

Council Meeting

**Council Chamber, Town Hall, High Street,
Colchester, CO1 1PJ**

Wednesday, 21 February 2018 at 18:00

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda (the list of items to be discussed at a meeting), which is usually published five working days before the meeting, and minutes once they are published.

Dates of the meetings are available here:

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

Most meetings take place in public. This only changes when certain issues, for instance, commercially sensitive information or details concerning an individual are considered. At this point you will be told whether there are any issues to be discussed in private, if so, you will be asked to leave the meeting.

Have Your Say!

The Council welcomes contributions and representations from members of the public at most public meetings. If you would like to speak at a meeting and need to find out more, please refer to the Have Your Say! arrangements here: <http://www.colchester.gov.uk/haveyoursay>.

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Access

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COLCHESTER BOROUGH COUNCIL
Council
Wednesday, 21 February 2018 at 18:00

TO ALL MEMBERS OF THE COUNCIL

Published 20/02/2018

You are hereby summoned to attend a meeting of the Council to be held at the Town Hall, Colchester on Wednesday, 21 February 2018 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.

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 also remind everyone to use microphones at all times when they are speaking, explain action required in the event of an emergency, mobile phones switched to silent and audio-recording of the meeting.

2 Have Your Say! (Council)

The Mayor will invite members of the public to indicate if they wish to speak or present a petition on any item included on the agenda or any other matter relating to the business of the Council. Please indicate if you wish to speak at this point if your name has not been noted by Council staff.

3 Minutes of the Previous Meeting (Council)

A... Motion that the minutes of the meeting held on 7 December 2017 be confirmed as a correct record.

07-12-17 minutes

9 - 24

4 **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.

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) **Strategic Plan 2018 - 2021** 25 - 36

B... Motion that the recommendation contained in draft minute 230 of the Cabinet meeting of 31 January 2018 be approved and adopted.

7(ii) **2018-19 General Fund Revenue Budget, Capital Programme and Medium Term Financial Forecast** 37 - 52

C.... Motion that the recommendations contained in draft minute 232 of the Cabinet meeting of 31 January 2018 and the recommendations contained in the Assistant Director Policy and Place's report entitled "Precept and Council Tax Levels 2018-19" be approved and adopted.

Please note that in accordance with the provisions of Council Procedure Rule 15(3) any motion or amendment on the setting of the Council budget must be subject to a named vote.

Main Amendment

Proposer: Councillor Laws

That the recommendations contained in minute 232 of the Cabinet meeting of 31 January 2018 and the recommendations contained in the Assistant Director Policy and Corporate's report entitled "Precept and Council Tax Levels 2018-2019" be approved and adopted, subject to the necessary amendments to give effect to the following:-

1. To allocate £100,000 to 'deep clean' the Historic Old Town centre, return civic pride and challenge the 'broken window effect' cycle. Funded by reinvestment of savings from management restructuring into the front line.

2. To use the £92,000 Heritage Reserve to light up and enhance our historic Roman City Walls, Jumbo and historic monuments. To allocate £200,000 from the New Homes Bonus for the capital costs of installation.

3. To allocate £200,000 to introduce weekly black bag collections with a 2 bag limit per week to address residents storage and hygiene concerns. This will be delivered through efficiency savings, achieving income targets and allocated against the end of annual elections (£177k).

4. To use the £250,000 allocated to the RIF to prioritise investment into town centre regeneration schemes such as at St Nicholas Square and at the public realm around Jumbo. To urgently prepare for feasibility of such schemes. For example, an archaeological investigation of St Nicholas Square with potential schemes laid out to enhance the public realm. This will enhance and revitalise the historic town centre for residents and visitors, making it a more attractive experience day and night and see a tangible return to the council through the appreciation of assets - and potential further income opportunities.

5. To invest £200,000 into the Local Highway Panel to deliver safer roads, pathways and communities from the New Homes Bonus.

6. To ring fence the remaining New Homes Bonus and place it into an 'Infrastructure and community facilities fund' to help reduce congestion, improve connectivity and ensure a greener borough.

7(iii) **Mandatory Member Development**

53 - 58

D... Motion that the recommendation contained in draft minute 239 of the Cabinet meeting of 31 January 2018 and the recommendation contained in the report by the Assistant Director of Policy and Corporate entitled "Mandatory Member Development - Consultation with Independent Remuneration Panel" be approved and adopted.

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 Laws to Councillor Lilley, Portfolio Holder for Public Safety and Licensing

Joy from Frinton visits Colchester often but she notes that Culver Square and Red Lion Walk have cleaner floor surface and less litter. I told Joy our Zones team work incredibly hard in what is often a thankless task. How can Council managed streets be of the same standard of cleanliness?

(ii) Councillor Laws to Councillor Lilley, Portfolio Holder for Public Safety and Licensing

Julie from North Station Rd recently moved to the area, she has little option to travel to work by car but when she returns home she finds it difficult to park. Two years ago 124 permanent parking tickets were issued in the F2 Zone. This year the figure has increased to 137, yet no additional space capacity has been made available. Can we keep an eye on the numbers of permanent parking tickets made available vs space allocation please?

(iii) Councillor Laws to Councillor J. Scott-Boutell, Portfolio Holder for Waste and Sustainability

A young mother from Albert St told me last month that she and her two immediate neighbours have had no option but to visit the tip because they live in a property with no rear access and limited storage space but that they don't want wheelie bins - probably because they are unsightly and we don't want to end up looking like Ipswich. Can the Portfolio Holder for Waste and Sustainability please assure residents in Castle Ward that there are no plans for a roll out of compulsory wheelie bins?

(iv) Councillor Barber to Councillor J. Scott-Boutell, Portfolio Holder for Waste and Sustainability

Does the Portfolio Holder think it is acceptable that around two dozen bags were left at a gate of a public footpath for three days? This is unsightly, reflects poorly on our town and was an environmental hazard close to a children's playground. Please can she explain what she will do to ensure similar situations are not repeated in future across the borough?

(v) Councillor Scott to Councillor J. Scott-Boutell, Portfolio Holder for Waste and Sustainability

The problem of poor air quality in Colchester has been highlighted and is very clear from our own figures. We know that there is no safe level of nitrous oxide and hat micro particles from exhaust fumes are a modern plague causing disease and premature deaths in all demographics, from unborn children to very elderly people.

Do you agree with me that Colchester needs to take back control of our air?

Can you please tell me what CBC is doing to improve air quality, and to ensure that air pollution is taken into consideration in all planning decisions?

(vi) Councillor Goss to Councillor Smith, Leader of the Council and Portfolio Holder for Strategy

What is the latest situation regarding positive work with Essex County Council over congestion improvements at North Station and also Stanway and East Colchester please?

Council to note the Schedule of Portfolio Holder decisions for the period 29 November 2017 - 5 February 2018.

10 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.

11 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:

Strategic Plan 2018-2021 -report to Cabinet 31 January 2018 63 - 66

201819 Budget, Capital Programme and MTFF - report to Cabinet 31 January 2018 67 - 152

Mandatory Member Development -report to Cabinet 31 January 2018 153 - 190

12 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, 07 December 2017

Attendees:

Councillor Christopher Arnold, Councillor Lewis Barber, Councillor Nick Barlow, Councillor Lyn Barton, Councillor Kevin Bentley, Councillor Tina Bourne, Councillor Roger Buston, Councillor Nigel Chapman, Councillor Peter Chillingworth, Councillor Helen Chuah, Councillor Phil Coleman, Councillor Nick Cope, Councillor Mark Cory, Councillor Robert Davidson, Councillor Beverly Davies, Councillor John Elliott, Councillor Andrew Ellis, Councillor Annie Feltham, Councillor Vic Flores, Councillor Adam Fox, Councillor Martin Goss, Councillor Dave Harris, Councillor Theresa Higgins, Councillor Mike Hogg, Councillor Brian Jarvis, Councillor John Jowers, Councillor Darius Laws, Councillor Cyril Liddy, Councillor Michael Lilley, Councillor Sue Lissimore, Councillor Derek Loveland, Councillor Jackie Maclean, Councillor Patricia Moore, Councillor Beverley Oxford, Councillor Gerard Oxford, Councillor Philip Oxford, Councillor Chris Pearson, Councillor Lee Scordis, Councillor Rosalind Scott, Councillor Jessica Scott-Boutell, Councillor Lesley Scott-Boutell, Councillor Paul Smith, Councillor Martyn Warnes, Councillor Dennis Willetts, Councillor Barbara Wood, Councillor Julie Young, Councillor Tim Young

227 Prayers

The meeting was opened with prayers from the Mayor's Chaplain, the Reverend Hannah Cooper.

228 Apologies

Apologies were received from Councillors D. Ellis, Graham, Hazell and F. Maclean.

229 Minutes of the Previous Meeting (Council)

RESOLVED that the minutes of the meeting on 1 November 2017 be confirmed as a correct record, subject to an amendment to minute 221 to substitute Councillor Laws for Councillor Barber as asking the question to Cllr T. Young, Portfolio Holder for Business and Culture, about Holy Trinity Church.

230 Have Your Say! (Council)

Paul Dundas addressed Council pursuant to the provisions of Council Procedure Rule 6(5) about commercial development in Stanway. The proposed new retail park would provide a number of new retail units together with highway improvements. Stanway had previously suffered from high levels of housing growth. However, Stane Park and Tollgate Village would provide considerable employment opportunities. The Leader of the Council was invited to confirm that he would welcome proposals to bring jobs to the Stanway area.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, explained that the consideration of individual applications was a matter for the Planning Committee. It would be inappropriate for him to comment on specific applications as this could potentially prejudice his future consideration of them.

Victoria Weaver addressed Council pursuant to the provisions of Council Procedure Rule 6(5) to raise concerns about disabled parking and dropped kerbs on the High Street. Disabled parking on the High Street currently ended at 6.00pm. This discouraged people with disabilities from coming into the town centre in the evening and the Council should look to lift these restrictions, and also ensure that dropped kerbs were suitably located.

Councillor Lilley, Portfolio Holder for Public Safety and Licensing, responded and explained that there was an issue with parking in the town centre at night. For example, parked cars sometimes blocked the Head Street taxi rank. He would look at the issue. If he was provided with the relevant locations, he would raise the issue of dropped kerbs with Essex County Council

Phil Lee addressed Council pursuant to the provisions of Council Procedure Rule 6(5) to congratulate the Council on its policy on A-boards in the town centre. It was noticeably easier for a visually impaired person to walk around the town centre. The Royal National Institute for Blind People had commissioned research which had demonstrated that there was no evidence that A-boards either helped or hindered businesses.

Councillor Lilley, Portfolio Holder for Public Safety and Licensing, thanked Mr Lee for attending and for his comments. Most businesses supported the policy on A-boards and had complied with it. However, he was disappointed by the abusive nature of some of the comments he had received on the issue. He also thanked the Scrutiny Panel for supporting the new policy.

Scott Everest addressed Council pursuant to the provisions of Council Procedure Rule 6(5) about the installation of a Changing Places toilet in the library in Colchester town centre. He thanked Councillor Lissimore in particular for her work in bringing this forward, Councillor Smith, for agreeing to the maintenance of the facility and Councillor Davies and Graham for their support and interest. There was a growing public acceptance of the Changing Places initiative. The toilet in the Castle Park should be

made fully inclusive and accessible. Whilst a refit was planned this should be expanded to ensure that the toilet was made a Changing Places facility. Developers also had a responsibility to provide accessible services and the Planning Committee should use its powers to ensure that Changing Places facilities were included in public developments such as cinemas. Colchester Borough Council should become an early adopter of Changing Places and enforce it in all new developments in the borough.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, explained that many Councillors had worked hard on the scheme and paid tribute to the work with Essex County Council to deliver the facility. He also paid tribute to the work of Councillor Higgins who had worked tirelessly on disability rights issues. There was cross party commitment to improving accessibility in Colchester. Councillor Bourne, Portfolio Holder for Housing and Communities, also paid tribute to the work of Councillor Higgins. A toilet block was due to be installed in Castle Park in the next two years, and she would look to see if it was possible for this to be a Changing Places facility.

Simon Crow addressed Council pursuant to the provisions of Council Procedure Rule 6(5) about Colchester town centre. Colchester town centre had previously attracted shoppers from Chelmsford, but Chelmsford had now overtaken Colchester and left it behind. Chelmsford town centre was now vibrant with a real “buzz”, and attracted Colchester residents. The Bond Street development had been planned and built despite the downturn in the economy. Therefore the reasons put forward by the Council for not proceeding with the Vineyard Gate development were not valid. To prevent Colchester falling further behind its neighbours the Council needed to do all in its power to deliver a scheme that added real value to the town centre, and did not just involve building more blocks of flats.

Councillor T. Young, Portfolio Holder for Business and Culture, responded. He did not agree with Mr Crow’s assessment. Colchester had more to offer than Chelmsford. The Council had secured a £30 million investment in the town centre with Fenwicks, and new shops and restaurants had been attracted to the town centre, including major names such as Primark. The town centre also had a number of high quality attractions such as the Castle and Firstsite. Whilst it was accepted that more could and would be done, Chelmsford had not overtaken Colchester either for attractions or for retail.

Jeremy Hagan addressed Council pursuant to the provisions of Council Procedure Rule 6(5). He had attended the event on Colchester High Street on 26 November when the Christmas lights were turned on. A dangerous crush had developed, which had resulted in one person requiring medical attention. There had been considerable comment and concern expressed on social media. He queried why there had been no obvious crowd control for the event, and why were there no physical barriers to prevent vehicles accessing the High Street whilst the event was on. In addition he was concerned that there had been no clear route for emergency vehicles.

Councillor Lilley, Portfolio Holder for Public Safety and Licensing, explained that a review of the event was currently underway. No complaints about the event had been made to the Council and the person who had required medical attention had gone into labour, rather than being injured.

231 Mayor's Announcements

The Mayor made the following announcements:-

- The readings of "A Christmas Carol" had now sold out;
- An additional performance of "Macbeth" by the Priory Players would be held on 21 January 2018;
- A Comedy Evening would be held at the Headgate Theatre on 25 February 2018.

232 Local Council Tax Support 2018/19

RESOLVED (UNANIMOUSLY) that the recommendation contained in draft minute 220 of the Cabinet meeting on 22 November 2017 be approved and adopted.

233 Officer Pay Policy Statement 2018/19

RESOLVED (UNANIMOUSLY) that the recommendation contained in draft minute 221 of the Cabinet meeting of 22 November 2017 be approved and adopted

234 Nomination of Deputy Mayor 2018/19

RESOLVED (UNANIMOUSLY) that the recommendation contained in draft minute 224 of the Cabinet minute of 22 November 2017 be approved and adopted and Councillor Nick Cope be elected as Deputy Mayor of the Borough of Colchester for the 2018-19 municipal year.

235 Revised Committee Membership

RESOLVED that the decision set out in the Monitoring Officer's report be approved and adopted.

236 Vineyard Gate

It was proposed by Councillor Willetts that:-

“Council informs Cabinet of its disappointment that it has abandoned support for the Vineyard Gate project, which would have completed the redevelopment of the town centre, and accordingly requests Cabinet to fully embrace the economic redevelopment opportunity of the Vineyard Gate area, consulting with the residents of Colchester on the opportunities available.”

A main amendment was moved by Councillor Smith that the motion on Vineyard Gate be approved and adopted subject to:-

- The deletion of the words “disappointment that it has abandoned”;
- The insertion of the words “the new approach to ” between the words “for” and “the” ;
- The deletion of the words “have completed” and their replacement with the word “continue”;
- The deletion of the words “accordingly requests Cabinet” and their replacement with the words “understands that, in the view of recent decisions, a fresh look is required which may include residential, leisure, street scene and entertainment, in addition to retail development. It accordingly endorses the Cabinet’s position”
- The deletion of the word “of “and its replacement with the words “and relevant stakeholders and partners in”

Councillor Willetts indicated that the motion was not accepted, but on being put to the vote the main amendment was agreed (26 voted for and 20 voted against) and the motion was amended accordingly.

The amended motion was put to the vote and was approved and adopted (majority voted for).

237 Universal Credit

It was proposed by Councillor Bourne that:-

"In July 2018, the staged roll out of Universal Credit reaches Colchester. Universal Credit replaces individual payments for: Child Tax Credit, Housing Benefit, Income Support, income-based Job Seekers Allowance, income-related Employment and Support Allowance, Working Families Tax Credit.

This Council is aware of the escalating concerns surrounding implementation of Universal Credit for new claims and existing 'legacy' claimants. In recognising these worries this Council will:

- 1) continue building on the work with local agencies, such as the Department of

Work and Pensions, voluntary sector organisations, Colchester Borough Homes, Housing Associations, to prepare residents fully for July 2018 implementation and beyond for legacy claims.

2) encourage local private sector landlords to play their part in working cooperatively with tenants who are also Universal Credit claimants, to alleviate hardship and possible later eviction due to late rent payment caused by changes to Universal Credit payments.

3) use channels available to us to feedback on pre and post implementation of Universal Credit in order to mitigate any negative effects on Colchester claimants - especially through the District Councils' Network, Local Government Association and the MPs for the Borough of Colchester: Will Quince; Bernard Jenkin; and Priti Patel."

The motion was put to the vote and was unanimously approved and adopted.

238 Plastic Packaging

It was proposed by Councillor J. Scott-Boutell that:-

"This Council notes:

- That since introducing clear sacks for plastic recycling a decade ago, Colchester Borough Council has been able to collect and recycle a wide variety of plastic products.
- That there are still a number of types of plastic that cannot be easily collected and recycled such as polystyrene packaging, bubble wrap and plastic film. Some of these are particularly prevalent in food packaging, making it harder for residents to reduce and/or reuse them too.
- That much non-recyclable plastic is also non-biodegradable and is known to be a pollutant of our oceans with significant harmful effects on marine life.
- That the Government has proposed taking action both to reduce the amount of plastic entering the seas and the amount of waste generated by unnecessary and unrecyclable food packaging.

This Council resolves:

- To request that the Leader of the Council and the Portfolio Holder for Waste and Sustainability write to the Secretary of State for the Environment, Food and Rural Affairs and local MPs to support reductions in the amount of non-recyclable and non-biodegradable materials used in packaging.

- To encourage other Councils to take similar actions to show support for these causes."

Pursuant to Council Procedure Rule 12(1)(c) Councillor Willetts moved that the issues in the second bullet point of the motion be remitted direct to Cabinet for immediate consideration. On being put to the vote, this motion was lost (majority voted against).

The substantive motion was then put to the vote and was unanimously approved and adopted.

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

| Questioner | Subject | Response |
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| Pre-notified Questions | | |
| Councillor Barber | Public Health England have called for councils to tighten up planning regulations to help fight obesity. In particular, they have called for tougher regulation on A5 businesses (fast food takeaways), which have seen an 8% increase in openings in three years. The heaviest concentrations of fast food outlets were to be found in the most economically deprived areas and are also often clustered nearby to schools. Would the council review its planning policies to ensure they are well placed, as called for by Public Health England, to help fight obesity | Councillor T. Young, Portfolio Holder for Business and Culture explained that obesity did need to be taken seriously and this was an issue that affected Colchester. Better controls, such as a sugar tax, needed to be imposed. There was a role for more education about the implications of food choices. However, consideration also needed to be given to the needs of businesses and it was recognised that such businesses generated significant employment. He would take up the issue with officers. |

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| | among the population and in particular young and/or lower income people? | Councillor Cory, Portfolio Holder for Resources, also responded and indicated that he would raise the matter with planning officers. As this was a public health issue there was also a role for Essex County Council to play. |
| Councillor Barber | Government guidelines on Local Plans recommend that councils lay out for their first 5 years specific details on planned infrastructure improvements, where this infrastructure will go and the sources of finance for it. Our emerging Local Plan does not do such thing. Do you accept that you have once again failed to address resident concerns on not having infrastructure led development? | Councillor Smith, Leader of the Council and Portfolio Holder for Strategy responded. Despite the best efforts of local authorities to put in place policies to secure infrastructure alongside development, the government allowed developers to evade their obligations. Therefore the Council was seeking to approach development in a different way. Garden communities would be infrastructure led. As local authorities would own the land, it could secure the finance and ensure the infrastructure was put in place before development began. This would take the power away from developers. The improvements to the Park and Ride service brought in following pressure by the Council demonstrated the Council's commitment to infrastructure improvements. |

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| | | <p>Councillor Goss, Chairman of the Local Plan Committee also responded and stressed that the new draft Local Plan was infrastructure led. The continued success of Milton Keynes demonstrated that this was the right approach.</p> |
| Councillor Laws | <p>In the light of the celebrity Janet Street Porter's public criticism of poor signage when looking for Firstsite, can the Borough Council review this area and with a broader approach to include other key destinations and historic sites of interest?</p> | <p>Councillor T. Young, Portfolio Holder for Business and Culture, explained that signage was a long standing issue which was difficult to resolve. This was partly due to the fact that responsibility for signage was split. Highways England were responsible for brown tourist signs and Essex County Council were responsible for other road signs. Firstsite was signposted on the Council's pedestrian signage and firstsite had planning permission for a banner sign in Queen Street.</p> <p>Currently there was no funding available for a revised pedestrian signage scheme, although it had been identified as a town centre improvement should funding become available. It could be an issue for the</p> |

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| | | <p>BID, should one be established.</p> <p>Consideration also needed to be given to the fact that visitors and residents also now navigated in new ways using digital technology.</p> <p>He was happy to involve Castle ward councillors in discussions going forward.</p> |
| Councillor Laws | Colchester's High Street lit with Christmas lights is dwarfed by the unlit Jumbo. Can we meet soon to discuss how we can get Jumbo lit up at night? | Councillor T. Young, Portfolio Holder for Business and Culture, indicated that he was happy to meet Cllr Laws, and he was not opposed to the idea of lighting Jumbo. Planning officers considered that it would be too late to light Jumbo this winter and he was uncertain whether there were funds available for this. There may be some possibilities through partnership working to take this forward. |
| Councillor Warnes | Has the Portfolio Holder any plans to introduce electric buses in Colchester Town Centre. | Councillor J. Scott-Boutell, Portfolio Holder for Waste and Sustainability, that the Council was keen to work with the providers of bus services and it offered support and advice to secure cleaner and greener bus services including electric. The Council had been |

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| | | <p>successful in securing funding to retro fit cleaner technology to 10 buses, and further funding had been sought in partnership with other local authorities. Whilst she supported the concept of electric buses there no plans of which she was aware for them to be introduced in Colchester.</p> |
| Councillor Warnes | <p>A recent report by Savills states that in England nearly 100,000 new households a year are unable to afford to rent or buy in their local housing market. A proportion of those will be in the Colchester Borough. Given that it is becoming increasingly obvious that 'affordable housing' is no longer affordable, can the Portfolio Holder for Housing and Communities tell me if she has been in touch with Ministers asking them to release funds to allow us to once more start building Council Homes in Colchester. What support did the Portfolio Holder need from local MPs to kickstart building of affordable housing in the borough?</p> | <p>Councillor Bourne, Portfolio Holder for Housing and Communities, explained that whilst the Government had pledged to build 300,000 more homes, she had hoped that it would have done more in the budget to allow councils to build housing again. Local authorities had an excellent track record of delivering housing. Affordable housing had to be genuinely affordable. Many residents could not afford the private rented sector and therefore had to approach councils for help. For example there were 400 children homeless in Colchester. More housing needed to be delivered through developer contributions or councils had to be allowed to borrow in order to build themselves.</p> <p>There needed to be less opportunity for developers</p> |

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| | | to avoid their planning obligations. Councils needed more flexibility in the use of right to buy receipts, and the Social Housing Green paper needed to be closely examined to ensure funds were released to local authorities. |
| Verbal questions | | |
| Councillor Laws | Could the Portfolio Holder for Housing and Communities give details of calls for rodent control over the past three years in Castle ward? | Councillor Bourne, Portfolio Holder for Housing and Communities explained that the figures had remained fairly stable over the last three years and there were approximately 5 calls relating to mice and 18 for rats per annum. |
| Councillor Jarvis | Further to the recent Fire Safety briefing, could the Leader of the Council and Portfolio Holder for Strategy confirm whether the Sheepen Road Phase 2 Office block would contain a sprinkler system? | Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, indicated he would look into the matter and provide a written response. |
| Councillor Flores | A local elderly resident had in Shrub End ward had recently tried to use the online system to arrange for refuse to be collected. She had tried 6 times, but no response had been generated. In the light of this would the Portfolio Holder for Resources, confirm that the online system for reporting was working efficiently? | Councillor Cory, Portfolio Holder for Resources, explained that the online system for reporting had been working well. If full details were forwarded to him he would look into the matter. |

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| Councillor Flores | Would the Portfolio Holder for Waste and Sustainability confirm that all the waste collection arrangements were efficient and running correctly? Why was she using her locality budget to bolster the service with extra collections? | Councillor Scott-Boutell, Portfolio Holder for Waste and Sustainability explained that it was working efficiently and she had full confidence in the service. The service would be fully reviewed at the meeting of the Scrutiny Panel on 12 December. She had used her locality budget to help residents who had contacted her on a specific issue and used it so they did not need to travel to Shrub End to dispose of garden waste. |
| Councillor Arnold | Would the Portfolio Holder establish whether recycling sites at local supermarkets and shopping parades, some of which included recycling facilities for tetrapacks, were still operated by the Council? | Councillor Scott-Boutell, Portfolio Holder for Waste and Sustainability indicated that she would look into the matter and provide a response. |
| Councillor Arnold | Could the Portfolio Holder for Business and Culture establish why the Colchester App had only about 100 users? | Councillor T. Young, Portfolio Holder for Business and Culture, indicated that he would look into the matter and provide a response. |
| Councillor Arnold | Would the Portfolio Holder for Public Safety and Licensing confirm that he would hold a review into the events surrounding the Christmas Launch on the High Street? | Councillor Lilley, Portfolio Holder for Public Safety and Licensing, confirmed that the events were taken seriously and a full review would be held to prevent any repetition. The complaints on social media were being reviewed. An update to Councillors and the public would be |

| | | |
|------------------|--|---|
| | | provided once a full report had been prepared. |
| Councillor Goss | <p>Could the Leader of the Council and Portfolio Holder for Strategy update Council on discussions on infrastructure and congestion that were being held with Councillor Bentley, with particular reference to the area around North Station? Could concerns about the mortar in the High Street also be raised with Essex County Council?</p> | <p>The Leader of the Council and Portfolio Holder for Strategy explained that the Park and Ride Scheme would be extended from 5.30 am to 9.00pm, subject to planning consent. This would be a significant improvement to the service, particularly for commuters. It would also reduce traffic around North Station. A group ticket would also be available from 9.00am. This was evidence of effective partnership working with Essex County Council. There were also opportunities to use the Park and Ride facilities for major events at the Community Stadium.</p> <p>The issues with the pavement in the High Street should be taken up by Essex County Council colleagues.</p> |
| Councillor Scott | <p>Whilst the provision of some women only swimming sessions at Leisure World was welcomed, how could the Council improve the offer of women-only sessions at Leisure World and provide segregated sessions. This would be in line with the Council's ethos of</p> | <p>Councillor Feltham, Portfolio Holder for Commercial Services, explained that in 2016 Leisure World had received a grant for the provision of 10 subsidised women-only swimming sessions. When the funding ended and the sessions became full price,</p> |

| | | |
|------------------|---|--|
| | <p>accessibility and good practice. The imbalance in numbers of female and male lifeguards at Leisure World was noted and reassurance was sought that this was not a consequence of gender bias in recruitment?</p> | <p>the numbers had fallen and the session became unsustainable. The issue was taken seriously and work was currently underway to gather information about the level of demand for such a service, the level of exclusion required and how this could be managed. Leisure World was designed for open access and for ease of use large groups such as schools. It was therefore difficult to limit for restrict access for relatively small groups. The impact on the financial performance of Leisure World also needed to be considered.</p> <p>There was no gender bias in recruitment across the Council. Proper recruitment processes were closely followed at both political and officer level.</p> |
| Councillor Moore | <p>Could the Portfolio Holder for Waste and Sustainability provide a response to Abberton Parish Council's query about why the Council could not sell black bags to local people?</p> | <p>Councillor Scott-Boutell, Portfolio Holder for Waste and Sustainability explained that a response had been sent to the Parish Clerk. The additional black sacks the Council held in stock were used by the Zones Teams for issues such as the collection of fly tipping.</p> |

240 Schedule of Portfolio Holder Decisions

RESOLVED that the schedule of Portfolio Holder decisions for the period 13 October 2017- 28 November 2017 be noted.

Extract from the draft minutes of the Cabinet meeting on 31 January 2018

230. Strategic Plan 2018-2021

The Assistant Director Policy and Corporate submitted a report a copy of which had been circulated to each Member together with minute 149 of the Scrutiny Panel meeting of 30 January 2018.

Mike Hardy addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1). It was noted that one of the priorities under the “Opportunities” theme was to “Promote Colchester’s heritage and visitor attractions to increase in visitor numbers and to support job creation”. He provided a brief history of the management of the Gosbecks site and the use of Gosbecks reserve fund. Concerns had previously been raised about an unexplained overspend and about the use of funds from the reserve for heritage at the Castle which was not specifically related to the management of the Gosbecks site.

Councillor Hazell attended and with the consent of the Chairman addressed the Cabinet about the Gosbecks site. She explained the original intentions behind the management of the site. Whilst the land management of the site had been good, very little work had been done on the archaeological interpretation of the site, as had been the original intention. For example in 1996 the Council obtained planning permission for portakabins to be used for exhibitions and interpretation, but this had never been progressed. There were only three simple interpretation boards on the site, which were now in a poor state. The full story of the history of the site, which was of national and international importance, was not told. The Gosbecks fund would be exhausted in seven years time and it was essential that a wide ranging look at the future management and funding of the site be undertaken. This would be best achieved by the creation of a Task and Finish Group.

Councillor Laws attended and with the consent of the Chairman addressed the Cabinet. He suggested that the wording of the first point of the Opportunity theme should be amended to read “To promote and enhance Colchester’s heritage and visitor attractions...” which would demonstrate the Council’s commitment to developing Colchester’s heritage further. Also it was incorrect to say that the “Fixing the Link” project had been completed. He urged the Cabinet to be bold on the Growth theme and consider how Colchester should develop up to 2043.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, thanked Councillor Laws for his comments and indicated he accepted his suggested amendment to the “Opportunity” theme. The suggestions from the Scrutiny Panel were also welcomed and accepted. The Strategic Plan set out a bold and exciting vision and he hoped it would be approved and adopted unanimously at Council. The

only alternative to the growth it set out was decline and stagnation.

RESOLVED that:-

(a) The Strategic Plan 2018 - 2021 be agreed subject to the inclusion of the suggestions of the Scrutiny Panel and the first sub-paragraph of the Opportunity theme being amended to read:-

“Promote and enhance Colchester borough’s heritage and visitor attractions to increase visitor numbers and to support job creation”.

(b) Officers be asked to prepare an action plan to achieve its aims and priorities.

RECOMMENDED TO COUNCIL that the Strategic Plan 2018 - 2021 be adopted and included in the Policy Framework.

REASONS

The Strategic Plan sets the framework for the Council's three-year Medium Term Financial Forecast and its Capital Programme.

This new Strategic Plan addresses the key challenges facing the Borough by describing 20 priorities organised into four key themes: Growth, Responsibility, Opportunity and Wellbeing.

ALTERNATIVE OPTIONS

The current Strategic Plan expires at the end of the financial year. A new plan is required and needs to be adopted by full Council. The absence of a Strategic Plan would create a significant risk of the Council failing to identify and deliver on its core priorities.

The final version of the Strategic Plan 2018 – 2021 including the amendments agreed at Cabinet is attached immediately after this minute extract.



Our Colchester

The Strategic Plan 2018-21

Growth, Responsibility, Opportunity and Wellbeing

OUR ACHIEVEMENTS 2015-18

Communities

- Start-well programme for vulnerable families launched with over £200,000 used to deliver initiatives like Beat the Streets; raising awareness to keep our children safe and improve health and wellbeing
- Community Enabling Strategy adopted along with a range of projects, campaigns and local initiatives
- Supported local priorities and vulnerable groups with over £1.3m of funding
- Infrastructure funding to support renovation and development of new community facilities such as Stanway Village Hall and improvements to community open space such as the Café on the Recreation Ground at Old Heath
- 'The Big Switch' initiative has saved Colchester borough residents £158,928.14 on fuel bills.

Economy

- Colchester Ultra-ready inward investment campaign launched: Colchester rated in UK's top 10 for creative industries
- The Old Police Station redeveloped and opened as a RICS award winning Creative Business Centre – all 43 studios let within first month
- 'Purple Flag' well-managed town centre status gained and retained
- Curzon cinema nearing completion of the conversion of Roman House.

Environment and transport

- 16% reduction in Council's carbon emissions (544 tonnes of CO2)
- Worked collaboratively with Community Safety Partners to distribute over £50,000 of funding; delivered Days and Nights of Action and introduced the new policing community initiative 'Street Weeks'
- Worked with Essex County Council to support the opening of the Northern Approach 3 Road
- 'Fixing the Link' walkway from North Station to town centre
- Our award winning Parks and Open Spaces include High Woods Country Park and Castle Park both Green Flag accredited. High Woods achieved Anglia in Bloom's silver gilt for the Best Park in the region over 10 acres. Castle Park was RHS Britain in Bloom UK Parks and Green Spaces Award runner up 2017.

Housing

- 2,330 new homes delivered, including 294 affordable homes, so far
- Over £33m invested to improve the Council's housing stock
- Enoch House sheltered accommodation redeveloped and opened
- More than 1,100 cases of homelessness prevented through pro-active support.

Leisure, heritage and tourism

- The I-Spy and 'If Our Walls Could Talk' tourism campaigns reached a potential audience of 7 million people across a wide range of promotional channels including online, print and outdoor and digital advertising. The Official Colchester Visitor Guide and www.visitcolchester.com website redesigned and relaunched
- Wide range of events delivered including 'Summer Screen' in Castle Park, and over £65,000 of funding provided to 42 independent not for profit events through the Festival Support Fund
- Museums have secured Arts Council 'National Portfolio Organisation' status which includes £797,000 funding over the next four years
- Our new Colchester Historic Guide Book was published and the Colchester Castle guide book won best heritage guide 2017 from the Association of Cultural Enterprises.

Our Colchester - The Strategic Plan 2018-21

This plan describes the priorities and direction for our borough. It sets out the Council's ambitious goals to help make Colchester an even better place to live, work and visit. We will work with many partners to get the best for our residents.

To help us decide on these priorities we invited members of the public to share their thoughts with us. We did this in a consultation which included an online survey, and a series of focus groups with the public, independently selected to make sure we included all sections of our communities.

Residents told us:

- Colchester is a welcoming place and should continue to be so
- They are positive about Colchester and see it a good place to live
- They are proud of the long and prominent history of the town
- They like the countryside surrounding Colchester, and the borough's open spaces such as Castle Park
- They understand the importance of growth for the town and borough, but want infrastructure to keep pace
- They want the Council to play its part to maximise the availability of affordable housing and encourage inward investment to maximise job opportunities
- They want the Council to support the most vulnerable in society, and to help reduce homelessness.

OUR PRIORITIES ARE:

GROWTH

Ensuring all residents benefit from the growth of the borough

RESPONSIBILITY

Encouraging everyone to contribute to making our borough even better

OPPORTUNITY

Promoting and improving Colchester and its environment

WELLBEING

Making Colchester an even better place to live and supporting those who need most help.

GROWTH

Help make sure Colchester is a welcoming place for all residents and visitors

Ensure residents benefit from Colchester's economic growth with skills, jobs and improving infrastructure

Promote inward investment to the borough

Develop jobs, homes, infrastructure and communities to meet the borough's future needs by creating new Garden Communities

Work with partners to create a shared vision for a vibrant town centre.



RESPONSIBILITY

Promote responsible citizenship by encouraging residents to get involved in their communities and to identify solutions to local issues

Encourage re-use and recycling to reduce waste to landfill

Educate those residents who behave anti-socially about the impact of their behaviour

Increase the supply of good quality homes by using legal powers to reduce the number of empty homes and improve standards in the private rented sector

Create new routes for walking or cycling and work with partners to make the borough more pedestrian-friendly.



OPPORTUNITY

Promote and enhance Colchester borough's heritage and visitor attractions to increase visitor numbers and to support job creation

Encourage green technologies through initiatives such as SMART Cities

Help business to flourish by supporting infrastructure for start-up businesses and facilitating a Business Improvement District

Ensure a good supply of land available for new homes through our Local Plan.



WELLBEING

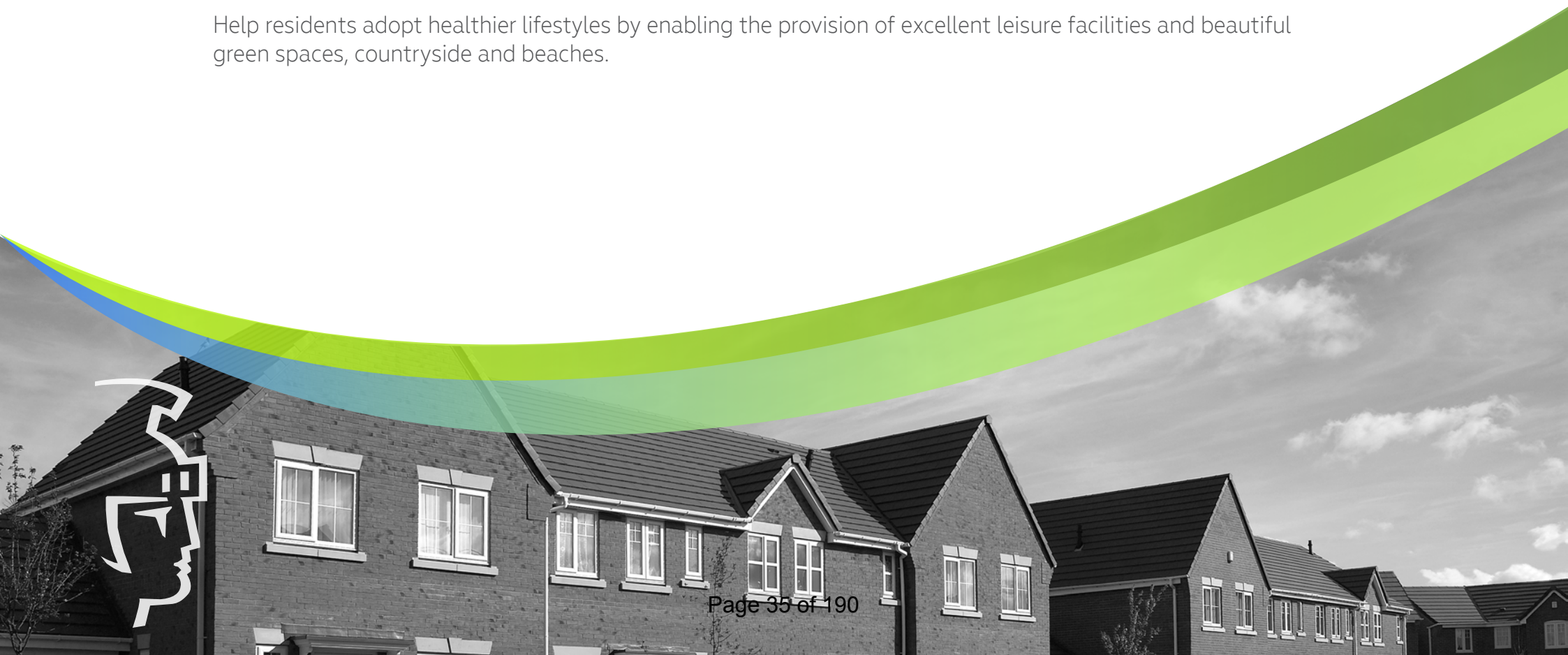
Encourage belonging, involvement and responsibility in all the borough's communities

Work with Essex Police and partners in the Safer Colchester Partnership to make Colchester an even safer place

Create new social housing by building Council homes and supporting Registered Providers

Target support to the most disadvantaged residents and communities

Help residents adopt healthier lifestyles by enabling the provision of excellent leisure facilities and beautiful green spaces, countryside and beaches.



Our Colchester - The Strategic Plan 2018-21
Growth, Responsibility, Opportunity and Wellbeing

GROW
CBOW

Extract from the draft minutes of the Cabinet meeting held on 31 January 2018

232. 2018/19 General Fund Revenue Budget, Capital Programme and Medium Term Financial Forecast

The Assistant Director Policy and Corporate submitted a report a copy of which had been circulated to each Member together with minute 147 of the Scrutiny Panel meeting of 30 January 2018.

Councillor Flores attended and with the consent of the Chairman addressed the Cabinet, about the management of the Gosbecks Reserve Fund. This had been established from £500,000 of section 106 funding. He explained some of the background to an overspend of £60,000 which had only come to light in 2016. In addition he expressed concern about the use of the Gosbecks Reserve for funding other heritage related spending not strictly related to Gosbecks. This was against the spirit of the Gosbecks Reserve and it was suggested that the misspent funds should be transferred back in order to ensure that Gosbecks could be properly maintained.

Councilor Bourne, Portfolio Holder for Housing and Communities, indicated that this was probably too narrow an issue to justify the establishment of a Task and Finish Group but she would meet with the ward councillors and Councillor Laws to discuss the issue in more detail. Councillor Feltham, Portfolio Holder for Commercial Services, indicated that she had had responsibility for Gosbecks at some of the periods in question and was willing to help.

Councillor Barber attended and with the consent of the Chairman addressed the Cabinet. He sought a reassurance about the impact of the efficiency savings on the Zone teams. They provided a valuable service and should be a priority for resources. There could also be scope for parishes to take on some of the work undertaken by the Zone teams. The roll out of the digital strategy had been disappointing so far, and further information about the rollout to rural areas was requested.

Councillor Laws attended and with the consent of the Chairman addressed Cabinet. He noted the allocation of £177,000 for Borough Council elections and suggested that a debate should be held on moving to four yearly whole Council elections. The unallocated expenditure in the heritage reserve should be used to light up the Roam Walls.

In response, Councillor Cory, Portfolio Holder for Resources, explained that the saving of £90,000 was only a small proportion of the total Zones budget and it would not impact on frontline services. It would be achieved through a management reorganisation and a rationalising of rotas. In terms of the digital strategy, the

Council was working with the government to bring forward 5G connectivity. Elections by thirds kept the Council responsive and reflective, and even if the Council moved to whole Council elections, there would be still be costs in administering national and county elections.

The budget protected front line services and would ensure that the Council would continue to support residents with good quality services. In the light of further cuts to the Revenue Support Grant and the New Homes Bonus, it was necessary to raise Colchester's element of Council Tax by 2.75%. The budget provided investment to protect the vulnerable, by providing funds to address homelessness and for the Council Tax Support Scheme. Locality budgets would be maintained, allowing ward councillors to choose how they supported their communities. The Medium Term Financial Forecast remained challenging, with a budget gap of £2.6 million over the next three years. Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, endorsed his comments and expressed his support for the proposed budget.

RESOLVED that:-

- (a) It be noted that for the purpose of assessing the impact on balances the outturn for the current financial year is assumed to be an overspend of £200k (see paragraph 6.4 of the Assistant Director's report).
- (b) The provisional Finance Settlement figures set out in Section 7 of the Assistant Director's report showing a cut to the Settlement Funding Assessment of £524k be noted.
- (c) The figures for the business rates retention scheme and the arrangements for completion of the required return of estimated business rates income as set out at paragraph 7.8 of the Assistant Director's report be noted.
- (d) The reduction in the New Homes Bonus grant and that there further reductions in later years are expected be noted as set out in section 7 of the Assistant Director's report.
- (e) The cost pressures, proposed use of New Homes Bonus, savings and increased income options identified during the budget forecast process as set out at in section 8 and detailed in Appendices C and D of the Assistant Director's report be approved.
- (f) It be agreed and *RECOMMENDED TO COUNCIL* the 2018/19 Revenue Budget requirement of £19,695k (paragraph 8.13) and the underlying detailed budgets set out in summary at Appendix E and Background Papers of the Assistant Director's report subject to the final proposal to be made in respect of Council Tax.
- (g) It be agreed and *RECOMMENDED TO COUNCIL* that Colchester's element of the Council Tax for 2018/19 be set at £185.13 per Band D property, which represents an increase of £4.95 (2.75%) from the current rate noting that the formal resolution to Council will include Parish, Police, Fire and County Council precepts and any changes arising from the formal Finance Settlement announcement and final completion of the

business rates NNDR 1. This will be prepared in consultation with the Leader of the Council.

(h) The Revenue Balances for the financial year 2018/19 as set out at Appendix I of the Assistant Director's report be agreed and it also be agreed that:-

- the minimum level be set at a minimum of £1,900k
- £136k of balances, including sums carried forward from 2017/18, be applied to finance items in the 2018/19 revenue budget

(i). The updated position on earmarked reserves set out in section 11 of the Assistant Director's report be noted and the following be agreed:-

- Release of £300k use of capital expenditure reserve for ICT strategy
- Release of £185k use of parking reserve
- Contribution to the business rates reserve of £600k

(j) The reinstatement of balances in respect of the pensions deficit payment made in 2017/18 as set out in section 8.12 of the Assistant Director's report be noted.

(k) *RECOMMENDED TO COUNCIL* that £100k of Revenue Balances be earmarked for potential unplanned expenditure within the guidelines set out at paragraph 12.3 of the Assistant Director's report.

(l) The Medium Term Financial Forecast for the financial years 2018/19 to 2021/22 set out in section 14 of the Assistant Director's report be noted.

(m) The position on the Capital Programme, including forecast underspend shown at section 12 of the Assistant Director's report be noted and to *RECOMMEND TO COUNCIL* the inclusion in the Capital Programme of:-

- The proposed lending to the Council's company to support housing development as set out in the CCHL Business Plan.
- The inclusion of £2.9m in respect of the acquisition of properties for use as temporary accommodation.
- The proposed allocation in respect of the Council's waste fleet.
- The proposed transfer of resources from the DFG budget to Discretionary Financial Assistance Programme

(n) The comments made on the robustness of budget estimates at section 13 of the Assistant Director's report be noted.

(o) The 2018/19 Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy, as set out in the background paper at Appendix M of the Assistant Director's report, be approved and *RECOMMENDED TO COUNCIL*.

REASONS

The Council is required to approve an annual budget.

The Assistant Director's report sets out supporting information and also statutory commentary about the robustness of the budget and the level of balances.

ALTERNATIVE OPTIONS

There are different options that could be considered as part of the budget within the constraints set out in the Assistant Director's report.



Council

21 February 2018

Item
7(ii)

| | | | |
|-----------------------|--|---------------|---------------------------------|
| Report of | Assistant Director Policy & Corporate | Author | Sean Plummer ☎ 282347 |
| Title | Precept and Council Tax Levels 2018/19 | | |
| 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 2018/19. These include the following information:
- A Council Tax Base of 61,960.0 Band D equivalent properties, together with details of the Council Tax base for individual parishes.
 - A Council Tax requirement for Colchester Borough Council of £11.47 million (excluding parishes).
 - Colchester's element of the Council Tax being £185.13 for Band D properties (excluding parishes). An increase of 2.75%.
 - Expected Band D Council Tax for Essex County Council, Essex Police and Essex Fire and Rescue Service.
 - The total Council Tax payable for the different parts of the Council's area.
 - Parish, Town and Community Councils precept amounts for 2018/19.
- 1.2 The report should be read alongside the General Fund budget report.

2. Recommended Decision

- 2.1 To approve the statutory resolutions as set out at Appendix 1 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 2018/19.

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 Cabinet on 31 January 2018 approved and recommended to Council the 2018/19 revenue budget requirement. The final grant settlement notification was advised on 6 February. This did not contain any material changes from the earlier provisional figures for the total Settlement Funding Assessment.

Local Retention of Business Rates

- 5.2 The Cabinet report set out the arrangements, issues and risks associated with the local retention of business rates. It was outlined that the Council is required to submit a return of estimated business rates income for 2018/19 (the NNDR1). The budget proposals in the Cabinet paper were based on additional anticipated income above the 2018/19 baseline funding level of £1.1m. The NNDR1 shows potential additional income for 2018/19 that is broadly in line with the budget estimate. In addition, the NNDR1 forecast surplus as at the end of the current year is unchanged from the budgeted figure of £600k. Any fluctuation in overall NNDR income during the year will be reflected in the surplus/deficit figure in the 2019/20 budget, and the issue of ongoing income from retained business rates will be considered as part of the budget strategy for 2019/20.
- 5.3 Cabinet recommended that Colchester's element of the Council Tax for 2018/19 be agreed at £185.13 for Band D properties, which represents an increase of £4.95 (2.75%).
- 5.4 In approving Colchester's element of the Council Tax, account has to be taken of Revenue Support Grant, Retained Business Rates and any surplus or deficit arising from the Collection Fund. Colchester's Council Tax requirement also has to reflect Parish Council spending and the following table sets out the position:

| | £'000 | £'000 |
|---|---------|---------------|
| Colchester's Budget Requirement | 16,252 | 19,365 |
| Add: Net contr. to Reserves & Balances | 1,365 | |
| | 17,617 | |
| Parish Councils' Requirement (Appendix 2) | 1,748 | |
| Less: | | |
| Revenue Support Grant | (275) | (5,537) |
| Business Rates (baseline funding) | (4,162) | |
| Business Rates (growth) | (1,100) | |
| | | (5,537) |
| Less: Surplus on Collection Fund | | (609) |
| Council Tax Requirement | | 13,219 |

- 5.5 Colchester's Council Tax at Band D for 2018/19 is £185.13 and is determined as follows:

| | |
|---|---------------|
| Council Tax Requirement (as detailed above) | 13,218,640 |
| Divided by Council Tax Base | 61,960.0 |
| Council Tax at Band D (including Parishes) | 213.34 |
| Deduct Parish Element | 28.21 |
| Council Tax at Band D for Colchester Borough Council | 185.13 |

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. The following table sets out the overall position based on information received at the date of writing this report. The Police Fire and Crime Panel formally approved the budgets for Essex Police and the Fire and Rescue Service on 22 January. Essex County Council is expected to formally approve its budget on 13 February. Any change to the information set out in this report will be reported to this meeting.

| | Council Tax at Band D | | | |
|----------------------------|------------------------------|----------------------|-------------------|-------------------|
| | 2017/18 £ | 2018/19 £ | £ Increase | % Increase |
| Colchester Borough Council | 180.18 | 185.13 | 4.95 | 2.75 |
| Essex County Council | 1,163.70 | 1,221.75 | 58.05 | 5.00 |
| Police | 157.05 | 169.02 | 11.97 | 7.62 |
| Fire and Rescue | 69.03 | 70.38 | 1.35 | 1.95 |
| | 1,569.96 | 1,646.28 | 76.32 | 4.86 |

- 6.2 The overall position (excluding Parishes) for each band is as follows:

| Band | A | B | C | D | E | F | G | H |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Borough | 123.42 | 143.99 | 164.56 | 185.13 | 226.27 | 267.41 | 308.55 | 370.26 |
| County | 814.50 | 650.25 | 1,086.00 | 1,221.75 | 1,493.25 | 1,764.75 | 2,036.25 | 2,443.50 |
| Police | 112.68 | 131.46 | 150.24 | 169.02 | 206.58 | 244.14 | 281.70 | 338.04 |
| Fire | 47.12 | 54.97 | 62.83 | 70.38 | 86.39 | 102.09 | 117.80 | 141.36 |
| TOTAL | 1,097.52 | 1,280.44 | 1,463.36 | 1,646.28 | 2,012.12 | 2,377.96 | 2,743.80 | 3,292.56 |

- 6.3 The appropriate Parish elements are added to these figures. Full details of the tax rates are given in Appendix 1. (Details of the individual Parish Precepts are set out in Appendix 2).

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 1.

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 As set out above.

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 takes place on 13 February 2018, and notes of the meeting will be added to the Council's website in due course.

12. Standard References

- 12.1. Having considered equality, diversity and human rights, community safety, health and safety and risk management implications, there are none that are significant to the matters in this report.

Appendices

Appendix 1: Resolutions

Appendix 2: Parish Council Precepts 2018/19

Background Papers

None

RESOLUTIONS

1. It be noted that the Tax Base has been approved and the following amounts were calculated for the year 2018/2019 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992 as amended ('the Act'):
 - (a) 61,960.0 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 | 435.2 |
| Aldham | 206.7 |
| Birch | 300.2 |
| Boxted | 587.4 |
| Chappel | 216.6 |
| Copford | 678.6 |
| Dedham | 921.8 |
| East Donyland | 679.5 |
| East Mersea | 127.9 |
| Eight Ash Green | 659.0 |
| Fingringhoe | 332.8 |
| Fordham | 323.6 |
| Great Horkesley | 1,047.1 |
| Great Tey | 376.0 |
| Langham | 497.0 |
| Layer Breton | 128.9 |
| Layer de la Haye | 710.8 |
| Layer Marney | 88.2 |
| Little Horkesley | 91.4 |
| Marks Tey | 937.6 |
| Messing cum Inworth | 172.2 |
| Mount Bures | 106.9 |
| Myland | 5,101.5 |
| Stanway | 3,420.6 |
| Tiptree | 3,392.2 |
| Wakes Colne | 240.0 |
| West Bergholt | 1,328.0 |
| West Mersea | 3,142.8 |
| Winstred Hundred | 490.7 |
| Wivenhoe | 2,861.2 |
| Wormingford | 190.4 |

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 2018/19 (excluding parish precepts) is £11,470,700
3. The following amounts be now calculated by the Council for the year 2018/2019 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:
- (a) 149,690,440 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) 136,471,800 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) 13,218,640 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) 213.34 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) 1,747,939 Being the aggregate amount of all special items referred to in Section 34(1) of the Act. [Parish Precepts]
 - (f) 185.13 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 | 215.71 |
| Aldham | 238.84 |
| Birch | 214.52 |
| Boxted | 266.57 |
| Chappel | 263.77 |
| Copford | 228.62 |
| Dedham | 228.49 |
| East Donyland | 269.60 |
| East Mersea | 245.65 |
| Eight Ash Green | 232.23 |
| Fingringhoe | 219.99 |
| Fordham | 269.51 |
| Great Horkesley | 202.52 |
| Great Tey | 232.59 |
| Langham | 222.10 |
| Layer Breton | 185.13 |
| Layer de la Haye | 206.50 |
| Layer Marney | 185.13 |
| Little Horkesley | 221.15 |
| Marks Tey | 238.81 |
| Messing cum Inworth | 249.43 |
| Mount Bures | 211.19 |
| Myland | 211.04 |
| Stanway | 229.28 |
| Tiptree | 288.44 |
| Wakes Colne | 238.21 |
| West Bergholt | 249.61 |
| West Mersea | 265.78 |
| Winstred Hundred | 210.63 |
| Wivenhoe | 290.25 |
| Wormingford | 234.42 |
| All other parts of the Council's area | 185.13 |

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 | 143.81 | 167.77 | 191.74 | 215.71 | 263.65 | 311.58 | 359.52 | 431.42 |
| Aldham | 159.23 | 185.76 | 212.30 | 238.84 | 291.92 | 344.99 | 398.07 | 477.68 |
| Birch | 143.01 | 166.85 | 190.68 | 214.52 | 262.19 | 309.86 | 357.53 | 429.04 |
| Boxted | 177.71 | 207.33 | 236.95 | 266.57 | 325.81 | 385.05 | 444.28 | 533.14 |
| Chappel | 175.85 | 205.15 | 234.46 | 263.77 | 322.39 | 381.00 | 439.62 | 527.54 |
| Copford | 152.41 | 177.82 | 203.22 | 228.62 | 279.42 | 330.23 | 381.03 | 457.24 |
| Dedham | 152.33 | 177.71 | 203.10 | 228.49 | 279.27 | 330.04 | 380.82 | 456.98 |
| East Donyland | 179.73 | 209.69 | 239.64 | 269.60 | 329.51 | 389.42 | 449.33 | 539.20 |
| East Mersea | 163.77 | 191.06 | 218.36 | 245.65 | 300.24 | 354.83 | 409.42 | 491.30 |
| Eight Ash Green | 154.82 | 180.62 | 206.43 | 232.23 | 283.84 | 335.44 | 387.05 | 464.46 |
| Fingringhoe | 146.66 | 171.10 | 195.55 | 219.99 | 268.88 | 317.76 | 366.65 | 439.98 |
| Fordham | 179.67 | 209.62 | 239.56 | 269.51 | 329.40 | 389.29 | 449.18 | 539.02 |
| Great Horkesley | 135.01 | 157.52 | 180.02 | 202.52 | 247.52 | 292.53 | 337.53 | 405.04 |
| Great Tey | 155.06 | 180.90 | 206.75 | 232.59 | 284.28 | 335.96 | 387.65 | 465.18 |
| Langham | 148.07 | 172.74 | 197.42 | 222.10 | 271.46 | 320.81 | 370.17 | 444.20 |
| Layer Breton | 123.42 | 143.99 | 164.56 | 185.13 | 226.27 | 267.41 | 308.55 | 370.26 |
| Layer de la Haye | 137.67 | 160.61 | 183.56 | 206.50 | 252.39 | 298.28 | 344.17 | 413.00 |
| Layer Marney | 123.42 | 143.99 | 164.56 | 185.13 | 226.27 | 267.41 | 308.55 | 370.26 |
| Little Horkesley | 147.43 | 172.01 | 196.58 | 221.15 | 270.29 | 319.44 | 368.58 | 442.30 |
| Marks Tey | 159.21 | 185.74 | 212.28 | 238.81 | 291.88 | 344.95 | 398.02 | 477.62 |
| Messing cum Inworth | 166.29 | 194.00 | 221.72 | 249.43 | 304.86 | 360.29 | 415.72 | 498.86 |
| Mount Bures | 140.79 | 164.26 | 187.72 | 211.19 | 258.12 | 305.05 | 351.98 | 422.38 |
| Myland | 140.69 | 164.14 | 187.59 | 211.04 | 257.94 | 304.84 | 351.73 | 422.08 |
| Stanway | 152.85 | 178.33 | 203.80 | 229.28 | 280.23 | 331.18 | 382.13 | 458.56 |
| Tiptree | 192.29 | 224.34 | 256.39 | 288.44 | 352.54 | 416.64 | 480.73 | 576.88 |
| Wakes Colne | 158.81 | 185.27 | 211.74 | 238.21 | 291.15 | 344.08 | 397.02 | 476.42 |
| West Bergholt | 166.41 | 194.14 | 221.88 | 249.61 | 305.08 | 360.55 | 416.02 | 499.22 |
| West Mersea | 177.19 | 206.72 | 236.25 | 265.78 | 324.84 | 383.90 | 442.97 | 531.56 |
| Winstred Hundred | 140.42 | 163.82 | 187.23 | 210.63 | 257.44 | 304.24 | 351.05 | 421.26 |
| Wivenhoe | 193.50 | 225.75 | 258.00 | 290.25 | 354.75 | 419.25 | 483.75 | 580.50 |
| Wormingford | 156.28 | 182.33 | 208.37 | 234.42 | 286.51 | 338.61 | 390.70 | 468.84 |
| All other parts of Council's area | 123.42 | 143.99 | 164.56 | 185.13 | 226.27 | 267.41 | 308.55 | 370.26 |

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 2018/2019 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:

Valuation Bands

| Precepting Authority | A | B | C | D | E | F | G | H |
|-----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Essex County Council | 814.50 | 950.25 | 1,086.00 | 1,221.75 | 1,493.25 | 1,764.75 | 2,036.25 | 2,443.50 |
| Police | 112.68 | 131.46 | 150.24 | 169.02 | 206.58 | 244.14 | 281.70 | 338.04 |
| Fire and Rescue | 46.92 | 54.74 | 62.56 | 70.38 | 86.02 | 101.66 | 117.30 | 140.76 |

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 2018/2019 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 2018/19 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 2018/19:
- (i) 3%, or more than 3%, greater than its relevant basic amount of council tax for 2017-18; and
- (ii) more than £5.00 greater than its relevant basic amount of council tax for 2017-18.
- (b) Percentage increase in the Council's basic amount of Council Tax:
- | | |
|----------------------|-----------------|
| 2017/18 amount | £180.18 |
| 2018/19 amount | £185.13 |
| Percentage increase: | £4.95 and 2.75% |

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 2018/19 is **not excessive** and no referendum is required.

- 8 Discretionary council tax discounts and exemptions for 2018/19 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> | No discount applicable to this class |

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 | 1,117.91 | 1,304.22 | 1,490.54 | 1,676.86 | 2,049.50 | 2,422.13 | 2,794.77 | 3,353.72 |
| Aldham | 1,133.33 | 1,322.21 | 1,511.10 | 1,699.99 | 2,077.77 | 2,455.54 | 2,833.32 | 3,399.98 |
| Birch | 1,117.11 | 1,303.30 | 1,489.48 | 1,675.67 | 2,048.04 | 2,420.41 | 2,792.78 | 3,351.34 |
| Boxted | 1,151.81 | 1,343.78 | 1,535.75 | 1,727.72 | 2,111.66 | 2,495.60 | 2,879.53 | 3,455.44 |
| Chappel | 1,149.95 | 1,341.60 | 1,533.26 | 1,724.92 | 2,108.24 | 2,491.55 | 2,874.87 | 3,449.84 |
| Copford | 1,126.51 | 1,314.27 | 1,502.02 | 1,689.77 | 2,065.27 | 2,440.78 | 2,816.28 | 3,379.54 |
| Dedham | 1,126.43 | 1,314.16 | 1,501.90 | 1,689.64 | 2,065.12 | 2,440.59 | 2,816.07 | 3,379.28 |
| East Donyland | 1,153.83 | 1,346.14 | 1,538.44 | 1,730.75 | 2,115.36 | 2,499.97 | 2,884.58 | 3,461.50 |
| East Mersea | 1,137.87 | 1,327.51 | 1,517.16 | 1,706.80 | 2,086.09 | 2,465.38 | 2,844.67 | 3,413.60 |
| Eight Ash Green | 1,128.92 | 1,317.07 | 1,505.23 | 1,693.38 | 2,069.69 | 2,445.99 | 2,822.30 | 3,386.76 |
| Fingringhoe | 1,120.76 | 1,307.55 | 1,494.35 | 1,681.14 | 2,054.73 | 2,428.31 | 2,801.90 | 3,362.28 |
| Fordham | 1,153.77 | 1,346.07 | 1,538.36 | 1,730.66 | 2,115.25 | 2,499.84 | 2,884.43 | 3,461.32 |
| Great Horkesley | 1,109.11 | 1,293.97 | 1,478.82 | 1,663.67 | 2,033.37 | 2,403.08 | 2,772.78 | 3,327.34 |
| Great Tey | 1,129.16 | 1,317.35 | 1,505.55 | 1,693.74 | 2,070.13 | 2,446.51 | 2,822.90 | 3,387.48 |
| Langham | 1,122.17 | 1,309.19 | 1,496.22 | 1,683.25 | 2,057.31 | 2,431.36 | 2,805.42 | 3,366.50 |
| Layer Breton | 1,097.52 | 1,280.44 | 1,463.36 | 1,646.28 | 2,012.12 | 2,377.96 | 2,743.80 | 3,292.56 |
| Layer de la Haye | 1,111.77 | 1,297.06 | 1,482.36 | 1,667.65 | 2,038.24 | 2,408.83 | 2,779.42 | 3,335.30 |
| Layer Marney | 1,097.52 | 1,280.44 | 1,463.36 | 1,646.28 | 2,012.12 | 2,377.96 | 2,743.80 | 3,292.56 |
| Little Horkesley | 1,121.53 | 1,308.46 | 1,495.38 | 1,682.30 | 2,056.14 | 2,429.99 | 2,803.83 | 3,364.60 |
| Marks Tey | 1,133.31 | 1,322.19 | 1,511.08 | 1,699.96 | 2,077.73 | 2,455.50 | 2,833.27 | 3,399.92 |
| Messing cum Inworth | 1,140.39 | 1,330.45 | 1,520.52 | 1,710.58 | 2,090.71 | 2,470.84 | 2,850.97 | 3,421.16 |
| Mount Bures | 1,114.89 | 1,300.71 | 1,486.52 | 1,672.34 | 2,043.97 | 2,415.60 | 2,787.23 | 3,344.68 |
| Myland | 1,114.79 | 1,300.59 | 1,486.39 | 1,672.19 | 2,043.79 | 2,415.39 | 2,786.98 | 3,344.38 |
| Stanway | 1,126.95 | 1,314.78 | 1,502.60 | 1,690.43 | 2,066.08 | 2,441.73 | 2,817.38 | 3,380.86 |
| Tiptree | 1,166.39 | 1,360.79 | 1,555.19 | 1,749.59 | 2,138.39 | 2,527.19 | 2,915.98 | 3,499.18 |
| Wakes Colne | 1,132.91 | 1,321.72 | 1,510.54 | 1,699.36 | 2,077.00 | 2,454.63 | 2,832.27 | 3,398.72 |
| West Bergholt | 1,140.51 | 1,330.59 | 1,520.68 | 1,710.76 | 2,090.93 | 2,471.10 | 2,851.27 | 3,421.52 |
| West Mersea | 1,151.29 | 1,343.17 | 1,535.05 | 1,726.93 | 2,110.69 | 2,494.45 | 2,878.22 | 3,453.86 |
| Winstred Hundred | 1,114.52 | 1,300.27 | 1,486.03 | 1,671.78 | 2,043.29 | 2,414.79 | 2,786.30 | 3,343.56 |
| Wivenhoe | 1,167.60 | 1,362.20 | 1,556.80 | 1,751.40 | 2,140.60 | 2,529.80 | 2,919.00 | 3,502.80 |
| Wormingford | 1,130.38 | 1,318.78 | 1,507.17 | 1,695.57 | 2,072.36 | 2,449.16 | 2,825.95 | 3,391.14 |
| All other parts of Council's area | 1,097.52 | 1,280.44 | 1,463.36 | 1,646.28 | 2,012.12 | 2,377.96 | 2,743.80 | 3,292.56 |

Parish Council Precepts 2018/19

| Parish | Precept 2017/18 | Precept 2018/19 | Increase/ (Reduction) | Increase/ (Reduction) |
|----------------------|--------------------|--------------------|--------------------------|--------------------------|
| | £ | £ | £ | % |
| Abberton & Langenhoe | 13,092 | 13,310 | 218 | 1.67 |
| Aldham | 10,951 | 11,102 | 151 | 1.38 |
| Birch | 8,560 | 8,823 | 263 | 3.07 |
| Boxted | 43,555 | 47,837 | 4,282 | 9.83 |
| Chappel | 15,581 | 17,034 | 1,453 | 9.33 |
| Copford | 30,228 | 29,512 | (716) | (2.37) |
| Dedham | 39,528 | 39,969 | 441 | 1.12 |
| East Donyland | 53,875 | 57,395 | 3,520 | 6.53 |
| East Mersea | 7,681 | 7,741 | 60 | 0.78 |
| Eight Ash Green | 28,500 | 31,042 | 2,542 | 8.92 |
| Fingringhoe | 8,999 | 11,602 | 2,603 | 28.93 |
| Fordham | 28,820 | 27,305 | (1,515) | (5.26) |
| Great Horkesley | 13,986 | 18,212 | 4,226 | 30.21 |
| Great Tey | 17,276 | 17,845 | 569 | 3.29 |
| Langham | 17,837 | 18,372 | 535 | 3.00 |
| Layer Breton | 0 | 0 | 0 | n/a |
| Layer de la Haye | 14,813 | 15,190 | 377 | 2.55 |
| Layer Marney | 0 | 0 | 0 | n/a |
| Little Horkesley | 3,076 | 3,292 | 216 | 7.02 |
| Marks Tey | 45,757 | 50,332 | 4,575 | 10.00 |
| Messing cum Inworth | 9,080 | 11,072 | 1,992 | 21.94 |
| Mount Bures | 2,699 | 2,786 | 87 | 3.22 |
| Myland | 118,124 | 132,180 | 14,056 | 11.90 |
| Stanway | 132,582 | 151,036 | 18,454 | 13.92 |
| Tiptree | 273,677 | 350,438 | 76,761 | 28.05 |
| Wakes Colne | 12,740 | 12,740 | 0 | 0.00 |
| West Bergholt | 82,962 | 85,636 | 2,674 | 3.22 |
| West Mersea | 211,979 | 253,472 | 41,493 | 19.57 |
| Winstred Hundred | 12,451 | 12,511 | 60 | 0.48 |
| Wivenhoe | 278,516 | 300,768 | 22,252 | 7.99 |
| Wormingford | 9,131 | 9,385 | 254 | 2.78 |
| Totals | 1,546,056 | 1,747,939 | 201,883 | 13.06 |

Extract from the draft minutes of the Cabinet meeting of 31 January 2018

239. Mandatory Member Development, Member Roles Profiles and Training Plan

The Assistant Director Policy and Place submitted a report a copy of which had been circulated to each Member.

RESOLVED that:-

- (a) The recommendation from the Member Development Group in respect of mandatory member training be noted and *RECOMMENDED TO COUNCIL* for approval.
- (b) The views of the Independent Remuneration Panel be sought on the principle of withholding payment of relevant allowances should relevant mandatory training not be undertaken.
- (c) The Councillor Role Profiles at Appendix B of the Assistant Director's report be approved.
- (d) The Training Plan at Appendix C of the Assistant Director's report be approved.

REASONS

As part of the Review of Meetings and Ways of Working, the Governance and Audit Committee asked the Member Development Group to look at the issue of mandatory member training and report to Cabinet.

The Councillor Role Profiles and Training Plan are key member development documents, which need to be reviewed. They also part of the evidence base for the forthcoming assessment for Member Charter Status. Due to the linkages between the Strategic Plan and the Training Plan, it is timely to review the Plan alongside the approval of the new Strategic Plan.

ALTERNATIVE OPTIONS

No alternative options were proposed.

| | | | |
|-----------------------|--|---------------|-------------------------|
| Report of | Assistant Director of Policy and Corporate | Author | Richard Clifford |
| Title | Mandatory Member Development – Consultation with Independent Remuneration Panel | | 507832 |
| Wards affected | Not Applicable | | |

1. Executive Summary

- 1.1 Council has before it on the agenda for this meeting a recommendation from Cabinet on Mandatory Member Development that the following training be made mandatory:-
 - Training on Safeguarding, Equality and Diversity and Data Protection for all Councillors;
 - Training in Chairing Skills for all Chairs newly elected to the Council's Committees and Panels from May 2018, unless they already have extensive experience of chairing meetings in a local authority environment.
- 1.2 Cabinet also agreed that the views of the Independent Remuneration Panel be sought on the principle of withholding payment of relevant allowances should relevant mandatory training not be undertaken. This report sets out the views of the Independent Remuneration Panel on this issue and invites Council to approve a change to the Members' Allowances Scheme.

2. Recommended Decision

- 2.1 To note the views of the Independent Remuneration Panel.
- 2.2 To amend the Members' Allowances Scheme by the inclusion of an additional paragraph as set out below:-

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.

Where, in the opinion of the Monitoring Officer, the withholding of the payment of the allowance is likely to cause financial hardship then this provision shall not apply.

3. Reason for Recommended Decision

- 3.1 As part of the Review of Meetings and Ways of Working, the Governance and Audit Committee asked the Member Development Group to look at the issue of mandatory member development and report to Cabinet. Cabinet considered this recommendation at its meeting on 31 January 2018 and referred the recommendation to Council.

- 3.2 Alongside this, Cabinet also requested that the views of the Independent Remuneration Panel be sought on the issue of withholding payment of allowances where mandatory training was not undertaken. The Independent Remuneration Panel supported the proposal subject to a proviso to prevent it causing financial hardship.

4. Alternative Options

- 4.1 It is open to Council not to approve the changes to the Members Allowances Scheme.

5. Background Information

- 5.1 At its meeting on 31 January 2018, Cabinet considered a recommendation from the Member Development Group in respect of mandatory Member Development. It agreed with the recommendation and recommended to Council that the following training be made mandatory:-
- Training on Safeguarding, Equality and Diversity and Data Protection for all Councillors;
 - Training in Chairing Skills for all Chairs newly elected to the Council's Committees and Panels from May 2018, unless they already have extensive experience of chairing meetings in a local authority environment.
- 5.2 Cabinet also agreed that the views of the Independent Remuneration Panel be sought on the principle of withholding payment of relevant allowances should relevant mandatory training not be undertaken. The views of the Independent Remuneration Panel on this issue were sought by e-mail and the following points were made and endorsed by all members of the Panel:-
- It was welcomed that safeguarding was recognised as imperative, in addition to the other issues;
 - The proposal to withhold payment of allowances should the relevant mandatory training not be undertaken was supported, with the proviso that special exception be made if withholding the allowance would cause hardship. This would recognise the need to attract Councillors of all backgrounds.
- 5.3 Therefore, should Council approve the recommendation from Cabinet in respect of mandatory member training, it is suggested that it also approve a change to the Members Allowances Scheme to include a new paragraph as set out below:-

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 in the prescribed timescale the payment of the relevant Councillors allowances shall be withheld until the Councillor has undertaken the required training and development. Where the training and development relates to a particular defined Special Responsibility Allowance, then payment of that Special Responsibility Allowance only shall be withheld. In all other circumstances then all allowances, including Special Responsibility Allowances, shall be withheld.

Where, in the opinion of the Monitoring Officer, the withholding of the payment of the allowance is likely to cause financial hardship then this provision shall not apply.

6. Strategic Plan References

- 6.1 There are no direct Strategic Plan references. However the provision of high quality member development indirectly helps support all the priorities in the Strategic Plan.

7. Financial Implications

- 7.1 The training required to implement these proposals will be funded through the member development budget, where external training is required, or provided in-house through existing officer resource.

8. Equality, Diversity and Human Rights implications

- 8.1 An EQIA for the member development policy has been completed and can be found on the Council's website via the pathway Colchester Borough Council / Policies, Strategy and Performance/ Equality and Diversity/ Equality Impact Assessment/ Corporate Management. It can be accessed via the link below:-

[Councillor Development Policy EQIA](#)

- 8.2 The proposal in this report and the recommendations from Cabinet will increase Councillor awareness of issues relating to Equality and Diversity and Safeguarding.

9. Standard References

- 9.1 There are no particular references to publicity or consultation considerations; or community safety; health and safety or risk management.

Record of Decisions taken under Scheme of Delegation to Cabinet Members
29 November 2017 – 5 February 2018

| Portfolio – Business and Culture | | | | | |
|----------------------------------|--------------|---|------------|---|--------------------|
| Date | Number | Report Title | Author | Decision | Result |
| 14/12/17 | BUC – 003-17 | The award of the Enterprise Skills and Employment Grants for the financial year 2017-2018 | Jan Warren | <p>To award funding from the 2017-18 Enterprise Skills and Employment Grant to local ‘not for profit’ organisations and also this year for the first time also to micro businesses.</p> <p>The total amount of funding available for 2017-2018 is £75,500. The proposal is to award this funding as follows:</p> <p>Signpost Colchester £12,750 Colbea £16,806 Signals £5,000 King of Cups £2,548 Total Awarded £37,104.00 Amount remaining £38,396.00</p> | Agreed 21/12/17 |

Record of Decisions taken under Scheme of Delegation to Cabinet Members 29 November 2017 – 5 February 2018

| Portfolio – Commercial Services | | | | | |
|---------------------------------|----------------|--------------------------------------|--------------|---|---------------------------------|
| Date | Number | Report Title | Author | Decision | Result |
| 01/02/18 | COM – 001 - 17 | Property Purchase In Vineyard Street | Mark Leonard | To approve the proposed purchase of a property in Vineyard St, Colchester to facilitate future delivery of a redevelopment scheme in the area | Call in period expires 08/02/18 |

| Portfolio – Customers | | | | | |
|-----------------------|--------|--------------|--------|----------|--------|
| Date | Number | Report Title | Author | Decision | Result |
| None in this period | | | | | |

| Portfolio – Housing and Communities | | | | | |
|-------------------------------------|-------------|--|-------------------------------|--|-----------------|
| Date | Number | Report Title | Author | Decision | Result |
| 30/11/17 | HOU-011-17 | Request to purchase back an ex local authority property to provide an additional affordable home | Ruth Newcombe/ Tina Hinson | To approve the purchase of an ex Local Authority leasehold flat by Colchester Borough Council using the Council's reserve of Right to Buy Receipts and commuted sums to add to the Council's stock and provide an additional one bedroom home. | Agreed 07/12/17 |
| 30/11/17 | HOU- 010-17 | Request to purchase back an ex local authority property to provide an additional affordable home | Ruth Newcombe/ Tina Hinson | To approve the purchase of an ex Local Authority freehold house by Colchester Borough Council using the Council's reserve of Right to Buy Receipts and commuted sums to add | Agreed 07/12/17 |

Agenda item 9

Record of Decisions taken under Scheme of Delegation to Cabinet Members 29 November 2017 – 5 February 2018

| | | | | | |
|----------|----------------|---|------------------|--|-----------------|
| | | | | to the Council's stock and provide an additional three bedroom home. | |
| 07/12/17 | HOU-013-17 | Improvements to Mile End Recreation Ground Pavilion – contract award for building works | Elizabeth Flood | To agree to appoint the contractor RG Cater to deliver Improvements of Mile End Recreation Ground Pavilion. | Agreed 14/12/17 |
| 07/12/17 | HOU-012-17 | Housing Revenue Account Fees and Charges 2018-2019 | Daniella Woraker | Approval of the Housing Revenue Account Fees and Charges 2018/2019 | Agreed 21/12/17 |
| 18/01/18 | HOU – 015 - 17 | Voluntary Welfare Grant 2018-19 | Fay Mathers | <p>To award funding to the following groups and organisations; Age Concern Colchester £11,450, Beacon House £13,000, Citizens Advice Colchester £50,000, Colchester Furniture Project £15,000, Colchester Emergency Nightshelter £20,200, Colchester and Tendring Women's Refuge £50,000 Youth Enquiry Service £30,350</p> <p>Total amount £190,000 To award Community360 a grant of £40,000 to provide support to the voluntary sector.</p> | Agreed 25/01/18 |
| 18/01/18 | HOU – 014 - 17 | Response to the Government's consultation paper "Funding Supported Housing" | Tina Hinson | To agree Colchester Borough Council's response to the Department for Communities and Local Government consultation paper; "Funding Supported Housing". | Agreed 25/01/18 |

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
29 November 2017 – 5 February 2018**

| Portfolio – Resources | | | | | |
|------------------------------|---------------|---------------------|---------------|-----------------|---------------|
| Date | Number | Report Title | Author | Decision | Result |
| None in this period | | | | | |

| Portfolio –Safer Communities and Licensing | | | | | |
|---|---------------|---------------------|---------------|-----------------|---------------|
| Date | Number | Report Title | Author | Decision | Result |
| None in this period | | | | | |

| Portfolio – Strategy | | | | | |
|-----------------------------|---------------|---|----------------|--|-----------------|
| Date | Number | Report Title | Author | Decision | Result |
| 22/12/17 | STR-001-17 | Response to Consultation on the draft New Towns Act 1981 (Local Authority Oversight Regulations 2018) | Andrew Weavers | To agree response to Department for Communities and Local Governments consultation on the draft New Towns Act 1981 (Local Authority Oversight) Regulations 2018. | Agreed 05/01/18 |

| Portfolio – Waste and Sustainability | | | | | |
|---|---------------|---------------------|---------------|-----------------|---------------|
| Date | Number | Report Title | Author | Decision | Result |
| None in this period | | | | | |

| | | | |
|-----------------------|---|---------------|----------------------------------|
| Report of | Assistant Director of Policy and Corporate | Author | Matt Sterling ☎ 282577 |
| Title | Strategic Plan 2018-21 | | |
| Wards affected | All wards | | |

1. Executive Summary

- 1.1 This report concerns the draft Strategic Plan 2018-21 (attached). The Strategic Plan sets the priorities for the borough and the Council for the next three years. The current Strategic Plan was published in February 2015 and runs to 2018 so a new plan is needed to reflect future needs.
- 1.2 The Strategic Plan is one of the core statutory elements of the Council's Policy framework, as set out in Article 4 of the Council's Constitution. It must therefore be adopted by full Council.
- 1.3 The Strategic Plan sets the framework for the Council's three-year Medium Term Financial Forecast and its Capital Programme. Both the Plan and the Budget will be debated at the same full Council on 21 February.
- 1.4 This new Strategic Plan addresses the key challenges facing the Borough by describing 20 priorities organised into four key themes: Growth, Responsibility, Opportunity and Wellbeing.

2. Recommended Decision

- 2.1 To agree the Strategic Plan 2018-21 and recommend to full Council that it be adopted.
- 2.2 To ask officers to prepare an action plan to achieve its aims and priorities.

3. Reason for Recommended Decision

- 3.1 To enable the Strategic Plan 2018-21 to be agreed and adopted.

4. Alternative Options

- 4.1 The current Strategic Plan expires at the end of the financial year. A new plan is required and needs to be adopted by full Council. The absence of a Strategic Plan would create a significant risk of the Council failing to identify and deliver on its core priorities.

5. Background Information

- 5.1 The Council's Strategic Plan describes the organisation's view of the main priorities for the Borough. It covers a three-year time span, although many of the issues it addresses are long-term in nature. Once adopted, an accompanying detailed action plan is produced to ensure meaningful action is taken to address the Strategic Plan's priorities.
- 5.2 To produce this plan, workshops have been held with Cabinet members, Senior Managers, and Officers. The Council has also held a consultation with the public to inform the Plan's contents. This consultation took the form of an electronic survey open to all, and focus groups aimed at ensuring the voices of a representative cross-section of the borough's population were heard.
- 5.3 The Plan is organised into four themes which recognise the need:
- To ensure all residents benefit from the growth of the borough, and that jobs and infrastructure keep up with this growth
 - For everyone to take responsibility to do their bit to make the borough even better
 - To promote and improve Colchester and its environment
 - To make Colchester an even better place to live and to support those who need most help.
- 5.4 The four themes in this Plan are: Growth, Responsibility, Opportunity, and Wellbeing.
- 5.5 Each theme includes five priorities which address the key issues facing the borough. These priorities cover a wide range of issues including anti-social behaviour, business, communities, environment, heritage, housing, jobs, tourism, transport, and wellbeing. The Strategic Plan Action Plan will describe detailed actions for each priority.

6. Equality, Diversity and Human Rights implications

- 6.1 The Strategic Plan 2018-21 will continue to support the importance of equality and diversity in all aspects of borough life.
- 6.2 The Equality Act requires councils to have an equality objective, and the new Plan does that throughout its themes and priorities. An Equality Impact Assessment is available to view on the website [here](#), or by following this pathway from the homepage – Your Council>How the Council works>Equality and Diversity>Equality Impact Assessments>Policy and Corporate>Strategic Plan 2018-21.

7. Strategic Plan References

- 7.1 The themes and priorities of the Strategic Plan 2018-21 will be reflected in officer reports to councillors following its adoption by full Council in February.

8. Consultation

- 8.1 The public consultation for the new Strategic Plan consisted of an electronic survey open to all residents and organisations, along with a set of focus groups to ensure that the voices of a representative cross-section of Colchester residents were heard. The six-week public consultation ran to 31 December 2017. It was promoted via a [Have your say on the Council's future priorities](#) news release and a 'banner' on the home page of the Council's website. Responses to the survey were invited online, via a dedicated phone line or by visiting Colchester Library and completing a paper form.

- 8.2 85 people responded to the electronic survey, which asked respondents to rank the three most important and the three least important services that we commission or provide, as well as to express their views.
- 8.3 Eight focus groups were held at four locations across the borough – two urban, two rural - involving 46 people chosen to be representative of residents in terms of age, disability, ethnicity, income, family status and gender. The focus groups gave a more in-depth opportunity to explore how residents feel about living in Colchester, and to gauge their responses to possible priorities.
- 8.4 In the public consultation, residents told us:
- Colchester is a welcoming place and should continue to be so.
 - They are positive about Colchester as a town and borough and see it a good place to live.
 - They are proud of the long and prominent history of the town.
 - They like the countryside surrounding Colchester, especially those with young children.
 - They like the borough's open spaces, particularly Castle Park and the events and activities that are held there.
 - They believe that being slightly further out of London helps Colchester maintain more of a rural image, yet still being connected to the heart of Essex and London.
 - They understand the importance of 'growth' for the town and borough, but want infrastructure to keep pace with Colchester's growth.
 - They want the Council to play its part to maximise the availability of affordable housing.
 - They want to maximise the availability of jobs and opportunities, especially younger people.
 - They want the Council to support the most vulnerable in society, and to help reduce homelessness.
 - They want the town centre to be more accessible and appealing, and recognise that the Council cannot work on its own in dealing with the town centre challenges.
 - They think the Council has an important role in facilitating healthier lives as part of the infrastructure improvements as the town grows.
 - They are concerned about anti-social behaviour, particularly those living in urban areas.
 - They are positive about the Council's recycling services.
- 8.5 Staff views were sought at a workshop and these were incorporated into the Plan.
- 8.6 The consultation and research responses were fed into the review of the Strategic Plan.

9. Publicity Considerations

- 9.1 The Strategic Plan is a key element of the Council's continued external engagement activity. The Council will continue to ensure promotion of strategic activity via new and existing communications channels including direct, in person, in the media, on social media platforms and on its website.
- 9.2 The Council will communicate at key milestones of strategic projects to promote a strong positive reputation for the borough, with half-year updates on the website.

10. Financial implications

- 10.1 The Strategic Plan sets the framework for the Council's three-year Medium Term Financial Forecast and its Capital Programme. A key part of this is setting out the Council's priorities for the next three years and looking at how this will affect where the budget is spent.
- 10.2 The financial implications of the action plan to deliver the Strategic Plan's priorities are incorporated into the annual budgeting process.

11. Community Safety Implications

- 11.1 Community Safety remains a priority in this Strategic Plan. Its specific priorities to address issues around community safety, crime and disorder include:
- help make sure Colchester is a welcoming place for all residents and visitors
 - educate residents about the impact of anti-social behaviour
 - work with Essex Police and partners in the Safer Colchester Partnership to make Colchester an even safer place.

12. Health and Safety Implications

- 12.1 There are no Health and Safety implications from the Strategic Plan.

13. Risk Management Implications

- 13.1 As action plans to deliver the Strategic Plan 2018-21 are developed, risks will be identified and addressed.
- 13.2 The absence of a Strategic Plan would create a risk for the Council failing to deliver on its core priorities.

Appendices

The draft Strategic Plan 2018-21.

Background Papers

Summary of the public consultation.

| | | | |
|-----------------------|--|---------------|---------------------------------|
| Report of | Assistant Director – Policy and Corporate | Author | Sean Plummer ☎ 282347 |
| Title | 2018/19 General Fund Revenue Budget, Capital Programme and Medium Term Financial Forecast | | |
| Wards affected | n/a | | |

This report requests Cabinet to recommend to Council:

- **The 2018/19 General Fund Revenue Budget**
- **Colchester's element of the Council Tax for 2018/19**
- **The Medium Term Financial Forecast**
- **The Capital Programme**
- **The Prudential Indicators and Treasury Management Strategy and Annual Investment Strategy**

1. Executive Summary

- 1.1. This report provides the Cabinet with the recommended 2018/19 revenue budget including all proposed savings and the Council's Council Tax Rate for 2018/19.
- 1.2. The report provides a summary of the local government finance settlement, which included a £645k reduction in Revenue Support Grant, and also Colchester's provisional New Homes Bonus grant for next year which is £1.34m less.
- 1.3. The report sets out the Council's Capital Programme and Treasury Management Strategy for the coming year.
- 1.4. Finally, the report sets out the updated Medium Term Financial Forecast (MTFF) for the period up to 2021/22. This includes an assessment of the Council's balances and reserves.
- 1.5. Specifically the report includes the following:-
 - A proposal that Council's Council Tax rate for 2018/19 should be set at £185.13 per Band D property, which represents an increase of £4.95 (2.75%) from the current rate.
 - Savings proposals totalling £2.8m including a reduction of £0.9m arising from the cut in New Homes Bonus.
 - A proposed allocation of just over £2.2m to support investment in line with the Council's Strategic Plan including funding previously agreed for the Northern Gateway sports scheme.
 - A continuing challenging financial position over the next three years showing a budget gap of £2.6m
 - The Council's general fund balances remain close to our recommended level.
 - Proposals for investment through the capital programme

2. Recommended Decisions

- 2.1. To note that for the purpose of assessing the impact on balances the outturn for the current financial year is assumed to be an overspend of £200k. (paragraph 6.4.).
- 2.2. To note the provisional Finance Settlement figures set out in Section 7 showing a cut to the Settlement Funding Assessment of £524k.
- 2.3. To note the figures for the business rates retention scheme and the arrangements for completion of the required return of estimated business rates income as set out at paragraph 7.8.
- 2.4. To note the reduction in the New Homes Bonus grant and that there further reductions in later years are expected as set out in section 7.
- 2.5. To approve the cost pressures, proposed use of New Homes Bonus, savings and increased income options identified during the budget forecast process as set out at in section 8 and detailed in Appendices C and D.
- 2.6. To consider and recommend to Council the 2018/19 Revenue Budget requirement of £19,695k (paragraph 8.13) and the underlying detailed budgets set out in summary at Appendix E and Background Papers subject to the final proposal to be made in respect of Council Tax.
- 2.7. To recommend to Council, Colchester's element of the Council Tax for 2018/19 at £185.13 per Band D property, which represents an increase of £4.95 (2.75%) from the current rate noting that the formal resolution to Council will include Parish, Police, Fire and County Council precepts and any changes arising from the formal Finance Settlement announcement and final completion of the business rates NNDR 1. This will be prepared in consultation with the Leader of the Council.
- 2.8. To agree the Revenue Balances for the financial year 2018/19 as set out at Appendix I and agree that the:-
 - the minimum level be set at a minimum of £1,900k
 - £136k of balances, including sums carried forward from 2017/18, be applied to finance items in the 2018/19 revenue budget
- 2.9. To note the updated position on earmarked reserves set out in section 11 and agree the following:-
 - Release of £300k use of capital expenditure reserve for ICT strategy
 - Release of £185k use of parking reserve
 - Contribution to the business rates reserve of £600k
- 2.10. To note the reinstatement of balances in respect of the pensions deficit payment made in 2017/18 as set out in section 8.12
- 2.11. To agree and recommend to Council that £100k of Revenue Balances be earmarked for potential unplanned expenditure within the guidelines set out at paragraph 12.3.
- 2.12. To note the Medium Term Financial Forecast for the financial years 2018/19 to 2021/22 set out in section 14.

2.13. To note the position on the Capital Programme, including forecast underspend shown at section 12 and agree to recommend to Council the inclusion in the Capital Programme of:-

- The proposed lending to the Council's company to support housing development as set out in the CCHL Business Plan.
- The inclusion of £2.9m in respect of the acquisition of properties for use as temporary accommodation.
- The proposed allocation in respect of the Council's waste fleet.
- The proposed transfer of resources from the DFG budget to Discretionary Financial Assistance Programme

2.14 To note the comments made on the robustness of budget estimates at section 13.

2.15. To approve and recommend to Council the 2018/19 Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy as set out in the background paper at Appendix M.

3. Reason for Recommended Decision

3.1. The Council is required to approve an annual budget.

3.2. This report sets out supporting information and also statutory commentary about the robustness of the budget and the level of balances.

4. Alternative Options

4.1 There are different options that could be considered as part of the budget within the constraints set out in this report

5. Background Information

5.1. The timetable for the 2018/19 budget process (see Appendix A) was agreed at Cabinet on 12 July 2017.

5.2. The Revenue Budget for 2018/19 has been prepared against a background of meeting the Council's Strategic Plan objectives whilst continuing to face significant financial pressures from the reductions in core Government funding. Every effort has been made to produce a balanced budget that includes a deliverable level of savings and income and provides for investment in key services. This has been achieved through a budget strategy that has resulted in:-

- the delivery of savings through the service review process including delivering channel shift
- making efficiencies through specific budget reviews and business plans
- maximising new and existing income streams
- recognising cost pressures and making decisions on budget changes where necessary

5.3. The budget includes savings or additional income of almost £2.8m. This compares to £3m included within the 17/18 budget. A large proportion of savings continue to be based on proposals to work more efficiently and to maximise opportunities to increase income. This also includes a reduction made to the level of funds available

for investment which is proposed to mitigate the reduction in the New Homes Bonus grant.

- 5.4. Core Government funding for 2018/19 is being reduced by £0.5m which follows a reduction in 2017/18 of £1m. Further reductions have also been confirmed as part of the 4 year settlement. However, these cuts alone are not the only pressures the Council has needed to address in the budget. Costs from general inflation and pay assumptions, reductions in some income targets and various other pressures have all added to the budget gap.
- 5.5. The methodology for the New Homes Bonus changed in 2017/18 and this continues to impact on the grant we receive. For example the change to only pay NHB above a 0.4% threshold has reduced the grant we received by £0.4m in respect of last year's housing growth. The Council has been taking steps to reduce the level of New Homes Bonus which is used to support the base budget. This means that there is still £2.2m available to support new investment. Some proposals are included in this report and further allocations will be made later in the year.
- 5.6. The financial outlook set out within the Medium Term Financial Forecast (MTFF) shows that further reductions in core Government funding and cost pressures faced by the Council show a cumulative budget gap of £3.9m over the next three years. Planned savings, including a reduction in funding for new projects from the New Homes Bonus mean that this gap has reduced to £2.6m.
- 5.7. The 4 year Settlement figures show that Revenue Support Grant will end by 2019/20. The Government's spending power figures also illustrate the importance of the Council's own income from Council Tax and business rates and that these are expected to increase to help to mitigate this cut.
- 5.8. The provisional settlement also included a formal consultation on a review of relative needs and resources with the aim of implementing a funding system in 2020/21. Alongside this, the latest phase of the business rates retention programme was announced, with an aim for councils to retain 75 per cent of business rates from 2020/21.
- 5.9. These changes mean that it is important for the Council to fully consider the budget and medium term plans in light of the new funding arrangements.
- 5.10. Further information on the budget is provided in the following paragraphs.
- 5.11. This report should be read and considered alongside the report in respect of the Housing Revenue Account and Housing Investment Programme to provide a full assessment of the Council's financial position and plans.

6. Current Year's Financial Position

- 6.1. In order to inform the 2018/19 budget process and forecast level of reserves it is useful to first review the current year's financial position. Revenue budgets are monitored on a monthly basis with regular reports to Senior Management Team and the Scrutiny Panel.
- 6.2. It was reported to Scrutiny Panel on 7 November that the current year's budget position showed a forecast net overspend £490k. This reflected some forecast

income shortfalls and cost pressures. A review at the end of December has identified some changes to this forecast and action has been taken to mitigate the overspend. Based on this, the forecast outturn is now expected to be closer to an 'on budget' position. However, it is prudent to assume that there remains a potential call on balances of c£0.2m

- 6.3 The position continues to be monitored, and the Governance and Audit Committee will receive a report setting out a detailed position in March. As is common, there are a number of budgeted costs that may not be fully spent in the financial year. The report to Governance and Audit Committee will include details of any such changes, and this will be used when considering the end of year position.

- 6.4 **Cabinet is asked to note that the forecast outturn position for the current year may result in a potential call on balances of £0.2m and that this is used as part of the assessment of balances. The position will continue to be monitored.**

7 Finance Settlement (Government Funding)

- 7.1. The provisional Local Government Finance Settlement was announced in Parliament on 19 December 2017. The Settlement includes a number of funding arrangements, concepts and terminology introduced in 2013/14. This section of the budget report provides a summary of the key issues including:-

- Settlement Funding Assessment (SFA) including Revenue Support Grant (RSG)
- Business Rates Baseline and tariffs and top-ups, levies and safety net
- New Homes Bonus
- Core Spending Power

- 7.2. The SFA which comprises our RSG and business rate baseline figure has been cut by **£0.524million (11%)**. This reduction is in line with the 4 year funding settlement which the Council applied for and which was agreed by Government.

| | 2017/18 | 2018/19 | Change | |
|--|--------------|--------------|------------|------------|
| | £'000 | £'000 | £'000 | % |
| Revenue Support Grant (RSG) | 920 | 275 | 645 | 70% |
| Business Rates Baseline | 4,041 | 4,162 | -121 | -3% |
| <i>Settlement Funding Assessment (SFA)</i> | <i>4,961</i> | <i>4,437</i> | <i>524</i> | <i>11%</i> |

- 7.3. The split of the settlement funding is important. The RSG element is a non ring-fenced fixed grant. The baseline funding level is used as part of the retention of business rates scheme as explained below.

Business Rates Baseline and tariffs and top-ups

- 7.4. The SFA includes the Council's baseline funding level for the Business Rates Retention scheme. This is based on our historic business rates collection, adjusted by a 'tariff' payment. A local authority must pay a tariff if its individual authority business rates baseline is greater than its baseline funding level. Conversely, a local authority will receive a top-up if its baseline funding level is greater than its individual authority business rates baseline.

- 7.5. The following table sets out a summary of the baseline position for Colchester for 2018/19 showing the *indicative* required tariff payment of £19m.

| | £'000 |
|-------------------------------|--------------|
| Billing Authority Baseline | 28,925 |
| | |
| CBC Individual Baseline (80%) | 23,140 |
| Less Tariff | (18,978) |
| Baseline funding | 4,162 |
| Safety Net threshold (92.5%) | 3,850 |

- 7.6. It should be noted that the above tariff figure has been reduced by £320k. This is an 'adjustment' representing the difference between the tariff that was set out in the 2017/18 local government finance settlement, and a revised 2017/18 tariff that reflects the impact of the 2017 revaluation exercise on the Business Rates Retention scheme.
- 7.7. The business rate retention scheme includes a degree of protection against reduction in business rates collected (the Safety Net), which means that 92.5% of the baseline funding in year is guaranteed. It also includes a method for ensuring that any growth above the baseline is shared with Central Government, the County Council and Fire Authority (the Levy). The Council keeps 40% of any additional income.
- 7.8. The arrangements for business rate retention require the Council to agree an estimate of business rates income for the coming year (the NNDR 1) by 31 January. This return includes a number of key assumptions in respect of collection rates, growth and an allowance for the impact of revaluation appeals. Based on initial projections it is anticipated that the NNDR 1 will show additional income above the baseline funding level, of which the Council's share is forecast to be in the region of £1.1m. This takes into account of the tariff changes referred to earlier and the estimated Section 31 grant due to the Council in relation to business rates relief provided to small businesses and retailers, which forms part of the Levy and Safety Net calculation. This will remain a risk and one which will be considered in the final paper for Full Council and within updates to the MTFF.

Business Rates Pooling

- 7.9. Under the business rates retention scheme local authorities are able to come together, on a voluntary basis to pool their business rates receipts and then agree collectively how these will be distributed between pool members. Pooling provides the opportunity to keep a greater share of business rates within Essex that would otherwise be paid to Government as a 'Levy', providing that districts experience growth above their baselines. However the protection each authority receives under the safety net arrangements in the event of a shortfall is removed, with the 7.5% safety net only applying to the overall pool. In 2017/18 Colchester is one of nine District Councils together with the County Council and Fire Authority in a pooling agreement.
- 7.10. It was reported to Cabinet last year that on 1st September the Government published an invitation to local authorities to pilot 100% business rate retention in 2018/19. Following an assessment of what a pilot might mean for Colchester and discussions between all Essex authorities a bid was submitted to be a pilot. The bid was made by all Essex authorities except Thurrock. It was reported that if the bid

was not accepted then the same authorities had agreed to form a revised Essex business rates pool.

- 7.11. Alongside, the Settlement it was reported that the Essex bid to be a pilot had not been accepted. As reported, it is therefore proposed that the existing pool is disbanded at the end of 2017/18, and replaced by a new pool to include all Essex Authorities (with the exception of Thurrock). The new pool will be based on the existing methodology, and is forecast to generate additional income for Colchester based on current business rates forecasts.
- 7.12. It should be noted that the information set out in this report in respect of business rates reflects the arrangements for business rate retention as an individual authority and not in a pool. However, based on indicative forecasts it is projected that pooling in 2018/19 would be beneficial to the Council.
- 7.13. In October, Cabinet considered how to use the gains from business rates pooling to try to support the base budget. It was agreed to allocate £200k from the gain received to support the 18/19 budget. Given that a gain of at least £200k is currently expected in this financial year it is proposed that a similar arrangement can be made to support the 19/20 budget. This proposed approach will need to be reviewed based on any future pooling arrangements.
- 7.14. The Settlement is provisional and subject to consultation which ended on 16 January 2017. Traditionally, there has been very little change between the provisional and actual Settlement. Any marginal change to the Council's entitlement will be reflected in the final budget recommendation to Council. In addition to the Settlement funding figures other grants have been announced. The key grant for Colchester is the New Homes Bonus.

New Homes Bonus (NHB)

- 7.15 The 2018/19 grant has been announced and reflects the continuation of the changes to the methodology of the scheme introduced in 2017/18. These included:-
- From 17/18 the scheme has introduced a national baseline of 0.4%. NHB is only paid above this level.
 - From 17/18 payments were made over 5 years rather than 6 and now, from 18/19, payments are only made over 4 years.
- 7.16 The final figure is a total grant for 2018/19 of £3.443m, a reduction of £1.34m. The detailed breakdown of the grant is set out at Appendix B and is summarised below:-

| | 2017/18 | 2018/19 | Change |
|-------------------------------|--------------|--------------|----------------|
| | £'000 | £'000 | £'000 |
| <i>Basic NHB</i> | 4,506 | 3,296 | (1,210) |
| <i>Affordable homes bonus</i> | 277 | 147 | (130) |
| Total New Homes Bonus | 4,783 | 3,443 | (1,340) |

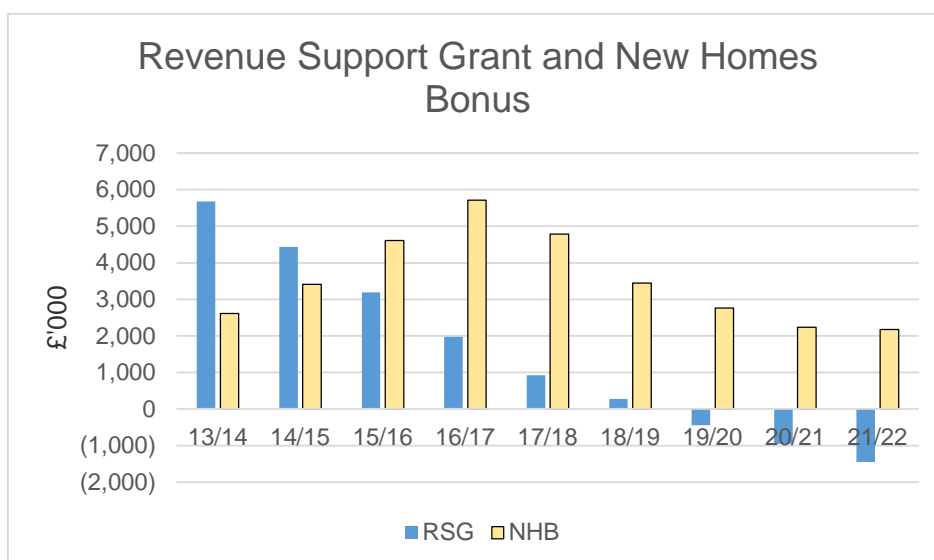
- 7.17. Changes to the NHB scheme have reduced the grant that this Council would otherwise have received in 18/19. The following table sets out the forecasts for the New Homes Bonus for the next four years following the changes showing the current year's grant will have been halved by 2020/21 :-

| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Growth re 11/12 | 986 | <i>nil</i> | <i>nil</i> | <i>nil</i> | <i>nil</i> |
| Growth re 12/13 | 757 | <i>nil</i> | <i>nil</i> | <i>nil</i> | <i>nil</i> |
| Growth re 13/14 | 1,185 | 1,185 | <i>nil</i> | <i>nil</i> | <i>nil</i> |
| Growth re 14/15 | 1,025 | 1,025 | 1,025 | <i>nil</i> | <i>nil</i> |
| Growth re 15/16 | 553 | 553 | 553 | 553 | <i>nil</i> |
| Growth re 16/17 | | 533 | 533 | 533 | 533 |
| Growth re 17/18 (est) | | | 500 | 500 | 500 |
| Growth re 18/19 (est) | | | | 500 | 500 |
| Growth re 19/20 (est) | | | | | 500 |
| Total basic NHB | 4,506 | 3,296 | 2,611 | 2,086 | 2,033 |
| Affordable Homes Bonus | 277 | 147 | 147 | 147 | 147 |
| Estimated NHB | 4,783 | 3,443 | 2,758 | 2,233 | 2,180 |

- 7.18. The Council has recognised the risk that the New Homes Bonus would change and has been reducing how much of the grant is used to support the base. Given the scale of reduction in grant and the continuing uncertainty about this funding source it is proposed that from 2018/19 the use of NHB to support the base budget be reduced by £400k pa over the life of the MTFF. In 2018/19 this would mean that £1.233m will be used to support the base budget.
- 7.19. Cabinet has already agreed to allocate £750k from next year's New Homes Bonus towards the Northern Gateway Sports Project and it is proposed that the annual contribution of £250k to the RIF (Revolving Investment Fund) is maintained and that the bonus received in respect of affordable housing continues to be earmarked for housing purposes. Based on this it would mean that there could be a further c£1m available to support new 2018/19 budget decisions.

| | £'000 | |
|----------------------------------|--------------|-------------|
| Contribution to RIF | 250 | 7% |
| Affordable housing allocation | 147 | 4% |
| Allocation to CNG Sports Project | 750 | 22% |
| Support for one-off schemes | 1,063 | 31% |
| Base Budget | 1,233 | 36% |
| Total Grant | 3,443 | 100% |

- 7.20. The changes to the New Homes Bonus and the 4 year funding settlement have provided a degree of certainty over the extent of cuts to our future Government grant funding. The following graph sets out the changes to Revenue Support Grant and New Homes Bonus since 2013/14 including projections up to 2021/22.



Core Spending Power

- 7.21 This term relates to the Government's assessment of the "expected" available revenue for local government spending through to 2019/20. It includes the announced SFA and New Homes Bonus and an assumed level of income from Council Tax. This takes account of an *assumed* increase in the taxbase and a Council Tax rate increase.
- 7.22. For 2018/19 the change in the spending power as per Government figures is shown as a reduction of £1.3m or 6% as shown below.
- 7.23. It is important to stress that spending power figures include the Government's assumption in respect of an increase in Council Tax income and the taxbase. The following sets out the Government's spending power assessment along with the Council's actual Council Tax income, showing a reduction in spending power of 7%.

| | 2017/18 | 2018/19 | Change | |
|-------------------------------------|---------------|---------------|----------------|-------------|
| | £'000 | £'000 | £'000 | % |
| SFA | 4,961 | 4,437 | (524) | -11% |
| NHB | 4,783 | 3,443 | (1,340) | -28% |
| Other grants | 149 | 87 | (63) | -42% |
| <i>Government grants</i> | <i>9,893</i> | <i>7,967</i> | <i>(1,926)</i> | <i>-19%</i> |
| Council Tax (Gov't assessed figure) | 11,015 | 11,635 | 620 | 6% |
| Core Spending Power | 20,908 | 19,602 | (1,306) | -6% |

| | | | | |
|--|---------------|---------------|----------------|------------|
| Government Grants (as above) | 9,893 | 7,967 | (1,926) | -19% |
| Council Tax (based on actual taxbase and rate) | 11,015 | 11,471 | 456 | 4% |
| Core Spending Power (actual) | 20,908 | 19,438 | (1,470) | -7% |

8 2018/19 Budget Changes

Revenue Cost Pressures

- 8.1. Appendix C sets out revenue cost pressures of £1.9m, over the 2017/18 base, which have been identified during the budget process. This includes an inflation allowance and some specific service cost pressures.
- 8.2. Many of the cost pressures have been considered by Cabinet. However there are a number of changes to assumptions and details are set out.
- 8.3. Also shown at Appendix C the budget includes proposals in respect of carry forward items. The main items relates to costs of the ICT strategy and some other smaller cost of resources and project funding carried forward between years. This is reflected in the use of balances and reserves set out later in this report.

- 8.4. **Cabinet is asked to approve inclusion within the 2018/19 Revenue Budget of the cost pressures set out at Appendix C.**

Growth Items

- 8.5. The budget includes no new revenue growth items. However, the approach taken to reduce the level of New Homes Bonus grant supporting the base budget has helped to preserve a level of funding to support new projects. Of the total grant of £3.443m, £1.233m is used to support the base budget, leaving £2.21m for projects.

| | £'000 |
|----------------------------------|--------------|
| Contribution to RIF | 250 |
| Affordable housing allocation | 147 |
| Allocation to CNG Sports Project | 750 |
| Support for one-off schemes | 1,063 |
| Total Grant | 2,210 |

- 8.6. As shown in the MTFF in this report income from the New Homes Bonus is expected to reduce in future years. It is therefore essential that the Council carefully considers how this grant might be used in the coming year as well as future years including whether the opportunity exists to consider using some of the New Homes Bonus to support future borrowing costs. It is therefore proposed to allocate £1.063m in the 2018/19 budget to help deliver projects which support strategic plan priorities and also those which can deliver income to assist with managing future budget pressures. This will include:-

- reviewing resources required to deliver a number of strategic projects such as garden communities
- borrowing costs for RIF schemes (it should be noted that in the last RIF update there are *potential* borrowing costs of £91k next year).
- consideration of how funding might be used to invest in assets
- an assessment of opportunities to provide one-off investment in services to help deliver cost reductions or new income
- continuing to consider projects that support communities.

- 8.7. **Cabinet is asked to approve inclusion within the 2018/19 Revenue Budget of the use of the New Homes Bonus for new projects as set out at paragraph 8.5 and 8.6.**

Revenue Saving / Increased Income / Technical Items

- 8.8. Appendix D sets out budget reductions, savings and increased income totalling £2.761m.
- 8.9. All proposals are set out within the appendix, the majority of which were reported and in some specific cases agreed at the last Cabinet meeting. The savings include the reduced one-off investment arising from the cut in the New Homes Bonus.

- 8.10. **Cabinet is asked to approve inclusion of the savings / increased income items set out at Appendix D within the 2018/19 Revenue Budget.**

Pension Fund Contributions

- 8.11. As part of the 2017/18 budget it was agreed to make the required pensions deficit contribution in respect of the period 2017/18 to 2019/20 in a one-off payment. We were required to show this full payment in the 2017/18 budget.
- 8.12. To facilitate this arrangement, and to reflect the equivalent annual costs in the budget, required a use of balances / reserves in 2017/18 of £3.2m. Given this change in approach the 2018/19 budget shows a reduction in the base budget of £1.6m which is replaced by a contribution to balances of £1.6m. This is reflected in the summary budget requirement and the contribution to balances.

Summary Total Expenditure Requirement

- 8.13. Should Cabinet approve the items detailed above, the total expenditure requirement for 2018/19 is as follows:

| | 2018/19 | Note |
|---|----------------|---------------------------------|
| | £'000 | |
| Base Budget | 25,911 | |
| One-off items | (3,789) | (includes one-off pension cost) |
| Cost Pressures | 1,920 | Para 8.4. |
| Savings | (1,821) | Para 8.10 |
| Change in use of NHB for one off investment | (940) | Para 8.10 |
| Pensions Contribution | (1,586) | Para 8.12 |
| Forecast Base Budget | 19,695 | |

Notes:-

A summary of the 2018/19 budget is set out at Appendix E.

A more detailed summary of service group expenditure is attached at Appendix F with a graph showing net expenditure by service at Appendix G.

Further detailed service group expenditure is available.

- 8.14. **Cabinet is asked to agree and recommend to Council the net revenue expenditure requirement for 2018/19 and the underlying detailed budgets set out in Appendix E.**

9. Council Tax, Collection Fund and Business Rates

Council Tax Rate.

- 9.1. The Localism Act introduced a power for the Secretary of State for Communities and Local Government to issue principles that define what should be considered as excessive Council Tax, including proposed limits. From 2013 onwards, any council that wishes to raise its Council Tax above the limits that apply to them will have to hold a referendum. The result of the referendum will be binding.
- 9.2. In 2018/19 the Secretary of State has proposed that district councils such as Colchester can increase their Council Tax by the higher of £5 or 3%. This is an increase on the previous limit of 2% (or £5) and means that the Council can increase Council Tax by up to 3%.
- 9.3. The 2018/19 budget forecast and MTFF has reflected the planning assumption of an increase in Band D Council Tax and the proposal within this report is for a Band D Council Tax Rate of £185.13, an increase of £4.95 (2.75%). Based on the taxbase for next year this results in estimated Council Tax income for the Council of £11.471m, an increase of £461k on the current year.
- 9.4. The Local Government Act 2003 gave local billing authorities the ability to vary the discounts on second and empty homes. More recently local authorities were also given the opportunity to use new powers within the Finance Bill to reduce the level of discounts currently granted in respect of second homes and some classes for empty properties. No changes are proposed to the existing arrangements and it is recommended to Council that the Council Tax setting report includes these discounts.

Collection Fund

- 9.5. As part of the formal budget setting process, the Council is required to estimate each year the estimated surplus or deficit arising from Council Tax and Business Rates collection. These Collection Fund calculations include an assessment of the forecast surplus / deficit position for the current year, together with the variance between the 2016/17 forecast and actual outturn position.
- 9.6. The budgeted Council Tax surplus of £9k has arisen as a result of the combined impact of higher growth in the number of properties in the borough than had been forecast in 2016/17, together with further expected growth during the current year.
- 9.7. The Business Rates retention arrangements have brought a number of new risks, with perhaps the most significant of these arising from changes to the rateable value of properties following appeals. In addition to this, there are complex accounting arrangements, which mean that many of the outturn figures reflect the NNDR1 estimates that are made prior to the financial year commencing.
- 9.8. The budgeted surplus of £600k has occurred largely as a result of the requirement to make a significant increase to the Business Rates appeals provision at the end of 2015/16, and reflects the difference between the NNDR1 estimate and actual outturn. This is mitigated by surpluses in 2014/15 and 2015/16 resulting from differences between the outturn and the baseline position, which have been added to the Council's Business Rates earmarked reserve.

- 9.9. The movement on the Business Rates reserve as a result of the net 2017/18 budget pressure is summarised in the following table and reflected in budget proposals within this report:

| Collection Fund - Business Rates Reserve | £'000 |
|--|--------------|
| NNDR reserve – @ 1st April 17 | 1,753 |
| Forecast 17/18 movement (estimate) | -900 |
| Forecast balance on reserve @ 31 March 18 | 853 |
| Contribution to reserve in 18/19 | 600 |
| Forecast balance on reserve | 1,453 |

10 Revenue Balances

- 10.1 The Local Government Act 2003 places a specific duty on the Chief Financial Officer to report on the adequacy of the proposed financial reserves of an Authority when the budget is being considered. This section and section 16 address this requirement.

Minimum level of balances

- 10.2. Each year the assessment of the recommended level of balances is reviewed. The assessment for 2018/19 is summarised at Appendix I and shows that the recommended level continues to be set at £1.9m. Whilst the risk assessment remains unchanged there are two issues that should be highlighted.

- *Commercial company arrangements*

The Council has agreed to transfer certain services and functions to new commercial companies owned by the Council. Whilst this transfers some of the budget risk to the company no changes have been made to the Council's recommended balances level. This should be reviewed as part of the 2019/20 budget.

- *VAT Partial exemption*

The assessment includes the risk that the VAT exemption limit will be exceeded with a consequent loss of recoverable VAT. Regular monitoring and active management of new schemes minimises this risk. However, potential changes to VAT treatment, such as those relating to sport and leisure services, means this is an increasing area of concern. Whilst no increase in balances is proposed this should be kept under review in the current year.

- 10.3. In considering the level at which Revenue Balances should be set for 2018/19, Cabinet should note the financial position the Council is likely to face in the medium term.
- 10.4. The analysis of the business rates retention scheme and specifically the operation of a safety net shows that there is a risk to the Council's budget. The Council is including forecast additional income from the retention of business rates which means that the budget risk is not only limited to the level of the safety net arrangement in place. This remains an area of budget risk considered in the assessment of balances. A separate reserve is also maintained to mitigate any pressures.

- 10.5. Based on the assumptions built into the budget, it is proposed to hold balances at a minimum of £1.9m. The ongoing impact of the various local government reforms will be assessed as part of the budget strategy for 2019/20 and the level of balances can be reviewed at that time.

Level and use of balances

- 10.6. The use of balances to support the budget can be considered where there is scope and it is prudent to do so. Our normal approach is to consider the use of balances to fund one-off items.
- 10.7. There are a number of proposals to use balances to support the 2018/19 budget as follows:-

| | £'000 |
|-----------------------------------|------------|
| Use of balances for c/f items | 93 |
| Use of balances for one-off items | 43 |
| Total use of balances | 136 |

- 10.8. The forecast position in respect of Revenue Balances is set out at Appendix I and shows balances at c£2.15m, £0.25m above the recommended minimum balance as set out in the risk analysis. The level at which balances are held above the recommended minimum level is a matter for Cabinet and Council to consider. It should be noted that the Council will continue to face significant budget pressures over the coming years and that it may be necessary to use balances to support future budgets especially to fund any one-off costs. With future budget gaps, increasing risk and uncertainty and a requirement to deliver already stretching savings targets maintaining uncommitted or allocated balances at c£2.14m is considered appropriate.
- 10.9. Following the 2017/18 accounts closure it will be necessary to review all balances and the risk assessment to ensure allocations remain appropriate. This will be done as part of the 19/209 budget strategy and updated MTFF.
- 10.10. **Cabinet is recommended to approve Revenue Balances for the financial year 2018/19 be set at a *minimum* of £1.9m and to approve the use of £136k support the revenue budget.**

11 Reserves and Provisions

- 11.1. In addition to General Fund balances, the Council holds a number of earmarked reserves. These are held for specific purposes or against specific risks and may be held to:-
- manage costs that do not fall evenly across financial years (such as renewal and repair costs)
 - where the timing of any payments is not certain. (such as insurance reserve)
 - as a result of statutory accounting arrangements / changes (such as the revenue grants and right to buy reserves.)
- 11.2. Cabinet considered the Council's earmarked reserves at its meeting on 22 November 2017. As part of the budget process a review was undertaken into the level and appropriateness of earmarked reserves and provisions for 2018/19. The review concluded that the reserves and provisions detailed were broadly appropriate

and at an adequate level, however, it was stated that a further review would be done as part of this final report.

- 11.3. Appendix J sets out an updated position on these earmarked reserves and provisions. The table below summarises the total position showing the forecast level of the reserves at the end of March 2018, the split between General Fund and HRA and how much is 'committed'.

| | Committed / allocated | | Uncommitted / unallocated | | Total |
|-----------------------|-----------------------|------------|---------------------------|-----------|---------------|
| | £'000 | (%) | £'000 | (%) | £'000 |
| <i>Reserves:-</i> | | | | | |
| General Fund | 8,921 | 85% | 1,547 | 15% | 10,468 |
| HRA | 10,515 | 100% | - | 0% | 10,515 |
| Total Reserves | 19,436 | 93% | 1,547 | 7% | 20,983 |
| Provision | 3,109 | | - | | 3,109 |

- 11.4. The earmarked reserves figures uncommitted / unallocated simply means that whilst the reserve is required there are no specific spending plans for the coming year. The main item uncommitted relates to the business rates reserve. This is required to be held and may be required to be used to fund pressures relating to the business rates retention scheme.
- 11.5. The proposed budget includes some changes to releases from reserves from those reported previously.

Renewals and Repairs (R&R) Fund / Building Mtce. Programme

- 11.6. The building maintenance programme has been based on in-depth condition surveys of all Council building assets. The 2018/19 budget includes the proposal to continue to add £150k to support the cost of future repairs. New releases are possible for next year and will be reported to Cabinet as required.

NNDR Reserve – contribution of reserve of £600k

- 11.7. As set out in section 9.9. there is an estimated surplus on the collection fund for business rates. It is recommended that this is transferred to the business rate reserve to reinstate the sum held. Business rates remains an area which is subject to risk and variability and as such maintaining the reserve provides some protection against a number of changes.

Capital Expenditure Reserve – release of £300k for ICT Strategy

- 11.8. The ICT strategy was agreed by Cabinet and was funded through the capital programme and New Homes Bonus. As the detailed project costs became clearer it was considered that the majority of costs should be charged to the revenue budget. The proposal to use the revenue backed capital expenditure reserve provides a mechanism to ensure that the ICT costs can be funded from revenue reserves whilst not impacting on the capital programme. This is the last year of this arrangement.

Parking Reserve – release of £185k

- 11.9. As ECC no longer provide a contribution towards TRO work, the NEPP (North Essex Parking Partnership) agreed to use earmarked parking reserves to mitigate this pressure. This is the second year of this arrangement and it is proposed that £185k be used for this purpose.

11.20 **Cabinet is recommended to agree the:**

- **Release of £300k from the Capital Expenditure Reserve in respect of the ICT strategy**
- **Release of £185k from the parking reserve.**
- **£600k be transferred to reinstate the business rates reserve.**

Funding one-off pensions payment

- 11.21 As part of the 2017/18 budget it was agreed to make the required pensions deficit contribution in respect of the period 2017/18 to 2019/20 in a one-off payment in 2017/18. We were required to show this full payment in the 2017/18 budget.

- 11.22 To facilitate this arrangement and to reflect the equivalent annual costs in the budget required a use of balances / reserves in 2017/18 of £3.2m. It was agreed that this would then be paid back over each of the next two years. As such the use of balances / reserves is only temporary and required to manage the accounting requirements for this transaction.

- 11.23 **Cabinet is recommended to agree to reinstate balances and earmarked reserves of £1.6m in 2018/19 and to include the same sum in 19/20 budget strategy to reinstate balances.**

12. Contingency Provision

- 12.1 The Council's Constitution requires that any spending from Revenue Balances not specifically approved at the time the annual budget is set, must be considered and approved by full Council. This procedure could prove restrictive particularly if additional spending is urgent.

- 12.2 It is recommended that £100k of Revenue Balances be specifically earmarked for potential items of unplanned expenditure. It should be noted that based on current estimates if this sum was used during the year it would not take revenue balances below the recommended level of £1,900k, although if this were to be the case the Council would need to consider steps to reinstate balances at a later date.

- 12.3 **Cabinet is asked to agree and recommend to Council that £100k of Revenue Balances be specifically earmarked for potential items of unplanned expenditure which are:**

- **The result of new statutory requirements or**
- **An opportunity purchase which meets an objective of the Strategic Plan or**
- **Is considered urgent, cannot await the next budget cycle and cannot be funded from existing budgets**

Authorisation being delegated to the Leader of the Council.

13. Summary of Position

13.1 Summary of the Revenue Budget position is as follows:

| | £'000 | Note / para |
|---|-----------------|--------------------------|
| Revenue expenditure requirement for 2018/19 | 19,695 | Para. 8.13 |
| Collection fund surplus | (609) | Section 9 |
| New Homes Bonus | (3,443) | Para 7.16. |
| <i>Contribution to balances / Reserves:-</i> | | |
| Contribution to balances / reserves for pensions payment | 1,586 | Para. 8.13 |
| Contribution to reserves | 600 | Para 9.9. |
| <i>Use of Balances / reserves</i> | | |
| Use of Business Rates Pooling gain | (200) | Para 7.13 |
| Use of balances | (136) | Para. 10.7. |
| Release of earmarked reserves | (485) | Para. 11.8 and 11.9 |
| Budget Requirement | 17,008 | |
| <i>Funded by:</i> | | |
| Revenue Support Grant | (275) | Para 7.2. |
| Business Rates Baseline Funding | (4,162) | Para 7.2. |
| Business Rates Improvement | (1,100) | Para 7.8. |
| Council Tax Payers requirement (before Parish element) see below* | (11,471) | Para 9.3 and table below |
| Total Funding | (17,008) | |

| | |
|--|----------------|
| Council Tax* | |
| Council Tax Payers requirement (before Parish element) | 11,471,000 |
| Council Tax Base – Band D Properties | 61,960 |
| Council Tax at Band D | £185.13 |

13.2 **Cabinet is asked to agree and recommend to Council Colchester's element of the Council Tax for 2018/19 at £185.13 per Band D property, which represents an increase of £4.95 (2.75%) from the current rate noting that the formal resolution to Council will include Parish, Police, Fire and County Council precepts and any changes arising from the formal Finance Settlement announcement and final completion of the NNDR 1.**

14. Medium Term Financial Forecast – 2018/19 to 2021/22

14.1. This Council, in common with most other local authorities, faces an ongoing difficult position in the medium term due to a range of pressures including providing statutory services, ongoing pressures caused by maintaining several sources of fees and charges and potential revenue implications of strategic priorities. However, the most significant factor that will impact on the budget will be the level of

Government funding support including the ongoing uncertainty in respect of changes to financing arrangements

- 14.2. The Medium Term Financial Forecast (MTFF) is attached at Appendix K showing that the Council faces a continuing budget gap over the next three years from April 2019. The following table summarises the position showing a cumulative gap over the period from 2019/20 to 2021/22 of c£2.6m.

| | 2018/19 | 2019/20 | 2020/21 | 2021/22 | See para |
|----------------------------------|----------|--------------|--------------|--------------|----------|
| | £'000 | £'000 | £'000 | £'000 | |
| Net Budget | 19,695 | 19,655 | 19,647 | 20,412 | |
| SFA | (4,437) | (3,844) | (3,344) | (2,844) | 14.4 |
| NNDR Growth (incl. pooling gain) | (1,300) | (1,300) | (1,300) | (1,300) | 14.11 |
| New Homes Bonus | (3,443) | (2,758) | (2,233) | (2,180) | 14.7 |
| Council Tax | (11,471) | (11,929) | (12,407) | (12,907) | 14.19 |
| Reserves / Collection Fund | 956 | 1,401 | 1,401 | 1,401 | 14.13 |
| Cumulative Gap | 0 | 1,225 | 1,764 | 2,582 | |
| Annual increase | | 1,225 | 539 | 818 | |

- 14.3. To formulate the MTFF it is necessary to make a number of assumptions. Generally, these do not represent decisions but are designed to show the impact of a set of options for planning purposes. The key assumptions and savings required are set out in the Appendix and summarised below:-

Government Funding and Business Rates

- 14.4. The SFA which comprises our RSG and baseline NNDR figure has been cut by **£0.5million (11%) in 18/19**. The reduction in RSG is in line with the 4 year funding settlement which the Council applied for and which has been agreed by Government. The following table sets out the remaining figures in the 4 year settlement which ends in 2019/20. A planning assumption of a further reduction of £0.5m is shown for 2020/21 and 2021/22.

| | 4 year settlement | | | | Assumption | |
|--|-------------------|--------------|--------------|--------------|--------------|--------------|
| | Actual | | Provisional | | | |
| | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Revenue Support Grant | 1,978 | 920 | 275 | -446 | -946 | -1,446 |
| Business Rates Baseline | 3,960 | 4,041 | 4,162 | 4,290 | 4,290 | 4,290 |
| <i>Settlement Funding Assessment (SFA)</i> | <i>5,938</i> | <i>4,961</i> | <i>4,437</i> | <i>3,844</i> | <i>3,344</i> | <i>2,844</i> |
| Reduction (£'000) | | -977 | -524 | -593 | -2,094 | -500 |
| Reduction (%) | | -16.5% | -10.6% | -13.4% | -35.3% | -13.0% |

- 14.5. As has been previously reported the Government proposes to allocate funding on the basis of the core resources available to local authorities, taking into account councils' business rates and council tax, as well as their Revenue Support Grant. It follows that some councils with less Revenue Support Grant in later years will need to **contribute** funding from the other elements of their settlement core funding in order to meet the overall reductions to local government funding set in the Spending Review. Where this is the case, the Government proposes to adjust the relevant councils' tariff or top up under the business rates retention scheme. The table shows that by 2019/20 there will be no more RSG and that a contribution of almost £446k will be required to be made.
- 14.6. As set out within this report the New Homes Bonus is a key element of the financial support for local authorities and the Government announced changes to the scheme that reduced the grant in 2017/18 with a further reduction in 2018/19 and later years
- 14.7. The MTFF includes projections based on the changes proposed for the New Homes Bonus and is based on an 'average' level of growth for future years. The MTFF assumes that the New Homes Bonus will continue to be used to support the base budget, however, this will be reduced year on year by £400k to limit the risk of future changes to this grant. It is also assumed that the annual contribution of £250k to the RIF will continue and that the bonus paid for affordable housing will continue to be earmarked for housing. These assumptions are set out in the following table.

| | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|----------------------------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| New Homes Bonus | 3,443 | 2,758 | 2,233 | 2,180 |
| <i>Allocated to:-</i> | | | | |
| Contribution to RIF | 250 | 250 | 250 | 250 |
| Affordable housing allocation | 147 | 147 | 147 | 147 |
| Base Budget | 1,233 | 833 | 433 | 33 |
| Allocation to CNG Sports Project | 750 | 500 | | |
| Support for one-off schemes | 1,063 | 1,028 | 1,403 | 1,750 |
| Total allocation | 3,443 | 2,758 | 2,233 | 2,180 |

- 14.8. The table shows that the level of NHB grant the Council receives is expected to continue to be cut over the life of the MTFF. The Government has said it will consult on further possible changes to the NHB which could result in further reductions in grants.
- 14.9. As has been reported earlier the Essex bid to be a pilot for 100% business rates retention was not successful. Ten further retention pilots were agreed which it is intended will enable aspects of the retention system to be tested. At the same time, discussions are expected to continue between Government officials, the LGA and councils on the introduction of further business rates retention for all in 2020/21. The Government has also confirmed that the Fair Funding Review will be completed in time for implementation in April 2020.

14.10. The issue of further business rates retention and the Fair Funding Review, including assessing the impact of business rates appeals on local authorities in time for the implementation of further business rates retention in 2020/21 will continue to be an area of uncertainty for the Council's future funding assumptions.

14.11. At this stage the MTFF assumes a steady level of income from business rates. Assumptions for 2019/20 and beyond will be reviewed in the current year as part of the budget strategy. The MTFF assumes that £200k of the gain through pooling will be used to support the base budget in the way set out at para 7.13.

Pay, Inflation and costs

14.12. The 2018/19 budget includes an allowance for a pay award. For 2018/19 and beyond a sum is included for planning purposes to cover this and other inflationary pressures.

14.13. The next actuarial review of the pension fund will take place in 2019. No allowance has been included for any impact from this review, however, this will be considered in future updates. On the assumption that the Council again pays the 3 year deficit in one payment it will be necessary to show the use of reserves in that year with the subsequent repayment over the next two years. For ease and planning purposes the MTFF simply shows an annual cost / contribution to reserve as a 'marker'. An allowance for the full year impact of pensions 'auto enrolment' has been included in the 2018/19 budget.

Forecast savings

14.14. The MTFF includes forecast savings for 2019/20 and beyond. These include:-

- The anticipated savings and income from the ongoing sport and leisure review
- The second year savings from the agreed Customers Futures 2 review.
- The revised projections for the Council commercial business plans, mostly relating to events.
- The forecast income arising from assets included within the RIF.
- The agreed second year savings from reduced arts grants.

14.15. It will be necessary to closely track the delivery of these projects during the life of the MTFF and to account for any changes.

Fees and charges income

14.16. It is evident that there has been a fluctuation in some income budgets over recent years and a number of budgets have been changed to reflect these revised assumptions. On this basis the MTFF assumes a broadly neutral position over the next three years, other than additional income assumed within business cases, and this will need to be reviewed annually to ensure income targets are reasonable.

Specific Cost Pressures

14.17. The MTFF reflects that the government grant being used to support the costs of food waste collection will run out in 19/20. In addition an allowance is included for the potential full year impact of a change in the stadium rent and the inclusion of the revenue implication of the ICT strategy.

14.18. There remain a number of potential risks and pressures for which no allowance is currently made. These include:-

- an increase in interest costs which are currently being minimised through internal borrowing
- borrowing costs for projects within the RIF
- demands on services including those arising from growth in the Borough.
- an assessment of the potential revenue and capital impact of major projects such as Garden Communities and Northern Gateway.

Council Tax

- 14.19. In 2018/19 the Secretary of State has proposed that district councils such as Colchester can increase their Council Tax by the higher of £5 or 3% (for Colchester the higher figure is 3%) The MTFF has been updated to reflect this assumption, however, this does not represent a proposal. An allowance for an increase in Council Tax income through growth in the tax base of 1% pa is also included.

Summary

- 14.20. A realistic approach has been taken to the MTFF and it is evident that it will be necessary to review and revise a number of the assumptions set out. The funding changes to local government will continue with further grant reductions, the changes to business rates retention arrangements and any impact of the Government's wider review of local government funding.
- 14.21. In the 2018/19 budget savings and reductions of £2.8m have been identified which, when looked at alongside almost £15m identified in the budgets since 2011/12, represents a significant level of budget savings found. The MTFF shows that whilst anticipated savings from the current plans will make a contribution to reducing future budget gaps, further budget changes will be necessary.
- 14.22. The budget group has considered some savings area beyond 2018/19 and a programme of service reviews are planned to help to identify savings to close the budget gap for 2019/20 and beyond. Whilst we will continue to look for other areas of savings and efficiencies it will be increasingly hard to balance budgets without considering variations to current services.

- 14.23 **Cabinet is asked to note the medium term financial forecast for the Council.**

15 Capital Programme

- 15.1 The current capital programme is detailed in Appendix L. It should be noted that this shows only those schemes that are currently in the approved capital programme, and as such excludes the proposals within this report and potential future schemes that have been included in the medium term capital forecast.
- 15.2 The latest monitoring report highlights that there is a small net underspend on the Capital Programme of £0.255m against completed schemes and it is proposed that these funds are reallocated.

| Scheme | Over/ (Under) £'000 | |
|--------------------------------|------------------------------------|--|
| General Fund position | | |
| Waste Collection Strategy | (268) | The primary reason for the under-spend was that the cost of the wheeled bins came in under expectations due to the price obtained from the winning contractor. It was also possible to swap two vehicles on the fleet through our contractor for wheeled bin collections rather than modify others which resulted in a saving. |
| Oak Tree Community Centre Roof | 13 | Tenders have been returned and some unforeseen works will potentially exceed funding available, so project may overspend budget by £13k. |
| Subtotal | (255) | |

- 15.3. A review of resources available to support the Capital Programme in the medium term has been carried out, and the following table provides a summary of the projected position for 2017/18. This shows a surplus that is available to support potential schemes in subsequent years.

| Detail | £'000 |
|---|--------------|
| Deficit brought forward | 230 |
| Capital receipts projection for 2017/18 | (1,000) |
| New schemes | 0 |
| Balance available | (770) |

- 15.4. There are a number of items to report for inclusion in the capital programme:

CCHL Business Plan

- 15.5 The Colchester Commercial Holdings Ltd (CCHL) Business Plan is subject to a separate item on this agenda. This shows a total estimated borrowing requirement of £28.8m for Colchester Amphora Homes Ltd (CAHL), to be drawn down between 2018 and 2024. This will be financed by prudential borrowing by the Council and charged to CAHL at a commercial rate in accordance with State Aid requirements. It is proposed that this cost is added to the CBC Capital Programme. The Council's Prudential Indicators from 2018/19 to 2020/21 reflects this proposed drawdown of funds. The borrowing requirement of £2.5m for Colchester Amphora Energy Ltd (CAEL) is already reflected in the Capital programme.

Purchase of properties for use as temporary accommodation – £2.9m.

- 15.6. The separate report on this agenda details the proposal to purchase up to 16 homes to be used as temporary accommodation for homeless households up to a value of £2.9 m. If agreed, this will be added to the capital programme and funded as set out within the separate report.

Waste Fleet - £4m

- 15.6 The Council intends to purchase a new waste fleet once the current leasing arrangements expire from the beginning of 2019/20. An options appraisal exercise found that external borrowing from the Public Works Loan Board was the most competitive funding option. It is likely that part-payment for the first tranche of vehicles will be required by the end of 2018/19, so it is proposed that an indicative figure of £4m is added to the Capital Programme, subject to approval of the officer report and completion of a competitive tender exercise.

Discretionary Financial Assistance Program and Disabled Facilities Grant

- 15.7. The Better Care Fund Allocation, which funds the Disabled Facilities Grant (DFG) program, has doubled in the last two years. This increased allocation is sufficient to meet the demand for DFGs without the need for CBC to make any contribution to the allocation. This means that capital resources previously allocated by CBC to support the DFG program will no longer be required.
- 15.8. The discretionary financial assistance program has received no funding for at least 5 years. The provision of discretionary grants and loans to home owners plays an important role in improving serious defects to the homes of vulnerable households who would otherwise be unable to afford essential works. No government grant is received to support this work, and the current budget allocation is fully committed with a number of other cases already in the pipeline. It is anticipated that the demand for discretionary assistance will increase with more targeted activity. Funding is also required to pay for the housing stock modelling project and health impact assessment currently being commissioned, which will provide us with the information required to target our activity.
- 15.9. It is therefore proposed that a capital virement of £250,000 be made from the DFG budget to the discretionary program budget, which will allow the discretionary program to continue for a further 2 years. The majority of the discretionary assistance paid is in the form of a repayable loan. These loans are recovered when the property is sold.
- 15.10 The medium term forecast of projected capital receipts and spending plans is shown in the table below reflecting the proposals within this report. This separately identifies the forecast position for the General Fund Capital Programme as well as the Revolving Investment Fund (RIF) Committee. It can be seen that the overall programme is in balance.

| | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 | 2021/22 £'000 |
|--|------------------|------------------|------------------|------------------|------------------|
| GENERAL FUND | | | | | |
| Shortfall / (Surplus) B/Fwd | 230 | (770) | (970) | (1,170) | (1,370) |
| New schemes | 0 | 0 | 0 | 0 | 0 |
| Capital receipts | (1,000) | (200) | (200) | (200) | (200) |
| Shortfall / (Surplus) C/Fwd | (770) | (970) | (1,170) | (1,370) | (1,570) |
| REVOLVING INVESTMENT FUND | | | | | |
| Shortfall / (Surplus) B/Fwd | 2,010 | (491) | 6,320 | 2,033 | 764 |
| New schemes | 6,541 | 17,348 | 17,456 | 0 | 0 |
| Capital receipts | (9,043) | (10,537) | (21,743) | (1,269) | (269) |
| Shortfall / (Surplus) C/Fwd | (491) | 6,320 | 2,033 | 764 | 495 |
| Overall Shortfall / (Surplus) C/Fwd | (1,261) | 5,350 | 863 | (606) | (1,075) |

16. Robustness of Estimates

- 16.1 The Local Government Act 2003 placed a specific duty on the Chief Financial Officer to report on the robustness of estimates in the budget proposals of an Authority when the budget is being considered. This section addresses this requirement.
- 16.2 As set out in this paper a rigorous process and timetable has been followed throughout the budget setting activity this year involving the Cabinet, Leadership Team, Scrutiny Panel, Senior Management Team, the Budget Group and budget holders. All key assumptions used have been reviewed and scrutinised as part of this process. The result of this process has been a budget which is, in my view, challenging but deliverable.
- 16.3. This latest review of the budget for this financial year, 2017/18, has shown that there are a number of budget pressures across the Council. Outturn reviews in previous years have been undertaken to ensure that budgets reflect best estimates and do not contain “contingencies”. This has meant that services have less scope to absorb unforeseen budget pressures and any requests for new spending that may arise in-year.
- 16.4. Through the 2018/19 budget process steps have been taken to revise certain income targets. These include reductions in budgeted income:-
- Planning income – reduced by £90k
 - Helpline income – reduced by £100k
 - Broadband income – reduced by £75k
- 16.5. The budget includes significant new or increased savings and income targets across the Council totalling £1.8m. Most of these items have been identified through budget reviews and assumptions have been checked to ensure that there are reasonable and achievable. They comprise a mix of spending reductions and additional income.
- 16.6. All Assistant Directors have reviewed their detailed budgets and various changes have been incorporated into their individual budgets.
- 16.7. Whilst I consider that reasonable assumptions have been made to account for the pressures being faced there remains a degree of risk with the key areas being:-
- Meeting ongoing, income levels in particular in respect of sport and leisure, planning, car parks and trading services.
 - Delivery in the year of certain agreed savings such as the Customers Futures 2 review.
 - Collection rates of Council Tax and changes in demand levels following the implementation of the LCTS scheme and other Council Tax changes
 - Collection rates and level of business rates (including the impact of appeals)
 - Impact on budgets relating to homelessness and other demand pressures.
 - Asset rental income assumptions.
 - Assumptions within the Council’s commercial company arrangements, including borrowing levels.
 - Impact of Council borrowing on interest costs / income.

- 16.8. The budget risks will be managed during 2018/19 by regular targeted monitoring and review at Senior Management Team and Scrutiny Panel. The Revenue Balance Risk Analysis considered these areas in establishing a minimum level of required balance of £1.9m.
- 16.9. The External Auditor has commented that *“the Council has a strong history of delivering savings targets.....and taking effective steps to address future budget gaps”*. As part of the in year budget monitoring action has been taken to mitigate pressures and as commented earlier, adjustments have been made in respect of the 2018/19 budget proposals.
- 16.10. Delivery of the budget will continue to require financial discipline led by SMT in terms of a number of budget reviews and by budget holders, ensuring expenditure is not incurred without adequate available budget and that income targets are achieved. Budget managers will continue to be supported through training and advice to enable them to do this.
- 16.11. Regular updates on forecast expenditure will also be important to ensure the budget is managed within the expenditure constraints set out and the Council continues to develop systems to provide better financial information through greater use of our commitments system and focused monitoring of key risk areas.
- 16.12. **Cabinet is asked to note the comments on the robustness of budget estimates.**

17. Treasury Management and Prudential Code Indicators

- 17.1. The proposed Treasury Management Strategy Statement (TMSS) for 2018/19, including the Minimum Revenue Provision Policy Statement and Annual Investment Strategy, is included at **Appendix M**. The following paragraphs contain a summary of the strategy for 2018/19, which covers the following issues:
- the capital plans and the prudential indicators;
 - the Minimum Revenue Provision (MRP) Policy;
 - the current treasury position;
 - treasury indicators which limit the treasury risk and activities of the Council;
 - the economic background and prospects for interest rates;
 - the borrowing strategy;
 - the policy of borrowing in advance of need;
 - debt rescheduling;
 - the investment policy and strategy, and credit worthiness policy;
 - the policy on use of external service providers.
- 17.2. The Council's Prudential and Treasury Indicators for 2018/19 through to 2020/21 have been produced to support capital expenditure and treasury management decision making, and are designed to inform whether planned borrowing and the resultant revenue costs are affordable and within sustainable limits. The indicators take into account all the economic forecasts and proposed borrowing and investment activity detailed in the report, as well as the latest medium term revenue and capital forecasts.
- 17.3. The Minimum Revenue Provision (MRP) Policy Statement for 2018/19 states that the historic debt liability will continue to be repaid on an equal instalment basis over a period of 50 years, with the charge for more recent capital expenditure being

based on the useful life of the asset and charged using the equal annual instalment method.

- 17.4. The UK bank rate was increased from 0.25% to 0.50% in November 2017. This reversed the emergency cut in August 2016 after the EU referendum. The current view from the Council's treasury advisers, Link Asset Services, is that the Bank Rate is now expected to remain unchanged until quarter 4 of 2018, and not to rise above 1.25% by quarter 1 of 2021. *Appendix A to the TMSS* draws together a number of current forecasts for short term and longer term interest rates.
- 17.5. The Council is currently maintaining an under-borrowed position. The borrowing strategy is to reduce the difference between gross and net debt by continuing to 'borrow internally', which is primarily due to investment rates on offer being lower than long term borrowing rates. This has the advantages of maximising short-term savings and reducing the Council's exposure to interest rate and credit risk. However, against this, the long term saving resulting from borrowing at very low rates should be considered. Consequently this approach will be kept under review during the year.
- 17.6. The TMSS and Prudential and Treasury Indicators take into account the requirements for new borrowing summarised in the table below. The decision regarding when to borrow will be taken in view of the borrowing strategy, the interest rates forecast, and the target rates for borrowing advised by Link Asset Services.

| New Borrowing £'000 | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| CNGN Sports Hub | 0 | 0 | 1,380 | 0 |
| Sheepen Road Phase 2 | 0 | 1,500 | 0 | 0 |
| Waste Fleet | 0 | 4,340 | 1,275 | 205 |
| Tackling Homelessness | 0 | 916 | 0 | 0 |
| HRA - Housing Investment Programme | 2,251 | 0 | 0 | 0 |
| Energy Company | 282 | 0 | 2,300 | 0 |
| Housing Company | 0 | 3,507 | 7,707 | 11,301 |
| Total | 2,533 | 10,263 | 12,662 | 11,506 |

- 17.7. Investment instruments identified for use in 2018/19 are detailed in **Appendix B to the TMSS**. It should be noted that whilst this table includes a wide range of investment instruments, it is likely that a number of these will not be used. However, their inclusion enables the required credit controls to be stated if their use is to be considered. The monetary limits for Banks and Building Societies have each been increased by £2.5m to take into account possible fluctuations in the Council's cash flow arising from the new borrowing requirements detailed above as well as the creation of the new commercial companies.
- 17.8. The investment policy reflects the Council's low appetite for risk, emphasising the priorities of security and liquidity over that of yield. The main features of the policy are as follows:
- The Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties, which also enables diversification and avoidance of concentration risk.

- The Council applies the creditworthiness service provided by Link Asset Services, which combines ratings and other data from credit rating agencies with credit default swaps and sovereign ratings.
- The Council will only use approved counterparties from countries with a minimum credit rating of 'AA-', based on the lowest available rating (**Appendix C to the TMSS**). However, this policy excludes UK counterparties.
- The suggested budgeted return on investments placed for periods up to 100 days during the year is 0.60%.

17.9 **Cabinet is asked to agree and recommend to Council the 2018/19 Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy as set out in the paper at Appendix M**

18. Strategic Plan References

- 18.1. The 2018/19 budget and the Medium Term Financial Forecast is underpinned by the Strategic Plan priorities and will seek to preserve and shift resources where needed to these priorities.
- 18.2. Appendix N provides an assessment of the links between the Strategic Plan and budget strategy.

19. Financial Implications

- 19.1 As set out in the report.

20. Publicity Considerations

- 20.1 Arrangements will be made to publish the approved tax levels in the local press in accordance with the legal requirements.

21 Human Rights Implications

- 21.1. None

22. Equality and Diversity

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

23. Community Safety Implications

- 23.1 None

24. Health and Safety Implications

- 24.1 There are possible implications with removal of resources and some of the proposed savings, but each case has been reviewed and dealt with individually to mitigate or ensure risk is minimised.

25. Risk Management Implications

- 25.1 Risk management has been used throughout the budget process and specific consideration has been given to the Council's current risk profile when allocating resources. This is reflected in the corporate risk register.

26. Consultation

- 26.1. The budget will be scrutinised by Scrutiny Panel on 30th January 2018. The statutory consultation with NNDR ratepayers takes place in early February 2018 and notes of the meeting will be provided in due course.

Background Papers

Budget reports to Cabinet – 22 November 2017

| 2018/19 Budget Timetable | |
|--|---|
| Budget Strategy | |
| March – June (SMT and Budget Group) | Budget Group Meetings Agreed Update MTFF /Budget Strategy Review potential cost pressures, growth and risks Consider approach to budget Initial budget reviews started |
| Cabinet – 12 July 17 | <ul style="list-style-type: none"> • Review 16/17 outturn • Report on updated budget strategy / MTFF • Timetable approved |
| Scrutiny Panel – 18 July 17 | Review Cabinet report |
| Detailed Budget preparation and Budget Setting Consultation | |
| Budget Group / Leadership Team regular sessions on progress / budget options now - December | Review budget tasks Consider delivery of existing budget savings Complete outturn review |
| Cabinet – 6 September 17 and /or 11 October 17 | <ul style="list-style-type: none"> • Budget Update • Review of capital resources / programme |
| Cabinet – 22 November 17 | <ul style="list-style-type: none"> • Budget update • Reserves and balances • Agree fees and charges / budget changes • Government Finance settlement (if available) • Review in year budget position |
| Scrutiny Panel – 30 January 18 | Budget position (Detailed proposals) |
| Cabinet – 31 January 18 | Revenue and Capital budgets recommended to Council |
| Council – 21 February 18 | Budget agreed / capital programme agreed / Council Tax set |

2018/19 New Homes Bonus

| | Actual | | | | | | | Provisional |
|-------------------------------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Basic NHB | | | | | | | | |
| Growth re 09/10 | 724 | 724 | 724 | 724 | 724 | 724 | nil | nil |
| Growth re 10/11 | | 749 | 749 | 749 | 749 | 749 | nil | nil |
| Growth re 11/12 | | | 986 | 986 | 986 | 986 | 986 | nil |
| Growth re 12/13 | | | | 757 | 757 | 757 | 757 | nil |
| Growth re 13/14 | | | | | 1,185 | 1,185 | 1,185 | 1,185 |
| Growth re 14/15 | | | | | | 1,025 | 1,025 | 1,025 |
| Growth re 15/16 | | | | | | | 553 | 553 |
| Growth re 16/17 | | | | | | | | 533 |
| Total basic NHB | 724 | 1,473 | 2,459 | 3,216 | 4,401 | 5,426 | 4,506 | 3,296 |
| | | | | | | | | |
| Affordable Housing element | | | | | | | | |
| re 10/11 delivery | | 52 | 52 | 52 | 52 | 52 | nil | nil |
| re 11/12 delivery | | | 105 | 105 | 105 | 105 | 105 | nil |
| re 12/13 delivery | | | | 37 | 37 | 37 | 37 | nil |
| re 13/14 delivery | | | | | 20 | 20 | 20 | 20 |
| re 14/15 delivery | | | | | | 74 | 74 | 74 |
| re 15/16 delivery | | | | | | | 41 | 41 |
| re 16/17 delivery | | | | | | | | 12 |
| <i>Total affordable homes bonus</i> | <i>0</i> | <i>52</i> | <i>157</i> | <i>194</i> | <i>214</i> | <i>288</i> | <i>277</i> | <i>147</i> |
| Total New Homes Bonus | 724 | 1,525 | 2,616 | 3,410 | 4,615 | 5,714 | 4,783 | 3,443 |

APPENDIX C**2018/19 Revenue Cost pressures**

Assistant Director / Portfolio Holders have been asked to contain cost pressures within existing budget allocations wherever possible. The following are specific areas where budget allocations have been increased. Changes since the report to Cabinet on 22nd November 2017 are highlighted in the updated allowance column.

| | Current allowance | Updated Allowance | |
|--|--------------------------|--------------------------|--|
| | £'000 | £'000 | Comment |
| Cost Pressures | | | |
| General Inflation | 540 | 533 | Allowance includes pay assumptions, energy increases, business rate increase and some specific contract prices changes. |
| Food Waste (net impact of loss of grant) | 304 | 304 | The Council has used the Government grant over a number of years and will be all used during next year leaving a cost pressure |
| Elections | 105 | 177 | There were no Borough elections in 2017/18 and therefore it is necessary to reinstate the budget for these for 2018/19. Increased costs relate to the administration and staffing of an election across all wards for the first time since the boundary review. There hasn't been a 'stand alone' Borough election since 2012, where cost are meet solely by the Council. Staff costs have increased to meet the Living Wage, and whilst action has been taken to reduce print and post costs as far as practicable within the parameters of legislation these remain high for the election service. |

| | Current allowance | Updated Allowance | Comment |
|-----------------------------|-------------------|-------------------|--|
| | £'000 | £'000 | |
| Pensions - auto enrolment | 150 | 65 | This allowance is for the recurring costs of increased pension costs as a result of auto enrolment. The number of staff deciding to join the pension scheme has been lower than expected and therefore the cost pressure is less. |
| Stadium rent | 128 | 128 | The Community Stadium fixed rent period ends during 2018/19 and an allowance is made in the budget for a potential reduction. |
| Various Service pressures | 43 | 43 | There were a number of service budget pressures included in the 17/18 budget, such as additional accommodation service charges, and this allowance is for the full year impact of these items |
| Planning income | | 90 | The number of applications received has levelled off in recent times and the resulting fee income is unlikely to meet the increased target set for 17/18. The reduction for 2018/19 reflects this position. |
| Broadband income reduction | | 75 | The income anticipated from this project has not met targets. It is now felt prudent to revise the target to a more realistic level. |
| Local Development Framework | | 30 | The new Local Plan will be subject to examination in 2018/19 and the additional funds will pay for the Planning Inspector and consultants to represent the Council. It is a one off cost. |
| Procurement hub rebates | | 27 | We have been a member of the Essex Procurement Hub for a number of years. The cost of membership has been offset over this period by a rebate we received from Framework Agreements let by the Hub. We have been notified by the Hub that due to a drop in the number of Frameworks Agreement let and competition from others in the market, the projected rebate probably will not cover the annual |

| | Current allowance | Updated Allowance | |
|--|-------------------|-------------------|---|
| | £'000 | £'000 | Comment |
| | | | contribution and we are being requested (along with all other Hub members) to make a contribution of £52,375 for 2018/19. It has been agreed that we can pay this over two financial years with £25,000 being paid in 2017/18 and £27,375 in 2018/19. |
| NEPP - extra use of reserve | | 35 | Essex County Council stopped providing an annual contribution of £150k towards TRO (Traffic Regulation Order) work. In 2017/18 £150k from the earmarked parking reserves was used and it is now proposed to increase this by a further £35k. |
| Misc. items | | 20 | There are various net pressures across mostly corporate or technical budgets. |
| <i>Items c/f in balances:-</i> | | | |
| ICT strategy | 300 | 300 | This relates to use the incremental costs of the ICT strategy. |
| PSU post | 18 | 18 | This relates to the last year of funding set aside to cover additional systems staff resources. |
| Startwell Post | | 30 | £30k to be used to match fund the Public Health Improvement Coordinator post. The Council receives £20k from ECC to match fund the post and £26k in Public Health Grant funding aligned to the role to improve health and wellbeing at a local level and to optimise CBCs public health capabilities. |
| Additional communications and marketing post | | 45 | It is proposed that part of the agreed budget for the setup and initial cost of the Council's commercial company arrangements is carried forward and used to provide additional marketing support to services within or managed by the Council's companies. |
| Total cost pressures | 1,588 | 1,920 | |

Savings and Income – 2018/19

| Opportunity | | Comments |
|--|-------|--|
| | £'000 | |
| <i>Efficiencies, Income and Service Reviews</i> | | |
| Sport & Leisure | 148 | Savings and additional income from sport and leisure business case. |
| Assets | 264 | Estimated increased income from commercial asset strategy including full year impact of Amphora Place (Phase 1). |
| Senior Management Restructuring & Commercial Company assumptions | 139 | Figures have been updated to reflect revised income projections for next year and other issues reflected in the proposed management fee for CCHL. |
| Digital Challenge - Service Savings | 70 | Various savings across service in line with digital challenge programme. These have been reduced to remove assumed additional income growth. |
| Service savings | 30 | Full year impact of service savings identified in 17/18 budget. |
| Digital Challenge / ICT strategy - implementation | 70 | End of funding for implementation. |
| Customer Futures 2 | 292 | Review agreed by Cabinet in November. |
| Zones | 90 | Efficiencies will be delivered through a more focussed approach to activities and enforcement and a review of resources required based on demand. We will also review management resources. |
| Museums | 100 | Colchester Museums service will deliver additional income opportunities in light of 2017 investment into marketing. The service will also review back office functions given recent improvements to online information and introduce an assumed vacancy saving in line with historic average staff turnover. |

| Opportunity | | Comments |
|------------------------|--------------|--|
| | £'000 | |
| ICT Review | 50 | These are savings following a major review of the ICT service earlier in the year. |
| Roundabout sponsorship | 20 | This is income from the sale of roundabout sponsorships that is in excess of the budget. To date this excess has been used to support the corporate marketing budget. |
| Off-Street parking | 100 | This saving will be found through a change in the Off Street governance which will mean that each authority will have a direct SLA with Colchester. Each authority will be responsible for the cost of its service and any risk. The outcome of these changes is that Colchester's contribution towards the cost of the NEPP Off Street arrangements will be reduced. |
| Waste Service | 240 | The waste service has been subject to massive change this year and it was identified that once the service settled down it would be possible to make savings. All the routes have been re-balanced as part of the changes. Additional capacity was retained in the service to support the higher works loads as the changes were implemented. Savings have been identified through waste rounds being reduced from 23 to 21. Savings will be a result of having two fewer vehicles and the associated crews and fuel costs. There are also two Yard Staff vacancies. These savings are in addition to the assumptions made for the second year of the new waste service. Combined, these savings have helped to mitigate a budget pressure resulting from lower income from the sale of recyclables. |

| Opportunity | | Comments |
|---|--------------|---|
| | £'000 | |
| Environment - various | 39 | Includes various savings across service including:- <ul style="list-style-type: none"> • £18k in respect of environmental health services. • £15k within licensing. |
| Policy and Corporate - various | 65 | This includes various net savings across the service in particular:- <ul style="list-style-type: none"> • Some changes to assumed costs and income relating to the commercial investment portfolio. • Small saving on cleaning costs |
| Welfare Reform – use of Government grants | 42 | Cabinet agreed to the formation of a cross service team in order to support residents and preserve operational services within a challenging framework of welfare reform. It was reported to Cabinet a number of Government grants provided to support local authorities with welfare reforms and other related issues were available and therefore these are now be used to fund the cross service team instead of the previous CBC funding. |
| | | |
| Total income & efficiencies | 1,803 | |
| Budget Reductions | | |
| Arts grants | 50 | A new two year funding settlement has been agreed with The Mercury; firstsite and Arts Centre which takes into account the challenging financial climate, compares well with neighbouring authority awards and continues to demonstrate our commitment and investment; especially when considered alongside capital commitments and positive partnership working. |
| Parish Grants re: LCTS scheme | 7 | Reduction in grants as approved by Cabinet. |
| Total reductions | 57 | |

| Opportunity | | Comments |
|--|--------------|----------|
| | £'000 | |
| | | |
| Budget Savings and income | 1,821 | |
| | | |
| Change in Use of NHB for one off investment | | |
| Reduction in investment funded from New Homes Bonus | 810 | |
| Reduction in affordable homes investment funded from New Homes Bonus | 130 | |
| Total change | 940 | |
| | | |
| Total Savings, Income and Budget Reductions | 2,761 | |

Summary Budget 2018/19

| | <i>Adjusted Base Budget</i> | <i>One-Off Items</i> | <i>Cost Pressures</i> | <i>Technical Items</i> | <i>Total Savings</i> | <i>Detailed 18/19 Budgets</i> |
|---|---------------------------------|--------------------------|---------------------------|----------------------------|--------------------------|---------------------------------------|
| | | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Corporate & Democratic Core | (496) | 0 | 0 | | (7) | (503) |
| Executive Management Team | 623 | 0 | 9 | | 54 | 686 |
| Community | 5,595 | (33) | 205 | | (249) | 5,519 |
| Customers | 3,440 | (127) | 111 | | (323) | 3,100 |
| Environmental (excl NEPP) | 2,526 | (20) | 725 | | (535) | 2,696 |
| Policy & Corporate | 8,009 | (325) | 932 | | (715) | 7,901 |
| Total General Fund Services | 19,697 | (505) | 1,982 | 0 | (1,775) | 19,399 |
| Technical Items | | | | | | |
| | | | | | | |
| <i>Corporate Items / sums to be allocated to services</i> | | | | | | |
| Procurement Savings | (15) | | 15 | | 0 | 0 |
| Investment Allowance funded by NHB | 2,872 | 0 | 0 | 0 | (810) | 2,062 |
| NNDR Revaluation / Inflation Index | 15 | | (25) | | 0 | (10) |
| Apprenticeship Levy | 30 | | (30) | | 0 | 0 |
| Waste Review | 72 | (72) | 0 | | 0 | 0 |
| Comms / Marketing post for CCHL | 0 | | 45 | | 0 | 45 |
| Strategic Plan 17/18 | 100 | (100) | 0 | | 0 | 0 |
| Digital Challenge | 70 | | 0 | | (70) | 0 |
| Grounds Maintenance Savings | 11 | | (11) | | 0 | 0 |
| Digital Challenge - Post & Print | (5) | | 5 | | 0 | 0 |

| | <i>Adjusted Base Budget</i> | <i>One-Off Items</i> | <i>Cost Pressures</i> | <i>Technical Items</i> | <i>Total Savings</i> | <i>Detailed 18/19 Budgets</i> |
|---|---------------------------------|--------------------------|---------------------------|----------------------------|--------------------------|---------------------------------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 |
| PV Panels / LACM (Carbon Management) | (20) | | 0 | | 0 | (20) |
| | | | | | | |
| <i>Non-Service Budgets</i> | | | | | | |
| CLIA (net interest) | 538 | | 1 | | (106) | 433 |
| R&R Contribution | 150 | | 0 | | | 150 |
| Min Revenue Provision | 560 | | 0 | | 0 | 560 |
| Pensions | 5,108 | (3,112) | (44) | (1,586) | | 366 |
| Heritage Reserve & Gosbecks Reserve | 3 | | (3) | | | 0 |
| GF/HRA/NEPP Adjustment | (3,275) | | (15) | | 0 | (3,290) |
| Total Below the Line | 6,214 | (3,284) | (62) | (1,586) | (986) | 296 |
| Total incl Below the line | 25,911 | (3,789) | 1,920 | (1,586) | (2,761) | 19,695 |
| <i>Funded by:-</i> | | | | | | |
| Use of balances: re carry forwards | (77) | 77 | 0 | (63) | | (63) |
| Use of balances | (422) | 422 | 0 | (73) | | (73) |
| Contribution to balances | 0 | 0 | 0 | 2,186 | | 2,186 |
| Use of balances for one-off Pension costs funding | (3,173) | 3,173 | 0 | 0 | | 0 |
| Use of other Earmarked Reserves | (475) | 475 | 0 | (485) | | (485) |
| Use of NNDR reserve | (489) | 489 | 0 | 0 | | 0 |
| use of S.106 reserve | (20) | 20 | 0 | | | 0 |
| Revenue Support Grant | (920) | | 645 | | | (275) |
| Business Rates Baseline | (4,038) | | (124) | | | (4,162) |
| Transition Grant | (88) | 88 | 0 | | | 0 |
| NNDR Growth above Baseline | (900) | | 0 | (200) | | (1,100) |

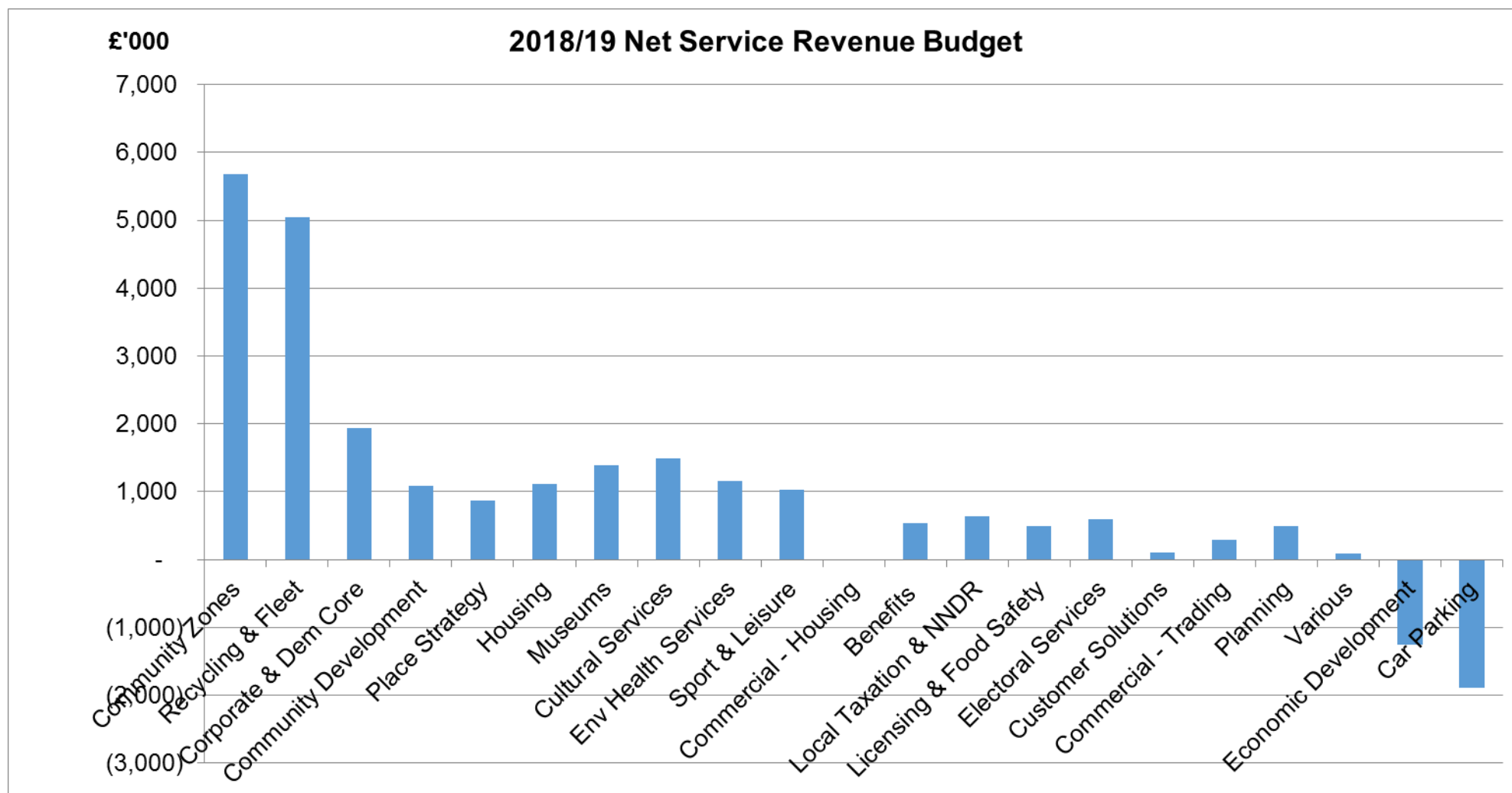
| | <i>Adjusted Base Budget</i> | <i>One-Off Items</i> | <i>Cost Pressures</i> | <i>Technical Items</i> | <i>Total Savings</i> | <i>Detailed 18/19 Budgets</i> |
|--------------------------|---------------------------------|--------------------------|---------------------------|----------------------------|--------------------------|---------------------------------------|
| | | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Business Rates Pooling | 0 | | 0 | (200) | | (200) |
| Council Tax | (11,015) | | 0 | (456) | | (11,471) |
| Collection fund Transfer | (48) | 48 | 0 | (609) | | (609) |
| New Homes Bonus | (4,783) | | 0 | 1,340 | | (3,443) |
| NNDR Deficit / (Surplus) | 537 | (537) | 0 | 0 | | 0 |
| Total | (25,911) | 4,255 | 521 | 1,441 | 0 | (19,695) |

Detailed General Fund Service Budgets 2018/19

| | Direct Budgets | | | Non-Direct Budgets | |
|--|----------------|-----------------|--------------|--------------------|--------------|
| Area | Spend | Income | Net | Net | Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Corporate & Democratic Core | 297 | (800) | (503) | 2,441 | 1,938 |
| Total | 297 | (800) | (503) | 2,441 | 1,938 |
| | | | | | |
| Executive Management Team | | | | | |
| EMT | 686 | - | 686 | (686) | - |
| Total | 686 | - | 686 | (686) | - |
| | | | | | |
| Community | | | | | |
| Assistant Director | 138 | - | 138 | (138) | - |
| Cultural Services | 646 | (116) | 530 | 957 | 1,487 |
| Community Zones | 5,786 | (2,284) | 3,502 | 2,183 | 5,685 |
| Community Development | 787 | (51) | 736 | 348 | 1,084 |
| Colchester Museums | 66 | (479) | (413) | 5 | (408) |
| Subtotal | 7,423 | (2,930) | 4,493 | 3,355 | 7,848 |
| Colchester & Ipswich Museums | 2,081 | (1,055) | 1,026 | 775 | 1,801 |
| Total | 9,504 | (3,985) | 5,519 | 4,130 | 9,649 |
| | | | | | |
| Customer | | | | | |
| Assistant Director | 145 | - | 145 | (145) | - |
| Customer Operations | 1,753 | (9) | 1,744 | (1,744) | - |
| Prof Support Units | 833 | (82) | 751 | (751) | - |
| Customer Demand & Research | 856 | (24) | 832 | (832) | - |
| Customer Solutions | 1,125 | (612) | 513 | (414) | 99 |
| Local Taxation & NNDR | 477 | (635) | (158) | 792 | 634 |
| Subtotal | 5,189 | (1,362) | 3,827 | (3,094) | 733 |
| Benefits - Payments & Subsidy | 52,256 | (52,983) | (727) | 1,261 | 534 |
| Total | 57,445 | (54,345) | 3,100 | (1,833) | 1,267 |
| | | | | | |
| Environment | | | | | |
| Assistant Director | 140 | - | 140 | (140) | - |
| Recycling & Fleet | 6,694 | (2,436) | 4,258 | 782 | 5,040 |
| Car Parking | 1,046 | (3,968) | (2,922) | 1,026 | (1,896) |
| Licensing & Food Safety | 544 | (475) | 69 | 421 | 490 |
| Environmental Health Services | 844 | (102) | 742 | 414 | 1,156 |
| Electoral Services | 431 | - | 431 | 169 | 600 |
| Land Charges | 137 | (344) | (207) | 87 | (120) |
| Building Control | 395 | (395) | - | 164 | 164 |
| Subtotal | 10,231 | (7,720) | 2,511 | 2,923 | 5,434 |

| | Direct Budgets | | | Non-Direct Budgets | |
|-------------------------------------|----------------|-----------------|---------------|--------------------|---------------|
| Area | Spend | Income | Net | Net | Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Parking Partnership (NEPP) | 3,166 | (3,051) | 115 | 119 | 234 |
| Total | 13,397 | (10,771) | 2,626 | 3,042 | 5,668 |
| | | | | | |
| Policy & Corporate | | | | | |
| Assistant Director | 123 | - | 123 | (158) | (35) |
| Finance | 835 | (100) | 735 | (735) | - |
| ICT and Communications | 2,507 | (382) | 2,125 | (2,125) | - |
| People and Performance | 781 | (183) | 598 | (653) | (55) |
| Governance | 2,951 | (334) | 2,617 | (2,570) | 47 |
| Place Strategy | 925 | (37) | 888 | (17) | 871 |
| Economic Development | 233 | - | 233 | 885 | 1,118 |
| Planning | 1,145 | (1,167) | (22) | 519 | 497 |
| Housing | 2,037 | (747) | 1,290 | (169) | 1,121 |
| Subtotal | 11,537 | (2,950) | 8,587 | (5,023) | 3,564 |
| <i>Company Related:-</i> | | | | | |
| Client - CCHL | 1,535 | - | 1,535 | (1,535) | - |
| Commercial - Trading | - | - | - | 296 | 296 |
| Corporate Asset Management | 2,133 | (216) | 1,917 | (1,835) | 82 |
| Commercial & Investment Properties | 239 | (3,726) | (3,487) | 1,115 | (2,372) |
| Sport & Leisure | 4,471 | (5,122) | (651) | 1,672 | 1,021 |
| Total | 19,915 | (12,014) | 7,901 | (5,310) | 2,591 |
| | | | | | |
| Adjustment for NEPP use of balances | - | 185 | 185 | - | 185 |
| | | | | | |
| Total (excl. NEPP) | 98,078 | (78,679) | 19,399 | 1,665 | 21,064 |

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



General Fund Balances – Risk Assessment

A risk assessment has been undertaken to determine the prudent level of general fund balances as part of the 2018/19 budget process. This has been carried out with reference to specific risk allocation sums held within balances

Historically we have maintained a strong level of balances and these have been used to:-

- Support the annual budget - particularly to fund one off items.
- Fund new initiatives identified during the year.
- Provide cover for cashflow and emergency situations.
- Provide flexibility and a resource for change management.

Risk Assessment

The results of the current assessment are summarised below.

| Factor | Assessed Risk | | | Comment |
|--|---------------|-------|-------|---|
| | High | Med | Low | |
| | £'000 | £'000 | £'000 | |
| Cash Flow | 1,000 | | | No change to current level |
| Inflation | | 100 | | |
| Investment Income | 75 | | | |
| Trading Activities and fees and charges | | 200 | | No change made for new company arrangements. |
| Benefits | | 200 | | Separate allocation also held in balances |
| New legal commitments | | | 100 | |
| Litigation | | 150 | | |
| Partnerships | | | 100 | |
| VAT Exemption Limit | | | 450 | Increased to £450k in 16/17 representing current impact. |
| Budget Process | | 150 | | Increased in 16/17 by £50k to reflect removal of contingency sums |
| Revenue impact of capital schemes | | | 150 | |
| Impact of Local Government Finance reforms | 300 | | | Maintained, given funds held in earmarked reserve and balances |
| | 1,375 | 800 | 800 | |

| | Risk | % | Minimum provision |
|--------------------------|-------|-----|-------------------|
| High Risks | 1,375 | 100 | 1,375 |
| Medium Risks | 800 | 50 | 400 |
| Low risks | 800 | 10 | 80 |
| Sub total | | | 1,855 |
| Unforeseen factors | | | 45 |
| Recommended level | | | 1,900 |

This shows the minimum level of balances be maintained at £1.9 million. It is then a matter of judgement whether it would be desirable to hold any further level of balances beyond this, or to seek to rebuild balances above this level to provide for future flexibility.

The main issues to mention concerning the assessment are: -

- The key reason for proposing to increase balances in 2013/14 was the new risks associated with major Local Government reforms such as the creation of a Local Council Tax Support Scheme and the local retention of business rates. This remains a key risk area.
- While the possible requirement to meet capital spending from revenue resources a potential risk it is no longer shown in the assessment as it is classed as "nil" because of the current level of funds held in the capital expenditure reserve and the introduction of the Prudential Code.
- Net investment income has been identified as a risk area. In last year's risk assessment this was classified as a "high risk" and due to the continuing uncertainty in the world economy this has been maintained.
- The assessment includes the risk that the VAT exemption limit will be exceeded with a consequent loss of recoverable VAT. Regular monitoring and active management of new schemes minimises this risk.

Implications

The risk assessment will be carried out at least annually as part of the budget process. While the current assessment indicates a minimum level it is important to recognise that there are implications of operating at this level. As noted above we have traditionally had a level of balances that have provided flexibility and enabled new initiatives to be considered outside the annual budget process. Operating at the minimum level requires an approach and a discipline to: -

- Ensure all spending aspirations for the coming year are assessed as part of the annual budget process. The continued development of the Medium Term Financial Forecast will assist in this.
- Recognise that it will not be possible to draw on balances to fund new discretionary initiatives identified in the year, however desirable they may be; an alternative source of funding would need to be identified.
- Realise future assessments could identify a need to rebuild balances
- Accept that the potential for interest earnings on balances will change depending on the level of balances held. (This will be reflected in the budget accordingly).
- Acknowledge that any balances desired for future flexibility/change management will need to be built up over and above the prudent level identified.

In addition it is acknowledged that it may be necessary for balances to fall below the recommended level. Balances are provided to mitigate unbudgeted cost pressures and as such at times they may be used to provide temporary support to the Council's budget.

General Fund Balances Position

| | Allocated | Risk allocations | Unallocated | Total | Note |
|---|----------------|------------------|----------------|----------------|--|
| | £'000 | £'000 | £'000 | £'000 | |
| Opening balance 1/4/17 | (6,203) | (844) | (2,334) | (9,381) | per 16/17 accounts |
| Reallocations | 7 | (200) | 193 | 0 | |
| Revised opening position | (6,196) | (1,044) | (2,141) | (9,381) | |
| | | | | | |
| <i>Budget Carry Forwards and sums held in balances:-</i> | | | | | |
| 16/17 Service Budget (inc NHB) c/f | 2,074 | | | 2,074 | As reported to Scrutiny Panel June 17 |
| 16/17 Business rates pooling c/f | 716 | | | 716 | As reported to Scrutiny Panel June 17 |
| Carry forwards held in balances | 640 | | | 640 | Agreed budget sums, such as New Homes Bonus and BIFA which have not yet been moved to service budgets. |
| Allocations in previous years c/f | 400 | | | 400 | Allocations against specific projects. |
| Colchester & Ipswich Museum Service (CIMS) | 84 | | | 84 | Use of balances subject to decisions made by joint Committees. |
| North Essex Parking Partnership (NEPP) | 242 | | | 242 | |
| Redundancy costs | 603 | | | 603 | Some costs will be incurred in 2017/18 with the balance c/f. |
| Council Tax Sharing agreement | 271 | | | 271 | Includes carry forward sum from previous years |
| Right to challenge - Gov't funding | 46 | | | 46 | |

| | Allocated | Risk allocations | Unallocated | Total | Note |
|---|--------------|------------------|-------------|--------------|---|
| | £'000 | £'000 | £'000 | £'000 | |
| Startwell | 180 | | | 180 | Agreed by Cabinet 12 October 2016. £20k of this assumed to be used to support staff resource in 17/18 budget and a further £30k in 18/19. |
| Total carry forwards and allocations | 5,256 | 0 | 0 | 5,256 | |
| | | | | | |
| Agreed use in 17/18 budget | | | | | |
| Support for digital challenge in 17/18 | 150 | | | 150 | |
| Use for waste review | 72 | | | 72 | |
| General budget support | 98 | | | 98 | |
| Carry forwards (from 16/17) | 77 | | | 77 | |
| | | | | | |
| Total agreed use in 17/18 | 397 | 0 | 0 | 397 | |
| | | | | | |
| In year changes | | | | | |
| Carry forwards proposed in budget setting | (93) | | | (93) | |
| Potential in year overspend | | 200 | | 200 | See para 6.4. |
| | (93) | 200 | 0 | 107 | |
| | | | | | |
| Forecast position at March 18 | 5,560 | 200 | 0 | 5,760 | |
| | | | | | |
| Proposed Use in 18/19 | | | | | |
| Funding LDF | 43 | | | 43 | |
| Funding c/f | 93 | | | 93 | See above |
| Community Stadium - rent adjustment | 500 | | | 500 | Provision for one-off reduction in rent |
| | 636 | 0 | 0 | 636 | |
| | | | | | |

| | Allocated | Risk allocations | Unallocated | Total | Note |
|--|-----------|------------------|----------------|----------------|---|
| | £'000 | £'000 | £'000 | £'000 | |
| <i>Use of balances in later years or risk allocations</i> | | | | | |
| NNDR / Welfare reform | | 172 | | 172 | Provision for impact arising from reforms. |
| Planning appeals, legal, HR etc- risk allocation | | 222 | | 222 | Some of this will be spent in 17/18/ |
| Housing benefit - risk allocation | | 300 | | 300 | Agreed in 15/16 budget and increased by £170k to reflect increased risk relating to benefits. |
| Collection Fund - risk allocation | | 150 | | 150 | Agreed in 15/16 budget |
| Total later years allocations | 0 | 844 | 0 | 844 | |
| Uncommitted / unallocated Balance | 0 | 0 | (2,141) | (2,141) | |
| Recommended level | | | (1,900) | (1,900) | Proposed level |
| Surplus above recommended level | 0 | 0 | (241) | (241) | |

Earmarked Reserves and Provisions

| Reserve | Amount at 31/03/17 | Transfers - In | Transfers - Out | Estimate at 31/03/18 | Allocated / Committed | Unallocated |
|--|-----------------------|-------------------|--------------------|-------------------------|--------------------------|-------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Renewals and Repairs (incl Building Maintenance Programme): Maintained for the replacement of plant and equipment and the maintenance of premises. | 1,907 | 550 | (410) | 2,047 | 2,047 | - |
| Insurance: To cover the self-insurance of selected properties. | 429 | 110 | (5) | 534 | - | 534 |
| Capital Expenditure: Revenue provision to fund the capital programme. The reserve is fully committed to funding the current capital programme. | 2,813 | 650 | (690) | 2,773 | 2,773 | - |
| Asset Replacement Reserve: A reserve for the future replacement of vehicles and plant. The vehicle replacement policy has been reviewed. Revenue contributions to this reserve have now ceased and the funding is now sourced from the Council's Capital Programme. | 112 | - | (44) | 68 | - | 68 |
| Gosbecks Reserve: Maintained to provide for the development of the Archaeological Park. The main source of funding was a 'dowry' agreed on the transfer of land. | 204 | 1 | (22) | 183 | 183 | - |

| Reserve | Amount at 31/03/17 | Transfers - In | Transfers - Out | Estimate at 31/03/18 | Allocated / Committed | Unallocated |
|---|-----------------------|-------------------|--------------------|-------------------------|--------------------------|-------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Heritage Reserve: This represents balance held of museums donations and as such represents a small element of the Council's support to heritage schemes. | 88 | 4 | - | 92 | - | 92 |
| Section 106 Monitoring: Required for future monitoring of Section 106 agreements. | 15 | 10 | (20) | 5 | 5 | - |
| Revenue Grants Unapplied: Under new accounting rules any grant received where there are no clear conditions that the grant is repayable if not spent now have to be transferred to this reserve. For all these grants proposals for use of the money exist and the funds are held in the reserve until the money is spent. | 2,893 | 494 | (2,279) | 1,108 | 1,108 | - |

| Reserve | Amount at 31/03/17 | Transfers - In | Transfers - Out | Estimate at 31/03/18 | Allocated / Committed | Unallocated |
|--|-----------------------|-------------------|--------------------|-------------------------|--------------------------|-------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Parking Reserve: As part of the existing 'on street' parking arrangements there is requirement to keep any surplus funds separate from the General Fund. With the North Essex Parking Partnership (NEPP) there is also a requirement to hold separately funds provided to support TRO (Traffic Regulation Order) work and also initial funding provided by Essex County Council | 977 | - | (150) | 827 | 827 | - |
| Building Control: The Building (Local Authority Charges) Regulations came into force on 1 April 2010. The new charges allow Building Control to more accurately reflect the cost of chargeable services. In any year there is therefore the likelihood of a balance on this account that must be assessed as part of ongoing charges. | - | - | - | - | - | - |
| Heritage Mersea Mount: Funding received from English Heritage towards costs relating to Mersea Mount. | 11 | - | - | 11 | 11 | - |

| Reserve | Amount at 31/03/17 | Transfers - In | Transfers - Out | Estimate at 31/03/18 | Allocated / Committed | Unallocated |
|---|-------------------------------|---------------------------|----------------------------|---------------------------------|----------------------------------|--------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Mercury Theatre: Provision for the building's long term structural upkeep. Accumulated funds have been used to support roof repairs to the Mercury Theatre. | 59 | 25 | (11) | 73 | 73 | - |
| Business Rates Reserve: Maintained to cover the risk of any residual issues resulting from the introduction of the Local Business rates Retention scheme. | 1,753 | | (900) | 853 | | 853 |
| Revolving Investment Fund Reserve: Maintained as a way to deliver income-producing development schemes and regeneration/economic growth projects. The three main sources of funding into the RIF are existing capital programme allocations, capital receipts and revenue funding. Revenue funding will be held in this reserve until it is required for future capital schemes or revenue expenditure as necessary. | 1,095 | 1,000 | (201) | 1,894 | 1,894 | - |
| Total General Fund | 12,356 | 2,844 | (4,732) | 10,468 | 8,921 | 1,547 |
| | | | | | | |

| Reserve | Amount at 31/03/17 | Transfers - In | Transfers - Out | Estimate at 31/03/18 | Allocated / Committed | Unallocated |
|---|-----------------------|-------------------|--------------------|-------------------------|--------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| HRA Retained Right To Buy (RTB) Receipts - Debt: Reserve following Government changes to the RTB scheme. From 2012/13 the Council can retain a proportion of RTB receipts to offset debt taken on by the HRA Self-Financing settlement. The reserve must be used for HRA purposes. | 3,818 | 1,400 | - | 5,218 | 5,218 | - |
| HRA Retained Right To Buy (RTB) Receipts - Replacement: Reserve following Government changes to the RTB scheme. From 2012/13 the Council can retain a proportion of RTB receipts to fund affordable housing development. Receipts held within the reserve must be used within 3 years for this purpose; otherwise they must be repaid to the Government. | 4,047 | 2,250 | (1,000) | 5,297 | 5,297 | - |
| Total HRA | 7,865 | 3,650 | (1,000) | 10,515 | 10,515 | - |
| | | | | | | |
| Total | 20,221 | 6,494 | (5,732) | 20,983 | 19,436 | 1,547 |

| Provision | Amount at 31/03/17 | Transfers - In | Transfers - Out | Estimate at 31/03/18 | Allocated / Committed | Unallocated |
|---|-----------------------|-------------------|--------------------|-------------------------|--------------------------|-------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Insurance: This element of the fund is specifically set aside as a provision to meet the cost of identified claims including subsidence. It also includes a contingency for liable costs if a previous insurer, which has gone into administration, is unable to remain solvent. | 397 | - | (86) | 311 | 311 | - |
| NNDR Appeals: The Council has created a provision to meet the financial impact of successful appeals made against rateable values as defined by the Valuation Office as part of the Business Rates Retention scheme introduced from 1 April 2013. | 1,798 | 1,000 | - | 2,798 | 2,798 | - |
| Total | 2,195 | 1,000 | (86) | 3,109 | 3,109 | - |

APPENDIX K

| Medium Term Financial Forecast 2018/19 to 2021/22 | | | | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| | £'000 | £'000 | £'000 | £'000 |
| Base Budget | 25,911 | 19,690 | 19,655 | 19,647 |
| One-off items | (3,789) | (500) | 0 | 0 |
| Cost Pressures | 1,915 | 1,266 | 640 | 640 |
| Growth Items | 0 | 0 | 0 | 0 |
| Savings | (1,821) | (516) | (523) | (222) |
| Change in use of NHB for one off investment | (940) | (285) | (125) | 347 |
| Pensions contribution | (1,586) | | | |
| Forecast Base Budget | 19,690 | 19,655 | 19,647 | 20,412 |
| <i>Funded By:</i> | | | | |
| Revenue Support Grant | (275) | 446 | 946 | 1,446 |
| Business Rates Baseline | (4,157) | (4,290) | (4,290) | (4,290) |
| <i>SFA</i> | <i>(4,432)</i> | <i>(3,844)</i> | <i>(3,344)</i> | <i>(2,844)</i> |
| Increase in NNDR / taxbase above baseline | (1,100) | (1,100) | (1,100) | (1,100) |
| Business Rates Pooling | (200) | (200) | (200) | (200) |
| New Homes Bonus | (3,443) | (2,758) | (2,233) | (2,180) |
| Transition Grant | | | | |
| Total Gov't grants & business rates | (9,175) | (7,902) | (6,877) | (6,324) |
| Council Tax | (11,471) | (11,929) | (12,407) | (12,907) |
| Collection Fund Deficit / (Surplus) | (9) | 0 | 0 | 0 |
| Business Rates Deficit / (surplus) | (960) | 0 | 0 | 0 |
| Contribution to / (Use of Reserves) | 1,925 | 1,401 | 1,401 | 1,401 |
| Total Funding | (19,690) | (18,430) | (17,883) | (17,830) |
| Budget (surplus) / gap before changes (cumulative) | 0 | 1,225 | 1,764 | 2,582 |
| Annual increase | 0 | 1,225 | 539 | 818 |

| | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---|----------------|--------------|------------|------------|
| | £'000 | £'000 | £'000 | £'000 |
| Cost Pressures | | | | |
| <i>Inflation and specific cost pressures:-</i> | | | | |
| General Inflation | 533 | 640 | 640 | 640 |
| Food Waste (net impact of loss of grant) | 304 | 204 | | |
| Elections | 177 | | | |
| Pensions - auto enrolment | 65 | | | |
| Stadium rent | 128 | 22 | | |
| Council office costs (full year effect) | 43 | | | |
| LDF | 30 | | | |
| Misc | 15 | | | |
| | | | | |
| <i>Reduced Income:-</i> | | | | |
| Planning income | 90 | | | |
| Broadband income reduction | 75 | | | |
| Procurement hub rebates | 27 | | | |
| NEPP - extra use of reserve | 35 | | | |
| | | | | |
| <i>Items c/f in balances:-</i> | | | | |
| ICT strategy | 300 | | | |
| PSU post | 18 | | | |
| Startwell Post | 30 | | | |
| Additional comms and marketing | 45 | | | |
| IT costs | | 150 | | |
| Council Tax Sharing Agreement | | 250 | | |
| | | | | |
| Total cost pressures | 1,915 | 1,266 | 640 | 640 |
| | | | | |
| <i>One-off adjustments:-</i> | | | | |
| Pensions actuarial review - impact of one off payment | (3,112) | | | |
| Budget Carry forwards | (403) | (392) | | |
| Strategic Plan growth | (100) | | | |
| NEPP - reduction in income from ECC for TROs | | | | |
| Waste Review -one-off | (72) | | | |
| Welfare reform | (102) | | | |
| LDF | | (30) | | |
| CBH Inflation (for General Fund costs) | | (13) | | |
| Wiring costs | | (20) | | |
| Additional comms and marketing | | (45) | | |
| One-off adjustments | (3,789) | (500) | 0 | 0 |
| | | | | |
| Total | (1,874) | 766 | 640 | 640 |

| | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|--|---------|---------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 |
| | | | | |

| | | | | |
|--|----------------|--------------|--------------|--------------|
| Savings (incl. one off adjustments) | | | | |
| | | | | |
| <i>Efficiencies, income and service reviews</i> | | | | |
| Sport & leisure | (148) | (50) | (58) | |
| Assets | (264) | | (150) | (92) |
| Senior Management Restructuring & Commercial Company assumptions | (139) | (107) | (135) | (130) |
| Digital challenge - service savings | (70) | | | |
| Ongoing service savings agreed in 17/18 | (30) | | | |
| Digital Challenge / ICT strategy - implementation | (70) | | | |
| Customer Futures 2 | (292) | (228) | | |
| Zones | (90) | | | |
| Museums | (100) | | | |
| ICT Review | (50) | | | |
| Roundabout income | (20) | | | |
| Cost of NEPP 'off street' parking | (100) | | | |
| Waste Review (net savings) | (240) | | | |
| Various savings within Environment service | (39) | | | |
| Various savings / income within Policy and Corporate | (70) | | | |
| Welfare Reform - use of Gov't grants | (42) | | | |
| Assumed incremental lending to CCHL margin | | (74) | (180) | |
| | | | | |
| <i>Budget reductions</i> | | | | |
| Arts Grant | (50) | (50) | | |
| LCTS grant to parishes | (7) | (7) | | |
| | | | | |
| | | | | |
| Total | (1,821) | (516) | (523) | (222) |

| | | | | |
|--|--------------|--------------|--------------|------------|
| Change in use of New Homes Bonus for one off investment | | | | |
| Reduction due to falling grant | (1,210) | (718) | (525) | 0 |
| Increase due to change in use for base budget | 400 | 400 | 400 | 400 |
| Total saving | (810) | (318) | (125) | 400 |
| Reduced investment from NHB - affordable homes | (130) | | | |
| Total reduced one off investment funded by NHB | (940) | (318) | (125) | 400 |

| | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|--|---------|---------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 |

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Use of / contribution to Reserves | | | | |
| One offs | 43 | | | |
| Use of balances - pensions | (1,586) | (1,586) | (1,586) | (1,586) |
| Use of NEPP reserve | 185 | 185 | 185 | 185 |
| Funding budget carry forwards (incl use of CER) | 393 | | | |
| Business Rates Reserve | (960) | | | |
| Total | (1,925) | (1,401) | (1,401) | (1,401) |

| | | | | |
|------------------------------|----------------|----------------|----------------|----------------|
| New Homes Bonus Grant | | | | |
| Basic NHB | (3,296) | (2,611) | (2,086) | (2,033) |
| Affordable Homes Bonus | (147) | (147) | (147) | (147) |
| Total Grant | (3,443) | (2,758) | (2,233) | (2,180) |

Addressing the Budget Gap

The MTFF shows a budget gap of circa £2.6m over the three years from 2019/20. This should also be seen in the context of the risks and variables set out below and also in terms of reduced budgets and more efficient services resulting in savings that will be increasingly hard to deliver.

Risk Areas / Comments

The key risk areas to the forecast are:-

| Risk / Area of uncertainty | |
|--|---|
| Impact of EU referendum 'leave' result. | <p>At this early stage any impact from the "leave" decision is unclear. However, the uncertainty and risks include:-</p> <ul style="list-style-type: none"> • Any changes to the announced public sector funding levels including NHB • Any impact on the Council's business rates 'taxbase' • Any impact on the Council's treasury management costs arising from interest rate changes. • Any impact of economic climate on Public Sector funding |
| <i>Government Funding / Business Rate Retention Scheme</i> | <p>The MTFF includes the reduction in the 'SFA' for 2018/19 with a further reduction for the year after in line with figures included in the 4 year settlement.</p> <p>For the remaining two years a reduction of £500k pa has been assumed for planning purposes.</p> <p>From 2013/14 a proportion of the Council's core income that used to be provided by Government grant is now funded by the Council keeping a share of business rates income. This poses a new risk as well as a potential reward.</p> <p>The budget includes an assumption that in 2018/19 we will retain an extra £1,100k of NNDR income above our baseline figure. The business rates revaluation took effect in 2017/18 and the risk and impact of business rate appeals remains an area of concern. With the planned changes to business rates retention still uncertain this remains a risk area for the Council's budget.</p> |
| <i>Welfare Reform (including Local Council Tax Support - LCTS)</i> | <p>Budget papers have previously set out some of the key risks associated with the implications of the Council having approved the LCTS scheme. The combined impact of the Government's welfare reforms and demands on Council services will need to be considered during the period of the MTFF.</p> |
| <i>Government grants and partnership funding</i> | <p>The Council's budget has changed over recent years with a greater emphasis on funding from both partner organisations and Government bodies. These funding streams can rarely be guaranteed and can therefore add to our cost pressures.</p> <p>Provision has been made in the 2018/19 budget for the New Homes Bonus based on the notified grant. Thereafter the MTFF assumes the grant will reduce based on proposals made by the Government. These grant reductions will reduce the funds available for one-off investment and this is assumed within the MTFF.</p> |
| <i>Pensions</i> | <p>In the 17/18 budget an allowance was built in for an increase in pensions costs based on the results of the actuarial review. In</p> |

| Risk / Area of uncertainty | |
|--|--|
| | <p>addition the budget allowed for the payment of the deficit for the next three years in one payment. This was partly funded from reserves which are being repaid in 18/19 and 19/20.</p> <p>In 20/21 it will be necessary to reflect the deficit costs resulting from the next actuarial review. The assumption in the MTFF is that this is again funded in the same way as it has been in 17/18. An allowance was made for the impact of 'auto enrolment' in 17/18 and the 18/19 budget reflects the cost pressure arising from this.</p> |
| <i>Fees and charges and other income</i> | <p>As has been seen in the past few years we have experienced a number of pressures arising from changes in income levels. Looking ahead to 2018/19 and beyond it is difficult to estimate how income levels may continue to be affected. Some targets have been reduced in 2018/19 to reflect lower current income levels.</p> <p>The MTFF does include some additional income forecast from agreed business plans.</p> |
| <i>Inflation</i> | <p>An allowance for general inflation including pay has been built into the 18/19 forecast and MTFF.</p> <p>Council's cost inflation is in general not directly linked to RPI and therefore we will continue to monitor the impact of inflation on all Council costs. Some of the main risk areas include energy, fuel costs and pay assumptions.</p> |
| <i>Use of reserves</i> | <p>The budget position for 2018/19 includes proposals to use certain reserves mostly for one off items. The MTFF includes some proposals to use reserves in future years.</p> |
| <i>Legislation</i> | <p>There are likely to be several items of new legislation over the life of the MTFF for which any available funding may not cover costs or which may impact significantly on the Council e.g. Universal Credit.</p> |
| <i>Property review</i> | <p>A review of our assets was carried out and a 5-year Building Repairs and Maintenance Plan produced. There will continue to be financial implications arising from this for both the revenue budget and capital programme and these will be considered in detail and included in the on-going updates of the MTFF. The 2018/19 budget forecast maintains the additional allocation of £150k in respect of planned repairs.</p> |
| <i>Impact of growth in the Borough and demand for services</i> | <p>A number of Local Authority services are directly impacted by the increase of population in the Borough, such as waste services, planning, benefits etc. As part of future budgets it will be necessary to consider whether there is a need for additional resources in these or other areas in order to maintain levels of service. A financial assumption has been made that the Council's programme of service reviews will assist in identifying efficiencies to cope with changes in demand, however, it will be necessary to ensure that future budgets allow for any cost pressures.</p> |
| <i>Delivery of budget savings</i> | <p>The 2018/19 budget includes c£2.8m of savings, increased income or budget reductions. The savings and income forecasts have been risk assessed and all are considered deliverable, however, the budget report considers the risk to delivering some of the income targets and if these cannot be achieved there is the</p> |

| Risk / Area of uncertainty | |
|--|---|
| | risk in the MTFF of the ongoing impact. The MTFF includes further savings from the ongoing budget and service reviews and whilst these are currently considered to be on track to be delivered these will be reviewed as part of the 19/20 budget. |
| <i>Net Interest earnings and investments</i> | <p>The budget is influenced by a number of factors including interest rates and cashflow movements. The treasury management strategy for 2018/19 highlights that the current view from the Council's treasury advisers is that the Bank Rate is now expected to remain unchanged until quarter 4 of 2018, and not to rise above 1.25% by quarter 1 of 2021</p> <p>The Council's strategy of internal borrowing has helped minimise our interest cost, however, it is recognised that this is not a long term approach and therefore there may be future cost pressures from any need to borrow externally. This is currently not reflected in the MTFF but will be considered as part of future budget updates.</p> |

All these issues will remain as risks to be managed over the course of the MTFF.

Capital Programme

| Service / Scheme | Projected Expenditure | | | | |
|---|--------------------------|------------------|------------------|------------------|--------------------------------|
| | Total Programme £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | (Surplus) / Shortfall £'000 |
| SUMMARY | | | | | |
| Communities | 3,487.9 | 2,601.0 | 900.0 | 0.0 | 13.1 |
| Environment | 4,089.0 | 2,320.0 | 800.0 | 701.0 | (268.0) |
| Policy & Corporate | 740.4 | 704.4 | 36.0 | 0.0 | 0.0 |
| Commercial | 1,631.6 | 1,631.6 | 0.0 | 0.0 | 0.0 |
| Revolving Investment Fund (RIF) | 40,802.0 | 6,393.0 | 16,953.0 | 17,456.0 | 0.0 |
| Completed Schemes | 724.4 | 724.4 | 0.0 | 0.0 | 0.0 |
| Capitalised Maintenance Schemes | 85.0 | 85.0 | 0.0 | 0.0 | 0.0 |
| Total (General Fund) | 51,560.3 | 14,459.4 | 18,689.0 | 18,157.0 | (254.9) |
| Housing Revenue Account | 12,603.5 | 12,603.5 | 0.0 | 0.0 | 0.0 |
| Total Capital Programme | 64,163.8 | 27,062.9 | 18,689.0 | 18,157.0 | (254.9) |
| COMMUNITIES | | | | | |
| Oak Tree Community Centre Roof | 50.0 | 63.1 | 0.0 | 0.0 | 13.1 |
| Lion Walk Activity Centre | 40.0 | 40.0 | 0.0 | 0.0 | 0.0 |
| Garrison Gym Rebuild | 609.7 | 609.7 | 0.0 | 0.0 | 0.0 |
| Cook's Shipyard Playsite Wivenhoe S106 | 9.2 | 9.2 | 0.0 | 0.0 | 0.0 |
| Old Heath Recreation Ground Improvements | 37.1 | 37.1 | 0.0 | 0.0 | 0.0 |
| Wivenhoe Adult Gym | 6.0 | 6.0 | 0.0 | 0.0 | 0.0 |
| Castle Park Cricket Pavilion Extension S106 | 125.0 | 125.0 | 0.0 | 0.0 | 0.0 |

| Service / Scheme | Projected Expenditure | | | | |
|--|--------------------------|------------------|------------------|------------------|--------------------------------|
| | Total Programme £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | (Surplus) / Shortfall £'000 |
| Castle Park Improvements | 200.0 | 200.0 | 0.0 | 0.0 | 0.0 |
| Tiptree P C - Store & WCs S106 | 83.0 | 83.0 | 0.0 | 0.0 | 0.0 |
| King George V Play Area S106 | 10.0 | 10.0 | 0.0 | 0.0 | 0.0 |
| St Luke's Church Hall Tiptree | 52.9 | 52.9 | 0.0 | 0.0 | 0.0 |
| Walls - new merged scheme | 299.6 | 299.6 | 0.0 | 0.0 | 0.0 |
| Mercury Theatre Redevelopment Phase 1 | 207.8 | 207.8 | 0.0 | 0.0 | 0.0 |
| Mercury Theatre Redevelopment Phase 2 | 1,000.0 | 100.0 | 900.0 | 0.0 | 0.0 |
| Relocation of Museum Resource Centre | 683.6 | 683.6 | 0.0 | 0.0 | 0.0 |
| Cemetery Extension | 38.6 | 38.6 | 0.0 | 0.0 | 0.0 |
| Cemetery Exterior Lighting | 30.6 | 30.6 | 0.0 | 0.0 | 0.0 |
| Replacement of Cremators | 4.8 | 4.8 | 0.0 | 0.0 | 0.0 |
| TOTAL - Communities | 3,487.9 | 2,601.0 | 900.0 | 0.0 | 13.1 |
| ENVIRONMENT | | | | | |
| Shrub End Depot | 840.5 | 840.5 | 0.0 | 0.0 | 0.0 |
| Waste Collection Strategy | 856.5 | 588.5 | 0.0 | 0.0 | (268.0) |
| St Johns Car Park | 8.6 | 8.6 | 0.0 | 0.0 | 0.0 |
| Mandatory Disabled Facilities Grants | 2,301.0 | 800.0 | 800.0 | 701.0 | 0.0 |
| Private Sector Renewals - Loans and Grants | 82.4 | 82.4 | 0.0 | 0.0 | 0.0 |
| TOTAL - Environment | 4,089.0 | 2,320.0 | 800.0 | 701.0 | (268.0) |

| Service / Scheme | Projected Expenditure | | | | |
|--|--------------------------|------------------|------------------|------------------|--------------------------------|
| | Total Programme £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | (Surplus) / Shortfall £'000 |
| POLICY & CORPORATE | | | | | |
| Assistance to Registered Housing Providers | 36.0 | 0.0 | 36.0 | 0.0 | 0.0 |
| Use of 1-4-1 Right to Buy Receipts | 555.9 | 555.9 | 0.0 | 0.0 | 0.0 |
| Purchase of properties for temporary accommodation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| High Street Alleyways | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Local Authority Carbon Management (LACM) | 148.5 | 148.5 | 0.0 | 0.0 | 0.0 |
| TOTAL - Policy & Corporate | 740.4 | 704.4 | 36.0 | 0.0 | 0.0 |
| COMMERCIAL | | | | | |
| CCTV Monitoring | 111.1 | 111.1 | 0.0 | 0.0 | 0.0 |
| Open Space Provision | 100.0 | 100.0 | 0.0 | 0.0 | 0.0 |
| Events - chairs | 33.0 | 33.0 | 0.0 | 0.0 | 0.0 |
| Charter Hall - improvements | 115.0 | 115.0 | 0.0 | 0.0 | 0.0 |
| LWC - Health & Fitness Extension | 953.7 | 953.7 | 0.0 | 0.0 | 0.0 |
| LWC - Aqua Springs Refurbishment | 95.1 | 95.1 | 0.0 | 0.0 | 0.0 |
| LWC - Leisure Pool Refurbishment | 2.8 | 2.8 | 0.0 | 0.0 | 0.0 |
| LWC - Coffee Shop Extension | 30.9 | 30.9 | 0.0 | 0.0 | 0.0 |
| Tiptree Sports Centre - new pitch | 190.0 | 190.0 | 0.0 | 0.0 | 0.0 |
| TOTAL - Commercial | 1,631.6 | 1,631.6 | 0.0 | 0.0 | 0.0 |

| Service / Scheme | Projected Expenditure | | | | |
|---|--------------------------|------------------|------------------|------------------|--------------------------------|
| | Total Programme £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | (Surplus) / Shortfall £'000 |
| REVOLVING INVESTMENT FUND | | | | | |
| Northern Gateway North | 141.3 | 141.3 | 0.0 | 0.0 | 0.0 |
| CNGN - Mile End Cricket | 200.0 | 200.0 | 0.0 | 0.0 | 0.0 |
| CNGN - Sports Hub | 24,100.0 | 1,182.0 | 7,762.0 | 15,156.0 | 0.0 |
| Northern Gateway South | 1,094.9 | 1,094.9 | 0.0 | 0.0 | 0.0 |
| Town Centre | 5,262.7 | 471.7 | 4,791.0 | 0.0 | 0.0 |
| Jacks - St Nicholas St | 445.1 | 445.1 | 0.0 | 0.0 | 0.0 |
| Amphora Place | 490.9 | 490.9 | 0.0 | 0.0 | 0.0 |
| Amphora Place - Phase 2 | 2,200.0 | 200.0 | 2,000.0 | 0.0 | 0.0 |
| District Heating Project North | 208.2 | 208.2 | 0.0 | 0.0 | 0.0 |
| District Heating Project East | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Colchester Northern Gateway Heat Network | 5,900.0 | 1,200.0 | 2,400.0 | 2,300.0 | 0.0 |
| East Colchester Enabling Fund | 220.0 | 220.0 | 0.0 | 0.0 | 0.0 |
| Breakers Park | 69.0 | 69.0 | 0.0 | 0.0 | 0.0 |
| Surface Water Flooding - Distillery Lane/Haven Road | 73.4 | 73.4 | 0.0 | 0.0 | 0.0 |
| Site Disposal Costs | 4.8 | 4.8 | 0.0 | 0.0 | 0.0 |
| Moler Works Site | 40.7 | 40.7 | 0.0 | 0.0 | 0.0 |
| CMP Phase 3 - PV Systems | 95.4 | 95.4 | 0.0 | 0.0 | 0.0 |
| Business Broadband | 20.6 | 20.6 | 0.0 | 0.0 | 0.0 |
| Land Acquisition | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| New Feasibility / Enabling Schemes | 235.0 | 235.0 | 0.0 | 0.0 | 0.0 |
| TOTAL - RIF | 40,802.0 | 6,393.0 | 16,953.0 | 17,456.0 | 0.0 |

| Service / Scheme | Projected Expenditure | | | | |
|--|--------------------------|------------------|------------------|------------------|--------------------------------|
| | Total Programme £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | (Surplus) / Shortfall £'000 |
| COMPLETED SCHEMES (OR WHERE RETENTION ONLY OUTSTANDING) | | | | | |
| Abberton Community Fund S106 | 100.0 | 100.0 | 0.0 | 0.0 | 0.0 |
| Colchester Leisure World - Dryside Changing Rooms | 3.2 | 3.2 | 0.0 | 0.0 | 0.0 |
| Tiptree Memorial Garden S106 | 42.0 | 42.0 | 0.0 | 0.0 | 0.0 |
| Stanway Village Hall | 539.1 | 539.1 | 0.0 | 0.0 | 0.0 |
| Castle Park Sensory Garden S106 | 17.6 | 17.6 | 0.0 | 0.0 | 0.0 |
| Industrial Vacuum Cleaner | 17.9 | 17.9 | 0.0 | 0.0 | 0.0 |
| Creative Business Centre | 4.6 | 4.6 | 0.0 | 0.0 | 0.0 |
| TOTAL - Completed Schemes | 724.4 | 724.4 | 0.0 | 0.0 | 0.0 |
| CAPITALISED MAINTENANCE | | | | | |
| Colchester Business Centre | 40.0 | 40.0 | 0.0 | 0.0 | 0.0 |
| St John's Car Park Surface Repairs | 45.0 | 45.0 | 0.0 | 0.0 | 0.0 |
| TOTAL - CAPITALISED MAINTENANCE | 85.0 | 85.0 | 0.0 | 0.0 | 0.0 |
| HOUSING REVENUE ACCOUNT | | | | | |
| Housing Improvement Programme | 9,338.0 | 9,338.0 | 0.0 | 0.0 | 0.0 |
| Adaptations to Housing Stock | 600.0 | 600.0 | 0.0 | 0.0 | 0.0 |
| Sheltered Accommodation Review | 1,112.0 | 1,112.0 | 0.0 | 0.0 | 0.0 |
| Housing ICT Development | 413.5 | 413.5 | 0.0 | 0.0 | 0.0 |
| Higher Value Assets Levy | 1,140.0 | 1,140.0 | 0.0 | 0.0 | 0.0 |
| TOTAL - Housing Revenue Account | 12,603.5 | 12,603.5 | 0.0 | 0.0 | 0.0 |

Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

2018/19

1 **Introduction**

Background

- 1.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 CIPFA defines treasury management as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Reporting requirements

- 1.4 The Council is currently required to produce 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.
- 1.5 **Prudential and Treasury Indicators and Treasury Strategy** (This report) – The first, and most important report is recommended to Full Council following consideration by the Scrutiny Panel. It covers:
 - the capital plans (including prudential indicators);
 - a Minimum Revenue Provision (MRP) Policy (how residual capital expenditure is charged to revenue over time);
 - the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
 - an investment strategy (the parameters on how investments are to be managed).
- 1.6 **Mid-Year Treasury Management Report** – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.

- 1.7 **Annual Treasury Report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.
- 1.8 Members will also be kept informed of any other significant matters that may occur as part of the quarterly Capital Monitoring reports to Scrutiny Panel and Governance and Audit Committee.

Capital Strategy

- 1.9 In December 2017, CIPFA issued revised Prudential and Treasury Management Codes. As from 2019/20, all local authorities will be required to prepare an additional report, a Capital Strategy report, which is intended to provide the following:
- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed
 - the implications for future financial sustainability.
- 1.10 The aim of this report is to ensure that all elected members on the Full Council fully understand the overall strategy, governance procedures and risk appetite entailed by this Strategy.
- 1.11 The Capital Strategy will include capital expenditure, investments and liabilities and treasury management in sufficient detail to allow all members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured.

Training

- 1.12 The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management or scrutiny receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training has previously been undertaken by members and further training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

Treasury Management Strategy for 2018/19

- 1.13 The strategy for 2018/19 covers the following Capital and Treasury Management issues:
- the capital plans and the prudential indicators;
 - the Minimum Revenue Provision (MRP) Policy;
 - the current treasury position;
 - treasury indicators which limit the treasury risk and activities of the Council;
 - the economic background and prospects for interest rates;
 - the borrowing strategy;
 - the policy of borrowing in advance of need;
 - debt rescheduling;
 - the investment policy and strategy, and credit worthiness policy;
 - the policy on use of external service providers.

- 1.14 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

Treasury management consultants

- 1.15 The Council uses Link Asset Services, Treasury Solutions as its external treasury management advisors. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.
- 1.16 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2 **The Capital Prudential Indicators 2018/19 – 2020/21**

- 2.1 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

Capital expenditure

- 2.2 This prudential Indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

| Capital Expenditure £'000 | 2016/17 Actual | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|----------------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| General Fund | 11,390 | 14,674 | 29,416 | 27,139 | 11,506 |
| HRA | 10,705 | 11,630 | 9,188 | 8,934 | 9,131 |
| Total | 22,095 | 26,304 | 38,604 | 36,073 | 20,637 |

- 2.3 The table below summarises how the above capital expenditure plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding need (borrowing).

| Capital Expenditure £'000 | 2016/17 Actual | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|----------------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Total Expenditure | 22,095 | 26,304 | 38,604 | 36,073 | 20,637 |
| Financed by: | | | | | |
| Capital receipts | 4,947 | 7,326 | 15,818 | 9,508 | 250 |
| Capital grants | 2,278 | 1,728 | 3,436 | 3,401 | 0 |
| Reserves | 8,542 | 6,898 | 3,634 | 7,096 | 6,403 |
| Revenue | 3,970 | 7,585 | 5,454 | 3,406 | 2,478 |
| Finance leases | 848 | 234 | 0 | 0 | 0 |
| Net financing need | 1,510 | 2,533 | 10,263 | 12,662 | 11,506 |

The Council's borrowing need

- 2.4 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.
- 2.5 The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life, and so charges the economic consumption of capital assets as they are used.
- 2.6 The CFR includes any other long-term liabilities (e.g. finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the lease provider, and so the Council is not required to separately borrow for these schemes. The Council had £3.3m of such schemes within the CFR as at 31 March 2017. The Council is asked to approve the CFR projections below:

| £'000 | 2016/17 Actual | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|--|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| CFR – general fund | 26,664 | 25,250 | 33,768 | 44,440 | 53,953 |
| CFR - housing | 127,933 | 130,184 | 130,184 | 130,184 | 130,184 |
| Total CFR | 154,597 | 155,434 | 163,952 | 174,624 | 184,137 |
| Movement in CFR | 1,034 | 837 | 8,518 | 10,672 | 9,513 |
| Movement in CFR represented by: | | | | | |
| Net financing need | 1,510 | 2,533 | 10,263 | 12,662 | 11,506 |
| Assets acquired under finance leases | 848 | 234 | 0 | 0 | 0 |
| Less MRP | 1,325 | 1,930 | 1,745 | 1,990 | 1,993 |
| Movement in CFR | 1,034 | 837 | 8,518 | 10,672 | 9,513 |

Minimum Revenue Provision (MRP) Policy Statement

- 2.7 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments (VRP) if required.
- 2.8 Government regulations require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:
- 2.9 For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will allow for the borrowing need (CFR) to be repaid on an equal instalment basis over a period of 50 years with effect from the 2016/17 financial year. 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 MRP is eventually completely repaid.
- 2.10 From 1 April 2008 for all unsupported borrowing (including finance leases) the MRP policy will be the Asset Life Method (option 3) – MRP 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 approximately the asset's life. Repayments included in finance leases are applied as MRP.
- 2.11 There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.
- 2.12 The Accountancy team 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

- 2.13 The previous paragraphs cover the overall capital, and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicator:

- 2.14 **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.

| % | 2016/17 Actual | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|--------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | 8.02% | 11.12% | 12.26% | 15.48% | 16.98% |
| HRA | 18.19% | 18.86% | 19.32% | 19.35% | 19.26% |

- 2.15 The estimates of financing costs include current commitments and the proposals in this report.

3 **Economic Outlook**

- 3.1 The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. **Appendix A** draws together current City forecasts for short-term (Bank Rate) and longer fixed interest rates. The following table gives the Link Asset Services central view:

| | Bank Rate | PWL B Borrowing Rates | | | |
|---------------|-----------|-----------------------|---------|---------|---------|
| | | 5 year | 10 year | 25 year | 50 year |
| Dec-17 | 0.50% | 1.50% | 2.10% | 2.80% | 2.50% |
| Mar-18 | 0.50% | 1.60% | 2.20% | 2.90% | 2.60% |
| Jun-18 | 0.50% | 1.60% | 2.30% | 3.00% | 2.70% |
| Sep-18 | 0.50% | 1.70% | 2.40% | 3.00% | 2.80% |
| Dec-18 | 0.75% | 1.80% | 2.40% | 3.10% | 2.90% |
| Mar-19 | 0.75% | 1.80% | 2.50% | 3.10% | 2.90% |
| Jun-19 | 0.75% | 1.90% | 2.60% | 3.20% | 3.00% |
| Sep-19 | 0.75% | 1.90% | 2.60% | 3.20% | 3.00% |
| Dec-19 | 1.00% | 2.00% | 2.70% | 3.30% | 3.10% |
| Mar-20 | 1.00% | 2.10% | 2.70% | 3.40% | 3.20% |
| Jun-20 | 1.00% | 2.10% | 2.80% | 3.50% | 3.30% |
| Sep-20 | 1.25% | 2.20% | 2.90% | 3.50% | 3.30% |
| Dec-20 | 1.25% | 2.30% | 2.90% | 3.60% | 3.40% |
| Mar-21 | 1.25% | 2.30% | 3.00% | 3.60% | 3.40% |

- 3.2 As expected, the Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its November meeting. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%.
- 3.3 The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. 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 and emerging market developments. Such volatility could occur at any time during the forecast period.
- 3.4 Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.
- 3.5 The overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the final terms of Brexit.

Investment and borrowing rates

- 3.6 Investment returns are likely to remain low during 2018/19 but to be on a gently rising trend over the next few years.
- 3.7 Borrowing interest rates increased sharply after the result of the general election in June and then also after the September MPC meeting when financial markets reacted by accelerating their expectations for the timing of Bank Rate increases.

Since then, borrowing rates have eased back again. Apart from that, there has been little general trend in rates during the current financial year.

- 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 There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost - the difference between borrowing costs and investment returns.

4 **Borrowing**

- 4.1 The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of 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

- 4.2 The Council's treasury portfolio position at 31 March 2017, with forward projections are summarised below. The table shows the actual external debt against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

| £'000 | 2016/17 Actual | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|---------------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| External debt at 1 Apr | 136,094 | 136,094 | 143,627 | 153,890 | 166,552 |
| New borrowing | 0 | 7,533 | 10,263 | 12,662 | 11,506 |
| Other long-term liabilities | 2,700 | 2,074 | 1,383 | 770 | 447 |
| Gross debt at 31 Mar | 138,794 | 145,701 | 155,273 | 167,322 | 178,505 |
| CFR | 154,597 | 155,434 | 163,952 | 174,624 | 184,137 |
| Under / (over) borrowing | 15,803 | 9,733 | 8,679 | 7,302 | 5,632 |
| Investments at 31 Mar | 45,184 | 42,651 | 32,388 | 19,726 | 8,220 |
| Net Debt | 93,610 | 103,050 | 122,885 | 147,596 | 170,285 |

- 4.3 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to 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 2018/19 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.
- 4.4 The Chief Finance Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this report.

Treasury Indicators: Limits to Borrowing Activity

- 4.5 The **Operational Boundary** is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

| Operational boundary £'000 | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Debt | 148,494 | 158,230 | 170,203 | 180,874 |
| Other long term liabilities | 2,074 | 1,383 | 770 | 447 |
| Total | 150,568 | 159,613 | 170,973 | 181,321 |

- 4.6 The **Authorised Limit** for external debt represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and 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.
- 4.7 This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. 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. The Council is asked to approve the following Authorised Limit:

| Authorised limit £'000 | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Debt | 168,660 | 178,869 | 191,254 | 202,090 |
| Other long term liabilities | 2,074 | 1,383 | 770 | 447 |
| Total | 170,734 | 180,252 | 192,024 | 202,537 |

- 4.8 Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This limit is currently:

| HRA Debt Limit £'000 | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| HRA debt cap | 140,275 | 140,275 | 140,275 | 140,275 |
| HRA CFR | 130,184 | 130,184 | 130,184 | 130,184 |
| HRA headroom | 10,091 | 10,091 | 10,091 | 10,091 |

Borrowing Strategy

- 4.9 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.
- 4.10 At 31 March 2017 the Council's Capital Financing Requirement was £154.6m and, net of finance lease liabilities, the underlying borrowing requirement was £151.3m. The Council's external borrowing totalled £136.1m, which meant under-borrowing totalled £15.2m.
- 4.11 There would be a cost of carry to any new long-term borrowing that causes an increase in cash balances, as this position will incur a revenue loss between borrowing costs and investment returns. However, against this, the long-term saving resulting from borrowing at very low rates should be considered. Assuming current rates increase in accordance with the above forecast, if borrowing were delayed for two years it would lead to the cost of borrowing being significantly higher over the life of a 50 year loan.
- 4.12 Against this background and the risks within the economic forecast, caution will be adopted with the 2018/19 treasury operations. The Chief Financial Officer will monitor interest rates in financial markets and adopt a pragmatic approach 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.

- 4.13 Any decisions will be reported to the Scrutiny Panel or Governance and Audit Committee at the next available opportunity.

Treasury Management Limits on Activity

- 4.14 There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:
- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
 - Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
 - Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.
- 4.15 The Council is asked to approve the following treasury indicators and limits:

| Interest rate Exposures £'000 | 2018/19 | 2019/20 | 2020/21 |
|--|----------------|----------------|----------------|
| Upper limit on fixed interest rates based on net debt | 122,900 | 147,600 | 170,300 |
| Upper limit on variable interest rates based on net debt | 61,400 | 73,800 | 85,100 |

| Maturity Structure of fixed interest rate borrowing | 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% | 30% |
| 20 years to 30 years | 0% | 30% |
| 30 years to 40 years | 0% | 40% |
| 40 years to 50 years | 0% | 40% |
| Over 50 years | 0% | 10% |

Policy on Borrowing in Advance of Need

- 4.16 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

- 4.17 As short-term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long-term debt to short-term debt. However, 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 and / or discounted cash flow savings;
 - helping to fulfil the treasury strategy;
 - enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
- 4.18 Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short-term rates on investments are likely to be lower than rates paid on current debt.
- 4.19 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

- 4.20 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 (PWLB). The Council will consider making use of this new source of borrowing as and when appropriate.

HRA borrowing

- 4.21 As part of the HRA 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 a specific purpose. This assumed that the HRA would be 'fully borrowed', however the HRA is now in a position where it may need to borrow to fund the Housing Investment Programme.
- 4.22 As the Council is maintaining an under-borrowed position, the HRA will be recharged for the cost of any new borrowing requirement based on the average balance of unfinanced HRA borrowing during the year, using the PWLB 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 HRA 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 TMSS and projected investment returns.

5 Annual Investment Strategy

Investment Policy

- 5.1 The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017("the CIPFA TM Code"). The Council's investment priorities will be security first, portfolio liquidity second and then return.
- 5.2 In accordance with the above guidance, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short-term and Long-term ratings.
- 5.3 Ratings will not be the sole determinant of the quality of an institution, and it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to 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' (CDS) and overlay that information on top of the credit ratings.
- 5.4 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.
- 5.5 Investment instruments identified for use in the financial year are listed in **Appendix B**, which includes Counterparty, time and monetary limits. These will cover both 'Specified' and 'Non-Specified' Investments.
- 5.6 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

- 5.7 The 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 and Poor's. The credit ratings of counterparties are supplemented with the following overlays:
- credit watches and credit outlooks from credit rating agencies;
 - CDS spreads to give early warning of likely changes in credit ratings;
 - sovereign ratings to select counterparties from only the most creditworthy countries.
- 5.8 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system, which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands that indicate the relative creditworthiness of counterparties. These colour codes are used by the

Council to determine the duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years (UK Government debt or its equivalent, and money market funds)
- Dark Pink 5 years Ultra-short Dated Bond Funds (1.25 credit score)
- Light Pink 5 years Ultra-short Dated Bond Funds (1.5 credit score)
- Purple 2 years
- Blue 1 year (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 |

- 5.9 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.
- 5.10 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.
- 5.11 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.
- 5.12 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

- 5.13 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 **Appendix C**. This list will be amended by officers should ratings change in accordance with this policy.

5.14 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

5.15 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-term interest rates (i.e. rates for investments up to 12 months).

5.16 The Bank Rate is forecast to remain at 0.50% until quarter 4 of 2018, and not to rise above 1.25% by quarter 1 2021. Bank Rate forecasts for financial year ends (March) are:

- 2017/18 0.50%
- 2018/19 0.75%
- 2019/20 1.00%
- 2020/21 1.25%

5.17 Investment rates are likely to remain low during this period. The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year are as follows:

- 2017/18 0.40%
- 2018/19 0.60%
- 2019/20 0.90%
- 2020/21 1.25%
- 2021/22 1.50%
- 2022/23 1.75%
- 2023/24 2.00%
- Later years 2.75%

5.18 The overall balance of risks to these forecasts is currently skewed to the upside and are dependent on how strong GDP growth turns out, how quickly inflation pressures rise and how quickly the Brexit negotiations move forward positively.

5.19 For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

Investment treasury indicator and limit

5.20 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 the treasury indicator and limit.

| £'000 | 2018/19 | 2019/20 | 2020/21 |
|---|---------|---------|---------|
| Max. principal sums invested > 365 days | 5,000 | 5,000 | 5,000 |

End of year investment report

- 5.21 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.

Interest rate forecasts 2017 - 2021

APPENDIX A

PWLB rates and forecast shown below take into account the 20 basis point certainty rate reduction effective as of 1 November 2012.

| | Dec-17 | Mar-18 | Jun-18 | Sep-18 | Dec-18 | Mar-19 | Jun-19 | Sep-19 | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Link Asset Services Interest Rate View | | | | | | | | | | | | | | |
| Bank Rate | 0.50% | 0.50% | 0.50% | 0.50% | 0.75% | 0.75% | 0.75% | 0.75% | 1.00% | 1.00% | 1.00% | 1.25% | 1.25% | 1.25% |
| 3 Month LIBID | 0.40% | 0.40% | 0.40% | 0.40% | 0.60% | 0.60% | 0.60% | 0.70% | 0.90% | 0.90% | 1.00% | 1.20% | 1.20% | 1.20% |
| 6 Month LIBID | 0.50% | 0.50% | 0.50% | 0.60% | 0.80% | 0.80% | 0.80% | 0.90% | 1.00% | 1.00% | 1.10% | 1.30% | 1.30% | 1.40% |
| 12 Month LIBID | 0.70% | 0.80% | 0.80% | 0.90% | 1.00% | 1.00% | 1.10% | 1.10% | 1.30% | 1.30% | 1.40% | 1.50% | 1.50% | 1.60% |
| 5yr PWLB Rate | 1.50% | 1.60% | 1.60% | 1.70% | 1.80% | 1.80% | 1.90% | 1.90% | 2.00% | 2.10% | 2.10% | 2.20% | 2.30% | 2.30% |
| 10yr PWLB Rate | 2.10% | 2.20% | 2.30% | 2.40% | 2.40% | 2.50% | 2.60% | 2.60% | 2.70% | 2.70% | 2.80% | 2.90% | 2.90% | 3.00% |
| 25yr PWLB Rate | 2.80% | 2.90% | 3.00% | 3.00% | 3.10% | 3.10% | 3.20% | 3.20% | 3.30% | 3.40% | 3.50% | 3.50% | 3.60% | 3.60% |
| 50yr PWLB Rate | 2.50% | 2.60% | 2.70% | 2.80% | 2.90% | 2.90% | 3.00% | 3.00% | 3.10% | 3.20% | 3.30% | 3.30% | 3.40% | 3.40% |
| Bank Rate | | | | | | | | | | | | | | |
| Link Asset Services | 0.50% | 0.50% | 0.50% | 0.50% | 0.75% | 0.75% | 0.75% | 0.75% | 1.00% | 1.00% | 1.00% | 1.25% | 1.25% | 1.25% |
| Capital Economics | 0.50% | 0.50% | 0.75% | 1.00% | 1.25% | 1.25% | 1.50% | 1.50% | 1.75% | 2.00% | - | - | - | - |
| 5yr PWLB Rate | | | | | | | | | | | | | | |
| Link Asset Services | 1.50% | 1.60% | 1.60% | 1.70% | 1.80% | 1.80% | 1.90% | 1.90% | 2.00% | 2.10% | 2.10% | 2.20% | 2.30% | 2.30% |
| Capital Economics | 1.50% | 1.70% | 1.90% | 2.10% | 2.40% | 2.40% | 2.40% | 2.40% | 2.40% | 2.40% | - | - | - | - |
| 10yr PWLB Rate | | | | | | | | | | | | | | |
| Link Asset Services | 2.10% | 2.20% | 2.30% | 2.40% | 2.40% | 2.50% | 2.60% | 2.60% | 2.70% | 2.70% | 2.80% | 2.90% | 2.90% | 3.00% |
| Capital Economics | 2.00% | 2.20% | 2.40% | 2.60% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | - | - | - | - |
| 25yr PWLB Rate | | | | | | | | | | | | | | |
| Link Asset Services | 2.80% | 2.90% | 3.00% | 3.00% | 3.10% | 3.10% | 3.20% | 3.20% | 3.30% | 3.40% | 3.50% | 3.50% | 3.60% | 3.60% |
| Capital Economics | 2.50% | 2.60% | 2.90% | 3.10% | 3.30% | 3.30% | 3.30% | 3.33% | 3.33% | 3.33% | - | - | - | - |
| 50yr PWLB Rate | | | | | | | | | | | | | | |
| Link Asset Services | 2.50% | 2.60% | 2.70% | 2.80% | 2.90% | 2.90% | 3.00% | 3.00% | 3.10% | 3.20% | 3.30% | 3.30% | 3.40% | 3.40% |
| Capital Economics | 2.30% | 2.50% | 2.70% | 2.90% | 2.90% | 2.90% | 3.03% | 3.03% | 3.15% | 3.15% | - | - | - | - |

Specified Investments – All such investments will be sterling denominated, with **maturities up to a maximum of 1 year**, meeting the minimum ‘high’ quality criteria where applicable.

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.

A variety of investment instruments may be used that will fall into one of the above categories, subject to the credit quality of the institution. The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

| Organisation | Min. Credit Criteria | Money Limit | Maturity Limit |
|---|------------------------------|----------------|----------------|
| Banks and Building Societies (including term deposits, CDs or corporate bonds) | Yellow | £10m | 5 years |
| | Purple | £10m | 2 years |
| | Orange | £10m | 1 year |
| | Blue | £10m | 1 year |
| | Red | £7.5m | 6 months |
| | Green | £5.0m | 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 year |
| Debt Management Agency Deposit Facility | AAA | Unlimited | 6 months |
| Money Market Funds | AAA | £10m | Liquid |
| Ultra-Short Dated Bond Funds | Dark Pink / Light Pink / AAA | £10m | Liquid |
| Bonds issued by Multilateral Development Banks | AAA | £3m | 6 months |
| Property Funds | AAA | £5m | |

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

Impact of Budget Strategy 2018/19

The budget for 2018/19 has been prepared in continuing difficult financial conditions. This is alongside the bedding in of changing local government financial arrangements.

There continue to be reductions in the amount of money we receive with a cut in combined Revenue Support Grant and New Homes Bonus of £2m.

The New Homes Bonus remains one of the main ways in which the Council is able to identify funds for investment to support the delivery of the Strategic Plan. In the 2018/19 budget the amount of New Homes Bonus being used to support the 'base budget' has been reduced to £1.2m and is around a third of the total grant being received next year. There is £2.21m being invested in projects or programmes. These include:-

- Allocating the affordable housing part of NHB to support housing projects.
- An allocation of £250k to support the RIF
- A contribution of £750k towards the cost of the ambitious Northern Gateway Sports Project.
- £1.2m to invest in projects that support Strategic Plan objectives and / or help deliver income to close future budget gaps.

The capital programme proposals include up to £2.9m to purchase properties to use as temporary accommodation. The programme also includes proposed lending to support the Council's commercial company arrangements, specifically, in respect of housing development and energy.

The Revolving Investment Fund (RIF) continues to set out a number of funding allocations to support major projects such as Northern Gateway as well as funding within the Town Centre and East Colchester.

Savings continue to be made where possible through service reviews which focus on how the service is delivered and not just how savings can be made.

| | | | |
|-----------------------|---|---------------|-------------------------------------|
| Report of | Assistant Director of Policy and Corporate | Author | Richard Clifford ☎ 507832 |
| Title | Mandatory Member Development, Member Role Profiles and Training Plan | | |
| Wards affected | Not Applicable | | |

1. Executive Summary

1.1 This report covers a number of member development issues.

1.2 The report considers a recommendation from the Member Development Group in respect of mandatory member development. The Group has proposed that on Safeguarding, Equality and Diversity and Data Protection issues be mandatory for all Councillors from May 2018. The Group also has proposed that training in chairing skills should be mandatory for all Committee and Panel Chairs. It is also proposed that the views of the Independent Remuneration Panel be sought on the suggestion that if this training is not undertaken, then payment of the relevant members allowance be withheld until it is completed. Cabinet is invited to consider the recommendation and make a recommendation to Council.

1.3 The report also considers a further recommendation from the Member Development Group about Councillor Role Profiles. Councillor Role Profiles set out the key duties and responsibilities and skills required for of the main roles that Councillors hold. They are also part of the evidence base for the assessment for Member Charter Status and in view of the pending assessment, the roles had been reviewed and Cabinet is invited to approve the revised Role Profiles.

1.4 Cabinet is also invited to agree a new Training Plan. This sets out the priorities for member development, how these link to the new Strategic Plan priorities and sets out how they may be delivered.

2. Recommended Decision

2.1 To consider the recommendation from the Member Development Group in respect of mandatory member training and consider whether to make a recommendation to Council.

2.2 The views of the Independent Remuneration Panel be sought on the principle of withholding payment of relevant allowances should relevant mandatory training not be undertaken.

2.3 To approve the Councillor Role Profiles at Appendix B

2.4 To approve the Training Plan at Appendix C

3. Reason for Recommended Decision

3.1 As part of the Review of Meetings and Ways of Working, the Governance and Audit Committee asked the Member Development Group to look at the issue of mandatory member training and report to Cabinet.

3.2 The Councillor Role Profiles and Training Plan are key member development documents, which need to be reviewed. They also part of the evidence base for the forthcoming assessment for Member Charter Status. Due to the linkages between the Strategic Plan and the Training Plan, it is timely to review the Plan alongside the approval of the new Strategic Plan.

4. Alternative Options

4.1 No alternative options are proposed.

5. Background Information

Mandatory Member Training

5.1 The current position is that the only training that is mandatory relates to sitting on Committees exercising quasi-judicial functions, where members must have undertaken appropriate training in order to sit on the Committee. This covers the following Committees:-

Planning Committee

Licensing Committee – Sub Committee and Hackney Carriage/Private Hire hearings

Governance and Audit Committee – Approval of the Statement of Accounts and Code of Conduct hearings

The following criteria apply to the training:-

- Attendance must be at the training session provided within the context of the Member Development Programme;
- Attendance must be for the duration of each training session, at least every other year;
- Membership of the Committee does not provide any exemption from attendance at a training session;
- A record of attendance at training sessions shall be maintained by Democratic Services

All other training and development is voluntary.

5.2 The Governance and Audit Committee recently undertook a Review of Meetings and Ways of Working. One of the issues that was raised as part of the review was whether the range of areas in which training and development is mandatory for Councillors should be widened. Possible examples suggested as part of the review were Chairing Skills training for Committee Chairs, scrutiny training for Scrutiny Panel members and Safeguarding.

5.3 The all party Member Development Group considered this issue at its meeting on 14 December 2017. It looked at mandatory training in general terms and in relation to the specific issues raised in the review. Some of the issues are explored in more detail below.

5.4 The current member development budget is £10,000. Whilst the Council usually seeks to provide training and development in-house, this is not always possible, particularly in respect of specialist subjects. Should further training be made mandatory then consideration would need to be given to increasing the member development budget accordingly. There would also be resource implications for the Democratic Services team. There would be a need to monitor the training status of members on a wider range of subjects and to organise more training and development. Experience has shown that where training is mandatory it is usually necessary to offer multiple sessions in order to reach all those who need to receive it. Whilst alternative approaches such as online training could be explored, this has not proved popular with members in the past.

5.5 If training is made mandatory, consideration needs to be given as to what will happen should a Councillor not undertake it. Where the training is linked to the membership of the Committee, taking up the place on the Committee can be made dependent on undertaking the necessary training, in a similar way to practice on the regulatory Committees. It is likely that this could cause practical difficulties, particularly around the start of the municipal year, and it might be deemed practical to give a period of grace to allow training to be completed.

5.7 Where training is not related to the membership of a Committee, consideration would need to be given as to whether a sanction should be applied to those who do not complete it,

and if so what. Potentially the issue of a financial sanction could be explored with Independent Remuneration Panel, through the withholding of part of the Member's Allowance.

5.8 Increasing the amount of training that is mandatory could potentially have an impact on the freedom of the political groups to make appointments to Committees and to nominate Chairs as they see fit. There may also be issues about the increased demands it would make on members time and whether increased mandatory training could be potentially seen as a disincentive to standing for election, as it might create a perception that the role is a professional one.

5.9 The recommendation from the Member Development Group is set out below.

RECOMMENDED TO CABINET that it consider the following recommendations in respect of mandatory member training and to consider making a recommendation to Council to amend the Constitution accordingly:-

- (a) Training on Safeguarding, Equality and Diversity and Data Protection be made mandatory for all Councillors from May 2018.
- (b) All such training to be completed by mid-June 2018.
- (c) All new Councillors elected post May 2018 to undertake Safeguarding, Equality and Diversity and Data Protection training within six weeks of election.
- (d) Training in Chairing Skills for all Chairs newly elected to the Council's Committees and Panels from May 2018 to be mandatory, unless the Monitoring Officer considers that the relevant Councillor had extensive experience of chairing meetings in a local authority environment.
- (e) All such training to be completed within three months of election as Chair.
- (f) The views on the Independent Remuneration Panel be sought on the principle of withholding payment of relevant allowances should relevant mandatory training not be undertaken.

The full note of the Member Development Group's consideration of the issue is at Appendix A.

5.10 In respect of the recommendation that the views of the Independent Remuneration Panel be sought on the issue of withholding allowance payments, the Local Authorities (Members Allowances)(England) Regulations 2003 require that the authority should have regard to the recommendations of the Panel before it amends its members allowances scheme.

Councillor Role Profiles

5.11 Councillor Role Profiles set out the key duties and responsibilities and skills required for of the main roles of Councillors. They have a number of functions. For instance the ward councillor role profile is included on the "Becoming a Councillor" page on the website and is included in the induction pack given to new members on election. In member development terms their key use is alongside Training Needs Analysis and Personal Development Plans to allow members to consider what training they need in order to meet the knowledge and skills required to fulfil the role.

5.12 The role profiles are part of the evidence base for Member Charter Status. They were last reviewed in 2013 in preparation for the last Charter Assessment and in view of the pending reassessment the profiles have been reviewed again, taking into account changes in the roles

since 2013. Updated role profiles were considered by the Member Development Group at its meeting on 14 December 2017, and were referred to Cabinet for approval.

5.13 Cabinet are invited to approve the role profiles at Appendix B.

Training Plan

5.14 The Council's training plan sets out the priorities for member development and how these link to the objectives set out in the Strategic Plan. The Plan has been revised taking into account training needs identified through a number of routes, including members Personal Development Plans and Training Needs Analysis forms and priorities identified by the Member Development Group and the Executive.

5.15 The Plan identifies areas for development, how they may be delivered and their relative priority and will be used as the basis for the delivery of member development going forward. It also links the training to the relevant Strategic Plan priority. The areas that have been identified are:-

- Safeguarding/Equality and Diversity/Data Protection
- Garden Communities
- Local Government Finance, Budgets and Audit
- Chairing Skills
- Social media
- Casework and Conflict Mediation
- Planning
- Licensing

5.16 Cabinet are invited to approve the Training Plan at Appendix C.

6. Equality, Diversity and Human Rights implications

6.1 Equality and Diversity has been identified as a priority for member development.

6.2 An EQIA for the member development policy has been completed and can be found on the Council's website via the pathway Colchester Borough Council / Policies, Strategy and Performance/ Equality and Diversity/ Equality Impact Assessment/ Corporate Management. It can be accessed via the link below:-

[Councillor Development Policy EQIA](#)

7. Strategic Plan References

7.1 The draft training Plan identified how proposed training will support the Strategic Plan. The provision of high quality member development would indirectly help support all the priorities in the Strategic Plan.

8. Financial Implications

8.1 The resource implications of extending mandatory member training are discussed at paragraph 5.4.

9. Standard References

- 9.1 There are no particular references consultation or publicity considerations or community safety; health and safety or risk management implications.

Appendices

Appendix A – extract from the notes of the Member Development Group meeting 14 December 2017

Appendix B – Revised Role Profiles

Appendix C – Draft Training Plan

Appendix A

Extract from the minutes of the Member Development Group Meeting 14 December 2017

2. Mandatory Member Training

The Group considered a report from the Assistant Director, Policy and Corporate about mandatory member training for Councillors.

The Group considered that the scope of mandatory member training should be extended. In particular there was a growing need for all Councillors to keep themselves up to date with safeguarding issues. Linked into this was the need for all councillors to also be aware of equality and diversity and data protection issues. Data protection was particularly relevant at present as the regulations covering data protection were due to change, which would have a major impact on Councillors. It was the Group's view that all Councillors should undertake a short course covering safeguarding, equality and diversity and data protection. This should be run at the start of the municipal year and all Councillors should be expected to undertake it by around mid- June. It was appreciated that this might mean that the session would need to be offered on more than one occasion in order to make it accessible to all Councillors.

The Group's view was that any Councillor who did not complete the training before this deadline should have the payment of their allowance withheld until this had been completed. It was accepted that the Independent Remuneration Panel may need to be consulted on the issue of withholding allowances.

In respect of Chairing skills training, the Group was of the view that this should also be made mandatory for all new Chairs, unless they had extensive other local authority chairing experience. The Group noted the practical requirements for Chairs to be able to take up the posts quickly and the short lead in time between the Annual Meeting, and the first meetings of Committees/Panels. It was the Group's view that an initial session before the first meeting should be held with relevant officers before the first meeting, which could deal with issues such as terms of reference and Committee procedures/protocol, and with a formal more detailed external training session being undertaken within three months of appointment as Chair. Should the training not be undertaken in that period when payment of the Chair's allowance should be withheld until the training was undertaken. In terms of assessing whether previous local authority experience allowed the training requirement to be waived, this should be for the Monitoring Officer to consider.

In respect of Scrutiny training, it was the Group's view that whilst attendance at scrutiny training should be strongly encouraged for all members of the Panel, it was not necessary to make this a mandatory requirement.

RECOMMENDED TO CABINET that it consider the following recommendations in respect of mandatory member training and to consider making a recommendation to Council to amend the Constitution accordingly:-

- (a) Training on Safeguarding, Equality and Diversity and Data Protection be made mandatory for all Councillors from May 2018.
- (b) All such training to be completed by mid-June 2018.
- (c) All new Councillors elected post May 2018 to undertake Safeguarding, Equality and Diversity and Data Protection training within six weeks of election.

- (d) Training in Chairing Skills for all Chairs newly elected to the Council's Committees and Panels from May 2018 to be mandatory, unless the Monitoring Officer considers that the relevant Councillor had extensive experience of chairing meetings in a local authority environment.
- (e) All such training to be completed within three months of election as Chair.
- (f) The views on the Independent Remuneration Panel be sought on the principle of withholding payment of relevant allowances should relevant mandatory training not be undertaken.

BOROUGH COUNCILLOR

Purpose

The purpose of Councillors is to:

- Effectively represent the interests of their constituents and ward, taking into consideration the needs and wellbeing of all residents
- Provide community leadership
- Sit on a range of member level bodies as well as council meetings and assist in reaching informed and balanced decisions.

Key Duties and Responsibilities

Leadership within the Community

- To undertake case work for constituents and act as an advocate in resolving concerns or grievances, whilst supporting them to be self-reliant where possible;
- To communicate with local people and answer enquiries:
 - about decisions that affect them,
 - about opportunities in the community,
 - regarding the rights of constituents within Colchester,
 - as to why decisions are made;
- To lead and champion the interests of the local community and effectively represent the interests of the Ward and its constituents;
- To meet and liaise regularly with local interested parties and involve and consult them on key Council decisions;
- To support and promote citizenship locally and encourage the community to participate in the governance of the area.

Representation

- To inform the debate and contribute to the effectiveness of Full Council meetings and any other Committees, Panels or Boards to which the Councillor is appointed;
- To contribute to the formation and scrutiny of the Authority's policies, budget, strategies and service delivery;
- To contribute to the scrutiny of decision making and review of the policies and services of the council;
- To represent the authority to the community and the community to the council;
- To develop and maintain a knowledge of the Council's service areas and strategic priorities and develop effective working relationships with its officers;
- To participate in the activities of any political group of which the councillor is a member;
- To represent the council on outside bodies and to participate effectively in the appointed role and, where appropriate, to represent those bodies within Colchester and elsewhere.

Other

- To demonstrate the seven principles of public life, also known as the Nolan Principles which are selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- To fulfil the legal and local requirements placed on an elected member, in accordance with the Council Code of Conduct for Councillors;

- To take responsibility for their own personal development and undertake appropriate development and continuous improvement for any role undertaken.

Key Personal Attributes, Skills and Knowledge

Leadership

- Ability to lead and champion the interests of the local community.

Chairing

- Ability to chair meetings and facilitate discussions.

Organisational Skills

- Manage casework in line with Data Protection principles;
- Basic administration skills.

Other skills

- Ability to use information technology to communicate through Council systems e.g. e-mails, accessing agenda, minutes, reports, intranet, internet etc.;
- Community engagement skills;
- Influencing and persuading;
- Managing conflict and mediation skills

Team Working and Relationship Building

- Ability to develop relationships with key officers and partner agencies;
- Ability to build effective relationships with all sections of the community so as to be able to represent their needs to the Council.

Communication

- Ability to deal with the media, whilst being able to identify when additional support from the Communications Team is required, to ensure the Council is positively represented;
- Awareness of social media and how this can be used responsibly to communicate with residents;
- Ability to communicate with a range of audiences;
- Active listening and questioning skills;
- Presentation skills;
- Public speaking.

Knowledge

- Understanding of how the Council works;
- Knowledge of the Council structure, key contact officers and services procedures;
- Knowledge of the political decision making structures;
- Understanding of the Code of Conduct for Councillors, ethics and standards and the role of the Standards Committee;

- Understanding of national policies and their impact on the Council;
- Knowledge of the strategic objectives and key policies of the Council;
- Understanding of legislation and Council policies to which Members must adhere (e.g. Freedom of Information, Data Protection, Equality and Diversity);
- Basic understanding of local government finances and audit processes;
- Knowledge of the Councils complaints procedure;
- For Members who sit on quasi-judicial panels, knowledge of legislation and policy relating to planning, licensing, and appeals is required and an understanding of the principles and importance of making rational decisions.

CABINET MEMBER

This role profile is to be read in conjunction with the role profile for Borough Councillor. It identifies the responsibilities, skills and knowledge required of the Cabinet Member, in addition to those set out for a Borough Councillor.

Purpose

- **To provide collective and individual leadership as part of the Cabinet**
- **To undertake lead responsibility and be accountable for allocated portfolios**

Key Duties and Responsibilities

- To take decisions on those matters within the terms of reference of their Portfolio, as set out in the Scheme of Delegation, seeking advice from Heads of Service as appropriate;
- To take responsibility, and to be held accountable, for any decisions taken, and to share with the appropriate Service Managers responsibility for the performance of services within their portfolio;
- To respond to or deal with any issues arising at Council meetings relating to their portfolio;
- To act as spokesperson within and outside the authority on those services and functions within their portfolio;
- To share the collective responsibility for decisions taken by the cabinet;
- To act as an advocate for the Council within the Authority and outside;
- To provide regular reports on progress and to undertake consultation on decisions as required;
- To attend Scrutiny and Policy Panels to discuss decisions taken or support the policy formulation process;
- To attend relevant informal Cabinet meetings and meetings of the Leadership Team;
- To represent the Council on outside bodies;
- To represent the Council and contribute the Colchester perspective on national, regional and sub regional bodies;
- To consult interested parties, ward councillors and citizens as part of the development and review of policy;
- As part of the cabinet to be involved in:
 - providing support to all councillors to help them develop constructive roles as Ward Members,
 - the consultation on, and drawing up of, the revenue and capital budgets,
 - leading the search for continuous improvement,
 - taking decisions on resources and priorities to deliver the strategies and budget approved by full council,

promoting and participating in Member development.

Key Personal Attributes, Skills and Knowledge

Leadership

- Advanced leadership skills for areas of individual responsibility and the ability to work with the Leader of the Council and Deputy Leader as an executive team;
- High level decision making;
- Ability to challenge the status quo and deal with complex strategic issues and problems;
- Ambassadorial skills to be able to represent the Council both within and outside the Council.

Chairing

- Intermediate chairing skills to be able to chair meetings relating to their portfolio.

Organisational Skills

- Manage a busy and complex work load, often to tight timescales and deadlines;

Other Skills

- Research skills and policy development;
- Assimilating and analysing complex information.

Team Working and Relationship Building

- Relationship building – with other Cabinet colleagues, Executive Management Team/senior officers, Overview and Scrutiny, Partners etc.;
- Ability to work as part of an executive team to drive forward the continuous improvement of the Council.

Communication

- Advanced communication skills to be able to work constructively with officers, Members and partners;
- Advanced listening and questioning skills;
- Advanced presentation skills;
- Advanced public speaking skills;
- Ability to work with the media and to identify when additional support from the Communications Team is required, to ensure the Council is positively represented.

Knowledge

- Knowledge of the key areas relating to their Cabinet portfolio, particularly in relation to service performance issues, targets, and benchmarks etc.;
- Understanding of the Council budget, particularly that of the relevant portfolio;
- A detailed understanding of the strategic role of Cabinet within the Council;
- Understanding of the role of a portfolio holder as part of an executive team;

- Detailed understanding of Council strategy, policies and operations;
- Understanding of the legally defined role of certain senior officers;
- Detailed knowledge of the challenges facing local government;
- Understanding of the national policy framework and its impact on local policy development;
- Knowledge of the work of national, regional and sub regional bodies and the role of the Council within them;
- Knowledge of community needs and their priorities for action;
- Knowledge of the role of local partners and the services they deliver;
- Understanding of the Council's constitution, code of conduct, budget and audit processes and key internal policies;
- Understanding of the principles and importance of making rational decisions.
- An understanding of commercial principles and how these might be applied to local government.

LEADER OF THE COUNCIL

This role profile is to be read in conjunction with the role profile for Borough Councillor and Cabinet Member. It identifies the responsibilities, skills and knowledge required of the Leader of the Council, in addition to those set out for a Borough Councillor and Cabinet Member.

Purpose:

- To provide effective political leadership and strategic direction for the Council
- To ensure effective corporate governance
- To act as the political spokesperson for the Council.

Key Duties and Responsibilities

- To provide leadership to the Council and its political administration;
- To appoint a Deputy Leader and up to eight other Cabinet members and designate appropriate portfolios;
- To undertake the role of community leader, building a vision for the area and leading the Council and its partners towards that vision;
- To represent the Council and provide leadership of the Local Strategic Partnership and other key local partnerships;
- To chair the Cabinet meetings and take responsibility for its performance;
- To represent the authority, and be accountable for, discussions and negotiations with the community and with regional, national and international organisations;
- To undertake political executive responsibility for proposing and directing the overall strategy, budget, policy arrangements and service reviews;
- To act as spokesperson for the authority (in consultation with the Leader of other political groups and the Chief Executive as appropriate);
- To facilitate good communication so that people within and outside the authority are able to contribute constructively to the decision making processes of the Council;
- To maintain effective liaison with the Chair of the Scrutiny Panel;
- To champion and engage in Councillor training and development.

Key Personal Attributes, Skills and Knowledge

Leadership

- Advanced Leadership Skills;
- Ability to develop a vision for Colchester and drive the Council and its partners towards achieving that vision;
- Advanced Ambassadorial skills to be able to represent the Council both within and outside the Council, particularly at the sub-regional, regional and national level;
- Ability to lead the Council towards continuous improvement;
- Ability to provide political leadership for their group;
- Ability to, when necessary, discipline Members of their political group.

Team Working and Relationship Building

- Tact and diplomacy to be able to work across the full range of Council services, partners and political groups, to the benefit of the Borough as a whole;

- Ability to build effective relationships with other parts of the political management structure e.g. full Council, Overview and Scrutiny and other political groups;
- Political sensitivity to be able to address difficult issues across all groups.

Chairing

- Advanced chairing skills

Organisational Skills

- Ability to plan and prioritise the business of Council, Cabinet and its committees having regard to the terms of reference and the key challenges facing the Council.

Communication

- Ability to facilitate effective communication within and across the council to ensure the community are able to engage in the Council's decision making processes;
- Advanced skills in working with the media whilst being able to identify when additional support from the Communications Team is required, to ensure the Council is positively represented;
- Advanced listening and questioning skills;
- Advanced presentation skills;
- Advanced public speaking.

Knowledge

- A detailed understanding of the strategic role of the Leader of the Council;
- Detailed understanding of the legally defined role of the Chief Executive and other senior officers;
- Detailed knowledge of the work of national, regional and sub regional bodies and the role of the Leader and Council within them;
- Detailed understanding of the national policy framework and its impact on local policy development;
- Detailed knowledge of the role of local partners and the services they deliver;
- Detailed understanding of the Council's constitution, code of conduct, budget and audit processes and key internal policies;
- Understanding of the relationship between national politics and local political leadership;
- Understanding of the wider, national issues facing elected Members and the practical implications for Colchester councillors.

Mayor of the Council

This role profile is to be read in conjunction with the role profile for Borough Councillors. It identifies the responsibilities, skills and knowledge required of the Mayor that are in addition to those set out for a Borough Councillor.

Purpose:

- To provide effective civic and ceremonial leadership to the Council
- To chair County Council meetings and ensure its business is carried out efficiently and in line with the Constitution
- To promote and maintain high standards of conduct from Members.

Key Duties and Responsibilities

- To act as an ambassador for the Council and the Borough itself.
- To attend and represent Colchester at civic and ceremonial occasions, acting on behalf of the whole Council in a non-partisan manner.
- To preside over meetings of the Council, acting impartially to ensure that its business is carried out efficiently and in line with the Constitution.
- To perform official openings or presentations throughout the Borough.

Key Personal Attributes, Skills and Knowledge

- A clear understanding of the operation of the Council, including an understanding of the Constitution and its Procedure Rules.
- To promote and uphold the seven principles of public life – acting as a role model to other Councillors.
- A good knowledge of, and interest in, the whole of the Borough.
- The ability to chair meetings and facilitate open discussion.
- The ability to work effectively with Council officers, the public, the media, local charities and outside organisations.
- The ability to engage effectively with a variety of different groups and people.

DEPUTY LEADER OF THE COUNCIL

This role profile is to be read in conjunction with the role profiles for Borough Councillor, Cabinet Member and Leader of the Council. It identifies responsibilities specific to the role of Deputy Leader in addition to those of a Borough Councillor and Cabinet Member.

Purpose:

- To fulfil the duties of the Leader in his or her absence
- To assist the Leader in specific duties as required.

Key Duties and Responsibilities

- To assist the Leader of the Council in the formal processes and matters of leadership of the authority specifically set out in the profile for the Leader of the Council;
- To work with the Leader of the Council on the budget and policy development;
- To ensure that appropriate developmental steps are taken to equip the Deputy with the knowledge and skills to carry out the role of the Leader when called upon;
- To deputise for the Leader in his or her absence and undertake the above mentioned duties set out in the role profile for the Leader of the Council.

Key Personal Attributes, Skills and Knowledge

As it is expected that the Deputy Leader is able to deputise for the Leader, the additional skills and Knowledge set out for the Leader are copied here as they are also required of the Deputy Leader.

Leadership

- Advanced Leadership Skills;
- Ability to develop a vision for Colchester and drive the Council and its partners towards achieving that vision;
- Advanced Ambassadorial skills to be able to represent the Council both within and outside the Council, particularly at the sub-regional, regional and national level;
- Ability to lead the Council towards continuous improvement;
- Ability to provide political leadership for their group;
- Ability to, when necessary, discipline Members of their political group.

Chairing

- Advanced chairing skills

Organisational Skills

- Ability to plan and prioritise the business of Council, Cabinet and its committees having regard to the terms of reference and the key challenges facing the Council.

Team Working and Relationship Building

- Tact and diplomacy to be able to work across the full range of Council services, partners and political groups, to the benefit of the Borough as a whole;
- Ability to build effective relationships with other parts of the political management structure e.g. full Council, Overview and Scrutiny and other political groups;
- Political sensitivity to be able to address difficult issues across all groups.

Communication

- Ability to facilitate effective communication within and across the council to ensure the community are able to engage in the Council's decision making processes;
- Advanced skills in working with the media whilst being able to identify when additional support from the Communications Team is required, to ensure the Council is positively represented;
- Advanced listening and questioning skills;
- Advanced presentation skills;
- Advanced public speaking.

Knowledge

- A detailed understanding of the strategic role of the Leader of the Council;
- Detailed understanding of the legally defined role of the Chief Executive and other senior officers;
- Detailed knowledge of the work of national, regional and sub regional bodies and the role of the Council within them;
- Detailed understanding of the national policy framework and its impact on local policy development;
- Detailed knowledge of the role of local partners and the services they deliver;
- Detailed understanding of the Council's constitution, code of conduct, budget and audit processes and key internal policies;
- Understanding of the relationship between national politics and local political leadership;
- Understanding of the wider, national issues facing elected Members and the practical implications for Colchester councillors.

LEADER OF AN OPPOSITION GROUP

This role profile is to be read in conjunction with the role profile for Borough Councillor. It identifies the responsibilities, skills and knowledge required of the Group Leader, in addition to those set out for a Borough Councillor.

Purpose

- To be the principal spokesperson for members of their own political group;
- To ensure efficient sharing of information within the group;
- To ensure effective and constructive opposition to the Council's majority group, in line with the Council's Constitution.

Key Duties and Responsibilities

- To lead an Opposition Group within the Council;
- To manage the work of Members within that Group;
- To manage the overall co-ordination of opposition spokespersons and the business of the Group;
- To shadow and scrutinise the Leader of the Council and the Cabinet in their duties;
- To act as the principal spokesperson for an Opposition Group of which he/she is leader;
- To comment, challenge and review the Council's administration performance in the co-ordination and implementation of its policies and procedures;
- To establish and represent the views of the Group on issues of policy and priority;
- To develop opposition Group policies that are credible and could be implemented by the Council;
- To champion and participate in member development activities;
- To manage the Group Secretary and/or Whip to ensure the smooth running of the Group and the personal development of its Members;
- To advise the Leader of the Council of the Group's position on issues relating to external relationships;
- To represent the Group on relevant formal and informal working groups;
- To maintain effective liaison with the Chair of the Scrutiny Committee.

Key Personal Attributes, Skills and Knowledge

Leadership

- Ability to provide political leadership of their Group and manage the tensions between the political demands and expectations of the Group, and the needs of the Council;
- Ability to hold the Executive to account;
- Ambassadorial skills to be able to represent the Council both within and outside the Council including at regional and national level;
- Ability to, when necessary, discipline Members of their political Group;
- Political sensitivity to be able to address difficult issues with other Groups.

Chairing

- Intermediate chairing skills.

Organisational Skills

- Ability to plan and prioritise the business of the Group.

Other Skills

- Assimilating and analysing complex information;
- Research skills and policy development.

Team Working and Relationship Building

- Tact and diplomacy to be able to work across the full range of Council services, partners and political groups, to the benefit of the Colchester community;
- Ability to build effective relationships with other parts of the political management structure e.g. full Council, Scrutiny and other political groups;
- Political sensitivity to be able to address difficult issues across all groups.

Communication

- Ability to facilitate effective communication within and across the Council, and ensure the community are given the opportunity to engage in policy development of the opposition group;
- Advanced listening and questioning skills;
- Advanced presentation skills;
- Advanced public speaking.

Knowledge

- Understanding of the roles of Leader of the Council, Cabinet Members and the Leader of an Opposition Group within the Council;
- Understanding of the legally defined role of certain senior officers;
- Detailed knowledge of the work of national, regional and sub regional bodies and the role of the Council within them;
- Detailed understanding of the national policy framework and its impact on local policy development;
- Detailed knowledge of the challenges facing local government;
- Understanding of Council strategy, policies and operations;
- Knowledge of the role of local partners and the services they deliver and their relationship with the Council;
- Detailed understanding of the Council's constitution, code of conduct, budget and audit processes and key internal policies;
- Detailed knowledge of community needs and their priorities for action;
- Understanding of the relationship between national politics and local political leadership;
- Understanding of the wider, national issues facing elected Members and the practical implications for the Members in their group

CHAIR OF PLANNING COMMITTEE

This role profile is to be read in conjunction with the role profile for Borough Councillor. It identifies the responsibilities, skills and knowledge required of the Chair of the Planning Committee, in addition to those set out for a Borough Councillor.

Purpose

- To provide leadership and direction to the work of the committee, and to ensure compliance with the Planning Procedure Code of Practice;
- To chair committee meetings in line with the Constitution, and to ensure that the committee fulfils its terms of reference;
- To demonstrate to the public, applicants and objectors, fair and open decision making on behalf of the committee.

Key Duties and Responsibilities

- To chair the Planning Committee in accordance with the Procedure Rules;
- To foster and maintain a disciplined approach by the Members involved having regard to high standards of behaviour and ethics including the Code of Practice relating to planning procedures;
- To facilitate participation in meetings by the public and their representatives in accordance with the Planning Committee Procedure Rules ;
- To engage all members of the Committee, ensuring clear and unambiguous decisions are made based on sound planning considerations;
- To encourage members to undertake relevant training and development activities where appropriate so they are able to fulfil their committee role effectively;
- To represent the Council in all dealings with the public, media and other bodies in respect of the work of the Planning Committee.

Skills

Leadership

- Ability to represent the Planning Committee to the community and the media.

Chairing

- Advanced chairing skills.

Organisational Skills

- Ability to plan and prioritise the business of the Planning Committee having regard to its terms of reference and key challenges facing the Planning function.

Team Working and Relationship Building

- Relationship building particularly with senior officers involved in the planning function, Leaders, other Councillors.

Communication

- Advanced listening and questioning skills;
- Communication skills – particularly with Members and Officers involved with the Planning Committee;
- Intermediate presentations skills;
- Intermediate public speaking;
- Ability to work with the media and to identify when additional support from the Communications Team is required, to ensure the Council and the planning function is positively represented.

Knowledge

- In-depth understanding of planning issues and code of practice relating to planning procedures and the Planning Committee;
- Understanding of the role of Ward Councillors in the Planning process and how to handle conflicts of interest between being a Ward Member and a member of the Planning Committee;
- Understanding of the role of Planning Officers.

CHAIR OF SCRUTINY PANEL

This role profile is to be read in conjunction with the role profile for Borough Councillor. It identifies the responsibilities, skills and knowledge required of the Scrutiny Chair, in addition to those set out for a Borough Councillor.

Purpose:

- To support the continuous improvement of the Council, by leading the work of the Scrutiny Panel.
- To chair meetings of the Scrutiny Panel in line with the Council's Constitution.

Key Duties and Responsibilities

The Chair of the Scrutiny Panel is responsible for effective scrutiny in Colchester by:

Leading and Promoting the Overview and Scrutiny Function

- To maintain constructive relationships with Cabinet members and Senior Management Team to ensure that overview and scrutiny contributes to effective decision-making in Colchester;
- To represent overview and scrutiny in Council and be accountable to Council for the actions of overview and scrutiny;
- To ensure that overview and scrutiny is publicised and communicated to build understanding of its role both within and outside the Council;
- To represent Colchester at regional and national forums concerned with overview and scrutiny;
- To be responsible for the constitutional arrangements relating to portfolio holder decisions which are "urgent" and / or not on the forward plan.

Managing and Coordinating the Overview and Scrutiny Function

- To Chair meetings of the Scrutiny Panel;
- To lead the Scrutiny Panel in developing an effective scrutiny work programme;
- To ensure that scrutiny work is properly coordinated;
- To engage with relevant service users and stakeholder groups, ensuring that the Scrutiny Panel's reviews issues of public interest within its terms of reference;
- To co-ordinate the Scrutiny Panel's work avoiding duplication and taking a flexible approach to cross-cutting issues;
- To monitor progress of all scrutiny reviews and ensure that they are completed in reasonable time.

Development of Overview and Scrutiny

- To maintain an overview of scrutiny in Colchester and to learn from practice elsewhere;
- To ensure the continuing development of overview and scrutiny in Colchester through improving both how it is organised as well as the practice;
- To engage all Councillors in the work of the Scrutiny Panel, allowing for robust debate that leads to constructive recommendations;

- To encourage the involvement of all interested parties and stakeholders, individuals, voluntary and community groups in overview and scrutiny matters;
- To encourage Councillors to undertake relevant training and development where appropriate, so that they are able to fulfil the scrutiny role effectively.

Skills

Leadership

- Leadership of the scrutiny function within, and outside the Council;
- Leadership of the Scrutiny Panel as a team;
- Ambassadorial skills through the representation and championing of the scrutiny function inside and outside the authority;
- Objective setting and progressing those objectives on behalf of the scrutiny function

Chairing

- Advanced chairing skills

Organisational Skills

- Assimilating and analysing complex information;
- Overseeing and prioritising scrutiny work, taking account of available resources;
- Planning and coordinating the work of the Scrutiny Panel and its agenda;
-

Team Working and Relationship Building

- Relationship building with Scrutiny Panel colleagues, Executive Management Team/senior officers and Panel Lead Members;
- Building effective relationships with other parts of the political management structure e.g. the executive, full council etc.;
- Ensuring effective contributions from each member of Scrutiny Panel.

Communication

- Advanced listening skills and questioning skills;
- High standard of communication with officers, Members, partners, external bodies and members of the public;
- Advanced presentation skills;
- Advanced public speaking skills

Other Skills

- Dealing with complex strategic issues and problems on behalf of the Scrutiny Panel and the scrutiny function as a whole;
- Obtaining and weighing up evidence and making decisions and recommendations based on that evidence.

Knowledge

- Detailed awareness of the strategic importance of the scrutiny function within the Council;
- Detailed awareness of the constitutional arrangements relating to the scrutiny function and particularly those of the Chair;
- Detailed awareness of Colchester's approach to overview and scrutiny and its relationship with the other parts of the Council's decision making structures;
- Detailed knowledge of the challenges facing the scrutiny function and the role of the Chair in addressing these;
- Awareness of changes facing local government and an understanding of how these might impact on the Council's scrutiny function;
- Awareness of basic project management principles.

CHAIR OF LICENSING COMMITTEE

This role profile is to be read in conjunction with the role profile for Borough Councillor. It identifies the responsibilities, skills and knowledge required of the Chair of the Licensing Committee, in addition to those set out for a Borough Councillor.

Purpose

- To provide leadership and direction to the work of the committee;
- To chair committee meetings in accordance with the Constitution, and to ensure that the committee fulfils its terms of reference;
- To demonstrate to the public, applicants and objectors, fair and open decision making on behalf of the committee.

Key Duties and Responsibilities

- To chair the Licensing Committee in accordance with the Procedure Rules;
- To foster and maintain a disciplined approach by the Members involved having regard to high standards of behaviour and ethics;
- To engage all members of the Committee, ensuring that clear and unambiguous decisions are made based on sound licensing considerations;
- To facilitate appropriate participation in meetings by the public, applicants and their representatives in accordance with the Committee's Procedure Rules;
- To represent the Council in all dealings with the public, media and other bodies in respect of the work of the Committee;
- To represent the Committee's decisions in appeals to the Magistrates' Court and higher Courts;
- To be aware of legislation and ongoing local and national developments on licensing matters and their implications;
- To encourage members to undertake relevant training and development activities where appropriate so they are able to fulfil their Committee role effectively

Skills

Leadership

- Ability to represent the Licensing Committee to the community and the media.

Chairing

- Advanced chairing skills, including the ability to manage conflict.

Organisational Skills

- Ability to plan and prioritise the business of the Licensing Committee having regard to its terms of reference and key challenges facing the licensing function.

Team Working and Relationship Building

- Relationship building particularly with senior officers involved in the licensing function, Leaders, Councillors.

Communication

- Advanced listening and questioning skills;
- Communication skills – particularly with Members and Officers involved with the licensing function and Licensing Committee;
- Intermediate presentations skills;
- Intermediate public speaking;
- Ability to work with the media and to identify when additional support from the Communications Team is required, to ensure the Council and the licensing function is positively represented.

Knowledge

- In-depth knowledge of the standards, ethics and Code of Conduct for Councillors;
- Knowledge and understanding of relevant legislation and local/national developments on licensing matters – and their implications.

CHAIR OF OTHER PANEL, COMMITTEE OR BOARD

This role profile is to be read in conjunction with the role profile for Borough Councillor. It identifies the responsibilities, skills and knowledge required of the Panel, Committee or Board Chair, in addition to those set out for a Borough Councillor.

Purpose

- To provide leadership and direction to the work of the Panel, Committee or Board, contributing to the continuous improvement of the Council's services through the full range of its work;
- To chair meetings and ensure the Panel, Committee or Board fulfils its terms of reference.

Key Duties and Responsibilities

- To Chair meetings of the Panel, Committee or Board in accordance with its terms of reference;
- To foster and maintain a disciplined approach by the Members involved having regard to high standards of behaviour and ethics;
- To engage all members in the work of the Panel, Committee or Board, allowing for robust debate that leads to constructive recommendations;
- To represent the Council in all dealings with the public, media and other bodies in respect of the work of the Panel, Committee or Board;
- To encourage members to undertake relevant training and development where appropriate, so that they are able to fulfil their role effectively;
- To have responsibility for the co-ordination of the management of the Panel, Committee or Board;
- To review and amend the content of the Panel, Committee or Board's work programme

Skills

Leadership

- Leadership of the Panel, Committee or Board within and outside the Council;
- Ambassadorial skills through the representation and championing of the Panel, Committee or Board across the political groups and the Council as a whole.

Chairing

- Advanced chairing skills

Team Working and Relationship Building

- Tact, diplomacy and the ability to mediate and broker agreement across the political groups within the context of Panel;
- Relationship building – with Councillors and senior officers;
- Building effective relationships with other parts of the political management structure, principally the Executive, full council, scrutiny and Executive Management Team etc.;
- Ensuring the most effective contributions from each member of Panel.

Organisational Skills

- Ability to plan and prioritise the business of the Panel, Committee and Board having regard to its terms of reference and key challenges facing the Council;
- Prioritisation and managing the overall Panel, Committee or Board's work programme including the deployment of available resources.

Communication

- Advanced listening and questioning skills;
- Communication skills – particularly with Panel, Committee or Board Members and communicating the work and outcomes to all Councillors.

Other Skills

- Dealing with complex strategic issues and problems on behalf of the Panel.

Knowledge

- Detailed awareness of the strategic importance of the Panel, Committee or Board and its relationship with Council;
- Detailed awareness of the constitutional arrangements relating to the Panel, Committee or Board's functions and particularly those of the Chair;
- Detailed awareness of Colchester's approach to Panel, Committee or Board's meetings and its relationship with the other parts of the Council's decision making structures.

Appendix C

Colchester Borough Council: Training Plan 2017-2018

The purpose of this training plan is to outline the priorities for member development in the 2017-18 municipal year and onwards. It is based on information from the following sources:

- Information provided by Councillors about their individual training needs following completion of their Personal Development Plans;
- Information provided by the Executive about their view of the priorities for Member Development;
- Suggestions from the all party Member Development Group.

When arranging and delivering training and development for Councillors, consideration should be given where appropriate to including strategic partners, parish councillors and councillors from neighbouring authorities.

| Subject | Objective | Delivery | Priority (scale of 1 to 3) with 1 being the highest priority | Links to Strategic Plan objectives |
|---|--|---|---|--|
| Knowledge based development | | | | |
| Safeguarding/Equality and Diversity/Data Protection | To ensure all members are aware of responsibilities of the Council and of individual members in respect of safeguarding, equality and diversity and data protection. | Short course to be delivered to all members by mid-June 2018. | 1 | <ul style="list-style-type: none">• Promote belonging, involvement and responsibility in all the borough's communities• Work with Essex Police and partners in the Safer Colchester |

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| | | | | Partnership to make Colchester an even safer place |
| Garden Communities | To keep all members up to date on key developments on the Garden Communities proposals | Briefings to all members at relevant points, involving partners where appropriate Provision of written briefings and updates | 1 | <ul style="list-style-type: none"> Develop jobs, homes, infrastructure and communities to meet the borough's future needs by creating new Garden Communities |
| Local Government Finance, budgets and auditing | To improve members knowledge of the financial relationship between local and central government and the Council's budgeting and audit processes | Formal briefing Circulation of briefing papers and other relevant information by e-mail Workbooks | 2 | Would indirectly support the delivery of all Strategic Plan objectives |
| Skills based development | | | | |
| Chairing Skills | <p>To provide members, with the necessary skills and knowledge to enable them to chair a range of meetings effectively, but in particular formal public meetings of the Council's Committees and Panels.</p> <p>To be aimed particularly at those who are new to a Chairing role or who are looking to develop the skills necessary for that role.</p> | <p>On election as Chair, introductory training by officers to explain terms of reference and Committee processes and protocols.</p> <p>Formal training session to be delivered by external trainer within three months of election of Chair</p> <p>Coaching/mentoring by existing or experienced Chair</p> | 1 | By providing Councillors with the necessary skills to fulfil their role, indirectly contributes to all of Strategic Plan objectives. |

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| Social Media | <p>To provide members with an awareness of the main social media sites and awareness of the potential advantages and risks of social media.</p> <p>To help members understand the potential importance of social media in helping councillors engage with some traditionally hard to reach groups.</p> <p>To reduce the number of complaints received on social media issues</p> | Formal training session delivered by the Communications Manager and the Monitoring Officer | 1 | By providing Councillors with the necessary skills to fulfil their role, indirectly contributes to all of Strategic Plan objectives. |
| Councillor casework and conflict mediation | <p>To provide advice to members, particularly those who are relatively new to the role, with help and advice in managing casework.</p> <p>To provide advice in how to mediate in constituent disputes</p> | <p>Formal training session delivered by external trainer</p> <p>Mentoring by experienced members</p> <p>Circulation of written advice and workbooks</p> | 3 | By providing Councillors with the necessary skills to fulfil their role, indirectly contributes to all of Strategic Plan objectives. |
| Regulatory based development | | | | |
| <p>Planning</p> <p>To include:-</p> <ul style="list-style-type: none"> General introductory | To ensure that members of the Planning Committee meet the requirements of the | <p>General introductory session to be a formal presentation;</p> <p>Updates and information on more advanced topics to be</p> | 1 | <ul style="list-style-type: none"> Ensure resident's benefit from Colchester's economic growth with skills, jobs |

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| <p>session for new Councillors, ward Councillors and those new to Planning Committee;</p> <ul style="list-style-type: none"> • Updates on hot topics that arise throughout the municipal year; | <p>Constitution in respect of training;</p> <p>To provide a sufficient pool of substitutes with the require training and expertise to enable the Committee to function;</p> <p>To ensure that members of the Planning Committee and substitutes have the necessary skills and expertise to make sound decisions based on planning criteria.</p> <p>To ensure that ward Councillors have the necessary knowledge of the planning system to effectively represent and champion the interests of their constituents.</p> | <p>delivered through a range of methods:-</p> <ul style="list-style-type: none"> • presentations; • circulation of information by e-mail; • site visits. | | <p>and improving infrastructure</p> <ul style="list-style-type: none"> • Ensure a good supply of land available for new homes through our Local Plan |
| <p>Licensing</p> <p>To include:-</p> <ul style="list-style-type: none"> • General session outlining the licensing system, the regulatory framework that underpins it; the role and powers of | <p>To ensure that members of the Licensing Committee meet the requirements of the Constitution in respect of training;</p> <p>To ensure that members of the Licensing Committee have the necessary skills and</p> | <p>General session to be a formal presentation.</p> <p>Updates and information on more advanced topics to be delivered through a range of methods:-</p> <ul style="list-style-type: none"> • presentations; • electronic/online courses; | 1 | <ul style="list-style-type: none"> • Work with partners to create a shared vision for vibrant town centre • Educate residents about the impact of anti-social behaviour |

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| <p>the Licensing Committee and its sub-committees and how ward Councillors can interact with the licensing system;</p> <ul style="list-style-type: none"> • Training to provide members of the Licensing Committee with sufficient expertise to sit on Committee and its Sub-Committees; <p>Updates on topics as they arise throughout the year, such as legislation updates, and modular units on more advanced issues.</p> | <p>expertise to make sound decisions.</p> <p>To ensure that ward Councillors have the necessary knowledge of the licensing system to effectively represent and champion the interests of their constituents.</p> | <ul style="list-style-type: none"> • circulation of information by e-mail; • site visits. | | |
| Induction for New Councillors | | | | |
| <p>Induction programme for any new Councillors elected in May 2018.</p> <p>To include:-</p> <ul style="list-style-type: none"> • Introductions to key officers; • Tour of Town Hall and key housekeeping matters (building pass; car parking, location of | <p>To provide newly elected councillors with a structured and effective induction to enable them to</p> <ul style="list-style-type: none"> • Understand their role as Councillors; and the legal obligations placed on an elected member; • Effectively represent and | <p>Formal presentations on key topics</p> <p>Meetings with key officers</p> <p>Tour of Town Hall</p> <p>Provision of key documents</p> | 1 | <p>By providing Councillors with the necessary skills to fulfil their role, indirectly contributes to all of Strategic Plan objectives.</p> |

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| <p>meeting rooms etc)</p> <ul style="list-style-type: none"> • Access to Council IT systems; • Sessions on key topics | <p>champion the needs of their constituents;</p> <ul style="list-style-type: none"> • Understand the structure and meetings processes of the Council. • Understand the resources available to support and help them | | | |
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Evaluation

The following principles will apply to evaluation of the training and development delivered to Councillors;

- **Feedback from delegates should be sought from every Councillor Development session. This should be analysed and summary provided to the trainer and also reported to the Member Development Group. Feedback should also be sought from other methods of development. Again the feedback should be analysed, summarised and reported where appropriate to the person providing the development and to the Member Development Group**
- **A report evaluating the impact of member development and its contribution to the delivery of the objectives to the Council's Strategic Plan will be submitted on an annual basis to the Member Development Group and reported to Cabinet**

