

Council Meeting

**Online Meeting, Virtual Meeting Platform
Wednesday, 24 February 2021 at 18:00**

Information for Members of the Public

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<https://colchester.cmis.uk.com/colchester/MeetingCalendar.aspx>.

Occasionally certain issues, for instance, commercially sensitive information or details concerning an individual have to be considered in private. When this is the case an announcement will be made, the live broadcast will end and the meeting will be moved to consider in private.

Have Your Say!

The Council welcomes contributions from members of the public at most public meetings. If you would like to submit representations to a meeting and need to find out more, please refer to the Have Your Say! arrangements here:

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Members of the public can register to speak at the meeting. Please register by e-mailing democratic.services@colchester.gov.uk no later than 12 noon on the working day before the meeting date. You will need to provide your name, email address, whether your representation is a general matter or related to an item of business and a copy of the representations you wish to make.

COLCHESTER BOROUGH COUNCIL
Council
Wednesday, 24 February 2021 at 18:00

TO ALL MEMBERS OF THE COUNCIL

Published 23/02/2021

You are hereby summoned to attend a meeting of the Council to be held online on Wednesday, 24 February 2021 at 18:00 for the transaction of the business stated below.



Chief Executive

AGENDA
THE LIST OF ITEMS TO BE DISCUSSED AT THE MEETING
(Part A - open to the public)

Please note that the business will be subject to short breaks at approximately 90 minute intervals.

Please note that Agenda items 1 to 6 are normally dealt with briefly.

Live Broadcast

Please follow this link to watch the meeting live on YouTube:

[\(107\) ColchesterCBC - YouTube](#)

1 Welcome and Announcements (Council)

The Mayor will welcome members of the public and Councillors and will ask the Chaplain to say a prayer. The Mayor will explain the procedures to be followed at the meeting including a reminder for everyone to use microphones at all times when they are speaking, but otherwise keep microphones muted.

2 Have Your Say (Virtual Council Meetings)

Members of the public may make representations to the meeting. Each representation may be no longer than three minutes (500 words). Members of the public may register their wish to address the meeting by registering by e-mailing democratic.services@colchester.gov.uk by 12.00 noon on the working day before the meeting date. In addition a written copy of the representation will need to be supplied for use in the event of unforeseen technical difficulties preventing participation at the meeting itself. The Mayor will invite members of the public to make their representations at the start of the meeting.

3 Declarations of Interest

Councillors will be asked to say if there are any items on the agenda about which they have a disclosable pecuniary interest which would prevent them from participating in any discussion of the item or participating in any vote upon the item, or any other pecuniary interest or non-pecuniary interest.

4 Minutes of the Previous Meeting (Council)

A.... Motion that the minutes of the meeting held on 3 December 2020 be confirmed as a correct record.

Minutes of meeting 031220

9 - 24

5 Mayor's Announcements

The Mayor to make announcements.

6 Items (if any) referred under the Call-in Procedure (Council)

The Council consider any items referred by the Scrutiny Panel under the Call-in Procedure because they are considered to be contrary to the policy framework of the Council or contrary to, or not wholly in accordance with, the budget.

7 Recommendations of the Cabinet, Panels and Committees

Council will consider the following recommendations:-

7(i) Budget 2021-22 and Medium Term Financial Forecast

25 - 50

B... Motion that the recommendations contained in draft minute 536 of the Cabinet meeting of 27 January 2021 and the recommendations contained in the reports entitled Supplementary Budget report and Precept and Council Tax Levels 2021/22 be approved and adopted.

The following main amendments have been submitted:-

(i) Proposer: Councillor Buston

That the recommendations contained in draft minute 536 of the Cabinet meeting of 27 January 2021 and the recommendations contained in the reports entitled Supplementary Budget report and Precept and Council Tax Levels 2021/22 be approved and adopted by Council, subject to the following supplementary note applied to Appendix G, Community, Bereavement Services:

That this Council recognises increasing Bereavement Services costs by 3x the current rate of inflation during a pandemic is unreasonable and does not reflect well on the Council or its Members. Therefore the 2.7% across the board increase in Cemetery and Crematorium is abandoned for the financial year (21/22). That the anticipated £39,000 revenue loss from Appendix G – General Fund Budgets, Bereavement Services is balanced by Use of Reserves for FY 21/22.

(ii) Proposer: Councillor Barber

That the recommendations contained in draft minute 536 of the Cabinet meeting of 27 January 2021 and the recommendations contained in the reports entitled Supplementary Budget report and Precept and Council Tax Levels 2021/22 be approved and adopted by Council, subject to the following change to Appendix I:

That Item 7 of Appendix I – Allocation of New Homes Bonus; Support to Tendring Colchester Borders and Local Plan is reduced from £500,000 to a total of £450,000. A new Item 7A is added as follows:

7A Support for full Feasibility Study to construct a workable proposal for a revised allocation at Middlewick enabling the creation of a Country Park between Abbot's Road and Birch Brook Cost: £50,000

(iii) Proposer: Councillor Willetts

That the recommendations contained in draft minute 536 of the Cabinet meeting of 27 January 2021 and the recommendations contained in the reports entitled Supplementary Budget report and Precept and Council Tax Levels 2021/22 be approved and adopted by Council, subject to the following amendment by appending of words:

“and Council, noting that during the summer of 2020 the fish in Lexden Lake died, it was enveloped by invasive weed and it emitted a foul odour which constituted a public nuisance to surrounding dwellings, allocates in this budget £97,000 to facilitate proper remedial work to the lake. Furthermore that corresponding adjustments are made to reserves to ensure a balanced budget, or by such other virements that Cabinet shall take to balance the budget.”

8 Questions to Cabinet Members and Chairmen pursuant to Council Procedure Rule 10

Cabinet members and Chairmen will receive and answer pre-notified questions in accordance with Council Procedure Rule 10(1) followed by any oral questions (not submitted in advance) in accordance with Council Procedure Rule 10(3).

(Note: a period of up to 60 minutes is available for pre-notified questions and oral questions by Members of the Council to Cabinet Members and Chairmen (or in their absence Deputy Chairmen)).

(i) Councillor Chillingworth to Councillor Lilley, Portfolio Holder for Communities, Wellbeing and Public Safety:-

No doubt the Portfolio Holder will be aware of the press coverage of the recent flooding in the Colne Valley and the refusal of the Council to assist the PO/shop keeper in Wakes Colne, other than to give the telephone number of a merchant who could supply bags and sand.

This was hardly helpful if it was outside opening hours and flood water was approaching his premises.

During previous incidents early in the noughties, the Council responded quickly with material and practical help. Would the Portfolio Holder please confirm that this is indeed current Council policy when called by residents and managers of community facilities in such emergencies?

(ii) Councillor Crow to Councillor King, Portfolio Holder for Business and Resources

Would the Portfolio Holder for Business and Resources please confirm that the Council will share the most up to date market research that shows that in the post COVID world there will be the previously expected demand for the creative units planned for the former bus depot on Queen Street. And also share the business plan that demonstrates it will be able to operate long term without the need for on-going subsidy from the Council.

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| 9 | Members' Allowances Scheme | 51 - 74 |
| | Council is invited to consider and approve the recommendations of the Independent Remuneration Panel following its review of the Members Allowances Scheme. | |
| 10 | Schedule of Portfolio Holder Decisions | 75 - 84 |
| | Council is invited to note the Schedule of Portfolio Holder decisions covering the period 20 November 2020- 9 February 2021. | |
| 11 | Urgent Items (Council) | |
| | Council will consider any business not specified in the Summons which by reason of special circumstances the Mayor determines should be considered at the meeting as a matter of urgency. | |
| 12 | Reports Referred to in Recommendations | |
| | The reports specified below are submitted for information and referred to in the recommendations specified in item 7 of the agenda: | |
| | Budget 2021/22 and Medium-Term Financial Forecast, Report to Cabinet, 27 January 2021 | 85 - 128 |
| 13 | Exclusion of the Public (not Scrutiny or Executive) | |
| | In accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972). | |

Part B

(not open to the public including the press)

Council

Thursday, 03 December 2020

Attendees:

Councillor Lewis Barber, Councillor Nick Barlow, Councillor Lyn Barton, Councillor Kevin Bentley, Councillor Tina Bourne, Councillor Roger Buston, Councillor Peter Chillingworth, Councillor Helen Chuah, Councillor Phil Coleman, Councillor Nick Cope, Councillor Mark Cory, Councillor Simon Crow, Councillor Robert Davidson, Councillor Paul Dundas, Councillor John Elliott, Councillor Andrew Ellis, Councillor Adam Fox, Councillor Mark Goacher, Councillor Martin Goss, Councillor Dave Harris, Councillor Chris Hayter, Councillor Pauline Hazell, Councillor Theresa Higgins, Councillor Mike Hogg, Councillor Brian Jarvis, Councillor John Jowers, Councillor David King, Councillor Cyril Liddy, Councillor Michael Lilley, Councillor Sue Lissimore, Councillor Derek Loveland, Councillor Andrea Luxford Vaughan, Councillor Fiona Maclean, Councillor Jackie Maclean, Councillor Sam McCarthy, Councillor Patricia Moore, Councillor Beverley Oxford, Councillor Gerard Oxford, Councillor Chris Pearson, Councillor Lee Scordis, Councillor Lesley Scott-Boutell, Councillor Martyn Warnes, Councillor Lorcan Whitehead, Councillor Dennis Willetts, Councillor Barbara Wood, Councillor Julie Young, Councillor Tim Young

412 Apologies

Apologies were received from Councillors Arnold, Chapman and P. Oxford.

413 Prayers

The meeting was opened with prayers from Reverend Dr Amanda Elmes.

414 Minutes 211020

RESOLVED that the minutes of the meeting held on 21 October 2020 be confirmed as a correct record.

415 Have Your Say (Virtual Council Meetings)

The following speakers addressed Council pursuant to the provisions of Remote Meetings Procedure Rule 5(1) in respect of the motion on Reducing Inequality:-

Alison Andreas of Colchester Institute explained that the Institute saw the inequalities described in the motion every day and worked hard to address these inequalities especially where they acted as a barrier to student welfare and success. It provided additional learning support, counselling services and financial support through bursaries and its charity, Colchester Institute Foundation Trust. Nevertheless over 200 students a year left their course, and in approximately half these cases, social and economic inequalities played a significant role. Education was a key determinant in health and wellbeing and there was an integral link between education, economic wellbeing and health. The provision of the vocational training provided by the Institute was vital and being in work was a key factor in an individual's wellbeing. The motion was central to the Institute's purpose and it would work in partnership with Colchester Borough Council and partners in One Colchester to take forward these ambitions.

Ed Garratt of the North East Essex Clinical Commissioning Group and Suffolk and North East Essex Integrated Care Group expressed his support for the motion. He was committed to working with partners to address inequality. The Covid 19 pandemic had exposed the inequalities in society, but they had been there for generations. There was a direct relationship between economic health and physical health. He was keen to dedicate his leadership and work with partners to drive forward the principles and actions set out in the motion.

Tracy Rudling of Community 360 expressed her support for the motion. It was highlighted that money was not the only factor in addressing the issue. The Covid 19 pandemic had shown the value of mobilising communities and their assets, and that if the message was clear, communities would respond. Joined up communication and connectivity were crucial. Sharing information across partnerships and working together had been vital in Colchester's response to Covid 19. In order to deal with the issues in the motion it would be necessary to continue to work with communities on the ground, to build from the ground up and to take account of the individuality of each community. The asset based community development approach needed to be developed further. The twice yearly reporting envisaged by the motion was welcomed and should be linked into Community 360 and partners Insight and Asset Mapping Programme. Issues around digital inclusion also needed to be considered. Mental health and social isolation were the key issues for citizens across all demographics, and many face to face services had ceased during the pandemic. One Colchester was well placed to provide leadership on the issue and should be resourced further to enable it to develop a robust community strategy. Consideration should be given to how operational resources across One Colchester were deployed to reduce duplication and to concentrate on reducing inequalities and promoting integration.

Oonagh Corrigan of Anglia Ruskin University informed Council about a study that the

University had undertaken with Colchester Borough Council and Tendring District Council focusing on inequalities in North East Essex. This had focused in particular on community assets. The study had shown the benefits of community assets and groups and how important they were to vulnerable individuals and groups who used their services. The recommendations made during the study had been taken forward by the relevant local authorities and the North East Essex Health and Social Care Alliance, who had funded the study. Further work was now being undertaken to understand the impact of lockdown on these vulnerable groups, and in particular on black and ethnic minority communities.

A written statement submitted by Angel Kalyan pursuant to the provisions of Remote Meetings Procedure Rule 5(1) was read to Council. The statement set out some of the history of case 9CO00038 and asked how the Council intended to deal with this matter and how long it would take the Council to conclude Case 9CO00038 for and on behalf of the Council and the Court?

Andrew Weavers, Monitoring Officer, was invited to respond to the statement and confirmed that claim 9CO00038 was settled by the Court by an order dated 19 July 2011 and that order concluded all matters in relation to that claim.

416 Mayor's Announcements

The Mayor explained that in the current circumstances there were very few Mayoral engagements but he still welcomed opportunities to meet and champion local groups.

The Mayor announced that Colchester Borough Council had been awarded Best Entrepreneurial Council at the Local Government Chronicle Awards and, on behalf of Council, thanked all officers involved.

417 2019/20 Year End Review of Risk Management

RESOLVED that the recommendation contained in minute 509 of the Cabinet meeting of 14 October 2020 be approved and adopted.

418 Review of Remote (Digital) Council Meetings

RESOLVED that the recommendations contained in draft minute 229 of the Governance and Audit Committee meeting of 20 October 2020 be approved and adopted.

419 Review of the Statement of Licensing Policy – Licensing Act 2003

Councillor Hogg (in respect of holding a premise licence on behalf of a registered charity) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

RESOLVED that the recommendation contained in draft minute 121 of the Licensing Committee meeting of 11 November 2020 be approved and adopted.

420 Local Council Tax Support Scheme 2021 – 2022

RESOLVED that the recommendation contained in draft minute 521 of the Cabinet meeting of 23 November 2020 be approved and adopted.

421 Officer Pay Policy Statement for 2021/22

RESOLVED that the recommendation contained in draft minute 522 of the Cabinet meeting of 23 November 2020 be approved and adopted.

422 Review of Ethical Governance Policies

RESOLVED that the recommendation contained in draft minute 233 of the Governance and Audit Committee meeting of 24 November 2020 be approved and adopted.

423 Local Code of Corporate Governance

RESOLVED that the recommendation contained in draft minute 235 of the Governance and Audit Committee meeting of 24 November 2020 be approved and adopted.

424 Suspension of Procedure Rule

RESOLVED that Council Procedure Rule 11(2) be suspended for the following item so that motion on Reducing Inequality could be debated and determined at the meeting.

425 Reducing Inequality

Councillor Cory (in respect of his membership of the board of North East Essex Clinical Commissioning Group) and Councillor J. Young (as the Chair of Anglia Community Enterprise) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

It was PROPOSED by Councillor Bourne, also on behalf of Councillor King, that:-
“In July 2020 this Council agreed a Motion of Thanks recognising the considerable effort undertaken by many in our Borough during the pandemic crisis that in turn has created a force for good. We are all proud of the response of our Council, their officers, our partners and the wider community effort across the Borough of Colchester. Marcus Rashford MBE's campaign on feeding school children in the holiday helped to harness Colchester's community effort once again during the recent half term break, with over 2500 meals provided to families across the borough and a welcome promise by the government to fund food for families entitled to Free School Meals throughout 2021.

This Council believes that while the overwhelming majority of residents are playing their part in observing COVID regulations and a large number have taken on community volunteering roles, we are not 'all in this together'. When the pandemic is over the most vulnerable groups will still be vulnerable - economically, socially, academically and in their health and wellbeing outcomes. We cannot accept this.

Public Health England's Strategy 2020 to 2025 (September 2019) commits it to “work to narrow the health gap”. This Council welcomes the work already undertaken by ECC Director of Public Health before and during the pandemic and notes that the national strategy includes ambitions to:

- reduce the overall rates of smoking and inequalities affecting lower socio-economic groups and vulnerable communities;
- advise and influence decision-makers on the effectiveness of actions to promote healthy indoor and outdoor environments (including their ability to reduce inequalities);
- reduce inequalities in premature mortality for people with long-term and severe mental health problems;
- reduce inequalities across key markers of maternal and child health;
- develop new indicators to improve the monitoring of outcomes and inequalities in the early years and facilitate evaluations of early years services; and
- enhance insights into the population's health and health inequalities.

The result of this Motion will be to shine a spotlight on vulnerability in our Borough.

There are families struggling on a low income and accessing the benefits system for the first time, adults with learning difficulties losing their weekly lifeline social clubs, those with disabilities isolated from their families and friends, and residents living in poor quality housing with lack of access to green space, all examples of increasing vulnerability.

Now it is time to recognise, track and address the inequality gaps made more visible during both lock downs. We want to see this Council and our partners discussing the wider determinants of health with outcomes to tackle the inequality gap that has widened during the pandemic.

This Council resolves to:

1. Report twice yearly on inequality across our borough using national, county and local profiles;
2. Instigate our own locality measures with outcomes that raise the life chances of particular vulnerable groups or neighbourhoods;
3. Consider the impact on inequality in our decision making;
4. Encourage formal and informal partnerships to contribute positively to reducing inequality across the borough;
5. Invite our MPs to take up the mantle of reducing inequality in the constituencies they represent. “

On being put to the vote the motion was approved and adopted (UNANIMOUS).

426 Adoption of Amenities for New Housing Development

Councillor Buston (in respect of his employment as a practising solicitor) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

It was proposed by Councillor Bentley that:-

“This Council recognises the frustrations of many residents who have bought new properties on new housing developments in Colchester when the local roads and other amenities have yet to be adopted and therefore residents are left at the mercy of the developers or their contractors to make good repairs to highways or fix streetlights or maintain open spaces or deal with flooding issues . All of these residents pay full Council Tax however, local Councillors are left to negotiate with developers on their behalf

without any authority. This is unacceptable.

Therefore, this Council resolves to ensure that any new development of more than 20 properties is subject to a detailed schedule and timetable drawn up and agreed by the developer and CBC Planning department of when works are to be completed and roads and fixtures are to be handed over for adoption. This should form part of the planning application. Failure to comply will result in penalties for the companies involved, to be agreed by Planners and Members.”

A main amendment was moved by Councillor Barlow as follows:-

“The motion on Adoption of Amenities for New Housing Development be approved and adopted subject to the following amendments:-

In the first paragraph:-

- delete “All of these residents pay full Council Tax however,”, and replace with “Councils and”;
- after “are” insert “often”.

In the second paragraph:-

- replace “resolves to ensure” with “believes”,
- replace “is” with “should be”,
- replace “and CBC Planning department” with “Planning, Highways and other relevant departments of Colchester Borough Council (CBC), Essex County Council (ECC) and other organisations”.
- delete all words from “This should form...” ;

Add new paragraph as follows:

This Council resolves to begin discussions with ECC Highways and other relevant organisations as appropriate to ascertain the feasibility and practicality of bringing in such a scheme, including resolving the issue of whether it would be possible to introduce under existing legislation. This Council also requests that the Borough’s representatives on ECC and in the House of Commons provide the support necessary to further this proposal and the Planning Officers report progress and options to the Local Plan Committee and a final report is referred from that Committee to Full Council for discussion and approval no later than the July 2021 meeting.”

Councillor Bentley indicated that the main amendment was accepted and the motion was deemed amended accordingly. Following acceptance of the amendment the motion was worded as follows:-

“This Council recognises the frustrations of many residents who have bought new properties on new housing developments in Colchester when the local roads and other amenities have yet to be adopted and therefore residents are left at the mercy of the

developers or their contractors to make good repairs to highways or fix streetlights or maintain open spaces or deal with flooding issues . Councils and local Councillors are often left to negotiate with developers on their behalf without any authority. This is unacceptable.

Therefore, this Council believes that any new development of more than 20 properties should be subject to a detailed schedule and timetable drawn up and agreed by the developer and Planning, Highways and other relevant departments of Colchester Borough Council (CBC), Essex County Council (ECC) and other organisations of when works are to be completed and roads and fixtures are to be handed over for adoption.

This Council resolves to begin discussions with ECC Highways and other relevant organisations as appropriate to ascertain the feasibility and practicality of bringing in such a scheme, including resolving the issue of whether it would be possible to introduce under existing legislation.

This Council also requests that the Borough's representatives on ECC and in the House of Commons provide the support necessary to further this proposal and the Planning Officers report progress and options to the Local Plan Committee and a final report is referred from that Committee to Full Council for discussion and approval no later than the July 2021 meeting."

On being put to the vote the motion was approved and adopted.

427 Questions to Cabinet Members and Chairmen pursuant to Council Procedure Rule 10

Councillor Warnes (in respect of his membership of the Board of Colchester Commercial Holdings Ltd) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

Questioner	Subject	Response
Pre-notified questions		
Councillor Barton	Could the Leader of the Council please give me an update on what progress has been made in re-letting the Old Library and the Cells in the Town Hall?	Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, explained that a Portfolio Holder decision on the future use of the Old Library had recently been published. It was a

		fantastic venue with the potential to make revenue for the Council. It was being leased to Colchester Amphora Trading Ltd who would use their commercial expertise to secure revenue from its use.
Councillor Hogg	<p>Following a 2 year journey of planning, consultation, and design, we now have a brand new fixed equipment play park in Alderton Road at a cost of approximately £40K provided and paid for by Colchester Borough Homes, for which I and my residents are indeed very grateful. This will provide exercise and play for youngsters in an area of predominantly Social Housing .</p> <p>Given the importance of exercise and play for all young people, could I ask the Portfolio Holder that given the present financial situation the Council finds itself in, what is the prospect of similar provision on our private estates across the borough in the foreseeable future?</p>	Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, explained that to regenerate a playground cost approximately £80,000 - £100,000. The Council was responsible for maintaining 73 playgrounds. It was an increasing trend for playgrounds on new developments to be looked after by management companies, Whilst playgrounds were monitored and repaired where necessary, there was no current funding for regeneration of playgrounds. Sometimes funding for this was obtained through section 106 agreements. However this posed difficulties in areas where little development took place. The administration could not commit to new playgrounds unless through alternative funding sources.
Oral questions		

Councillor Barton	Would the Portfolio Holder for Culture and Performance agree that the excellent work undertaken by staff at the Mercury Theatre through the pandemic be recognised?	Councillor J. Young, Portfolio Holder for Culture and Performance agreed that she would write to the Mercury Theatre expressing the Council's thanks for the way they had conducted themselves through the pandemic. They had stepped up to support the community effort to tackle the pandemic, whilst forging ahead with their major redevelopment. It was anticipated that the Mercury would reopen in March 2021. Thanks were also due to Colchester Borough Homes who had project managed the redevelopment.
Councillor Scott-Boutell	Could the Portfolio Holder for Communities, Wellbeing and Public Safety provide the information on CCTV promised at the last meeting.	Councillor Higgins, Portfolio Holder Commercial Services, indicated she would provide the information and share with all Councillors.
Councillor Harris	Could the Portfolio Holder for Housing explain what benefits residents in Berechurch would see from the extension of the Management Agreement with Colchester Borough Homes?	Councillor Fox, Portfolio Holder for Housing, explained that Cabinet had agreed an extension to the Management Agreement with Colchester Borough Homes until 2028. This showed the administration's commitment to Council housing in the borough, It meant it could plan long term for the delivery of new homes and the

		improvement of the existing housing stock, including improvements to energy efficiency.
Councillor Chuah	What benefits would residents of St Annes and St Johns see from the recent Cabinet decision relating to green improvements to Council housing? Would the ward councillors be kept updated on progress?	Councillor Fox, Portfolio Holder for Housing, explained that this programme involved a £4.4 million investment in Council homes to make them more energy efficient. This would involve improved insulation, replacement boilers and the installation of air source heat pumps. Thousands of homes, including in St Annes and St Johns, would benefit. Work was due to start on the programme in April 2021.
Councillor Barber	Would the Portfolio Holder for Culture and Performance provide an update on discussions with Chair of the Local Plan Committee on a new Economic Strategy based on green jobs?	Councillor J. Young, Portfolio Holder for Culture and Performance, explained that it had not been possible to bring such a report to the next meeting of the Local Plan Committee as the relevant officer resource was concentrating on Town Deal and recovery work. The Strategy would be prepared at a later date.
Councillor Barber	Was the Council looking into purchasing the latest version of TruCam, which had been described as a “game changer” in terms of speed enforcement?	Councillor Lilley, Portfolio Holder for Communities, Wellbeing and Public Safety, indicated that a written response would be sent, which would be copied to all Councillors.

Councillor Willetts	Could the Portfolio Holder for Waste, Environment and Transportation provide a timescale for agreeing a costed plan for remedial works to Lexden Lake?	Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, explained that part of the Lake was maintained privately by residents and that a successful meeting had been held with residents who were keen to help resolve the situation. Some works had been carried out and the Environment Agency were taking regular samples of the oxygen level and these had returned to a positive level. Monitoring would continue. Officers were considering quotes for further work. He would keep all Councillors updated
Councillor Bourne	Had the Portfolio Holder for Business and Resources, had an opportunity to ascertain the impact of the Spending Review on the Council's budget and on the support for services currently enjoyed by residents? Would he support the LGA in lobbying government to meet the full costs of the funding pressures faced by local government through the pandemic?	Councillor King, Portfolio Holder for Business and Resources, explained that this was still being evaluated. It was estimated it may result in an additional £0.5 million in funding for the Council. However, it was still contrary to the original promise that all costs and losses resulting from the pandemic would be supported by government. The Council was currently facing a £3.5 million budget gap for 2021/22. Work was underway to address this through transformation and reducing costs where possible. A budget

		<p>workshop for all councillor was scheduled for 7 December 2020.</p> <p>He would support the LGA in lobbying on this issue. The Council lobbied effectively both visibly and behind the scenes. The Council enjoyed a good reputation and its views were taken seriously.</p>
Councillor Scordis	The Scrutiny Panel had previously undertaken a review of the bus companies. Whilst this had been successful some issues remained outstanding. Would the Chair of Scrutiny Panel be content to add the bus companies to the Panel's work programme?	Councillor Bentley, Chair of the Scrutiny Panel, indicated that he would discuss this with the Group Spokespersons on the Panel, and would add it to the work programme, if they were in agreement.
Councillor Warnes	What social value gains would be made from the investment in improving the energy efficiency of the Council's housing stock?	Councillor Fox, Portfolio Holder for Housing, explained that it was important with this project and other major investments, to retain the wealth within the borough as far as possible. The administration was keen to ensure local small and medium sized businesses were involved in bidding for contracts and being involved in the supply chain. He had asked officers to look at how firms

		working on Council contracts could be encouraged to take local people on apprenticeships.
Councillor Cope	Could the Portfolio Holder for Business and Resources provide an update on the woodland and biodiversity projects, including the Mayoral Wood?	Councillor King, Portfolio Holder for Business and Resources, explained that the planting of the Mayoral Wood was scheduled for January 2021. This would be the first of approximately 8000 trees which would be planted. The plans had been delayed by the pandemic. The project had grown to include wider biodiversity projects, including the Colchester Orbital. Issues around ensuring access to the Orbital were taken seriously. An update would be provided to all members shortly.
Councillor Pearson	Would the potential closure of Debenhams and stores of the Arcadia Group have an impact on the Town Deal?	Councillor King, Portfolio Holder for Business and Resources, indicated that he did not think it would have an impact. Indeed, it might increase the pressure for the Deal submission to be approved.

428 Schedule of Portfolio Holder Decisions

RESOLVED that the schedule of Portfolio Holder decisions for the period 3 October 2020 – 20 November 2020 be approved and adopted.

Extract from the draft minutes of the Cabinet meeting of 27 January 2021

536. Budget 2021/22 and Medium-Term Financial Forecast

The Chief Operating Officer submitted a report a copy of which had been circulated to each Member together with the draft resolution from the Scrutiny Panel meeting of 26 January 2021.

Councillor King, Portfolio Holder for Business and Resources, introduced the report and expressed the Cabinet's thanks to the Council's Finance team and service managers for their help in developing the budget. The proposed budget for 2021-22 and the Medium-Term Financial Forecast (MTFF) had been subject to constructive and robust scrutiny by the Scrutiny Panel and their recommendation was welcomed. The budget had been informed by a series of cross-party budget workshops and there a clear understanding of the challenges faced both in the short and medium term. As requested by the Scrutiny Panel a further programme of workshops would be held, and the car parking assumptions had been checked and were robust.

The budget proposed a strategy of reducing costs, organisational transformation and raising income in order to deliver a balanced budget. The Council would be looking at new ways of working, how it worked with partners to deliver services and how it managed its assets such as Rowan House. Whilst the budget did involve the use of reserves, the Council would still retain considerable reserves of over £15 million.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, explained that the administration had taken a transparent approach to the budget setting process through the budget workshops. The impact of the coronavirus pandemic had made it a particularly challenging budget, and the Council had not received all the support it had been promised by central government. However, the budget still enabled the Council to support its strategic priorities such as building homes, supporting communities and helping the arts and heritage sectors. This would help issues of inequality, which had been exacerbated by the pandemic, raised by the Scrutiny Panel.

RESOLVED that:-

(a) The 2021/22 Revenue Budget and revised Medium Term Financial Forecast as set out in Appendix A of the Chief Operating Officer's report be approved.

(b) The budget robustness statement and forecast level of balances set out in Appendix B of the Chief Operating Officer's report be noted.

(c) The Treasury Management Strategy 2021/22 to 2024/25 set out in Appendix C of the Chief Operating Officer's report be noted.

(d) *RECOMMENDED TO COUNCIL* the 2021/22 revenue budget requirement of £20.623m as set out in Table E1 in Appendix E of the Chief Operating Officer's report

(e) *RECOMMENDED TO COUNCIL* Colchester's element of the Council Tax at £200.52 per Band D property being an increase of £4.95.

(f) The officer delegation to write off bad debts be increased to £10k as per Section 12 of the Chief Operating Officer's report, subject to the approval of 19 January 2021 Governance and Audit Committee.

(g) The proposed government changes to external audit arrangements set out in Section 8.17 to 8.20. of the Chief Operating Officer's report be noted.

(h) the following paragraph be approved and added to section 14 of the 'Budget 2021/22 and Medium-Term Financial Forecast' report:

(i) All budget measures will be assessed for their likely impact on inequality, reflecting the Council's commitment to addressing the inequality existing within our Borough, as highlighted by the effects of the Covid-19 pandemic.

REASONS

To balance the 2021/22 budget and revise the Medium-Term Financial Forecast.

ALTERNATIVE OPTIONS

No alternative options were presented to Cabinet.

24 February 2021

Report of	Chief Operating Officer	Author	Paul Cook ☎ 505861 Darren Brown ☎ 282891
Title	Supplementary Budget Report 2021/22		
Wards affected	All		

1 **Executive Summary**

- 1.1 This report includes additional information as requested by the Scrutiny Panel at their meeting on 26 January 2021.
- 1.2 The report provides further budget detail on the savings agreed by Cabinet at its meeting on 27 January 2021.
- 1.3 The report also outlines the some of the key areas in which the proposed 2021/22 measures will contribute to reducing inequalities, as agreed by the Cabinet at its meeting on 27 January 2021.

2 **Recommended Decisions**

- 2.1 To note the further breakdown of savings as set out in the report.

3 **Savings**

- 3.1 The following table reflects the savings reported in the 27 January Cabinet report on the 2021/22 budget;

Table F4 – Technical reconciliation of 2021/22 savings		
1	Commercialisation	(820)
2	Efficiency	(550)
3	Service Provision	(1,074)
4	Community	(84)
5	Total Savings	(2,528)

3.2 The following table provides a breakdown of the savings agreed by type of budget:

Table A1 – Subjective Analysis		
1	Employee costs	(1,197)
2	Premises costs	(82)
3	Supplies & Services costs	(250)
4	Third Party Payments	(29)
5	Other Grants & Reimbursements Income	(230)
6	Customer & Client Receipts Income	(740)
7	Total Savings	(2,528)

3.3 The following table provides the detailed list of transformation and efficiency gains and cost reduction savings;

Table A2 – 2021/22 Savings		
1	1% of the 2020/21 Pay Award will not be consolidated	(200)
2	Commercial Companies growth assumptions	(130)
3	Section 106 use for New Strategic Priorities	(100)
4	Sheepen Road Income	(92)
5	Ground Maintenance Contract Inflation (20/21 budget setting)	(70)
6	Local Fast Fibre Network (LFFN) Broadband income growth (net income)	(60)
7	BPR, Digitalisation, and Paperchase (as per 20/21 budget setting)	(50)
8	Shared services savings (as per 20/21 budget setting)	(30)
9	Waste and Zones Review savings (as per 20/21 budget setting)	(30)
10	Executive Management Team staff changes	(25)
11	Primary authority role (as per 20/21 budget setting)	(20)
12	New Castle Activities (as per 20/21 budget setting)	(15)
13	Car parking charges increase and environmental levy	(208)
14	Savings against current budgeted cost for external contracts	(150)
16	Reduced number of officers in the Planning Service	(120)
17	Rather than standing Customer Improvement Team budget the staff resource required for each service improvement project will be scoped and wrapped into each project business case	(110)
18	Savings against salary budget costs by sharing the cost of staff in HR, Finance, Governance, and ICT with partner organisations	(100)
19	With changing workplace patterns we will need a reduced level of hall keeping resource to manage them.	(100)
20	Market expansion	(86)
21	Resource reduction of Payments and Debt Manager and Purchasing Officer	(70)
22	Contact and Support Team Resource reduction – Customer Advisors (CBH)	(56)
23	During our response to Covid -19 we have moved “in person” services previously provided in the Library/Community Hub to provide them digitally which requires less staff. This change could now be made permanent	(56)
24	Locality Budget reductions	(50)
25	Environment fees and charge increases	(47)

26	Reduction in posts to monitor Capital Budgets	(45)
27	Street Numbering and Other ICT Service Charges	(43)
28	Contact and Support Team Resource reduction – Customer Advisors (C&E)	(42)
29	Master Data Management Efficiencies	(40)
30	Communications savings	(40)
31	Benefits Processing Team resource reduction – Benefits Team leader	(35)
32	Building Control reduced demand	(35)
33	Human Resources team efficiency and cost reduction	(33)
34	Contact and Support Team officer Resource reduction – Contact and Support Officer (PBL)	(31)
35	Customer Information Officer reduction	(30)
36	Funding of community safety activity with partners	(29)
37	Research Team Efficiency	(20)
38	Weekend noise service	(20)
39	Minor cremation fee increase	(17)
40	Licensing reduced demand	(15)
41	Area Based Community Development approach	(14)
42	Challenge to museums business rates banding	(12)
43	Better establishment staff numbers control	(10)
44	Charging for recycling containers	(10)
45	Increased income from Trade waste	(10)
46	Tree planting budget	(10)
47	Reduced hours of Affordable Housing Strategy Officer	(7)
48	Pavement licence income increase	(5)
49	Total Savings	(2,528)

4 Inequality

4.1 In December 2020 the Council resolved to

- Report twice yearly on inequality across our borough using national, county and local profiles
- Instigate our own locality measures with outcomes that raise the life chances of vulnerable groups or neighbourhoods
- Consider the impact on inequality in our decision making
- Encourage formal and informal partnerships to contribute positively to reducing inequality across the borough
- Invite our MPs to take up the mantle of reducing inequality in the constituencies they represent.

4.2 Reflecting the above and the recommendation of the Scrutiny Committee, the Cabinet meeting on 27 January 2021 agreed all budget measures would be *assessed for their likely impact on inequality, reflecting the Council's commitment to addressing the inequality existing within our Borough, as highlighted by the effects of the Covid-19 pandemic.*

- 4.3 Addressing inequalities is fundamental to the Council's budget approach on both revenue and capital in order to deliver the Council's [Strategic Plan 2020-23](#) priorities.
- 4.4 Professor Sir Michael Marmot, has published a report: [Building Back Fairer: The COVID-19 Marmot Review](#). The report follows on from 2010 Fair Society, Healthy Lives and the 2020 Review, 10 years on and highlights growing inequalities that have manifested throughout the pandemic. The Council's Priorities reflect many of the areas flagged in the report where action is needed. Some key areas supported by the 2021/22 budget and capital programme are set out below.

Tackling the Climate Challenge and Leading Sustainability

- Additional works contracts are being prepared to increase HRA investments over the next year and beyond that will specifically tackle our least energy efficient properties in response to climate change.
- The Council's Warm Homes Project is working in partnership with local home energy improvement professionals to support residents who are looking to save energy and keep warm in their homes.
- Through the One Colchester partnership the Council will share best practices on tackling climate change and sustainability across organisations in the Borough (including biodiversity) and will increase community engagement around the Council's Climate Emergency declaration.
- Working with partners to promote sustainable travel behaviour change, healthier lifestyles and reduce car dependency including through the Colchester Travel Plan Club network supporting, encouraging and influencing employees and students to travel sustainably through the implementation of workplace travel plans.
- As improved broadband connectivity is rolled out for many of our most deprived communities (LFNN noted below) the planned development of digital solutions for the organisation and our customers which will reduce waste, reduce cost and reduce unnecessary travel. Staff will be able to work effectively from home and complete their site work without relying on a central office and customers will be able to access services online without the need to leave their homes.

Creating safe, healthy and active communities

- The Council has maintained its generous Local Council Tax Support Scheme despite the tough financial position.
- The Council is a living wage employer ensuring fair pay for all employees and requires the same of those with whom we contract.
- Use of the Local Development Pilot (LDP) and system partners to identify key areas for investment encouraging inactive residents in the most deprived areas to become more active.
- Active engagement carried out with community groups, voluntary groups and Town and Parish Councils to agree a section 106 project plan for each ward in preparation for receipt of S106 developer contributions towards community infrastructure.
- The Senior Occupational Therapist in Housing Project.
- Continuing to offer Disabled Facilities Grants to help tenants and property owners with limited resources to improve their properties. The Council is investing £1.208m per annum over the next 2 years.
- Introduction of the Fast-Track Disabled Facilities Grant (DFG) to support Hospital Discharge and Admission Avoidance. Redesign of the grant delivery process in readiness for the new Northgate IT system.

- Taking a robust enforcement approach against owners of unlicensed Houses in Multiple Occupation and criminal landlords.
- Promoting awareness and collaborative working with partners across the wider system to ensure residents are supported and to ensure that housing is considered as a wider determinant of health.
- Collaborating with One Colchester partners such as Community360, Colchester Borough Homes, CCG, Age Concern, to co-design and co-produce projects to support our most vulnerable residents including the winter warmth project 2020/21
- Building trusted, open and transparent relationships with community leaders from diverse communities such as our BAME and Faith communities. Engaging with these community groups through listening events and regular dialogue. Co-production of initiatives to support those most in need.
- Rural Crime Toolkit and Rural Community Safety Fund to provide communities with ideas, information, support and funding to make their neighbourhood a better place to live.
- Keep Safe for Colchester is a free scheme helping vulnerable residents to feel safer and more confident out in the Town.
- Working together with partners through the Multi Agency Coordination Panel to target individual criminals and use our combined powers to disrupt the criminal in addition to the criminality.
- Facilitating Asset Based Community Development (ABCD) sessions and awareness within communities, system leaders and members to discover and connect the assets that exist and are mobilised within neighbourhoods.

Delivering homes for people who need them

- The Local Plan will allocate sites to provide land for housing and employment up to 2033 and beyond.
- The Council continues its major investment in the HRA and general fund housing to provide more housing for those in need at affordable or social rents. In 2021/22 the Council is investing an additional £40.292m in its housing investment programme.
- Delivering a minimum of 30% affordable housing across all our mixed tenure sites.
- The current collection of new homes will be the most energy efficient homes we have constructed as a Council and this will be furthered with the next forthcoming projects in the various programmes; accessibility is being prioritised too. All homes are to a high quality “Colchester Standard”, some being built to meet 2025 “future standards”.
- Working with partners to implement the 2020-2025 Homelessness and Rough Sleeping Strategy delivery plan.
- Several Phase 2 Amphora Housing sites are being explored with a view to progressing viable schemes.

Growing a fair economy so everyone benefits

- The LFFN project will develop improved connectivity for many of our most deprived communities, improving life chances through access to information, skills development, social and support networks and employment opportunities.
- Joint working with the Police and the Town Centre Business Improvement District (BID) to help businesses safely re-open within Covid-19 guidelines when possible.
- The Council continues to help residents financially (by paying some eligible debts) for those who are at risk of losing their homes or who need to move but can't afford the moving costs.
- The Council continues to support residents to maximise their income either by helping them find work or by applying for government welfare benefits. This

includes supporting residents through their appeal requests and tribunal court hearings.

- The Council has used incoming funding from Government and Essex County Council to help mitigate the effects on residents' finances as a result of the pandemic
- The Council is accredited for Customer Service Excellence and our staff are highly trained and experienced in identifying and helping those less fortunate than others to access services.
- The Council has seen an increase in residents attending their housing and welfare benefits appointments since the pandemic started. Appointments include being delivered virtually which has proven more convenient and easier with levels of increased satisfaction from residents.
- The Council supports residents to access council and other services by providing one to one support when needed via the Community Digital Access team.

Celebrating our heritage and culture

- The Council is working with partners to deliver a collaboration Cultural Vision and Ambitions for the Borough in 2021-2022.
- The Council continues to promote Colchester's heritage and visitor attractions to increase visitor numbers and to support jobs.
- Enhance and promote our heritage by better revealing our assets by supporting projects and initiatives to increase public awareness and allowing all to access their heritage in daily life.
- The Council has worked throughout the pandemic, alongside cultural partners to enhance accessibility from the panto online to new digital schools package to ensure whole generations of children don't miss out on learning about their local heritage.
- The Council is developing a new Cultural Strategy in collaboration with partners.

4.5 The Council's monitoring of action on Inequality includes:

- All committee reports include a section setting out the equality and diversity implications of decisions.
- Governance and Audit Committee considers an annual update report on Equality and Safeguarding. The 2019/20 report was approved at the 24 November 2020 meeting.
- The Council will be extending the reporting scope to ensure impact assessments cover the wider implications for those living in areas of deprivation or with reduced life opportunities. This will be based on objective tests which the Council will develop, taking independent advice.

4.5 The equalities implications of the four savings themes of commercial; communities; efficiency and service provision were set out in the papers to the 14 October 2020 Cabinet meeting. These reports are set out as background papers to this report.

5 Consultation

5.1 This report reflects discussions at 26 January 2021 Scrutiny Panel.

6 Financial implications

6.1 As set out in the report.

7 Environmental and Sustainability Implications

- 7.1 All budget measures are assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's recovery planning and a core theme of the new Strategic Plan.

8 Equality, Diversity and Inequality Implications

- 8.1 Consideration will be given to equality, diversity and inequality issues in taking forward budget proposals. This will be done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate. See also section 4 for details.

9 Risk Management Implications

- 9.1 As set out in the report

10 Other Standard References

- 10.1 There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.

Background Papers

None

[EIA Commercial](#)

[EIA Communities](#)

[EIA Efficiency](#)

[EIA Service Provision](#)

Report of	Assistant Director for Corporate and Improvement Services	Author	Paul Cook ☎ 505861
Title	Precept and Council Tax Levels 2021/22		
Wards affected	Not Applicable		

1 Executive Summary

- 1.1 The purpose of this report is to set out the statutory resolutions the Council is required to approve, in order to set the Council Tax for each band for the financial year 2021/22. These include the following information:
- A Council Tax Base of 62,776 Band D equivalent properties, together with details of the Council Tax base for individual parishes.
 - A Council Tax requirement for Colchester Borough Council of £12.588 million (excluding parishes).
 - Colchester's element of the Council Tax being £200.52 for Band D properties (excluding parishes). This is an increase of 2.53%.
 - Expected Band D Council Tax for Essex County Council, Essex Police and Essex Fire and Rescue Authority.
 - The total Council Tax payable for the different parts of the Council's area.
 - Parish, Town and Community Councils precept amounts for 2021/22.
- 1.2 The report should be read alongside the 2021/22 Revenue Budget and the Medium-Term Financial Forecast.

2 Recommended Decision

- 2.1 To approve the statutory resolutions as set out at Appendix A which are in accordance with the Local Government Finance Act 1992, as amended by the Localism Act 2011, in respect of the Council Tax for each band for the financial year 2021/22.

3 Reason for Recommended Decision

- 3.1 The Council is required, in accordance with the Local Government Finance Act 1992, as amended by the Localism Act 2011, to set formally the Council Tax for each band, which will include precepting authorities.

4 **Alternative Options**

- 4.1 The resolutions are a statutory requirement

5 **Colchester Borough Council's Council Tax Requirement**

- 5.1 At its meeting on 27 January 2021 Cabinet approved and recommended to Council the 2021/22 Revenue Budget Requirement.
- 5.2 The final 2021/22 Local Government Finance Settlement has been received and has changed how we show the collection fund business rates deficit. The 27 January Cabinet report showed this as spread over 3 years, whilst the regulations now require this to be shown in the year and matched by Government grant, as reflected in this report.
- 5.3 The budget proposals are based on additional business rates income above the 2021/22 business rate baseline. The January 2021 business rates 2021/22 return to the Ministry of Housing, Communities and Local Government confirms the budget estimate.
- 5.4 The forecast collection fund business rates deficit as at the end of 2020/21 is unchanged from the budgeted figure of £485k. This deficit will be met from the business rates reserve.
- 5.5 Any additional business rates achieved over the forecasts will be allocated to the business rates reserve.
- 5.6 Cabinet recommended that Colchester's element of the Council Tax for 2021/22 be agreed at £200.52 for Band D properties, which represents an increase of £4.95 (2.53%).
- 5.7 In approving Colchester's element of the Council Tax, account must be taken of Retained Business Rates and any surplus or deficit arising from the Collection Fund. Colchester's Council Tax requirement also must reflect Parish Council spending and the Table 1 sets out the position:

Table 1 – Council Tax Requirement (£k)			
1	Budget Requirement		25,028
2	Use of New Homes Bonus	(2,430)	
3	Use of Reserves and Balances	(14,800)	
4			7,798
5	Parish Councils requirement	2,101	
6			9,899
7	Business Rates Baseline	(4,300)	
8	Business Rates Growth	(1,620)	
9	Government Grant	(2,115)	
10			1,864
11	Deficit on collection fund business rates	12,787	
12	Deficit on collection fund council tax	37	
13	Council Tax Requirement		14,688

5.8 Colchester's Council Tax at Band D for 2021/22 is £200.52 and is set out in Table 2

Table 2 – Colchester Band D Council Tax		
1	Council Tax Requirement (as detailed above)	14,688,473
2	Divided by Council Tax Base	62,776.0
3	Council Tax at Band D (including Parishes)	233.98
4	Deduct Parish Element	(33.46)
5	Council Tax at Band D for Colchester Borough Council	200.52

6 Essex County Council and Essex Police, Fire and Crime Commissioner

- 6.1 In order to determine formally the overall level of Council Tax, account has to be taken of the precept requirements of Essex County Council, Essex Police and the Fire and Rescue Service.
- 6.2 Table 3 sets out the overall position based on information received at the date of writing this report. The Police Fire and Crime Panel approved the budgets for Essex Police and Crime Commissioner and the Fire and Rescue Service on 6 February 2020. Essex County Council is expected to formally approve its budget on 23 February. Any change to the information set out in this report will be reported to this meeting.

Table 3 – Essex County Council, Police, Fire and Crime Commissioner				
	Council Tax at Band D			
	2020/21 £	2021/22 £	Change £p	Change %
Colchester Borough Council	195.57	200.52	4.95	2.53
Essex County Council	1,321.11	1,340.91	19.80	1.50
Essex Police & Crime Commissioner	198.63	208.53	9.90	4.98
Essex Fire and Rescue Service	73.89	73.89	0.00	0.00
	1,789.20	1,823.85	34.65	1.94

- 6.3 The overall position (excluding parishes) is set out in Table 4.
- 6.4 The appropriate Parish elements are added to these figures. Full details of the tax rates are given in Appendix A. (Details of the individual Parish Precepts are set out in Appendix B).

Table 4 = Overall Council Tax Rates					
Band	Colchester	County	Police	Fire	Total
A	133.68	893.94	139.02	49.26	1,215.90
B	155.96	1,042.93	162.19	57.47	1,418.55
C	178.24	1,191.92	185.36	65.68	1,621.20
D	200.52	1,340.91	208.53	73.89	1,823.85
E	245.08	1,638.89	254.87	90.31	2,229.15
F	289.64	1,936.87	301.21	106.73	2,634.45
G	334.20	2,234.85	347.55	123.15	3,039.75
H	401.04	2,681.82	417.06	147.78	3,647.70

7. Special Expenses

- 7.1 Special expenses are defined as those expenses incurred by the Council in performing, in part of the borough, a function performed elsewhere in the borough by a Parish Council. The Local Government Act 1992 allows the Council to treat any special expenses as general expenses, i.e. as part of its own budget requirement for Council Tax purposes, provided the Council resolved accordingly.
- 7.2 It is reasonable for the Council to continue to treat special expenses as general expenses, and for clarity it is considered sensible to reaffirm this position on an annual basis. A resolution to this effect, therefore, is included within Appendix A.

8. Strategic Plan References

- 8.1 The Strategic Plan objectives have informed all stages of the Council's budget setting process.

9. Publicity Considerations

- 9.1 The usual arrangements will be made to publish the approved tax levels in the local press and to produce the Council Tax Information Leaflet for distribution with the Council Tax bills. These will be in accordance with the legal requirements.

10. Financial Implications

- 10.1 Included in the body of this report.

11. Consultation

- 11.1. The budget report to Cabinet set out consultation in respect of the budget including the statutory NNDR ratepayers meeting. This meeting took place on 9 February 2021.

12. Environment and Sustainability Implications

- 12.1. All budget measures are assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's recovery planning and a core theme of the new Strategic Plan.

13. Equality and Diversity Implications

- 13.1 Consideration will be given to equality and diversity issues in respect of budget changes proposed as part of the budget process. This will be done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

14. Standard References

- 14.1. There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.

Appendices

Appendix A: Resolutions

Appendix B: Parish Council Precepts 2021/22

Background Papers

None

RESOLUTIONS

1. It be noted that the Tax Base has been approved and the following amounts were calculated for the year 2021/22 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992 as amended ('the Act'):
- (a) 62,776.0 equivalent band D properties being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax base for the year. (Item T in the Act)
- (b) Part of the Council's area for the parish of:

Parish	Parish Tax Base
Abberton & Langenhoe	424.4
Aldham	203.9
Birch	297.2
Boxted	612.2
Chappel	218.6
Copford	676.3
Dedham	908.4
East Donyland	846.6
East Mersea	121.6
Eight Ash Green	637.0
Fingringhoe	330.1
Fordham	319.6
Great Horkesley	1,022.4
Great Tey	367.4
Langham	485.5
Laver Breton	130.5
Laver de la Haye	713.6
Laver Marney	90.0
Little Horkesley	88.8
Marks Tey	926.2
Messing cum Inworth	174.2
Mount Bures	105.0
Myland	5,887.1
Stanway	4,063.5
Tiptree	3,464.7
Wakes Colne	234.5
West Bergholt	1,317.6
West Mersea	3,099.3
Winstred Hundred	481.1
Wivenhoe	2,810.9
Wormingford	185.2

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

2. Calculate that the Council Tax Requirement for the Council's own purposes for 2021/22 (excluding parish precepts) is £12,588,000

3. The following amounts be now calculated by the Council for the year 2021/22 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:
 - (a) £128,623,873 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act. [Gross Expenditure]

 - (b) £113,935,400 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act. [Gross Income including Government grants]

 - (c) £14,688,473 Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax Requirement for the year. (Item R in the formula in Section 31B of the Act)

 - (d) £233.98 Being the amount at 3(c) above divided by the amount at 1(a) above, calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year. [Council Tax, including parishes]

 - (e) £2,100,673 Being the aggregate amount of all special items referred to in Section 34(1) of the Act. [Parish Precepts]

 - (f) £200.52 Being the amount at 3(d) above, less the result given by dividing the amount at 3(e) above by the amount at 1(a) above (Item T in the formula), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

(g) Part of the Council's area

	£
Abberton & Langenhoe	38.24
Aldham	67.60
Birch	43.74
Boxted	85.09
Chappel	77.04
Copford	59.88
Dedham	45.38
East Donyland	84.47
East Mersea	64.26
Eight Ash Green	53.04
Fingringhoe	34.86
Fordham	89.85
Great Horkesley	36.11
Great Tey	51.52
Langham	41.00
Layer Breton	0.00
Layer de la Haye	24.44
Layer Marney	0.00
Little Horkesley	53.93
Marks Tey	64.29
Messing cum Inworth	70.24
Mount Bures	31.41
Myland	23.38
Stanway	66.48
Tiptree	106.86
Wakes Colne	55.96
West Bergholt	78.38
West Mersea	103.44
Winstred Hundred	27.35
Wivenhoe	122.06
Wormingford	50.33
All other parts of the Council's area	200.52

Being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basis amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h) Parts of the Council's Area

Parish	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Abberton & Langenhoe	25.49	29.74	33.99	38.24	46.74	55.24	63.73	76.48
Aldham	45.07	52.58	60.09	67.60	82.62	97.64	112.67	135.20
Birch	29.16	34.02	38.88	43.74	53.46	63.18	72.90	87.48
Boxted	56.73	66.18	75.64	85.09	104.00	122.91	141.82	170.18
Chappel	51.36	59.92	68.48	77.04	94.16	111.28	128.40	154.08
Copford	39.92	46.57	53.23	59.88	73.19	86.49	99.80	119.76
Dedham	30.25	35.30	40.34	45.38	55.46	65.55	75.63	90.76
East Donyland	56.31	65.70	75.08	84.47	103.24	122.01	140.78	168.94
East Mersea	42.84	49.98	57.12	64.26	78.54	92.82	107.10	128.52
Eight Ash Green	35.36	41.25	47.15	53.04	64.83	76.61	88.40	106.08
Fingringhoe	23.24	27.11	30.99	34.86	42.61	50.35	58.10	69.72
Fordham	59.97	69.96	79.96	89.95	109.94	129.93	149.92	179.90
Great Horkesley	24.07	28.09	32.10	36.11	44.13	52.16	60.18	72.22
Great Tey	34.35	40.07	45.80	51.52	62.97	74.42	85.87	103.04
Langham	27.33	31.89	36.44	41.00	50.11	59.22	68.33	82.00
Layer Breton	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Layer de la Haye	16.29	19.01	21.72	24.44	29.87	35.30	40.73	48.88
Layer Marney	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Little Horkesley	35.95	41.95	47.94	53.93	65.91	77.90	89.88	107.86
Marks Tey	42.86	50.00	57.15	64.29	78.58	92.86	107.15	128.58
Messing cum Inworth	46.83	54.63	62.44	70.24	85.85	101.46	117.07	140.48
Mount Bures	20.94	24.43	27.92	31.41	38.39	45.37	52.35	62.82
Myland	15.59	18.18	20.78	23.38	28.58	33.77	38.97	46.76
Stanway	44.32	51.71	59.09	66.48	81.25	96.03	110.80	132.96
Tiptree	71.24	83.11	94.99	106.86	130.61	154.35	178.10	213.72
Wakes Colne	37.31	43.52	49.74	55.96	68.40	80.83	93.27	111.92
West Bergholt	52.25	60.96	69.67	78.38	95.80	113.22	130.63	156.76

Parish	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
West Mersea	68.96	80.45	91.95	103.44	126.43	149.41	172.40	206.88
Winstred Hundred	18.23	21.27	24.31	27.35	33.43	39.51	45.58	54.70
Wivenhoe	81.37	94.94	108.50	122.06	149.18	176.31	203.43	244.12
Wormingford	33.55	39.15	44.74	50.33	61.51	72.70	83.88	100.66
All other parts of Council's area	<u>133.68</u>	<u>155.96</u>	<u>178.24</u>	<u>200.52</u>	<u>245.08</u>	<u>289.64</u>	<u>334.20</u>	<u>401.04</u>

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

4. It be noted that for the year 2021/22 Essex County Council, and the Essex Police, Fire and Crime Commissioner have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band	Precepting Authority		
	County	Police	Fire
	£	£	£
A	893.94	139.02	49.26
B	1,042.93	162.19	57.47
C	1,191.92	185.36	65.68
D	1,340.91	208.53	73.89
E	1,638.89	254.87	90.31
F	1,936.87	301.21	106.73
G	2,234.85	347.55	123.15
H	2,681.82	417.06	147.78

Valuation Bands

5. Having calculated the aggregate in each case of the amounts at 3(h) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2021/22 for each of the categories of dwellings shown overleaf:
6. For the purposes of Section 35 of the Local Government Act 1992, any expenses incurred by the Council in performing in part of its area a function performed elsewhere in its area by a parish council or chairman of a parish meeting shall not be treated as special expenses.
7. Determines that the Council's basic amount of Council Tax for 2021/22 is **not excessive** in accordance with the principles approved under Section 52ZB of the Act, and as shown in the calculation below.
- (a) Increase defined by the Secretary of State as constituting an excessive increase for 2021/22:
- (i) 2%, or more than 2%, greater than its relevant basic amount of council tax for 2020/21; and
- (ii) more than £5.00 greater than its relevant basic amount of council tax for 2021/22.
- (b) Percentage increase in the Council's basic amount of Council Tax:
- | | |
|----------------------|-----------------|
| 2020/21 amount | £195.57 |
| 2021/22 amount | £200.52 |
| Percentage increase: | £4.95 and 2.53% |

The figure at 7(b) is less than the figure at 7(a) above and therefore the Council's basic amount of Council Tax for 2021/22 is **not excessive** and no referendum is required.

8 Discretionary council tax discounts and exemptions for 2021/22 are:

Reference to:	Council position
<i>Second Homes: (Prescribed classes of Dwelling A & B)</i>	No discount applicable to this class
<i>Empty dwellings undergoing major repair (formerly Exempt Dwellings "Class A")</i>	No discount applicable to this class
<i>Vacant dwellings (formerly Exempt Dwellings "Class C")</i>	A 100% discount will be given for a maximum period of 28 days.
<i>Empty Homes Premium</i>	A premium of 100% will be charged for properties empty for over 2 years, and 200% for empty over 5 years.

9. Parts of the Council's Area

Parish	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Abberton & Langenhoe	1,241.39	1,448.29	1,655.19	1,862.09	2,275.89	2,689.69	3,103.48	3,724.18
Aldham	1,260.97	1,471.13	1,681.29	1,891.45	2,311.77	2,732.09	3,152.42	3,782.90
Birch	1,245.06	1,452.57	1,660.08	1,867.59	2,282.61	2,697.63	3,112.65	3,735.18
Boxted	1,272.63	1,484.73	1,696.84	1,908.94	2,333.15	2,757.36	3,181.57	3,817.88
Chappel	1,267.26	1,478.47	1,689.68	1,900.89	2,323.31	2,745.73	3,168.15	3,801.78
Copford	1,255.82	1,465.12	1,674.43	1,883.73	2,302.34	2,720.94	3,139.55	3,767.46
Dedham	1,246.15	1,453.85	1,661.54	1,869.23	2,284.61	2,700.00	3,115.38	3,738.46
East Donyland	1,272.21	1,484.25	1,696.28	1,908.32	2,332.39	2,756.46	3,180.53	3,816.64
East Mersea	1,258.74	1,468.53	1,678.32	1,888.11	2,307.69	2,727.27	3,146.85	3,776.22
Eight Ash Green	1,251.26	1,459.80	1,668.35	1,876.89	2,293.98	2,711.06	3,128.15	3,753.78
Fingringhoe	1,239.14	1,445.66	1,652.19	1,858.71	2,271.76	2,684.80	3,097.85	3,717.42
Fordham	1,275.87	1,488.51	1,701.16	1,913.80	2,339.09	2,764.38	3,189.67	3,827.60
Great Horkesley	1,239.97	1,446.64	1,653.30	1,859.96	2,273.28	2,686.61	3,099.93	3,719.92
Great Tey	1,250.25	1,458.62	1,667.00	1,875.37	2,292.12	2,708.87	3,125.62	3,750.74
Langham	1,243.23	1,450.44	1,657.64	1,864.85	2,279.26	2,693.67	3,108.08	3,729.70
Layer Breton	1,215.90	1,418.55	1,621.20	1,823.85	2,229.15	2,634.45	3,039.75	3,647.70
Layer de la Haye	1,232.19	1,437.56	1,642.92	1,848.29	2,259.02	2,669.75	3,080.48	3,696.58
Layer Marney	1,215.90	1,418.55	1,621.20	1,823.85	2,229.15	2,634.45	3,039.75	3,647.70
Little Horkesley	1,251.85	1,460.50	1,669.14	1,877.78	2,295.06	2,712.35	3,129.63	3,755.56
Marks Tey	1,258.76	1,468.55	1,678.35	1,888.14	2,307.73	2,727.31	3,146.90	3,776.28
Messing cum Inworth	1,262.73	1,473.18	1,683.64	1,894.09	2,315.00	2,735.91	3,156.82	3,788.18
Mount Bures	1,236.84	1,442.98	1,649.12	1,855.26	2,267.54	2,679.82	3,092.10	3,710.52
Myland	1,231.49	1,436.73	1,641.98	1,847.23	2,257.73	2,668.22	3,078.72	3,694.46
Stanway	1,260.22	1,470.26	1,680.29	1,890.33	2,310.40	2,730.48	3,150.55	3,780.66
Tiptree	1,287.14	1,501.66	1,716.19	1,930.71	2,359.76	2,788.80	3,217.85	3,861.42
Wakes Colne	1,253.21	1,462.07	1,670.94	1,879.81	2,297.55	2,715.28	3,133.02	3,759.62
West Bergholt	1,268.15	1,479.51	1,690.87	1,902.23	2,324.95	2,747.67	3,170.38	3,804.46

Parish	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
West Mersea	1,284.86	1,499.00	1,713.15	1,927.29	2,355.58	2,783.86	3,212.15	3,854.58
Winstred Hundred	1,234.13	1,439.82	1,645.51	1,851.20	2,262.58	2,673.96	3,085.33	3,702.40
Wivenhoe	1,297.27	1,513.49	1,729.70	1,945.91	2,378.33	2,810.76	3,243.18	3,891.82
Wormingford	1,249.45	1,457.70	1,665.94	1,874.18	2,290.66	2,707.15	3,123.63	3,748.36
All other parts of Council's area	1,215.90	1,418.55	1,621.20	1,823.85	2,229.15	2,634.45	3,039.75	3,647.70

Appendix B

Parish Council Precepts 2021/22

Parish	Precept 2020/21	Precept 2021/22	Increase/ (Reduction)	Increase/ (Reduction)
	£	£	£	%
Abberton & Langenhoe	15,181	16,228	1,047	6.90
Aldham	13,084	13,784	700	5.35
Birch	11,000	13,000	2,000	18.18
Boxted	51,418	52,090	672	1.31
Chappel	17,034	16,841	(193)	(1.13)
Copford	40,494	40,494	0	0.00
Dedham	42,068	41,225	(843)	(2.00)
East Donyland	69,282	71,510	2,228	3.22
East Mersea	7,814	7,814	0	0.00
Eight Ash Green	33,829	33,788	(41)	(0.12)
Fingringhoe	11,751	11,507	(244)	(2.08)
Fordham	29,333	28,749	(584)	(1.99)
Great Horkesley	35,075	36,919	1,844	5.26
Great Tey	18,927	18,927	0	0.00
Langham	19,690	19,907	217	1.10
Layer Breton	0	0	0	n/a
Layer de la Haye	16,735	17,441	706	4.22
Layer Marney	0	0	0	n/a
Little Horkesley	4,120	4,789	669	16.24
Marks Tey	59,550	59,550	0	0.00
Messing cum Inworth	12,235	12,235	0	0.00
Mount Bures	2,938	3,298	360	12.25
Myland	137,470	137,632	162	0.12
Stanway	270,000	270,147	147	0.05
Tiptree	370,059	370,238	179	0.05
Wakes Colne	13,122	13,122	0	0.00
West Bergholt	102,367	103,270	903	0.88
West Mersea	327,317	320,585	(6,732)	(2.06)
Winstred Hundred	12,884	13,160	276	2.14
Wivenhoe	339,500	343,102	3,602	1.06
Wormingford	9,552	9,321	(231)	(2.42)
Totals	2,093,829	2,100,673	6,844	0.33

Report of	Monitoring Officer	Author	Andrew Weavers
Title	Members' Allowance Scheme		☎ 282213
Wards affected	Not Applicable		

1. Executive Summary

- 1.1 This report contains the recommendations of the Council's Independent Remuneration Panel following its periodic review of its Members' Allowances Scheme.
- 1.2 All councillors receive a basic allowance and some also receive special responsibility allowance to reflect the fact that they hold a particular role. The Panel is recommending no increase in the level of any of the allowances.

2. Recommended Decision(s)

- 1.1 To consider and approve the recommendations of the Independent Remuneration Panel following its review of the Members' Allowances Scheme as set out in the Panel's report and as detailed in paragraph 4.3 (a) – (e) of this report;

3. Reasons for Decision(s)

- 3.1 The Independent Remuneration Panel had been convened to undertake the periodic review of the scheme and the index applied to the scheme.
- 3.2 All Councils are required to convene an Independent Remuneration Panel before any changes or amendments are made to their allowances scheme and they must pay regard to the Panel's recommendations before setting a new or amended Members' Allowances Scheme.

4. Supporting Information

- 4.1 The Independent Remuneration Panel, convened under The Local Authorities (Members' Allowances) (England) Regulations 2003, which comprises three independent members of the local community, has conducted a review of the Members' Allowances Scheme. Its report, dated January 2021, and recommendations are attached at Appendix 1 for Council's consideration.
- 4.2 The terms of reference, composition and working arrangements of the Panel are described in its report and as such the report is self-explanatory.
- 4.3 In summary, the Panel's recommendations are as follows, to be effective from 1 January 2021:
 - (a) The existing arrangement for increasing allowances be retained in line with the Council's Allowance Adjustment Index;
 - (b) No changes be made to the Scheme in respect of the following matters, namely:

- Basic Allowance and Adjustment Index;
- Special Responsibility Allowances for the Leader, Deputy Leader and Cabinet Members;
- Special Responsibility Allowances for the Chairmen of Committees/Panels;
- Special Responsibility Allowances for the Group Leaders;
- Special Responsibility Allowances for the members of the Planning Committee and the Licensing Committee;
- The facility to make the payment of a Special Responsibility Allowance for co-opted members;
- Claim-based Travel and Subsistence expenses in respect of approved duties; and
- Child Care and Dependants' Carers' Allowance.

- (c) The travel payment rates for approved duties continue to be in accordance with the approved HMRC rates and the subsistence payment rates for approved duties be:

Breakfast	£5.00
Lunch	£7.00
Tea	£3.00
Evening meal	£10.00
Overnight	£80.00
London / Conference	£100.00

- (d) That the Leader and Deputy Leader of the Council, and Group Leaders, be encouraged to promote uptake of allowances available to councillors, in order to ensure that legitimate costs incurred by serving as a member of the Council are not an impediment or act to dissuade potential candidates for Council elections who may be on lower incomes.
- (e) The Council and party groups to look at ways to further support councillors, including mental wellbeing support.

- 4.4 If the Council approves the recommendations of the Panel without amendment the provisions contained within the existing Members' Allowances Scheme will not require any alteration a copy of which is attached at Appendix 2.
- 4.5 In response to recommendation (e) above and paragraph 51 of the Panel's report, it has been agreed with the provider of the Council's employee assistance programme that this will be extended to councillors which will enable them to access confidential independent wellbeing support. Details will be disseminated to councillors following the approval of the Report. There is a small cost for the provision of the service, and this will be met from the existing Members Allowances budget.

5. Publicity Considerations

- 5.1 Details of the Members Allowances Scheme form part of the Council's Constitution which is published on its website.

6. Financial, Equality, Diversity and Human Rights, Consultation, Health, Wellbeing and Community Safety, Health and Safety, Risk Management and Environmental and Sustainability Implications

- 6.1 None identified.

A Review
of
Members' Allowances
For
Colchester Borough Council

The Ninth Report by the
Independent Remuneration Panel

January 2021

Foreword

This is the ninth report produced by the Independent Remuneration Panel for Colchester Borough Council. The Panel was established in Spring 2003 to make recommendations to the Authority on the range and levels of remuneration for the Authority's members. The review of remuneration was done as part of the wider modernisation agenda that has now been undertaken throughout the country.

The Panel had also reported in July 2003 on various matters including the principle of pensionable allowances, travel and subsistence and co-optees' allowances; in January 2005 on childcare and dependants' carers' expenses; in June 2005 on the workload of the Licensing Committee; in April 2007 on the adjustment index and in October 2012 on the periodic review of the scheme and the adjustment index and had made recommendations to the Council accordingly. In November 2015 the Panel made recommendations regarding Group Leader Special Responsibility Allowances. The Panel last reported in November 2016 on the periodic review of the scheme and the adjustment index and made recommendations to the Council accordingly.

The Panel had been convened on this occasion in order to undertake the periodic review of the Indexation mechanism which was a legal requirement for completion by the end of 2020 and, at the same time, to give consideration to the travel and subsistence allowance and the dependants' carers' allowance. The timing of the Panel's review has been affected by the impact of the Pandemic.

This report contains the Panels' recommendations.

Richard Aldridge
Chairman of the Independent Remuneration Panel
January 2021

Summary of Recommendations

The Independent Remuneration Panel makes the following recommendations as a result of their review of the Colchester Borough Council Members' Allowances Scheme, such amendments to take effect from 1 January 2021:

- (a) The existing arrangement for increasing allowances be retained in line with the Council's Allowance Adjustment Index;
- (b) No changes be made to the Scheme in respect of the following matters, namely:
- Basic Allowance and Adjustment Index;
 - Special Responsibility Allowances for the Leader, Deputy Leader and Cabinet Members;
 - Special Responsibility Allowances for the Chairmen of Committees/Panels;
 - Special Responsibility Allowances for the Group Leaders;
 - Special Responsibility Allowances for the members of the Planning Committee and the Licensing Committee;
 - The facility to make the payment of a Special Responsibility Allowance for co-opted members;
 - Claim-based Travel and Subsistence expenses in respect of approved duties; and
 - Child Care and Dependants' Carers' Allowance.
- (c) The travel payment rates for approved duties continue to be in accordance with the approved HMRC rates and the subsistence payment rates for approved duties be:
- | | |
|---------------------|---------|
| Breakfast | £5.00 |
| Lunch | £7.00 |
| Tea | £3.00 |
| Evening meal | £10.00 |
| Overnight | £80.00 |
| London / Conference | £100.00 |
- (d) That the Leader and Deputy Leader of the Council, and Group Leaders, be encouraged to promote uptake of allowances available to councillors, in order to ensure that legitimate costs incurred by serving as a member of the Council are not an impediment or act to dissuade potential candidates for Council elections who may be on lower incomes.
- (e) The Council and party groups to look at ways to further support councillors, including mental wellbeing support.

Independent Remuneration Panel

For

Colchester Borough Council

Review of Members' Allowances Scheme

Terms of Reference and Background

The Regulatory Context

1. The following is a summary of the proceedings and recommendations made by the Independent Remuneration Panel appointed by the Colchester Borough Council under the 2003 consolidated regulations to consider the applicability and, if appropriate, implementation of certain allowances and advise the Authority on a revised scheme of such allowances for Members. This report forms part of the Panel's recommendations to Colchester Borough Council.
2. The Independent Remuneration Panel has been set up in the context of the Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021 and 1022), which came into force on 1 May 2003.
3. The Independent Remuneration Panel has been convened to consider making recommendations on the periodic review of the Indexation mechanism which was a legal requirement for completion by the end of 2020 and, at the same time to give consideration to the travel and subsistence allowance and the dependants' carers' allowance.

As such, this forms the Panel's terms of reference.

Methodology and Evidence Considered

4. Due to the pandemic the Panel met in private virtually via Zoom on 2 December 2020 and 6 January 2021. The Council's Monitoring Officer and Corporate Governance Manager and Democratic Services Officer drafted the report, and the Panel agreed its final form.
5. The Panel reviewed a wide range of information, including background information relating to Colchester Borough Council, the last Colchester Borough Council Independent Remuneration Panel report dated November 2016, Colchester Borough Council's Members' Allowances Scheme for the year 2020/21, the Department for Communities and Local Government - Guidance on Members' Allowances for Local Authorities in England, benchmarking data on all Essex Authorities

Allowances Schemes, details of Colchester Borough Council Members Allowances for each year 2003/4 to 2020/21 inclusive, results of a survey of all Members regarding the current Members' Allowances scheme and details of the amounts and names of Councillors who had made claims for subsistence and / or travel during 2020/21.

6. The Panel also invited and considered individual representations from the Leader of the Council, Deputy Leader, the Chief Executive and the four Group Leaders of the Council. Furthermore, the Panel took into account practice and allowance levels and populations elsewhere, particularly in district authorities. This exercise was done mainly for benchmarking purposes. It is from these processes and deliberations that the Panel has arrived at the recommendations set out in this report.

Principles of the Review

7. In accordance with the practice adopted in previous reviews, the Panel sought to arrive at a set of recommendations in relation to the terms of reference based on a framework that was transparent, simple and could be easily understood by both Members and the public. This objective, the Panel felt, had been achieved through its previous reviews and it decided that it would not make significant changes to the framework laid down previously unless there was a strong case to do so.
8. The Panel has laid out a summary of its deliberations in this report to assist Members and the public to understand its approach. While the Panel's recommendations are not mandatory, it is hoped that if the Council disagrees with the recommendations that they will accept the Panel's logic. The recommendations presented in this report represent the view of the Panel and not the official view of Colchester Borough Council.

The Panel

9. The Panel comprised the following members all of whom were present:

Richard Aldridge -	Panel Chairman, Solicitor
David Priest -	Former Managing Director of Woods Air Movement Limited and former Chair of Colchester Institute Board Trustee of Winsley's Almshouses
Amanda Westbrook -	Director of Balcerne Gardens Trust and Trustee of Winsley's Almshouses

10. Andrew Weavers, Monitoring Officer, Hayley McGrath, Corporate Governance Manager and Owen Howell, Democratic Services Officer, assisted throughout the review process.

11. The Panel wish to record its gratitude to the Leader of the Council, Deputy leader, Leaders of the political groups for making themselves available to talk to the Panel and to the Chief Executive for submitting his detailed views to the Panel and for ensuring the work of the Panel was supported and conducted in an efficient and effective manner.

Current level of Members' Allowances (2020/21)

12. The Panel was provided with details of the categories of SRA within the current Allowances scheme together with the allowances currently paid to Councillors, as follows:

Members' Allowances	£
Basic Allowance	
All Councillors	7,115.66
Special Responsibility Allowances	
Leader of the Council	21,346.79
Deputy Leader of the Council	13,448.60
Cabinet Members	12,808.22
Chairman, Scrutiny Panel	7,471.45
Chairman, Planning Committee	7,471.45
Chairman, Licensing Committee	6,404.21
Chairman, Other Panel / Committee / Board	4,269.40
Group Leader (Conservative)	7,528.94*
Group Leader (Labour)	4,713.74*
Group Leader Liberal Democrats	5,182.94*
Group Leader (Highwoods Independent)	2,836.94*
Member of Planning Committee	1,120.73
Member of Licensing Committee	480.31

* amount equates £2,133.14 plus £224.60 per member of each Group.

Co-opted Member Special Responsibility Allowance - £224.58

NB. Each Councillor will qualify for only one Special Responsibility Allowance (the highest) regardless of the number of positions of responsibility.

Current Allowance Index

13. The Panel were also advised that the allowances paid were increased annually by the same percentage as that applied to the Council's officers' salary scale and this mechanism was known as the Allowance Adjustment Index.

The Evidence Reviewed

Independent Remuneration Panel report 2016

17. Copies of the most recent report compiled by the Independent Remuneration Panel in November 2016 were provided to the Panel. At that time the Panel had been convened in order to undertake the periodic review of the Indexation mechanism which was a legal requirement for completion by the end of 2020 and, at the same time to give consideration to the travel and subsistence allowance and the dependent carers' allowance.
18. In addition, the Panel had been requested to give consideration to the workload and remuneration of Councillors in the light of the reduction in their number following the recent Electoral Review from 60 down to 51 as well as ways to attract a greater number of candidates to stand for election. The Panel was also asked to consider the entitlement to the Special Responsibility Allowance payable to the members of the Licensing Committee. The contents of the 2016 report were considered by the Panel members and noted.

Colchester Borough Council Members' Allowances Scheme 2020/21

19. Full details of Colchester Borough Council's Members' Allowances Scheme for the year 2020/21 were provided to the Panel which the Panel members considered and reviewed in the context of all the associated information supplied to them.

Department for Communities and Local Government - Guidance on Members' Allowances for Local Authorities in England

20. The document entitled Guidance on Members' Allowances for Local Authorities in England, published by the Department for Communities and Local Government was supplied to the Panel members and its contents assisted them in their deliberations. Reference was made to the principle of a one third public service discount which had been established in the Council's first Allowance Scheme under the 2003 Regulations. This had acknowledged the statutory requirement to build into the Basic Allowance a recognition that a Councillor serves the public and should not be remunerated for all that they do.

Summary of Members' Allowances Schemes for all Essex Districts

21. The Panel received comparative information on the current allowances paid by the twelve District Councils in Essex, together with those allowances paid by the Unitary Councils of Southend and Thurrock Councils. Statistics were also provided on the current population

estimates for each Authority including population to councillor ratios. The details were considered by the Panel members, who noted that Colchester's population was the highest in the County (including Southend and Thurrock) and the Basic Allowance paid was the highest in the County being over £700 greater than the second highest.

Further Evidence Requested

Colchester Borough Council Members Allowances 2003 to 2020

22. To assist with consideration of the annual indexation applied to the allowances and the current level of allowances payable in Colchester, the Panel members considered a breakdown of Members' Allowances for each year since 2003, including the annual percentage increase which had been applied. It was noted that the percentage increases applied to Council officers' salary scales was generally used as the annual adjustment increase by other Councils in Essex.

Amounts and names of Members who had made claims for subsistence and / or travel and Dependants' Carers' Allowance during 2019/20

23. To assist in the consideration of factors influencing numbers of candidates willing to stand for election, the Panel requested details of the claims made by Members in 2019/20 for subsistence and travel expenses incurred whilst undertaking approved duties. It was noted that there had been no recent claims for the dependants' carers' allowance.

Consultation Undertaken

Results of Survey of all Members

24. An online survey of all Members was undertaken by the Panel to assist with its deliberations of which 26 Members responded (51%). The Panel analysed the results of the survey and noted the following key findings:
 - 77% stated that the level of Basic Allowance was appropriate
 - 58% felt that the allowance adequately covered their costs as a councillor
 - Overall Members felt that the levels of the SRA's were appropriate

Representations from the Leader of the Council, Deputy Leader, Group Leaders and the Chief Executive

The Panel conferred with and received representations from the Leader of the Council, Deputy Leader, Group Leaders and the Chief Executive on the following issues.

25. No clear increase in councillor workload was raised by the councillors' survey returns as being an issue, following the 2016 change in ward areas and reduction of councillor numbers, although this was mentioned by some councillors. It was noted that the work profile of councillors had changed, with a great increase in online communications with the public.
26. The Basic Allowances were noted as being meant to cover stationery and IT costs, but also that the Council had offered additional support and loan of equipment to meet additional needs caused by the Covid-19 restrictions.
27. The reticence of councillors to make claims for allowances was discussed. This stemmed mostly from members not needing the reimbursement for costs incurred, and not wishing to take unjustified criticism of legitimate and rightful claims being made. The Panel emphasised the need for leading councillors and party groups to encourage members to claim back to cover legitimate costs, to avoid dissuading good candidates from standing for Council.
28. The Panel considered the expenses claims to cover attendance at LGA conferences, the benefits of attendance and how these should be accounted for, with the understanding that transparency requirements must be met.
29. Ways to provide more support to councillors were discussed, including potential inclusion in the employee assistance scheme, better signposting to allowances and continued advertising of options for ICT equipment loans.
30. The differences between the Cabinet and Committee systems and the effect on allowances were discussed and noted.

Issues Arising

The Basic Allowance and Adjustment Index

31. The Panel noted that the current Basic Allowance (£7,115.66) was the highest of all District Councils in Essex. In addition, the Panel acknowledged Colchester's position as one of the largest District Councils in the country and its relative influence across the region generally.
32. The Panel considered the representations it had received regarding the level of the Basic Allowance following the reduction of the number of councillors to 51 in May 2016 and the potential increase in workloads which was mentioned in its November 2016 report. The Panel noted that it had not received any specific evidence around increased

workloads attributable to the reduction in numbers of Members during the current review.

33. The Council currently linked the Basic Allowance and Special Responsibility Allowances to the annual percentage salary increase for staff and that, over time, it appeared that this mechanism had proved to be the most appropriate because it treats Officers and Members equally in terms of their annual 'cost of living' increase of salary/allowances.
34. **As a result of this evidence, the Panel recommends no change be made to the Adjustment Index arrangements.**
35. **On the basis of the evidence, the Panel recommends that the Basic Allowance rate be maintained at the current level.**

Special Responsibility Allowances - The Leader, Deputy Leader and Cabinet Members

36. In considering all the evidence presented to them, the Panel members were of the view that there was no requirement to warrant the making of any changes to the Special Responsibility Allowance payable to the Leader of the Council, the Deputy Leader and the Cabinet Members.
37. **As a result of this evidence, the Panel recommends no change be made to the Special Responsibility Allowances payable to the Leader of the Council, the Deputy Leader and the Cabinet Members.**

Special Responsibility Allowances - Chairmen of Committees/Panels

38. In considering all the evidence presented to them, the Panel members were of the view that there was no requirement to warrant the making of any changes to the Special Responsibility Allowance payable to the Chairman of the Scrutiny Panel, Chairmen of Planning and Licensing Committees and Chairmen of other Panels/Committees.
39. **As a result of this evidence, the Panel recommends no change be made to the Special Responsibility Allowances payable to the Chairman of the Scrutiny Panel, Chairmen of Planning and Licensing Committees and Chairmen of other Panels/Committees.**

Special Responsibility Allowances – Group Leaders

40. In considering all the evidence presented to them, the Panel members were of the view that there was no requirement to warrant the making of any changes to the Special Responsibility Allowance payable to the Group Leaders.

- 41. As a result of this evidence, the Panel recommends no change be made to the Special Responsibility Allowances payable to the Group Leaders.**

Special Responsibility Allowances - Members of the Planning Committee and Licensing Committee

42. The Panel noted that the members of the Planning Committee currently received a Special Responsibility Allowance amounting to £1120.73 and the members of the Licensing Committee received a Special Responsibility Allowance of £480.31. The Panel had received information that indicated that the workload and frequency of meetings of both Committees was significantly higher than for all other Committees and Panels.
- 43. As a result of this evidence, the Panel recommends the Special Responsibility Allowance payable to members of the Planning Committee and Licensing Committee be retained at their existing levels, to reflect the higher workload of this Committee.**

Co-opted Members' Allowance

44. The Panel noted that a Special Responsibility Allowance payable to Co-opted Members was at a rate of £224.58 but currently the Council had not utilised such Members. However, the Special Responsibility Allowance should be retained for use as and when appropriate.
- 45. The Panel recommends that the facility to make the payment of a Special Responsibility Allowance for Co-opted Members remain unchanged.**

Travel and Subsistence Allowances

46. The Panel noted that currently travel and subsistence allowances were made to Councillors on a claims basis in respect of certain approved duties and that the usage of this facility was required to be published on the Council's website under the transparency agenda. The Panel had noted that the use of this by Councillors was relatively modest.
- 47. The Panel recommends that no change be made to the current arrangement for claim based travel and subsistence allowances payable in respect of approved duties.**
- 48. The Panel further recommends that the travel payment rates for approved duties continue to be in accordance with the approved HMRC rates and the subsistence payment rates for approved duties be:**

Breakfast	£5.00
Lunch	£7.00
Tea	£3.00
Evening meal	£10.00
Overnight	£80.00
London / Conference	£100.00

Child Care and Dependants' Carers Allowance

49. The Panel noted that the Council currently had in place a Child Care and Dependants' Carers' Allowance scheme, as permitted by the 2003 Regulations, the Allowance being payable for the reimbursement of expenses at the current Living Wage rate.
50. **The Panel recommends that the Council's rates continue to follow Essex County Councils rates for Child Care and Dependants' Carers' Allowances, which are linked to the Living Wage rates as follows:**

Childcare	£8.21 per hour per child
Older People	£13.06 per hour
Physical or Sensory Impairment	£12.97 per hour
Learning Disability	£13.55 per hour

Councillor Assistance Programme

51. **The Panel recommends that the Council provides a wellbeing assistance programme for councillors, similar to the one it offers to its employees as a response to issues raised.**

Effective Date

52. **The Panel further recommends that the revision to the allowance scheme is to be effective from 1 January 2021.**

APPENDIX

SUPPLEMENTARY INFORMATION RECEIVED BY THE PANEL

- Colchester Borough Council Background Information;
- Independent Remuneration Panel report 2016;
- Colchester Borough Council Members' Allowances Scheme 2020/21;
- Department for Communities and Local Government - Guidance on Members' Allowances for Local Authorities in England;
- Results of survey of all Colchester Borough Council Members;
- Summary of Members' Allowances Schemes for all Essex Districts
- Colchester Borough Council Members Allowances 2003 to 2020
- Amounts and names of Councillors who had made claims for subsistence and / or travel during 2019/20

Colchester Borough Council

MEMBERS' ALLOWANCES SCHEME

(Note: This scheme was approved by Colchester Borough Council on 24 February 2021)

Colchester Borough Council, in exercise of the powers conferred by the Local Authorities (Members' Allowances) Regulations 2003, hereby makes the following scheme:

This scheme may be cited as the Colchester Borough Council Members' Allowances Scheme and shall have effect from 1 January 2021 and thereafter for subsequent Municipal Years.

In this scheme;

"Councillor" means an elected Member of the Colchester Borough Council.

"Co-opted member" means a non-elected member of a Council Committee or Panel.

1. Allowances

Each Councillor shall be paid a Basic Allowance, and those Councillors who undertake special responsibilities shall be paid a Special Responsibility Allowance. Allowances and Co-opted members' allowances shall be increased annually with effect from the Annual General Meeting of the Council by the same percentage as that applied to the Council's officers' salary scale.

2. Payment

The annual allowance payable to each Councillor and Co-opted member shall be made in twelve equal instalments (as far as possible) paid on the 25th day of each month or thereabouts subject to compliance with the part-year payment provisions set out below.

3. Renunciation

A Councillor or a Co-opted member may by notice in writing given to the Chief Executive elect to forego any part of his/her entitlement to allowances payable under this scheme.

4. Part-year Entitlements

If the term of office or duties undertaken by a Councillor or Co-opted member begin or end part way through a Municipal Year, or amendment of the scheme during a Municipal Year changes the amount to which a Councillor or Co-opted member is entitled, then calculation of the allowance payable shall be on a pro-rata basis having regard to the proportion that the term of office, period of duty or relevant periods of the scheme bear to the Municipal Year in which they occur.

5. Suspension and Repayment of allowances

Where payment of any allowance has already been made in respect of any period during which a Councillor either:-

- (a) ceases to be a member of the Council; or
- (b) is in any other way not entitled to receive the allowance in respect of that period,

the Council will require the Councillor to repay the allowance.

6. Travel and Subsistence Payments

Travel and subsistence payments shall be made to Councillors in respect of approved duties. Duties which are approved comprise meetings of the Council, Cabinet, Panels, Committees and Sub-Committees, site inspections by members of the Planning Committee and training courses for Councillors facilitated by the Council. Other duties may be approved pursuant to the Council's Scheme of Delegation.

The rates for travel and subsistence allowances are determined annually by the Council following the determination by HMRC of the maximum rates for such allowances.

Payment of approved travel and subsistence allowances claims received no later than three working days before the 9th day of each month will be included in the next following instalment payment. Claims received after the deadline will not be paid until the instalment payment made in the following month.

7. Mandatory Member Development - Withholding of Allowances

Where the Council specifies that training and development on a particular subject is mandatory for all Councillors or specified groups of Councillors, should that training and development not be undertaken the payment of the relevant Councillors allowances, including any Special Responsibility Allowance, shall be withheld until the Councillor has undertaken the required training and development.

[NB Paragraph 7 included by Full Council at its meeting on 18 July 2018]

MEMBERS' ALLOWANCES 2021/22

Allowances Paid to Councillors from 1 April 2020
(following pay award of 2.0% of March 2020)

Members Allowances	£
Basic Allowance	7,115.66
Special Responsibility Allowances	£
Leader of the Council	21,346.79
Deputy Leader of the Council	13,448.60
Cabinet Member	12,808.22
Chairman, Scrutiny Panel	7,471.45
Chairman, Planning	7,471.45
Chairman, Licensing	6,404.21
Chairman, Other Panel/Committee/Board	4,269.40
Group Leader (Conservative)	7,528.94*
Group Leader (Liberal Democrats)	5,182.94*
Group Leader (Labour)	4,713.74*
Group Leader (Highwoods)	2,836.94*
Member, Planning	1,120.73
Member, Licensing	480.31

*amount equates to = £2133.14 and £234.60 per member

Co-opted Member Special Responsibility Allowance - £224.58

NB. Each Councillor will qualify for only one Special Responsibility Allowance (the highest) regardless of the number of positions of responsibility.

TRAVEL AND SUBSISTENCE

1. The following mileage allowances for journeys in pursuance of official duties have been approved by the Council and are in line with HMRC rates.

Travel

- (a) Travel by public transport shall not exceed the amount of the ordinary fare or any available cheap fare.
- (b) Taxi fares in cases of urgency where no public service is reasonably available, please claim the actual amount, otherwise claim the amount of fare by public transport.
- (c) Bicycle rate (Councillors own bicycle or one provided for his/her use): 20p per mile.
- (d) Motorcycle rate (Councillors own solo motorcycle or one provided for his/her use): 24p per mile.
- (e) Motor car rate (Councillors own private motor vehicle or one provided for his/her use): 45p per mile.

Subsistence Allowance

- (a) Subsistence rates in connection with official duties- actual amounts are to be claimed. The amounts specified below are maximums.

Breakfast allowance

(more than 4 hours away from usual place of residence before 11am) £5.00

Lunch allowance

(more than 4 hours away from usual place of residence including the period between 12 noon and 2pm) £7.00

Tea allowance

(more than 4 hours away from usual place of residence including the period 3pm to 6pm) £3.00

Evening meal allowance

(more than 4 hours away from usual place of residence ending after 7pm) £10.00

Overnight subsistence

(absence overnight from normal place of residence) £80.00

London/approved conference subsistence

(absence overnight from normal place of residence in London or at an approved conference) £100.00

NB Specified rates for all allowances are maximum rates

2. Under the relevant Regulations, Councillors are required to claim within two months of meetings. Payment is therefore made for each cycle of meetings and claim forms should be forwarded to Democratic Services by the 7th of the month for payment on the 25th. Late claims will normally be held over until the next month's pay date. Failure to provide receipts for all claims except mileage may result in a deduction for income tax.
3. Travel claims for meetings of an outside body can only be made if Councillors are attending a bona fide meeting of the outside body concerned in their role as the Council's representative. Allowances and expenses involved in attending any meeting on behalf of the outside body should be met by that body.

DRAFT

Councillors Child Care and Dependant Carers Allowance Scheme

1. Introduction

- 1.1 The dependant carers allowance is a subsidy provided by the Council to Councillors towards the cost of the provision of child or dependent care while attending Council meetings.
- 1.2 For the purpose of this allowance, a Council meeting is defined as a meeting of the Council, the Cabinet, a Panel or a Committee to which the Councillor has been appointed; in addition, a working group, commission or forum to which the Councillor has been appointed by the Council, the Cabinet, a Panel or a Committee.
- 1.3 It is not intended that the allowance will meet the full cost of carers, but it will assist towards the cost.

2. Eligibility - Child Care

- 2.1 Any Councillor may qualify for the allowance and will be required to show that as a result of their attendance at Council meetings they are required to arrange paid care for children up to the age of 16 years who reside with them.
- 2.2 Any doubts as to the eligibility of an individual under the scheme will be resolved by the Assistant Director Corporate and Improvement Services.

3. Allowance - Child Care

- 3.1 The allowance is intended to cover the costs involved at the current living wage rate
- 3.2 If a Councillor is required to pay a reasonable booking and/or registration fee to a registered child care agency then the Councillor may claim for the amount incurred
- 3.3 Any payment made under the scheme will be made on the basis of actual expenditure incurred up to the maximum amount referred to at 3.1 and 3.2 above.
- 3.4 Payment of the allowance will be in arrears on completion of a signed claim form.

4. Eligibility - Dependents

- 4.1 Any Councillor can claim the allowance if they comply with the following criteria:

- (a) That in order to qualify for the allowance, the Councillor must show that as a result of their attendance at Council meetings they are required to arrange paid care for any dependant.
 - (b) A dependant is defined as any person (other than a child up to the age of 16 years), who resides with the Councillor and requires care and supervision.
- 4.2 Any doubts as to the eligibility of an individual under the scheme will be resolved by the Assistant Director Corporate and Improvement Services.

5. Allowance - Dependants

- 5.1 The allowance is intended to cover reasonable costs based on the Living Wage rate (in line with Essex County Council Social Services Homecare Assistant Rate).
- 5.2 Any payment made under the scheme will be made on the basis that expenditure incurred is of at least the level of allowance agreed.
- 5.3 No payments will be made towards registration fees or deposits etc.
- 5.4 Payment of the allowance will be in arrears and based on receipted evidence.

6. Application

- 6.1 Application for inclusion on the scheme must be made on the appropriate application form at the start of each municipal year.
- 6.2 The Assistant Director Corporate and Improvement Services must be notified immediately of any change in circumstances which might affect the eligibility to continue claiming under this scheme, this includes written confirmation of when a child reaches the age of 16 years.

7. Rates

Childcare	£8.21 per hour per child
Older People	£13.06 per hour
Physical or Sensory Impairment	£12.97 per hour
Learning Disability	£13.55 per hour

8. General Notes

- 8.1 This payment attracts income tax and national insurance deductions and may affect your entitlement to DWP benefits. The allowance is not superannuable.

Note: This Scheme was approved by Full Council on 24 February 2021

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
20 November 2020 – 9 February 2021**

Portfolio – Business and Resources					
Date	Number	Report Title	Author	Decision	Result
23 December 2020	RES-002-20	Stanway Land Asset Transfers	Joanne Besant	Agree the disposal of land at Silverwitch Green, Stanway and Lucy Lane South, Stanway to Stanway Parish Council. Transfer documents should include a clawback to ensure the land is protected against any change of use in future years.	Decision agreed 6 December 2021
13 January 2021	RES-003-20	Irrecoverable Debts Over £5000 – Sundry Debts	Ruth Northcott	To approve the writing off of the following Sundry Debt totalling £108,000.00 which have proved irrecoverable.	Decision agreed 20 January 2021

Portfolio – Commercial Services					
Date	Number	Report Title	Author	Decision	Result
No decisions in this period					

Portfolio – Communities, Well Being and Public Safety					
Date	Number	Report Title	Author	Decision	Result
13 January	WEL-003-20	NHS Consultation on Integrating	Scott	To respond to the consultation as	20 January

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
20 November 2020 – 9 February 2021**

2021		Care	Danielsen	proposed in the PH Report.	2021
15 January 2021	WEL-004-20	Middleborough Car Parking Spaces Lease Surrender	Rory Doyle	To approve the surrender of the lease for 225 parking spaces on the lower levels of Middleborough Car Park for a premium to be paid to the Council. To delegate power to the Assistant Director Environment to complete the surrender of the lease in accordance with the agreed terms.	22 January 2021
19 January 2021	WEL-005-20	Decision to Award Contract for Integrated Parking Syatem	Richard Walker	Award of contract for the supply of the integrated parking system to Chipside Ltd.	26 January 2021

Portfolio – Culture and Performance

Date	Number	Report Title	Author	Decision	Result
16 December 2020	CUL-003-20	Response to Babergh and Mid Suffolk Joint Local Plan	Rachel Forkin	To agree CBC response to the Babergh and Mid Suffolk Pre-Submission Joint Local Plan.	Decision agreed 23 December 2020
7 January 2021	CUL-004-20	Development Brief for the ABRO Site	Alistair Day	To consult the public on the draft ABRO Development Brief with the intention to adopt the brief as planning guidance, with the option to change the status of the brief to supplementary planning document following the public consultation	Decision agreed 14 January 2021

Agenda item 10

Record of Decisions taken under Scheme of Delegation to Cabinet Members 20 November 2020 – 9 February 2021

				exercise	
7 January 2021	CUL-005-20	Roman Circus Management Plan	Alistair Day	To consult the public on the draft Roman Circus Management Plan with the intention to adopt the plan as planning guidance, with the option to change the status of the brief to supplementary planning document following the public consultation exercise	Decision agreed 14 January 2021

Portfolio – Customers

Date	Number	Report Title	Author	Decision	Result
22 December 2020	CUS-003-20	Award of Contract for Mobile, Voice and Data Services	Kieran Johnston	To award the contract for the supply of mobile voice and data services to BT Plc for a period of 5 years from January 2021 to January 2026 for the sum of £248,750.	Decision agreed 5 January 2021

Portfolio – Housing

Date	Number	Report Title	Author	Decision	Result
18 November 2020	HOU-011-20	Award of the Contract for the Build of New Council Homes at Military Road	Andrew Tyrrell/Martin Leek	To award a contract to T J Evers Limited for the construction of 8 new council homes (2 x 2-bedroom mews houses, 3 x 1-bedroom flats and 3 x 2-bedroom flats) at Military Road. To agree that in the event of any	Decision Agreed 2 December 2020

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
20 November 2020 – 9 February 2021**

				<p>unforeseen issue(s) in proceeding with the above contractor, the contract would then be awarded sequentially to the next-placed contractors.</p> <p>To note that once awarded, the Assistant Director for Place & Client Services was previously delegated authority (via Cabinet decision dated 8 July 2020), in consultation with the Portfolio Holder for Housing, to agree and implement all consequential contractual, legal, financial or other related matters for the contracted project through to completion and occupation of the new homes.</p>	
27 November 2020	HOU-012-20	Response to Government's consultation paper "Raising the Accessibility Standards for New Homes"	Ruth Newcombe	To agree Colchester Borough Council's response to the "Raising the Accessibility Standards for New Homes" consultation paper as set out in the Portfolio Holder report	Decision agreed 4 November 2020
12 December 2020	HOU-013-20	Housing Revenue Account Fees and Charges 2021-22	Suzanne Norton	Approval of the Housing Revenue Account Fees and Charges 2021/22	Decision agreed 7 January 2021

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
20 November 2020 – 9 February 2021**

Portfolio – Strategy					
Date	Number	Report Title	Author	Decision	Result
No decisions in this period					

Portfolio – Waste, Environment and Transportation					
Date	Number	Report Title	Author	Decision	Result
25 November 2020	WAS-004-20	Essex County Council Consultation – Sustainable Modes of Travel Strategy	Jane Thompson	To agree Colchester Borough Council's (CBC) response to the ECC Sustainable Modes of Travel Strategy. To makes the representations to the ECC listed under paragraph 8.8 of the report	Decision agreed 2 December 2020
11 January 2021	WAS-005-20	Essex County Council Consultation – Future Transport Strategy	Jane Thompson	To respond positively to the CFTS consultation and suggest areas where the Borough Council wishes to work with the County Council to strengthen and enhance the objectives, focus areas for schemes and delivery timescales to help take them forward to enable the vision to be realised. These focus areas are: Integrated interchange hubs • Integrating transport schemes	18 January 2021

Record of Decisions taken under Scheme of Delegation to Cabinet Members
20 November 2020 – 9 February 2021

				<p>including creating interchange hubs at bus stops and rail stations with access to e-bikes, e-scooters or quality walking routes, or cycle parking for onward travel to the town centre or other destinations. Also integrated booking and payment systems for easy access to move between transport modes.</p> <p>Travel Change Initiatives</p> <ul style="list-style-type: none"> • Enabling and promoting travel change initiatives for example shared mobility and easy access to bikes/e-bikes, cargo bikes/e-cargo bikes; e-scooters e-car clubs; car sharing; travel planning and electric vehicle charging network, all available for the use of residents, businesses and visitors. • Links to workplace travel planning and schools travel with 'park and stride' and other transport initiatives. • Secure cycle parking provision in the town centre to ensure the safety of bikes which are parked while visitors are working or shopping. <p>Public Transport Improvements</p> <ul style="list-style-type: none"> • Considering options for expanding the public transport offer to allow 	
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Record of Decisions taken under Scheme of Delegation to Cabinet Members
20 November 2020 – 9 February 2021

				<p>faster, seamless access and connectivity to destinations. Examples are closer integration with the park and ride service, rapid transit and demand responsive transport. As well as looking at prioritising public transport to allow better, inclusive and faster access to destinations, considering smarter ticketing and integration with other transport modes, and working with commercial transport providers to encourage costs effective and family friendly pricing.</p> <p>Eco Parking (Park and Choose)</p> <ul style="list-style-type: none"> • Park Active at car parks on the edge of town where people are encouraged to walk, cycle or scoot to their onward destination. • The recently adopted Positive Parking Strategy includes environmental charging, which seeks to move away from charging for parking and instead focus on the environmental impact of vehicles driving into the town, and the looking at the possibility of a workplace levy on parking spaces • Closer integration of the park and ride offer with the newly adopted 	
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**Record of Decisions taken under Scheme of Delegation to Cabinet Members
20 November 2020 – 9 February 2021**

				<p>Colchester Positive Parking Strategy to ensure park and ride is favoured over town centre car parks for those working or visiting Colchester.</p> <p>Edge of town freight interchange hubs</p> <ul style="list-style-type: none"> Investigation and implementation of edge of town freight interchange hubs where evehicles or e-cargo bikes can then complete the 'last mile' deliveries. <p>Air Quality</p> <ul style="list-style-type: none"> Improvements in Air Quality is a priority for Colchester Borough Council and we would like to see the ten-year target broken down to include those improvements that can be carried out within the next five years. <p>Further Travel Change Initiatives • Initiatives such as Liveable Neighbourhoods, School Streets, designated 20 mph zones, protected cycling and walking routes as well as the Town Deal bid for improved walking and cycling environment can offer a significant</p>	
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**Record of Decisions taken under Scheme of Delegation to Cabinet Members
20 November 2020 – 9 February 2021**

				start to working towards the vision particularly in Zone 1 and provide opportunity to build on and expand in the future. All schemes and traffic management measures need to be supported by suitable enforcement and measures to ensure traffic and speed restrictions are adhered to.	
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27 January 2021

Report of	Chief Operating Officer	Author	Paul Cook ☎ 505861 Darren Brown ☎ 282891
Title	Budget 2021/22 and Medium-Term Financial Forecast		
Wards affected	All		

1 Executive Summary

- 1.1 The report recommends a sustainable 2021/22 budget and Medium Term Financial Forecast 2021/22 to 2024/25.

2 Recommended Decision

- 2.1 To approve the 2021/22 Revenue Budget and revised Medium Term Financial Forecast as set out Appendix A.
- 2.2 To note the budget robustness statement and forecast level of balances set out in Appendix B.
- 2.3 To approve the Treasury Management Strategy 2021/22 to 2024/25 set out in Appendix C
- 2.4 To recommend to Council the 2021/22 revenue budget requirement of £20.623m as set out in Table E1 in Appendix E.
- 2.5 To recommend to Council Colchester's element of the Council Tax at £200.52 per Band D property being an increase of £4.95.
- 2.6 To increase the officer delegation to write off bad debts to £10k as per Section 12 of this report, subject to the approval of 19 January 2021 Governance and Audit Committee.
- 2.7 To note the proposed government changes to external audit arrangements set out in Section 8.17 to 8.20.

3 Reason for Recommended Decision

- 3.1 To balance the 2021/22 budget and revise the Medium Term Financial Forecast.

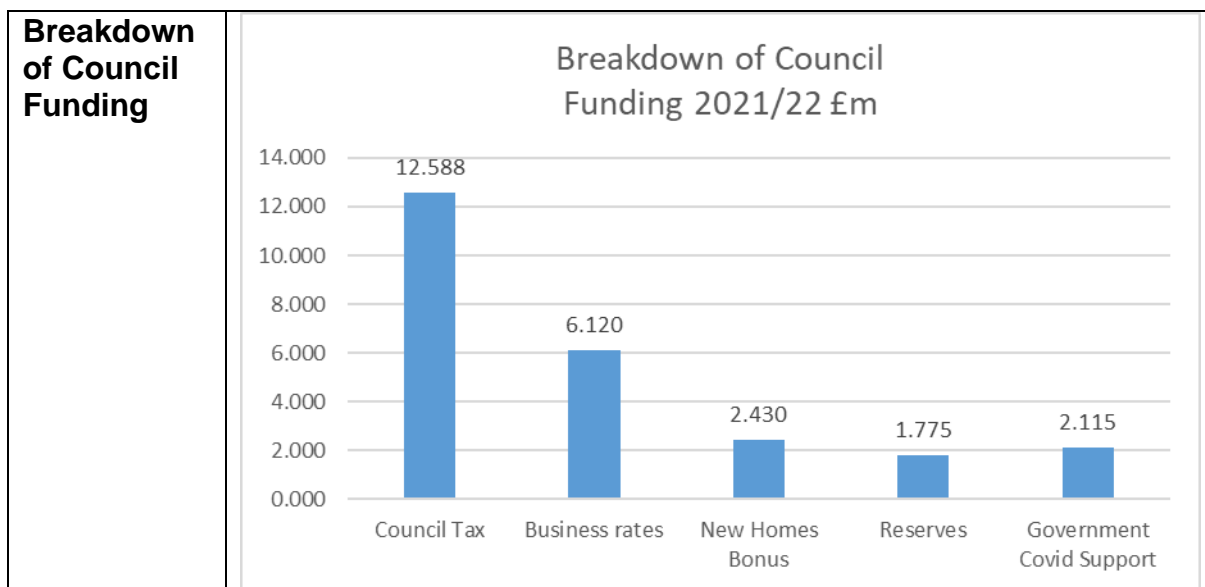
4 Alternative Options

- 4.1 None.

5 Summary of Council Funding

- 5.1 The table below describes some of the key budget terms used in the paper and the needs and services to which they relate and the sources of budget funds.

Revenue	These are the running costs and income sources of the Council, including <ul style="list-style-type: none"> • Salaries of staff • Supplies and services provided to the Council and residents • Fees and charges where payments are required
Capital	Council investment in land and buildings, plant and equipment, whether Council buildings, leisure, sports and other facilities, or in support of services to residents.
Housing Revenue Account or HRA	The costs of maintaining or adding to the Council's circa 5,900 council houses and flats. This account is kept separate from the Revenue and Capital accounts and is self-financing, in that income must meet or exceed spend in any year.
General Fund	Non-HRA services accounted such as waste collection, housing benefit administration, planning, democratic services and sports and leisure for example.
The 21/22 Budget	General Fund Revenue financial plan for next year 2021/22
MTFF	Our financial plan for the next four years on General Fund or Medium Term Financial Forecast
Net Budget requirement	A technical budget setting calculation the Council must make in accordance with complex rules set by the Government. It is essentially running costs less sales fees and charges and grants for individual services.
Net General Fund Services Budget	At some £23m (excluding North Essex Parking Partnership) it reflects the costs of all services and payments passing through the Council, at some £89m less £66m income, as set out in Appendix G.
Government funding	Since 2012 this comes mainly from retained Business Rates. New Homes Bonus is also a significant, if reducing, component. The balance of Council funds comes from Council Tax.
Business rates	We collect about £70m a year of which we expect to retain £6.120m in 2021/22. Business rates are set nationally.
Council tax	We collect about £110m, most of which goes to Essex County Council and expect to retain £12.588m in 2021/22. Our part of the Council Tax may be increased up to a maximum £5 per annum in 2021/22, without a referendum.
Collection Fund	Under government regulations, business rates and council tax are held and accounted for in a separate Collection Fund. This income is then distributed as required, to the government, the county council, and others, including this Council. It is also used to hold and share surpluses or to meet budget deficits, often over several years.

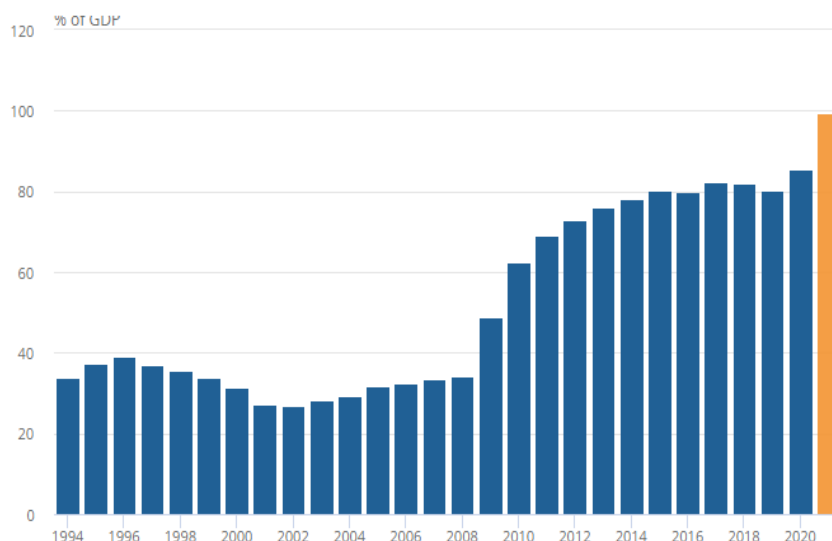


6 Macro-economic context

- 6.1 Public debt rose by £301.6 billion in the first eight months of the financial year to reach £2.1 trillion at the end of November 2020. At some 99.5% of gross domestic product (GDP) this was the highest level of government indebtedness since the 1960's and will increase throughout the MTFF period. Public sector borrowing costs are relatively low, but public finances will need to be put on a sustainable basis. To do so it is likely that government funding to Local Authorities will be reduced, as was the case after the financial crisis of 2008 and this could be a significant issue for this Council, in the medium term.

Figure 8: Debt as a ratio of GDP has increased considerably during the COVID-19 pandemic

Public sector net debt excluding public sector banks, UK, March 1994 to the end of November 2020



- 6.2 The HM Treasury average of independent forecasts for GDP decline in calendar year 2020 is 10.9%. In calendar year 2021 the economy is expected to recover by 5.4%, with a full recovery to pre pandemic levels unlikely before late 2022, at best. Unemployment has already risen sharply to 6% and is expected to rise further to 6.8% in calendar year 2021. The impact on the Council is likely to be reduced Government support in the medium term as the public finances need to be put back in order. A depressed economy will also impact on the Council's income, from less resident and visitor discretionary spend on leisure, to areas such as commercial rents and car parking. Higher unemployment will create an increased demand for Local Council Tax Support.

FORECASTS FOR THE UK ECONOMY

This edition of the comparison contains 18 new forecasts, all of which were received between December 1st and December 11th 2020. The tables below summarise the average and range of independent forecasts for 2020 and 2021 and show the average of this month's new forecasts.

Forecasts for 2020					
	Averages		Independent* December		Average of new* forecasts
	December	November	Lowest	Highest	
GDP growth (per cent)	-10.9	-10.6	-11.5	-8.9	-11.1
Inflation rate (Q4: per cent)					
- CPI	0.7	0.6	0.3	1.0	0.7
- RPI	1.4	1.2	0.7	1.7	1.4
LFS unemployment rate (Q4: %)	6.0	6.4	4.5	7.5	5.9
Current account (£bn)	-60.8	-61.2	-88.2	-42.1	-58.3
PSNB (2020-21: £bn)	380.9	359.2	332.5	422.7	381.2

Forecasts for 2021					
	Averages		Independent* December		Average of new* forecasts
	December	November	Lowest	Highest	
GDP growth (per cent)	5.4	5.3	1.3	7.5	5.4
Inflation rate (Q4: per cent)					
- CPI	1.9	1.9	0.8	3.7	2.0
- RPI	2.6	2.6	1.1	4.9	2.7
LFS unemployment rate (Q4: %)	6.8	7.2	5.7	8.1	6.7
Current account (£bn)	-84.0	-77.2	-137.0	-40.0	-77.9
PSNB (2021-22: £bn)	199.7	195.9	138.6	276.0	202.1

7 Outlook for Local Government Funding

- 7.1 The provisional 2021/22 Local Government Finance Settlement was published on 17 December 2020. The Settlement is in three main parts:

- Support for Covid costs and impacts
- Core funding from government
- Changes to local authority external audit

- 7.2 Consultation on Covid support and impacts ended on 14 January 2021. Support has covered most costs and lost income in the current financial year 2020/21 and Councils are promised further help in 2021/22. Due to a prudent level of reserves and sound financial management Colchester has been able to cover direct and indirect Covid costs as well as lost income in 2020/21. The Council can do so again in 2021/22.

- 7.3 Government consultation on core funding ended on 16 January 2021. The Local Government Association response highlighted that more than 85% of the core funding increase next year is dependent on councils increasing council tax by up to 5%. These figures include the 3% social care precept which does not benefit Colchester Borough Council finances.

- 7.4 Whilst there is continuing government support for most Covid costs and impacts, changes to core funding are much more concerning. In the longer term the local government finance settlement is likely to be constrained by the long-term pressures on public finances from the massive direct and indirect costs associated with the pandemic. Colchester budgets could be significantly affected from the 2022/23 financial year.
- The latest Spending Review was for one-year only, for budget year 2021/22 and a Comprehensive Spending Review is overdue. A new Spending Review should provide greater medium-term certainty but may also see adjustments to Departmental Expenditure Limits (DEL) which favour departments other than the Ministry for Housing, Communities and Local Government (MHCLG).
 - Long awaited proposals to introduce 100% business rates retention by local authorities. The detail of the proposals has yet to be published.
 - The long delayed Fair Funding Review may redistribute government support to Local Authorities and impact significantly on this Council's spending power.
 - Changes to New Homes Bonus have been made that reduce future year income. Further changes may be made under a planned review of the scheme. This could disadvantage the Council given the levels of housing growth in the Borough over the last decade and the new homes bonus this provided.
- 7.5 The changes set out above could present a significant risk to our finances and accordingly our service provision, as reflected in the Strategic Risk Register. Any extended disruption caused by the Covid pandemic may however delay or impact the Government's ability to develop and introduce such measures and to provide the stability needed for the Medium-Term Financial Forecast (MTFF). This will be kept under constant review.
- 7.6 The Covid pandemic, its economic aftermath and accelerated societal trends will create downward pressure on shopping and visiting. These changes will be compounded by increased reliance on online access to services. This could have a significant impact on the Council's leisure and car park income.
- 7.7 Business rates and Council Tax payments recovery are likely to prove increasingly challenging, as businesses struggle, injured by repeated lockdowns and facing difficult trading and economic conditions.

8 Overview of Government Funding for Covid-19 and the Provisional 2020 Local Government Finance Settlement

Covid Funding

- 8.1 Substantial Government financial support has been received during 2020/21 with unringfenced grants of £2.914m and Income Loss Support Grant currently forecast at £3.928m
- 8.2 The 2020 Spending Review announced £1.550bn new Covid funding in 2021/22 for local government. The Colchester allocation of £993k for 2021/22 was announced by MHCLG on 17 December 2020 in the provisional Local Government Finance Settlement. This is welcome additional support for the Council.
- 8.3 The Spending Review also announced £670m support for increased Local Council Tax Support (LCTS) costs. The allocation in the provisional Local Government Finance

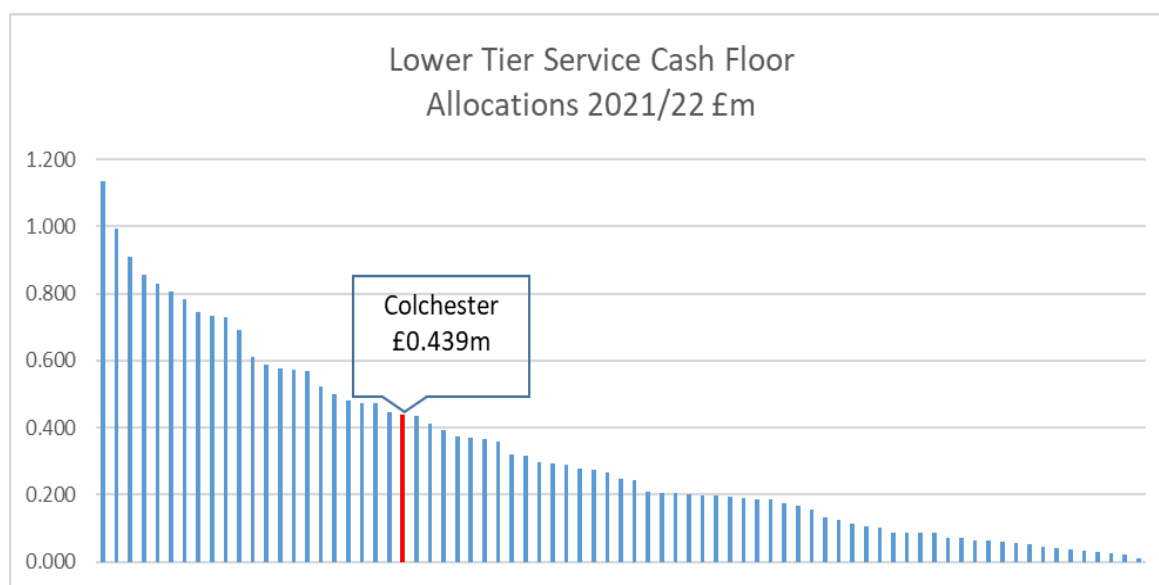
Settlement is £1.7m for the Colchester billing area, covering the impact on all recipients of Council Tax. The allocation for Colchester is £0.2m. The current Medium Term Financial Forecast assumption is a 12.5% increase in demand for this help with Council Tax bills, assuming the current normal eligibility criteria. The additional funding will help meet this cost.

- 8.4 The Spending Review extended sales fees and charges income loss grant to Q1 of 2021/22. This was confirmed in the provisional Local Government Finance Settlement. This is a forecast £500k gain for the Council and has been built into the Medium-Term Financial Forecast. The grant will continue to be calculated on 2020-21 income budgets. The extension of the grant is welcomed by the Council.
- 8.5 Under the Spending Review the government announced it will provide Income Loss grant towards **irrecoverable** 2020/21 council tax and business rates losses. This was confirmed in the provisional Local Government Finance Settlement. This additional support is welcomed by the Council. The council tax collection rate assumption has been increased in the Medium-Term Financial Forecast to 97.5% (from 95%). This means a £1m forecast loss to bear in 2021/22, of which Colchester must bear 25%. This is provided for in the Medium-Term Financial Forecast.

Core Funding

- 8.6 There is no change in the Settlement to the council tax referendum principles for 2021/22. For district councils the limit remains £5 or 2% whichever is the higher. However, a £5 council tax increase is already assumed by Government in calculating and proposing to maintain Colchester's 2021/22 core spending power at the same level as 2020/21. Not to make a £5 council tax increase would lead to a loss of £498k spending power in 2021/22. The Council would have expected more flexibility on referendum limits in 2021/22 and that a 2% council tax increase would not automatically be assumed in assessing Spending Power.
- 8.7 Immediate 2021/22 changes and a proposed fundamental review of New Homes Bonus is likely to have a very significant impact on Colchester's funding. Colchester is a rapidly growing borough and is particularly badly affected.
- 8.8 The provisional Local Government Finance Settlement finalised 2021/22 entitlements. The New Homes Bonus earned by Colchester for 2021/22 is £2.430m, some £1.772m in legacy payments and £0.708m for 2021/22.
- 8.9 There are no legacy payments for the bonus already earned in 2020/21 (year 10 of the scheme). This is a direct loss of £1.286m in 2021/22 and a loss over the Medium-Term Financial Forecast period of £3.858m compared to the previous arrangements.
- 8.10 Similarly, there are no legacy payments for the bonus earned for 2021/22 (year 11 of the scheme). This is a direct loss of £0.708m in 2022/23 and a loss over the Medium-Term Financial Forecast period of £2.124m compared to the previous arrangements.
- 8.11 New Homes Bonus forecasts for later years of the Medium-Term Financial Forecast have therefore been reduced to £800k (excluding the affordable housing element) and no further legacy payments are assumed. The planned use of New Homes Bonus is set out in the Appendix I.

- 8.12 The Local Government Finance Settlement introduced a new Lower Tier Services Grant in 2021/22. The grant is in two parts – service and cash floor.
- 8.13 The service component of the grant is directed to all 364 councils providing lower tier services. This is the responsibility for services such as homelessness, planning, recycling and refuse collection and leisure services. The bulk of funding is paid to unitary authorities, metropolitan districts and London Boroughs. This element of the grant is based on 2013/14 spending data.
- 8.14 The cash floor component is intended to protect 77 of the lower tier authorities, so they do not have reduced core spending power in 2021/22 compared to 2020/21. Colchester falls into this category.
- 8.15 The Colchester Lower Tier Services Grant allocation for 2021/22 is £0.623m. This comprises £184k for services and £439k for the cash funding floor. Colchester's cash floor allocation is the 22nd highest of all authorities demonstrating the impact of the settlement on this authority. The Lower Tier Services Grant will only partially compensate for the loss of New Homes Bonus referred to above. There appears to be no commitment the new grant will be paid after 2021/22. So whilst Colchester will be initially protected from some funding losses the medium term position is less clear.



- 8.16 The net impact of the settlement on the Council is that additional costs and income losses in 2020/21 have been largely covered with £1.000m unplanned use of reserves being required. In 2021/22 the extent of government support for Covid costs and income losses has yet to be finalised. Current expectations are that the Council will need to use £2.400m of reserves in addition to its previously planned usage. The Council is also needing to make £2.528m of savings in 2021/22. There are a number of major changes to Government funding in the medium term and these will need to be watched carefully. In particular the loss of New Homes Bonus is a concern.

Changes to local authority external audit

- 8.17 Following delivery problems and delays with 2018/19 and 2019/20 audit delivery an independent review commissioned by the Government has been carried out by Sir Tony Redmond.

- 8.18 The Government intends to set 30 September as the publication date for 2020/21 and 2021/22 accounts. Audit firms will be required to improve their skills and training.
- 8.19 Audit fees are likely to increase, but some additional funding will be provided to authorities to meet the cost. External auditors will report annually to the full Council. The complex form of accounts will be reviewed, including a standardised statement of service information and costs.
- 8.20 Colchester has been able in recent financial years to produce its accounts for audit to meet a 31 July publication timetable. It is disappointing that a later publication date is now envisaged by government with increased audit costs.

9 Budget Pressures, Response and Remedies for the Council

- 9.1 We have an exceptionally challenging health and economic situation nationally and locally, damaging all forms of income to the Council and increasing our costs. The Council has responded robustly, to reduce the impacts whilst retaining a prudently progressive approach to the 2021/22 budget, that supports investment in the local economy, local businesses and those they employ, and recovery.
- 9.2 The rate of recovery will be dictated by Government policy on lockdown. Income budgets in 2021/22 assume a reduced level compared to 2020/21 original budgets and a gradual recovery. Any losses compared to 2020/21 original budget are likely to be protected by Government income loss grant. However, the position needs to be kept carefully under review through the normal monitoring processes. The financial position will be updated early in the new financial year and fully updated for Quarter 1. This will include regular reports to the Cabinet and Scrutiny Panel.
- 9.3 Despite the highly challenging context, the Council's Budget will allow it to maintain essential as well as highly regarded discretionary services to residents and to meet the environmental, health, housing and other needs of the Borough, as set out within the Council's Strategic Plan.
- 9.4 Working in partnership with the Business Improvement District (BID) and other groups the Council will also continue to ensure everything possible is done to promote economic and town centre recovery. It will continue to invest in the future of Colchester as a place in which to live, work, visit and invest, with projects such as the Northern Gateway. A vigorous programme of housing investment will continue. Capital investment will deliver improved services and retain or increase employment. The programme invests in local community facilities including £1.500m for St Marks Community Centre. This will be partly funded from S106 resources.
- 9.5 Council efficiencies, and service delivery improvements will deliver a wide range of saving, some £2.528m in 2021/22. These were reported to October 2020 Cabinet and there are no significant changes since.
- 9.6 The Council's expenditure assumptions allow for usual pressures and cost growth, such as inflation and interest charges, and the wholly exceptional income loss and other pressures created by the pandemic and related economic crisis. Together these total £7.376m in 2021/22. The key items:
- Covid income losses - £4.129m
 - Waste and recycling - £1.044m due to the low market prices for materials combined with increased service volumes
 - Interest payable to finance 2021/22 capital programme - £0.644m

- Transformation and Recovery - £0.500m
- Inflation allowance - £0.440m
- Council tax sharing agreement - £0.150m lost income

9.7 The Capital Programme is reported separately on this agenda.

9.8 The 2021/22 budget assumes a £4.95 Colchester council tax increase that will raise some £0.5m annually, and the Medium-Term Financial Forecast assumes the same increase is made in future financial years.

9.9 A 97.5% council tax collection rate is assumed but Local Council Tax Support take-up from 2021/22 is assumed to be 12.5% higher than originally budgeted for 2020/21. Growth in property numbers is assumed to be 1% per annum.

9.10 The Medium-Term Financial Forecast also assumes a £200k gain from the Council's membership of the Essex Business Rates Pool.

9.11 Minor increases to Council tax and sales, fees and charges have been made, as agreed by Cabinet in November 2020. Some are below inflation, others broadly in line with inflation but together they help maintain Council income.

9.12 Despite significant savings and efficiencies, it will be necessary to use £2.400m of Council reserves in 2021/22 to meet Covid related lost income and other pressures. This is in addition to the reserves already used in 2020/21. A full statement on reserves is provided in Appendix H.

9.13 The Medium-Term Financial Forecast and the assumptions used are set out in Appendix A to this report.

10 **MTFF Consultation**

10.1 A public consultation has been undertaken on the 2021/22 budget and the results are set out in Appendix D.

10.2 The budget strategy and timetable have ensured that information is available for Scrutiny Panel and input from all Members.

10.3 A cross-party Task and Finish Group considered the introduction of green waste collection charges to help reduce the budget gap. The Group did not support charges. Their recommendations were accepted by the Cabinet in August 2020.

10.4 Budget workshops were held on 4 August 2020; 26 August 2020; 5 October 2020 and 7 December 2020. This allowed all members to understand and share in the task of meeting the budget challenge, to be achieved by cost reduction, service transformation and efficiencies that included staff reductions, and the use of reserves.

10.5 The Leader of the Opposition and the Shadow Portfolio Holder for Business and Resources attended Budget Workshops and are also able at any stage of the budget process to meet with officers to assist with consideration of any alternative budget proposals.

10.6 The statutory consultation with business ratepayers will take place on 9 February 2021.

11 Risk Management Implications

11.1 Extensive modelling work has been undertaken with service managers to assess the potential range of impacts on spend and income of the crisis before adopting the assumptions described within the report.

11.2 Staff and support costs reflect current assumptions and progress made in this financial year but will be subject to the progress of our service transformation and efficiency work.

11.3 The pandemic and related economic crisis will however mean very significant uncertainties will need to be managed in year. If necessary, by seeking further government support or by drawing yet further on reserves to ensure, as is mandated, that the budget is balanced

12 Financial implications

12.1 As set out in the main body of this report.

12.2 Under Financial Regulations, any debt write-off in excess of £5k must be referred to the Portfolio Holder. It is recommended this limit is increased to £10k from April 2021 and then by inflation subject to minimum steps of £1k, consistent with wider good practice.

12.3 The change will not have a direct financial impact but will ease administration. This change is subject to approval at the 19 January 2021 Governance and Audit Committee.

13 Environmental and Climate Change Implications

13.1 All budget measures are assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's recovery planning and a core theme of the new Strategic Plan.

13.2 In addition to specific programmes, the Medium-Term Financial Forecast allows £100k from 2021/22 for Climate Change initiatives.

14 Equality and Diversity Implications

14.1 Consideration will be given to equality and diversity issues in respect of budget changes proposed as part of the budget process. This will be done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

15 Other Standard References

15.1 There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.

Appendices

A	2021-25 Medium Term Financial Forecast and Assumptions
B	Budget Robustness Statement
C	Treasury Management Strategy Statement
D	Budget Consultation

E	Technical reconciliations of budget requirement 2021/22
F	Summary Budget 2021/22
G	2021/22 General Fund Budgets
H	Reserves, Provisions and Balances
I	Allocation of New Homes Bonus

Appendix A – 2021-25 Medium Term Financial Forecast and Assumptions

2021/22 Budget and MTFF	21/22	22/23	23/24	24/25
	£'000	£'000	£'000	£'000
Previous year's budget	21,599	25,028	22,583	23,123
Cost pressures & Growth items	2,103	279	1,821	940
Capital financing	644	(50)	200	200
Income losses	4,129	(2,000)	(350)	(200)
Transformation and recovery	500	(500)	0	0
Savings	(2,528)	(315)	(290)	(50)
Change in forecast use of new homes bonus	(1,419)	141	(841)	300
Current year's budget	25,028	22,583	23,123	24,313
Business rates	(6,120)	(5,580)	(5,123)	(4,667)
Govt - Covid Funding	(1,493)	0	0	0
Govt Grant	(622)	0	0	0
New Homes Bonus	(2,430)	(2,091)	(950)	(950)
Council Tax	(12,588)	(13,027)	(13,475)	(13,931)
Previously planned use of reserves	625	625	750	750
Covid use of reserves	(2,400)	(900)	(400)	(200)
Budget Gap Cumulative	0	1,610	3,925	5,315

MTFF Assumptions	21/22	22/23	23/24	24/25
Council Tax collection	97.5%	97.5%	97.5%	97.5%
Growth in council tax base	1.0%	1.0%	1.0%	1.0%
District council tax increase	£4.95p	£4.95p	£4.95p	£4.95p
LCTS increased take-up	12.5%	12.5%	12.5%	12.5%
Rate of increase in charges	3.0%	3.0%	3.0%	3.0%
Business rates Covid impact	250k	333k	333k	333k

Appendix B – Budget Robustness Statement

- 1 In 2019/20 the Council contained spend within the approved budget. In 2020/21 the Council's financial position has been substantially affected by the Coronavirus pandemic. However, most income losses and additional costs have been met by Government grants and expenditure controls. The unplanned use of reserves in 2020/21 is therefore expected to be limited to around £1m.
- 2 Government has already committed to provide additional support for Covid costs in the early part of 2021/22. The income loss grant is extended into 2021/22 and will now cover irrecoverable council tax and business rates losses in 2020/21.
- 3 The Council has a good record of delivering agreed savings. The 2021/22 savings proposals were developed by a comprehensive programme of officer meetings reviewing all service budgets line by line supported by Finance Business Partners.
- 4 The Council has in place reliable revenue and capital monitoring processes enabling it to take corrective action in the event of unexpected budget variations. The Council has good finance and performance monitoring processes including the Performance Management Board, the Revolving Investment Fund Steering Group and a Cabinet chaired Budget Group. These arrangements will ensure that any new expenditure proposals are adequately assessed and that overall spend is managed effectively, in line with overall budgets.
- 5 The Council is relying on an additional £2.400m use of balances to deliver its core services in 2021/22. Given the exceptional situation this is appropriate.
- 6 The budget process allows for the review of budget proposals by the Scrutiny Panel and this has applied to the 2021/22 proposals.
- 7 The use of resources judgment by BDO (the external auditors) in the 2019/20 audit was satisfactory, following an assessment of the Council's approach.
- 8 There is an effective risk management process in place in the Council.
- 9 The 2021/22 Provisional Local Government Finance Settlement suggests significant reductions in the Council's New Homes Bonus allocation from 2021/22 onwards. This has been recognised in the MTFF and only a small and decreasing value of New Homes Bonus is used in later years to support the base budget.
- 10 The MTFF nonetheless shows significant gaps in 2022/23 and onwards. Work will therefore begin earlier than usual to address the gaps. By organisational transformation work and the identification of further savings.
- 11 The Chartered Institute of Public Finance and Accountancy resilience index has yet to be updated, but Colchester would expect, on current criteria and past performance to score well, given robust controls, high rates of collection and effective prudent stewardship including reserves.
- 12 It appears therefore that the 2021/22 budget and Medium Term Financial Forecast are robust and the reserves and balances adequate as set out in the succeeding tables.

Appendix C

Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and

Annual Investment Strategy

2021/22

1 Introduction

- 1.1 The Statement includes the Minimum Revenue Provision Policy Statement and Annual Investment Strategy.
- 1.2 Cash flows, in and out of the Council's accounts must be effectively managed. 'Treasury management' is the term used to capture this money movement and management. The Council must ensure money is available when needed to meet bills due, to pay salaries or to invest safely, to secure a good rate of return.
- 1.3 The second main function of treasury management is to fund the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council. This longer-term cash flow planning may involve long or short-term loans and or the use of longer-term cash flow surpluses. If borrowing costs or circumstances change, debts may be restructured, paid off or borrowing periods changed.
- 1.4 The contribution treasury management makes to the authority is critical, as it ensures the Council can meet spending commitments as they fall due, either for day-to-day requirements or larger capital projects.
- 1.5 Treasury management balances the interest costs of debt and the investment income arising from cash deposits and invests safely to minimise the risk of any losses.
- 1.6 The Council may provide funding to commercial initiatives or loans to third parties. These must also be managed effectively and reported openly, in accordance with the Localism Act 2011. They are classed as non-treasury activities, usually arising from capital expenditure, separate from day-to-day treasury management activities.
- 1.7 The Chartered Institute of Public Finance and Accountancy Code defines Treasury management as:

'The management of the local authority's borrowing, 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'.
- 1.8 Treasury management arrangements affect the Council's revenue budget and Medium Term Financial Forecast. Interest paid as a result of borrowing must be met in year, and income due from investments must be recognised. The Treasury Management Strategy is an integral part of setting the Council's budget, as is the Capital Strategy provided elsewhere on the Cabinet agenda to provide transparency as to the Council's long term investment plans.

Reporting requirements

- 1.9 The Council is currently required to receive three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are all required to be scrutinised and reviewed. This role is undertaken by the Council's Scrutiny Panel and Governance and Audit Committee.
- 1.10 The Treasury Management Strategy is set ahead of the financial year. A Mid-Year Treasury Management Report updates on the capital position, amending prudential indicators as necessary, and any policies require revision. The Annual Treasury Report, after the financial year end, reports on actual spend, borrowing and performance compared to estimates and intent.

Prudential and Treasury Indicators and Treasury Strategy

- 1.11 The year's Treasury Strategy is recommended to Full Council following consideration by the Scrutiny Panel. It covers:
- Capital plans and related borrowing
 - Minimum Revenue Provision policy (MRP) - how and when capital expenditure is charged to the revenue budget over time
 - Treasury Management Strategy - how the investments and borrowings are to be organised and repaid
 - Investment Strategy - how investments are to be managed.

Training

- 1.12 The Chartered Institute of Public Finance and Accountancy Code requires the S151 Officer to ensure that Members with responsibility for treasury management or scrutiny receive adequate training in treasury management. Further training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

Treasury Management Strategy for 2021/22

1.13 The Treasury Management Strategy for 2021/22 covers two main areas:

Table 1 – Content of Treasury Management Strategy	
Capital	capital expenditure plans and the associated prudential indicators
	minimum revenue provision (MRP) policy
Treasury management	current treasury position
	treasury indicators which limit the treasury risk and activities of the Council
	prospects for interest rates
	borrowing strategy
	policy on borrowing in advance of need
	debt rescheduling
	investment strategy
	creditworthiness policy
	policy on use of external service providers

1.14 The above meets the requirements of:

- the Local Government Act 2003
- the Chartered Institute of Public Finance and Accountancy Prudential Code
- the Ministry of Housing Communities and Local Government Minimum Revenue Provision Guidance
- the Chartered Institute of Public Finance and Accountancy Code and Treasury Management Code
- Ministry of Housing Communities and Local Government Investment Guidance.

Treasury management consultants

1.15 The Council uses Link Asset Services as its external treasury management advisors but responsibility for treasury management decisions remains with the Council.

International Financial Reporting Standard 16 Leases

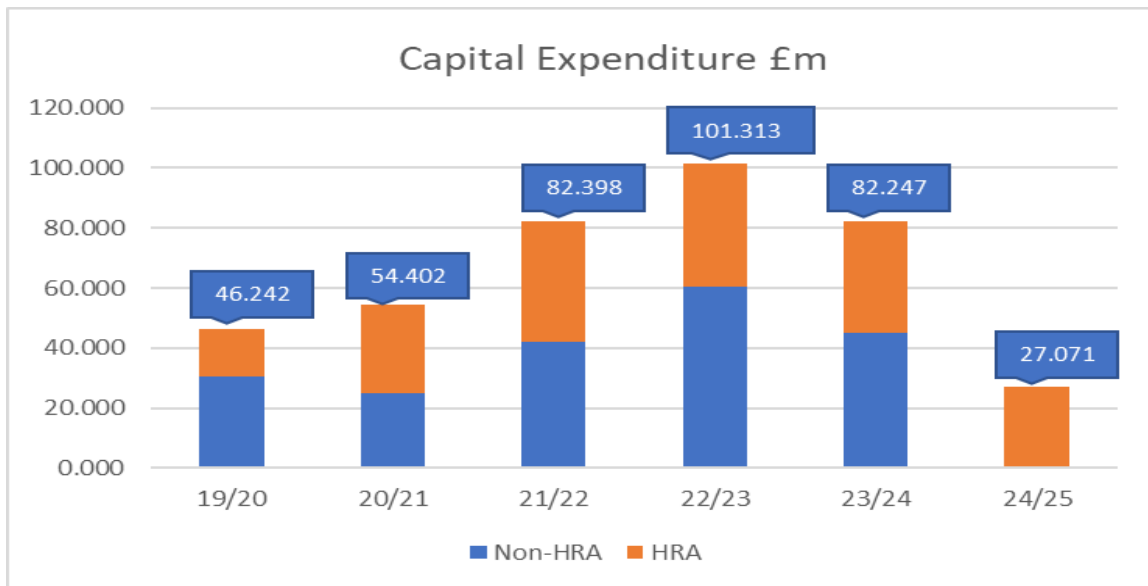
- 1.16 This standard replaces the current guidance on leases in International Accounting Standard 17. The new Standard provides a single lessee accounting model. This requires lessees to recognise assets and liabilities for all leases. (Unless the lease term is 12 months or less or the underlying asset has a low value.) Lessors continue to classify leases as operating or finance. International Financial Reporting Standard 16 approach to lessor accounting remaining substantially unchanged from International Accounting Standard 17.
- 1.17 The Chartered Institute of Public Finance and Accountancy has now delayed implementation of International Financial Reporting Standard 16 in the Accounts Code until 1 April 2022. The impact of adopting International Financial Reporting Standard 16 will be disclosed in the financial statements for the year ending 31 March 2023.

2 The Capital Prudential Indicators 2019/20 – 2024/25

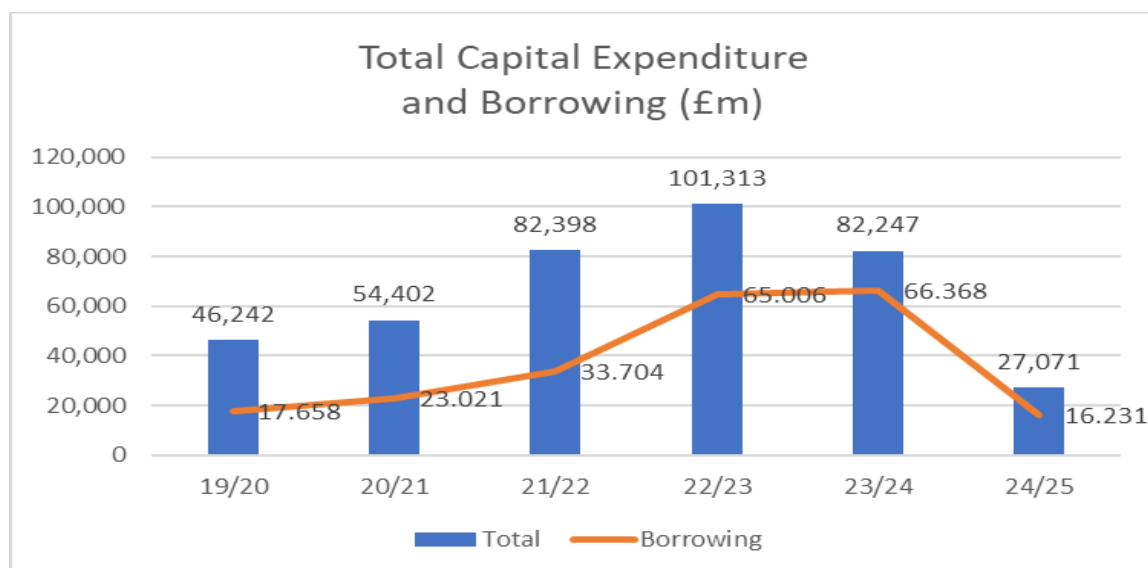
- 2.1 The Council's capital expenditure plans are the key driver of treasury management and the prudential Indicators are the measures against which performance can be assessed.

Capital expenditure

- 2.2 This prudential Indicator is a summary of the Council's capital expenditure plans as set out in a separate report on this agenda.

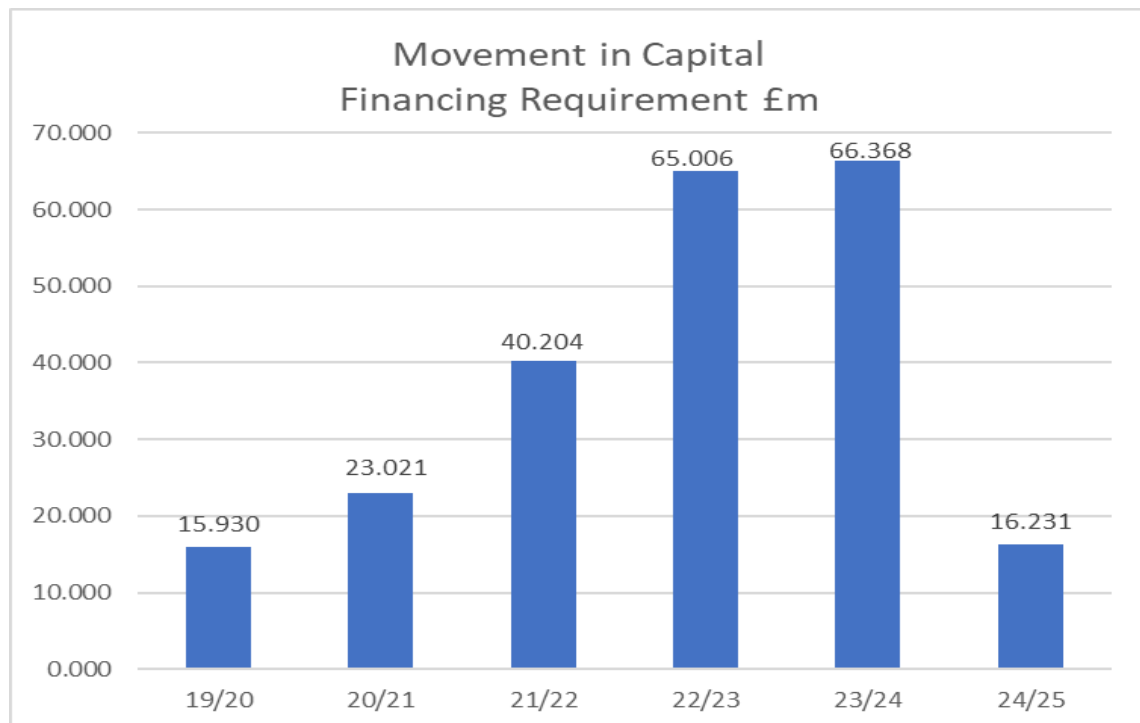
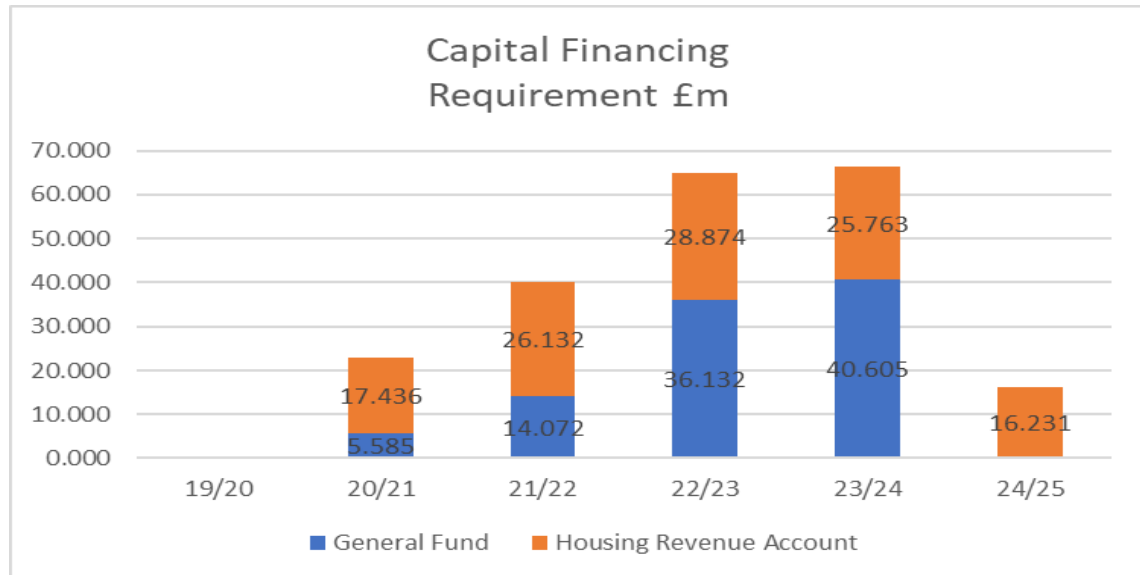


- 2.3 The table below summarises plans for financing **capital expenditure** from capital or revenue resources.



The Council's borrowing need

- 2.4 The second prudential indicator is the Council's **Capital Financing Requirement**. This is the outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is a measure of the Council's underlying borrowing need. The Minimum Revenue Provision (MRP) is a statutory annual revenue charge which that reflects the loss in value of capital assets as they are used. MRP is not required in the Housing Revenue Account. These Capital Financing Requirement projections are set out below



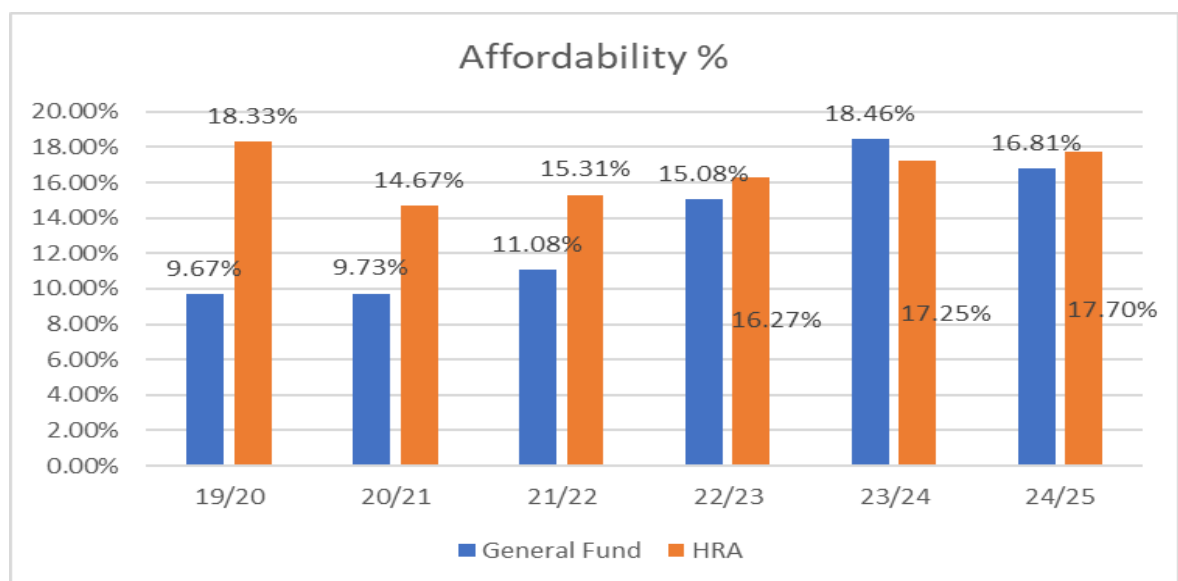
Minimum Revenue Provision Policy Statement

- 2.5 The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision), although it is also allowed to undertake additional voluntary payments.

- 2.6 Government regulations require the full Council to approve a Minimum Revenue Provision Statement in advance of each year. A variety of options can be provided to councils, so long as prudent. This Council is recommended to approve the Minimum Revenue Provision Statement set out in sections 2.7 to 2.09 below.
- 2.7 For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, borrowing need is repaid on an equal instalment basis over a period of 50 years. This has the benefits of reducing the amount payable for the first 17 years, introducing a consistent level of charge, and ensuring that this element of Minimum Revenue Provision is eventually completely repaid.
- 2.8 For all unsupported borrowing (including finance leases) the Minimum Revenue Provision policy will be the Asset Life Method. Minimum Revenue Provision will be based on the estimated life of the assets, in accordance with the regulations. This provides for a reduction in the borrowing need over the asset's life. Repayments included in finance leases are applied as Minimum Revenue Provision.
- 2.9 There is no requirement in the Housing Revenue Account to make a minimum revenue provision but there is a requirement for depreciation to be made. The S151 Officer will keep the Council's MRP policy under review to ensure that it remains fit for purpose in relation to its borrowing requirements.

Affordability Prudential Indicators

- 2.10 The previous paragraphs cover the overall capital, and control of borrowing prudential indicators, but a prudential indicator is also required to assess the affordability of the capital investment plans. Affordability is defined as the ratio of financing costs to net revenue stream. This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.



The estimates of financing costs include current commitments and capital programme proposals on this agenda.

3 Economic Outlook provided by Link Asset Services

- 3.1 The Council has appointed Link Asset Services as its treasury advisor and part of the service is to assist the Council to formulate a view on interest rates. This section of the Strategy is provided by Link.

Link Group Interest Rate View		9.11.20													
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20															
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	
5 yr PWLB	0.80	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00	
10 yr PWLB	1.10	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30	
25 yr PWLB	1.50	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80	
50 yr PWLB	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60	

- 3.2 The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 5th November, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected in the forecast table above as economic recovery is expected to be only gradual and, therefore, prolonged.

Bond yields / Public Works Loan Board rates

- 3.3 There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was a heightened expectation that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

- 3.4 Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020. After gilt yields spiked up during the financial crisis in March, we have seen these yields fall sharply to unprecedented lows as investors panicked during March in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. However, major western central banks took rapid action to deal with excessive stress in financial markets during March, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. Gilt yields and PWLB rates have been at remarkably low rates so far during 2020/21.
- 3.5 As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9th November when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

Investment and borrowing rates

- 3.6 Investment returns are likely to remain exceptionally low during 2021/22 with little increase in the following two years.
- 3.7 Borrowing interest rates fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to 6 years were negative during most of the first half of 20/21.
- 3.8 The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 3.9 If long term borrowing causes a temporary increase in cash balances this will incur a revenue cost. The difference between borrowing costs and investment returns is the cost of carry.

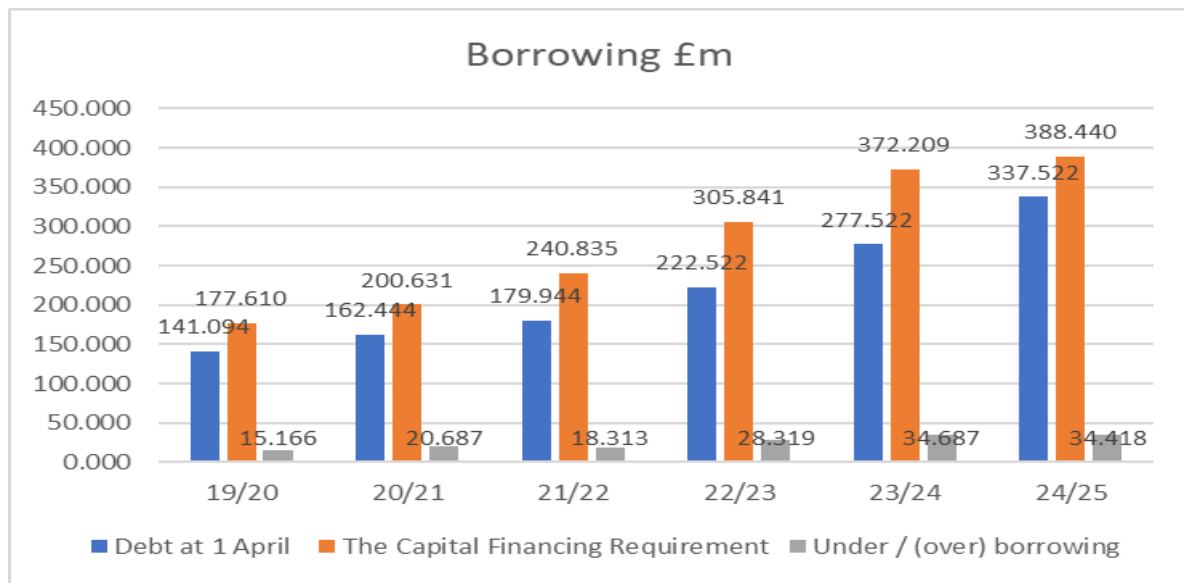
Borrowing

- 3.10 Treasury management ensures that the Council’s cash is organised in accordance with the relevant professional codes, including the organisation of cash flow and, where capital plans require, appropriate borrowing facilities. The strategy covers the

relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

Current portfolio position

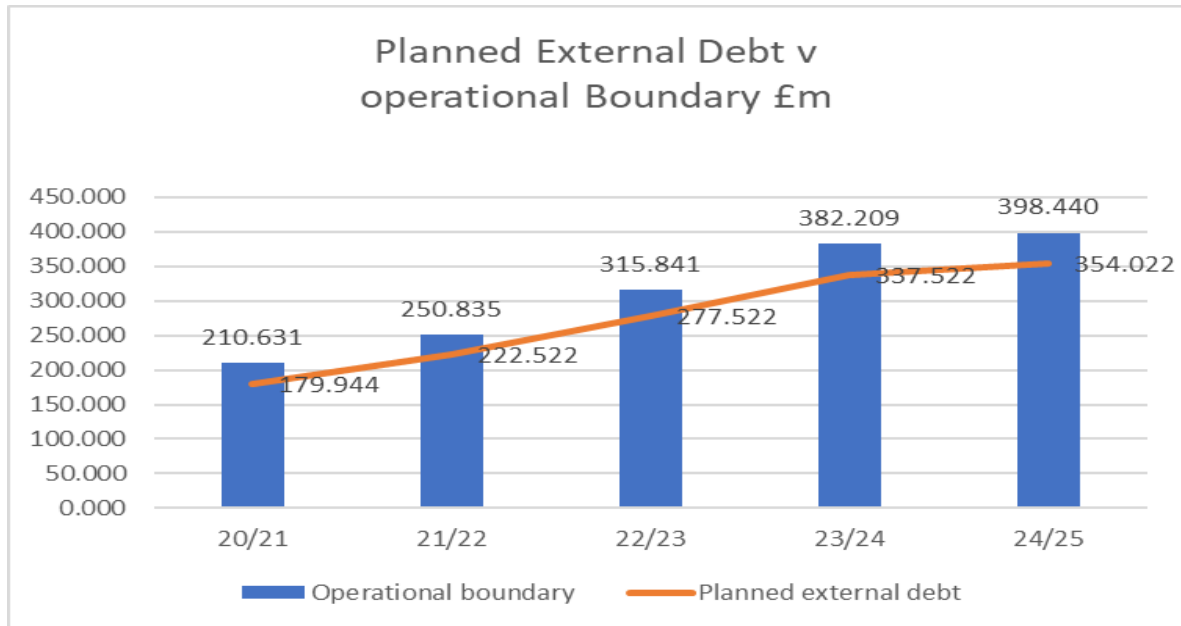
- 3.11 The Council's treasury portfolio position at 31 March 2020, with forward projections are summarised below. The table shows the actual external debt against the underlying capital borrowing need (the Capital Financing Requirement), highlighting any over or under borrowing.



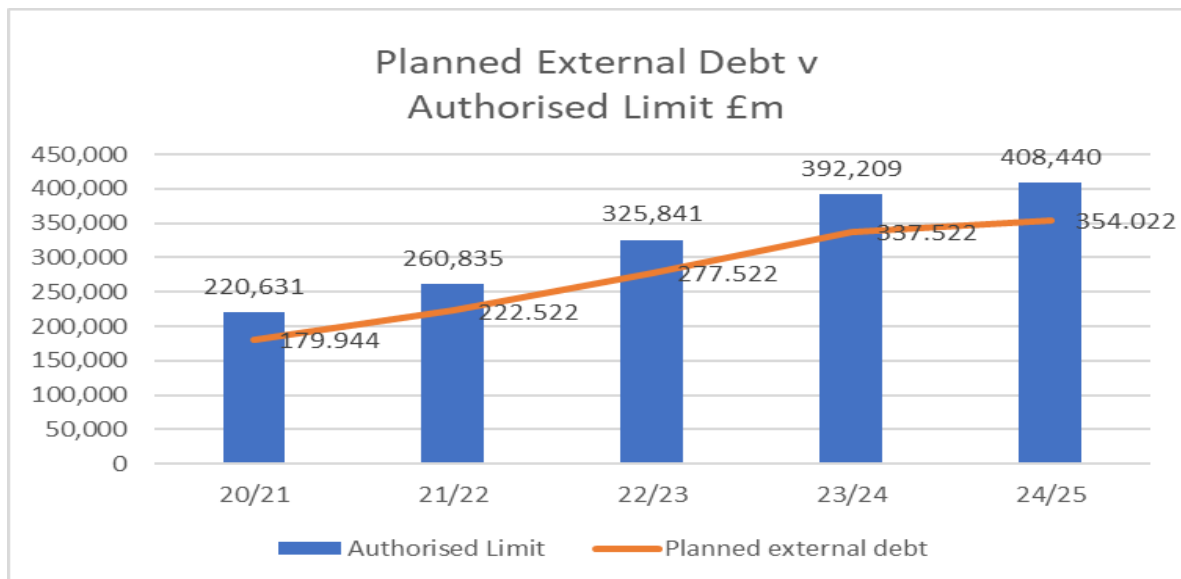
- 3.12 Prudential indicators ensure that the Council operates within well-defined limits. One of these is that the Council must ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current year and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.
- 3.13 The S151 Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties in later years. This reflects current commitments, existing plans, and the proposals on this agenda.

Treasury Indicators: The 'Operational Boundary' Limits to Borrowing Activity

- 3.14 The Operational Boundary is the limit beyond which external debt is not normally expected to exceed. Planned external debt is well within the operational boundary limit.



The **Authorised Limit** for external debt represents a control on the maximum level of borrowing. This is a statutory limit determined under section 3 (1) of the Local Government Act 2003. This limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer term. The chart shows that planned external debt is well within the authorised limit sought. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.



Borrowing Strategy

- 3.15 The Council is currently maintaining an 'under-borrowed' position. This means that the capital borrowing need (the Capital Financing Requirement), has not had to be met by loans alone, but by from reserves, balances and cash flow. This strategy is prudent as investment returns are low and counterparty risk needs to be considered.
- 3.16 Against this background and the risks within the economic forecast, caution will be adopted with the 2021/22 treasury operations. The S151 Officer will monitor interest rates in financial markets and respond to changing circumstances:
- if it was felt that there was a significant risk of a sharp **FALL** in long and short-term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long-term borrowing will be postponed, and potential rescheduling from fixed rate funding into short-term borrowing will be considered.
 - if it was felt that there was a significant risk of a much sharper **RISE** in long and short-term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- 3.17 Any decisions will be reported to the Scrutiny Panel or Governance and Audit Committee at the next available opportunity.

Treasury Management Limits on Activity

- 3.18 There are three debt related treasury activity limits. The purpose of these is to minimise risk and reduce the impact of any adverse movement in interest rates, whilst leaving sufficient flexibility to take opportunities to reduce costs and or to improve performance. The indicators are:
- **Upper limit on variable interest rate exposure.** This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
 - **Upper limit on fixed interest rate exposure.** This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
 - **The maturity structure of borrowing**

Maturity structure of borrowing.

- 3.19 These gross limits reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits, as below

Maturity structure of fixed interest rate borrowing 2021/22		
	Lower	Upper
Under 12 months	0%	15%
12 months to 2 years	0%	15%
2 years to 5 years	0%	15%
5 years to 10 years	0%	15%
10 years to 20 years	0%	40%
20 years to 30 years	0%	40%
30 years to 40 years	0%	40%
40 years to 50 years	0%	10%

Policy on Borrowing in Advance of Need

- 3.20 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt Rescheduling

- 3.21 Where short-term borrowing rates become considerably cheaper than longer term fixed interest rates, there may be opportunities to generate savings by switching from long-term debt to short-term debt. These savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred). The reasons for any rescheduling to take place will include:
- the generation of cash savings or discounted cash flow savings;
 - helping to fulfil the Council's Treasury Management Strategy;
 - enhance the balance of the portfolio (by amending the maturity profile or the balance of volatility).
- 3.22 Consideration will also be given to making savings by running down investment balances and repaying debt prematurely, as short-term rates on investments are likely to be lower than rates paid on current debt.
- 3.23 Any rescheduling will be reported to the Scrutiny Panel or the Governance and Audit Committee at the earliest meeting following its action.

Municipal Bond Agency

- 3.24 It is possible that the Municipal Bond Agency will be offering loans to local authorities in the future. The Agency hopes that the borrowing rates will be lower than those offered by the Public Works Loan Board. The Council will consider

making use of this new source of borrowing as and when appropriate.

Housing Revenue Account borrowing

- 3.25 As part of the Housing Revenue Account reform arrangements in April 2012, the Council decided to follow the 'two pool' approach to allocating existing debt, taking into account those loans that were originally raised for HRA purposes. This assumed that the Housing Revenue Account would be fully borrowed, however the Housing Revenue Account is now in a position where it may need to borrow to fund the Housing Investment Programme.
- 3.26 As the Council is maintaining an under-borrowed position, the HRA will be charged for the cost of any new borrowing requirement based on the average balance of unfinanced Housing Revenue Account borrowing during the year, using the Public Works Loan Board variable rate as at 31 March of the previous year. In an environment of low investment returns and relatively stable borrowing rates, this provides a recharge that is beneficial to both the Housing Revenue Account and General Fund, and can be reasonably forecast from early on in the financial year. This approach will be reviewed annually in conjunction with the Treasury Management Strategy Statement and projected investment returns.

4 Annual Investment Strategy

Investment Policy

- 4.1 The Ministry of Housing Communities and Local Government and the Chartered Institute of Public Finance and Accountancy have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, as managed by the treasury management team. Non-financial investments, such as the purchase of income yielding assets, are covered in the Capital Strategy elsewhere on this agenda.
- 4.2 In accordance with the above guidance, and in order to minimise the risk to investments, the Council deals only with highly creditworthy counterparties, using Short-term and Long-term credit ratings.
- 4.3 Ratings will not be the sole determinant of the quality of an institution, and the Council will also continually assess and monitor the financial sector taking account of the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this the Council will engage with its advisors to maintain a monitor on market pricing such as Credit Default Swaps and overlay that information on top of the credit ratings.
- 4.4 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 4.5 Investment instruments identified for use in the financial year are listed in Appendix B to this Strategy, which includes Counterparty, time and monetary limits. These will cover both 'Specified' and 'Non-Specified' Investments.
- 4.6 Such investments are treated as expenditure for treasury management and prudential borrowing purposes even though they do not create physical assets in the Council's accounts. Appropriate budgets in respect of these activities are agreed as part of the Council's budget setting and ongoing monitoring processes and considered as part of the Investment Strategy.
- 4.7 Specified Investments are sterling denominated investments of not more than one-year maturity, meeting the minimum 'high' criteria where applicable. These are considered low risk assets where the possibility of loss of principal or investment income is small. Non-Specified Investments are those that do not meet the specified investment criteria. A limit of £20m will be applied to the use of Non-Specified Investments (this will partially be driven by the long-term investment limits).

Creditworthiness policy

- 4.8 This Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:
 - "watches" and "outlooks" from credit rating agencies;

- Credit Default Swap spreads that may give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

4.9 This modelling approach combines credit ratings, and any assigned Watches and Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will, therefore, use counterparties within the following durational bands

- Yellow 5 years *
- Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

4.10 The creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

4.11 Typically the minimum credit ratings criteria the Council uses will be a Short-term rating (Fitch or equivalents) of F1, and a Long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

4.12 All credit ratings will be monitored on a monthly basis. The Council is alerted to changes to ratings of all three agencies through its use of the creditworthiness service. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

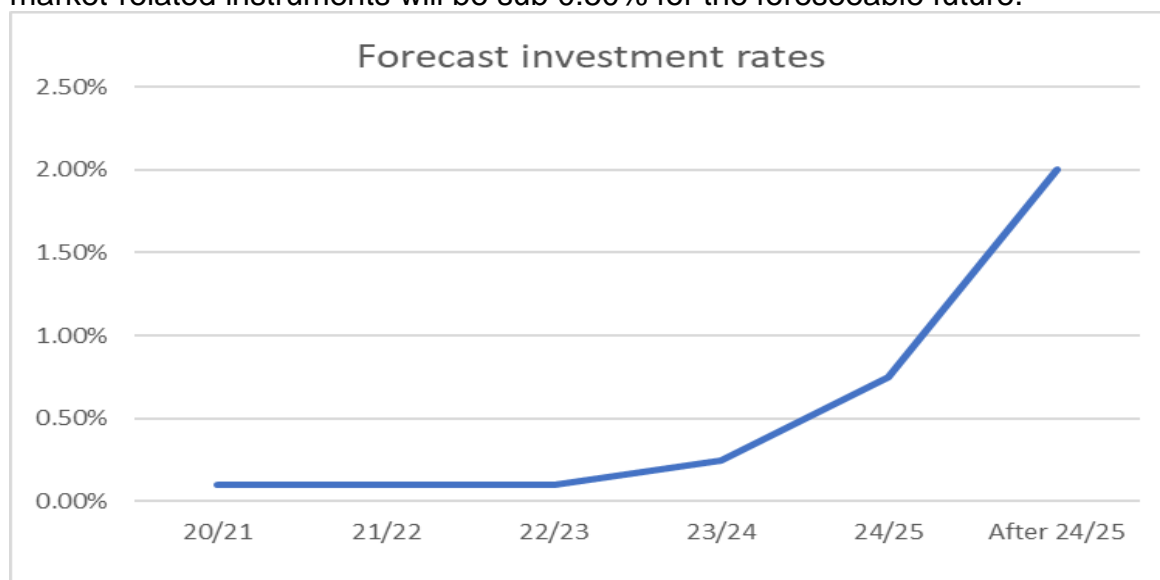
- 4.13 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, and information on any external support for banks to help support its decision making process.

Country limits

- 4.14 The Council will only use approved counterparties from countries with a minimum sovereign credit rating of AA-, based on the lowest available rating. However this policy excludes UK counterparties. The list of countries that qualify using this credit criteria as at the date of this report are shown in the Appendix C to this Treasury Management Strategy. This list will be amended by officers should ratings change in accordance with this policy.
- 4.15 In addition:
- no more than £15m will be placed with any non-UK country at any time;
 - the limits will apply to a group of companies;
 - sector limits will be monitored regularly for appropriateness.

Investment strategy

- 4.16 The Council will manage all of its investments in-house. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short to medium term interest rates.
- 4.17 Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising so it is likely that investment earnings from money market-related instruments will be sub 0.50% for the foreseeable future.



- 4.18 The overall balance of risks to economic growth in the UK is uneven with the rate of recovery from the current deep pandemic-induced recession dependent on restrictions being lifted and with continued uncertainty as to the practical issues and economic impacts of the UK leaving the EU.
- 4.19 There is relatively little UK domestic risk of increases or decreases in Bank Rate and shorter-term Public Works Loan Board rates until 2023/24 at the earliest.

Negative investment rates

- 4.20 While the Bank of England said in August / September 2020 that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the COVID crisis; this has caused some local authorities to have sudden large increases in cash balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

Investment treasury indicator and limit

- 4.21 The limit for the total principal funds invested for greater than 365 days is set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end. The Council is asked to approve a limit of £10m for 2021/22 and subsequent years.

£000	2020/21	2021/22	2022/23
Max. principal sums invested> 365 days	£10,000	10,000	10,000

End of year investment report

- 4.22 At the end of the financial year, the Council will report on its investment activity to the Governance & Audit Committee as part of its Annual Treasury Report.

The PWLB rates below are based on the new margins over gilts announced on 26th November 2020. PWLB forecasts shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

Link Group Interest Rate View		9.11.20		(The Capital Economics forecasts were done 11.11.20)										
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20														
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60
Bank Rate														
Link	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Capital Economics	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
5yr PWLB Rate														
Link	0.80	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
Capital Economics	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	-	-	-	-	-
10yr PWLB Rate														
Link	1.10	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
Capital Economics	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	-	-	-	-	-
25yr PWLB Rate														
Link	1.50	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
Capital Economics	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	-	-	-	-	-
50yr PWLB Rate														
Link	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60
Capital Economics	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	-	-	-	-	-

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small

Organisation	Min. Credit Criteria	Money Limit	Maturity Limit
Banks and Building Societies (including term deposits, CDs or corporate bonds)	Yellow	£10m	1 years
	Purple	£10m	1 years
	Orange	£10m	1 year
	Blue	£10m	1 year
	Red	£7.5m	6 months
	Green	£5m	100 days
	No colour	Not to be used	
UK Government Gilts	UK sovereign rating	£10m	1 year
UK Government Treasury Bills	UK sovereign rating	£10m	1 year
UK Local & Police Authorities	N/A	Unlimited	1 years
Debt Management Agency Deposit Facility	AAA	Unlimited	6 months
Money Market Funds	AAA	£10m	Liquid
Enhanced Money Market Funds	Dark Pink / Light Pink / AAA	£10m	Liquid
Bonds issued by Multilateral Development Banks	AAA	£3m	6 months

Non-Specified Investments – These are investments that do not meet the specified investment criteria. A limit of the lesser of £20m or 50% of the portfolio will be held in aggregate in non-specified investments.

Organisation	Min. Credit Criteria	Money Limit	Maturity Limit
UK Local & Police Authorities	N/A	£10m	5 years
Banks and Building Societies (including term deposits, CDs or corporate bonds)	Yellow / Purple	£10m	5 years
UK Government Gilts	UK sovereign rating	£10m	5 years
UK Government Treasury Bills	UK sovereign rating	£10m	5 years
Property fund	AAA	£5m	5 years

Notes:

- Non U.K. country limit of £15m
- Limit in all Building Societies of £10m

The use of property funds can be deemed capital expenditure, and as such will be an application of capital resources. The Council will seek guidance on the status of any fund it may consider using. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

The criteria in this appendix are intended to be the operational criteria in normal times. At times of heightened volatility, risk and concern in financial markets, this strategy may be amended by temporary operational criteria further limiting investments to counterparties of a higher creditworthiness and / or restricted time limits.

This list is based on those countries that have sovereign ratings of AA- or higher and also have banks operating in sterling markets, which have credit ratings of green or above in the Link Asset Services credit worthiness service.

AAA	Australia Denmark Germany Luxembourg Netherlands Norway Singapore Sweden Switzerland
AA+	Finland Canada U.S.A.
AA	Abu Dhabi (UAE) France
AA-	Belgium Hong Kong Qatar UK

Appendix D – Budget Consultation

- 1 Residents were invited to participate in a consultation to help Colchester Borough Council understand what matters most to the public and to gauge their support for the Council's approach to the financial challenge and budget gap. An online survey was launched on Monday 9 November 2020 and was advertised via the council's website and through local media. The survey ran for a period of four weeks closing on Friday 4 December. A total of 184 responses were received.
- 2 Key Findings
 - 2.1 Residents were asked how well informed they felt about the financial challenges facing Colchester Borough Council?
 - 68.5% (126 people) stated that they feel either 'slightly' or 'well' informed.
 - 27.2% (50 people) stated that they 'do not feel' informed.
 - 4.3% (8 people) said that they 'do not know'.
 - 2.2 Residents were then asked which services interested them most in the budget. The responses were:
 - Planning & Building Control
 - Housing
 - Recycling & Rubbish Collections
 - Housing Benefit and Council Tax
 - Environmental & Animal Services
 - 2.3 Residents were then asked if they Agreed or Disagreed with the approach set out within the Budget Strategy?
 - Priorities:
 - 88.4% either 'Agree' or 'Strongly Agree'
 - 8.8% Neither 'Agree' or 'Disagree'
 - 2.8% either 'Disagree' nor 'Strongly Disagree'
 - Efficiency:
 - 91.1% either 'Agree' or 'Strongly Agree'
 - 7.2% neither 'Agree' nor 'Disagree'
 - 1.7% either 'Disagree' or 'Strongly Disagree'
 - Service Provision:
 - 89.5% either 'Agree' or 'Strongly Agree'
 - 6.0% neither 'Agree' nor 'Disagree'
 - 4.5% either 'Disagree' or 'Strongly Disagree'
 - Commercial:
 - 68.1% either 'Agree' or 'Strongly Agree'
 - 15.1% neither 'Agree' nor 'Disagree'
 - 16.8% either 'Disagree' or 'Strongly Disagree'
 - Communities:
 - 80% either 'Agree' or 'Strongly Agree'
 - 13.3% neither 'Agree' nor 'Disagree'
 - 6.7% either 'Disagree' or 'Strongly Disagree'

Comments on the consultation responses: The Survey showed a good level of support and understanding of the Council's budget strategy, albeit on a limited number of responses.

Appendix E – Technical reconciliations of budget requirement 2021/22

Table E1 – Technical reconciliation of budget requirement		
	Element	£'000
1	Revenue expenditure requirement for 2021/22	25,028
2	Collection fund deficit (business rates and Council Tax)	3,813
3	New Homes Bonus	(2,430)
4	Use of balances / reserves for pensions payment	935
5	Use of Business Rates Reserve	(3,813)
6	Use of Business Rates Pooling gain	(200)
7	Use of balances	(2,710)
8	Budget Requirement	20,623
9	Funded by:	
10	Government Grant (Covid19 support and Lower-Tier services)	(2,115)
11	Business Rates Baseline Funding	(4,300)
12	Business Rates Improvement	(1,620)
13	Council Taxpayers requirement (before Parish element) see below*	(12,588)
14	Total Funding	(20,623)

Table E2 – Technical reconciliation of Band D Council Tax		
1	Council Taxpayers requirement (before Parish element)	12,588
2	Council Tax Base – Band D Properties	62,776
3	Council Tax at Band D	200.52

Table E3 – Technical reconciliation of 2021/22 Base Budget		
1	Base Budget	24,514
2	One-off items	(2,915)
3	Cost Pressures	7,001
4	Growth Items	375
5	Savings	(2,528)
6	Change in use of New Homes Bonus for one off investment	(1,419)
7	Forecast Base Budget	25,028

Table E4 – Technical reconciliation of 2021/22 savings		
1	Commercialisation	(820)
2	Efficiency	(550)
3	Service Provision	(1,074)
4	Community	(84)
5	Total Savings	(2,528)

Table E5 – Technical reconciliation of 2021/22 pressures		
1	Sport & Leisure net income loss (Covid 19)	1,966
2	Parking Income loss (Covid 19)	1,005
3	Amphora Trading Dividend (Covid 19)	658
4	Interest Payable / MRP – 21/22 capital programme financing	644
5	Commercial & Investment Properties income loss (Covid 19)	500
6	Contractor Payments (net of credit claim income)	457
7	General Inflation	440
8	Transformation costs	250
9	Recovery costs	250
10	Waste overtime and staffing changes	170
11	Council Tax Sharing Agreement	150
12	New Strategic Priorities funding	132
13	Refuse Vehicle and Crew	125
14	Rowan House	120
15	Recycling Materials	110
16	Environment staffing structure review	105
17	Climate Change	100
18	GF / HRA contingency	51
19	Social Lottery	50
20	ECC Trade Tipping costs	27
21	Public Conveniences Business Rates	20
22	Residual land at Mill Road - Grounds Maintenance costs	16
23	Clinical Waste	15
24	Paper Income	15
25	Total cost pressures and growth items	7,376

Appendix F - Summary Budget 2021/22

	Adjusted Base Budget	One-Off Items	Cost Pressures	Growth Items	Technical Items	Total Savings	Detailed 21/22 Budgets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core	(262)	0	156	0		0	(106)
Executive Management Team	705	0	7	0		(25)	687
Corporate and Improvement	6,681	0	127	0		(464)	6,344
Community	1,874	(30)	28	0		(267)	1,605
Customer	3,096	0	43	0		(466)	2,673
Environmental (excluding North Essex Parking Partnership)	5,057	0	1,693	105		(391)	6,464
Place and Client	2,247	(80)	3,200	0		(422)	4,945
Total General Fund Services	19,398	(110)	5,254	105	0	(2,035)	22,612
Technical Items							
<i>Corporate Items / sums to be allocated to services</i>							
Procurement Savings	0		0			(113)	(113)
Social Lottery	0		0	50			50
Investment Allowance funded by New Homes Bonus	2,618	0	0		(1,419)	0	1,199
New Strategic Priorities	(126)		132			(100)	(94)
LCTS Care Leavers Scheme	15		0				15
Inflation (Pay)	200		70			(270)	0
Transformation and Recovery	0		500				500
Climate Change	0		0	100			100
Improved Establishment Control	0		0			(10)	(10)
Rowan House	0		0	120			120

	Adjusted Base Budget	One-Off Items	Cost Pressures	Growth Items	Technical Items	Total Savings	Detailed 21/22 Budgets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Non-Service Budgets</i>							
CLIA (net interest)	801		386			0	1,187
Repairs & Renewals reserve contribution	300		0				300
Min Revenue Provision	1,533		591			0	2,124
Pensions	3,171	(2,805)	0				366
Contribution to Bad Debts Provision	20		0				20
General Fund/ Housing Revenue Account /North Essex Parking Partnership Adjustment	(3,416)		68		0		(3,348)
Total Below the Line	5,116	(2,805)	1,747	270	(1,419)	(493)	2,416
Total including Below the Line	24,514	(2,915)	7,001	375	(1,419)	(2,528)	25,028
<i>Funded by:-</i>							
Use of balances	(125)	125	0		(125)		(125)
Contribution to balances	935	(935)	0		935		935
Contribution to Business Rates Reserve	141	(141)	0		0		0
Use of other Earmarked Reserves	(2,990)	2,990	0		(185)		(185)
Use of Reserves – Covid 19	0	0	0		(2,400)		(2,400)
Use of Business Rates reserve	(540)	540	0		(3,813)		(3,813)
Govt Grant – Covid 19 Support Grant	0		0		(622)		(622)
Govt Grant – Lower Tier Services Grant	0		0		(1,493)		(1,493)
Business Rates Baseline	(4,300)		0				(4,300)
Business Rates Growth above Baseline	(1,870)		0		250		(1,620)
Business Rates Pooling	(200)		0		0		(200)
Council Tax	(12,503)		0		(85)		(12,588)

	Adjusted Base Budget	One-Off Items	Cost Pressures	Growth Items	Technical Items	Total Savings	Detailed 21/22 Budgets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Collection fund Transfer	540	(540)	0		3,813		3,813
New Homes Bonus	(3,602)		0		1,172		(2,430)
Total	(24,514)	2,039	0	0	(2,553)	0	(25,028)

Appendix G - 2021/22 General Fund Budgets

		Direct Budgets			Non-Direct Budgets	
	Area	Spend	Income	Net	Net	Total
		£'000	£'000	£'000	£'000	£'000
	Corporate & Democratic Core	294	(400)	(106)	2,413	2,307
	Total	294	(400)	(106)	2,413	2,307
	Executive Management Team					
	EMT	687	-	687	(687)	-
	Total	687	-	687	(687)	-
	Community					
	Assistant Director	159	-	159	(159)	-
	Licencing, Food & Safety	516	(562)	(46)	547	501
	Community Safety	94	-	94	5	99
	Environmental Health Services	479	(67)	412	151	563
	Building Control	408	(455)	(47)	268	221
	Community Initiatives	329	-	329	181	510
	Private Sector Housing	496	(183)	313	138	451
	Bereavement Services	908	(1,624)	(716)	314	(402)
	Cultural Services	628	(107)	521	979	1,500
	Colchester Museums	55	(531)	(476)	23	(453)
	Subtotal	4,072	(3,529)	543	2,447	2,990
	Colchester & Ipswich Museums	2,201	(1,139)	1,062	774	1,836
	Total	6,273	(4,668)	1,605	3,221	4,826
	Customer					
	Assistant Director	159	-	159	(159)	-
	Accounts & Debt	569	(138)	431	(432)	(1)
	Local Taxation & NNDR	541	(713)	(172)	572	400
	Benefits & Hub	1,026	(135)	891	(891)	-
	Contact & Support Centre	988	(18)	970	(970)	-
	Electoral Services	411	(3)	408	80	488
	Customer Digital & Systems	914	(45)	869	(869)	-
	Land Charges	126	(249)	(123)	123	-
	Subtotal	4,734	(1,301)	3,433	(2,546)	887
	Benefits - Payments & Subsidy	41,975	(42,735)	(760)	751	(9)
	Total	46,709	(44,036)	2,673	(1,795)	878
	Environment					
	Assistant Director	153	-	153	(153)	-
	Neighbourhood Services	12,101	(3,897)	8,204	2,801	11,005
	Car Parking	971	(3,049)	(2,078)	1,006	(1,072)

		Direct Budgets				Non-Direct Budgets	
	Subtotal	13,225	(6,946)	6,279		3,654	9,933
	North Essex Parking Partnership	4,164	(4,049)	115		117	232
	Total	17,389	(10,995)	6,394		3,771	10,165
	Place and Client						
	Assistant Director	130	-	130		(131)	(1)
	Place Strategy	658	-	658		37	695
	Housing	2,872	(1,288)	1,584		(322)	1,262
	Planning	1,132	(1,227)	(95)		538	443
	Sustainability & Climate Change	100	(15)	85		38	123
	Subtotal	4,892	(2,530)	2,362		160	2,522
	<i>Company Related:-</i>						
	Client - Commercial Company	1,968	-	1,968		(1,968)	-
	Corporate Asset Management	1,726	(265)	1,461		(1,391)	70
	Commercial & Investment	282	(2,773)	(2,491)		2,556	65
	Sport & Leisure	5,280	(3,635)	1,645		1,938	3,583
	Total	14,148	(9,203)	4,945		1,295	6,240
	Corporate and Improvement						
	Assistant Director	130	(20)	110		(142)	(32)
	Finance	1,033	(196)	837		(837)	-
	ICT	2,042	(372)	1,670		(1,670)	-
	People and Performance	805	(184)	621		(687)	(66)
	Governance	2,970	(294)	2,676		(2,611)	65
	Communications	599	(169)	430		(430)	-
	Total	7,579	(1,235)	6,344		(6,377)	(33)
	Adjustment for NEPP use of balances	-	185	185		-	185
	Total (excl. NEPP)	88,915	(66,303)	22,612		1,724	24,336

* Non-direct budgets reflect recharges between service areas and technical accounting charges. These are shown to present the full cost of services

Appendix H - Reserves, Provisions and Balances

	2019/20	2020/21	2021/22
	Actual	Forecast	Forecast
	£'000	£'000	£'000
General Fund Balance	1,900	1,900	1,900
Future Years Budget Support Reserve - Carry-forwards etc	4,115	1,578	953
Future Years Budget Support Reserve - Risk Allocation	515	515	515
Redundancy, North Essex Parking Partnership, Colchester & Ipswich Museum Service etc	1,073	1,073	1,073
Pension Reserve	3,214	1,344	2,279
Renewals and Repairs Reserve	2,455	3,048	2,744
Insurance Reserve	566	566	566
Capital Expenditure Reserve	720	647	647
Gosbecks Reserve	152	152	152
Revenue Grants unapplied	2,911	1,797	847
Decriminalisation Parking Reserve	1,512	1,327	1,142
Business Rates Reserve	1,695	1,296	1,096
Revolving Investment Fund Reserve	1,436	1,646	1,646
Other reserves	176	176	176
TOTAL General Fund	22,440	17,065	15,736
Housing Revenue Account Balance	4,306	3,444	3,444
Housing Revenue Account Retained Right To Buy Receipts – Replacement	5,528	2,848	248
Housing Revenue Account Retained Right To Buy Receipts – Debt	6,407	667	1,337
TOTAL Housing Revenue Account	16,241	6,959	5,029
Total	38,681	24,024	20,765

Appendix I – Allocation of New Homes Bonus

	Allocation of New Homes Bonus	2020/21	2021/22	2022/23	2023/24	2024/25
		£'000	£'000	£'000	£'000	£'000
1	New Homes Bonus	3,602	2,430	2,091	950	950
2	Allocated to:-					
3	Contribution to RIF	250	500	250	250	250
4	Affordable housing allocation	150	150	150	150	150
5	To support the Council's Revenue Budget	833	1,080	600	300	0
6	Savings Implementation Costs	441	200	200		
7	Support to Tendring Colchester Borders & Local Plan	500	500	250	250	250
8	Transfer to Reserves			641		300
9	Support for one-off schemes (see below)	1,428	0	0	0	0
10	Total allocation	3,602	2,430	2,091	950	950
	Use of NHB allocation for one-off schemes					
11	Support for one-off schemes	1,428	0	0	0	0
12	Allocated to:					
13	Cultural Events Fund 2020-21	20				
14	High-Street Grouting (net additional contribution to ECC works)	40				
15	Environmental & Sustainability Task & Finish Group resource	50				
16	West Mersea Town Council Toilets	30				
17	Town Hall office reconfiguration	40				
18	Better Colchester Communications	150				
19	Strategic Priorities Programme Delivery	122				
20	Arts & Heritage post	28				
21	Local Highways Panel	100				
22	St Marks Community Centre	150				
23	Memoirs Refurbishment costs	48				
24	Assumed use for Lion Walk Activity Centre Toilets	150				
25	Assumed use for Covid 19 support	500				
26	Balance for future allocation	0	0	0	0	0