

Council Meeting Agenda

Wednesday, 22 July 2020 at 7p.m.

Remote Meeting

MEMBERSHIP

The Mayor – Councillor Jude Deakin
The Deputy Mayor – Councillor Linda Mascot

and Councillors

R H Ambor, L Ashley, H Ayres, K Bentley, M W Bracken,
N B Chambers, D J R Clark, P H Clark, W A Daden,
A E Davidson, C K Davidson, S M Dobson,
N A Dudley, J A Frasca, I D Fuller, J Galley,
M C Goldman, S M Goldman, I S Grundy, N Gulliver,
P V Hughes, R J J Hyland, A M John, D G Jones, G B R Knight,
J C S Lager, J S Lardge, R J Lee, M J Mackrory, R Massey,
L A Millane, R J Moore, G H J Pooley, J A Potter, R J Poulter,
S Rajesh, J M C Raven, I C Roberts, S J Robinson, T E Roper,
E J Sampson, C M Shaw, R J Shepherd, M Sismey, A B Sosin,
J E Sosin, M S Steel, C R Tron, N M Walsh, M D Watson,
R T Whitehead, T N Willis, I Wright, S Young (and one vacancy)

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

MEETING OF CHELMSFORD CITY COUNCIL

22 JULY 2020

AGENDA

1. Attendance and Apologies for Absence

2. Mayor's Announcements

3. 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.

4. Minutes

Minutes of Meeting on 27 May 2020

5. Public Questions

Any member of the public may ask a question or make a statement on matters for which the Council is responsible 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 30 minutes is allotted to public questions/statements. The Mayor 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.

6. Cabinet Question Time

The Leader and Members of the Cabinet to answer questions submitted by Members of the Council in accordance with Council Rules 10.18 to 10.22.

7. Reports from the Cabinet Member for Fairer Chelmsford

To consider the attached reports

Covering report and recommendations of Cabinet

7.1 Capital Programme Update and Provisional Outturn 2019/20

7.2 Treasury Management Outturn 2019/20

7.3 Medium-Term Financial Strategy

8. Annual Report of the Audit and Risk Committee

To consider the attached report from the Audit and Risk Committee on 17 June 2020

9. Annual Report of the Governance Committee

To consider the attached report from the Governance Committee on 17 June 2020

10. Annual Report of the Overview and Scrutiny Committee

To consider the attached report from the Overview and Scrutiny Committee on 8 June 2020

11. Membership of the Planning Committee

To consider the attached report from the Leader of the Council

12. Notice of Motion – Standing Against Racism and Discrimination

In accordance with notice duly given, Councillor L Ashley will move, and Councillor S Robinson second:

“Chelmsford City Council

(a) Acknowledges the recent protests concerning Black Lives Matter and that these do not represent isolated incidents.

(b) Notes that race hate recorded crime nationally has more than doubled in six years from 35,845 to 78,991 in 2018-19. In Essex in 2018-19 a total of 2,846 hate crime offences were reported.

(c) Believes that this indicates that discrimination exists across society including in Chelmsford and the City Council should take action to reduce and hopefully eliminate it.

(d) Welcomes the fact that Chelmsford is becoming a more diverse city and values the contribution that BAME residents bring to our city but believes that there is much more to do to become a fully inclusive city for all our residents in order that they feel safe and thrive.

(e) Acknowledges the need to challenge ourselves as individuals and in our own organisation about the dangers of unconscious bias.

(f) Notes the Government's finding that the impact of COVID-19 has a disproportionate impact on Black, Asian and Minority Ethnic people.

(g) Notes that the council has already begun a process to find out what our BAME residents experience on a day to day basis in the city.

(h) Welcomes the initiative of the Mayor and council leadership to establish a "Meeting of Many Minds" group, inviting key members of the BAME community to discuss openly incidents and experiences of racial discrimination from first-hand experiences.

(i) Notes that this Council previously adopted a motion to stand against anti-semitism.

Chelmsford City Council resolves to

(a) Adopt the All-Party Parliamentary Group (APPG) on British Muslims definition of Islamophobia, namely "Islamophobia is rooted in racism and is a type of racism that targets expressions of Muslimness or perceived Muslimness."

(b) Continue focus groups and meetings, so that we can find out more about how we support our diverse communities and what they expect from us, as Councillors and the City Council as a whole.

(c) Improve knowledge and understanding by using our museums, theatres, festivals and outside events to showcase the diversity of our city.

(d) Monitor the figures relating to hate crimes and action taken via the Community Safety Partnership.

(e) Support the work of the Working Group on Connectivity and Local Democracy to tackle discrimination, encourage participation and open up community discussion. It seems an appropriate forum for challenging our approach to all areas of potential discrimination, beginning with the role that we can play in tackling racism.

(f) Report back regularly to all councillors."

CHELMSFORD CITY COUNCIL

MINUTES OF AN EXTRAORDINARY MEETING OF THE COUNCIL

held on 27 May 2020 at 7pm

PRESENT:

The Mayor (Councillor J A Deakin)
The Deputy Mayor (Councillor L A Mascot)

Councillors

R H Ambor	N Gulliver	I C Roberts
L Ashley	P V Hughes	S J Robinson
H Ayres	R J J Hyland	T E Roper
K Bentley	A M John	C M Shaw
M W Bracken	D G Jones	R J Shepherd
D J R Clark	G B R Knight	A B Sosin
P H Clark	J C S Lager	J E Sosin
W A Daden	J S Lardge	M S Steel
A E Davidson	R J Lee	C R Tron
C K Davidson	M J Mackrory	N M Walsh
S M Dobson	R Massey	M D Watson
N A Dudley	L A Millane	R T Whitehead
J A Frasca	R J Moore	T N Willis
I D Fuller	G H J Pooley	I Wright
J Galley	J A Potter	S Young
M C Goldman	R J Poulter	
S M Goldman	S Rajesh	
I S Grundy	J M Raven	

Opening the meeting, the Mayor reminded those attending of the protocols to be followed in its conduct. She also took the opportunity to say how encouraged she had been to see so many Chelmsford residents volunteering to help others during the coronavirus emergency and to thank staff of the City Council who had risen to the challenge and maintained vital services to the community.

1. Attendance and Apologies for Absence

The attendance of members was confirmed. Apologies for absence had been received from Councillors E Sampson and M Sismey.

2. Declarations of Interest

Members were reminded to declare at the appropriate time any personal and prejudicial interests in the business on the meeting's agenda.

3. Minutes of Previous Meetings

The minutes of the meetings on 26 February and 13 May 2020 were confirmed as correct records.

4. Public Questions

Forty-eight written questions and statements on the Local Plan had been received from the public by the deadline of 24 hours before the meeting. They were considered and responded to during Item 5 below and they and the detailed responses are attached as an appendix to these minutes.

5. Chelmsford City Council Local Plan 2013-36

The Council considered a report recommending the adoption of the Chelmsford Local Plan following its Independent Examination by a planning inspector appointed by the Secretary of State. Members were also requested to approve for publication an updated Chelmsford Local Plan Policies Map and to formally revoke existing adopted Development Framework Plan Documents and Supplementary Planning Documents which would be superseded by the adoption of the Chelmsford Local Plan.

Members received a presentation which outlined the statutory context in which the Plan had been produced, the stages in its development, its vision and key content and the importance of having an up to date plan.

Three members of the public attended the meeting to put in person the questions they had submitted. They concerned:

- The B1012 to the north of South Woodham Ferrers and the adequacy of plans to accommodate additional traffic associated with the allocation of land in that area for housing development and from the planned Bradwell B project. The questioner argued that future growth in the area required the provision of a ring road or by-pass to prevent the town becoming grid-locked and that funding available for junction and crossing improvements would be better used for that purpose.
- Objections to the proposed development of three sites in and bordering on Great Baddow which centred on concerns about the green wedge along the river Chelmer; the lack of provision of local amenities and facilities; the exacerbation of parking problems in the village; the increasing pressure on local schools and GP practices; traffic congestion at the new access roads and junctions and the Army and Navy roundabout; and the need for more affordable housing.

- The evidence that schools in Baddow East and Sandon were currently over-subscribed and why there was no provision in the Local Plan for the construction of primary and secondary schools in Site 3a.

Responding to those questions, the Cabinet Member for Sustainable Development said that:

- The A132 and B1012 were primary routes and acted as main arteries for through traffic. Pedestrian crossings would be considered as part of the master planning and planning application process for the development site to the north of South Woodham Ferrers and would include capacity analysis to establish a balance between the provision of safe crossings and the free flow of traffic on the roads. The idea of building a new road to the north of the proposed development site had been considered during the preparation of the Local Plan and by the Inspector at its Examination in Public but it had been concluded that its provision would not outweigh its impact on the landscape and natural habitats.
- The Planning Inspector had considered all the representations about development in Great Baddow and had concluded that the Local Plan was sound, including those parts relating to development in that area. The master planning process would take into consideration all the concerns raised by the questioner, and the Parish Council and local residents would have the opportunity to contribute to the production of the master plan.
- The County Council had indicated that planned growth in Baddow East and Sandon could be accommodated in existing schools or through their expansion funded through financial contributions from the developers.

Moving on to the other questions and statements received from the public, the Cabinet Member said that responses to all would be published after the meeting but that he wished to respond in general terms to some of the issues that had been raised.

- Regarding the West Chelmsford development site allocations and concerns about flooding and traffic, flood prevention measures would be taken as part of new development and adjustments to the road network would be sufficient to accommodate the planned growth.
- Consultation on the impact of the Bradwell B development was currently taking place and the Council's response to it would be considered by the Chelmsford Policy Board on 4 June 2020. The Council was likely to raise objections to the proposals relating to planned highways measures and the provision of park and ride.
- With regard to the John Shennan playing fields, the planning system did not deal with the designation of village greens, but it was the wish of the Council to retain the site as public open space to make up for the lack of such space in that part of Chelmsford.
- Infill developments, such as those in Danbury, were regarded as windfall sites and to avoid double counting were not included in the housing figures in the Local Plan.
- The Council was not intending to allow development on playing fields and recreational land.

- With regard to housing infrastructure, the Planning Inspector had concluded that there was a sound evidence base for level of future growth in the Local Plan. The mix of dwellings, their size and type, was covered in detailed policies and there would be a significant proportion of affordable housing.

Turning to the report before the meeting, the Cabinet Member said that the production of the Local Plan had been a long and detailed process, involving four rounds of public consultation and its Examination by a Planning Inspector. He thanked all officers and members involved in its preparation for their hard and diligent work. The government had set the Council targets for new housing in Chelmsford and a comprehensive plan-led and evidence-based approach to achieving them was essential to meet those targets in the most sustainable way possible. The Cabinet Member believed that the Local Plan before the meeting achieved that objective and, noting that it would be subject to regular review and would be rigorously monitored, he commended it to the Council. The motion to approve the 10 recommendations in the report was seconded and debated.

During the discussion of the Local Plan, reference was made to its importance in enabling the Council to control and focus development in an appropriate and sustainable way, in areas best able to accommodate it, and to ensure that it was supported by the necessary infrastructure. Failure to adopt the Plan could lead to development over which the Council would have little or no control and which would be to the detriment of local communities.

Questions were asked and comments made on:

- whether the adoption of the Plan should be deferred to enable the impact of Bradwell B to be taken into account;
- whether the Plan could be amended to refer to the need for traffic regulation on the B148 and surrounding roads and negotiation on this with the future developer and Essex Highways;
- in view of the current economic conditions facing the UK as a result of coronavirus and the government's already unprecedented spending commitments, whether the adoption of the Plan should be deferred until it was clear whether funding for the necessary infrastructure schemes in north Chelmsford could be guaranteed, particularly as no contract for the funding had been agreed with the government; and
- whether the funding available for road schemes associated with development in South Woodham Ferrers could be used to provide a by-pass, whether the by-pass would be included in the master plan for the development, and whether developers or those behind Bradwell B would fund the junction improvements.

On those points, the Cabinet Member replied that the Local Plan needed to be adopted before traffic regulations associated with individual developments could be considered; that the Bradwell B development would need to take into account the requirements of the Local Plan, rather than the other way round; that the government had given a commitment to fund infrastructure in north-east Chelmsford, that the contract with it was at an advance stage, but

that funding would only be forthcoming if there was some degree of certainty that the development would take place, which the adoption of the Local Plan would help provide; and that the City Council would need to work with the highway authority on whether there was a justified need and scope for providing a by-pass around development area 7 in South Woodham Ferrers, especially in the light of Bradwell B.

Other contributors to the discussion:

- Emphasised its value in giving the Council more power to address the climate emergency and housing crisis; said that it would help provide housing, employment and their associated infrastructure in a sustainable way; and pointed out that it had already led to the production of associated documents that promoted the creation of strong communities, ensured that developers would contribute to the cost of infrastructure, and increase the provision of open space and the protection of biodiversity.
- Questioned whether the Plan represented a commitment to the provision of sustainable, plan-led infrastructure and, accordingly, should be deferred to allow a detailed assessment of infrastructure needs.
- Referred to the important role played by master plans in shaping future development in the city and the provision of the required infrastructure.

When put to the vote, the recommendations to adopt the Local Plan and to take the steps associated with that were carried by 46 votes to two, with three abstentions. (Councillor Potter was not present for the vote.)

RESOLVED that:

1. The content of the Inspector's Final Report into the Examination of Chelmsford Local Plan, presented in Appendix 2 to the report to the meeting, be noted.
2. The Chelmsford Local Plan 2013-2036, presented in Appendix 6, incorporating the Main Modifications as set out in the Inspector's Final Report and other Additional Modifications, presented in Appendix 3 be adopted and that they will replace the current Local Development Framework Development Plan Documents (DPDs).
3. The updated Policies Map, presented in Appendix 4 in line with changes set out in Appendix 3, be adopted in order to reflect the policies of the Chelmsford Local Plan, and that it be published alongside the Chelmsford Local Plan 2013-2036.
4. The content of the Sustainability Appraisal (SA) Post Adoption Statement (PAS) and Habitats Regulations Assessment (HRA) Adoption Note, presented in Appendices 7 and 8, be noted and that the PAS and the HRA Adoption Note be published alongside the adopted Chelmsford Local Plan 2013-2036 in accordance with Regulation 16 of the Environmental Assessment of Plans and Programmes Regulations 2004.
5. The Director of Sustainable Communities in consultation with the Cabinet Member for Sustainable Development be authorised to make any necessary minor textual, presentational or layout amendments to the Chelmsford Local Plan 2013-2036 (Appendix 6), Local Plan Adoption Statement (Appendix 5), Sustainability Appraisal Post Adoption Statement (PAS) (Appendix 7) and Habitats Regulations Assessment (HRA) Adoption Note

- (Appendix 8) before publication, and to undertake all the necessary legal and procedural adoption processes.
6. It be noted that with the adoption of the Chelmsford Local Plan 2013-2036 the following Local Development Framework Development Plan Documents (DPDs) and Supplementary Planning Documents (SPDs) are revoked and should not be used for decision making:
 - a. Core Strategy Development Plan and Development Control Policies DPD, February 2008
 - b. Chelmsford Town Centre Area Action Plan DPD, August 2008
 - c. North Chelmsford Area Action Plan DPD, July 2011
 - d. Site Allocations DPD, February 2012
 - e. Core Strategy Development Plan and Development Control Policies Focused Review DPD, December 2013
 - f. Making Places SPD, June 2008
 - g. Building for Tomorrow SPD, June 2013
 - h. Planning Obligations SPD, June 2014.
 7. The Main Modifications Feedback Report, presented in Appendix 9, be noted and delegated authority be given to the Director of Sustainable Communities in consultation with the Cabinet Member for Sustainable Development to make any necessary minor amendments for its publication.
 8. The Sustainability Appraisal Addendum and Habitats Regulation Assessment Feedback Report, presented in Appendix 10, be noted and delegated authority be given to the Director of Sustainable Communities in consultation with the Cabinet Member for Sustainable Development to make any necessary minor amendments for its publication.
 9. Delegated authority be given to the Director of Sustainable Communities in consultation with the Cabinet Member for Sustainable Development to undertake the necessary procedural processes associated with the revocation of Supplementary Planning Documents (SPDs) listed in recommendation 6.
 10. It be noted that on adoption of the Chelmsford Local Plan 2013-2036 the Interim Recycling and Waste Guidance, September 2013, Affordable Housing Implementation Guide, March 2015 and Interim Residential Parking Guidance, March 2015 should not be used for decision making.

The meeting closed at 8.55pm

Mayor

APPENDIX

QUESTIONS AND REPRESENTATIONS RECEIVED ON THE ADOPTION OF THE LOCAL PLAN

1. Paul Atkins - Proposed new estate between the North of Roxwell Road (A1060) and Chignall Road

The main sewer down Roxwell Avenue takes sewerage from the Chignall estate and fills up, bursting drains on the avenue's residences from time to time. It is worse with persistent rainfall.

If this new development goes ahead, is a new sewerage system being proposed so that the Roxwell Avenue sewer system is not further overloaded?

CCC Response:

A foul water retention and pumping station is proposed to serve the West Chelmsford (SGS2) site. The detailed specification of this infrastructure will form part of any future planning application for development to be agreed by the City Council, the Environment Agency and Anglian Water.

As required by the relevant Local Plan policies, surface water from future development will be intercepted and stored to manage flood risk. This is in the form of Sustainable Urban Drainage Systems (SuDS) such as new balancing ponds, swales and reed beds. The detailed specification will form part of any future planning application for development to be agreed by the City Council and Essex County Council as Lead Local Flood Authority.

2. Kevin Green, South Woodham Action Group – Implications of Bradwell B

In light of the report that has been published this week in respect of Bradwell B, I call on you to postpone this extraordinary meeting until the contents of that report can be fully examined.

The new report has massive implications for the proposed new development site at South Woodham Ferrers that was not available in the public consultation or for the Government Inspectorate. If CCC knew about the report then it should have made the information fully available to consider in line with the consultation.

CCC now needs to do the right thing and re-examine its local plan in all areas including infrastructure and sustainability.

CCC Response:

The consultation on proposals for Bradwell B, including the potential road routes for freight traffic accessing the site, was launched by the promoters of the new power station in March 2020 after the receipt of the Inspector's Report into the Examination of the Local Plan. The City Council was

not aware of the contents of the proposed consultation on Bradwell B.

Although the City Council actively engages with other bodies and authorities through the duty to co-operate, it cannot control what new development proposals outside its area that comes forward. This may not always align with the timing of the Local Plan.

The Stage 1 consultation on Bradwell B is the start of a long period of consultation. It could be several years until a Development Consent Order is submitted, followed by a year-long examination in public process.

Crucially in preparing their proposals, the Bradwell B promoters will need to take the contents of Chelmsford's Local Plan fully into account and may need to change their proposals in response. They will also need to provide up to date traffic modelling and other evidence to inform their proposed transport and highway strategy. The promoters of Bradwell B will need to look at all options that ensure that the additional traffic generated by their proposals, in addition to the new development contained within the Local Plan, can be fully mitigated.

Since the publication of the Bradwell consultation, the City Council has been working closely with neighbouring councils and Essex County Council. The City Council is considering its formal response to Bradwell B consultation at a meeting of the Chelmsford Policy Board on 4 June. Officers are recommending that formal objections are made to the freight traffic proposals.

It is important to note that the need to build at least 805 new homes a year does not disappear if the Local Plan is not adopted. Withdrawing the Local Plan would mean Chelmsford would be open to speculative unplanned development in potentially less sustainable locations and reduce opportunities to secure new infrastructure.

3. Donald King – Housing in Danbury

I understand that as part of the plan 100 houses are to be built in Danbury. It puzzles me that since the plans were announced a number of dwellings have been built or are being built in the parish but do not count. ! 5 new dwellings have been built within sight of my house. As far as I can make out the plans are only related to estates of many houses and any that have been built so far are ignored. Why?

CCC Response:

Small development sites across Chelmsford, including Danbury, come forward for development at any time. These include redevelopments, conversions and small infills. As the City Council does not know when or if these types of development might come forward for development, they are counted as windfalls in the Council's overall housing need number.

To ensure the supply of new windfall homes are counted against Chelmsford's housing numbers, Strategic Policy S6 contains a projection of future windfalls based on past records.

To count the windfalls again against the allocation for Danbury of around 100 houses in the Local Plan, would amount to double counting.

4. Sophie Gibbs – Improvement of A132

My question is with regard to London bound traffic leaving South Woodham Ferrers, whilst there are plans to expand the population locally are there any plans to improve and expand the A132 out of Woodham as this is already an extremely heavily used road in a poor state of repair.

CCC Response:

Strategic Growth Site Policy 10 – North of South Woodham Ferrers requires improvements to the local and strategic highway network, alongside sustainable transport measures.

The improvements to the strategic highway network include capacity improvements to the A132 between South Woodham Ferrers and Rettendon Turnpike. Traffic modelling has shown that it is the capacity of the junctions rather than the road between them which causes congestion. ECC is preparing a 'A132 Corridor Study' which will focus on improvements which will be required to improve the flow of traffic, including both highway mitigation and sustainable transport measures.

The condition of the road is a matter for Essex County Council. However, we are advised that some localised resurfacing will take place this financial year, followed by resurfacing of the roundabouts at either end. These will progress as planned, rather than waiting for any longer-term junction improvements identified in the corridor study.

Sustainable transport measures are also envisaged including improved pedestrian/cycle links to the rail station, improved bus services including a potential direct service to Wickford Railway Station, and a period of free bus travel for new residents. These measures will enable people to make sustainable travel choices. The details of these will come forward later for consideration as part of the planning application.

5. Ray Avis – Development in South Woodham Ferrers

I would like to object to the plan of the development for South Woodham Ferrers.

The additional traffic that will be created for Bradwell B of up to 700 additional vehicles coming through South Woodham Ferrers should be taken into consideration. The traffic surveys they have been done are now proven to be out of date.

Please consider this as our roads cannot cope with both the development and Bradwell B additional traffic.

CCC Response:

Refer to response to Q2.

6. Linda Denston – Impact of Bradwell B on South Woodham Ferrers Traffic

With regard to the implications of Bradwell B and the expectation of 500 - 700 HGV movements on the B1012 alongside 'Site 8' - North of South Woodham Ferrers.

What considerations need to be taken to ensure the safety of residents given the additional traffic across multiple pedestrian crossings?

CCC Response:

Bradwell B promoters will need to take the proposals within Chelmsford's Local Plan into account and may need to change their proposals in response. They will also need to provide up to date traffic modelling and other evidence to inform their proposals for freight and other traffic management.

The promoters of Bradwell B will need to look at all options that ensure that the additional traffic generated by their proposals, in addition to the new development proposed in the Local Plan, can be fully mitigated. This will need to include consideration of pedestrian and cycle safety for all users of Burnham Road.

The City Council is already working closely with neighbouring Councils and Essex County Council in terms of the proposals at Bradwell and the implications this may have for South Woodham Ferrers.

7. Helen Wood – John Shennan Playing Field

I am delighted that John Shennan Playing Field is to be officially removed today from the local plan from the Local Plan. Would Chelmsford City Council now consider registering the site as a 'Village Green' to protect it for future generations?

This site is extremely valuable to the local community as an informal, recreational open space in a very built up area. This has been particularly highlighted in recent weeks during the current COVID 19 Pandemic. John Shennan Playing Field is a space that enables community members of all ages to exercise in a safe way and to maintain social distancing that is crucial at the current time. In addition, it is providing residents with a natural environment that is positive for physical, emotional and mental health which is of paramount importance at all times.

It is a space that is increasingly proving itself to be the 'Green Lungs' of the local community. This will be further enhanced by the planting of new trees that Chelmsford City Council has pledged for the site to fulfil their promise to "plant a tree for every resident in Chelmsford."

Chelmsford City Council's Overview and Scrutiny Committee 13 January 2020 conducted a performance review of parks and green spaces and recognises six strong benefits of green spaces as listed below by the City Council.

1. Physical and mental health and wellbeing ...
2. Sustainable travel...

3. Community cohesion and identity...
4. Biodiversity and access to nature...
5. Local economy and growth...
6. Climate change and the environment...

John Shennan Playing Field is the only large open space in close proximity for families and residents in the Moulsham Lodge area and beyond. Our community needs this green space preserved for future generations.

Chelmsford City Council's Local Plan includes a Garden Village to the North East of Chelmsford with a new country park, walking and cycling routes, and neighbourhood centres with community spaces. In July 2019 Councillor Stephen Robinson leader of Chelmsford City Council said "We want Chelmsford to be a leading example of a place where safer, greener, fairer and better-connected communities are built. We will work hard to consult with residents to ensure that the Garden Village delivers on its principles."

Bearing this in mind, it seems only reasonable that like the residents of the new Garden Village, our urban community should be able to preserve its only existing, significant, informal recreational green space.

So, I repeat my original question. Having removed John Shennan Playing Field from the Local Plan will Chelmsford City Council now consider registering the site as a 'Village Green' to protect it for future generations?

Thank you for considering my question.

CCC Response:

The proposed development of the John Shennan site was removed from the Local Plan as part of the City Councils' suggested Main Modifications to the Local Plan Inspector.

As such the site is now notated solely as Open Space on the Local Plan Policies Map. Policy DM21 – Protecting Community Facilities sets out the criteria for protecting open spaces.

The dedication of village greens is not a matter for the planning system to determine and follows a separate statutory process. Any future application for village green status would need to be considered on its individual merits through this separate process after the planning context has been established through the adoption of the Local Plan.

8. Jane Gutteridge – John Shennan Playing Field

As a resident of Moulsham Lodge I would like to say how encouraging it is to see John Shennan Playing Field being removed from the Local Plan.

In the summer of 2019 The Friends of John Shennan Playing Field group posted a questionnaire into the 2,400 houses in Moulsham Lodge to ask residents which uses John Shennan Playing Field could be put to which would best serve the community. 420 households (ie 17.5%) responded and the results were displayed. The top six most important uses listed were

- To create a Wildlife meadow/Conservation area
- To have an improved play area for all ages
- To keep an open grass area for informal games
- To have a cycle path/pedestrian walkway to Princes Road
- To plant trees and create a community garden
- To have a dog walking area

I understand Chelmsford City Council took an interest in these results and intend to plant a number of trees on the playing field. Please could you tell me whether you have any further intentions which are in line with the resident's needs and, if possible when these might be put in place?

CCC Response:

This is not directly a matter for the Local Plan, but emerging strategy for the site does take into account the feedback from the Friends of John Shennan Playing Field survey and is likely to involve a substantial amount of new tree planting, wildlife areas and space for informal recreation activities. However, these plans have not yet been finalised.

9. Derek Bain – Upgrading the Transport System

As a commuter to London where I am a Company Director how will the transport system be upgraded in order to deal with additional people, the rail system is already nearing capacity between 0630-0800, coupled with new station proposed for the New hall school area it would mean by the time the train gets to Chelmsford main station it will be even closer to capacity, with less available seating, it is already a service that cannot cope.

Maldon road is already busy, how will the road facilities be increased in order to accommodate additional cars, the park and ride is not the answer as that does not start early enough in the morning for me and therefore presumably others

No fly over at the army and navy, I think all would agree that the army and navy roundabout is already a bottleneck, presumably there is a plan to replace with a 2 lane system in order to alleviate additional traffic from new sites congestion

Whilst I understand and welcome additional housing as it is clearly a nationwide necessity I do not appreciate additional housing when all it does its add additional burden to existing systems that clearly are already in need of upgrade/renewal.

I have lived in Great Baddow for over 20 years and have never felt more at home anywhere, I have brought up 2 sons here and believe it is a family friendly place, but please do not strangle a city that is already in need of additional air.

CCC Response:

One of the key infrastructure proposals within the Local Plan is a new rail station at Beaulieu which alongside the Chelmsford North East By-pass has been awarded £218m from the Government's Housing Infrastructure Fund to deliver.

The new rail station will help relieve significant passenger congestion at Chelmsford's existing rail station and provides a passing loop to enable faster trains to overtake slower services. The precise timetabling of services will be finalised ahead of the new station opening. In addition, £1.5 billion is being invested in new fleet of trains which are currently being rolled out on the Great Eastern Mainline which is providing around 30% more seats in the peak period.

The principles of any highway requirements will be agreed through the Masterplan process and the detail to be set out in subsequent planning applications for the sites. The traffic modelling which supported the Local Plan indicated that there is sufficient capacity on the Highway network to support the development.

The Inspector assess the traffic modelling as part of consideration of the soundness of the Local Plan.

The City Council is working with Essex County Council who are responsible for the Army and Navy junction. The County Council has consulted on options for the Army and Navy and the City Council will continue to actively engage in this process to help shape the proposals.

10 – Alan Brunning – Highway Considerations in South Woodham Ferrers

I wish to table the following public questions relating to South Woodham Ferrers area 7 and have them discussed at the New Town Plan full council meeting 27 May 2020.

I would like to submit them personally if there is sufficient time. Written reply for each item is requested.

1. When will the masterplan be available for public review
2. Have Essex Highways agreed that the A132 and B1012 is a primary route off the Dengie
3. Why has the plan ignored the additional 500-700 average daily HGV movement for Bradwell B planned to be routed through South Woodham Ferrers (represents a 2.4 times increase in hourly HGV traffic)
4. Can Essex Highways provide data that shows 6 signalised crossings on the B1012 will not significantly reduce traffic flow. Slowing am peak traffic 'gridlocks the town.
5. How often does Essex Highway expect the crossings on the B1012 to be used

6. How will the effect of vehicle pollution and stop start noise vibration be mitigated for properties and schools adjacent to the B1012 crossings, Ferrers Road and the new street..
7. Does Essex Highways consider that policy S12 can be met for safe and easy access with multi user crossing to the town centre schools and facilities without reducing traffic flow.
8. What improvements to the local strategic and local network around SWF are proposed by Essex Highways authority (P468)
9. What improvements will be made to the A132 and B1012 from the A130 to the Maldon boundary. P250 map 2 indicates improvements to the whole length. Documents indicate it will be restricted to junction modifications and adding pedestrian crossings, none of which are indicated shown on the map.
10. Ref P103 and P362 policy S9 claims traffic capacity improvements. Has the detailed traffic modelling for the A132 and B1012 junctions and crossings been completed where is it published? How will the results be verified. Models for the Sainsbury's development have proven to be in error.
11. If the modelling has not been completed how can these proposals for SWF be accepted
12. P128, MM56 how will Essex Highways and planning deliver the declared high-quality sustainable extension to the existing town neighbourhood, with the traffic volume that will be routed through the town.
13. Is SOCG20b still valid and when will it be open for public consultation
14. Why doesn't Map 6 P256 not show crossings for Ferrers Road
15. Why isn't the £12.5m set aside for junction and crossing sufficient to fund a 3-4km northern ring road saving money on crossings and a bridge. (Chelmsford own figures in the plan show the cost @£1.5m per km)
16. How does planning reconcile the inconsistencies of pleasant green frontages on the B1012 and 'rat run' roads through the new development with the volume of traffic needing to use these roads'
17. Can Chelmsford Planning and Essex Highways provide a written guarantee that the design proposals future proofs the traffic flow around South Woodham Ferrers up to 2036,



SWF Map showing all crossing proposed



a.m. 360 degree Gridlock 23rd January 2020 caused by slowing B1012 traffic at Fenn Farm

CCC Response:

- 1) The consultation publication date has not yet been finalised for this. However, it will be widely publicised when consultation starts.
- 2) The A132 and B1012 are Priority One Route (PR1) in ECCs functional route hierarchy. As such they provide the main arteries for the movement of people, goods and through traffic wishing to access the trunk road network. PR1 routes feed traffic to and from the inter-urban routes (to their final destination) and carry large volumes of traffic during the peak hours when people are trying to access/leave town centres.
- 3) Refer to response to Question 2.
- 4) The details, location and number of crossings will be agreed as part of the Masterplan and subsequent planning application process. This will include capacity analysis to ensure that there is

a balance between the provision to cross Burnham Road safely whilst maintaining the function of the B1012 as an important traffic route.

5) The important thing is enabling the safe crossing of Burnham Road by pedestrians and cyclists. The signal timings of formal crossings can be controlled to give priority to one approach, be that to road traffic or pedestrians. The principle of providing a number of controlled crossing points has been established through the Local Plan evidence and discussed at the Examination, the detail, however, will be agreed through the Masterplan and Planning application processes.

6) Supporting information will be required as part of the planning application for the site.

7) The details, location and number of crossings will be agreed as part of the Masterplan and subsequent planning application process. This will include capacity analysis to ensure that there is a balance between the provision to cross Burnham Road safely whilst maintaining the function of the B1012 as an important traffic route.

8) The improvements to the strategic highway network include capacity improvements to the A132 between South Woodham Ferrers and Rettendon Turnpike.

Local mitigation will be considered as part of the full Transport Assessment which will be required as part of the planning application for the site.

9) Traffic modelling has shown that it is the capacity of the junctions rather than the road between them which causes congestion. The County Council is preparing a 'A132 Corridor Study' which will focus on improvements which will be required to improve the flow of traffic, including both highway mitigation and sustainable transport measures.

10) The detailed modelling of the junctions and crossings will be undertaken by the developer and reviewed by the highway authority, as part of future planning applications. As such is the documents will be on Chelmsford City Council's website as part of the planning application supporting information.

11) The Local Plan Inspector has confirmed that robust traffic modelling has been carried out for the purposes of the Local Plan. A full Transport Assessment will be required as part of the planning application for the site.

12) Sustainable transport measures are also envisaged including improved pedestrian/cycle links to the rail station, improved bus services including a potential direct service to Wickford Railway Station, and a period of free bus travel for new residents.

13) Statements of Common Ground are a matter of agreement between the parties concerned and are not for public consultation. The Local Plan examination closed on the 25 February 2020 with the issuing of the Inspector's Final Report.

14) The Local Plan policy maps do not show crossings for any sites as their precise location will be agreed through the Masterplan process and subsequent planning applications.

15) The question of a new road to the north of proposed development at South Woodham Ferrers was addressed through the Local Plan preparation and examination process. At that time, it was considered that the harm of providing a new road to the north of development on the wildlife site, biodiversity and landscape, would be unlikely to outweigh the benefits to traffic flows on other roads. Any alternative road would also need junction improvements where it joins existing roads, and crossings linking into countryside.

16) The design of roads and their capacity and how this sits within the development will all be considered through the Masterplan process and subsequent planning applications.

17) An appropriate mitigation strategy will be considered as part of the full Transport Assessment which will be required as part of the planning application for the site.

11. Mrs R Richards – Housing in Maldon Road

Please could the committee consider extremely carefully at their meeting on 26.5 2020 the following concerns regarding the proposed housing along Malden Road Great Baddow

With so many new houses planned where is the planning for

Schools

Doctors surgery

Roads - Malden Road in normal times is already very heavily congested and with further housing AND the possibility of up to 700 extra lorries each day using the road for the reconstruction of Bradwell Power Station the road will be totally over run with heavy traffic.

Mental health - further stress will be caused for families because of road congestion, schooling issues and surgeries if these are not thoroughly considered AND the removal of some of the lovely country public footpaths that are so important for pleasant outside space and walking and everyones mental health.

Finally the lack of trust in politicians. The leaflet I have received on this says that the liberal democrats were against this when they were in opposition -hence they got my vote - now in power they are for it. Can we ever have trust in councillors and politicians?

Please consider these issues which are of great concern to me.

CCC Response:

The Inspector considered all these issues as part of the Local Plan Examination and concluded that the sites in this location were justified and sound. Their impact on the Highway network was acceptable, and sufficient new infrastructure and financial contributions towards existing are required in the site policies to support the new homes in this location, including education, medical provision and road improvements.

As part of this location a new Country Park is included, providing greater and improved access to the countryside for all.

12. Diana Angel – Housing in Maldon Road and Molrams Lane

I have recently received a notification from Great Baddow East Neighbourhood Association about the proposed 500 new houses to be built along Maldon Road and Molrams Lane.

As a local resident, I wish to voice my opinion that:-

1. There is already too much transport trying to use the A12, A414 and A130 in and out of Chelmsford through Great Baddow
2. Even when the Army and Navy junction is revised, there will still be problems accessing and leaving the town centre
3. The amenities in Great Baddow will have difficulty accommodating all these extra residents, doctors surgeries and local shops, especially the chemists.
4. The street parking will be increased
5. The safety of the children going to Sandon Secondary school may also be affected

I am very much against any further development around this area of Great Baddow

CCC Response:

The Inspector considered all these issues as part of the Local Plan Examination and concluded that the sites in this location have the policies to secure necessary highways and community infrastructure to mitigate the impact of the development and as such the proposals are justified and sound.

Further public consultation on masterplans for the sites are planned for later in the year ahead of more public consultation on future planning applications.

13. Chris Davidson - Housing in Maldon Road and Molrams Lane

With reference to the meeting to be held on 27th May 2020 relating to the proposed building of houses in Maldon road and Molrams Lane I have listed my concerns.

1. Schools. There will be a need for additional schools so when and where will they be built.
2. Doctor surgeries. Surgeries are at maximum capacity in Gt. Baddow so how does the council propose to address this shortfall.
3. Hospitals. Has Broomfield hospital the necessary capacity to accommodate this increase in possible patients.
4. Road Traffic congestion. What are the council plans to control the increase in Maldon road, Molrams lane and Gt. Baddow.

I would be grateful for your comments.

CCC Response:

Refer to response to Question 12.

14. Heather Cass – Development in Maldon Road, Great Baddow

With regard to the aforementioned proposed development, before permission is granted will the following be addressed to a satisfactory conclusion to the local residents :-

1) Where will the construction and residential traffic enter and exit the sites (Maldon Road is a very busy road and cannot take any more traffic it is only single lane). It also has to carry all of the traffic from Maldon, Danbury and surrounding areas to Chelmsford. Maldon is also in the process of a massive housing development, I am sure many of the residence will travel to Chelmsford. I doubt if the Park and Ride can facilitate all the extra cars. Molrams Lane also has to take all the Coaches, cars and school children to Sandon School.

2) To date no decision has been made on the Army and Navy flyover/roundabout or the bus lane, until such time when life returns to normal after Covid 19 do we really need more traffic on the Baddow Bypass and the Army and Navy junction in the future which this development will entail.

3) Doctors : The Gt Baddow Surgery is probably full to capacity as it is never easy to get an appointment (this was prior to Covid 19)

4) Education, have the local primary schools and secondary schools enough capacity to take in extra children.

5) Loss of more Countryside, I have lived off of the Maldon Road for the past 50 years, at one time there were playing fields in my back garden, I could look out of my bedroom window and see open countryside, now there are houses. At the moment I can take a walk down Baddow Hall Crescent onto the Maldon Road and see the countryside across to Chelmsford, in future that will be houses, you then walk into Molrams Lane, fields and countryside to your left at the moment, the future once again houses. Where are Englands green and pleasant lands.

Before granting planning permission for this development, please consider these points and remember Great Baddow is a village not an extension of Chelmsford and as such does not need a 250 house development off of the Maldon Road, and a further 250 on Molrams Lane.

CCC Response:

The adoption of the Local Plan does not grant planning permission, it establishes the principle for future development.

1. An appropriate mitigation strategy will be considered as part of the full Transport Assessment

which will be required as part of the planning application for the site. The Inspector considered the impact on the Highway network was acceptable as part of the Local Plan Examination and concluded that the sites in this location were justified and sound.

2. The City Council is working with Essex County Council who are responsible for the Army and Navy junction. The County Council has consulted on options for the Army and Navy and the City Council will continue to actively engage in this process to help shape the proposals.

3. The site is required to provide financial contributions to healthcare provision and CCC continue to work with the NHS/CCG to determine the precise additional service provision.

4. The site is required to provide financial contributions to provide additional school places. Essex County Council as Education Authority are content that the growth from these sites can be accommodated within existing schools, or by extensions or alterations to existing schools.

5. The sites are required to provide open space in accordance with the standards set out within the Local Plan. In addition, a new Country Park is also included at this location, providing greater and improved access to the countryside for all. The new housing within the Local Plan is meeting housing need across Chelmsford's administrative area.

15. Jennifer Price – Development in Maldon Road, Great Baddow

I would like to know when or if building will commence and at what stage is the planning. In addition I want to raise an objection to this whole development and so want to know how I can veto. Your help in this matter would be appreciated.

CCC Response:

The timeframe for development is set out in Appendix C Development Trajectories of the Local Plan which is updated annually. This development is currently projected to be built between 2021 and 2030. The site has been found sound by the Local Plan Inspector so the principle of the proposal is not up for debate anymore.

The Local Plan has been found sound by the Local Plan Inspector meaning the proposals are justified and sound. There will be opportunity to comment on the masterplan and future planning applications for the sites.

16. Roger Jones – Proposed Development on Manor Farm Shop

Please see below a list of my questions regarding the proposed development :

1 - Will a new Doctors be built to accommodate the new people.

2 - From experience i know that there are no school places within the local area, Hylands has space but is all the way out in Writtle how will children get there.

3 - Another 300 to 400 cars on Chelmsfords very busy roads

I do not object to progress and new developments but we must have the infrastructure in place before we commit to more housing / people within the area.

CCC Response:

Refer to response to Question 14.

17. Michelle Raymond – Proposed Development in Area of Manor Farm and Maldon Road

I am writing to voice my objection to the plans to build 500 houses in the area of Manor Farm and Maldon Road. The route into Chelmsford from this area is already heavily congested, the local secondary school is heavily over subscribed and during normal times it is very difficult to get to get an appointment at the doctor's surgery. What will be put in place to sort out these problems?

CCC Response:

Refer to response to Question 14.

18. Cheryl Mullender – Development in Great Baddow

In the Chelmsford Local Plan will there be a new doctor's surgery included? As Baddow Village Surgery is already full to capacity and can not take on in excess of 500 new patients!

Are there any plans to build a new Dentist? As Baddow Dental Practice would not have the capacity to take on another 500 or more patients!

In the Chelmsford Local Plan are there any plans to build a new Primary school? Both Baddow Hall school and Meadgate Primary school would not have the capacity to take another few hundred children!

CCC Response:

Refer to response to Question 14.

19. Philip Gee – Development in Great Baddow

As a resident of Great Baddow, for the majority of my life - I completely object to all the new houses being built behind manor farm shop.

The infrastructure to support the newly proposed estate simply would not work. The existing services, doctors, schools, nurseries, public transportation is woefully inadequate for the existing community as it is, with many already full!

The already heavily congested roads will be even busier (it's bad enough as it is)

As well as creating even more pollution within the area with all the added cars that will be expected.

I've also read up that the area is subject to flooding, surely that would further the problem elsewhere after they lay all their concrete?

Apart from this, the construction traffic on the already busy road will be atrocious for the tax payers in the community and who live near manor farm, attending Sandon school or simply passing through.

I hope you all heed the words of the people of this beautiful village who do not want it to become a overcrowded town.

CCC Response:

The Inspector considered all these issues as part of the Local Plan Examination and concluded that the sites in this location have the policies to ensure an acceptable environmental impact, secure necessary highways and community infrastructure to mitigate the impact of the development and as such the proposals are justified and sound.

20. Tim Farrow – Development Area 5a Great Leighs

In the original version of the plan it was recognised that there are a number of grade 2 listed building in the defined area. In the wording of the plan it was recorded that the intention of the council was to 'protect' these historic buildings. This wording has since been changed with the somewhat nebulous phrase 'the settings of which be enhanced where possible'. The term 'where possible' may suggest this may not happen if the developer does not wish it. This change has been applied to all of the properties other than that of Moulsham Hall' which is, of course, owned by the landowner/developer. When I enquired of the planning department why the change was made I was told that they had been advised by Historic England. It seems very unlikely to me that Historic England would offer this advice unless requested to by the planning department. My question is why; and what collusion has there has been between the landowner/developer and the planning department to warrant this downgrading. May I suggest that the original wording is re-instated and that the properties are treated on an honest and equal basis as originally intended.

CCC Response:

Modifications to the wording have followed advice directly from Historic England and the Inspector is satisfied with the proposed modifications. The Council cannot amend the Inspector's modifications.

21. Karen Sansom – Manor Farm Site Development

I live in Baden Powell Close opposite the farm shop and moved here to be on the outskirts of town, near green fields and away from the traffic and noise in the city centre.

I was unaware until today of the plans for 500 houses and business park in this area and it has come as a bit of a shock. We already have multiple sites for houses and several business parks already.

These developments will bring traffic noise and takeaway the lovely green areas that there are so few of around Chelmsford now. I use the park and ride at normal times and this is used to full capacity most days. Another 1000 cars on average trying to use that or get into town will be a nightmare especially since the fly over has been removed.

Any why have the liberal democrats changed their opposition to these proposals. All the residents who voted for you did not vote for this I am sure.

I sincerely hope this does not go ahead.

Thank you.-listen to the residents who live in the area which I assume you do not so it will not affect you.

CCC Response:

The Local plan has been found sound by the Inspector so the principle of the site allocation at East Chelmsford has been justified and tested independently. There will be opportunity to comment on the masterplan and future planning applications for the sites.

22. CERA Committee – Avon Road Bus Gate

On behalf of residents of Chignal Estate.

With regards to the bus gate on Avon Road, and further to MP Vicky Ford's written correspondence dated 16.01.2020, what new investigations have been carried out on the suitability of the A1060 following the recent upgrade works, as any surveys carried out prior to the upgrade are now out of date, nor relevant to current traffic conditions on the road?

CCC Response:

The traffic modelling that supported the Local Plan was considered robust by the Planning Inspector. A further Transport Assessment will need to be submitted with any future planning application.

23. David Pallash – Ecological Impact of Development

I would like to submit a few reflections and questions on the local plan 2013-2036 which is subject of an Extraordinary Meeting of the Council May 27, 2020.

I have been disheartened to hear that plans to destroy more countryside in the name of development and profit is progressing forward. As a resident of Baden Powell Close, directly opposite the proposed site, I naturally worry greatly about the impact the 250 new houses will have on local infrastructure and access. However, on this occasion, I write representing the voiceless - the wildlife and natural beauty that this is going to destroy.

I have been recording wildlife as a hobby and for local records for the last four years on the proposed site. I have observed 97 species of bird, 13 species of mammal, 2 species of reptile, and nearly 15 species of butterfly. <https://wildlifewander.blog/local-records/> This is a phenomenal amount of wildlife for such a small part of the countryside. It should be protected.

With the UK now one of the most depleted nature countries in the world (189th out of 218 countries) and many of our breeding farmland species in trouble (corn bunting, yellow wagtails, lapwings etc.), surely taking this land away at a time of crisis, when there are other brownfield sites available, is a huge error of judgement. https://www.rspb.org.uk/our-work/state-of-nature-report/?utm_source=adgoal_eu&utm_medium=affiliate&utm_campaign=rspb-uk-affiliate&mediacode=T15AFF0018
(<https://www.theguardian.com/environment/gallery/2019/jan/31/the-uks-nature-in-crisis-in-pictures>)

In summer months, the land in question is nesting grounds for at least 4 red listed bird species. These are yellow wagtail, linnet, yellowhammer, house sparrow and skylark. Throughout the year, the area sees at least 18 red listed birds call the area home.
(<https://www.rspb.org.uk/globalassets/downloads/documents/birds-and-wildlife/birds-of-conservation-concern-4--the-population-status-of-birds-in-the-united-kingdom-channel-islands-and-the-isle-of-man.pdf>)

There are also now records of water voles in the tributary canals on the site, the first in the area (Essex Wildlife Trust) - a species that has also neared extinction in recent years and needs all the help it can get. <https://www.independent.co.uk/news/uk/home-news/water-voles-mole-rodent-habitat-loss-water-pollution-extinction-animal-cruelty-wind-in-the-willows-a8227961.html>

I understand that there are plans to create a country park on the surrounding area. Whilst I welcome any signal that land will be conserved, a country park usually favours what the public would prefer the countryside to be (sculptured, low biodiversity) versus what nature actually needs to thrive. This concerns me greatly and is clearly a thinly veiled attempt to hide a "negative" with what might be perceived as a "positive".

Thank you for taking the time to read through this. I hope that some, if not all, of these reflections serve to open a few eyes and minds to what is actually at stake here.

My questions based on the above are as follows:

- Which independent ecology bodies (not environmental consultants) are involved and have been consulted during the planning?
- How would you like us to answer future generations that ask why their local wildlife and biodiversity has disappeared?
- How can you justify the destruction of land where important populations of red-listed wildlife breed and winter?
- What plans are in place to ensure minimum biodiversity loss to surrounding areas during building phase?
- What plans are in place to ensure biodiversity and wild habitat over aesthetics in country park development?

Thank you for your time. I look forward to hearing responses and reflections and strongly hope that these plans are reconsidered.

CCC Response:

The Council undertook a Local Wildlife Study prepared independent specialists Essex Ecology Services who are the commercial arm of the Essex Wildlife Trust and this formed part of the Local Plan evidence base. A Habitats Regulations Assessment was also undertaken which the Local Plan Inspector considered fulfilled the requirement to undertake an 'Appropriate Assessment'

In addition, further ecology surveys will be undertaken at masterplanning and Planning Application stages. Local Plan policies (including site policies where relevant) require the protection of species/sites or to appropriately mitigate any harm.

Detail of the protection/mitigation measures, including those for the country park will be considered and appropriately conditioned as part of the future Planning Applications for the sites.

Strategic Policy S4 and S9 set out the requirements for new development to provide a net gain in biodiversity.

24. Chelmsford Labour Party – Various Matters Relating to Local Plan

Below are a number of questions raised by Chelmsford Labour Party members, as well as members of the public regarding the proposed local plan put forward by Chelmsford Council.

1. Will there be any conditions to what sort of development is going ahead? The building of luxury properties will not help solve the housing crisis, will more truly affordable three and two bedroom houses be prioritised in Chelmsford?
2. What definition will the council be using for affordable housing?

3. What are the plans for ensuring suitable quantities of social housing will be built as part of the developments? Chelmsford drastically needs to tackle it's housing crisis and that includes a need for social housing.
4. How will it be ensured that the infrastructure needed for this massive development is put in place and that there is no back slide on the infrastructure that is desperately needed to support this development?
5. What steps will be taken by the council to ensure that there is sufficient public transport to meet the needs of the growing population?
6. Given that the police HQ site has been touted as a potential building opportunity and rejected because of the difficulties of achieving the infrastructure and environmental requirements, what will be done to ensure that these necessary requirements are met?
7. In order to fit in with the in environmental requirements of the Plan would the council consider that any new development's should have a electric car charging point installed for that road?
8. If you look at maps of big towns and small cities, Chelmsford has fewer green spots than most within the urban area. This plan proposes to build over four of the few green bits that we have left. These spaces are important lungs for communities and must not be further diminished, what will be done to protect the green spaces in our cities?
9. What evidence do the council have that the level of growth suggested from this building activity will be required in Chelmsford?
10. Most of this plan was drawn up before the COVID19 pandemic, will the council consider postponing the decision on the local plan till after the pandemic, to see if the plan is still fit for a post COVID landscape?

CCC Response:

The answers to these questions can be found within the Local Plan, which has been found sound by an Independent Inspector.

- 1) Yes. The mix of dwelling sizes and types is addressed in Policy DM1, which proposes a mix unclouding 28% 2-bedroom, and 46.3% 3-bedroom houses.
- 2) To secure affordable housing through the planning system the only definition of affordable housing that can used is that set out in Annex 2 of the National Planning Policy Framework.
- 3) The Local Plan sets out a requirement for development of 11 or more units to provide 35% affordable housing. The emerging Planning Obligations SPD sets out a 70/30 split between rented and shared ownership products. A number of recommendations an initiatives from the Council's Affordable Housing Working Group is seeking to increase the number of social rented affordable housing coming forward.
- 4) and 5) Provision of infrastructure, including public transport, is addressed in detail in the Local Plan, both strategically across the whole Chelmsford area and specifically for each allocated site. This will be planned in during the Masterplanning process, and will be secured through legal

agreements when planning permission is granted.

6) The Police HQ site was removed from the Local Plan due to it no longer being available for complete redevelopment, and not for the reasons stated. The main items of infrastructure needed would have been generated by the proposed development, so with its removal they are no longer needed, e.g. traffic, education.

7) There is a requirement for all new dwellings to provide convenient access to car charging points at a rate of 1 for each dwelling with off-road parking, and 1 for each 10 spaces where parking is not allocated.

8) The Inspector concluded that the site allocations were justified and sound. Open spaces and the Green Wedges identified on the Policies Map are protected by policies in the Local Plan.

9) The Council's evidence base includes an Objective Assessment of Housing Need. The Inspector concludes that the level of growth is based on sound evidence.

10) The Government see the development industry to be one of the key drivers of the economic recovery. The impacts of any changes to work patterns following Covid 19, as with any other changes which occur over time, will be considered as part of the review of the Local Plan.

25. Angela Stockwell – Housing Development in Great Baddow

How do you expect residents like myself to put up with extra traffic with the proposed development of up to 250 new houses on the manor farm site?

We are tired of the fumes from stationary traffic outside our homes along the Baddow road and a 5 minute traffic journey taking 40 minutes in rush hour.

Chelmsford has not increased the infrastructure to meet the housing growth and we are all really tired of sitting in traffic due to the sheer weight trying to move around the centre.

Why has nothing been done any earlier? The station at Beaulieu is still to be built and roads are at a standstill. Please can this additional housing be reduced or moved further up towards Colchester?

CCC Response:

Refer to response to Question 14.

26. Robert Page – Manor Farm Site, Maldon Road

In view of the likely changes in working patterns following the current Corona Virus situation, there is likely to be a substantial drop in demand for housing in the London commuter area as more people work remotely and can therefore choose to live anywhere in the country. What effect will this have on the council's plans? Shouldn't the Council put an embargo on all new developments for a few years until new employment and commuting patterns are established and future demand better understood?

Prior to the current situation the road system accessing Chelmsford from the east was clearly inadequate and there are already developments happening in Maldon and other locations that will exacerbate this situation. Additionally the local GP service is already overstretched.

Can the council describe what actions it will be taking to ensure these issues are resolved before any permission is granted for further developments to the east of Chelmsford?

CCC Response:

It is important to note that the need to build at least 805 new homes a year does not disappear if the Local Plan is not adopted. Putting the Local Plan on hold would mean Chelmsford would be open to speculative unplanned development in potentially less sustainable locations and reduce opportunities to secure new infrastructure.

The impact of any changes to work patterns following Covid 19, as with any other changes which occur over time, will be considered as part of the review of the Local Plan.

Also refer to response to Question 14.

27. Maria Luther – Manor Farm Site, Maldon Road

I would like the following points to be taken into consideration at the meeting on 27th May 2020 regarding the 'Local Plan' for housing development on the Manor Farm site along Maldon Road, Great Baddow.

- As a resident on Maldon Road myself and my family regularly enjoy the public pathways of this area along with many others in the community who use this picturesque area for dog walking, jogging and bike rides. It is home to an abundance of wildlife including pheasants, birds, rabbits and a multitude of insects.
- The new development would have a significant increased impact on the currently very busy traffic along Maldon Road making travelling/commuting more difficult for the local community.
- Residents along the Maldon Road enjoy the scenic aspect which would be destroyed by the new development.

CCC Response:

The Local Plan has been found sound by the Inspector so the principle of the East Chelmsford site has been justified and tested independently. There will be opportunity to comment on the masterplan and future planning applications for the sites.

28. Ian Hutchinson – Infrastructure Requirements

Full consideration of future housing plans, and any decisions re. future additional housing, should only follow improvements in infrastructure particularly road improvements; completion of a long-term improvement to the Army & Navy Roundabout; improvements to public transport and the Park and Ride schemes; more capacity for GP appointments and more places available in schools.

Also local shopping accessibility needs to be considered and developed.

CCC Response:

Refer to response to Question 14.

29. Heike and Keith Plaister – Development at Manor Farm, Great Baddow

While recognising that the country needs more housing, and that it is the responsibility of local authorities to facilitate this requirement, we would like to register our objection to the present plan for the development of Manor Farm, Gt Baddow, on the following grounds:

1. Living, as we do, in Maldon Rd, opposite the proposed site, and on a busy polluting street, there is a need to protect the area as a green "wedge" to provide for cleaner air and a healthy environment.
2. The busy Maldon Rd (which was part of the A414 before it was supposedly re-routed) is now still considered by many motorists to be part of the A road rather than the B1060. Access, therefore, on to this road from Molram's Lane, Baddow Hall Crescent, Baden Powell Close and from driveways from houses in Maldon Rd itself, is very difficult at the best of times, but particularly at rush-hours. The use of this road by further traffic from any new housing (not to mention the proposed new industrial site) would only intensify the problem.
3. Development of this site would mean added pressure on the traffic on the already over-loaded Army and Navy roundabout.
4. There seems to be no provision in the plan for necessary facilities, such as surgery, schooling, a pharmacy and essential retail outlets.

5. The site's development will harm the ecological balance in the area at a time when the green agenda should be uppermost in policy-making.

Two further points need to be made:

a) In view of the economic recession facing this country, what likelihood is there of finding developers when banks are highly unlikely to finance them with loans in a time of practically zero interest rates?

b) If the development is to go ahead, what percentage will be allocated for much needed social housing?

CCC Response:

1 to 5 Refer to response to Question 14.

In response to the final two points:

a) The sites all have developers promoting them and are considered deliverable.

b) Policy requirements in the Local Plan require 35% affordable housing on site of 11 or more homes.

30. Dave Vicary – Army and Navy Roundabout

There is no mention in the Committee report of the closure of the Army and Navy flyover. Therefore it would appear the Council is relying on the traffic modelling in place when the Local Plan was examined and found sound by the Inspector. The closure of the Army and Navy flyover resulted in a variety of noticeable different traffic patterns and much more traffic in many parts of the city centre and outlying areas such as Springfield and Broomfield.

There has been a major change in the City's road infrastructure and there is no firm proposal to remodel the junction. In the absence of revised traffic modelling and Sustainability Appraisal, to consider the Plan has been properly assessed for soundness because of the major impact that the closure of the flyover has had on the town and the current lack of any firm proposal to provide an alternative.

CCC Response:

The City Council is working with Essex County Council who are responsible for the Army and Navy junction. The County Council has consulted on options for the Army and Navy and the City Council will continue to actively engage in this process to help shape the proposals.

Major development proposals will need to undertake further Transport Assessments as part of any planning applications.

31. Geoff Pickford – Development at Manor Farm

Bearing in mind that this development borders a flood plain zone, which in turn impacts on the flooding of areas adjacent to the Blackwater and Chelmer, what independent Environmental and Ecological Studies have been commissioned to study what effect this proposed development will have on the environment?

I'm concerned that with this proposed development, maybe as much as 70% of the area will be covered with concrete, be it from foundations of homes, road and access ways, and parking areas, which will exacerbate the problem as the run off of water during heavy rain periods will need somewhere to go as it will not be absorbed into the ground and gravity dictates it will flow downhill to the blackwater and Chelmer basin.

CCC Response:

Refer to response to Question 23.

32. Geoff Pickford – Development at Manor Farm

During your Election campaign the LibDems condemned the actions of the Conservative majority council of agreeing development before ensuring that the necessary infrastructure: Schools, Roads, Healthcare, public affordable transportation, was in place BEFORE such developments were proceeded with. You indicated that this would not be the case if the Libdems became in charge of the administration.

These are two quotes taken directly from your own literature:

“New development should be close to transport links and be built with better local facilities and services”

“The previous Conservative administration choked Chelmsford. They put developers before local residents”

In view of this, can you confirm that you will honour your pre-election pledges and make sure that the infrastructure will be in place, before any adoption of this plan is agreed?

If not why are you reneging on the promises you made to the electorate?

CCC Response:

Refer to responses made by elected Members, a link to the recording is available on the Council's website.

33. Geoff Pickford – Development at Manor Farm

Any proposed development plans will be drawn up with the developers interests coming first.

I would suspect the developer will try to shoe-horn as many properties as legally possible onto the development. Careful vetting of any such plans should be seen with a view to the future, ensuring roads are wide enough to allow emergency vehicles easy access, sufficient off-road parking is available for at least 2-3 vehicles per household, and to factor in the intention (as I understand it) to ban any vehicles from bumping the pavement to park (because it's common practice on existing roads to allow access for emergency and other large vehicles).

Additionally, has any thought been given to the effect construction traffic will have on the roads and the quality of life of the community, citizens, council taxpayers and the electorate?

Essex Highways and Ringway Jacobs are ineffective in maintaining the existing road infrastructure, so the developer must be held liable to make good and provide a remedy for any damage to roads, accesses etc that their construction traffic may cause.

Will you ensure that, as you promised when elected to power, that you will put residents first when coming to make any decision on the Manor Farm Development?

CCC Response:

The Local Plan sets out the numbers of homes for each site and the internal space, open space and parking standards required to be met within a development.
Construction traffic and its routes and operations will be considered as part of the full Transport Assessment which will be required to be submitted as part of future planning applications for the sites.

34. Geoff Pickford – Development at Manor Farm

It seems the proposal to adopt the development of Manor Farm appears out of sync with the Liberal Democrats article headed:

“DON'T CHOKE CHELMSFORD”

To quote Stephen Robinson:

“Young people and families need genuinely affordable homes, but **many of these are in the wrong places, scattered around, and without the right infrastructure**. Local services are already under strain; roads are [at 96% capacity](#); and it will just get worse”

What exactly are the demographics of the Young People and Families? Are they local to the area, or just anyone who fancies living in Chelmsford?

What is definition of affordable homes? Below market value? If so, who funds the difference? Will they just be taken up by Housing Associations?

A developer is only obligated to provide so many “affordable” homes, a percentage of the total build, around 30%, will this be the case?

“Local services are already under strain; roads are [at 96% capacity](#); and it will just get worse”. This is the Leader of the Liberal Democrats’ own admission.

So, given 550 homes, at least one member of the household will be employed, and their only method will be to use a car to get to work, so that will put up to an additional 300 extra vehicles on the local roads during the “rush hour”, roads that already suffer from excessive congestion.

So in adopting this development, how is it justified given Stephen Robinson’s stated concern at putting an additional load of services and roads are unacceptable?

CCC Response:

Refer to response to Question 14.

The housing requirements within the Local Plan are based on the Objectively Assessed Housing Need Report which assesses the role of natural population change and migration and has been found by the Local Plan Inspector to be robust evidence.

Affordable housing secured through the planning system, is defined in Annex 2 of the National Planning Policy Framework (NPPF). This includes affordable rent, social rent, shared ownership and discounted market sales.

The Local Plan contains a policy that 35% affordable housing is required on sites of 11 or more homes.

35. Caroline Neale – Development in Maldon Road Area

Please take my email as my Statement of Objection to the development plans to the Maldon Road area of East Chelmsford area 3.

As a resident of Baddow Hall Crescent, I have major concerns over the building of approximately 500 new homes in the area.

This will put enormous strain on the already congested local road system. Maldon Road is already extremely busy, especially at peak times. Factoring in the addition of cars from 500 new homes is only going to increase travel times, congestion and pollution. It can currently take 2 or 3 minutes to pull out of Baddow Hall Crescent on the school run, particularly if someone in front is turning right towards the A12, this will surely increase with additional traffic flow coming from the proposed new road layout at Sanford Mill Lane. Build up off traffic on the Baddow Bypass during peak times often means that traffic queues along the Maldon Road as the slip road is congested. With the removal of the flyover at the Army and Navy roundabout, and no replacement decisions in place, traffic from this proposed housing is only going to add to the congestion misery for locals.

I am also concerned the pressure this will place on local schools and doctors surgeries. It's my understanding that the local junior and senior schools in the area are already at capacity. Where

will the children of the new development go to school? The nearest Doctors - Baddow Village Surgery - are no longer taking on new patients, even from the current catchment area, so what surgery will residents of the new development register at?

I am also concerned over the hugely devastating impact this will have on our local wildlife. Over the last couple of months of lockdown, hundreds of local residents have used the fields behind Maldon Road, out towards Chelmer Village and Sanford Mill, as a haven during this time of worry and uncertainty. Like me they would have enjoyed seeing a huge variety of wildlife, including Buzzard, Skylark, Kestrel, Little Egret, Heron, Pheasant, Water Vole, Fox and Rabbit, as well as the many different species of butterflies and insects. I note that there are plans to develop part of the area as a country park, but why do we need a man made park when nature has done a pretty good job in developing a naturally beautiful, diverse area.

CCC Response:

Refer to response to Question 14 and 23.

36. Jane Young – Proposed Housing Development in Maldon Road

My question to the council is if this development is approved then what are you going to do to improve the road infrastructure in and out of the city centre, in particular Baddow Road? This road is seriously congested now at peak times so I'm not sure how allowing even more people to use the road is going to help. Before anymore developments are approved you need to take a serious look at how to relieve the traffic problems you have at present.

I would also like to know if new GP surgery's, schools etc are going to be built and also how Broomfield Hospital is meant to cope with the ever increasing population?

Although Chelmsford has been given city status it is still a small town with a road infrastructure that can't really be improved on because of the building that has taken place around the city centre.

CCC Response:

Refer to response to Question 14.

37. CERA Committee – Warren Farm Development

Statement:

The main argument put forward for using the cut through on Avon Road as a bus route to the new Warren Farm development, was that a traffic survey carried out, deemed the A1060 unsuitable for additional bus traffic. However, as the A1060 has now received significant upgrade works, further investigations should now be carried out as to whether the upgraded road may now be suitable.

Furthermore, in relation to the siting of the bus gate itself, there are significant safety and practicality concerns over the proposed location of the bus gate, based on a number of factors. Some of these are listed as follows:

1) The Local Plan notes a green/amenity space on Cherwell Drive. This is no longer there as it was developed for housing, meaning the play area the bus gate is being built on is the only formal open play area for the Chignal Residents.

2) Essex Design Guide Section 6.67 states that footpath widths may be reduced below 2m only in exceptional circumstances and for short distances. The proposed bus gate layout has a reduced width for almost 30m, with the entrance at 1.2m wide. Avon Rd park is used extensively by Chignal Estate children and families. Any new route through to Warren Farm is likely to be used as access from the new development to local churches on Melbourne Ave, shops and Lawford Mead School. On top of this, Warren Farm residents are being offered free bicycles with house purchases. Assuming a low estimation that 25% of buyers avail of this, that is a minimum of 200 cyclists using the bus gate every day. As such, the proposed bus gate needs to provide for 5+ buses an hour, pedestrian through traffic, families children and prams and hundreds of cyclists; with a footpath width far narrower than minimum requirements.

Were a bus, as it entered the bus gate from Avon Rd, to encounter any cyclists or pedestrians on the bus gate it could be forced to stop across Avon Rd, potentially blocking the street.

3) The bus gate will require a new bridge construction whose sides will sit on adjacent properties' boundaries. It will also require; a pedestrian crossing mid-way along its length and a ramp for people to access the park and play area; a traffic light system on Avon Rd which, as shown on the current plans, would require significant trees to be felled.

4) The bus route being proposed to serve the Warren Estate through the bus gate, takes a long and convoluted route through Melbourne to Chelmsford City Centre. The existing buses that use the A1060 take a much quicker and direct route to Chelmsford Bus station. It is therefore reasonable to assume that Warren Farm residents are likely to use this route as opposed to the secondary route being proposed through Avon Road.

5) The Chignal Estate is an award-winning residential development. This new proposal essentially turns Trent Road into a trunk road running directly through the heart of the estate. Such a proposal would not be accepted on any new build development with such constraints as present in the vicinity of Avon Road playground.

There is a great deal of concern amongst the residents of the Chignal Estate area regarding the impact of the proposed bus gate on the area - the Chignal Estate Residents Association (CERA) petition voicing such concerns has currently around 800 signatures. Whilst there is regret over the proposed development of Warren Farm, there is also an understanding of the need for housing the Chelmsford area. However, so far, there has been a worrying lack of engagement with the CERA on the feasibility of the bus gate. With our queries, generally up to this point being mainly dismissed out of hand. We urge our local councillors and the planning committee to revisit the current proposal of the bus gate and reconsider alternative solutions that are less disruptive to the local community and environment.

Furthermore, we reiterate our recent requests for representatives of CERA, as one of the primary stakeholders in the new development and bus gate, to be given the opportunity to have a detailed discussion with the members of the council and Warren Farm developers to understand how these concerns will be addressed. We look forward to this at the earliest opportunity.

Question:

Considering the fact that potential buyers on the Warren Farm Development may be offered free bicycles when purchasing a house (as reported in Essex Live News on 31st January 20) and that the park at the bus gate is the only formal play area for the Chignal Estate, are council members happy that a bus gate, who's design falls well short of minimum Essex Highways design standards, can safely cater for buses, families and children using the park, pedestrians using the route as a cut through as well as potentially hundreds of cyclists?

Question:

Considering that no traffic surveys, road safety audits, technical appraisals, feasibility studies or formal investigations have been presented justifying the suitability of the bus gate on Avon Road, why is it being included in the Local Plan and why are Chignal Estate residents being told that the Warren Farm development hinges on this being constructed?

CCC Response:

The Local Plan has been considered sound by the Inspector which included the sustainable transport measures proposed to serve the West Chelmsford site.

The detail of the bus gate and other aspects of the site will and are being considered through the Masterplanning process and future detailed planning applications where further consultation is ongoing.

38. Norma Yarham – Infrastructure and Ecological Concerns

I am writing my statement of disapproval to the 'change of mind' of the Liberal Democrats now that they are in power in Chelmsford. One of my reasons for voting for them was that they opposed the adoption of the above-mentioned plan. As a result of this betrayal I most certainly WILL NOT be voting for them in future.

The infrastructure of this area will not support a development of this nature and the traffic system most certainly won't. It can't cope with the current volume of traffic as it is!

The loss of flora and fauna will be devastating. We cannot, and must not, lose valuable areas of wildlife if we are to continue to live on this planet. Have we not learned from the consequences of the past few months?!!

CCC Response:

Refer to responses made by elected Members, a link to the recording is available on the Council's website

39. Great Baddow Parish Council – Development in Great Baddow

Great Baddow Parish Council understands that this meeting concerns consideration of the adoption of the Chelmsford Local Plan as approved by the Inspector. In its response to the public consultation held in 2017, after a public meeting held in April, the Parish Council raised several objections and concerns about the Plan relating to three proposed sites in and bordering Great Baddow. These included: -

- a) The green wedge along the river Chelmer
- b) Lack of provision of local amenities and facilities
- c) The exacerbation of parking problems in the village
- d) Increasing the already existing pressure on local schools and GP practices
- e) Traffic congestion at the new access roads and junctions and the Army and Navy roundabout. (The latter has now become a major problem with an acceptable solution yet to be considered)
- f) There should be a substantial proportion of affordable housing.

In view of the large number of concerns and objections raised, how will Chelmsford City Council ensure that the Parish Council and local residents will be involved in decisions in the next stage of development, should the Local Plan be adopted?

CCC Response:

The Inspector has considered all the representations made to the Local Plan, including that of Great Baddow Parish Council and concluded that the allocations in East Chelmsford are justified and sound.

Further consideration of these sites will be through the Masterplan procedure where all will have the opportunity to contribute to the future development of these sites, particularly the Parish Council as an important stakeholder in the formulation of the masterplan.

40. Pete Dixon – Building on Open Space and Recreational Land

The National Planning Policy Framework as it stood at the time of the consultation, stated in paragraph 74 that “existing open space, sport and recreational buildings and land should not be built on.” How did the council manage to persuade the inspector to ignore this undeniable fact when pushing through a plan that clearly deprives a large urban population of many of their few remaining open spaces? During the consultation, we were instructed to base our objections upon this guidance so if a new guidance has been used, the council must reopen the consultation as this moving of the goalposts is illegal and unethical.

CCC Response:

Agricultural land would not normally be considered public open space in the context of paragraph 74 of the NPPF. The development of a very small proportion of less productive agricultural land in Chelmsford will provide significant additional public open space with two new country parks, playing pitches, play areas and local open space.

With the removal of the John Shennan and Police HQ sites, these open spaces that were to be lost are now to be retained and protected. Significant areas of open space are to be retained as part of the former St Peter's College site and financial contributions to improve/provide playing pitches off-site. This strategy has been formulated with the agreement of Sport England.

41. Jane Clark – Development in Great Baddow

As a resident of Great Baddow, on the Sandon side, I am greatly concerned about the proposed building of over 500 houses in this proximity. This will greatly impact on the infrastructure of the area which at present struggles to get into Chelmsford. A five minute journey currently takes over 20 minutes which also raises pollution to local properties but with these extra properties it will lead to an increase in vehicles, easily over 1000, thus exacerbating both pollution and travel times. This is greenfield which gives the area a more rural feel, it keeps the villages separate. How long will it be before there are no more villages? Before we are one continuous place with no variation, no green areas to go to. There will definitely be an impact on wildlife with the loss of so much vegetation. Local schools are full and so this could impact majorly on the opportunities for children to be educated locally, again adding to pollution and traffic. I moved to this area over 20 years ago

and have seen development in smaller areas but building over such a large area horrifies me with the loss of so much green land. Please rethink this and stop Chelmsford becoming a concrete City where pollution increases, Greenland diminishes and stress and depression prevail.

CCC Response:

Refer to response to Question 14.

42. Mr and Mrs Farage – Implications for Traffic of Great Baddow Development

Our 2 questions are regarding the Great Baddow/Sandon proposed development areas. Recently large amounts of money were spent justifying the proposed very unpopular Baddowgate scheme, to restrict travel through Baddow road, in addition to the cost of the Sandon Park and Ride, both focused on heavy traffic coming into Chelmsford at peak times. This clearly indicates that the Council had identified traffic as an issue on this side of Chelmsford. With the Army and Navy roundabout still not resolved, how do the council feel that adding 2 new large developments would not exacerbate the traffic issues on this side of Chelmsford? Local residents currently queue every day to get into Chelmsford at peak times and the Liberal councillors had already identified this as causing pollution concerns. This area cannot take more traffic.

The village surgery at Great Baddow has been unable to take any new patients, except babies born to existing patients families, if housing is developed in this area there will be insufficient services to meet their medical needs. Will any developments that stretch local services have new surgeries available before people move in? If not how far will these people have to travel?

CCC Response:

Refer to response to Question 14.

43. Mrs S Tredgett – Development in Great Baddow

I have lived in Great Baddow for nearly 20 years. When I came to this area, Chelmsford was a small market town and had the advantages of the surrounding green countryside and good transport links. These have already been steadily eroded by the numerous housing and business developments which have been built since I have lived here. There is increasing pressure on our existing, already inadequate, infrastructure.

Now it is proposed to build up to 500 new houses and a business park on unspoiled country land, which is part of the heritage of the area. A new housing estate is likely to be unsightly and take away more of the character and beauty of our local environment.

Moreover, at normal times, ie not during this pandemic, it is nigh on impossible to travel into Chelmsford by car due to traffic congestion. It is increasingly challenging to cross the Army and Navy roundabout from any direction. The bypass has huge queues at rush hour and it is faster to walk than attempt to drive down Baddow road. The train station is overwhelmed by passengers and there is no sign yet of a second station.

Attempts to go round Chelmsford via the A12 are often frustrated by the frequent accidents leading to numerous traffic jams.

Some people may be able to use the Park and Ride service at Sandon, but this will not cater for everyone.

I realise that people need new homes due to the housing shortage but, in my view, the proposed site will just add to the problems we already have in Chelmsford of overcrowding and inadequate resources to support such a large population.

For these reasons, I am opposed to the proposed development and would ask for my views to be taken into consideration as a local resident who will be directly affected if the plan is approved.

CCC Response:

Refer to response to Question 14.

44. Katie Hanover – Development in Great Baddow

I refer you to SOGC 18b, Chelmsford Local Plan Statement of Common Ground with Hopkins Homes - Strategic Growth Site 3a, November 2018, Appendix 3.

I currently live on Maldon Road, opposite the site you and Hopkins Homes are proposing as a potential development site for housing and for a country park. I refer in particular to Site 3a. This site on the plan is showing as being developed across what is currently a huge and very active flood plain. I have lived in this area all of my life and the area you have recommended for housing and a country park floods every year, without fail. It does not just flood a little but hugely, with extensive and very deep flooding in the Sandford Mill area. The river here rises by at least 8-10 feet in deep flood and the area is completely impassable.

I do not understand how you can propose to build houses on this area? How is this physically possible? Not only the construction proposals for properties are ludicrous but to then have the developer propose to build a 'country park' once the first developed property is occupied....this will probably mean that the country park will not be developed as they will realise they cannot develop a flood plain...which of course they will already know at the point of starting the development.

I attach for your reference a photograph of the recent flooding, taken from my house on Maldon road – this the exact area in which you propose to build houses and a country park! With the high levels of flooding over the winter of 2019/2020, as every year and an increase in these so called '100 year' events how do you plan to mitigate the flooding of the proposed houses and country park.



How has it become policy to blatantly build on floodplains?

It is stated in bold underline below that there are no constraints to developing the site and that it is suitable? Can you please explain what you plan to do with the river Chelmer that has been there for all of eternity?

The Chelmsford Pre-Submission Local Plan is supported by modelling which tests traffic (EB 026, EB 027, EB 029, EB 031, EB 032 and EB 033), flood and water cycle impacts (EB 106A-I and EB 107B).

These demonstrate that there are no over-riding issues and constraints to the development site.

All parties agree that the East Chelmsford Strategic Growth Site allocations 3a, 3b, 3c and 3d are deliverable within the plan period, in a **suitable location for development and are viable.** There are no over-riding issues and constraints to bringing forward these development sites in accordance with the Chelmsford Local Plan.

This is laughable!

Properties in the new Beaulieu park development have frequently flooded over this winter with gardens standing with a foot deep of surface water! This is due to building on flood plains where the water table is naturally high and of course in times of flooding will be breached!

Apart from the above there is also a total lack of plans to address the infrastructure required to support such a development. The local schools are over subscribed, and have been forced to squeeze in extra classes to the detriment of the schools. The local doctors surgeries are over subscribed and no longer taking new patients. The park and ride is at maximum capacity with people queuing from 730am onwards. The roads are gridlocked and are even more so since the removal of the Army and Navy Flyover – this is not going to be replaced in any time for this development.

There are innumerable reasons NOT to build in this area, it seems that this is once again a development that cannot be sustained by the lack of infrastructure surrounding it. The City council needs to meet the infrastructure needs of the current residents before allowing further developments such as this to go ahead.

CCC Response:

Refer to response to Question 14

The area of Site 3a to be developed all lies within Flood Zone 1, which is the least susceptible to flooding. Surface water will need to be stored and managed on site through sustainable drainage systems.

The Local Plan is informed by a Strategic Flood Risk Assessment prepared in consultation with the Environment Agency. The Local Plan Inspector considered flood risk as part of the Examination of the Local Plan which has been found sound.

The proposed Country Park will be located in the area that is susceptible to flooding. However, the proposals for the Country Park will be low-key and naturalistic which provide better public access and manage this area for its biodiversity and wildlife.

45. Heidi Herlihy – Development in Great Baddow

In reference to the subject of the chelmsford local plans for housing development on the Manor Farm site along the Maldon road, I have many concerns that this new development will have on and around the area it sits, being:

1. the increase in traffic on an already busy main road,
2. The extra pressure on schools, doctors surgery's ,dentists etc.
- 3 Reducing the already limited amount of green areas for dog walkers to walk safely away from traffic.
4. An increase in pollution to the air.

I am opposed to this development. Please can you raise my concerns at the meeting.

CCC Response:

Refer to response to Question 14.

46. Mary Cordeiro, GBENA – Development in Great Baddow

Statement by GBENA

We wish to register our **objection** to the Local Plan 2013-2036.

We have sought opinions of Baddow residents on the plan as it pertains to Location 3, East Chelmsford, specifically 3a - Manor Farm and 3b - Land North of Maldon Road (employment site) which we see as a related development due to its proximity to 3a.

Residents are extremely disappointed to see that Liberal Democrats who, while in opposition, campaigned for *infrastructure before development*, now wish to adopt a plan which was prepared by the Conservatives. The Liberal Democrats have a [Don't Choke Chelmsford campaign](#), which is still featured on their web site.

The Liberal Democrat Leader of City Council promised that the local plan will deliver infrastructure and genuinely affordable housing. This plan does not deliver on either promise!

Comments below relate to Site 3a, with a few references to Site 3b.

- Infrastructure

“We need **new infrastructure - at the same time as the developments, not after**”

Source: Liberal Democrats [Don't Choke Chelmsford campaign](#)

In Site 3a we note that the plan does not require the building of schools at primary and secondary level, yet we know that all schools are over-subscribed in Baddow East. We note that there is provision for land to be set aside in Site 3b for a stand-alone early years and childcare nursery.

There is likewise no requirement for a medical centre, yet we know that Baddow Village Surgery on Longmead Avenue, the nearest GP surgery, has closed its books to new patients. Beacon Health Group is taking patients and has sites in Danbury and in Moulsham Lodge, but both are quite a distance away from the site.

There is no requirement for a recreation/community centre in Site 3a. There is merely a mention, in the Site Infrastructure Requirements, bullet 8, to ‘provide or make financial contributions to new or enhanced sport, leisure and recreation facilities’. However the last sentence of paragraph 7.114 reads, with reference to the proposed Country Park ‘Any further contributions to provide or make financial contributions towards new or enhanced sport, leisure or recreation facilities will be considered having regard to the provision of the new Country Park’.

Should we understand this to mean that, should the developer spend all the funds earmarked for leisure facilities on the Country Park, they are absolved from providing any kind of sport, recreation or leisure facility within the development at Site 3a? If this interpretation is correct, then we object most strongly.

In our view a community centre with multi-purpose rooms is an essential element of infrastructure.

We understand from a prominent local youth leader that the Channels development in the northwest of Chelmsford suffers from vandalism and other forms of anti-social behaviour due, in part, to the lack of a community centre from which a youth club and clubs for younger children could operate.

There is no requirement for Use Class A (shops, cafes etc.) in Site 3a, or in Site 3b.

We believe that the plan should list such infrastructure as essential.

- Transportation links

"Young people and families need genuinely affordable homes," says Leader of Chelmsford City Council Stephen Robinson, "but many of these are in the wrong places, scattered around, and without the right infrastructure. **Local services are already under strain; roads are at 96% capacity; and it will just get worse.**"

Source: Liberal Democrats [Don't Choke Chelmsford](#) campaign

Residents of Site 3a travelling to Chelmsford city centre, whether using Maldon Road or the Baddow by-pass, will pass through the Army and Navy. The redevelopment/reimagining of the Army and Navy roundabout is not yet at the consultation phase so a completed traffic management system for that area is still a long way off. Traffic moves freely at present due to the Covid lockdown, but typically there is gridlock. This development, both while under construction and afterwards, will only make the congestion worse.

We understand from the Bradwell agenda pack from Essex County Council that there are proposals to site a Park and Ride for Bradwell construction workers opposite the existing Sandon Park and Ride on Maldon Road. Further, we understand that there are proposals for a Bradwell-related lorry park on Maldon Road, located just on the east, Sandon side, of the A12.

The additional volume of traffic brought to the area by Bradwell-related activity will further exacerbate traffic problems.

Bus services in the area are infrequent and First Bus has been reducing services to/through Baddow. There needs to be a firm guarantee of bus services at times to suit commuters and school children.

- Housing, green space and sustainability

"Young people and families need **genuinely affordable homes**," says Leader of Chelmsford City Council Stephen Robinson, "but many of these are in the wrong places, scattered around, and without the right infrastructure. Local services are already under strain; roads are at 96% capacity; and it will just get worse." Source: Liberal Democrats [Don't Choke Chelmsford](#)

We believe that there should be genuinely affordable housing for local people. Affordability should be assessed with regard to the median wage in Chelmsford. There is no reference to the percentage of housing in the development that will be 'affordable housing'.

Despite statements about sustainable transport modes (paragraphs 7.118 and 7.122) the reality is that most residents will use a car most of the time and most households will have two vehicles. We believe that an adequate number of electric car charging points at each house, and in car parks, should be a requirement.

There should be adequate, and adequately-sized, off-road parking for each house, at each house, plus additional communal car parks. Clarion Gate, a development built in 2009-12, has poorly designed access roads. Residential properties there were designed to accommodate off-street parking for just a single vehicle at each property. Roads were not built to approved drawings and, we understand, some planning conditions on road design went undischarged.

All internal roads in the development should be of a width to permit emergency vehicles to pass easily.

There should be designated green space and children's play areas throughout the development.

Drug Use and Dealing has risen significantly in Chelmsford over the last few years, aided in no small way by the design and layout of housing developments providing numerous "rat runs". We understand the Police have a unit providing advice on making housing developments more policing "friendly" and consequently less likely to suffer from significant problems with drug dealing. Any development should be required to be constructed in accordance with police best practice advice.

- Country park

Residents of Baddow, Chelmsford and beyond already enjoy public footpaths and pedestrian/cycle access on minor roads from Maldon Road via Sandford Mill Lane to the Chelmer and Blackwater navigation and towpaths on either side, where they can walk or cycle for miles, and across the river to Brook End Road and Sandford Mill Road. The transformation of natural habitat into a more sculpted country park will have a negative impact on the abundant wildlife in the area while adding nothing extra for residents to enjoy.

The Country Park and Sandford Mill visitor centre will attract visitors from beyond Chelmsford thereby adding to traffic congestion in the area.

- Miscellaneous

Long-time residents have informed us that there are methane gas pipes running through Site 3a from beneath the Baden Powell Close development, which used to be a rubbish tip. There is no mention of how the pipes/gas will be managed.

As farm land, the area has been known to flood regularly. Run-off from the impervious surfaces of the development will require careful management to avoid flooding. Given the topology of the land, surface and foul drainage systems will be challenging.

Noise and nuisance during construction

Sites 3a and 3b will be under construction at the same time as Bradwell, so construction worker traffic to the Bradwell park and ride will be an additional nuisance to residents in the existing housing along Maldon Road and to the south of Maldon Road.

There should be measures to curtail construction and construction traffic to Sites 3a and 3b between the hours of 5pm and 9 am and all weekends and bank holidays.

We hope that our comments will be given proper consideration. We wish to add that we would be happy to sit down with the developer to discuss aspects of the design of the development at site 3a.

Question by GBENA

Residents are aware that schools in Baddow East and Sandon are currently over-subscribed. Why is there no provision for the construction of primary and secondary schools in Site 3a. ?

In the document, the site infrastructure requirements merely states ' Financial contributions towards...'

CCC Response:

Refer to response to Question 14, 39 and 44

In response to specific questions

The County Council as Education Authority undertakes school place planning and the Commissioning School Places document has informed the Local Plan. There is a requirement for financial contributions to increase primary and secondary school places in nearby schools to mitigate the impact of the development.

47. Sue Gander - Development in Great Baddow

I feel very strongly about the proposed development in Gt Baddow and I have to question Why we are still even thinking about it!

Why are we about to squeeze a multitude number of houses into an already over populated, over polluted area where all services are over stretched and are already struggling to serve the people who live in the area.

At present we are living through a Public Health Crisis and having to re-think how we live, how we socialise, how we conduct our daily lives and raise our children!

So if we have to build, be visionary and do it properly thinking about the needs of whole families and not just lining the pockets of greedy house builders!

Build houses big enough to accommodate their elderly folk in the family preventing overcrowded, over priced nursing homes. Stop children raised in flats with no gardens.

Build good recreation area's where people can exercise and give children fresh air to breath. Give families space to live!

The only way to do this is to purchase a decent area of land with all the Infer structure and build a small town.

CCC Response:

The Local plan has been found sound by the Inspector so the principle of the site allocation at East Chelmsford has been justified and tested independently.

48. Alex Scully - Adoption of Non-Strategic Policy relating to Growth Site 1q, Church Hall Site, Woodhall Road

I write to inform you of new information relating to a site known in the pre-adoption Local Plan as Growth Site 1q, Church Hall Site, Woodhall Road, and your prospective decision to adopt development of it as part of the new Local Plan, to be voted on 27 May 2020.

The draft Policy is:

GROWTH SITE 1q – CHURCH HALL SITE, WOODHALL ROAD

- *Around 19 new homes*
- *Main vehicle access will be from Woodhall Road*
- *Character and scale determined by adjacent residential development Development layout should respect neighbouring rear boundaries*
- *Drainage and flood risk management led by SuDs to address location in a Critical Drainage Area*
- *Phasing: 2022-2026.¹*

I write to inform you that it is not open to you to adopt this policy (1q) as to do so would be unlawful in public law terms because:

- i. You will be unable to fulfil your statutory duty relating to weighing the impact of the policy on protected species;
- ii. To do so would be to adopt a policy directly contrary to national and higher-level strategic policies within the Local Plan itself relating to open space, and therefore irrational.

Inability to perform statutory duty

The site consists of a large open space and a fenced and locked area that is the site of the old church hall, which has now been reclaimed by nature.

Possible presence of protected and endangered species at site 1q

An ecological report was recently obtained by prospective developers of the site, Barefoot & Gilles. This report is dated June 2019, and is **attached**. It has only recently come to my attention. I would direct the committee's attention to the following conclusions in the report:

Bats

All species of bat are subject to protection under the Wildlife and Countryside Act 1981. Certain species are listed in the EU Habitats Directive² Annex II as being species of community interest, as well as being considered species of national importance by the Secretary of State.³

The report lists a number of species of bat that may live on the site. It notes that the scrub area could provide foraging habitat for bats, and the hedgerow and boundary areas are good linear

¹ Chelmsford Draft Local Plan, Pre-Submission Document, January 2018, p. 115

² Directive 92/43/EC

³ S.40–41 Natural Environment and Rural Communities Act 2006 (NERC)

features for commuting bats.⁴ It does not discuss the presence of bats in the surrounding areas, and cannot comment on the presence of bats in the Church Hall site. It was also performed at the wrong time of year to assess hibernation roosts.⁵

Wild birds

The report notes the potential presence of a number of species requiring protection under EU Directive 79/409/EC (the '**Wild Birds Directive**'). The report notes the presence of domestically red-listed birds on the site: starlings⁶ and house sparrows.⁷ It also notes that the scrub and hedgerow had high suitability for nesting birds. It also notes that red-listed song thrushes⁸ are possibly present. These are all designated species of principle importance. It also notes the potential for amber-listed swifts, bullfinches and dunnocks.

It has not investigated the Church Hall site. It was also performed at the wrong time of year to assess winter behaviour.⁹

Reptiles

All native reptiles are species of principle importance. The report correctly recommends a seven-visit reptile survey to discount the presence of protected reptiles from the site.¹⁰

Notable invertebrates

The report notes the presence of deadwood on site, which is an important habitat for protected stag beetles.¹¹ Stag beetles are designated a species of community interest, per Annex II of the Habitats Directive, and are a species of national importance under the NERC.

The report does not comment on the steps taken (if any) to investigate whether stag beetles are present. It has also not accessed the part of the site which will be most conducive to rare invertebrate species.

Hedgehogs

As paragraph 3.10.1 notes, hedgehogs are a species of principal importance and protected by the NERC. Although the 'desk study' returned no records for hedgehogs near this site, it is common knowledge of the residents of Woodhall Road and the users of the site that hedgehogs are present, and there is a clear possibility that they make the Church Hall their home.

Badgers

Badgers and their setts are protected by the Protection of Badgers Act 1992. No assessment as to the presence of badgers appears to have been carried out. It was also performed at the wrong time of year to assess the presence of badgers.¹²

Bees

⁴ Paragraph 3.5.4, p.17

⁵ Natural England guidance is for a survey of this behaviour in November to mid-March

⁶ *Sternus vulgaris*, also included in Annex IIB of the Wild Birds Directive

⁷ Paragraph 3.6.2, p.19

⁸ *Turdus philomelos*, also included in Annex IIB of the Wild Birds Directive

⁹ Natural England guidance is for a survey of this behaviour in October to March

¹⁰ Paragraph 3.8.4, p.22

¹¹ Paragraph 3.9.2, p.23

¹² Natural England guidance is for a survey of this behaviour in February to April or October to November

A number of species of bee are protected under the NERC. The site has also been included in Buglife's 'B-Lines' project. Despite this, the report makes no mention of the presence of bees or whether habitat is conducive to bees.

Impact on surrounding area

The report does not take into account the impact of protect wildlife living nearby, which utilise the area to browse and feed.

Report's methodology

The report is the product of a 'desk study' (i.e. consulting records held on wildlife sightings in the area) and a single visit to part of the site on 7 June 2019.

The report notes that it '*may not provide a complete list of the plants and animals present, or which may utilise the site throughout the year*'. It also concedes:

*A large section of the south of the site was inaccessible due to a fence and a hedge around the entirety of the area. The habitats within this site were therefore not thoroughly surveyed, although some areas were visible from the other side of the boundary.*¹³

This inaccessible area refers to the fenced-off area of around 875m² which is the site of the old church hall. It is a type of habitat called 'open mosaic habitat on previously developed land', which is a protected habitat type under NERC and noted for its priority importance for invertebrates.¹⁴ Dozens of trees & shrubs have taken over the site completely, providing a sanctuary for many bird species. Local residents report seeing bats, hedgehogs and field mice. The report is unable to make any conclusions about this site, as it has not been inspected.

The report is therefore inadequate to form a view on the presence of protected species on site, and therefore the impact on them of the policy of developing the site, because:

- i. as it does not include a survey of a significant area of (and the most ecologically important) part of the site;
- ii. its conclusions are based on a cursory, single visit to the site and are at odds with local knowledge;
- iii. it seems to take no view on the presence of bees or badgers, and was performed at the wrong time of year for badgers;
- iv. it acknowledges further investigation into the presence of reptiles is required.

Unlawfulness of a decision to adopt Policy 1Q

Per s.40 Natural Environment and Rural Communities Act 2006, you as a public body '*must, in exercising its functions, have regard, so far as is consistent with the proper exercise of those functions, to the purpose of conserving biodiversity.*'

¹³ Paragraph 3.2, p.9

¹⁴ UK Biodiversity Action Plan; Priority Habitat Descriptions. BRIG (ed. Ant Maddock) 2008. (Updated Dec 2011), pp. 49-56

Per Regulation 9(3) of the Conservation of Habitats and Species Regulations 2017 ('CHSR'), you also 'must have regard to the requirements of the Directives so far as they may be affected' by your decision to adopt Policy 1q.

The 'Directives' referred to are the Habitats Directive and Wild Birds Directive. Article 12 of the Habitats Directive states that:

Member states shall take the requisite measures to establish a system of strict protection for the animal species listed [the protected species] in their natural range, prohibiting ... (b) deliberate disturbance of these species, particularly during the period of breeding, rearing, hibernation and migration ..."

In the UK, this system of strict protection is provided by various criminal offences, policed by Natural England.¹⁵ It is a criminal offence to disturb any of the species referred to above. As such, you must 'have regard to' whether Natural England would consider a criminal offence would be committed were site 1q to be developed in the way the policy suggests, and consider that Natural England would not license such an offence.¹⁶

Per Regulation 10 CHSR you must also take such steps in the exercise of your functions as you consider appropriate to contribute to 'the preservation, maintenance and re-establishment of a sufficient diversity and area of habitat for wild birds in the United Kingdom, including by means of the upkeep, management and creation of such habitat, as appropriate, having regard to the requirements of Article 2' of the Wild Birds Directive.¹⁷

The Wild Birds Directive, per Article 1, 'relates to the conservation of all species of naturally occurring birds in the wild state in the European territory of the Member States to which the Treaty applies. It covers the protection, management and control of these species and lays down rules for their exploitation. It shall apply to birds, their eggs, nests and habitats.'

Article 2 of the Wild Birds Directive reads:

Member States shall take the requisite measures to maintain the population of the species referred to in Article 1 at a level which corresponds in particular to ecological, scientific and cultural requirements, while taking into account of economic and recreational requirements, or to adapt the population of these species to that level.

Article 3 stipulates that these 'requisite measures' must 'preserve, maintain or re-establish a sufficient diversity and area of habitats for all the species referred to in Article 1'.

It is therefore imperative that your decision to adopt Policy 1q is in line with your statutory duties. However, due to the inadequacy of the ecological survey performed, you do not have an adequate picture of the presence or extent of various protected species on the Church Hall site. Although it is for you to weigh these effects and the impact on biodiversity, you do not have sufficient information to be able to do so.

¹⁵ Cf. Reg 42–45 CHSR

¹⁶ *R. (on the application of Morge) v Hampshire CC* [2011] UKSC 2 at [29]

¹⁷ Regulation 10(3) CHSR

It will therefore be impossible for you to ascertain or have regard to the likely effect of the policy to develop the site on the above species, habitat and/or biodiversity, or be able to have regard to the impact of the policy on the requirements of the Directives. As such, you will be unable to perform the balancing exercises required of you by statute, because you will have insufficient knowledge of material considerations.¹⁸

It is therefore my position that adopting the Policy 1q would be unlawful, as you will be in breach of statutory requirements pertaining to your decision.

Open Space

The Church Hall Site and area behind Woodhall Road is open space, which was left thus by the original designers of the estate. It is an open, lush grass area, used by a variety of people from the local community, including dogwalkers and families with young children. The estate is in one of the poorer areas of Chelmsford which is itself an affluent city, with many residents renting their homes from the local authority. Consequently, it is home to a disproportionate number of disadvantaged people, including the unemployed, elderly, those in receipt of welfare benefits, and the disabled. At either end of Woodhall Road, there are multi-storey flats with no gardens, whose occupants would be particularly badly affected by the loss of the Church Hall site. The nearest open space is St Andrews Park, which is around 0.5 miles away and already overused due to serving a dense urban area.

I therefore further consider that adopting Policy 1q would be contrary to both the National Planning Policy Framework (NPPF) and Strategic Policies within the Local Plan itself pertaining to open space.

Per the NPPF:¹⁹

96. Access to a network of high quality open spaces and opportunities for sport and physical activity is important for the health and well-being of communities. Planning policies should be based on robust and up-to-date assessments of the need for open space, sport and recreation facilities (including quantitative or qualitative deficits or surpluses) and opportunities for new provision. Information gained from the assessments should be used to determine what open space, sport and recreational provision is needed, which plans should then seek to accommodate.

97. Existing open space, sports and recreational buildings and land, including playing fields, should not be built on unless:

- a) an assessment has been undertaken which has clearly shown the open space, buildings or land to be surplus to requirements; or*
- b) the loss resulting from the proposed development would be replaced by equivalent or better provision in terms of quantity and quality in a suitable location; or*

¹⁸ Cf. *Bagshaw v Wyre BC* [2014] EWHC 508 (Admin)

¹⁹ As revised February 2019

c) the development is for alternative sports and recreational provision, the benefits of which clearly outweigh the loss of the current or former use.

98. Planning policies and decisions should protect and enhance public rights of way and access,

Per Strategic Policy S7 of the Local Plan (Protecting and Enhancing Community Assets):

The Council recognises the important role that community facilities have in existing communities including health, education, social, sports and leisure, parks and green spaces, arts and cultural facilities and are also an integral part of any proposals for new residential and employment development. New facilities will be accessible to the community, and will be secured by a range of funding measures including planning obligations, Community Infrastructure Levy (CIL), and/or its successor, and other relevant funding streams. Existing community assets will also be protected from inappropriate changes of use or redevelopment.

It was also acknowledged in the previous Local Plan (adopted 20.7.11) that Woodhall Parade, Woodhall Road would ‘serve new housing development’ and would therefore require ‘public realm and environmental improvements’.²⁰ Adopting policy 1q would therefore be to drastically limit amenities in an area the council has previously and knowingly put pressure on by previous developments.

Adopting a policy to in-fill the only area of sizable green space in the local area would deprive a local community of the only proximate green space in a situation where:

- i. It is far from clear the area has been assessed ‘surplus to requirements’, or if so why;
- ii. The Local Plan does not provide for equivalent or better provision of green space;
- iii. It would overload a local area already previously overloaded by previous planning and policy decisions;
- iv. Policy 1q would contradict national guidance and higher-level local, strategic policies.

As such, adopting Policy 1q would be irrational in public law terms.

Conclusion

We will therefore be grateful for confirmation that you will not consider adopting Policy 1q as part of the proposed Local Plan on 27 May 2020 or thereafter. For the avoidance of doubt, I/we make these observations to Policy 1q only, and take no present view on the remainder of the Local Plan.

If judicial review proceedings become necessary, this letter will be put before the court as evidence of my attempts to achieve a non-litigated solution.

This statement was submitted on the 26 May 2020 in relation to a current live planning application. However, much of the content relates to the decision to adopt of the Local Plan and this response only relates to Local Plan matter.

²⁰ North Chelmsford Area Action Plan, Adopted 20 July 2011, Para 2.59

The Council undertook a Local Wildlife Study prepared independent specialists Essex Ecology Services who are the commercial arm of the Essex Wildlife Trust and this formed part of the Local Plan evidence base. This identifies and assesses the key wildlife sites across Chelmsford which are shown on the Policies Map.

A Habitats Regulations Assessment has also been undertaken to support the Local Plan. The Local Plan Inspector confirmed that the requirement to undertake an Appropriate Assessment to confirm with the Regulations and the Habitats Directive has been met.

This level of evidence is entirely appropriate to inform a Local Plan and was considered by the Planning Inspector when finding the Local Plan sound.

Further policies within the Local Plan seek conserve and enhance habitats on non-designated wildlife sites and mitigate impacts. Development proposals need to assess any habitats and species, including any protected species and this is undertaken through Ecological Assessments that accompany individual planning applications.

Site 10 is allocated for residential development, but retains a local open space notation. An extensive Open Space Assessment inform the Local Plan. There are number of nearby existing open spaces in the immediate locality and the Open Space Assessment does not indicate any significant deficiencies in comparable types of open space within the area.

The Local Plan policy protecting open space does require any loss of designated open space caused by development to be mitigated. This could be the provision of alternative space and financial contributions to improve the quality of existing open spaces



Chelmsford City Council

22 July 2020

Finance Reports from the Cabinet

Report by: Cabinet Member for Fairer Chelmsford

Officer contacts:

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

Purpose

To inform Council of the decisions of the Cabinet on 8 July 2020 on the reports at Items 7.1 to 7.3 on the agenda for this meeting.

Recommendations:

That the recommendations of the Cabinet on Agenda Items 8.1, 8.2 and 8.3 be approved.

1. Capital Programme Update and Provisional Outturn 2019/20

The Cabinet resolved as follows:

RESOLVED that the following be approved:

1. a new scheme and cost increases of £178,000, shown in Appendix 1 of the report to the meeting and detailed in paragraph 3.1 of the report;
2. the proposed Asset Replacement Programme for 2020/21, the increase in scheme

costs of £106,000 and the rephasing of spend of £129,000 from 2019/20 as shown in Appendix 3 and detailed in paragraph 4.2 of the report.

RECOMMENDED to the Council that it note:

1. the latest proposed budgets for capital schemes of £144.656m, shown in Appendix 1 and detailed in paragraph 3.1;
2. the outturn on the 2019/20 Asset Replacement Programme of £3.181m, shown in Appendix 3 and detailed in paragraph 4.1;
3. the Asset Replacement Programme for 2020/21 of £4.285m as shown in Appendix 3 and detailed in paragraph 4.2; and
4. the method of funding of the capital expenditure incurred in 2019/20, as set out in the table in paragraph 5.

2. Treasury Management Outturn 2019/20

The Cabinet resolved as follows;

RESOLVED that the Treasury Management Outturn report for 2019/20 be noted and that the Council be recommended to endorse it.

3. Medium-Term Financial Strategy

The Cabinet resolved as follows:

RESOLVED that

1. the Medium-Term Financial Forecast and the principal issues and risks associated with the forecast and considered in preparing the Strategy be noted;
2. the Director of Financial Services, in consultation with the Cabinet Member for Fairer Chelmsford, be authorised to update the forecast and make any consequential changes to the report in light of measures arising out of the emergency budget expected on 8 July 2020, before presentation of the report to Council 22 July 2020.

RECOMMENDED to the Council that it approve:

1. the Medium-Term Financial Strategy 2021/22 – 2025/26 in Appendix 1 to the report to the meeting;
2. the approach to reserves set out at section 7 and at Appendix 4, including the transfer of reserves in both 2019/20 and 2020/21 to support the General Fund balance set out in paragraph 7.13;

3. the updates to the capital strategy set out in Appendix 3, which reflect the additional internal borrowing as a consequence of the transfers above; and
4. the budget guidelines for preparation of the 2021/22 budget set out at Appendix 5.

NOTE:

The Director of Financial Services has not exercised this delegation as the situation is still too unclear to allow for robust update of the forecasts and the Strategy remains unchanged from that presented at Cabinet.

Background papers:

None

Appendices:

None



Chelmsford City Council Cabinet

8th July 2020

Capital Programme Update and Provisional Outturn 2019/20

Report by: Cabinet Member for Fairer Chelmsford

Officer Contact: Phil Reeves, Accountancy Services Manager

Email Phil.Reeves@chelmsford.gov.uk Telephone 01245 606562

Purpose

1. To report the capital expenditure incurred in 2019/20 and the resources used to finance it.
2. To update the approved Capital Schemes for variations in cost which have been identified at outturn and to date.
3. To update the approved Asset Replacement Programme for 2020/21 for variations in cost and timing which have been identified at outturn and to date.

Options

To either accept or reject the recommendations.

Preferred option and reasons

To accept the recommendations to enable services to proceed with the capital schemes and replacements required to continue to deliver services.

Recommendations

That the Cabinet approves the following:

1. a new scheme and cost increases are proposed, £178k, shown in **Appendix 1** and detailed in **paragraph 3.1** of this report;
2. the proposed Asset Replacement Programme for 2020/21, the increase in scheme costs £106k and the rephasing of spend from 2019/20 £129k as shown in **Appendix 3** and detailed in **paragraph 4.2** of this report.

And that the Cabinet recommends to Council that:

1. the latest proposed budgets for Capital Schemes £144.656m, shown in **Appendix 1** and detailed in **paragraph 3.1** be noted;

2. the outturn on the 2019/20 Asset Replacement Programme £3.181m, shown in **Appendix 3** and detailed in **paragraph 4.1** of this report be noted;
 3. the Asset Replacement Programme for 2020/21, £4.285m be noted as shown in **Appendix 3** and detailed in **paragraph 4.2** of this report.
 4. the method of funding of the capital expenditure incurred in 2019/20, as set out in the table in **paragraph 5** be noted;
-

1. Background

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.

2. Introduction

There are two types of expenditure, capital and revenue.

Capital expenditure relates to the acquisition or enhancement of assets, which have a useful life in excess of 12 months and are charged to the Council's balance sheet 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.

Revenue costs are ongoing. They are incurred to run an asset or to provide a service.

2.1 Capital Programme

The capital programme is split between larger schemes (works, improvements and refurbishments) and an asset replacement programme.

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: Our Plan objectives or have statutory/health and safety implications.

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.

2.2 Capital Resources

Capital expenditure is funded in a number of ways, which may include grants, receipts, third party contributions, contributions from revenue, internal or external borrowing and the use of external leasing.

When capital resources are spent the amount available to invest is reduced and therefore the amount of interest income received is reduced, which in turn affects the revenue budgets available and can result in the need to increase council tax.

Where internal or external borrowing is used to fund the capital programme, a provision for repayment of the borrowing (Minimum Revenue Provision) is required, which again puts pressure on revenue budgets.

2.3 Capital Reporting

A 'Capital Programme Update' report is taken to Cabinet in January and a 'Capital Programme Update and Outturn' report is taken to Cabinet/Council in July each year. Reports are also presented to the Audit and Risk Committee and Overview and Scrutiny during the year.

It is important to closely monitor capital expenditure as this allows judgements to be made for the Council's cash investments. If a large scheme is likely to be delayed this will provide an opportunity to invest the money until it is required, therefore increasing interest earnings.

2.4 Methods of Approval

New schemes submitted by services are recommended by Cabinet in January and approved by Council in February each year.

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.

When schemes are approved, they are added to the capital programme and monitored throughout the year.

3 Capital Schemes

3.1 Monitoring Against Latest Approved Budgets

Appendix 1 gives the overall capital outturn information for the completed Capital Schemes at the end of March 2020 and the latest forecast expenditure for the ongoing scheme costs. It identifies the variances in total individual scheme costs.

Appendix 1 shows that the proposed cost of the Capital Schemes has reduced by a net £166k against the latest approved budget of £144.822m, or 0.11% of the overall Capital Schemes' costs. The table below provides a summary.

Approved Budget	£144.822m
Proposed Reductions in Scheme Costs	-£0.168m
Proposed Increases in Scheme Cost Requires Approval – see Appendix 1 Scheme number 27 Hylands Park Toilet Refurbishment	£0.078m
Proposed New Scheme Requires Approval - see Appendix 1 Scheme number 84 CIL Integrated Cycling Infrastructure Grant – fully funded	£0.100m
Actual Increases in Completed Scheme Cost	£0.004m
Actual Reductions in Completed Scheme Costs	-£0.180m
Total Proposed Budget Capital Schemes	£144.656m

3.2 **Appendix 2** provides narratives, for those variances in excess of £25,000, against the Latest Approved Budget.

3.3 **Appendix 1** shows that there are some schemes reported as being delivered late. Those schemes are reliant upon conditions outside the control of Project Officers such as obtaining planning permission and consents and paying over CIL and S106 grants to third parties which are dependent upon works they have completed. The delay in the spend is favourable to the Council in terms of investment and returns.

4. Asset Replacement Programme

4.1 Monitoring Against Latest Approved Budget

Appendix 3 shows that the final outturn for 2019/20 was underspent by £172k when compared to the approved budget of £3.353m. The majority of the variance is due to £129k of costs being moved into 2020/21, while the remaining £43k relates to cost reductions achieved in 2019/20. The table below provides a summary.

Approved Budget 2019/20	£3.353m
Proposed Change in scheme phasing	-£0.129m
Variation in Asset Replacement Cost	-£0.043m
Total Outturn 2019/20	£3.181m

4.2 **Appendix 3**, also shows that the proposed budget for 2020/21 asset replacements is £4.285m compared to the approved budget of £5.212m. This is a net decrease of £0.927m, or 17.8%. The table over page provides a summary.

Approved Budget 2020/21	£5.212m
Proposed Change in scheme phasing from 2019/20 Requires Approval – For detail see Appendix 3 2020/21 column “Rephasing from 2019/20 – Requires Approval”	£0.129m
Proposed New Spend to be added to the Replacement Programme Requires Approval – see Appendix 3 2020/21 column “New Budget Asset Replacements Requires Approval”	£0.000m
Increases in Asset Replacement Cost Requires Approval – For detail see Appendix 3 2020/21 column “More/Less Than Approved Budgets – More Requires Approval” See items nos.1, 2, 11 and 19.	£0.106m
Reduction in Asset Replacement Cost due to deferred schemes to later years. To remain as approved budgets in 2021/22, to be noted	-£1.162m
Total Proposed Budget 2020/21	£4.285m

4.3 **Appendix 4** provides narratives, for those variances in excess of £25k, for 2019/20 and narratives for those variances in excess of £25k for 2020/21 against the Latest Approved Budgets.

5.Funding of Programme

The application of resources to meet capital expenditure incurred in 2019/20 is shown in the table over page. The discussion and approval for the funding is sought in the Medium- Term Financial Strategy elsewhere on the agenda.

<u>Method of Funding</u>	<u>2019/20 Spend</u>
Capital Receipts	£3.919m
Capital Grants and Contributions	£1.463m
S106 Agreements	£2.000m
Community Infrastructure Levy (CIL)	£0.223m
External Leasing – Finance Lease	£0.840m
External Leasing – Operating Lease*	£0.199m
Internal Borrowing against Reserves	£11.650m
Total	£20.294m

*The £0.199m Operating Leases are not included in the Capital Strategy figures shown in the Medium-Term Financial Strategy (MTFS) elsewhere on the agenda, as they are not currently deemed under accounting practice to be capital expenditure.

6. Conclusion

- 6.1 The total cost of the Capital Schemes is forecast to be a net £166K less than the latest approved budget.
- 6.2 The outturn on Capital schemes compared to the in-year forecast for 2019/20 is a reduction of £9.933m. This is favourable to the Council as the delay in spend reduces the requirement to internally borrow in the financial year 2019/20.
- 6.3 The 2019/20 Asset Replacement Schemes are £172k less than the latest approved budget. £129k of this variation, is due to moving the budgets forward into 2020/21.

The realignment of the asset replacement budgets into later years is favourable to the Council as it delays the commitment of capital resources.

6.4 The 2020/21 Asset Replacement Schemes are forecast to be £0.927m less than the latest approved budget. The majority of this is due to the deferral of replacements from 2020/21, £1.162m to later years.

6.5 The resourcing of the capital expenditure in 2019/20 is showing a requirement to internally borrow £11.650m. The cost of borrowing is reflected in the Medium-Term Financial Strategy (MTFS) Report elsewhere on the agenda, item 6.2.

6.6 Cabinet is asked to note the financing of the Capital Programme and approve the following:

In the Asset Replacement Programme for 2020/21, increases in scheme costs of £106k and the rephasing of spend from 2019/20 of £129k as shown in **Appendix 3** and detailed in **paragraph 4.2** of this report, and

In the Capital programme, a new scheme and cost increases, totalling £178k, as shown in **Appendix 1** and detailed in **paragraph 3.1** of this report.

List of appendices:

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

Appendix 2 Capital Schemes Major Variations Narratives.

Appendix 3 Asset Replacement Schemes for 2019/20, a comparison of the budgeted expenditure against the Outturn.

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

Appendix 4 Asset Replacement Schemes Major Variations Narratives for the years 2019/20 and 2020/21.

Background papers:

Nil

Corporate Implications

Legal/Constitutional:

None

Financial:

Matching limited resources to corporate priorities

Potential impact on climate change and the environment:

The schemes included contribute towards the Council's climate goals

Contribution toward achieving a net zero carbon position by 2030:

A number of schemes contribute towards this goal

Personnel:

None

Risk Management:

Interest earnings understated and budget reductions made when not necessary

Damage to reputation

Equality and Diversity:

None

Health and Safety:

None

Digital:

None

Other:

Consultees:

All Services, Audit Committee

Relevant Policies and Strategies:

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

Medium-Term Financial Strategy

		CAPITAL SCHEMES	VARIATION IN TOTAL CAPITAL SCHEME COSTS						
			Latest Approved Budget - Approved Council February 2020 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval			
Outturn 31st March 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							
2,086	1	Museum Heritage Lottery Fund (HLF) Works	1,990	98	2,088	-2	2,086	Completed	Approved at Council February 2017. Scheme cost reviewed in line with HLF award and split of expenditure between capital and revenue has changed, therefore amount available as capital has reduced. Report taken to September 2017 Cabinet. Additional PM salaries approved July 2018 £29k. Latest forecast cost reported to Museum Project Board October 2018 includes £55k contingency. An additional £10k has been approved by delegation and funded by S106 for works required by the HLF. An additional £2k approved by Cabinet November 2019.
75	2	Museum Oaklands Park External Works and Signage	71	10	81	-6	75	Completed	Supplementary estimate approved for new scheme 29/4/19. Additional estimate approved £10k September 2019 to be funded by S106.
	3	Theatres' Toilets Phase I	155		155		155	NEW	Approved at Council February 2020 and programmed for 2021/22
	4	Theatres' Modernisation Phase I	100		100		100	NEW	Approved at Council February 2020 and programmed for 2022/23. Delegated authority to Director and Cabinet Member for Connected Chelmsford.
		Fairer Chelmsford							
3,461	5	Acq. Land Wharf Road and Future Development	5,000	-664	4,336	-77	4,259	In Negotiations	Approved Council July 2016.
1,333	6	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.
	7	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.
949	8	Investment for Future Development - Riverside Demolition	940	30	970		970	Completed	Approved at Cabinet June 2018. Additional £30k approved at Cabinet November 2019.
11	9	Acquisition of Land adjacent to Waveney Drive	11		11		11	Completed	Supplementary estimate approved March 2019
20	10	Galleywood Hall Development Industrial Units	1,200		1,200		1,200	Awaiting planning permission - Late Delivery	Approved at Council February 2019
	11	Bridge Repairs	300		300		300	No	Approved at Council February 2019. May 2020 non urgent works deferred to later year.
	12	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.
31	13	Refurbishment Bancrofts Road Office	30		30	1	31	Completed	Approved Cabinet 19/11/19. Forecast to generate additional income of £15k per annum from rent.
3,570	14	Acquisition of Investment Property	3,600		3,600	-30	3,570	Completed	Approved by Council 22/1/2020
	15	High Chelmer Roof	1,500		1,500		1,500	NEW	Awaiting Proposal
	16	Refurbishment of Commercially Leased Properties	720		720		720	NEW	Under Review
	17	Strategic Property Purchase	10,000		10,000		10,000	NEW	Under Review

			Latest Approved Budget - Approved Council February 2020 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval					
Outturn 31st March 2020 £000s		SCHEME DESCRIPTION	Original Approved Scheme Budget £000s	Additional/ Reduced (-) Approved Budget £000s	Latest Approved Budget £000s	More/(Less) Than Approved Budgets £000s	Proposed Budget £000s		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative	
	18	Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy	7,000		7,000		7,000	NEW	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.	
	19	Housing Initiatives to Support the Homelessness and Rough Sleeper Strategy and Affordable and Social Housing	9,900		9,900		9,900	NEW	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.	
		Greener and Safer Chelmsford									
	20	Cemetery and Crematorium Infrastructure	6,800		6,800		6,800	NEW	Business Case to be Developed	Approved Council February 2020 with a delegation for Cabinet to approve a final scheme.	
39	21	Mayor's Parlour Refurbishment	49	-9	40	-1	39		Completed	Approved supplementary estimate February 2018.	
329	22	Coyal Lane Window Replacement	250	100	350		350		Yes	£250k approved Council February 2019. Additional £100k approved at Cabinet July 2019.	
	23	Civic Offices Improvement Programme	460		460		460	NEW	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.	
159	24	Community Safety Partnership Hub	171		171	-12	159		Completed	Approved supplementary estimate May 2018.	
4	25	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.	
84	26	Legionella Safety Works Showers and Changing Rooms Various	94		94	-10	84		Completed	£94k approved Council February 2019	
	27	Hylands Park North Kiosk Toilet Refurbishment	60		60	78	138		Under Review	£60k approved Council February 2019. Scheme rephased to later year and extent of works under review. Scheme cost may increase to £138k	
126	28	Hylands Estate Structural Work to Pleasure Garden Pond	147		147	-8	139		Yes	£147k approved Council February 2019	
32	29	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)	
	30	Galleywood Common Access Road Improvements	30		30		30	NEW	Yes	Approved at Council February 2020 and programmed for 2021/22.	
	31	Saltcoats Park and Compass Gardens Car Park	253		253		253	NEW	Yes	Approved at Council February 2020 and programmed for 2021/22.	
	32	Beaulieu Park Pavilion Refurbishment	57		57		57	NEW	Yes	Approved at Council February 2020 and programmed for 2021/22.	
	33	Chancellor Park Pavilion Works	46		46		46	NEW	Yes	Approved at Council February 2020 and programmed for 2021/22.	
	34	Rivers and Waterways Improvements	600		600		600	NEW	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.	
	35	Mass Tree planting and Woodland Creation	4,400		4,400		4,400	NEW	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.	
251	36	S106 Parks and Open Spaces	271	-8	263	-12	251		Completed	Approved delegation S106 report taken to Council in July. Schemes fully funded by S106. £23k scheme removed as funding being used for 22 above. Additional budget approved for Bellmead Bridge, supplementary estimate approved for £15k September 2019 to be funded from S106 contribution.	
9	37	CIL Landscape Enhancement Scheme Chignal Road	11		11		11		Yes	CIL funding approved October 2018 Chignal Road Landscaping scheme approved February 2019 Council.	
		Park and Open Space	6		6		6		No	£6k CIL funding approved July 2019 for Coronation Park Basketball Court.	

			Latest Approved Budget - Approved Council February 2020 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval				
Outturn 31st March 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			
	39	CIL Savernake Road Scout Hut Replacement Windows	4		4	-50	4		No	Approved via delegation as per CIL report March 2019 £4k for windows, CCC owned building.
519	40	Chelmsford Indoor Market Refurbishment	500	150	650		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.
40,056	41	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.
55	42	Riverside Changing Places Grant - Sensory Equipment	55		55		55		Completed	ECC have awarded a £40k grant for installation of sensory equipment in the new pool facility. A £15k grant was received in 2017/18 and will be used to purchase dryside changing equipment.
17	43	Riverside Changing Places Grant - Pool Pod	17		17		17		Completed	£17k Pool pod approved via supplementary estimate 12/7/19 with £14k funding from ECC Changing Places Grant
22	44	Riverside Elevations	2,000		2,000		2,000		Under Review	£2m approved at Council February 2020 with delegation to Cabinet to approve detailed scheme.
35	45	Dovedales - Grant for Works	21	14	35		35		Completed	£21,000 approved via Supplementary estimate October 2017 for replacement sports hall floor 50% contribution. £24k approved at Council 2018 for grant towards replacing radiant heating. Cost of works reduced budget adjusted.
29	46	Dovedales - Grant for Works 2019/20	32	2	34		34		Completed	Approved at Council February 2019 contribution towards new studio. Additional £2k approved November 2019 cabinet based on actual spend.
	47	Dovedales - Grant for Works 2020/21	42		42		42		NEW	Approved at Council February 2020 and programmed for 2020/21.
95	48	SWFLC Wet Changing Rooms Upgrade Phase 2	104		104		104		Yes	£104k approved at Council February 2019
	49	CSAC Refurbishment of Changing Room	42		42		42		Under Review	£42k approved at Council February 2019. Deferred to 2021/22 scheme will be reviewed.
89	50	Hylands House Refurbishment First Floor Accommodation	174		174		174		Yes	£174k approved at Council February 2019 3 year programme for refurbishment
24	51	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
	52	Hylands House Banqueting Room Refurbishment	24		24		24	NEW	Yes	Approved at Council February 2020 and programmed for 2020/21.
	53	Hylands House Stable Block Toilets	44		44		44	NEW	Yes	Approved at Council February 2020 and programmed for 2022/23.
		Sustainable Development								
1,667	54	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
1,697	55	City Centre Public Realm Work - Half Moon Square	250	1,447	1,697		1,697		Completed	Additional budget £120,000 approved by Cabinet September 2014 to cover the cost of preliminary works. £1.2m approved at February Council for the works to Half Moon Square. Further £275,000 approved by Cabinet October 2015. The cost of these works are to be funded by S106. An additional budget was approved at July Council for £67k to be funded from S106. The scheme is complete.

Outturn 31st March 2020 £000s	SCHEME DESCRIPTION	Latest Approved Budget - Approved Council February 2020 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval		Scheme Scheduled to Complete on Time against Original Programme	Additional Budget Approval Narrative
		Original Approved Scheme Budget £000s	Additional/ Reduced (-) Approved Budget £000s	Latest Approved Budget £000s	More/(Less) Than Approved Budgets £000s	Proposed Budget £000s		
154	56 Public Realm Wayfinding Signs	50	104	154	-62	154	Completed	£102,000 supplementary estimate approved April 2016. This additional cost will be funded by £52,000 ECC and £50,000 S106.
43	57 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.
4,096	58 Public Realm Mill Yard Works	34	4,124	4,158		4,096	Completed	A budget of £101,000 was approved for the design of this scheme via Director of Sustainable Communities delegated authority. An additional £138,000 was approved via supplementary estimate December 2015. At February 2016 Council a further £2,661,000 was approved for this scheme to progress. This scheme will progress on the basis of no cost to CCC with the funding coming from LEP. An additional £900k was approved at Council February 2017. This increase is to be entirely funded from LEP and S106. There is also an additional £400k funding from CIL which has been approved by Council in July 2017 and £100k S106. This additional £500k funding spend has brought the budget for the scheme to £4.3m. The scheme is complete, negotiations have taken place with the contractor to agree the final account which has resulted in a saving against the forecast budget.
132	59 Public Realm Tindal Square Design	160		160		160	No	Approved at Council February 2018. The design works will not be completed until 2020/21.
4	60 Public Realm City Centre Greening/Tree Planting	115		115	-33	82	Yes	Approved at Council February 2018. Three year programme.
4	61 HIF Access Road and Bridge - CCC Budget		250	250		250	Yes	Virement from 5 above sum allocated for HIF bid design works
541	62 HIF Access Road and Bridge - Grant Funded	15,500		15,500		15,500	NEW Yes	£15.5m approved at Council February 2020 with a delegation to Cabinet to approve final scheme.
1,461	63 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	64 S106 Beaulieu Park Station 2nd Phase	2,917		2,917	-4	2,917	Unspecified	£2.917m approved at February Council 2018. The expenditure on this scheme will be funded by S106.
66	65 S106 Public Art Mill Yard	70		70		66	Completed	£70k approved via delegation March 2018. Expenditure to be funded by S106.
1,311	66 S106 Beaulieu Sports Facility	477	834	1,311		1,311	Unspecified	£477k approved by Cabinet in January 2019 with delegation to spend further S106 contributions when received. Additional contributions received and therefore added to approved budget.
4	67 S106 Public Art Bond Street	44		44		44	Yes	Approved by delegation February 2019.
1	68 S106 Stonebridge Illuminations	37	6	43	3	43	Yes	Approved by delegation April 2019. Additional budget approved by delegation March 2020 £6k
2	69 S106 River Can Pathway Lighting Design	10	6	16		16	NEW Yes	Approved by delegation £10k January 2020. Additional budget approved by delegation March 2020 £6k
6	70 S106 Public Art Channels	21		21		21	NEW Yes	Approved by delegation January 2020 £21k.
3	71 S106 Habitat Mitigation			0		3	NEW Yes	Request from Essex County Council for grant from S106 towards the cost of works carried out in 2019/20.
111	72 CIL REFCUS Schemes 18/19	69	83	152	-41	111	Completed	Various schemes approved July 2018. Revenue Expenditure Funded by Capital Under Statute (REFCUS). Additional £42k approved by Cabinet November 2019.
37	73 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.
	74 CIL REFCUS Schemes 20/21	17		17		17	NEW Unspecified	£17k Approved March 2020.
	75 CIL Sutherland Lodge Refurbishment	525		525		525	Awaiting Business case - Late delivery	Approved Council July 2017.
48	76 CIL North Avenue Youth Centre Grant	41	15	56	80	56	Yes	Approved CIL funding April 2018. NEW Additional £15k CIL funding approved July 2019.
77	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.

			Latest Approved Budget - Approved Council February 2020 and Additional New Schemes Approved Since that Date			Latest Forecast Budget - Additional Requires Approval				
Outturn 31st March 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			
52	78	CIL Langton Ave Community Centre Grant Phase 2	52		52	100	52		Yes	CIL funding approved July 2019
10	79	CIL Moulsham Lodge Community Centre Café (MLCT)	47		47		£37k NEW	Yes	CIL funding approved July 2019	
1	80	CIL Sanctus First Floor Refurbishment Grant	15		15			Yes	CIL funding approved July 2019	
	81	CIL Homelessness Day Centre CHESS New London Rd	300		300			Yes	CIL funding approved July 2019	
	82	CIL Age Concern First Floor Extension Grant	212		212		NEW	Yes	Approved scheme with CIL funding March 2020.	
29	83	CIL Chelmsford Community Transport Minibus Grant	29		29		NEW	Yes	Approved scheme with CIL funding March 2020.	
	84	CIL Integrated Cycling Infrastructure Grant			0		NEW	Yes	CIL funding approved at meeting of the CIL Panel 23/1/2020.	
4	85	High Chelmer Multi Storey Car park (HCMSCP) Movement Joints	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 85) and it is anticipated that they will be completed in 2020/21.	
6	86	HCMSCP Drainage Improvements	31		31			No	Approved at Council February 2018. See scheme 84 for details.	
49	87	Enabling Role - Housing	3,841	-3,604	237		237	Dependent on Third party - Late delivery	Budget reduced as vired to fund temporary accommodation - see scheme no. 5. The remaining balance is for a previously agreed payment to CHP.	
66,842	Grand Total		94,376	50,446	144,822	-166	144,656			
					Net Variation	-166				
Summary of Changes Since Previous Council Reports February 2020										
76,775	Total Forecast Outturn to 31/3/2020						£000's			
			Latest Approved Council February 2020				84,853			
-9,933	Variation Outturn 31/3/2020 Compared to Forecast									
			New Schemes Approved February Council				59,957			
			Supplementary Estimates Approved for Existing Schemes				12			
			Completed schemes removed				0			
			Total Approved Budget				144,822			
			Latest Forecast Variations shown above (Increased Budgets Require Approval)				-166			
			Latest Forecast Budget March 2020				144,656			

Capital Schemes - Reasons for Projected Variations to Latest Approved Total Scheme Costs More Than £25,000							
Scheme Description	Latest Approved Budget	Latest Estimated Expenditure - If Additional Budget Requires Approval	Variation	Variation Type	Percentage Change in Scheme Cost	Reason	
	£000's	£000's	£000's				
Director of Fairer Chelmsford							
5 Acq. Land Wharf Road and Future Development	4,336	4,259	-77	Saving on Budget	-1.78%	Following a review of transactions the seller refunded £77k on the purchase of land in 2018/19 which has resulted in a saving.	
14 Acquisition of Investment Property	3,600	3,570	-30	Saving on Budget	-0.83%	Saving against the original budget following completion.	
Greener and Safer Chelmsford							
27 Hyland's Toilet Refurbishment	60	138	78	Additional Budget Required	130.00%	Scheme has been delayed due to design issues and budget restrictions. Decision taken to postpone to 2021/22. The original scheme was for 'refresh' of existing facilities as an interim measure. This is proving difficult to achieve and not particularly good value for money, so deferral to develop scheme for reconfiguration and full refurbishment of facility. This would require increasing budget to £138k and the subject of future Cabinet item.	
40 Chelmsford Indoor Market Refurbishment	650	600	-50	Saving on Budget	-7.69%	Service manager has advised that this scheme is nearing completion with some outside works still to be completed and is confident that there will be a saving against the approved budget.	
Sustainable Development							
58 Public Realm Mill Yard Works	4,158	4,096	-62	Saving on Budget	-1.49%	Final account settlement lower than anticipated resulting in a saving on the scheme.	
60 Public Realm City Centre Greening/Tree Planting	115	82	-33	Saving on Budget	-28.70%	£33k saving on capital budget due to spend being reclassified as revenue in 2019/20.	
72 CIL REFCUS Schemes 18/19	152	111	-41	Saving on Budget	-26.97%	Programmed spends against this budget have been reported as completed and therefore the CIL funding will not be required. The CIL was used to fund additional PCSO's and has now been reported as complete.	
84 CIL Integrated Cycling Infrastructure	0	100	100	Additional budget required fully funded by CIL	100.00%	CIL funding approved via delegation. Approval required for spend to be included in capital programme	

CAPITAL ASSET ROLLING/REPLACEMENT PROGRAMME																		
		2019/20									2020/21							
		2019/20 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 2019/20 BUDGET ONLY									2020/21 BUDGET							
		Analysis of Variations									Variations							
Outturn to 31/03/2020	CAPITAL ASSET REPLACEMENT PROGRAMME	Original Approved Estimates for 2019/20	Additional/ Reduced (-) Approved Budget	Reason for Change - see Key Below	Latest Approved Estimates for 2019/20	Change in Scheme Phasing	New Proposal	More/Less (-) Than Approved Budgets	Variance for 2019/20 Additional Budget	Outturn 2019/20	Original Approved Estimate 2020/21	Additional/ Reduced (-) Approved Budget	Reason for Change - see key below	Latest Approved Estimate for 2020/21	Re phasing from 2019/20 - Requires Approval	More/Less(-) Than Approved Budgets - More Requires Approval	Approved Replacements Deferred from 2020/21 to Later Years	Total Proposed Budget Requirement for 2020/21
£000's	SCHEME DESCRIPTION	£000s	£000s		£000s	£000s	£000s	£000s	£000s	£000s		£000s		£000s	£000s	£000s	£000s	£000s
	Connected Chelmsford																	
143	1 Digital Services Replacement Programme	390	-254	PH, PV	136	-1		8	7	143	342			342	1	30		373
	Financial Module of Enterprise Resource																	
174	2 Planning (ERP)	272	-88	V, PH	184	-10			-10	174	38			38	10	41		89
	3 Civica System Upgrade	36	-36	PH	0				0	0	36			36				36
7	4 Leisure Management System	10			10			-3	-3	7				0				0
72	5 Theatres' Fire Alarm Replacement	87			87	-15			-15	72				0	15			15
	6 Theatres' Equipment				0				0	0	149			149				149
	7 Cramphorn Theatre Replacement Floor										17			17				17
	Fairer Chelmsford																	
	No Schemes				0				0	0				0				0
	Greener and Safer Chelmsford																	
16	8 CCTV Replacement Equipment	65	-49	PV, PH	16				0	16	50			50				50
27	9 CCTV Replacement Cameras	58	-33	PV, PH	25			2	2	27	68			68				68
	10 CCTV Various Schemes Sites CIL	15	-15	SEG, PH	0				0	0	64	3		67				67
	11 CCTV Maldon DC Joint Procurement		0	SEG, PH	0				0	0	69			69		5		74
	12 Crematorium Equipment	6	-6	PH	0				0	0	17			17				17
	13 Crematorium Columbarium				0				0	0	14			14				14
147	14 Civic Centre Alarm	193			193	-46			-46	147				0	46			46
	15 Civic Centre Boiler Flues	32	-32	PH	0				0	0	32			32				32
37	16 Civic Centre Building Management System	50			50	-13			-13	37				0	13			13
17	17 Print and Post Room Replacement Equip.		18	SEN	18			-1	-1	17	25			25				25
	18 Dovedales Replacement Equipment	5	-5	PH	0				0	0	5			5				5
31	19 Riverside Replacement Equipment	30			30			1	1	31	80			80		30		110
44	20 Riverside Ice Rink Barrier	16	23		39			5	5	44				0				0
15	21 CSAC Replacement Equipment	24			24	-8		-1	-9	15	52			52	8			60
	22 CSAC Flood lights	29	-29	PH	0				0	0	29			29				29
5	23 SWFLC Replacement Programme	5			5				0	5	58			58				58
11	24 CSAC Plant Replacement	11			11				0	11				0				0
10	25 SWFLC Plant Replacement	16	-4	PH	12			-2	-2	10	19			19				19
35	26 Riverside Plant Replacement	44			44	-8		-1	-9	35	40			40	8			48
54	27 Hylands Pavilion Audio Visual Equipment	57			57			-3	-3	54				0				0
	28 Hylands Pavilion Replacement Flooring				0				0	0	48			48				48
236	29 Play Area Replacements	247			247			-11	-11	236	265			265				265
15	30 Accessible Play Equipment		15	SEG	15				0	15				0				0
	31 Sports Equipment, floodlights, Irrigation	10	-10	PH	0				0	0	10			10				10
271	32 Parks Replacement Vehicles and Equipment	420	-162	PH/IPV	258	13			13	271	218			218	-13			205
	33 PHPS Vehicles - Litter Control Van	24	-24	PH	0				0	0	24			24				24
	34 PHPS Street Lighting				0				0	0	21			21				21
	35 CIL Street Lighting Meadows Car Park				0				0	0				5				5
42	36 Freightier House Plant	68			68	-16		-10	-26	42				0	16			16
	37 Travel pool Cars				0				0	0				60				60
15	38 Freightier House Canopy Recycling Bays	13	2	PV	15				0	15				0				0
3	39 Scootas for the Disabled		5	SEN	5			-2	-2	3	2			2				2
	40 Retail Market Intruder Alarm	13			13	-13			-13	0				0	13			13

[illegible]

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>2019/20</u>						
	<u>Greener and Safer Chelmsford</u>						
14	Civic Centre Alarm	193	147	-46	Rephasing of Spend	-23.83%	Delays in the completion of the scheme.
36	Freighter House Plant	68	42	-26	Rephasing of Spend and saving on approved budget	-38.24%	£10k saving and £16k rephased to 2020/21.
54	Disabled facility Grant	600	567	-33	Underspend against budget	-5.50%	The service forecast that they would be able to spend £600k of the £971k grant awarded. It is difficult for the service to predict the level of spend as it is based on third party applications and the timing of completed third party building works.
	<u>2020/21</u>						
	<u>Greener and Safer Chelmsford</u>						
1	Digital Services Replacement Programme	342	373	31	Increase in Budget	9.06%	Additional purchase of laptops to enable homeworking due to the impact of Covid -19.
2	Financial Module of Enterprise Resource Planning (ERP)	38	89	51	Increase in Budget	134.21%	Additional budget provision of £41k for unforeseen issues arising from the impact of Covid - 19 which includes a £20k contingency. £10k has been rephased from 2019/20.
14	Civic Centre Alarm	0	46	46	Rephasing of Spend	100.00%	See details above.
19	Riverside Replacement Equipment	80	110	30	Increase in Budget	37.50%	This budget is for the replacement of the ice cutting machine. An increase in budget is requested as the machine will now be replaced with an electric version that has a higher purchase price which should be offset over its 10 year life by savings in gas and will also contribute towards the Council achieving zero carbon emissions by 2030. The existing machine will be traded in with a value of £15k which will partially offset the new vehicle increased cost.
44	Street Cleansing Vehicles	356	0	-356	Rephasing of Spend	-100.00%	Review of requirements in year has resulted in the deferral of spend to a later year.
49	Refuse Collection Vehicles	696	522	-174	Rephasing of Spend	-25.00%	Review of requirements in year has resulted in the deferral of spend to a later year.
50	Recycling Vehicles	1085	471	-614	Rephasing of Spend	-56.59%	Review of requirements in year has resulted in the deferral of spend to a later year.



Chelmsford City Council Cabinet

8th July 2020

Treasury Management Outturn Report 2019/20

Report by:

Cabinet Member for a Fairer Chelmsford

Officer Contact:

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

Purpose

Under statute and the CIPFA Code of Practice on Treasury Management ("the Code"), Members are required to receive a report on the Treasury Management activities that took place in 2019/20.

Options

Recommend this report to Council or amend the report

Preferred option and reasons

Recommend the report to Council for consideration to meet statutory obligations

Recommendations

That Cabinet endorse the contents of this report and requests that Full Council consider the information provided for the 2019/20 outturn.

1. Background

- 1.1. Cabinet and Council are legally responsible for treasury management. The attached report enables Cabinet and Council to review treasury management activity for 2019/20 against the approved strategy for that year.
- 1.2. The report in Appendix 1 complies with the CIPFA Code of Practice and relevant Government regulations.
- 1.3. Members of the Treasury Management & Investment Sub-Committee have reviewed the contents of the report and Treasury management activity for the year and recommended that the Cabinet consider endorsing it.

2. Conclusion

- 2.1. Cabinet is asked to review the Treasury Management Activity for the year as detailed in Appendix 1 and recommend it to Council to consider.

List of appendices:

Appendix 1 – Treasury Management & Investment Subcommittee Report - Treasury Management Outturn Report 2019/20

Background papers:

Nil

Corporate Implications

Legal/Constitutional: The report is 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 manage risks arising from Treasury Management

Equality and Diversity:

N/A

Health and Safety:

N/A

Digital:

N/A

Other:

Consultees:

Relevant Policies and Strategies:

Treasury Management Strategy 2019/20



Chelmsford City Council Treasury Management and Investment
Sub-Committee

22 June 2020

Treasury Management Outturn Report 2019/20

Report by:

Director of Financial Services

Officer Contact:

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

Purpose

Under statute and the CIPFA Code of Practice on Treasury Management ("the Code"), Members are required to receive a report on the Treasury Management activities that took place in 2019/20.

Recommendations

Recommend the Treasury Management Outturn Report 2019/20 to Cabinet or amend as appropriate.

1. Introduction

- 1.1. The CIPFA Code of Practice for treasury management sets out the requirements for oversight by the Council of its treasury management operations. As part of the Code, the Council is required to receive an annual report on the performance of the

treasury management function which highlights the effects of decisions taken and the circumstances of any non-compliance with the Code and the Council's Treasury Management Strategy.

2. Background

2.1. The Council can expect to have cash to invest arising from its revenue and capital balances, and collection of Council Tax. This cash can be usefully invested to produce a return to help support services and Council Tax. The activities around the management of this cash are known as 'Treasury Management'.

2.2. Treasury Management is defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks"

2.3. CIPFA produce a framework for managing treasury activities, called a 'Code'. Councils are legally required to have regard to this Code and members of CIPFA are expected to comply with its requirements. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the MHCLG Guidance.

2.4. The Council's investment priorities as required by Government regulations are in order of priority:

- (a) The security of Capital
- (b) The liquidity of its investments; and
- When these are satisfied
- (c) Yield

The regulations and CIPFA both advise that absolute certainty of security of capital and liquidity does not have to be achieved before seeking yield from investments. An appropriate balance of all three should be sought and that balance is determined by the Council in its Treasury Strategy.

2.5. The operation of Treasury Management is not without risk and the Council could suffer losses if one of its counterparties had financial difficulties.

2.6. The Council formally reviews its investment holdings in the following ways:

- Treasury Management Strategy report in February
- Treasury Outturn report in July
- A half year update in November

- Treasury Management sub-committee to monitor Treasury Activity during the financial year.

The review of the year's activities is set out in the following appendices:

Appendix A – Economic Environment Update

Appendix B – Borrowing and Actual Investment Activity compared to the Approved 2019/20 Strategy

Appendix C – Treasury Performance Indicators for 2019/20

3. Summary of Review

- 3.1. During the financial year, there was one breach against the Treasury Management Strategy which resulted in a negligible risk to Council funds as previously reported. This was rectified as soon as operationally possible and did not result in any losses. Other than this the Council has operated within its Treasury Management Framework.
- 3.2. The CCLA fund dropped in capital value by £240k but is still valued at £1.5m over the initial investment made by the Council. As previously identified in the strategy, there will be short-term fluctuations in capital value but the Fund Manager expects there to be some recovery during 2021.
- 3.3. The Council's investment holdings on the 31st March 2019 were £47.0m and £50.4m on 31st March 2020. The average investment balance during the year was slightly higher than allowed for in the budget due to re-phasing of the capital programme and additional CIL contributions.
- 3.4. Interest earnings from investments were some £0.77m, which was above the budget of £0.54m mainly because of a higher average cash balance than expected.
- 3.5. The return on investments in 2019/20 was 1.25% compared to the budgeted rate of 1.01%.

4. Conclusion

- 4.1. It should be noted that apart from one breach during the year, the Council's Treasury Management has operated within approved parameters, has resulted in no realised losses and interest earnings of £0.77m which have helped to support Council services.

List of appendices:

Appendix A – Economic Environment Update

Appendix B – Borrowing and Actual Investment Activity compared to the Approved 2019/20 Strategy

Appendix C – Treasury Performance Indicators for 2019/20

Background papers:

None

Corporate Implications

Legal/Constitutional: None

Financial: As detailed in report.

Potential impact on climate change and the environment: The Council's Climate and Ecological Emergency Action Plan as agreed at Cabinet 28th January 2020 included review of the Council's investment strategy in light of the Climate and Ecological Emergency Declaration.

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

Personnel: None

Risk Management: All treasury management activity requires a careful consideration of risk and reward.

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

Consultees: None

Relevant Policies and Strategies:

Treasury Management Strategy 2019/20

Appendix A – Economic Environment Update

Introduction

The amount of interest the Council earns on its balances is a function of the mix of fixed and variable rate investments made by the authority, together with the performance of the shares it holds in pooled investment funds such as the CCLA and Money Market Funds.

Therefore, the interplay of various economic factors including interest rate expectations, property prices and economic growth all affect the performance of the Council's investments.

Economic factors

Uncertainty surrounding Brexit and the impact of Coronavirus had the most significant effects on the UK economy in 2019/20 and are expected to continue to impact further going into 2020/21.

The UK Bank of England base interest rate started the year at 0.75% before the impact of Coronavirus resulted in two cuts to the rate in March 2020 with a year-end interest rate of 0.10%. Inflation year to March was 1.5% (CPI). Low levels of unemployment continued, but are likely to increase in 2020/21 with the impact of Coronavirus playing out. It is now very unlikely that interest rate increases will happen in the short to medium term due to the impact of Coronavirus with some forecasters suggesting a negative Bank of England base rate could be introduced.

This has led to the Council's fixed and variable rate investments continuing to earn historically low levels of interest, with this expected to continue into 2020/21. The Council have locked into a number of Local Authority deals at favourable fixed rates due to the uncertainty surrounding Coronavirus.

The retail property sector in particular has been impacted significantly by Coronavirus at the end of the year, even before the lockdown was enforced. The valuation of the Council's investment in the CCLA Property Fund decreased by £0.2m in the year, leaving the Council's unrealised gain at £1.5m on its initial investment. The income yield for the year was 4.48%, as measured against the current £6.5m market value. Capital values in the Fund are down by a further £0.2m as at the end of May, but the Manager believes these are not expected to fall much further with recovery predicted moving into 2021. The Fund is currently closed for redemptions and purchases as identifying a fair value for transactions is currently difficult. The fund will only be paying investors on the basis of income collected and is aiming to pay between 70-75% of the normal dividend during 2020/21. The income returns are again expected to recover moving into 2021/22 and further information about the shape of the Fund is given below.

CCLA are expecting the property sector to return to a more normal position by next year. The asset shape of the CCLA's holdings should also protect returns moving forwards as they have less retail property than many other property funds in the sector.

The significant proportion of the CCLA's investments are in industrial and high-quality office accommodation, which have both held up well in the current situation with the Coronavirus.

The impact of Coronavirus affected Treasury Management in 2019/20 and will continue to do so in 2020/21. The April 2020 CIPFA Treasury and Capital Management Update Bulletin said the following about the impact of Coronavirus:

"The Panel would recommend that day-to-day cash flow management is prioritised during and immediately after the Covid-19 period. Forecasted cash flows are likely to be on a downward trend for the medium to long term."

As such the Council will endeavour to keep more of its cash than usual at shorter durations in order to account for the uncertainty explained above. This in turn, is likely to impact on interest income returns moving into 2020/21.

Appendix B – Borrowing and Actual Investment Activity compared to the Approved Strategy for 2019/20

External borrowing

1. The Council became effectively debt free on the 16th September 2002, when it repaid all its PWLB debt. The Council therefore only has the freedom to borrow in the following circumstances:

- Short term borrowing to manage liquidity
- Long term borrowing only to fund capital expenditure if no other capital resources exist e.g. the Council has spent its capital receipts or expects to do so imminently

The Council did not need to borrow in 2019/20.

2. Finance leases are deemed by Government to be a type of borrowing in the Council's Accounts and Treasury reporting must identify that the Council has borrowed money when they are used. At 31st March 2020, the Council had outstanding finance lease liabilities of £738,000.

Investments

3. Officers with appropriate knowledge and training invest the Council's cash balances. Arlingclose are used as advisers on treasury management to help inform the decision-making process.

4. The Council's funds are invested in the following priority order, in accordance with statutory guidance:

- i) Security – protecting the capital sum invested from loss
- ii) Liquidity – ensuring the funds invested are available for expenditure when needed
- iii) Yield – subject to achieving proper security and liquidity, to pursue a yield on investments to support service provision

The regulations and CIPFA both advise that absolute certainty of security of capital and liquidity does not have to be achieved before seeking yield from investments. An appropriate balance of all three should be sought and that balance is determined by the Council in its Treasury Strategy.

5. The Council uses cash-flow planning methods in order to manage its in-house investments. This allows officers to separate in-house funds in to two categories:

- Shorter term, lower yielding investments – these investments are invested for relatively short durations, normally 3-6 months, in order to ensure that the maturity profile of investments matches the peaks and troughs in the Council's liquidity needs – particularly for the final 2 months of the year where council tax income falls significantly due to the 10 monthly instalments most residents choose to pay in.

- Longer term, higher yielding investments – these are investments of ‘core cash’ which the Council does not require for operational purposes within the short to medium term. These funds can be invested for a year or more in appropriate counterparties in order to generate higher yields without causing liquidity issues.

6. During 2019/20 the Council's investment portfolio has remained relatively similar in size from £47.0m to £50.4m. The increase in balance reflects re-phasing of capital schemes from 2019/20 into later years and higher than anticipated levels of CIL income.

Compliance with Treasury Management Strategy

7. A summary of the approved treasury management strategy, together with actual outcomes is presented below:

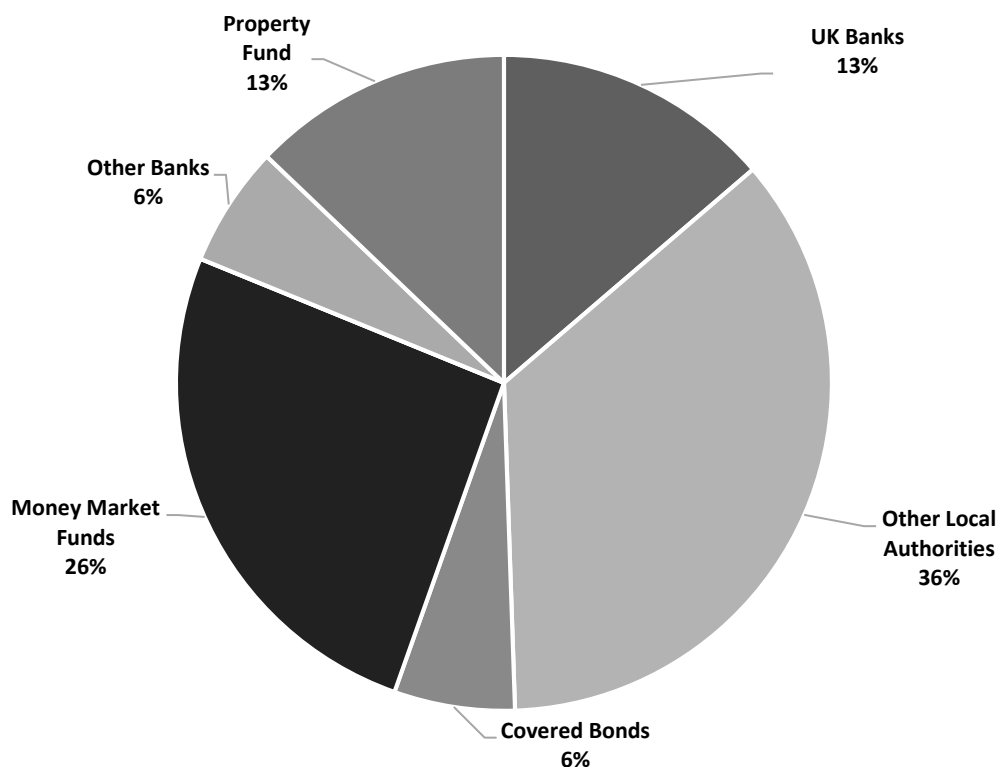
- | | |
|--|--|
| a. To ensure that there are no breaches of the approved counterparty limits or durations | One breach occurred to counterparty limits in 2019/20 as previously reported. |
| b. The option to invest further sums in pooled funds | No additional investments in longer term funds took place in 2019/20. |
| c. To continue holding up to £8m (£5m initial investment plus a generous allowance for unrealised capital growth) investment in the CCLA Local Authority Property Fund | The CCLA depreciated in value during 2019/20, largely due to the impact of Coronavirus. However, £291k in dividend income was still realised. The Council's investment was valued at £6.48m as at 31 st March 2020. |
| d. Limit investments over 365 days in duration to £18m | Investments with a duration in excess of 365 days did not exceed £18m in the year. |
| e. Ensure that no more than 75% of the Council's Portfolio is invested for periods of greater than 3 months at any one time | No breach occurred. |
| f. In exceptional circumstances allow short borrowing on occasions to cover any liquidity shortfalls caused by the unexpected timing of payments or to avoid the opportunity costs of liquidating certain investments | No exceptional borrowing was required in 2019/20. |

In 2019/20, the Council remained mindful of the risk of Bail-in losses from unsecured lending to banking counterparties.

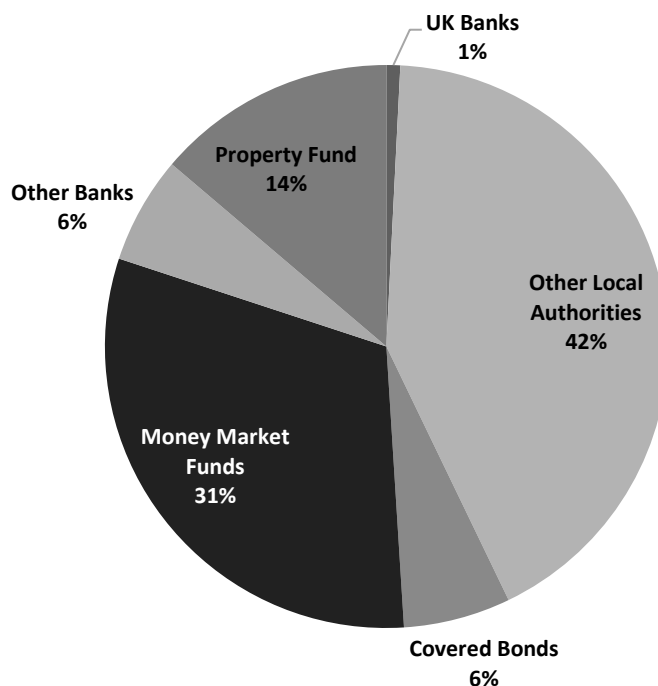
As at 31st March the Council's exposure to Bail In risk (direct lending to banks and building societies) was 20%, against 7% at the end of the previous financial year. Year ending exposure tends to be lower than the average exposure because, where possible, the Council takes advantage of higher rates offered by other local authorities in the final quarter of the year. However, due to the uncertainty surrounding the impact of Covid-19, the Council chose to hold a higher proportion of its cash in liquid accounts in order to protect against potential cashflow problems. Two notice accounts were also set up in 2019/20 with HSBC and Lloyds to take advantage of the slightly higher interest rates on offer.

Exposure	2017/18	2018/19	2019/20
Bail In Risk -Direct investment	13%	7%	20%
Bail In Risk – Pooled Fund Managers and Money Market Funds	25%	31%	26%
Exempt from Bail In (including CCLA)	62%	62%	54%
Total	100%	100%	100%

Investment at 31/03/20 By Sector



Investment at 31/03/19 By Sector



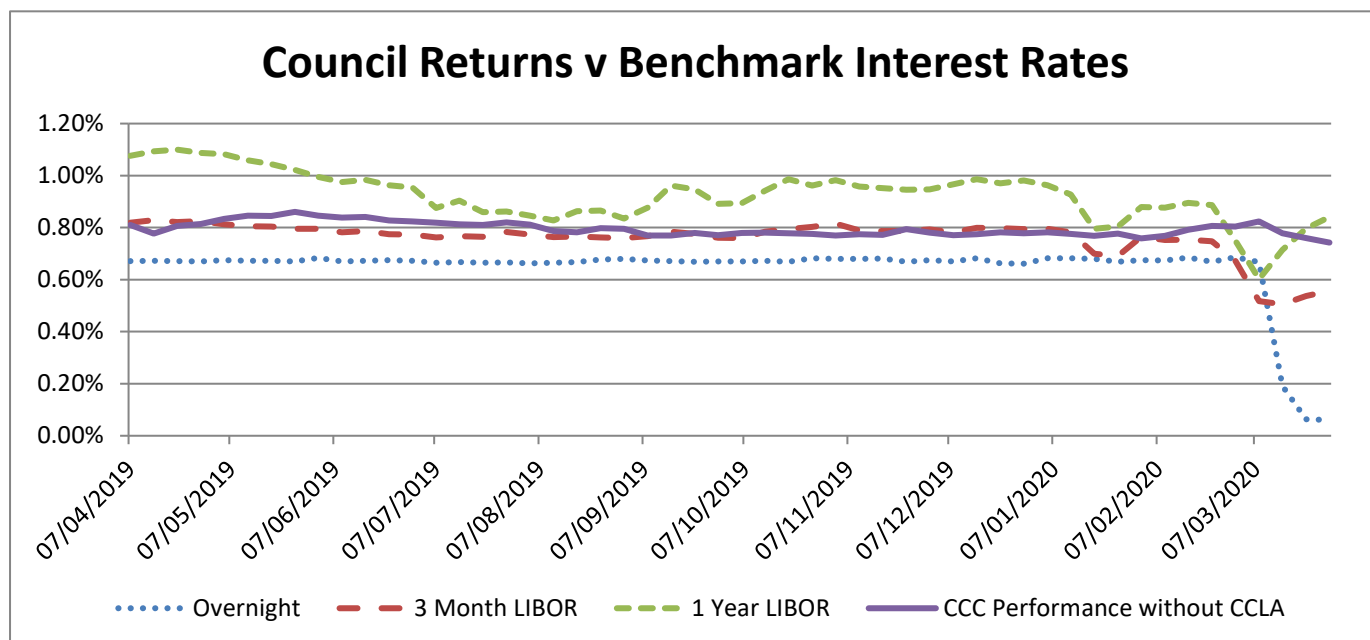
<u>Counter Party</u>	<u>31/03/2020</u>	<u>Limits for 2019/20</u>
<u>Short-Term Money Market Instant Access Funds</u>		
	£s	£s
BlackRock MMF	306,000	6,000,000
Aberdeen Constant Fund	5,925,000	6,000,000
Federated Money Market Fund	5,241,000	6,000,000
Invesco Money Market Fund	1,500,000	6,000,000
CCLA Property Fund	6,482,180	8,000,000
UK Treasury Bills	0	Unlimited
<u>Banks</u>		
Natwest	912,000	3,000,000
HSBC	3,000,000	3,000,000
Lloyds	3,000,000	3,000,000
DBS (Development Bank of Singapore)	3,000,000	3,000,000
<u>Local Authorities</u>		
Wirral Borough Council	5,000,000	20,000,000
Eastleigh Borough Council	2,000,000	20,000,000
London Borough of Croydon	5,000,000	20,000,000
West Dunbartonshire Council	3,000,000	20,000,000
Thurrock Borough Council	3,000,000	20,000,000
<u>Fixed and Floating Bonds</u>		
FRN – Barclays	3,000,000	6,000,000
	<u>50,366,180</u>	

Return on investments

8. Interest rates remained at very low levels throughout 2019/20, culminating in a drop of the Bank of England base rate in March to 0.25% and then 0.10%. Consequently, returns remain below the prevailing inflation rate, resulting in negative real rates of return on funds invested.

Comparisons by Arlingclose out of 127 authorities (143 last year) show the City Council's returns remained in the second quartile for authorities in March 2020 (50th highest) compared to March 2019 (49th highest). This shows that comparative performance remains significantly lower in terms of total return ranking than its high point early in 2016 (22nd highest), and December 2015 (10th highest). Over this period many authorities have invested more extensively in property funds, bond funds, equity funds and mixed asset funds. Consequently, Chelmsford has moved further down the total return curve.

The LIBOR (London Inter Bank Offered Rate) rates below show the interest levels that London based banks charge each other. These highlight the historically low levels of interest rates and provide context for the Council's own investment returns.



	Market investments (excluding CCLA)	CCLA Investment Yield	All Investments
Year ending 31/03/2020			
Average yield	0.86%	4.48%	1.25%

Security

The CCLA fund dropped in capital value by £240k but is still valued at £1.5m over the initial investment made by the Council. As previously identified in the strategy, there will be short-term fluctuations in capital values but the Fund Manager expects there to be some recovery during 2021.

Conclusion

The Council had one breach during the year through investing above agreed Counterparty Limits. This was rectified as soon as operationally possible and did not result in any losses.

Other than this the Council has operated within its Treasury Management Framework. This has enabled the Council to safeguard its financial assets and produce a good level of return relative to the prevailing market interest rates.

Treasury Management Performance Indicators

Period Ending: 31/03/2020

Security

	Year 2019/20	Projected as at Nov 19	Target for year
	31/03/2020	31/03/2020	31/03/2020
Require - Only to invest with approved counterparties	No breach	No breach	No breach
Require - Only to invest up to approved limits	One breach	One breach	No breach
Target - Bail in exposure to not exceed portfolio	45.40%	50.00%	50.00%

Target for year	Target for year	Target for year
2021/22	2022/23	2023/24
No breach	No breach	No breach
No breach	No breach	No breach
50.00%	50.00%	50.00%

Liquidity

	Year 2019/20	Projected as at Nov 19	Target for year
	31/03/2020	31/03/2020	31/03/2020
Target - At least £10m maturing in 100 days or less	£ 35,884,000	£ 30,000,000	£ 10,000,000
Require - Investments maturing in more than 365 days not to exceed target	£ 14,482,180	£ -	£ 18,000,000

Target for year	Target for year	Target for year
2021/22	2022/23	2023/24
£ 8,000,000	£ 8,000,000	£ 8,000,000
£ 10,000,000	£ 10,000,000	£ 10,000,000

£ 50,366,180	£ 30,000,000
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	Actual Borrowing 2019/20	Projected as at Nov 19	Target for year
	31/03/2020	31/03/2020	31/03/2020
Requirement - Authorised Limit of Borrowing	£ Nil	£ Nil	£ 45,000,000
Target - Operational Boundary of Borrowing (excluding finance leases)	£ Nil	£ Nil	£ 25,000,000

Target for year	Target for year	Target for year
2021/22	2022/23	2023/24
£ 45,000,000	£ 45,000,000	£ 45,000,000
£ 25,000,000	£ 25,000,000	£ 25,000,000

Yield

	Year 2019/20	Projected as at Nov 19
	31/03/2020	31/03/2020
Average yield on cash portfolio	0.86%	0.72%
3 month Libor benchmark	0.56%	0.63%
Average yield on CCLA	4.48%	4.14%
Average yield on total portfolio	1.25%	1.20%
1 year Libor benchmark	0.84%	0.85%



Chelmsford City Council Cabinet

8 July 2020

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 6060401

Purpose

To present a Medium-Term Financial Strategy for the period 2021/22 – 2025/26, which provides the framework to deliver a stable and sustainable financial position to enable the Council to achieve its strategic objectives, and which will support preparation of the 2021/22 budget. The report also sets out a Medium-Term Financial forecast, which is produced for indicative planning purposes, as final decisions on the overall Budget and Council Tax level will be made by Council in February 2021.

Options

1. To agree the Strategy set out at Appendix 1
2. To make changes to the Strategy

Preferred option and reasons

Option 1: The Strategy set out at Appendix 1 provides a framework to commence preparation of the detailed budget for 2021/22, taking account of the latest financial projections over the medium-term and the financial risks facing the Council.

Recommendations

1. That Cabinet note the Medium-Term Financial Forecast and the principal issues and risks associated with the forecast and considered in preparing the Strategy
 2. That delegated authority is given to the Director of Financial Services, in consultation with the Cabinet Member for Fairer Chelmsford, to update the forecast and make any consequential changes to the report in light of measures arising out of the emergency budget expected 8 July 2020, before presentation of this report to Council 22 July 2020
 3. That Cabinet recommend to Council for approval;
 - a. the Medium-Term Financial Strategy 2021/22 – 2025/26 (Appendix 1)
 - b. the approach to reserves set out at section 7 and at Appendix 4, including the transfer of reserves in both 2019/20 and 2020/21 to support the General Fund balance set out in paragraph 7.13
 - c. the updates to the capital strategy set out in Appendix 3, which reflect the additional internal borrowing as a consequence of the transfers above
 - d. the budget guidelines for preparation of the 2021/22 budget set out at Appendix 5
-

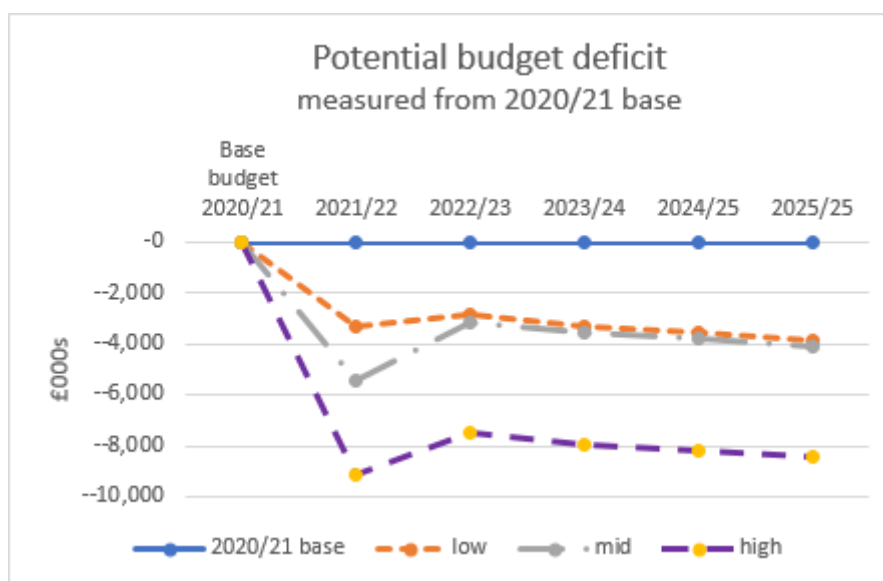
1. Introduction

- 1.1. In January 2020, the Council approved a Medium-Term Financial Strategy for the period 2020/21 to 2024/25, providing a financial framework to support delivery of the Council's priorities, as set out in "Our Chelmsford; Our Plan".
- 1.2. As noted in the introduction to that report, the Strategy by necessity needs to be responsive to changing national and local conditions in order to take account of emerging risks to the Council's financial position and to protect the financial health of the Council. It is therefore appropriate at this time to review the Strategy, particularly in light of the significant impact of the coronavirus pandemic, Covid-19.
- 1.3. Recognising that the course of the pandemic, and its effects on the Council's finances, are extremely difficult to predict, it is proposed that the Strategy will be further reviewed in the third quarter of 2020/21, ahead of budget setting for 2021/22. This will allow the assumptions used within the forecasting model to be refined using the most up-to-date data. It is important however, that the Council considers the risks to its financial position in a timely manner and puts measures in place now to secure a sound financial position.

2. Executive Summary

- 2.1. The Covid-19 pandemic has had a major impact on the Council's finances. The latest estimate of the financial cost to the Council in the current year alone is almost £9.5m, even after allowing for government support received by mid-June. These estimates are changing constantly as new information comes out from Government and the Council adapts its response.
- 2.2. The Council has been particularly affected by a fall in income as lockdown measures have seen leisure centres and theatres closed and shoppers and commuters staying away from our carparks. These income streams account for over half of the Council's total income and are relied on to fund services to the public as the Council only receives a small proportion of the Council Tax and Business Rates it collects.
- 2.3. Forecasting the changes to the Council's budget over the next five years is almost impossible in the circumstances. However, it is necessary to understand the potential scope of any shortfall over the medium term and make plans to mitigate the financial risk to the Council.
- 2.4. The revenue budget, used for day-to-day spending and the provision of services to the public, is coming under pressure from annual inflationary increases to pay, utilities and premises costs, from demand pressures in services such as housing, the rising cost of pensions, reduced interest receipts as bank rates fall and volatility in markets for recyclables. Even after offsetting these pressures by similar inflationary increases to income and modest growth in Council Tax, the potential shortfall in 2021/22 is £2m. Adding a range of assumptions for income reductions increases this shortfall to £3.2m, £5.5m or £9.2m, depending if a set of low, medium or high losses are used. At this early stage, these figures can only be indicative of the potential scale of the budget gap and will be refined during the next few months.
- 2.5. It is currently anticipated that some income streams will return in full or in part to their pre-Covid levels in the future and this is why the 3 scenarios show some recovery in the shortfall in 2022/23. However, the cumulative gap by the end of 2022/23 in each of the scenarios is still significant at £2.8m, £3.1m and £7.5m, demonstrating that even if the Council could manage the drop in income levels temporarily until they recovered, the underlying budget pressures and the potential longer-term downturn for rental income for example, would still need to be addressed.

2.6. The following chart shows the cumulative budget deficit across the period of the medium-term financial forecast when compared to the baseline budget of 2020/21.



2.7. The Council will initially use its available reserves to meet the costs of Covid-19 in 2020/21. To do this it will have to top up its reserves by using contributions it had originally planned to make towards the purchase of assets in 2019/20. Those assets will now have to be funded by internal borrowing instead. Without this action or significant increases in Government funding, the reserves will be too low to meet the current projection of losses. This action will need to be repeated in 2020/21 to rebuild reserves.

2.8. When borrowing is used, a provision to repay the borrowing over a period must be made so this action does cause some additional pressure on the revenue budget which is included in the forecasts.

2.9. Unallocated reserves may be used to fund one-off expenditure or temporary falls in income but are unlikely to be enough to meet the full extent of the shortfall in 2021/22 and nor should they be used to fund on-going expenditure or losses. Therefore, the Council will put in place measures to control spending in the current year and identify net savings (cost reductions or income generation) to reduce the deficit. Progress will be monitored and reported back to Members as part of the budget preparation process and will inform a revised forecast later in the year.

2.10. The forecast will also be affected by any additional funding announcements from Government, such as may arise out of the emergency budget expected on the 8th July, in addition to the latest guidance on the opening of Council facilities and social-distancing measures. Without additional funding, there is a risk that services provided to the public will be impacted.

3. Covid-19: Background

- 3.1. It is inevitable that this report will focus on the financial effects of Covid-19, on the Council's overall financial strength and on its ability to provide services to its residents, both now, amidst the crisis, and in the future. The Council recognises the catastrophic effects the virus is having on people's lives; for residents, for local business, for charities and voluntary organisations, for the vulnerable and for its own employees. This is why the Council needs to plan its financial response, so that it is in a position to provide much-needed support now, to be active in the future recovery of the local economy and to ensure its own longer-term sustainability moving forward.
- 3.2. The first cases of coronavirus were confirmed in the UK at the end of January 2020, and the outbreak was declared a pandemic on 11 March. By late March the Government had introduced "lockdown", banning non-essential travel and contact with people outside of the household, and closing many businesses, venues, facilities, amenities and places of worship, other than those delivering essential services or supplies such as food and medicine.
- 3.3. The Council responded positively to this challenge, deploying its comprehensive business continuity plans, setting up a Community hub to support the most vulnerable residents, supporting rough sleepers into accommodation and maintaining all essential services.
- 3.4. Many Council staff have continued to work from their usual locations to provide services to the public, while others have been enabled to work from home due to the successful implementation of digital technology prior to the crisis. Some staff have been redeployed to support work such as the Community hub or other services that have been under pressure.
- 3.5. The Government provided funding to businesses through Business Rates Relief and grants, and for those who need support with Council Tax payments, and the Council has responded well in setting up and administering the distribution of this funding, whilst being dependent for some elements on the timing of software providers making changes to systems.
- 3.6. Many of these measures however, have come at a cost to the Council, either through additional costs associated with delivering support and providing information to residents or through the loss of income receipts as the Council's own leisure and cultural facilities closed, or demand for fee-paying services reduced (e.g. car parking, planning advice). The Council benefits from a high percentage of income funding its net expenditure which has made it especially vulnerable as Covid-19 measures have hit the local economy. The Council also has some exposure to income loss from commercial property investments, although relatively low in comparison to many others, the majority of which the Council has owned for some years as part of local regeneration projects.
- 3.7. In addition, the Council will need to consider the effects of the pandemic on its customers' ability to meet existing commitments such as council tax, business rates and rents. While the Council has granted deferral of payments where appropriate, it

will need to make an assessment of the level of non-payment and, where business is concerned, the reduction in rates receivable due to the potential for a long and protracted economic downturn. In addition, the potential for new social norms to affect future levels of income are as yet unknown. For example, increased homeworking and changing attitudes to public transport may see a shift in commuting patterns that could have a long-lasting effect on carparking income, as could the on-going rise of internet-shopping. Future attitudes to social distancing could impact on the ability of leisure centres, theatres and museums to operate economically.

- 3.8. Within this there will also be opportunities for the Council, such as leading the economic recovery through targeted use of capital spending, encouraging sustainable transport to support movement around the City, and learning its own lessons from the digital innovation that has by necessity flourished (virtual meetings, accommodation footprint, effective customer service). All of which need to be facilitated by the Financial Strategy.

4. Government Response

Direct allocations or support mechanisms

- 4.1. At the time of writing this report, the Government had provided £3.2bn of emergency funding to local authorities in the face of the crisis, with Chelmsford receiving £1.8m.
- 4.2. The Government had also set up the Coronavirus Job Retention Scheme to enable businesses to furlough staff – in other words, to effectively make staff temporarily redundant, while receiving 80% of the cost of their employment from the Scheme. Initially the Government discouraged the use of the scheme by Local Authorities other than in exceptional cases but has since relaxed this interpretation. The Council has applied to furlough some staff, largely within Leisure and Culture Services, where they were unable to work from home and were not redeployed to other services.
- 4.3. In addition, Councils across England are to share £50m of funding to support the safe reopening of high streets and other commercial areas, to establish a safe trading environment for businesses and customers. The Council will be able to reclaim up to £159,001 of eligible costs under this scheme. The fund must be used to provide additionality and not to subsidise existing, or already committed, expenditure.
- 4.4. Funding for Business Rates Relief and Business Support grants has been received ahead of onward payment to business and a modest element of New Burdens Grant is expected to cover the costs of software changes necessary to administer the schemes. The Government has also allocated £866,069 to the Council under a Council Tax Hardship Fund to support those eligible for Local Council Tax Support.
- 4.5. Cashflow support has also been provided by advancing normal funding payments to the start of the year rather than receiving them monthly or quarterly throughout

the year and by allowing Councils to defer payment of the Government's share of business rates income to later in the year.

Allocations to upper-tier authorities

4.6. The Government has provided significant financial support to upper-tier authorities such as Essex County Council, which will benefit the local area. Examples include:

- £300 million funding for local authorities to support a new test and trace service. The funding is ring-fenced for the specific requirement to develop tailored outbreak control plans, working with local NHS and other stakeholders. The allocation for Essex is £5.783m and is conditional on the County Council working with its District partners and allocating sufficient resources where those partners undertake to deliver outcomes.
- The Emergency Active Travel Fund, which is part of a wider package of measures, aimed at upper tier/Highway authorities, designed to 'protect and increase transport services, level up infrastructure and regenerate local economies after the coronavirus (Covid-19) outbreak'

4.7. The Government is expected to call an emergency budget on 8 July 2020 to tackle recovery from the coronavirus; measures contained within this budget that have an impact on the financial modelling of the Council will be incorporated into future forecasts.

5. Initial assessment of the financial impact of Covid-19 in 2020/21

5.1. The initial financial impact of Covid-19 resulted in some £0.4m of income reduction suffered in the latter part of the financial year 2019/20.

5.2. The estimated effect on the budget for 2020/21 is difficult to predict until there is greater certainty on how the easing of lockdown measures will unfold and what the short-term effect on income levels will be. The Council submitted its latest return to Government on the financial effects of Covid-19, on the 19th June 2020, before the latest guidelines on the easing of lockdown and reduction in social-distancing measure were announced. The return included an estimate of additional costs that may be incurred during the year of approximately £0.724m, and potential income losses amounting to around £11.103m, based on the assumptions at that point in time. After deducting Government funding of £1.84m and estimated furlough funding of £0.54m, this results in a potential net loss for the year of £9.447m, excluding possible reductions in both Council Tax and Business Rates receipts. While the actual losses experienced may be vastly different to those currently estimated, the Council needs to plan for a significant revenue deficit.

5.3. Costs and losses included in the return are broken down as follows:

2020/21 additional Covid-related costs (estimated total £0.7m)

- Homelessness £0.4m based on the latest snapshot of numbers requiring temporary accommodation and increased subsidy loss (i.e. amounts not recoverable by the Council through the housing benefit system)

- Support to prevent rough sleeping £0.1m – despite some additional grant funding the council is incurring costs from measures taken to provide emergency accommodation during the pandemic and the anticipated costs of future accommodation for those either at risk of returning to, or becoming at risk of, rough sleeping.
- Recycling and Waste collection £0.1m projected costs of employing agency staff to maintain services due to absence
- One-off costs for additional mobile working equipment and public information leaflets £0.1m

2020/21 Covid-related income losses (estimated total £11.1m)

- Car Parks – projected losses of £3.8m against annual budget of £7.8m. This takes the actual income received for Apr and May and assumes 10% of normal income levels for June with a gradual increase to 80% of normal levels by November.
- The net loss on theatres and museums (before furloughing funding) is some £0.8m. This assumes only the Panto takes place in 2020/21
- Property income is projected to be £1.2m lower than the budget reflecting reduced income at High Chelmer Shopping centre
- £3.0m less income from Leisure and Parks.
- £2.3m of reduced income across most services from Interest earnings, Recycling and Waste Collection, Planning, Markets and a Council Tax growth sharing arrangement with Essex County Council

2020/21 Covid-related funding (estimated total £2.3m)

- The return allowed for £1.8m of emergency funding already received by the Council.
- Furlough funding from Government of £0.5m is included in the return. The Council has submitted its first claim under this scheme (for £0.3m for the period 21st March – 30th June) and has received confirmation that this has been accepted for payment.

2020/21 estimated net position after funding = budget deficit of £9.5m

5.4. As already noted, projecting losses forward for the year has a high degree of uncertainty and is dependent on the assumptions made about the lifting of lockdown measures, including social-distancing, and the speed and extent to which income levels will recover. A second wave of the virus may see lockdown measures tightened or re-introduced following a period of relaxation. Equally, the success of track and trace or the formulation of a vaccine could have an immensely positive outcome. Projection of potential losses may alter by millions of pounds depending on the assumptions made. The Council will continue to update its assumptions to inform future financial returns and its own budget monitoring process. The final position for 2020/21 will also affect the level of unallocated reserves available to support the revenue budget, just as the overspend in 2019/20 has done.

- 5.5. Refining the assumptions about income levels will be crucial for financial planning both in the short term and over the medium term as small percentage changes can create large variations in these key funding streams as demonstrated in the table below:

Income stream	Effect of 5% reduction against 2020/21 budget*	Effect of 20% reduction*	Effect of 35% reduction*
Car Parks	£390k	£1,560k	£2,730k
Leisure centres	£260k	£1,040k	£1,820k
Commercial property income	£263k	£1,052k	£1,841k
Theatres	£83k	£332k	£581k
Planning and Building Control	£105k	£420k	£735k

*These examples are for indicative purposes and are not necessarily the percentages used in the forecasts.

- 5.6. It may be that additional government support is received to offset the losses expected to be incurred during 2020/21. However, given the potential scale of these losses, it is unlikely that they will be met in full by Government. The Financial Strategy therefore sets out the proposed approach to manage the losses through the use of unallocated (or unearmarked) reserves. These are sums set aside to manage sudden shocks to the Council's finances or one-off additional expenditure and not those set aside for specific purposes.
- 5.7. The Council's Financial Strategy looks to maintain these unallocated reserves at a reasonable level to cope with a degree of variation, however the current crisis is such that it will have a profound impact on the level of unearmarked reserves. Without action to boost the level of available unearmarked reserves, the Council risks having insufficient revenue funds to maintain services and provide contingency funds for non-Covid risks. In order to boost the available reserves to support the short-term effects of Covid-19 in 2020/21, it will be necessary to redeploy reserves previously set aside to support capital spending.
- 5.8. As part of the 2019/20 outturn, it is recommended that the capital programme is financed by £6m of extra borrowing (internal) and revenue contributions that would have been used are instead transferred into the general balance taking it to some £10m instead of £4m. Without this transfer the Council's unearmarked reserve would be less than the projected losses of £9.5m. This comes at cost of additional MRP as the cost of internal borrowing has to be financed. A similar approach is also recommended for 2020/21 and is explained further in paragraph 7.13 of the report.

6. Medium-Term Financial Strategy Review – key risk areas

This section of the report sets out the key risks areas that have been considered when reviewing the Financial Strategy.

Covid-19 medium-term effects

6.1. While the previous sections have considered the effect of Covid-19 on the Council's finances at the tail-end of 2019/20 and during 2020/21, some of the effects of the pandemic may be longer-lasting, and therefore affect financial planning over the medium term. Factors to consider are:

- the time taken for income streams to recover
- the extent to which those income streams recover in the face of societal change (for example, prolonged social distancing, greater internet shopping, less commuting, prolonged economic recession etc will all affect the Council's ability to maximise future income streams, be it from parking charges, business rates, its leisure and cultural facilities and so on).

Various scenarios have been modelled in the forecasts shown at Appendix 2 and are discussed in Section 7.

Government Funding

6.2. Any additional funding to the Council in respect of Covid-19 will be built into future forecasts. The Government has also announced further delay to the Fair Funding Review and the introduction of the 75% Business Rates Retention Scheme, neither of which will now commence in 2021/22. It is also likely that the Government's three-year comprehensive spending review, which was due to set limits for departmental expenditure for the years 2021/22 to 2023/24 will be delayed and that Local Government will again receive a single-year financial settlement, leaving the sector's ability to plan over the medium-term severely curtailed.

6.3. The future of New Homes Bonus (NHB) remains uncertain, following the cessation of future legacy payments in 2020/21. Previously the scheme had paid a four-year bonus based on housing growth above a minimum threshold for the year. In 2020/21 a single year allocation was awarded, with the run-off of the remaining legacy payments from previous years. In theory, any funds used previously to award NHB would still be used to support local government. The risk to Chelmsford lies in the allocation of such funding. The Council has benefited from NHB over the years as the City has grown and a change in methodology may see this funding diverted to other geographical areas or tiers within the sector, possibly to support Adult Social Care. Even in its current form, the effects of Covid-19 on housing delivery, and any subsequent recession, would reduce the funding locally. The Council will therefore continue with its strategy of not using NHB to support on-going revenue costs.

Council Tax and Business Rates

6.4. Alongside the Local Government Finance Settlement, the Government sets out the level of council tax increase above which a referendum is triggered. For the past few years, this limit has been £5 for Districts like Chelmsford, and the Council has kept its Council Tax increases within these limits. Chelmsford only retains about 11p of each £1 of Council Tax it raises, with the majority going to Essex County Council (72p) and the remainder to the Police and Fire Services and Parish councils. While Councils face such an uncertain financial future, it may be appropriate to lobby Government to provide additional flexibility or local freedom to set Council Tax

levels. The forecast assumes increases of £5 throughout the period, for planning purposes. The actual Council Tax level will be determined by Council as part of the budget process in February 2021.

- 6.5. For Business Rates, while the existing scheme may continue for the time-being, the ability of businesses to meet their property costs may be affected by the anticipated economic downturn and business failure will impact on the level of income collected. In addition, businesses may choose not to renew tenancies in the future if they have successfully adapted to on-line selling for retailers or homeworking for office-based businesses. A potential upside for Chelmsford, however, may be that companies still wishing to have an office presence decide to relocate away from the Capital and look for smaller, more cost-effective premises locally. It will be important for the Council to play a role in continuing to attract inward investment and supporting the local business sector.
- 6.6. During an economic downturn, there will be risk to the income from both the County-wide Council Tax sharing agreement and the 2020/21 Business Rate Pool. These will need to be monitored and fed into budget projections. The forecast assumes effectively nil from the Council Tax Sharing Scheme and no gain in respect of the Pool arrangement.

Transformational Change

- 6.7. In the last Strategy update in January 2020, the Council set out its approach to Transformational Change through the formation of the Digital Portfolio Office (DPO), which would build on the successful implementation of digital infrastructure such as Windows 10, Office 365 and Skype for Business and embed a culture of digital innovation within services. By early June, the DPO had successfully deployed three projects, while three others had commenced development and a pipeline of further bids were under review. The Council has committed £150k to resource the initial pilot stage, with a gateway review planned to take place in July 2020, before further funding is released. It is anticipated that the Council will be able to apply learning from the extended period of flexible working that it has undergone as a result of Covid-19 to generate additional projects for consideration by the DPO and to maximise the benefits of new ways of working. Should the pilot be successful the 2020/21 Budget provided £500k in earmarked reserves to continue with the DPO process.

Regulatory Environment

- 6.8. Elements of the Council's financial management are regulated by Statute and various codes of practice. In 2019/20, the Chartered Institute of Public Finance and Accountancy (CIPFA) published its new Financial Management Code and the Council is committed to embedding the principles of the Code into its day-to-day practices. The Council also needs to have regard to the ever-tightening guidance around investments, particularly in regard to commercial property, and the regulatory framework for public sector borrowing

Budget Management

- 6.9. Recent years have seen an increased pressure on the Council's budget through reduction in local government funding, increased public expectation, rising costs and demand pressures. The Council has already improved both its budget monitoring regime, with new report formatting and wider reporting through Audit and Risk Committee, Overview and Scrutiny Committee and Cabinet, and its budget process through the introduction of a budget challenge process with Directors and Cabinet Members. The provisional revenue outturn report for 2019/20, as reported to the Audit and Risk Committee on 17 June 2020, showed an overspend on service provision of some £2.2m and while due in part to early effects of coronavirus, it is important the Council takes steps to ensure realistic budget provision is made in future years, recognising that some budgets may need to increase to more accurately reflect the anticipated costs of services, rather than striving to meet unrealistic targets. This needs to be alongside close management and monitoring of budgets to avoid on-going levels of overspend. In the context of Covid-19 it will be even more important to manage spend in 2020/21 and avoid additional pressure on reserves. The Council therefore intends to reinforce its challenge process both for monitoring of existing budgets in 2020/21 and as part of the budget preparation for 2021/22. Budget Guidelines for service managers for preparation of the 2021/22 budget are included at Appendix 5

7. Medium-Term Financial Forecast

- 7.1. Production of a detailed financial forecast is exceptionally difficult at this time. However, it is prudent to consider the extent of the financial risk facing the Council in order to determine what work may be necessary to ensure a financially sustainable future. Forecasts for both Revenue and Capital expenditure and projected use of unearmarked reserves are shown in Appendices 2 - 4 of the report and this section provides some additional commentary on the forecasts.

Revenue forecast – Appendix 2

- 7.2. The Revenue forecast sets out material budget movements expected when compared to the budget for the preceding year. A positive figure denotes additional cost or a reduction in income, whereas a negative figure (or credit) shows additional income or a reduction in costs compared other previous year. If a column is blank, then no change is assumed compared to the year before.
- 7.3. The first section of the table shows some initial baseline assumptions before consideration of income movements caused by Covid-19. The first of these deal with inflation on both costs and income. For the majority of these a standard 2% inflation figure has been used, which is the norm for the Council's medium-term forecasting purposes. Some of these may need to be altered after consideration of the emerging overall budget gap, once refined in later forecasts, and should not therefore be considered final. They are, however, reasonable assumptions on which to base this first forecast.

7.4. Other movements shown include;

- a downturn in interest receipts from the investment of cash held by the Council, which is generated due to the timing of cash flows in and out of the Council. Interest earned is affected by interest rates, the length of the investment and the amounts available to be invested.
- increases to the provision for repayment of debt, known as minimum revenue provision or MRP, as a greater proportion of the capital programme is financed via internal borrowing
- the triennial valuation of the pension fund carried out in 2019/20 required an increase in contributions from the Council to close the pension deficit.
- increased NNDR (Business Rates) payable on council properties, particularly for the new Riverside ice and Leisure Centre
- a downturn in recycling income which suffers from price volatility due to world-wide market changes and import restrictions, partially offset by increased collection of some forms of recycling during lockdown and increased recycling credits
- an allowance for increased costs of Recycling and Waste Collection, and Street Cleaning following further City growth in later years of the forecast
- additional subsidy loss for temporary accommodation (TA) assuming numbers in TA remain static

7.5. The next set of items stem from the annual review of the prior year's outturn position, which seeks to identify any on-going pressures that should be built into the base budget moving forward, in order to present a realistic, achievable budget rather than setting budgets that are too low and are impossible to meet. This section includes further cost pressures in temporary accommodation including utility costs and repairs and maintenance, and the building-up of the insurance reserve to meet excess payments which have traditionally been met by underspends.

7.6. Assumptions have also been included for a 2% inflationary uplift in government funding, £5 annual increase in Council Tax, and a lower than average increase in the council tax base for 2021/22 reflecting a delay in development due to Covid-19, subsequently returning to more normal levels. The final item in this section is an estimate of growth in the budget for each year to allow for additional items that come forward throughout each year, due to increases in demand or new initiatives for example.

7.7. This results in a budget gap in 2021/22 of £2.077m, rising to £3.343m over the whole forecast period, and before taking account of reductions in key income streams caused by Covid-19. It is worth considering at this point, why this gap is some £0.958m higher than the budget gap forecast as part of the budget process in January 2020 and this is set out in the next section of the revenue forecast. Some of the changes are as a consequence of Covid-19, such as:

- additional MRP caused by increased internal borrowing as reserves planned to support capital expenditure are switched to support the revenue costs of Covid-19 instead.

- The additional subsidy loss on temporary accommodation due to housing pressures of Covid-19 including placement of those previously sleeping rough
- Fall in interest rates as a response to the impact of Covid-19 including reduction in Bank of England base rate

Some of the changes were only known subsequent to the January forecast such as the increased NNDR bills received in May, the significant changes to recycling income and the variances arising out of the outturn review which by necessity takes place after the year-end.

Other changes include:

- The removal of additional funding to the Asset Replacement Reserve (ARR). The ARR is intended to support the purchase of short-life assets in the Asset Replacement Programme. The Reserve is funded by an annual contribution from the Revenue account, which traditionally has been increased annually, outturn position allowing. Under the current circumstances it is assumed that the increase will not be made in 2021/22, which is a change to the previous forecast assumption.
- Changes to Council Tax base, Council Tax level and other items accounting for a favourable movement in the forecast of £183k.

7.8. The final section of the Revenue forecasts provides three scenarios (mid, lower and higher cases) for the key income streams affected by the pandemic. Consideration of a range of scenarios, particularly within the revenue forecast, allows the Council to take a measured approach, avoiding a knee-jerk reaction and implementation of short-term solutions that may be unsustainable over the medium-term. It is essential that the Council considers how it will operate in a post-COVID world and shapes its future budgets around sustainable service delivery.

7.9. Each table begins with the baseline budget gap from the first section of the forecast and then adds the projected income losses to the gap. It is not intended to suggest that any one of these tables is the most likely position but simply to show the potential scale of losses that may materialise. As the forecast is refined in later versions, a “most likely” or central case will be developed. The current scenarios reflect a potential budget gap of between £3.283m and £9.155m for 2021/22. It should be noted however, that several of the assumptions show income streams bouncing back to normal levels in the following year and this may be a key factor in determining the action to take to meet the budget gap. Also, following the same process that was adopted for the presentation of the 2020/21 Budget, the revenue forecasts do not include the potential savings from invest-to-save schemes within the Capital forecast. For example, it is expected that the purchase of houses for use as Temporary Accommodation will produce a net revenue saving as well as meeting a service need. More detailed analysis of costs and savings will be included in the business case for such schemes as they are developed and ultimately, they are expected to reduce service costs. The budget gap is also highly dependent on the level of government funding that may be forthcoming either via one-off grants

(which could remove or reduce the necessity to redeploy reserves and the extent of the drain on those reserves) or through core funding baselines, which will support the Council to meet the on-going effects of both Covid-19 and the subsequent economic conditions.

Capital forecast – Appendix 3

- 7.10. The Capital spending forecast attached at Appendix 3 includes initial estimates of spending plans for the period which will be refined during the budget process. Initial review of the capital spending plans for 2020/21 has highlighted several projects that could be deferred into 2021/22, or which have been delayed due to Covid-19 measures, easing the pressure on internal borrowing. These have been taken account of in the forecast, deferring some £19m of expenditure to later years and the consequential impacts of borrowing costs in the revenue budget.
- 7.11. However, the repurposing of contributions previously earmarked to support capital expenditure, to instead support the immediate pressure on revenue reserves, increases the borrowing requirement to fund the programme. The Capital Strategy approved by Council in February set authorised borrowing limits and operational limits which are set out with other indicators/forecasts in Appendix 3. The use of internal borrowing if there were no other changes to the capital programme would be an £11m increase (equal to repurposing of revenue funding) however the forecast of the timing of expenditure has been amended and the change is:

	31.3.2020 actual	31.3.2021 forecast	31.3.2022 budget	31.3.2023 budget	31.3.2024 budget
Forecast Internal Borrowing	£11.650m	£31.868m	£41.561m	£48.481m	£54.064m
- decrease/+increase from Jan 2020 Forecast	£2.67m	-£3.55m	£7.98m	£9.09m	N/A

It is currently expected that the financing of the capital programme will not require the use of external borrowing for at least 2 years but given the uncertainty to cashflows caused by Covid, cash planning is difficult beyond a 2-year horizon due the extent of the variables. E.g. CIL receipts, size of deficit, government funding, business rates assumption etc. As 2020/21 progresses, experience of providing services in a Covid environment will enable more detailed cashflow forecasting to take place.

The Council sets out an external borrowing limit (authorised limit) for the authority as part of the Capital strategy; in January that limit allowed for some externalising of existing capital debt and allowance for a potential major capital project. The use of external debt can only be warranted over internally borrowing if it is cost-effective and this has not been the case to date. However, the current levels of interest rates and changes in Government policy may offer the authority the opportunity to borrow at cost-effective rates. It is proposed to keep this opportunity under review, and this may be undertaken within existing borrowing limits. If a substantial switch from internal borrowing to external were to be considered, it would be brought back to Members for review as part of the Treasury Management Strategy.

As indicated in Appendix 3, there are no proposed changes at this time to either the external borrowing limit (the absolute maximum level set for external borrowing that cannot be exceeded) or the operational boundary (a lower limit indicating the maximum level expected in normal operating circumstance), other than for technical adjustments for finance leases. No external borrowing has been undertaken at this time.

Reserves – Appendix 4

- 7.12. Appendix 4 provides estimated levels of Reserves over the period. The Council will use its General Fund and Contingency reserve to support the immediate financial pressures of Covid-19, supported by use of other reserves previously allocated in support of capital financing. The existing Medium-Term Financial Strategy planned to increase the level of available reserves commensurate with prevailing risk and to maintain this at 5% of gross expenditure (around £7m), recognising that the level would fluctuate in response to short-term pressures on the revenue budget. Clearly, the current situation brings severe pressure on these balances, which would be exacerbated by any further lockdown period, should that be found necessary. It is essential that the financial recovery plan for the Council includes measures to restore a reasonable level of balances to support the on-going financial sustainability of the Council.
- 7.13. The first table in Appendix 4 shows the projected levels of these unearmarked reserves (General Fund and Contingency Reserve) which are set aside to manage short-term fluctuations in the Council's finances or to cover an initial shortfall while other action is put in place to correct the on-going financial position. The opening balance for 2020/21 of almost £10m is made up of the closing balance from 2019/20 of £3.75m, which was reduced from previous levels as it was drawn on to fund the budget overspend for the year, and a transfer of £6.2m of revenue funding previously budgeted to support the Capital Programme. This includes proposed contributions to the Asset Replacement Reserve, the Chelmsford Development Fund and some ad hoc receipts for small asset sales and the granting of a temporary land licence – all of which are now redirected to support the General Fund Balance. This provides sufficient unallocated reserves to fund the net losses of £9.447m currently anticipated in 2020/21 due to coronavirus but leaves no buffer for any other financial pressures occurring in the year or for any increases in the Covid-related costs. In order to rebuild the unallocated reserves, it is proposed to repeat the process in 2020/21 and transfer an additional £4.82m of revenue contributions to the General Fund Balance instead of transferring £1.7m to the Asset Replacement Reserve and £3.1m to the Chelmsford Development Reserve.
- 7.14. The table provides for several planned uses or transfers of sums from the unallocated reserves and shows core balances being maintained at around £4.6m, which is lower than the target £7m. In addition, the balances from 2021/22 onwards do not reflect any use of those balances to support the budget gap presented in the revenue forecast. The extent to which the reserves may be required to support that gap depends upon:
- The extent to which savings can be found to bridge the gap
 - The extent that any further Government funding reduces the gap
 - The accuracy of the projected losses in 2020/21 and beyond

Should it be necessary to increase the unallocated reserves to support the budget gap in future years, then budgeted contributions towards capital expenditure can again be reallocated to the General Fund Balance. However, whenever capital funding is reduced in this way, it will need to be replaced by other funding methods, most likely internal borrowing, which will add additional borrowing costs (MRP) to the revenue budget. It should be noted that item 16 of the Financial Strategy already allows for contributions to the Asset Replacement Reserve to be replaced by the cost of carrying debt.

It will be key in the next iteration of the forecast to have greater certainty over the size of the funding gap and to have formulated a programme of savings to reduce that gap that leaves sufficient balances in reserve moving forward. It may be that the Council chooses to hold a lower level in the very near term, if it is confident of closing the gap, and builds up reserves in subsequent years.

8. Strategic Response

- 8.1. While it is difficult to accurately predict the size of the financial problem facing the Council, for all of the reasons set out elsewhere in the report, it is clear that it is of a greater magnitude than seen in recent times. The Council therefore needs to move swiftly to put control measures in place.
- 8.2. In the short term the Council is taking the following measures to protect its balances and its services to the public:
 - Redirection of reserves previously set aside to support capital spending, to meet Covid-19 costs
 - Review of all reserves and contingencies to release funding where possible
 - Review of planned expenditure for projects that could be deferred
 - Recruitment to be considered by Management Team prior to commencing recruitment process
 - Set up a process to challenge current spending
 - 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
 - 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
 - Commence process to identify potential savings ideas, both cost reduction and income generation, should the necessary Government funding not materialise
 - 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. Simply trimming costs will be unlikely to deliver savings of the magnitude required, so more strategic proposals will be needed. In the aftermath of the pandemic, it is also unlikely that the Council will be able to rely on additional income generation to close the budget gap.

All of these actions are consistent with the Financial Strategy set out at Appendix 1.

8.3. In times of crisis working with partners is essential. For example:

- the Council continues to review all new announcements of funding to ensure it makes the best use of any allocations and is committed to working closely with the Business Improvement District and other stakeholders to ensure limited funding is targeted where it adds most value and will continue to engage with the County Council to influence spending of infrastructure and regeneration funding such as the Emergency Active Travel Fund.
- The Council responded to the call from Government to collect data about the financial impact of Covid-19 in April, via monthly returns and has used these to form the basis of lobbying to Ministers, MPs and through various bodies such as the Local Government Association (LGA), Society for District Council Treasurers (SDCT) and District Councils' Network (DCN). The initial return was a very simple light-touch request, with the Council's response containing an early assessment of the impact, together with a range of assumptions and comments. The collective initial returns from local authorities directly influenced the announcement of a second tranche of £1.6bn emergency grant funding nationally for the sector, with a new allocation basis increasing the proportion received by lower tier authorities, when compared to the first fund tranche.
- The Council has also taken part, alongside nine other Councils, in a case study with the LGA which will be used in national campaigning and lobbying work.

8.4. As a consequence, a number of amendments have been made to strengthen the Partnership Working section of the Strategy.

8.5. The following item has been retained as further review may be appropriate, although an update on progress is provided below.

Item no:	Action
35	The Council will review its processes for awarding grant funding and the monitoring of service level agreements with third parties

Update: The Community Funding Scheme was launched in September 2019 and combines the Council's old Corporate Aid Scheme discretionary fund and the neighbourhood allocation of the Community Infrastructure Levy (CIL), within Chelmsford's nine unparished wards. The first round of allocations under the new scheme were considered by Cabinet in March 2020.

A related item has been added at point 36 as follows:

Item no:	Action
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

Two other new items have been added in the same section in respect of responding to Government consultation and data-gathering exercises, engaging with sector-led bodies such as the Local Government Association and others, and working together on funding solutions. These are particularly relevant at the current time but are of on-going importance to ensure that Chelmsford's voice is heard as future funding mechanisms are developed.

Examples of the measures that central government could use to support local authorities are:

- Additional immediate direct financial support
- Clarification of the financial planning framework for local government and long-term sustainable funding levels
- Restoration of the New Homes Bonus Scheme to its former extent
- Capitalisation of Covid-19 costs
- Relaxation to Minimum Revenue Provision rules
- Review of PWLB borrowing rates
- Increased local flexibility on Council Tax setting
- A safety net on Council Tax income
- Underwriting any Council Tax deficit for 2020/21
- An increased safety net for Business Rates income
- Temporary relaxation of the requirement to balance the revenue budget annually
- Relaxation of the Apprenticeship Levy

9. Conclusions

- 9.1. There is no mistaking the financial challenge ahead for the Council. The forecast revenue gap for 2021/22 is the largest the Council has seen for some years and time is short in which to plan for, and achieve, the level of savings that may be required. The level of uncertainty is also increased, both due to the unknown length and final effects of the coronavirus pandemic and the level of financial support to be received from Government. Both factors could significantly alter the forecasts in either direction. Within this uncertain environment, the Council continues to strive to deliver the key objectives of Our Chelmsford; Our Plan, recognising that some may take longer or be more difficult to achieve.
- 9.2. Work is required to refine the forecast and ensure a robust process is in place to achieve the necessary reduction in net expenditure required to produce a balanced budget. An updated forecast, including progress on the identification of savings proposals, will be presented to Members in the third quarter of 2020/21 and will inform a further review of the Financial Strategy.
- 9.3. In the meantime, the following key actions are required:
 - Transfer contributions previously earmarked to support capital spending into the General Fund balance to support the revenue budget gap
 - Take action to control in-year spending to avoid additional budgetary pressure

- Commence process to identify proposals to close the budget gap and ensure appropriate realistic budgets are set for 2021/22
 - Identify clear pathways for the reopening of Council facilities and the restoration of major income streams
- 9.4. By having a robust financial strategy and putting in place the measures set out in this report, the Council's Chief Financial Officer (CFO), the Director of Financial Services, is satisfied that a s.114 report is not necessary at this time. (The CFO is obliged by statute to deliver a s.114 report to Members if they judge the Council not to have a balanced budget or the imminent prospect of one.) In addition, Cipfa has proposed temporary modifications to its guidance which remove the necessity for s.114 notices to be issued while informal discussions with Government are in progress, thus freeing up more time for authorities to explore their options, rather than freezing spending at a time of increased demand for some services. The issuing of such a report will be kept under review as the financial position is updated.
- 9.5. Should the anticipated emergency budget on the 8 July, or any other funding announcements made in the interim, have a significant effect on the forecasts or the actions proposed in the report, a verbal update will be provided to Members at the Cabinet meeting.
- 9.6. Cabinet is asked to consider the report and provide delegated authority to the Director of Financial Services in consultation with the Cabinet Member for Fairer Chelmsford, to make any consequential amendments arising out of the expected emergency budget announcements before presentation of the report to Council. Cabinet is also asked to recommend that Council approve:
- the Medium-Term Financial Strategy
 - the approach to reserves set out in section 7 and specifically the transfers into the General Fund balances shown at paragraph 7.13 of £6.208m and £4.82m in respect of 2019/20 and 2020/21
 - the update to the Capital Strategy in Appendix 3 including the consequences of the transfers to the General Fund on the levels of internal borrowing
 - the budget guidelines contained in Appendix 5

List of appendices:

Appendix 1 – Medium-Term Financial Strategy 2021/22 – 2025/26

Appendix 2 – Medium-Term Financial Forecast (Revenue Budget)

Appendix 3 – Capital Forecast/Amendments to Capital Strategy

Appendix 4 – Reserves Forecast

Appendix 5 – Budget guidelines for preparation of the 2021/22 budget

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

APPENDIX 1

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 to use of its existing resources 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.
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.
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 staff 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. NEW	<i>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</i>
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. NEW	<i>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</i>

<p>40. NEW</p>	<p><i>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</i></p>
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PROJECTED BUDGET GAP -PRE COVID LOSSES (TABLE 1)

	2021/22	2022/23	2023/24	2024/25	2025/26
<i>(INCREASES/CHANGES OVER PREVIOUS YEAR)</i>	£000s	£000s	£000s	£000s	£000s
PAY INFLATION - 2% YEAR ON YEAR	666	680	695	710	726
NDR (BUSINESS RATES) - NIL IN 2021/22 THEN 2%	-	53	54	55	56
UTILITIES - 2% YEAR ON YEAR	22	22	22	22	22
FEES & CHARGES 2% INFLATION INCLUDING -	-304	-467	-476	-490	-495
CAR PARKING CHARGES NIL IN 2021/22 THEN 2%					
INTEREST INCOME	134	69	71	26	26
MINIMUM REVENUE PROVISION (CAPITAL FINANCING)	326	21	27	61	123
PENSION DEFICIENCY	175	175	175	-	-
RIVERSIDE & OTHER NDR	189	-	-	-	-
RECYCLING INCOME (PRICE VOLATILITY)	208	-	-	-	-
CITY GROWTH	-	-	74	77	77
SUBSIDY LOSS - TEMPORARY ACCOMMODATION REMAINS FLAT	153	-	-	-	-
<u>3-YEAR OUTTURN REVIEW (KEY ITEMS)</u>					
TREE MAINTENANCE	20	-	-	-	-
FLEET COSTS	20	-	-	-	-
LEISURE CASUAL STAFF & CENTRE MAINTENANCE	108	-	-	-	-
UTILITY COSTS	75	-	-	-	-
LEISURE INCOME (DOVEDALE & CSAC)	46	-	-	-	-
HYLANDS INCOME	65	-	-	-	-
HOUSING- COST OF TEMPORARY ACCOMMODATION	249	-	-	-	-
INSURANCE CLAIMS - ANNUAL CONTRIBUTION	50	50	50	50	50
OTHER	25	-4	50	-	-
GOVERNMENT FUNDING	-68	-70	-71	-72	-74
COUNCIL TAX BASE (200 FOR 2021/22& 800) & £5 ANNUAL INCREASE	-382	-509	-517	-525	-533
ALLOWANCE FOR GROWTH/INTIATIVES	300	300	300	300	300
BUDGET GAP (PRE-COVID 19 INCOME LOSSES)	2,077	320	454	214	278

WHY HAS IT CHANGED COMPARED TO OUR ORIGINAL £1.119M GAP IN JANUARY (TABLE 2)	
	£000s
EXTRA MRP	50
HSG COVID SUBSIDY LOSS	153
INTEREST - LOW INTEREST RATES CAUSED BY COVID	109
NDR INFLATION NIL - COVID	-51
RIVERSIDE & OTHER BUSINESS RATES	189
RECYCLING INCOME (PRICE VOLATILITY)	208
OUTTURN REVIEW OF HOUSING	249
OUTTURN REVIEW OF TREE MAINTENANCE	20
OUTTURN REVIEW OF FLEET COSTS	20
OUTTURN REVIEW OF LEISURE CASUAL STAFF & MAINTENANCE	108
OUTTURN REVIEW OF UTILITY	75
OUTTURN REVIEW OF LEISURE INCOME (DOVEDALE & CSAC)	46
OUTTURN REVIEW OF HYLANDS INCOME	65
INSURANCE	50
ASSET REPLACEMENT RESERVE - REMOVE ADDITIONAL FUNDING	-150
OTHER INCL. COUNCIL TAX INCREASES AND FAIR FUNDING, GROWTH ETC	-183
CHANGE	958

COVID – LOSS SCENARIOS (LOW, MID AND HIGH) (TABLE 3)

	2021/22	2022/23	2023/24	2024/25	2025/26
	£000s	£000s	£000s	£000s	£000s
SHORTFALL BEFORE COVID INCOME ASSUMPTIONS	2,077	320	454	214	278
COVID LOSSES (LOWER CASE)					
CAR PARKING 10% LOSS	743	-743	-	-	-
BUILDING CONTROL	-	-20	-	-	-
THEATRES - OPEN, INCOME LEVELS NORMAL	-	-	-	-	-
HIGH CHELMER - A NUMBER OF REDUCED RENTS AND NON-RENEWALS	463	3	35	-	-
LEISURE -NO LOSSES, PRE-COVID CONDITIONS BY DEC 2020.LAG TO RECOVER MEMBERSHIP NUMBERS OF A FEW MONTHS	-	-	-	-	-
MARKETS - NO LOSSES	-	-	-	-	-
TRADE WASTE - NO LOSSES	-	-	-	-	-
HYLANDS -PRE-COVID INCOME OPERATION BY DEC 2020	-	-	-	-	-
SHORTFALL LOWER CASE INCLUDING COVID LOSSES	3,283	-440	489	214	278
TABLE 4	2021/22	2022/23	2023/24	2024/25	2025/26
COVID LOSSES - MID CASE	£000s	£000s	£000s	£000s	£000s
SHORTFALL BEFORE COVID INCOME ASSUMPTIONS	2,077	320	454	214	278
CAR PARKING 20% LOSS	1,486	-1,486	-	-	-
BUILDING CONTROL	-	-	-	-	-
THEATRE SHUT ALL YEAR - PANTO ONLY.	430	-430	-	-	-
HIGH CHELMER -INCREASED NUMBER OF RENT REDUCTIONS AND NON-RENEWALS	740	8	-27	-	-
LEISURE -PRE-COVID CONDITIONS BY MARCH 2021 AND GRADUAL INCOME RECOVERY	516	-516	-	-	-
MARKETS -10% LOSS	61	-61	-	-	-
TRADE WASTE -10% LOSS	92	-92	-	-	-
HYLANDS -PRE-COVID CONDITIONS BY MARCH 2021 AND GRADUAL INCOME RECOVERY	66	-66	-	-	-
SHORTFALL MID CASE INCLUDING COVID LOSSES	5,468	-2,323	427	214	278

TABLE 5	2021/22	2022/23	2023/24	2024/25	2025/26
<i>Covid Losses - High case</i>	£000s	£000s	£000s	£000s	£000s
<i>Shortfall Before Covid income assumptions</i>	2,077	320	454	214	278
<i>Car parking 40% Loss</i>	2,970	743	-	-	-
<i>Building control</i>	60	10	-	-	-
<i>Theatre Shut all year. No panto</i>	750	-750	-	-	-
<i>High Chelmer</i>	1,180	86	65	-	-
<i>Leisure - 30% reduction. A slow recovery and possible second spike</i>	1,548	-1,548	-	-	-
<i>Markets -20% loss</i>	122	-122	-	-	-
<i>Trade waste -20% loss</i>	184	-184	-	-	-
<i>Hylands -30% impact. A slow recovery and possible second spike</i>	264	-264	-	-	-
<i>Shortfall High Case including Covid Losses</i>	9,155	-1,709	519	214	278

APPENDIX 3**Capital Strategy**

The Council approves an annual update of its Capital Strategy (latest February 2020). The strategy provides high level overview of how the Council intends to manage its capital expenditure and in turn how this expenditure is financed. The Strategy includes a number of tables for financial forecasts and financial limits. There is need to update the Capital Strategy tables as result of the of the re-purposing of revenue contributions (funding) of capital to support potential Covid 19 losses. This is discussed in paragraph 6.13 of the main report. Below are key changes being made, with explanations. Please note that for the sake of brevity and to maintain focus on the key issues not all of the Capital Strategy tables have been included in the update below.

Cost of the capital Programme**Previous Forecast**

	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
Replacement Programme	£3.353m	£4.879m	£4.161m	£1.491m
Capital Projects	£19.196m	£25.683m	£22.224m	£8.214m
Loans and Investments for Service Purposes				
Commercial Activities	£3.930m	£10.900m	£1.220m	£0.500m
TOTAL	£26.479m	£41.462m	£27.605m	£10.205m

Latest Forecast

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Replacement Programme	£2.982m	£4.285m	£5.644m	£1.661m	£1.379m
Capital Projects	£13.388m	£22.403m	£29.108m	£9.210m	£7.360m
Loans and Investments for Service Purposes					
Commercial Activities	£3.725m	£0.580m	£11.820m	£0.500m	£0.500m
TOTAL	£20.095m	£27.268m	£46.572m	£11.371m	£9.239m
Previous (see above table Previous forecast for detail)	£26.479m	£41.462m	£27.605m	£10.205m	N/A
Change	-£6.384m	- £14.194m	£18.967m	£1.166m	

In total the years 2019/20 to 2022/23 programme is broadly unchanged, a movement of £0.450m. The in-year variations are due to a number of items where the spend profile and timing have changed. The key items being:

From 2019/20 to Later Years

Enabling Works at Lockside £3.2m

From 2020/21 to Later Years

Provision for Acquisition of Commercial Property £10m

Flood Defences £4.8m

Vehicle and Equipment Replacements £1.1m

Galleywood Hall Development of Industrial Units £1.2m

Riverside Cladding £2m

Financing of the Capital Programme

Previous Forecast

	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
Capital Receipts	£5.792m	£6.250m	£7.693m	£1.200m
Grants and Contributions	£5.325m	£3.588m	£14.879m	£0.200m
Revenue Contributions	£6.189m	£4.824m	£3.892m	£2.908m
Internal Borrowing	£8.974m	£26.520m	£0.000m	£5.824m
Finance Leases	£0.199m	£0.280m	£1.141m	£0.073m
TOTAL	£26.479m	£41.462m	£27.605m	£10.205m

Latest Forecast

	2019/20 Actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Capital Receipts	£3.919m	£2.556m	£15.250m	£1.200m	£1.200m
Grants and Contributions	£3.687m	£4.262m	£16.057m	£0.200m	£0.200m
Revenue Contributions	£0.000m	£0.000m	£3.535m	£2.395m	£1.504m
Internal Borrowing	£11.649m	£20.390m	£10.227m	£7.503m	£6.194m
Finance Leases	£0.840m	£0.060m	£1.503m	£0.073m	£0.141m
TOTAL	£20.095m	£27.268m	£46.572m	£11.371m	£9.239m

The amount of funding applied every year is a reflection of the capital programme spend. A reduction in the use of Revenue contributions is identifiable in the years 2019/20 and 2020/21. This is to repurpose the funding to meet potential Covid 19 losses as discussed in the report. As a consequence, borrowing has to increase over the life of the forecast by some £11m. This forms part of the recommendations to the report.

Current Estimate of Gross Debt and the Capital Financing Requirement

Previous Forecast

	31.3.2020 forecast	31.3.2021 budget	31.3.2022 budget	31.3.2023 budget
Leasing (Debt)	£0.159m	£1.093m	£1.543m	£1.110m
External Borrowing	£0.000m	£0.000m	£0.000m	£0.000m
Total “External Borrowings”	£0.159m	£1.093m	£1.543m	£1.110m
Total Capital Financing Requirement (CFR)*	£9.133m	£36.507m	£35.124m	£40.504m
Internal Borrowing (makes up the difference between CFR and external borrowings)	£8.974m	£35.414m	£33.581m	£39.394m

Current Forecast

	31.3.2020 actual	31.3.2021 forecast	31.3.2022 budget	31.3.2023 budget	31.3.2024 budget
Leasing (Debt)	£0.738m	£0.635m	£1.731m	£1.377m	£1.064m
External Borrowing	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m
Total “External Borrowings”	£0.738m	£0.635m	£1.731m	£1.377m	£1.064m
Total Capital Financing Requirement (CFR)	£12.388m	£32.503m	£43.292m	£49.858m	£55.128m
Internal Borrowing	£11.650m	£31.868m	£41.561m	£48.481m	£54.064m

Change is identified below

Total “External Borrowings”	£0.58m	-£0.46m	£0.19m	£0.27m	N/A
Total Capital Financing Requirement (CFR)	£3.26m	-£4.00m	£8.17m	£9.35m	N/A
Internal Borrowing	£2.67m	-£3.55m	£7.98m	£9.09m	N/A

*CFR – this is the amount of the capital programme that has been funded from borrowings (internal, external or finance leases)

The changes reflect slippage in the payment profile of the capital programme, changes in the profile of capital receipts from sales of assets and use of borrowing instead of revenue contributions.

Planned Repayment of Debt

Previous Forecast

	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
MRP	Nil	£0.080m	£0.356m	£0.367m
Finance Leasing MRP	£0.040m	£0.463m	£0.691m	£0.506m
Capital Receipts	£0.000m	£0.000m	£0.000m	£0.000m

Current Forecast

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
MRP	Nil	£0.172m	£0.534m	£0.583m	£0.611m
Finance Leasing MRP	£0.042m	£0.103m	£0.406m	£0.427m	£0.455m
Capital Receipts	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m

The key change is to MRP (revenue financing of debt repayment cost). Additional debt due to Covid-19 financial strategy results in higher annual MRP over the life of the forecast, however, the re-phasing of financial completion of a number of schemes discussed earlier in this appendix does keep the annual MRP cost at lower level than would otherwise be expected.

Authorised Borrowing Limits

Previous Limit

	2019/20 limit	2020/21 limit	2021/22 limit
Authorised limit – external borrowing	£35m	£35m	£35m
Authorised limit – leases	£10m	£10m	£10m
Authorised limit – total external debt	£45m	£45m	£45m
Operational boundary – external borrowing	£25m	£25m	£25m
Operational boundary – leases	£0.16m	£1.09m	£1.54m
Operational boundary – total external debt	£25.16m	£26.09m	£26.54m

Current Recommendation

	2019/2020 limit	2020/21 limit	2021/22 limit	2022/23 limit
Authorised limit – external borrowing	£35m	£35m	£35m	£35m
Authorised limit – leases	£10m	£10m	£10m	£10m
Authorised limit – total external debt	£45m	£45m	£45m	£45m
Operational boundary – external borrowing	£25m	£25m	£25m	£25m
Operational boundary – leases	£0.16m	£0.64m	£1.70m	£1.40m
Operational boundary – total external debt	£25.16m	£25.64m	£26.70m	£26.40m

Authorised Limit

The authorised limit is the maximum amount the Council has/will borrow at any time; any activity above that level would require Council approval. This is unchanged from that previously reported.

Operational boundary

The Operational boundary differs from the authorised limit in that it is based on expectations of the maximum external debt of the authority according to probable – not simply possible – events.

Leasing

The leasing limit of £10m reflects a proposal to change Local Government accounting arrangements so that any lease undertaken by the Council becomes scored as external borrowing. The figure is provisional and will depend upon the outcome of any consultation on how this change may be implemented.

Asset Sales

Previous Forecast

	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
Asset sales	£4.700m	£6.000m	£9.000m	£1.000m

Reserves Projections

Unearmarked Reserves Table	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Opening	£8,184	£9,958	£5,331	£4,635	£4,477	£4,477	£4,477
-Use *	-£4,434	-£9,447	-£308	-£158			
Forgo capital funding and transfer into unearmarked reserves	£6,208	£4,820					
Transfer to Local Development Framework		£0	-£388				
Closing	£9,958	£5,331	£4,635	£4,477	£4,477	£4,477	£4,477

* includes assumed overspend for 2020/21 from Covid, this figure is a projection.

£130k of use represent Council Tax deficit from 2020/21 due to Covid impact on house building

£31k project officer for Waterside in 2022/23

Funding for potential rent loss £178k in 2021/22 and £127k in 2022/23

Earmarked Reserves -usage for next two years shown.	2021/22					2022/23				
	Opening Balance	Use	Transfer	Contribution from Revenue	Closing Balance	Opening Balance	Use	Transfer	Contribution from Revenue	Closing Balance
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cultural Support 'Fund'	154				154	154				154
Chelmsford Development	0	-2,018		2,018	0	0	-884		884	0
Future Replacement of assets	0	-1,723		1,723	0	0	-1,723		1,723	0
Digital Strategy Reserve	0				0	0				0
Growth fund	69	-50			19	19	-19			0
Insurance & Risk	983	-200		50	833	833	-200		100	733
Local Development Framework	451	-161	488		778	778	-251			527
Pension deficiency	1,234			717	1,951	1,951			892	2,843
Park and Ride	213		-100		113	113				113
Hylands House Reserve	3				3	3				3
Housing Initiatives	150				150	150				150
DPO Reserve (this likely to be used in 2020/21 but not committed)	608				608	608				608
Project Evaluation Reserve	390				390	390				390
Carry forwards	0				0	0				0
Business Retention Reserve	894			-894	0	0				0
	5,149	-4,152	388	3,614	4,999	4,999	-3,077	0	3,599	5,521

Budget Guidelines 2021/22**1.0 Introduction**

- 1.1 The Director of Financial Services is required by law to ensure the estimates are 'robust' and all the budgetary proposals are adequately reviewed.
- 1.2 The Director of Financial Services will:
- Issue a budget timetable and detailed guidance to Directors after the Cabinet meeting.
 - Issue standard forms to enable services to provide key information in a common way. The use of the standard forms is essential to ensure consistency in decision making
- 1.3 Given the scale of the potential budget deficit, additional measures will be put in place during 2020/21 to control current year spending and to oversee the savings process to ensure an adequate programme of cost reductions and income generation is identified.

2.0 Guidelines to Prepare Service Budgets

- 2.1 It is proposed that in the period September to December that Cabinet Members and Directors meet to resolve budget issues culminating in the production of a draft budget for the January Cabinet meeting.
- 2.2 The Council will continue to operate a 'control' budget system, where services are restricted to a set level of net budget expenditure on the basis of current year estimates plus adjustments for:
- inflation on employees' costs 2%
 - non-domestic rates 0%
 - a standard price increase of 2%
 - a 3% vacancy factor has been applied in past years to certain staff budgets, this practice should continue
 - funding for increments will be met by services from savings on appointing new staff at the bottom of their grade
 - the Director of Finance should calculate at year end the appropriate level of Insurance reserve and ensure transfers between reserves are made to meet this requirement. The budget will include proposals to provide a sustainable annual budget to meet the cost of insurance excesses.

The Director of Finance will calculate the 2021/22 control budgets for each service based on the above assumptions starting from the original 2020/21.

- 2.3 Savings or increases in the utility costs will initially be kept/ funded centrally so no service suffers or benefits from significant price changes. The Council will manage the purchase of utility costs centrally to achieve maximum economies of scale.

- 2.4 Additional grant that is not awarded for a ring-fenced purpose should be identified as a saving and not used to fund growth within a service.
- 2.5 Any proposals to increase the budget beyond the calculated control budget will be identified for approval, as part of the budget process.
- 2.6 Fees and Charges increases will be considered as part of the budget process but an initial assumption will be a 2% increase.
- 2.7 The review of the capital programme is part of the budget process and the existing scheme budgets will be refreshed and will form the basis of a report to Cabinet.
- 2.8 Capital scheme budgets:
- Capital Budgets for the year will be reduced at Christmas unless there is clear evidence of a commitment to spend i.e. if a capital budget is significantly different to the level of financial commitments shown in the week prior to Christmas on the financial ledger system. Members will be asked to approve in January a lower budget more in keeping with the financial commitments.
 - That all new capital bids are a minimum of £10,000.
 - That all new capital bids should be to support delivery of the Council's priorities under Our Chelmsford: Our Plan.
 - Annual review of the replacement programme
 - Proposals to Council for new capital schemes will prioritise those schemes that generate revenue income or cost savings.
 - The revenue cost of the capital funds used to fund new schemes will be calculated and included within the revenue estimates based on cost of loans repaid over the life of the asset.
- 2.9 The Director of Financial Services, will ensure that the statutory requirement to consult with non-domestic ratepayers is met.
- 2.10 Any amendment to these guidelines will be dealt with by the Director of Financial Services in consultation with the Cabinet Member for a Fairer Chelmsford.



Chelmsford City Council

22 July 2020

Annual Report of the Audit and Risk Committee

Report by: Audit and Risk Committee from its meeting on 17 June 2020

Officer contacts:

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Purpose

To consider the Annual Report of the Audit and Risk Committee for 2019/20.

Recommendation:

That the Audit and Risk Committee's Annual Report for 2019/20 attached to this report be approved for publication.

1. In accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) recommended practice, the Audit Committee, at its meeting on 19 March 2014, agreed that an annual report on the work of the Committee would be presented to the Council for consideration.
2. The latest report is attached at Appendix 1 to this report and covers the following matters:
 - terms of reference
 - audit charter
 - membership

- programme of meetings
 - publication of information
 - work programme for 2019/20
 - announcements
 - future work for 2020/21
 - training and development
 - assurance
3. At its meeting on 17 June 2020 the Audit and Risk Committee considered its Annual Report and recommended to Council that it be approved for publication.

Appendices

1. Annual Report of the Audit and Risk Committee 2019/20

Background Papers

None

Audit and Risk Committee Annual Report 2019/20

Introduction from the Chair of Audit and Risk Committee

I am pleased to present the Annual Report of the Audit Committee which outlines the Committee's work and achievements for 2019/20.

I hope that this Annual Report helps to demonstrate to the City's residents and the Council's other stakeholders the role that is carried out by the Audit and Risk Committee and the contribution that it makes to the Council's overall governance. All meetings are open to members of the public.

To provide ongoing assurance over the Council's internal controls and systems, the Committee was attended during 2019/20 by the Audit Services Manager, Elizabeth Brooks, the Director of Finance, Amanda Fahey, the Procurement and Risk Services Manager, Alison Chessell, and the Accountancy Services Manager, Phil Reeves, as well as representatives from the Council's External Auditors. Other Council officers also attended Audit and Risk Committee during the year as requested.

I would like to express my thanks to those officers and Members who have supported the work of this Committee by presenting and discussing reports.

Cllr Nora Walsh

June 2020

1. Overview

- 1.1. Audit Committees are a key component of the Council's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management.
- 1.2. The purpose of an Audit Committee is to provide those charged with governance in the Council, independent assurance on the adequacy of the Council's risk management framework, internal control environment and the integrity of the financial reporting and governance processes. By overseeing both Internal and External Audit, it makes an important contribution to ensuring that effective management arrangements are in place.
- 1.3. Various legislation emphasises the importance of the Audit Committee, including:
 - the new Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016)
 - updates to the Public Sector Internal Audit Standards (PSIAS) in 2016 and 2017
 - the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).
- 1.4. To this end, the Council's Audit and Risk Committee is an important source of assurance regarding the Council's arrangements for managing risk, maintaining an effective control environment and reporting on financial and other performance.
- 1.5. As outlined in the CIPFA publication "Audit Committees: Practical Guidance for Local Authorities (2018)", the core functions of the Audit Committee are to:
 - Be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievement of the Council's objectives.
 - In relation to the Council's Internal Audit functions:
 - Oversee its independence, objectivity, performance and professionalism,
 - Support the effectiveness of the Internal Audit process
 - Promote the effective use of Internal Audit within the assurance framework.
 - Consider the effectiveness of the authority's risk management arrangements and the control environments. Review the risk profile of the organisation and assurances that action is being taken on risk-related issues.
 - Monitor the effectiveness of the control environment, including arrangements for ensuring value for money and for managing the authority's exposure to the risk of fraud and corruption.
 - Consider the reports and recommendations of External Audit, and other inspection agencies where applicable, and their implications for governance, risk management or control.
 - Support effective relationships between External Audit and Internal Audit, inspections agencies and other relevant bodies and encourage the active promotion of the value of the audit process.
 - Review the financial statements, External Auditor's opinion and reports to Members, and monitor management actions in response to the issues raised by External Audit.

1.6. In addition, the CIPFA guidance advises that all Audit Committees should demonstrate their independence and effectiveness by:

- Acting as the principal non-executive advisory function supporting those charged with governance
- Being independent of both the executive and scrutiny functions
- Having clear rights of access to other committees e.g. Governance Committee
- Being properly accountable to Full Council
- Meeting regularly (at least four times a year) and have a clear policy on those items to be considered in private and considered in public
- Being able to meet privately and separately with the External Auditor and with the Audit Services Manager
- Including as regular attendees, the Director of Finance or substitute, the Audit Services Manager, and the appointed External Auditor.
- Reporting regularly on their work, and at least annually reporting an assessment of their performance. An annual public report should demonstrate how the committee has discharged its responsibilities.

2. Membership and Effectiveness

- 2.1. There were four meetings of the Committee during 2019/20 (March 2020 was postponed to May 2020 due to the coronavirus emergency). Following Council elections in May 2019, membership of the Committee changed, and details are attached at Appendix A. The Audit and Risk Committee does not have any external Members acting in an independent capacity.
- 2.2. The work programme is based around the Committee's Terms of Reference, along with items requested during the year, and is reviewed at each Committee meeting. A list of the items that have been considered by the Committee is attached at Appendix B to the report.
- 2.3. The Committee is well supported by the Director of Finance (Section 151 Officer), Audit Services Manager, the Procurement and Risk Services Manager, the Accountancy Services Manager and External Audit (BDO).
- 2.4. The Committee's Terms of Reference is in line with CIPFA guidance: Audit Committees (2018) and this is attached at Appendix C.
- 2.5. The agendas for the Committee's meetings are published on the Council's website not later than five clear days before the date of each meeting. The minutes of each meeting are also published on the website as soon as possible after each meeting has taken place. The agendas for meetings may be accessed from: Committees and Panels - Chelmsford City Council.

3. Good Governance and the Annual Governance Statement

- 3.1. As defined in Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016): *Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.*

3.2. As outlined in CIPFA publication “Audit Committees: Practical Guidance for Local Authorities (2018)”, the overall aim of good governance is to ensure that:

- resources are directed in accordance with agreed policy and according to priorities
- there is sound and inclusive decision making
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

3.3. Good governance is ultimately the responsibility of the governing body, as well as those with leadership roles and statutory responsibilities in the organisation, including the Chief Executive, the Director of Finance and the Monitoring Officer. In Local Government, the governing body is the Full Council. The Audit and Risk Committee should play a key role in supporting the discharge of these responsibilities by providing a high-level focus on audit, assurance and reporting.

3.4. The Council’s Annual Governance Statement (AGS) forms part of the Council’s Statement of Accounts and its purpose is to provide assurance regarding the Council’s governance arrangements and the extent to which the Council complies with its Local Code of Corporate Governance.

3.5. The Audit and Risk Committee reviewed the Annual Governance Statement for 2018/19 jointly with Governance Committee in June 2019. Progress on outstanding governance issues from 2018/19 were noted along with areas identified for 2019/20, such as new Corporate Plan performance monitoring, Cabinet Members/Overview and Scrutiny Committee, Cyber Security, Riverside, and Digital Transformation.

4. Internal Audit

4.1. The original audit plan for 2019/20 was approved by Audit and Risk Committee in March 2019.

4.2. During 2019/20, Audit and Risk Committee received several reports from Internal Audit, updating them on Internal Audit progress against the plan and high-risk issues identified. This included Internal Audit’s Annual Report for 2018/19 which provided an overall annual opinion of “moderate” assurance and the Interim Annual Report 2019/20.

4.3. The Audit and Risk Committee approved the Internal Audit Charter in May 2020.

4.4. Public Sector Internal Audit Standards

4.4.1. The Public Sector Internal Audit Standards (PSIAS) requires an External Quality Assessment (EQA) to be carried out at least once every five years by a qualified independent assessor from outside the organisation. The aim of the EQA is not just to measure compliance with the PSIAS but also to drive continuous improvement, value and effectiveness of internal audit.

4.4.2. Chelmsford City Council received an EQA carried out by Gateway Assurance in July 2018 and the outcome was presented to Audit Committee in September 2018. It was confirmed that Internal Audit complies with the expectations of PSIAS, however, further recommendations to drive continuous improvement, value and effectiveness of internal audit were also provided by the assessor.

- 4.4.3. Although there is no specific requirement by the Standards to formally carry out a follow up of these recommendations, it was considered to be good practice to carry out a self-assessment one year on, to demonstrate the actions taken by Internal Audit since the EQA. The outcome of this self-assessment was presented to Audit and Risk Committee in September 2019, where positive progress against implementation of the recommendations was noted.

5. Risk Management

- 5.1. It is the Council's policy to proactively identify, understand and manage the risks inherent in our services and associated with our plans and strategies, so as to:

- encourage responsible, informed risk taking
- reduce exposure to a tolerable level using a justifiable level of resources

- 5.2. An effective risk management framework should:

- provide risk information to support decision-making and resource allocation
- improve compliance with policies, procedures, laws and regulations and stakeholder expectations; and
- provide assurance to internal and external stakeholders that the Council is well managed

- 5.3. The risk management function assists the Council to identify, understand and manage its risks. It also reports twice a year to the Audit and Risk Committee to enable the Committee to:

- monitor the effective development and operation of risk management in the Council
- monitor progress in addressing risk-related issues reported to the Committee
- provide independent assurance to Members of the adequacy of the risk management framework

- 5.4. A comprehensive refresh of the Council's risk management framework began in early 2019 with a view to ensuring risk management becomes fully embedded across the Council.

- 5.5. In May 2020, Audit and Risk Committee received a summary of the progress made to date in implementing the new framework measured against the original objectives set out in the 2019-20 Risk Management Strategy (approved by Audit and Risk Committee in September 2019). Key outcomes to date were noted such as:

- Identification, analysis and regular reporting on the treatment of the Council's Principal Risks for Management Team and Audit and Risk Committee
- Revised risk criteria, aligned to Internal Audit definitions, which the Council is using to score its Principal Risks
- Comprehensive review of the data held within the existing risk management information system (RMIS), Pentana Risk
- Early development of risk indicators from available data

- 5.6. The Principal Risk Register is central to the risk management framework. Principal Risks are those which require regular oversight from Management Team and Audit and Risk Committee and may include:

- strategic risks arising from the Corporate Plan and/or external factors
 - operational, compliance and project risks which, due to their nature or severity, require oversight at senior level
- 5.7. A summary of the Council's Principal Risks was presented to Audit and Risk Committee in September 2019 and May 2020; the latter having been comprehensively reviewed to take account of the impact of the Covid-19 pandemic on the Council's services.
- 5.8. In May 2020, Audit and Risk Committee also noted that the Council's new TechnologyOne Performance Planning module, is set to replace Pentana Risk as the Council's new risk management information system (RMIS), which will allow more effective tracking of strategic action plans (including 'Our Plan'); more efficient reporting of risk and performance, enabling further development of the Council's risk and performance indicators and; improved integration of financial and non-financial risk and performance information (giving users a 'single view of the truth').
- 5.9. In August 2019, in order to highlight their responsibility for overseeing the Council's risk management arrangements and processes, the Audit Committee extended its name to Audit and Risk Committee.

6. Countering Fraud and Corruption

- 6.1. The Fraud Investigations Annual Report was presented to Audit and Risk Committee in December 2019, which also set out the Corporate Fraud Team's objectives:
- Ensure that the Council has sufficient and appropriate resources on an ongoing basis to protect the delivery of its statutory duties and discretionary services from fraud, abuse and corruption.
 - Contribute to the commitment of keeping Council Tax low by preventing and detecting frauds which deliberately target and affect the Authority's tax base
 - Ensure that the Council adopts a modern and innovative approach to the delivery of its services and that they are not comprised by fraud.
 - Provide independent and professional investigations into all aspects of fraud affecting the Council, preventing fraud and abuse and taking fair and consistent action against those committing offences.
 - Support the Council's anti-fraud culture and framework.
 - Deliver a corporate anti-fraud service that is innovative, professional and compliant with the relevant legislation.
- 6.2. The Committee noted that workstreams for the Fraud Team continued to be aligned to common themes set out within the Council's Anti-Fraud and Corruption Strategy, CIPFA Fighting Fraud and Corruption Locally 2016-2019 and the UK Government Anti-Corruption Strategy 2017-2022. Key activities of Council's Senior Financial Investigation Officer during 2019 were highlighted to the Committee, including the Council's involvement with International Fraud Awareness Week in November 2019.

7. External Audit and Financial Reporting

- 7.1. In September 2019, the Committee noted that the Council had published its draft Statement of Accounts for 2018/19 by 31st May, in order to meet the requirements for public access to, and inspection of, the accounts, in accordance with the timescales set out in the Accounts and Audit Regulations 2015. However, the Council's auditors, BDO LLP, were unable to complete the audit of the financial statements for the financial year 2018/19, by the target date of 31st July.
- 7.2. The Committee received a report outlining the reasons for the delay and noted that it was the first year of audit appointments made by Public Sector Audit Appointments (PSAA). BDO confirmed that the reason for the late opinion was due to auditor resource and that the delay was not caused by any deficiencies on the Council's part.
- 7.3. In December 2019, the Committee received an update from BDO regarding the significant ongoing delays to the completion of the 2018/19 audit, which had still not been completed due to ongoing resource restraints. The external audit was completed and signed on 4th February 2020.
- 7.4. In May 2020, the Committee received a report which provided them with an update from PSAA on the issues faced during the 2018/19 audit of Local Authority accounts and related matters.
- 7.5. The Committee also received the External Audit Annual Audit Letter 2018/19 from BDO in May 2020. It was noted that the letter summarised the key issues arising from the work they had carried out in respect of the year ended 31 March 2019. It was reported that the letter provided the Council with an unqualified audit opinion on the financial statements and value for money conclusion.
- 7.6. BDO also presented their Audit Planning Report 2019/20 and Progress Update in May 2020, which set out the key matters for the forthcoming 2019/20 Audit. The report covered various areas including, Scope and Materiality, Independence and Fees, Audit Risks and other matters. The report also updated Members on progress so far with the 2019/20 Audit. It was noted that planning and interim visits had been completed early in 2020 which included updating the understanding of the Council as a whole and updating documents on financial systems and IT general controls.
- 7.7. The Committee also received the received a report summarising the outcome of the agreed procedures in relation to the Council's 2018/19 housing benefit subsidy claim.

8. Additional Reports to Committee

8.1. Digital Strategy:

- In June 2019, the Committee received a report on the initial project objectives of the Digital Transformation Programme, details of the spending on it and the extent to which the programme's aims had been achieved so far.

8.2. Housing:

- In June 2019, the Committee considered a report on progress with the Transformation Programme for the Strategic Housing Service since it began in the autumn of 2017. It looked at how the service had been restructured, reviewed its performance, described how budget control had been improved, and the planned increase in partnership working.

- In September 2019, the Committee received a report providing further information on the use and costs of temporary accommodation. The report outlined the need, type and varied costs of temporary accommodation used to meet the Council's duties to those who are homeless.

9. Covid-19

- 9.1. In response to the coronavirus emergency and suspension of meetings in person, all Council meetings were moved online from May 2020. To this end, the scheduled March 2020 Audit and Risk Committee meeting was postponed to May 2020; the Committee's first virtual meeting.

10. Training and Development

- 10.1. Training and development has been provided to Members of the Audit and Risk Committee since its inception. Following a change of Committee Membership in May 2020, training was provided to new Committee Members, either as a separate session prior to the Committee meeting, or within the introduction to individual reports. Specific topics have included: Introduction to Audit Committee and Risk Management.

Membership of Audit and Risk Committee 2019/20

Councillor Dan Clark – Chair (June to December Meetings)

Councillor Nora Walsh – Chair (May Meeting)

Councillor Malcolm Watson – Vice Chair (from December)

Councillor Paul Clark

Councillor Jennie Lardge

Councillor James Raven

Councillor Eleanor Sampson

Councillor Malcolm Sismey

Councillor Natacha Dudley (from December)

Councillor Catherine Finnecy – (Vice Chair - June)

Audit and Risk Committee Work Programme 2019/20

June 2019

- Revenue Outturn Position 2018/19
- Capital Programme Update and Outturn
- Audit Committee Annual Report 2018/19
- Audit Committee Terms of Reference
- Internal Audit Annual Report 2018/19
- Digital Transformation Programme Update
- Strategic Housing Service Update
- (joint with Governance Committee) Review of Local Code of Corporate Governance and Annual Governance Statement

July 2019 - Cancelled

September 2019

- External Auditors Progress Report
- Risk Management Report
- Follow Up of Internal Audit External Quality Assessment
- Temporary Accommodation Use and Costs

December 2019

- External Auditors Progress Report
- Internal Audit Interim Report 2019/20
- Fraud Investigations Annual Report 2019

March 2020 - Postponed due to Covid-19

May 2020 (Virtual Meeting)

- Public Sector Audit Appointments (PSAA) Update
- External Audit Annual Audit Letter
- External Audit Planning Report 2019/20 and Progress Update
- External Audit Housing Benefit Subsidy Assurance Procedures 2018/19
- Internal Audit Plan – Covid-19 Response Phase
- Internal Audit Charter 2020
- Risk Management Report
- Accounting Policies for the 2019/20 Statement of Accounts

Audit and Risk Committee

Terms of Reference

Statement of Purpose

1. Our Audit and Risk Committee is a key component of Chelmsford City Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
2. The purpose of our Audit and Risk Committee is to provide independent assurance to the Members (and others charged with governance in Chelmsford City Council e.g. Governance Committee) of the adequacy of the risk management framework and the internal control environment. It provides independent review of Chelmsford City Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees Internal Audit and External Audit, helping to ensure efficient and effective assurance arrangements are in place.

Governance, Risk and Control

3. To review the Council's corporate governance arrangements against the 'Good Governance Framework' including the ethical framework and consider the Local Code of Governance.
4. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account Internal Audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.
5. To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
6. To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
7. To monitor the effective development and operation of risk management in the Council.
8. To monitor progress in addressing risk-related issues reported to the Audit and Risk Committee.
9. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
10. To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
11. To monitor the counter-fraud strategy, actions and resources.
12. To review the governance and assurance arrangements for significant partnerships or collaborations

Internal Audit

13. To approve the Internal Audit Charter.

14. To review proposals made in relation to the appointment of external providers of Internal Audit services and to make recommendations.
15. To approve the risk-based Internal Audit plan, including Internal Audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
16. To approve significant interim changes to the risk-based Internal Audit plan and resource requirements.
17. To make appropriate enquiries of both management and the Audit Services Manager to determine if there are any inappropriate scope or resource limitations.
18. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Audit Services Manager. To approve and periodically review safeguards to limit such impairments.
19. To consider reports from the Audit Services Manager on Internal Audit's performance during the year, including the performance of external providers of Internal Audit services. These will include:
 - a) Updates on the work of Internal Audit including key findings, issues of concern and action in hand as a result of Internal Audit work
 - b) Regular reports on the results of the Quality Assurance and Improvement Programme
 - c) Reports on instances where the Internal Audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether non-conformance is significant enough that it must be included in the Annual Governance Statement.
20. To consider the Audit Services Manager's annual report:
 - a) The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of Internal Audit.
 - b) The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the Audit and Risk Committee in reviewing the Annual Governance Statement.
21. To consider summaries of specific Internal Audit reports as requested.
22. To receive reports outlining the action taken where the Audit Services Manager has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
23. To contribute to the Quality Assurance and Improvement Programme and in particular to the external quality assessment of Internal Audit that takes place at least once every five years.
24. To consider a report on the effectiveness of Internal Audit to support the Annual Governance Statement as required to do so by the Account and Audit Regulations (Regulation 6) which requires an annual review of the effectiveness of the Council's system of Internal Audit. The findings of the review of the effectiveness must be considered as part of the Audit and Risk Committee's view of the system of internal control.

25. To provide free and unfettered access to the Audit and Risk Committee Chair for the Audit Services Manager, including the opportunity for a private meeting with the Audit and Risk Committee.

External Audit

26. To support the independence of External Audit through consideration of the External Auditor's annual assessment of its independence and review of any issues raised by the PSAA.
27. To consider the External Auditor's annual letter, relevant reports, and the report to those charged with governance.
28. To consider specific reports as agreed with the External Auditor
29. To comment on the scope and depth of External Audit work and to ensure it gives value for money
30. To commission work from Internal and External Audit.
31. To advise and recommend on the effectiveness of relationships between External and Internal Audit and other inspection agencies or relevant bodies.

Financial Reporting

32. To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statement or from the audit that need to be brought to the attention of the Council.
33. To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability Arrangements

34. To report to those charged with governance on the Audit and Risk Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangement, and internal and External Audit functions.
35. To report to Full Council on a regular basis the Audit and Risk Committee's performance in relation to the terms of reference and effectiveness of the Audit and Risk Committee in meeting its purpose.
36. To publish an annual report on the work of the Audit and Risk Committee.



Chelmsford City Council

22 July 2020

Annual Report of the Governance Committee

Report by: Governance Committee from its meeting on 17 June 2020

Officer contacts:

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

Purpose

To consider the Annual Report of the Governance Committee for 2019/20.

Recommendation:

That the Governance Committee's Annual Report for 2019/20 attached to this report be approved for publication.

1. The Council annually adopts a Code of Corporate Governance and Annual Governance Statement, which reflect the Council's approach to governance arrangements
 - On how well the Council has achieved these in the relevant year and targets set in the previous year for improvement; and then
 - Identifies future targets for creating a more robust set of arrangements and compliance with them.
2. The suite of documents for 2019/20 was reported for approval to the Joint Audit and Risk and Governance Committee meeting on 17 June 2020.

3. Annual reports on the Audit and Overview & Scrutiny functions have been presented to and agreed by Full Council at its July meeting for a number of years. There is no statutory requirement to produce an annual report by the Governance Committee but it is recognised as good practice, and Full Council approved the first of such report in December 2016. This report seeks approval of the Annual Report for the Municipal year ending in May 2020 which appears at the Appendix to this report.
4. The report, which deals with the operation of the Standards Regime for 2019/20, is presented for discussion and recommended for approval.

Appendices

1. Annual Report of the Governance Committee 2019/20

Background Papers

None



CHELMSFORD CITY COUNCIL ANNUAL REPORT ON THE WORK OF THE GOVERNANCE COMMITTEE 2019/20

**Councillor H.Ayres
(Chair – Governance Committee)**

www.chelmsford.gov.uk

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I. Background

Statutory and Procedural requirements under the Standards Regime

- I.1 The Localism Act 2011 places all local authorities under a duty to promote high standards of conduct by Councillors. Councils are required to adopt a Code of Conduct which is consistent with the principles set out in the Act, historically known as the “Nolan Principles”, namely selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The definition of these principles is determined by the City Council’s Councillors Code of Conduct that is in [Part 5.1.1 of the Constitution](#) and was adopted in 2012.
- I.2 Local Authorities must also have in place arrangements for dealing with any allegations that the Code has been breached. The adopted Complaints Procedure, in [part 5.1.2 of the Council’s Constitution](#), deals with how complaints made about City Councillors, and those of the Town and Parish Councils in its administrative area, will be handled.
- I.3 The Council’s Monitoring Officer is Lorraine Browne, the Legal & Democratic Services Manager and they have appointed two deputies, Mr Brian Mayfield the Democratic Services Team Manager, and Mr William Butcher the Legal Services Manager.
- I.4 The Monitoring Officer has considerable responsibilities under the standards regime including duties to:
 - i. Maintain a register of interests for the City, Town and Parish Councillors, who are all required to declare such interests to them.
 - ii. Consider the best course of action in relation to alleged breaches of the Code, including the responsibility for informally resolving complaints where appropriate in their view.
 - iii. Consult an Independent Person at various stages in the Complaints Procedure.
 - iv. Liaise with the Police where the allegation concerns an alleged breach of the Disclosable Pecuniary Interests requirements.
- I.5 As part of the Complaints Procedure the Council is required to establish a Committee, which will be responsible for dealing with standards issues that cannot be dealt with by the Monitoring Officer or on which they decide Councillors’ views are important. This includes where a formal hearing is necessary to determine if a breach has occurred and if so what penalties are appropriate. The City Council chose in 2012 to comply with this requirement by establishing the Governance Committee.
- I.6 The Council is also obliged to appoint at least one Independent Person. Their role is to ensure that the Council is appropriately applying the statutory requirements and its adopted Policies and Procedures in dealing with any complaints received. In particular, they:
 - i. Must be consulted before the Council makes a finding as to whether a Councillor has failed to comply with the Code of Conduct or to decide on appropriate sanctions or other measures to be taken in respect of that Councillor;
 - ii. May be consulted at other stages of the Complaints Procedure by the Council or by a member or co-opted member of the Councils covered by that Procedure.

Other Statutory, Governance Responsibilities and Terms of Reference

- I.7 In establishing the Governance Committee, the Council allocated a wide set of governance roles and responsibilities, which is broader than dealing with the standards regime alone. The Committee's Terms of Reference are set out in [Part 3.2.3\(c\) of the Council's Constitution](#). These include:
- i. Oversight of the Council's arrangements for dealing with all complaints.
 - ii. Reviewing the use of the powers exercised by the Council under the Regulation of Investigatory Powers Act 2000 (RIPA)
 - iii. Approving and monitoring the Code of Corporate Governance and Annual Governance Statement together with the Audit Committee
 - iv. Making recommendations on proposed changes to the Council's Constitution.
- I.8 Whilst the Committee is "politically balanced", in that the membership is drawn from all the parties represented on the Council and in the same proportions, decisions taken, especially those related to the standards regime are not taken on a political basis. In particular, the Mayor, Deputy Mayor & Leader of the Council cannot be members of the Committee and no more than two members of the Cabinet can sit on the committee at any time.

Membership of the Committee

- I.9 The Committee consists of 7 City Councillors and 3 Parish or Town Councillors. In 2019/20 the membership of the Committee comprised the following members:
- | | |
|---------------------|---|
| Liberal Democrats: | Councillors H. Ayres (Chair), N. Dudley, D. Jones, N. Walsh |
| Conservatives: | Councillor R. Ambor, I. Wright |
| Independents: | Councillor K. Bentley |
| Parish Councillors: | Peter Jackson - Great Waltham Parish Council
June Saltmarsh - Woodham Ferrers and Bicknacre Parish Council
Val Chiswell – Great Baddow Parish Council |
- I.10 **Parish Council representatives** - At least one must be present when issues affecting a Town or Parish Councillor are discussed. They cannot vote but they provide a valuable perspective and insight into how those organisations and their councillors are expected to behave.
- I.11 **Independent Members** - They are also invited to attend Committee meetings. They receive no remuneration for the services they provide, other than travelling expenses. Whilst they attend the Governance Committee, when standards issues are to be debated or decided, they too have no voting rights. Nevertheless, their input is invaluable to give assurance that the procedures are being correctly applied. The Independent Persons during 2019/20 were Mrs C Gosling and Mrs P Mills. Their contribution is much appreciated by the Monitoring Officer and the Governance Committee.

Programme of Meetings

- 1.12 The Committee receives regular reports on the areas for which it has responsibility. In 2019/20 the Committee met on four occasions and the remainder of this report addresses how the Committee has approached its work during the year.

Publication of Information

- 1.13 The agendas for the Committee's meetings are published on the Council's website not later than five clear days before the date of each meeting. This is a requirement of the Local Government Act 1972, which is explained in and complies with the Access to Information Rules in [Part 4.6 of the Council's Constitution](#). The minutes of each meeting are also [published on the website](#) as soon as possible after each meeting has taken place.

2. Work Programme 2019-20

- 2.1 The main areas of activity considered by the Committee during the municipal year (May to May) 2019-20 were as follows:

Issues addressed	Meetings
Code of Corporate Governance and the Annual Governance Statement for 2018/19 considered by the Joint Audit and Governance Committee	18 June 2019
Monitoring Officer Report	18 June 2019
Annual Report for 2018-19 RIPA	18 June 2019
Annual Report of the Committee	18 June 2019
Parish & Town Council Reps on the Committee	18 June 2019
Standards Complaint	22 July 2019
Polling District Review	6 November 2019
Constitution – Code of Conduct for Employees/Workers	6 November 2019
Monitoring Officer Report	6 November 2019
Local Government Ethical Standards	6 November 2019
Recruitment of Independent Person	6 November 2019
Monitoring Officer Report	11 March 2020
Proposed changes to the Constitution	11 March 2020
Maternity/Paternity Policy	11 March 2020
Review of the Complaints Assessment Criteria and Complaints Procedure	11 March 2020
Complaints to the Local Government and Social Care Ombudsman – Annual Review	11 March 2020
Annual Whistleblowing Report	11 March 2020
Annual Report for 2019-20 RIPA	11 March 2020
Model Code of Conduct Update	11 March 2020
Gifts and Hospitality Report	11 March 2020

3. Complaints About Councillors

- 3.1.1 The Monitoring Officer regularly reports to the Governance Committee regarding complaints received. The statistical information is then published on the Council's website.
- 3.1.2 For period May 2019 to May 2020 three standards complaints were received. The first matter related to a parish councillor and after guidance from the Monitoring Officer, the councillor rectified the position concerning their register of interests and no further action was necessary. In respect of the second complaint against a City Councillor the Monitoring Officer sought clarification concerning official capacity from the parties before determining that the Councillor was not acting in official capacity and no further action was appropriate. In relation to the final complaint informal resolution was explored although did not conclude the matter. Four allegations considered unlikely to have amounted to a breach. Two further allegations were considered in accordance with the standards complaints assessment criteria but considered not sufficiently serious or in public interest to warrant further action. All three decisions were reached by the Monitoring Officer in consultation with an Independent Person.
- 3.1.3 Finally, a hearing also took place in July 2019 in relation to a complaint from a previous year in relation to a Rettendon parish councillor. The Governance Committee determined that there had been breaches of the Code of Conduct and made various recommendations to the Councillor and the Parish Council.

4. Future Work Programme

- 4.1 The work of the Committee as regards the Standards Regime is reactive. There are however, annual reports on the main areas for which the Committee is responsible and these are reflected in paragraph 2.1 above.

5. Training and Development

- 5.1 The Monitoring Officer provides advice and assistance throughout the year to Councillors, members of the public and Parish/Town Clerks in relation to the Standards regime. This has also resulted in Practice Notes being issued to ensure that this advice is permanently captured to reflect the processes and procedures used. In addition, they provide advice to the Committee and by extension, the public, at Committees by way of open and frank discussion.

6. Conclusion

- 6.1 The arrangements the Council has put in place to promote high standards of behaviour are well established but improvements have been identified and Practice notes issued to address these to make it clearer. The transparency of the Processes and Procedures is being continually reviewed and guidance issued to assist understanding.

- 6.2 As is evidenced by the reduced number of complaints, understanding of the regime and its constraints are clear and the regime is working effectively. The Committee members and the Independent Persons have been a key part in achieving this.
- 6.3 The Committee's focus on its other responsibilities is clear through the use of a published work programme and regular updates. As was set out in the Code of Corporate Governance and Annual Governance Statement adopted in the summer, there are many examples of good practice and transparency.



Chelmsford City Council

22 July 2020

Annual Report of the Overview and Scrutiny Committee

Report by: Overview and Scrutiny Committee from its meeting on 8 June 2020

Officer contacts:

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

Purpose

To consider the Annual Report on the activity of the Scrutiny function for 2019/20.

Recommendation:

That the Annual Report of the Overview and Scrutiny Committee and the activity of the Scrutiny function in 2019/20 be approved for publication.

1. The Local Code of Corporate Governance was adopted by the Council on 23 April 2008 (M6.1, CL52, 2008). Under the Code's Core Principle 6 – Engaging with local people and other stakeholders to ensure robust public accountability - the Overview and Scrutiny Committee is required to produce an annual report on its work for consideration by the Council and subsequent publication.
2. At its meeting on 8 June 2020 the Overview and Scrutiny Committee considered its Annual Report on the Scrutiny Function for 2019/20 and recommended to Council that the Report be approved for subsequent publication.
3. The Report is attached at Appendix 1 to this report and covers the following matters:

- statutory provisions
 - terms of reference
 - membership
 - publication of information
 - work undertaken in 2019/20
 - future work for 2020/21
 - “call in” of Cabinet decisions
 - training and development
-

Appendices

1. Annual Report on the Scrutiny function 2019/20

Background Papers

None



CHELMSFORD CITY COUNCIL ANNUAL REPORT ON THE SCRUTINY FUNCTION 2019/20

Councillor J. Galley
(Chair – Overview and Scrutiny Committee)

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Background

(a) Statutory Provisions

Under the Local Government Act 2000 each local authority is required to establish at least one committee to review or scrutinise decisions taken by the Executive or any other part of the council and make reports to the council or to the cabinet. It can also report on any matters that affect the authority's area or its inhabitants. Its role includes both developing and reviewing policy and holding the Executive to account. The Committee has power to require Cabinet members and officers to attend before it to answer questions and it may also invite other people to attend its meetings.

Chelmsford Council chose, in 2005, to set up a single Scrutiny Committee. The Committee's first meeting was on 23rd May, 2005. It was later renamed the Overview and Scrutiny Committee by Council on 10th May, 2006.

New legislation came into effect in 2009 which placed additional duties on the Council and in respect of which it was required to make arrangements for their discharge. The legislation concerned was:

- The Police and Justice Act 2006 (Sections 19 -21), which placed a duty on all local authorities to scrutinise the activities of organisations comprising the local crime and disorder reduction partnership, and
- Section 119 of the Local Government and Public Involvement in Health Act 2007, which allowed councillors to ask for discussions to take place at an overview and scrutiny committee on issues of neighbourhood concern.

In December 2009 the Council agreed that the Overview and Scrutiny Committee take responsibility for those functions and that its terms of reference were amended accordingly.

The Local Democracy, Economic Development and Construction Act 2009 (Commencement No. 3) Order 2010 brought into force on 15th June 2010 the requirement for local authorities to have a scheme for responding to petitions from people who live, work or study in the area. Petition organisers who are dissatisfied with the Council's response can ask for a review by the Overview and Scrutiny Committee. A report on this matter was agreed by Cabinet on 8 June and Council on 9 June 2010 and the Committee's terms of reference were again amended to reflect this additional function.

(b) Terms of Reference

The Terms of Reference of the Committee are contained in Part 3 of the Council's Constitution. They are as follows –

General role

To act as a channel for public involvement in the activities of the Council and other bodies operating in the City; to oversee the proper and efficient administration of the Council; to review the effectiveness of its work and services; and to support and complement the activities of the Cabinet, whilst at the same time scrutinising them and offering constructive comment or advice where appropriate.

Specific role

- monitor the performance of the Council's services, carry out detailed reviews of them where considered necessary and report any resulting recommendations to the Cabinet;
- review the decisions, decision-making processes and activities of the Cabinet, other Council bodies and in respect of the Committee's own work to ensure that they comply with the requirements of the Constitution and the policies of the Council;
- monitor the activities and performance of external bodies, liaising with them where necessary, and carry out detailed assessments of the effectiveness of services provided by them if any apparent shortcomings are identified;
- scrutinise the work of the community safety partnership (Safer Chelmsford) and the partners who comprise it, insofar as their activities relate to the partnership itself and exercise all the other functions of a crime and disorder committee pursuant to Section 19 of the Police and Justice Act 2006;
- consider Councillor Call for Action requests following agreement by the Chair and Vice-Chair of the Committee after consultation with the Director of Corporate Services
- consider and respond to petitions, requesting that officers appear before the Committee to answer questions on functions, services or decisions for which they are responsible
- review the Council's handling of or responses to petitions where the petition organiser is dissatisfied with the action taken.

The Committee will also be responsible for

- providing opportunities for officers to acquaint members with the operation of the Council.

(c) Membership of the Committee

The Committee has 15 members, all Members of Chelmsford City Council. They are appointed by the full Council at its Annual Meeting in May of each year on a proportionality basis. No member of the Cabinet may be a member of the Committee.

In 2019/20 the membership of the Committee comprised the following members:

LD Councillors L. Ashley, N.A. Dudley, C.L. Finnecy, S.M. Goldman (Vice Chair), D.G. Jones, J.S. Lardge, C.R. Tron, and S. Young

CON Councillors J. Galley (Chair), I.S. Grundy, M. Sismey, M.S. Steel, M.D. Watson and R.T. Whitehead

IND Councillor R.J. Hyland

Following the Annual Meeting on 13 May 2020 the membership is as follows –

LD Councillors L. Ashley, N.A. Dudley, I.D. Fuller, S.M. Goldman (Vice Chair), J.C.S. Lager, J.S. Lardge, T.N. Willis and S. Young

CON Councillors J. Galley (Chair), I.S. Grundy, M. Sismey, M.S. Steel, M.D. Watson and R.T. Whitehead

IND Councillor R.J. Hyland

The Committee is currently chaired by Councillor J. Galley, who is a member of the Opposition group on the Council (the Conservatives).

(d) Programme of Meetings

The Committee met on three occasions in the municipal year 2019/20. It has five meetings programmed for 2020/2021. Additional meetings may be arranged as required, including any which may be necessary if any decisions of the Cabinet become subject to the 'call in' procedure mentioned in Part 3 of this Report.

(e) Publication of Information

The agendas for the Committee's meetings are published on the Council's website not later than five clear days before the date of each meeting. The minutes of each meeting are also published on the website as soon as possible after each meeting has taken place.

Work Programme 2019-20

The main areas of activity considered by the Committee during the municipal year (May to May) 2019/20 were as follows –

<u>Subject</u>	<u>Date(s) considered</u>
Health and Safety Annual Report 2018/19	8 July 2019
Decisions taken under delegation to the Chief Executive	8 July 2019
Annual Report on the Scrutiny Function 2019/20	8 July 2019
Future Work Programme	8 July 2019
Future Performance Monitoring	8 July 2019
Cabinet Portfolio Update	13 January 2020
Annual Report on Housing Delivery	13 January 2020
Mid-Year Budget Review	13 January 2020
Parks and Green Spaces Performance Review	13 January 2020
Terms of Reference for Task and Finish Group on Riverside Leisure Centre	13 January 2020
Decisions taken under delegation to the Chief Executive	13 January 2020

Future Work Programme	13 January 2020
Cabinet Portfolio Update	10 February 2020
Annual Presentation by Safer Chelmsford Partnership	10 February 2020
Annual Presentation by Essex Police	10 February 2020
Community Safety Communication (Interim Report)	10 February 2020
Work Programme	10 February 2020

The Overview and Scrutiny Committee took on the role of scrutinising Safer Chelmsford to meet the requirements of the Police and Justice Act 2006, which stated that there must be a formal place where community safety matters can be discussed. The presentations on the Safer Chelmsford Partnership and by the Essex Police are both made to the Committee annually at its February meeting, so that cross-cutting issues can be identified and discussed.

‘Call-in’ of Cabinet Decisions

This Council’s Executive Arrangements, made under Section 21 of the Local Government Act 2000, provide an opportunity for Members to require that the Overview and Scrutiny Committee review a decision taken by the Executive (Cabinet) but not yet implemented. Depending on its conclusion, that Committee could then request that the Cabinet reconsider, and possibly amend, that decision.

The procedure for “calling in” Cabinet decisions is set out in the Council’s Constitution (Part 4.5 – Overview and Scrutiny Rules – Rule 4.5.11). In brief this provides that at least five Members of the Overview and Scrutiny Committee must request the call-in in writing, setting out their reasons, and the request must be received by the Council’s Legal and Democratic Services Manager by 5 p.m. on the fourth working day after the Cabinet decision was taken.

During 2019-20 no decisions of the Cabinet were called in for consideration by the Overview and Scrutiny Committee.

Future Projects

The Committee keeps its work programme under constant review. The items listed below are ones the Committee will be looking at in 2020-21, separate to its normal standing items.

- Leisure Management Performance (Riverside Examination)
- Recycling and Waste
- Climate Change Declaration Review
- Annual Review of ‘Our Chelmsford, Our Plan’

Training and Development

Members of the Overview and Scrutiny Committee form small “Task and Finish” groups to look into a particular subject or service where appropriate. They work with officers to find out more about the service area and to identify possible improvements. They attend site visits, forums and meetings and undertake research as necessary in order to obtain further understanding and information to support the review. Their findings are fed back to the rest of the Committee in the form of a report and recommendations. In addition to ensuring value for money and that things are done correctly, ‘Task and Finish’ groups provide excellent

development opportunities for Members, help to maintain good Member/Officer relations, raise awareness of issues and services amongst Members and can identify gaps in Member training.



Chelmsford City Council

22 July 2020

Membership of the Planning Committee

Report by: Leader of the Council

Officer contacts:

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

Purpose

To consider a change to the membership of the Planning Committee.

Recommendation:

That Councillor Julia Frasca be appointed to replace Councillor Ann Davidson as a member of the Planning Committee, with Councillor Ann Davidson replacing Councillor Frasca and one of the designated substitutes on that Committee.

1. The Administration Group wishes to appoint Councillor Julia Frasca, who is currently one of the designated substitutes on the Planning Committee, to replace Councillor Ann Davidson as a full member of that Committee.
2. Councillor Davidson, who is stepping down from that Committee to concentrate on her role as a Cabinet Deputy, will replace Councillor Frasca as one of the designated substitutes.