

Cabinet Agenda

17 November 2020 at 7pm

Remote Meeting

Membership

Councillor S J Robinson (Chair and Leader)
Councillor M C Goldman (Connected Chelmsford
and Deputy Leader)

and Councillors

C K Davidson (Fairer Chelmsford)
M J Mackrory (Sustainable Development)
R J Moore (Greener and Safer Chelmsford)

Local people are welcome to attend this meeting remotely, where your elected Councillors take decisions affecting YOU and your City. There is also an opportunity to ask your Councillors questions or make a statement. These have to be submitted in advance and details are on the agenda page. If you would like to find out more, please telephone Brian Mayfield in the Democracy Team on Chelmsford (01245) 606923 email brian.mayfield@chelmsford.gov.uk

THE CABINET

17 November 2020

AGENDA

PART 1 – Items to be considered when the public are likely to be present

1. Attendance and Apologies for Absence

2. Declarations of Interest

All Members are reminded that they must disclose any interests they know they have in items of business on the meeting's agenda and that they must do so at this point on the agenda or as soon as they become aware of the interest. If the interest is a Disclosable Pecuniary Interest they are also obliged to notify the Monitoring Officer within 28 days of the meeting.

3. Minutes and Decisions Called in

Minutes of meeting on 8 September 2020. No decisions at that meeting were called in.

4. Public Questions

Any member of the public may ask a question or make a statement at this point in the meeting, provided that they have been invited to participate in this meeting and have submitted their question or statement in writing and in advance. Each person has two minutes and a maximum of 15 minutes is allotted to public questions/statements, which must be about matters for which the Cabinet is responsible. The Chair may disallow a question if it is offensive, substantially the same as another question or requires disclosure of exempt or confidential information. If the question cannot be answered at the meeting a written response will be provided after the meeting.

Any member of the public who wishes to submit a question or statement to this meeting should email it to committees@chelmsford.gov.uk 24 hours before the start time of the meeting. All valid questions and statements will be published with the agenda on the website at least six hours before the start time and will be responded to at the meeting. Those who have submitted a valid question or statement will be entitled to put it in person at the meeting, provided they have indicated that they wish to do so and have submitted an email address to which an invitation to join the meeting and participate in it can be sent.

5. Members' Questions

To receive any questions or statements from councillors not members of the Cabinet on matters for which the Cabinet is responsible.

6. Fairer Chelmsford Item

6.1 Social Value Procurement Strategy and Policy

6.2 Special Expenses

6.3 Treasury Management Mid-Year Review

6.4 Revenue Monitoring

6.5 Capital Monitoring

6.6 Update on Medium-Term Financial Strategy

7. Greener and Safer Chelmsford

Review of Statement of Licensing Policy

8. Sustainable Development

Chelmsford Electric Scooter Trial

9. Report from Governance Committee

Amendments to Constitution

10. Urgent Business

To consider any other matter which, in the opinion of the Chair, should be considered by reason of special circumstances (to be specified) as a matter of urgency and which does not constitute a key decision.

11. Reports to Council

The officers will advise on those decisions of the Cabinet which must be the subject of recommendation to the Council.

PART 2 (Exempt Items)

None

MINUTES OF
CHELMSFORD CITY COUNCIL CABINET
on 8 September 2020 at 7.00pm

Present:

Cabinet Members

Councillor S J Robinson, Leader of the Council (Chair)
Councillor M C Goldman, Deputy Leader and Cabinet Member for Connected Chelmsford
Councillor C K Davidson, Cabinet Member for Fairer Chelmsford
Councillor M J Mackrory, Cabinet Member for Sustainable Development
Councillor R J Moore, Cabinet Member for Greener and Safer Chelmsford

Cabinet Deputies

Councillor A Davidson, Healthy Living
Councillor N Dudley, Community Engagement
Councillor S Goldman, Economy and Small Business

Opposition Spokespersons: Councillors

K Bentley, N Chambers, P Clark, W Daden, S Dobson, J Galley, N Gulliver, R Hyland, R J
Poulter, I Roberts, M Sismey, M S Steel, M Watson and R T Whitehead

Also present: Councillors M Bracken, D Clark, J Lager, R Lee, A Sosin and S Young

1. Attendance and Apologies for Absence

The attendance of members was confirmed. There were no apologies for absence.

2. Declarations of Interest

Members of the Cabinet were reminded to declare at the appropriate time any pecuniary and non-pecuniary interests in any of the items of business on the meeting's agenda.

3. Minutes and Decisions Called-in

The minutes of the meeting on 8 July 2020 were confirmed as a correct record. No decisions at that meeting had been called in.

4. Public Questions

Written statements had been submitted by the public on Items 6 (Replacement of Flood Gates and Provision of Lock on River Chelmer) and 7.1 (Masterplan for Land North of Broomfield) on the agenda. Details are given in the relevant minute numbers below.

5. Members' Questions

Councillors who were not members of the Cabinet asked the following questions:

Councillor R J Hyland on whether the Council's project panels were referred to in the Constitution. The Leader of the Council said that they were and their purpose was to act as advisory groups and make recommendations to the Council. They were not decision-making bodies.

6. Replacement of Automatic Flood Gates and Provision of Lock on River Chelmer (Greener and Safer Chelmsford)

Declarations of interest:

None.

Summary:

The Chelmsford Policy Board had considered the results of investigations by the Waterways Working Group into ways to improve and encourage navigation and use of the upper Chelmer. The preferred way forward proposed the replacement of the automatic flood gates and provision of a lock to enable navigation between the upper and lower stretches of the River Chelmer. The Policy Board had requested that the Cabinet approve the commissioning of further condition surveys and detailed feasibility work to allow such a scheme to be developed.

Options

Adopt or not adopt the recommendations of the Policy Board.

Preferred Option and Reasons

Adopting the recommendations of the Policy Board would enable the Waterways Working Group to progress further feasibility work to enable the future management and maintenance of the water retention gates whilst providing an opportunity to improve upstream navigation through the new lock proposal.

Discussion

Three members of the public representing Essex Waterways Ltd, the Chelmsford Civic Society and the Chelmer Canal Trust attended the meeting to express their support for the proposed

project, which they believed would preserve the character of the rivers in the City Centre, maintain the water levels in the Springfield Basin, enhance the environs of the rivers and preserve the ability to navigate them.

In response to comments at the meeting that there was no reference in the report to the ecological impact of the proposals and to the provision of a fish path, the Cabinet Member for Greener and Safer Chelmsford said that the purpose of the report was to secure funding for the initial feasibility study. Details of the ecological impact would be assessed as part of future stages of the project and the Council was supportive of a fish path being included in the scheme.

RESOLVED that:

1. The following objectives of the Chelmsford Policy Board for the navigation of the River Chelmer be supported:

The replacement of the automatic flood gates and provision of a lock to enable navigation between upper and lower Chelmer, including costed options for hydro-electric/solar photovoltaic micro generation and a fish migration bypass (allowing migration past the flood gates/lock) be adopted as the City Council's agreed way forward and that further detail feasibility is undertaken to proceed to develop the scheme into a costed project for implementation, including exploring alternative funding sources to implement the project.

2. The scheme to replace the water retention gates and new lock and the regeneration of Waterside scheme be considered alongside each other in the design stages to ensure compatibility and future proofing.
3. The Director of Public Places in consultation with the Waterways Working Group be authorised to commission further detailed feasibility work and engage with the Environment Agency and other relevant parties on these matters on the City Council's behalf.
4. The approved budget for the River and Waterways Improvements Capital Scheme be used to enable the surveys and feasibility works detailed in paragraph 3.1 of the report to the meeting to be undertaken.

(7.16pm to 7.26pm)

7.1 Land North of Broomfield Masterplan (Sustainable Development)

Declarations of Interest:

None

Summary:

The Chelmsford Policy Board on 23 July 2020 had considered a masterplan prepared by Bloor Homes to guide the development of Strategic Growth site 8, Land North of Broomfield and had agreed that it should be subject to independent quality and design review by the Essex Quality Review Panel.

Several areas of potential discussion had come from the review by the Essex Quality Review Panel, but no changes to the masterplan had been negotiated before the meeting of the Cabinet. The recommendation put before Cabinet included conditions which captured debate from the Chelmsford Policy Board and suggestions from the Essex Quality Review Panel which were relevant to the masterplanning stage, technically workable and reflected the placemaking and delivery principles identified as part of the site's allocation. These had culminated in four Recommended Conditions which were set out in this report for Cabinet consideration.

The report also included late consultation responses from the Royal Society for the Protection of Birds and the Essex Wildlife Trust.

Options:

Approve the Masterplan, subject to the Recommended Conditions, approve it with revised conditions or not approve the Masterplan.

Preferred Option and Reasons

The Masterplan and its Recommended Conditions would meet the requirements of planning policies and guidance, achieve key development objectives, ensure the creation of an attractive place to live and the successful integration of new communities with existing.

Discussion:

A statement by Bloor Homes (Eastern), the developers of the site, was read out at the meeting. The company had engaged extensively with the City Council and other bodies on the Masterplan and was keen to ensure that it reflected the requirements of the Local Plan, protected the habitats and local characteristics of the area, fitted well with existing communities, provided good access arrangements and sustainable transport options, and promoted sustainable development outcomes.

Replying to a question about the spine road through the development site, the Cabinet Member for Sustainable Development assured the Cabinet that a clear

delineation between cycle and pedestrian uses would be sought at the detailed design and planning application stage.

RESOLVED that the Masterplan for Land North of Broomfield submitted with the report to the meeting be approved subject to the Recommended Conditions set out in Section 3 of the covering report.

(7.26pm to 7.41pm)

7.2 Review of the Statement of Community Involvement (Sustainable Development)

Declarations of Interest:

None

Summary:

The Council, as a Local Planning Authority, was required by Section 18 of the Planning and Compulsory Purchase Act 2004 to publish and keep up-to-date a Statement of Community Involvement (SCI). The Statement submitted to the meeting had been reviewed and updated and set out the Council's strategy for effectively involving the community, interested organisations and statutory stakeholders in planning and development matters which affected them. It covered both planning policy and development management functions and complemented Council-wide engagement commitments set out in the Consultation and Engagement Strategy and Our Chelmsford, Our Plan.

The Chelmsford Policy Board on 16 July 2020 Board had recommended approval of the SCI for consultation and the report before the Cabinet set out the results of that and the changes to the SCI emanating from it.

Options:

Approve or amend the Statement of Community Involvement in accordance with Appendix 2 to the report to the meeting.

Chosen Option and Reasons:

The revised SCI would comply with Government guidance to update such documents in response to the Coronavirus outbreak and enable consultation on planning matters to proceed in accordance with it.

Discussion:

Discussion of the report centred on whether, in the long term, posting site notices about planning applications and other matters would be sufficient means to bring them to the attention of the public. It was argued that continuing to send notification letters to affected properties would be a better way of informing residents about proposed development. The Cabinet Member for Sustainable Development said that letters would be retained in the short term but experience

showed that as they were addressed simply to “The Occupier” many residents did not read them. Clear and widely placed site notices were considered to be a better notification method and, coupled with greater use of social media to publicise proposals, he was confident that the public would be aware of and have the chance to comment on planning matters that affected them. The Council’s Older People Champion was also looking at ways to make those who had no access to digital platforms or were not confident in their use to be kept informed. Parish Councils also played a part in making local people aware of developments in their areas.

RESOLVED that

1. The Feedback Report on the consultation on the revised Statement of Community Involvement be noted.
2. The proposed changes to it set out in Appendix 2 be approved and the revised Statement of Community Involvement adopted.
3. The Director of Sustainable Communities, in consultation with the Cabinet Member for Sustainable Development, be authorised to finalise the Statement of Community Involvement and supporting documents for publication.

(7.41pm to 7.57pm)

7.3 Essex Coast Recreational disturbance Avoidance and Mitigation Supplementary Planning Document (Sustainable Development)

Declarations of Interest:

None

Summary:

Chelmsford City Council was one of twelve partner local authorities working with Natural England to implement the Essex Coast Recreational disturbance Avoidance and Mitigation Strategy (RAMS). The Strategy set out a long-term strategic approach to avoid and mitigate recreational disturbance on European designated sites along the Essex Coast from an increasing residential population arising from new housebuilding throughout the County. The RAMS was adopted by the City Council in March 2019.

The aim of RAMS was to prevent bird and habitat disturbance from recreational activities through a series of management measures which encouraged all coastal visitors to enjoy their visits in a responsible manner. It enabled a housebuilder to make a monetary 'developer contribution' towards the delivery of strategic mitigation measures to help address recreational pressures that would otherwise occur, instead of needing to provide bespoke mitigation themselves.

The RAMS Supplementary Planning Document (SPD) provided a county-wide mechanism for securing developer contributions to fund measures identified in the Strategy. It distilled the Strategy document into a practical document for use by local planning authorities, developers and the public. It had been recommended for approval by the Chelmsford Policy Board on 16 July 2020.

Options

Adopt the RAMS SPD with or without amendment or not adopt it.

Preferred Option and Reasons

The proposed SPD and Strategy would put in place a long-term strategic approach to avoid and mitigate recreational disturbance on European designated sites along the Essex Coast.

Discussion

During discussion of the report the Cabinet was informed that collaboration between the RAMS group and other organisations such as the RSPB and Essex Wildlife Trust to prevent duplication of work and to maximise the benefit will be investigated through the implementation of the RAMS.

RESOLVED that

1. The Essex Coastal Recreational disturbance Avoidance and Mitigation Strategy Supplementary Planning Document presented in Appendix 2 to the report to the meeting be adopted.
2. The Essex Coastal Recreational disturbance Avoidance and Mitigation Strategy Supplementary Planning Document Adoption Statement presented in Appendix 3 be adopted, and that it be published in accordance with Regulation 14 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).
3. The 'You Said We Did' Feedback Report, presented in Appendix 1 be adopted and published.
4. The SEA/HRA Screening Report, presented in Appendix 4, be adopted and published.
5. The Director of Sustainable Communities in consultation with the Cabinet Member for Sustainable Development be authorised to make minor changes to the Supplementary Planning Document, Adoption Statement, You Said We Did Feedback Report and SEA/HRA Screening Report in Appendices 1 – 4 should it be necessary before adoption/publication, and to undertake all the necessary legal and procedural adoption processes.

6. The role of Chelmsford City Council as the Essex Coastal Recreational disturbance Avoidance and Mitigation Strategy project 'Accountable Body' for a period of three years, subject to the signing of a 'Partnership Agreement', be noted.

(7.57pm to 8.05pm)

7.4 Section 106 Spending Plan (Sustainable Development)

Declarations of Interest:

None

Summary:

The Cabinet was recommended to endorse a proposed spending plan for S106 planning contributions currently held by the City Council.

Options

Endorse the spending plan with or without amendments, or not endorse it.

Preferred Option and Reasons

Endorsing the proposed plan would enable the City Council to spend the held balances within the timeframes specified by the S106 agreements.

Discussion

In response to questions, Cabinet Members said that the Section 106 monies from the St Luke's Park development in Runwell (which has originally amounted to £3 million and had risen to £4.1 million as a result of indexation) had been earmarked for affordable housing and were being put towards the construction of the bridge to open up the Waterside development site. That development would include a significant amount of affordable housing.

Concern was also expressed that the provision of affordable housing appeared to be concentrated on the city centre area and the monies for public realm schemes were being earmarked for the Tindal Square improvement scheme rather than being spread around the Chelmsford. The meeting was told that the Council was seeking to provide affordable housing and carry out public realm schemes across the wider city. The Tindal Square project would benefit Chelmsford as a whole by helping to attract and retain investment and business.

RESOLVED that the S106 Spending Plan be referred to Full Council for approval and that the following delegations be approved:

1. The Director of Financial Services, in consultation with the Cabinet Member for Fairer Chelmsford, be authorised to allocate and spend the approved S106 contributions for Affordable Housing as shown in Appendix 1 and detailed in paragraph 3 of the report to the meeting against the housing

projects approved at Council in February 2020 and the Chelmer Waterside scheme.

2. The Director of Public Places, in consultation with the Cabinet Member for Greener and Safer Chelmsford, be authorised to spend the approved S106 contributions for Open Spaces and Strategic Sports Provision, as detailed in Appendix 2.
3. The Director of Sustainable Communities, in consultation with the Cabinet Member for Sustainable Development, be authorised to allocate the approved S106 contributions for Public Realm, as shown in Appendix 3 towards the Tindal Square Improvement Scheme and that any future public realm contributions collected are also allocated towards this scheme as detailed in paragraph 5 of the report.

(8.05pm to 8.25pm)

8. Urgent Business

There were no items of urgent business

9. Reports to Council

The reports at Items 7.4, 10.1 and 10.3 were referred to the Council for approval.

Exclusion of the Public

RESOLVED that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the meeting for the reports at item 10 on the grounds that they involve the likely disclosure of exempt information falling within paragraphs 3 and 6 (in the case of Item 10.1) and paragraph 3 (in the case of Items 10.2 and 10.3) of Part 1 of the Schedule 12A to the Act (information relating to the financial or business affairs of any particular person including the authority holding that information and Information which reveals that the authority proposes (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person or (b) to make an order or direction under any enactment)

10.1 Chelmer Waterside Delivery Options (Fairer Chelmsford)

Public interest statement: It is not in the public interest to release details of this report at present, on the grounds that the report contains information that is commercially sensitive and to place the information in the public realm would be detrimental to the negotiations to be undertaken by the Council

Declarations of Interest:

None

Summary:

The Cabinet was informed of the progress made on the following issues with the aim of bringing forward the Chelmer Waterside Development:

- completion of land assembly under compulsory purchase powers
- provision of new infrastructure including a new road and bridge
- removal of site constraints imposed by the gas utility structures on site
- delivery and development of the project.

Options for Completion of Land Assembly

1. To agree to amend the compulsory purchase recommendation agreed by Cabinet in October 2018 for the reasons outlined in this report.
2. To continue with the land assembly without amending the compulsory purchase recommendation previously agreed.

Preferred option and reasons

Option 1 as this option allowed for the completion of the land assembly phase and reduced the risk of challenge should the Council need to go to Public Enquiry.

Options for Provision of Infrastructure

1. To agree the recommendations of the Chelmer Waterside Project Panel (CWPP) taking in to account the findings from the public engagement exercise undertaken to inform the bridge design and construction.
2. Not to agree the recommendations of the CWPP and ask officers to consider alternative options.

Preferred option and reasons

Option 1 - The Council working with its partners had developed a design that would be a focal point for the proposed development and the provision of the new road that relieved the impact of the development on the road network, with details being informed by the public engagement exercise.

Options for Removal of Site Constraints.

1. Relocate the gas infrastructure, removing all equipment from the site including the GPRS system to facilitate comprehensive redevelopment of the site.
2. Divert the gas infrastructure around the perimeter leaving the GPRS equipment in place reducing the future development capacity of the site.
3. Do not relocate the gas infrastructure and develop the site with greatly reduced capacity.

Preferred option and reasons

Option 1 as this provided for a comprehensive redevelopment removing all constraints which would significantly improve the environment created by this development.

Options for delivery of the Project

1. Seek a development partner for the project and work with them to secure the delivery of the site.
2. Dispose of the property once the infrastructure is in place.

Preferred option and reasons

Option 1 as this would allow the Council to maintain control of the development of the sites to ensure that they were developed in line with the vision for this area, maximising the affordable housing and energy efficiency opportunities.

Discussion

The Cabinet was informed that the Council intended to run a design competition and enter into a partnership with a preferred developer were any profits would be shared between the two. The priority, however, was to provide extra affordable housing for Chelmsford through the development.

The Cabinet was urged by other members to exercise caution in the way it approached the development. It was noted that the site constraints would make development complicated and entering into a partnership may present financial risks to the Council, when considered against the sale option. The Leader of the Council said that the Council was not yet committed to developing the area through a shared partnership and that decisions on later stages of the project would be brought to Cabinet before it was finalised.

RESOLVED that:

1. The approved recommendation from the October 2018 Cabinet report to use compulsory purchase powers be amended to include section 226(1)(a) of the Town and Country Planning Act 1990 in addition to section 226(1)(b).
2. The Council work with its partners to secure the relocation and removal of the gas infrastructure from the site and that the authority to complete this project

is delegated to the Director of Financial Services in consultation with the Cabinet Member for Fairer Chelmsford.

3. It be recommended to the Council that the capital budget for this scheme is increased to fund the additional costs associated with the works. This will be partially funded by additional contributions identified from S106 contributions and additional HIF grant of £3.95m.
4. The authority for the delivery of the new bridge, road and associated works be delegated to the Director of Financial Services in consultation with the Cabinet Member for Fairer Chelmsford.
5. The Director of Financial Services in consultation with the Cabinet Member for Fairer Chelmsford be authorised to appoint a development partner for this project, following the completion of a design competition or suitable procurement exercise.

(8.32pm to 8.52pm)

10.2 Lease of Property in the City Centre (Fairer Chelmsford)

Public interest statement: It is not in the public interest to release details of this report at present, on the grounds that the report contains information that is commercially sensitive and to place the information in the public realm would be detrimental to the negotiations to be undertaken by the council

Declarations of Interest:

None

Summary:

The Cabinet considered a report on proposed new terms for the lease to the present tenant of a property in the City Centre. The new lease would be for a longer period and re-establish the capital value of the property but at a smaller annual rental.

Options

Agree the proposed terms of the revised lease or negotiate different terms.

Preferred Option and Reasons

By agreeing and concluding a re-gear of the leasehold interest, the Council would preserve the value of the asset and secure the income for an extended period.

RESOLVED that the Director of Financial Services in consultation with the Cabinet Member for Fairer Chelmsford be authorised to agree terms and enter a new lease with the tenant of the property referred to in the report to the meeting.

(8.52pm to 8.54pm)

10.3 Purchase of Property in the City Centre (Fairer Chelmsford)

Public interest statement: It is not in the public interest to release details of this report at present, on the grounds that the report contains information that is commercially sensitive and to place the information in the public realm would be detrimental to the negotiations to be undertaken by the council

Declarations of Interest:

None

Summary:

The Cabinet was informed that terms were being negotiated to purchase a number of flats in a development in Chelmsford and authorisation was requested to conclude the acquisition.

Options

Finalise terms for the purchase and proceed or not purchase the properties.

Preferred Option and Reasons

Through the purchase, the Council would secure a number of units for use as temporary accommodation, reducing the requirement for the Council to lease private sector properties which was a more expensive option for providing temporary accommodation.

Discussion

The Cabinet was informed that the properties in question were two-bed flats for which there was particular demand as temporary accommodation. Larger properties were being acquired separately as part of the Council's plan to provide longer-term affordable homes. In negotiating the terms of this purchase, independent valuation advice had been sought and a discount obtained

RESOLVED that

1. Approval to agree terms and complete the purchase of the flats referred to in the report to the meeting be delegated to the Director of Financial Services in consultation with the Member for Fairer Chelmsford.
2. It be recommended to the Council that a new capital budget is approved to fund the acquisition and that an additional net revenue budget of £46k per annum is approved for the associated running costs. Should there be a need to obtain earlier financial approval to achieve a successful outcome to negotiations an urgency decision under Part 3.4.2.7 of the Constitution be sought.

(8.54pm to 9.03pm)

The meeting closed at 9.03pm

Chair



Chelmsford City Council Cabinet

17 November 2020

Procurement Strategy 2020 – 2025

Report by:

Cabinet Member for Fairer Chelmsford

Officer Contact:

Alison Chessell, Procurement & Risk Services Manager, alison.chessell@chelmsford.gov.uk,
01245 606598

Purpose

To approve for publication the Procurement Strategy 2020 – 2025.

Options

1. Approve the Procurement Strategy 2020 – 2025.
2. Approve the Procurement Strategy 2020 – 2025 with amendments.
3. Do not approve the Procurement Strategy 2020 – 2025.

Preferred option and reasons

Option 1.

This is the preferred option as the Council does not currently have a Procurement Policy or Strategy. The attached Strategy is a comprehensive document designed to add value to the Council's services, reflect modern public procurement practice and support the Council's aims and objectives.

Recommendation

The proposed Procurement Strategy 2020 – 2025 be approved and published.

1. Background

- 1.1 The Chartered Institute of Procurement & Supply recommends that an organisation with spend in excess of £5m per annum has a procurement policy in place. The Council does not currently have either a Procurement Strategy or Policy in place.
- 1.2 The Council's annual influenceable spend exceeds £40m. We trade with over 1,700 organisations including Large National Companies, SMEs (Small & Medium Enterprises), Micro businesses as well as the VCS (Voluntary & Community Sector). The Council is committed to acting in a socially responsible way and would like to use its spending power to guide its many providers and suppliers to do the same.
- 1.3 The Council's Procurement team has recently been restructured. All members of the team are now fully or part qualified as Chartered Procurement professionals. This has ensured that the correct skills and resources are available to deliver the strategy.

2. Social Value

- 2.1 The Council is committed to measuring and monitoring the social value impact of its supply chain partners in a comprehensive and cohesive way. Value to the taxpayer should lie at the heart of our procurement decisions and processes, however, too often "value" has been narrowly defined by price without considering other important factors.
- 2.2 Social Value is the relative importance that people place on economic, environmental and social changes they experience in their lives. The aim is to increase the good changes and decrease the bad changes. The public sector has a duty to consider social value principles and outcomes within some of its procurement processes.
- 2.3 The Public Services (Social Value) Act 2012 came into force during 2013 and introduces a statutory requirement for public authorities to have regard to economic, social and environmental well-being in connection with 'public services contracts' within the meaning of the Public Contracts Regulations, 2015. This means that the duty only applies to procurements where the contract value exceeds the EU threshold.

2.4 The Act requires local authorities to consider:

- the positive impact of what is procured on the well-being of their area, and
- how the procurement process might enable the achievement of any improvement.

2.5 The Council, through the policy and strategy, proposes to include social value measurement for opportunities below the EU threshold.

2.6 The Chelmsford Social Value Procurement Framework will be used to provide the relevant social, economic and environmental outcomes that need to be embedded, where appropriate, into our procurement practices; consideration will be given to relevance and proportionality on a process-by-process basis. The aim is to enable greater impact from each procurement opportunity as well as providing a support mechanism for internal commissioners and buyers.

3. Procurement Strategy and Policy Documents

3.1 Procurement Strategy 2020-2025 (Appendix 1) is the key strategy document and action plan detailing the approach for the Council for the next 5 years. There will be a review of the policy in 2022 and findings reported to the Audit and Risk Committee.

3.2 The Social Value Procurement Policy (Appendix 2) is the supporting document outlining how the strategy will be delivered throughout the organisation. The Policy explains the key Social Value themes and introduces the usage of the Chelmsford Social Value Procurement Framework which includes selected Themes, Outcomes and Measures detailed (TOMs).

3.3 The Themes, Outcomes and Measure (TOMs) Chart (Appendix 3) details the specific measures being used for recording and measuring each social value theme.

3.4 The key points to note within the policy and strategy are:

- i. Use of TOMs as recommended by Local Government Association and Social Value Portal
- ii. Alignment of the TOMs throughout Essex public organisations to achieve cohesive outcomes for the local area
- iii. Annual reporting of progress against the action plan and measurement of TOMs to Audit and Risk Committee
- iv. Supporting the local economy including SMEs and the VCS through transparent and proportionate procurement processes and contracting
- v. Ensuring Fair Trade and Rainforest Alliance products are used where relevant
- vi. Ensuring robust contract management is in place to monitor and measure social value outcomes - in partnership with our providers and suppliers

- vii. Paying SME suppliers promptly through the Council's SME Early Payment Scheme

4. Conclusion

- 4.1 The attached Procurement Strategy 2020 – 2025 and Social Value Procurement Policy are designed to support the published 'Our Chelmsford, Our Plan', which sets out the overall vision, priorities and strategic aims for the Council. The proposed strategy and policy will contribute to these aims through an engaged and considered supply chain.
- 4.2 The Procurement Strategy 2020 - 2025 will also support delivery of the Climate and Ecological Action Plan and the Council's commitment to become carbon neutral by 2030.

List of appendices:

Procurement Strategy 2020- 2025 and Action Plan – Appendix 1

Social Value Procurement Policy – Appendix 2

Themes Outcomes and Measures Chart (TOMs) – Appendix 3

Background papers:

None

Corporate Implications

Legal/Constitutional: The Modern Slavery Act 2015 states that every organisation that is operating within the UK with an annual turnover of £36m or more must publish a Modern Slavery and Human Trafficking Statement for each financial year.

Public Contract Regulations, 2015 – The Council as a contracting public authority is legally required to comply with the regulations.

The Public Services (Social Value) Act, 2012 - The Council as a contracting public authority is legally required to comply with the regulations.

Financial: There may be an impact on the supplier base and associated costs on a high-value procurement exercise.

Potential impact on climate change and the environment: The use of ethically sourced products and industries has a positive impact on the environment and the use of environmental TOMs within the framework will support the Climate and Ecological Emergency Action Plan.

Contribution toward achieving a net zero carbon position by 2030: The use of environmental TOMs within the framework and policy will support the Climate and Ecological Emergency Action Plan.

Personnel: Safeguarding and human trafficking checks are embedded within the Council's supplier approval process.

Risk Management: The risk of not complying with the legislation and subsequent reputational impact is considered within the report.

Equality and Diversity: An Equality and Diversity Impact Assessment has been undertaken for the Procurement Strategy and Policy

Health and Safety: All suppliers are assessed for relevant health and safety requirements as part of the supplier approval process.

Digital: None

Other: None

Consultees:

Director of Public Places

Director of Finance

Public Health and Protection Manager

Economic Development and Implementation Manager

Procurement and Contracts Lawyer

Procurement Strategy 2020 - 2025

Introduction

Chelmsford City Council spends approximately £40m annually with third parties to enable the effective delivery of its services. This spend is a combination of longer-term contractual spend, one-off capital purchases, and day-to-day service spend. We must ensure that the processes used to source these goods, services and works are in line with current procurement regulation, and that we achieve value for money whilst still contributing to the aims of the Council as a whole.

This strategy will underpin all sourcing processes, allowing them to directly contribute to the ambitions of the Council's Our Chelmsford, Our Plan. The Council recognises that commissioning and procurement activities can have a significant impact on Chelmsford's economy, community and environment.

The strategy also supports the actions identified as a result of the Climate and Ecological Emergency, which was declared by the Council in 2019, and also the commitments of the Modern Slavery Charter which was signed by the Council in 2020.

Strategic Aim

This strategy aims to ensure that procurement:

1. complies with the law (Public Contract Regulations 2015 and any other relevant legislation)
2. enables the Council's services and thereby supports achievement of Our Chelmsford, Our Plan
3. has economic, social and environmental impacts that are as positive as possible
4. makes efficient use of Council resources and
5. delivers value for money.

Delivery of the Strategy

The main delivery of the strategy will be through the Council's Social Value Policy 2020. This Policy details the Chelmsford Social Value Framework, and the methodology for measuring and reporting social value impacts using National Themes Outcomes and Measures as endorsed by the Local Government Association.

Internal methods of delivery include:

- Awareness of procurement practices through updated training and documentation including Procurement Manual and Contract Procedure Rules.
- Integrated processes designed within the Council's Enterprise Resource Planning System. This will provide live detailed data on spend and contract information.
- Sharing best practice and actively working collaboratively with other local partners.

Review of Effectiveness

The responsibility for the governance of the policy is within the terms of reference of the Audit and Risk Committee, therefore an annual report will be produced to ensure the committee can discharge this function. The Annual report will include:

- Progress towards Procurement Strategy objectives
- Effectiveness of the Social Value Procurement Policy

This review of use of the strategy will be undertaken periodically with the first review scheduled for 2022.

Associated Legislation / Key Documents

Our Chelmsford, Our Plan 2020

Social Value Procurement Policy (TBA)

Modern Slavery Charter

Contract Procedure Rules 2020

Public Contract Regulations 2015

Public Services Act (Social value) 2012

National TOMs Framework Guidance 2019 – Local Government Association

National Procurement Strategy for Local Government 2018

Medium Term Financial Strategy 2020

Action Plan

	Action	Details	When
2020	Improve access to procurement support documents and information	Review documentation standard terms and conditions Update intranet Update website	Sept 2020
	Modern Slavery Action Plan	Report to Audit and Risk Committee on action plan for Modern Slavery.	Sept 2020
	Participate in Chelmsford Action Against Modern Slavery Event	Participation in community stakeholder event lead by Community Safety Team	Oct 2020
	Training and Awareness	Training programme for staff – reminder of internal Contract Rules / current and potential changes to UK Regs Introduction of Social Value TOMS	Nov 2020
	Contract data transfer into OneCouncil	Ensure current records as complete as possible Embed new contract spend recording methodology	Oct/Nov 2020
	Supplier Risk Assessment – Modern Slavery	Undertake a supplier risk assessment for Modern Slavery risks within supply chain	Dec 2020
	Annual Procurement Report	Publish new Annual report to Audit & Risk Committee	Dec 2020
2021	Service spending plans published at start of financial year	Establish an outline procurement pipeline for the coming year – key capital purchases, planned project spend. Including proposed routes to market and timescales. Publish on Council website all up and coming key procurements. Warm up market. Increase transparency internally and externally. Focus on local suppliers. Allow procurement team to plan workload Identify key service procurement leads	Jan – Mar 2021
	Review external environment incl. changes due to EU exit.	Review new guidance and legislation	Jan 2021
	Social Value Practitioner status	Train key staff as Social Value Practitioners	Feb 2021
	Contract Review	Review of key suppliers, and contract management framework and training	April 2021
	Participate in Social Value Event	Potentially host climate change Social Value session for local suppliers and partners	May 2021
	Complete CIPS Ethical Test	All Procurement Team members required to undertake Ethics Test	June 2021
	Training and Awareness	Procurement training for Councillors	Sept 2021
	Annual Procurement Report	Publish report to Audit & Risk Committee, including reporting of TOM's	Dec 2021
	Monitor Quality of Spend Data	Ongoing assessment	All

Social Value Procurement Policy

Chelmsford City Council has a responsibility to ensure that all commissioning and procurement supports the Council's **Our Chelmsford Our Plan** principles that it has committed to deliver within the legislative framework for public procurement and the Council's own internal rules and procedures: promoting sustainable and ethical sourcing, procurement, commissioning and contract management wherever possible.

The social value procurement approach is aligned with Our Chelmsford Our Plan themes as outlines below:

Theme	
Fairer and Inclusive Chelmsford	Promoting sustainable and environmentally responsible growth to stimulate a vibrant, balanced economy, a fairer society and provide more housing of all types.
A safer and greener place	Making Chelmsford a more attractive place, promoting Chelmsford's green credentials. Ensuring communities are safe and creating a distinctive sense of place.
Healthy, active and enjoyable lives	Encouraging people to live well, promoting healthy, active lifestyles and reducing social isolation, making Chelmsford a more enjoyable place in which to live, work and play.
Connected Chelmsford	Bringing people together, empowering local people and working in partnership to build community capacity, stronger communities and investment in the city.

Social Value – Strategic Principles

Reporting of the impact of social value is a key deliverable of the policy. Whilst it is recognised that social value is not all about "money", it is an important metric to help understand the scale and breath of impact that a measure can make.

Putting a value on "social value" is a key policy commitment and annual reporting of the impact of the Council's spend is an important improvement in transparency and delivery of the Policy.

The Council is committed to measuring and monitoring the social value impact of its supply chain and partners in a comprehensive and cohesive way. The Policy ensures that TOMS (The National Themes Outcomes and Measures) Framework is integrated within the Council's procedures and aligned with other local organisations to deliver maximum value for our communities and society.

Social Value implications are far reaching across our organisation, and the Council will promote sustainable and ethical sourcing wherever possible.

Procurement Impact and Measurement

Sustainability and social value duties within the Council's operations cover a variety of services, however this strategy focuses on the procurement and commissioning process which covers:

- Procurement Process
- Contract Management
- Commissioning Process

The Council will adopt the Social Value Taskforce National TOMs throughout its procurement policy and procedures.

Social Value indicators will be used in the evaluation of all tenders at a minimum level of 10% scoring criteria where applicable.

Importantly, using the national indicators allows the Council to compare tenders in a way that is proportional and relevant, and to better justify a procurement decision.

The TOMS framework, launched in 2017 and compiled by Social Value UK, is updated and developed annually. It is endorsed by the Local Government Association (LGA) and used for consistent reporting by both the private and public sectors.

The principal benefits of this approach for reporting social value are that it:

1. Provides a consistent approach to measuring and reporting social value
2. Allows for continuous improvement
3. Provides a robust, transparent and defensible solution for assessing and awarding tenders
4. Allows organisations to compare their own performance by sector and industry benchmarks and understand what good looks like
5. Reduces the uncertainty surrounding social value measurement for organisations, allowing them to make informed decisions based on robust quantitative assessments and hence embed social value into their corporate strategies

The Chelmsford Social Value Framework

The Council has incorporated selected relevant TOMs to be included within Chelmsford TOMS framework. This framework will be used to assist in awarding tenders and measuring impacts of spend and reporting, where appropriate.

The Chelmsford TOMS Framework has been selected to complement the Our Chelmsford Our Plan objectives and also to align with other Essex Public Sector organisations

For all procurement activity over the Official Journal of European Union (OJEU) or equivalent threshold, relevant measures will be applied to contract evaluation criteria, as agreed by the relevant Service Manager and Procurement Services Manager.

For all other procurements for one-off cost over £50k, consideration of the evaluation of the TOMs framework and identification of relevant measures will be the responsibility of the Service Manager, supported by the Procurement Team.

Recording of the use and measurement of the TOMs will be the responsibility of the Procurement Services Manager as part of the integrated procurement processes.

The Council will be using the metric for evaluation as provided in the National TOMs calculator and guidance which is regularly updated and adjusted.

Chelmsford Social Value Framework Summary Table

The Framework has been designed around 3 Themes, 12 Core Outcomes and 29 Core Measures:

- Themes – The overarching strategic themes that the Council is looking to achieve
- Outcomes – The objectives or goals that the Council is looking to achieve that will contribute to the Theme.
- Measures – The measures that can be used to assess whether these Outcomes have been achieved. For the Chelmsford Framework, these are action-based and represent activities that a supplier could complete to support a particular desired outcome and are based on the TOMS framework, to ensure consistency. The outcomes can also be achieved by the Council working directly with partners.

The key topics on which our sustainable procurement approach is focused, and their alignment across those overall themes, are summarised in Appendix 3.

Chelmsford Social Value Framework in more detail

Environmental

Biodiversity and Land Use

What we will do:

- Consider the Council's duty to protect biodiversity when scoping contracts, ensuring the procurement activity supports the Climate and Ecological Emergency Action Plan, and Chelmsford Biodiversity Plan.
- Encourage local suppliers to consider the impact of their operations on land use, and to take steps to ensure efficient and responsible land use throughout their supply chain.

What will success look like? What are the expected outcomes?

- Measures to support the target for the Council's activities to be net-zero-carbon by 2030.
- Donations or investments towards initiatives aimed at environmental and biodiversity conservations and sustainable management projects for both marine and terrestrial ecosystems

CO2 & Greenhouse Gas Emissions

What we will do:

- Encourage suppliers to measure their carbon footprint, and to ask their supply chain partners to do the same.
- Encourage suppliers to take steps to reduce the CO2 emissions of their organisation of their business activities, and highlight those that achieve this

- Build a requirement for CO2 and Greenhouse gas reduction into the specification of certain contracts where appropriate, based on the specific risk from such emissions.

What will success look like? What are the expected outcomes?

- Ensure all fleet vehicles are at least Euro 6 or LEV by 2024
- Promote within the supply chain use of Euro 6 or LEV vehicles
- Measures to support the target for the Council's activities to be net-zero-carbon by 2030.
- Increase number of suppliers that are Carbon certified (Carbon Trust Standard, Planet Mark or equivalent)

Sustainable Materials and Plastic**What we will do:**

- Ensure that all timber and paper produce purchased by the Council is recycled, or sourced from sustainable forests, with a clear chain of custody.
- Enforce the Council's single-use plastic policy
- Encourage suppliers to seek sustainable alternatives to materials which are scarce or at risk of becoming so.

What will success look like? What are the expected outcomes?

- Compliance with the single-use plastic policy
- Increase donations or investments towards expert-designed sustainable reforestation or afforestation initiatives
- Single-use plastic packaging eliminated through reusable packaging solutions or schemes (e.g. Loop or equivalent) in the contract where possible

Waste Reduction, re-use and recycling**What we will do:**

- Seek to reduce the impact of goods, services and works through waste minimisation, including packaging waste, construction waste and the disposal of assets at the end of life.
- Encourage recycling at all Council offices with implementation and monitoring of single-use plastic policy.

What will success look like? What are the expected outcomes?

- Increase in hard-to-recycle waste diverted from landfill or incineration through specific recycling partnerships (e.g. Terracycle or equivalent)
- Higher number of suppliers have a waste management verification policy: audit hierarchy, downstream audits for waste stream
- Increase in tonnes waste diverted against relevant benchmark e.g. Real Estate Environmental Benchmark (REEB)

Water Usage

What we will do:

- Consider the risk of negative water impact in specific contracts, with particular focus on water use, water waste and discharges into the water system.
- Where appropriate, highlight good practice from suppliers who take control to reduce water usage and negative impacts on the water systems.

What will success look like? What are you expected outcomes?

- Increase in water saved against relevant benchmark (e.g. REEB) through contracts

Economic

Local Goods and Produce

What we will do:

- Recognise the importance of sourcing local goods and produce where possible
- When letting major supply contracts, consider opportunities for local primary producers to be included in the supply chain.

What will success look like? What are the expected outcomes?

- We are committed to using Fair Trade, Rainforest Alliance or equivalent accredited products where possible and encourage our suppliers to do the same
- Increase in local spend through the supply chain.

Regeneration

What we will do:

- Encourage local suppliers to get involved and support economic regeneration initiatives in the communities in which they operate.
- In procuring capital investment linked to regeneration projects, we will apply Social Value principles and, where the Council is working in partnership or providing funding, expect partners to do the same.
- Seek to maximise local employment and skills development opportunities when procuring capital investment and regeneration projects.

What will success look like? What are the expected outcomes?

- Increase in local employment and skills development opportunities linked to regeneration projects
- Increased engagement of local SMEs (small and medium-sized enterprises) and other businesses within Chelmsford and the wider area within regeneration projects

Supporting SMEs and Local businesses

What we will do:

- Take steps to ensure the procurement process is as accessible as possible to SME bidders, by identifying and removing barriers to SME participation and using social media for advertising opportunities where appropriate
- Support suppliers in identifying local supply chain and sub-contracting partners where possible.
- Gain feedback from SMEs on participation in procurement process where appropriate.
- Improved communication to SMEs so that awareness of local procurement process is increased

What will success look like? What are the expected outcomes?

- Increased SME participation in Council's procurement process.
- Increased spend on local SMEs and micro organisations
- Deliver innovative measures to enable healthier, safer and more resilient communities to be delivered on the contract – these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc.
- Increased local employment and skills development

Third Sector and Social Enterprises

What we will do:

- Take steps to ensure the procurement process is accessible to this sector and social enterprises.
- Get feedback
- Support enabling third sector support groups such as Chelmsford Council for Volunteering.

What will success look like? What are the expected outcomes?

- Increased donations or in-kind contributions to local community projects in both funds and materials.
- Increased hours in volunteering time provided to support local community projects.
- Increased provision of expert business advice to local VCSEs (voluntary, community and social enterprises).

Social Outcomes

Ethical Supply

What we will do:

- Promote use of Fair Trade, Rainforest Alliance and equivalent accredited products.
- Promote the values of the Modern Slavery Charter with suppliers and throughout the supply chain.
- Increase awareness of Modern Slavery within the Council and its supply chain.

What will success look like? What are the expected outcomes?

- Reduction in modern slavery within the supply chain with increased contracts that provide commitment to ethical procurement.
- Increased number and type of initiatives throughout the supply chain to identify and manage the risks of modern slavery occurring (i.e. supply chain mapping, staff training, contract management) in relation to the contract (describe and document initiatives)
- Promotion of the commitments within the Modern Slavery Charter

Training, education and employment**What we will do:**

- Encourage suppliers to support local employment for NEET and disadvantaged residents.
- Spend apprenticeship levy if appropriate
- Support suppliers in identifying relevant sources of support to assist in meeting the training and employment needs of target groups.
- Consider sharing apprenticeship levy with supply chain partners

What will success look like? What are the expected outcomes?

- Spend of apprenticeship levy
- Increase in employment in higher value jobs based in Chelmsford, more skilled and talented individuals are attracted into the local workforce
- Increase in local direct employees and residents within the supply chain
- Increase in meaningful work placements for local employees, and hours dedicated to support young people into work

Equality, diversity and employee well-being**What we will do:**

- Communicate the Council's commitment to eradicating Modern Day Slavery
- Encourage suppliers to be aware of, and to act in relation to, equalities issues in the industries or market sectors in which they operate.
- Publish and highlight the whistleblowing policy
- Deliver equality and diversity policy
- Recognise the benefits of workforce volunteering on providing wellbeing to both employees in our supply chain and to the communities they live and work in.

What will success look like? What are the expected outcomes?

- Increase in underrepresented or disadvantaged sectors of the community employed within the supply chain
- Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc.) or wellbeing initiatives in the community, including physical activities for adults and children
- Increase in training and support for local employees

Theme	Outcome	Measure	Measure discription	Standard Proxy	Standard Units
Environmental	Increase in biodiveristy and Land Use	NT67	Donations or investments towards initiatives aimed at environmental and biodiversity conservations and sustainable management projects for both marine and terrestrial ecosystems	£	£
	Reduce Co2 and Greenhouse Emission	NT31	Savings in CO2 emissions on contract achieved through de-carbonisation (specify how these are to be achieved)	£69.35	Tonnes CO2e
		NT45	Carbon Certification (Carbon Trust Standard, Planet Mark or equivalent independently verified) - achieved or to achieve for current year	Record Only	Y/N Provide Documents
		NT48	Supply Chain Carbon Certification (Carbon Trust Standard for Supply Chain or equivalent independently verified) - achieved or to achieve for current year	Record Only	Record Only
		RE37	Energy reductions (e.g. REEB benchamark or 3 year baseline)	kWh/m2 Record Only	Record Only
	Increase sustainable materials	NT47	Donations or investments towards expert designed sustainable reforestation or afforestation initiatives	£	£
		NT70	Single-use plastic packaging eliminated through reusable packaging solutions or schemes (e.g. Loop or equivalent) on the contract	Record Only	Kilos
	Reducing waste and increasing re-use, recycling	NT53	CO2e Savings from energy efficiency measures against baseline (e.g. REEB)	tonnes CO2e	£67.01
		NT72	Embodied Carbon reductions in CO2e emissions against baseline.	tonnes CO2e	£67.01
		RE66	Waste management verification policies: audit hierarchy, downstream audits for waste stream	Record Only	Y/N Provide Documents
	Decrease Water usage	RE43	M3 water saved against relevant benchmark (e.g. REEB)	m3	Record Only
Economic	Ensure modern public procurement process is embedded within the Council		Internal measures		Record Only
	Increase use of local goods and produce	NT18	Total amount (£) spent in LOCAL supply chain through the contract	£	Record Only
		NT19	Total amount (£) spent through contract with LOCAL micro, small and medium enterprises (MSMEs)	£	Record Only
	Support sustainable and green regeneration	NT52	Innovative measures to enable healthier, safer and more resilient communities to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc.	£1	£ invested - including staff time (volunteering valued at £16.07 per hours, expert
		NT49	Requirements or support (for Micro or Small enterprises) for suppliers to demonstrate climate change and carbon reduction training for all staff - e.g. SDGs Academy courses (NTs) or (e.g. RE) Supply Chain Sustainability School bronze or higher or equivalent	£96.11	No. hrs (total session duration)*no. attendees
	Support Third Sector and social enterpirses	NT17	Number of voluntary hours donated to support VCSEs (excludes expert business advice)	£16.07	No. staff volunterring hours
		NT28	Donations or in-kind contributions to local community projects (£ & materials)	£	£
		NT29	No. of hours volunteering time provided to support local community projects	£16.07	No. staff volunterring hours
	Increased Ethical supply	NT53	Innovative measures to safeguard the environment and respond to the climate emergency to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc.	£	Record Only
		NT22	Percentage of procurement contracts that includes commitments to ethical procurement, including to verify modern slavery and other relevant requirements.	%	Record Only

Social

		NT23	Percentage of contracts with the supply chain on which Social Value commitments, measurement and monitoring are required	%	Record Only
		NT 35	Percentage of procurement contracts that includes sustainable procurement commitments or other relevant requirements and certifications (e.g. to use local produce, reduce food waste, and keep resources in circulation longer.)	%	Record Only
	Improved local training, education and employment	NT2	Percentage of local employees (FTE) on contract	%	Record Only
		NT8	No. of staff hours spent on local school and college visits e.g. delivering careers talks, curriculum support, literacy support, safety talks (including preparation time)	£16.07	No. hours * No. attendees
		NT50	Innovative measures to promote local skills and employment to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc.	£1	£ invested - including staff time (volunteering valued at £16.07 per hours. expert
	Improvements in equality, diversity and employee well-being	NT26	Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc.) or wellbeing initiatives in the community, including physical activities for adults and children	£	Invested including staff time
		NT27	Initiatives to be taken to support older, disabled and vulnerable people to build stronger community networks (e.g. befriending schemes, digital inclusion clubs)	£1	£ Invested.



Chelmsford City Council Cabinet

17 November 2020

Review of Special Expenses Mechanism

Report by:

Cabinet Member for Fairer Chelmsford

Officer Contact:

Brian Mayfield, Democratic Services Manager, brian.mayfield@chelmsford.gov.uk, 01245 606923

Purpose

To inform Cabinet of the decision of the Chelmsford Policy Board on 15 October 2020 on the attached report on the review of the mechanism for Special Expenses.

Options

Support the recommendations of the Policy Board, not support them or amend them.

Preferred option and reasons

The recommendations of the Policy Board to enable a full assessment of an alternative to the Special Expenses mechanism to be carried out, whilst enabling the necessary preparations for next year's budget to be made.

Recommendations of the Policy Board to the Cabinet and Council

that the Cabinet recommend to Council that it:

1. approve the findings of the review of special expenses by the Connectivity and Local Democracy Working Group;
 2. approve the retention of the current special expenses mechanism for the preparation of the budget for 2020/21, updated by the information and amended methodologies described in the report to the meeting; and
 3. agree that the Working Group should explore other options for the future of special expenses such as abolition or replacement with another mechanism.
-



Chelmsford City Council

Chelmsford Policy Board

15th October 2020

Review of the Special Expenses Mechanism

Report by:

Chairman of the Connectivity and Local Democracy Working Group – Cllr Ian Fuller

Officer Contact:

[Amanda Fahey, Director of Financial Services, amanda.fahey@chelmsford.gov.uk, 01245 606401]

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Purpose

To provide a recommendation to the Policy Board following the review of the special expenses mechanism and the potential changes to charges to different Parishes, after consultation with Parishes and review by the Connectivity and Local Democracy Working Group

Recommendations

That the special expenses Review is progressed to the next stage and that the findings of the review as agreed by the Connectivity and Local Democracy Working Group are recommended to Cabinet.

The Connectivity and Local Democracy Working Group agreed to progress with special expenses to update the information and methodologies, but recognising the complexity of the mechanism intend to still explore other options for the future of special expenses such as abolition or replacement with another mechanism.

1. Special Expenses Background

- 1.1. Where Parish/Town councils provide a service or function that the City Council also provides, the City Council's expenditure is described as a 'special expense'. The Local Government Finance Act 1992 states that certain items of expenditure can be treated as "special items" chargeable only to city areas that benefit from the services provided. All other expenditure is called general expenses and is charged evenly across the City Council's taxpayers. Where the Parish provides the service, this is charged for as part of the Parish precept. The special expenses mechanism therefore ensures that taxpayers in the areas which provide the services and charge for them through their Parish precepts do not get taxed twice for the same type of expenditure.

2. Special Expenses Review

- 2.1. Special expenses are reviewed periodically to ensure they are kept relevant and up to date. The last review took place in 2015 and focused on the principle of retaining special expenses. The review concluded that the fairness to taxpayers provided through the mechanism of charging special expenses outweighed the advantages of abolishing them. The special expenses mechanism was therefore to be maintained with the categories of expenses included to be reviewed and updated.
- 2.2. The 2020 review has therefore been progressed through several stages and presented to the Connectivity and Local Democracy Working Group on a number of occasions, as outlined below.
- 2.3. At the first stage, the group considered the following two options for the review of special expenses:

Option 1 - Modify by adding or removing expense types charged through the special expenses' mechanism, by reviewing the basis of calculations or the method by which costs are included in an expense type.

Option 2 - Abolish special expenses.

Option 1, that the Council shall continue to levy special expenses but needs to review the current mechanism, was agreed.

- 2.4. As the first stage in the review, officers contacted all Parishes/Town Councils, to gather information on services provided/funded from their precepts to help identify any new areas that may not have been previously considered or to establish whether any expenditure currently charged through special expenses no longer qualifies as a special expense. To date we have received responses from 24 of the 26 Parish councils (Mashbury do not charge a precept so are not included here)

which represents 92% of all Parishes in the Chelmsford area, including the five parishes with the largest precept and as such most likely to provide services that might fall under the special expense category.

- 2.5. As a result of the work undertaken and the information provided by Parishes, some changes were proposed to the previous categories included within Special Expenses. No new areas were identified compared with the 2015 Special Expenses review and so no additional categories have been added. However, following discussions with Officers and from reviewing the information provided by Parishes, it was proposed that three categories should be removed from special expenses. These categories were litter bins, hanging baskets and street cleansing and were agreed to be removed from special expenses by the Working Group.
- 2.6. The officers also reviewed the mechanism for recharge for each individual type of expense to ensure that the basis for expenditure allocations were still relevant.
- 2.7. Several of the special expenses relating to Parks and Open Spaces have had their methodology changed due to the unit cost per square metre being updated from the City Council's budgets. This now means that every category of special expense can be easily updated each year with a review of the City Council's budgets.
- 2.8. These proposals were presented to the July meeting of the working group, highlighting the main reasons for the movements in the individual Parishes' charges. The proposals for the changes in categories that were to be charged through special expenses were generally accepted by the group, but some concerns were raised about potential double charging for the strategic open spaces containing sports grounds. It was agreed that the best way forward was for individual Parishes to have the opportunity during the summer consultation to challenge the methodology and if necessary provide further evidence should they wish to update the information from their previous responses and seek any clarification from the officers on changes to their allocations.
- 2.9. The next stage of the review was a consultation period with Parish Councils on the potential changes to special expenses and the impact on their Parish. This report was presented to the Working Group in September.
- 2.10. The proposed changes to special expenses charged to each Parish were circulated to Parish Councils asking for feedback on whether the information provided was accurate, whether there were any categories included in special expenses that need to be reconsidered or whether any additional categories needed to be included.
- 2.11. Of the 27 Parish Councils contacted, initial responses were received from 16 Parish Councils, with 11 still yet to provide a response. Follow up emails have been sent to all Parishes who have not yet responded.

Of the 16 initial respondents, 12 asked for further clarification or were happy with the review and figures.

The remaining 4 respondents indicated that they were not in agreement with the review and had further queries. These Parishes were Broomfield, South Hanningfield, Galleywood and Runwell. Queries were responded to by Officers and no Parishes suggested an alternative methodology to special expenses, but instead were questioning their own charges.

2.12. The Working Group agreed to progress special expenses to the next stage and recommend them to the Policy Board with two further changes. It was felt by the group that both Public Conveniences and Christmas Trees and Lights should no longer be included within special expenses as they were argued to be of equal benefit to all residents within the Chelmsford area. All changes to methodologies included within special expenses as a result of the review have been included in **Appendix B**.

2.13. The impact of the changes of the review on each Parish and Unparished area is outlined in **Appendix A**.

3. Conclusion

- 3.1. The review of special expenses has progressed through initial provision of information from Parishes, changes to methodology and consultation with Parishes.
- 3.2. Given its complexity, the Connectivity and Local Democracy Working Group have resolved to look further into the potential for future abolition of the existing special expenses regime and to consider alternative delivery models to deal with double-taxation issues.
- 3.3. However, given the necessity to have a reasonable method in place for the upcoming 2021/22 budget, the Working Group recommends retention of the existing special expenses regime, updated for current information from Parishes and with amended methodologies as set out in the report and at Appendix B.
- 3.4. Appendix A outlines the potential changes based on responses received to date to each Parish and Unparished area as a result of the recommendations.
- 3.5. The Policy Board should now consider what recommendations it wishes to make to Cabinet in respect of its review of special expenses.

List of appendices:

Appendix A – The Impact of Special Expenses Review on Individual Parishes

Appendix B – Changes to Methodology and Categories included within Special Expenses

Background papers:

None

Corporate Implications

Legal/Constitutional: The Special Expenses review impacts on the Council Tax chargeable to residents within Chelmsford.

Financial: As detailed in report.

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: N/A

Personnel: None

Risk Management: None

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

Consultees:

Parks and Green Spaces Manager

Street Care & Performance Manager

Parish Councils

Relevant Policies and Strategies:

None

Appendix A

Unparished/Parished Area	Band D Equivalents		20/21 Special Expense Costs (pre-review)	20/21 Special Expense Costs (post-review)		Difference	Effect on Band D		Difference to General Expenses	Total Effect on Band D
City Centre/Unparished	24,900.81		£1,071,232.85	£838,161.26		-£233,071.58	-£9.36		£2.95	-£6.41
Great Baddow	5,461.76		£73,242.20	£44,731.81		-£28,510.39	-£5.22		£2.95	-£2.27
Little Baddow	871.75		£11,847.08	£16,476.08		£4,628.99	£5.31		£2.95	£8.26
Boreham	1,371.25		£15,303.15	£8,021.81		-£7,281.34	-£5.31		£2.95	-£2.36
Broomfield	2,512.55		£38,442.02	£56,306.25		£17,864.23	£7.11		£2.95	£10.06
Chignal	289.51		£3,230.93	£8,859.01		£5,628.07	£19.44		£2.95	£22.39
Danbury	2,427.19		£14,635.96	£8,300.99		-£6,334.97	-£2.61		£2.95	£0.34
Galleywood	2,113.48		£51,167.35	£57,634.60		£6,467.25	£3.06		£2.95	£6.01
Good Easter	172.59		£776.66	£2,997.89		£2,221.23	£12.87		£2.95	£15.82
East Hanningfield	496.09		£5,581.01	£12,858.65		£7,277.64	£14.67		£2.95	£17.62
South Hanningfield	1,190.97		£5,144.99	£22,938.08		£17,793.09	£14.94		£2.95	£17.89
West Hanningfield	478.29		£7,619.16	£10,115.83		£2,496.67	£5.22		£2.95	£8.17
Highwood	318.04		£4,007.30	£6,211.32		£2,204.02	£6.93		£2.95	£9.88
Great & Little Leighs	1,141.34		£28,556.33	£37,082.14		£8,525.81	£7.47		£2.95	£10.42
Margaretting	387.26		£5,715.96	£7,632.89		£1,916.94	£4.95		£2.95	£7.90
Mashbury	46.39		£446.74	£805.79		£359.06	£7.74		£2.95	£10.69
Pleshey	138.88		£2,674.83	£2,412.35		-£262.48	-£1.89		£2.95	£1.06
Rettendon	770.69		£11,722.19	£18,797.13		£7,074.93	£9.18		£2.95	£12.13
Roxwell	477.07		£729.92	£0.00		-£729.92	-£1.53		£2.95	£1.42
Runwell	1,790.04		£4,994.21	£31,737.41		£26,743.20	£14.94		£2.95	£17.89
Sandon	754.85		£18,954.28	£17,323.81		-£1,630.48	-£2.16		£2.95	£0.79
Springfield	7,858.89		£271,603.24	£248,969.64		-£22,633.60	-£2.88		£2.95	£0.07
Stock	1,194.38		£15,049.19	£22,358.79		£7,309.61	£6.12		£2.95	£9.07
Great Waltham	941.98		£14,497.07	£20,346.77		£5,849.70	£6.21		£2.95	£9.16
Little Waltham	804.62		£11,948.61	£19,045.36		£7,096.75	£8.82		£2.95	£11.77
South Woodham Ferrers	6,085.04		£177,439.77	£143,485.24		-£33,954.52	-£5.58		£2.95	-£2.63
Woodham Ferrers & Bicknacre	1,234.13		£5,220.37	£22,769.70		£17,549.33	£14.22		£2.95	£17.17
Writtle	2,021.81		£20,743.77	£4,731.04		-£16,012.74	-£7.92		£2.95	-£4.97
Total	68251.65		£1,892,527.12	£1,691,111.63						

Appendix B

Special Expense Category (pre-review)	Special Expense (Post Review)	Comments	Methodology Changed?	Comments
Allotments	Yes	Special items charged to Parished/non-Parished area in which situated	No	No change
Bus shelters	Yes	Special items charged to Parished/non-Parished area in which situated	No	No change
Christmas lights and trees	No	To be treated as a General Expense as of benefit to all in the City	No	N/A
Hanging baskets	No	No material provision by the City Council and of benefit to all in the City	N/A	N/A
Litter bins	No	Litter bins are treated as a General Expense as any provision from Parishes is additional to City Council provision	N/A	N/A
Dog Waste bins	Yes	Special items charged to Parished/non-Parished area in which situated	Yes	Updated the overheads charge on dog waste bins to ensure reflects the area of spend related to within the City Council
Miscellaneous Open spaces	Yes	Open Spaces over 2,000 sqm and under 10,000 sqm	Yes	Only open spaces over 2,000 sqm. are now included rather than over 1,000 sqm. It was agreed that this represents a more useable space for residents. The unit cost per sq. metre has been updated for several special expense categories relating to parks.
Parks	Yes	Parks identified to not have utility to the whole of the City	Yes	The unit cost per sq. metre has been updated for several special expense categories relating to parks.
Play Areas	Yes	Special items charged to Parished/non-Parished area in which situated	No	No change
Recreation grounds	Yes	Special items charged to Parished/non-Parished area in which situated	Yes	The unit cost per sq. metre has been updated for several special expense categories relating to parks.
Kickabout Areas	Yes	Open Spaces over 10,000 sqm	Yes	The unit cost per sq. metre has been updated for several special expense categories relating to parks.
Public conveniences	No	To be treated as a General Expense as of benefit to all in the City	No	N/A
Strategic Sports Grounds	Yes	Facilities to be treated as special items chargeable to a single area covering the whole of the City other than those Parishes where the Parish Council provides facilities to a comparable standard.	Yes	The unit cost per sq. metre has been updated for several special expense categories relating to parks.
Street cleansing	No	Any work completed by Parishes is additional to the work completed by the City Council	N/A	N/A
War memorials	Yes	Special items charged to Parished/non-Parished area in which situated	No	No change



Chelmsford City Council Cabinet

17 November 2020

Treasury Management Mid-Year Review 2020/21

Report by:

Cabinet Member for a Fairer Chelmsford

Officer Contact:

Phil Reeves, Accountancy Services Manager, 01245 606562, phil.reeves@chelmsford.gov.uk

Purpose

To inform members of the Treasury Management (TM) activities undertaken in the first part of 2020/21, report on compliance with the approved TM Strategy and consider whether any changes to the Strategy are required ahead of the full, annual review later in the financial year.

Options

1. Accept the recommendations contained within the report
2. Recommend changes to the way by which the Council's investments are to be managed

Preferred option and reasons

Recommend the report to Council without amendment for consideration and thereby meet statutory obligations.

Recommendations

That Cabinet note the contents of this report and recommend that Full Council approve the 2020/21 Treasury Strategy without change.

1. Background

- 1.1. The Council has cash to invest arising from its revenue activities, capital balances and the collection of Council Tax & Business Rates. The Council can fund its capital programme from borrowing. The activities around the management of Council cash and external borrowing are known as Treasury Management.
- 1.2. Under statute and the CIPFA Code of Practice on Treasury Management ("the Code"), members are required to receive reports on the Council's Treasury Management (TM) activities. The report in Appendix 1 complies with the CIPFA Code of Practice and relevant Government regulations.
- 1.3. Full Council has overall responsibility for Treasury Strategy but delegates to the Treasury Management and Investment Sub-committee responsibility to monitor and recommend changes to strategy. The Director of Financial Services has delegated authority to manage operational TM activities within the approved strategy.
- 1.4. Members of the Treasury Management & Investment Sub-Committee have reviewed the contents of the report and a majority recommended that the Cabinet note its contents and seek Council approval for it.

2. Executive Summary

- No breaches of Treasury Management Strategy occurred
- Interest Rates have fallen and are expected to remain low resulting in projected income being below budget
- The Council continues to remain internally borrowed to fund its capital investment but may have to undertake external borrowing within the next year.
- Council investments are now focused on short duration deposits and Money Market Funds (instant access)
- Use of external investment funds for long-term investments has been reviewed and no new investments or disposal are considered appropriate at this time
- It is proposed that the use of external investment funds for long-term investment is kept as an available option within the Treasury Strategy and that the decisions to use such investments remain within the delegation to the Director of Financial Services
- No change to Strategy is recommended for 2020/21

3. Conclusion

- 3.1. Cabinet is asked to accept the review of the Treasury Management Activity for the period to the end of September as endorsed by the majority of the Treasury Management and Investment Sub-committee. No changes to the 2020/21 Treasury Management Strategy are recommended.

List of appendices:

Appendix 1 – Review of Treasury Management Activity

Appendix 2 – Review of CCLA property fund

Background papers:

Nil

Corporate Implications

Legal/Constitutional: The report meets statutory obligations on reporting Treasury Management Activity

Financial: As detailed in the report

Potential impact on climate change and the environment:

Any fund managers will be required to consider ESG (Environmental, Social and Governance) factors in their investment process. All the fund managers would be expected to have signed up to the UN Principles for Responsible Investment (PRI). PRI argues that active participation in ESG and exercising shareholder rights on this basis can help to improve the performance of companies which may otherwise not address such concerns and so being an engaged corporate stakeholder is a more effective way to bring about change in corporate behaviour on ethical issues.

Further requirements from those identified above are not practical given the limited ability to directly influence any immediate change in the financial markets.

Contribution toward achieving a net zero carbon position by 2030:

N/A

Personnel:

N/A

Risk Management:

The report is part of the Council's approach to managing risks arising from Treasury Management

Equality and Diversity:

N/A

Health and Safety:

N/A

Digital:

N/A

Other:

Consultees:

N/A

Relevant Policies and Strategies:

Treasury Management Strategy 2020/21

1 Treasury Management Activity during the period 1st April 2020 – 31st August 2020

This report complies with the CIPFA Code by identifying the Council's investments and external borrowings as at 31/08/2020 and compares treasury activity to approved strategy.

2 **Liquidity Management and borrowing**

- 2.1 The Council has continued to keep a large proportion of its portfolio available for instant access and notice accounts. This reflects the uncertain cashflow of the Council due to income losses from Covid-19 (mainly Business rates and Sales, Fees and Charges). To assist in managing liquidity, the Council set the following target in its Treasury Management Strategy.

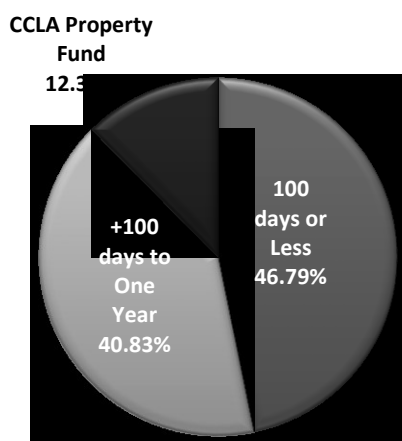
A minimum of £10m of all investments must be invested for periods of 100 days or Less

Outcome: The target was achieved, and officers will continue keep the average durations of investments short

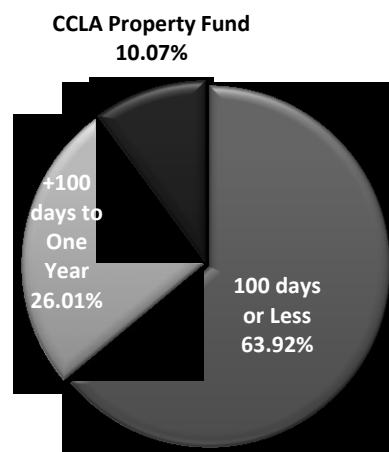
Investments at:

	<u>31/08/2019</u>		<u>31/08/2020</u>	
	£s	%	£s	%
100 days or Less	25,210,600	46.79%	39,316,382	63.92%
+100 days to One Year	22,000,000	40.83%	16,000,000	26.01%
Longer Than One Year	Nil	0.00%	Nil	0.00%
CCLA Property Fund	6,671,200	12.38%	6,194,303	10.07%
	<u>53,881,800</u>	<u>100%</u>	<u>61,510,685</u>	<u>100%</u>

**Investments at
31/08/19 By Length**



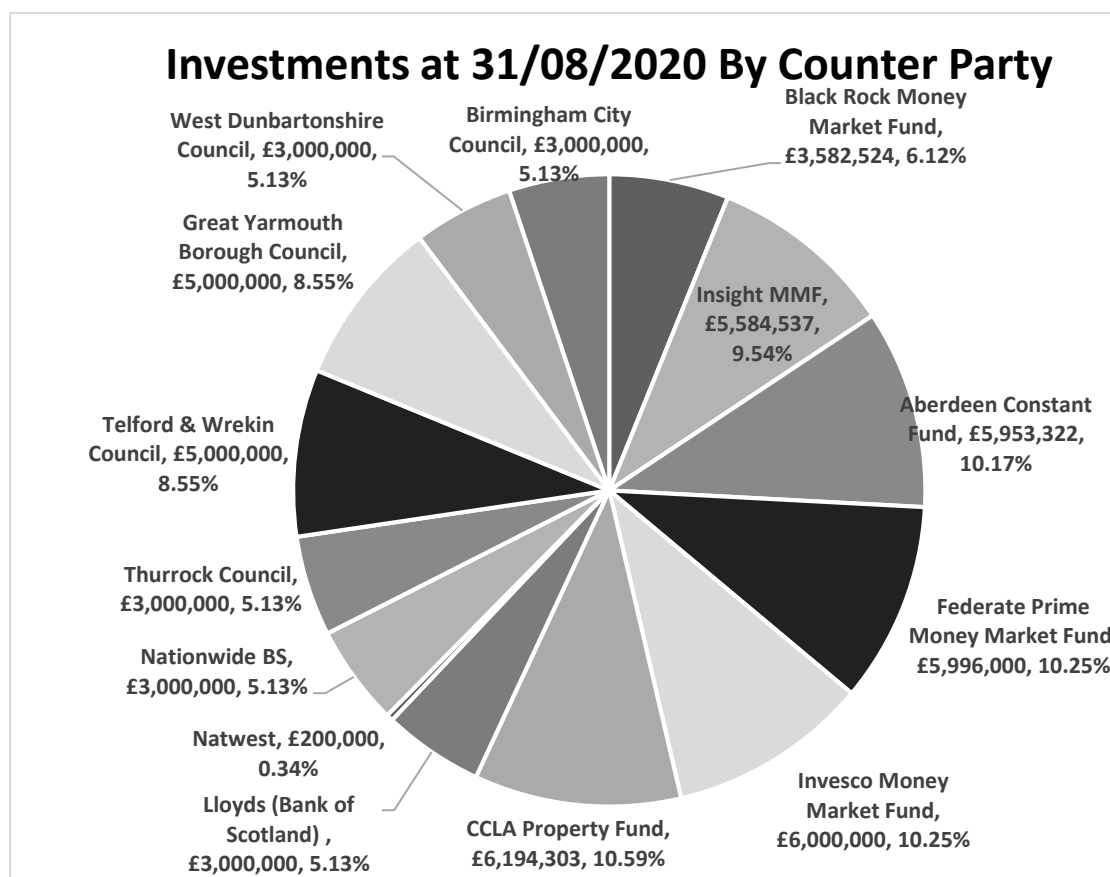
**Investments at
31/08/20 By Length**



- 2.2 The Council's Treasury strategy set the following
The Upper Limit for total sums invested in the money market deposits for more than 364 days is £10m for 2020/21

Outcome: The limit has not been exceeded.

- 2.3 **No breaches of Counter party limits have occurred.** The investments held by the Council are noted below



The Council's investments with local authorities and Nationwide Building Society are all fixed maturity dates and of a duration of less than one year. The investments with Lloyds and HSBC banks are 90 and 30 day notice accounts, on which officers will be giving notice to provide additional Council liquidity. The other investments are all instant access.

- 2.4 **The Council has not undertaken any external borrowing in the year to date.** The funding of the approved Capital programme requires borrowing but that has been internal borrowing which reduces the amount the Council has to invest. The Council operates two borrowing limits, the Authorised (maximum limit) which cannot be exceeded without Council agreement and an Operational boundary (which provides an expected level of external debt). The current limits are noted below

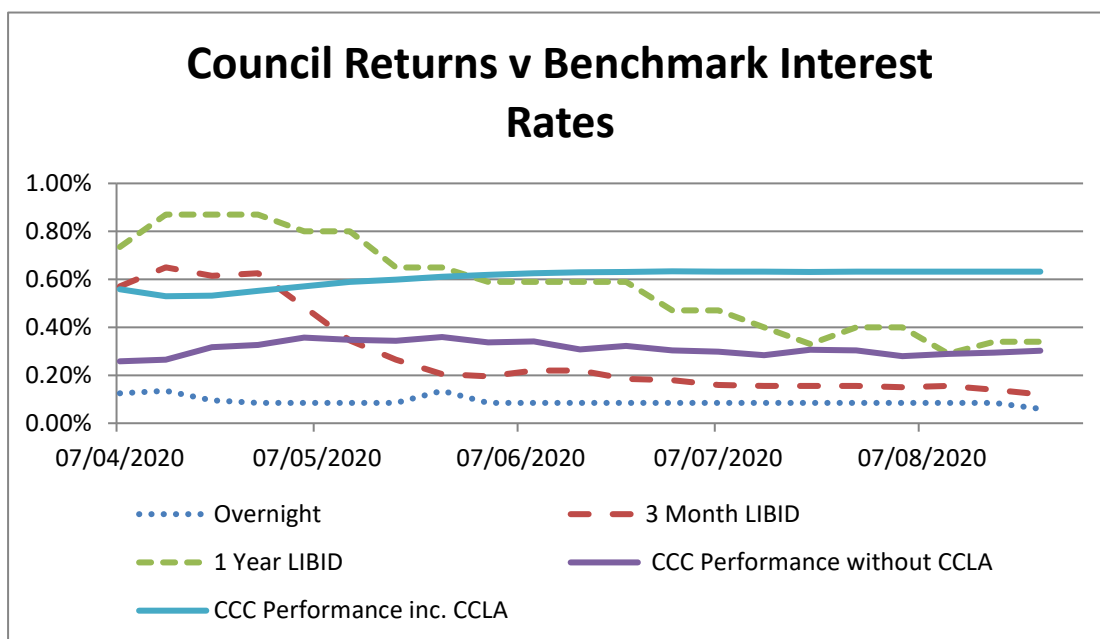
	Limit
Authorised Limit of Borrowing	£35m
Operational Boundary of Borrowing	£25m

- 2.5 The impact of Covid 19 has been to reduce significantly customer receipts and business rate income. Some of these losses are to be made good by Government but this complicates the cashflow projections (as it is unclear when Government funding will arrive). The Council cash balances will fall as the year progresses due to the normal outflow of Council Tax to other precepting bodies and capital programme spend. It is possible but not certain that short-term external borrowing may occur in 2020/21 and during 2021/22 there may be a need for long-term external borrowing. This is not surprising given Full Council has committed to funding capital investment through borrowing and has already funded expenditure by using internal borrowing.
- The issues for Treasury Management & Investment Sub-committee will be: is there compliance with the borrowing limits and then is borrowing being undertaken in the most cost-effective manner?

3. **Rate of Return**

- 3.1 The Bank of England Base rate stands at 0.1%. One-month local authority loans are 0.02% and one year 0.28%.

- 3.2 Money market interest rates have fallen since the beginning of Covid19 outbreak. The Council returns are shown below



- 3.3 The Council's rate of return in 2020/21 has been heavily distorted by the holding over £30m of Government Business support grants which the Council had to pay out as quickly as possible. The cash was kept in short-notice access accounts and so lowered the overall average rate of return, as shorted-date investments pay less interest. As the money has been spent average returns briefly increased.
- 3.4 The Council had an average yield on its portfolio of 0.62% at 31st August 2020. This compares to budgeted rate of 1.2%. The rates paid in the money markets are shown in the graph above and are clearly well below the budgeted rate. The Council will not achieve its budget for investment income this year.
- 3.5 Interest rates could fall further. There has been discussion of negative interest rates where effectively the Council pays the bank (or similar) to hold its cash. This has already occurred for short-term investments at the Deposit Management Office where Local Authorities deposit funds with the Government. In event of negative interest rates the Council would have to hold cash for liquidity purposes so would incur costs. The sole source of investment income would be the CCLA property fund. This is because all of the Council's investments except for the CCLA are linked to money-market rates in some way.

4 Investing in External Funds

- 4.1 The Council within its Treasury Management Strategy has permitted the use of external investment funds (under certain constraints). The Director of Financial Services is authorised to determine if the use of investment funds is appropriate and monitor any use. Currently the Council does use:
- Money Market Funds (MMF), Credit rating for the funds AAA+. The Council uses MMF with same day access to investments. The unit price of these funds is intended

to remain constant and would only vary in exceptional circumstances. The funds are highly regulated. These funds invest in short-dated financial instruments and spread their investments thereby limiting exposure to single counter parties. The Council would find it very difficult to manage its liquidity without their use. The current level of returns are under 0.1% per year.

- CCLA Property Fund, Unrated Fund. This investment fund is open only to Local Authority investors. It currently has 250 investors. The fund has 78 properties and £1.15bn value. The Council invested at cost of £5m and its current value is £6.2m. The yield is currently around 4% which reflects the fund is paying lower than the normal income due to Covid-19. Income should be around 4.7%, the lower yield reflects that the fund is collecting around 85% of rent due currently. The fund expects income to recover more fully in 2021/22. Appendix 2 contains more details on the fund and its outlook. Current interest rates and returns suggest that redemption from the fund would create additional annual revenue shortfall in the range of £222k-£265k.

4.2 Though the Council has authorised the use of external investment funds, the Director of Financial Services does not currently expect to make any new investments given the current economic circumstances.

4.3 This review of the Treasury Management operations does include consideration of the continued use, additional use or removal of the use of fund managers from the strategy. Factors that the committee should consider are:

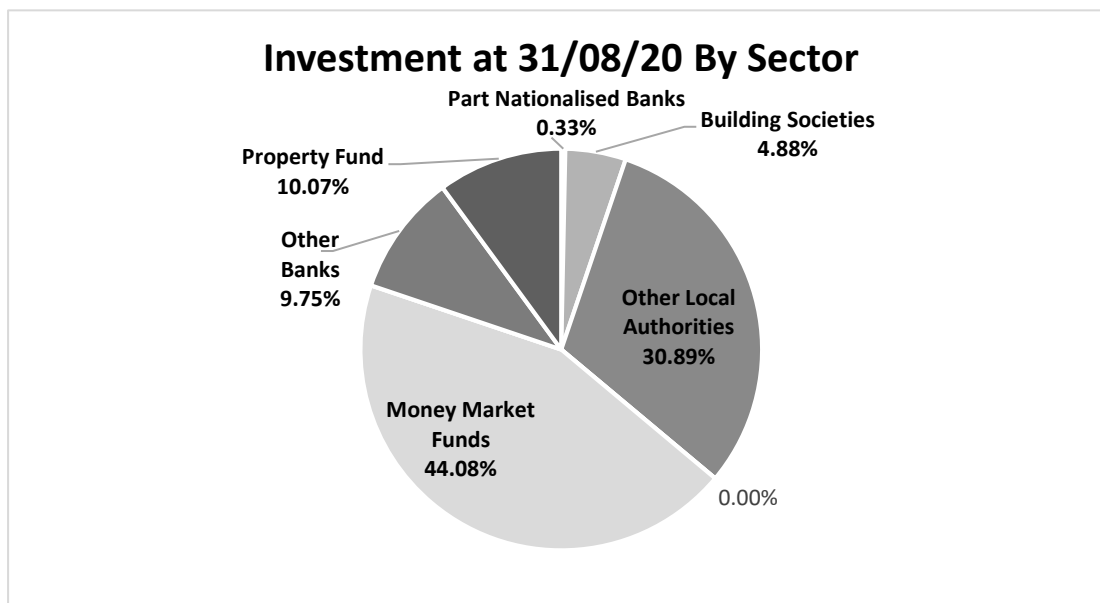
- Fund Managers offer the opportunity to spread risk across a wider number of counter parties and investment assets.
- Fund Managers are experts and bring a wealth of data and skill to selection and management of investments.
- Price volatility and risk of permanent reduction in the value of investments, which could be realised at point of sale. This risk has increased due to potential structural changes accelerated by Covid-19 which lower the future earning potential of Banks' financial instruments, Property and other assets.
- Liquidity Management. The use of external investment funds would actually reduce liquidity as most funds, except MMFs, have to be given advance notice to repay funds. This can be a matter of days or months (CCLA is 90 days). However, the Council can to some extent manage liquidity risk by accessing external borrowing.
- Are Members satisfied with the balance between risk and return?
- The consequences of reducing risk and return. The reduction in treasury risk (return) will come at cost of needing to find savings to balance the overall financial position.

4.4 It is proposed to monitor the CCLA property fund closely but maintain the current level of investment. The loss of income to the revenue budget is greater risk than the potential for loss of long-term capital value. The use of investment funds should be kept as part of the strategy but the Director of Finance does not expect to make any new investments in the current financial year.

5. **Bail-in Risk**

5.1 This is the risk that regulators will step in and enforce losses on depositors in order to recapitalise a failing bank or building society, rather than rely on taxpayer bailouts.

- 5.2 The Council has for the last few years targeted reducing Bail-in Risk but in 2020/21, officers have prioritised keeping investments relatively short in duration, however the overall exposure has not greatly altered as shown below



Exposure	As at 31 st August 2019	As at 31 st August 2019
Bail-in risk	58%	59%
Exempt from bail-in (including CCLA)	42%	41%
Total	100%	100%

6 Conclusion

- No breaches of Treasury Management Strategy occurred
- Interest Rates have fallen and are expected to remain low resulting in projected income being below budget.
- The Council continues to remain internally borrowed to fund its capital investment but may have to undertake external borrowing within the next year.
- Council investments are now focused on short-duration deposits and Money Market Funds (instant access).
- Use of external fund managers for long-term investment has been reviewed and no new investments or disposals are considered appropriate at this time.
- It is proposed that the use of external fund managers for long-term investment is kept as an available option within the Treasury Strategy and that the decisions to use such investments remain within the delegation to the Director of Financial Services.
- No change to Strategy is recommended for 2020/21.

CCLA (Local Authorities Property Fund (LAPF))

Background

Investment objective: The Fund aims to provide investors with a high level of income and long-term capital appreciation.

Investment policy: The Fund is an actively managed, diversified portfolio of UK commercial property. It will principally invest in UK commercial properties but may invest in other assets. The Fund is aimed at local authorities seeking exposure to UK commercial property for their long-term investments

Independent Governance: The trustee is the Local Authorities' Mutual Investment Trust (LAMIT) a body controlled by members and officers appointed by the Local Government Association, the Convention of Scottish Local Authorities, the Northern Ireland Local Government Officers' Superannuation Committee and investors in the Fund.

Discrete year total return performance

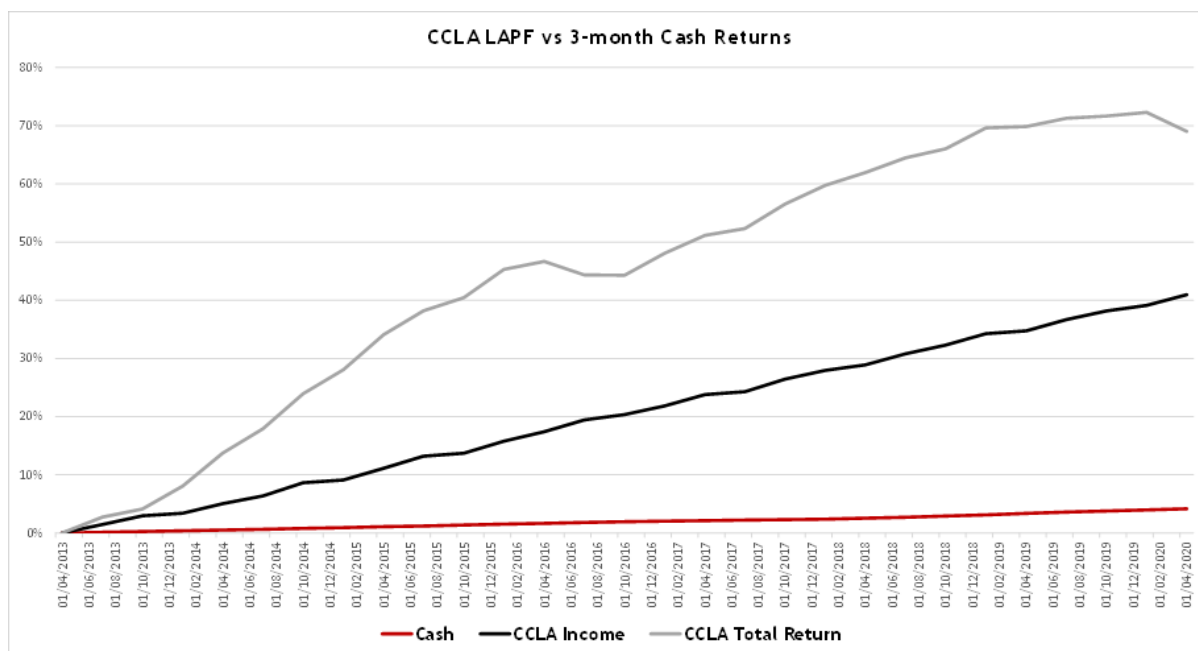
12 months to 30 June	2020	2019	2018	2017	2016
The Local Authorities' Property Fund	-3.47%	+5.46%	+9.36%	+7.24%	+5.85%
Benchmark*	-3.08%	+4.05%	+10.23%	+5.67%	+8.85%

Annualised total return performance

Performance to 30 June 2020	1 year	3 years	5 years
The Local Authorities' Property Fund	-3.47%	+3.64%	+4.79%
Benchmark	-3.08%	+3.59%	+5.04%

Net performance shown after management fees and other expenses. Benchmark – MSCI/AREF UK Other Balanced Quarterly Property Fund Index * (estimated for the last quarter). Source: CCLA

The chart below compares the 3 month LIBOR investment to CCLA income and total return over the 7 years.



A comparison: If you had invested the £4,975,125 on 30/04/13 in a three-month cash deposit paying 3-month LIBOR and then rolled this over every three months at the prevailing 3 month LIBOR rate, while reinvesting the income each time, then your cumulative return over the seven years would have been approx. 4.16%. If you had done the same but with 12 month deposits the return would have been 6.76%.

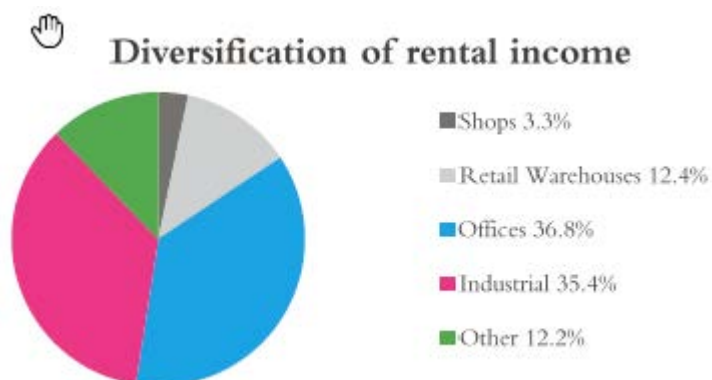
The CCLA over the same time returned a 69% total return but more importantly a 41% income yield.

Current position

The past performance of the fund is good, much better than cash-based alternatives, however, it does not necessarily provide the best indication of future performance of the fund or similar property funds.

To decide if keeping the investment in place is the best option for the Council, the following points should be considered:

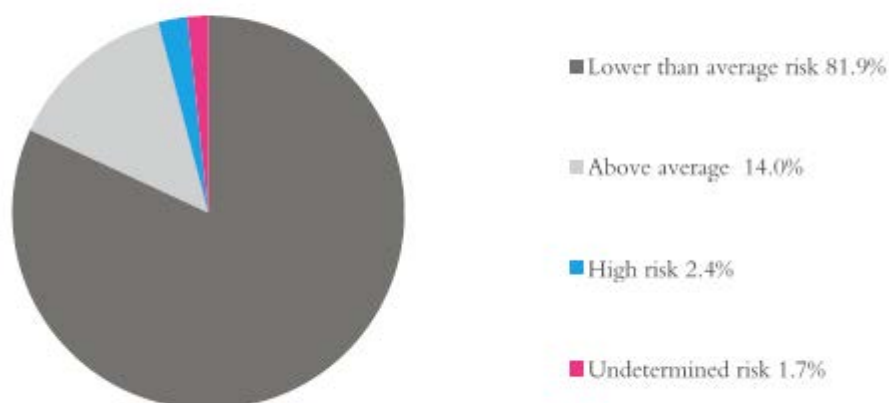
Capital values in the property sector have fallen back but not at an equal rate. The greatest weakness is in retail assets, but hotels also declined and there was pressure too on some offices. In contrast, industrials remained resilient. The market for property did show signs of improvement in June and July according to CCLA. The CCLA fund does have the advantage of being focused on the more resilient types of property, as shown below.



Though diversification of the fund looks successful, structural changes in the UK economy, such as increased home-working could still result in higher long-term voids, lower income and lower capital values. Structural changes are perhaps the largest risk to the CCLA's future returns.

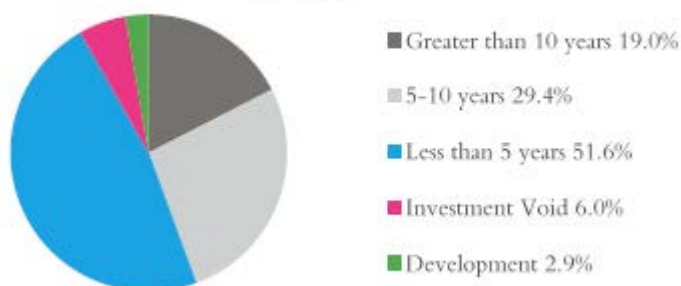
The collection of rent from existing tenants has been good considering the circumstances and for the September rental billing period collection will be close to 100% of what was expected. Analysis of the fund's tenants' credit strength is favourable as shown in the next chart (source CCLA):

LAPF tenant ratings by Dun & Bradstreet as at 30 June 2020
% of current rental income



Another risk to any property fund's future returns is the managing of lease expiries. The strength of the CCLA management has been the ability to turn these expiries into opportunities to increase rents or re-develop sites for profit. The CCLA approach has been to acquire properties with short leases and optimise renewal or development opportunities. This strength may however be a weakness if it is considered property has simply become a less attractive asset due to the structural economic changes. A profile of the fund's lease expiries is below (source CCLA), showing over 50% of leases expire in 5 years or less

Income expiry profile – 1st break



The managers of the CCLA property fund believe that the short lease-life profile is still a considerable strength given the options available to redevelop many sites or re-let them at higher rents.

The CCLA is also rolling out 'green leases' to encourage responsible environmental management of energy and water by tenants.

The fund was 'gated' meaning investors could not request redemptions during the lockdown but from September investors can withdraw funds. At the time of writing no Council has sought to sell down their investments. The fund now has a 90-day notice period for redemption in line with Government regulations for property funds.

Conclusion

Officers believe given the Council's income could be down by nearly £13m in 2020/21, that the fund offers much needed income at 4 to 4.7% compared to cash deposit rates of 0.02 to 0.3%. The risk of capital volatility or permanent loss is the lesser risk.



Chelmsford City Council Cabinet

17th November 2020

Revenue Monitoring 2020/21

Report by:

Cabinet Member for a Fairer Chelmsford

Officer Contact:

Phil Reeves, Accountancy Services Manager, 01245 606562, phil.reeves@chelmsford.gov.uk

Purpose

To compare the latest budget forecast by Directors as at October with the Original budget for 2020/21 and inform members of any actions resulting from the projected variations.

Options

1. Note the latest forecast position and approve actions in Appendix 1
2. Recommend changes to the service budgets or to the actions identified

Preferred option and reasons

Option 1 as recommended by Service Managers

Recommendations

That Cabinet note the contents of this report and that Cabinet Members monitor the identified actions.

1. Background

- 1.1. The Council has a long-established process of preparing formal monitoring reports comparing its forecast expenditure and income with the approved estimate and reporting these to Management Team on a regular basis. These reports are also supplied to all Cabinet Members. The reports enable each Cabinet Member to view their areas of responsibility and to gain explanations of any variances from their Directors. More detailed information is produced for Service Managers.
- 1.2. This report as part of Revenue Monitoring undertakes to
- Provide Cabinet with a high-level view that identifies an expected level of expenditure and income by the Council for the year ending the 31st March 2021.
 - Provide actions relating to each of the material variations. Cabinet is not being asked to approve budget changes but consider the actions relating to the budget variance which for instance could include changes to service provision.
- 1.3. A new Financial System is being implemented and a review of the financial information currently produced will take place with the aim of improving accuracy, presentation and cost of production.
- 1.4. For context the Council's revenue budget for expenditure is some £60m excluding Housing Benefits (which are mostly funded by Government grant), so a 5% variation is £3m. The Council's Net Service Expenditure Budget is £18.7m.
- 1.5. The projections are compiled by Accountancy Services using Service Manager input. The projections require judgement of known/expected items of income and expenditure plus assumptions on future service activity. The projections do not assume any material tightening in Covid-19 lockdown measures beyond those known in September. The impact on resident/customer behaviour of the move between the tiers of anti-covid measures was simply not possible to assess at the time this report was finalised (only a few days after the announcement that the Essex County area would be moving to Tier 2 of the new restrictions). Officers will continue to monitor the situation, which highlights the necessity to maintain adequate financial reserves, to support services to residents in the face of potential further costs or reductions in income.

2. Executive Summary

- The Forecast shortfall of income is nearly £13m for 2020/21.
- Increases in expenditure of £0.5m are expected to be required to help manage the consequence of Covid-19 on services, mostly in housing the homeless
- Offsetting reductions in expenditure and Government funding means the deficit is projected to be around £3m. This can be funded by not making the budgeted revenue contributions to capital (£4.8m) and any surplus would be kept in unearmarked reserves pending further consideration of the situation at year end.

- Given the difficulty of making forecasts at this time there is considerable uncertainty regarding the final outturn position so financial risk will be managed by having appropriate levels of reserves to deal with any worsening financial pressures. It should be noted overall level of reserves is projected to be lower at the end of the financial year, as earmarked reserves are expected to fall.
- The Medium-Term Financial Strategy update will identify the actions and next steps to enable the Council's finances to be returned to a sustainable position over the medium term.

3. Revenue Monitoring

3.1. The expected level of variation against the income and expenditure budgets is unprecedented. The projected falls in income of £13m are almost a third of total discretionary income that the Council should expect. This potential loss is equivalent to almost all of the City Council's share of the Council Tax income it budgets to collect. The revenue monitoring projections need to be used to plan for how such large losses could be dealt with whilst also recognising that these are not yet realised losses and they may not fully occur or could get worse. The Medium-Term Financial Strategy update elsewhere on the agenda provides details on how this risk can be managed beyond the current year.

3.2. The Council's budget for 2020/21 is forecast to be overspent by £9.9m. This allows for a £2m one off Government Covid-19 Grant. An additional Government offer to reimburse up to 75p in the £ of Sales, Fees and Charges (SFC) income losses, is expected to result in £7m of funding, but this is not included in the figures. The first grant claim for SFC losses has just been submitted but as yet there is no confirmation of the value of the payment that will be made to the Council.

3.3. The net budget shortfall for 2020/21, assuming SFC grant, is therefore expected to be some £3m.

The shortfall can be funded by not making the budgeted revenue contributions to revenue of £4.8m as approved in the July Medium-Term Financial Strategy. This would provide around £1.8m to be used to increase the unearmarked reserves to help manage Covid-19 and other risks in 2021/22. Should the financial outturn be better than forecast it would be an option to re-instate some or all of the revenue contributions to capital.

3.4. **Appendix 1** contains the high level and action-based Revenue Monitoring report. A brief overview is:

- Page 7 contains a diagram identifying whether the services' budgets are projected to be over or underspent. The current projection is £9.8m or 52% overspent. Not unsurprisingly these are caused in the most part by Covid-19
- Page 8 is a list of key variations that make up the overspend. These pages show the amount and the cause of each variation. They also identify the actions which are recommended to manage each variation. For each affected service, action or variance, the report identifies associated risks.

The key projected service variations are:

Narration	Projected +overspent /- under budget £Ms
Income Losses caused by Covid-19	13.0
Government Covid-19 funding (excludes SFC grant)	-2.5
Additional Covid-19 expenditure. Mostly Homelessness pressures	0.5
Underspends related to less activity due to Covid-19.	-1.4
Other non-Covid overspends	0.2
Total Projected Variation	+9.8

- 3.5. Page 9 contains details on Council budgets that are not managed by services but are central corporate costs or income. For each item, any variances, actions and risks are identified. The variations are:

Narration	£Ms
Interest Earnings -less than expected	0.1
Total Projected Variation	0.1

There are two items on page 9 of note

1. Revenue Funding of Capital. The Council within its budget provided for New Homes Bonus (Revenue Income) to be used to fund capital expenditure. The Medium-Term Financial Strategy has now enabled this contribution not to be made but instead it can be transferred into Unearmarked Reserves, effectively part funding any overspend of budget in 2020/21. It has been decided not to show this change in use of the contribution on the monitoring to avoid masking the financial losses of Covid-19
 2. Business Rate Retention Income. The Government enables the Council to keep a share of growth in Business Rates or losses in its area via the highly complex Business Rate Retention scheme. The scheme is made more lucrative to local authorities if they join together to form pools, however this also increases the cost of any losses in the event that Business Rate income declines. Chelmsford belongs to an Essex pool. The forecast for the pool has shown a potential gain for Chelmsford of several hundred thousand pounds. However, the Governments Covid-19 Business Rate measures make such predictions too risky to include as a forecast gain at this time.
- 3.6. Page 10 contains an explanation in the use of reserves and an overall summary of the projection of revenue net expenditure outturn. Any overspend at year end will have to be funded from Unearmarked Reserves, referred to as the General Balance. The monitoring shows nearly £10m of additional use of reserves, resulting from loss of interest earnings and service budget

shortfalls. However, as noted in 3.2 and 3.3 a mixture of Government Grants and not undertaking the budgeted revenue contributions to capital should enable at year end a contribution to be made to unearmarked/general reserves, as shown in the table below. This is likely to be necessary given the ongoing nature of Covid-19 and lack of certainty that any additional Government funding will be provided in 2021/22.

3.7. The Projected Unearmarked Reserves Position is

Narration	£ms
Opening Balance 2020/21	10.6
Overspend	-10.0
Re-purpose revenue contribution to capital 2020/21*	4.8
Potential Government SFC Grant	7.0
Projected year End Balance 31/03/2021	12.4

*if the revenue contribution to capital were made as planned in the budget, the level of unearmarked reserves would be £7.6m at year end. This assumes of course that the forecast revenue position is correct. Whilst this level would meet the requirements of the previous Medium-Term Financial Strategy (MTFS), it would not reflect the additional financial risks caused by Covid-19 or the expected level of shortfall to be met from reserves in 2021/2. This is covered in more detail in the updated MTFS.

The Projected level of Earmarked Reserves is currently in-line with the approved budget that is a reduction of £1.3m during year, excluding Business Rate Retention. The exclusion of Business Rate Retention cashflows (to and from Government) is to prevent distorting the true financial position of reserves. However, this projected year-end position masks the fact the an additional £4.8m would have flowed in and out of earmarked reserves, as the revenue contributions to capital referred to above, were taken to the Asset Replacement Reserve and then used during the year.

3.8. The original budget has been increased under delegations, as below:

Narration of Approved Spend/Funding	£000s
DPO Consultants Fees for Automation of Waste Processes Project	155
Consultants Fees for Risk element of new Finance ERP system	20
Revenues and Benefits System Upgrade	6
Covid-19 Hub Costs	5
Total	186

4. Conclusion

- The Forecast financial projections have a high risk of error due to the uncertain impact of Covid-19
- Government Support and removing the revenue contribution to capital should offset the revenue losses and costs in 2020/21. If not, further use of the unearmarked reserves/general balance will be needed.
- The level of Reserves and their use is key in managing financial risk given the high risk of error in the financial outturn projections.
- The Medium-Term Financial Strategy update will identify the actions and next steps to enable the Council's finances to be returned to a sustainable position over the medium term.

List of appendices:

Appendix 1 – Chelmsford City Council Forecast Revenue Position for 2020/21

Background papers:

Nil

Corporate Implications

Legal/Constitutional: As identified

Personnel: N/A

Risk Management:

The report is part of the Council's financial risk management

Equality and Diversity:

N/A

Health and Safety:

N/A

Digital:

N/A

Other:

Consultees:

Treasury Management and Investment Sub committee

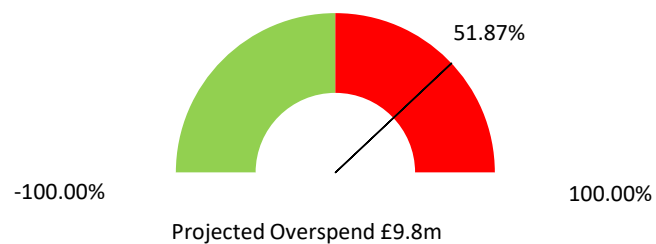
Relevant Policies and Strategies:

Medium term financial Strategy 2021-26

Chelmsford City Council Forecast Revenue Position for 2020/21

Appendix 1

FORECAST Year End Variation - Council Service Net Expenditure

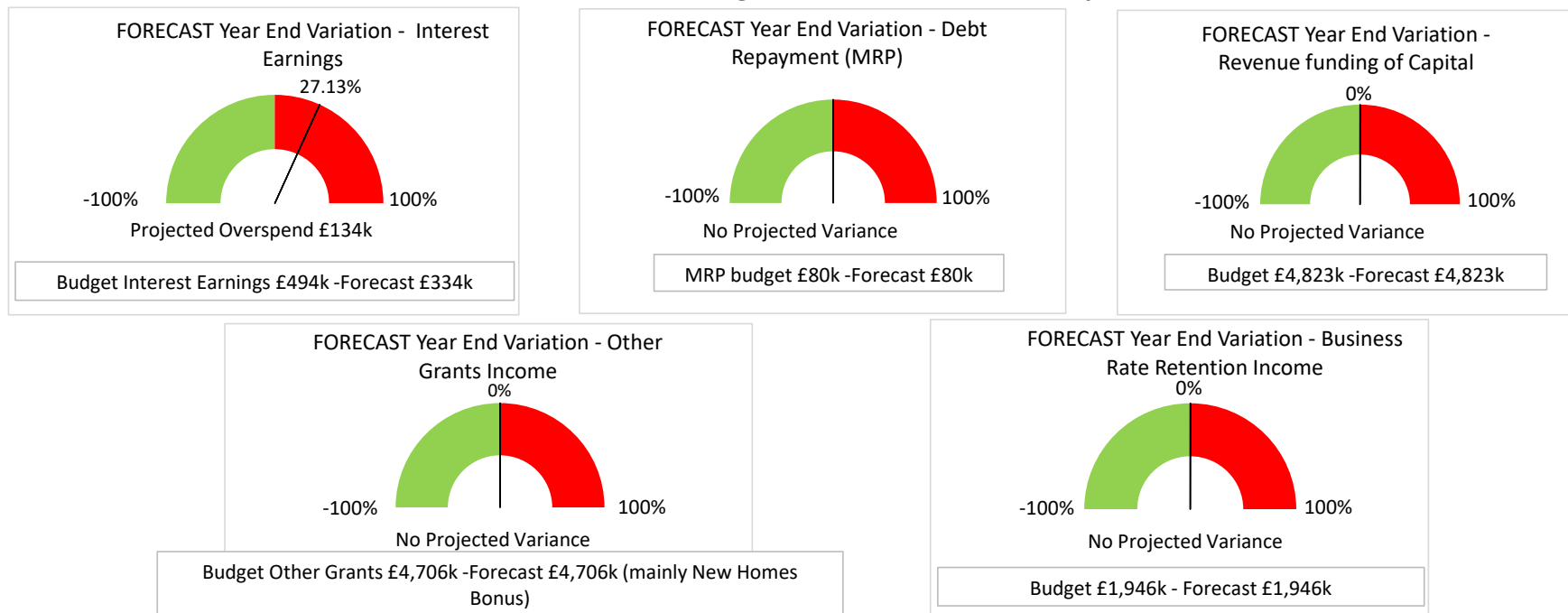


Please see comments on the next page

The significant part of the overspend is income losses caused by Covid-19

Note	Key Variations	Actions	Risks	Responsible Officer/s
1)	Reduced income of £12,977k due to Covid-19. This relates to Leisure Centres, Hylands, the Theatres, Car Parking, CIL, Events, Planning, Building Control and Commercial Property Rental Income.	Income figures will be reviewed throughout the year and the easing of lockdown may reduce the losses . Some of this income will be recovered through the government Fees and Charges compensation scheme.	Insufficient funding is received to fully compensate the Council for current and future losses resulting from Covid-19 or a further lockdown is imposed.	Council Wide
2)	£2,030k additional income from the government to cover Covid-19 costs & losses and £494k additional income due to the furlough scheme	The Council continues to provide returns to government outlining expected costs and losses as a result of Covid-19.	Insufficient funding is received to fully compensate the Council for current and future losses resulting from Covid-19.	Council Wide
3)	£532K overspends due to Covid-19. These are made up of additional Housing and Temporary Accommodation costs (£412k), and various other minor variations	The Council continues to provide returns to government outlining expected additional costs and losses as a result of Covid-19.	Insufficient funding is received to fully compensate the Council for current and future losses resulting from Covid-19.	Council Wide
4)	£1,354k other net underspends across the Council due to the impact on Covid-19. This is caused by reduced costs, for example, through not being able to run events this year such as the 3 Foot People Festival, Fling and Hylands events, and through reduced operating time of the Museum and Theatre	These underspends mostly relate to income generating activities such as Theatres.	Reductions in costs do not materialise as expected or there are further one-off cost implications of Covid-19.	Council Wide
5)	£227k over budget on Riverside Premises costs. This is predominantly made up of £173K which relates to increased NDR following valuation of new centre.	The NDR revaluation is being appealed against and any ongoing changes will be reflected in the 21/22 budgets.	The NDR appeal is not successful.	Jon Lyons

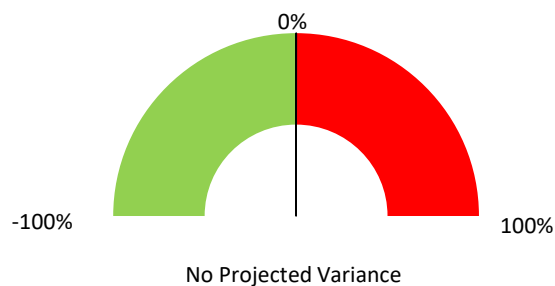
Other General Fund Budget Items of Income and Expenditure



Note	Key Variations	Actions	Risks
1)	Interest Earnings - The current forecast of £134k less income is due to the reduction in the Bank of England base rate in late March and an estimated lower return from the CCLA Property Fund in 20/21.	Cash balances have remained higher than initially thought due to Covid-19 and so this loss may not be as significant as first thought. The CCLA fund performance is expected to be 75-85% of previous years.	A further lockdown reduces cash balances further and impacts negatively on interest rates achievable with other local authorities/counterparties.
2)	The revenue funding of capital will not take place, instead the resources are being transferred into General Balances. To not distort the financial reporting the transfer is not being shown.	It is expected the funds will be used to cover Covid-19 losses but the Council may be able to use these resources on Capital expenditure as initially intended if the outturn position is significantly better than currently forecast.	The impact is to increase long term debt (currently internal) but this cost must be compared against the dangers of having insufficient reserves available.

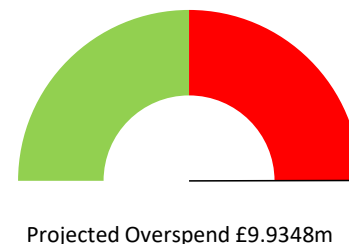
Use of Reserves

FORECAST Year End Variation - Contribution to Earmarked reserves



The budget for contributions to earmarked reserves is £440k. This is predominantly a contribution of uncertain business rate income. There are additional net movements for pensions and capital.

FORECAST Year End Variation - Contribution/Use of General balance (reserve)



The budgeted contribution to the General Balance for 20/21 is £0.05m, however the projected overspend results in a forecast total use of £9.9m in 2020/21. This does not include the transfer of what was revenue funding of capital.

SUMMARY

The Council's budget for 2020/21 is forecast to be overspent by £9.9m (funded by additional use of the General Fund Balance). This allows for the £2m one off Government Covid-19 Grant. An additional Government offer to reimburse up to 75p in the £ of Sales, Fees and Charges income losses, is expected to be in the region of £7m and is not included in the above figures. Therefore the net shortfall for 2020/21 is currently expected to be some £3m.

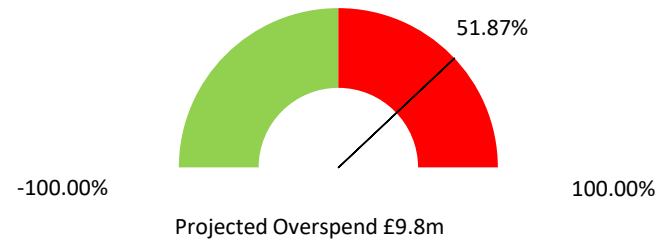
The shortfall can be funded by not making the budgeted revenue contributions to revenue of £4.8m as mentioned on page 9. This would provide £1.8m to be used to increase the unearmarked reserves to help manage covid-19 and other risks in 2021/22.

The position is fluid and there is a real risk of significant changes in these projections as a result of the ongoing impact of Covid-19.

Financial Services are completing a number of regular returns to Government and it is likely that the presentation of those figures will not always match the figures reported in these or other internal monitoring reports. This is due to differences in timing and format of Government reporting.

Chelmsford City Council Forecast Revenue Position for 2020/21

FORECAST Year End Variation - Council Service Net Expenditure

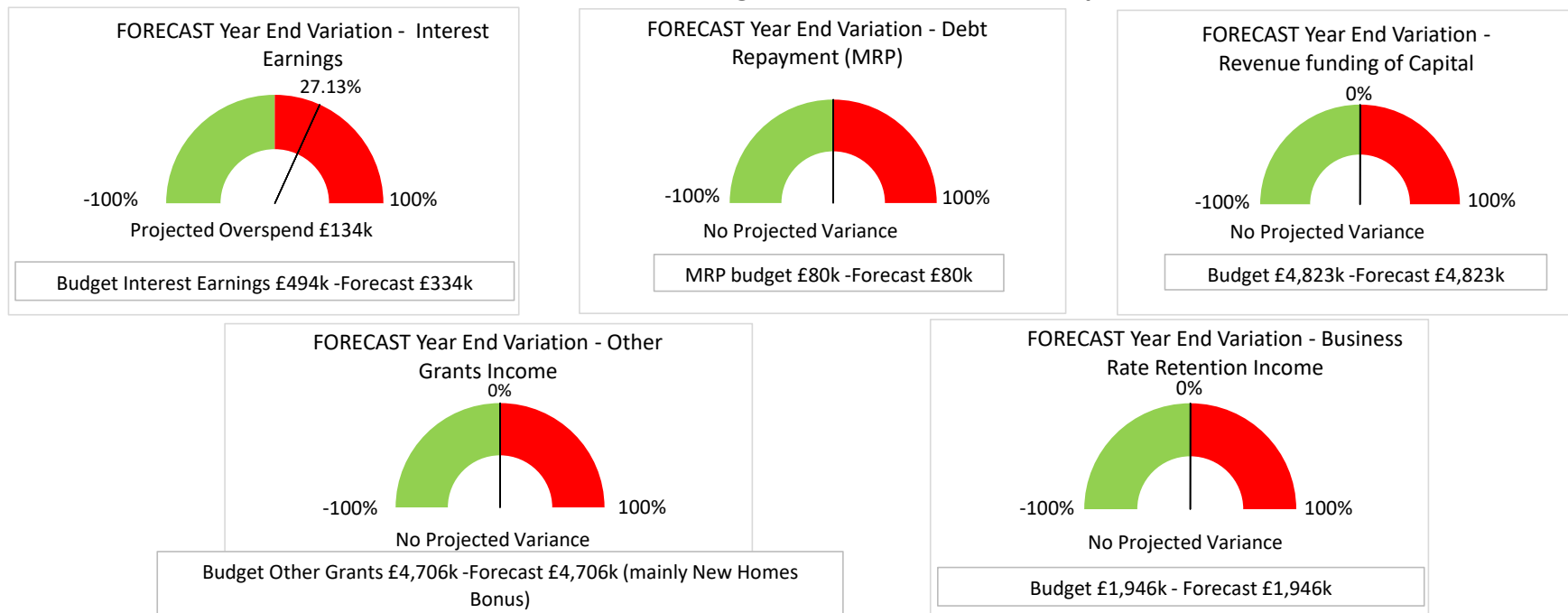


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The overspend above is made up of a number of one-off items due to the Covid-19 pandemic that are not expected to impact on future financial years and a number of ongoing items that are currently expected to impact on 21/22 budgets and beyond. The ongoing impact of Covid-19 in future years will be important to monitor as new trends and habits emerge.

Note	Key Variations	Actions	Risks	Responsible Officer/s
1)	Reduced income of £12,977k due to Covid-19. This relates to Leisure Centres, Hylands, the Theatres, Car Parking, CIL, Events, Planning, Building Control and Commercial Property Rental Income. (Please refer to the appended graph for further detail)	Income figures will be reviewed throughout the year and the easing of lockdown may reduce the losses more than expected. Some of this income will be recovered through the government Fees and Charges compensation scheme. A separate monitoring sheet is attached for a breakdown of income losses.	Insufficient funding is received to fully compensate the Council for current and future losses resulting from Covid-19 or a further lockdown is imposed.	Council Wide
2)	£2,030k additional income from the government to cover Covid-19 losses which offsets the loss of income above and £494k additional income due to the furlough scheme	The Council continues to provide returns to government outlining expected losses as a result of Covid-19.	Insufficient funding is received to fully compensate the Council for current and future losses resulting from Covid-19.	Council Wide
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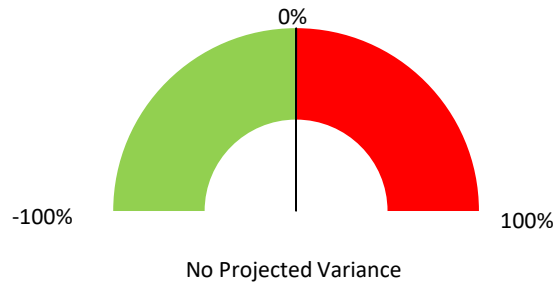
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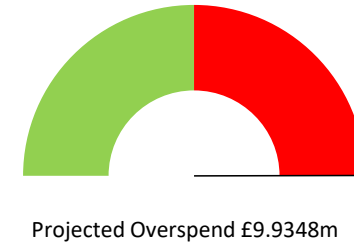
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The Council's budget for 2020/21 is forecast to be overspent by £9.9m (funded by additional use of the General Fund Balance). This allows for the £2m one off Government Covid-19 Grant. An additional Government offer to reimburse up to 75p in the £ of Sales, Fees and Charges income losses, is expected to be in the region of £7m and is not included in the above figures. Therefore the net shortfall for 2020/21 is currently expected to be some £3m.

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The position is fluid and there is a real risk of significant changes in these projections as a result of the ongoing impact of Covid-19.

Financial Services are completing a number of regular returns to Government and it is likely that the presentation of those figures will not always match the figures reported in these or other internal monitoring reports. This is due to differences in timing and format of Government reporting.

A report will be made to November Cabinet to update the Council formally on the financial position.



Chelmsford City Council Cabinet

17th November 2020

Capital Programme Monitoring and Update

Report by: **Cabinet Member for Fairer Chelmsford**

Officer contacts: Phil Reeves [Tel:01245 606562](tel:01245606562) email phil.reeves@chelmsford.gov.uk

Purpose

- a) To report the latest capital monitoring position.
- b) To provide an update on the approved Capital Schemes and variations in cost which have been identified to date.
- c) To provide an update on the approved Asset Replacement Programme for 2020/21 and 2021/22 for variations in cost and timing which have been identified to date.
- d) To approve additional budgets identified to date.

Recommendations:

It is recommended that Cabinet:

1. notes the proposed increase in scheme costs, £11.472m for Capital Schemes, shown in Appendix 1 and detailed in paragraph 6.3 of this report for which future reports will be submitted to Council for approval in December 2020 or, if required, urgency letter;
2. and approves the proposed Asset Replacement Programme for 2020/21 and 2021/22, the increase in scheme costs £20k, and the rephasing of spend from 2020/21, £684k as shown in Appendix 3 and detailed in paragraph 7.3 and 7.4 of this report.

1. Background

- 1.1. The Council has a long-established process of preparing formal monitoring reports comparing its forecast expenditure and income with the approved estimate and reporting these to Management Team. These reports are also supplied to Cabinet Members.

2. Introduction

- 2.1. Capital Expenditure relates to the acquisition or enhancement of assets which have a useful life in excess of 12 months, are charged to the Council's balance sheet and shown as fixed assets (a fixed asset being an item that can be in use for more than one year). To be an enhancement the expenditure on the asset must either lengthen substantially the useful life of the asset, increase substantially the open market value or increase substantially the extent to which the Council can use the asset.
- 2.2. Revenue costs are ongoing. They are incurred to run an asset or to provide a service.

3. Capital Programme

- 3.1. The capital programme is split between larger schemes (works, improvements and refurbishments) and an asset replacement programme.
- 3.2. Services submit bids annually for schemes to be added to the capital programme. The schemes should add value to the organisation, provide revenue savings or additional income, move forward "Our Chelmsford" objectives or have statutory health and safety implications
- 3.3. The asset replacement programme is required to maintain the existing level of service delivery by ensuring there is provision to replace items of equipment and vehicles on a regular basis. Approval of individual items is on an annual basis.

4. Capital Reporting

- 4.1. A 'Capital Programme Update' report is taken to Cabinet/Council in January/February and a 'Capital Programme Update and Outturn' report is taken to Cabinet/Council in June/July each year. Additional reports may be taken to Cabinet as required throughout the year. Reports are also taken to Audit and Overview and Scrutiny Committees during the year.

- 4.2. It is important to closely monitor capital expenditure as this allows judgements to be made on the Council's cash investments and internal/external borrowing costs. If a large scheme is likely to be delayed this will provide an opportunity to invest the money until it is required, therefore increasing or delaying interest earnings or delay the requirement to borrow if resources are low.

5. Methods of Approval

- 5.1. New schemes submitted by services are assessed by Management Team, reviewed by Cabinet and, if appropriate, recommended for approval by Council in February each year.
- 5.2. During the year, approval can be sought for further schemes or extensions to existing ones, via supplementary approval or the use of urgency letters depending upon the level of expenditure required. An urgency letter is where the Chief Executive, in consultation with the Leader of the Council, exercises his delegation to authorise additional expenditure, on the grounds of urgency.
- 5.3. When schemes are approved, they are added to the capital programme and monitored throughout the year.
- 5.4. The budgets shown in this report were approved at the July Council and also include any additional schemes or increased scheme costs approved since that date by delegation.

6. Capital Schemes (Appendix 1)

6.1. Monitoring Against Latest Approved Budget - Council July 2020

Appendix 1, Table 1 gives the overall capital spend information as at the 9th October 2020 and provides the latest forecast expenditure for the ongoing scheme costs, £140.369m. Of this figure £52.7m of expenditure has been committed to date which leaves a balance of £87.7m.

- 6.2. **Appendix 1, Table 1** details the new schemes added since the last report made to Council in July 2020. It also shows where existing schemes have had increases to their approved budgets.

Table 2 of Appendix 1 shows there has been a £320k supplementary estimate approved. This is for scheme 46, Tindal Square Design.

- 6.3. Following these approved variations, **Appendix 1 Table 1** shows that there is an additional net increase of £11.472m in the programme expenditure and £9.950m of this will be funded from external contributions, being Government grants of £2.85m, £1.1m of S106 and £6m of CIL.

The table below provides a summary of the net £11.472k variation and how they will be approved.

Approved Budget	£128.897m	Approval Required from
Changes from Approved Budget below:		
See Appendix 1 scheme number 7 – Galleywood Hall Industrial Units. Scope of scheme has been reduced due to planning advice and therefore there will be a reduction on the capital spend. There will also be a reduction in the revenue raised from the rental of fewer units.	-£0.400m	
Transfer from Capital to Revenue Requires Approval - this is a change in accounting presentation – scheme number 47 Public Realm City Centre Greening/Tree Planting	-£0.078m	
Proposed New Schemes Requires Approval – See Appendix 1 Scheme number 49 – Increase in budget for Access Road and Bridge recommended by Cabinet in September requires Council Approval. £9m is funded by additional S106, CIL and HIF grant.	£11.000m	Council December 2020
Proposed New CIL scheme Requires Cabinet approval – See appendix 1 Scheme number 68 Trinity Road School Improvements	£0.950m	Cabinet Approval
Total Proposed Budget	£140.369m	

- 6.4. **Appendix 2** provides narratives for those variances in excess of £25k, against the Latest Approved Budget.

- 6.5. The proposed scheme for the acquisition of Flats for use as Temporary Accommodation, recommended by Cabinet in September 2020, is no longer proceeding. This follows the completion of due diligence for the purchase that revealed a restrictive covenant specifically not to permit any dwellings at the property to be used as Social Rented dwellings. As a result, the £4.85m proposal for an additional budget is not required and is not included in the figures.

Progress Report for Those Areas of Risk Previously Identified and Reported

The schemes shown below were previously identified as areas where either costs may change or completion dates would not be achieved. Latest updates are shown in bold. Previously reported information on risks is shown in italics underneath with the oldest shown first.

6.5.1. Flood Alleviation Scheme

Update – As can be seen in the commentary below the scheme has been subject to prolonged delays. The latest delay is due to the EA not yet producing a revised business case review for the scheme that reflects the changes since it was originally agreed, which is needed for the EA’s internal approval processes. The EA expect to conclude this process by the end of 2020. Once this has taken place the City Council will be able to review its financial contribution to the scheme.

Previously Reported History

“The flood alleviation scheme at Margaretting is an EA led scheme to which the City Council originally agreed, in 2010, to make a substantial contribution toward the construction cost from the Growth Fund grant received from Government. This was on the grounds that the scheme, which was part of a wider package of works, would reduce the flood risk to some 548 residential and 235 commercial properties in the urban area of Chelmsford”.

As can be seen in the commentary below the scheme has been subject to prolonged delays. The latest delay is due to the EA not yet producing a revised business case for the scheme that reflects the changes since it was originally agreed, which is needed for the EA’s internal approval processes. Given the apparent inability of the EA, for a variety of reasons, to deliver this scheme over the last 9 years and with no certainty that they will do so in the near future, the justification for retaining a financial contribution to the scheme in the capital programme is now, perhaps, questionable. It is suggested that the EA be advised that unless definite progress has been made to implement this or a similar scheme by June 2020 that a formal project review be undertaken to consider the City Council’s continued commitment to making a financial contribution to this scheme”.

“This scheme has been delayed whilst the EA secures the necessary land access to allow the main construction works to take place. Once this is satisfactorily resolved, the construction works associated with the Flood Alleviation Scheme are scheduled for implementation in 2015”.

“This scheme has been further delayed due to legal issues and is very unlikely to be completed until 2016/17.”

“Although the results of the court case between the EA and a third party was upheld in favour of the EA there is still no confirmed dates for the delivery of this scheme.”

“Advised by project manager that the works will not be carried out until 2017/18.”

“No change as still awaiting the outcome of the appeal court hearing. The spend has been rephased to 2018/19.”

“Project manager has advised that the EA have estimated a start date for the scheme as September 2019. The budget for the scheme has been split across the financial years 2019/20 and 2020/21. As the start date is only an estimate there is the potential for this scheme to be further delayed”.

“The EA are refreshing the business case, this is due by February 2019. Assuming this confirms the scheme is still viable, then the construction could start in 2019/20 and complete in 2020/21.”

“The Environment Agency (EA) is reviewing the flood modelling and business case for the scheme and will conclude this work by the end of the calendar year. As the business case has been delayed there is further risk that the scheme would not complete in 2020/21.”

6.5.2. Riverside Ice and Leisure Centre Scheme - Elevations

Update - A budget of £2m was approved by Council in February 2020. This budget was approved with a delegation for Cabinet to approve the final scheme.

Previously Reported History

“One of the planning conditions imposed on the Riverside re-development required a ‘comprehensive re-cladding of the existing ice rink and sports hall structure’ that had been retained. Implementing this recladding scheme was not possible until the demolition of the former pool halls and associated buildings were complete. For this reason the work was not included in the main building contract and, most likely, will be installed by a specialist contractor post completion – the planning condition suggested within 12 months. As yet the final design of this cladding has not been agreed and funding for this work will be requested once the scope of the scheme and costs have been agreed”.

6.5.3. Community Flood Improvements

Update – The tender closed on Friday 16th October, so it is the intention to appoint a contractor as soon as possible with the works commencing before the end of the year.

Previously Reported History

“The tender is currently being prepared with the expectation that the contract will be awarded this financial year”.

“There is uncertainty in relation to when these works will be completed as progression of the works is outside the control of CCC. The works are to a community soak away located at Telford Place and Chinery Close”

“The Project Officer has confirmed that most of the legal issues have now been resolved and the works should complete in 2018/19”.

“It is anticipated that the tender will be issued this financial year, but completion of the works may not be until 2019/20.”

“This scheme has been further delayed as residents still need to sign the easement for the works. Once this happens the tender process will start, and it is anticipated that the works will be completed during Autumn/Winter 2019. If this project is further delayed there is a risk that the funding may have to be returned to Essex County Council.”

6.5.4. CIL Grant Sutherland Lodge Refurbishment

Update – There has not been any contact from NHS England and we are still awaiting receipt of the business case and programme. This scheme was originally approved in July 2017.

Previously Reported History

“CCC are expecting the business case for this from NHS England before Christmas. Members may want to review the proposal due to the large sum, but assuming it still has support, the funding could be transferred by the end of 2019/20”.

“A meeting is being requested with NHS England. Currently the Council has assumed the grant is still being awarded for the project”.

“NHS England has confirmed that investment in this surgery remains a priority for them. They are developing the project design further, before requesting the draw-down of this funding from the City Council.”

“NHS England is in the process of preparing the full business, project programme and works contract/costs in relation to the surgery improvements and this is estimated to be concluded later in 2019. Once received and reviewed, and provided that it is acceptable to the City Council, a funding agreement will be put in place.”

6.6 Additional areas of Risk Identified

Theatre Schemes – Larger Scale

The Theatre is being reviewed to consider whether a larger scale improvement package may be more suitable than undertaking smaller improvement schemes such as the Toilets Phase 1, and therefore the spend could be deferred to a later year.

Feasibility Studies and Design Works

It should be noted that the capital programme includes a number feasibility studies and design works. There is a financial risk with such schemes that needs to be noted. Any capital scheme where costs are incurred but the scheme is not completed is likely to result in costs being re-classified from capital to revenue. The Council would have to use Revenue Reserves to meet such costs.

Covid 19

Although not currently reported, there could be changes to scheme completion dates and costs due to the impact of Covid 19. Schemes may be delayed due to Covid 19 restrictions or there may be opportunities to advance schemes due to the reduction in public use of facilities.

Business Cases

There are a number of schemes still awaiting development of business cases which may impact on the phasing of the schemes and the current approved budgets.

Identification of Funding

Some schemes have been approved on the basis of external funding being identified. If the funding is not realised this may impact on the amount of CCC resources required to fund the scheme and may even result in the scheme being withdrawn.

7. Asset Replacement Programme (Appendix 3)

7.1. The Asset Replacement Programme, although forecast over a number of years, is only approved on an annual basis at February Council. Due to the long delivery lead-in times for some of the more specialist vehicles and equipment, a decision may be taken to approve certain budgets earlier in the process to allow for orders to be raised.

7.2. **Appendix 3, Table 1** details asset replacements included since the last report made to Council in July 2020, £39k. This is for an outdoor gym to be provided at Boleyn Gardens which is to be funded from a contribution from the Parish Council.

7.3. Monitoring Against Latest Approved Budgets

Appendix 3 shows that the proposed budget for 2020/21 asset replacements is £3.586m compared to the approved budget of £4.324m. This is a net reduction of £738k, or 17%. The table below provides a summary.

Approved Budget 2020/21	£4.324m
Changes required to Approved Budget below:	
Proposed Change in scheme phasing from 2020/21 to 2021/22 Requires Approval – For detail see Appendix 3 2020/210 column 'Change in Scheme Phasing'	-£0.684m
Increases in Asset Replacement Cost – Require Approval see Appendix 3 lines 10 and 36.	£0.018m
Reduction in Asset Replacement Cost - See Appendix 3 lines 27, 39, 40, 41, 42.	-£0.072m
Total Forecast Outturn 2020/21	£3.586m

7.4. **Appendix 3, Table 1 and 2** show that the forecast budget for 2021/22 asset replacements is £1.848m compared to the approved budget of £1.473m. This is a net increase of £0.375m and is mainly due to the asset replacements being delayed from 2020/21 until 2021/22 as shown in the table overpage. There will be additional replacements approved for 2021/22 at Council in February 2021.

Current Approved Budget 2021/22	£1.473m
Change in scheme phasing from 2020/21 – Requires Approval – see table above	£0.684m
Forecast Variation in Price - Requires approval	£0.002m
Change in Scheme Phasing from 2021/22 to later year	-£0.311m
Total Current Proposed Budget 2020/21 (Full programme for 2020/21 will be approved at February Council)	£1.848m

7.5. **Appendix 4** provides narratives for those variances in excess of £25k for 2020/21 and 2021/22 against the Latest Approved Budget

7.6. Cabinet approval is required for those replacements where there is an increase in budget.

7.7. Areas of Risk

The following asset replacements were previously identified as areas where either costs may change or completion dates would not be achieved. Updates are shown in **bold**. Previously reported information on risks are shown in *Italics* underneath with the oldest shown first.

2020/21 Asset Replacement Programme

7.7.1. CCTV Replacement Equipment

Update - This scheme is now complete.

Previously Reported History

"The contract is with Legal Services and the tender process is expected to commence in November. If there are no further issues the scheme will complete this financial year".

"Due to the procurement exercise being undertaken there is a possibility that this may need to be rephased into 2016/17".

"This risk still exists. There is also uncertainty in relation to the budget required and although this has been increased on the monitoring there is a possibility that this increase may not be required."

"The budget has been increased to £301k and rephased to 2016/17"

"The Service Manager has reported that phase one of the works to the control centre have been completed and his intention is to complete the scheme by the 31st March 2017. Invitations to tender for the works are scheduled for January."

"The cost has reduced by £36k and is now being reported as not completing until 2018/19. £26k of the underspend has been earmarked to fund an increased cost for replacement cameras forecast in 2018/19."

"The service is still preparing the specification in order to go out to tender for the works. The tender will also include the CCTV replacements within the car parks. It is unlikely that any tender will be awarded before September 2018".

"The Specification is still not completed. There will be a joint procurement with Maldon District Council and it is looking unlikely that these schemes will be completed this financial year."

"The budget has been rephased to 2019/20 with the works scheduled to complete by the end of December 2019. The specification is currently with legal and it is anticipated the tender process will commence in July 2019."

7.7.2. Mandatory Disabled Facility Grants (DFG) and Healthy Home Loans (HHL)

Update – The grant received in 2020/21 is £978k. The approved estimate is for £600k to be spent this year. The risk remains that the spend on DFG could be significantly lower than the forecast £600k budget; if this is the case there will be a further amount of under-utilised grant. Since 2016/17 the grant received

has been increasing year on year and the spend achieved against the grant has remained at an average of £580k per annum. This has resulted in a current balance of unspent grant held at the 31/3/2020 of £1.1m. There are restrictions on what the grant can be used to fund.

Previously Reported History

“Underspending of DFG budgets is a countywide issue, CCC are currently deploying extra resources including funding an Occupational Therapist and a Grants Case Officer in order to process as many applications as possible and maximise expenditure. The funding for these extra resources is from the DFG grant. The risk remains that the spend on DFG could be slightly lower than the forecast £600k budget, if this is the case there will be a further amount of under-utilised grant”

“A new initiative was agreed in February 2016 whereby an initial pot of £750k was set aside for Housing Standards initiatives which included these two schemes. This ‘pot’ is a one off sum and funding will be recycled back into it over future years from repayments and paybacks from Housing Standard initiatives. The initial pot will also be topped up each year by any grant funding received for DFG’s.”

“In 2016/17 and 2017/18 the amount of grant awarded to fund the DFG applications was in excess of the spend and CCC are currently holding £356k grant from prior years. For information ECC will need to give approval to use prior year grant allocations. For 2018/19 a grant of £900k has been awarded. This allocation is higher than the award made in previous years. Based on the service being unable to use the full grant in the previous two years there is a risk that an underspend against the grant may occur again. Discussions are underway with ECC as to how any underspend of the grant can be used for projects that assist people remaining independent in their own home rather than returning the unspent grant. CCC is currently working through a joint memorandum of understanding with ECC through which the DFG funding is allocated with the other Essex local authorities to broaden the application of the better care fund, to support, in particular, means by which people can have adaptations made to their homes more quickly to shorten their stay in hospital; provide improvements to their homes to reduce the risk of them being admitted to hospital and help with end of life care needs at home. This would not previously have been funded through the DFG”.

“The estimated end of year spend remains at £650k. The amount of grant awarded in 2018/19 to fund the DFG applications, £900k, will be in excess of the forecast spend. However, the memorandum of understanding between Essex Local Authorities and Essex County Council is proving successful and has allowed

the Council to increase the variety of essential support to residents. CCC are reviewing new initiatives with local authorities across Essex which could be funded from the DFG if the grant conditions are met. If no new initiatives are introduced which can be funded from the DFG grant, then there is the risk that this budget may underspend.”

“The final outturn for 2018/19 was £546k and the unspent grant was £364k. The total unspent grant held since 2016/17 is £720k. Chelmsford has been awarded a grant of £971k for 2019/20 with a current forecast spend of £600k. The service is currently adopting a new discretionary policy which will add to the current Healthy Home Loans and it is their intention that funding from the DFG grant will be used towards these costs. Another restriction on the use of this grant is that any spend must meet the capital definition. The risk remains that the spend on DFG could be lower than the forecast £600k budget, if this is the case there will be a further amount of under-utilised grant.”

7.7.3. Vehicle Prices

Update – Service managers continue to review prices and variations are reported.

Previously Reported History

“Prices are continually reviewed and often the reviews result in an increase in acquisition price for the vehicles and plant required.”

7.7.4. Electric Vehicles

Update – Services continue to investigate whether the replacement of current equipment and vehicles can be achieved using low emission vehicles and when necessary additional budgets will need to be requested to achieve this.

Previously Reported History

“The Council has made a commitment to ensure its vehicle fleet is all low emission. This can be achieved by 2024 within the current replacement programme. However, where ultra-low emission (generally electric) vehicles are introduced there will be a purchase price or lease cost premium. Whether this additional up-front cost can be recovered through lower running and maintenance costs will depend on the type of vehicle and nature of its use. A case by case evaluation will be needed for each vehicle that could be replaced with an ultra-low emission variant”.

7.7.5. Digital Services Replacement Programme

Update – Due to the current situation with Covid there are a large number of staff now working from home. The trend towards more homeworking may impact on what is digitally required to support and enable operations within the Council which may result in a change in budgets and phasing of spend.

Previously Reported History

“There is still uncertainty in relation to whether costs will be capital or revenue and therefore the capital budget may be lower than currently forecast. The uncertainty is in relation to procurement decisions which will be made based on choosing the best option for the Council. For example, replacement printers are in the current capital forecast and this budget is based on an outright purchase of the printers. There are alternative options for service delivery such as a charge per click basis and this would result in a revenue cost rather than capital as the Council would not own the equipment”.

“A Digital Transformation Programme was approved by Council in May 2017. The current proposed ICT replacement spend for 2018/19 will need to be constantly reviewed in line with this strategy.”

“There is still uncertainty around how the organisation will look moving forward, in relation to accommodation and home working and until this has been agreed it is difficult to predict the direction and level of spend required for future ICT replacements”.

“An additional £150k has been approved for mobile devices (laptops and tablets) as replacements for some staff as opposed to the usual desktop replacement. There may be a risk that some of the budgets in 2018/19 could be deferred to 2019/20 or may not be required, as a revenue option such as leasing might be preferred for the delivery of the service”

7.8. Additional Areas of Risk Identified

7.8.1. Covid 19

There is a risk that there may be additional underspends/overspends in year due to the impact of Covid 19 on service delivery. Planned capital replacements may be deferred due to uncertainty about delivery of services or opportunities may be taken to carry out replacements whilst services are not fully operational to the public.

7.8.2 December Cut-Off

To minimise the risk of underspending, orders for Asset replacements have to be raised by the 6th December. This enables deliveries to be made by the 31st March 2021 and therefore be accounted for in the current financial year. Any unspent budgets following the December cut-off date will be automatically rephased to the financial year 2021/22. These budgets will show as realignments in the January Cabinet report and reported as further underspends in year

8. Conclusion

8.1 The Capital Schemes are forecast to spend £11.472m or 8.9% more than the latest approved budget. There are risks associated with this forecast detailed in section 6.4 and 6.5 of this report.

8.2 The 2020/21 Asset Replacement Schemes are forecast to be £738k or 17% less than the approved budget. The £684k variation, due to the realignment of budgets into 2021/22, is a favourable position for the Council as the spend has been delayed and therefore the commitment of capital resource.

8.3 The 2021/22 Asset Replacement Schemes are currently forecast as £1.848m. This is an increase of £375k against the approved budget. The majority of this increase is due to the realignment of budgets between years. The scheduled annual review for asset replacements in 2021/22 will be taken to Cabinet in January 2021 and, subject to Cabinet recommendation onto Council in February 2021 for approval.

8.4 Cabinet is asked to note the increased Capital Schemes costs, £11.472m, and to approve the increases to the Asset Replacements Budgets for 2020/21 £18k and 2021/22 £2k as detailed in this report. It is also asked to approve the realignment of existing budgets £684k from 2020/21 to 2021/22.

List of appendices:

Appendix 1 Capital Schemes - For each capital scheme, a comparison of the budgeted expenditure against the Directors of Service forecast for the ongoing scheme.

Appendix 2 Capital Schemes Major Variations Narratives.

Appendix 3 Asset Replacement Schemes for 2020/21, a comparison of the budgeted expenditure against the Directors of Service forecast.

Also, the Asset Replacement Schemes for 2021/22, a comparison of the budgeted expenditure against the Directors of Service forecast.

Appendix 4 Asset Replacement Schemes Major Variations Narratives for the years 2020/21 and 2021/22.

Background papers: Nil

Corporate Implications

Legal/Constitutional: None

Financial: As detailed in report

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None

Risk Management: None

Equality and Diversity: None

(For new or revised policies or procedures has an equalities impact assessment been carried out? If not, explain why)

Health and Safety: None

Digital: None

Other: None

Consultees: Directors and Cost Centre managers

Relevant Policies and Strategies: Medium Term Financial Strategy

		CAPITAL SCHEMES	VARIATION IN TOTAL CAPITAL SCHEME COSTS						
		Table I	Latest Approved Budget - Approved Council July 2020 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval			
Committed Spend 9th October 2020			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget	Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s		
		Connected Chelmsford							
	1	Theatres' Toilets Phase I	155		155		155	Yes	Approved at Council February 2020 and programmed for 2021/22
	2	Theatres' Modernisation Phase I	100		100		100	Awaiting proposal	Approved at Council February 2020 and programmed for 2022/23. Delegated authority to Director and Cabinet Member for Connected Chelmsford.
		Fairer Chelmsford							
	3	Provision for Temporary Car Park Provision - Wharf Road	798		798		798	Awaiting Proposal	Approved Council July 2016.
1,457	4	Enabling Lockside Growth Area	450	4,050	4,500		4,500	In Negotiations - Late delivery	A Report taken to Cabinet in March 2018 requesting £4.5m and recommended to go on for Council approval. As there was a requirement to spend the budget earlier than the Council approval in July 2018 a sum of £450k was approved via an urgency. The remaining budget for the scheme was approved by Council in July 2018.
472	5	Homelessness Initiatives - Acquisition of Property for Temporary Accommodation	567		567		567	Yes	Unspent budget following the completion of the Modular Unit schemes. Agreed by delegation to purchase property for use as temporary accommodation.
950	6	Investment for Future Development - Riverside Demolition	940	30	970		970	Completed	Approved at Cabinet June 2018. Additional £30k approved at Cabinet November 2019.
20	7	Galleywood Hall Development Industrial Units	1,200		1,200	-400	800	Awaiting planning permission - Late Delivery	Approved at Council February 2019
37	8	Bridge Repairs	300		300		300	No	Approved at Council February 2019. May 2020 non urgent works deferred to later year.
	9	Land Acquisition Cemetery/Crematorium	1,800	1,800	3,600		3,600	To identify potential Land Site	Approved at Council February 2019. Additional £1.8m approved Council February 2020.
	10	High Chelmer Roof	1,500		1,500		1,500	Awaiting Proposal	Approved at Council February 2020 and programmed for 2021/22.
	11	Refurbishment of Commercially Leased Properties	720		720		720	Under Review	Approved at Council February 2020 and programmed for 2021/22. Delegated authority to Director and Cabinet Member for Fairer Chelmsford.
	12	Strategic Property Purchase	10,000		10,000		10,000	Under Review	Approved at Council February 2020 and currently programmed for 2021/22. Delegated authority to Director and Cabinet Member for Fairer Chelmsford.
4	13	Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy	7,000		7,000		7,000	Business Case to be Developed	Approved at Council February 2020 and currently programmed for 2020/21. Delegated authority to Director and Cabinet Member for Fairer Chelmsford.
	14	Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy and Affordable and Social Housing	9,900		9,900		9,900	Business Case to be Developed	Approved at Council February 2020 and currently programmed for 2020/21. Delegated authority to Director and Cabinet Member for Fairer Chelmsford.
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			Latest Approved Budget - Approved Council July 2020 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval					
		Table 1									
Committed Spend 9th October 2020			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative	
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s				
		<u>Greener and Safer Chelmsford</u>									
	15	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.	
348	16	Coval Lane Window Replacement	250	100	350		350		Yes	£250k approved Council February 2019. Additional £100k approved at Cabinet July 2019.	
	17	Civic Offices Improvement Programme	460		460		460		Under Review	Approved Council February 2020 with a delegation for the Director and Cabinet Member for Safer and Greener Chelmsford to approve a final scheme.	
11	18	Community Flood Improvements	184		184		184		Third party Dependent - Late Delivery	Capital grant received to enable the works to be completed. This scheme was approved by Cabinet in June 2017.	
2	19	Hylands Park North Kiosk Toilet Refurbishment	60	78	138		138		Earlier Delivery	£60k approved Council February 2019. Scheme review resulted in additional £138k approved July 2020 Cabinet.	
138	20	Hylands Estate Structural Work to Pleasure Garden Pond	147	-8	139		139		Yes	£147k approved Council February 2019. Contingency not required therefore reduction in budget reported at July 2020 Council.	
34	21	Hylands' Hanbury Memorial Garden	45		45		45		Yes	Approved via supplementary estimate 2/9/19 funded by a contribution from The Friends of Hylands House (FOHH)	
28	22	Galleywood Common Access Road Improvements	30		30		30		Yes	Approved at Council February 2020 and programmed for 2021/22.	
	23	Saltcoats Park and Compass Gardens Car Park	253		253		253		No deferred 2022/23	Approved at Council February 2020 and programmed for 2021/22.	
	24	Beaulieu Park Pavilion Refurbishment	57		57		57		Yes	Approved at Council February 2020 and programmed for 2021/22.	
	25	Chancellor Park Pavilion Works	46		46		46		Yes	Approved at Council February 2020 and programmed for 2021/22.	
	26	Rivers and Waterways Improvements	600	-107	493		493		Scheme to be developed	Approved at Council February 2020 with a delegation to the Director and Cabinet Member for Greener and Safer Chelmsford. Programmed over 3 years commencing 2021/22.	
	27	Automatic Floodgates and Provisin of Locks - Feasibility		107	107		107		Yes	Budget approved September 2020 Cabinet. Budget vired from Rivers and Waterways Improvements.	
	28	Mass Tree planting and Woodland Creation	4,400		4,400		4,400		Yes	Approved at Council February 2020 £4.4m with delegated authority to Director of Public Places and the Director of Finance and the relevant Cabinet Members. Funding to be sought circa £2m. Three year programme scheduled wef 2021/22.	
9	29	CIL Landscape Enhancement Scheme Chignal Road	11		11		11		Yes	CIL funding approved October 2018 Chignal Road Landscaping scheme approved February 2019 Council.	
	30	CIL Parks and Open Space	6		6		6		No	£6k CIL funding approved July 2019 for Coronation Park Basketball Court.	
3	31	CIL Savernake Road Scout Hut Replacement Windows	4		4		4		No	Approved via delegation as per CIL report March 2019 £4k for windows, CCC owned building.	
532	32	Chelmsford Indoor Market Refurbishment	500	100	600		600		No	Approved supplementary estimate February 2018. Scheme design is still to be finalised. Additional supplementary estimate approved for £200k December 2018 in order to implement the preferred design with suspended ceiling. Estimate reduced by £50k. New budget reported Council February 2020. A further reduction in budget, £50k, was noted by Council in July 2020.	

		Table 1	Latest Approved Budget - Approved Council July 2020 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval					
Committed Spend 9th October 2020			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative	
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s				
40,146	33	Riverside Ice and Leisure Centre Scheme	950	39,216	40,166		40,166		Building Works Completed	£700,000 approved Council July 2015. £60,000 budget vired to fund conversion of outdoor pool to car park. £180K approved April Cabinet for Project Manager and a further £945K approved June Cabinet for the design to RIBA stage 7. £400K approved at October 2016 Cabinet for early enabling works (main contractor). Additional £1m approved Cabinet April 2017 for early works. Additional early works required a further £500k, approved in June. £250k approved for Cafe fit out at Council February 2018. Full scheme cost excluding cafe approved at July 2018 Council as £35.216m. Additional £4.5m approved at February 2019 Council. Additional £200k approved by Cabinet November 2019.	
	22	34 Riverside Elevations	2,000		2,000		2,000		Under Review	£2m approved at Council February 2020 with delegation to Cabinet to approve detailed scheme.	
	31	35 Dovedales - Grant for Works 2019/20	32	2	34		34			Approved at Council February 2019 contribution towards new studio. Additional £2k approved November 2019 cabinet based on actual spend.	
	15	36 Dovedales - Grant for Works 2020/21	42		42		42			Approved at Council February 2020 and programmed for 2020/21.	
	108	37 SWFLC Wet Changing Rooms Upgrade Phase 2	104		104		104		Yes	£104k approved at Council February 2019	
	42	38 CSAC Refurbishment of Changing Room	42		42		42		Under Review	£42k approved at Council February 2019. Deferred to 2021/22 scheme will be reviewed.	
	155	39 Hylands House Refurbishment First Floor Accommodation	174		174		174		Yes	£174k approved at Council February 2019 3 year programme for refurbishment	
	24	40 Hylands House Refurbishment Terrace Room	35		35		35		Yes	£35k approved via supplementary estimate December 2019. Scheme funded by contribution from Friends of Hylands House	
	22	41 Hylands House Banqueting Room Refurbishment	24		24		24		Yes	Approved at Council February 2020 and programmed for 2020/21.	
		42 Hylands House Stable Block Toilets	44		44		44		Yes	Approved at Council February 2020 and programmed for 2022/23.	
		Sustainable Development									
1,667	43	Flood Alleviation Scheme	6,100	400	6,500		6,500		Dependent on Third Party - Late delivery	Increased cost of scheme from EA now capped at £6.5 million approved Cabinet July 2013	
	152	44 Public Realm Wayfinding Signs Phase 2	310	-155	155		155		Unspecified	Approved at Council February 2018. Two year programme to go ahead only if funding is secured from ECC and CIL. CIL funding of £78k approved January 2019. As funding not secured from ECC the scheme has been reduced. Forecast to complete in 2020/21.	
	132	45 Public Realm Tindal Square Design	160	320	480		480		No	Approved at Council February 2018. The design works will not be completed until 2020/21. Additional £320k approved by Cabinet June 2020 for design and tender to be funded from S106.	
	72	46 Public Realm City Centre Greening/Tree Planting	115	-33	82		4		Yes	Approved at Council February 2018. Three year programme. To date actual spends have not been capital and therefore budget reduced in year of spend as transferred to revenue.	
	4	47 HIF Access Road and Bridge - CCC Budget		250	250		250		Yes	Virement from 5 above sum allocated for HIF bid design works	
1,033	48	HIF Access Road and Bridge - Grant Funded	15,500		15,500		11,000	26,500	Yes	£15.5m approved at Council February 2020 with a delegation to Cabinet to approve final scheme. Report taken to September cabinet requesting an additional budget of £11m of which is to be funded by £5.05m CIL, £1.1m S106 and £2.85m additional HIF grant. £2m provision for commuted sum could also be funded by CIL if available otherwise it would result in additional borrowing. This will need to be approved by Council.	
1,461	49	S106 Beaulieu Park Station	100	1,550	1,650		1,650		Unspecified	Scheme approved for £100,000 via Director of Sustainable Communities delegated authority. £1,550,000 approved at Council February 2016. The expenditure on this scheme will be funded by S106.	
1,793	50	S106 Beaulieu Park Station 2nd Phase	2,917		2,917		2,917		Unspecified	£2.917m approved at February Council 2018. The expenditure on this scheme will be funded by S106.	

		Table 1	Latest Approved Budget - Approved Council July 2020 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval					
Committed Spend 9th October 2020			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative	
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s				
1,311	51	S106 Beaulieu Sports Facility	477	834	1,311	950	1,311	Unspecified	£477k approved by Cabinet in January 2019 with delegation to spend further S106 contributions when received. Additional contributions received and therefore added to approved budget.		
37	52	S106 Public Art Bond Street	44		44		44	Yes	Approved by delegation February 2019.		
13	53	S106 Stonebridge Illuminations	37	6	43		43	Yes	Approved by delegation April 2019. Additional budget approved by delegation March 2020 £6k		
6	54	S106 River Can Pathway Lighting Design	10	6	16		16	Yes	Approved by delegation £10k January 2020. Additional budget approved by delegation March 2020 £6k		
21	55	S106 Public Art Channels	21		21		21	Yes	Approved by delegation January 2020 £21k.		
3	56	S106 Habitat Mitigation	3		3		3	Unspecified	Requests from Essex County Council for grant from S106 towards the cost of works		
55	57	CIL REFCUS Schemes 19/20	72	30	102		102	Yes	Scheme approved April 2019 £72k. Revenue Expenditure Funded by Capital Under Statute (REFCUS). NEW £30k various CIL schemes approved July 2019.		
7	58	CIL REFCUS Schemes 20/21	17		17		17	Unspecified	£17k Approved March 2020.		
	59	CIL Sutherland Lodge Refurbishment	525		525		525	Awaiting Business case - Late delivery	Approved Council July 2017.		
56	60	CIL North Avenue Youth Centre Grant	41	15	56		56	Yes	Approved CIL funding April 2018. NEW Additional £15k CIL funding approved July 2019.		
	61	CIL St Andrew's Scout Hut Building	80		80		80	Yes	CIL funding approved Cabinet October 2018 scheme to be included in capital programme approved by February Council 2019.		
47	62	CIL Moulsham Lodge Community Centre Café (MLCT)	47		47		47	Yes	CIL funding approved July 2019		
15	63	CIL Sanctus First Floor Refurbishment Grant	15		15		15	Yes	CIL funding approved July 2019		
	64	CIL Homelessness Day Centre CHESS New London Rd	300		300		300	Yes	CIL funding approved July 2019		
	65	CIL Age Concern First Floor Extension Grant	212		212		212	Yes	Approved scheme with CIL funding March 2020.		
24	66	CIL Integrated Cycling Infrastructure Grant	100		100		100	Yes	CIL funding approved at meeting of the CIL Panel 23/1/2020.		
	67	CIL Trinity Road School Improvements					950	950		Proposal for CIL funding will need to be approved by Cabinet once notification of support received from ECC's Capital Investment Board.	
89	68	High Chelmer Multi Storey Car park (HCMSCP) Movement Joints	105		105		105	No	Approved at Council February 2017. Scheme was originally forecast to complete by September 2018. These works are now being carried out with the drainage works (scheme 71) and it is anticipated that they will be completed in 2020/21.		
46	69	HCMSCP Drainage Improvements	31		31		31	No	Approved at Council February 2018. See scheme 70 for details.		
49	70	Enabling Role - Housing	237		237		237	Dependent on Third party - Late delivery	The remaining balance is for a previously agreed payment to CHP.		
52,703		Grand Total	80,306	48,591	128,897	11,472	140,369				
					Net Variation	11,472					
		Table 2	Summary of Changes Since Previous Council Reports July 2020								
73,095		Total Forecast Expenditure to 31/3/2021					£000's				
			Latest Approved Council July 2020				144,656				
-20,392		Forecast Remaining in Year Expenditure									
			Supplementary Estimates Approved for Existing Schemes				320				
			Completed schemes removed				-16,079				
			Total Approved Budget				128,897				

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		Table I	Latest Approved Budget - Approved Council July 2020 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval					
Committed Spend 9th October 2020			Original Approved Scheme Budget	Additional/ Reduced (-) Approved Budget	Latest Approved Budget	More/(Less) Than Approved Budgets	Proposed Budget		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative	
£000s		SCHEME DESCRIPTION	£000s	£000s	£000s	£000s	£000s				
		<div> <div>Latest Forecast Variations shown above (Increased Budgets Require Approval)</div> <div>11,472</div> <div>Latest Forecast Budget March 2021</div> <div>140,369</div> </div>									

Capital Schemes - Reasons for Projected Variations to Latest Approved Total Scheme Costs More Than £25,000							
			Latest Estimated Expenditure - If Additional Budget Requires Approval	Variation	Variation Type	Percentage Change in Scheme Cost	Reason
	Scheme Description	Latest Approved Budget £000's	£000's	£000's			
	<u>Director of Fairer Chelmsford</u>						
7	Galleywood Hall Industrial Units	1,200	800	-400	Saving on Budget	-33.33%	Following the planning application the size of the project has been reduced which has resulted in a reduction in cost. This will also impact on the revenue which will be generated from the scheme as the number of units available for rent will be reduced.
	<u>Sustainable Development</u>						
46	Public Realm City Centre Greening/Tree Planting	82	4	-78	Saving on Budget	-95.12%	Budget and spend to be transferred to revenue as spend does not qualify as capital.
48	HIF Access Road and Bridge - Grant Funded	15,500	26,500	11,000	Additional Budget Required	70.97%	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. A £2m provision for a commuted sum could also be funded by CIL if available otherwise it would result in additional borrowing. This will need to be approved by Council.
67	CIL Trinity Road School Grant	0	950	950	Additional Budget Required	100.00%	This scheme has been discussed by the CIL panel and CCC are awaiting the outcome of ECC's Capital Investment Board which met in early October. Once ECC confirms their support the scheme will require Cabinet approval.

CAPITAL ASSET ROLLING/REPLACEMENT PROGRAMME																			
2020/21											2021/22								
2020/21 ASSET REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE VARIATIONS FROM LATEST APPROVED ESTIMATE											2020/21 ASSET REPLACEMENT PROGRAMME - CAPITAL EXPENDITURE PROJECTED VARIATIONS FROM LATEST APPROVED PROGRAMME AND REQUESTS FOR NEW BUDGETS								
VARIATION FROM 2020/21 BUDGET ONLY											2021/22 BUDGET								
Committed Spend 09/10/2020	CAPITAL ASSET REPLACEMENT PROGRAMME	Original Approved Estimates for 2020/21	Additional/ Reduced (-) Approved Budget	Reason for Change - see Key Below	Analysis of Variations					Variance for 2020/21 Additional Budget	Total Proposed Budget Requirement 2020/21	Original Approved Estimate 2021/22	Additional/ Reduced (-) Approved Budget	Reason for Change - see key below	Latest Approved Estimate for 2021/22	Variations			Total Proposed Budget Requirement for 2021/22
					Latest Approved Estimates for 2020/21	Change in Scheme Phasing	New Proposal	More/Less (-) Than Approved Budgets	More/Less(-) Than Approved Budgets - More Requires Approval							Approved Replacements Deferred from 2021/22 to Later Years			
£000's	SCHEME DESCRIPTION	£000s	£000s		£000s	£000s	£000s	£000s	£000s	£000s		£000s		£000s	£000s	£000s	£000s	£000s	
	Connected Chelmsford																		
55	1 Digital Services Replacement Programme	373			373	-90		10	-80	293				0	90			90	
	Financial Module of Enterprise Resource Planning (ERP)	89			89				0	89				0				0	
36	3 Civica System Upgrade	36			36				0	36				0				0	
8	4 Theatres' Fire Alarm Replacement	15			15				0	15				0				0	
	5 Theatres' Equipment	149			149				0	149				0				0	
	6 Cramphorn Theatre Replacement Floor	17			17				0	17				0				0	
	Fairer Chelmsford																		
	No Schemes				0				0	0				0				0	
	Greener and Safer Chelmsford																		
113	7 CCTV Replacement Equipment	118			118				0	118				0				0	
40	8 CCTV Various Schemes Sites CIL	67			67				0	67				0				0	
75	9 CCTV Maldon DC Joint Procurement	74			74			1	1	75				0				0	
	10 Crematorium Equipment	17			17				0	17				0				0	
	11 Crematorium Columbarium	14			14				0	14				0				0	
	12 Civic Centre Alarm	46			46				0	46				0				0	
	13 Civic Centre Boiler Flues	32			32	-32			-32	0				0	32			32	
	14 Civic Centre Building Management System	13			13				0	13				0				0	
	15 Print and Post Room Replacement Equip.	25			25				0	25				0				0	
	16 Dovedales Replacement Equipment	5			5	-5			-5	0				0	5			5	
110	17 Riverside Replacement Equipment	110			110				0	110				0				0	
7	18 CSAC Replacement Equipment	60			60	-47			-47	13				0	47			47	
	19 CSAC Flood lights	29			29				0	29				0				0	
	20 SWFLC Replacement Programme	58			58	-54			-54	4				0	54	2		56	
12	21 SWFLC Plant Replacement	19			19	-7			-7	12				0	7			7	
	22 Riverside Plant Replacement	48			48				0	48				0				0	
	23 Hylands Pavilion Replacement Flooring	48			48				0	48				0				0	
	24 Play Area Replacements	265			265	-265			-265	0	311			311	265		-311	265	
	25 Outdoor Gyms		39	SEG	39				0	39				0				0	
	26 Sports Equipment, floodlights, Irrigation	10			10				0	10				0				0	
	27 Parks Replacement Vehicles and Equipment	205			205	-89		-4	-93	112				0	89			89	
	28 PHPS Vehicles - Litter Control Van	24			24				0	24				0				0	
	29 PHPS Street Lighting	21			21				0	21				0				0	
	30 CIL Street Lighting Meadows Car Park	5			5				0	5				0				0	
16	31 Freight House Plant	16			16				0	16				0				0	
	32 Travel pool Cars	60			60	-60			-60	0				0	60			60	
	33 Scootas for the Disabled	2			2				0	2				0				0	
	34 Retail Market Intruder Alarm	13			13				0	13				0				0	
31	35 Retail Market Vehicle	24			24			7	7	31				0				0	
	36 Street Cleansing Vehicles	0			0				0	0	356			356				356	
	37 Wet Team Vehicles	71			71				0	71				0				0	
	38 Wet Team Equipment	8			8				0	8				0				0	
80	39 Dog Litter Van	92			92			-10	-10	82				0				0	

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Appendix 3

Reasons for Variations Greater Than £25,000 in Asset Replacement Programme							
	Scheme Description	Latest Approved Budget £000's	Estimated Budget Required £000's	Variation £000's	Variation Type	Percentage Change	Reason
	<u>2020/21</u>						
	<u>Connected Chelmsford</u>						
I	Digital Services Replacement Programme	373	293	-80	Rephasing of spend	-21.45%	£35k budget for Website rephased to 2021/22 due to review of service provision, delay in replacement of plotters and scanners £55k and increase in budget £10k for additional laptop requirement for homeworking.
	<u>Greener and Safer Chelmsford</u>						
13	Civic Centre Boilers	32	0	-32	Rephasing of Spend	-100.00%	Existing plant can be run for a further year
18	CSAC Equipment Replacement	60	13	-47	Rephasing of Spend	-78.33%	Existing plant can be run for a further year
20	SVWFLC Equipment Replacement	58	4	-54	Rephasing of Spend	-93.10%	Existing plant can be run for a further year
24	Play Areas	265	0	-265	Rephasing of Spend	-100.00%	Programme deferred by 1 year
27	Parks Vehicle and Equipment Replacements	205	112	-93	Rephasing of Spend	-45.37%	Review of requirements in year has resulted in the deferral of spend to a later year £89k.
32	Travel Pool Cars	60	0	-60	Rephasing of Spend	-100.00%	Due to the current situation with staff working from home this scheme has been deferred.
42	Recycling Vehicles	471	408	-63	Rephasing of Spend/Reduction in budget	-13.38%	£35k vehicle has been deferred to 2021/22 and a reduction in the actual cost of the vehicles in 2020/21 compared to the budget of £28k.
	<u>2020/21</u>						
	<u>Connected Chelmsford</u>						
I	Digital Services Replacement Programme	0	90	90	Rephasing of spend	100.00%	See details above.
	<u>Greener and Safer Chelmsford</u>						
13	Civic Centre Boilers	0	32	32	Rephasing of Spend	100.00%	See details above.
18	CSAC Equipment Replacement	47	0	47	Rephasing of Spend	100.00%	See details above.
20	SVWFLC Equipment Replacement	56	0	56	Rephasing of Spend	100.00%	See details above for repahsing and price increase by £2k.
24	Play Areas	311	265	-46	Rephasing of Spend	-14.79%	Programme deferred by 1 year. Spend from 2020/21 £265k rephased to 2021/22 and approved programme for 2021/22 £311k has been rephased to 2022/23
27	Parks Vehicle and Equipment Replacements	0	89	89	Rephasing of Spend	100.00%	Review of requirements in year has resulted in the deferral of spend to a later year £89k.
32	Travel Pool Cars	0	60	60	Rephasing of Spend	100.00%	Due to the current situation with staff working from home this scheme has been deferred.
42	Recycling Vehicles	614	649	35	Rephasing of Spend	5.70%	£35k vehicle has been deferred to 2021/22 and a reduction in the actual cost of the vehicles in 2020/21 compared to the budget of £28k.



Chelmsford City Council Cabinet

17 November 2020

Update to the Medium-Term Financial Strategy 2021/22 – 2025/26

Report by:

Cabinet Member for Fairer Chelmsford

Officer Contact:

Amanda Fahey, Director of Financial Services, amanda.fahey@chelmsford.gov.uk, 01245 606401

Purpose

The purpose of this report is to provide an update on the Council's projected financial position over the medium term, to report progress against the actions outlined in the Medium-Term Financial Strategy approved by Council in July 2020, and to consider whether any amendments are required to the Strategy in light of the latest information.

Options

After consideration of the updated financial forecast and the progress against previously agreed actions, to:

1. Agree the recommended change to the Medium-Term Financial Strategy, or
2. Retain the existing Strategy, or
3. Propose other amendments to the Strategy

Preferred option and reasons

Option 1: The proposed amendments to the Medium-Term Financial Strategy take account of the increased risk to the Council's finances from the uncertainty over future income levels and government funding; thereby providing a sound basis for the preparation of the 2021/22 budget and underpinning the financial sustainability of the Council moving forward.

Recommendations

1. That Cabinet note the updated financial forecast and progress against actions within the existing Financial Strategy.
 2. That Cabinet recommend to Council for approval:
 - a. The approach to reserves set out in section 3 of the report and
 - b. The amendments to the Financial Strategy set out at 3.4 and 7.5 and reflected in Appendix 1 (points 21 and 22)
-

1. Introduction

- 1.1. In July 2020, the Council approved a Medium-Term Financial Strategy (MTFS) for the period 2021/22 – 2025/26, providing a financial framework to support delivery of the Council’s priorities as set out in “Our Chelmsford; Our Plan”.
- 1.2. In recognition that the assumptions within the forecast were likely to change as events unfolded, as restrictions on social activity were amended, and as Government funding was confirmed, it was proposed to bring back the Strategy for review ahead of budget-setting. In this way, the Strategy could be refreshed, if necessary, in light of up-to-date financial assumptions, and progress against the actions in the original report could be reviewed.
- 1.3. The budget process is now under way but it should be noted that while the forecasts in this report have been updated for significant items and current assumptions about income trends, they do not reflect the comprehensive, detailed budget submissions from services that will be included in the final budget estimates.

2. Updating the revenue budget forecast

- 2.1. The first step in updating the revenue forecast is to revisit the expected year-end position for the current year, in order to determine the likely availability of revenue reserves to support the budget for 2021/22 and beyond.
- 2.2. The detailed revenue monitoring report, which is also reported to Cabinet on this agenda, shows an overspend of £10m after allowing for £2m of un-ringfenced government funding to support spending pressures due to Covid-19. In August, the Government issued guidance for local authorities on an income compensation scheme, for lost sales, fees and charges (SFC) due to Covid-19. While this scheme does not cover all income losses (for example it excludes “commercial” income such as property rents) it provides significant alleviation of 75p in the £ for lost SFC income above a 5% threshold. The Council made its first return under this scheme in early October, estimating the total compensation for the year at around £7m. This

is, of course, highly dependent on the income assumptions used for the remainder of the financial year and the potential for further restrictions to be imposed. (It should be noted that the return was made ahead of the announcement for Chelmsford to move into Tier 2 Covid response and any assessment of the impact of the additional restrictions to be applied.) The scheme is also open to some interpretation and the final amount of compensation received will be subject to further clarification and end-of-year reconciliation. However, if we take the £7m estimate under this scheme, the current projected year-end position is a net shortfall of around £3m.

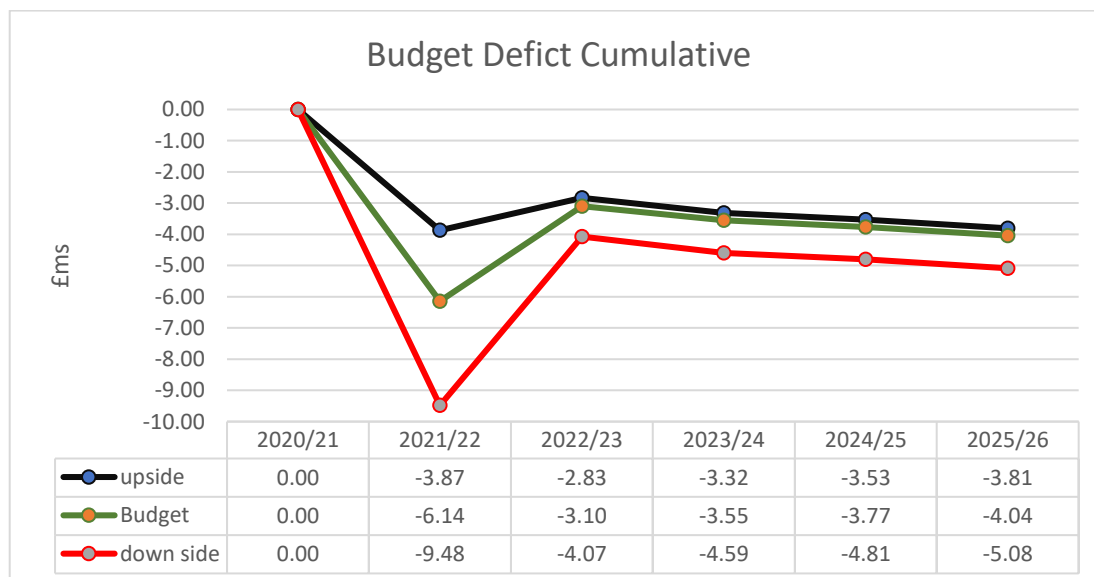
- 2.3. The Medium-Term Financial Strategy allowed for the redirection of funds originally intended to support capital spending (contributions to the Asset Replacement Reserve and Chelmsford Development Fund) so that they remained in the General Fund. This £4.8m contribution offsets the overspend in 2020/21 and boosts unearmarked reserves by £1.8m to help support Covid-19 and other financial pressures into 2021/22.
- 2.4. Reserves had fallen below recommended levels at outturn for 2019/20 and the foreseeable impact of Covid-19 would have obliterated them. It was therefore imperative to increase reserves to enable services to be maintained and, where necessary, increased in response to residents' needs caused by Covid-19. A technical adjustment was made to capital financing by eliminating capital contributions from the revenue budget in 2019-20, as set out in the July Strategy paper, which boosted reserves to £10.6m. Repeating this process in 2020/21, and forgoing revenue contributions to capital of a further £4.8m, enables the Council to sustain the forecast overspend, largely caused by lost income, and provides an addition £1.8m to take projected unearmarked reserves at year-end to £12.4m.
- 2.5. This position reflects the assumption that income streams will not recover in full for some time, and with no confirmation of additional Government support in 2021/22, the level of unearmarked reserves needs to be sufficient to mitigate this additional risk and to provide for any one-off additional support that may be required from reserves.
- 2.6. The medium-term impact is not benign as these amounts will need to be picked up in revenue budgets in future years via reversals of the technical adjustments. This will happen through the addition of Minimum Revenue Provision, known as MRP, and additional interest costs, as borrowing will need to be undertaken to fund the purchase of capital assets that would otherwise have been made via the revenue contributions. This adjustment therefore enables the Council to avoid running out of reserves as a consequence of Covid-19 but reduces our financial flexibility in future budgets.
- 2.7. The July MTFS set out the key budget pressures over the medium term including a range of assumptions for the recovery of income levels. The main underlying budget assumptions and pressures remain unchanged in the forecast but will be subject to update as part of the normal budget preparation process, as detailed budget estimates are returned by services. The assumptions in respect of income levels, however, have been subjected to on-going scrutiny and updated to reflect current

expectations of future demand and the easing of social-distancing measures over time. As with the current-year projections, it is extremely difficult to accurately project future income streams with any certainty, given the on-going presence of the pandemic. The income shortfall in 2021/22 relating to Covid-19 is now projected to be £4m (mid-case) as follows:

	£000
Car parking	1,486
Commercial Property	1,050
Leisure	525
Theatre	450
Markets	210
Trade Waste	150
Interest Receipts	100
Hylands	66
Building control	28
	<hr/>
	4,065

When added to the previously reported core budget pressures of £2.077m, the total projected budget gap for 2021/22 is £6.14m. This is based on the assumption that there will be no additional funding available from Government beyond the current year.

- 2.8. The chart below shows this central budget case over the medium term as well as an upside and downside scenario. The downside scenario does not allow for a full national lockdown in 2021/22 but instead reflects a much slower recovery during the year.

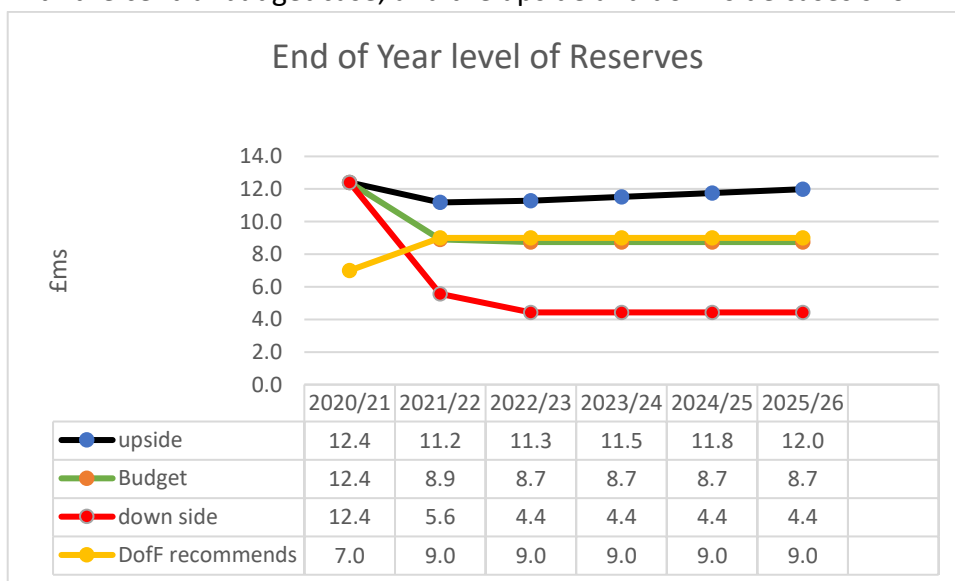


- 2.9. As demonstrated by the chart, the cumulative deficit reduces in 2022/23 as income levels continue to recover, meaning that around £3m of the budget shortfall is expected to be temporary in nature. It would therefore be appropriate to use reserves to support the temporary element of the shortfall, rather than making

permanent reductions in service levels, for example, to meet the gap. This would leave around £3.1m to be found from net budget reductions (i.e. from cost savings, efficiencies or additional income generation).

3. Updating the use of reserves

- 3.1. As set out in paragraph 2.4 of the report, unearmarked reserves at the end of 2020/21 are expected to be around £12.4m. It is important to note that earmarked reserves will have fallen slightly by year-end, in line with budget projections, and that the increase in unearmarked reserves comes at the expense of funds that would have flowed through those other reserves, in order to support capital spending plans during the year. This technical adjustment means that funds have been moved from supporting capital budgets and the acquisition of assets to supporting the revenue budget and the provision of essential services, with the consequences set out in section 2 in respect of future borrowing costs. In effect, this is not about increasing reserves but about deferring costs to future years as the revenue contributions originally planned will now be replaced by borrowing costs in later years.
- 3.2. This action, however, allows the Council to use unearmarked reserves to fund the temporary shortfall in income in 2021/22 and provide mitigation against the risk that the effects of Covid-19 will be felt for longer than expected or create a greater fall in the Council's key income streams. The downside risk in the previous chart shows a total budget gap of £9.5m and it should be remembered that income losses alone in 2020/21 (before any government support) are expected to be around £13m, illustrating the need for sufficient reserves to support the revenue budget.
- 3.3. The next chart shows the projected use of reserves over the medium term, aligned with the central budget case, and the upside and downside cases shown previously.



- 3.4. The budget line shows unearmarked reserves decreasing by the £3m in 2021/22 to support the temporary loss of income in that year which is expected to recover in later years. Additionally, there are a number of transfers from reserves likely to be included in the 2021/22 budget totalling around £0.5m, including a £0.4m contribution to the Planning Delivery Reserve to fund ongoing work on the local plan. This would reduce reserves to just under £9m to support any other fluctuations in net spending, such as in-year budget overspends, new initiatives and any worsening of income above that already estimated. As the chart shows, if income levels were reduced as in the downside projection, reserves would fall to £5.6m in 2021/22 and to around £4.4m thereafter.
- 3.5. The previous MTFS recommended that unearmarked reserves be maintained at around £7m (approx. 5% of gross expenditure as defined in the Council Tax Resolution). The Director of Financial Services recommends increasing this level to £9m (which equates to 6% of gross expenditure as stated in the last Council Tax Resolution) to support the increased risk largely stemming from income reductions. It is essential that the Council holds a sufficient buffer to support on-going service provision in the face of fluctuating income levels, and in the absence of any certainty over future Government funding.
- 3.6. The previous recommendation of £7m was a minimum position with an expectation that reserves would be built up over time, even before the advent of coronavirus. While £7m was adequate in the conditions prevailing at the time, it should be noted that the Council was holding comparatively low levels of reserves when compared to other similar local authorities as demonstrated by Cipfa's¹ Resilience Index. The previously agreed MTFS includes having regard to this index when considering the appropriate level of reserves to hold. The next release of the Resilience Index is anticipated to be in December, and therefore will be considered as part of the final budget preparations.

4. Updating the Capital budget and the borrowing requirement

- 4.1. As with the Revenue budget, the Capital budget process is under way as part of the production of the budget reports for Cabinet and Council in January and February respectively.
- 4.2. The previous MTFS set out the implications of diverting resources to the General Fund to support the revenue budget deficit; namely that this would lead to additional borrowing being required by the Council to support its Capital expenditure plans. The necessity for borrowing incurs charges in the Revenue account which are made up of an annual provision for the repayment of the borrowing (whether this is repayment of internal borrowing from the use of existing funds such as Community Infrastructure Levy receipts or to repay external borrowing from debt providers such as other Local Authorities or the Treasury

¹ Chartered Institute of Public Finance and Accountancy

(Public Works Loan Board) and interest costs (either through lost interest on existing cash balances as they are utilised or through payment of interest to the external debt provider). While estimates of debt charges have been included in the revenue forecast above, these will be subject to change as the Capital Programme and its funding requirements are finalised.

- 4.3. No change has been made to the forecast figures for capital financing costs since the July 2020 MTFS. These figures are dependent on the final make-up of the capital programme, the availability of external funding, the cash balances held and any further adjustments to revenue contributions to capital expenditure. This detail will be pulled together for the final budget estimates report, but the principles agreed in the July MTFS remain the same.

5. Updating the risks

- 5.1. The most significant risk to the Council's finances is the uncertainty over future income and funding levels as set out below.

Covid-19 medium-term effects

- 5.2. While the forecast has been updated to reflect current estimates of the effects of Covid-19 on both expenditure and income, the position remains fluid with the potential for significant change in the face of further outbreaks, tighter restrictions, timing of vaccines and the longer-term effect on behaviours.

Government Funding

- 5.3. The Government has released various funding streams to support Councils with the costs and income losses caused by the pandemic but there is no guarantee of similar funding schemes beyond 2020/21. In addition, the expected multi-year financial settlement for local government, which would have provided some certainty over the medium term, will now be a single-year settlement and possibly a simple rollover of existing funding. The delay in the Fair Funding Review pushes back the potential for reduced local funding based on revised needs assessments and other allocation criteria. Uncertainty remains about the future of the New Homes Bonus Scheme, which is now paid for a one-year period only rather than for 4 years.

Council Tax and Business Rates

- 5.4. The forecast continues to assume Council Tax increases of £5 throughout the period, for planning purposes. This was the previous limit imposed by Government, above which a local referendum is required. There is no indication at this time of whether these limits will be amended to provide Councils with more local flexibility. The actual Council Tax level will be determined by Council as part of the budget process in February 2021.
- 5.5. Council Tax collection rates and the number of residents supported by the Local Council Tax Support scheme are under pressure due to Covid-19. The larger

proportion of this risk however falls on the County Council who receive around 72% of Council Tax.

- 5.6. Business Rates income is also under threat although it has been supported in 2020/21 by the reliefs provided by Government to the retail, hospitality and leisure sectors. It remains to be seen what future support may be available, and what affect any removal or reduction in support will have on individual businesses and on the overall levels of business rates income collected.
- 5.7. The review of the business rates retention scheme has been delayed, as has the national revaluation of business rates. This will now come into effect from April 2023, using valuations as at April 2021, thereby building in some of the effect of Covid-19 into future valuations and payments. It has not been confirmed when any reset of the business rates system will take place, which has the potential to significantly affect the amount of growth in rates able to be retained by the Council. The future of Business Rates Pooling also remains uncertain beyond 2021/22 and although the Council has expressed its intention to participate in pooling for 2021/22, gains are likely to be eroded in comparison to previous years.

6. Progress against actions

- 6.1. The July report set out key actions to be taken in support of preparing a balanced budget for 2021/22. Progress against these actions is described in the following table:

Action:	Progress:
Redirection of reserves, previously set aside to support capital spending, to meet Covid-19 costs	The transfers for 2019/20 and 2020/21, referred to in section 2 above, have been made in line with the approvals in the previous MTFS report.
Review of all reserves and contingencies to release funding where possible	This is an on-going process throughout the budget build. The Council holds reserves against known future expenditure plans, e.g. future payments to fund the pension deficit or against risks to its overall financial position. The levels are reviewed frequently to ensure that they are sufficient but not excessive. As set out in the report, it is proposed to increase unearmarked reserves to support additional risk within the revenue budget and to increase resilience, with funds redirected from capital purposes.
Review of planned expenditure for projects that could be deferred	The regular budget-monitoring process picks up areas of planned expenditure that are not now going forward under their original timescales due to the impact of Covid-19. The capital programme has been reviewed in respect of the phasing of projects, both from a practical and financial aspect, whilst still endeavouring to meet

	the priorities set out in Our Chelmsford: Our Plan. A report specifically relating to delivery of Our Chelmsford: Our Plan actions is scheduled for the Overview & Scrutiny Committee.
Recruitment to be considered by Management Team prior to commencing recruitment process	Where filling a vacancy is necessary for on-going service delivery, and is within existing budgets, Directors are taking these decisions. Wider discussion is held at Management Team with all Directors if a new post is sought.
Set up a process to challenge current spending	Cabinet Members, Chief Executive and Directors have met twice in the period since the July MTFS to discuss the approach to current-year spending and consider the budget-monitoring process. These discussions have led to further sessions being set up to drill down on service delivery and spending in key areas requested by Cabinet Members, to include temporary accommodation costs, car parking, waste collection and recycling, leisure provision and others. This provides an opportunity for deeper understanding of key areas of service delivery and spend, leading to a greater ability to challenge existing provision and costs. In addition, Directors update their Cabinet portfolio holders of any potential decisions that would cause additional spend/reduced income, for wider discussion if necessary; the enhanced budget-monitoring process, with reporting both to Cabinet and Overview and Scrutiny Committee, continues.
Maximising existing and new income streams in the context of the overall gain to the local economy i.e. including consideration of measures to support businesses and the local economy	Income streams that have been particularly affected by Covid-19 have been subject to review for any discounts or payment holidays (e.g. markets). Sessions have been set up to consider some in greater depth (e.g. parking charges) and others have been subject to initial discussion and will come forward as part of the budget proposals (e.g. Bereavement Services).
Continue to lobby for additional support commensurate with the losses expected to be incurred during the pandemic and for a sustainable financial settlement moving forward	Letters have been sent to MPs on behalf of the Council with cross-party support. Virtual meetings have taken place with MPs. The Council took part in a follow-up to the LGA's case study on the financial effects of Covid-19, alongside nine other Councils, the results to be used for national campaigns and lobbying for the sector.
Commence process to identify potential savings ideas, both cost	Directors have pulled together a range of options which will be refined through the process outlined below. Good progress has been made in identifying measures

reduction and income generation, should the necessary Government funding not materialise	sufficient to close the expected budget gap – some of which are able to be in place immediately while some will need further consideration by Cabinet Member, Cabinet or Council as appropriate. In addition, the budget-review sessions already mentioned will look in detail at particular areas to identify opportunities for service improvements as well as financial savings.
Put in place a programme of monitoring sessions and financial updates with Cabinet to ensure sufficient progress is made in developing a robust level of potential savings.	Meetings have been scheduled with Cabinet Members, Chief Executive and Directors throughout the budget timeline, to ensure progress is made. September's meeting concentrated on the revenue budget assumptions and proposals to close the budget gap, October's meeting reviewed the Capital programme and associated funding requirements, November's meeting will pull this together and review the first cut of the budget after detailed submissions have been received from services. This will culminate in a budget seminar for all Members ahead of consideration of the detailed budget proposals at Cabinet (Jan) and Council (Feb).

6.2. In addition, the Strategy contained a new action to review the Community Funding Scheme to align the use of the Community Infrastructure Levy (specifically, the Neighbourhood Allocation in the nine unparished wards) to corporate priorities. This action was considered at the October Capital Budget session referred to in the table above and any proposals for change will come forward through the appropriate channels.

7. Conclusions

7.1. There is no mistaking the level of financial uncertainty and increased risk surrounding the budget preparation process for 2021/22 and beyond. This includes funding uncertainties due to:

- the potential delay to the Local Government Finance Settlement
- a single-year Settlement
- uncertainty over whether any support will be available for lost income beyond the current year and
- no clear direction as yet on the Fair Funding Review, the future shape of the Business Rates Retention Scheme or New Homes Bonus.

In addition, the income assumptions used in the forecast will be affected in practice by the length and severity of the economic impact of Covid-19, by changes in local restrictions, and by the responses of our customers, local businesses and residents.

- 7.2. The MTFS seeks to find a balance between (i) providing a means of meeting the expected challenges, through a mix of net cost reductions (whether cost savings or income generation) and (ii) supporting the budget with adequate reserves to allow for movement in the budget gap. Inevitably, given the level of unknowns and increased risk, there will be significant movement in these estimates over time.
- 7.3. It is therefore proposed to amend the Strategy at point 21, to increase the recommended level of unearmarked reserves to £9m, in order to provide some protection from future, additional budget cuts if the forecast worsens. This, however, comes at a future cost as it has largely been made possible by the use of contributions that would otherwise have supported capital spending. Without those contributions, more of the Council's assets will need to be funded from borrowing, with associated costs of carrying debt (provision for repayment and interest costs). It may be possible to review this position should, for example, the funding position from Government be better than expected or the Council's income streams bounce back quicker than anticipated.
- 7.4. Deferring the revenue expense of the purchase of capital assets, and thereby increasing unearmarked reserves, is a prudent action to take to support future budget plans and enable the Council to deliver its core services and priorities. Without this action, the Council could be forced to make rapid and difficult decisions on service provision to its residents, should the financial picture worsen in the months ahead. In the current year, available balances would not have been sufficient to meet the losses incurred without significant government funding and as we have seen from the recent changes to the furlough scheme, for example, Government support is likely to decline over time.
- 7.5. A further amendment is proposed to item 22 in the Strategy, to clarify that reserves may be used to cover temporary shortfalls in income, where the income level is anticipated to return to higher levels in the near future.

List of appendices: [Appendix 1 : Medium-Term Financial Strategy 2021/22 – 2025/26](#)

Background papers: None

Corporate Implications

Legal/Constitutional: The Council is required to set a balanced budget. The Medium-Term Financial Strategy sets out the framework for this to be achieved.

Financial: A robust financial strategy is essential in the delivery of the Council's objectives over the medium term, ensuring decisions are taken with due regard to their financial consequences. Medium-term financial planning is a key element in determining the organisation's future resilience.

Potential impact on climate change and the environment: This will be considered as part of the detailed budget-setting process.

Contribution toward achieving a net zero carbon position by 2030: As above.

Personnel: The financial strategy, and the development of detailed budget proposals, is supported by the Council's values and behaviour framework, which promotes a culture of responsibility and accountability.

Risk Management: Due regard to the Council's Principal Risk Register should be had when considering its budget plans, financial forecasts and level of reserves. The production of, and adherence to, the Strategy mitigates the risk of financial failure. Challenges to the Council's financial position are reflected in the Principal Risk Register, while the financial impact of other risks are considered within the Principal Risk Register as appropriate.

Equality and Diversity: Equality Impact Assessments will be considered as part of the detailed budget setting process rather than at the strategic level, to enable comprehensive assessments to be undertaken where necessary.

Health and Safety: None

Digital: None

Other: None

Consultees:

Cabinet Members, Chief Executive and Directors, Monitoring Officer

Relevant Policies and Strategies:

Our Chelmsford: Our Plan

Capital and Investment Strategy 2020/21

MEDIUM-TERM FINANCIAL STRATEGY 2021/22 - 2025/26

The fundamental aims of the Council's Medium-Term Financial Strategy are to:

- 1) Maintain a sustainable financial position against a backdrop of continuing financial uncertainty and reduced government funding;
- 2) Support the Council's aims in the delivery of a safer, greener, fairer and better-connected Chelmsford through the appropriate allocation of available resources and to
- 3) Maximise opportunities to increase resources, or use resources more effectively, whilst taking appropriate action to mitigate financial risk.

The Strategy is supported by five key principles. These are set out below with supporting actions for each principle.

Revenue Expenditure – The Council recognises that it must optimise its limited resources and target them to where they are most needed, in order to provide value for money services in the face of increasing financial pressures.

- | | |
|-----|---|
| 1. | The Council will set a balanced budget each year, reflecting its objectives, priorities and commitments |
| 2. | The Council will deliver efficiencies, cost reductions and new income streams in order to meet budget gaps; the delivery of which will be closely monitored by Management and Members |
| 3. | A Digital Programme Office will be set up to drive forward digital innovation in service delivery, realising both financial and non-financial benefits in the efficient delivery of services (subject to the results and learning outcomes from the pilot) |
| 4. | There is no presumption that un-ringfenced grants will be spent on the purposes for which they are nominally provided (appropriate business cases will be provided for spending against such grants) |
| 5. | Services will carry out regular reviews of their fees and charges, to ensure income is maximised while taking into account the demand for services, the prevailing economic and market conditions, the wider strategic aims of the Council and the affordability to its customers |
| 6. | Where costs are recharged to other parties on a cost-recovery basis, services will ensure that all relevant costs are considered when setting the charge |
| 7. | The Council will review its income streams, taking account of the proportionality of any one revenue stream and mitigating the risk of over-reliance upon any one income type e.g. commercial property income |
| 8. | The Council will consider the diversity of its investments, in order to spread risk |
| 9. | The Council will consider its risk appetite in relation to commercial activity as part of its response to budgetary pressures |
| 10. | The Council will seek to reduce its reliance in its revenue budget on uncertain funding streams, as it has with New Homes Bonus |

Capital Expenditure – 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.

11.	The Council will develop a capital strategy that seeks to optimise return on existing assets, divest itself of low-performing assets and sets out parameters for investment in property to increase income to the Council
12.	Performance indicators will be developed and monitored for investment property
13.	The Council will set prudential indicators, including borrowing limits, for capital financing through its annual Treasury Management Strategy, and understand the costs of capital and the return on capital invested, ensuring any future borrowing is affordable, prudent and sustainable
14.	The Council will explore opportunities for borrowing as the need arises through the Public Works Loan Board, Local Enterprise Partnership, other Local Authorities and the Municipal Bond Agency, for example.
15.	The Council will seek alternative forms of funding where possible, maximising the use of external resources such as s106 contributions from Developers, Community Infrastructure Levy, funding from the Local Enterprise Partnership, Government departments, lottery funding and private sector opportunities as appropriate and ensuring that any funding conditions do not place an unreasonable burden on the Council.
16.	The Council will review the estimated level of contributions to the Asset Replacement Reserve annually as part of the budget process; the actual level of contributions being dependent on the overall Revenue budget position. As the Council moves towards borrowing, and given the financial pressure on the revenue budget, the revenue contributions the Council makes to fund capital expenditure may be replaced by the cost of carrying debt.
17.	Capital receipts from the sale of assets will be used to meet future corporate priorities, rather than be retained for use by the service that has relinquished the asset.
18.	Resources allocated to a particular capital project but subsequently not required will be returned to meet future corporate priorities rather than be retained for use by that service.
19.	No new capital schemes are included in the programme without the necessary resources to meet the full capital costs, and any on-going revenue costs, being in place.
20.	All new capital projects are subject to a bid process for inclusion in the Capital Programme, which require whole-life costing information to be supplied. Where projects are not yet fully worked up but require an indicative sum to be allocated in the Capital Programme, for the purposes of assessing future funding requirements and the costs of borrowing, then a full business case should be worked up before commencement of the project. New capital schemes brought forward during the year should also be supported by business cases and reported to Management Team, Cabinet or Council in line with the Council's financial regulations.
Reserves – the Council will maintain a reasonable level of usable reserves to enable it to weather the volatility of its funding position, support capital spending plans, mitigate known risks and support invest-to-save schemes and service transformation.	

21.	The Council will seek to increase the level of its general fund reserves (General Fund plus Contingency) and maintain this at an appropriate level commensurate with the level of financial risk it faces. As a minimum, the Council should work towards a level of approximately 5% of its gross expenditure (which would be around £7m when compared to the gross expenditure figure included in the last Council Tax resolution), whilst recognising that the level of balances will fluctuate over time as it adjusts to short-term pressures in the revenue budget. As a minimum, the Council should work towards a level of £9m (which is around 6% of the gross expenditure figure included in the last Council Tax Resolution), whilst recognising that the level of balances will fluctuate over time as it adjusts to short-term pressures in the revenue budget.
22.	Reserves will not be used to meet on-going expenditure but may be used in the short-term in conjunction with plans to reduce net revenue costs over the medium-term or to meet temporary reductions in income where income levels are anticipated to recover
23.	Regular review of all reserves will be carried out in order to maintain and replenish funds which will be used to mitigate substantial risks identified over the medium-term, support the provision of major projects, invest-to-save schemes, service reviews or digital innovation and to release those reserves no longer required due to changing circumstances.
Governance and Performance – the Council will monitor the delivery of its financial strategy and performance against the savings requirement, adjusting the plans to meet changing demands or emerging risk. This will be achieved by:	
24.	Annual review of key strategies such as the Medium-Term Financial Strategy, the Capital and Investment Strategy and Treasury Management Strategy.
25.	Appropriate training will be provided to officers and Members to enable them to carry out their duties in respect of the delivery and scrutiny of financial plans.
26.	Performance against budget will be monitored externally via the Council's external auditor, and internally via a framework including the senior management team, the Audit and Risk Committee, Overview and Scrutiny Panel, Cabinet and Council, while key strategy reviews enabling the delivery of Council priorities, such as the Homelessness and Rough Sleeping Strategy, will be incorporated into the work programme of the Chelmsford Policy Board. Budget and performance monitoring will be supported by the implementation of the Council's new financial management system and a refreshed approach to Risk Management.
27.	The Council will undertake a self-assessment against CIPFA's new Financial Management Code and produce an action plan to meet any shortfalls.
28.	The Council will consider CIPFA's new Resilience Index when considering the appropriateness of its reserves.
29.	The Council will stay abreast of regulatory developments and the latest Government and sector-led guidance in the formulation of key financial policies and strategies.
30.	Embed a performance management culture within the organisation, including the production of business cases, strong project management and the measurement and delivery of benefits.
31.	Ensure that the Council's budgets, financial records and accounts are prepared in line with accounting standards, CIPFA Code of Practice on Local Government Accounting, the CIPFA Prudential Code and the Council's own Constitution and Financial regulations.
32.	Budget guidance to be reviewed annually by the Council's section 151 Officer.
Partnership Working – the Council will seek out opportunities to work with partners to maximise outcomes for the residents of Chelmsford and other stakeholders, explore access to funding and maximise the shared benefits of joint working.	

33.	<p>The Council will explore joint working opportunities or shared services where they add benefit to the Council or its residents, with partners including (but not limited to):</p> <ul style="list-style-type: none"> • Other local authorities • Registered Housing Providers • Police and Crime Commissioner • Fire and Rescue Authority • Local Enterprise Partnership • Voluntary and Community organisations • Private sector
34.	The Council will seek to optimise external funding opportunities to defray the cost of services and capital investment.
35.	The Council will review its processes for awarding grant funding and the monitoring of service level agreements with third parties
36.	The Council will review the Community Funding Scheme to align the use of the Community Infrastructure Levy (specifically, the Neighbourhood Allocation in the 9 unparished wards) to corporate priorities
36. 37.	The Council will explore models for delivering projects in partnership with others, particularly in respect of large-scale infrastructure projects and the Council's aspiration to deliver increased numbers of affordable housing units.
37. 38.	The Council will consider options to facilitate or enable partners and the community to deliver outcomes that are in keeping with the Council's aims, as an alternative to direct delivery.
39.	The Council will actively engage with sector-led bodies (e.g. Local government Association (LGA), District Councils' Network (DCN), Society of District Council Treasurers (SDCT) to ensure a local voice in national, sector-wide funding discussions
40.	The Council will work with Government departments, Ministers, and Members of Parliament in order to raise local funding issues, develop solutions and provide an evidence base to inform decision-making in respect of funding levels



Chelmsford City Council Cabinet

17 November 2020

Review of Statement of Licensing Policy

Report by:

Licensing Committee

Officer Contact:

Lead Licensing Officer, Nigel DERMOTT, Email: nigel.dermott@chelmsford.gov.uk Tel: 01245 606341

Purpose

The Licensing Committee on 10 September 2020 considered the attached draft Statement of Licensing Policy (the Policy) as required under the Licensing Act 2003 following formal consultation. It recommended that the Cabinet adopt the policy, subject to the addition of wording suggested by the Street Pastors.

Options

Adopt the attached policy, not adopt it or amend the policy.

Preferred option and reasons

The policy as presented reflects all legislative requirements and is appropriate to the types of premises in Chelmsford required to be licensed under the Licensing Act 2003.

Recommendations

That, subject to the addition of the wording suggested by the Street Pastors, the attached Statement of Licensing Policy be approved and the Council be recommended to adopt it.

1. Background or Introduction

- 1.1 The Licensing Authority must review its statement of licensing policy every five years under s.5 of the Licensing Act 2003. The current policy is due for formal revision and publication in January 2021 and a proposed draft Policy was approved by the Licensing Committee on 9 July 2020 to enable wider consultation.
- 1.2 The Policy was subsequently consulted on with the Responsible Authorities and other local stakeholders, including the wider community, via the Council's website, a local newspaper and was made available for inspection at the Council's offices.
- 1.3 The only comment received was from the Street Pastors, who suggested the addition of the following wording: "(There should be) strict adherence to COVID 19 regulations/guidelines in and around the venue."
- 1.4 The officers advised that whilst the ongoing pandemic is clearly of concern to all, this is an ever changing landscape that is covered under Regulations and Government guidance requiring risk assessments by licence holders that is monitored by other local authority services and under a different regime. Licensing policy should not concern itself with matters covered under separate requirements or legislation and COVID-19 has not been fully established as an issue that is directly connected with the intentions of the Licensing objectives, those being;
 - a) Prevention of Crime and Disorder
 - b) Prevention of Public nuisance
 - c) Prevention of harm to children
 - d) Public Safety.
- 1.5 The Committee believed, however, that the suggested wording should be added to the policy under the public safety objective. That will be added if the addition is supported by the Cabinet.

2. Conclusion

- 2.1 The Cabinet is asked to consider the Policy recommended to it by the Licensing Committee, subject to the addition of the wording suggested by the street pastors, and to adopt it with effect from January 2021.

List of appendices:

Appendix A - Draft Statement of Licensing Policy as presented to Committee on 9th July 2020

Background papers:

A copy of the 'model conditions' and list of Responsible Authorities - referred to within the draft policy as weblinks are available as background reading. Both documents are subject to amendment and not included as part of the main policy. The Public Spaces Protection Order can be found on the Council website as an existing agreed local order

Corporate Implications

Legal/Constitutional: This is a legal obligation under section 5 of the Licensing Act 2003 in order to provide the legal basis from which to administer its licensing functions.

Financial: None – costs met via application and annual renewal fees

Potential impact on climate change and the environment: N/A

Contribution toward achieving a net zero carbon position by 2030: N/A

Personnel: None

Risk Management: Chelmsford City Council would be unable to fulfil its licensing function without having this policy in place for January 2021

Equality and Diversity: N/A Health and Safety:

N/A

Digital:

N/A Other:

None

Consultees: Public Health & Protection Services Manager – Paul Brookes Business Compliance Manager – Jane Smith Legal Services – Victoria Marsh Legal Services – William Butcher Responsible authorities Consultees as listed in the draft policy Wider Community via CCC website, newspaper and Civic reception

Relevant Policies and Strategies:

As identified in the draft policy

Licensing Policy

Statement of licensing policy



Effective January 2021 – January 2026

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Public Places	Date Produced: January 2016
Public Health and Protection Services	Reference No.
	Version No. 1
Sec. 5 Licensing Act 2003	Date Reviewed: May 2020 Next Review Due by: January 2021 Originating Officer: Nigel Dermott
Statement of Licensing Policy	Approved by:

STATEMENT OF LICENSING POLICY

This Statement of Licensing Policy of The Chelmsford City Council, the Licensing Authority for the City of Chelmsford, has been prepared under section 5 of The Licensing Act 2003 (The Act) having regard to the Revised Guidance issued pursuant to section 182 of The Act. Revisions to the policy and its publication were approved by the Council on 17th November 2020.

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1 Fundamental Principles

- 1.1 In exercising its functions under The Licensing Act 2003 (the Act), Chelmsford City Council (the Licensing Authority) must have regard to the Act, each of the regulations made in support of the Act, the guidance issued by the Secretary of State pursuant to s. 82 of the Act and this policy. There is an overarching aim in the promotion of the four 'licensing objectives' that are set out under Section 4(2) of the Act: -

- Prevention of Crime and Disorder
- Public Safety
- Prevention of Public Nuisance
- Protection of Children from Harm

Each objective will carry equal weight of attention and consideration i.e. no single objective is any more important than the other.

- 1.2 Our policy is clear that:

- Licensing is about regulating licensable activities on licensed premises, undertaken by qualifying clubs and temporary events within the terms of the Act; and;
- Any conditions attached to various authorisations will focus on matters which are within the control of individual licence holders and others with relevant authorisations i.e. the premises and its 'vicinity'.

- 1.3 Applicants are advised to evidence what detailed control measures are intended within the operating schedule of their application after considering the potential risks and taking account of relevant circumstances within the immediate area, and any impact on other neighbouring residents and businesses.

- 1.4 The Licensing Authority and responsible authorities (see Chelmsford City Website: <https://www.chelmsford.gov.uk/resources/assets/inline/full/0/4267281.pdf>) will have certain expectations in relation to the considerations and proposals contained within the operating schedule and therefore applicants are strongly advised to have regard to this statement of licensing policy and where possible to consult with the authorities prior to submission and in doing so, minimise the risk of representation or additional costs involved with resubmission.

- 1.5 The responsibility to fully comply with the requirements of the Act sit with the applicant.

- 1.6 When completing an operating schedule, applicants should avoid duplication of any legal obligation outside of The Licensing Act 2003 e.g. smoking, health and safety, noise outside of opening hours etc.

- 1.7 Our policy covers a wide variety of different types of premises but is unable to cover every factor that might influence meeting the requirements of promoting the licensing objectives in every situation and therefore unable to cover every appropriate control measure.

- 1.8 Where no relevant representations are received, it is the duty of the Licensing Authority to grant the licence subject only to conditions consistent with the operating schedule and the mandatory conditions under the Act using the general principles contained within the revised guidance (s.182 para. 1.16).

- 1.9 Where a valid representation is made the Licensing Authority will make objective judgements and consider (at a hearing) whether any conditions need to be attached to a licence in order to secure the licensing objectives. Such conditions will focus directly upon the activity proposed and those attending the premises, those affected by living within the vicinity or carrying out a business, or other persons who might feel affected. The Licensing Authority may also reject the application.
- 1.10 Licensing law is not the primary legislation or mechanism for controlling individuals once they are away from the premises and therefore beyond the direct control of licence holders, but licence holders may influence behaviour through their failure to control alcohol consumption and other behaviours whilst at the venue. Reasonable steps should therefore be taken to promote the licensing objectives immediately outside the premises, particularly in relation to crime and disorder and public nuisance e.g. the generation of unassociated litter and anti-social behaviour.
- 1.11 Licensing policy will take a holistic approach to the management of the night-time economy; other mechanisms that might be utilised to tackle the behaviour of patrons when beyond the vicinity of the premises which might include:
- Measures to create a clean safe environment in partnership with local businesses, transport providers and departments of the local authority
 - The provision of CCTV, taxi ranks, public conveniences late at night, street cleaning and litter patrols
 - Use of powers to designate areas of the city where alcohol cannot be publicly consumed (See *Chelmsford City Website* <https://www.chelmsford.gov.uk/business/licensing/alcohol-licensing/licensing-policies-and-objectives/> (*Chelmsford PSPO and Map*))
 - Law enforcement in the area
 - Confiscation of alcohol from persons within a designated area
 - Use of police closure powers
 - Other local initiatives such as street pastors
- 1.12 The Licensing Authority is under legal obligation to have due regard (section 149 Equality Act 2010) for the need to eliminate unlawful discrimination, harassment or victimisation; to advance equality of opportunity and to foster good relations between persons of different protected characteristics;
- Those protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 1.13 The impact of this policy on the requirements of the Equality Act will be assessed in line with the Council's adopted procedure.
- 1.14 When considering applications, the Licensing Authority will have regard to the Act, the guidance issued under s. 182 of the Act, the licensing objectives, supporting regulations and this policy.
- 1.15 The Licensing Authority may deviate from its own policy where it is appropriate to do so in order to promote the licensing objectives, and in doing so will give its reasons. This statement of licensing policy is intended to strike a reasonable balance between different and sometimes competing aims of policy when promoting the licensing objectives. The introduction to the current revised Guidance at paragraph 1.5 states

that the legislation also supports a number of other key aims that are considered vitally important that should be principle aims for everyone involved in licensing work.

- 1.16 Where no relevant representations are received, it is the duty of the Licensing Authority to grant the licence subject only to conditions consistent with the operating schedule and the mandatory conditions under the Act using the general principles contained within the revised guidance (s.182 para. 1.16).
- 1.17 This Statement of Licensing Policy does not undermine the right of any individual to apply under the terms of the Act for a variety of permissions and have any such application considered on its individual merits (s. 182 para. 14.10). This Statement of Licensing Policy does not override the right of any person to make representations in respect of an application or seek review of a licence or certificate, where provision has been made for them to do so within the Act (s.182 14.11).
- 1.18 Our policy is intended to facilitate a broad range of entertainment provision by a wide cross section of the community and will take care to avoid any indirect or disproportionate costs or make any requirement that might be considered a 'blanket policy'.
- 1.19 This Policy Statement takes effect on 31st January 2021 and will remain in force for a period of not more than 5 years from that date. This policy may be reviewed at any time during this period.

2 Introduction and Profile of Chelmsford City Area

- 2.1 Chelmsford City Council is a non-unitary authority in the heart of Essex covering an administrative geographical area of 342.2km² (131square miles). As well as a thriving city, the district encompasses a number of established villages and the town of South Woodham Ferrers. It was granted city status in 2012.
- 2.2 Chelmsford's population has experienced rapid growth in recent years and will continue to grow. Chelmsford's population is 168,000 and by 2026 it is estimated that it will have grown to some 200,000 people. For a demographic makeup of the Chelmsford City area see **Appendix A**.
- 2.3 There are 80,000 jobs and 6,000 local businesses located within Chelmsford, making it the largest employment centre in Essex and Suffolk and a major employment centre in the South East.
- 2.4 With an annual footfall of over 8.5 million passengers, Chelmsford railway station is the busiest in the East of England. At peak times, eight trains per hour connect Chelmsford with London Liverpool Street.
- 2.5 Chelmsford is home to Anglia Ruskin University, Writtle Agricultural College and The Chelmsford City Racecourse. It is the headquarters of Essex County Council, Essex Police, Chelmsford Prison and the Crown, Magistrates' and County Courts.
- 2.6 At the time of consulting, the City District has 537 licensed premises, 33 premises with club premises licences and the Licensing Authority has issued 2,229 personal licences. Over the 5 year period 2015 - 2019, an average of 360 Temporary Event Notices were received each year with these increasing by more than 50% over this period. Chelmsford's open spaces and good transport links has attracted large scale

licensable activities including national music events such as the 'V' and Rize festivals hosted at Hylands Park as well as annual City Centre Pride and Real Ale festivals.

- 2.7 In recent years Chelmsford has seen considerable investment increased in development across the City centre that have greatly added to a diverse range of leisure facilities making the City an attractive place to visit for work and to be entertained. Information on the local business and population profile and support for businesses in urban and rural environments can be obtained through the Council's Economic Development and Inward Investment Team.
- 2.8 Chelmsford's crime rate is lower than the UK average and the City partnerships oversee a well-managed night-time economy, encouraging participation in the national 'Best Bar None' accreditation scheme and has worked in partnership to successfully achieve purple flag status since 2013.
- 2.9 Since June 2014, the entire District, with limited exceptions, has covered by a Consent Street Order under the Local Government (Miscellaneous Provisions) Act 1982 which regulates all and any on-street trading.
- 2.10 Public Space Protection Orders (PSPOs) are also in place to restrict the distribution of leaflets and advertising material, the display of A boards and on-street advertising. This legislation has also been successfully used in the restriction and confiscation of so-called 'legal highs' at licensed events. PSPOs currently in place can be viewed on the Council's website.

3 Licensing Policy - Vision Statement

- 3.1 Chelmsford City Council (The Licensing Authority) want the City of Chelmsford to offer a wide choice of high quality, well managed entertainment and cultural venues, operating within a safe, orderly and attractive environment; valued by those who live here, work here and those who come to visit. The Council want businesses to operate responsibly and safely to ensure our residents live in decent neighbourhoods and have a good quality of life.
- 3.2 Our stated priorities (Chelmsford City Council – 'Our Plan'):
 - a fairer and inclusive Chelmsford: promoting sustainable and environmentally responsible growth to stimulate a vibrant, balanced economy, a fairer society and providing more housing of all types.
 - a safer and greener place: making Chelmsford more attractive, promoting Chelmsford's green credentials, ensuring communities are safe and creating a distinctive sense of place.
 - healthy, active and enjoyable lives: encouraging people to live well, promoting health and activity and reducing social isolation, making Chelmsford a happier place to live, work and play.
 - connected Chelmsford: bringing people together, empowering local people and working in partnership to build community capacity, stronger communities and to secure investment in the city.
- 3.3 Chelmsford City Council has wide experience in regulating licensed entertainment in Chelmsford City which has recently seen considerable increase in leisure business. The Council is also responding to the change in the nature the High street, with the daytime trade flowing into the night-time economy offering a scale and diversity that is unique within the County of Essex, bringing both cultural and financial benefits. The

Council believes that good management of entertainment and the street environment in which it operates is essential to the continued success of the City, which attracts a wide range of people wishing to come here to work, visit and live.

4 Statement of Licensing Policy

- 4.1 The 2003 Act requires that the Licensing Authority publish a 'Statement of Licensing Policy' that sets out the principles by which Chelmsford City Council intends to discharge its functions as the Licensing Authority under the Act in the promotion of the licensing objectives (S. 4(2) of the Act).
- 4.2 In preparing this statement of licensing policy, the Council has had regard to and consulted those involved in its local strategies on crime prevention, planning, transport, culture, tourism and economic development, to ensure the proper co-ordination and integration of the aims and actions of these policies. Review and amendment of these strategies will be considered for their impact on this statement of licensing policy.
- 4.3 Further, arrangements will be made for the Licensing Committee to receive reports - when appropriate - on the needs of the local tourist economy to ensure that these are reflected in their considerations. The Licensing Committee may also be appraised of the local employment situation and the need for new investment and employment, where appropriate.
- 4.4 To ensure proper integration with the Council's planning policies, the Licensing Committee may be required to provide reports to the Planning Committee, where appropriate, on the situation regarding licensed premises in the area, including the general impact of alcohol related crime and disorder, to enable the planning committee to have regard to such matters when making its decisions.
- 4.5 The Council has decided that there is no evidence base or justification to consider a Cumulative Impact policy.
- 4.6 This 'Statement of Licensing Policy' has been prepared in accordance with the provisions of the Act, having regard to the specific guidance pursuant to s.182 of the Act at paragraph 14.
- 4.7 The Licensing Authority is responsible for considering applications for the grant of the following;
 - Premises Licences,
 - Club Premises Certificates,
 - Personal Licences and
 - Temporary Event Notices in relation to the sale or supply of alcohol, the provision of public entertainment and
 - Late night refreshments.
- 4.8 The Licensing Authority is also concerned with any changes made or sought in respect of those licences that they have issued. Any reference to Premises Certificates will also include reference to Club Premises Certificates as appropriate.
- 4.9 The Licensing Authority is not bound by the decision of any other licensing regime unless any decision has direct relevance to any of the licensing objectives and there is no legal basis to refuse the issue of a licence where other permissions have not been granted e.g. planning permission.

- 4.10 The Act requires the Licensing Authority to monitor, review and, where appropriate, amend its Statement of Licensing Policy. The Licensing Authority will consult with Responsible Authorities and interested parties prior to amending any part of the policy and in preparing its Statement of Licensing Policy for each future 5-year period.
- 4.11 This Policy Statement takes effect on 31st January 2021 and will remain in force for a period of not more than 5 years from that date. This policy may be reviewed at any time during this period.
- 4.12 When assessing applications, the Licensing Authority must be satisfied that the control measures proposed within the applicant's operating schedule – in the promotion of the four licensing objectives – are likely to achieve their aims having considered all the risk factors and that they have taken a realistic approach as to whether they are likely to be achievable.

5 Consultation

- 5.1 Our Statement of Licensing Policy has been widely consulted on for the purpose of this 5-yearly review and a list of consultees can be found at **Appendix B**.
- 5.2 The Act requires that the following parties are consulted on by the Licensing Authority:
- a) The Chief Officer of Police for the Licensing Authority area
 - b) The Fire Authority for the area
 - c) The director of Public Health for the authority's area
 - d) Such persons as the Licensing Authority considers to be representative of holders of premises licences and Club Premises Certificates issued by the authority
 - e) Such persons as the Licensing Authority considers to be representative of personal licence holders issued by the authority, and
 - f) Such persons as the Licensing Authority considers representative of businesses and residents in its area
- 5.3 In addition, the Licensing Authority chose to consult further local groups and organisations, namely:
- a) Remaining Responsible Authorities under the Act
 - b) Other areas of the local authority
 - c) Various faith groups, voluntary organisations and Citizens Advice Bureau, and;
 - d) Groups having influence on the night-time economy.
- 5.4 A full list of Responsible Authorities as consultees in respect of applications made under the Act can be found at Chelmsford City Website
<https://www.chelmsford.gov.uk/resources/assets/inline/full/0/4267281.pdf>

6 Approval

- 6.1 This policy was approved by the full Council at a meeting held on [Date to be inserted] published on its website and made available to consultees. Copies of the policy are available on request.

7 Exchange of Information

- 7.1 The Licensing Authority is under a duty to protect the public funds it administers and may therefore use information provided by applicants for the prevention and detection of crime. It may also share information provided with other responsible bodies responsible for the auditing and administering of public funds.
- 7.2 In accordance with the provisions of the Crime and Disorder Act 1998, The Licensing Act 2003, Data Protection Act 2018 and The General Data Protection guidelines, the Licensing Authority may exchange information provided by applicants with law enforcement agencies for purposes connected with the prevention and detection of crime.

8 Public Register

- 8.1 The Licensing Authority is obliged to keep a public register which may be viewed online or in person by appointment during office hours. Requests for any additional information should be directed through the Council's information team at FOI.Mailbox@chelmsford.gov.uk where the request will be considered and information provided where lawful and appropriate.

9 Compliance and Enforcement

- 9.1 In exercising its functions in respect of compliance with the conditions of the licence and requirements under the Act, including the inspection of premises and to the institution of proceedings in respect of any relevant offences, or the calling of a licence to review the licensing authority will follow best practice. This requires that its actions should be: -
- Proportionate – intervention only where necessary. Remedies appropriate to the risk posed with costs identified and kept to a minimum.
 - Accountable – The Licensing Authority will ensure that it is able to justify its actions and decisions and be subject of public scrutiny.
 - Consistent – Any rules and standards shall be joined up and implemented fairly.
 - Transparent – enforcement will be carried out openly with regulations enforced simply and user friendly.
 - Targeted – enforcement will be focused on the problems and thereby minimise any side effect.
- 9.2 The Licensing Authority will endeavour to avoid duplication with other regulatory regimes so far as is possible and will adopt a risk-based inspection programme.
- 9.3 The main enforcement and compliance role of the Licensing Authority is to ensure compliance with the processes in granting and the licences and permissions that it authorises. Where appropriate it may conduct joint inspections of licensed premises or premises seeking a licence, together with other enforcing agencies. It is expected that other responsible authorities will have primary engagement with licence holders relative to the area of expertise of that authority e.g. crime and disorder by Essex Police, underage sales by Trading Standards, fire Safety by Essex Fire and Rescue Service etc.

- 9.4 Where appropriate, complaints will be investigated in accordance with a stepped approach outlined in the Regulators Code of practice issued by the Minister of State for Business and Enterprise in accordance with section 23 of the Legislative and Regulatory Reform Act 2006. Regulators are obliged to have regard to this Code when developing policies and operational procedures that guide their regulatory activities. A copy of this code can be found at <https://urlzs.com/DXXfR> and a copy of the Act at <https://urlzs.com/zbAbQ>

10 Licensing Applications & Licensing Objectives

Operating Schedules

- 10.1 It is the operating schedule within a new grant application, submitted by or on behalf of the applicant that will set out the control measures intended to reduce the perceived risk that the application - if granted - might present to the licensing objectives. This schedule will be referred to when setting out any attached conditions and in the absence of any representations only matters referred to in that schedule will be applied. The Licensing Authority have discretion to disregard any control measure that does not directly promote any licensing objective or where the applicant offers a control measure that is otherwise required under any other enactment (as previously covered)
- 10.2 A statement of licensing policy should not set out any 'blanket conditions or policy' intended to apply to every licence issued by the Licensing Authority. However, the guidance to the Act states that it is not acceptable for Licensing authorities to simply replicate the wording contained within the operating schedule and that any condition attached to a licence should be interpreted in accordance with the applicant's intentions (para. 10.5)
- 10.3 The guidance goes further to suggest that any condition will be consistent and 'substantially the same' as that intended by the operating schedule and that any condition should be expressed on a licence or certificate in **unequivocal and unambiguous terms** and that they should be clear to the licence holder, club, enforcement officers and the courts (para. 10.7).
- 10.4 The relevant licensing legislation has now been in effect since 2005, since which time the Licensing Authority and Responsible authorities have had considerable experience in ensuring that conditions have been appropriately applied in accordance with that guidance.
- 10.5 Where appropriate control measures are offered in an application that relates to a Premises Licence or Club Premises Certificate, licensing officers – as delegated by the Licensing Authority – will apply wording from [the Council's] established set of model conditions, (see Chelmsford City Website: <https://www.chelmsford.gov.uk/resources/assets/inline/full/0/4267287.pdf>) unless the applicant or their agent states otherwise and provides alternative wording that meets with recommendations at Section 10 of the 182 Guidance. These model conditions are presented in line with the Licensing Objectives.
- 10.6 The model conditions are constantly evolving alongside experience and changing business styles and are correct at the time of consultation. The model conditions will be regularly updated and published on the Council's website without further need to amend this policy.

- 10.7 Neither the list of model conditions, nor the advice offered at the following sections, can cover every style of business and identify all risk factors. Whilst our set of model conditions is extensive, the list is clearly not exhaustive. It is therefore the responsibility of the applicant to consider these control measures and identify any additional measures that might be necessary.

Prevention of Crime and disorder

- 10.8 In addition to the requirements of the Act, Section 17 of the Crime and Disorder Act 1998 imposes a duty on the Local Authority when carrying out its various functions to do all it reasonably can to prevent crime and disorder.
- 10.9 When addressing the issue of crime and disorder the applicant is advised to demonstrate in the operating schedule that the more common causes behind the factors have been addressed and that appropriate control measures have been proposed. Applicants should also consider the style and size of the business and have due regard to existing and foreseeable crime within the area and further crime data can be found at www.police.uk

Factors that might normally be considered may include:

- Underage drinking
 - Drunkenness on premises and in the vicinity
 - Drug misuse
 - Violent behaviour
 - Anti-social behaviour
 - Control of patrons whilst arriving, on or leaving the premises
 - Local crime data
 - The overall nature of the area
- 10.10 The following examples of control measures are provided in order assist applicants and are considered to be among the most important when considering risk:
- Effective and responsible management and supervision of the premises, including outside areas
 - Appropriate instruction, training and supervision of those employed or engaged to prevent crime and disorder
 - Keeping appropriate training records
 - Adoption of any best practice guidance
 - Having an effective proof of age policy
 - Provision of CCTV (where appropriate)
 - Use and deployment of door staff
 - Materials of drinking vessels
 - Engaging with local initiatives e.g. Pubwatch, Best Bar None etc
 - Communication between other licensed premises
- 10.11 It is expected that the Designated Premises Supervisor (DPS) should be able to demonstrate that they have day to day control of the premises and that ideally, they should be contactable in an emergency and that in the absence of the DPS, staff are properly authorised. There is no expectation that a DPS should be on site at all times when the premises is open for the sale or supply of alcohol.

Public Safety

10.12 The Licensing Authority is committed to ensuring that the safety of any person visiting or working on licensed premises is not compromised. Applicants are advised to consider how they can demonstrate in the operating schedule that risks have been identified and that suitable and sufficient safeguards have been put in place in order to ensure public safety.

10.13 factors that might identify the need for a control measure might include:

- The numbers of people frequenting the premises
- The condition, layout and design of the premises
- The nature of the activities being provided
- Adoption of any best practice guidance
- Customer profile
- The use of special effects e.g. lasers, pyrotechnics etc
- Access of emergency services
- The provision of toilet, potable and waste water (events)

Some of these measures (or additional measures) might be dynamic in that the requirements might change on a frequent basis. There is often therefore a need to carry out risk assessments on an ongoing basis dependent upon the style and nature of the activity.

10.14 Control measures that an applicant might consider within an operating schedule might include:

- Suitable and sufficient risk assessments
- Effective and responsible management of premises or events
- Appropriate training, instruction and supervision of those employed or engaged in security and safety of those present.
- The keeping of appropriate training records
- Adoption of best practice
- Provision of effective CCTV (if applicable)
- Implementation of crowd management measures
- Provision or access to any first aid facility

10.15 There shall be strict adherence to COVID-19 regulations and guidance in and around the venues.

Prevention of Public Nuisance

10.16 Licensed premises have a significant potential to impact adversely on communities through public nuisance as a result of their business operation, particularly where the business is near to residential properties. The licensing Authority wishes to maintain and protect the amenity of residents and businesses from the potential consequence of the activities. However, the Licensing Authority will have due regard to any development of residential property that is established after the grant of a licence. In such circumstances the responsibility of the developer will be taken into account if they could and should have taken such reasonable steps to minimise the effect of such nuisance e.g. the provision of insulation or double or triple glazing.

10.17 'Public Nuisance' in this context will be construed to have its widest interpretation and takes account of noise and disturbance, light pollution, odours, litter and anti-social behaviour.

10.18 Applicants or their agents should consider in their operating schedule how the impact of nuisance will be identified and how sufficient reasonable measures can be implemented and maintained in order to prevent public nuisance over which their business might have a causal link, either on or within the vicinity of the premises.

10.19 Factors that might identify risk of public nuisance might include:

- Location of premises (including any associated open areas) and their proximity to residential premises or other sensitive venues.
- Customer profile
- Hours of operation
- Nature of activities proposed
- Design and layout of the premises
- The capacity of the premises
- Availability of public transport
- Any noise adjustment period at the end of an evening
- Times of last admission
- Last admission times and closing times of other nearby premises

10.20 The following examples of control measures are provided as a guidance for applicants when considering the mitigation of any identified risks associated with public nuisance. The applicant will need to consider any additional unique factors that might require further consideration to those suggested here:

- Effective and responsible management of the operating within the business together with any outside areas such as seating facilities and smoking areas
- Appropriate training, instruction and supervision of staff
- The keeping of any staff records
- The control of deliveries and movement of goods during operating hours
- Installation of acoustic insulation, suitably controlled, sited and silenced ventilation or air conditioning systems and where appropriate, sound limiting devices
- Signage to customers when entering or leaving premises
- Management of the movement of people and traffic arriving and leaving the premises including the management of queues and taxi's.
- The siting of external lighting, including security lighting.

10.21 Premises Licence holders will be expected to manage external areas used in connection with their business, including beer gardens and smoking areas through:

- The development of a plan on how to manage smoking on the premises and ensure that all staff are aware of the contents of the plan. Noise created from smoking areas can often give cause for complaint. Along with general noise created among customers. Staff should be aware and be proactive in the implementation of that plan.
- Compliance with any planning restrictions or conditions that might otherwise impact on the licensing objectives.

- Ensuring structures comply with the design criteria contained within the Health Act 2006 and that any awnings and retractable canopies have the relevant planning permission and building control consent.
- That any tables and chairs are properly licensed under the Highways Act 1980 (where applicable) and that layout, lighting and obstruction does not cause a nuisance.
- Ensure any outside lighting is correctly positioned and of such illumination as to not cause a light nuisance.
- Ensure that door supervisors are supportive and correctly involved with any town centre communications system e.g. DISC or Publink radio.

Protection of Children from Harm

- 10.22 Chelmsford City Council have a duty to safeguard the vulnerable within the community and will therefore be looking to ensure applicants have given due consideration through their operating schedules and have put in place appropriate control measures after carrying out a full risk assessment.
- 10.23 Family friendly premises are to be encouraged as part of the diversity of entertainment made available to everyone but not at the risk of potential harm that this might cause to children. It should be remembered that many licensed venues will be frequented by young people in addition to pubs, bars and clubs such as restaurants, cinemas, theatres and school events. Therefore, admission to children will always remain at the discretion of management, with no presumption of giving them access or equally, preventing them from doing so.
- 10.24 The protection of children from harm includes moral, psychological, emotional and physical harm and is generally construed as related to the activities and effect of children on the premises rather than the mere presence of a particular type of business, other than where unsuitable advertising might be considered as undermining this objective e.g. advertising on public display outside sexual entertainment venues.
- 10.25 No condition can be attached to a licence that insists children to be admitted to any licensed venue although an applicant may offer that condition within their operating schedule.
- 10.26 In respect of the exhibition of a film or the showing of a video, this may include the exposure of children to strong language, sexual references and violence. The Licensing Authority will expect licence holders to implement measures that restrict children from viewing age restricted films, classified according to the recommendations of the British Board of Film Classification.
- 10.27 Applicants are advised to consider how they can demonstrate within the operating schedule that suitable and sufficient measures have been identified and what safeguards will be put in place and maintained as applicable.
- 10.28 Factors that might need to be considered may include:
- Where entertainment of an adult nature is being regularly provided
 - Where there have been convictions of staff at the premises for serving alcohol to minors or allowing consumption
 - Premises or events that attract a young adult profile, or premises or events that appear to be linked to underage sales or drinking

- Proxy sales of alcohol to minors (i.e. adults purchasing for children under 18 yrs. to consume)
- The premises have a known association with drug taking or supply

10.29 The following examples of control measures are provided to assist applicants and considered to be among the most relevant to be taken into account when considering the completion of an operating schedule.

- Effective and responsible management of the operation of the business including any outside areas
- Appropriate training, instruction and supervision of staff
- The keeping of any staff records
- Adoption of best practice
- Imposition of requirements to limit the hours children are permitted on the premises, part of the premises or direction in respect of the supervision of children by an adult
- Measures to ensure that children do not purchase, acquire or consume alcohol
- Having properly qualified staff available to manage licensable activities where children are likely to be present
- Adoption of a 'Challenge 21/25 policy or similar

10.30 Where premises provide gaming facilities, licensed or permitted under the Gaming Act 2005 the Licensing Authority will expect measures put in place to prevent children from accessing machines. This should include the appropriate training of staff and the keeping of training records, as well as measures to ensure machines are appropriately monitored by staff e.g. supervision or placing in clear view. Such measures should be highlighted in the operating schedule.

Regulated Entertainment

10.31 A diverse provision of cultural activities for the benefit of communities is welcomed and supports Chelmsford City Council's wider priorities as set out in 'Our Plan' (see para 3.1 above). The Council will need to balance the natural concerns of residents to prevent disturbance against the wider cultural benefits, especially for children, of permitting regulated entertainment. This includes activities such as live music, dancing, theatre and the showing of films. The Licensing Authority maintains a neutral stance in respect of all licence applications with each application being assessed on its own merits and the only considerations being the promotion of the four licensing objectives. This approach ensures that no unreasonable restrictions will be imposed which would discourage cultural events.

Garages and Petrol Stations

10.32 Garages primarily used for the sale of vehicles, vehicle maintenance and the provision of fuel are specifically excluded as premises not suitable as licensed for the sale of alcohol.

10.33 In determining applications for garages, (i.e. forecourt shops) the Licensing Authority must decide whether or not the premises are **primarily** used as a garage and will expect applicants to submit data which establishes the **primary use**. Where that information is not available (due to premises not yet trading), the Licensing Authority may consider a condition requiring this information be provided on a regular basis in the following years to establish the **primary use**.

Late Night Refreshments

- 10.34 There are no exemptions for the requirement of premises to be licensed for the provision of late night refreshments under Paragraph 2A of Schedule 2 of the Licensing Act 2003 (as inserted by the deregulation Act 2015)

The Late Night Levy

- 10.35 Chelmsford City Council has determined to implement a late-night levy in the district of Chelmsford in accordance with powers conferred by the Police Reform and Social Responsibility Act 2011.
- 10.36 The levy is an additional fee where holders of relevant authorisations are required to pay annually, at the same time as their annual licence fee becomes due.
- 10.37 In Chelmsford, a relevant authorisation is a premises licence or club premises certificate which authorises the sale of alcohol between the hours of 01.00 and 06.00 on any day of the year (the late-night supply period).
- 10.38 Certain premises are exempt from paying the levy, and the permitted exemption categories to apply are:
- Premises providing overnight accommodation where alcohol can only be supplied to persons staying at the premises for consumption on the premises.
 - Theatres, cinemas and bingo halls.
 - Premises authorised to supply alcohol for consumption on the premises between midnight and 6.00 am on 1st January in every year (but are not so authorised at those times on any other day in any year).
- 10.39 The levy came into effect on 1st November 2014, and money generated will be used to combat alcohol related harm in the nighttime economy.
- 10.40 Further guidance, including the amount of levy payable by a premises licence holder, can be found here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/98126/late-night-levy.pdf

11 Online Applications

- 11.1 The above paragraphs relate mainly to the submission of Premises Licence Applications and Club Premises Certificates regarding the considerations that should be made before submission and reflected within the operating schedule. All applications with the exception of applications to review a Premises Licence or Club Premises Certificate, or a Temporary Event Notice can be made online at the City Councils website: www.chelmsford.gov.uk/business/licensing/alcohol-licensing/

- 11.2 Further guidance necessary to make applications can also to be found via our website. Notifications such as loss or theft of a licence, removal of a Designated Premises Supervisor by the Premises Licence holder etc can be made via email to the Licensing Officers for the Council.
- 11.3 Similar considerations are also applicable where an applicant makes application for a Minor or Major Variation of a licence already issued by the Licensing Authority. A copy of the Home Office Guidance in relation to Minor variations can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/98157/guidance.pdf

Where there is any doubt in respect of interpretation, applicants are advised to seek clarification from the Licensing Officers of the Licensing Authority.

- 11.4 Minor Variations may be rejected where the Licensing Authority considers that such a variation might have an adverse impact upon the licensing objectives and where this view is supported by other relevant Responsible Authorities as well as any representations made by other persons and may refuse the application without the opportunity for a hearing or appeal. This may be avoided through prior consultation discussion with licensing officers where an alternative option might be suggested to make an application to fully vary the licence.
- 11.5 Plans must be submitted together with applications for the grant of a Premises Licence and Club Premises Certificate (and in some case, plans to vary a licence) in accordance with Regulation 23(1) and (unless otherwise agreed with the Licensing Authority) comply with 23(2) & (3) of The Licensing Act 2003 (Premises Licences and Club Premises Certificates) Regulations, Part 4.
- 11.6 Plans are a necessary part of the application process in order to assist the Licensing Authority and other Responsible Authorities in determining whether the licensing objectives might be undermined and may be rejected or the application restarted if the plans fail to meet expectations.
- 11.7 Application forms are set by statute and most can be submitted online with the exception of applications to review a Premises Licence or Club Premises Certificate. Online applications and further information can be found on the Council website:

<https://www.chelmsford.gov.uk/business/licensing/alcohol-licensing/>

- 11.8 Notifications such as loss or theft of a licence, removal of a Designated Premises Supervisor by the Premises Licence holder etc can be made via email to the Licensing Officers for the Council: licensing@chelmsford.gov.uk

Tacit Consent

- 11.9 The consent by silence. The Licensing Authority is obliged by the Act to grant an application unless relevant representations are received. If there are no relevant representations the application will be dealt with by the Licensing Authority's licensing officers under a scheme of delegation. In such circumstances the licence will be granted by 'tacit consent' - as applied for - with the exception of an application for a minor variation where the matter will remain undetermined until decided by the Licensing Authority.

- 11.10 Where Tacit consent applies the applicant may carry out licensable activities as if the licence was granted provided all relevant timescales have been met.

Temporary Event Notices

- 11.11 A Temporary Event Notice (TEN) is usually a 'one off' e.g. a wedding, birthday or wake, or a departure from an existing authority that might otherwise restrict an event in accordance with any existing conditions e.g. children normally not allowed on the premises but on this occasion the licence holder wanted to facilitate a family gathering. Other examples include wanting longer hours for a specific event or having a temporary bar at a charitable function. The use of TEN's are extensive but in order to prevent their misuse they come with strict guidelines that are available The Council's website and set by legislation.
- 11.12 There are two types of TEN's, a standard TEN and a Late TEN. A standard TEN is one given with 10 working days (or more) notice and a Late TEN is where less than 10 working days and more than 5 working days notice is given of the event, usually as a last minute or unforeseen plan.
- 11.13 To calculate the minimum number of days' Notice required for any TEN, the premises user (the person giving the notice) must disregard both the day the notice is given and the day of the event. A working day is not a day of a weekend or a Bank Holiday day.
- 11.14 The day 'given' may be any day if given electronically. Where the notice is delivered by hand or by post, the day 'given' will be the first working day after the date it is received. Therefore, a Notice submitted electronically at a weekend for an event the following weekend will have 5 clear working days between the date given and the day of the event, unless one of those days was a Bank Holiday.
- 11.15 A TEN given outside of these parameters would be unlawfully given and therefore outside of the ability of the Licensing Authority to process or permit. In all cases where a TEN is disallowed - where it is given outside of any statutory limit - a counter notice will be issued by the Licensing Authority. If the event were to go ahead it would be unlicensed and therefore unlawful.
- 11.16 Where a representation is received in relation to a standard TEN the premises user may request a hearing before the licensing sub-committee. Where a representation is received in respect of a Late TEN no such hearing is permitted
- 11.17 Persons carrying out an event outside of a Premises licence or a TEN must take care not to be in breach of legislation where considering hospitality bars (where a person pays what they feel is appropriate without any set charge) as these are often unlawful, whereas genuinely free bars (e.g. at a wedding) require no licence.
- 11.18 TEN's may only be used for events of no more than 499 persons inclusive of staff and entertainers.

Designated Premises Supervisors (DPS) in Community Premises

- 11.19 Community premises may have a licence to supply alcohol without the requirement to have a Designated Premises Supervisor(DPS).

- 11.20 An application to disapply the mandatory condition requiring a DPS may be made by a management committee of community premises. The following condition will be attached to the premise licence: "Every supply of alcohol under the premises licence must be made or authorised by the management committee."
- 11.21 If the sale of alcohol is authorised the management committee of the premises can apply to remove the mandatory condition in relation to the DPS and having a personal licence holder authorise sales. The sale of alcohol will be authorised by the management committee.
- 11.22 Church halls, chapel halls, parish halls, community halls, and village halls are each examples of community premises. Where it is not clear whether premises are community premises, the matter will be approached on a case-by-case basis, with the main consideration being how the premises are predominantly used. If they are:
- genuinely made available for the benefit of the community most of the time;
 - accessible by a broad range of people and sectors of the local community;
 - providing facilities to benefit the community as a whole;
 - are likely to be considered as 'community premises'.
- 11.23 The application form requires the applicant to provide the names of the management committee's key officers to the Licensing Authority. The Licensing Authority must be satisfied that arrangements for the management of the premises by the committee or board are sufficient to ensure the adequate supervision of the supply of alcohol on the premises.
- 11.24 Existing premises licence holders must pay a fee to make this 'disapplication' and the process takes 28 days. Details can be found on the Councils' website.
- 11.25 In exceptional circumstances the police may object to this request where there are grounds to do so under the crime and disorder objective. In such an instance the Licensing Authority will hold a hearing to determine the application.

12 Representations

- 12.1 Representations may be made by any of the following:
- 1) Responsible Authorities (See Chelmsford City Website https://www.chelmsford.gov.uk/_resources/assets/inline/full/0/4267281.pdf)
 - 2) Any other person – regardless of geographical location, provided it is not considered repetitious, vexatious or frivolous in the opinion of the Licensing Authority.
- 12.2 A representation is similar to an objection, where a person or body making the representation has a genuine belief that if the application was granted that the licensing objectives would be undermined.
- 12.3 There should be no assumption that the application should be declined and there are a number of options open to the licensing sub-committee who will consider those representations. Those options are:

- To modify, alter or add to any condition
- To modify the days or times between which a licensable activity might be permitted
- To exclude certain activities from the licence
- To seek appointment of a different designated premises supervisor
- To reject an application

Additionally, in the case of an application to review a licence;

- To revoke the licence
- To suspend the licence for up to 3 months

- 12.4 Any representation must relate to named premises and must relate to one or more of the four licensing objectives in order to be considered relevant. The licensing Authority will need to be satisfied that there are grounds to believe that there is an evidential link or genuinely held belief that the objectives would be undermined and not merely a repeat of the objectives, and that there was also a link between that belief and the premises in question. Where the licensing authority believes that the representation is not relevant or in the case of a person other than a responsible authority is repetitious, vexatious or frivolous the Authority may disregard it as being invalid.
- 12.5 Representations can also be made in support of an application.
- 12.6 All notifications of formal representation will be provided to the applicant. Any person making representation should be aware that letters are copied to the applicant without deletion of any personal details. The Licensing Authority will not edit a letter before sending it to the applicant.
- 12.7 The Licensing Authority accepts that in exceptional circumstances, a local resident may be reluctant for their personal details to be disclosed to the applicant because of fears of intimidation or violence.
- 12.8 Where the Licensing Authority consider that a relevant representation has been made and is satisfied that the person has a genuine and well-founded fear of intimidation and may be deterred from making a representation on this basis, personal details of the complainant, such as their name and address may be withheld from the copy of the representation that is provided to the applicant. If a representation is received completely anonymous, it will be disregarded.
- 12.9 Applications and any relevant objections will be made available to view via the council website without the disclosure of any personal details. Further information will be provided in respect of the details of the hearing in respect of time, date and location. Hearing are open for the public to attend. Persons making representations may be required to attend the hearing by another party.
- 12.10 Only those relevant representations submitted to the Licensing authority may be amplified upon at the hearing. New material introduced will not be heard e.g. if the representation submitted was relating to crime and disorder only the person making that representation would not later be permitted to refer to matters of public safety.
- 12.11 An applicant and a person making representation may agree to resolve issues prior to a hearing and outside of that hearing and at any time up until the day before the

hearing. Where that is the case the licensing authority may determine that a hearing is no longer necessary.

13 Licensing committee

- 13.1 The Committee is made up of 15 Councillors. Where representations have been made and remain unresolved an application will be usually be heard by a sub-committee of three members of the licensing committee.
- 13.2 When considering applications, the sub-committee shall have regard to this policy, statutory guidance, the Act and Regulations made in conjunction with the Act and the Licensing Objectives.
- 13.3 Each application is considered on its own merits.
- 13.4 If the application is approved by the sub-committee the mandatory conditions will be applied. In addition, the sub-committee will decide whether it is appropriate to attach further conditions to the licence, certificate or permission in order to promote the licensing objectives. Any conditions will primarily focus on the activities taking place at the premises on the persons attending the premises and members of the public living, working or otherwise engaged in normal activity within the vicinity of the premises. 'Vicinity' is not defined and will be given its normal everyday meaning within the context of:
- The location of the premises
 - The size of the premises
 - The nature of the entertainment or licensable activity
 - The distance from residential or business property
 - The proximity of other competing businesses within the area
 - The potential impact upon the licensing objectives
- 13.5 The Licensing Authority will avoid placing any conditions on the licence that might duplicate any other requirement by legislation or Regulation.
- 13.6 A list of functions that are dealt with by the committee or delegated to Licensing Officers can be found at **Appendix C**.

Hearings

- 13.7 Hearings are conducted in accordance with the Licensing Act 2003 (hearings) Regulations 2005. The period of time in which a hearing shall be held is determined under these Regulations in accordance with the type of application.
- 13.8 These regulations set out the procedures to be adopted, the determination and notification of applications, records of proceedings and notices etc.
- 13.9 During the pandemic of 2020, under The Health Protection (Coronavirus) Regulations 2020, temporary procedures were introduced to allow for remote (video conferencing) hearings to take place along with other procedures, best practice and local arrangements being introduced. This policy will be regularly reviewed and amended to include any changes to licensing law and practices that may arise following any formal

review over that period and also any amended guidance issued under s.182 of the Act as a result.

Administration, Exercise and Delegation of functions

- 13.10 A list of those matters that will be dealt with at committee and those which are delegated to licensing officers can be found at **Appendix C**
- 13.11 The Licensing Officers for Chelmsford City Council are delegated to deal with all aspects of the Licensing Act 2003, where no representations or objections have been made by responsible authorities or interested parties.
- 13.12 The Public health and protection services manager is delegated to make representation on behalf of the Licensing Authority as a Responsible Authority on behalf of the Council.

14 Reviews

- 14.1 A responsible Authority or any person may ask the Licensing Authority to review a premises licence or club premises certificate due to any matter arising due to, at or from the premises where the licensing objectives are being undermined.
- 14.2 The Licensing Authority will not normally engage its role as a Responsible Authority by calling reviews on behalf of other persons, such as residents or community groups. These individuals or groups are entitled to make a request for a review and may also consult or seek legal representation where there are enough grounds to do so.
- 14.3 Where the Responsible Authorities have concerns about problems identified at a premises, the Licensing Authority considers it to be good practice for them to give licence holders early warning of their concerns and where possible support the licence holder with advice and best practice which may involve the development of action plans.
- 14.4 The Licensing Authority draws attention to licence holders and Responsible Authorities to the Home Office publication, 'The Practical Guide for Preventing and Dealing with Alcohol Related Problems – What you need to know'. This document is widely referred to as good practice when dealing with problems related to licensed premises and can be found at the following web address:

http://www.balancenortheast.co.uk/library/documents/Home_Office_Guide_to_Dealing_with_Alcohol_Related_Problems.pdf
- 14.5 There is no appeal to the decision of the Authority when choosing to reject an application for review or a representation, other than by way of judicial review.
- 14.6 No more than one review will be normally permitted from a person other than a responsible authority in relation to a particular premises within any 12 month period on similar grounds except in compelling circumstances or where it arises following a closure order. Neither will a request to review a licence be considered where the grounds for doing so are considered vexatious or frivolous.

Summary Reviews (Violent Crime Reduction Act 2006)

- 14.7 Where premises are considered to be associated with serious crime or disorder a senior police officer (Superintendent or above) may apply for a summary review of a 'premises licence'.
- 14.8 If a summary review is applied for, the Licensing Authority must consider the application within 48hrs (not including any time on a day that is not a working day) and determine what interim steps (if any) are necessary prior to a full review hearing in order to promote the licensing objectives. Interim steps may be:
- The modification of the conditions of the premises licence
 - The exclusion of the sale of alcohol by retail from the scope of the licence
 - The removal of the Designated Premises Supervisor
 - The suspension of the licence
- 14.9 Although the legislation allows for the decision in the absence of the premises licence holder, the Licensing Authority will endeavour to notify the licence holder of the application having been made and of the time, date and place it will be determined (unless through necessity the matter is considered by means other than face to face), in order to afford the licence holder or representative the opportunity to attend.
- 14.10 Where the Licensing Authority decide to take any of the interim steps, its decision has immediate effect and an immediate notice of the decision must be given to the licence holder.
- 14.11 Where the licence holder makes representation in respect of the decision, the Licensing Authority must hold a hearing within 48hrs (not including time of a non-working day) of receipt of the representation and, unless withdrawn, consider those representations and any made by the police; consider whether steps are necessary for the promotion of the licensing objectives; determine whether to withdraw or modify the steps taken.
- 14.12 The Licensing Authority must hold a full review hearing within 28 days following a summary review.

15 Appeals

- 15.1 In most cases the applicant may appeal the decision of the Licensing Authority to the Magistrates Court. The appeal must be made within 21 days following the day on which the decision was notified and must be made by:
- The applicant or their agent
 - A Responsible Authority or person making a relevant representation

- In the case of a review, the holder of the licence or certificate being reviewed

16 Suspension of Premises Licence - Non-Payment of Annual Fee

- 16.1 The Licensing Act 2003 requires that the Licensing Authority **must** suspend the premises licence or club premises certificate where the annual fee is not paid when due under s. 55(2) of the Act unless not paid due to an administrative error **either before or at the time** the fee became due the licence holder informs the Licensing Authority that it disputes either liability for payment or the amount due **and** the grace period of 21 days has not expired. The grace period is intended to allow resolution between the licence holder and the Licensing Authority. The grace period of 21 days begins the day after the notice is given and must be made on or before the date when the annual fee has become due.
- 16.2 The responsibility lies with the licence holder to remember and not for the Licensing Authority to remind the licence holder to make payment for the annual fee. It is for the Premises licence or Club certificate holder to notify the Licensing Authority within the grace period where a dispute is claimed, and 'administrative' will be given its normal everyday meaning (para. 15.3 of the s.182 guidance).
- 16.3 Where a licence is suspended the Licensing Authority will inform the licence/certificate holder in writing and specify the date on which it is to take effect. The date from which the suspension will take effect will be determined on a case by case basis but will be no earlier than two working days following receipt of the notice.
- 16.4 Any suspension of the licence following notification of non-payment of the annual fee will cease to have effect on the day that the fee has been paid.
- 16.5 Liability for payment of the annual fee will be that of the individual or company shown on the premises licence as being that of the licence holder. It is the responsibility of the licence holder to make the relevant application informing the Licensing Authority of any transfer of the licence whereupon the liability for the payment of the annual fee will become that of the new premises licence holder. The Licensing Authority are unlikely to accept any dispute where the licence holder fails to notify a transfer of the licence.

Creation Date	Version No	Changes Made	Changes made by	Date of Change
14 th April 2020	1	V1 Draft of 2016	Nigel Dermott	15/4/20
14 th April 2020	2	Final draft prior to cons	Nigel Dermott	24/6/20

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Appendix A: Chelmsford City Demographics¹

CHELMSFORD

District in Essex (United Kingdom)

Population

The population development of Chelmsford as well as related information and services (Wikipedia, Google, images).

Name	Status	Population Estimate 1981-06-30	Population Estimate 1991-06-30	Population Estimate 2001-06-30	Population Estimate 2011-06-30	Population Estimate 2018-06-30
Chelmsford	District	139,600	153,500	157,300	168,491	177,079
Great Britain and Northern Ireland	United Kingdom	56,357,500	57,438,700	59,113,000	63,285,145	66,435,550

Source: UK National Statistics (web).

Explanation: 2019 boundaries.

Further information about the population structure:

Gender (E 2018)	
Males	87,352
Females	89,727

Age Groups (E 2018)	
0-17 years	37,752
18-64 years	105,448
65+ years	33,879

Age Distribution (E 2018)	
0-9 years	21,190
10-19 years	19,966
20-29 years	20,099
30-39 years	23,510
40-49 years	24,502
50-59 years	24,170
60-69 years	18,726
70-79 years	15,413
80+ years	9,503

Passport (C 2011)	
UK	140,198
Republic of Ireland	1,223
EU (other)	2,916
other passport	4,527
no passport	21,047

Country of Birth (C 2011)	
UK	155,461
Republic of Ireland	1,192
EU (other)	3,395
Other country	8,262

Ethnic Group (C 2011)	
White	157,983
Asian	4,962
Black	2,051
Arab	318
Mixed/multiple	2,646
Other ethnic group	350

Religion (C 2011)	
Christian	104,256
Muslim	2,012
Hindu	1,213
Sikh	160
Jewish	330
Buddhist	550
Other religion	571
No religion	47,403

¹ https://citypopulation.de/en/uk/admin/essex/E07000070_chelmsford/

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Appendix B: Consultees

1. Chief Officer of Police for the Area
2. Fire and Rescue authority for the area
3. Director of Public Health covering the area of Chelmsford
4. Persons/ Bodies representing local premises licence holders:
 - a) Business Improvement District Board (BID)
 - b) Pubwatch Chair
 - c) British Institute of Innkeepers (BII)
 - d) National Pubwatch
5. Persons/Bodies representing club premises certificate holders
 - a) Specifically; Chelmsford Social Club
 - b) Galleywood Social Club
 - c) Chelmsford Football Club
6. Persons/Bodies representing personal licence holders
 - a) BIIAB
 - b) Highfields
 - c) CPL learning
7. Persons/ Bodies representative of businesses and residents in the area
As 4 a), b), c) and 5 a), b), & c). Additionally:
 - a) Chelmsford Street Pastors
 - b) Open Road (SOS bus providers)
8. Environmental Health (commercial)
9. Environmental Health (pollution)
10. Health & Safety
11. Essex Trading Standards
12. Chelmsford City Council Planning
13. All ward councillors for the Chelmsford City Council
14. Neighbourhood watch co-ordinators registered with Essex Police

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Appendix C - Delegation of Functions

Table: Recommended Delegation of Functions

Matters to be dealt with	Sub Committee	Officers
Application for personal licence	If a police objection	If no objection made
Application for personal licence with unspent convictions	All cases	
Application for premises licence/club premises certificate	If a relevant representation made	If no relevant representation made
Application for provisional statement	If a relevant representation made	If no relevant representation made
Application to vary premises licence/club premises certificate	If a relevant representation made	If no relevant representation made
Application to vary designated premises supervisor	If a police objection	All other cases
Request to be removed as designated premises supervisor		All cases
Application for transfer of premises licence	If a police objection	All other cases
Applications for interim authorities	If a police objection	All other cases
Application to review premises licence/club premises certificate	All cases	
Decision on whether a representation is irrelevant frivolous vexatious etc		All cases
Decision to object when local authority is a consultee and not the relevant authority considering the application	All cases	
Determination of an objection to a temporary event notice	All cases	
Determination of application to vary premises licence at community premises to include alternative licence condition	If a police objection	All other cases
Decision whether to consult other responsible authorities on minor variation application		All cases
Determination of minor variation application		All cases

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Appendix D: Glossary of Terms

Anti-social behaviour	- generally unacceptable behaviour that falls short of being a specific criminal offence that causes upset within the local community.
Best Bar None	- a national accreditation scheme that assesses licensed premises
CCTV	- closed circuit television.
Challenge 21/25	- a policy to ensure proof of age by challenging those having the appearance of being under 21 or 25yrs against set requirements.
Club Premises Certificate	- Similar to a Premises Licence but a venue restricted to supply of alcohol to members and guests under club rules. Supply of alcohol does not require authorisation by a personal licence holder and a DPS not required.
Closure powers	- closure powers available to enforcing officers available under certain conditions to close licensed premises.
Conditions	- Control measures identified within the operating schedule converted into conditions that are clear, enforceable and understandable. May also be attached following a hearing.
Cumulative Impact Zone (CIZ)	- a local policy established after consultation and data collection to ensure the licensing objectives are promoted and prevent over saturation of licenced venues within an identified area (Chelmsford does not have one).
DISC	- A communication system used by Pubwatch members to control those banned from premises and circulate information of interest.
Designated Premises Supervisor	- (DPS) The person named on the Premises Licence who normally has day to day control and is a single point of contact at the premises.
Late Night Levy	- following consultation and data collection, a statutory charge based on the rateable value of premises as a way of collecting funds to support additional burdens placed on local services.
Late night refreshments	- The sale of hot food or drink between 11pm and 5am.
Late TEN	- a TEN given to the Licensing Authority with less than 10 and more than 5 working days notice.
Licensable activities	- The sale of alcohol, regulated entertainment and sale of hot food and drink (see LA2003 for further explanation).
Licensing Authority	- Chelmsford City Council.
Licensing committee	- Individual Council members appointed to undertake functions under the LA2003.

Licensing Objectives	- The four specific objectives under s. 4(2) LA2003.
Licensing Sub-Committee	- those committee members selected to lead a specific hearing.
Mandatory Condition	- conditions that apply to all licences authorising the sale of alcohol required by the LA2003.
Model Conditions	- a point from which applicants might formulate a condition in the operating schedule that can be amended to be applicable and may be used in the absence of any specific instruction
Night time economy (NTE)	- as different to the daytime economy. Usually refers to leisure facilities open between 9pm and 6am.
Objection	- see Representation. A term having similar meaning.
Operating Schedule	- a section of a premises licence application where the applicant sets out control measures to promote the licensing objectives.
Personal licence	- a licence held by a person authorising them to sell alcohol.
Publink	- a radio system used within the NTE allowing premises to communicate with each other.
Pubwatch	- a local group of licence holders working together to promote the licensing objectives and keep trouble makers out of premises.
Purple Flag	- a national assessment scheme that measures local strategy and policy within the NTE and enabling use of its logo to promote safe communities
PSPO	- Public Safety Protection Order.
Premises Licence	- a licence issued to specific premises authorising licensable activities.
Premises Licence Holder	- the person named on the licence as being responsible for ensuring compliance with legislation and promotion of the objectives.
Representation	- a statement for or against an application made only on the grounds of undermining an objective under the LA2003.
Responsible Authority	- an Authority specified in the LA2003 having a function in connection with certain applications e.g. Police & Environmental Health.
Sec 182 Guidance	- Guidance issued by the Secretary of State under section 182 of the LA2003.
Standard TEN	- A TEN given to the Licensing Authority giving 10 working days or more notice.
Street pastors	- a faith group led voluntary organisation offering the community support and advice within the night time economy.

Tacit Consent	- consent by silence. Except for minor variations, applications are deemed granted unless subject of representation.
Temporary Event Notice (TEN)	- A notice given to the licensing authority of an event of a temporary nature that authorises a licensable activity.
The Act	- The Licensing Act 2003 (LA2003).
Variation of a licence	- to vary the original or existing licence to change the DPS, make minor amendments such as administrative or a major amendment to licensable activities or full variation seeking change to hours and activities.

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APPENDIX E: References to Guides and Best Practice

(some of these links might need to be copied and pasted into your address bar)

Guidance Issued under Section 182 of the Licensing Act 2003	https://preview.tinyurl.com/luqojyy
Home Office - Tackling Problem related licensed Premises	https://tinyurl.com/t7yztrf
Regulatory enforcement code	https://urlzs.com/DXXfR
Legislative and Regulatory Reform Act 2006	https://urlzs.com/zbAbQ
Environmental Services Enforcement Policy	www.chelmsford.gov.uk
Safer Clubbing	https://tinyurl.com/r8nsdcf
The National Alcohol Strategy	https://tinyurl.com/rcbv5fp
The Point of Sale Promotions	www.beerandpub.com
Security in Design	https://tinyurl.com/wwp9ran
Drugs and Pubs	www.beerandpub.com
Guide to Fire Precautions in Existing Places of Entertainment and Like Premises	www.opsi.gov.uk
The Event Safety Guide	www.beerandpub.com
Safety in Pubs	www.beerandpub.com
Good Practice Guide on the Control of Noise from Pubs and Clubs	www.ioa.org.uk
Licensed Property: Noise	www.beerandpub.com
Public Places Charter	www.airinitiative.com
The Portman Group Code of Practice on the Naming, Packaging and Promotion of Alcoholic Drinks	www.portman.group.org.uk
The Retailer Alert Bulletin	www.portman.group.org.uk

British Institute of Innkeepers Best Practice
Training Qualifications:
Door Supervisors
Personal Licence Holders
Other Bar Staff

www.bii.org



Chelmsford City Council Cabinet

17 November 2020

Chelmsford Electric Scooter Trial

Report by:

Cabinet Member for Sustainable Development

Officer Contact:

Claire Stuckey, Principal Planning Officer, 01245 606475

claire.stuckey@chelmsford.gov.uk

Purpose

To set out Essex County Council's proposal to trial the use of electric scooters in Chelmsford and seek Member endorsement for Chelmsford City Council to participate in the trial.

Options

1. Endorse the trial use of electric scooters in Chelmsford.
2. Alternatively, to not endorse the trial use of electric scooters in Chelmsford.

Preferred option and reasons

Option 1 Endorsing the trial use of electric scooters in Chelmsford could provide an opportunity to promote sustainable travel options, particularly for short trips and commuting, reduce traffic congestion and cut carbon emissions. It could also benefit Chelmsford while social distancing is in place on public transport during the Covid-19 pandemic.

Recommendations

1. That Cabinet notes and endorses Essex County Council's proposed electric scooter trial in Chelmsford subject to ECC resolving their concerns around the implementation of the trial with a COVID-19 lockdown and that the Director of Sustainable Communities in consultation with the Cabinet Member is authorised to engage with ECC and their operator partners and other relevant parties on these matters to make operational decisions related to the trial.
-

1. Background and Introduction

- 1.1. Earlier this year, the Department for Transport (DfT) announced a proposal to trial the use of electric scooters (e-scooters) in named pilot areas. Electric scooters (e-scooters) are a form of micro-mobility which are currently illegal in the UK except on private land or in pilot areas already approved by the DfT. Local authorities were encouraged by the DfT to apply to become a pilot area, and Essex County Council (ECC), with the support of the districts, drafted proposals for Basildon, Braintree, Brentwood, Clacton, Chelmsford and Colchester. ECC then identified a preferred operator – Spin – and submitted these proposals to the DfT.
- 1.2. The DfT have now approved ECC's proposals but no legal dispensation will be granted until schemes and start dates have been agreed and finalised. If the DfT do not grant this, Essex will not become a pilot area, and all scooter use in Essex will remain illegal unless the law changes.
- 1.3. DfT e-scooter trials are already operating around the country, such as, in York, Liverpool, Norwich, Cambridge and Milton Keynes. The government is fast-tracking and expanding a series of pilots in response to the coronavirus pandemic to help ease the burden on transport networks and allow for social distancing.
- 1.4. Trials are up to 12 months and could be launched in Essex on a phased basis from December 2021 onwards, subject to ECC looking into the implications of the current national lockdown. The objective is to deliver high-quality e-scooters trials using several different models, delivering a low carbon transport solution to help ECC meet its net zero targets by 2050. The Essex trials would help to support:
 - Socially distant travel options, targeted at residents and key workers;
 - First / last mile travel options, targeted primarily at commuters;
 - Accessing employment, targeted at areas of high deprivation;
 - 'Park & Scoot', aimed at those who use traditional 'Park & Ride';

- Encouraging behaviour change, particularly in those whose default for short distances would be the car towards sustainable alternatives;
- Opportunities to reduce congestion; and
- Micro-mobility for new Garden Communities.

- 1.5. All trials have been designed so as to produce evidence and insights for ECC's Sustainable Transport Strategy and support the data needs of the DfT's pilots. The trials could also support the work of the Council's Improving Movement Around the City (iMAC) Working Group and inform their emerging 'Sustainable Transport and Parking Strategy'.
- 1.6. Spin are part of Ford Motor Company. They have e-scooter facilities across the world and around 6 million users. Their first operation for the UK was launched in Milton Keynes in August 2020. Experience shows that trial successes rely on collaboration with Councils, so Spin want to work closely with ECC, Chelmsford City Council (CCC) and other Essex Districts on implementing the trials. In terms of green credentials, Spin aim to be carbon negative business operation by 2025, their staff use electric vehicles, they procure green energy to charge the scooters and they repair and reuse equipment wherever possible.

2. The Chelmsford Trial

- 2.1. It is proposed to trial a short-term public hire system within Chelmsford City Centre and Urban Area. This would operate 24 hours a day, 7 days a week where e-scooters would be available to be hired per minute, or via passes by the day/week, but not on a long-term or take-home hire basis.
- 2.2. The e-scooters could be ridden on cycle paths, shared use ways and roads of less than 30mph, although not on pavements. Safety for all road users and pedestrians is paramount and ECC are committed to delivering safe trials. Riders would need to be over 18 years old and hold a provisional or full driving licence. E-scooter users would be required to complete and pass safety training before they could commence their journey and would be strongly encouraged to wear a helmet. Penalties and incentives could be introduced to guide behaviour, and training would cover safe and considerate riding, the laws around where scooters could be used, and disability awareness. Spin would also have appropriate insurances including public liability insurance, vehicle insurance and offer a minimum of third-party insurance to users plus the option to insure against vehicle theft/damage and include personal insurance.
- 2.3. A zonal system would be created for e-scooter parking within the trial area. In the City Centre, a Strict Parking zone would be proposed requiring e-scooters to be parked within designated bay locations. Anywhere else in the Strict Parking zone other than within these bays, users would not be able to end their trip. In the Urban

Area, Flexible Parking zone parking bays would be provided. Here users would be incentivised to park their e-scooter within a bay, although this would not be compulsory. Outside the bays, e-scooters could be parked in a broad variety of locations. Spin staff would then collect up the scooters (with specific details to be set out in a Service Level Agreement). The designated parking areas could be a mix of ground markings (painted bays), hubs in areas of high demand (metal structures similar to a bike rack) or hub charging stations in key hire areas such as at a train station. Hub charging stations are docking units connected to electrical power and digital screens for safety messages and information.

- 2.4. The trial launch would be phased, with initially around 50 e-scooters available to hire, growing to around 100 after several weeks and subject to up-take. The e-scooters would need meet a number of technical requirements to ensure that no danger is caused or likely to be caused to any person using the vehicle or other road users; include anti-tampering measures; are fitted with a bell or horn suitable for giving audible warning of the approach or position of the e-scooter; are fitted with two independent braking systems, each of which is capable of bringing the e-scooter safely to a halt; include a tamper-resistant visible unique identification number; and are fitted with tyres, lighting and reflectors, and a stand which can support the e-scooter when left unattended. An internal gyroscope within the scooter will notify the operator if the scooter has not been parked on its stand. Measures would also be put in place to ensure the e-scooters were Covid-19 secure for hirers.
- 2.5. The e-scooters would have a speed limit set at around 15mph however Spin would have the ability to reduce this in specific locations. 'Geofencing' technology would also allow authorities and providers to set 'no go' zones e.g. Chelmsford High Street, or 'go slow' zones in busy pedestrian locations e.g. around a rail station or busy parks.
- 2.6. Within the trial area the only e-scooters that would be legal would be those that are part of the trial. Spin's e-scooters are bright orange and easily distinguished from 'personal' scooters which are typically black, and which would remain illegal throughout the trial. ECC has had initial conversations with the Police about enforcement and Spin would seek to establish a strong working relationship with the Police.
- 2.7. It should be noted that CCC has no effective powers to manage anti-social behaviour caused by the use of e scooters although CCC Members would probably be the first point of contact for concerned residents. Members of the public could view the use of the e scooters as anti-social even where they are being used in compliance with the conditions of the trial, especially if they are permitted on shared use ways. If the trial goes ahead it will also be important for the City Council to manage and resource a process for directing any complaints to Spin and ECC from the public and CCC Members.

- 2.8. Spin would set up a monthly stakeholder group to review implementation and modifications to the trial to respond to local concerns or opportunities. This could include representatives from ECC, CCC, One Chelmsford (The BID), Anglian Ruskin University, Writtle University College, Police and the iMAC Working Group. Spin are committed to working with the districts, local communities and Access and Sight Groups to ensure all schemes are safe and that vulnerable pedestrians and road users are not put at risk.
- 2.9. Spin would collect and share with CCC a wide range of hirer data e.g. number of rides by user, most popular routes and heat mapping. Spin would also look to employ around 60 people to work on the trial.
- 2.10. CCC would be involved in shaping the trial including the proposed trial boundary, identification of 'no go' and 'go slow' zones, the launch date and trial phasing, and the design, type and location of parking zones. The Chelmsford pilot could not cross the entire county, meaning that an e-scooter hired in Chelmsford could not be used in Maldon or Colchester.
- 2.11. An equality impact assessment would also be carried out to assess the potential effects of the trial alongside consultation with local Access Groups before the launch of the trial.

3. Conclusion

- 3.1. There is no obligation for CCC to participate in the trial, although it would have the opportunity to shape and refine its implementation. Officers consider that a carefully delivered 12-month trial could provide an opportunity to promote sustainable travel options, particularly for short trips and commuting, reduce traffic congestion and cut carbon emissions. It could also benefit Chelmsford while social distancing is in place on public transport.
- 3.2. It is proposed that Chelmsford participate in the ECC DfT e-scooter trial and that the Director of Sustainable Communities in consultation with the Cabinet Member is authorised to engage with ECC, Spin and other relevant parties on these matters on the City Council's behalf, and to make any decisions related to the trial.

List of appendices:

None

Background papers:

ECC E-Scooter DfT proposal, August 2020

ECC E-Scooter Members Briefing

Corporate Implications

Legal/Constitutional:

There is no obligation for CCC to participate in the trial.

Financial:

It is expected that the costs of the trial will be covered from the DfT as part of the trial.

Potential impact on climate change and the environment:

E-scooters have the potential to offer a sustainable way to travel.

Contribution toward achieving a net zero carbon position by 2030:

E-scooters have the potential to offer a sustainable way to travel.

Personnel:

Officer time would be required in working with ECC and Spin to implement and monitor the trial.

Risk Management:

There is the potential for the trial to have impacts for example on the public realm and other road users and pedestrians. However, safety is paramount and ECC are committed to delivering safe trials.

Equality and Diversity:

An impact assessment will be carried out and consultation with local Access Groups. Spin are committed to working with the districts, local communities and Access and Sight Groups to ensure all schemes are safe and that vulnerable pedestrians and road users are not put at risk.

Health and Safety:

There is the potential for the trial to have impacts for example on hirers and other road users and pedestrians. However, safety is paramount and ECC are committed to delivering safe trials.

Digital:

There are no direct IT issues arising directly from this report.

Other:

The e-scooter trial would contribute to priorities in the Council's *Our Chelmsford, Our Plan 2020: A Fairer and Inclusive Chelmsford, A Safer and Greener Place, Healthy, Enjoyable and Active Lives, and Connected Chelmsford*

Consultees:

Director of Public Places

Public Health and Protection Services Manager

Museums Theatres and Culture Services Manager

CCC Access Officer

Leisure and Heritage Services Manager

Relevant Policies and Strategies:

This report takes into account the following policies and strategies of the City Council:

Local Plan 2013-2036

Our Chelmsford, Our Plan, January 2020.



Chelmsford City Council Cabinet

17 November 2020

Report from the Council's Constitution Working Group in relation to changes recommended to the Council's Constitution

Report by:
Monitoring Officer

Officer Contact:

Lorraine Browne, Legal & Democratic Services Manager & Monitoring Officer,
lorraine.browne@chelmsford.gov.uk, 01245 606560

Purpose

The attached report of the Constitution Working Group was considered by the Governance Committee on 14 October 2020.

Options

Support the recommendations of the Governance Committee, not support them or amend them.

Preferred option and reasons

The amendments recommended by the Governance Committee update and clarify current working practices and, on that basis, should be supported.

Recommendation

That the Council be informed that the Cabinet supports the following amendments to the Constitution:

1. Rule 3.4.11(c) be amended to read:

“applications for a private hire licence where the circumstances of the applicant have changed since the grant of a previously held licence.”

2. The Cabinet and Committee Procedure Rules in Part 4.2 be amended by the addition of the following;

4.2.8A Working Groups

4.2.8A.1 A non-Executive body may create such Working Groups of such size and membership as it may decide. Working Groups need not be politically balanced but should, where possible, comprise members of all political groups on the Council. All groups will be permitted to appoint substitute member(s) to any seat(s) allocated to their particular group.

4.2.8A.2 The Cabinet Member whose portfolio is most closely associated with the general work of a Working Group shall be entitled to attend its meetings and speak at them. Other Cabinet Members may, with the permission of the Chair of the Working Group, attend and speak at its meetings if it is considering a matter related to their portfolios.

4.2.8A.3 Other members of the Council may attend meetings of a Working Group but will not be entitled to speak.

3. Rule 4.1.13.9 of the Council Rules be amended to read:

“An amendment should not negate the motion. All amendments should be submitted in writing to the Legal and Democratic Services Manager no later than 24 hours before the meeting. If valid, they will be published with the agenda for the meeting on the Council’s website no later than six hours before the meeting. If the Legal and Democratic Services Officer considers that the amendment is not valid, the councillor who submitted it will be given the opportunity to alter it to make it a valid amendment, provided they do so and send the revised amendment to the Legal and Democratic Services Manager no later than eight hours before the meeting.

Nothing in the foregoing paragraph would rule out a short amendment to a Motion being presented on the night provided it is compliant with paragraph 4.1.13.8. ”

4. Amend Rule 4.1.12.1 (h) to read: “a short amendment to a Motion as set out in rule 4.1.13.9 and to amend an amendment to a motion”



Chelmsford City Council Governance Committee

14 October 2020

Report from the Council's Constitutional Working Group in relation to changes recommended to the Council's Constitution

Report by:
Monitoring Officer

Officer Contact:

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Purpose

To update members on the outcome of the Constitutional Working Group meeting on 30th September and the proposed changes to the Constitution recommended for adoption by Council. Cabinet is also consulted prior to any changes being made and so this issue will also be reported to Cabinet prior to final consideration by Council in December.

Recommendations

1. To recommend that Council approves the changes to the Constitution set out in this report (constitutional changes are also considered by Cabinet prior to any decision by Council).
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1. Constitutional Working Group

- 1.1. The Constitutional working Group met virtually on 30th September and considered three changes proposed to the Constitution. The first change proposed is a minor clarification to a licensing delegation for the renewal of Private Hire Vehicles. The second is the insertion of a new paragraph for working group arrangements and the final change relates to a proposed change to the procedure for amendments to Motions.

2. Proposed Changes to the Constitution

- 2.1. Officer Delegation in relation to Licensing – requested amendment to 3.4.7.11 (c) of the Constitution:

The constitution currently provides “applications for renewal of private hire licences where the circumstances of the applicant have changed since the grant of the previous licence.”

It is proposed that this is changed to read:

“applications for a private hire licence where the circumstances of the applicant have changed since the grant of a previously held licence.”

- 2.2. Working Groups - the insertion of a new provision to cover the general principles for the operation of working groups as regards membership, attendance and speaking at the meeting as follows:

Add as 4.2.8A of the Cabinet and Committees Procedure Rules in Part 4.2:

4.2.8A Working Groups

4.2.8A.1 A non-Executive body may create such Working Groups of such size and membership as it may decide. Working Groups need not be politically balanced but should, where possible, comprise members of all political groups on the Council. All groups will be permitted to appoint substitute member(s) to any seat(s) allocated to their particular group.

4.2.8A.2 The Cabinet Member whose portfolio is most closely associated with the general work of a Working Group shall be entitled to attend its meetings and speak at them. Other Cabinet Members may, with the permission of the Chair of the Working Group, attend and speak at its meetings if it is considering a matter related to their portfolios.

4.2.8A.3 Other members of the Council may attend meetings of a Working Group but will not be entitled to speak.

2.3 Amendments to Motions

To amend Council Rules as follows:

Amend Rule 4.1.13.9 to read:

“An amendment should not negate the motion. All amendments should be submitted in writing to the Legal and Democratic Services Manager no later than 24 hours before the meeting. If valid, they will be published with the agenda for the meeting on the Council’s website no later than six hours before the meeting. If the Legal and Democratic Services Officer considers that the motion is not valid, the councillor who submitted it will be given the opportunity to alter it to make it a valid amendment, provided they do so and send the revised amendment to the Legal and Democratic Services Manager no later than eight hours before the meeting.

Nothing in the forgoing paragraph would rule out a short amendment to a Motion being presented on the night provided it is compliant with paragraph 4.1.13.8. ”

Amend Rule 4.1.12.1 (h) to read: “to amend an amendment to a motion”.

List of appendices:

Nil

Background papers:

Nil

Corporate Implications

Legal/Constitutional: These are set out in the report

Financial: None

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None

Risk Management: None

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

Consultees: None

Relevant Policies and Strategies:

The Constitution