chelmsford. This proposal is for a roof repair and new roof lights. Without these repairs, the availability of the facilities for use by the public would be impaired as areas would have to be put out of use which could reduce hires and income. Ongoing reactive maintenance costs would inevitably be increased. In the longer term, water penetrating the structure could also give rise to an accelerated deterioration of the roof structure and the risk of more expensive repairs.

Delegated authority to the Director of Public Places to spend within the approved budgets is requested.

#### **5. Crematorium Toilet Refurbishment £86k**

This proposal is for the refurbishment of toilet facilities to provide new water heaters, hand dryers, sanitary fittings, wall finishes, nonslip safety flooring and redecoration. The facilities are used by the public, many of whom will have been recently bereaved. New fittings will be designed to help to minimise water usage. Chelmsford Crematorium is scheduled to remain open for the foreseeable future; any new facility will not come on stream until 2025 at the earliest and public toilet facilities at this site will still be needed for those visiting the graves of loved ones and to facilitate burial services for those people who propose to be buried within an existing shared grave.

Delegated authority to the Director of Public Places to spend within the approved budgets is requested.

#### **6. CSAC Floodlights Upgrade to LED £61k**

The sum of £29k was forecast in the capital programme for a straight replacement of the floodlights. There is the opportunity to upgrade these lights to energy-efficient and longer-lasting LED floodlights. An additional £32k is required to convert the current stadium light system to LED, generating an annual net saving of around £5,000 with a payback within 7 years. This proposal will help the Council to achieve its net carbon zero footprint and also reduce the cost of maintenance.

Delegated authority to the Director of Public Places to spend within the approved budgets is requested.

#### **7. Hylands House Basement Toilet Refurbishment £150k**

This proposal is for the refurbishment of the Hylands House basement toilets, accessible toilet, mother-and-baby changing room, ground floor accessible toilet and butler sink relocation. The current toilet facilities have not been refurbished since 2001. They are dated and are no longer in keeping with the rest of the venue. The refurbishment of these toilets was recommended in the extensive external consultancy report. There will be an associated water saving from the updated fittings.

Delegated authority to the Director of Public Places to spend within the approved budgets is requested.

#### **8. Retail Market Drainage Improvements £31k**

This proposal is to carry out works which will stop the flooding to the kiosks located within the South Hall. Under extremely heavy rainfall, which is now being experienced on a regular basis, the storm water drains back up and discharge rainwater through the back inlet gullies into the kiosks. It is essential that the drainage works are put in place to ensure the kiosks remain fit for purpose.

Delegated authority to the Director of Public Places to spend within the approved budgets is requested.

#### **9. Beaulieu Park Pavilion Health and Safety Works £33k**

A fire risk assessment has been carried out and identified risks that require actions. This proposal is for the provision of the following:

- New fire alarm panel and fire detection systems to meet fire safety requirements. Doing nothing would leave the building in a non-compliant condition.

- Improvement of access arrangements to the boiler located in roof space. Access to the boiler room is required regularly for maintenance. The access arrangements require improvement whilst maintaining fire compartmentation between the boiler room and escape routes.

Delegated authority to the Director of Public Places to spend within the approved budgets is requested.

#### **10. Section 106 Central Park Lake Edge £62k**

This proposal is for the re-instatement of Central Park lake edge with gabion-style retaining walling. The current wooden edges have collapsed. This is a public safety hazard which requires remedial action. This proposal is fully funded from Section 106 planning contributions.

Delegated authority to the Director of Public Places to spend within the approved budgets is requested.

#### **11. Beaulieu Park Conversion Tarmac Court to 3G Pitch and Floodlight Upgrade £90k**

The current floodlit tarmac 5-a-side and multisport court at Beaulieu Park is underused. The facility was first opened in 2002 and the surface and chain-link ball-stop fence are now reaching it's the end of their lifespan. The flood lighting lamps are also in need of replacement.

The sports development plan and associated collection of S106 contributions have identified the site where a 3G sports surface is required. It is proposed to replace the surface and overlay with 3G artificial grass carpet, replace ball-stop fence with v-mesh fencing and replace/refurbish the floodlighting, including replacement energy-saving LED. The facility is currently not used for pitch hire and generates no income due to lack of public interest.

The proposal is estimated to generate an income of £5.5k per annum. 70% of the cost will be funded by Section 106 planning contributions.

Delegated authority to the Director of Public Places to spend within the approved budgets is requested.

#### **12. Oaklands Park Upgrade Tennis Courts to MUGA £91k**

This proposal is for the walled garden courts to be resurfaced and laid out as multisport tarmac courts which will include tennis. . The current surface and fencing are at the end of their lifespan and, in the absence of investment, the facility would need to be closed permanently. 48% of the cost of this scheme is funded by Section 106 planning contributions.

Delegated authority to the Director of Public Places to spend within the approved budgets is requested.

#### **13. Townfield Street Car Park – Strengthening of Barriers £15k**

This proposal is to provide strengthening to the existing vehicle barriers to minimise the possibility of vehicles breaching the existing barriers. A recent structural survey has identified this need.



Delegated authority to the Director of Sustainable Communities to spend within the approved budget is requested.

#### **14. Investment in Digital Technology £500k**

The Council's previous investment in digital technology has paid dividends throughout the pandemic, enabling staff to work remotely, with most services continuing to be delivered to our customers relatively seamlessly. We need to continue to provide services as efficiently as possible, and this proposal will enable us to do that, supporting ongoing income streams, enabling service improvements and avoiding future costs. It will allow: -

- Improved productivity.
- Improves services to customers, which is expected to at least maintain income.
- Improves customer experience.

A multi-year budget is required to fund these improvements. Projects will originate from across the whole of the Council, with bids accompanied by business cases being subject to a selection process overseen by an internal panel, the DPO board. Revenue provision of £100k has been set aside to fund ongoing software costs (included elsewhere in this report).

Delegated authority to the Director of Connected Chelmsford to spend within the approved budget is requested.

#### **15. Initiatives to Increase the Provision of Affordable Housing £1.643m**

Over the next 2 years the Council will receive contributions from developers which are earmarked for the provision of affordable Housing. The contributions are paid to the Council in lieu of the developer meeting the Local Plan obligations for 35% affordable housing on development sites. The funds will be used to subsidise additional affordable housing provided by registered providers.

Delegated authority to the Director of Sustainable Communities to spend within the approved budgets is requested. After consultation with the Cabinet Member for Fairer Chelmsford, he will decide on the preferred schemes.

#### **16. Dovedales Sports Centre Refurbishment £1.464m**

This proposal is for the full Refurbishment of the joint-use Sports Centre in partnership with Chelmsford College. An options appraisal was carried out and a full refurbishment was preferred from a financial and community-use perspective. The refurbishment will include:

- New entrance and reception (access from Moulsham Street side)
- Increasing the size of the fitness room and ensuring full accessibility
- Additional studio and flexible space (reducing from 3 squash courts to 2)
- Improvements to showers and changing rooms
- Redecoration and modernisation of finishes throughout
- Assessment of building and plant and, where required, replacement to increase energy efficiency

A new agreement with Chelmsford College to 2050 will be signed.

If full refurbishment or improvements are not undertaken, there will still be ongoing and increasing maintenance costs in order to keep the current building safe and operational.

Delegated authority to the Director of Public Places to spend within the approved budgets is requested. After consultation with the Cabinet Member for Safer and Greener Chelmsford, he will decide on the preferred scheme.

### **17. Green Initiatives £500k**

This proposal is for a fund to be established which can be drawn down when initiatives are brought forward to enable the Council to move towards its objective for its activities and operations to be net-zero carbon by 2030.

Investment has already been made in 'on-site' electricity generation by installing photovoltaic panels on key buildings and in energy efficiency measures such as a comprehensive LED lighting replacement programme, installation of voltage optimisers, flow restrictors and other devices to improve energy efficiency and reduce consumption.

The funding will be used for the next phases of this programme which will focus on the transition of the vehicle fleet to low or zero emission fuels and the decarbonisation of heating systems. This will include the need to invest in the charging infrastructure for electric vehicles, the use of battery storage to complement solar energy generation and the earlier-than-planned replacement of gas boilers with alternative technologies.

Delegated authority to the Director of Public Places to spend within the approved budgets is requested. After consultation with the Cabinet Member for Safer and Greener Chelmsford, he will decide on the preferred schemes.

## 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 Section 151 Officer 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 2022/23 contains a contribution to (Direct Revenue Financing) Capital expenditure of £2.155m.

- New Homes Bonus (NHB) has previously contributed to funding of capital expenditure and will continue to do so. The NHB of £2.155m (current year allocation plus previous legacy payments) will be fully utilised to fund capital expenditure. The funding will pass directly to the capital programme but be transferred to the Chelmsford Development reserve if unspent in 2022/23 until applied in a later year to the capital programme.
- The Council Medium Term Financial Strategy Report (July 2021 Council) identified that the Council had surplus Unearmarked Revenue Reserves and this is discussed in **Section 6** of this report. Any surplus reserves can be used to make additional revenue contributions to capital which will reduce the MRP (capital financing cost) charged to

revenue each year. Given the uncertainties about the levels of Council income due to the Omicron variant, rather than commit to a certain value of contribution, this report recommends a delegation to the Section 151 Officer after consultation with the Cabinet Member for Fairer Chelmsford that if a surplus level of reserves is determined at 31<sup>st</sup> March 2022 then, if appropriate, an additional revenue contribution to capital can be made in the financial year 2021/22.

#### B. Borrowing Costs

The Council's capital programme does require the use of borrowing which forecasts predict will 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 charge to revenue for a Minimum Revenue Provision. These matters are discussed in the Capital Strategy 2022/23 elsewhere on the agenda.

Minimum Revenue Provision (MRP), money set aside to repay the principal of debt, is £921k in 2022/23. Further details can be found in the Capital Strategy 2022/23. 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 revenue forecast in **Section 6** includes the MRP cost of the proposed Capital Programme.

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), and flood defences are the best examples. Given the significant size of this type of scheme and their structure, provision has been made for the risks of costs falling back onto revenue by maintaining an earmarked reserve to alleviate the consequences, which is detailed in **Section 6**.

**Section 6**  
**Balanced Revenue Budget 2022/23, Forecast & Reserves**

**Balanced Revenue Budget 2022/23**

The Budget for 2022/23 is based on income and expenditure projections before the Omicron Variant was detected in the UK. The Budget assumes improvements to income experienced post lockdown and pre-Omicron. Income was expected to recover further in 2022/23.

The option available to officers was to change the assumptions in the budget to try to reflect a new scenario including Omicron. However, what this would look like at the time of publication was simply unknowable. The risk that these pre-Omicron assumptions become too optimistic is to be mitigated by holding sufficient Unearmarked reserves, which is discussed later in **Section 6**.

**Table 6a** below summarises the movements and variation in resources applied to balance the 2022/23 budget.

**Table 6a Balanced Revenue Budget 2022/23**

2022/23 £000s	<b>Variations to a Balanced Revenue Budget 2022/23</b>
1,755	Base Budget Position (see section 3)
-1,638	Covid Impact and Recovery (see Section 3)
434	Growth in Revenue Budget (see Section 3)
-220	Planning Income (see Section 3)
-153	Savings previously reported
-570	Savings & Efficiencies (Section 3)
-105	Council Tax Surplus (Section 8)
-300	Business Rate Retention (Section 2 & 8)
-319	Council Tax base growth (Section 8)
-340	Council Tax £4.91 annual increase
1,266	Government Funding (Section 2)
<b>-190</b>	<b>Budget Variation (before use of unearmarked reserves)</b>
190	Less use of Reserves (Section 6)
<b>-</b>	<b>Budget Gap remaining</b>

The draft budget assumes a Council tax increase of £4.91 (£340k of extra income). After allowing for the increase in the number of properties in Chelmsford (tax-base increase), this results in total additional Council Tax income of £659k and after allowing for the change in Council tax surplus that increases to a favourable variance of £764k. Further details on Council Tax can be found in **Section 8**.

Reserves: The £190k in the table is a reduction in the use of reserves compared to 2021/22 when Covid pressures meant it was financially essential. The planned net use of reserves in 2022/23 is £939k (Section 6 Table 8) and is discussed later in Section 6 after reviewing the multi-year financial forecast to provide context on the prudence and affordability of reserve use.

### Revenue Budget Forecast

The Section 151 Officer 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 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.

At the time of writing, Covid cases are running at over 100,000 a day, RPI inflation is 6%, energy prices continue to rise. These problems could be short-lived or become part of the ongoing financial outlook. The Forecast will therefore be seen as either optimistic or too cautious depending on the reader's view of events. By the summer and the publication of the Council's MTFs, more clarity may be available. It will become necessary, when planning financially, to no longer consider what income and expenditure used to be prior to the pandemic but base all assumptions on a new environment.

### Revenue Forecast

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

Year on Year Budget Forecast	2023/24	2024/25	2025/26	2026/27	Notes
Budget Changes	£000s	£000s	£000s	£000s	
Base Budget Position	605	741	672	581	A
Car Park Closures for redevelopment	205	-	-205	-	B
Covid & Theatre Closure Income changes	-912	-	-	-	C
<b>Initial Budget Gap</b>	<b>-102</b>	<b>741</b>	<b>467</b>	<b>581</b>	
Service Investments	300	300	300	300	D
Council Tax Income	-511	-515	-519	-523	E
Government Funding (net)	734	-	-	-	F
Use of Unearmarked Reserves	1,240	-	-	-	G
<b>Budget Gap</b>	<b>1,661</b>	<b>526</b>	<b>248</b>	<b>358</b>	
<b>Cumulative</b>		<b>2,187</b>	<b>2,436</b>	<b>2,794</b>	

The notes to Table 6 are:

- A. Base Assumptions: These costs are essentially the normal year-on-year increases for pay inflation 2% £690k, pension fund deficiency £175k, MRP £210k (2023/24), less assumed increases from inflationary price rises on fees and charges levied by the Council of £300k excluding an increase in car park charges in 2023/24 (£500k from 2024/25). There is also an allowance of £80k per year for the need to fund service growth to meet the growing number of properties in Chelmsford. Utility cost price increases are assumed to fall back from a high in 2022/23 by about £300k and then increase by 2% annually from 2023/24; there is considerable uncertainty on this.

- B. Income Recovery Assumptions: The 2022/23 Budget is constructed on a return to pre-Covid-19 activity in most service areas. There are a number of key areas where income has not fully recovered in 2022/23 (see **Section 4**) and below how those areas are expected to perform in future is explained:
- o Car Parking Income. This is expected to return to an average 82% of pre-Covid-19 levels in 2022/23 and no further improvement. This could be too cautious an assumption. However, changes to car parking provision due to City redevelopment are expected in future and these will need to be more fully factored into the MTFS in July. Currently, the forecast only assumes loss of income (£205k per year) from the temporary closure of Waterloo Lane 1 & 3 for a period of 2 years for redevelopment.
  - o Rental Income from shopping centres is not expected to fully recover. This is a result of structural changes to the retail sector.
  - o Theatre income is below pre-pandemic levels until 2023/24, when the impact of the modernisation scheme and Covid-19 recovery should resolve this.
  - o Retail Market and Civic Centre meeting room hire are not expected to return to pre-covid levels.
- C. Service Investments: The impact of the 2022/23 revenue and capital service investments (**Section 4**) will not be fully realised until 2023/24. Additionally, a presumed £300k of service enhancements are allowed for in each year.
- D. 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).
- E. Government funding: The settlement is for one year, 2022/23, and nearly all the key elements are proposed to be reviewed by the Government in 2023/24. The reviews have in most cases all been deferred from previous years. The forecast assumes that Business rate Retention Income is reset in 2023/24, so £500k currently supporting the budget ceases. Additionally, the new Service grant £234k is assumed to cease in 2023/24 as the Government has stated that it is a one-off allocation that will not be considered in transition to new funding arrangements. These assumed losses could be too cautious as Government has found it difficult over the last few years to reduce a local authorities' funding year on year.
- F. Reserve: The use of reserves in the forecast is expected to decline to nil.

#### Reserves in 2022/23

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

- Ø To fund planned & unplanned one-off expenditure/loss of income:
  
- Ø 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 should target a level of approximately £9m of unearmarked reserves, 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 Section 151 Officer 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 2022/23 are:

**Table 7**

Transfer +to/-from reserve £m	Reserve Name
<u>Contribution from Revenue:</u>	
£0.867m	To the Pension deficiency cost
£2.155m	New Homes Bonus to Chelmsford Development Reserve and then contribute to Capital (see below use of reserves)
<u>Transfer from General Fund and Contingency</u>	
£0.3m	To earmark funding for a usual level of supplementary estimates in 2022/23. This is intended to provide greater clarity over the level of any surplus unearmarked reserves
£0.315m	To Local Development Framework. To fund local plan expenditure.
<u>Use of Reserves to Support expenditure</u>	
£0.207m	Local Development framework
£2.155m	Chelmsford Development Reserve to support the capital programme. The actual amount used will be determined at the end of the financial year depending on the level and nature of capital expenditure incurred.
£0.1m	Anticipated use of Insurance reserve to cover uninsured losses. Annual provision is now being made to cover insurance claims. The use of reserve is expected to decline to zero over the two years following 2022/23. This will make the Council's finances more sustainable.
£0.6m	Utility price increase: The timing of the advice identifying a further increase was beyond the control of CCS or the Council. The consequence of that late timing (after the budget was drafted) is that it is impossible to amend the proposed budget in the traditional way. That being identifying savings, efficiencies or income to meet the additional ongoing cost. It is therefore proposed in the budget to fund the £0.6m additional cost from unearmarked reserves.
£0.849m	Use of General Balance to meet Covid-19 losses, theatre closure and expected temporary shortfalls in rent income in 2022/23

A forecast of the reserves for 2022/23 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**

	2021/22 Forecast				2022/23 (Forecast)				2023/24 (Forecast)			2024/25 (Forecast)			2025/26 (Forecast)		
	Provisional Opening Balance	Budgeted (use of) / contribution to reserves	Transfers	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	Opening Balance	Budgeted (use of) / contribution to reserves	Closing Balance
<b>Earmarked</b>	£000s	£000s		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
1 Cultural Support 'Fund'	159			159	159			159	159			159			159		159
2 Chelmsford development	0			0	0			0	0			0			0		0
3 Infrastructure Provision	0		2,000	2,000	2,000			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	1,049	-150		899	899	-100		799	799	-50	749	749		749		749	749
6 Local Development Framework	570	-210	300	660	660	-207	315	768	768	-268	500	500	-250	250	250	-250	0
7 Pension deficiency	1,116	717		1,833	1,833	867		2,700	2,700	-1,800	900	900	1,217	2,117	2,117	1,392	3,509
8 Park and Ride	184	-100		84	84			84	84			84			84		84
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	310	-310		0	0			0	0			0			0		0
12 Project Evaluation Resrve	390	-62		328	328			328	328			328			328		328
13 Reserve	272	-87		185	185	-50	300	435	435			435			435		435
<b>Total Earmarked Reserves</b>	<b>4,272</b>	<b>-202</b>	<b>2,300</b>	<b>6,370</b>	<b>6,370</b>	<b>510</b>	<b>615</b>	<b>7,495</b>	<b>7,495</b>	<b>-2,118</b>	<b>5,377</b>	<b>5,377</b>	<b>967</b>	<b>6,344</b>	<b>6,344</b>	<b>1,142</b>	<b>7,486</b>
<b>Unearmarked</b>																	
14 General Fund & Contingency	16,017	-2,456	-2,300	11,261	11,261	-1,449	-615	9,197	9,197	-203	8,994	8,994		8,994	8,994		8,994
	16,017	-2,456	-2,300	11,261	11,261	-1,449	-615	9,197	9,197	-203	8,994	8,994	0	8,994	8,994	0	8,994
<b>Total other reserves</b>	<b>20,289</b>	<b>-2,658</b>	<b>0</b>	<b>17,631</b>	<b>17,631</b>	<b>-939</b>	<b>0</b>	<b>16,692</b>	<b>16,692</b>	<b>-2,321</b>	<b>14,371</b>	<b>14,371</b>	<b>967</b>	<b>15,338</b>	<b>15,338</b>	<b>1,142</b>	<b>16,480</b>
<b>Not Available to Support Spend, until financial year end when the actual position is determined.</b>																	
15 Business Retention reserve	17,856	-12,197		5,659	5,659	-1,767		3,892	3,892	-3,892	0	0		0	0		0

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	Section 151 & cabinet member for a Fairer Chelmsford
3	Infrastructure Provision	To manage the risk of Capital costs becoming chargeable to revenue	Section 151 & 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 externally.	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 costs.	Section 151 & Cabinet member
11	DPO Reserve	The Medium Term Financial Strategy reported to October 2019 Cabinet established a DPO process	Chief Executive
12	Project Evaluation Resrve	The capital programme includes scheme which require further feasibility and business work, so this reserve enables	Section 151 & Cabinet member
13	Carry forwards & Supplementary estin	These are working balances arising from the carry forward policy, set out in financial regulations. Also to fund a normal level of supplementary estimates in 2022/23.	Relevant Director & Cabinet member
14	General Fund	These are uncommitted working balances to meet the unforeseen needs of the Council.	Normal Supplementary estimate rules (within constitution)
15	Business Retention reserve	To meet one off costs arising from Business Rate Retention	To be used by Section 151 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 Chief Financial Officer is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under the Local Government Act 2003 (Section 25) and must be made at the time the budget is considered and the council tax is set. 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.

Cabinet Members supplied a critical 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. However, during the budget process the inflation assumption for 2022/23 was increased from 2% to 3.2% (September 2021 CPI). The level of inflation continues to give concern as it is now expected to be between 5-6% during 2022 and is a factor when considering the appropriate level of reserves.

Budget estimates are estimates of spending and income made at a point in time and which will change as circumstances change. The estimates for 2022/23 were made when the impact of Omicron was unknown. The section 151 statement about the robustness of estimates gives Members reasonable assurance that the budget has been based on the best information and assumptions available at the time. The statement does not and cannot give a 100% guarantee about the accuracy of the budget.

The Council is internally carrying out an assessment against Financial Management Code, CIPFA's model of best practice and will report it to Audit and Risk Management Committee during 2022.

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 DLUHC Investment Guidance. There are changes proposed to those Codes for implementation in 2023/24. Officers will fully review the codes and report in 2022/23 if there are any material issues impacting on the Council's financial management. Initial reports on the revised draft codes have already been made to the Treasury Management and Investment Sub-committee.

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. This is supported by the Performance review work of the Overview and Scrutiny Committee, the Treasury Management and Investment Sub-committee and the Risk Management process.

There are two factors beyond the Council's control which create some weakness in the financial arrangements that should be resolved over the next couple of years but currently need to be highlighted:

- Timeliness of External Audit. Nationally only 9% of Local Authority Audits were completed on time (as of September 2021). There are always some local authorities whose accounts are not of sufficient quality to enable completion of audits to the prescribed timetable. However, for the last two years the vast majority of delays nationally in audit completion were due to external audit firms. For Chelmsford the lateness of external audit reports means the budget is being set without external validation of the reserve balances. The Section 151 officer does sign off the accounts with confidence that financial reporting (including reserves) is correct, but it is of great importance that timely external scrutiny of the accounts takes place.
- Prior to Covid, the Council's services had for two years overspent their net budgets. The budgets following those overspends built in additional financial capacity to fund the higher level of net spending by services. Unfortunately, the onset of Covid has meant that it has not been possible to keep service net expenditure within those increased budgets. The risk of changes in circumstances once the estimates are set can only be mitigated by an appropriate level of reserves/contingency to cover risk.

I consider the financial management arrangements of the Council to be sufficiently robust to maintain adequate and effective control of the budget for 2022/23.

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

The financial strategy is revisited fully annually every July in the Medium-Term Financial Strategy (MTFS) report to Cabinet and Council. This budget report updates the financial forecast in **Section 6**. The budget and forecast assumptions are based on Members' commitment to continue with a prudent and sustainable financial approach going forward.

During 2020/21 and 2021/22, 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 2022/23, and beyond, assumptions have been made in the budget as to how quickly, and to what extent, these income streams will recover. The levels of income are not certain but are based on the best information available. The position for 2022/23 does require the use of reserves (£0.5m) to offset lower income of the theatre in part from covid but also because of the closure for modernisation and a further £0.3m to cover

temporary lost rent income. It is prudent and sensible to use reserves in such a manner if it is believed, as it is, that over the medium-term income will recover.

The forecast for 2023/24 does not assume a further recovery in car parking income but evidence in 2021/22 pre-omicron suggest that it may be possible. Car parking income over the next few years is likely to be detrimentally affected by the developments taking place on the former Riverside site, Baddow Road and also following reviews of the City Centre car parks. On the financial upside a new surface car park at the north Chelmsford Station will be transferred into the Council's ownership. There is insufficient data regarding timings to take a comprehensive view in the forecast on these matters. So financial planning in the next MTFS report in July will attempt to address this area of financial risk.

Rental Income: the Council prior to Covid was dependent on £5.3m of rental income per annum. The structural changes taking place in the retail and office space rental markets make it likely that income will not fully recover. The 2022/23 budget contains £4.1m of rental income with an increase of £0.4m assumed in 2023/24. However, a number of office spaces that the Council rents out are due to be relet (Aquila House and Visteon) over the next few years putting at risk some £1.3m of rental income at least temporarily.

Inflation: The budget has provision for inflation on employee costs and other key items for 2022/23. It also contains a general inflation provision. However, the expected increase of CPI to around 6% does leave the Council exposed to financial risk. The Council has traditionally under budgeted for inflation costs with services generally succeeding in managing the inflation risk. The main inflationary risk will be the 2022/23 pay award. The budget allows for a 2.5% increase in pay, every 1% increase above that is an additional cost of £0.35m. The late inclusion in the budget of a very significant increase in gas and electricity prices does mean the budget is likely now to reflect the full cost of utility price inflation. However, the late timing did also result in the reserves being the only viable option to fund the cost. So, there remains a financial risk to the Council should utility prices not decline, as ongoing funding will be required to meet the costs. There is also a significant additional inflationary risk to the Capital programme which will feed into higher project costs and borrowing/financing costs in revenue. There is little the Council can do to mitigate these risks at this time given the uncertainty. An increase in financial provision would require additional savings and service cuts that may turn out not to be required. In the short-term use of reserves could be used to manage the risks but, on the basis that savings would be needed to fund any ongoing costs beyond 2022/23.

Revenue budget growth: The forecast in Section 6 includes provision for £0.3m of annual revenue growth. This is for items where service provision needs to be enhanced. Consideration may need to be given in the 2023/24 budget to building in a contingency which can be used to fund this growth in advance. As supplementary estimates and cabinet reports seeking additional ongoing revenue are funded at the expense of increasing the next year's budget gap. Given the increasingly challenging financial environment, this matter will need to be considered in the July MTFS report.

The Covid/economic climate will affect 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. To date the Government has pretty much fully funded Council tax and Business Rates losses.

Chelmsford like all Councils received additional emergency funding for Covid-19 pressures in 2020/21 and 2021/22. 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). It is reasonable to assume should income losses be on the same scale as in 2020/21, that the Government will provide Councils with one-off financial assistance.

The Government funding settlement for 2022/23 is again only providing a funding position for one year rather than a 3-year funding plan. 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 2022/23 this will rise by 6.9% across England in cash terms. This assumes maximum Council Tax increases and growth in the number of homes paying Council Tax. This increase in funding is intended to cover the increases in employer costs of National Insurance and Social Care costs.

However, for Chelmsford, core spending power for 2022/23 as measured by Government, is in fact retained at its 2021/22 level i.e., zero growth. The major reduction in New Homes Bonus, due to removal of legacy payments from previous years, meant that an overall reduction in resources would have been experienced. To combat this, the Government introduced a floor mechanism, for 2022/23 only (but they also said that in 2021/22), and protected Councils via a Lower Tier Services Grant (continued from 2021/22) and Service Grant. The Service Grant has been identified by Government as only payable for one year and will not be included in any transitional arrangements to new funding allocations after 2022/23. The national funding for the Service grant will be re-allocated to local authorities in future years but in an unknown manner.

	2021/22	2022/23	Change	Change
	£m	£m	£m	%
<b>Core Spending Power</b>	<b>21.348</b>	<b>21.349</b>	<b>0.001</b>	<b>0.0%</b>
Breakdown of core spending power:				
Settlement Funding Assessment	3.408	3.409	0.001	0.0%
Council Tax (Assumed Council Tax for 2022/23)	13.987	14.557	0.570	4.1%
Other grants	3.953	3.383	-0.570	-14.4%

Breakdown of other grants:				
New Homes Bonus	3.130	2.155	-0.975	-31.2%
Lower Tier Service Grant	0.645	0.713	0.068	10.5%
2022/23 Services Grant	0	0.235	0.235	
Other	0.178	0.280	0.102	57.7%

The New Homes Bonus (NHB) Scheme is set for review. The Council has not used NHB to support ongoing revenue expenditure which is generally the approach taken by most Councils nationally, given the Government has stated on many occasions a desire to reduce the generosity of the scheme or potentially abolish it. New Homes Bonus has been used in the Council’s budget to support capital spend via the Chelmsford Development Reserve.

The risks inherent in the funding announcement are multi-fold and remain unchanged from those reported last year. First and foremost is the continued uncertainty provided by a single-year Settlement, exacerbated by the lack of information on progress with Levelling Up and the Fair Funding review, rescheduled for introduction in 2023/24, 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 2022/23 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. Of course, the Government could also base its on-going settlement on the spending power (less Service grant), if such a commitment were made the Council's ongoing funding assumptions might be revised up depending on Business rates retained income. This potential gain is because the City does not treat New Homes Bonus as an ongoing funding stream, though it is in Core spending power as defined by Government.

Without a longer term stable financial settlement, local authority budgets, including the City's, can only be effectively planned for one year.

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. However, cutting this source of local authority funding is very difficult as Councils have become reliant on it. The City Council's base budget for 2022/23 relies on some £0.5m of Business Rate retention, this level of income has proven to be much lower than what was actually received annually over the last 3 years.

Outside of core spending power, funding streams for homelessness support and prevention have been maintained but, once again, are for a single year with no certainty as to future allocations or mechanisms for distribution.

The Council continues to seek other forms of funding and has an excellent track record in securing grants from a variety of sources such as Homes England (Housing Infrastructure Fund), DLUHC (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 ongoing service delivery.

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 2022/23 budget will yet again contain a great deal of uncertainty and risk, however, the estimates are as accurate as can be produced under the current circumstances, so it is vital that sufficient reserves are held to guard against changes to these estimates.

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

## Level of Reserves and Overall Financial Standing

Nationally there are an increasing number of Councils issuing Section 114 notices. 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 is likely to have reduced the number of s114 reports that would otherwise have been issued. High profile Section 114 cases are Northamptonshire, Nottingham, Slough, and Croydon. It is believed that a further 20-30 Councils are in active discussions seeking further government support to avoid effective bankruptcy (Section 114 notices). It is unclear if Covid has accelerated financial failure in these local authorities or if existing financial and managerial problems were the cause.

The Section 151 officer of the Council declares if a Section 114 notice is necessary. The City Council does not have a foreseeable need for a Section 114 notice.

The level of reserves needs to be an appropriate level to support any change in circumstances after estimates have been set. 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. Determining the appropriate levels of reserves is a professional judgement based on local circumstances including the overall budget size, risks, robustness of budget preparation, corporate plans, budget assumptions, earmarked reserves and provisions, and the Council's track record in budget management. It is also a judgement on the external factors that influence the Council's current and future funding position.

The Budget Strategy, approved by Council in December 2020, contained a recommendation to increase the target level of unearmarked reserves to £9m. While this was only a small percentage rise (to around 6% of gross expenditure (£7m to £9m)) it provided 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.

The level of reserves must also be determined by looking beyond a single year. It must also be recognised there is much less ability going forward to boost the level of reserves, so their use must be carefully managed.

In **Section 6, Table 8**, the projected use, and levels of Reserves to the period 2025/26 are shown. There is a decline in the level of unearmarked reserves, so they fall to the £9m target. The decline is due to their use to manage short term income losses as previously discussed but also allows for a £1.0m additional contribution to Capital. This is in line with the financial strategy in 2021/22, which is to use surplus reserves to minimise capital borrowing. The level of contribution to capital will depend upon the 2021/22 financial outturn, which if more adversely affected by Covid than currently forecast will result in a lower contribution.

The contributions to capital from 'surplus' reserves will reduce the ongoing revenue financing costs (MRP) of the capital programme, but it does reduce the flexibility to fund short term income losses or one-off costs going forward. So, should income continue to be affected by Covid for longer than expected, it will become necessary to review reserve levels but more importantly the ongoing costs of the Council.



The high-level revenue budget forecast set out in **Section 6** shows a potential budget gap of £1.4m in 2023/24 rising to some £2.5m by 2026/27. The report has already highlighted the potential risks in this forecast, not least from the unknown changes that may occur from Covid 19, the inflationary pressures cost including utilities and pay plus new Government funding arrangements from 2023/24. The unearmarked reserves need to be at or around the £9m target level to support mitigation of these risks.

To maintain the Council's good financial standing:

- 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.
- Continuation of best practice by the development of business cases for new initiatives and capital schemes to ensure costs are minimised and benefits maximised.
- Continually commit to maintaining adequate Unearmarked Reserves
- Recognition that cost increases need to be matched by funding, which may include the potential need to reduce costs
- Plan for service enhancements in a timely manner to ensure funding is available for Corporate priorities
- Continuing to drive service improvement in an affordable way
- A review of the Financial Strategy in July 2022 based on the prevailing conditions at that time.

In addition to unearmarked 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 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.

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 additional costs and future net savings (cost reductions or increased income generation) is essential to support the sound financial standing of the Council.

### **Conclusions**

The City Council faces uncertain government funding and loss of ongoing income due to Covid. This is the same for all English local authorities and will require the Council to maintain robust control over costs, maximise income, continue to find ongoing savings whilst managing the risks associated with these processes by having adequate levels of reserves. This will require members, the Chief Executive and Directors to continue to practice strong financial discipline including recognising the financial restrictions the Council faces.

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.

Phil Reeves - Section 151 Officer/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 offer local 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 2022/23.

### 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 £4.91 per year.

### Council Tax, Parish Grant & Special Expenses Proposal 2022/23

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 2022/23 is 70,141.68.

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**

	2021/22	2022/23	Increase	
	£	£	£	%
Chelmsford City Council (average)	203.95	208.86	4.91	2.41%
Essex County Council	1,340.91	1,401.12	60.21	4.49%
Police, Fire and Crime Commissioner for Essex (Police)	208.53	218.52	9.99	4.79%
Essex Police, Fire & Crime Commissioner (Fire & Rescue Authority)	73.89	75.33	1.44	1.95%
	1,827.28	1,903.83	76.55	4.19%
Parish and Town Councils (average)	39.93	41.93	2.00	5.01%
<b>TOTAL</b>	<b>1,867.21</b>	<b>1,945.76</b>	<b>78.55</b>	<b>4.21%</b>

Special expenses and Parish/Town precepts are in Table 11

The Average Band D Council Tax for Chelmsford City for 2022/23 is 208.86. **A Council Tax resolution is attached in Appendix 2.**

Collection fund surplus/deficit: As part of the formal budget-setting process, the Council is required to estimate each year the 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 Surplus for 2022/23 is £53k; after adjustment for the 2020/21 deficit, the Government allowed us to spread this over 3 years (using a set formula).

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

To meet the legal requirements when setting the budget for 2022/23, the Council is required to declare by the 31st January 2022 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 2022 included only 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. The statutory declaration is

<b>The estimated Business Rate retention position for 2022/23 is made up of</b>	<b>£000s</b>
deficit relating to prior years	4,505
Less	
Deferral of 2020/21 deficit required by government regulation	1,443
2022/23 Income above Baseline Business Rate Income	1,956
Business Rate Pool Income	187
<b>Total</b>	<b>919</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

PARISH/ TOWN COUNCIL	2021/22								2022/23							
	PARISH PRECEPTS			BAND D EQUIVALENTS					PARISH PRECEPTS			BAND D EQUIVALENTS				
	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)	(4)	(5)	(6)	(7)	(8)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Great Baddow	438,650	-170	438,480	179.10	8.28	187.38	80.64	268.02	454,244	109	454,353	183.69	8.55	192.24	82.89	275.13
Little Baddow	46,053	34	46,087	179.10	19.08	198.18	52.56	250.74	47,435	-28	47,407	183.69	19.35	203.04	54.09	257.13
Boreham	89,950	-5	89,945	179.10	5.67	184.77	63.09	247.86	90,900	-18	90,882	183.69	5.85	189.54	63.09	252.63
Broomfield	139,500	-104	139,396	179.10	22.50	201.60	55.08	256.68	159,360	84	159,444	183.69	22.41	206.10	57.15	263.25
Chignal	7,600	4	7,604	179.10	29.70	208.80	24.12	232.92	8,001	0	8,001	183.69	29.70	213.39	24.12	237.51
Danbury	265,623	-8	265,615	179.10	3.42	182.52	109.17	291.69	331,618	-12	331,606	183.69	3.60	187.29	135.00	322.29
Galleywood	107,223	-47	107,176	179.10	27.54	206.64	51.12	257.76	109,812	-47	109,765	183.69	27.00	210.69	51.57	262.26
Good Easter	10,710	6	10,716	179.10	17.55	196.65	61.29	257.94	10,710	4	10,714	183.69	17.73	201.42	59.85	261.27
East Hanningfield	35,892	18	35,910	179.10	26.37	205.47	73.44	278.91	36,459	-20	36,439	183.69	26.73	210.42	73.35	283.77
South Hanningfield	86,500	-45	86,455	179.10	19.44	198.54	71.82	270.36	90,825	-30	90,795	183.69	19.62	203.31	74.16	277.47
West Hanningfield	26,625	-15	26,610	179.10	21.33	200.43	55.89	256.32	26,406	-8	26,398	183.69	21.69	205.38	54.90	260.28
Highwood	31,851	8	31,859	179.10	19.62	198.72	98.01	296.73	40,030	-3	40,027	183.69	19.89	203.58	119.79	323.37
Great & Little Leighs	30,000	-17	29,983	179.10	32.58	211.68	26.01	237.69	33,000	33	33,033	183.69	33.39	217.08	28.71	245.79
Margaretting	12,420	-1	12,419	179.10	19.89	198.99	31.68	230.67	12,420	-12	12,408	183.69	20.16	203.85	31.95	235.80
Mashbury	0	0	0	179.10	17.55	196.65	0.00	196.65	0	0	0	183.69	17.73	201.42	0.00	201.42
Pleshey	8,432	3	8,435	179.10	17.55	196.65	61.47	258.12	7,479	5	7,484	183.69	17.73	201.42	54.72	256.14
Rettendon	42,099	-27	42,072	179.10	24.48	203.58	53.82	257.40	44,336	36	44,372	183.69	24.66	208.35	54.54	262.89
Roxwell	15,000	-6	14,994	179.10	0.00	179.10	31.32	210.42	16,000	-19	15,981	183.69	0.00	183.69	33.30	216.99
Runwell	109,438	33	109,471	179.10	17.91	197.01	59.76	256.77	113,506	37	113,543	183.69	18.09	201.78	59.76	261.54
Sandon	35,200	-26	35,174	179.10	23.31	202.41	47.70	250.11	36,960	-24	36,936	183.69	23.49	207.18	48.15	255.33
Springfield	410,540	89	410,629	179.10	31.86	210.96	51.93	262.89	430,483	320	430,803	183.69	31.77	215.46	52.47	267.93
Stock	44,790	-52	44,738	179.10	18.90	198.00	37.71	235.71	49,174	-25	49,149	183.69	19.08	202.77	40.23	243.00
Great Waltham	53,180	-39	53,141	179.10	21.78	200.88	56.61	257.49	73,620	37	73,657	183.69	22.05	205.74	77.49	283.23
Little Waltham	44,355	0	44,355	179.10	23.85	202.95	54.81	257.76	49,526	-8	49,518	183.69	23.67	207.36	55.80	263.16
South Woodham Ferrers	428,187	159	428,346	179.10	23.85	202.95	70.47	273.42	436,914	67	436,981	183.69	24.21	207.90	71.37	279.27
Woodham Ferrers & Bicknacre	82,621	26	82,647	179.10	18.63	197.73	66.87	264.60	83,384	50	83,434	183.69	18.90	202.59	67.05	269.64
Writtle	136,063	-66	135,997	179.10	2.34	181.44	67.59	249.03	147,786	-81	147,705	183.69	2.43	186.12	72.99	259.11
Town Centre (non-Parished area)				179.10	33.57	212.67	0.00	212.67				183.69	34.11	217.80	0.00	217.80
<b>TOTALS</b>	<b>2,738,502</b>	<b>-249</b>	<b>2,738,253</b>						<b>2,940,388</b>	<b>447</b>	<b>2,940,835</b>					
	.....	.....	.....						.....	.....	.....					
<b>AVERAGE</b>						<b>203.95</b>	<b>39.93</b>	<b>243.88</b>						<b>208.86</b>	<b>41.93</b>	<b>250.79</b>

## 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 2022/23 (**Table 14**)

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

2020/21 Actual £000s		2021/22 Original £000s	2022/23 Estimate £000s
	<b>EXPENDITURE</b>		
36,720	Employees - Salaries	33,703	35,485
351	- Other	344	237
7,256	Premises	7,568	8,731
9,882	Supplies and Services	10,788	11,557
2,175	Transport and Plant	1,862	1,668
1,451	Third Party Payments	1,771	1,810
42,995	Benefit Payments	38,985	39,313
<b>100,830</b>	<b>TOTAL CONTROL EXPENDITURE</b>	<b>95,021</b>	<b>98,801</b>
	<b>INCOME</b>		
-53,299	Government Grants	-38,510	-38,811
-4,045	Other Grants and Reimbursements	-3,511	-3,820
-563	Sales	-941	-960
-11,182	Fees and Charges	-21,552	-23,934
-7,463	Rents	-7,849	-8,428
-1,043	Other	-2,060	-2,100
<b>-77,595</b>	<b>TOTAL CONTROL INCOME</b>	<b>-74,423</b>	<b>-78,053</b>
<b>23,235</b>	<b>NET CONTROL EXPENDITURE</b>	<b>20,598</b>	<b>20,748</b>
	<b>INTERNAL RECHARGES</b>		
25,185	Service Management and Overheads	25,352	26,434
-25,336	Recharges	-25,507	-26,624
<b>-151</b>		<b>-155</b>	<b>-190</b>
<b>23,084</b>	<b>SERVICE EXPENDITURE</b>	<b>20,443</b>	<b>20,558</b>
	<b>OTHER ITEMS</b>		
-434	Interest Receivable & Investment Income	-290	-701
275	Interest Payable & MRP	1,009	921
-21,399	Business Rate Retention Adjustment	16,673	1,266
-	Direct Revenue Financing of Capital	3,130	2,155
-4,720	New Homes Bonus & Other Govt Grants	-5,625	-3,383
<b>-26,278</b>		<b>14,897</b>	<b>258</b>
	<b>USE OF RESERVES AND BALANCES</b>		
14,110	Contributions - from / to Earmarked Reserves	-16,677	-1,256
6,174	Contributions - from / to Un-Earmarked Reserves	-1,321	-1,449
<b>20,284</b>		<b>-17,998</b>	<b>-2,705</b>
<b>17,090</b>	<b>BUDGET REQUIREMENT</b>	<b>17,342</b>	<b>18,111</b>
	<b>LESS GOVERNMENT SUPPORT</b>		
-3,408	Collection Fund (Surplus) / Deficit	-3,408	-3,408
-100		53	-53
<b>13,582</b>	<b>CALL ON COLLECTION FUND</b>	<b>13,987</b>	<b>14,650</b>

Please note the implementation of a new finance system has meant this schedule has been restated since last year

**TABLE 13 - SUMMARY OF REVENUE ESTIMATES**

<b>2021/22</b>		<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>
<b>Original Estimate</b>	<b>Original Estimates 2022/23</b>	<b>Estimated Spend</b>	<b>Estimated Income</b>	<b>Net Estimate</b>
<b>£'000</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
498	<b>Chief Executive</b>	572	-25	<b>547</b>
9,547	<b>Connected Chelmsford</b>	51,365	-41,030	<b>10,335</b>
29	<b>Fairer Chelmsford - CDRM</b>	577	-515	<b>62</b>
1,067	<b>Fairer Chelmsford</b>	9,925	-8,694	<b>1,231</b>
-1,981	<b>Sustainable Development</b>	7,040	-10,133	<b>-3,093</b>
11,438	<b>Greener &amp; Safer Chelmsford</b>	29,322	-17,656	<b>11,666</b>
<b>20,598</b>	<b>Service Expenditure</b>	<b>98,801</b>	<b>-78,053</b>	<b>20,748</b>
	<b>Other General Fund Items</b>			
-155	- Charges to SEPP			<b>-190</b>
-290	- Interest Income			<b>-701</b>
1,009	- Minimum Revenue Provision & Interest Paid			<b>921</b>
3,130	- Revenue Funding of Capital			<b>2,155</b>
-5,625	- Other Grants (including New Homes Bonus, Section 31 Grants)			<b>-3,383</b>
16,673	- Business Rate Retention Scheme			<b>1,266</b>
	<b>Earmarked Reserves</b>			
0	- Use of Carry Forward Reserves			<b>-50</b>
-16,874	- Business Rates Retention Scheme Reserve			<b>-1,766</b>
197	- Contributions to / -use of Other Earmarked reserves			<b>560</b>
<b>18,663</b>	<b>Net Expenditure</b>			<b>19,560</b>
-1,321	Contribution to / -from Balances			<b>-1,449</b>
<b>17,342</b>	<b>Budget Requirement</b>			<b>18,111</b>
-3,408	Baseline Retained Business Rates			<b>-3,408</b>
53	Council Tax -Surplus/+Deficit			<b>-53</b>
<b>13,987</b>	<b>Income from Council Tax</b>			<b>14,650</b>

**TABLE 14 - SERVICE BUDGETS**

**CHIEF EXECUTIVE**

<b>2021/22 Original Budget £</b>		<b>2022/23 Estimated Spend £</b>	<b>2022/23 Estimated Income £</b>	<b>2022/23 Net Estimate £</b>
497,500	CHIEF EXECUTIVE & DPO	572,300	-25,200	547,100
<b>497,500</b>		<b>572,300</b>	<b>-25,200</b>	<b>547,100</b>
<b>497,500</b>		<b>572,300</b>	<b>-25,200</b>	<b>547,100</b>



## CONNECTED CHELMSFORD

2021/22 Original Budget £		2022/23 Estimated Spend £	2022/23 Estimated Income £	2022/23 Net Estimate £
258,500	<b>DIRECTOR OF CONNECTED CHELMSFORD</b>	271,700	-	271,700
<b>258,500</b>	DIRECTOR OF CONNECTED CHELMSFORD	<b>271,700</b>	<b>0</b>	<b>271,700</b>
	<b>DIGITAL SERVICES</b>			
2,875,100	DIGITAL SERVICES	3,069,300	-43,300	3,026,000
<b>2,875,100</b>		<b>3,069,300</b>	<b>-43,300</b>	<b>3,026,000</b>
	<b>MARKETING AND COMMUNICATIONS TEAM</b>			
764,000	CUSTOMER SERVICES	752,900	-	752,900
770,900	MARKETING & COMMUNICATION	847,800	-	847,800
<b>1,534,900</b>		<b>1,600,700</b>	<b>0</b>	<b>1,600,700</b>
	<b>HUMAN RESOURCES</b>			
743,700	HUMAN RESOURCES	786,300	-39,000	747,300
125,000	PAYROLL	136,800	-4,300	132,500
<b>868,700</b>		<b>923,100</b>	<b>-43,300</b>	<b>879,800</b>
	<b>LEGAL &amp; DEMOCRATIC SERVICES</b>			
777,100	LEGAL AND DEMOCRATIC SERVICES	870,200	-18,800	851,400
239,700	ELECTIONS	258,600	-1,300	257,300
786,100	DEMOCRATIC SERVICES	811,500	-	811,500
<b>1,802,900</b>		<b>1,940,300</b>	<b>-20,100</b>	<b>1,920,200</b>
	<b>PROCUREMENT, RISKS &amp; INSURANCE</b>			
140,000	PROCUREMENT	167,500	-	167,500
290,000	VOLUNTARY GRANTS	290,000	-	290,000
147,100	INSURANCE & RISK	140,600	-	140,600
55,300	FRAUD INVESTIGATIONS	57,600	-	57,600
<b>632,400</b>		<b>655,700</b>	<b>0</b>	<b>655,700</b>
	<b>BENEFITS &amp; REVENUES</b>			
835,200	REVENUES & BENEFITS	2,131,400	-1,189,000	942,400
-281,600	HB SUBSIDY	38,135,000	-38,416,600	-281,600
<b>553,600</b>		<b>40,266,400</b>	<b>-39,605,600</b>	<b>660,800</b>
	<b>CULTURE</b>			
31,200	CULTURE	405,400	-351,100	54,300
321,800	THEATRES	1,415,400	-823,600	591,800
668,300	MUSEUM	816,900	-142,600	674,300
<b>1,021,300</b>		<b>2,637,700</b>	<b>-1,317,300</b>	<b>1,320,400</b>
<b>9,547,400</b>		<b>51,364,900</b>	<b>-41,029,600</b>	<b>10,335,300</b>

## FAIRER CHELMSFORD - CDRM

2021/22 Original Budget £		2022/23 Estimated Spend £	2022/23 Estimated Income £	2022/23 Net Estimate £
28,500	CORPORATE MANAGEMENT & DEMO. REPRESENT.	576,600	-515,200	61,400
<b>28,500</b>		<b>576,600</b>	<b>-515,200</b>	<b>61,400</b>
<b>28,500</b>		<b>576,600</b>	<b>-515,200</b>	<b>61,400</b>

## FAIRER CHELMSFORD

2021/22 Original Budget £		2022/23 Estimated Spend £	2022/23 Estimated Income £	2022/23 Net Estimate £
	<b>SECTION 151 OFFICER</b>			
175,500	FINANCE MANAGER	-	-	-
763,600	FINANCE CM & DRM	774,500	-4,200	770,300
<b>939,100</b>		<b>774,500</b>	<b>-4,200</b>	<b>770,300</b>
	<b>ACCOUNTANCY, SYSTEMS &amp; EXCHEQUER</b>			
985,500	ACCOUNTANCY	1,055,500	-2,400	1,053,100
<b>985,500</b>		<b>1,055,500</b>	<b>-2,400</b>	<b>1,053,100</b>
	<b>AUDIT</b>			
189,900	INTERNAL AUDIT	196,100	-	196,100
<b>189,900</b>		<b>196,100</b>	<b>0</b>	<b>196,100</b>
	<b>PROPERTY SERVICES</b>			
-3,730,000	PROPERTY HOLDINGS	240,900	-4,135,400	-3,894,500
434,900	PROPERTY - SUPPORT SERVICES	448,400	-2,100	446,300
<b>-3,295,100</b>		<b>689,300</b>	<b>-4,137,500</b>	<b>-3,448,200</b>
	<b>HOUSING SERVICES</b>			
386,200	STRATEGIC HOUSING	1,511,100	-876,900	634,200
406,400	TEMPORARY ACCOMMODATION	2,095,100	-1,611,900	483,200
68,800	BED & BREAKFAST	2,008,100	-1,926,500	81,600
20,800	HOUSING NEEDS	60,500	-8,200	52,300
268,500	STRATEGIC HOUSING - RDS	268,500	-	268,500
1,097,200	STRATEGIC HOUSING SUPPORT	1,266,500	-125,900	1,140,600
<b>2,247,900</b>		<b>7,209,800</b>	<b>-4,549,400</b>	<b>2,660,400</b>
<b>1,067,300</b>		<b>9,925,200</b>	<b>-8,693,500</b>	<b>1,231,700</b>

## SUSTAINABLE DEVELOPMENT

2021/22 Original Budget £		2022/23 Estimated Spend £	2022/23 Estimated Income £	2022/23 Net Estimate £
	<b>DEVELOPMENT MANAGEMENT</b>			
479,200	DEVELOPMENT MANAGEMENT	2,097,500	-1,508,300	589,200
-89,900	LOCAL LAND CHARGES	121,100	-231,300	-110,200
<b>389,300</b>		<b>2,218,600</b>	<b>-1,739,600</b>	<b>479,000</b>
	<b>ECONOMIC DEVELOPMENT AND IMPLEMENTATION</b>			
283,900	ECONOMIC DEVELOPMENT & IMPLEMENTATION	581,300	-112,100	469,200
<b>283,900</b>		<b>581,300</b>	<b>-112,100</b>	<b>469,200</b>
	<b>BUILDING CONTROL</b>			
82,200	BUILDING CONTROL	598,800	-509,600	89,200
<b>82,200</b>		<b>598,800</b>	<b>-509,600</b>	<b>89,200</b>
	<b>PLANNING POLICY</b>			
762,900	PLANNING POLICY	1,117,900	-312,000	805,900
<b>762,900</b>		<b>1,117,900</b>	<b>-312,000</b>	<b>805,900</b>
	<b>CAR PARK OPERATIONS</b>			
-3,617,500	CAR PARKS	2,082,300	-7,125,600	-5,043,300
141,300	PARKING SUPPORT	147,300	-	147,300
-23,200	PARK AND RIDE	294,200	-333,600	-39,400
<b>-3,499,400</b>		<b>2,523,800</b>	<b>-7,459,200</b>	<b>-4,935,400</b>
<b>-1,981,100</b>		<b>7,040,400</b>	<b>-10,132,500</b>	<b>-3,092,100</b>

## GREENER & SAFER CHELMSFORD

2021/22 Original Budget £		2022/23 Estimated Spend £	2022/23 Estimated Income £	2022/23 Net Estimate £
	<b>OPERATIONS</b>			
1,858,400	WASTE & GARDEN COMPOSTING	2,496,700	-577,400	1,919,300
-492,700	TRADE WASTE	1,032,100	-1,604,300	-572,200
523,900	RECYCLING - MRF, GENERAL & FOOD	3,547,800	-2,905,600	642,200
408,200	VEHICLE MAINTENANCE WORKSHOP	497,600	-74,800	422,800
<b>2,297,800</b>		<b>7,574,200</b>	<b>-5,162,100</b>	<b>2,412,100</b>
	<b>STREET CARE AND PERFORMANCE</b>			
160,200	PUBLIC CONVENIENCES	172,900	-	172,900
-45,100	MARKET	454,400	-471,200	-16,800
1,478,500	STREET CLEANING	1,626,300	-86,300	1,540,000
99,200	STREET SERVICES	195,600	-115,400	80,200
165,500	LOVE YOUR CHELMSFORD	167,200	-	167,200
254,600	FREIGHTER HOUSE DEPOT	282,900	-8,300	274,600
1,007,700	FREIGHTER HSE CUSTOMER & BUSINESS SUPP	1,060,400	-	1,060,400
<b>3,120,600</b>		<b>3,959,700</b>	<b>-681,200</b>	<b>3,278,500</b>
	<b>BUILDING SERVICES</b>			
478,200	BUILDING SERVICES - SUPPORT	488,500	-	488,500
1,133,300	BUILDING SERVICES - PROPERTIES	1,416,200	-150,400	1,265,800
255,200	ENERGY & CONTRACT MANAGEMENT	259,300	-	259,300
28,100	PRINT UNIT	-	-	-
<b>1,894,800</b>		<b>2,164,000</b>	<b>-150,400</b>	<b>2,013,600</b>
	<b>PUBLIC HEALTH AND PROTECTION SERVICES</b>			
44,700	HIGHWAYS	62,000	-	62,000
-8,000	SCIENTIFIC	38,300	-45,000	-6,700
-212,600	LICENSING	195,500	-395,100	-199,600
-4,300	BUSINESS COMPLIANCE	44,600	-23,500	21,100
26,700	PUBLIC HEALTH PROTECTION	39,800	-7,900	31,900
27,600	HEALTH & SAFETY	27,600	-	27,600
-11,200	PEST CONTROL	32,000	-16,500	15,500
1,406,400	PUBLIC HEALTH & PROTECTION SUPPORT	1,395,800	-28,000	1,367,800
305,900	CCTV	355,900	-55,500	300,400
107,400	COMMUNITY SAFETY	141,800	-28,200	113,600
12,500	HOUSING STANDARDS	49,400	-38,100	11,300
1,600	ANIMAL WELFARE	15,900	-14,800	1,100
<b>1,696,700</b>		<b>2,398,600</b>	<b>-652,600</b>	<b>1,746,000</b>
	<b>PARKS AND GREEN SPACES</b>			
-10,400	ALLOTMENTS	18,200	-28,500	-10,300
554,400	PARKS & HERITAGE CUSTOMER & BUSINESS SUP	577,400	-	577,400
-100,900	HYLANDS PARK & ESTATE	147,800	-385,200	-237,400
100,300	PARKS GARDENS & RECREATION GROUNDS	123,000	-16,500	106,500
126,800	PLAY AREAS	128,800	-	128,800
-64,300	PARKS EVENTS & ACTIVITIES	1,300	-65,900	-64,600
-62,500	OUTDOOR SPORTS & PLAYING FIELDS	326,700	-383,200	-56,500
120,300	TREE INSPECTION & MAINTENANCE	124,000	-3,700	120,300
-11,700	NATURAL & GREEN SPACE, COMMON	15,000	-27,200	-12,200
-1,100	AMENITY GREEN SPACE & GREEN INFRASTR	184,400	-178,800	5,600
2,058,200	GROUND MAINTENANCE OPERATIONS	2,588,800	-434,700	2,154,100
186,000	GROUND MAINTENANCE - CREMATORIUM	192,500	-	192,500
-1,684,800	CEMETERY AND CREMATORIUM	704,800	-2,376,800	-1,672,000
<b>1,210,300</b>		<b>5,132,700</b>	<b>-3,900,500</b>	<b>1,232,200</b>
	<b>LEISURE AND HERITAGE SERVICES</b>			
35,600	DOVEDALE SPORTS CENTRE	207,800	-176,200	31,600
336,700	CHELMSFORD SPORTS AND ATHLETIC CENTRE	877,700	-576,100	301,600
319,000	RIVERSIDE ICE AND LEISURE	4,233,600	-3,912,100	321,500
418,000	SOUTH WOODHAM FERRERS LEISURE CENTRE	1,121,900	-781,200	340,700
-210,000	CULTURAL EVENTS	-	-370,000	-370,000
255,600	COMMUNITY SPORTS & WELLBEING	387,600	-105,900	281,700
62,900	HYLANDS HOUSE & VISITORS CENTRE	1,263,800	-1,187,700	76,100
<b>1,217,800</b>		<b>8,092,400</b>	<b>-7,109,200</b>	<b>983,200</b>
<b>11,438,000</b>		<b>29,321,600</b>	<b>-17,656,000</b>	<b>11,665,600</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 2021/22 and proposals for new budgets for 2022/23 – Details in **Table 17** and **Table 18**

### **Introduction**

The capital programme for 2021/22 identified in **Section 10** of this report reflects updated information in December 2021.

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 ongoing, 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.

As a matter of policy, electrical or zero emission vehicles will be the first choice of replacement unless technical/practical constraints prevent their use by a service. Funding of £170k has been provided within the programme and, if required, services will request supplementary estimates to draw down from this if their current budget provision proves insufficient.

### 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 £143.963m.

A summary of variations for the current approved total scheme costs across all years is a net increase of £6.212m. Proposed increases in budget will require approval. Details of the £6.212m net increase are shown in **Table 15** with further details in **Table 16** where those variations are in excess of £25k.

Scheme numbers 56, 57 and 58 are CIL schemes where funding has been approved by the Community Funding Panel. They need Cabinet approval for the £117k spend for the grants to be made to the organisations.

In Section 7 of the report the Section 151 officer identifies inflation as a significant financial risk facing the Council. The prices of raw materials and labour are rising. Capital scheme costs could increase above estimates when tenders are undertaken. Recently the tender for construction of the

industrial units at Galleywood Hall has identified a £850k cost increase (including additional contingency). A proposal for Cabinet to increase the budget has been included, as it is necessary seek early approval to meet the terms of the tender. An additional review of the business case will take place before entering any contractually binding agreements. The HIF Access Road and Bridge budgeted cost is £26.6m but large elements of the scheme are still subject to tender. There is a high risk of significant cost increases. When the results of tenders are known any material changes in the financial implications will be reported to Cabinet and Council.

The capital and revenue figures exclude the budget approved for a potential city centre asset purchase, as the matter is still subject to commercial discussions. Should the position change then the budget papers for Council will be updated under delegation by the Section 151 Officer after consultation with the Cabinet member for a Fairer Chelmsford.

#### 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.

#### 2021/22 Asset Replacements

**Table 17** provides details of the 2021/22 asset replacement programme. The current approved programme is £4.388m. It has now been identified that £379k is required to be rephased to 2022/23 and future years, due to services deferring or delays in acquiring the assets. These assets require approval to be rephased to 2022/23. Details of these delays are provided in **Table 18**.

**Table 17** also shows a net change in scheme costs, a net increase of £38k. Increases to individual budgets will require approval. **Table 18** provides further details for those variations in excess of £25K.

Table 17 includes a number of items that need approval by Cabinet in order to have timely delivery. Scheme numbers 10 and 11 are being funded by the Safer Streets Grant and require approval by Cabinet for the £185k budget as the schemes need to be completed by the 31st March 2022.

The balance of costs is for approval by Council in February 2022.

After allowing for the above adjustments, **Table 17** shows the total proposed budget requirement for 2021/22 as £4.047m.

#### 2022/23 Replacements

There is currently £2.963m approved for 2022/23. There is a net increase of £9k identified for these schemes and increases will require approval.

As stated above, of the £379k being rephased from 2021/22, £367k will be rephased into 2022/23 and requires approval.

**Table 17** provides details of the new asset replacements or refurbishments for 2022/23 which total £2.144m.

The total replacement budget for 2022/23 is £5.483m.

**Table 18** provides explanations for those variations in excess of £25k for both 2021/22 and 2022/23.

#### Capital and Revenue Resources

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

The Capital Strategy 2022/23 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 2022/23.

		<b>Table 15 - CAPITAL SCHEMES</b>		<b>VARIATION IN TOTAL CAPITAL SCHEME COSTS</b>					
		Latest Approved Budget - Approved November 2021 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval				
Net Expenditure to Date		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			
	<u>Connected Chelmsford</u>								
38	1 Theatres' Modernisation	1,000	500	1,500	0	1,500	Programming of works still to be determined	Approved at Council February 2021 and programmed for 2021/22. Delegated authority to Director and Cabinet Member for Connected Chelmsford for a £1m budget. Works have been deferred until Summer 2022. An additional £500k was approved November 2021. Tenders have not yet been returned.	
	<u>Fairer Chelmsford</u>								
	2 Land Development Site Investigations	365		365		365	Programming of works still to be determined	Approved Cabinet November 2021.	
1,934	3 Enabling Lockside Growth Area	450	4,550	5,000		5,000	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. It is likely that this scheme will continue into 2022/23. An additional £500k was approved November 2021.	
246	4 Galleywood Hall Development Industrial Units	1,200	-200	1,000	850	1,850	Awaiting planning permission - Late Delivery	Approved at Council February 2019. Following a reassessment of the budget £400k was removed. Additional £200k was approved November 2021 due to rising prices of materials and construction.	
65	5 Bridge Repairs	300	-185	115		115	No	Approved at Council February 2019. May 2020 non urgent works deferred to later year.	
	6 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.	
	7 High Chelmer Roof	1,500		1,500		1,500	Awaiting Proposal	Approved at Council February 2020 and programmed for 2021/22. These works have now been programmed to commence in 2022/23.	
	8 Refurbishment of Commercially Leased Properties	720	380	1,100		1,100	Under Review	Approved at Council February 2020 and programmed for 2021/22. Delegated authority to Director and Cabinet Member for Fairer Chelmsford. An additional £380k was approved November 2021.	



6,105	9	Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy	7,000	143	7,143	10,920	18,063	No - delay due to lack of suitable properties.	Approved at Council February 2020 and currently programmed for 2020/21. Delegated authority to Director and Cabinet Member for Fairer Chelmsford. Additional £50k approved November 2021.
12	10	Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy and Affordable and Social Housing	9,900		9,900	-5,675	4,225	Business Case to be Developed	Approved at Council February 2020. Delegated authority to Cabinet. Following a review of the programme works will now commence in 2021/22 with completion estimated 2023/24.
237	11	Enabling Role - Housing	237		237		237	Dependent on Third party - Late delivery	The remaining balance is for a previously agreed payment to CHP.
80	12	Drakes' Lane Travellers Site	1,950		1,950		1,950		Approved by Urgency March 2021.
<b>Greener and Safer Chelmsford</b>									
	13	Cemetery and Crematorium Infrastructure	6,800		6,800		6,800	Business Case to be Developed	Approved Council February 2020 with a delegation for Cabinet to approve a final scheme.
	14	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.
135	15	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. Works scheduled to be completed in 2021/22.
148	16	Hylands Park North Kiosk Toilet Refurbishment	60	88	148		148	Completed	£60k approved Council February 2019. Scheme review resulted in additional £138k approved July 2020 Cabinet. Returned tenders came in at £148k and the budget was increased by an additional £10k, approved at Council Feb 2021.
35	17	Hylands' Hanbury Memorial Garden	45		45		45	No	Approved via supplementary estimate 2/9/19 funded by a contribution from The Friends of Hylands House (FOHH).
67	18	Hylands' Outdoor Wedding Ceremony Area	75		75		75	Yes	Approved supplementary estimate June 2021 £75k
253	19	Saltcoats Park and Compass Gardens Car Park	253		253		253	Yes	Approved at Council February 2020 and programmed for 2021/22.
	20	Beaulieu Park Pavilion Refurbishment	57		57		57	Yes	Approved at Council February 2020 and programmed for 2021/22.
	21	Chancellor Park Pavilion Works	46		46		46	Yes	Approved at Council February 2020 and programmed for 2021/22.
	22	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.
14	23	Automatic Floodgates and Provisin of Locks - Feasibility		107	107		107	Yes	Budget approved September 2020 Cabinet. Budget vired from Rivers and Waterways Improvements.

	24	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	25	CIL Landscape Enhancement Scheme Chignal Road	11		11	11	Yes	CIL funding approved October 2018 Chignal Road Landscaping scheme approved February 2019 Council.
	26	CIL Parks and Open Space	6	10	16	16	No	£6k CIL funding approved July 2019 for Coronation Park Basketball Court. £10k additional budget approved supplementary estimate. Location also changed to Lionmede Park.
533	27	Chelmsford Indoor Market Refurbishment	500	100	600	600	Indoor works completed, outdoor works progressing	Approved supplementary estimate February 2018. Scheme design 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.
40,127	28	Riverside Ice and Leisure Centre Scheme	950	39,187	40,137	40,137	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	29	Riverside Elevations	2,000		2,000	2,000	Under Review	£2m approved at Council February 2020 with delegation to Cabinet to approve detailed scheme.
31	30	Dovedales - Grant for Works 2019/20	32	2	34	34	Completed	Approved at Council February 2019 contribution towards new studio. Additional £2k approved November 2019 cabinet based on actual spend.
15	31	Dovedales - Grant for Works 2020/21	42	-2	40	40	Yes	Approved at Council February 2020 and programmed for 2020/21.
	32	Dovedales - Grant for Works 2021/22	23		23	23	Yes	Supplementary estimate approved March 2021 £23k grant for repairs to roof.
167	32	Hylands House Refurbishment First Floor Accommodation	174		174	174	Works Completed	£174k approved at Council February 2019 3 year programme for refurbishment.
34	33	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.
	34	Hylands House Stable Block Toilets	44		44	44	Yes	Approved at Council February 2020 and programmed for 2022/23. Now programmed for 2023/24
		<b>Sustainable Development</b>						
1,667	35	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. The scheme is being reviewed by the EA.
16	36	Public Realm Wayfinding Signs Phase 3	150		150	150	Yes	Approved Council February 2021. Funding from ECC. 3 year programme ending 2022/23
473	37	Public Realm Tindal Square Design and Construction	160	3,678	3,838	3,838	Scheduled to complete by Oct. 2022	Approved at Council February 2018. The design works were 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 for approval of the scheme and budget. Report taken to Cabinet October 2021 and urgency letter requested for approval of the agreed scheme an additional £3.358m.
4	38	HIF Access Road and Bridge - CCC Budget		250	250	250	Yes	Virement allocated for HIF bid design works.

4,474	39	HIF Access Road and Bridge - Grant Funded	15,500	11,095	26,595	26,595	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. An additional £11m approved by Council December 2020.
1,461	40	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.
2,865	41	S106 Beaulieu Park Station 2nd Phase	2,917	514	3,431	3,431	Unspecified	£2,917m approved at February Council 2018. The expenditure on this scheme will be funded by S106.
1,311	42	S106 Beaulieu Sports Facility	477	834	1,311	1,311	Completed	£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.
38	43	S106 Public Art Bond Street	44		44	44	No	Approved by delegation February 2019.
34	44	S106 Stonebridge Illuminations	37	6	43	43	No	Approved by delegation April 2019. Additional budget approved by delegation March 2020 £6k.
2	45	S106 River Can Pathway Lighting Design	10	6	16	16	No	Approved by delegation £10k January 2020. Additional budget approved by delegation March 2020 £6k.
11	46	S106 Public Art Channels	21	79	100	100	No	Approved by delegation January 2020 £21k. Additional sum approved by delegation £79k October 2021.
106	47	CIL REFCUS Schemes 19/20	72	34	106	106	Yes	Scheme approved April 2019 £72k. Revenue Expenditure Funded by Capital Under Statute (REFCUS). NEW £30k various CIL schemes approved July 2019.
10	48	CIL REFCUS Schemes 20/21	17	-7	10	10	Unspecified	£17k Approved March 2020.
	49	CIL Sutherland Lodge Refurbishment	525		525	525	Awaiting Business case - Late delivery	Approved Council July 2017.
	50	CIL St Andrew's Scout Hut Building	80		80	80	Dependent on Third party - Late delivery	CIL funding approved Cabinet October 2018 scheme to be included in capital programme approved by February Council 2019.
300	51	CIL Homelessness Day Centre CHESS New London Rd	300		300	300	Dependent on Third party - Late delivery	CIL funding approved July 2019.
247	52	CIL Age Concern First Floor Extension Grant	212	35	247	247	Dependent on Third party - Late delivery	Approved scheme with CIL funding March 2020. Additional CIL funding approved Urgency letter October 2020 £25k
47	53	CIL Integrated Cycling Infrastructure Grant	100		100	100	Yes	CIL funding approved at meeting of the CIL Panel 23/1/2020.
	54	CIL Trinity Road School Improvements	950		950	950	Yes	Proposal for CIL funding will need to be approved by Cabinet once notification of support received from ECC's Capital Investment Board. Approved at Council February 2021
43	55	CIL Sanctus New Premises Fit Out Grant	43		43	43	Completed	Approved October 2020 Urgency Letter

97	56	CIL Road Improvements Main Road Hospital Approach Grant to ECC			0	97	97	Yes	CIL funding approved January 2019.
	57	CIL Grant Chelmsford Society Model Engineers			0	5	5	Yes	CIL funding approved December 2021
	58	CIL Green Initiatives			0	15	15	Yes	CIL funding approved December 2021
	59	CIL NE Bypass Bridge Forward Funding	1,500		1,500		1,500	Yes	Forward funding grant to ECC to be made 2021/22. Approved Council May 2021.
370	60	Townfield Street Car Park Water Ingress Prevention	360	10	370		370	Yes	Approved February 2021 Council
<b>63,883</b>		<b>Grand Total</b>	<b>72,894</b>	<b>64,857</b>	<b>137,751</b>	<b>6,212</b>	<b>143,963</b>		
					Net Variation	<b>6,212</b>			

		<u>Summary of Changes Since Previous Council Reports November 2021</u>	
63,883	Total Expenditure to 31/12/2021		£000's
78,304	Latest Forecast Expenditure 31/03/2022	Latest Approved Council November 2021	133,926
-14,421	Spend Still to Commit in Year	Previously Approved Schemes	3,450
		New Schemes Approved	365
23,960	2021/22 Latest Forecast Spend in year	Supplementary Estimates Approved for Existing Schemes	10
-150	Spend deferred to later year	Completed schemes removed	
117	Net Changes in Scheme Cost in Year		
23,927	Current Forecast in Year spend	<b>Total Approved Budget</b>	<b>137,751</b>
		<u>Latest Forecast Variations shown above</u>	
		Increased Budgets Require Approval	6,212
		Decreased budgets	
		<b>Latest Forecast Budget October 2021</b>	<b>143,963</b>

**Table 16 - Capital Schemes - Reasons for Projected Variations to Latest Approved Total Scheme Costs More Than £25,000**

Scheme Description	Latest Approved Budget £000's	Latest Estimated Expenditure - If Additional Budget Requires Approval £000's	Variation £000's	Variation Type	Percentage Change in Scheme Cost	Reason
<b>Fairer Chelmsford</b>						
4 Galleywood Hall Development Industrial Units	1,000	1,850	850	Increase in budget	85.00%	Tenders have now been received, The construction cost has increased from an estimated £800k to £1.5m. Rising costs of construction and materials have previously been reported as a risk. A 10% contingency on build costs has also been included.
9 Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy	7,143	18,063	10,920	Increase in budget	152.88%	The pressures of the pandemic and a national housing shortage means the Council continues to face higher demand for temporary accommodation. The budget therefore needs to be increased. Additional investment will only be undertaken if it offers a more cost effective solution than existing solutions.
10 Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy and Affordable and Social Housing	9,900	4,225	-5,675	Reduction and virement of budget	-57.32%	The budget was intended to undertake purchase of exception sites which provide additional housing. Changes to planning rules has reduced the availability of such sites. The Council is also likley to transfer a number of its own land sites to social housing providers rather than undertake direct development itself. Some of the budget is therefore being transferred to other Housing initiatives.
<b>Sustainable Development</b>						
56 CIL Road Improvements Main Road Hospital Approach Grant to ECC	0	97	97	Increase in budget, Fully Funded	100.00%	Funding provision was approved in principal at Cabinet in January 2019 but at that time there was not a fully worked up scheme. ECC have now submitted their request for the grant to be made.

Table 16

**Tab 17 - CAPITAL ASSET ROLLING/REPLACEMENT PROGRAMME**

		2021/22									2022/23							
		2021/22 ASSET REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE VARIATIONS FROM LATEST APPROVED ESTIMATE TO LATEST FORECAST									2022/23 ASSET REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE PROJECTED VARIATIONS FROM LATEST APPROVED PROGRAMME AND REQUESTS FOR NEW BUDGETS							
		VARIATION FROM 2021/22 BUDGET ONLY									2022/23 BUDGET							
		Analysis of Variations									Variations							
Net Expenditure to Date	CAPITAL ASSET REPLACEMENT PROGRAMME	Original Approved Estimates for 2021/22	Additional/Reduced (-) Approved Budget	Reason for Change - see Key Below	Latest Approved Estimates for 2021/22	Change in Scheme Phasing	New Proposal	More/Less (-) Than Approved Budgets	Variance for 2021/22 Additional Budget	Total Budget Requirement	Original Approved Estimate 2022/23	Additional/Reduced (-) Approved Budget	Reason for Change - see key below	Latest Approved Estimate for 2022/23	Re phasing from 2021/22 Requires Approval	More/Less(-) Than Approved Budgets - More Requires Approval	New Replacement Proposals for 2022/23	Total Proposed Budget Requirement for 2022/23
£000's	SCHEME DESCRIPTION	£000s	£000s		£000s	£000s	£000s	£000s	£000s	£000s		£000s		£000s	£000s	£000s	£000s	£000s
	<u>Connected Chelmsford</u>																	
21	1 Digital Services Replacement Programme	290	-255	PH, RD, V	35	-8		-4	-12	23	186			186	8		40	234
6	2 Digital Helpdesk System Replacement	25			25				0	25				0				0
26	3 Website Upgrade	75			75	-23			-23	52				0	23		75	98
75	4 Theatres' Equipment	115	-40	PH	75				0	75	40			40			0	40
16	5 Cramphorn Theatre Replacement Floor	17			17				0	17				0				0
	6 Museum Equipment and Vehicles													0			30	30
	<u>Fairer Chelmsford</u>																	
	No Schemes				0				0	0				0				0
	<u>Greener and Safer Chelmsford</u>																	
9	7 CCTV Replacement Equipment	13			13	-10			-10	3				0	10			10
	8 CCTV Various Schemes Sites CIL	3			3	-3			-3	0				0	3			3
156	9 CCTV Safer Streets Bunny Walks				0		165		165	165				0				0
	10 Street Lighting Safer Streets Bunny Walks				0		20		20	20				0				0
1	11 Crematorium Equipment	17	60	SEN	77	-16			-16	61				0	16		68	84
11	12 Crematorium Columbarium	14	-3	PV	11				0	11				0				0
4	13 Civic Centre Alarm	6			6				0	6				0				0
12	14 Civic Centre Heating	13			13				0	13				0			32	32
36	15 Civic Centre Server Room Air Conditioning	40			40				0	40				0				0
	16 Civic Centre Floor Replacements	31			31	-31			-31	0				0	31			31
	17 Print and Post Room Replacement Equip.	28	-20	RD, V	8			1	1	9				0			3	3

		2021/22									2022/23							
		2021/22 ASSET REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE VARIATIONS FROM LATEST APPROVED ESTIMATE TO LATEST FORECAST									2022/23 ASSET REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE PROJECTED VARIATIONS FROM LATEST APPROVED PROGRAMME AND REQUESTS FOR NEW BUDGETS							
		VARIATION FROM 2021/22 BUDGET ONLY									2022/23 BUDGET							
		Analysis of Variations									Variations							
Net Expenditure to Date	CAPITAL ASSET REPLACEMENT PROGRAMME	Original Approved Estimates for 2021/22	Additional/Reduced (-) Approved Budget	Reason for Change - see Key Below	Latest Approved Estimates for 2021/22	Change in Scheme Phasing	New Proposal	More/Less (-) Than Approved Budgets	Variance for 2021/22 Additional Budget	Total Budget Requirement 2021/22	Original Approved Estimate 2022/23	Additional/Reduced (-) Approved Budget	Reason for Change - see key below	Latest Approved Estimate for 2022/23	Re phasing from 2021/22 Requires Approval	More/Less(-) Than Approved Budgets - More Requires Approval	New Replacement Proposals for 2022/23	Total Proposed Budget Requirement for 2022/23
£000's	SCHEME DESCRIPTION	£000s	£000s		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
3	18 Dovedales Replacement Equipment	10	-6	PH	4				0	4	6			6			4	10
17	19 Riverside Replacement Equipment	48	-31	PH, PV, SEN	17				0	17				0			24	24
	20 Riverside Plant													0			2	2
16	21 CSAC Replacement Equipment	135	-118	PH, PV, SEN	17				0	17	118		118		10		30	158
	22 CSAC Plant	6	-6	PH	0				0	0	6		6					6
3	23 SWFLC Replacement Programme	69	-21	PH,PV	48	-45			-45	3	19		19	45			1	65
8	24 SWFLC Plant Replacement	7	14	SEN	21	-8		-5	-13	8			0	8			17	25
	25 SWF 3G Pitch				0				0	0			0				20	20
	26 Hylands House Fire Alarm				0				0	0			0				15	15
	27 Hylands Pavilion Skins and Linings				0				0	0			0				60	60
	28 Hylands pavilion Equipment				0				0	0			0				14	14
236	29 Play Area Replacements	265	5	PV	270			8	8	278	311		311					311
25	30 Sports Equipment, floodlights, Irrigation	35			35				0	35			0					0
116	31 Hylands Car Park Machines and CCTV	135			135			-10	-10	125			0					0
380	32 Parks Replacement Vehicles and Equipment	624	-201	PH, PV	423	-25		-4	-29	394	218		218	25			304	547
	33 Waterhouse Lane Depot Heating				0				0	0			0				10	10
19	34 PHPS Vehicles and Electric Chargers	100	-3	PV	97			-78	-78	19			0					0
	35 PHPS Air Monitoring Equipment	20			20	-20			-20	0			0	20			60	80
	36 PHPS Street Lighting	21			21	-21			-21	0			0	21				21
	37 CIL Street Lighting Meadows Car Park	5			5	-5			-5	0			0	5				5
	38 Travel pool Cars	60			60			-60	-60	0			0					0
	39 Scootas for the Disabled	10	2		12	-12			-12	0			0					0
30	40 Retail Market Vehicle	31			31			-1	-1	30			0					0
271	41 Street Cleansing Vehicles	720	-339	PH	381	-109			-109	272	363		363	109	8		125	605
80	42 Street Cleansing Dog Litter van	81	1	PV	82				0	82			0					0
	43 Wet Team Equipment	8	-8	PH	0				0	0	8		8				3	11

		2021/22										2022/23							
		2021/22 ASSET REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE VARIATIONS FROM LATEST APPROVED ESTIMATE TO LATEST FORECAST										2022/23 ASSET REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE PROJECTED VARIATIONS FROM LATEST APPROVED PROGRAMME AND REQUESTS FOR NEW BUDGETS							
		VARIATION FROM 2021/22 BUDGET ONLY										2022/23 BUDGET							
		Analysis of Variations										Variations							
Net Expenditure to Date	CAPITAL ASSET REPLACEMENT PROGRAMME	Original Approved Estimates for 2021/22	Additional/ Reduced (-) Approved Budget	Reason for Change - see Key Below	Latest Approved Estimates for 2021/22	Change in Scheme Phasing	New Proposal	More/Less (-) Than Approved Budgets	Variance for 2021/22 Additional Budget	Total Budget Requirement 2021/22	Original Approved Estimate 2022/23	Additional/ Reduced (-) Approved Budget	Reason for Change - see key below	Latest Approved Estimate for 2022/23	Re phasing from 2021/22 Requires Approval	More/Less(-) Than Approved Budgets - More Requires Approval	New Replacement Proposals for 2022/23	Total Proposed Budget Requirement for 2022/23	
																			£000's
39	44 Hit Squad Replacements	83			83				0	83				0				0	
	45 Refuse Vehicles				0				0	0			256		-7	110	359		
	46 Vehicle Maintenance				0				0	0				0		13	13		
1461	47 Recycling Vehicles	1,499	-11	PV	1,488			-4	-4	1,484			422		-2	450	870		
	48 Food Vehicles	0			0				0	0			840				840		
	49 Service Development Van	35			35	-35			-35	0				35			35		
	50 Prov. for Replacement with Electric Veh.				0				0	0			170				170		
10	51 Healthy Home Loans				0		10		10	10						10	10		
7	52 Discretionary Loans DFG Funded				0				0	0							0		
464	53 Disabled Facility Grants	600			600				0	600						600	600		
	54 Housing Standards	12			12				0	12							0		
54	55 PLACE		54	SEG	54				0	54							0		
	<u>Sustainable Development</u>																		
	56 Car Park LED Lighting	8			8	-8			-8	0				8			8		
	57 Car Park Vehicles and Equipment															24	24		
3,612	Totals	5,314	-926		4,388	-379	195	-157	-341	4,047	2,963	0		2,963	367	9	2,144	5,483	
							38								376				
															2,520				



<b>Reasons for Variations Greater Than £25,000 in Asset Replacement Programme</b>						
Scheme Description	Latest Approved Budget £000's	Estimated Budget Required £000's	Variation £000's	Variation Type	Percentage Change	Reason
<b><u>2021/22</u></b>						
<b><u>Connected Chelmsford</u></b>						
No Variations over £25k						
<b><u>Greener and Safer Chelmsford</u></b>						
9,10 Safer Streets Bunny Walks	0	185	185	New Scheme fully funded by Grant	100.00%	Grant received to implement safety measures previously included as revenue but is actually a capital spend.
16 Civic Centre Floor Replacements	31	0	-31	Rephasing of spend to 2022/23	-100.00%	Works have been rephased pending a fully worked up scheme for improvements to the Civic Centre following the increase in home working.
23 SWFLC Equipment	48	3	-45	Rephasing of spend to 2022/23	-93.75%	The scheme to replace the gym equipment has been rephased to 2022/23
32 Parks Replacement Vehicles and Equipment	423	394	-29	Rephasing of spend to 2022/23	-6.86%	Review of vehicles undertaken by service manager which has resulted in the deferral of replacements £25k as the existing assets are in good condition and can be used for another year before replacement and a saving £4k.
34 PHPS Vehicles	97	19	-78	Budget to be removed - no longer required	-80.41%	Following investigation into the options to acquire these vehicles, a decision has been reached that contract hire is the best option for the Council and therefore the budget is not required for the outright purchase of the vehicles and can be removed. These vehicles will be electric.
38 Travel Pool Cars	60	0	-60	Budget to be removed - no longer required	-100.00%	Following investigation into the options to acquire these vehicles, a decision has been reached that contract hire is the best option for the Council and therefore the budget is not required for the outright purchase of the vehicles and can be removed. These vehicles will be electric.
41 Street Cleansing Vehicles	381	272	-109	Rephasing of spend to 2022/23	-28.61%	Service manager has had problems sourcing suitable replacement vehicles and has deferred the budget to 2022/23.
48 Service Development Van	35	0	-35	Rephasing of spend to 2022/23	-100.00%	Service manager has had problems sourcing suitable replacement vehicles and has deferred the budget to 2022/23. This vehicle will be electric.
<b><u>2022/23</u></b>						
<b><u>Greener and Safer Chelmsford</u></b>						
16 Civic Centre Floor Replacements	0	31	31	Rephasing of spend from 2021/22	100.00%	See above
23 SWFLC Equipment	0	45	45	Rephasing of spend from 2021/22	100.00%	See above
32 Parks Replacement Vehicles and Equipment	0	25	25	Rephasing of spend from 2021/22	100.00%	See above
41 Street Cleansing Vehicles	0	109	109	Rephasing of spend from 2021/22	100.00%	See above
48 Service Development Van	0	35	35	Rephasing of spend from 2021/22	100.00%	See above

Table 18

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

To set the 2022/23 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 £14,650,038 after allowing for a surplus balance on the Collection Fund of £52,581. This results in an average Band D Council Tax of £208.86.

The Parish and Town Council precepts are detailed in the recommendation below and total £2,940,835. This results in an average Band D Council Tax figure of £41.93.

Essex County Council has set a precept at £98,276,911 after allowing for a surplus balance on the collection fund of £286,295. This results in a Band D Council Tax of £1,401.12.

Police, Fire and Crime Commissioner for Essex has set a precept at £15,327,360, after allowing for a surplus balance on the collection fund of £45,808. This results in a Band D Council Tax of £218.52.

Essex Police, Fire and Crime Commissioner Fire and Rescue Authority has set a precept at £5,283,773 after allowing for a surplus balance on the collection fund of £15,571. This results in a Band D Council Tax of £75.33.

The formal Council Tax Resolution is given below. If the Resolution is approved the Council Tax for 2022/23 will be as follows.

	<b>2021/22</b>	<b>2022/23</b>	<b>Increase</b>	<b>Increase</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>
Chelmsford City Council (average)	203.95	208.86	4.91	2.41%
Essex County Council	1,340.91	1,401.12	60.21	4.49%
Police, Fire and Crime Commissioner for Essex	208.53	218.52	9.99	4.79%
Essex Police, Fire & Crime Commissioner Fire & Rescue Authority	73.89	75.33	1.44	1.95%
	<hr/>	<hr/>	<hr/>	
Parish and Town Councils (average)	39.93	41.93	2.00	5.01%
<b>TOTAL</b>	<hr/>	<hr/>	<hr/>	
	<b>1,867.21</b>	<b>1,945.76</b>	<b>78.55</b>	

**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 2022/23	£
	Chelmsford City Council	14,650,038
	Parish and Town Councils	2,940,835
	Total Council Tax requirement	<u>£17,590,873</u>
	(b) The individual Parish budgets were set out in Table 11 of the Council report	
2	It be noted that the Accountancy Services Manager, under delegated authority, calculated the following amounts as its Council Tax base for the year 2022/23 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>70,141.68</u>
	(b) Part of the Council's area (Parish or Town Council, or the Town Centre)	2022/23
		Tax Base
		(Band D
		equivalent)
	GREAT BADDOW	5,481.40
	LITTLE BADDOW	876.45
	BOREHAM	1,440.51
	BROOMFIELD	2,789.92
	CHIGNAL	331.71
	DANBURY	2,456.34
	GALLEYWOOD	2,128.47
	GOOD EASTER	179.01
	EAST HANNINGFIELD	496.78
	SOUTH HANNINGFIELD	1,224.31
	WEST HANNINGFIELD	480.84
	HIGHWOOD	334.14
	GT. & LITTLE LEIGHS	1,150.59
	MARGARETTING	388.37
	MASHBURY	45.41
	PLESHEY	136.76
	RETTENDON	813.56
	ROXWELL	479.92
	RUNWELL	1,899.99
	SANDON	767.10
	SPRINGFIELD	8,210.47
	STOCK	1,221.71
	GT. WALTHAM	950.53
	LT. WALTHAM	887.42
	SOUTH WOODHAM FERRERS	6,122.75
	WOODHAM FERRERS & BICKNACRE	1,244.36
	WRITTLE	<u>2,023.63</u>
		44,562.45
	special expense area of	
	TOWN CENTRE (non Parished area)	<u>25,579.23</u>
		<u>70,141.68</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 2022/23 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	139,343,424
	(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	-121,752,551
	(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)	17,590,873
	(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)	250.79
	(e) The aggregate amount of all special items referred to in Sections 34(1) and 35 of the Act	4,706,548
	(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)	183.69

## (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	183.69	
LITTLE BADDOW	183.69	19.35	54.09	257.13
BOREHAM	183.69	5.85	63.09	252.63
BROOMFIELD	183.69	22.41	57.15	263.25
CHIGNAL	183.69	29.70	24.12	237.51
DANBURY	183.69	3.60	135.00	322.29
GALLEYWOOD	183.69	27.00	51.57	262.26
GOOD EASTER	183.69	17.73	59.85	261.27
EAST HANNINGFIELD	183.69	26.73	73.35	283.77
SOUTH HANNINGFIELD	183.69	19.62	74.16	277.47
WEST HANNINGFIELD	183.69	21.69	54.90	260.28
HIGHWOOD	183.69	19.89	119.79	323.37
GT. & LITTLE LEIGHS	183.69	33.39	28.71	245.79
MARGARETTING	183.69	20.16	31.95	235.80
MASHBURY	183.69	17.73	0.00	201.42
PLESHEY	183.69	17.73	54.72	256.14
RETTENDON	183.69	24.66	54.54	262.89
ROXWELL	183.69	0.00	33.30	216.99
RUNWELL	183.69	18.09	59.76	261.54
SANDON	183.69	23.49	48.15	255.33
SPRINGFIELD	183.69	31.77	52.47	267.93
STOCK	183.69	19.08	40.23	243.00
GT. WALTHAM	183.69	22.05	77.49	283.23
LT. WALTHAM	183.69	23.67	55.80	263.16
SOUTH WOODHAM FERRERS	183.69	24.21	71.37	279.27
WOODHAM FERRERS & BICKNACRE	183.69	18.90	67.05	269.64
WRITTLE	183.69	2.43	72.99	259.11
special expense area of TOWN CENTRE (non Parished area)	183.69	34.11	0.00	217.80

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 2022/23 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	934.08	1,089.76	1,245.44	1,401.12	1,712.48	2,023.84	2,335.20	2,802.24
Police, Fire and Crime Commissioner for Essex	145.68	169.96	194.24	218.52	267.08	315.64	364.20	437.04
Essex Police, Fire and Crime Commissioner Fire and Rescue Authority	50.22	58.59	66.96	75.33	92.07	108.81	125.55	150.66

- 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 2022/23 for each of the categories of dwellings shown.

**ANNEX A: Chelmsford City Council - Council taxes 2022/23 - 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	183.42	213.99	244.56	275.13	336.27	397.41	458.55	550.26
LITTLE BADDOW	171.42	199.99	228.56	257.13	314.27	371.41	428.55	514.26
BOREHAM	168.42	196.49	224.56	252.63	308.77	364.91	421.05	505.26
BROOMFIELD	175.50	204.75	234.00	263.25	321.75	380.25	438.75	526.50
CHIGNAL	158.34	184.73	211.12	237.51	290.29	343.07	395.85	475.02
DANBURY	214.86	250.67	286.48	322.29	393.91	465.53	537.15	644.58
GALLEYWOOD	174.84	203.98	233.12	262.26	320.54	378.82	437.10	524.52
GOOD EASTER	174.18	203.21	232.24	261.27	319.33	377.39	435.45	522.54
EAST HANNINGFIELD	189.18	220.71	252.24	283.77	346.83	409.89	472.95	567.54
SOUTH HANNINGFIELD	184.98	215.81	246.64	277.47	339.13	400.79	462.45	554.94
WEST HANNINGFIELD	173.52	202.44	231.36	260.28	318.12	375.96	433.80	520.56
HIGHWOOD	215.58	251.51	287.44	323.37	395.23	467.09	538.95	646.74
GT. & LITTLE LEIGHS	163.86	191.17	218.48	245.79	300.41	355.03	409.65	491.58
MARGARETTING	157.20	183.40	209.60	235.80	288.20	340.60	393.00	471.60
MASHBURY	134.28	156.66	179.04	201.42	246.18	290.94	335.70	402.84
PLESHEY	170.76	199.22	227.68	256.14	313.06	369.98	426.90	512.28
RETTENDON	175.26	204.47	233.68	262.89	321.31	379.73	438.15	525.78
ROXWELL	144.66	168.77	192.88	216.99	265.21	313.43	361.65	433.98
RUNWELL	174.36	203.42	232.48	261.54	319.66	377.78	435.90	523.08
SANDON	170.22	198.59	226.96	255.33	312.07	368.81	425.55	510.66
SPRINGFIELD	178.62	208.39	238.16	267.93	327.47	387.01	446.55	535.86
STOCK	162.00	189.00	216.00	243.00	297.00	351.00	405.00	486.00
GT. WALTHAM	188.82	220.29	251.76	283.23	346.17	409.11	472.05	566.46
LT. WALTHAM	175.44	204.68	233.92	263.16	321.64	380.12	438.60	526.32
SOUTH WOODHAM FERRERS	186.18	217.21	248.24	279.27	341.33	403.39	465.45	558.54
WOODHAM FERRERS & BICKNACRE	179.76	209.72	239.68	269.64	329.56	389.48	449.40	539.28
WRITTLE	172.74	201.53	230.32	259.11	316.69	374.27	431.85	518.22
special expense area of TOWN CENTRE (non Parished area)	145.20	169.40	193.60	217.80	266.20	314.60	363.00	435.60

**ANNEX B: Chelmsford City Council - Council taxes 2022/23 - At taxpayer level**

Parish of:-	----- VALUATION BANDS ----->							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
GREAT BADDOW	1,313.40	1,532.30	1,751.20	1,970.10	2,407.90	2,845.70	3,283.50	3,940.20
LITTLE BADDOW	1,301.40	1,518.30	1,735.20	1,952.10	2,385.90	2,819.70	3,253.50	3,904.20
BOREHAM	1,298.40	1,514.80	1,731.20	1,947.60	2,380.40	2,813.20	3,246.00	3,895.20
BROOMFIELD	1,305.48	1,523.06	1,740.64	1,958.22	2,393.38	2,828.54	3,263.70	3,916.44
CHIGNAL	1,288.32	1,503.04	1,717.76	1,932.48	2,361.92	2,791.36	3,220.80	3,864.96
DANBURY	1,344.84	1,568.98	1,793.12	2,017.26	2,465.54	2,913.82	3,362.10	4,034.52
GALLEYWOOD	1,304.82	1,522.29	1,739.76	1,957.23	2,392.17	2,827.11	3,262.05	3,914.46
GOOD EASTER	1,304.16	1,521.52	1,738.88	1,956.24	2,390.96	2,825.68	3,260.40	3,912.48
EAST HANNINGFIELD	1,319.16	1,539.02	1,758.88	1,978.74	2,418.46	2,858.18	3,297.90	3,957.48
SOUTH HANNINGFIELD	1,314.96	1,534.12	1,753.28	1,972.44	2,410.76	2,849.08	3,287.40	3,944.88
WEST HANNINGFIELD	1,303.50	1,520.75	1,738.00	1,955.25	2,389.75	2,824.25	3,258.75	3,910.50
HIGHWOOD	1,345.56	1,569.82	1,794.08	2,018.34	2,466.86	2,915.38	3,363.90	4,036.68
GT. & LITTLE LEIGHS	1,293.84	1,509.48	1,725.12	1,940.76	2,372.04	2,803.32	3,234.60	3,881.52
MARGARETTING	1,287.18	1,501.71	1,716.24	1,930.77	2,359.83	2,788.89	3,217.95	3,861.54
MASHBURY	1,264.26	1,474.97	1,685.68	1,896.39	2,317.81	2,739.23	3,160.65	3,792.78
PLESHEY	1,300.74	1,517.53	1,734.32	1,951.11	2,384.69	2,818.27	3,251.85	3,902.22
RETTENDON	1,305.24	1,522.78	1,740.32	1,957.86	2,392.94	2,828.02	3,263.10	3,915.72
ROXWELL	1,274.64	1,487.08	1,699.52	1,911.96	2,336.84	2,761.72	3,186.60	3,823.92
RUNWELL	1,304.34	1,521.73	1,739.12	1,956.51	2,391.29	2,826.07	3,260.85	3,913.02
SANDON	1,300.20	1,516.90	1,733.60	1,950.30	2,383.70	2,817.10	3,250.50	3,900.60
SPRINGFIELD	1,308.60	1,526.70	1,744.80	1,962.90	2,399.10	2,835.30	3,271.50	3,925.80
STOCK	1,291.98	1,507.31	1,722.64	1,937.97	2,368.63	2,799.29	3,229.95	3,875.94
GT. WALTHAM	1,318.80	1,538.60	1,758.40	1,978.20	2,417.80	2,857.40	3,297.00	3,956.40
LT. WALTHAM	1,305.42	1,522.99	1,740.56	1,958.13	2,393.27	2,828.41	3,263.55	3,916.26
SOUTH WOODHAM FERRERS	1,316.16	1,535.52	1,754.88	1,974.24	2,412.96	2,851.68	3,290.40	3,948.48
WOODHAM FERRERS & BICKNACRE	1,309.74	1,528.03	1,746.32	1,964.61	2,401.19	2,837.77	3,274.35	3,929.22
WRITTLE	1,302.72	1,519.84	1,736.96	1,954.08	2,388.32	2,822.56	3,256.80	3,908.16
special expense area of TOWN CENTRE (non Parished area)	1,275.18	1,487.71	1,700.24	1,912.77	2,337.83	2,762.89	3,187.95	3,825.54

The increase in Chelmsford City Council's relevant basic amount of Council Tax for 2022/23 is £4.91 (2.41%), 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 --->		
	2021/22	2022/23	2021/22	2022/23	Increase
	£	£	£	£	%
Great Baddow	438,480	454,353	80.64	82.89	2.79%
Little Baddow	46,087	47,407	52.56	54.09	2.91%
Boreham	89,945	90,882	63.09	63.09	0.00%
Broomfield	139,396	159,444	55.08	57.15	3.76%
Chignal	7,604	8,001	24.12	24.12	0.00%
Danbury	265,615	331,606	109.17	135.00	23.66%
Galleywood	107,176	109,765	51.12	51.57	0.88%
Good Easter	10,716	10,714	61.29	59.85	-2.35%
East Hanningfield	35,910	36,439	73.44	73.35	-0.12%
South Hanningfield	86,455	90,795	71.82	74.16	3.26%
West Hanningfield	26,610	26,398	55.89	54.90	-1.77%
Highwood	31,859	40,027	98.01	119.79	22.22%
Great & Little Leighs	29,983	33,033	26.01	28.71	10.38%
Margaretting	12,419	12,408	31.68	31.95	0.85%
Mashbury	0	0	0.00	0.00	0.00%
Pleshey	8,435	7,484	61.47	54.72	-10.98%
Rettendon	42,072	44,372	53.82	54.54	1.34%
Roxwell	14,994	15,981	31.32	33.30	6.32%
Runwell	109,471	113,543	59.76	59.76	0.00%
Sandon	35,174	36,936	47.70	48.15	0.94%
Springfield	410,629	430,803	51.93	52.47	1.04%
Stock	44,738	49,149	37.71	40.23	6.68%
Great Waltham	53,141	73,657	56.61	77.49	36.88%
Little Waltham	44,355	49,518	54.81	55.80	1.81%
South Woodham Ferrers	428,346	436,981	70.47	71.37	1.28%
Woodham Ferrers & Bicknacre	82,647	83,434	66.87	67.05	0.27%
Writtle	135,997	147,705	67.59	72.99	7.99%
	<u>2,738,253</u>	<u>2,940,835</u>			