

# Cabinet Meeting

**Online Meeting, Virtual Meeting Platform  
Wednesday, 27 January 2021 at 18:00**

**The Cabinet** deals with the implementation of all Council services, putting into effect the policies agreed by Full Council and making recommendations to Full Council on policy issues and the budget.

## **Information for Members of the Public**

### **Access to information and meetings**

You have the right of access to all meetings of the Council, its Committees and Cabinet which may be conducted remotely such as by live audio or video broadcast / webcast. You also have the right to see the agenda (the list of items to be discussed at a meeting), which is published on the Council's website at least 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>.

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

### **Have Your Say!**

The Council welcomes contributions You can register to Have Your Say! and submit your contribution of no more than 3 minutes (no longer than 500 words) via the form accessed via the link below, before noon on the working day before the meeting date:

[Cabinet Have Your Say form](#)

If you would like to submit representations to a meeting and need to find out more, please refer to the Have Your Say! arrangements here:

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

**COLCHESTER BOROUGH COUNCIL**  
**Cabinet**  
**Wednesday, 27 January 2021 at 18:00**

**The Cabinet Members are:**

Leader and Chairman	Councillor Mark Cory (Liberal Democrats)
	Councillor Adam Fox (Labour and Co-operative)
	Councillor Martin Goss (Liberal Democrats)
	Councillor Theresa Higgins (Liberal Democrats)
	Councillor David King (Liberal Democrats)
	Councillor Mike Lilley (Labour and Co-operative)
	Councillor Julie Young (Labour)

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

**Please note that Agenda items 1 to 5 are normally dealt with briefly.**

**Live Broadcast**

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

<https://www.youtube.com/user/ColchesterCBC>

**Publication and Call in Arrangements**

**Moment of Reflection**

**1 Welcome and Announcements (Virtual Meetings)**

The Chairman will welcome members of the public and Councillors to the meeting and remind those participating to mute their microphones when not talking. The Chairman will invite all Councillors and Officers participating in the meeting to introduce themselves. The Chairman will, at regular intervals, ask Councillors to indicate if they wish to speak or ask a question and Councillors will be invited to speak in turn by the Chairman. A vote on each item of business will be taken by roll call of each Councillor and the outcome of each vote will be confirmed by the Democratic Services Officer.

- 2      **Urgent Items**
- The Chairman will announce if there is any item not on the published agenda which will be considered because it is urgent and will explain the reason for the urgency.
- The Chairman has agreed to take the following report on Test and Trace Support Scheme - Local Payments as an urgent item. The urgency arises from the need for the scheme to be implemented as soon as possible to enable payments to be made to a wider group of those who are required to self isolate.
- Test and Trace Support Payments - Local Scheme** 9 - 24
- Cabinet will consider a report inviting it to agree to the Test and Trace Support Payment Local Scheme Policy.
- 3      **Declarations of Interest**
- Councillors will be asked to say if there are any items on the agenda about which they have a disclosable pecuniary interest which would prevent them from participating in any discussion of the item or participating in any vote upon the item, or any other pecuniary interest or non-pecuniary interest.
- 4      **Minutes of Previous Meeting**
- Cabinet will be invited to confirm that the minutes of the meeting held on 23 November 2020 are a correct record.
- 23-11-20** 25 - 40
- 5      **Have Your Say! (Virtual Meetings)**
- Members of the public may make representations to the meeting. Each representation may be no longer than three minutes (500 words). Members of the public may register their wish to address the meeting by registering online by 12.00 noon on the working day before the meeting date. In addition a written copy of the representation will need to be supplied for use in the event of unforeseen technical difficulties preventing participation at the meeting itself.
- 6      **Decisions Reviewed by the Scrutiny Panel**
- The Councillors will consider the outcome of a review of a decision by the Scrutiny Panel under the call-in procedure. At the time of the publication of this agenda, there were none.
- 7      **Strategy/Business and Resources**
- 7(i)      **Budget 2021-22 and Medium Term Financial Forecast** 41 - 84
- Cabinet will consider a report inviting it to approve the 2021/22 Revenue Budget and the revised Medium Term Financial Forecast.



## 8 Business and Resources

### 8(i) **Resetting the Capital Programme and the Capital Strategy** 85 - 102

Cabinet will consider a report inviting Cabinet to reset the Capital Programme 2021/22 to 2024/25 and the Capital Strategy for 2021/25.

### 8(ii) **Matters Relating to Third Party Rights at Queen St and the Alumno Development** 103 - 168

Cabinet will consider a report that seeks Cabinet's authorisation to appropriate for planning purposes, the land known as the former Bus Station and St James's House, Queen Street pursuant to section 122(1) of the Local Government Act 1972 in order to facilitate redevelopment in accordance with the recently granted planning permission or any redevelopment achieving similar regeneration of the land.

## 9 Housing

### 9(i) **Housing Revenue Account Estimates 2021-22** 169 - 192

Cabinet will consider a report setting out the Housing Revenue Account for 2021-22, including proposals for changes to tenants rents for 2021-22 and the management fees payable to Colchester Borough Homes.

### 9(ii) **Housing Investment Programme 2021-22** 193 - 200

Cabinet will consider a report setting out a summary of the proposed allocation of £40.292million of new resources to the Housing Investment Programme for 2021/22, along with the sources of funding.

### 9(iii) **Delegation of Authority for the Award of a Contract for the Redevelopment of Elfreda House** 201 - 204

Cabinet will consider a report seeking delegated authority for the Portfolio Holder for Housing to award the forthcoming contract for the demolition and rebuild of Elfreda House in Shrub End.

### 9(iv) **Request for Delegated Authority for the Award of Housing Revenue Account Contracts 2021** 205 - 210

Cabinet will consider a report seeking delegation of powers to the Portfolio Holder for Housing to approve the award of Housing Revenue Account contracts as they arise

### 9(v) **Request for Delegated Authority for New Utilities and Energy Bureau" Contracts** 211 - 214

Cabinet will consider a report inviting it to delegate authority the provision of utilities and an "Energy Bureau Service" to the Portfolio

Holder for Business and Resources, in consultation with the Portfolio Holder for Housing.

**10 Culture and Performance**

**10(i) Half Year 2020-21 Performance Report including Progress on 2020-2023 Strategic Action Plan** 215 - 280

Cabinet will consider a report setting out the mid year corporate performance for 2020-21, including progress in delivering Key Performance Indicators and an update on the Strategic Plan Action Plan.

**11 General**

**11(i) Progress of Responses to the Public** 281 - 282

Cabinet will consider a report summarising the responses made to Have Your Say! submissions at Council and Cabinet meetings.

**12 Exclusion of the Public (Cabinet)**

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example 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)**

**13 Business and Resources - Part B**

**13(i) Matters Relating to Third Party Rights at Queen St and the Alumno Development - Part B**

Cabinet will consider a report providing exempt information in support of the report in Part A of the agenda which seeks Cabinet's authorisation to appropriate for planning purposes, the land known as the former Bus Station and St James's House, Queen Street pursuant to section 122(1) of the Local Government Act 1972 in

order to facilitate redevelopment in accordance with the recently granted planning permission or any redevelopment achieving similar regeneration of the land



**27 January 2021**

<b>Report of</b>	<b>Assistant Director of Customer</b>	<b>Author</b>	<b>Jason Granger</b> ☎ 508824
<b>Title</b>	<b>Test and Trace Support Payments – Local Scheme</b>		
<b>Wards affected</b>	<b>All Wards</b>		

## 1. Executive Summary

- 1.1 Colchester Borough Council administers Test and Trace Support Payment Schemes to support residents who are unable to work from home if they are told to self-isolate due to Covid-19 and will lose income as a result. There is a main scheme and a discretionary scheme with criteria being broadly defined by central government guidance.
- 1.2 From January 2020, Essex County Council has made available additional funding to districts and this funding is aimed to top up the central government discretionary schemes.
- 1.3 Colchester Borough Council has sought permission from Essex County Council to use this new funding not only to supplement the existing discretionary scheme but to also introduce even wider eligibility which will allow us to support more residents. To do this a local scheme has been developed for Colchester residents.

## 2. Recommended Decision

- 2.1 To agree to the Test and Trace Support Payment Local Scheme Policy and the associated funding allocation.
- 2.2 To avoid any delay in payments under the new local scheme an urgent Cabinet decision is being sought in accordance with Cabinet procedure rule 22.

## 3. Reason for Recommended Decision

- 3.1 To implement the Test and Trace Support Payment Local Scheme and the associated funding allocations.

## 4. Alternative Options

- 4.1 Funding could be solely allocated to the central government discretionary scheme. This would not allow for wider eligibility to be introduced and this could in turn affect our ability to best support resident's.

## **5. Background Information**

### **5.1 Central Government Schemes**

Residents are entitled to a Test and Trace Support Payment of £500 if they:

1. Have been asked to stay at home and self-isolate by NHS Test and Trace, either because they have tested positive for Covid-19 or have recently been in close contact with someone who has tested positive
2. Are employed or self-employed
3. Are unable to work from home and will lose income as a result
4. Are currently receiving Universal Credit, Working Tax Credit, income-based Employment and Support Allowance, income-based Jobseeker's Allowance, Income Support, Housing Benefit and/or Pension Credit.

Additionally, a discretionary scheme payment of £500 is available to those who can satisfy 1-3 above however are not in receipt of a benefit listed under 4. To be considered for a discretionary payment a resident will also need to evidence hardship due to the requirement to self-isolate.

### **5.2 Colchester Borough Councils Proposed Local Scheme**

The new Test and Trace Support Payment Local Scheme will still require residents to satisfy (1) above. However, this Local Scheme will be open to those who are not currently employed or self-employed. The resident will need to demonstrate a reduction of income or increase in expenditure due to the fact of having to self-isolate and explain how this will/has led to financial hardship.

5.3 Introducing this new local scheme to those who are currently unemployed or retired will allow us to support many more residents in need of temporary financial assistance and bolster the efforts to contain the spread of the virus.

5.4 It is proposed the new funding allocation from Essex County Council is used predominately to fund the new local scheme, with a proportion to be allocated to the central government discretionary scheme to ensure we can still widely support eligible residents.

5.5 The administration of the new scheme falls within the funding allocation for the main and discretionary scheme.

## **6. Equality, Diversity and Human Rights implications**

6.1 There are no specific implications relating to equality, diversity or human rights.

## **7. Strategic Plan References**

7.1 The Council's Strategic Plan sets out four themes, one of which being: 'Wellbeing - Making Colchester an even better place to live and supporting those who need most help' The Test and Trace Support Payments - Local Scheme will help residents are told to self-isolate and will lose income, or face and increase in expenditure, as a result.

## **8. Consultation**

8.1 We have been operating the central government schemes since October 2020 and we have received feedback from applicants, members, community leaders and third sector partners. This feedback has been used to help shape the new local scheme to offer wider support to residents.

## **9. Publicity Considerations**

- 9.1 A communications plan has been developed to ensure that eligible residents and relevant partners are made aware of the new local scheme. It is also planned to promote the schemes at local Covid-19 testing sites.

## **10. Financial implications**

- 10.1 Essex County Council have accessed funding from the Government's Contain Outbreak Management Fund and have distributed £3m across Essex districts on a per capita basis for Test and Trace Support Payments. Please note that a further £1m contingency fund has been set aside by Essex County Council to top-up allocations as required.

- 10.2 Colchester Borough Council has been allocated £390,839. It is recommended the funding is broadly split as follows:

<b>Test and Trace Funding Allocation</b>	<b>Amount</b>
New Local Scheme	£300k
Existing Discretionary Scheme	£90k

- 10.3 To date we have been allocated £93k from central government to fund the Discretionary scheme. It is unlikely further funding will be forthcoming. It is proposed £90k is earmarked from Essex County Council funding to ensure the Discretionary scheme is sufficiently funded to 31 March 2021.
- 10.4 It is recommended the funding allocations are reviewed regularly by the operational leads and flexibility is allowed in how funding is allocated between the new Local Scheme and the existing Discretionary Scheme dependant on prevalence and demand. Additionally, we will keep under review the demand on the scheme to make sure we can provide support to all eligible applicants and consider a variation of award level if necessary.

## **11. Health, Wellbeing and Community Safety Implications**

- 11.1 The payments under these schemes are designed to support people who will lose income and suffer financial hardship as a result of self-isolating. This is important to help stop the transmission of Covid-19 and avoid further economic and societal impacts.

## **12. Health and Safety Implications**

- 12.1 There are no health and safety implications.

## **13. Risk Management Implications**

- 13.1 Applications and supporting information will be verified which will help drive out fraud and error. This will be supplemented by a pre and post-payment checking regime.

## **14. Environmental and Sustainability Implications**

- 14.1 There are no environmental and sustainability implications.

## **Appendices**

- Test and Trace Support Payments - Local Scheme Policy







# Colchester Borough Council

## Self-Isolation Local Payment Scheme

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## Definitions

The following definitions are used within this document:

**‘Applicant’**; means the individual making an application for a payment under this scheme;

**‘Contact Tracing and Advice Service (CTAS)’**; means the web-based system used by Public Health England to contact and trace individuals who are required to self-isolate;

**‘CTAS Account ID’**; means the unique number provided by Public Health England through the Contact Tracing and Advice Service (CTAS);

**‘COVID-19’**; means the infectious disease caused by the most recently discovered coronavirus;

**‘face financial hardship’**; a key criterion of the Test and Trace Discretionary Payments Scheme is that all applicants will, if not for the payment, face financial hardship solely due to their need to self-isolate;

**‘NHS Test and Trace’**; means the service provided to the National Health Service in England, established in May 2020 to track and help prevent the spread of COVID-19;

**‘Pension Credit’**; means the means-tested Guarantee or Savings Credit administered by the Department for Work and Pensions under the State Pension Credit Regulations 2002;

**‘Self-isolation, Self-isolate’**; means the legal requirement for an individual to self-isolate when told to by NHS Test and Trace or the NHS COVID-19 app and the legal duty to self-isolate under the Health Protection (Coronavirus, Restrictions) (Self-Isolation) (England) Regulations 2020 which came into force on 28<sup>th</sup> September 2020;

The Council’s **‘Self-Isolation Local Payment Scheme’**; means the scheme developed by the Council to make payments to certain residents who are not able to obtain an award from either the **Test and Trace Payment Scheme (the ‘Standard Scheme’)** or the **Test and Trace Discretionary Payments Scheme’ (‘Discretionary Scheme’)**

**‘Test and Trace Support Payment Scheme’ (‘Standard Scheme’)**; means the Standard Scheme introduced by Government on 28<sup>th</sup> September and administered by Local Authorities;

**‘Test and Trace Discretionary Payments Scheme’ (‘Discretionary Scheme’)**; means the Test and Trace Discretionary Payments Scheme which has been agreed by the Council and which *may* be available for individuals who are unable to access the ‘Standard Scheme’.

## 1. Background to Self-Isolation, Test and Trace Payments and the Council's Self Isolation Local Payment Scheme

- 1.1 In 2020, Government introduced legislation so that certain people will have to self-isolate due to the current COVID-19 crisis.
- 1.2 This package of measures was designed to ensure that those who are required to self-isolate, do so and that those on a low income receive a payment to assist their finances and to encourage compliance with the legislation.
- 1.3 The Council currently administers two schemes on behalf of the Government as follows:
  - (a) The **Test and Trace Support Payments Scheme** (the **Standard Scheme**) for those eligible applicants who are in receipt of Housing Benefit, Income support, income-based jobseeker's Allowance, income-related Employment and Support Allowance, Working Tax Credit, Pension Credit or Universal Credit (the qualifying benefits); and
  - (b) The **Test and Trace Discretionary Payments Scheme** (the **Discretionary Scheme**) for those applicants who are **not** in receipt of any of the qualifying benefits but who will face financial hardship while they are self-isolating.
- 1.4 The Council recognises that self-isolation is one of the most powerful tools for controlling the transmission of the Covid-19 virus and has therefore decided to set up an independent and separate scheme called the Self Isolation Local Payment Scheme (the Local Scheme).
- 1.5 This local scheme is **in addition** to the two national schemes already in place and is designed to assist all residents who have been told to self-isolate but who are unable to receive an award from either of the two Government defined schemes.
- 1.6 This new scheme is specific to Colchester Borough Council and, whilst it does have similarities to the national schemes, is funded separately by the Council in conjunction with Essex County Council.
- 1.7 This document details who will be eligible for a payment under the **Self Isolation Local Payment Scheme**. It should be noted that this scheme will be effective from 25<sup>th</sup> January 2021 until 31<sup>st</sup> March 2021 only.
- 1.8 Residents who receive a payment under either the Standard Scheme or Discretionary Scheme (as specified in 1.3) will **not** be eligible for a payment under the Council's Self-Isolation Local Payment Scheme.

## 2. An overview of the Council's Self-Isolation Local Payment Scheme (The Local Scheme)

2.1 From 25<sup>th</sup> January 2021, individuals will be entitled to a payment of £500 from the Council's Self Isolation Local Payment Scheme if they meet **all** the eligibility criteria listed below:

- (a) They make an application to the Council in the prescribed manner and provide all the evidence and verification required;
- (b) Are 16 years or more and are resident within the Council's area;
- (c) Have been told to stay at home and self-isolate by NHS Test and Trace, either because they have tested positive for coronavirus or have recently been in close contact with someone who has tested positive;
- (d) Comply with the legal requirement to self-isolate;
- (e) Have **not** been awarded a payment from either the Government's standard scheme or the discretionary scheme;
- (f) Are **not** either employed or in self-employment;
- (g) Demonstrate that they will incur a reduction in income or additional expenditure as a result of their self-isolation and this will lead to financial hardship; and
- (h) Have no more than £16,000 capital.

2.2 In exceptional cases and, **at the total discretion of the Council**, a payment may be made where either:

- The resident has made an application under the standard or discretionary scheme, and would qualify under either of those schemes but has been declined a payment solely due to the fact that their application was received out of time to make the payment; **or**
- The resident has made an application under the standard or discretionary scheme and would qualify under either of those schemes but has been declined a payment solely due to the failure in administration in issues relating to the allocation of the CTAS reference or failure to complete details on the contact tracing.

2.3 Further details regarding eligibility are shown in Section 7.

### 3. Commencement of the Self-Isolation Local Payment scheme and scheme closure

#### Commencement

- 3.1 This scheme is available to all individuals who meet the eligibility criteria for this scheme who are told to self-isolate **on or after** 25<sup>th</sup> January 2021.

#### Scheme closure

- 3.2 The scheme will end on 31<sup>st</sup> March 2021 or at such earlier time should the funding allocated be exhausted.

### 4. Applying for a Self-Isolation Local Payment

- 4.1 Individuals who are resident within the Council's area *may* make an application for a payment under this scheme. In all cases, the 'applicant' will be required to answer **all** of the questions asked and provide the information required by the Council in the specified timescale.
- 4.2 In order to receive a payment, all applicants must meet the full eligibility criteria, details of which are shown within Section 7 of this scheme. The applicant will be required to self-verify certain criteria and also confirm that they will comply with the self-isolation requirements set by Government.
- 4.3 Where the applicant fails to meet the eligibility criteria, they will not receive a payment and will be informed of this by the Council, either at the point of application or as soon as practicable thereafter.
- 4.4 Where the applicant is successful, the Council will notify them accordingly and make payment in line with the timings and methods shown in Section 8.
- 4.5 Applications can **only** be accepted from individuals who are resident in the Council's area.
- 4.6 Applications will be accepted from a third party in respect of any individual who meets all the eligibility criteria for a payment. However, the following should be noted:
- The person making the application will need to provide evidence of their identity and also the reason why they are applying on behalf of another person; and
  - That any payment **must** only be made by the Council to the person who is self-isolating. No payment will be made to a third party under any circumstance.
- 4.7 All applications shall be made online using the Council's dedicated webpage [www.colchester.gov.uk/coronavirus/support-payment](http://www.colchester.gov.uk/coronavirus/support-payment). There are no paper or other types of application processes; however, should individuals experience difficulties in

making any application, they should contact the Benefits team for assistance on 01206 282600

## **5. Time limits for making an application for a payment**

- 5.1 No application for a self-isolation local payment can be made before the 25<sup>th</sup> January 2021.
- 5.2 Eligible individuals can apply for a self-isolation local payment at any time up to 28 days from the first date of their self-isolation. The Council will **not** accept any applications after that point.
- 5.3 Due to the end date of the scheme, no applications will be allowed after 31<sup>st</sup> March 2021.

## **6. Multiple claims within the household**

- 6.1 Individuals in the same household can each make an application to receive a self-isolation local payment if they each meet all the eligibility criteria in full.
- 6.2 Applications will be limited to one per eligible resident for the life of the scheme.

## **7. The eligibility criteria and evidence required for a Self-Isolation Local Payment.**

- 7.1 For a payment to be made under this local scheme, all of the criteria **must** be met. As with the application form itself, all evidence will need to be provided electronically. The Council provides facilities for all applicants to upload documents, evidence and photographs.
- 7.2 Where documentation is only held in 'hard copy' or paper form, the Council will accept digital images or photographs provided they show all the relevant information.
- 7.3 The Council will keep all information supplied by applicants, secure and in accordance with Data Protection legislation.
- 7.4 As mentioned in Section 4, a valid application must be made via the Council's website [www.colchester.gov.uk/coronavirus/support-payment](http://www.colchester.gov.uk/coronavirus/support-payment). All applicants will be required to provide details sufficient to identify themselves, their address and to allow the Council to contact them including:
  - Full name;
  - Address;
  - National Insurance Number;
  - Contact details

- 7.5 In addition to the above, all applicants will be required to submit a copy of their current bank statement(s) in order to:
- Verify that their income has reduced due to having to self-isolate; and
  - Provide details of the bank account number and sort code of the account into which a payment would be made.

**Applicants must be 16 years old or more and a resident within the Council's area**

- 7.6 The applicant must be at least 16 years old and will be required to verify that they have their sole or main residence in the Council's area. The Council will check other records held (and make other enquiries where appropriate) to determine this.
- 7.7 Where necessary, the Council will ask the applicant to provide additional evidence of residence.

**Applicants must have been told to stay at home and self-isolate by NHS Test and Trace, either because they have tested positive for coronavirus or have recently been in close contact with someone who has tested positive**

- 7.8 A key requirement of the scheme is that the applicant has been instructed by the NHS Test and Trace service to stay at home and self-isolate either because:
- they have tested positive for COVID-19 (coronavirus); or
  - have recently been in close contact with someone who has tested positive.
- 7.9 All applicants will be required to provide the 8-digit unique ID number which has been provided to them by NHS Test and Trace.
- 7.10 For information, the NHS Test and Trace service uses the Contact Tracing and Advice Service (CTAS) to record information about people who have tested positive for COVID-19 and their contacts. The CTAS Account ID is an 8-character identifier unique to each case (e.g. 3b1a3015c). Most individuals who test positive for COVID-19 or are a contact of someone who has had a positive test, will receive a digital invitation from the CTAS system to undertake the contact tracing journey.
- 7.11 All cases and contacts who have completed the contact tracing journey (including those who were ineligible for the digital invitation such as children or individuals with a landline number only) will receive a citizen advice message upon completion of the NHS Test and Trace questionnaire. The citizen message (sent either via a text message/email or postal service for people with no access to mobile phone or email) contains the 8-character Account ID.
- 7.12 The Council will require the applicant to provide a valid Account ID produced by the Contact Tracing and Advice Service. Only this number will allow an application to be processed.



- 7.13 It should be noted that there is a legal duty to self-isolate which only applies to people who have been told to self-isolate by NHS Test and Trace.
- 7.14 Where the applicant has had difficulty in engaging the CTAS, the Council should be informed. This is particularly important if there is a failure to engage due to administrative difficulties.
- 7.15 This scheme does not cover people who are self-isolating after returning to the UK from abroad, unless they have tested positive for COVID-19 (coronavirus) or have been instructed to self-isolate by NHS Test and Trace.

**Applicants must not have been awarded a payment from either the Government's standard scheme or the discretionary scheme**

- 7.16 An applicant will not be entitled to a Self-Isolation Local Payment if they have been awarded a payment from either the standard scheme or discretionary scheme.

**Applicants must not be either employed or in self employment**

- 7.17 The applicant must **not** be in either employment or self-employment at the date of their self-isolation. The Council will require the applicant to verify this at the point of application.
- 7.18 For the sake of clarity, the applicant must verify that they are neither subject to a contract of employment or registered as self-employed.

**Applicants must incur a reduction in income or additional expenditure which will lead to financial hardship**

- 7.19 All applicants will have to demonstrate that they will incur a reduction in income or additional expenditure as a result of their self-isolation and this will lead to financial hardship.
- 7.20 The Council will require all applicants making an application for a self-isolation local payment to provide evidence that their income has reduced or that they have incurred / or likely to incur additional expenditure due to the need to self-isolate.

Applicant must have no more than £16,000 capital.

- 7.21 The applicant must not have greater than £16,000 in capital. For the sake of clarity, capital will be calculated in accordance with the rules for Housing Benefit.

#### Eligibility - General

- 7.22 The Council will need to be satisfied that any applicants meet all the conditions above in full and provide such information that the Council may require.

### **8. How much self-isolation local payment will be paid, methods of payment and timings.**

- 8.1 Where an applicant meets all of the eligibility criteria for a self-isolation local payment, a single amount of £500 shall be paid. Payments will be made direct to the applicant's bank account within 3 days.
- 8.2 Where further information or evidence is required from the applicant, the Council will look to make payment within 3 days starting with the date when all of the required information is received.
- 8.3 Full details of the applicant's bank account must be supplied on the application form and this will be cross checked with the copies of the bank statements provided as part of the verification process.
- 8.4 Payments can only be made to the applicant's bank account. No payments can be made to third parties whatsoever.
- 8.5 The Council is aware that in some cases, applicants may be overdrawn and may not be able to gain access to the payment. In these cases, the applicant should contact their bank and request a protection of payments under a 'first right of appropriation of funds order'.

### **9. Notification of Decisions**

- 9.1 Applications for a self-isolation local payment will be considered by officers of the Council and all decisions made by the Council shall be notified to the applicant either in writing or by email.

### **10. Implications for other benefits and reductions**

- 10.1 The Council has been advised by the Department for Work and Pensions (DWP) that all local welfare payments of this type will be disregarded for the purposes of all means-tested benefits.

- 10.2 The Council has decided that any payment made under this scheme shall not affect entitlement to Local Council Tax Support.

## **11. Review of Decisions**

- 11.1 Whilst there is no statutory appeal process, the Council will operate an internal review process and will accept an applicant's request for an appeal of its decision by a senior officer.
- 11.2 All such requests must be made in writing to the Council, within 3 days of the Council's decision, and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the applicant's appeal. The application will be reconsidered as soon as practicable, and the applicant informed in writing or by email of the decision.

## **12. Complaints**

- 12.1 The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.

## **13. Funding of the Self Isolation Local Payment Scheme**

- 13.1 The Council has received funding from Essex County Council to provide this scheme. This is in addition to funding provided directly by the Borough Council, including the provision of all administration costs .
- 13.2 As self-isolation local payment funds are limited, the Council reserves the right to change the scheme at any time to ensure funds go to those who face the most financial hardship.

## **14. Taxation and provision of information to HMRC**

- 14.1 The Council understands that these payments will be subject to tax.
- 14.2 The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position.
- 14.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to individuals.

## **15. Managing the risk of fraud**

- 15.1 Colchester Borough Council will make the necessary checks to ensure payments can be verified and have been made correctly. The council will utilise a number of databases to verify information in connection with any application submitted.

## **16. Recovery of amounts incorrectly paid**

- 16.1 If it is established that any self-isolation local payment has been made incorrectly due to misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

## **17. Delegated Powers**

- 17.1 Officers of the Council will administer the scheme and reserves the right to make technical scheme amendments to ensure it continues to meet the criteria set by the Council.

## **18. Data Protection and use of data**

- 18.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.

<p style="text-align: center;"><b>CABINET</b> <b>23 November 2020</b></p>
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*Present:* - Councillor Cory (Chairman)  
Councillors Fox, Goss, Higgins, King, Lilley and J. Young.

*Also in attendance:* - Councillors Barlow, Dundas, G. Oxford and Scordis

#### **515. Minutes**

*RESOLVED* that the minutes of the meeting held on 14 October 2020 be confirmed as a correct record.

#### **516. Have Your Say**

Alan Short addressed Cabinet pursuant to the provisions of paragraph 5(1) of the Remote Meetings Procedure Rules. The Cabinet decision on 3 June 2020 was not to appropriate land at Queen Street, but for officers and the Portfolio Holder to negotiate with rights holders. Despite this, Colchester Amphora subsequently made an announcement that it would appropriate the land, which was contrary to the Cabinet decision. Appropriation of rights was a very serious decision and should be taken by Councillors. The Council had refused to publish the objections that were made or make them available to ward councillors. This should be done with any sensitive information redacted. Concern was also expressed that the Mayor Making meeting on 21 October 2020 went ahead, despite the Covid 19 restrictions in place at the time. He queried why the Cabinet nominated Councillor T. Young to be Mayor when he had lost the confidence of his Group.

Councillor King, Portfolio Holder for Business and Resources, stressed that the Alumno scheme needed to be seen in the context of the economic benefits and significant inward investment it would bring, at a time when this was badly needed. The process needed to be as open as possible, but the Council had to consider the constraints imposed through GDPR. The Council would share what it could at the appropriate time.

Councillor Higgins, Portfolio Holder for Commercial Services, explained that she considered being Mayor of the Borough of Colchester was a great privilege. The process for nominating a Mayor was set out in a protocol, and the key consideration was length of service. Under the protocol, it was Councillor T. Young's turn to be Mayor and he had indicated that he understood the responsibilities of the Mayoralty, and he had been supported on that basis.

Adrian Pritchard, Chief Executive, was invited to respond on the issues raised about the arrangements for the Mayor Making meeting. The Mayor, the Mayor Elect and the Deputy

Mayor Elect had attended with partners from their family bubbles, together with three officers. Appropriate social distancing had been maintained throughout the meeting. The regulations provided for Covid secure business meetings to continue. He was satisfied that the meeting had been Covid secure and the meeting was therefore permissible in accordance with the regulations.

Nick Chilvers addressed Cabinet pursuant to the provisions of paragraph 5(1) of the Remote Meetings Procedure Rules. Colchester had seen considerable levels of new housing development, some of which were high value. Consideration needed to be given to how to engage with these new residents and entice them into the town centre. The Council needed to look at issues such as the convenience and frequency of bus services, Park and Ride and car parking prices. If new residents were not made to feel welcome or barriers were put up, they would take their spending power elsewhere. In order to thrive improved road capacity was needed and the town centre car parks needed to be full. There needed to be better connectivity and a sense of belonging generated.

Councillor King, Portfolio Holder for Business and Resources, explained that the Council was seeking to make the town centre an attractive environment. It was accepted that car use was an important issue to many and the Council's policies were not anti-car. Sustainable transport links were being improved. The Council was working with businesses and the BID to market and promote the town centre and it was hoped that over the next couple of years, a greener and more attractive town centre would develop.

Councillor Scordis attended and with the consent of the Chairman addressed the Cabinet. He reported different standards in the delivery of recycling equipment between Zones 5 and 6. Given the closure of Paxmans, what steps were being undertaken to attract green companies to Colchester so it could become a hub of innovation again.

Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, explained that he would look into the issue on the delivery of recycling equipment. Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, explained that the terms of reference of the Environment and Sustainability Panel included working towards being a beacon and leader in the region on green initiatives and ensuring business and government were aware of the Council's willingness to work on green initiatives. He would like the Panel to look at an Industrial Strategy based on green initiatives. Councillor King, Portfolio Holder for Business and Resources, acknowledged that the loss of Paxmans was a blow. It was important that Colchester remained an attractive place to invest and marketed itself properly to government and business and to show it had the necessary skills and support for businesses to flourish.

Councillor Dundas attended and with the consent of the Chairman, addressed the Cabinet to request further information about the reasons for the transfer of £800K from Colchester Northern Gateway South to Colchester Northern Gateway North. He also sought further information around the details of procurement of replacement vehicles. It was noted that some of these vehicles would be used Colchester Amphora Trading Ltd and sought a reassurance that this was done through a proper commercial arrangement and charged at a commercial rate. It was important that options around leasing such vehicles were looked at properly and full account was taken of maintenance costs.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, indicated that

these points would be responded to fully when the items were considered later in the meeting.

Councillor G. Oxford attended and with the consent of the Chairman, addressed the Cabinet. He expressed concern that at the junction of the Boulevard with Mill Road, It had been discovered that because of pipe work, the junction would need to be raised by 1-2 metres which would have an impact on the Rugby Club building which was due to be converted into a Community Centre. Concerns were also raised about the potential impact of the increase in car parking charges on those with disabilities. It was also noted that in the recommendations relating to heritage there was no reference to Colchester as Britain's 1<sup>st</sup> City.

Councillor Higgins, Portfolio Holder for Commercial Services, explained that the change in levels would not have an impact on the Community Centre. The different levels would be incorporated into the building which would be compliant with equalities legislation.

Councillor Lilley, Portfolio Holder for Communities, Wellbeing and Public Safety, explained that the provisions in respect of disabled parking had not changed.

#### **517. Review of Management Agreement with Colchester Borough Homes (CBH)**

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

Councillor Fox, Portfolio holder for Housing, introduced the report and made a presentation to Cabinet. The recommendation to renew the management agreement with Colchester Borough Homes followed a very rigorous process, which had included tenant engagement and workshops with Colchester Borough Councillors. The presentation highlighted the excellent performance and value for money provided by Colchester Borough Homes in comparison with other housing companies in the region, and the key contribution it had played in the community response to the Covid 19 pandemic. Since 2007 it had provided excellent service and value for money for Colchester's residents

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, and Councillor J. Young, Portfolio Holder for Culture and Performance, expressed their support for the recommendation, Colchester Borough Homes had demonstrated outstanding leadership and the Decent Homes programme had made a huge difference to the quality of residents' lives.

*RESOLVED* that:-

(a) The management agreement dated 9<sup>th</sup> August 2013 and made between Colchester Borough Council and Colchester Borough Homes Limited be extended in accordance with its terms for a further 5 years beyond the end of the current 10-year term, taking the termination date to 8th August 2028.

(b) The next scheduled review of the Management Agreement will be due in 2026.

*REASONS*

The Council has good governance arrangement in place to manage the relationship with Colchester Borough Homes. CBH also has an effective Board which further strengthens the governance arrangements. This has contributed to improvements in performance over the last 7 years. The review of the agreement at this time has provided further evidence of this, including feedback from tenants and Councillors, confirming that CBH are performing well and achieving value for money. Performance is mostly in the top quartile when compared to other social housing providers, including local authorities. CBH's costs of service delivery is also low compared to its peers. Therefore, the option to extend the term is a positive response and allows CBH and Colchester Borough Council (CBC) to plan for the medium term based on the evidenced provision of good services at low cost.

A contract extension will enable CBC and CBH to undertake longer term planning such as setting the Capital Investment Programme (as part of the Asset Management Strategy which is due for review in 2021) and re-setting service delivery targets for a further five years to 2027, with the current targets set out in the Medium Term Delivery Plan expiring in March 2022.

### *ALTERNATIVE OPTIONS*

Not to extend the Management Agreement; leaving the current agreement to expire in August 2023 would require the Council to immediately start planning for alternative models such as bringing the operations back "in-house". There is no clear benefit to drafting a new agreement within the next 12 to 18 months or conducting a full options appraisal on alternative service delivery models.

To only agree to an extension period of less than five years; given the strong performance of CBH, and that the current management agreement is operating well, a shorter extension period would not provide stability and opportunity for longer term planning. The Management Agreement also stipulates that a further review will take place 2 years prior to the end of any extension period granted. So, an extension of, say, 3 years would mean that a further review would start after only 1 year of the extended term having elapsed.

## **518. Climate Emergency Response: Housing Investment Programme Works**

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

Councillor Fox, Portfolio Holder for Housing, highlighted that it was proposed to invest £4.4 million in Council homes to help deliver on the Council's commitment to the climate emergency. Hundreds of properties across the borough would benefit from a range of measures including more energy efficient heating systems, better insulation and air source heating pumps. The work would be managed by Colchester Borough Homes. There would be benefits to residents as homes would be cheaper to heat. The programme would also help stimulate the local economy and help the recovery from Covid 19 by providing work for local contractors.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, and Councillor J. Young, Portfolio Holder for Culture and Performance, expressed their support for the recommendation. The programme was a demonstration of the administration's



commitment and leadership in tackling climate change. The reduction in tenants fuel bills would help provide real economic benefits to the most vulnerable residents.

*RESOLVED* that:-

- (a) The additional budget estimate of £4.4m (actual cost subject to procurement) for “HIP Climate Emergency Response Works” be initially approved in order to improve energy performance of existing affordable homes as outlined and that provision be included in the HRA and HIP annual budget reports to be considered by Cabinet in January.
- (b) The new HRA Asset Management Strategy and HRA Business Plan, due in 2021, should seek to include a continuing commitment towards energy efficiency works over a longer period of time.
- (c) It be noted that the Climate Emergency Response HIP Package of Works would be managed by Colchester Borough Homes.

#### *REASONS*

These Climate Emergency Response Works will contribute to the Council's wider ambitions for carbon reduction. It aims to make properties more energy efficient, producing less carbon, and make it cheaper for tenants to heat their homes.

The Council's housing is better than most comparative stock both regionally and nationally, having an average “C” rating EPC. However, the Council housing stock is identified as the top producing carbon emitter within the Council. In the portfolio of homes, there are some older and poorer performing homes that can be improved to make a significant difference that will contribute towards the Council becoming carbon neutral by 2030, but more importantly improve the quality of life and affordability for tenants in those homes.

This package of works will also provide another opportunity to create more local employment and assist with the economic recovery of the town post Covid-19 by encouraging local contractors to bid and using social value within the tender process.

Ongoing work, including the planned review of the HRA Asset Management Strategy and the 30-year Business Plan that will take place throughout 2021, will build on the model of work through this initiative with improvements

#### *ALTERNATIVE OPTIONS*

Do nothing: However, this would not take an opportunity to improve the current affordable homes, benefit tenants, contribute towards the Council's climate emergency declaration targets or help create local employment to aid economic recovery.

Increase existing planned HIP works instead of creating new works: Initially consideration was given to accelerating delivery of the coming four years Housing Investment Programme over the next two years. However, the long-term consequences of skewing

the Council's cyclical investment programme and creating a peak of investment which would then reoccur into the future were considered too significant and would also not contribute towards the climate emergency response.

Undertake more works: However, this package has been created as additional investment, whereby it would be more sustainable and balanced to consider more works over a wider scale and longer term incorporated into the planned HRA Asset Management Strategy and Business Plan starting in 2021.

#### **519. The Northern Gateway Heat Network: Project and Finance Update**

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

*RESOLVED* that:-

- (a) The good progress made to date, as well as the ongoing risk implications for the Council arising from the updated project be noted.
- (b) Authority for the appointment of a contractor for the Energy Centre and related Heat Network infrastructure (as well as any consequential financial, legal, contractual or other related matters for the completion of the project) be delegated to the Portfolio Holder for Commercial Services and Assistant Director for Place and Client Services provided that returned construction tenders are within the budget update estimates in the not for publication Appendix in Part B of the agenda.

#### *REASONS*

To provide Cabinet with an update on the progress of the project and future issues, illustrating how this project provides a major focus for delivery on the Council's Climate Change and Sustainability ambitions.

To ensure that contracts are delegated to the Portfolio Holder for Commercial Services and the Assistant Director to allow awards to be made without delay to the project.

#### *ALTERNATIVE OPTIONS*

To allow the requirements to award the contract to be subject to our current arrangements, which would mean having to bring the decision to award a contract to a meeting of Cabinet. This could delay the award of the contract and negatively affect the project timeline.

#### **520. Colchester Commercial Stadium Limited**

The Assistant Director, Corporate and Improvement Services submitted a report a copy of which had been circulated to each Member.

Councillor Barlow attended in his capacity as the Council's representative on the Board of Colchester Community Stadium Ltd. He explained that when the stadium was originally built it had been envisaged that there would be a large number of different users, so there had been a need for an umbrella management company. However, it had developed in a more linear way with Colchester United Football Club as the key tenant. Notwithstanding this, the stadium was a very useful community asset. However, it would now be more appropriate to close Colchester Commercial Stadium Ltd and move into a more direct relationship with Colchester United as tenants. There would also be a small financial saving from the closure of the company.

Councillor Higgins, Portfolio Holder for Commercial Services, indicated her support for the recommendation and thanked Councillor Barlow for his comments and service on the Board of Colchester Community Stadium Ltd.

*RESOLVED* that:-

- (a) The Council, as shareholder, approves taking the necessary steps to close Colchester Commercial Stadium Limited (CCSL).
- (b) Delegated authority be given to the Strategic Governance Manager, in consultation with the Portfolio Holder for Business and Resources to finalise all the necessary actions required to close CCSL.

#### *REASONS*

A more proportionate vehicle of property management is now appropriate given that CCSL was established 12 years ago for the specific reason of providing governance during the critical early years of development and occupation of the Stadium.

The saving in Company overheads will mean additional income for Colchester Borough Council. This is particularly important in the context of falling income streams.

#### *ALTERNATIVE OPTIONS*

Do nothing and allow CCSL to continue. This is not recommended for the reasons stated in the Assistant Director's report.

### **521. Local Council Tax Support Scheme 2021 – 2022**

The Assistant Director, Customer submitted a report a copy of which had been circulated to each Member.

Councillor King, Portfolio Holder for Business and Resources, stressed the importance of the Local Council Tax Support Scheme. It was one of the most generous schemes in Essex and helped over 9000 residents in the borough. In view of the economic consequences of the Covid 19 pandemic it would help even more residents in 2021-22. It was a demonstration of the administration's commitment to the most vulnerable, in the line with its Strategic Priorities.

*RESOLVED* that:-

- (a) The current working age entitlement be maintained for the fiscal year effective from 1 April 2021.
- (b) It be noted that the only amendments from the current scheme are the prescribed regulations and mandated national legislative amendments.

*RECOMMENDED TO COUNCIL* that the Local Council Tax Support Scheme be approved and adopted.

#### *REASONS*

Legislation requires that the scheme, effective from 1 April 2021, is agreed by March 2021.

#### *ALTERNATIVE OPTIONS*

Changes could be made to the scheme. However, stability to the scheme is being recommended as this will provide residents with support and consistency within the context of the Covid-19 pandemic and the resultant financial instability.

### **522. Officer Pay Policy Statement for 2021/22**

The Assistant Director, Corporate and Improvement Services submitted a report a copy of which had been circulated to each Member.

Councillor King, Portfolio Holder for Business and Resources, stressed the importance of the Officer Pay Policy Statement in terms of transparency. He drew particular attention to the pay multiplier, which demonstrated that pay to senior staff was either in line or slightly below that of peer organisations. In view of the size of the borough and the scale of the challenges faced this demonstrated good value for money. The gender pay gap was in favour of women. The Council's commitment to the Living Wage for its employers and contractors made a real difference to living standards.

Concern was expressed about the impact of the £95,000 cap on public sector exit payments which would effectively penalise long serving staff on mid-range salaries.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, Councillor Higgins, Portfolio Holder for Commercial Services and Councillor Fox, Portfolio Holder for Housing, supported the Officer Pay Policy Statement and noted in particular the gender pay gap, and reiterated the concerns around the exit gap.

Cabinet expressed its thanks to all officers for their hard work throughout the year dealing with the challenges of the Covid 19 pandemic.

*RECOMMENDED TO COUNCIL* that the Officer Pay Policy Statement 2021/22 be approved and adopted.

#### *REASONS*

The Localism Act requires “authorities to prepare, approve and publish pay policy statements articulating their policies towards a range of issues relating to the pay of its workforce, which must be approved by full Council annually. An authority’s pay policy statement must be approved by a resolution of that authority before it comes into force”.

### *ALTERNATIVE OPTIONS*

The only alternative would be to not recommend the approval of the Pay Policy Statement, but that would be contrary to the requirements of the Localism Act.

### **523. Capital Expenditure Progress and Programme Update**

The Assistant Director, Corporate and Improvement Services submitted a report a copy of which had been circulated to each Member.

Councillor King, Portfolio Holder for Business and Resources, introduced the report, which met the Council’s obligation to report on the capital programme and was the precursor to a more detailed report on the programme later in the municipal year. In response to Councillor Dundas’ question about the transfer of funding from Colchester Northern Gateway South to Northern Gateway North, this needed to be seen in the context of a complex project, It was not uncommon on projects of this scale for there to be cost adjustments towards the end of the project and this adjustment was less than 3% of the total value of the work. Covid 19 had had a large impact on the Northern Gateway North project, leading to an elongation of the work and therefore some increased costs. There had also been delays in the gaining section 278 approvals for the works around Junction 28 of the A12 and some issues with power supply and connectivity.

The capital programme was an ambitious and significant programme which would help boost local employment and businesses and help make Colchester a significant destination.

Councillor J. Young, Portfolio Holder for Culture and Performance, and Councillor Fox, Portfolio Holder for Housing, echoed Councillor King’s comments and stressed the importance of the capital programme in delivering on the Council’s strategic priorities. No other district Council in Essex was pursuing such ambitious projects.

*RESOLVED* that:-

- (a) Progress on the capital programme as set out in the Assistant Director’s report be noted.
- (b) The new capital schemes set out in Section 4.1 of the Assistant Director’s report for inclusion in the capital programme be approved.
- (c) The budget transfers and funding requirements set out in Section 4.2 of the Assistant Director’s be approved.

## *REASONS*

The capital programme is monitored for spend and progress throughout the year and is revised and updated annually. This year's update and resubmission will take account of the new schemes noted within this report and the impacts of the coronavirus on contractors, their supply chain, and the resultant costs and target dates for project delivery.

## *ALTERNATIVE OPTIONS*

No alternative options were proposed.

### **524. Fees and Charges 2021 – 22**

The Assistant Director, Corporate and Improvement Services submitted a report a copy of which had been circulated to each Member.

Councillor King, Portfolio Holder for Business and Resources, stressed the importance of fees and charges in funding and supporting high quality services. Given the budgetary challenges facing the Council as a result of the Covid 19 pandemic, it was necessary to increase some fees and charges. Not all fees and charges were increasing, and some increases were statutory rather than being imposed by the Council. The administration had looked at other options for addressing the budgetary challenges it faced and had held a series of workshops with Councillors to explore other approaches. There was no realistic alternative to increasing some fees and charges.

*RESOLVED* that:-

- (a) Fees and charges for 2021/22 as set out in the Appendix to the Assistant Director's report be approved.
- (b) The fees and charges setting mechanism for later years of the Medium-Term Financial Forecast as set out in Section 5.5 of the Assistant Director's report be approved.

## *REASONS*

To respond to the significant budget gap created by corona virus lockdown and the associated recession and the impact of both on Council income

To make reasonable increases in fees and charges that help fund and support Council services.

## *ALTERNATIVE OPTIONS*

Not to update fees and charges. This would reduce the funding available for Council services and necessitate additional savings or service reductions.

## **525. Positive Parking Strategy**

The Assistant Director, Environment submitted a report a copy of which had been circulated to each Member.

Councillor Lilley, Portfolio Holder for Communities, Wellbeing and Public Safety, explained that that Positive Parking Strategy took account of the green agenda and was aimed at supporting the economic recovery from Covid 19. It encouraged the use of car parks outside the town centre. It made use of new technology and, working with the BID, a number of promotions and discounts with local businesses had been developed.

Richard Walker, Parking Partnership Group Manger, presented the Positive Parking Strategy to the Cabinet highlighting the detailed preparatory work that had been undertaken, including a discussion at the Scrutiny Panel. The Strategy would be published as an e-booklet. Environmental issues were a top priority within the Strategy, but it also focused on themes of Growing a Better Economy, Providing Social and Financial Value and Supporting Wellbeing and Social Inclusion.

Councillor Higgins, Portfolio Holder for Commercial Services, expressed her support for the Strategy. Given the constraints of the ancient town centre and air quality problems it was important to focus on parking outside of the town centre and for residents to plan their trips. Councillor Fox, Portfolio Holder for Housing, paid tribute to Councillor Lilley's leadership on the issue of parking, which had struck the right balance in protecting the environment and the rights of those with disabilities whilst supporting town centre businesses.

Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, stressed the role that bus companies had to play in reducing town centre congestion. They needed to offer family friendly pricing policies and cleaner and greener buses. It was important that the Strategy was marketed effectively so that residents were aware of the offers and discounts available. It was also important that pricing was benchmarked against other towns in the region.

Councillor Lilley confirmed that benchmarking was undertaken regularly and that Colchester's offer was not more expensive than Ipswich or Chelmsford.

*RESOLVED* that the Positive Parking Strategy for Colchester be adopted

### *REASONS*

For good governance and to support measures to help mitigate the effects of the Climate Emergency.

### *ALTERNATIVE OPTIONS*

No alternative options were presented to the Cabinet.

## **526. Request for Delegated Authority for the Procurement of Fleet for Helpline, Neighbourhood Services and Pest Control.**

The Assistant Director, Environment submitted a report a copy of which had been circulated to each Member.

Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, introduced the report. The vehicles the Council was seeking to replace were coming to the end of their useful life and were increasingly expensive to maintain. The technology around electric vehicles was now maturing so this was an opportune time to procure. Advice was being taken from the Energy Saving Trust, who had advised on the importance of learning from other authorities, and not to procure electric vehicles for the sake of it. An appropriate procurement route would be selected, although in general terms it was considered that purchasing offered better value than leasing. The cost would be met through existing budgets.

Adrian Pritchard, Chief Executive, explained that the Council provided a number of services to Colchester Amphora, including procurement. It paid approximately £650,000 to the Council for these support services. Helpline would use a number of the vehicles that were subject to this procurement exercise, but would pay the full costs of any such use, as if they were being leased through a private commercial dealer.

*RESOLVED* that authority be delegated to the Chief Operating Officer, in consultation with the Portfolio Holder for Waste, Environment and Transportation to purchase or contract hire twenty one vehicles, including electric and or hybrid for the reasons set out in the Assistant Director's report, and providing the costs can be met from within agreed budgets.

### *REASONS*

The current fleet is coming to the end of the existing lease hire so for operational reasons the Council will need to purchase/lease replacement vehicles.

Due to the types of vehicles and stages within the timescale for procurement in 2020 it is recommended to delegate authority to the Chief Operating Officer in consultation with the Portfolio Holder for Waste, Environment and Transport, to purchase or contract hire the twenty one vehicles, to ensure that there is no risk to the delivery of core Council services.

The Council will carry out a procurement exercise through a specialised framework to determine whether the option to purchase or contract hire is the most cost-effective option.

### *ALTERNATIVE OPTIONS*

The Council could continue to extend the lease hire for existing vehicles, however the extended hire agreement will include conditions relating to damage or failure of any major vehicle components (e.g. engines, gear boxes etc). Due to the age, wear and tear of vehicles such component failure is likely and presents additional risk in terms of finance and operational resilience.



## **527. Heritage Interpretation – Summary of Previous Work and Suggestions for the Future**

Minute 66 of the Policy Panel meeting of 23 September 2020 was submitted to Cabinet a copy of which had been circulated to each Member.

Councillor J. Young made a presentation to the Cabinet of the work being undertaken by the Council in respect of interpretation of historical assets and how the Council markets the borough through heritage. The Council was continuing to look at how it could improve interpretation at a number of sites, including Hilly Fields, St Botolphs and Holy Trinity Church. There was an increased emphasis on digital interpretation and walking trails, and the Visitor Information Centre was introducing a number of new trails and apps this year. The Ancient Colchester app had been developed as part of the refurbishment of the Castle. It was still relevant but she shared the desire to update it. However this would require additional resource, which would be difficult at the current time. The Council looked to link with partners, initiatives such as the Town Fund and section 106 contribution to help secure funding for interpretation.

In terms of marketing through heritage, considerable work was already underway. Heritage was already threaded through the Council's core marketing, such as the Visitor Guide and through one off campaigns such as the "If Only Our Walls Could Talk" campaign. The Sky TV advert played heavily on Colchester's heritage and was utilised heavily in promotion of Colchester. For example it had featured in the tie in with the popular Horrible Histories film and the University of Essex used it as part of its international marketing. The Roman Invasion of Liverpool Street Station used Colchester's heritage to promote Colchester and had reached approximately 2.3 million users over the course of the promotion.

The Visit Colchester website had undergone a significant revamp and Visitor Guides had been revised. New leaflets to promote walking tours had also been produced. A new Liverpool Street advertising campaign scheduled for April 2020 had been postponed until footfall returns. However, the most cost effective marketing was done via social media, particularly Facebook.

She was not in favour of the Policy Panel spending more time looking into this. The Heritage and Tourism Task and Finish Group had spent considerable time looking at these issues and officers were still busy taking forward their proposals. It was now best to let officers get on and deliver the plans already in place. It was also necessary to be mindful of the budget constraints currently in place.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, explained that he agreed with Councillor Young's conclusions. In light of the budget position, it was important that the administration was very careful in how it allocated resource. However, it would be useful if the presentation to Cabinet could also be delivered to the Policy Panel to highlight the work that was underway.

Councillor Fox, Portfolio Holder for Housing, and Councillor King, Portfolio Holder for Business and Resources, expressed their support for this approach. The presentation explained clearly the commitment of the administration to heritage issues and that they

were used heavily to promote Colchester. It was also important to acknowledge the importance of using heritage to support businesses, and it was vital that the source material was made available to businesses and the BID to help in marketing and promotion.

*RESOLVED* that:-

- (a) The recommendations of the Policy Panel not be approved.
- (b) The presentation made by the Portfolio Holder for Culture and Performance to Cabinet also be made to the Policy Panel.

#### *REASONS*

Considerable work to support the interpretation of historical assets and to promote Colchester through heritage was already being undertaken. Heritage issues had also been thoroughly explored by the Heritage and Tourism Task and Finish Group and it was more appropriate to let officers carry on implementing existing plans than to devote further resource to looking at these issues again, particularly given the budget constraints currently facing the Council.

#### *ALTERNATIVE OPTIONS*

It was open to Cabinet to approve the recommendations from the Policy Panel.

### **528. Calendar of meetings 2021-2022**

The Assistant Director, Corporate and Improvement Services submitted a report a copy of which had been circulated to each Member.

*RESOLVED* that:-

- (a) The draft Calendar of Meetings for the next municipal year from May 2021 to April 2022 be approved.
- (b) Authority be delegated to cancel meetings to the Chairman of the relevant Committee/Panel in conjunction with the Assistant Director, Corporate and Improvement.

#### *REASONS*

The Calendar of Meetings needs to be determined so that decisions for the year can be timetabled into the respective work programmes and the Forward Plan.

Advance notice of the Calendar of Meetings needs to be made available to Councillors and to external organisations, parish councils and other bodies with which the Council works in partnership and to those members of the public who may wish to attend meetings of the Council and make representations.

Dependant on the form meetings will take in the next municipal year, meeting rooms may also need to be reserved as soon as possible so that room bookings can be made for private functions by private individuals, external organisations and internal Council groups.

A formal arrangement needs to be in place for the cancellation of meetings that no longer need to be held.

#### *ALTERNATIVE OPTIONS*

This proposal has been largely devised based on the current meeting structure and frequency. It would be possible to devise alternative proposals using different criteria.

### **529. Progress of Responses to the Public**

The Assistant Director, Corporate and Improvement Services submitted a progress sheet a copy of which had been circulated to each Member.

*RESOLVED* that the contents of the Progress Sheet be noted.

#### *REASONS*

The progress sheet was a mechanism by which the Cabinet could ensure that public statements and questions were responded to appropriately and promptly.

#### *ALTERNATIVE OPTIONS*

No alternative options were presented to the Cabinet.

**The Cabinet resolved under Section 100A(4) of the Local Government Act 1972 and the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.**

### **530. Northern Gateway Heat Network: Project and Finance Update**

The Assistant Director, Place and Client Services, submitted an Appendix to the report in Part A of the agenda, a copy of which had been circulated to each Member.

*RESOLVED* that the appendix to the report be noted.

#### *REASONS*

As set out at minute 519.

#### *ALTERNATIVE OPTIONS*

As set out at minute 519.

**The Cabinet resolved under Section 100A(4) of the Local Government Act 1972 and the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.**

#### **531. Colchester Commercial Stadium Limited**

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

*RESOLVED* that the contents of the report be noted.

#### *REASONS*

As set out in minute 520

#### *ALTERNATIVE OPTIONS*

As set out in minute 520.

27 January 2021

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

## 1 Executive Summary

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

## 2 Recommended Decision

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

## 3 Reason for Recommended Decision

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

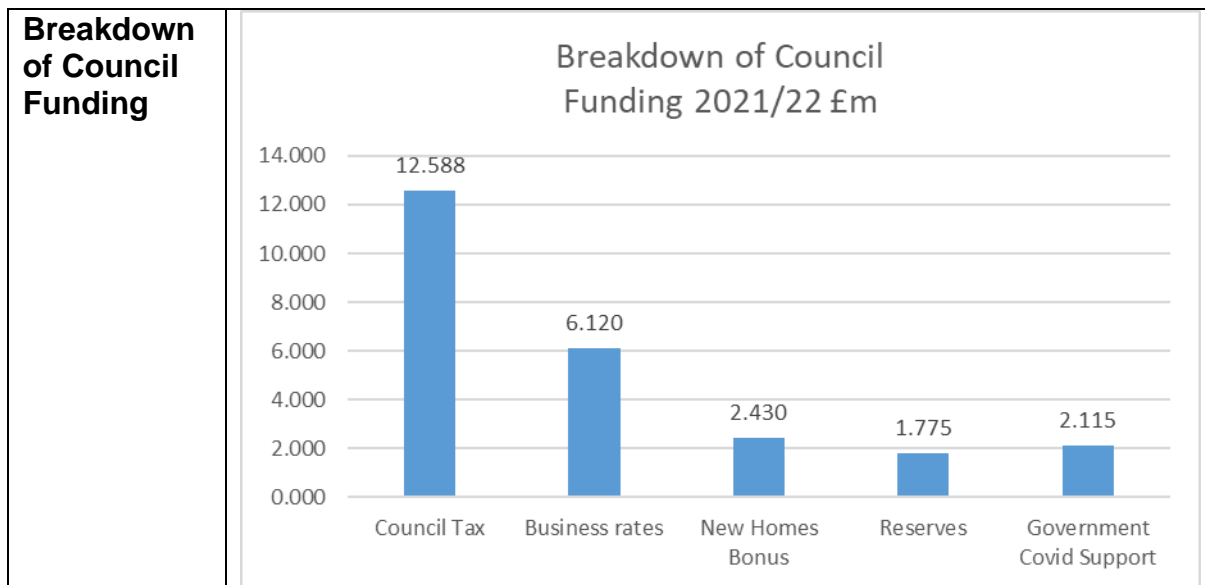
## 4 Alternative Options

- 4.1 None.

## 5 Summary of Council Funding

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

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

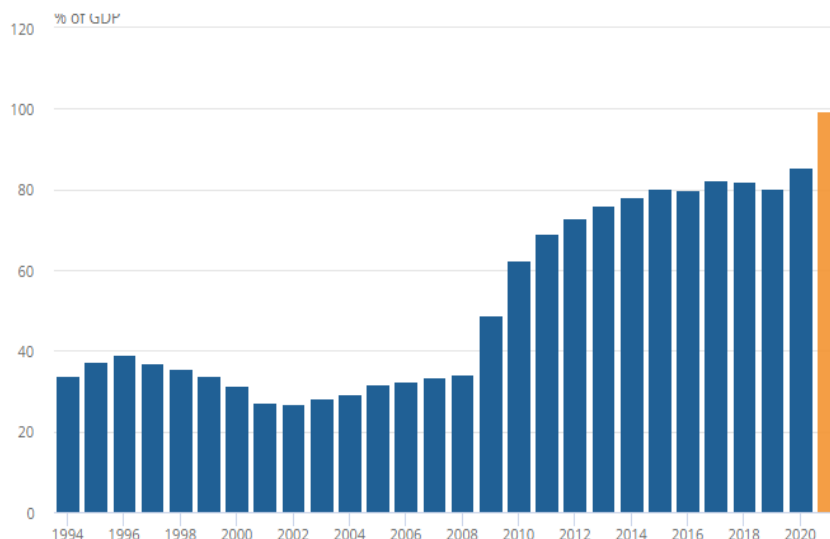


## 6 Macro-economic context

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

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

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



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

#### FORECASTS FOR THE UK ECONOMY

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

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

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

## 7 Outlook for Local Government Funding

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

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

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

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



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

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

### **Covid Funding**

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

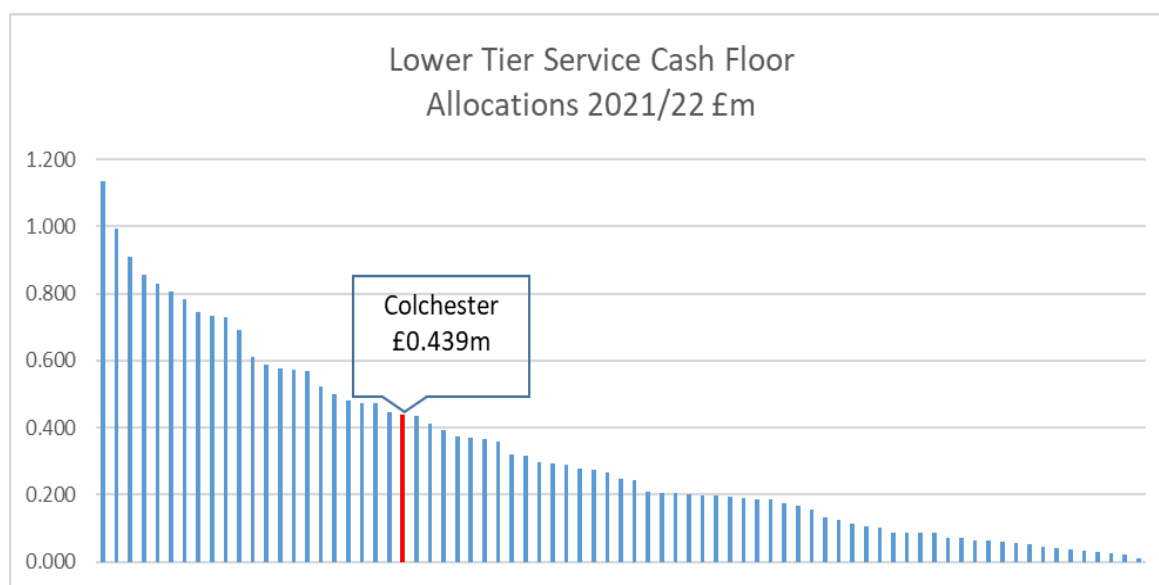
Settlement is £1.7m for the Colchester billing area, covering the impact on all recipients of Council Tax. The allocation for Colchester is £0.2m. The current Medium Term Financial Forecast assumption is a 12.5% increase in demand for this help with Council Tax bills, assuming the current normal eligibility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

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

### Core Funding

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

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



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

### **Changes to local authority external audit**

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

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

## **9 Budget Pressures, Response and Remedies for the Council**

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

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

9.7 The Capital Programme is reported separately on this agenda.

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

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

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

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

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

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

## 10 **MTFF Consultation**

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

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

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

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

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

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

## **11 Risk Management Implications**

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

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

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

## **12 Financial implications**

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

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

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

## **13 Environmental and Climate Change Implications**

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

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

## **14 Equality and Diversity Implications**

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

## **15 Other Standard References**

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

## **Appendices**

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

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

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

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

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



## **Appendix B – Budget Robustness Statement**

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

# **Appendix C**

## **Treasury Management Strategy Statement**

### **Minimum Revenue Provision Policy Statement and**

### **Annual Investment Strategy**

### **2021/22**

## **1 Introduction**

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

'The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'.
- 1.8 Treasury management arrangements affect the Council's revenue budget and Medium Term Financial Forecast. Interest paid as a result of borrowing must be met in year, and income due from investments must be recognised. The Treasury Management Strategy is an integral part of setting the Council's budget, as is the Capital Strategy provided elsewhere on the Cabinet agenda to provide transparency as to the Council's long term investment plans.

## **Reporting requirements**

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

## **Prudential and Treasury Indicators and Treasury Strategy**

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

## **Training**

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

## **Treasury Management Strategy for 2021/22**

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

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

1.14 The above meets the requirements of:

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

### **Treasury management consultants**

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

### **International Financial Reporting Standard 16 Leases**

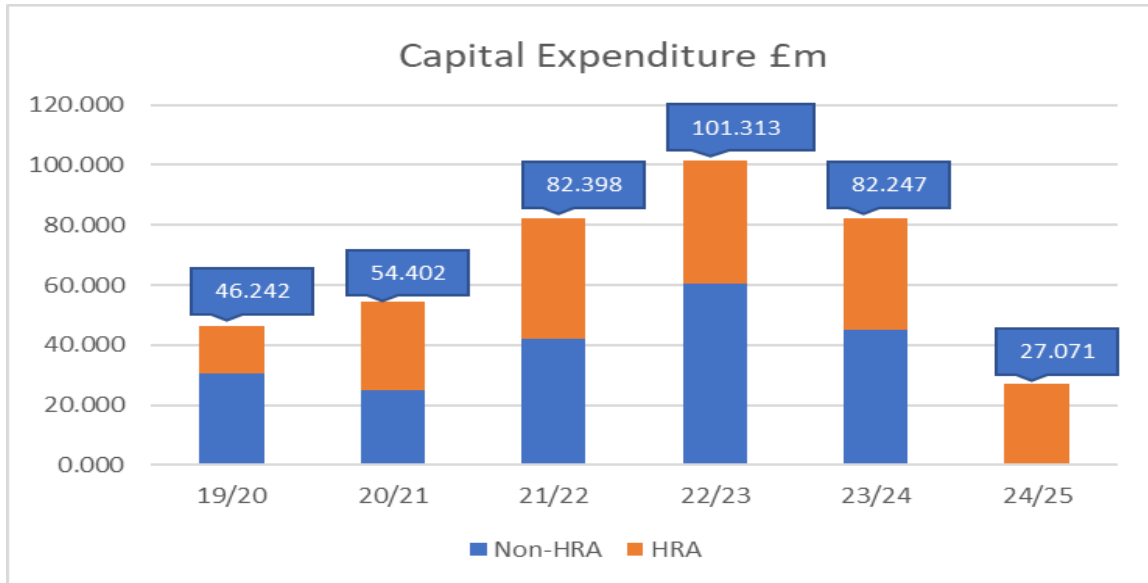
- 1.16 This standard replaces the current guidance on leases in International Accounting Standard 17. The new Standard provides a single lessee accounting model. This requires lessees to recognise assets and liabilities for all leases. (Unless the lease term is 12 months or less or the underlying asset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

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

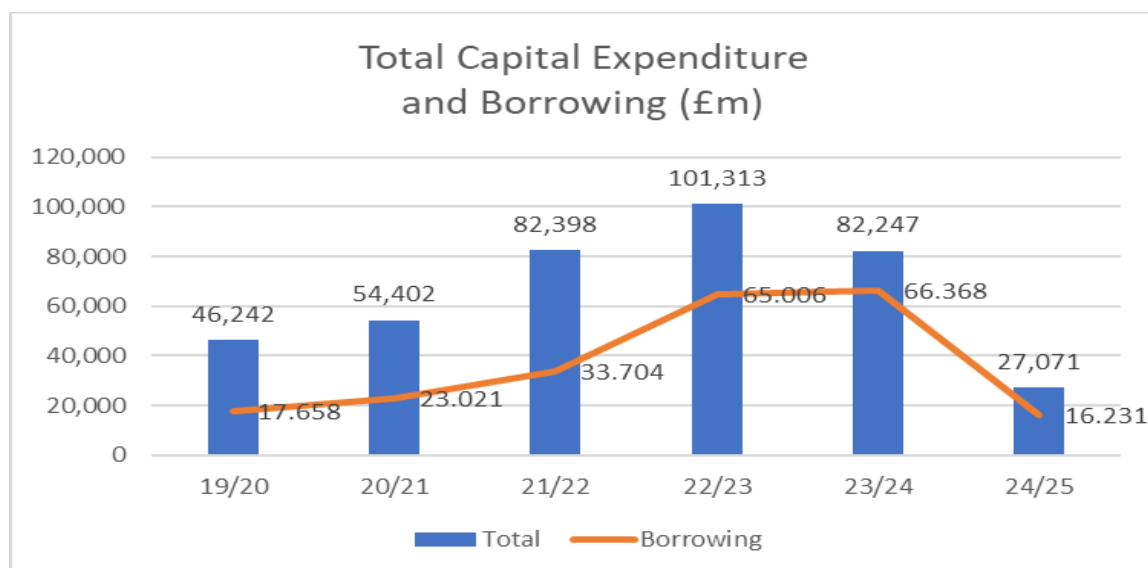
- 2.1 The Council's capital expenditure plans are the key driver of treasury management and the prudential Indicators are the measures against which performance can be assessed.

### Capital expenditure

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

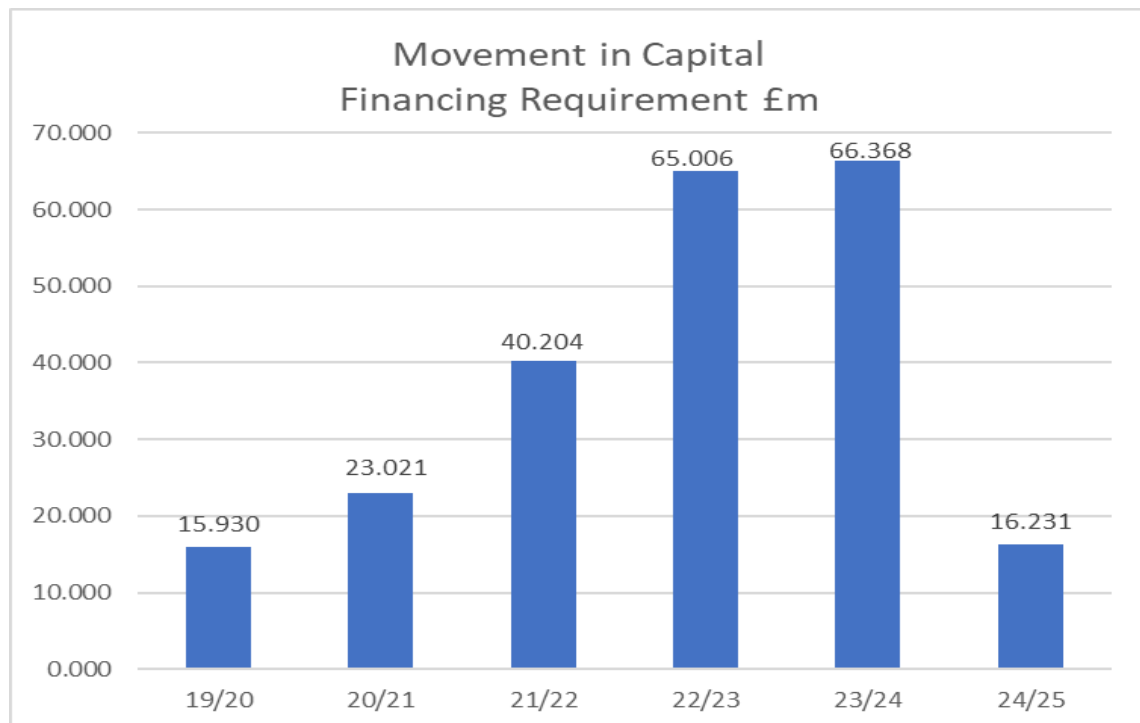
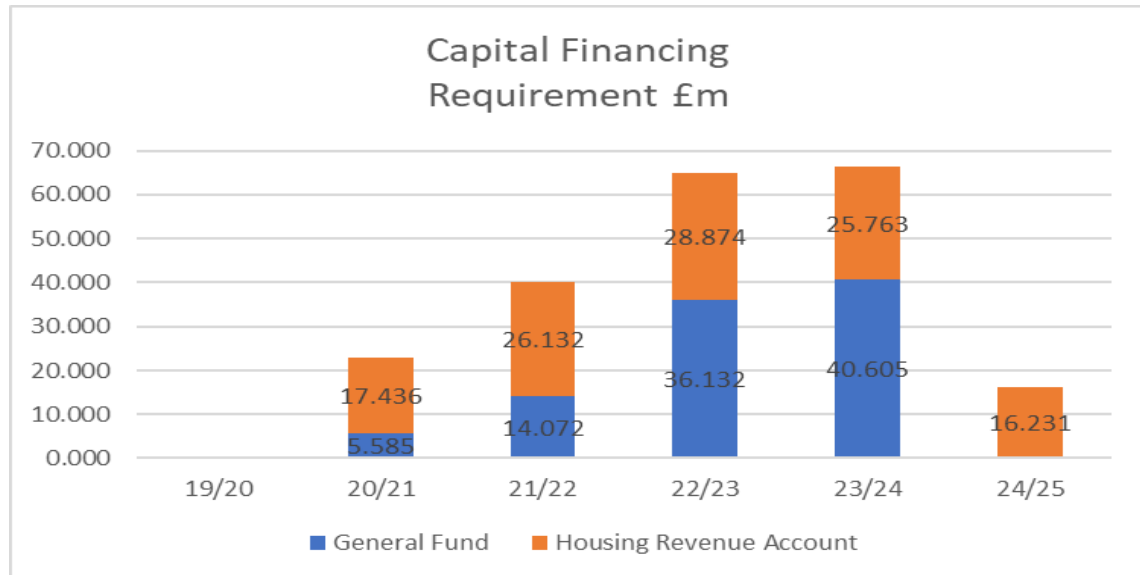


- 2.3 The table below summarises plans for financing **capital expenditure** from capital or revenue resources.



## The Council's borrowing need

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



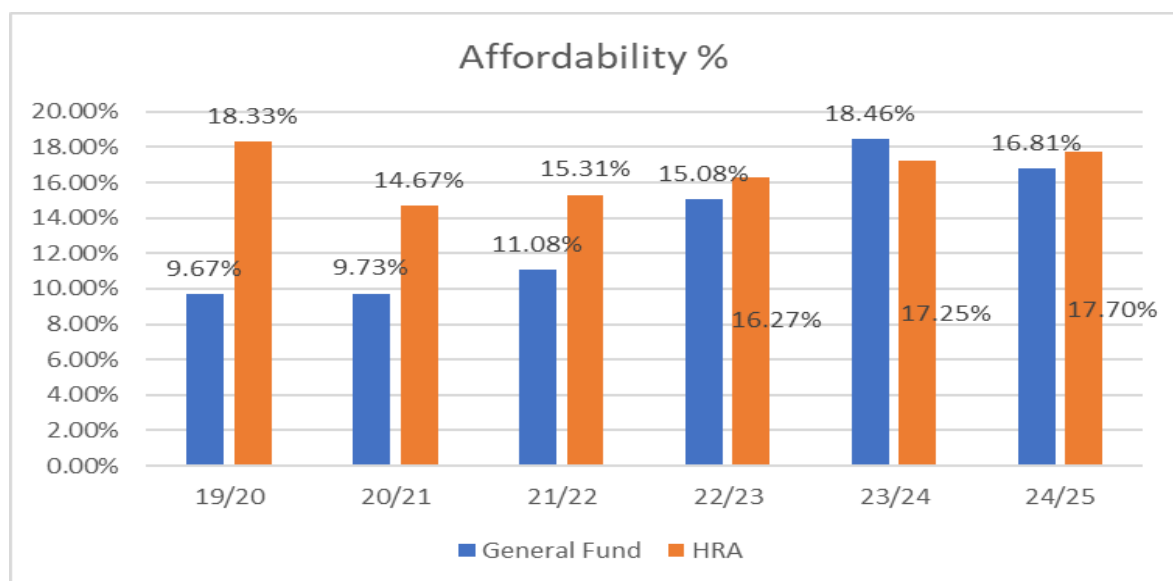
## Minimum Revenue Provision Policy Statement

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

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

### Affordability Prudential Indicators

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



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

### 3 Economic Outlook provided by Link Asset Services

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

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

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

#### Bond yields / Public Works Loan Board rates

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



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

### **Investment and borrowing rates**

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

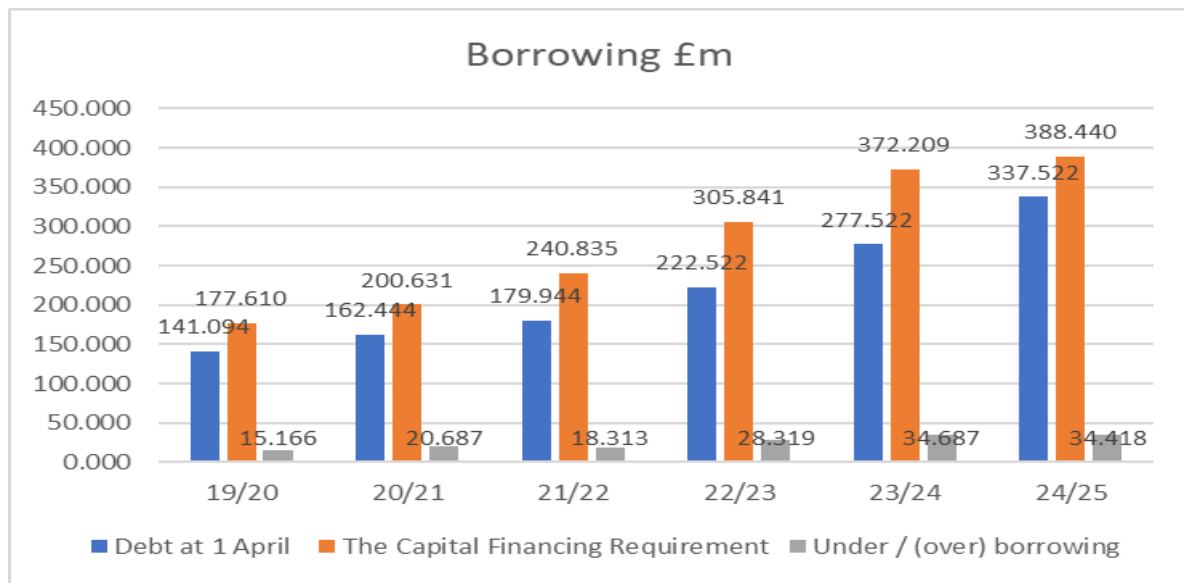
### **Borrowing**

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

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

### Current portfolio position

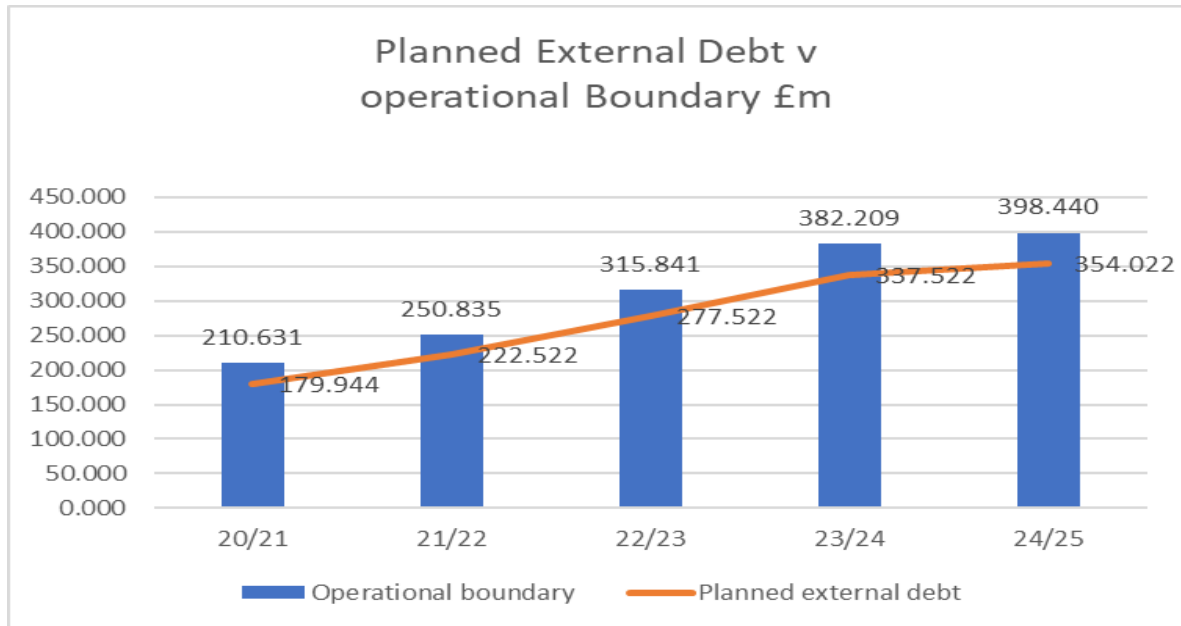
- 3.11 The Council's treasury portfolio position at 31 March 2020, with forward projections are summarised below. The table shows the actual external debt against the underlying capital borrowing need (the Capital Financing Requirement), highlighting any over or under borrowing.



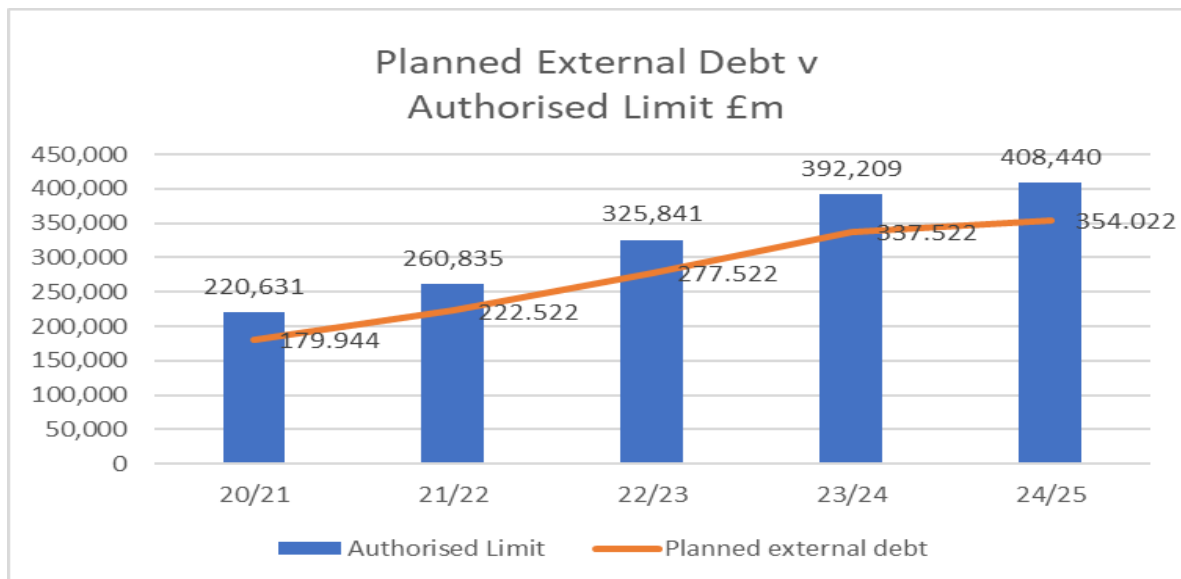
- 3.12 Prudential indicators ensure that the Council operates within well-defined limits. One of these is that the Council must ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current year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

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

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



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



## Borrowing Strategy

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

## Treasury Management Limits on Activity

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

### **Maturity structure of borrowing.**

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

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

### **Policy on Borrowing in Advance of Need**

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

### **Debt Rescheduling**

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

### **Municipal Bond Agency**

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

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

### **Housing Revenue Account borrowing**

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

## **4 Annual Investment Strategy**

### **Investment Policy**

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

### **Creditworthiness policy**

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

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

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

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

Y	PI1	PI2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

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

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

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

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



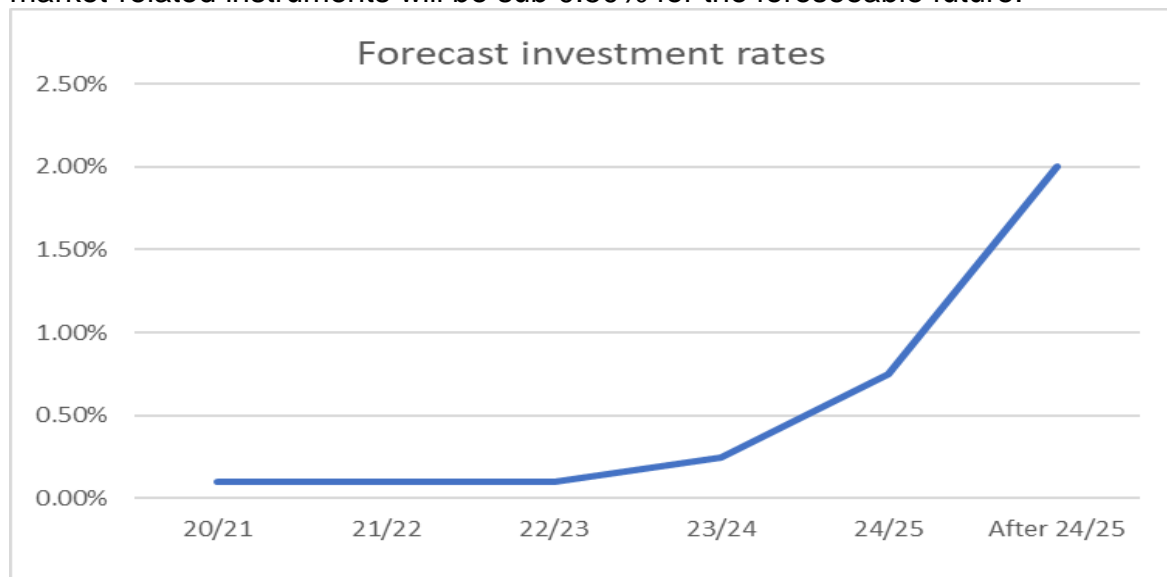
- 4.13 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, and information on any external support for banks to help support its decision making process.

### Country limits

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

### Investment strategy

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



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

### **Negative investment rates**

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

### **Investment treasury indicator and limit**

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

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

### **End of year investment report**

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

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

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

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

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

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

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

**Notes:**

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

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

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

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

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

## Appendix D – Budget Consultation

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

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

## Appendix E – Technical reconciliations of budget requirement 2021/22

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

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

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

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



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

## Appendix F - Summary Budget 2021/22

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

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

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

## Appendix G - 2021/22 General Fund Budgets

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

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

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

## Appendix H - Reserves, Provisions and Balances

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

## Appendix I – Allocation of New Homes Bonus

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



**27 January 2021**

<b>Report of</b>	<b>Chief Operating Officer</b>	<b>Author</b>	<b>Paul Cook</b> <input type="checkbox"/> <b>505861</b> <b>Mark Jarvis</b> <input type="checkbox"/> <b>282774</b>
<b>Title</b>	<b>Resetting the Capital Programme and the Capital Strategy</b>		
<b>Wards affected</b>	All		

## **1 Executive Summary**

- 1.1 In the context of the national and local health and economic challenges posed by the pandemic and the wider financial position of the Council, this report resets the Capital Programme 2021/22 to 2024/25.
- 1.2 The report also sets out the capital strategy for 2021/22 to 2024/25.

## **2 Recommended Decision**

- 2.1 To approve the revised capital strategy set out in Appendix A
- 2.2 To approve the additional capital programme set out in Appendix B.
- 2.3 To approve the additional schemes set out in Section 14 of this report.

## **3 Reason for Recommended Decision**

- 3.1 To take forward continuing investment in Colchester, in the interests of regeneration and the health, social and economic wellbeing of residents and how they are housed, local businesses and the local economy, and the attractiveness of Colchester as a destination.

## **4 Alternative Options**

- 4.1 A reduced Capital Programme would reduce the benefits investments will provide in the health and wellbeing of our town, impacting regeneration, the quality of services, the accessibility of housing and the state of the public realm, regeneration and economic recovery.

## **5 Background Information**

- 5.1 The Capital Programme is the Council's long-term investment in land, buildings and other infrastructure and facilities, in accordance with the Council's Strategic Plan and in response to the needs of our residents.
- 5.2 The very significant economic and financial challenges faced by the Council are set out separately in the Council's 2021/22 Budget and Medium-Term Financial Forecast. They take account of available and lost income, partial but welcome government support and steps being taken to ensure, with help from the reserves this year and next, to deliver a

balanced budget. That budget takes account of the financing and repayment costs of the capital programme as well capital receipts and income generated by capital investment, housing, leisure and other commercial income. Where borrowing is needed it is over the medium to longer term and well within prudential indicators set out in the Budget papers, that help test affordability and risk.

5.3 These circumstances and past prudence allow the Council to continue to invest in an ambitious capital programme. The programme completes current capital projects - from the Mercury to Northern Gateway -and makes further investments in housing, leisure and community facilities. The programme as a whole helps economic recovery, creates or retains employment and improves our borough as a destination, for further investment and as a place to work, live or visit. The programme includes the 'Town Deal' that - if approved -will enable further investments in our public realm and town centre; invest in cycling and walking and young people; and help our most disadvantaged residents.

5.4 The Capital Programme accordingly includes:

- The Housing Investment Programme for the ringfenced Housing Revenue Account. This is around £40m a year for the next few years. The HIP will deliver a much-needed increase in our stock of housing at social rent levels. This will be achieved through acquisitions and building new properties. We will also carry out major repairs and improvements to our existing stock.
- Investment through the Revolving Investment Fund to secure the long-term development of Colchester and its economy.
- The Town Deal of up to £25m of government funding may lever in up to £75m of additional external investment. Accelerated funding of £1m has already been secured for improvements in the public realm at the Balcerne Gate and St Nicholas Square. Approval is awaited from the Ministry of Housing, Communities and Local Government for the full programme. As individual projects are approved by the Ministry of Housing, Communities and Local Government separate reports will be brought forward to the Cabinet.
- Improving Council services and fulfilling the Council's Carbon Commitment.

## **6 Overview**

6.1 Capital investment follows the strategic priorities of the Council - raising commercial income and creating long term development opportunities. The programme meets the short and longer-term regeneration needs of Colchester, as well as the health, social and economic wellbeing of residents, and how they are housed, the local economy and the attractiveness of Colchester as a destination.

6.2 Summaries of the new schemes are set out in section 14 of the report. Appendix B sets out the revised capital programme in its totality.

## **7 MTFF Consultation**

7.1 The cost of funding the recommended programme is provided for as set out in the 2021/22 Budget and later years MTFF paper.

7.2 The budget was further considered as part of the Task and Finish Group review of green waste collection charges, as a contribution to revenue and capital costs. Their recommendation not to implement charges was confirmed at the 19 August 2020 Cabinet.

- 7.3 The budget strategy and timetable has ensured that information is available for scrutiny and input from all Members.
- 7.4 Budget workshops were held on 4 August; 26 August; 5 October and 7 December 2020 so that all Members have had the opportunity to get a better understanding of the budget challenge and share their ideas and concerns.
- 7.5 The Shadow Portfolio Holder has been briefed and the Leader of the Opposition is able at any stage of the budget process to meet with officers to assist with consideration of any alternative budget proposals.
- 7.6 The normal statutory consultation with business ratepayers will take place on 9 February 2021.

## **8 Risk Management Implications**

- 8.1 Modelling has been undertaken with service managers to assess the potential range of impacts before adopting the assumptions described within the report.
- 8.2 Capital and construction projects have been affected by Covid-19, with delays and additional costs arising, with our contractors and their supply chain. Work has been disrupted by the national lock down, by supply chain shortages and by changes to working practices. To the extent possible these impacts have been taken into account in the updated Capital Programme, for costs and delays incurred and or expected, subject to robust defence of the Council's commercial position where appropriate.

## **9 Strategic Priorities and Recovery**

- 9.1 The new schemes will deliver the Council's strategic priorities and aid recovery in Colchester.

## **10 Financial implications**

- 10.1 As set out in the report.

## **11 Environmental and Climate Change Implications**

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

## **12 Equality and Diversity Implications**

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


## **13 Other Standard References**


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

## 14 Reset Capital programme

### 14.1 Approved Schemes


#### CARBON REDUCTION

Electric Vehicle Recharging Points		
Charging infrastructure to support the upgrade to electric vehicles. Rowan House has been identified as the best location for this as the Shrub End depot requires significant electrical supply investment. Rowan House has already been pre-surveyed earlier in 2020 and it is believed the required number of chargers will be supported with the necessary infrastructure upgrades <i>Approved by Cabinet 23 November 2020</i>		
	£m	
Total Project Cost	0.114	
External Funding	0.014	
CBC funding	0.100	


Light Fleet Replacement		
Replacement of light fleet vehicles with an electric vehicle fleet, helping to fulfil the Council's carbon reduction commitment. Revenue implications will be met from existing budgets. <i>Approved by Cabinet 23 November 2020</i>		
	£m	
Total Project Cost	0.726	
External Funding	0.000	
CBC funding	0.726	

#### SERVICE IMPROVEMENT


Fleet Upgrade - Caged Tippers	
The current fleet of caged tipping vehicles are coming to the end of their contract hire over the next ten months: thirteen in September 2020, one in October 2020, four in April 2021 and three remain on spot hire (these can be replaced at any time), so for operational reasons the Council will need to purchase/contract hire replacement vehicles. <i>Approved by Cabinet 14 October 2020</i>	
	£m
Total Project Cost	0.520
External Funding	0.000
CBC funding	0.520



## INVEST TO SAVE


Leisure World pool view cameras		
Insert pool view cameras above and below water to improve safety and enable efficiencies at off peak times saving lifeguard costs of £65k pa. <i>Approved by Cabinet 23 November 2020</i>		
	£m	
Total Project Cost	0.120	
External Funding	0.000	
CBC funding	0.120	

Sports Park Signage	
Promote the visibility of new Sports Park by the installation of place making and wayfinding signage to raise awareness of the new facility with families. This will increase usage and generate additional income.	
Approved 23 November 2020 Cabinet	
	£m
Total Project Cost	0.100
External Funding	0.000
CBC funding	0.100




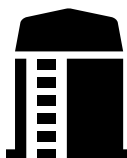
## 14.2 New Schemes


### CARBON REDUCTION

Rowan House Air Source Heat Pump & Ventilation		
The replacement of the main gas boilers for Rowan House (existing boilers now regularly suffering repairs and unable to source parts due to age of installation) plus connected renewal of the ventilation system to a Covid-safe system. This project will help fulfil the Council's carbon reduction commitment. External funding from Salix anticipated.		
Category: Carbon Reduction		
	£m	
Total Project Cost	0.500	
External Funding	0.500	
CBC funding	0.000	

### INVEST TO SAVE

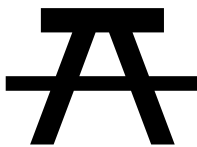
Leisure World conversion of artificial pitch		
Conversion of artificial pitch at Leisure World to a regional netball centre. The Leisure World pitch is closed because the surface is at the end of its life.		
	£m	
Total Project Cost	0.250	
External Funding	0.000	
CBC funding	0.250	


<b>Colchester Northern Gateway wastewater improvements/pumping station</b>		
To avoid additional, ongoing repair costs to the existing inadequate facilities. It is intended the improved pumping station will be adopted by the water authority.		
	£m	
Total Project Cost	0.250	
External Funding	0.000	
CBC funding	0.250	


Sheepen Road retention payment		
The final contract payment for this project		
	£m	
Total Project Cost	0.020	
External Funding	0.000	
CBC funding	0.020	

### SERVICE IMPROVEMENT


Sports Park Recreational Play Equipment	
Introduction of recreational play equipment at Sports Park to enhance offer for families and encourage usage of the 76 acres across the summer especially. The Sports Park has fantastic formal sports facilities, but to drive secondary spend on catering and parking over the summer months when rugby is off site, we need to offer more for	


families with a trail of activities similar to Notley Country Park and Cudmore Grove		
	£m	
Total Project Cost	0.250	
External Funding	0.000	
CBC funding	0.250	


<b>Rowan House</b>		
The refurbishment of Rowan House will enable portions of the building to be rented to other organisations.		
	£m	
Total Project Cost	1.327	
External Funding	0.000	
CBC funding	1.327	


<b>Garrison Gym Playground</b>		
The project is to build a playground and multi-use games area. Money has been sourced through Section 106 to help build the site, but there is not enough funding. The project is part of the Planning Approved Scheme for the area.		
	£m	
Total Project Cost	0.306	
External Funding	0.221	
CBC funding	0.085	


## ECONOMIC RECOVERY

<b>Mercury Theatre Redevelopment additional costs</b>		
As part of the wider Mercury Rising £9.5m development, there have been unexpected archaeological finds leading to additional works. Extensive asbestos removal and additional fire regulation requirements have also added costs to the programme. The Arts Council England's Kickstart Capital Fund is providing £864k. The Council is providing matched funding.		
	£m	
Total Project Cost	1.245	
External Funding	0.864	
CBC funding	0.381	


<b>Queen Street Grow-on facility</b>		
Colchester Borough Council is in a long-term and ongoing process of bidding to SELEP’s Local Growth Fund (LGF) to secure funding for a new facility to aid the expansion of small businesses in the Creative, Digital and Tech sectors, responding to a long-standing market failure. The proposed scheme may include (subject to approval as part of the Town Deal project submission process and ultimate award of part or all of the £25m Town Deal) a digital working hub. A detailed report is to be submitted to 03 February 2021 RIF Sub-Committee.		
	£m	
Total Project Cost	5.678	
External Funding	4.778	
CBC funding	0.900	


Mercury Theatre landscape works		
To set the renovated theatre in a high quality landscape to maximise this attractive cultural asset. The project is funded by the £1m first release of the Towns Deal		
Category: Economic Recovery		
	£m	
Total Project Cost	0.350	
External Funding	0.350	
CBC funding	0.000	

St Nicholas Square		
To improve this attractive town centre location. The project is majority funded by the £1m first release of the Towns Fund		
Category: Economic Recovery		
	£m	
Total Project Cost	0.671	
External Funding	0.671	
CBC funding	0.000	

A12 Junction 28 Highways Works		
Complete this key development for the future of Colchester. Additional works required in partnership with Highways England and Essex County Council to progress Sports Park and later developments. Additional services and functionality to the pedestrian crossings.		
Category: Economic Recovery		
	£m	
Total Project Cost	0.350	
External Funding	0.000	
CBC funding	0.350	


Detailed Planning Colchester Northern Gateway	
To take forward this key element of the wider development of Colchester	
	£m
Total Project Cost	0.575
External Funding	0.000
CBC funding	0.575




Vineyard Car Park Lift replacement		
Replacement of the lifts within Vineyard car park. The lifts are continually problematic and are often out of service, impacting on visitor experience. Engineers are required to visit repeatedly.		
	£m	
Total Project Cost	0.130	
External Funding	0.000	
CBC funding	0.130	




## STRATEGIC PRIORITIES


St Mark's Community Centre		
Create a vibrant and much needed new Community Centre to serve Highwoods, as well as other newly established or prospective communities, such as the Rosewood and Northern Gateway developments, and in partnership with the Diocese. Funding includes an initial allocation provided in the 2020/21 capital budget. S106 developer contributions from the Northern Gateway development will now primarily be directed towards the Council's requirement for 30% affordable housing.		
	£m	
Total Project Cost	1.500	
External Funding	0.400	
CBC funding	1.100	


## HOUSING REVENUE ACCOUNT (HRA)


Housing Investment Programme		
The Housing Investment Programme for the ringfenced Housing Revenue Account. At around £40m a year for the next few years, this includes a much needed increase to our housing stock at social rent levels through acquisitions and building new properties, as well as major repairs and improvements to our existing stock.		
	£m	
Total Project Cost	40.292	
External Funding	0.000	
CBC funding within the Housing Revenue Account	40.292	

## ASSET IMPROVEMENT AND PROTECTION

Floating pontoon at Coast Road, West Mersea		
Improvement works to resolve damage caused by tidal erosion affecting the safe use of the floating pontoon at Coast Road, West Mersea.		
	£m	
Total Project Cost	0.086	
External Funding	0.000	
CBC funding	0.086	

Cemetery Extension – Summer House		
To provide a summer house in the new Cemetery extension area for the bereaved to use to shelter or rest when attending loved ones graves		
Category: Asset Improvement and Protection		
	£m	
Total Project Cost	0.030	
External Funding	0.000	
CBC funding	0.030	

Cemetery Grounds - Electric Gates		
To complete the works to instal electronic gates to the Cemetery grounds		
Category: Asset Improvement and Protection		
	£m	
Total Project Cost	0.030	
External Funding	0.000	
CBC funding	0.030	

Cemetery Grounds – Solar Lighting		
To replace the solar power lights in the Cemetery grounds.		
Category: Asset Improvement and Protection		
	£m	
Total Project Cost	0.020	
External Funding	0.000	
CBC funding	0.020	

## 14.3 Proposed Town Deal Schemes

*For information only at this stage subject to MHCLG approvals and partnership decisions on the delivery and programme governance for specific schemes*

<b>Balkerne Gate Phase 2</b>	
Public Realm work within main Town Deal Continues Phase 1 public realm scheme up to Jumbo, continuing southwards as far as Church Street Incorporation of the Taylor Sisters' Statue, an element led by the High Steward of Colchester. There is also a one-off award of £80k to the Jumbo Development Trust for a lighting scheme.	
Category:	
	£m
Total Project Cost	1.100
External Funding	1.100
CBC funding	0.000

<b>Youth Zone</b>	
Youth Zones provide state-of-the-art facilities including social, sporting and artistic spaces for children between the ages of 8-19 (or up to 25 for those with additional needs). The project will be subject to future reports. £400k revenue provided from 2023-24 in the MTFF. Town Deal project requiring MHCLG approval.	
	£m
Total Project Cost	8.400
External Funding	7.350
CBC funding	1.050

<b>Holy Trinity Church Community Hub</b>	
Will bring the church back into a long-term sustainable, community use. C360 applied to Architectural Heritage Funding spring 2020 and were successfully awarded £13,000 for initial phase project viability work in partnership with CBC and CBH. The Town Deal would offer the remaining £517k match funding.	
	£m
Total Project Cost	0.540
External Funding	0.530
CBC funding	0.010

<b>Trinity Square</b>	
The project uncages the churchyard including removing and repositioning graves. The landscape will be improved to create attractive publicly accessible garden, parklet and public spaces north and south of the Church.	
	£m
Total Project Cost	0.500
External Funding	0.500
CBC funding	0.000

<b>Kerbless and Green Streets</b>	
Transforming all the streets within the core pedestrianised town centre which have pavements.	
	£m
Total Project Cost	1.500
External Funding	1.500

CBC funding	0.000
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<b>Heart of Greenstead</b>	
Major housing-led regeneration scheme at heart of Colchester's most deprived community. Likely to include	
<ul style="list-style-type: none"> <li>transformed housing - 103 new &amp; 36 refurbished units</li> <li>New community and social hub which may incorporate a new GP's practice</li> <li>New public realm built to 'Liveable Neighbourhood' principles</li> <li>Digital working hub</li> <li>Gigabit fibre broadband and 5G</li> <li>Up to 1,000 new loan/hire bikes</li> <li>Civic Universities Agreement with the University of Essex.</li> </ul>	
	£m
Total Project Cost	TBC
External Funding	6.700
CBC funding	TBC

<b>5G</b>	
Investment in physical 'core' 5G infrastructure	
	£m
Total Project Cost	2.000
External Funding	2.000
CBC funding	0.000

<b>Wilson Marriage Digital Hub</b>	
Redevelops part of the Wilson Marriage centre in New Town as a digital skills hub and community space. The facility will support training, development, and provide digital access and community activities. Adult Community learning will also expand digital skills development at other targeted locations throughout the town.	
	£m
Total Project Cost	1.000
External Funding	1.000
CBC funding	0.000

<b>Essex County Hospital (Essex Housing)</b>	
The redevelopment restores the site to its former glory while protecting its heritage and repurposing it for a future role in providing housing to meet known local demands. This scheme at a key gateway location to the south western edge of the Town Centre returns this landmark site to use, providing a fantastic public space in the setting of the 5 listed buildings. In this project £0.500m Town Deal funding provides new public realm.	
	£m
Total Project Cost	0.500
External Funding	0.500
CBC funding	0.000

<b>Balkerne Water Tower ('Jumbo')</b>	
Public Realm work within 'main' town deal funding allocation the trust will be awarded £1.000m as match funding for, and acceleration of their big scheme to repair and redevelop the tower.	
	£m
Total Project Cost	1.000
External Funding	1.000
CBC funding	0.000

<b>Highways Walking and Cycling</b>	
This project provides a safe, attractive and fast cycling link between the Town Centre, Greenstead and the University recognising the currently inconsistent links between these key places. In the town centre, there are currently significant constraints facing pedestrians and cyclists at St Botolph's Roundabout and an intervention is required here to unlock the New Town and Barn Hall areas which could easily be made to be very accessible on foot and bike.	
	£m
Total Project Cost	13.150
External Funding	13.150
CBC funding	0.000

<b>Liveable Neighbourhoods and School Streets</b>	
Four specific Liveable Neighbourhoods would be created in Prettygate; Monkwick; Barn Hall; and New Town. These make it much easier, safer and quicker for people to be able to access all the services they need, on foot or by bike. School Streets in 4 specific places (to be determined at business case) in the urban area will make it safe and attractive for young people to travel to school on foot or by bike	
	£m
Total Project Cost	2.100
External Funding	2.100
CBC funding	0.000

<b>Vineyard Gateway</b>	
A new residential-led scheme has been developed which features very high quality and innovative design including public realm showcasing the rich heritage features at this key gateway site including the Roman town wall and a bastion. It will include an attractive new cultural and tourism centre to greet people arriving at this key gateway which is also a key hub for active and sustainable travel.	
	£m
Total Project Cost	TBC
External Funding	1.000
CBC funding	TBC

## Appendix A – Capital Strategy and Capital Programme

1. The Chartered Institute of Public Finance and Accountancy Prudential Code requires local authorities to produce a Capital Strategy. This is in line with the Ministry of Housing, Communities and Local Government's 2018 statutory guidance on local government investments, particularly about non-financial investments.
2. In contrast to revenue expenditure which is spending on the day to day running costs of services such as employee costs and supplies and services, capital investment seeks to provide long-term solutions to Council priorities and operational requirements that yield benefits to the Council generally for a period of more than one year.
3. The five aims of the Capital Strategy are:
  - a. To take a long-term perspective on capital investment and to reflect the Council's wider place-making and growth agenda.
  - b. To ensure investment is prudent, affordable, and sustainable over the long term.

- c. To set out the arrangements and governance for capital investment decision-making.
  - d. To make the most effective and appropriate use of funds available - including revenue, capital receipts and housing right-to-buy receipts – to deliver the Council’s strategic aims.
  - e. To establish a clear methodology to prioritise capital proposals.
4. The Council has set out its Strategic Priorities in the Strategic Plan 2020 – 2023.
5. Colchester Commercial Holdings Ltd is the holding company for three separate subsidiaries, with related but distinct products, services, markets and opportunities. These companies make a high-quality commercial offer which maintains the strong public sector ethos of its shareholder.
- a. Colchester Amphora Trading will deliver high quality products and services to public and private sector clients in the Property, Leisure and Health Care industries.
  - b. Colchester Amphora Energy will design and implement low carbon energy systems and provide energy services in Colchester.
  - c. Colchester Amphora Homes will deliver high quality affordable and private sale homes in Colchester and the surrounding area.
6. Colchester Borough Council’s Asset Management Strategy will set out the vision for how we manage our assets over the next 5 years.

## Principles for Capital Planning

7. The Council operates a clear and transparent approach to the prioritisation of all capital spending. This includes decisions to invest in the Colchester Commercial Holdings group of companies.

<b>Table B1 Investment Principles</b>	
Delivering the Town Deal	The Council in partnership with other agencies is delivering the Town Deal for which it is the accountable body.
Affordability and financial sustainability, whilst risk aware	The Council will only invest in projects that are affordable and financially sustainable in the long term and where risk is at an appropriate level.
Carbon Reduction	The Council has declared a climate emergency and will prioritise investment in projects which help deliver the Climate Emergency Action Plan commitments to net zero carbon emissions by 2030.
Strategic Plan Priorities	The Council prioritises investment in its Strategic Plan Priorities.
Investing for economic recovery and growth	The Council will grow Colchester and its economy, whilst delivering whole systems solutions to demographic, social and environmental challenges sustainably across Colchester. This will generate increased business rates income for future retention.

Invest to save and to generate returns	<p>The Council will invest in projects which will</p> <ul style="list-style-type: none"> <li>• reduce service costs</li> <li>• avoid costs (capital or revenue) that would otherwise arise</li> <li>• invest to generate a financial return (return on investment - ROI).</li> </ul>
Colchester Commercial Holdings Ltd	<p>The Council will invest in and lend to Colchester Commercial Holdings Ltd to enable the subsidiary companies to provide services to residents and to the Council. The companies also generate dividend income for the Council.</p>
Investment to improve and maintain Council assets and systems	<p>The Council will improve and maintain the condition of core assets and systems to replace them or extend their life where appropriate. The Council will make provision for lifecycle investment to maintain infrastructure to a standard that effectively supports service delivery.</p>

8. The Council owns investment properties in Colchester and the portfolio generates a revenue return. The scale of investment is proportionate, and the risk is at a manageable level. Investment properties are regularly revalued to market level under a rolling programme.
9. When making non-financial investments the Council considers the balance between security, liquidity and yield based on its risk appetite. It also considers the contribution of the non-financial investment to a range of outcomes including growth and income.
10. Colchester has not borrowed for outright investment purposes and will not do so.
11. The Council's Medium Term Financial Forecast includes dividend income from Colchester Commercial Holdings Limited and investment property income to achieve a balanced budget. These contributions are at a proportionate level.

### **Funding Sources for Capital Investment**

12. The Council funds its Capital Programme from a range of sources, which are principally:
  - a. Capital receipts
  - b. Grants
  - c. Section 106 agreements
  - d. Reserves and revenue
  - e. Prudential borrowing
13. Housing Revenue Account Capital is entirely funded from the ring fenced Housing Revenue Account. It is a rolling 5-year outlook based on stock condition and planned projects. Key areas of housing investment include planned and cyclical works; mechanical and electrical and heating; accessible homes and repairs. The programme also includes development and special projects. The Housing Revenue Account capital programme is funded from:
  - a. Housing Revenue Account Self Financing (The Major Repairs Reserve)
  - b. Capital Receipts (Housing Revenue Account)
  - c. Revenue and Reserves (Housing Revenue Account)
  - d. Prudential Borrowing

### **Governance of the Capital Strategy**

14. The Capital Programme is agreed by full Council as part of the annual budget setting process. Variations to the Capital Programme or any in-year additions must be ratified by Budget Group. Any changes found outside Executive Directors remit will be recommended to Cabinet for approval.
15. The Revolving Investment Fund Committee meets regularly to develop and assess investment proposals. It is supported by the Revolving Investment Fund Steering Group (both chaired by the Portfolio Holder for Business and Resources). The remit of both groups now includes the overall management of the Council's capital programme including the town deal projects that are approved by MHCLG.
16. Capital projects are overseen by the Programme Delivery Board, chaired by the Chief Operating Officer, which will identify resource issues and escalate matters as appropriate. This is supported by the Programme Delivery Group whose function is to identify risks and issues and to review all new and closed projects.
17. Financial monitoring reports on the capital programme are considered quarterly by Cabinet and monthly by the Programme Delivery Group and escalated by exception to the Programme Delivery Board.
18. Relevant requirements of the Capital Strategy will be incorporated into financial regulations and standing orders.



## Appendix B Reset Capital Programme 2021-22

<b>£m scheme cost incl. external funding</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>
2020/21 Original Capital Programme	72.249	10.200	3.720	8.400	-
2020/21 HRA Original	30.163	35.349	30.389	21.316	-
<b>2020/21 Total Programme</b>	<b>102.412</b>	<b>45.549</b>	<b>34.109</b>	<b>29.716</b>	<b>0</b>
2020/21 Revised Programme	25.070	22.547	21.913	1.165	-
2020/21 HRA Revised	29.332	40.292	40.821	37.282	27.071
<b>2020/21 Revised Programme</b>	<b>54.402</b>	<b>62.839</b>	<b>62.734</b>	<b>38.447</b>	<b>27.071</b>
<b>2021/22 new schemes</b>					
Electric Vehicle Recharging Points	-	0.114	-	-	-
Fleet Upgrade Caged Tippers	-	0.520	-	-	-
Light Fleet Replacement	-	0.726	-	-	-
Leisure World pool view cameras	-	0.120	-	-	-
Sports Park Signage	-	0.100	-	-	-
Leisure World conversion of artificial pitch	-	0.250	-	-	-
Sports Park Recreational Play Equipment	-	0.250	-	-	-
CNG wastewater and pumping station	-	0.250	-	-	-
Mercury Theatre additional costs	-	1.245	-	-	-
Queen Street Grow-on facility	-	2.839	2.839	-	-
St Mark's Community Centre	-	1.000	0.500	-	-
Rowan House heat source pump	-	0.500	-	-	-
Rowan House refurbishment	-	1.327	-	-	-
Mercury Theatre landscape works	-	0.350	-	-	-
St Nicholas Square	-	0.671	-	-	-
A12 Junction 28 Highways Works	-	0.350	-	-	-
CNG Detailed Planning	-	0.575	-	-	-
Sheepen Road retention payment	-	0.020	-	-	-
Vineyard Car Park Lift replacement	-	0.130	-	-	-
Floating pontoon West Mersea	-	0.086	-	-	-
Garrison Gym Playground	-	0.306	-	-	-
Balkerne Gate Phase 2	-	1.100	-	-	-
Youth Zone	-	-	4.200	4.200	-
Holy Trinity Church Community Hub	-	0.150	0.390	-	-
Trinity Square	-	0.500	-	-	-
Kerbless and Green Streets	-	1.500	-	-	-
Heart of Greenstead	-	-	0.400	39.600	-
5G	-	2.000	-	-	-
Wilson Marriage Digital Hub	-	1.000	-	-	-
Essex County Hospital	-	0.500	-	-	-
Balkerne Water Tower Jumbo	-	1.000	-	-	-
Highways Walking and Cycling	-	-	13.150	-	-
Liveable Neighb'hoods + School Streets	-	-	2.100	-	-
Vineyard Gateway	-	-	15.000	-	-
Cemetery Extension – Summer House	-	0.030	-	-	-
Cemetery Grounds - Electric Gates	-	0.030	-	-	-
Cemetery Grounds – Solar Lighting	-	0.020	-	-	-
<b>Total Additional GF schemes</b>	<b>0</b>	<b>19.559</b>	<b>38.579</b>	<b>43.800</b>	<b>0</b>

**Total Revised Capital Programme**

	20/21	21/22	22/23	23/24	24/25
General Fund Programme	25.070	42.106	60.492	44.965	0.000
HRA Programme	29.332	40.292	40.821	37.282	27.071
<b>Total Programme</b>	<b>54.402</b>	<b>82.398</b>	<b>101.313</b>	<b>82.247</b>	<b>27.071</b>

**27<sup>th</sup> January 2021**

<b>Report of</b>	<b>Strategic Director, Policy and Place</b>	<b>Author</b>	<b>Stephen Brown</b> ☎ 01206 508822
<b>Title</b>	<b>Matters Related to Third Parties Rights at Queen Street and the Alumno Development</b>		
<b>Wards affected</b>	Castle		

## 1. Executive Summary

- 1.1 This report follows the Cabinet Report of 3<sup>rd</sup> June 2020 and seeks Cabinet's authorisation to appropriate for planning purposes, the land known as the former Bus Station and St James's House, Queen Street shown edged in red on the plan attached at Appendix A ("the Land") pursuant to section 122(1) of the Local Government Act 1972 in order to facilitate redevelopment in accordance with the planning permission granted in December 2019 or any redevelopment achieving similar regeneration of the Land (potentially involving other uses).
- 1.2 The Council is the freehold owner of the Land, which was formerly used as a bus station, ticket office, the now demolished St James' House, redundant garages and a former bus depot. The Land has been vacant and underutilised for many years and is now held as surplus land within the General Fund. The Land and the surrounding area are identified in the Core Strategy of the Council's Local Plan as forming part of a Town Centre and North Station Regeneration Area which the Council's planning policies seek to regenerate.
- 1.3 On 21 November 2018 Cabinet gave approval to the long leasehold disposal of the major part of the Land to Alumno Student (Essex) Ltd ("Alumno"). The Agreement for Lease was entered into on 27<sup>th</sup> February 2019.
- 1.4 On 13<sup>th</sup> December 2019 planning consent was granted for Alumno's development on appeal subject to certain conditions, one of which was disabled access arrangements from Priory Street where a solution is currently being discussed. The extent of the Land which is subject to the planning permission is shown edged in blue on the plan at Appendix A and is referred to in this report as "the Site".
- 1.5 Investigations carried out in preparation for the leasehold disposal of part of the Land to Alumno revealed that it is subject to a number of third-party rights which may benefit neighbouring land and which could potentially delay, restrict or prevent development. In addition, it appears that a small part of the Land (some 740 square metres) as shown on the plan at Appendix A is used by the public for occasional informal recreation ("Open Space"). The majority of the Open Space will be retained by the Council but maintained by Alumno, in association with their development, following practical completion of the works. A small area of the Open Space will be part of the development. Sections 5-9 of this report provide further details of these matters.
- 1.6 One effect of appropriating the Land for planning purposes would be that the provisions of sections 203 and 204 of the Housing and Planning Act 2016 (the "2016 Act") would

apply to the Site when development is carried out. Those provisions are described in the body of this report. In brief they enable development to be carried out even if it involves infringement of private third party rights such as easements (for example, private rights of way or rights to light) or restrictive covenants (such as restrictions on use), subject to the payment of statutory compensation to any third party who benefits from such a legal right and who suffers a relevant loss.

- 1.7 In deciding whether to appropriate the Land for planning purposes, Members will wish to be satisfied that the public interest in the redevelopment of the Site proceeding is sufficient to justify the interference with the rights of affected third parties and that reliance on statutory provisions to override those rights, subject to the payment of statutory compensation, is necessary and would be proportionate.
- 1.8 In addition, Members must consider any objections which have been received in response to the public notice which has been given in respect of the Open Space before deciding whether or not to appropriate this part of the Land.

## **2. Recommendations and Decisions Required**

- 2.1 In relation to the Open Space, to consider all objections received by the Council within the period stated in the notice given in accordance with section 122(2A) of the Local Government Act 1972, before deciding whether or not this part of the Land should be included in the land to be appropriated for planning purposes pursuant to paragraph 2.4.
- 2.2 To note that if the Land is appropriated for planning purposes, section 203 of the Housing and Planning Act 2016 would enable the development to be carried out on the part of the Land which comprises the Site, notwithstanding any infringement of third party rights and interests covered by section 203 which burden the Site. The effect of this decision would be to override those third party rights, subject to payment of statutory compensation to affected parties under section 204 of that Act. It is acknowledged that discussions continue between the Council and Essex County Council, which is hoped will obviate the necessity to use section 203 in relation to their rights over the Site.
- 2.3 To give delegated authority to the Strategic Director, Policy and Place in consultation with the Portfolio Holder for Business and Resources to conclude legal documentation with individual rights holders (where known) in respect of the release or modification of their rights and to agree any compensation payable to these right holders.
- 2.4 Subject to paragraph 2.1 and consideration of the information in the reports in Parts A and B of this agenda, to appropriate the Land for planning purposes (as defined by section 246(1) of the Town and Country Planning Act 1990), pursuant to section 122(1) of the Local Government Act 1972.
- 2.5 To give delegated authority to the Strategic Director, Policy and Place in consultation with the Portfolio Holder for Business and Resources to vary the Agreement for Lease with Alumno and extend the long stop date of 1<sup>st</sup> March 2021 by a period sufficient to allow the completion of the leases to Alumno.

## **3. Reasons for Decision(s)**

- 3.1 Appropriation will facilitate the redevelopment of the Site which would bring a number of benefits to the locality and contribute to the achievement of those adopted Local Plan planning policies that are relevant and the adopted St Botolph's Master Plan which together promote the regeneration of the area to bring economic, social and environmental well-being benefits.

- 3.2 The proposed Alumno development would be a major multi-million pound scheme at a time when inward investment would significantly boost confidence in the economic future of the Town Centre and aid the post Covid-19 recovery of Colchester in line with the Council's Coronavirus Recovery Plan. The additional student population and hotel users will benefit Queen Street and the Town Centre as a whole helping the sustainability of Colchester Town Centre as well as firstsite and Curzon. Benefits will also include a substantial amount of additional jobs both during and after construction and a significant improvement to the general environment and public realm. Additional detail is in the later sections 4.7, 12 and 18 of this report. Covid 19 has had a significant detrimental effect on Colchester town centre and at a time when property developers are re-examining their commitment to schemes, Alumno have made it clear that they are still committed to Colchester and want to commence with their investment as soon as possible.
- 3.3 As described in section 5 of this report, the Land is understood to be subject to a number of third-party rights and restrictions which could potentially inhibit its development. The full extent of the rights burdening the Land and the degree to which they are legally enforceable are not known or easily ascertainable. Whilst efforts to negotiate with certain identified parties are underway (and will continue if the recommendations in this report are approved) it is considered highly unlikely that securing releases of all such rights by private agreement with individuals can be completed in a reasonable timescale if at all, and would still leave significant uncertainty. It is therefore considered that appropriation of the Land is necessary to enable the development to proceed within a reasonable timescale.
- 3.4 Given the constraints, it is unlikely that any scheme could be designed to avoid inference with the rights. Without appropriation there would be a risk of an injunction or damages and no developer is likely to progress a development as it is considered unlikely that releases will be successfully negotiated with all of the affected parties within reasonable timescales.
- 3.5 For the majority of the rights holders, there will only be disruption during the construction period (approximately 18 – 24 months) and the various rights of way to the rear of their premises, access to the car park and servicing area shown in Appendix B will be reinstated once construction has been completed. Furthermore, any person who suffers a relevant loss as a result of their rights being infringed, either on a temporary or a permanent basis, would be entitled to receive compensation under section 204 of the 2016 Act.
- 3.6 The appropriation of all of the Land (including that outside the blue line of "the Site" shown on the plan at Appendix A) will ensure that the entirety of the Council's freehold interest in the Land is held for planning purposes for potential future regeneration where appropriate. In the case of the Open Space, if the currently permitted development proceeds, the major part of this land would continue to be available for use by the public as open space and it will be maintained in association with the development of the Site.
- 3.7 The current long stop date within the Agreement for Lease to Alumno is 1st March 2021. This needs to be extended as a consequence of the planning consent taking longer than expected to obtain after going to appeal, the time taken in seeking to negotiate with rights holders and other interested parties and the corresponding impact on compliance with outstanding conditions in the Agreement for Lease. The amount of the extension required before the leases can be completed will depend on how quickly these remaining obligations can be addressed.

#### **4. Background Information**

- 4.1 The Land comprises an important town centre redevelopment site, forming part of the St Botolph's Quarter adjoining firstsite, the Creative Business Centre and the new Curzon Cinema, with a substantial frontage to Queen Street. It sits within the Town Centre and North Station Regeneration Area.
- 4.2 On 21 November 2018 Cabinet gave approval to the grant of a long leasehold interest in a major part of the Land to Alumno Student (Essex) Ltd for the proposed development on the Site. The Agreement for Lease was entered into on 27th February 2019.
- 4.3 On 13th December 2019 Alumno received planning consent after winning its planning appeal. There was no subsequent statutory challenge.
- 4.4 The completed scheme will form the next phase in the regeneration of the St Botolph's area and, in particular, bring most of this derelict site back into economic use with a new development including a new hotel, a mix of retail, restaurant, community and studio uses, along with purpose built student accommodation.
- 4.5 The development will also provide new public realm, particularly along the Roman Wall to the south of the development and in a new open square area to the rear of the former bus depot. A plan of the scheme can be seen in Appendix F.
- 4.6 The proposed development will provide links between the new Curzon Cinema development at Roman House, the Creative Business Centre at 37 Queen Street and the firstsite gallery.
- 4.7 The development would fulfil the Council's planning policy commitment of regenerating the area and would bring economic, social and environmental well-being benefits to the Council's area including:
- Alumno has advised that the development is costing in excess of £39m. It is therefore a significant substantial inward investment into Colchester town centre at a time when Covid 19 has had a dramatic negative effect on the town centre and its businesses.
  - Once operational, it is understood that the Alumno scheme will generate c. 60 FTE jobs (hotel and student accommodation, studios and retail), providing a significant boost to Colchester's economy.
  - Once constructed, the scheme itself will generate benefits for local businesses as it will bring in visitors and generate significant student spend into the local economy. Alumno have estimated that there will be an additional £2.7m spent annually in the local economy from 336 new students and those staying in the Travelodge hotel.
  - Throughout construction, Alumno has advised that employment is likely to exceed 300FTE during fitting out of both the student accommodation and the hotel.
  - This area has been largely derelict for several years, and Alumno's redevelopment will significantly improve the whole area making the public realm far more attractive and accessible and improve public safety. It will also help provide an enhanced connection to firstsite from the town centre via Queen Street and the Priory Street car park.

## **5. The Land and the need for appropriation**

- 5.1 The majority of the Land was acquired by the Council in 1956 from Essex County Council for use as a bus station and car park. The Land is currently held in the General Fund as surplus land.
- 5.2 The Land extends to approximately 2.6 acres (1.05 hectares) and the main proportion, which was formerly the bus station, now consists of rough ground. The route behind St James's House and Curzon is used by occupiers of some neighbouring properties to gain access to parking spaces and for deliveries.
- 5.3 Investigations into the title to the Land have revealed that the Land is subject to:-
- a number of express rights of way. There may also be some prescriptive rights of way. These are rights which although they have not been expressly granted in writing, may have been gained through regular use over a period of at least 20 years. It is not possible to ascertain all of the potential beneficiaries;
  - restrictive covenants which if enforceable, might also be infringed by the development. Whilst the nature, extent and beneficiaries of these covenants are known for a number of these covenants, there are other potential covenants in respect of which the Council has limited or no information and so the beneficiaries and extent to which they remain enforceable cannot be fully ascertained;
  - there may be further rights that could be interfered with by the scheme but the extent (if any) of such rights and the interference with them is currently not known
- 5.4 The full extent therefore of the rights burdening the Land is not known or easily ascertainable. Identifying all such rights, assessing the extent to which they are enforceable and would be infringed by the development and then endeavouring to secure a release of each right by negotiation, would take a considerable amount of time and cost and may be impossible to achieve.
- 5.5 Given the risk of prescriptive rights having arisen, even following the completion of an exercise to identify affected rights and covenants, there would be no certainty that all such matters had been addressed and all risks of injunction removed. The appropriation of the part of the Land comprising the Site is considered to be necessary to enable the development to proceed within a reasonable timescale. The appropriation of the remainder of the Land (outside the blue line shown on the plan at Appendix A) will ensure that the entirety of the Council's freehold interest in the Land is held for planning purposes for potential future regeneration where appropriate. In the case of the Open Space, if the currently permitted development proceeds, this land would continue to be available for use by the public as open space and it will be maintained in association with the development of the Site.
- 5.6 If the development proceeded without addressing these rights then there would be a risk of injunction from third party rights holders. If such a claim was made, it could delay or prevent development. Given the extent of the rights and beneficiaries, development by this developer or any other proposals for major redevelopment of the Land is likely to be prevented or significantly constrained.
- 5.7 By appropriating the Land for planning purposes, the Council would enable development of the Site to be carried out in accordance with the Alumno planning permission (or any other redevelopment scheme achieving regeneration of the Land for which planning permission is granted) even if it involves an infringement of third party rights and interests

which are subject to section 203 of the 2016 Act. Any person who suffers a relevant loss as a result of their rights being infringed would be entitled to receive compensation under section 204 of the 2016 Act. Furthermore, it is envisaged that the majority of the known rights holders will only suffer temporary disruption during construction and once the development is completed will again be able to access the car park and servicing area shown in Appendix B via a similar route.

- 5.8 The Land is tightly constrained. Consequently, there is very limited scope to design a scheme which would sufficiently achieve the regenerative potential of the Land in accordance with the planning policies and which would avoid infringing all third-party rights.
- 5.9 This site was identified as a major site within the 2005 St Botolph's Quarter Masterplan. Since that date the Council has been working to find a suitable development which will be viable considering the difficult constraints and issues of the site. If this scheme does not go ahead it is likely to be many years before another suitable scheme could be recommended.

## **6. Rights of Way beneficiaries**

- 6.1 The majority of the rights which are affected by the development relate to the right of vehicular access to the car park shown outlined in blue on the plan in Appendix B and/or access for servicing to those properties surrounding that car park. There are other rights of access enjoyed by, for example, firstsite, Curzon the Creative Business Centre and Essex County Council.
- 6.2 In relation to the car parking - the beneficiaries of the rights of access with associated car parking spaces will only experience a temporary restriction as a result of the need to close off the access route to the car park during construction due to health and safety reasons. To mitigate this interference those people benefitting from a legal right have been offered free alternative parking at Priory Street car park whilst the construction works are on-going. Once the works have been completed, which is estimated to be approximately 18-24 months, access to the car parking area will be reinstated via the existing service road (or a similar route) and so use of the existing car parking spaces can resume at this point.
- 6.3 The right of way users, in particular the residential occupiers, have highlighted a number of issues, mainly safety related, in having to park their vehicles in Priory Street car park and walking along Priory Street and Queen Street, particularly late at night. Therefore, negotiations have commenced with firstsite over a revised temporary right of way leading from Lewis Gardens to the car park shown in Appendix B via the front of firstsite. Firstsite were sympathetic and have provisionally offered to allow affected residents temporary access via Lewis Gardens during certain times of the day subject to some form of compensation due to the disruption. The details of this potential arrangement are still subject to negotiations with both firstsite and the residents as the residents will have issues if they only having limited access.
- 6.4 The majority of those benefiting from the rights of access use them for servicing adjoining properties. The ability to use the existing means of servicing will be prevented during the course of construction. To mitigate this interference a loading bay on Queen Street (or other appropriate nearby areas) will be made available during the development works. Again, once the works are complete the original servicing arrangements will be reinstated.
- 6.5 Following the Cabinet decision on 3<sup>rd</sup> June 2020, the jointly appointed rights of way surveyor has had ongoing negotiations with the owners of those properties affected by the redevelopment. During July 2020 the rights of way surveyor wrote to everyone that is



believed to benefit from a legal right of way and anyone with a suspected prescriptive right of way (of the nature detailed at paragraph 6.1) which it is anticipated will be adversely affected by the development. Firstsite, Curzon and the Creative Business Centre, Essex County Council were contacted separately as mentioned below and in paragraph 7. The list of potential rights of way holders is in Part B of the Report in Appendix D. The typical letter that was sent out with the attachments is in Appendix C. Appendix D also has an update on the current stage of negotiations with the individual rights holders and is contained within Part B of the Report.

- 6.6 To summarise progress to date, from the initial letters sent in July, c.25% responded within 6 weeks accepting the offer of a telephone meeting. After a follow-up letter in July, a further two telephone meetings were set up. Following some common concerns, a Frequently Asked Questions list was issued to all affected parties, but response was relatively limited, with only two further parties engaging. To try and get further engagement and to commence negotiations further follow-up letters were sent in November with reminders to those who didn't respond in early January 21. In summary, our rights of way surveyor has had direct contact with c. 50% of those parties, and are progressing with voluntary arrangements with c.15%. Feedback from commercial business occupiers has been limited, but where parties have engaged good progress has been made in agreeing the alternative parking arrangements during the works. In the opinion of the Council and of the right of way surveyors, despite negotiations with many commercial and residential occupiers progressing, considering the number of parties that have been willing to engage with the right of way surveyors and the Council over the past six months, it is unlikely that agreement will be reached with all interests within a reasonable timescale, if at all. It should be noted that if the recommendations in the report are approved those negotiations will continue and that all those with a legally enforceable right of way will receive statutory compensation to compensate them for this inconvenience.
- 6.7 It is considered that some of the residential right holders would agree revised access arrangements if full temporary access via Lewis Gardens over the land fronting firstsite could be secured. However as referred to above, at this stage firstsite have provisionally offered limited access which does not meet all of their concerns. Negotiations with firstsite are on-going. Firstsite leases the land from the Council and it is the Council's preference to agree this option with firstsite on a mutually beneficial basis. If full access is agreed, this would allay many of the safety fears of the residents.
- 6.8 In the event that the Council resolves to appropriate the Land for planning purposes, the Council will continue to negotiate with the beneficiaries of the rights of way referred to in paragraph 6.1 as well as trying to mitigate the impact on the beneficiaries, insofar as they can be identified. This will include, where appropriate, the alternative parking and loading bay provision during the course of the works mentioned above but also the revised means of access (which will be similar to the existing route) on completion of the development. Negotiation will also continue with firstsite over the use of Lewis Gardens as referred to above. In addition, financial settlements will need to be made with the affected parties where appropriate. The costs implications of this are included within the Financial Section at Paragraph 15.
- 6.9 Curzon, firstsite and the Creative Business Centre are the Council's tenants. The rights of way surveyor wrote to each of these entities in August 2020 to discuss variations to their respective leases to permit the development. Curzon were also contacted back in March 2020 on behalf of the Council to discuss the required variations.
- 6.10 Curzon has recently been sold to an American media group. The details of the proposed variations are currently with them and are being considered. However, Curzon will benefit

from the development of this land and the increased customer base so it is likely they will respond positively.

- 6.11 As well as having a part to play in the access to Lewis Gardens to assist the local residents, firstsite also have rights of way within their lease over the Land. These will be dealt with as part of the wider discussion over the use of Lewis Gardens.
- 6.12 The Creative Business Centre are obliged within their lease to accommodate these proposals and as part of their lease terms will be offered parking within Priory Street car park on preferential terms.

## **7. Other beneficiaries including Essex County Council**

- 7.1 Essex County Council benefits from various rights and covenants that affect the Land which include restricting the use of the relevant part of the Land to that of a bus depot or use for a statutory function, which would be breached by the development of the Site and a right of way which permits Essex County Council to pass over part of the Land by way of a fixed route, which again would be affected by the development. Further details of Essex County Council's rights and the following matters are included in the Part B Report.
- 7.2 Negotiations between the Council and Essex County Council have been undertaken over a number of years in respect of proposals to redevelop the Land and although they have resulted in a degree of relaxation to enable the firstsite development to be undertaken they have not led to the removal of all the restrictions.
- 7.3 In January 2019 the Director of Legal and Assurance at Essex County Council wrote to the Council offering to release all the restrictions in return for a capital sum and on the basis that no confirmation was provided by Essex County Council that it was the sole beneficiary of the rights and covenants. Both the Council and its professional advisers have sought to progress agreement of the release following receipt of the January 2019 correspondence but no substantive response has been received from Essex County Council and it is unlikely that an agreement will be reached within reasonable timescales.
- 7.4 By the Council appropriating the Land and our consequent ability to utilise s203, Essex County Council would not as a consequence be able to use this covenant or the existence of the right of way to block the development of the Site, although statutory compensation would be payable to Essex County Council. The likely budget figure has been included in the Part B Report.
- 7.5 As noted above there are other parties who benefit from rights subject to section 203 which may be affected by the development. Appropriating the Land will ensure any such right holders cannot impede the development of the Site, but they will be entitled to statutory compensation if the value of their property is diminished.

## **8. Effects of appropriation and section 203 Housing and Planning Act 2016**

- 8.1 Section 122 of the Local Government Act 1972 enables the Council to appropriate land held for one purpose to another purpose, provided that (a) the land is no longer required for the purpose for which it is held immediately before the appropriation and (b) the Council would (in principle) have power to acquire land by agreement for the "new" purpose. One effect of appropriating the land in this case would be to trigger the application of section 203 of the Housing and Planning Act 2016.

- 8.2 Where section 203 of the 2016 Act applies, it authorises both building works and the subsequent use of land even if that would involve infringement of private third-party rights such as easements or restrictive covenants. Any third party who benefits from such a right and suffers loss in terms of a reduction in the value of their land would be entitled to claim statutory compensation under section 204 of the 2016 Act from the person who carries out the development, but they would not be able to sustain a private law claim for an injunction or damages. Their rights would not "disappear" but they would be rendered unenforceable against the development. Provided the conditions of section 203 of the 2016 Act are met, it is irrelevant who carries out the development or who owns the land at that time.
- 8.3 Section 203 and its predecessor provisions have been relied on by a number of other councils to assist in the regeneration of city centre sites and other important regeneration schemes. By way of example, these councils include Enfield, Croydon, Lambeth, Wandsworth, Westminster, Kensington and Chelsea, Haringey, Kingston-upon-Thames, Bath & North East Somerset, Birmingham, Guildford, Brent and Wolverhampton.
- 8.4 The requirements for the application of these statutory provisions are further explained in the Legal Implications section of this report.

## **9. Open Space Implications**

- 9.1 As noted above, it appears that a small part of the Land (approximately 740 square metres) to the rear of 15 Queen Street, which comprises an open area of land with some seating, is being used by the public for occasional informal recreation. This land might be considered to be "de facto" open space for the purpose of section 122(2A) of the Local Government Act 1972. This area of land links firstsite and Queen Street and is paved with steps and a seating area. A small part of the Open Space, approx. 43 sqm, shown in the plan in Appendix F will be part of the new commercial space, with the student accommodation above. There will also be a canopy over part as shown in the plan. During the construction period the majority of the Open Space will be fully accessible – albeit it will not be possible to pass over the Open Space and through the remainder of the Site. Once the development is completed most of this area will continue to be available as open space and the new steps will be incorporated as per the plan in Appendix F. The paving material will match the rest of the public realm.
- 9.2 Ownership of the majority of the Open Space is to be retained by the Council and is to be maintained by Alumno in association with their development. Following completion of the development, members of the public will continue to be allowed to access the majority of this land as open space. Moreover, as noted in paragraph 4.5, the development is to provide new areas of public realm.
- 9.3 Section 122(2A) of the Local Government Act 1972 provides that a local authority may not appropriate any land consisting of open space unless, before doing so, the authority advertises notice of its intention to appropriate the land in two consecutive weeks in a newspaper circulating in the area in which the land is situated. In addition, before reaching a decision on whether to appropriate the land, the local authority must consider any objections to the proposed appropriation.
- 9.4 Notice of intention to appropriate the Open Space for planning purposes was advertised in the Essex County Standard on 14th August and 21st August 2020 and the notice and relevant plan were published on the Council's website. Responses were requested by 28<sup>th</sup> August 2020.

- 9.5 19 letters and emails were received in response to the public notice in respect of the Open Space and certain representations have also been made directly to Members. These are reproduced in Appendix E to which Members are referred. A summary and officers' comments on the objections also appear in Appendix E. Names and addresses and other identifying information have been redacted where appropriate in this report.
- 9.6 In summary, although a number of the responses do relate to the Open Space, many of them raise wider issues about the proposed development. The comments can generally be split into the following categories: -
- Concern over the potential loss of Open Space and/or retaining access to firstsite and The Minories.
  - Those who are directly affected by the scheme in terms of individual rights. Their objections primarily relate to access and are questioning why Lewis Gardens cannot be used to access their Car Park area rather than having to use Priory Street car park during construction. As mentioned above, the Council is speaking to firstsite over this option and we are hopeful that at least partial access via Lewis Gardens can be agreed. Negotiations continue.
  - Those who are strongly against the scheme in general and either do not believe that the Council should use its powers of appropriation or that it is not legal for the Council to do so.
- 9.7 The above is intended only as a general overview of the responses. It is important that Members give consideration to the objections themselves which are reproduced in Appendix E.

## **10. Alternative Options**

- 10.1 The Council does not agree to appropriate the Land and engage section 203 to override third party rights. In which case, the alternative would be to seek to identify and release all of the third-party rights by negotiation. Following legal and specialist third party rights surveyor's advice, officers do not consider that this can be achieved within a reasonable timescale to enable the redevelopment to proceed and it might still leave uncertainty as to whether all the relevant rights had been addressed. This would potentially inhibit redevelopment of the Land and at worst it could result in no redevelopment proceeding due to additional costs and delay with the likely resultant loss of the significant investment in the Town Centre worth millions of ongoing spend at this critical time for the future of the Town.

## **11. Legal Implications**

### ***Power to appropriate land – section 122 Local Government Act 1972***

- 11.1 Powers to appropriate land enable a local authority to change the statutory purpose for which they hold their land. The power to appropriate land under s122 of the Local Government Act 1972 applies to land held for most statutory purposes and is available in respect of the Land. It is noted that the Land is held as surplus land in the General Fund and there is nothing to suggest that any of the alternative appropriation powers (e.g. in respect for land held for housing or planning purposes) would be relevant here.

11.2 As noted above, the Council has power under section 122 of the Local Government Act 1972 to appropriate the Land for planning purposes provided that:

- a. the Land is no longer required for the purpose for which it is held immediately before the appropriation; and
- b. the Council would (in principle) have power to acquire land by agreement for the "new" purpose

In respect of the first requirement, a local authority must give specific consideration to the question of whether the land continues to be required for its existing purpose and in doing so, it must consider the comparative needs in the public interest for the existing use and the proposed new use. It is not necessary that the land should be surplus or unused. In *R (on the application of Maries) v Merton LBC* [2014] EWHC 2689 (Admin) the Judge summarised the principles from the earlier case law as follows:

- 1) whether land is still or is no longer required for a particular purpose, meaning no longer *needed* in the public interest of the locality *for that purpose*, is a question for the local authority, subject to *Wednesbury* principles, and not the court.
- 2) the statute is concerned with relative needs or uses for which public land has been or may be put. It does not require it to fall into disuse before the authority may appropriate it for some other purpose.
- 3) the authority is entitled when exercising its appropriation power to seek to strike the balance between comparative local (public interest) needs: between the need for one use of the land and another with the wider community interests at heart. It is for it to keep under review the needs of the locality and is entitled to take a broad view of local needs.

This report describes the current uses of the Land and the public benefits in the redevelopment proceeding to enable Members to make this comparison and strike the appropriate balance.

With regard to the second requirement of section 122, the Council has power to acquire land by agreement for planning purposes under s227 of the Town and Country Planning Act 1990. Section 227 enables land to be acquired by agreement:

- (a) if the authority think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land, or
- (b) which is required for a purpose which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated.

Where land is proposed to be acquired to facilitate development, redevelopment or improvement under (a) above, the authority must also think that that the development etc. is likely to contribute to the promotion or improvement of the economic, social and/or environmental well-being of its area. The well-being benefits of the redevelopment proceeding are summarised in paragraph 4.7 and sections 12 and 18 of this report.

11.3 In addition to the specific requirements of section 122, case law indicates that where third parties are known to have rights which may be affected by the appropriation, a local authority should not use its powers unless it has good reason to believe that the interference with their rights is necessary. Any interference with the human rights of affected parties must be justified by the public interest in the scheme proceeding and it

must be proportionate. The Human Rights implications of the proposals are referred to further in section 16 below.

***Power to override easements and other rights – sections 203 and 204 Housing and Planning Act 2016***

- 11.4 As noted above, where the conditions for the application of section 203 of the Housing and Planning Act 2016 are met, it enables building works and subsequent use of land even if they involve interference with private third party rights and interests, but subject to the payment of statutory compensation to any third parties who benefit from such a legal right and suffer loss in terms of a reduction in the value of their land. In effect, the development is rendered immune from private law proceedings, for example a claim for damages or an injunction, but an injured third party whose rights are overridden is instead entitled to receive statutory compensation. The third party rights are not extinguished, but they are rendered unenforceable against the development, so that neither an injunction nor damages can be obtained.
- 11.5 The type of rights and interests which can be overridden where s203 applies include easements such as rights of way and rights to light, rights to support and other rights and privileges which benefit other land, as well as contractual restrictions on the use of land.
- 11.6 Provided the criteria in section 203 are met, it is irrelevant who carries out the development. The overriding provisions in section 203 could therefore apply to development undertaken by a transferee or lessee of land from the Council, such as Alumno.
- 11.7 One of the situations in which section 203 can apply is where a local authority appropriates land it already owns "for planning purposes". There are four basic requirements in section 203, all of which must be satisfied if the overriding provisions are to apply. In the present case those conditions are:
- a. There must be planning permission for the development (i.e. the building or maintenance works and/or the use) that causes the interference with or breach of third party rights.
  - b. The development must be undertaken on land that has been appropriated by the local authority "for planning purposes" (as defined by s246(1) of the Town and Country Planning Act 1990).
  - c. The local authority could (at least in principle) acquire the land compulsorily for the purposes of the development.
  - d. The development must be related to the purposes for which the local authority acquired or appropriated the land.
- 11.8 If Members resolve to appropriate the Land for planning purposes and development proceeds in accordance with the current planning permission, the conditions for application of s203 would be met in relation to the Site (i.e. the part of the Land edged in blue on the plan in Appendix A):
- a. There is planning permission for the development of the Site, granted to Alumno on 13 December 2019.
  - b. The development would be undertaken on land which has been appropriated for planning purposes. "Planning purposes" are defined to include land which has been

appropriated for purposes for which land could be purchased by agreement under section 227 of the Town and Country Planning Act 1990 (see paragraph 11.4 above).

- c. In principle, the Council would have power to acquire land compulsorily for the purposes of the development under section 226 of the Town and Country Planning Act 1990. Section 226 applies in the same circumstances as those summarised in paragraph 11.2 in respect of section 227 (but subject to authorisation by the Secretary of State).
  - d. The purpose of the development is related to the purposes for which the land is proposed to be appropriated by the Council (namely to facilitate redevelopment in accordance with the current planning permission or other regeneration scheme).
- 11.9 Section 204 of the 2016 Act provides for the person who undertakes the development to be liable for any compensation which is due to third parties whose rights are infringed. The local authority will ensure that the compensation is paid to those affected. The compensation is calculated in the same way as compensation for "injurious affection" under sections 7 and 10 of the Compulsory Purchase Act 1965. This normally involves a "before and after" assessment of what the third party's land was worth with before and after any interference with their rights.
- 11.10 Although the whole of the Land is proposed for appropriation for planning purposes, it should be noted that the power to override third party rights under section 203 would only apply to development of the Site and not to those parts of the Land which sit outside the blue line on the plan at Appendix A. The reasons for appropriation of the whole of the Council's freehold interest in the Land are explained in paragraph 3.4.

### ***Special requirements in relation to proposed appropriation of open space land***

- 11.11 As noted in Section 9 of this report, as required by section 122(2A) of the Local Government Act 1972, Members must consider any objections which have been received in response to the notices given in the local newspaper, before reaching a decision on the proposed appropriation of the part of the Land referred to above as the Open Space.

## **12. Strategic Plan References**

- 12.1 The proposed development will enhance the diverse mix of uses in the immediate location and complete the final major site identified in the 2005 St Botolph's Quarter Masterplan.
- 12.2 The development will meet the 'Growth' and 'Opportunity' strategic aims and will help create an attractive and sustainable location where people can be proud to work.
- 12.3 The recommended development will "Promote Colchester to attract further inward investment and additional businesses, providing greater and more diverse employment."

## **13. Consultation**

- 13.1 The Land has been subject to considerable public consultation over the last 10 years however more recently Alumno ran a pre-planning consultation exercise and continue to engage with local councillors, groups and individuals.
- 13.2 The scheme has had a difficult planning journey and has been discussed at length at the planning committee on 28<sup>th</sup> February 2019 and again at the appeal hearing which took place over a number of days during October 2019.

- 13.3 The statutory requirements in relation to advertising the intention to appropriate open space land have been complied with in relation to the Open Space and the representations and objections which have been received in response are reported in Appendix E. Names and addresses and other identifying information have been redacted where appropriate in this report.

#### **14. Publicity Considerations**

- 14.1 There has been significant publicity around the proposed development. This is being addressed by the developer and their communications advisors, as well as the Council where appropriate.

#### **15. Financial implications**

- 15.1- The financial implications have been included within Part B of the Report.  
15.3

#### **16. Human Rights**

- 16.1 Section 6 of the Human Rights Act 1998 prohibits public authorities from acting in a way which is incompatible with the European Convention on Human Rights.

- 16.2 A decision by the Council to appropriate land for planning purposes which has the effect of engaging section 203 of the 2016 Act to override third party rights may involve interference with the human rights of neighbouring owners, in particular:

- the right to peaceful enjoyment of possessions under Article 1 of the First Protocol of the European Convention on Human Rights; and
- in the case of residential property, the right to respect for private and family life and home under Article 8 of the European Convention on Human Rights.

- 16.3 Whilst these are very important rights, they are not unqualified. Article 1 of the First Protocol indicates that in any decision which engages this right, a fair balance must be struck between the public interest and the private rights protected by Article 1. Article 8 acknowledges that interference with the right to respect for private and family life and a person's home may be justified if it is in accordance with law and necessary in a democratic society. Any such interference must be proportionate in the public interest. In relation to Article 1, the existence of a right to compensation may be relevant to some degree when determining whether the interference with private rights is proportionate.

- 16.4 Members should consider the potential effects on third parties whose rights would be infringed as well as the public benefits of the proposed redevelopment proceeding. Paragraphs 5 - 7 of this report refer to the third party rights. The public benefits of redevelopment proceeding are summarised in paragraphs 3.1 and 4.4- 4.7 and 12 of this report.

#### **17. Equality, Diversity, Community Safety and Health and Safety implications**

- 17.1 Section 149 of the Equality Act 2010 places a local authority under a legal duty ("the public sector equality duty") to have due regard to the following matters in the exercise of all its functions, namely the need to:
- a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act;



- b. advance equality of opportunity between persons who share a "relevant protected characteristic" (i.e. age, disability, sex, gender reassignment, pregnancy and maternity, race, religion or belief and sexual orientation) and persons who do not share it; and
- c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

17.2 The public sector equality duty is a continuing duty which Members must consider and review at all stages of decision-making. An EqlA report in respect of the redevelopment of the land has been prepared to which Members are referred:

<https://cbccrmdata.blob.core.windows.net/noteattachment/CBC%20-%20How%20The%20Council%20Works%20-%20Commercial%20Equality%20Impact%20Assessments%20-%20Asset%20Management%20Strategy%202016%20to%202021.pdf>

17.3 This proposed development was fully considered during the planning appeal hearing and the planning inspector would have taken due consideration of the full impact of the scheme before making the decision to accept the appeal and award planning consent for the development.

## 18. Environmental and Sustainability implications

18.1 It is proposed that the development will achieve a 'Very Good' BREEAM Rating in terms of water efficiency, energy and CO2 emissions, waste and recycling, sustainable construction, biodiversity and the regeneration of an underutilised site within an urban area. This is in accordance with the definition of sustainable development in The National Planning Policy Framework and the Council's commitment to being carbon neutral by 2030.

## 19. Risk Management Implications

19.1 The key risks identified are set out below:

Risk description	Impact and / or Consequences	Risk Mitigation / Controls
Loss of investment	The loss of this multi-million pound investment at this time in the Town Centre would have significant negative impact on the confidence in the Town and would impact its rate of recovery. It would also mean the lost opportunity of c. 60FTE permanent jobs and a c. £2.7m p.a. loss of spend within the town. It is also likely to deter future developers in investing in the town centre.	Appropriation and use of s203 as recommended in the report is the best potential mitigation.




## Background Papers

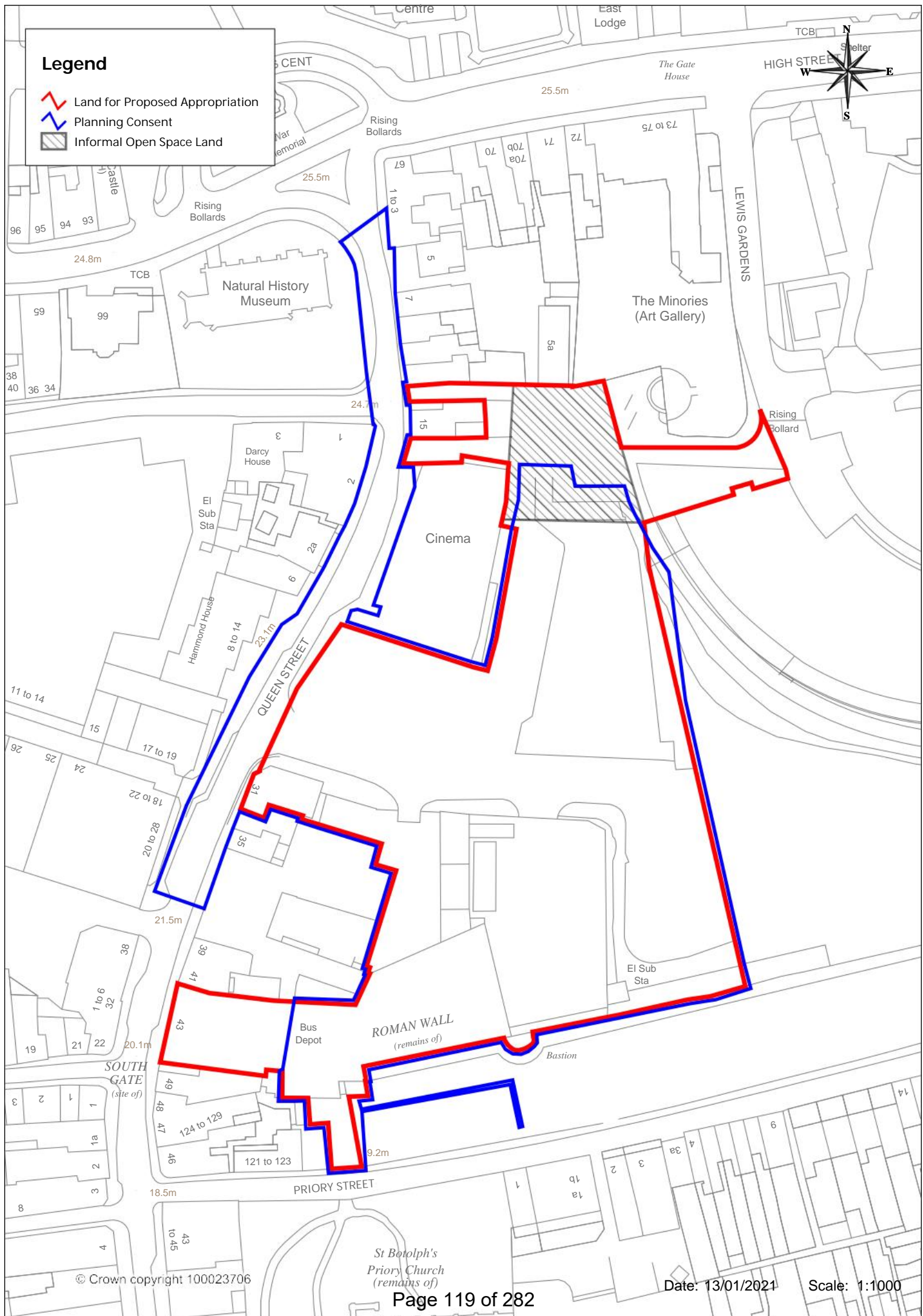
None

## Appendix A - The Land, the Site and the Open Space

<b>Appendix B -</b>	<b>Car park and servicing area to be affected by Appropriation</b>
<b>Appendix C -</b>	<b>The typical letter sent to rights of way holders with attachments</b>
<b>Appendix D –</b>	<b>Update on right of way holders negotiations are in Part B of the Paper</b>
<b>Appendix E –</b>	<b>Comments received following the Open Space notice</b> (names and addresses and other identifying information have been redacted where appropriate)
<b>Appendix F –</b>	<b>Alumno scheme with Open Space overlaid</b>


## Legend

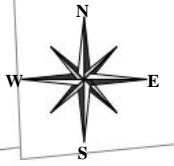
-  Land for Proposed Appropriation
-  Planning Consent
-  Informal Open Space Land





# Legend

 Car Park





Newsteer  
Real Estate Advisers

C/O HubHub London  
20 Farringdon Street  
London EC4A 4AB

T +44 (0)20 3151 4850  
M +44 (0)78 2794 4655

Dear

Re: St. Botolph's Development, Colchester (the "Development")  
Your Property:

I write in respect of the Development which is being advanced by Colchester Borough Council (the "Council") and its development partner, Alumno Student Essex Limited ("Alumno"), and the temporary impacts that the construction of the Development will have on access to the car parking area located to the rear of 1 – 15 Queen Street / 67 – 71 High Street shown edged blue on the drawing enclosed labelled "Location Plan", hereafter referred as the "Car Parking Area".

The Development is an exciting project which will make a significant contribution to Colchester, delivering a new hotel, student accommodation, retail and studio space, and public realm improvements to the Cultural Quarter.

Planning permission for the Development was secured in December 2019 (planning application reference 182120) and Alumno expect to commence construction in Autumn 2020. Newsteer has been instructed by the Council and Alumno to engage with you as the nature of the construction works will affect vehicular access to the Car Parking Area.

I enclose a drawing labelled "Plan 1" ("Plan 1") which shows the construction site (which is all of the land within the hoarding). To ensure that the construction of the new buildings is undertaken safely and in accordance with all legal requirements, access to the construction site needs to be restricted. As you will see from Plan 1, the construction site includes the land to the rear of 16-29 Queen Street (occupied by Curzon Cinema) and so access along the rear of the cinema (along with access to and through the construction site generally) will need to be closed. Please note that, as shown in Plan 1, there will be no impact on any other access routes including the pedestrian routes located between 13 and 15 Queen Street and 5 and 7 Queen Street.

The Council and Alumno want to work with local owners and occupiers to minimise disruption – and details of our proposals to ensure that the impact on those persons with a legal right of access to the Car Parking Area are set out below. However, you should be aware that if agreement with local owners and occupiers does not prove to be possible, the Council will consider using its statutory powers to override any rights of access to permit the proposed closures so that the Development can proceed. To this end I am writing to you to explain what provisions will be put



in place to ensure that the impact on those persons with a legal right of access to the Car Parking Area is minimised through:

- The provision of a replacement car parking space(s) (for those persons who currently have beneficial use of and a legal right to access to the car parking spaces with vehicles within the Car Parking Area only);
- The identification of alternative loading bay facilities that can be used for deliveries; and
- the maintenance of a means of pedestrian access to the Car Parking Area at all times.

In addition, I also provide:-

- details of the new access routes that will be available once the construction works are complete; and
- clear information as to the duration of the works and contact details for key personnel such as site managers.

### Replacement Car Parking Spaces

The Council will be providing a car parking permit for an alternative car parking facility for those who own or lease a car parking space / garage within the Car Parking Area and that can demonstrate that they benefit from a legal right with vehicles, over the site, to access the Car Parking Area. This permit will be provided free of charge for the duration of the works with one permit provided for each car parking space affected. It is currently envisaged that the permit will permit parking in the Priory Street Car Park which is shown on Plan 1.

### Alternative Loading Bays

The Council appreciates that some local occupiers also have legal rights to use the Car Parking Area for deliveries. The enclosed map labelled "Plan 2" shows the location of a number of other loading bays (coloured yellow) in the vicinity of the Car Parking Area which will be available for temporary use by these people during the course of the construction works. The nearest loading bay is located on Lewis Gardens, and pedestrian access across the front of the Firstsite building and the Car Parking Area will be maintained at all times to ensure that deliveries can be transported to the relevant properties.

### Continuation of Pedestrian Access

As shown on Plan 1 the Car Parking Area is outside of the construction site which means that those who have legal rights to use the Car Parking Area to access the rear of their properties on foot will continue to be able to do so at all times, with access via one of the entry points from Queen Street or via Lewis Gardens. The construction works will only prevent vehicles accessing the Car Parking Area. Those that have a legal right to use the Car Parking Area as a designated Fire Assembly Point will continue to be able to utilise it in this manner throughout the construction works.

### Future Access

Once the Development is complete, the site will be re-opened and vehicular access to the Car Parking Area will be made available via a new private access road to the rear of 16 – 19 Queen Street. This new access route is illustrated by the enclosed plan labelled "Plan 3".

At present not all properties that adjoin the Car Parking Area and have rights to use it have a formal documented right to access the Car Parking Area over the Council's land. As part of this process, it is proposed that the position be regularised and that each of these properties will be



formally granted access rights over the new access road with the Council and Alumno meeting the reasonable costs of a local solicitor who to review the paperwork.

#### Communication

The construction works are currently scheduled to begin in Autumn 2020 and complete in Autumn 2022. During this time, if you have any queries regarding the project you will be able to speak with the appointed construction manager whose contact details will be circulated prior to construction beginning.

#### Next Steps

To provide you with confidence that Alumno and the Council can deliver on the mitigation measures set out above I enclose, with this letter, a number of documents which set out future arrangements:

1. An Agreement for Deed of Easement from the Council and Alumno. Once signed this agreement will record both the Council and Alumno's commitment to granting formal access rights (formally known as a 'Deed of Easement') over the new access road following completion of the Development. It also commits to:
  - Maintaining pedestrian access to the Car Parking Area from Queen Street at all times (so far as it is within their control);
  - Not impeding the use of the Car Parking Area as a fire assembly point or a fire exit route (in so far as it is within their control);
  - Providing a contractor manager during the works.
2. The Deed of Easement itself. This details the rights that will be formally granted over the new road and the responsibilities of the respective parties. This will be formally entered into on completion of the Development in accordance with the Agreement for Deed of Easement.

The ambition of the Council and Alumno is for a consistent suite of documents governing the future access arrangements over the road. The Agreement for a Deed of Easement and Deed of Easement have been drafted to be simple documents which are common to all property owners. Alumno and the Council therefore do not anticipate any modifications to the document but will pay the reasonable professional fees incurred by owners (collectively if owned by more than one individual) in having a solicitor review and execute the agreement, subject to a maximum fee of £1,250 + VAT.

I also appreciate that this letter may generate a number of queries which may be better addressed through an individual conversation. If you have a query, or would like to discuss the matter further, we will be happy to engage with you to answer your questions.

Both the Council and Alumno recognise that the disruption caused by the construction works is not ideal, but hopes that the measures put in place will mean that the impacts on residents and business will be mitigated and believes that once the Development is complete it will deliver significant benefits to local residents.

I trust this letter and the accompanying drawings provide you with sufficient information as to how the delivery of the Development will affect you, and reassurance that the Council and Alumno are doing all they reasonably can to mitigate this impact. If you would like to arrange a one-to-

one call, please contact George Howlett on 07703 359 204 or [george.howlett@newsteer.co.uk](mailto:george.howlett@newsteer.co.uk) who will be able to arrange an appointment.

Yours sincerely

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

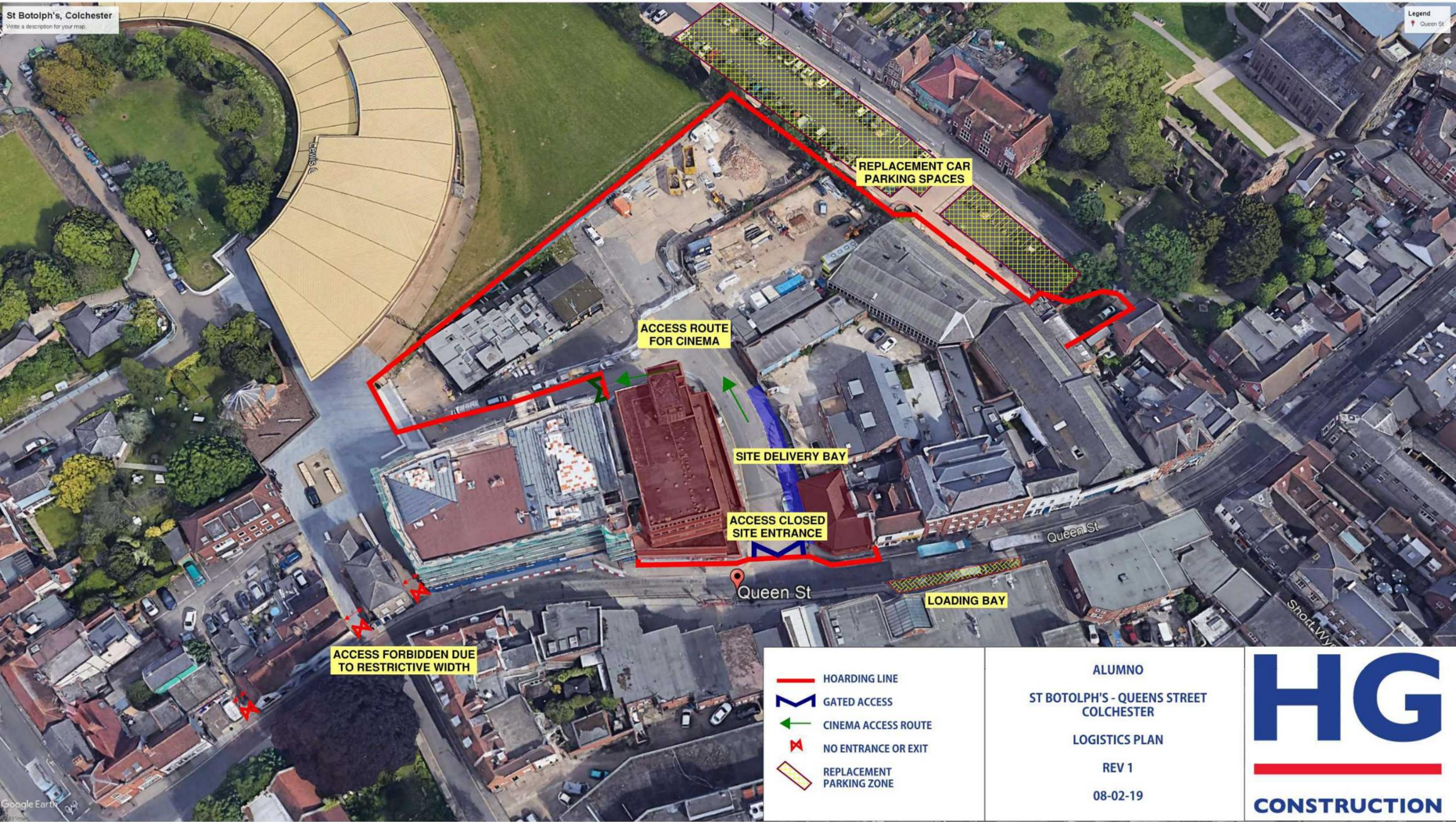
David Conboy  
Director  
[david.conboy@newsteer.co.uk](mailto:david.conboy@newsteer.co.uk)

## LOCATION PLAN



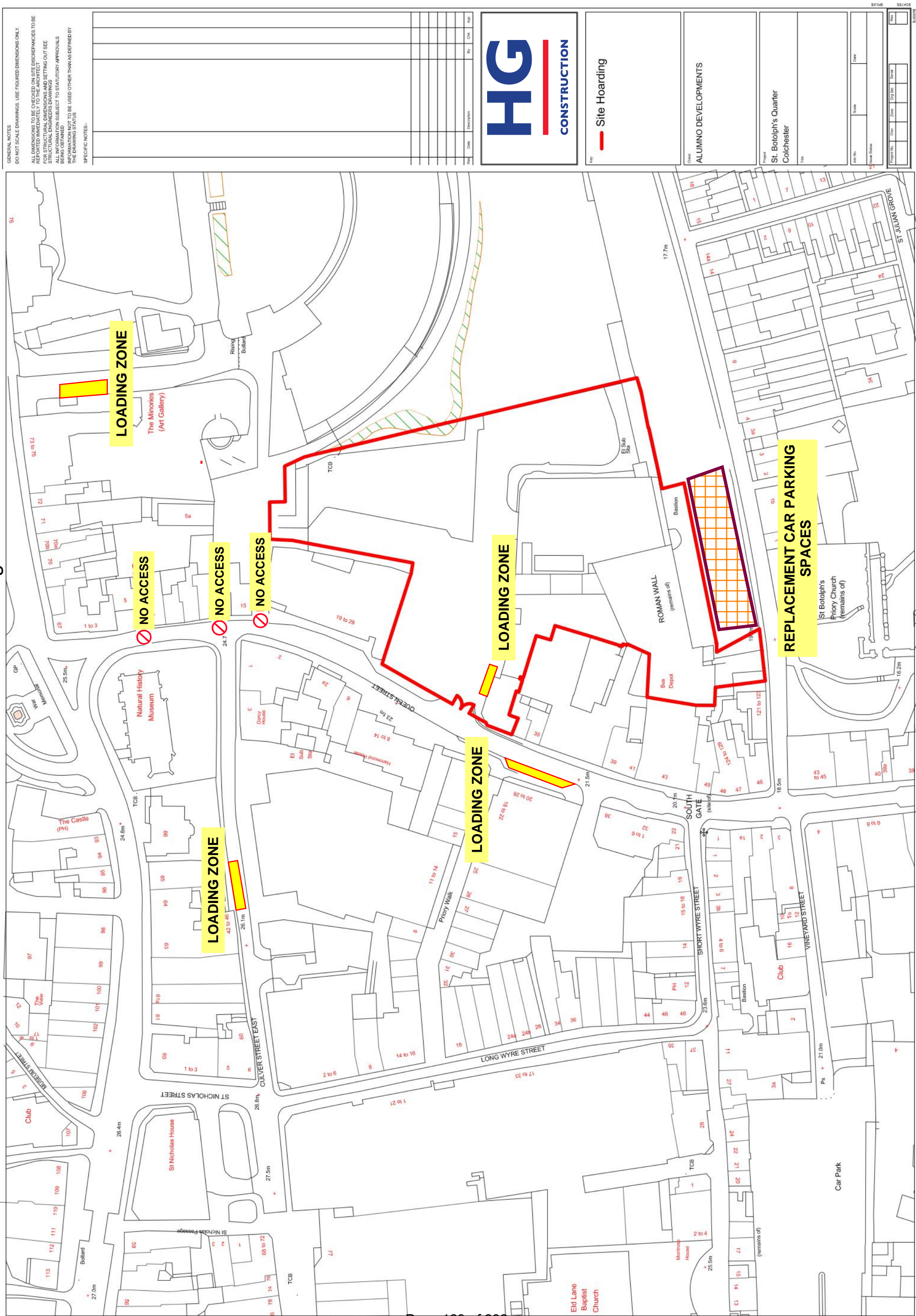


Plan 1 - Construction Site Boundary & Logistics Plan



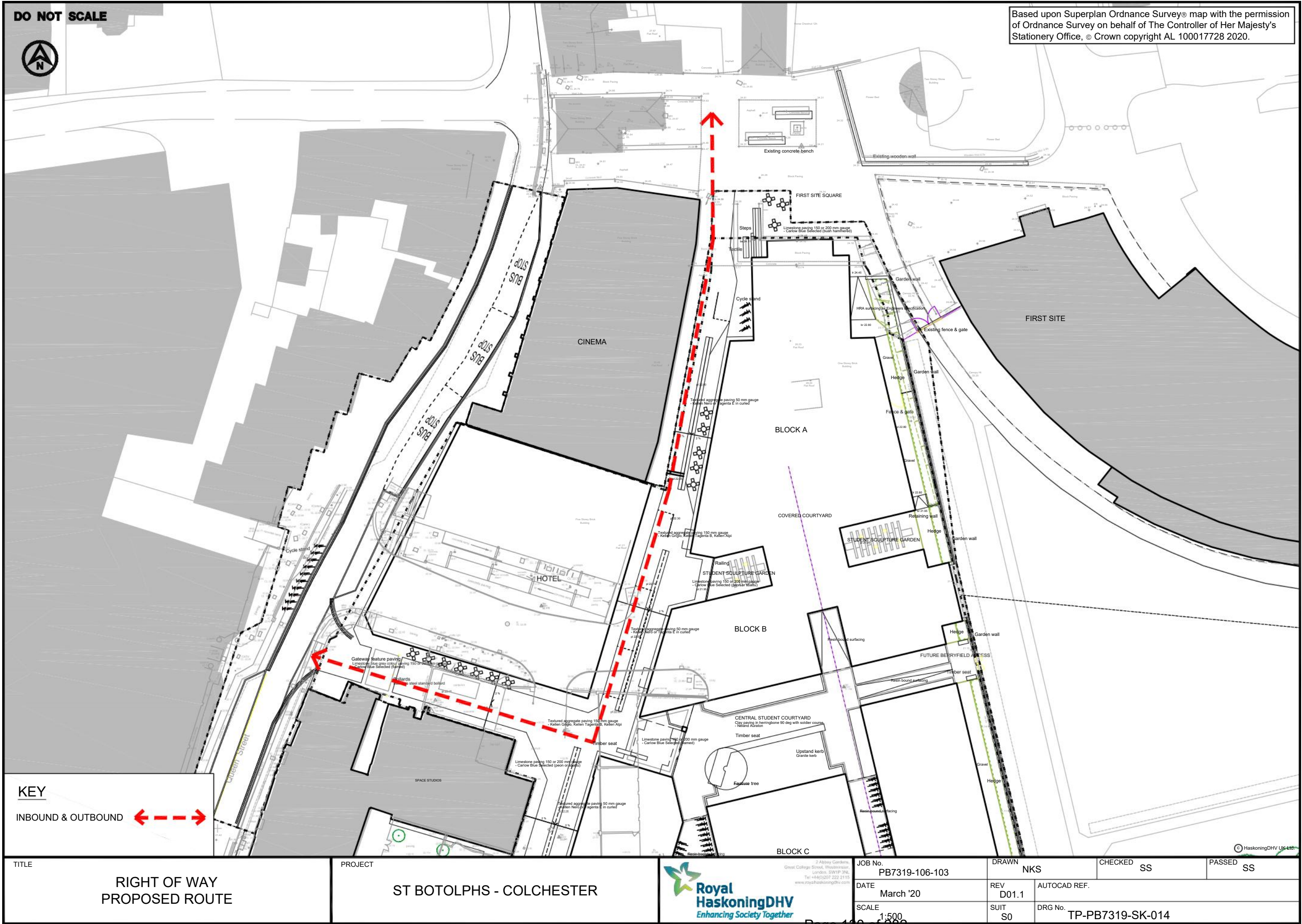


## Plan 2 - Alternative Loading Zones





Plan 3 - Proposed route of new access





[Date] 2020

(1) COLCHESTER BOROUGH COUNCIL

(2) ALUMNO STUDENT (ESSEX) LIMITED

(3) [RIGHTS HOLDER]

and

(4) ALUMNO STUDENT DEVELOPMENTS LIMITED

**AGREEMENT FOR DEED OF GRANT  
relating to the St Botolphs Development, Colchester**

[Note that clauses 2.1.1, 2.1.2 and 3.2 are only to be included where the Grantee can demonstrate:-

(a) beneficial use of a car parking space within the Car Parking Area;

(b) a legal right of access to the car parking space]

**DWF Law LLP  
20 Fenchurch Street  
London  
EC3M 3AG**

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THIS DEED is dated

2020

**BETWEEN**

- (1) **COLCHESTER BOROUGH COUNCIL** of Rowan House, Sheepen Road, Colchester CO3 3WG (the "**Grantor**");
- (2) **ALUMNO STUDENT (ESSEX) LIMITED** (a company incorporated and registered in England and Wales with company number 11425053) whose registered office is 80 Cheapside, London, England EC2V 6EE (the "**Leaseholder**");
- (3) **[RIGHTS OF WAY HOLDER]** of [insert individual address] **OR [INSERT FULL COMPANY NAME]** (a company incorporated and registered in England and Wales with company number [●]) whose registered office is [●] (the "**Grantee**"); and
- (4) **ALUMNO STUDENT DEVELOPMENTS LIMITED** (a company incorporated and registered in England and Wales with company number 09669902) whose registered office is 2nd Floor, 10 Frith Street, London, W1D 3JF (the "**Guarantor**")

**BACKGROUND**

- (A) The Grantor owns the freehold interest in the Grantor's Property, which interest is subject to the Agreement for Lease. Subject to the satisfaction of the conditions within the Agreement for Lease, the Lease will be granted to the Leaseholder, by the Grantor before completion of the Deed of Easement.
- (B) The Grantee owns the [leasehold/freehold] interest in the Grantee's Property. [The Grantee's Property benefits from a vehicular right of way over the Access Land.]<sup>1</sup>
- (C) The Leaseholder shall be permitted (but not obliged) to carry out the St Botolphs Development. [During the construction of the St Botolphs Development vehicular access over the Access Land will be prohibited in order to ensure that the Works can proceed safely and following completion of the Works a revised means of vehicular access over the Grantor's Property will be provided.]<sup>2</sup>
- (D) The Guarantor guarantees the obligations of the Leaseholder pursuant to the Agreement for Lease.
- (E) The Grantor and, where the Lease has been granted the Leaseholder, have agreed to grant the Right of Way to the Grantee on the terms of this Agreement following the completion of the Works in consideration of the Grantee's entry into this Agreement and the matters confirmed in this Agreement.
- (F) The Grantee has agreed to release any rights which it may currently benefit from over the Access Land and accept the grant of the Right of Way on the terms of this Agreement following the completion of the Works in consideration of the Grantor's entry into this Agreement and the matters confirmed in this Agreement.

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<sup>1</sup> To be deleted if the Grantee does not have a legal right of way over the Access Land

<sup>2</sup> to be deleted if the Grantee does not have a legal right of way over the Access Land

## TERMS AGREED

### 1. Definitions and interpretation

1.1 In this Agreement, these words and expressions have the following meanings:

<b>"Access Land"</b>	the land forming part of the Grantor's Property shown for indicative purposes only shaded yellow on [Plan 2];
<b>"Agreement for Lease"</b>	the agreement for lease dated 27 February 2019 between (1) the Grantor (2) the Leaseholder and (3) Alumno Student Developments Limited and relating to the Leasehold Property;
<b>"Car Parking Area"</b>	the yard situated to the rear of 1 – 15 Queen Street and 67 – 71 Queen Street which are is shown edged blue on Plan 1;
<b>"Completion"</b>	completion of the Deed of Easement in accordance with the terms of this Agreement;
<b>"Completion Date"</b>	15 Working Days following practical completion of the Works;
<b>"Deed of Easement"</b>	a deed of easement to be entered into granting the Right of Way in the form appended at Appendix 4 and as may be amended in accordance with this Agreement;
<b>["Grantee's Property"]</b>	[the [freehold OR leasehold land known as [insert details] [as registered at HM Land Registry under title number [insert title number]] and shown edged red on the plan attached at Appendix 5;
<b>"Grantor's Property"</b>	the freehold property registered at HM Land Registry under title number EX387063, EX344004, EX809745, EX485171, EX940034, EX940035, EX949249 and EX817476 as shown edged red, tinted yellow and edged blue on Plan 1;
<b>"Lease "</b>	the lease of the Leasehold Property to be granted pursuant to the Agreement for Lease;
<b>"Leasehold Property"</b>	the part of the Grantor's Property as shown outlined in red on Plan 3;
<b>"Loading Areas"</b>	the loading areas shown coloured yellow on Plan [ ]
<b>"Plan 1"</b>	the plan attached at Appendix 1;
<b>"Plan 2"</b>	the plan attached at Appendix 2;
<b>"Plan 3"</b>	the plan attached at Appendix 3;

<b>"Planning Permission"</b>	the planning permission for the St Botolphs Development with reference 182120 and any amendment or variation of such planning permission or any alternative planning permission as may be obtained from time to time in relation to the development of all or part of the Grantor's Property;
<b>"Queen Street"</b>	the adopted public highway known as Queen Street which adjoins the Grantor's Property;
<b>"Replacement Parking Area"</b>	the Priory Street car park (shown [ ] on plan [ ]) or such other car park within the vicinity of the Grantee's Property designated by the Grantor from time to time
<b>"Right of Way"</b>	the non-exclusive right of way at all times and for all purposes in connection with the Grantee's Property with or without vehicles to enter upon and pass and re-pass over and along the Roadway for the benefit of the Grantee and its successors in title to be granted by and on the terms of the Deed of Easement;
<b>"Roadway"</b>	the roadway shown dashed red on Plan 2 passing over and forming part of the Grantor's Property;
<b>"St Botolphs Development"</b>	the mixed use development contemplated by the Planning Permission;
<b>"Working Days"</b>	any day in England which is not a Saturday, Sunday or public holiday;
<b>"Works"</b>	the construction works relating to the delivery of the St Botolphs Development.

1.2 In this Agreement:-

- 1.2.1 an obligation of a party includes the responsibility to procure that it is observed and performed;
- 1.2.2 a restriction imposed on a party includes the obligation not to permit or waive an infringement of the restriction;
- 1.2.3 where a party to this Agreement comprises more than one person, the obligations of those persons are to be treated as undertaken by them jointly and severally;
- 1.2.4 references to a statute or statutory instrument includes any statute or statutory instrument consolidating, amending or replacing it from time to time in force; references to a statute include statutory instruments and regulations made under it;

- 1.2.5 words importing the singular meaning include the plural meaning and vice versa;
- 1.2.6 words importing one gender include both other genders;
- 1.2.7 unless the context otherwise requires, references to Clauses or Appendices are to Clauses or Appendices in this Agreement;
- 1.2.8 the headings to Clauses and Appendices in this Agreement are for convenient reference only and are to be disregarded in interpreting this Agreement.

## **2. Leaseholder Covenants**

- 2.1 The Leaseholder covenants with the Grantee that from the date on which the Works commence until they are complete it will:
  - 2.1.1 so far as it is within its control, ensure that pedestrian access is maintained at all times to the Car Parking Area from Queen Street;
  - 2.1.2 so far as it is within its control, not impede the use of the Car Parking Area as a fire assembly point or the fire escape routes of those properties which have an exit route on to the Car Parking Area during the Works<sup>3</sup>;
  - 2.1.3 provide a contractor response and liaison officer to deal with any issues that arise in connection with the Works.
- 2.2 The Leaseholder covenants with the Grantee and the Grantor that it shall notify the Grantee and the Grantor:-
  - 2.2.1 of the intended date for commencement of the Works not less than 10 Working Days prior to their commencement; and
  - 2.2.2 of practical completion within 10 Working Days of that date occurring.

## **3. Grantor's Covenants**

- 3.1 In the event that:-
  - 3.1.1 the Lease has not been granted prior to commencement of the Works; and
  - 3.1.2 the Grantor has not procured a deed of covenant from the person that will undertake the Works to the Grantee prior to the commencement of the Works (pursuant to which such person undertakes with the Grantee to comply with the Leaseholder's covenants in this Agreement)(but not otherwise) the Grantor covenants with the Grantee on the terms set out in Clause 2 as if references therein to the Leaseholder were to the Grantor.
- 3.2 The Grantor covenants with the Grantee:-

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<sup>3</sup> Delete clause 2.1.1 and 2.1.2 if the Grantee cannot demonstrate legal rights to use/access the Car Parking Area

- 3.2.1 [prior to commencement of the Works, to provide the Grantee with a parking permit which will allow the Grantee to park a single [commercial or non-commercial vehicle] free of charge in the Replacement Parking Area;
- 3.2.2 not to cancel the said parking permit until practical completion of the Works without first providing a replacement parking permit;]
- 3.2.3 so far as reasonably possible, to make available the Loading Areas for delivery of goods to the Grantee's Property<sup>4</sup>

#### 4. **Grant of Rights**

- 4.1 Subject to clauses 4.2 and 5 of this Agreement, on the Completion Date the Grantor, the Grantee, the Leaseholder and the Guarantor will enter into the Deed of Easement.
- 4.2 The Grantor, the Leaseholder, the Guarantor and the Grantee acknowledge and agree that by the date that the Deed of Easement is due to be entered into the Lease may not have been granted or may have been granted and subsequently determined and, in such case the Deed of Easement will be entered into between the Grantor and the Grantee only. Where this is the case the Leaseholder and the Guarantor each consent to Completion and agrees that the Lease (and where applicable) its lease of part of the Grantor's Property for redevelopment as a hotel will be granted subject to the Deed of Easement.
- 4.3 The Grantor shall only be required to enter into the Deed of Easement as provided by this Agreement. No rights are implied and section 62 of the Law of Property Act 1925 is excluded.

#### 5. **Grantee's Covenants**

The Grantee covenants with the Grantor and separately with the Leaseholder that it will:-

- 5.1 not seek to exercise, permit the exercise of or enforce all and any existing rights which the Grantee and/or the Grantee's Property currently benefit from over the Access Land from the date on which the Works commence until the Completion Date.
- 5.2 procure that on, and as a condition of Completion, a consent letter in the form annexed to this Agreement at Appendix 6 (or in such other form as is approved by the Grantor) is issued by any third party with the benefit of a charge over the Grantee's Property, to the Grantor, on the Completion Date; and
- 5.3 procure that on, and as a condition of Completion, all consents, documentation and certificates required to comply with any restrictions contained on the Proprietorship Register to the title to the Grantee's Property are procured and delivered to the Grantor on the Completion Date; and

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<sup>4</sup> delete clause 3.2 if the Grantee cannot demonstrate beneficial use of a car parking space / loading rights (as applicable) and a legal right to access the same

- 5.4 in respect of any third party who issues a consent or certificate pursuant to clauses 5.2 and/or 5.3 it will procure that one of the following is provided to the Grantor on the Completion Date (as a condition of Completion) in respect of each such person:
- 5.4.1 the name, address and reference of the conveyancer (as defined in Rule 217 Land Registration Rules 2003) acting for each third party;
  - 5.4.2 a duly completed Land Registry Form DS2/AP1 (as appropriate) signed by either the Grantee's solicitors or the relevant third party;
  - 5.4.3 a duly completed Land Registry Form ID1 or ID2 (as appropriate) in respect of the relevant third party; or
  - 5.4.4 written confirmation from the Grantee's solicitors that they are satisfied that sufficient steps have been taken to verify the identity of each third party and the Grantor's solicitors will be entitled to rely on that confirmation in order to make the corresponding declaration in panel 13(2) of Land Registry Form AP1 in any application by the Grantor to register the Deed of Easement.

**6. Matters affecting the Grantor's Land**

- 6.1 The Deed of Easement is granted subject to:
- 6.1.1 the matters contained or referred to in the registers maintained by HM Land Registry or the Land Charges Department;
  - 6.1.2 all matters discoverable by inspection of the Grantor's Property before completion of the Deed of Easement;
  - 6.1.3 all matters relating to the Grantor's Property which the Grantor does not know about;
  - 6.1.4 entries in any public register (whether made before or after completion of the Deed of Easement);
  - 6.1.5 public requirements and any matters arising by virtue of any legislation;
  - 6.1.6 all matters disclosed or which would be disclosed by searches or as a result of enquiries (formal or informal, and whether made in person, in writing or orally) made by or for the Grantee or which a prudent Grantee ought to make;
  - 6.1.7 all overriding interests whether or not apparent on inspection or disclosed in any of the documents referred to in this Agreement;
  - 6.1.8 all matters specified in this Agreement and in the Deed of Easement; and
  - 6.1.9 the Lease.
- 6.2 The Grantee will be deemed to accept the Deed of Easement with full knowledge of the matters subject to which it is granted, and may not make any requisition or claim in respect of any of them.

## 7. **Warranties**

The Grantee warrants to the Grantor that:-

- 7.1 it has full power to enter into this Agreement and to effect the matters effected by it;
- 7.2 no person deriving title through or under the Grantee has the benefit of any rights over the Access Land that would continue to subsist following exchange of this Agreement;
- 7.3 no other person's consent is or may be required to give full effect to the terms of this Agreement or all such consents have been obtained and supplied to the Grantor prior to exchange of this Agreement;
- 7.4 no person other than the Grantee is in occupation of the Grantee's Property;
- 7.5 it does not own and has not entered into any agreement or negotiations to acquire any interest in any additional property (whether freehold or leasehold) which benefits from any rights over the Access Land.

## 8. **Termination**

- 8.1 This Agreement may be terminated by written notice given by the Grantor to the Grantee if the St Botolphs Development has not practically completed on or before [ ]<sup>5</sup>.
- 8.2 The Grantor covenants with the Leaseholder and the Guarantor that it will not serve notice to terminate pursuant to Clause 8.1 unless:-
  - 8.2.1 the Lease has not been granted and the Agreement for Lease has been determined;
  - 8.2.2 the Lease has been granted but subsequently determined;
  - 8.2.3 the Leaseholder consents to the service of the notice.

## 9. **Redevelopment and Alteration**

The Grantor and the Leaseholder each reserve the right to alter or develop the Grantor's Property in whatever manner they each sees fit and shall not through the provision of this Agreement be deemed to admit the existence of any prescriptive or implied rights over the Grantor's Property.

## 10. **Assignment**

- 10.1 The Grantor shall be required to assign the benefit of this Agreement to any party to whom the Grantor's Property is transferred and the Grantor shall procure a deed of covenant from its assignee in favour of the Leaseholder and the Grantee containing a covenant by such assignee to observe and perform the obligations on the part of the Grantor contained in this Agreement.

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<sup>5</sup> 2 years from the date on which the first Agreement is entered into

10.2 The Leaseholder shall be required to assign the benefit of this Agreement to any party to whom:-

10.2.1 prior to the grant of the Lease, the Agreement for Lease is assigned to; or

10.2.2 that the Lease is assigned or granted to

and the Leaseholder shall procure a deed of covenant from its assignee in favour of the Grantor and the Grantee containing a covenant by such assignee to observe and perform the obligations on the part of the Leaseholder contained in this Agreement.

## **11. Transfer of the Grantee's Property**

11.1 Upon a transfer or grant of a lease of the Grantee's Property, the Grantee shall procure a deed of covenant from its assignee in favour of the Grantor and the Leaseholder containing a covenant by such assignee to observe and perform the obligations on the part of the Grantee contained in this Agreement.

11.2 Within 10 Working Days following the date of this Agreement, the Grantee shall apply to the Land Registry for the following restriction being entered onto the title to the Grantee's Property:-

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a certificate signed by a conveyancer that the provisions of Clause 11.1 of an Agreement for Deed of Easement dated [TBC] made between (1) Colchester Borough Council (2) Alumno Student (Essex) Limited (3) [Rights Holder] and (4) Alumno Student Developments Limited have been complied with or that they do not apply to the disposition."

## **12. Mutual Cooperation**

The Grantee covenants with each of the Leaseholder and the Grantor that it shall not do or permit anything to be done that is likely to interfere with or jeopardise the implementation of the St Botolphs Development including in relation to any highways approvals.

## **13. HM Land Registry**

13.1 The Grantee gives consent for the Grantor and Leaseholder to register a unilateral notice of the interests granted by this Agreement in the charges register of the Grantee's Property.

13.2 The Grantor gives consent to the Grantee to register a unilateral notice of this Agreement in the charges register to the Grantor's Property.

13.3 At the date on which the same is registered at the Land Registry, the Leaseholder grants consent to the Grantee to register a unilateral notice of this Agreement in the charges register to the Leasehold Property.

13.4 No party shall be permitted to submit an application to register an agreed notice at the Land Registry in connection with this Agreement.



**14. Notices**

Any notices to be served hereunder may be delivered to or sent by first class recorded delivery post to the relevant address as listed in the recitals to this Agreement.

**15. Contracts (Rights of Third Parties) Act 1999**

15.1 Only a party to this Agreement may enforce it under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any rights that are available apart from that Act.

15.2 The parties may, by agreement in writing, rescind or vary clauses in this Agreement without the consent of a third party to whom the right of enforcement of any of its terms has been expressly provided.

**16. Jurisdiction**

16.1 This Agreement shall be governed by and construed in all respects in accordance with the laws of England and Wales.

16.2 Proceedings in connection with this Agreement shall be subject (and the parties irrevocably submit) to the exclusive jurisdiction of the English and Welsh courts.

**17. Non-fetter**

The parties agree and acknowledge that Colchester Borough Council is entering into this Agreement in its capacity as landowner only and nothing contained or implied by this Agreement shall prejudice or affect the rights, powers, duties and obligations of Colchester Borough Council under all statutes which may be exercised in full as if this Agreement has not been entered into.

**18. Confidentiality**

18.1 Except as provided by this clause 18, the Grantee shall not disclose or permit to be disclosed by any person connected with it (including agents, employees or representatives) or suffer to be disclosed any of the terms of this Agreement without the prior written agreement of the Grantor (not to be unreasonably withheld or delayed), except:

18.1.1 any particular extracts or details which must be the subject of disclosure to comply with any stock exchange or any statutory requirements or the lawful requirements of any regulatory, governmental or official body;

18.1.2 to any group companies (as defined by section 42 Landlord and Tenant Act 1954) or professional advisers or funders and investors (including their professional advisors) who need to know such details;

18.1.3 to the extent necessary to comply with or enforce any legal obligation or legal requirement;

18.1.4 to the extent necessary to comply with or give effect to the terms of this Agreement;

18.1.5 to HM Revenue and Customs, the Land Registry or any other governmental, public or official body for taxation, rating or registration purposes; or

18.1.6 to the extent they are already in the public domain, otherwise than as a result of a breach of this clause 18.

**19. GUARANTOR'S CONSENT**

The Guarantor:-

19.1 consents to the Leaseholder entering into this Agreement;

19.2 agrees that its guarantee and other obligations in the Agreement for Lease remain fully effective and are not released or diminished by any provision of this deed.

Executed as a deed by the parties or their duly authorised representatives on the date of this Agreement.

## SIGNATURE PAGE

**EXECUTED** (but not delivered until the date hereof) as a **DEED** by affixing the common seal of **COLCHESTER BOROUGH COUNCIL** in the presence of:

### MEMBER

Signature: .....

Name (in block capitals): .....

### AUTHORISED OFFICER

Signature: .....

Name (in block capitals): .....

**EXECUTED** (but not delivered until the date hereof) as a **DEED** by **ALUMNO STUDENT (ESSEX) LIMITED** acting by , a director, in the presence of: .....

### DIRECTOR

### WITNESS

Signature: .....

Name: .....

Address: .....

.....

.....

Occupation: .....

**EXECUTED** (but not delivered until the date hereof) as a **DEED** by **[RIGHTSHOLDER]** acting by **[NAME OF DIRECTOR]**, a ..... director, in the presence of:

**DIRECTOR**

**WITNESS**

Signature: .....

Name: .....

Address: .....

.....

.....

Occupation: .....

**EXECUTED** (but not delivered until the date hereof) as a **DEED** by **ALUMNO STUDENT DEVELOPMENTS LIMITED** acting by , a ..... director, in the presence of:

**DIRECTOR**

**WITNESS**

Signature: .....

Name: .....

Address: .....

.....

.....

Occupation: .....

## **APPENDIX 1**

### **Plan 1**

## **APPENDIX 2**

### **Plan 2**

## **APPENDIX 3**

### **Plan 3**

Appendix 4

**Deed of Easement**



**Appendix 5**  
**Grantee's Property**

## **APPENDIX 6**

### **Form of Charge Consent Letter**



[Date] 2020

(1) COLCHESTER BOROUGH COUNCIL

and

(2) ALUMNO STUDENT (ESSEX) LIMITED

and

(3) [RIGHTS HOLDER]

and

(4) ALUMNO STUDENT DEVELOPMENTS LIMITED

**DEED OF GRANT**  
relating to the St Botolphs Development, Colchester

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THIS DEED is dated

2020

**BETWEEN**

- (1) **COLCHESTER BOROUGH COUNCIL** of Rowan House, Sheepen Road, Colchester CO3 3WG (the "**Grantor**");
- (2) **[ALUMNO STUDENT (ESSEX) LIMITED]** (company number 11425053) whose registered office is 80 Cheapside, London, England EC2V 6EE (the "**Leaseholder**");
- (3) **[RIGHTS OF WAY HOLDER]** of [●] OR **[INSERT FULL COMPANY NAME]** (company number [●]) whose registered office is [●] (the "**Grantee**") and
- (4) **ALUMNO STUDENT DEVELOPMENTS LIMITED** (company number 09669902) whose registered office is 2nd Floor, 10 Frith Street, London, W1D 3JF (the "**Guarantor**")

**TERMS AGREED**

**1. Definitions and interpretation**

1.1 In this Deed the following definitions apply:

<b>"Access Land"</b>	the land forming part of the Servient Land shown for indicative purposes only shaded yellow on [Plan 1];
<b>"Agreement"</b>	the agreement for deed of grant of an easement dated [ ], 2020 between (1) the Grantor (2) the Leaseholder and (3) the Grantee;
<b>"Car Parking Area"</b>	the yard situated to the rear of 1 – 15 Queen Street and 67 – 71 Queen Street and shown edged blue on Plan [ ];
<b>"Dominant Land"</b>	[the [freehold OR leasehold land known as [insert details] [as registered at HM Land Registry under title number [insert title number]] and shown edged red on the plan attached at Appendix 2;
<b>"Lease"</b>	the lease dated [TBC] between (1) the Grantor (2) the Leaseholder and (3) Alumno Student Developments Limited and relating to the Leasehold Property and any continuation thereof;
<b>"Leasehold Property"</b>	those parts of the Dominant Land as are demised by the Lease and shown edged [ ] on the plan attached at Appendix 3;
<b>"Plan 1"</b>	in the plan attached to this Deed at Appendix 1;
<b>"Rights"</b>	the rights set out in Schedule 1;
<b>"Roadway"</b>	the roadway shown dashed red on Plan 2 passing over and forming part of the Servient Land or such alternative

route as notified by the Grantor to the Grantee from time to time pursuant to paragraph 1.4 of Schedule 2;

**"Servient Land"**

the freehold property registered at HM Land Registry under title number EX387063, EX344004, EX809745, EX485171, EX940034, EX940035, EX949249 and EX817476 as shown edged red, tinted yellow and edged blue on Plan [ ]

- 1.2 the references to the **"Grantor"**, **"Leaseholder"** and **"Grantee"** include their respective successors in title;
- 1.3 the table of contents and clause headings are for reference only and do not affect its construction;
- 1.4 the word **"liability"** includes all costs, claims, expenses and loss incurred or suffered by the relevant party;
- 1.5 general words introduced by the word **"other"** do not have a restrictive meaning even where preceded by words indicating a particular class of acts, things or matters;
- 1.6 where a party to this Deed includes two or more persons, the covenants made by that party are made by those persons jointly and severally;
- 1.7 an obligation in this Deed not to do any act or thing includes an obligation not to permit or suffer that act or thing to be done by another person.

**2. Grant**

- 2.1 In consideration of the covenants set out in Schedule 4 and the release in Clause 6 the Grantor with full title guarantee in respect of the Servient Land grants to the Grantee for the benefit of the Dominant Land the Rights to hold to the Grantee in fee simple commencing on the date of this Deed.
- 2.2 All rights not expressly included in the Rights are reserved to the Grantor.
- 2.3 The Rights are granted subject to the observance and performance of the covenants contained in Schedule 4 and the rights reserved for the benefit of the Servient Land and the Leasehold Property in Schedule 2.
- 2.4 The Rights are not granted exclusively to the Grantee and are granted in common with any other persons lawfully entitled to the Rights or similar rights in respect of the Servient Land.

**3. Grantor's covenants**

The Grantor covenants with the Grantee so as to bind the Roadway into whosoever's hands it may come for the benefit and protection of the Dominant Land that the Grantor and its successors in title shall at all times after the date of this Deed observe and perform the covenants and restrictions set out in Part 1 of Schedule 3 but provided that, the Grantor shall have no liability pursuant to this clause whilst the Lease subsists.

4. **Leaseholder's covenants**

The Leaseholder covenants with the Grantee so as to bind the Leasehold Property into whosoever's hands it may come for the benefit and protection of the Dominant Land that the Leaseholder and its successors in title shall at all times after the date of this Deed observe and perform the covenants and restrictions set out in Part 2 of Schedule 3.

5. **Grantee's covenants**

The Grantee covenants with the Grantor so as to bind the Dominant Land into whosoever's hands it may come for the benefit and protection of the Servient Land and the Leasehold Property that the Grantee and its successors in title shall at all times after the date of this Deed observe and perform the covenants and restrictions set out in Schedule 4.

6. **Release**

6.1 The Grantee for itself and its successors in title releases and surrenders with full title guarantee any and all rights of way over the Access Land that currently benefit the Grantee's Property (including any inferior interests) to the intent that they now be extinguished and agree that no rights of way can be acquired by prescription.

6.2 The Grantee confirms for the avoidance of doubt that any temporary rights granted by the Grantor and the Leaseholder to the Grantee pursuant to clause 3.2 of the Agreement are hereby released.

7. **Warranties**

The Grantee warrants to the Grantor that:-

7.1 it has full power to enter into this Deed and to effect the matters effected by it;

7.2 no person deriving title through or under the Grantee has the benefit of any rights over the Access Land that would continue to subsist following completion of this Deed;

7.3 no other person's consent is or may be required to give full effect to the terms of this Deed or all such consents have been obtained and supplied to the Grantor prior to completion of this Deed;

7.4 no person other than the Grantee is in occupation of the Dominant Land;

7.5 it does not own and has not entered into any agreement or negotiations to acquire any interest in any additional property (whether freehold or leasehold) which benefits from any rights over the Access Land.

8. **Leaseholder**

The Leaseholder consents to the grant of the Rights and the Lease will be subject to the matters contained in this Deed.

9. **Transfer of the Dominant Land**

Upon a transfer or grant of a lease (other than a lease granted at an open market rent without the payment of a fine or premium) of the Dominant Land, the Grantee shall procure a deed of

covenant from its donee in favour of the Grantor and the Leaseholder containing a covenant by such donee to observe and perform the obligations on the part of the Grantee contained in this Deed.

## **10. HM Land Registry**

10.1 The Grantor consents to the entry of a notice in the Charges Register of the title to the Servient Land in respect of this Deed.

10.2 Within 10 working days following the date of this Deed, the Grantee shall apply to the Land Registry:-

10.2.1 to note the Rights and any restrictive covenants against the Grantor's registered title to the Servient Land and the Leaseholder's registered title to the Leasehold Property;

10.2.2 to note any restrictive covenants made in this Deed by the Grantee against the Grantee's registered title to the Dominant Land and to enter the Rights in the Property Register of that title as appurtenant rights; and

10.2.3 to register the following restriction on the Grantee's title to the Dominant Land:-

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a certificate signed by a conveyancer that the provisions of Clause 9 of a Deed of Easement dated [TBC] made between (1) Colchester Borough Council [(2) Alumno Student (Essex) Limited] (3) [Rights Holder] and (4) Alumno Student Developments Limited have been complied with or that they do not apply to the disposition."

10.3 As soon as possible after completion of this Deed the Grantee shall give to the Grantor official copies of the registered title to the Servient Land, the Dominant Land and the Leasehold Property, to show that the Rights and any restrictive covenants made by the Grantor and/or the Grantee and the restriction on title have been properly and correctly entered against the respective titles.

## **11. Indemnity**

The Grantee covenants with the Grantor to keep the Grantor and its successors in title indemnified from and against any act, loss, damage or liability suffered by the Grantor or its successors in title in the exercise of the Rights.

## **12. Liability**

12.1 Where the Grantor is responsible for compliance pursuant to Clause 3, the Grantor shall not be liable to the Grantee for any failure of the Grantor to comply with the covenant contained in Schedule 3 unless and until the Grantee has given the Grantor notice of the facts that give rise to the failure and the Grantor has not remedied the failure within a reasonable time.



12.2 The Grantor is not liable for the death of, or injury to the Grantee or to any other person who is permitted by the Grantee to exercise the Rights or for damage to any property of theirs, or for any losses, claims, demands, actions, proceedings, damages, costs or expenses or other liability incurred by them in the exercise of the Rights.

13. **Guarantor's consent**

The Guarantor:-

13.1 consents to the Leaseholder entering into this Deed;

13.2 agrees that its guarantee and other obligations in the Lease remain fully effective and are not released or diminished by any provision of this Deed.

14. **Jurisdiction**

The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, this Deed, its subject matter or formation.

15. **Governing law**

This Deed and any dispute or claim arising out of, or in connection with, it, its subject matter or formation shall be governed by, and construed in accordance with, the laws of England and Wales.

16. **Contracts (Rights of Third Parties) Act 1999**

Unless expressly stated, nothing in this Deed will create any rights in favour of any person under the Contracts (Rights of Third Parties) Act 1999.

Executed as a deed by the parties on the date first set out at the beginning of this Deed.

## **SCHEDULE 1**

### **The Rights**

The right for the Grantee and its successors in title as owners or occupiers for the time being of the Dominant Land (in common with the Grantor and all other persons having the like rights) at all times and for all purposes in connection with the use of the Dominant Land, but not for any other purpose, to pass and repass over and along the Roadway on foot and with or without vehicles but subject to interruption (for the minimum period reasonably practicable) for repair and maintenance.

## **SCHEDULE 2**

### **Reserved Rights**

1. The following rights are reserved to the Grantor and its successors in title as owners or occupiers for the time being of the Roadway and all other persons authorised to benefit from the same:
  - 1.1 the right to use any part of the Servient Land as the Grantor thinks fit, or to build upon or develop or redevelop any part of the Servient Land, provided that such building or development does not affect the exercise of the Rights by the Grantee;
  - 1.2 the right to enter upon the Roadway and, where reasonably necessary, temporarily obstruct or close the Roadway, at any time in order to:
    - 1.2.1 carry out any obligation under this Deed;
    - 1.2.2 repair or maintain any part of the Servient Land or any service media within the Servient Land, provided that the Grantor will endeavour to cause as little interference to the Grantee's exercise of the Rights as is reasonably practicable;
  - 1.3 the right to install retractable bollards on the Roadway in order to prevent unauthorised access to the Roadway;
  - 1.4 the right to vary the route of the Roadway over the Servient Land on reasonable written notice provided that a means of vehicular access to the Car Parking Area to and from a public adopted highway is maintained at all times and the provision of a replacement route which is no less commodious or convenient.

### **SCHEDULE 3**

#### **Part 1**

##### **Grantor's Covenants**

1. Subject to the proviso to clause 3 and to the Grantee complying with its obligations pursuant to Clause 5, the Grantor covenants to maintain the Roadway in good repair at all times

#### **[Part 2**

##### **Leaseholder's Covenants**

1. Subject to the Grantee complying with its obligations pursuant to clause 5, the Leaseholder covenants to maintain the Roadway in good repair at all times.

## Schedule 4

### Grantee's Covenants

1. The Grantee covenants:
  - 1.1 to comply with all Acts of Parliament and subordinate legislation governing the exercise of the Rights;
  - 1.2 not to exercise the Rights so as to cause any nuisance, annoyance or disturbance to the Grantor, the Leaseholder or to the tenants or occupiers of the Servient Land or to the owners or occupiers of any adjoining or neighbouring land;
  - 1.3 not to cause any damage to the Servient Land and without prejudice to such obligation, where such damage is occasioned to reimburse the costs incurred by the Grantor and/or the Leaseholder in making good the same on demand;
  - 1.4 to pay to the Grantor (or those deriving title under it) on demand the costs incurred in carrying out any obligation of the Grantee under this Deed where the Grantee is in default;
  - 1.5 not obstruct or park on the Roadway or deposit any waste, rubbish, soil or other material on any part of the Servient Land or in any other way interfere with, or disturb, the exercise of the same Rights or similar rights by any other person authorised by the Grantor;
  - 1.6 to comply and procure that all those authorised by it shall comply with the Grantor's reasonable regulations (or those of the Leaseholder) relating to the use of the Roadway including operation of bollards or other equipment to prevent unauthorised use.

## SIGNATURE PAGE

**EXECUTED** (but not delivered until the date hereof) as a **DEED** by affixing the common seal of **COLCHESTER BOROUGH COUNCIL** in the presence of:

### MEMBER

Signature: .....

Name (in block capitals): .....

### AUTHORISED OFFICER

Signature: .....

Name (in block capitals): .....

**EXECUTED** (but not delivered until the date hereof) as a **DEED** by **ALUMNO STUDENT (ESSEX) LIMITED** acting by , a director, ..... in the presence of:

### DIRECTOR

### WITNESS

Signature: .....

Name: .....

Address: .....

.....

.....

Occupation: .....

**EXECUTED** (but not delivered until the date hereof) as a **DEED** by **[RIGHTSHOLDER]** acting by **[NAME OF DIRECTOR]**, a ..... director, in the presence of:

**DIRECTOR**

**WITNESS**

Signature: .....

Name: .....

Address: .....

.....

.....

Occupation: .....

**EXECUTED** (but not delivered until the date hereof) as a **DEED** by **ALUMNO STUDENT DEVELOPMENTS LIMITED** acting by , a ..... director, in the presence of:

**DIRECTOR**

**WITNESS**

Signature: .....

Name: .....

Address: .....

.....

.....

Occupation: .....

DO NOT SCALE



# Plan 1 - Deed of Grant

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CULVER STREET EAST

CURZON SEATING AREAS

QUEEN STREET

## KEY

CBC LAND BOUNDARY

EXISTING RIGHT OF WAY

CAR PARK BOUNDARY

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TITLE  
EXISTING CONTEXT - CBC LAND BOUNDARY,  
RIGHT OF WAY, CAR PARK BOUNDARY

PROJECT  
ST BOTOLPHS - COLCHESTER



JOB No.  
PB7319-106-103

DATE  
April '20

SCALE  
N.T.S.

DRAWN  
NKS

REV  
D03

SUIT  
S0

CHECKED  
SS

PASSED  
SS

AUTOCAD REF.

DRG No.  
TP-PB7319-SK-015



DO NOT SCALE

Plan 2 - Deed of Grant

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CULVER STREET EAST

CURZON SEATING AREAS

QUEEN STREET

KEY

POST DEVELOPMENT ROW  
INBOUND & OUTBOUND  
CBC LAND BOUNDARY



TITLE  
POST DEVELOPMENT RIGHT OF WAY  
INBOUND AND OUTBOUND

PROJECT  
ST BOTOLPHS - COLCHESTER



JOB No.  
PB7319-106-103  
DATE  
March '20  
SCALE  
N.T.S.

DRAWN  
NKS  
REV  
D05  
SUIT  
S0

CHECKED  
SS  
AUTOCAD REF.  
DRG No.  
TP-PB7319-SK-014

PASSED  
SS







Report of	Assistant Director for Place and Client Services	Author	Darren Brown ☎ 282891
Title	Housing Revenue Account Estimates 2021/22		
Wards affected	All		

## 1. Executive Summary

- 1.1 This report sets out the Housing Revenue Account budget for 2021/22, including proposals for changes to tenants rents for the coming financial year, and the management fee payable to Colchester Borough Homes. It includes at Appendix C a forecast of the potential expenditure requirements and income projections for the HRA for the next 5 years, and the updated 30 year HRA financial model at Appendix E.

## 2. Recommended Decision

- 2.1 To approve the 2021/22 HRA revenue estimates as set out in Appendix A.
- 2.2 To approve dwelling rents as calculated in accordance with central Governments rent policy (set out in paragraph 5.7).
- 2.3 To approve the HRA revenue funded element of £7,253,200 included within the total management fee for Colchester Borough Homes (CBH) (set out in paragraph 5.14).
- 2.4 To note a revenue contribution of £3,790,000 to the Housing Investment Programme (HIP) is included in the budget (paragraph 5.30).
- 2.5 To note the HRA balances position in Appendix B.
- 2.6 To note the Medium Term Financial Forecast (MTFF) set out at Appendix C and the 30 Year HRA financial position set out at Appendix E.

## 3. Reasons for Decision

- 3.1 Financial Procedures require the Assistant Director for Place and Client Services to prepare detailed HRA estimates for approval by the Cabinet, setting the new rent levels for the new financial year.



#### **4. Supporting Information**

##### ***Key Issues for 2021/22***

4.1 There are a number of key issues relating to the HRA budget for 2021/22, with further details being included within the main body of the report. However, in summary they are as follows;

- Cabinet have agreed further significant investment in the Councils housing stock during 2020/21, which is reflected in the 2021/22 Housing Investment Programme report elsewhere on the agenda. This includes the delivery of the 100 new Council homes project, and the HIP Climate Emergency Response works. The revenue implications of this investment are therefore reflected in the 2021/22 HRA budget.
- This is the eighth HRA budget to be set in the context of the new 30 year HRA Business Plan, which was approved by Cabinet at its meeting on the 27<sup>th</sup> November 2013. The budget therefore reflects the strategic priorities identified within the HRA business plan. The HRA Business Plan is being refreshed during 2021 and will be considered by Cabinet during the year.
- A revised Asset Management Strategy was produced as a result of the Housing Futures Programme, and the outputs have been included in this report and the Housing Investment Programme report elsewhere on the agenda. The Council is reviewing its Asset Management Strategy in 2021 and the results will be reflected in the refreshed HRA Business Plan.
- This is the eighth HRA budget to be set under the terms of the new management agreement with CBH. The management fee consequently contains a larger range of budgets, and the budget is set with an emphasis on the medium term, to provide more stability and meet the governance arrangements within the new management agreement.
- This is the tenth year of HRA Self-Financing, which radically altered the funding of Council Housing, and the investment in the housing stock and other projects is reflected in this report and the Housing Investment Programme report included elsewhere on the agenda.

##### **Prudence**

4.1.1 This report and the 2021/22 Housing Investment Programme included elsewhere on the agenda reflect significant capital spending plans over the next 5 years, reflecting the clear signal and expectation from Government that Councils will increase the supply of Council housing through new build etc, following the abolition of the HRA debt cap. For information, the Councils housing stock at 1<sup>st</sup> April 2020 totalled 5,892 dwellings, with a balance sheet value of £377.3million.

4.1.2 In April 2012, the Council took on circa £75million of debt, determined as affordable by the Government under the HRA Self-Financing settlement. In the years thereafter, any new investment and its affordability has been assessed as part of the update of the 30 year HRA Business Plan. As set out in this report, the current and further planned investment and associated borrowing cost continues to be affordable, as demonstrated by the interest cover ratio in paragraph 5.28.

### **Housing Rents**

- 4.2 The Government's 4 year rent reduction period ended in 2019/20, and the Government announced that rents would revert to the previous formulaic increase for a period of 5 years. Therefore, rents will increase by Consumer Price Index (CPI) + 1% from 2020/21 to 2024/25, which means we are continuing to set **dwelling rents within Communities and Local Government (CLG) guidelines and so the annual increases in rents paid by tenants are set by reference to national Government policy**. The Government expects local authorities to apply rent restructuring to all their HRA properties, and is the assumption the Government made when establishing the amount of debt we would take on under HRA Reform. As a reminder, the aim is that social rents reflect the condition and location of properties, local earnings and property size. Each property continues to have a target rent calculated using the Government's formula, and this increases annually by the September CPI figure + 1.0%. Rents are able to be moved to target rent when the property becomes empty, and there are caps in place to protect tenants from very large increases.
- 4.2.1 There is no information to suggest what will happen to rents after 2024/25, but the assumption within the MTF and 30 year Business Plan is that rents will continue to increase in line with the Consumer Price Index (CPI) + 1%.
- 4.3 As part of the process for setting the 2021/22 HRA budget, it is necessary to revisit the 2020/21 position to forecast the predicted level of HRA balances along with identifying any risk areas or cost pressures which could have an impact in future years.

### **2020/21 Revised Housing Revenue Account**

- 4.4 Appendix A shows the Revised Housing Revenue Account (HRA) estimates for 2020/21. There have been some amendments to the original budget for 2020/21 during the course of the current financial year. A reconciliation is therefore provided in the following table between the Original and Revised budget for 2020/21:-

#### **Reconciliation between Original and Revised 2020/21 HRA Budget**

	<b>Budget 20/21</b>	<b>Commentary</b>
	<b>£'000</b>	
<b>Original Budget Deficit</b>	<b>500</b>	Agreed 29 <sup>th</sup> January 2020
2019/20 Budgets c/fwd	362	Agreed by Assistant Director of Corporate and Improvement
<b>Revised Budget Deficit</b>	<b>862</b>	

#### **2020/21 Forecast Outturn Position**

- 4.5 When considering the financial position of the HRA, in addition to the adjustments to the 2020/21 original budget shown in the above table, it is important to note the 2020/21 forecast outturn position. It is currently predicted that the HRA will be on budget at the year-end. The table below provides a breakdown of this net position. In addition, commentary is provided on the major variations;

	<b>Outturn 20/21 £'000</b>
Third Party Payments	173
Employee costs	48
Net Rental & Tenants Service Charge Income	203
Interest Payable savings	(500)
<i>One-off/Technical Items</i>	
Revenue Contribution to Capital (RCCO)	76
<b>Forecast 2020/21 Outturn Variance</b>	<b>-</b>

- An overspend of £173k is forecast relating to the unbudgeted impact in the current financial year of the increased employer pension contributions CBH now have to pay following the schemes actuarial review. In addition, an overspend of £48k is forecast on employee costs, due to agency staff being used to cover staff sickness and provide additional short-term resource in the Client team.
- An underspend of £500k on interest payable costs is estimated, reflecting the level of borrowing required to support the 20/21 Housing Investment Programme, together with the very low PWLB borrowing rates now available for the HRA as announced by the Government in the March 2020 budget. The impact of the interest rate change on the HRA was considered by Cabinet in July 2020 in the report on the HRA Financial Model: New Council Housebuilding Programme Update.
- It is forecast that we will receive less rental and tenants service charge income of £203k. This primarily reflects the net impact of rental & service charge income being lost from dwellings and garages than assumed within the budget, through a combination of voids and the level of Right to Buy sales, along with the timing of acquisition and additions to our housing stock.
- As a result of these forecast outturn variances, an increased Revenue Contribution to Capital of £76k to fund the Housing Capital Programme in 2020/21 is forecast.

- 4.6 To provide a further explanation of the forecast outturn position, the funding of the Housing Investment Programme considered elsewhere on the agenda is derived from a number of sources. After firstly taking into account depreciation, grants and capital



receipts etc, the remaining sources of funding are revenue resources from the HRA as detailed in this report, then finally borrowing in the form of new loans. Any opportunity to forego new borrowing so that interest costs can be minimised should be taken.

### **HRA Reform**

- 4.7 Members will be aware of the implementation of the national reform of the Housing Revenue Account from April 2012. The 2021/22 budget therefore reflects the tenth year of operating within this financial regime for the HRA, with commentary included on the medium and long-term outlook in this report.
- 4.8 Appendix E summarises the 30 year financial modelling for Colchester's HRA. This is set out using the standard approach, which is to show each of the first 5 years individually, then group the remainder of the model in 5-year bands. Further information is provided at paragraph 7, including some of the underlying principles and assumptions that are included. Given the long time-span this modelling covers, it will clearly change as time progresses as both internal and external influences have an impact. However, what it does provide is an indication of the long-term viability of the Council's HRA, given the assumptions made and the plans the Council has already identified and committed to.

### **5. 2021/22 Housing Revenue Account Budget**

- 5.1 Appendix A shows the Housing Revenue Account (HRA) estimates for 2021/22. This shows a break-even budget for the year, meaning there is no planned contribution to or use of uncommitted HRA balances .
- 5.2 It should be noted that the MTFF included within the 2020/21 HRA budget cycle and considered by Cabinet on 29<sup>th</sup> January 2020 estimated a break-even budget for 2021/22.

### ***Balances***

- 5.3 The prudent level of uncommitted balances for the HRA is currently £1,600k. This recognises the transfer of risk from Central to Local Government resulting from HRA Reform, as well as providing for any adverse effects of inflation, interest rates, or Right To Buy sales on the HRA. Whilst there is certainty around interest rates given we have secured long-term fixed rates on our HRA Reform settlement debt, the abolition of the debt cap and our plans to borrow does bring a risk relating to increasing interest rates. The risk surrounding welfare reform continues to be recognised in our assessment of HRA balances.
- 5.4 A risk assessment has been undertaken to review the minimum prudent level of HRA uncommitted balance the Council should maintain. The results of this review are set out at Appendix D and show that it would be reasonable to retain the uncommitted balance at £1,600k. This will continue to be reviewed annually.
- 5.5 The estimated balances for the HRA are set out in Appendix B. The anticipated level of the uncommitted HRA balance as at 31<sup>st</sup> March 2022 is £1,600k, which is equal to the recommended prudent level. This means we are now running the HRA at the minimum prudent level of revenue balances, and any additional cost or saving that might arise could impact on the amount of any new borrowing undertaken.
- 5.6 The budget at Appendix A shows that we are using as much of our revenue balances as possible to make a Revenue Contribution to fund the Housing Investment Programme. This is because it is deemed to be a more economical use of resources, rather than fund the capital programme by undertaking additional borrowing and thus incurring additional

borrowing costs. This fits with the prioritising of resources indicated in this report and in the Housing Investment Programme elsewhere on the agenda. From 2021/22 thereafter, the assumption is that where required, revenue contributions to the capital programme will be made up to the point that the minimum recommended level of balance is reached.

## **Income**

### ***Housing Rents***

- 5.7 By following the rent increase formula, we are continuing to set **dwelling rents within Communities and Local Government (CLG) guidelines and so the annual changes in rents paid by tenants are set by reference to national Government policy**. The average rent proposed for 2021/22 is £88.88 per week compared to a current average of £87.56, an increase of £1.32 (1.5%) per week. It is difficult to anticipate future rent increases after 2021/22, given the potential for the rate of inflation to vary in the short to medium term and also for any further changes in Government rent policy. However, modelling within the MTFF and 30 year financial modelling has been undertaken using reasonable estimates of inflation rates.
- 5.8 Sales of council houses under the Right to Buy (RTB) scheme could reach 30 this year (31 sold in 2019/20 and 29 sold in 2018/19), which is in-line with the number included in the 2020/21 HRA budget. The level of sales has levelled out in recent years, therefore the 2021/22 budget has been set assuming the sale of 30 properties, being broadly in line with the current year. The MTFF and longer term modelling does not assume a reduction in the number of sales until 2023/24. However, these assumptions will be reviewed annually as part of our future budget setting.
- 5.9 The budget for 2021/22 has been set using the assumption that there will be a loss of rental income of 1.50% resulting from empty properties. This is consistent with the 2020/21 budget and is intended to provide for any additional void loss that may arise as a result of the various changes being undertaken within the housing stock.
- 5.10 Given the abolition of the debt cap, Cabinet has already agreed plans to increase our Council Housing stock, through a combination of new build and acquisitions. The 2021/22 budget includes an estimate for the additional rental income these measures will generate.

### ***Other Income***

- 5.11 The rents for garages are included in the fees and charges report agreed by the Portfolio Holder for Housing and Communities, and continues the policy that reflects a pricing strategy based on market forces.
- 5.12 There are a range of other fees and charges for services which are made to Tenants and Leaseholders, which are agreed by the Portfolio Holder. The budget for 2021/22 assumes that the demand for these services will remain the same as the current financial year, unless mentioned otherwise.
- 5.13 The de-pooling of service charges to individual tenants was implemented in 2008/09. There have not been any new service charges introduced for 2021/22, only an update of existing charges to reflect the actual cost of the services provided.

## **Expenditure**

### ***Colchester Borough Homes Management Fee***

- 5.14 As part of the new management agreement which commenced in August 2013 between the Council and CBH, the management fee has been expanded to reflect the wider range

of services CBH now provides on behalf of the Council. The fee incorporates the day to day repairs and maintenance budgets and associated overheads, along with the fee for managing the capital programme, as a result of the new housing arrangements. The management fee is funded from several sources within the Council's accounts, namely the Housing Revenue Account, the Housing Investment Programme, as well as the Council's General Fund. The following table analyses the total CBH management fee, and provides details of where the funding is shown in the Council's overall budget:

#### **Breakdown of 2021/22 CBH Management Fee**

	<b><i>Budget 21/22</i></b>	<b><i>Funding Source</i></b>
	<b>£</b>	
CBH Management costs	3,812,800	CBH Ltd Management Fee at Appendix A
R&M Management Fee	572,600	Included in Repairs & Maintenance at Appendix A
R&M Works	2,867,800	Included in Repairs & Maintenance at Appendix A
<b>Sub-Total: HRA</b>	<b>7,253,200</b>	
Capital Fee	1,270,400	Included within the 2021/22 Housing Investment Programme
<b>Sub-Total: HIP</b>	<b>1,270,400</b>	
Anti-Social Behaviour Team	49,500	Included within the 2021/22 General Fund Budget
Professional Support Unit	126,000	Included within the 2021/22 General Fund Budget
Housing Options Team	648,500	Included within the 2021/22 General Fund Budget
Facilities Management/ Engineering Team	520,200	Included within the 2021/22 General Fund Budget
Housing Systems Team	85,600	Included within the 2021/22 General Fund Budget
<b>Sub-Total: General Fund</b>	<b>1,429,800</b>	
<b>Total Management Fee</b>	<b>9,953,400</b>	

- 5.15 The base management fee for 2021/22 includes an allowance for pay inflation, along with provision for an increase in the level of support services CBH buys-in from the Council. Furthermore, a one-off allowance has been made for the increased employer pension contributions CBH now have to pay following the schemes actuarial review. From 2022/23, this allowance will fall-out and CBH will need to deliver efficiency savings to meet the on-going cost.
- 5.16 Members will be aware that at its meeting on the 27<sup>th</sup> November 2013, Cabinet approved the Council's 30 year HRA Business Plan. The 2021/22 budget and management fee include the continuation of a number of service enhancements, which reflect the strategic priorities identified by Cabinet and which are included within the business plan. The majority of these are incorporated within the existing CBH Management Fee and Council budgets, with additional resources being directed in particular to supporting tenants.

#### ***Management Costs***

- 5.17 The 2021/22 HRA budget includes £6,048,600 for management costs, a decrease from 2020/21 (£7,262,900). Management costs form a substantial part of the HRA annual

expenditure, and they consist of budgets managed directly by the Council, as well as those which are managed on behalf of the Council by CBH. Further information along with an explanation for any material changes from the 2020/21 budget is given in the following paragraphs;

- 5.18 The budget for Employee costs has increased by £57,900 for 2021/22. This primarily relates to the creation of a project officer post within the Councils client team.
- 5.19 The budget for Supplies and Service costs has decreased by £690,400. The one-off provision in the 2020/21 budget for implementation and project costs to replace our Housing Management system has fallen-out in 2021/22, given the implementation of the new system. Investment is also included for development of Microsoft apps and training materials.
- 5.20 The budget for Removal and Disturbance payments has been decreased by £70,000 as this phase of the refurbishment of Elfreda House has been completed.
- 5.21 The HRA receives a significant level of recharges from other Council services, along with a proportion of central support costs, such as Corporate and Democratic Core and Pension costs associated with the back-funding of the scheme. The total budget for 2021/22 has decreased by £519,700 from 2020/21. As indicated in the 2020/21 HRA Budget report, we took the approach of paying 3 years pension deficit funding contributions “up-front”, which resulted in an overall saving over 3 years. This was the same as the approach adopted within the Councils General Fund budget for 2020/21. The budget for 2021/22 has therefore reduced given this “one-off up-front” cost has fallen out, and the saving is being achieved.

#### ***Repairs and Maintenance***

- 5.22 The 2021/22 Housing Investment Programme has been drafted and is included elsewhere on the agenda for approval. In respect of revenue works £5,419,000 has been included in the budget for repairs and maintenance (compared to £5,334,400 in 2020/21), of which £3,440,400 is specifically for works and associated overheads included within the CBH Management Fee. A provision of £1,839,300 is included in the budget for those works which are managed by CBH on behalf of CBC, such as external decorating and gas servicing, but where CBC still hold the contract. The balance of the budget is for works to sewage pumping stations, temporary accommodation and other CBH delegated areas. The revenue budget provides for repairs that are undertaken on a responsive basis, as well as works to void properties, and maintenance which is carried out under a planned programme such as external decorating and gas servicing.

#### ***Capital Financing Costs***

- 5.23 The budget includes the statutory charges to the HRA for the interest costs of the Councils borrowing in respect of the housing stock. This represents a significant proportion of the Councils HRA expenditure each year. It is worth noting that any new borrowing to fund the overall Housing Investment Programme next year may be borrowed internally from the Councils General Fund, subject to the levels of borrowing required and funding available, which is at a lower rate than would be payable were we to borrow externally. This also delivers a benefit to the General Fund, as it would be receiving more interest than it would attract were it to invest externally. This approach has been considered and agreed as part of the Council’s treasury management strategy.
- 5.24 No provision has been made at this point in time for the annual repayment of any HRA debt, as there is no statutory duty to provide for it. The Council though is statutorily responsible for self-managing its long-term indebtedness. The Council is forecast to have circa £145million of housing debt at the start of the next financial year, and it would be prudent to start to consider providing for some repayment in the future. The Treasury

Management Strategy Statement approved by Cabinet on 25<sup>th</sup> January 2012 stated “That the Council plans to make Voluntary Revenue Provisions (VRP) for the repayment of HRA debt to enable maturing debt to be repaid, whilst ensuring that this does not create an adverse impact on the business case”. However, this also needs to be considered alongside the investment requirements of the housing stock, and the clear message from Government that local authorities are expected to increase their Council housing stock to help address the housing crisis.

- 5.25 Given the need to undertake additional HRA borrowing to support the Housing Investment Programme over the next 5 years, it would currently seem impractical to set-aside revenue resources for debt redemption over this period of time, which as a result would leave a funding gap which would need to be met by further borrowing (and hence incur additional revenue interest costs). However, this should be considered each year as part of the Councils annual budget setting process and review of the 30 year HRA financial model. Given the medium term investment needs currently identified and priorities agreed by Cabinet, it is proposed that no voluntary provision for debt repayment is included in the 2021/22 budget or MTFF at this point in time.
- 5.26 The 2021/22 Housing Investment Programme report included elsewhere on the agenda contains significant capital spending plans over the next 5 years, directly as a result of the Governments abolition of the HRA debt cap and the clear signal and expectation that Councils will increase the supply of Council housing through new build etc. This expenditure will be funded through a combination of using our retained 1-4-1 Right To Buy receipts, and prudential borrowing. The Councils General Fund is already able to borrow using prudential borrowing, so the HRA is simply being treated consistently.
- 5.27 The Councils Treasury Management Strategy is included elsewhere on the agenda, and contains prudential indicators which 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, and include the HRA. It is also proposed to continue using the following indicator within this report, which is a measure also adopted by Registered Providers to demonstrate how easily they can pay their interest costs:
- 5.28 **Interest Cover Ratio.** This indicator identifies the ability of the net operating surplus in the HRA to meet the interest costs of HRA debt. It would be reasonable to expect this indicator to be in the region of 1.50 or above.

19/20 Actual	20/21 Estimate	21/22 Estimate	22/23 Estimate	23/24 Estimate	24/25 Estimate	25/26 Estimate
1.55	1.43	1.81	1.76	1.62	1.60	1.71

#### ***Revenue Contributions to Capital Outlay (RCCO)***

- 5.29 The Council has continuously made revenue contributions to capital spending recognising the significance of targeting resources to invest in our Housing Investment Programme. Given the regime of HRA self-financing and the additional revenue resources subsequently generated, the Council is able to make significant revenue contributions to support the capital investment included within the Housing Investment Programme.
- 5.30 The revenue contribution included in the estimates is £3,790,000. The majority of this budget is to support the capital work programmes to the housing stock in 2021/22, which are included within the Housing Investment Programme report elsewhere on the agenda. However a provision of £60,000 has been included for ICT, which is intended to support various projects as they arise during the year.

### ***Risk areas and budget review process***

5.31 Some of the key variables that may impact during the year are shown in the table below:-

<b>Area</b>	<b>Comment</b>
Rental Income	The budget makes assumptions on the future level of Right To Buy sales and void levels. These are to a certain extent demand led and due to the significance of Rental Income within the HRA, can have a significant effect on the level of the HRA balance. Furthermore, the risk exists that the Government could change rent policy unexpectedly, as demonstrated by the rent reduction announcement in 2015.
Governments Welfare Reform	The budget includes an estimate of the impact of Welfare Reform. As well as providing for transaction costs etc, the budget also includes an estimate of the potential impact upon rent arrears and consequently the level of bad debts provision we would need to maintain.
New Build	The budget makes assumptions on the numbers of new properties being built, the amount and timing of expenditure, and the amount of borrowing required. These factors can all change as schemes progress.
Revenue Contributions to Capital (RCCO) / Prudential Borrowing	Capital Resources have been provisionally allocated for 2021/22 within the Housing Investment Programme report contained elsewhere on the agenda. If these resources prove insufficient, then options exist to either finance capital expenditure from revenue, or undertake additional HRA borrowing. Clearly, if one of these options was pursued, then there will be a requirement to find additional resources from the HRA.
Repairs and Maintenance	Historically, this is an area where pressure has existed on budgets such as Responsive and Void repairs, given that they are demand-led. However, in recent years this has become less of a risk. These budgets now form part of the CBH Management Fee, and the terms of the management agreement specify that CBH will be liable for any overspend up to a maximum of £200k per year, but also that they may retain any underspend up to £100k per year. Therefore, there could be a reduced impact on the HRA of variations in expenditure.
Utility costs	The budget makes assumptions on future prices for Gas and Electricity that are consumed within the Council's housing stock, such as Sheltered Schemes, Temporary Accommodation and Communal entrances in blocks of flats. Given the volatility of utility prices in recent years, there is a risk that prices could rise, the cost of which would have to be funded from existing resources or HRA balances.
2020/21 Outturn	An underspend of £76k is currently predicted for this year, which means a lower proportion of our Housing Capital Programme will be funded from new borrowing. Any variance on the forecast will result in a higher or lower

Area	Comment
	RCCO, which will have a knock-on impact on the amount of any new borrowing undertaken.

- 5.32 As shown in paragraph 5.31 above several key variables have been identified. It is therefore essential that a programme of formal reviews of the HRA be set out to provide an opportunity to make changes to resource allocations during the year. The following schedule therefore sets out a suggested framework for these reviews.

Review	Comment
March 2021	Updated outturn forecast.
July 2021	Provisional pre-audit outturn / current year issues etc.
September 2021/ October 2021	Mid-year review.
December 2021 / January 2022	Outturn review / Budget 2022/23.

## 6. **Supporting Information - Medium Term Financial Forecast (MTFF)**

- 6.1 As part of the budget process for 2021/22 a MTFF has been produced for the HRA. This sets out the indicative budget position for the period 2021/22 to 2025/26. Although we are operating under the HRA Self-Financing regime, and more certainty is now in place, assumptions still have to be made around inflation rates, void levels, bad debts and increases in costs etc, which can of course change. To that extent, the MTFF should still be viewed as indicative.

- 6.2 Appendix C sets out the MTFF for the period analysed by the main areas of expenditure and income. This shows that the level of uncommitted HRA balance is able to be maintained at prudent levels throughout the MTFF. This is after meeting all the running costs of managing & maintaining the housing stock, along with servicing the borrowing costs on all HRA debt. It is also after substantial revenue contributions have been made to support the Housing Investment Programme. Planning to run the HRA balance at the minimum prudent level fits with the principle that it is more cost effective to minimise/reduce borrowing costs where possible, rather than hold a higher revenue balance than is prudently required, whilst also providing reassurance to tenants and residents that the Council is wisely managing its finances and its housing stock. This approach fits with the principle referred to in paragraph 5.6 above. The recommended level of uncommitted balance on a risk based approach is £1,600k. There are several factors which can affect the forecast position, namely:-

### ➤ **Capital financing**

Given the treasury management strategy relating to our HRA Reform debt settlement was to borrow at fixed interest rates, this means we are able to plan with certainty into the long-term surrounding the financing costs of this debt. The MTFF includes assumptions on the interest rate we will have to pay on the further HRA borrowing that would need to be undertaken to support the Housing Investment Programme, included elsewhere on the agenda. Given that any future additional borrowing would be undertaken at the prevailing interest rates at the time, for the purposes of the MTFF a reasonable assumption has been made on what those rates might be. This will be reviewed as part of the annual budget setting process.

### ➤ **Rental income**

From 2021/22, the MTFF reflects the Governments announcement that rent increases will return to the previous formula of CPI + 1% up until 2024/25. There has been no indication from Government what rent policy would be after that year. The assumptions on the number of Right To Buy sales and the level of anticipated rent lost through void properties have been updated to reflect recent activity, but once again these are areas

which can significantly alter the forecast of Rental Income and are to a certain extent demand led.

➤ **Welfare Reform**

Continued provision has been made within the MTFF for the estimated potential effect on levels of rent arrears and bad debts, resulting from the introduction of Welfare Reform by the Government. The contribution to the provision for bad debts has been broadly maintained at the level for 2020/21 going forwards, with the level of provision being reviewed annually as part of the budget setting process.

- 6.3 The MTFF therefore provides a baseline position against which to make decisions as to the allocation of HRA resources and to determine the budget strategy over the next 5 years. The MTFF will be updated on a regular basis.

**7. Supporting Information – 30 Year Financial Modelling**

- 7.1 The implementation of HRA Reform in 2012 brought the expectation that Councils will take a greater business planning role when managing their Housing Revenue Account. Cabinet approved the Councils 30 year HRA Business Plan at its meeting on 27<sup>th</sup> November 2013. This included a 30 year financial model which set out the long-term position of the Councils HRA, using 2013/14 as the base year. As part of the 2021/22 budget setting process, this model has been refreshed and updated. This is summarised at Appendix E. This is set out using a standard approach, which is to show each of the first 5 years individually, then group the remainder of the model in 5-year bands. It incorporates expenditure & income for both revenue and capital, along with the HRA balances and debt position.
- 7.2 The information provided by the model for future years should be viewed as indicative. This is because a number of assumptions have to be made when projecting into the future, and the following paragraphs give some further details on these. Given the potential for these to vary, the impact upon the modelling could result in an improvement or decline in the position shown, dependant on the size of change and the degree of impact upon the plan. However, prudent assumptions are made wherever possible to protect the Councils financial position and to ensure the ongoing viability of the HRA.
- 7.3 Officers have undertaken sensitivity analysis on the 30 year model to evaluate the impact any change or combination of changes in the assumptions could have. Further information on the work undertaken is provided at paragraph 7.24.

**Income Assumptions**

- 7.4 One of the key drivers within the financial model is inflation. This is the factor which determines future annual rent increases for tenants, and it is this income which we are able to retain in the future to meet the increased stock investment and additional borrowing costs resulting from our increased debt arising from HRA Reform.
- 7.5 The Government announced that when the 4 year period of rent reductions ended, rents would revert to the previous formulaic increase for a period of 5 years. Therefore, rents will increase by Consumer Price Index (CPI) + 1% up to 2024/25 in line with this announcement. For the purposes of Business Planning, it has been assumed this formulaic increase will continue from 2024/25 for the remaining duration of the 30 year model. There is currently no indication to suggest that this is going to alter. As a reminder to members, a change in rent policy is the example the Government at the time quoted within the HRA Reform debt settlement that would possibly re-open the original debt settlement. However, this did not occur. Therefore, Colchester along with all other housing authorities nationally, entered into the new self-financing HRA arrangements at the time on the basis that the Government was providing certainty on national rent policy, which clearly changed.



- 7.6 Assumptions have been made within the model for changes in stock numbers, primarily from Right to Buy sales and from the additional stock that will be delivered as part of our new build and acquisition plans. These assumptions are consistent with those made in the budget and MTFF. The Council has entered into agreement with DCLG to retain additional RTB receipts to deliver new affordable housing, and the proposals already approved by Cabinet should minimise the amount that has to be repaid to Government.
- 7.7 Assumptions have been made regarding rent lost from void properties and bad debts. An allowance has been made for ongoing operational voids, as well as an ongoing increase to the level of bad debts provision we may need to hold following the introduction of the Governments welfare reforms.
- 7.8 It has been assumed that income from garages will increase in line with CPI. There is the potential for this to increase, with the improvement to the financial model coming through a combination of reduced void levels as well as an increase in annual charges.
- 7.9 All other income budgets are assumed to increase in line with inflation.

#### ***Expenditure Assumptions***

- 7.10 Similarly to income, inflation can have a significant impact upon expenditure levels within the 30 year financial model. It has been assumed that the Retail Price Index (RPI) will be 1% higher than the Consumer Price Index (CPI), although the assumption that rents will increase by CPI + 1% means inflation on expenditure will be at the same rate as assumed for income.
- 7.11 Management costs have been assumed to remain at the current base level throughout the life of the 30 year model, subject to inflationary increases. The exception to this is where it is known they will alter, for example tri-annual reviews of the pension scheme by Essex County Council, or where one-off sums have been included within the base budget.
- 7.12 Maintenance costs have been extracted from the Councils 30 year Asset Management Strategy. Assumptions have been made around future increases in line with general inflation, but these costs are also subject to changes to the BCIS (Building Cost Inflation) and market conditions that impact as contracts are re-tendered.

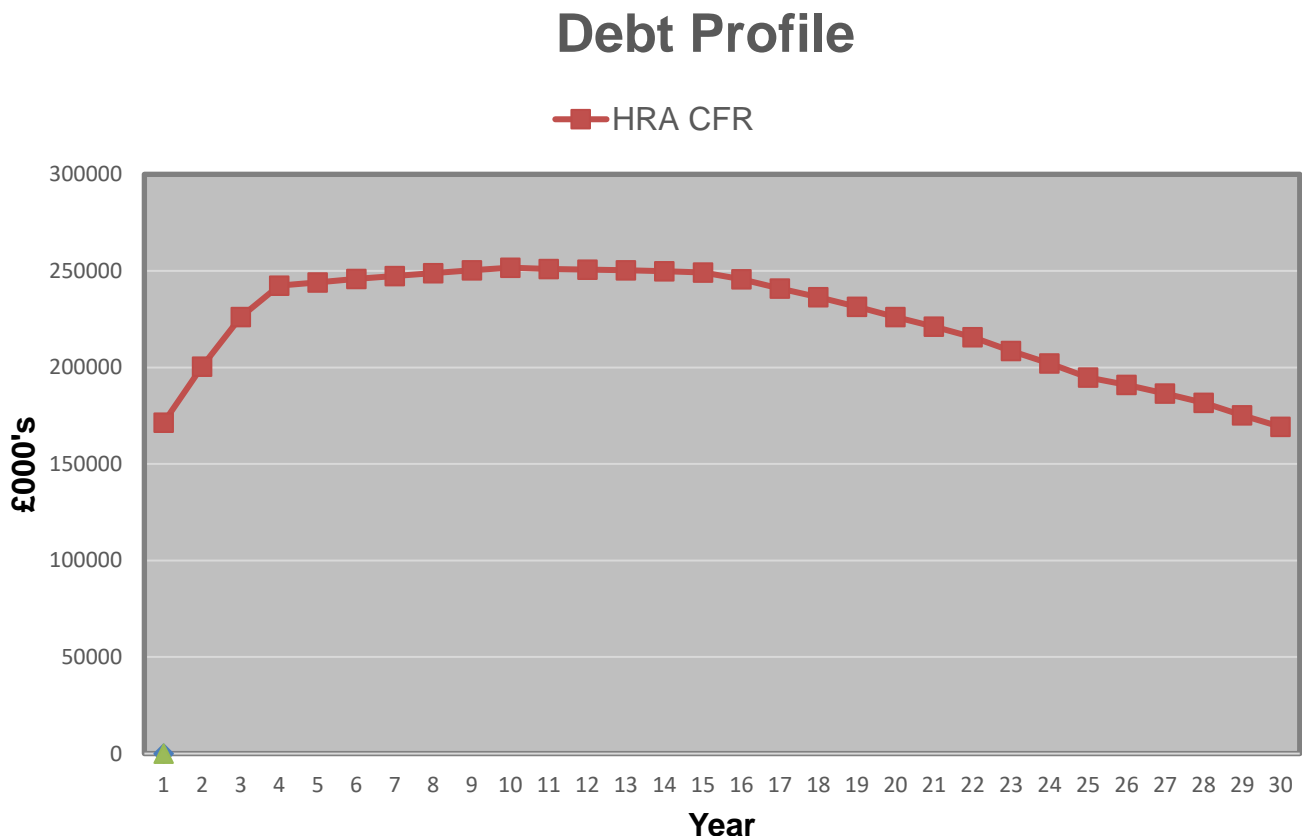
#### ***Funding & Financing Assumptions***

- 7.13 The Council's Asset Management Strategy includes the expenditure requirements of our housing stock over the next 30 years. This has been reflected in the 30 year financial model. The day to day repairs and maintenance costs are funded from the revenue account, whilst the capital expenditure requirements are funded from a variety of sources which is considered within the Housing Investment Programme (HIP) report elsewhere on the agenda
- 7.14 The priority of how resources are used to fund the HIP is contained within that report for 2021/22, which in summary is aimed at using specific grants and capital receipts first, then reserves, with the intention of preserving revenue resources as far as possible as they offer the greatest funding flexibility. Should there be no or insufficient revenue resources available, then additional borrowing would be the final approach. This is because borrowing carries a cost of doing so; therefore it is treated as the last option to gain the maximum use of revenue resources available.
- 7.15 Under HRA Reform, the primary source of funding the Housing Capital Programme, especially in the early years, is a charge to the HRA which reflects the cost of depreciation to the housing stock. This is calculated locally, with reference to our actual stock condition and asset management strategy.

- 7.16 We are able to plan with certainty for the borrowing costs relating to the HRA Reform debt settlement, given that we entered into a number of long-term fixed rate loans. We are currently assuming a rate of 2.5% on any future borrowing undertaken to support the Housing Capital Programme, which will be reviewed annually as part of the budget cycle. However, it should be noted that the impact of interest rates can be significant, given any 1% change in interest rates would result in an annual cost of circa £150k (based on current levels of borrowing).

### **Debt**

- 7.17 The measure of an authority's debt under self-financing is the HRA Capital Financing Requirement (HRA CFR). Our opening HRA debt on 1<sup>st</sup> April 2020 is expected to be £145.369million. As the HRA debt cap has been abolished by Government, the only constraint on borrowing now is that it is affordable under the prudential borrowing code.
- 7.18 The following graph shows our current debt profile that is being generated by the 30 year financial model. This works on the principle that once all of the costs of managing & maintaining our housing stock have been met, and the interest costs of our HRA borrowing have been paid, any residual income can be used to repay debt. It is important to state that this is an indication of the ability to repay debt, as what actually dictates whether debt is reduced is where the Council actually repay loans as they mature.



- 7.19 The above debt curve is consistent with a business plan for the HRA where a significant level of new build/stock acquisitions etc are being undertaken. In the early years, debt increases and then levels out around mid-way through the plan, then starts to reduce in the second half of the plan as rents have increased sufficiently to enable repayment of debt.

- 7.20 Given the abolition of the HRA debt cap, the Council is planning to undertake additional prudential borrowing to deliver the plans agreed by Cabinet. The following table shows the predicted level of debt over the first 10 years of the current financial model, taking into account the additional borrowing and any provision for the repayment of debt;

<b>Year</b>	<b>Forecast HRA Debt £000's</b>
2021/22	171,501
2022/23	200,376
2023/24	226,139
2024/25	242,370
2025/26	244,091
2026/27	245,780
2027/28	247,373
2028/29	248,886
2029/30	250,314
2030/31	251,671

- 7.21 The projection in the above table is derived from a number of assumptions in the financial model, many of which are out of our direct control, for example inflation, Right To Buy numbers etc. Therefore the figures in the table above should be viewed as indicative.

### ***Outlook Summary***

- 7.22 To remind Members, the main test adopted when determining the viability of an HRA business plan is whether the debt is able to be repaid by year 30. This mirrors the process that private funders adopt when considering a stock transfer proposal, as they want to be comfortable that their borrowing is capable of eventually being repaid. However, HRA Reform has put Councils firmly in control of their business plans and it is acknowledged that Councils may wish to retain debt, and in return use those resources which would otherwise have been used to repay debt to provide even greater investment locally, whether it be in relation to the existing housing stock, the provision of new affordable housing and/or improved services to tenants. Therefore, whilst the year by which all debt would be repaid is useful as a measure, it should be considered alongside the Councils overall position on repayment of HRA debt versus the desire to provide maximum investment locally. To this extent, the debt tables in this report reflect Cabinets decisions to deliver the proposals set out in the Housing Investment Programme and plans to increase the supply of Council housing.
- 7.23 The focus has now moved from managing within the debt cap, to managing our overall level of debt and ensure it is affordable in the long-term. The plans to increase our housing stock should be viewed as growth, and will last beyond the current 30 year modelling. As rents increase beyond year 30, then the ability to repay debt or invest further will increase.

- 7.24 A key part of business planning is understanding the factors that can influence the outputs, and their potential impact. Therefore, a number of sensitivities can be modelled, to see how they affect the base position. The following table sets out some examples of the sensitivity analysis undertaken and their resultant impact upon the 30 year HRA model, compared to the base position shown at Appendix E;

		Variation to Base Position			
		Scenario 1	Scenario 2	Scenario 3	Scenario 4
	Base Position	Reduction in Inflation of 1% over 30 Years	Increase in Inflation of 1% over 30 Years	Decrease in Inflation of 1%, Increase in RTB's by 10, Decrease in Mgt Costs by £200k in every Year	Increase in Inflation of 1%, Increase in RTB's by 10, Increase in Mgt Costs by £200k in every Year
Peak Debt Year	Year 10	Year 15	Year 10	Year 15	Year 10
Debt at Year 30	£169.3million	£221.6million	£106.3million	£222.2million	£140.2million
Capital Investment affordable over 30 Years	£614.5million	£537.8million	£707.8million	£536.9million	£706.4million
Surplus HRA Balance at Year 30	£2.6million	£2.6million	£2.6million	£2.6million	£2.6million

- 7.25 The sensitivity analysis in Scenarios 1 & 2 above demonstrates the impact that inflation can have on the long-term HRA model. If inflation increases, rental income (following the Governments rent policy) increases at a higher rate than expenditure. Also, a large proportion of our costs are not affected by inflation, such as the fixed rate interest costs on our borrowing. Consequently, rising inflation results in a net gain to the HRA. Conversely though, lower inflation results in a net loss to the HRA, as we receive less rental income than we save in lower costs.
- 7.26 The sensitivity analysis also demonstrates how a combination of variables can influence the modelling, such as changes in inflation rates, numbers of Right To Buy sales and variations in costs for example. Depending on the scale of these changes, they could either bring a significant benefit to/put pressure on the viability of the current plan, or could actually be broadly neutral. Finally, the analysis above assumes any change would exist for each of the 30 years in the HRA, which is highly unlikely given the long time-scale involved, and also assumes no corrective action would be taken if there were a negative impact, which clearly would not be the case. However, it aims to give an understanding of how changes could impact upon the current base 30 year HRA model.

## 8. Strategic Plan References

- 8.1 The revenue estimates presented here link to the following areas of the Councils Strategic Plan 2021 to 2023: Page 184 of 282

### **Tackling the climate challenge and leading sustainability**

- Reduce carbon emissions to help achieve net zero carbon footprint for Council services by 2030
- Environment and sustainability embedded within all Council decision making and the adaption and recovery from Covid 19.

### **Creating safe, healthy and active communities**

- Support people to live in healthy homes that meet their needs.

### **Delivering homes for people who need them**

- Improve existing Council homes to keep them in good repair and improve efficiency
- Help deliver 380 affordable homes
- Build new Council homes for our residents
- Continue to improve and modernise available housing for older people

### **Growing a fair economy so everyone benefits**

- Ensure our Borough becomes stronger post Covid-19 by supporting the use of local businesses where possible.
- Develop opportunities to ensure Council land is greener, sustainable and more resilient and adaptable to future change.
- Encourage green technologies and innovative solutions to the climate emergency.
- Maximise the Social Value benefits from contracts.
- Ensure that the Councils assets continue to contribute to economic growth and opportunity.

## **9. Consultation and Publicity**

- 9.1 With the potential consideration of service improvements that would lead to changes in charges for tenants, it is anticipated that an appropriate amount of consultation will be undertaken during the course of the financial year.
- 9.2 The Council conducted the bi-annual STAR survey through ARP Research in April 2018, and will be doing so again in 2021 (delayed in 2020 due to Covid-19), with the specific aim of obtaining customer feedback through a survey of general needs tenants, all sheltered tenants and leaseholders. In 2018, there was an increased response rate from tenants and leaseholders on previous surveys. Questions were centred on Colchester Borough Homes performance, tenant satisfaction with their homes, neighbourhood and services. The survey also attempted to identify tenants' priorities on where we focus the provision of non-statutory services. It is planned to repeat the STAR survey during 2021 and the report of the results will be made available to Cabinet and Members, to inform decision-making.
- 9.3 Consultation was previously undertaken as part of the process to review spending plans given the impact of the Governments previous rent reduction policy. A task and finish group was held with a number of tenants and leaseholders on the Asset Management investment plans of the Housing Futures Programme. One of the outcomes of this was that the views of tenants and leaseholders were generally in line with the proposed investment programme.
- 9.4 The Council now has a new Strategic Plan and as a consequence will be reviewing its HRA Asset Management Strategy in 2021 and carrying out further consultation as part of this work. The new strategy will need to respond to the 'climate emergency' declared by the Council and tackle the climate challenge within the HRA. An updated Asset

Management Strategy will be presented to Cabinet for approval at the end of the Summer 2021

## **10. Financial Implications**

10.1 Are set out in this report.

## **11. Equality, Diversity and Human Rights Implications**

11.1 This report has no specific human rights implications. Consideration has been given to equality and diversity issues in respect of any 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.

## **12. Community Safety Implications**

12.1 Through the delivery of improvements to our housing assets and the built environment, the Council seeks to achieve improved outcomes for residents across the borough. This contributes to a reduction in the occurrence of anti-social behaviour, and the incidences of crime through investment in external elements of properties, e.g. UPVC windows and doors, and door entry systems.

## **13. Health and Safety Implications**

13.1 This report has no significant Health and Safety implications

## **14. Risk Management Implications**

14.1 These have been taken into account in the body of the report.

## **15. Environmental and Sustainability Implications**

15.1 The Council has clear goals and objectives around tackling the climate challenge. The new Asset Management Strategy (to be approved by Cabinet in September 2021) will look at how these can be supported and delivered over the next 5 years so that within the HRA the Council has a deliverable and affordable plan that will contribute to the net carbon footprint for Council services. The Housing Investment Programme for 2021/22 and 2022/23 includes provision of £4.4m which has already been agreed by Cabinet.

## ***Appendices***

- Appendix A - Housing Revenue Account Estimates 2021/22
- Appendix B - HRA Balances Statement
- Appendix C - Medium Term Financial Forecast
- Appendix D - HRA Balances Risk Management Assessment
- Appendix E - 30 Year Financial Model

## ***Background Papers***

- None

COLCHESTER BOROUGH COUNCIL			
Revenue Estimates 2021/22			
Housing Revenue Account			
Summary			
2019/20		2020/21	2021/22
Actuals	Expenditure & Income Analysis	Revised	Original
£000's		Budget	Budget
		£000's	£000's
	<b>INCOME</b>		
(26,310)	Dwelling Rents (Gross)	(26,241)	(27,019)
(1,103)	Non-Dwelling Rents (Gross)	(1,135)	(1,062)
(2,662)	Charges for Services and Facilities	(2,648)	(2,630)
(60)	Contributions towards Expenditure	(57)	(53)
<b>(30,135)</b>	<b>Total Income</b>	<b>(30,081)</b>	<b>(30,764)</b>
	<b>EXPENDITURE</b>		
5,190	Repairs and Maintenance	5,578	5,419
3,507	CB Homes Ltd Management Fee	3,653	3,813
5,848	Management Costs	7,381	6,049
122	Rents, Rates and Other Charges	204	165
286	Increased provision for Bad or Doubtful Debts	250	250
5,639	Interest Payable	5,241	5,243
16,791	Depreciation and Impairments of Fixed Assets	6,000	6,000
32	Amortisation of Deferred Charges	32	3
50	Debt Management Costs	51	51
<b>37,465</b>	<b>Gross Expenditure</b>	<b>28,390</b>	<b>26,993</b>
<b>7,330</b>	<b>Net Cost of Services</b>	<b>(1,691)</b>	<b>(3,771)</b>
(10,777)	Net HRA Income from the Asset Management Account	(32)	(3)
(1,331)	Disposal of Fixed Assets	-	-
(145)	HRA Investment Income (including mortgage interest and interest on Notional Cash Balances)	(131)	(16)
<b>(4,923)</b>	<b>Net Operating Expenditure</b>	<b>(1,854)</b>	<b>(3,790)</b>
5,181	Revenue Contribution to Capital Expenditure	2,716	3,790
<b>258</b>	<b>Deficit/(Surplus) for the Year</b>	<b>862</b>	<b>-</b>
(4,564)	Deficit/(Surplus) at the Beginning of the Year	(4,306)	(3,444)
258	Deficit/(Surplus) for the Year	862	-
(4,306)	Deficit/(Surplus) at the End of the Year	(3,444)	(3,444)

### Housing Revenue Account - Estimated Balances

£'000

<b>Balance as at 1 April 2020</b>	<b>(4,306)</b>
<b>Committed</b> - Capital Spending in 2020/21 and onwards	1,844
Less budgeted deficit/use of balances in 2020/21	862
Plus Forecast underspend in 2020/21	-
<b><i>Unallocated balance at 31st March 2021</i></b>	<b>(1,600)</b>
Less Proposed Use of balances in 21/22 Budget	-
<b>Estimated uncommitted balance at 31st March 2022</b>	<b>(1,600)</b>
<b>Recommended level of Balances</b>	<b>(1,600)</b>
<b>Forecast balances above prudent level at 31<sup>st</sup> March 2022</b>	<b>-</b>

Note:

This forecast is on the basis that there are no further calls on balances during the remainder of the year.



## Housing Revenue Account – Medium Term Financial Forecast

<b>Area</b>	<b>Revised Budget 20/21</b>	<b>Budget 21/22</b>	<b>Budget 22/23</b>	<b>Budget 23/24</b>	<b>Budget 24/25</b>	<b>Budget 25/26</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Income</b>						
Housing Rents	(26,241)	(27,001)	(28,029)	(29,282)	(30,730)	(32,688)
Other Income	(3,840)	(3,763)	(3,756)	(3,821)	(3,845)	(3,902)
	<b>(30,081)</b>	<b>(30,764)</b>	<b>(31,785)</b>	<b>(33,103)</b>	<b>(34,575)</b>	<b>(36,590)</b>
<b>Expenditure</b>						
Repairs & Maintenance	5,578	5,419	5,513	5,617	5,729	5,895
Running Costs	11,488	10,275	10,395	10,826	11,035	11,332
Interest Payable	5,241	5,244	5,767	6,615	7,266	7,544
Depreciation	6,000	6,000	6,156	6,384	6,616	6,903
Other Capital Financing	(80)	36	43	48	50	50
RCCO	2,716	3,790	3,910	3,613	3,879	4,866
Contribution to Balances	0	0	0	0	0	0
Other	0	0	0	0	0	0
	<b>30,943</b>	<b>30,764</b>	<b>31,784</b>	<b>33,103</b>	<b>34,575</b>	<b>36,590</b>
<b>Budgeted (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Forecast 2020/21 underspend	0	0	0	0	0	0
<b>Revised (Surplus)/Deficit</b>	<b>862</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Opening Balance	<b>(4,306)</b>	<b>(1,600)</b>	<b>(1,600)</b>	<b>(1,601)</b>	<b>(1,601)</b>	<b>(1,601)</b>
Committed Balance	<b>1,844</b>	-	-	-	-	-
(Surplus)/Deficit	<b>862</b>	-	<b>(1)</b>	-	-	-
<b>Uncommitted Closing Balance</b>	<b>(1,600)</b>	<b>(1,600)</b>	<b>(1,601)</b>	<b>(1,601)</b>	<b>(1,601)</b>	<b>(1,601)</b>

\* It should be noted that it is currently forecast the HRA will be underspent by £76k in 2020/21, which will result in an increased RCCO in the year. Clearly, if this level of underspend is not achieved, then there will be a resultant impact upon the level of RCCO we are able to make, and thus a knock-on impact on the amount of any new borrowing required.

## Review of Housing Revenue Account Balances 2021/22

## Risk Management Assessment

Factor	Assessed Risk		
	High £'000	Medium £'000	Low £'000
Cash flow (1% of £55m)	550		
Interest Rate (1.0% on £98m)		980	
Inflation (Decrease of 1%)		250	
Emergencies		100	
Right To Buy Sales		100	
Litigation			50
Welfare Reform	300		
	850	1,430	50

	Minimum Provision £'000
High Risk – 100%	850
Medium – 50%	715
Low – 10%	5
<b>Sub Total</b>	<b>1,570</b>
Other - say	30
<b>Recommended Prudent Level</b>	<b>1,600</b>

## Housing Revenue Account – 30 Year Financial Model

## Appendix E

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 1-5</u>	<u>Year 6-10</u>	<u>Year 11-15</u>	<u>Year 16-20</u>	<u>Year 21-25</u>	<u>Year 26-30</u>
	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>
	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>
<b>Revenue Account</b>											
Income	(30,764)	(31,785)	(33,103)	(34,575)	(36,590)		(197,443)	(227,877)	(262,246)	(301,787)	(348,321)
Expenditure	30,764	31,784	33,103	34,575	36,590		197,276	227,694	262,041	301,563	348,074
(Surplus)/Deficit	0	(1)	0	0	0		(167)	(183)	(205)	(224)	(247)
Opening HRA Balance (Surplus)	(1,600)	(1,600)	(1,601)	(1,601)	(1,601)		(1,601)	(1,768)	(1,951)	(2,156)	(2,380)
Closing HRA Balance (Surplus)	(1,600)	(1,601)	(1,601)	(1,601)	(1,601)		(1,768)	(1,951)	(2,156)	(2,380)	(2,627)
<b>Capital Account</b>											
<u>Investment:</u>											
Stock Investment Programme	13,804	11,605	11,186	10,793	11,050	58,438	72,519	78,229	78,175	95,584	131,120
Sheltered Accommodation Review	5,988	4,918	1,167	2,367	2,440	16,880	0	0	0	0	0
Property Acquisitions	18,600	6,598	6,664	0	0	31,862	0	0	0	0	0
New Build	1,900	17,700	18,265	13,911	0	51,776	0	0	0	0	0
<b>Total</b>	<b>40,292</b>	<b>40,821</b>	<b>37,282</b>	<b>27,071</b>	<b>13,490</b>	<b>158,956</b>	<b>72,519</b>	<b>78,229</b>	<b>78,175</b>	<b>95,584</b>	<b>131,120</b>
<u>Funded By (Resources):</u>											
Depreciation	(6,000)	(6,156)	(6,384)	(6,616)	(6,903)	(32,059)	(37,510)	(43,133)	(49,600)	(57,033)	(65,796)
Revenue Contribution	(3,790)	(3,910)	(3,613)	(3,879)	(4,866)	(20,058)	(27,429)	(35,095)	(28,575)	(38,551)	(65,323)
HRA Reserves	(4,370)	(1,881)	(1,522)	(345)	0	(8,118)	0	0	0	0	0
New Borrowing	(26,132)	(28,874)	(25,763)	(16,231)	(1,721)	(98,721)	(7,580)	0	0	0	0
<b>Total</b>	<b>(40,292)</b>	<b>(40,821)</b>	<b>(37,282)</b>	<b>(27,071)</b>	<b>(13,490)</b>	<b>(158,956)</b>	<b>(72,519)</b>	<b>(78,229)</b>	<b>(78,175)</b>	<b>(95,584)</b>	<b>(131,120)</b>
<b>Debt:</b>											
HRA Debt at Year End	171,501	200,376	226,139	242,370	244,091		251,671	249,117	226,067	194,853	169,257



<b>Report of</b>	<b>Assistant Director for Place and Client Services</b>	<b>Authors: Darren Brown</b> ☎ 282891 <b>Clare Lawrance</b> ☎ 282506
<b>Title</b>	<b>Housing Investment Programme (HIP) 2021/22</b>	
<b>Wards affected</b>	All	

**1. Executive Summary**

- 1.1 This report sets out a summary of the proposed allocation of **£40.292million** of new resources to the Housing Investment Programme for 2021/22, along with the sources of funding. It also includes at Appendix A an indication of the potential expenditure requirements and funding sources for the years 2022/23 to 2025/26.

**2. Recommended Decision**

- 2.1 To approve the Housing Investment Programme for 2021/22.
- 2.2 To note the Capital Medium Term Financial Forecast (CMTFF) set out at Appendix A.

**3. Reasons for Decision**

- 3.1 Each year as part of the process to agree the Council's revenue and capital estimates the Cabinet is required to agree the allocations to the Housing Stock Investment Programme. These allow for work to be undertaken to maintain, improve, and refurbish the housing stock and its environment.
- 3.2 Members annually agree to accept a proposed 5 year Housing Investment Programme (HIP) in principle as the framework for procuring housing related planned works, improvements, responsive and void works and cyclical maintenance.
- 3.3 The proposed investment programme is linked to the Asset Management Strategy (AMS) and reviewed annually in the light of available resources and for each annual allocation to be brought to Cabinet for approval as part of the overall HIP report.
- 3.4 The Colchester Borough Homes (CBH) Board have considered the content of the Cabinet report submitted and is now seeking approval for the 2021/22 Capital programme.
- 3.5 This report seeks the release of funds under grouped headings as described in the AMS and supported by the Management Agreement dated 9<sup>th</sup> August 2013, which governs the contractual relationship between Colchester Borough Council (CBC) and CBH.

**4. Supporting Information**  
***Key Issues for 2021/22***

- 4.1 This is the tenth year of HRA Self-Financing, and the continued investment in the housing stock and other projects is reflected in this report.
- 4.2 Cabinet have agreed further significant investment in the Councils housing stock during 2020/21, which is reflected in this report. This includes the delivery of the 100 new Council homes project, and the HIP Climate Emergency Response works.
- 4.3 A revised Asset Management Strategy was produced as a result of the Housing Futures Programme, and the outputs have been included in this report. The Council is reviewing its Asset Management Strategy in 2021, and the results will be considered by Cabinet later in the year alongside a refreshed HRA Business Plan.
- 4.4 This report is considered as part of agreeing the Housing Revenue Account (HRA) estimates as the funding for the HIP, which covers capital investment in the housing stock, is very much linked to the overall level of resources for housing.

## **5. Funding the Housing Investment Programme**

- 5.1 2021/22 is the tenth year of the HRA self-financing regime. This fundamentally changed the way in which Council Housing is financed, and as a consequence a financial model for the HRA has been developed, which forecasts the HRA and HIP for each of the next 30 years, using a range of assumptions on areas such as inflation, stock numbers, future expenditure & income levels etc. This is considered further in the 2021/22 HRA Estimates report elsewhere on the agenda. The source of resources, and the priority order in which it is assumed they will be used to fund capital expenditure in the 2021/22 HIP budget and financial forecasts are as follows;

- Specific Areas of Finance (e.g. Grants),
- Capital Receipts,
- Major Repairs Reserve (Depreciation),
- Revenue contributions to capital (RCCO),
- New Additional Borrowing

- 5.2 The assumption made when prioritising resources to fund the HIP is that resources specifically designated to the programme will be used first, followed by capital receipts. This is so the receipts can be re-invested in affordable housing, and be retained locally and not be clawed back by Central Government under the capital receipts pooling arrangements. The next form of resource to be used is the Major Repairs Reserve, which is the reserve that is built up from the depreciation charge to the HRA. This is the resource that is set aside to maintain the housing stock in its current form & condition. If there are insufficient resources within the Major Repairs Reserve to fund all of the capital works in the year, then the next call on funding is revenue. The amount of this resource will depend on the level of balances within the HRA and the extent to which they are directed to the HIP, as opposed to other budget priorities.
- 5.3 Finally, should there be insufficient revenue resources to fund the overall programme the assumption is that the Council will undertake HRA borrowing to fully fund the HIP. This is assumed to be the lowest priority source of funding, to minimise the resultant additional interest costs that would be incurred by the HRA. Further borrowing will be undertaken following the prudential borrowing code, which states that it must be affordable. Should the Council decide it does not want to undertake additional HRA borrowing or use revenue resources etc, then the Council would need to re-consider the programme of works proposed and the corresponding budget provision. This could include foregoing works, or re-profiling the year in which they are undertaken.

## **6. 2021/22 Programme of Works**

- 6.1 The requested budget allocation for the 2021/22 programme is £40.292million. A further breakdown of the areas of work that are planned to be undertaken is shown at paragraph 9.
- 6.2 As part of the management agreement which commenced in August 2013 between the Council and CBH, the management fee was expanded to reflect the wider range of services CBH now provides on behalf of the Council, so it incorporates the fee for managing the capital programme. Members are therefore asked to note that the requested budget allocation in paragraph 6.1, and the budget sums included in paragraph 9 and Appendix A all include the fee for managing the capital programme, which for 2021/22 totals £1,270,400. A further breakdown of the management fee is included in the HRA Revenue Estimates report elsewhere on the agenda.
- 6.3 Cabinet have previously considered proposals for new projects using HRA borrowing, such as continuing new build plans and increasing Council housing stock through acquisitions. These proposals continue to be reflected in the Housing Investment Programme, with further information provided in the following paragraphs.
- 7. HRA Capital Medium Term Financial Forecast - 2021/22 to 2025/26**
- 7.1 As previously stated, Cabinet agreed in principle to accept a proposed 5 year HIP subject to overall budget considerations. As a result, expenditure proposals have been included in the capital medium term financial forecast at Appendix A and updated to take account of previous years being completed and new updated year's being introduced.
- New Build*
- 7.2 The budget for 2021/22 includes a provision of £0.900million to continue works on Phase 2 of the re-development of garage sites, and undertake Phase 3 feasibility work. It also includes a provision of £1.0million to purchase properties developed by Colchester Amphora Homes for the Council. It should be noted that a number of assumptions have to be made on the timing and cost of these projects, but the budgets will be monitored and revised as part of the annual budget setting and capital monitoring processes. Further estimated provision has been made in subsequent years for these schemes in the CMTFF.
- Acquisitions*
- 7.3 A provision of £6.5million has been made to continue the programme of buying properties, through a combination of properties offered back to the Council through the Right to Buy legislation, and via the open market. Further estimated provision has been made in subsequent years for these schemes in the CMTFF. In addition, at its meeting of 2<sup>nd</sup> September 2020, Cabinet agreed additional investment to deliver 100 new Council homes by 31<sup>st</sup> March 2022, which were in addition to the existing acquisitions programme. A provision of £12.1million has therefore been included to reflect the proportion of these 100 homes that will be acquired in the 2021/22 financial year.
- 7.4 A provision of £5.988million has been made for the cost of the refurbishment of Elfreda House in 2021/22. Further provision has been made in subsequent years in the CMTFF for completion of this scheme, and continued investment in the Sheltered Housing refurbishment programme.
- 7.5 At its meeting on 23<sup>rd</sup> November 2020, Cabinet agreed to include provision in the 2021/22 budget and subsequent years for "HIP Climate Emergency Response Works", in order to improve energy performance of the Councils housing stock. As a result a provision of £3.422million has been included in the 2021/22 programme.
- 7.6 The estimated RCCO in 2021/22 is £3.790million, which is broadly in-line with the assumptions in the business plan. In the years prior to HRA Self-Financing, the RCCO had been used to fund non-works programmes. However, as indicated in the HIP report

agreed by Cabinet on 25<sup>th</sup> January 2012, RCCO's have been available to support the works element of the capital programme for 2013/14 onwards. These increased contributions have been affordable as under HRA Self-Financing the Council retains all rental income.

- 7.7 Members will be aware that the Council entered into agreement with DCLG in 2012 to retain additional RTB receipts to deliver new affordable housing. As a reminder, retained receipts can only be used on delivering new additional units of accommodation, not on refurbishing existing schemes. The proposals already approved by Cabinet and included in the CMTFF should minimise the amount that has to be repaid to Government.

## **8. Priorities for the Council**

- 8.1 To implement the Colchester Housing AMS, that has been updated to reflect the revised investment plan, as the basis for long term planning, provision and sustainability of Colchester Borough Council's housing assets.
- 8.2 To allocate appropriate funding to CBH within the resources that are available to enable stock investment to proceed, improving housing conditions for our tenants.
- 8.3 To ensure that having achieved delivery of the decent homes' targets in December 2011 that the overall level of decency is maintained at the end of any one financial year but ensure compliance on a five-yearly basis.
- 8.4 To build upon current monitoring arrangements and ensure programme delivery and the effective targeting of resources particularly in respect of maintaining the value of the asset and providing Adaptations for our customers with disabilities.

## **9. Proposals**

- 9.1 The report sets out below a summary of the proposed allocation of new resources for 2021/22 as defined by the AMS, as well as those outlined in this report, with the following comments setting out the basis of the allocation.
- 9.2 **Capital Investment Programme - £6.811million –** This allocation supports the AMS and acknowledges the work required to allow the decency standard to be maintained, in the current existing stock and resulting from the acquisitions programme, therefore this substantial proportion of the overall allocation is recommended.
- 9.3 **Aids & Adaptations - £0.642million -** This continues to support the budget at historic levels. The proposed allocation achieves the requirement to adapt Council dwellings to meet the special needs of our customers and also meet the high priority that Members place on this service.
- 9.4 **Emergency Failures (statutory obligation) and Voids - £0.695million –** This allocation supports the AMS and the experience gained through the management controls being exercised. It reflects the necessity to recognise capital works in the voids process along with emergency failures.
- 9.5 **Emergency failures structural works - £0.364million –** As with the previous allocation this reflects the AMS and the experience gained through the management controls being exercised. The work is generally associated with premature failure of structural elements.
- 9.6 **Environmental Works - £0.887million -** This allocation supports the AMS by continuing to address the improvements to the overall estate living environment. It will include door



entry systems, block communal improvements, boundary works and PVC installations to continue to reduce the revenue reliance on painting programmes.

- 9.7 **Asbestos, Legionella, Fire Safety and Overall Contingency - £0.709million** – This allocation recognises the need to continue to proactively manage our statutory obligations in the defined areas and provides a general contingency to cover the whole of the programme together with survey work
- 9.8 **Garages - £0.214million** – This investment in the garage stock is intended to secure additional revenue income that will support the business plan in future years. We have seen a return on the investment made in previous financial years by increased garage tenancies and fewer empty garages on the sites that have been refurbished.
- 9.9 **Sheltered Accommodation Improvements - £5.988million** – This allocation supports the continuation of the overall refurbishment programme. Individual delivery contracts will be reported to Cabinet as tenders are returned.
- 9.10 **Non-Works Programmes - £0.060million** – This allocation is for capital costs linked to the further development of the Housing management system.
- 9.11 **Acquisitions - £18.600million** – As set out in the main body of the report, this allocation supports the potential to Buy Back properties offered back to the Council through the Right to Buy legislation and purchasing properties on the open market, including through the 100 Council homes programme. This allocation provides the opportunity to use funding through retained 1-4-1 Right to Buy receipts (up to 30% of total cost), with the balance of 70% coming from prudential borrowing.
- 9.12 **New Build - £1.900million** – As set out in the main body of the report, this allocation supports the plans previously considered by Cabinet.
- 9.13 **Climate Emergency Response - £3.422million** – As set out in the main body of the report, this allocation supports the plans previously considered by Cabinet.

## **10. Strategic Plan References**

- 10.1 The HIP links to the following areas of the Councils strategic plan:
- 10.2 The Better Colchester Strategic Plan 2020-2023 sets out clearly the Councils priorities. The services and projects delivered by CBH contribute directly to the following priority areas and their goals:
- **Creating safe, healthy and active communities**
    - Build on community strengths and assets
    - Tackle the causes of inequality and support our most vulnerable people
    - Provide opportunities for young people
  - **Delivering homes for people who need them**
    - Increase the number, quality and types of homes
    - Prevent households from experiencing homelessness
  - **Growing a better economy so everyone benefits**

- Enable Economic Recovery from Covid-19 ensuring all residents benefit from growth
- Create an environment that attracts inward investment to Colchester and help businesses flourish

## **11. Consultation**

- 11.1 The Council conducted the bi-annual STAR survey through ARP Research in April 2018, and will be doing so again in 2021 (delayed in 2020 due to Covid-19), with the specific aim of obtaining customer feedback through a survey of general needs tenants, all sheltered tenants and leaseholders. In 2018, there was an increased response rate from tenants and leaseholders on previous surveys. Questions were centred on Colchester Borough Homes performance, tenant satisfaction with their homes, neighbourhood and services. The survey also attempted to identify tenants' priorities on where we focus the provision of non-statutory services. It is planned to repeat the STAR survey during 2021 and the report of the results will be made available to Cabinet and Members, to inform decision-making.
- 11.2 The Council now has a new Strategic Plan and as a consequence will be reviewing its HRA Asset Management Strategy in 2021 and carrying out further consultation as part of this work. The new strategy will need to respond to the 'climate emergency' declared by the Council and tackle the climate challenge within the HRA. An updated Asset Management Strategy will be presented to Cabinet for approval at the end of the Summer 2021

## **12. Publicity Considerations**

- 12.1 Any housing investment has a significant impact on the quality of life for local people. As a consequence the targeting and effectiveness of the programme has huge interest for members and the public as a whole. It is recognised that ongoing publicity will need to be conducted particularly as existing programmes continue and new capital programmes are introduced. Updates will be publicised to the customers in the areas to receive work during the year.

## **13. Financial implications**

- 13.1 As set out in the report.

## **14. Equality, Diversity and Human Rights implications**

- 14.1 An impact assessment has been prepared and can be viewed through the following link

<http://www.colchester.gov.uk/article/12743/Commercial-Services>

## **15. Community Safety Implications**

- 15.1 Through the delivery of improvements to our housing assets and the built environment, the Council seeks to achieve improved outcomes for residents across the borough. This contributes to a reduction in the occurrence of anti-social behaviour, and the incidences of crime through investment in external elements of properties, e.g. UPVC windows and doors, and door entry systems. The impact of HIP works are therefore generally thought to be positive.

## **16. Health and Safety Implications**

- 16.1 CBH will be responsible for implementing the delivery of this programme in a manner that reflects Health and Safety legislation, although the Council does retain the responsibility to ensure that all procedures are in place and being implemented.

## **17. Risk Management Implications**

17.1 Risk management will be considered as the programme is developed, particularly the issues around the introduction of new programmes of work.

**18. Environmental and Sustainability Implications**

18.1 The environmental and sustainability implications of individual work programmes will be thoroughly assessed and considered through the procurement process for each contract.

***Appendices***

- Appendix A – HRA Capital Medium Term Financial Forecast 2021/22 to 2025/26

***Background Papers***

- None

## HRA Capital Medium Term Financial Forecast – 2021/22 to 2025/26

## Appendix A

<b>Expenditure</b>	Notes	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Stock Investment Programme etc		13,102	10,879	10,424	10,019	10,252
Sheltered Accommodation Review		5,988	4,918	1,167	2,367	2,440
Adaptations		642	665	700	710	732
<b>Stock Investment Sub - Total</b>		<b>19,732</b>	<b>16,462</b>	<b>12,291</b>	<b>13,096</b>	<b>13,424</b>
New Build		1,900	17,700	18,265	13,911	-
Acquisitions		18,600	6,598	6,664	-	-
ICT		60	61	62	64	66
<b>Other Works Sub - Total</b>		<b>20,560</b>	<b>24,359</b>	<b>24,991</b>	<b>13,975</b>	<b>66</b>
<b>Total Programme</b>		<b>40,292</b>	<b>40,821</b>	<b>37,282</b>	<b>27,071</b>	<b>13,490</b>

<b>Resources</b>	Notes	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Major Repairs Reserve		6,000	6,156	6,384	6,616	6,903
Revenue Contribution to Capital		3,790	3,910	3,613	3,879	4,866
Retained RTB Receipts Reserve		4,370	1,881	1,522	345	-
New Borrowing		26,132	28,874	25,763	16,231	1,721
<b>Total Funding</b>		<b>40,292</b>	<b>40,821</b>	<b>37,282</b>	<b>27,071</b>	<b>13,490</b>

27 January 2021

<b>Report of</b>	<b>Assistant Director of Client &amp; Place</b>	<b>Author</b>	<b>Clare Lawrance</b> ☎ 252506
<b>Title</b>	<b>Delegation of Authority for the Approval of a Contract for the Redevelopment of Elfreda House</b>		
<b>Wards affected</b>	Shrub End		

## 1. Executive Summary

- 1.1 Elfreda House forms one part of the wider “New Council Housebuilding Programme” that was agreed in 2019 and will provide 350 additional affordable homes between 2019-2024. The scheme has previously been agreed and developed through pre-planning and planning stages, gaining approval in 2020. The contract for construction is currently at competitive tender stage and the winning bidder will then start works on site as soon as possible. This report therefore seeks delegated authority for the Portfolio Holder for Housing, to award the forthcoming contract for the demolition and rebuild of Elfreda House in Shrub End.

## 2. Recommended Decision

- 2.1 To delegate authority for the award of the contract to demolish and rebuild Elfreda House in Shrub End to the Portfolio Holder for Housing.

## 3. Reason for Recommended Decision

- 3.1 The project and budget has previously been agreed, with the project having already been through pre-planning development, a public planning application, and the completion of a technical details pack for the tender to be advertised. Expressions of Interest in this contract were invited in November 2020, evaluated in December 2020 and an invitation to Tender was issued to 6 contractors in early January 2021.
- 3.2 Bids will be returned in February including Social Value offers which are expected to be significant given the estimated budget for the project. The time required to evaluate the bids means that the recommendation for award is likely to be within the pre-election period when Cabinet meetings will not take place and to delay the contract award until after the election would mean an avoidable delay to the commencement of works on site and the ultimate completion and occupation of the building. As the building will benefit tenants who may otherwise have no, or less, suitable accommodation; the decision to delegate authority to the Portfolio Holder for Housing allows that social benefit to be realised without this delay.

## 4. Alternative Options

- 4.1 To delay the delegation, or present the recommended contractor decision to the March Cabinet: However, realistically the knowledge gained would not have significantly advanced. Although the tender exercise would have closed, it is considered too little time

following the conclusion of the procurement exercise to allow sufficient scrutiny of the responses. That means that it would not be possible at that time to choose the winning contractor. The ensuing pre-election period would return to the same position of delegating authority to prevent the successful contractor mobilising quickly and commencing works on site in accordance with the agreed project plan.

## **5. Background Information**

- 5.1 The decision to redevelop Elfreda House was taken at Cabinet in January 2019. The scheme has since been successfully vacated, with strong communication and collaboration between residents, families and the Council/CBH making this process as smooth as possible. The property is now entirely vacant and secured ready for demolition.
- 5.2 In parallel with the vacation of the premises, designs were evolved, consultation took place, and a planning application was submitted. The application also underwent statutory consultation, receiving very little comment from local people as a result of the previous engagement work, and was approved in 2020.
- 5.3 Expressions of Interest in this contract were invited in November 2020 and evaluated in December 2020. As a result, an “Invitation to Tender” was issued to 6 contractors on 5 January 2021. Bids will be returned at the end of February, including Social Value offers which are expected to be significant given the estimated budget for the project.
- 5.4 The time required to evaluate the bids means that the recommendation for award is likely to be within the pre-election period when there are no Cabinet meetings. However, the scheme and budgets are already approved, so the implementation of the project is well established and widely publicised over the last couple of years.
- 5.5 Once the contract is awarded the aim would be to mobilise and commence works on site by early summer. The new scheme should be complete by 2023 and will provide 36 self-contained homes for older people. These will be of the highest standards within the Council’s sheltered housing stock and “fit for the future”.

## **6. Equality, Diversity and Human Rights implications**

- 6.1 A primary purpose of undertaking these works is to improve the quality of housing accommodation for some of the more vulnerable residents. The redevelopment therefore has a positive impact on equality, diversity and human rights.

## **7. Strategic Plan References**

- 7.1 The Better Colchester Strategic Plan 2020-2023 sets out clearly the Council’s priorities including
  - Delivering homes for people who need them
  - Continue to improve and modernise available housing for older people

## **8. Consultation**

- 8.1 Planning Permission for this scheme was granted in December 2020 and statutory consultation was carried out. Prior to that CBC and CBH engaged extensively with residents in the property, their families and Ward Councillors and neighbours.

## **9. Publicity Considerations**

- 9.1 A bespoke Communications Plan is being implemented across all of the Council’s housebuilding projects. This project is generally thought to be making best use of the Council’s existing resources and has positive communications messages.

## **10. Financial implications**

- 10.1 The capital investment required for this project has been included in the HRA budget being presented to January Cabinet meeting and follows previous decisions.

## **11. Health, Wellbeing and Community Safety Implications**

- 11.1 This project increases the supply of specialist housing for Older People and continues the modernisation of Colchester's sheltered housing portfolio. It therefore makes a positive contribution to the Council's offer to older people.

## **12. Health and Safety Implications**

- 12.1 The site at Elfreda House has been secured, hoarded and is being regularly inspected. The Council's insurers are aware of the current standing of the scheme and the plans for its redevelopment.
- 12.2 A strong track record in Health & Safety practice is a key element of the tender evaluation. The winning contractor will manage on site health and safety, CBH will monitor this through their contract management role, and the Council "Client" will also retain overview as CBC is the contracting authority ultimately responsible for health and safety.

## **13. Risk Management Implications**

- 13.1 This project is a significant capital investment for the Council. The Council have carried out credit checks on the bidders invited to tender and will ensure the Council's interests are protected in the delivery of the contract. A risk register exists for individual projects.

## **14. Environmental and Sustainability Implications**

- 14.1 The new housing scheme will meet the "Future Homes 2025 Standard". It will be heated with a Heat Pump, benefit from solar PV and other features such as "green glass" to the Foyer, a green roof and charging points for electric vehicles.

## **Appendices**

None

## **Background Papers**

None



**27 January 2021**

<b>Report of</b>	<b>Assistant Director for Place &amp; Client</b>	<b>Author</b>	<b>Clare Lawrance</b> ☎ <b>282506</b>
<b>Title</b>	<b>Request for Delegated Authority for the Award of HRA Contracts 2021</b>		
<b>Wards affected</b>	All wards		

## 1. Executive Summary

- 1.1 Within the Housing Revenue Account (HRA), the Council owns almost 6,000 affordable homes, benefitting people in need of social housing. The housing stock is managed through an Arm's Length Management Organisation (ALMO), Colchester Borough Homes (CBH). Each year a number of maintenance contracts are managed in accordance with a Housing Investment Programme that keeps these homes in a suitable condition, as part of an ongoing planned approach set from the HRA Asset Management Strategy and 30-year HRA Business Plan.
- 1.2 This report sets out the maintenance contracts that are due to expire over the next year, that need new contracts to be procured and awarded for the Housing Investment Programme in 2021/22. These are contracts that are likely to require Cabinet approval due to estimated costs (over £500k for the scope of the contracts, over multiple years) and spanning over more than 2 wards.
- 1.3 The report seeks delegation of powers to the Portfolio Holder for Housing to approve the award of these contracts as they arise, which will make those awards smoother and faster if they arise between meetings scheduled for the next year. A similar decision was taken in 2018 and 2020 which was concluded successfully over the subsequent 'delegated contract awards.

## 2. Recommended Decision

- 2.1 To delegate authority to the Portfolio Holder for Housing for the award of the contracts for works within the Housing Investment Programme 2021/22, including but not limited to:
  - Window and Door Replacements
  - Heating System Renewals
  - Climate Emergency Response Works

## 3. Reason for Recommended Decision

- 1.1 Within the Housing Revenue Account (HRA), the Council owns almost 6,000 affordable homes, benefitting people in need of social housing. The housing stock is managed through an Arm's Length Management Organisation (ALMO), Colchester Borough Homes (CBH) and each year a number of maintenance contracts are managed within an agreed Housing Investment Programme. This keeps these homes in a suitable condition, as part of an ongoing planned approach set from the HRA Asset Management Strategy and 30-year HRA Business Plan.

- 1.2 The maintenance contracts that are due to expire over the next year need new contracts to be procured and awarded for the Housing Investment Programme in 2020/21. These are contracts that are likely to require Cabinet approval due to estimated costs (over £500k for the scope of the contracts, over multiple years) and borough-wide span.
- 1.3 The decision to delegate powers to the Portfolio Holder for Housing and Communities to approve the award of these contracts, as they arise, will make those awards smoother and faster if they arise between meetings scheduled for the next year, or during the pre-election period. A similar decision was taken in 2018 and 2020 and has demonstrated the success and benefit of this approach in past/current contract awards.

#### **4. Alternative Options**

- 4.1 Not to delegate the powers requested; but this would then need to be individually reported to Cabinet for each contract award increasing the time and resourcing required, for a procurement process that is already heavily scrutinised and regulated. The time/benefit balance would therefore suggest that delegation to the PFH would be more effective and efficient use of Council resources, without introducing risks; demonstrated by recent practices. The Portfolio Holder decisions would remain available for call-in should individual concerns arise.

## **5. Background Information**

- 5.1 The Housing Investment Programme (HIP) is funded by the HRA and is currently an investment of around £10m across the housing stock per year. Simplistically, the HRA receives the social and affordable rents and income from Council housing that is then ring-fenced within the HRA (a separate account to the General Fund) to be invested back into the social housing stock (whether in maintenance of existing stock, or provision of new affordable homes; that then increases the income back into the HRA in future years to pay for itself).
- 5.2 The HIP therefore includes the planned and reactive replacement of building elements, such as electrics, heating, windows, doors, kitchens and bathrooms etc, on a cyclical basis. The HIP is based on the expected notional life of those elements. This is verified by a stock condition survey of identified properties.
- 5.3 Once it has been identified that many properties require similar investment then the necessary budget, part of a 30-year HRA Business Plan to manage the funds and property in the HRA, is approved by Cabinet (in January each year) to fund the investment. This work is then collated into packages of works that can be contracted together to provide value for money and economies of scale, consistency of works across the stock, relationships with contractors familiar with the Council's needs and property etc.
- 5.4 An appropriate procurement route is identified in advance and ultimately a contractor is selected to enter into a suitable contract for the delivery of the works. Previously the Council has entered contracts on a variety of terms, whether small or large contracts, and whether for single or multiple years, and this experience informs the basis on which each element of the programme is delivered.
- 5.5 The delegation of the HRA HIP contracts will assist in a timely, smooth, contract renewal or replacement process over the next year, for known contracts that will emerge. These contracts include:
- Window and Door Replacements
  - Heating System Renewals
  - Climate Emergency Response Works
- 5.6 This list is not exhaustive. In addition, the Climate Emergency Response Works were agreed by Cabinet in November 2020 as a supplementary package of work to the HIP that further improves homes, starts addresses the climate emergency declaration but also provides additional employment opportunities and economic recovery benefits after the global pandemic. These works will potentially not be delivered through one single supplementary contract, as the elements of the planned works includes cladding, insulation, windows, heat and energy sources etc.
- 5.7 The complete package of contracts will be delivered within the approved budget for the HIP in 2021/22 which is also part of this Cabinet agenda.

## **6. Equality, Diversity and Human Rights implications**

- 6.1 Implications for Equality, Diversity and Human Right will be considered in all contract awards. However, it is generally thought that investment in and the appropriate maintenance the Council's housing stock has overwhelmingly positive implications for tenants and residents of the Borough.

- 6.2 The Equality Impact Assessment for the Council's Housing Investment Programme is [here](#).

## **7. Strategic Plan References**

- 7.1 The Better Colchester Strategic Plan 2020-2023 sets out clearly the Council's priorities. The services and projects delivered by CBH contribute directly to the following priority areas and their goals:

- **Creating safe, healthy and active communities**
  - Build on community strengths and assets
  - Tackle the causes of inequality and support our most vulnerable people
  - Provide opportunities for young people
- **Delivering homes for people who need them**
  - Increase the number, quality and types of homes
  - Prevent households from experiencing homelessness
- **Growing a better economy so everyone benefits**
  - Enable Economic Recovery from Covid-19 ensuring all residents benefit from growth
  - Create an environment that attracts inward investment to Colchester and help businesses flourish

## **8. Consultation**

- 8.1 Tenants of all housing stock will be consulted in the coming year as part of a review of the Asset Management Strategy. The Asset Management Strategy will include specific reference to a suitable Procurement Strategy for HIP works.

## **9. Publicity Considerations**

- 9.1 All residents are notified of major contract awards via the Resident Newsletter. Affected tenants are notified well in advance of works taking place and consulted about the specific impact on them and their household.

## **10. Financial implications**

- 10.1 The budgets for the Housing Investment Programme are being presented to Cabinet on this same agenda and will be within the 30-year HRA Business Plan and agreed budget for 2021-22.

## **11. Health, Wellbeing and Community Safety Implications**

- 11.1 It is broadly expected that communities where these works will take place will be positively affected by the completion of the works. Improved buildings and estates reduce anti-social behaviour and crime, improve health and associated outcomes for residents and communities. Recent medical reports have identified, more than ever, that the quality of housing has a significant impact on the health of residents within those properties.

## **12. Health and Safety Implications**

- 12.1 Contractors bidding for works are expected to demonstrate a strong track record and high level of competence in managing health and safety through the procurement process. Contractors then manages health and safety on site, managed by CBH; although ultimate responsibility remains with the Council as the contracting authority.

### **13. Risk Management Implications**

- 13.1 None expected. All contracts are managed individually and risk registers are maintained by CBH.

### **14. Environmental and Sustainability Implications**

- 14.1 The Council's approach to meeting its carbon ambitions excludes the majority of the rented housing stock. Only sheltered housing blocks are likely to be included in the baseline calculations by the Carbon Trust. The housing stock covered by these contracts are likely to include both types of property and any potential benefit will be considered in the drafting of the contract specification and scored accordingly.

### **Appendices**

N/A

### **Background Papers**

N/A



**27 January 2021**

<b>Report of</b>	<b>Assistant Director of Place &amp; Client Services</b>	<b>Author</b>	<b>Clare Lawrance</b> ☎ 282506
<b>Title</b>	<b>Request for Delegated Authority for new “Utilities &amp; Energy Bureau Service” Contracts</b>		
<b>Wards affected</b>	All Wards		

## 1. Executive Summary

- 1.1 The Council’s contracts for the provision of utilities and an “Energy Bureau Service” will end on 31 March 2021. Re-procurement of both contracts is being carried out currently and returns are due for evaluations during February and March. Evaluations will lead to a recommendation for contract awards that are likely to fall between Cabinet meetings, which would then delay the agreement of the new contracts.

## 2. Recommended Decision

- 2.1 To delegate the contract awards for the provision of utilities and an “Energy Bureau Service” to the Portfolio Holder for Resources, in consultation with the Portfolio holder for Housing.

## 3. Reason for Recommended Decision

- 3.1 To ensure continuation of each service and avoid any adverse impacts on all Council services (utilities), as well as the Council’s financial functions.

## 4. Alternative Options

- 4.1 Not to delegate authority: However, failure to ensure continuation of each service will have an adverse impact on Council property and services (utilities) and affect the Council’s financial functions.
- 4.2 To wait until March Cabinet: It is not to complete tender evaluations and make contract award recommendations to Cabinet in March.

## **5. Background Information**

- 5.1 The Council has an existing “Energy Bureau Service” contract that has been with Smith Bellerby since the last contract review in 2016. This contract was due to conclude in 2020 but was extended by 12 months to ensure co-termination with the Council’s “Utilities” contracts.
- 5.2 An Energy Bureau Service is a dedicated energy administrator that acts as the experts in reducing the Councils energy costs. They would be expected to monitor and analyse energy usage; identify, investigate and resolve anomalies in the estate; undertake cost recovery; and validate billing data. They liaise directly with officers across the Council’s estate (e.g. The Castle, Town Hall, etc) and several service areas to ensure accurate meter readings are relayed to utilities suppliers.
- 5.3 Utilities are procured via a Crown Commercial Services Framework. This remains the preferred procurement route as it ensures Value for Money can be evidenced and means the Council can be assured of Suppliers’ Green credentials.
- 5.4 Although the majority of the service relates to the Councils General Fund property it also includes parts of the HRA property. These contracts cover 530 electricity supplies, 40 gas supplies and 100 water supplies to sheltered housing schemes, housing estates, corporate buildings and sites managed by third parties (parish council’s, leaseholders and partner organisations) where the Council retains ownership of and responsibility for the utility supply.

## **6. Equality, Diversity and Human Rights Implications**

- 6.1 The Council’s Equality Impact Assessment for Procurement can be found [here](#).

## **7. Strategic Plan References**

- 7.1 The delivery of these contracts directly contributes to [Tackling the climate challenge and leading sustainability](#)

## **8. Consultation**

- 8.1 None

## **9. Publicity Considerations**

- 9.1 It is expected that the award of these contracts will provide opportunities for positive news stories.

## **10. Financial implications**

- 10.1 The Council sets its budgets annually based on estimates received from the Energy Bureau Service for the forthcoming financial year and this information is used for budget setting. The costs of the Energy Bureau Service are allocated across the Council based on the proportion of sites in each service area (currently approximately 1/3 to the HRA and 2/3 to the General Fund).

## **11. Health, Wellbeing and Community Safety Implications**

- 11.1 None.



## **12. Health and Safety Implications**

12.1 None.

## **13. Risk Management Implications**

13.1 Failure to reprocure and award new contracts poses significant issues to all Council services. The key priority is the smooth continuation of services.

## **14. Environmental and Sustainability Implications**

14.1 The CCS Framework for Utilities utilises only renewable energy sources.

## **Appendices**

None.

## **Background Papers**

None.



27 January 2021

<b>Report of</b>	<b>Assistant Director Corporate and Improvement</b>	<b>Author</b>	<b>Richard Block</b> ☎ 506825
<b>Title</b>	<b>Half Year 2020 - 2021 Performance Report including progress on 2020-2023 Strategic Plan Action Plan</b>		
<b>Wards affected</b>	All		

## 1. Executive Summary

- 1.1 This report details mid-year corporate performance for 2020– 2021. This includes progress in delivering against Key Performance Measures and an update on the Strategic Plan Action Plan (SPAP).

## 2. Recommended Decision

- 2.1 To review the performance described in the attached reports and note progress in delivering against Key Performance Indicators and the Strategic Plan.
- 2.2 To consider the impact of Covid-19 on performance and whether existing Key Performance Indicator targets should be maintained for the remainder of the financial year.

## 3. Reason for Recommended Decision

- 3.1 To ensure robust performance management of key Services and to monitor progress in achieving key Strategic Objectives of the Council.

## 4. Alternative Options

- 4.1 No alternative options have been presented to Cabinet.

## 5. Background Information

- 5.1 The Council has agreed a number of key performance areas which it uses as part of its Performance Management Framework to help monitor progress and improvement. This report provides an update of our indicators and a review of progress against our Strategic Plan Action.
- 5.2 The report on KPIs now features an improved graphical presentation of year-to-date average monthly performance, previous year performance and target. Due to the impact of Covid-19, actual monthly performance has also been added to the graphs.
- 5.3 **Proposed KPI targets for 2021-2022.** This item was taken to Scrutiny Panel for pre-scrutiny on 15 December. Unlike previous years where proposed targets for the next financial year are presented to Scrutiny to be ratified, this year Scrutiny was asked to consider how targets are to be realistically set for 2021-2022. Their comments will be taken to Cabinet on 10 March, for consideration.
- 5.4 Proposed target for **K1H3 Full Homelessness Duty Owed. Following previous comments by the Panel and Cabinet on the complexity and validity of this KPI**, officers from both CBC and CBH are working on a new target that is a more holistic measure of performance and is easier to understand. This will be presented to Cabinet on 10 March for consideration.
- 5.5 **KPI Report.** At the half year point April - September 2019, the overall position was 7 out of 16 of our targets were achieved (or 'green'), 1 is considered 'at risk' of not meeting their target at year end ('amber'), and 8 did not meet the target in full ('red').
- 5.6 **Amber – K1W3 Percentage of Waste Collections Made:** The changes to the service at the beginning of the year made an impact on the performance of the service. This performance is closely monitored and changes to bring about improvements have been implemented. Continued reliance on temporary or agency staff as a result of shielding, self-isolation and sickness, as a result of the impact of Covid-19 will have an impact on performance.
- 5.7 **Red - K1H1 Additional Homes Provided:** Delivery took a severe hit in the first quarter when there was uncertainty about building sites remaining open and all estate agents/solicitors were closed. Completions have picked up since August and this is expected to continue until March 2021 on the back of strong demand.
- 5.8 **Red - K1H3 Full Homelessness Duty Owed:** The number of overall cases was actually slightly lower than quarter 1 in 2019/20 but was still high as a percentage of the number of individuals we worked with and issued a personal housing plan. This reflected, in part, the difficulties of accessing the private rented sector during the first lockdown. The position has stabilised in Quarter 2, with the percentage of those going on to become homeless as an average of 31.42%. A total of 87 cases have been accepted up to the end of quarter 2. This compares to a figure of 123 for the same period last year.
- 5.9 **Red - K1H4 Rent Collected:** Recent improvements in performance are expected to be sustained, making the year-end target achievable.

- 5.10 **Red - K1H5 Average time to re-let Council Homes:** Performance has improved considerably in September, but the impact of severe restrictions early in the year in response to the Coronavirus pandemic is not likely to be recoverable.
- 5.11 **Red - K1R1 Council Tax Collected:** Collection is running at around 0.6% under the previous year. A number of arrangements have been made to support those struggling due to covid-19 which will impact on the figures. Recovery and enforcement have now resumed with the first court date planned for end November. Collection is unlikely to meet year-end target of 97.5% collected.
- 5.12 **Red - K1R2 Business Rated (NNDR) Collected:** Collection is around 3% below the previous year, however taking into account the expanded retail relief this will equate to around 1.5% under. Light recovery work has resumed which will improve our position slightly, however it is anticipated that large businesses going into administration will have an impact later in the year. Collection is unlikely to meet year-end target of 98.5% collected.
- 5.13 **Red - K1W1 Residual Household Waste per Household:** Residents are in general generating more residual waste than previous years. This is as a direct result of an increase in the amount of waste crews were permitted to collect at beginning of the pandemic outbreak and a temporary change in policy to allow residents to place out more residual waste. It is also as a result of residents working from and/or spending more time at home. With the second lockdown in place, it is expected that high level of residual waste generated by residents will continue.
- 5.14 **Red - K1W2 Household Waste Reused, Recycled and Composted:** There continues to be an increase in the amount of waste (residual, recycling and composting material). However, the pause in recycling collections has impacted some of the earlier months of the financial year.
- 5.15 Considering the impact of the Covid-19 pandemic on the Council's ability to meet the agreed KPI's for 2020/2021, the targets could be revised downwards at the mid-year point. However, it would be extremely difficult to set meaningful revised targets without knowing any further impact of the Pandemic in the remainder of the year. As such, it is proposed the existing targets should be retained, and every effort made to continue to recover levels of performance.
- 5.16 **SPAP Update.** The actions within our Strategic Plan Action Plan show that there is a considerable amount of positive activity being undertaken across the Council and with our partners to achieve our Strategic Priorities despite the impact of the Covid-19 pandemic.
- 5.17 **Other Performance News.** The Council has also received a number of awards and accreditations highlighted at the end of Appendix C.
- 5.18 **Recovery Programme Update.** Some activities originally contained within the recovery plan are now being reported through the SPAP. Other activities are reported through other governance streams such as Budget Group. The remainder of recovery activities have either been completed or are now part of our business as usual, albeit with Covid-19 restrictions and government guidelines. A summary of progress can be found at appendix D.

## 6. Equality, Diversity and Human Rights implications

- 6.1 Progress and improvement of these and many of the actions within the Strategic Plan Action Plan support our aims of improving both services and the lives of everyone in the borough. Where required, specific Equality Impact Assessments will exist for policies and activities rather than for individual performance indicators or actions. Progress on the Council's Equality Objectives are included within the Strategic Plan Action Plan Update.

## **7. Strategic Plan References**

- 7.1 The Strategic Plan Action Plan is a key tool in managing performance against all of the Strategic Plan aims.

## **8. Consultation**

- 8.1 The report's contents do not have any direct implications with regard to consultation. However, the Strategic Plan and priorities were agreed following public consultation.

## **9. Publicity Considerations**

- 9.1 The performance report contains measures for our key performance indicators and our Strategic Plan Action Plan. Many of these are used to monitor the performance of our services, and as such these may be of public interest. The report and related information are published on the Performance section of the Council's website.

## **10. Financial implications**

- 10.1 The financial implications of the action plans to deliver performance against the indicators form part of the budget setting process.

## **11. Health, Wellbeing and Community Safety Implications**

- 11.1 There are performance measures and actions within the Strategic Plan Action Plan which aim to improve community safety and as such this report provides progress updates in this area.

## **12. Health and Safety Implications**

- 12.1 This report has no direct implications with regard to Health and Safety.

## **13. Risk Management Implications**

- 13.1 There are no risk management implications.

## **14. Environmental and Sustainability Implications**

- 14.1 The three overarching objectives contained in the National Planning Policy Framework have been considered and where appropriate, have been applied within the Strategic Plan Action Plan.

- 14.2 **Economic objective.** Ensuring that sufficient land is available to support growth and innovation.

- 14.3 **Social objective.** Supporting strong, vibrant and healthy communities.

- 14.4 **Environmental objective.** Protecting and enhancing our historic environment.

## **Appendices**

- A. KPI Year End Report covering April - September 2020.
- B. Strategic Plan Action Plan Year End Report covering April - September 2020.
- C. Awards and Other Performance News covering April - September 2020.
- D. Recovery Plan Update.





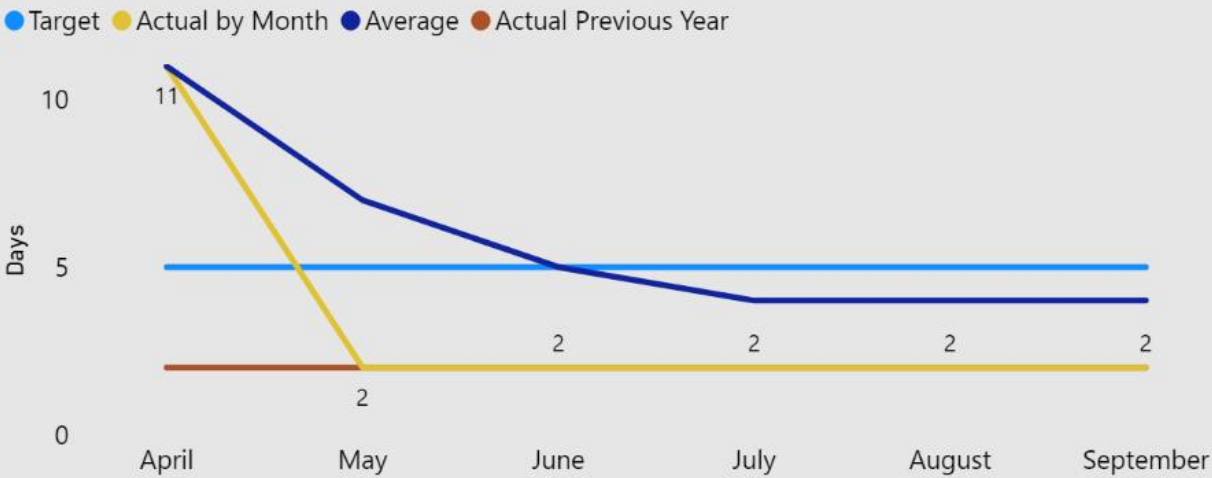
# Cabinet 27 January 2021

## Key Performance Indicators

### Half Year Report 2020-2021

K1B1 Housing Benefit	→
K1B1 LCTS	→
K1H1 Additional Homes	→
K1H2 Affordable Homes	→
K1H3 Homelessness	→
K1H4 Rent Collected	→
K1H5 Re-lets	→
K1P1 Planning Apps (Majors)	→
K1P1 Planning Apps (Minors)	→
K1P1 Planning Apps (Others)	→
K1R1 Council Tax	→
K1R2 NNDR	→
K1R3 Sickness	→
K1W1 Residual Waste	→
K1W2 Recycled Waste	→
K1W3 % of Scheduled Collections Made	→

### K1B1 Time to process Housing Benefit new claims and changes



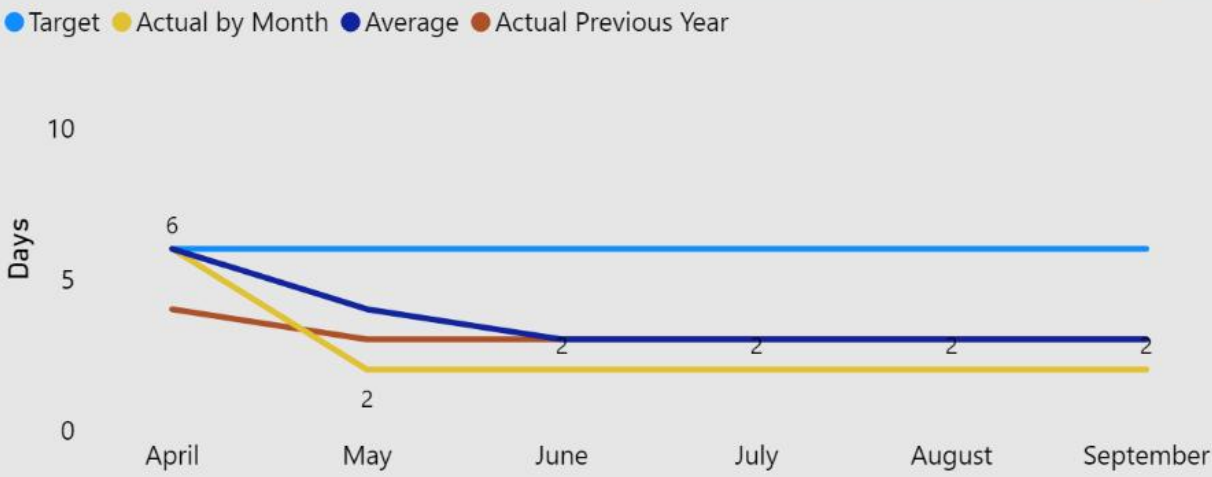
### Supporting Narrative

The team has delivered a very strong half year position which is under target despite a significant increase in assessments due to Covid-19. The team are finding innovative ways to increase efficiency in process to manage increased demand.

### Average against Target

4✓  
 Target: 5  
 September

### K1B1 Time to process Local Council Tax Scheme (LCTS) new claims and changes



### Supporting Narrative

The team has delivered a very strong half year position which is under target despite a significant increase in new claims due to Covid-19.

### Average against Target

3✓  
 Target: 6  
 September

2015-2016

2016-2017

2017-2018

June

September

December

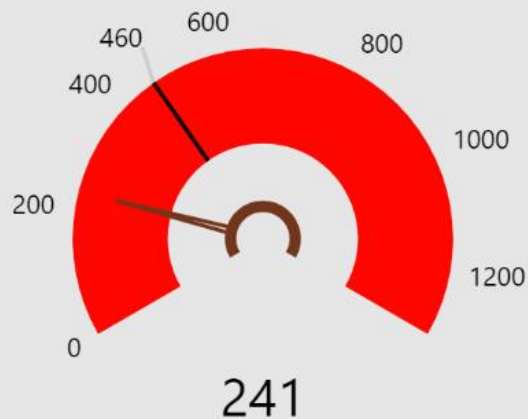
March

2018-2019

2019-2020

2020-2021

## K1H1 Additional Homes Provided



## Supporting Narrative

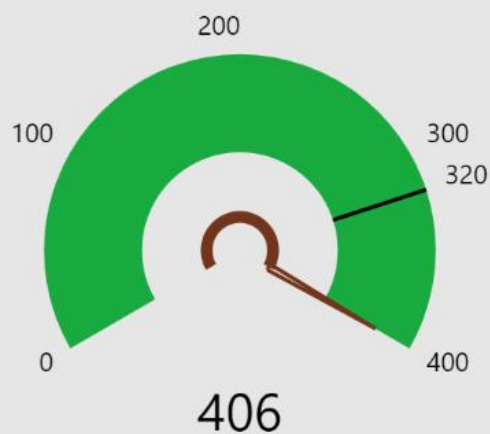
Delivery took a severe hit in the first quarter when there was uncertainty about building sites remaining open and all estate agents/solicitors were closed. Completions have picked up since August and this is expected to continue until March 2021 on the back of strong demand.



## Actual towards Target

**241** !  
Target: 460  
September

## K1H2 Affordable Homes Delivered over Three Years



## Supporting Narrative

44 affordable homes were delivered between March 2020 and September 2020. 23 were registered provider new build and 21 CBC acquisitions. To ensure alignment with the new Strategic Plan Action Plan (SPAP), it is proposed that a target of 380 homes should be set to be delivered over three years (2020-2023).

## Actual against Year Two Target

**406** ✓  
Target: 320  
September

2015-2016

2016-2017

2017-2018

June

September

December

March

2018-2019

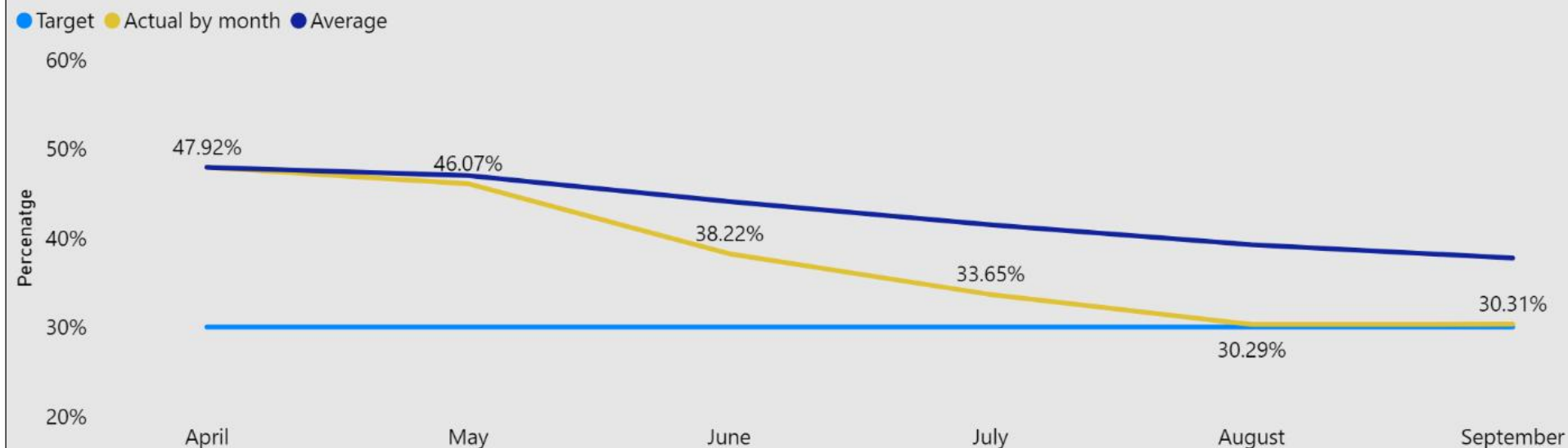
2019-2020

2020-2021





### K1H3 Full Homelessness Duty Owed



### Average against Target

**37.74%!**

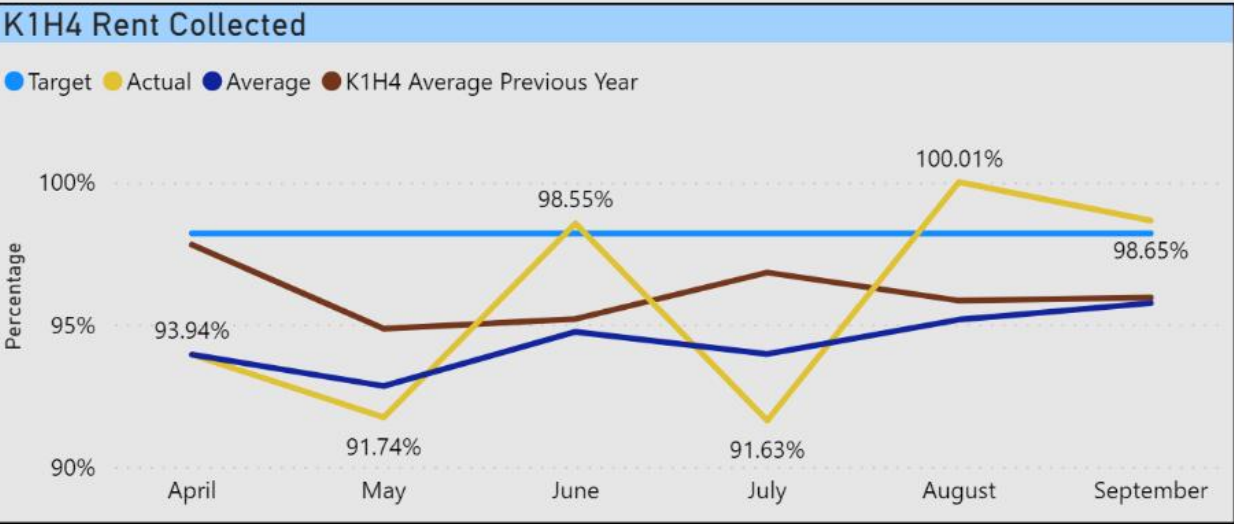
Target: 30%  
September

### Background Information

This KPI seeks to measure our effectiveness in early action when a resident contacts us as they are at risk of becoming homeless. It shows the proportion of people we have worked with to prevent homelessness through a Personal Housing Plan (PHP) who then go on to become homeless, as defined by homelessness legislation, and for whom we therefore have a statutory duty to secure accommodation.

### Performance - Supporting Narrative

The number of overall cases was actually slightly lower than quarter 1 in 19/20, but was still high as a percentage of the number of individuals we worked with and issued a personal housing plan. This reflected in part the difficulties of accessing the private rented sector during the first lockdown. The position has stabilised in Quarter 2, with the % of those going on to become homeless as an average of 31.42%. A total of 87 cases have been accepted up to the end of quarter 2. This compares to a figure of 123 for the same period last year.

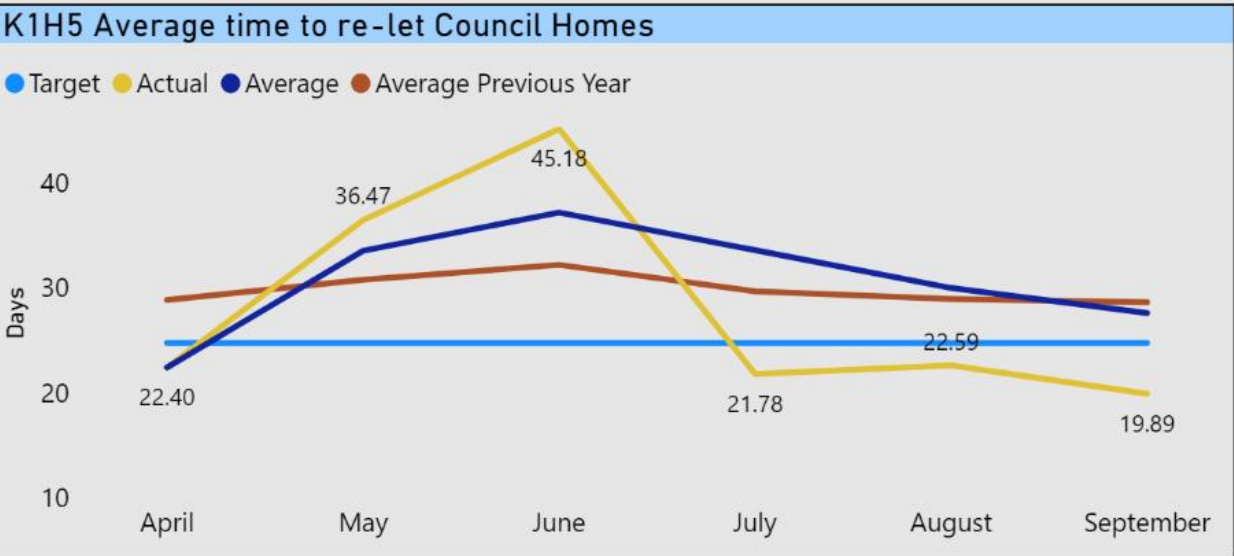


### Supporting Narrative

Recent improvements in performance are expected to be sustained, making the year-end target achievable.

### Average against Target

95.75%!  
Target: 98.20%  
September



### Supporting Narrative

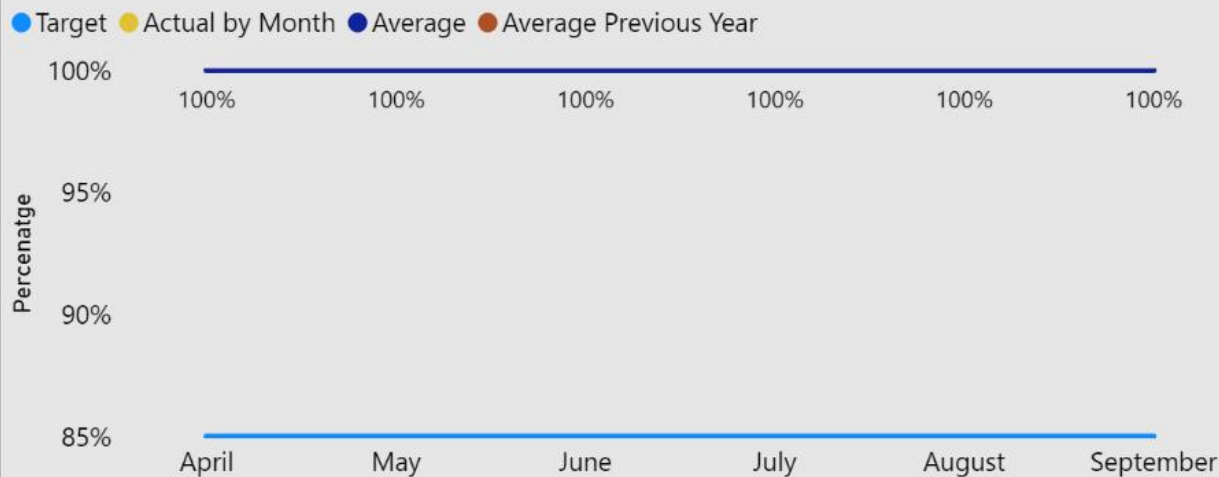
Performance has improved considerably in September, but the impact of severe restrictions early in the year in response to the Coronavirus pandemic is not likely to be recoverable.

### Average against Target

27.60!  
Target: 24.75  
September



### K1P1 Processing of Planning Applications - Majors



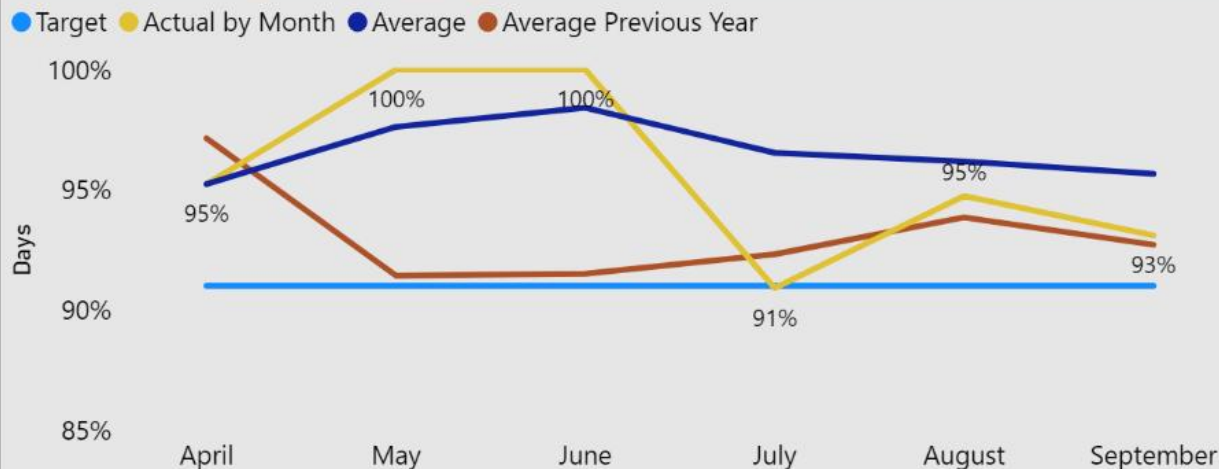
### Supporting Narrative

The team achieved a consistently high level of decision making for major applications, 32 Major applications were determined during this period, performance is on track and targets are being met.

### Average against Target

**100%✓**  
 Target: 85%  
 September

### K1P1 Processing of Planning Applications - Minors



### Supporting Narrative

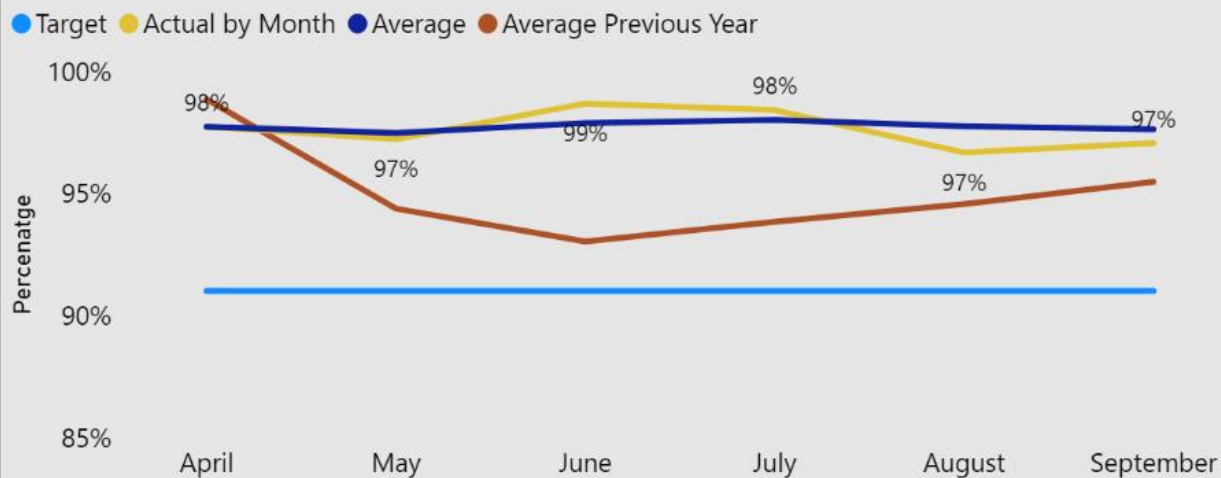
The team achieved a consistently high level of decision making for minor applications, 131 minor applications were determined during this period, in a category that includes applications up to 10 new dwellings, commercial development of up to 1,000 square metres of floorspace, or sites with areas of up to 1 hectare, performance is on track and targets are being met.

### Average against Target

**95.67%✓**  
 Target: 91%  
 September



### K1P1 Processing of Planning Applications - Others



### Supporting Narrative

The team achieved a consistently high level of decision making for “other” planning applications, with over 463 applications determined during this period, in a category which includes householder extensions, changes of use, adverts and lawful development certificates. This category saw the highest number of applications and forms the bulk of the planning work. Performance is on track and targets are being met.

### Average against Target

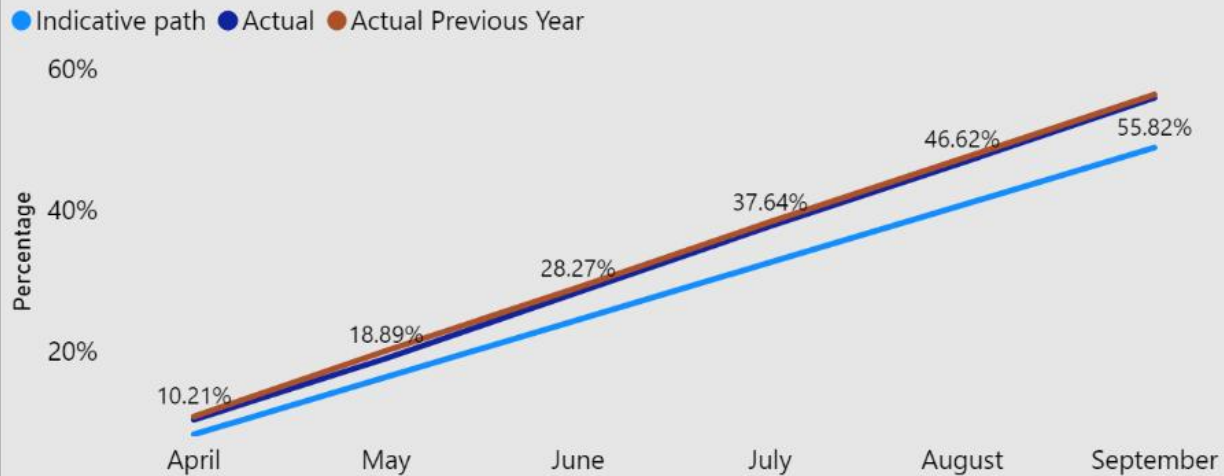
**97.63%**✓

Target: 91%

September



### K1R1 Council Tax Collected



### Supporting Narrative

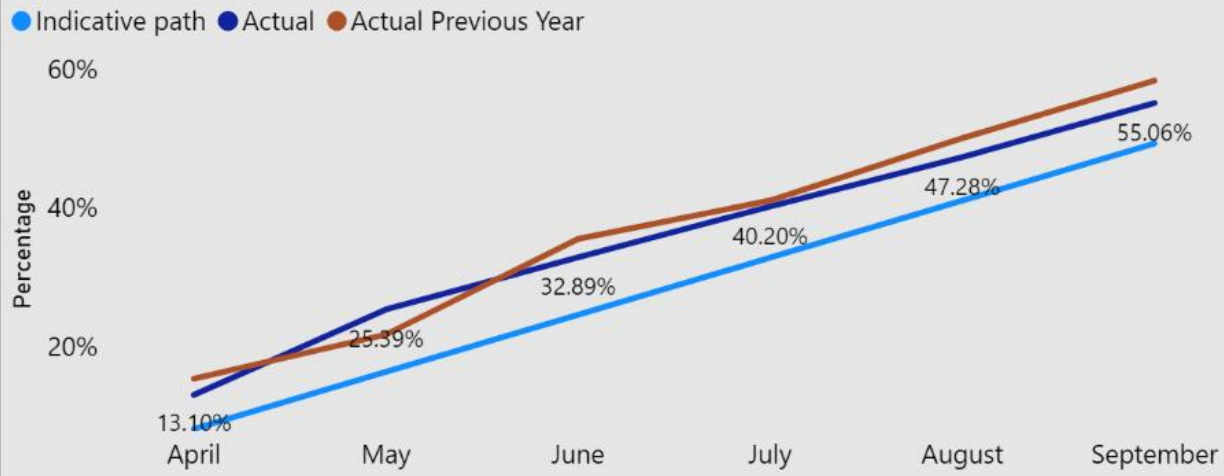
Collection is running at around 0.6% under the previous year. A number of arrangements have been made to support those struggling due to covid-19 which will impact on the figures. Recovery and enforcement have now resumed with the first court date planned for end November. Collection is unlikely to meet year-end target of 97.5% collected.

### Actual against Year End Target

55.82%!

September

### K1R2 Business Rated (NNDR) Collected



### Supporting Narrative

Collection is around 3% below the previous year, however taking into account the expanded retail relief this will equate to around 1.5% under. Light recovery work has resumed which will improve our position slightly, however it is anticipated that large businesses going into administration will have an impact later in the year. Collection is unlikely to meet year-end target of 98.5% collected.

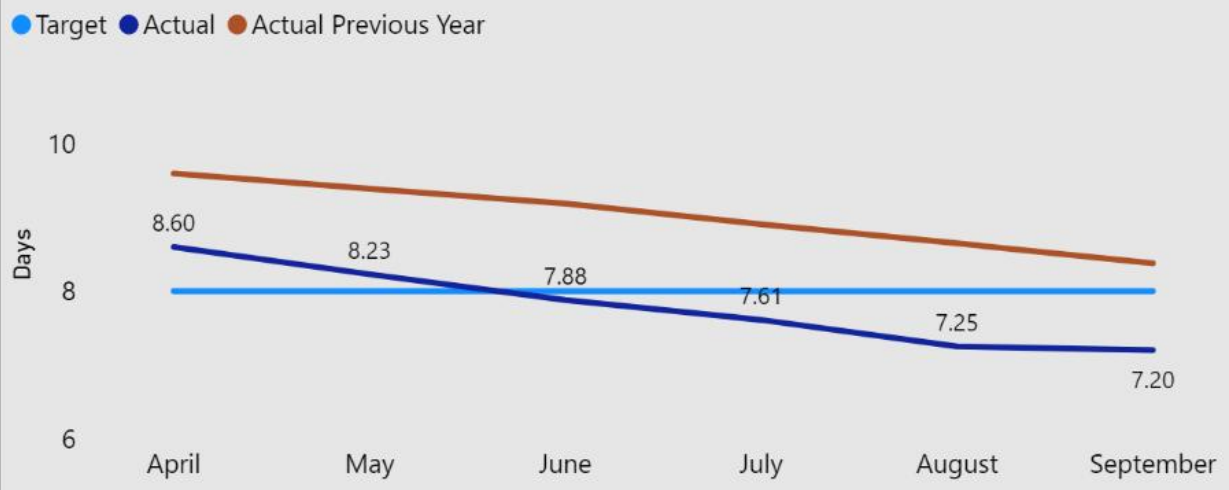
### Actual against Year End Target

55.06%!

September



### K1R3 Sickness Rates (Rolling Figures)



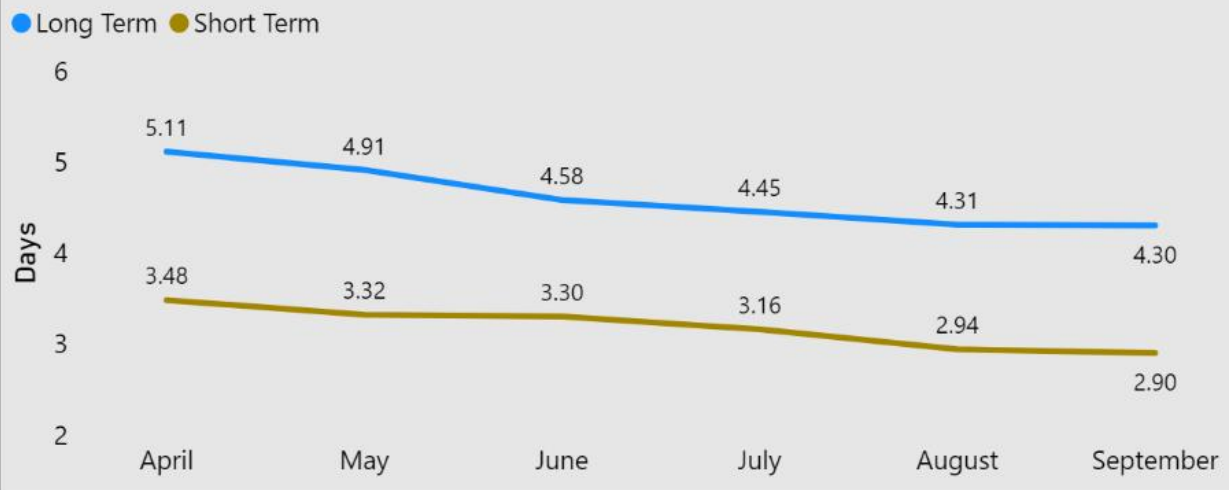
### Supporting Narrative

Sickness absence level below target. Covid cases have been low during the pandemic. We will closely monitor and manage sickness during the winter months when sickness absence tends to rise.

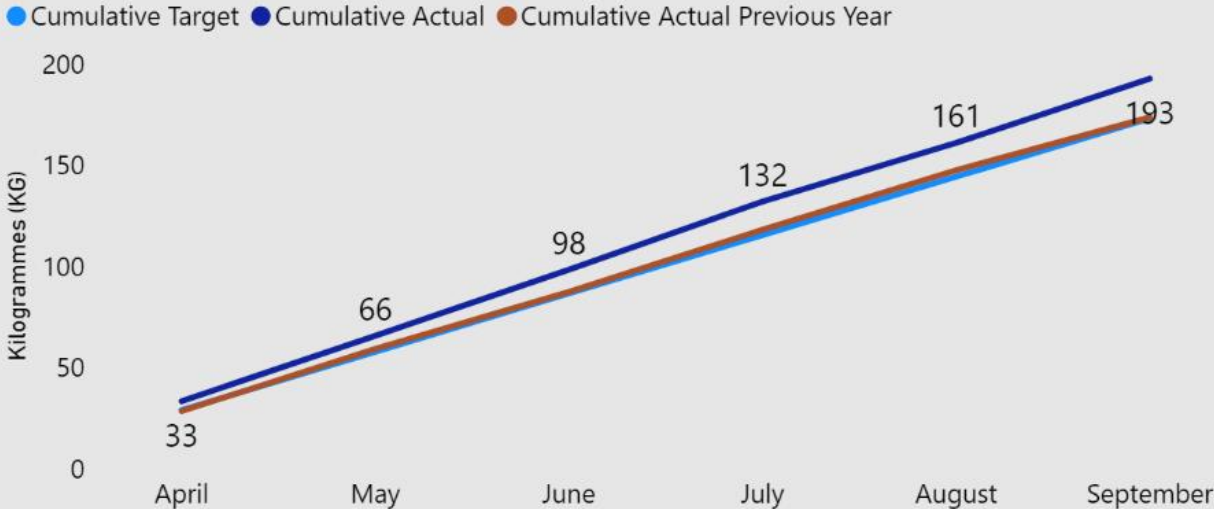
### Actual against Target

7.20✓  
Target: 8  
September

### K1R3 Long Term and Short Term Sickness Rates (Rolling Figures)



### K1W1 Residual Household Waste per Household



### Supporting Narrative

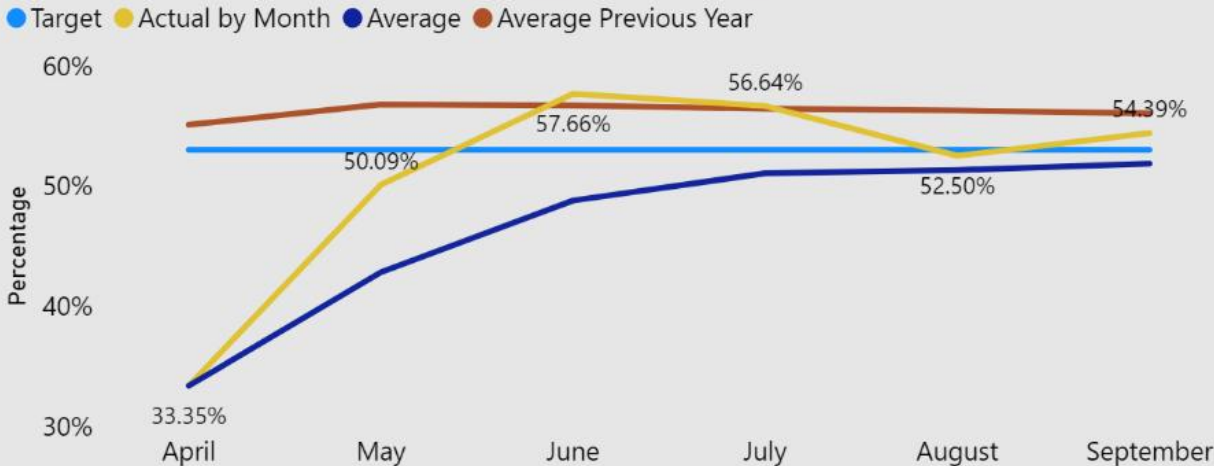
Residents are in general generating more residual waste than previous years. This is as a direct result of an increase in the amount of waste crews were permitted to collect at beginning of the pandemic outbreak and a temporary change in policy to allow residents to place out more residual waste. It is also as a result of residents working from and/or spending more time at home. With a second lockdown imminent, it is expected that high level of residual waste generated by residents will continue.



### Actual against Target

**192.64!**  
 Target: 173.00  
 September

### K1W2 Household Waste Reused, Recycled and Composted



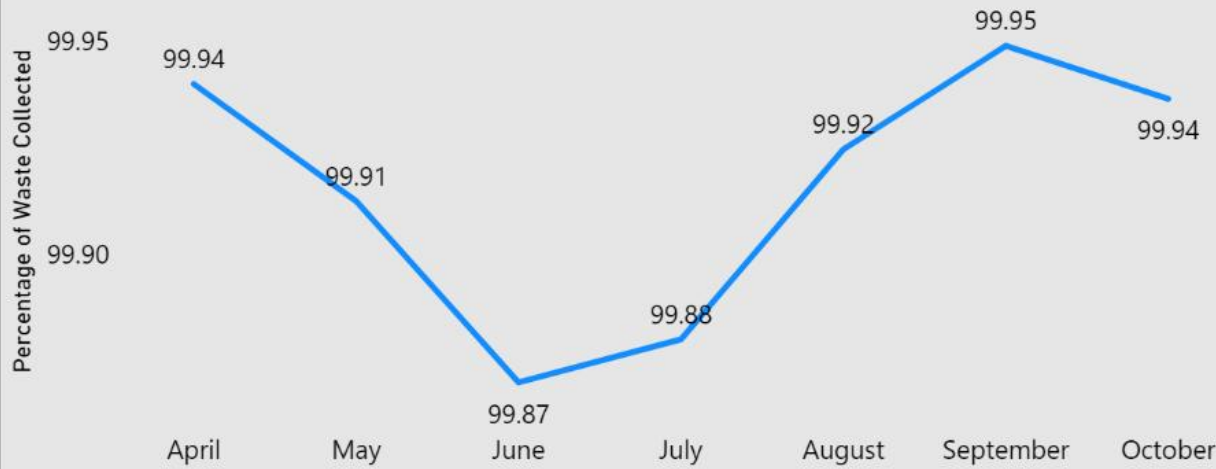
### Supporting Narrative

There continues to be an increase in the amount of waste (residual, recycling and composting material). However, the pause in recycling collections has impacted some of the earlier months of the financial year.

### Average against Target

**51.85%!**  
 Target: 53%  
 September

K1W3 Percentage of Collections Made



Average against Target

99.91✓

Target: 99.94%  
September

Supporting Narrative

The changes to the service at the beginning of the year made an impact on the performance of the service. However, missed bins has followed a similar pattern to the previous year. This performance is closely monitored and changes to bring about improvements have been implemented. Continued reliance on temporary or agency staff as a result of shielding, self-isolation and sickness, as a result of the impact of Covid-19 will have an impact on performance.



## Appendix B - Better Colchester Strategic Plan Action Plan (SPAP) 2020 – 2023 Half Year Report covering April – September 2020

### Themes:

- Tackling the climate challenge and leading sustainability
- Creating safe, healthy and active communities
- Delivering homes for people who need them
- Growing a better economy so everyone benefits
- Celebrating our heritage and culture

### Tackling the climate challenge and leading sustainability:

- Respond to the Climate Emergency
- Conserve and enhance biodiversity
- Enable more opportunity for walking and cycling around Colchester
- *During 2020/21 we will*

### Respond to the Climate Emergency

Goal	Achievements
Reduce carbon emissions to help achieve a net zero Carbon footprint for Council Services by 2030.	New Sustainability & Climate Change manager started on 28 September 2020. Several potential projects have been identified and proposals are being developed for phase one actions.



	Next steps meeting held with the Carbon Trust to advance plans.
Environment and sustainability embedded within all Council decision making and the adaptation and recovery from Covid-19.	<p>Several projects have been identified for the next steps with the Carbon Trust to help CBC advance plans.</p> <p>A staff survey is currently being developed to assess the level of capacity and resources for carbon reduction and sustainability.</p> <p>Updating the Strategic Performance Review Climate Change Checklist and roll out by January 2021.</p> <p>A Climate Challenge and Sustainability Project Board with members across the organisation has been assembled. This board is chaired by an Assistant Director meets monthly.</p> <p>The Environment and Sustainability Member Panel has been launched. This is chaired by the Leader of the Council and meets bimonthly.</p>
Air quality across Colchester is improved.	<p>Public engagement complete and summary report produced.</p> <p>No idling campaign launched on the 8 October 2020. CAReless pollution to coincide with National Clean Air Day.</p> <p>Subject to planning permission being granted, Roadside signage is to be introduced in Brook Street, East Street and Eastgates.</p> <p>Partnership working with Anglian Ruskin University and Essex County Council to explore how Bikeability can be enhanced.</p>

	A Feasibility study into Countdown timers at traffic lights is being carried out.
Continue to support residents to reduce, reuse and recycle their waste.	<p>Despite the impact of Covid-19 on resources and operations, the amount of waste material that residents chose to reuse, recycle and compost remains positive. The Councils aims to achieve 53% of all material to be reused, recycled and composted and it is forecasted that this will be achieved.</p> <p>The priorities and objectives of the Waste and Recycling NSP have been reviewed and several work streams have been identified.</p> <p>Strong marketing and communications campaigns undertaken, including Recycling Week 2020; Compost at home communication campaign; autumn recycling messages on social media e.g. recycling windfall fruit in food waste (rather than garden waste) and leaves; @LoveFoodHateWaste campaign messages; supported @Love Essex's #ZeroWasteWeek social media campaign.</p>
<b>Conserve and enhance biodiversity</b>	
<b>Goal</b>	<b>Achievements</b>
Minimise the environmental impact of our activities.	<p>A number CBC assets and ways of working have been identified, with the top 3 being Leisure World, fleet, and affordable housing.</p> <p>Project proposals being developed (HRA housing improvements, Rowan House) to reduce emissions.</p> <p>Further proposals being considered and updating of checklist for projects.</p>

	Scoping guidance for environmentally smart procurement and organising meeting to update procurement guidelines as needed.
Enhance environments to create more space for nature to grow and thrive through greening and natural seeding.	<p>Year 2 of the Woodland Project and the core aims, and objectives have been reviewed, and sets out the following principles:</p> <ul style="list-style-type: none"> <li>• We will enhance environments to create more space for nature to grow and thrive</li> <li>• We strive to make our borough even greener</li> <li>• We are committed to planting trees and to helping them and wider biodiversity to flourish</li> <li>• We will plant and manage our sites and spaces without harming existing habitats</li> </ul> <p>Activities initiated:</p> <ul style="list-style-type: none"> <li>• Self-generating sites (rewilding) - 14 potential sites identified</li> <li>• Areas across the Borough have also been identified for non-mowing</li> <li>• A weed control policy, including the timeline for the reduced use of Glyphosate weedkiller and been presented to the Environment and Sustainability Panel and has been approved</li> </ul> <p>Green flag award achieved at Castle Park, High Woods Country Park and Colchester Cemetery and Crematorium.</p>
Discover, nurture and enable the work led by communities that promotes biodiversity.	<p>Year 2 of the Woodland Project and the core aims, and objectives have been reviewed, and sets out the following principles:</p> <ul style="list-style-type: none"> <li>• We will enhance environments to create more space for nature to grow and thrive</li> <li>• We strive to make our borough even greener</li> <li>• We are committed to planting trees and to helping them and wider biodiversity to flourish</li> </ul>



	<ul style="list-style-type: none"> <li>• We will plant and manage our sites and spaces without harming existing habitats</li> </ul> <p>Activities initiated:</p> <ul style="list-style-type: none"> <li>• Re-engaged with Together We Grow CIC</li> <li>• Developed a stakeholder advisory group, and through their feedback, the programme has been renamed and rebranded to the “Colchester Woodland and Biodiversity Project”</li> <li>• Healthy walk event at High Woods Country Park</li> <li>• Seed gathering marketing campaign and activity packs provided at High Woods Country Park</li> <li>• Social media campaigns have been promoted in light of the difficulties of undertaking events. These have included: “Love your trees”</li> </ul> <p>A social media campaign and supported through school activity pack will promote the no-mow and rewilding areas, including the creation of signs for the locations by the schools local to the sites.</p> <p>Sub-group of One Colchester to be created to share best practices on tackling climate change and sustainability across organisations in the borough (including biodiversity), and to increase community engagement around the Council's Climate Emergency declaration.</p>
Plant native species and manage our woodlands, meadows and greenspace whilst sustaining existing habitats.	Planting sites for the current year have been identified, across 9 sites (8,210 native trees, fruit trees and hedges) and programmed. Native species have been specified and plastic. This will

	<p>be fully funded by the Woodland Trust. A further 6 sites (4,1050 native trees) have been identified by Parish Councils (this may increase further as discussions remain underway).</p> <p>Plans are now underway to create a tree seed nursery within the Big Garden at High Woods Country Park allowing the Council to grow its own trees from seed in the Borough for use in future years of the Project.</p> <p>Fully biodegradable spiral rabbit guards will be used this year to protect the trees being planted.</p> <p>In partnership with the Woodland Trust, the project will look at activities that support “Action for Insects”.</p>
Work alongside communities to maintain clean, green neighbourhoods and urban spaces that we all look after and enjoy.	<p>Contact has been made with several local community groups such as Eco-Colchester, En-form Colchester, Transition Wivenhoe and Rowhedge Going Greener to see if they wish to get involved in the Woodland Project. Site meetings have been held with the Lexden Conservation Group to explain the tree-planting plans for Spring Lane Park and the Keep the Green Clean group to do the same for the Greenstead Slopes planting and they expressed a wish to be involved in the planting event on the day.</p> <p>Several of the Year 2 planting sites have now been surveyed by members of the Colchester Natural History Society to assess their suitability for tree planting in relation to any wildlife habitats already present on the land. Written reports have been supplied to the Council by the Society making a number of recommendations and in response to these changes have been made to the exact location of some of the tree planting areas and additional areas of grassland will now be left to grow long in an attempt to improve the biodiversity of the open spaces.</p>

	<p>Officers are now planning how planting may be carried out in a Covid-safe way.</p> <p>Sub-group of One Colchester to be created to share best practices on tackling climate change and sustainability across organisations in the borough, and to increase community engagement around the Council's Climate Emergency declaration.</p>
<b>Enable more opportunity for walking and cycling around Colchester</b>	
<b>Goal</b>	<b>Achievements</b>
Work with partners to implement strategies and develop measures to reduce traffic in the town centre.	<p>Influenced ECC on their Safer Greener Healthier bid submission to Department for Transport (DfT) on walking and cycling routes into and through the town centre to help with social distancing and enabling more people to choose to access the town via healthy and sustainable means.</p> <p>Worked with Essex County Council on the Colchester Future Transport Strategy.</p> <p>Working with partners to promote sustainable travel behaviour change, healthier lifestyles and reduce car dependency including through Colchester Travel Plan Club network supporting encouraging and influencing employees and students to travel sustainably through the implementation of workplace Travel Plans.</p> <p>Working with developers to develop new robust Travel Plans and refresh and update existing Travel Plans through the planning process.</p>

	<p>Air Quality behaviour change project continuing to look at ways in which air quality can be improved in the Air Quality Management Area (AQMA) including by promoting walking and cycling for short journeys.</p>
<p>Improve facilities and routes for cyclists and walkers to enable active travel behaviours, healthier lifestyles and reduce car use.</p>	<p>Worked with Colchester Cycle Campaign on review of the Colchester Cycling Delivery Strategy Supplementary Planning Document (SPD), and its alignment with the ECC Colchester Cycling Action Plan.</p> <p>Working with colleagues and developers to ensure walking and cycling measures are delivered through the planning process and via S106 contributions including:</p> <ul style="list-style-type: none"> <li>• Improvements to Rowhedge Trail including improvements to path surface (S106 funded)</li> <li>• Commissioning and installing Colchester Town Station signage</li> <li>• Worked on Fixing the Link alternative plans to enhance the walking route from Colchester station to the town centre</li> <li>• Improving the walking and cycling links from Stanway to Tollgate</li> </ul> <p>Wayfinding study from and to University accommodations, the university and town centre delivered (S106 funded).</p> <p>Study completed on provision of secure cycle parking facility in the town centre and in residential areas.</p> <p>ParkActive being set up for 'last mile' active travel alternative (repurposing long stay car parks as park &amp; walk).</p>

	Also new Parking Strategy in final stages of completion, e.g. with a focus on environmental car park charges rather than hourly space rental.
Ensure major regeneration projects put physical activity, cycling and walking at the forefront of development.	<p>Sustainable Transport Team brought under same line management as Client Team to align major capital projects with Amphora.</p> <p>Sports Park construction completes in November 2020. The Cycleways and pedestrian's links are under construction and will be delivered prior to opening.</p> <p>"The Walk" commenced at the Northern Gateway as part of the infrastructure first approach with a central and dedicated walking/cycling route.</p> <p>Project Initiation Documents (PIDs) have been embedded with sections on sustainability.</p> <p>Plan being prepared to engage and embed behavioural change.</p>
<b><i>During 2020/21 we will</i></b>	
<b>Goal</b>	<b>Achievements</b>
Establish a new Environment and Sustainability Panel to oversee our work to tackle the climate emergency.	New Environment and Sustainability Panel established, and Forward Plan agreed.
Complete the phasing out of Glyphosate herbicide in Council operations.	<p>An action plan has now been agreed and published to stop the general use of Glyphosate weedkiller in Council operations. Since April 2020, the Council has stopped spraying:</p> <ul style="list-style-type: none"> <li>• In all children's play parks (74 sites)</li> </ul>

	<ul style="list-style-type: none"> <li>• In around West Mersea beach huts (384 huts)</li> <li>• On the Recreation Ground, off Old Heath Road</li> </ul>
Embed environment and sustainability impact assessment and prioritisation in all recovery, project and programme management.	<p>Climate Emergency (CE) now embedded in all three core project management documents in the new project management environment.</p> <p>Monthly project progress reports now include a CE RAG status with supporting narrative.</p> <p>Review of Climate Checklist is underway to improve the checklist and demonstrate move towards monitoring carbon emissions.</p>
Roll out use of eCargo bikes with Council teams, local businesses and partners.	<p>£136k successful bid to Energy Savings Trust to trial 25 eCargo bikes and 5 eTrailers with local businesses and organisations.</p> <p>Procurement exercise undertaken and fleet ordered.</p> <p>21 eCargo bikes received to date and 5 eTrailers.</p> <p>Legal agreement developed and 8 eCargo bikes/trailers handed over to 7 local Champions for long term loan.</p> <p>6 eCargo bikes and 3 eTrailers will be used by CBC staff and volunteers at Highwoods Country Park and Castle Park, Ipswich Museums and the zones team. 1 eCargo bike will be available as a pool for any member of staff to use.</p> <p>5 eCargo Bikes and 1 eTrailer will be part of a pool for local businesses/organisations to try out for short term trials. It is envisaged that this will be initially for one month subject to reasonable usage, with an option to extend for several months to allow time for a business/organisations to</p>

	<p>fully assess how an eCargo bike could work for/benefit their operations. A contract agreement is being developed, along with exploration on the best approach to covering insurance.</p> <p>All staff, volunteers and champions who will use the eCargo bikes have received level 3 Bikeability training through Safer Essex Roads Partnership. Several portfolio holders and the Leader of the Council have already or are due to undertake Bikeability training shortly, so they too can use the eCargo bikes both for business use and promotional purposes.</p> <p>Conversations already taking place with several local organisations and internal CBC teams who are interested in using the eCargo bikes.</p> <p>Official projects launch due late October, early November 2020.</p>
Model the Council's carbon footprint in detail and develop a detailed Carbon Management Plan to 2030.	<p>Scope 1, 2 and 3 footprint analysis undertaken in collaboration with the Carbon Trust.</p> <p>Modelling of footprint and identification of key 'step change' projects complete.</p> <p>Detailed Carbon Management Plan development underway in conjunction with the Carbon Trust.</p>
Implement sustainable changes to waste and recycling collections that support improved staff wellbeing.	<p>Although proposals for chargeable garden waste with associated wheeled bin introduction is not progressing, the review across the service is well underway and proposals will be presented shortly.</p> <p>Several work streams have been identified.</p>

Commence construction of the Northern Gateway Heat Network.	<p>The 5 Boreholes were completed and successfully tested.</p> <p>Planning permission was obtained for the energy centre.</p> <p>Heat network pipes and chambers linking the boreholes is being constructed from July 2020 and will be completed in 2021.</p> <p>The procurement exercise for the Energy Centre will take place over the Winter 2020-2021.</p>
<b>Creating safe, healthy and active communities:</b> <ul style="list-style-type: none"> <li>• Build on community strengths and assets</li> <li>• Tackle the causes of inequality and support our most vulnerable people</li> <li>• Provide opportunities for young people</li> <li>• <i><b>During 2020/21 we will</b></i></li> </ul>	
<b>Build on community strengths and assets</b>	
<b>Goal</b>	<b>Achievements</b>
Take an Asset Based Community Development (ABCD) Approach and work alongside communities to build a borough where people are more empowered, self-sufficient, healthy, active, happy and doing what they enjoy.	<p>Workshop training completed for Leadership and Senior Managers in September 2020.</p> <p>Full training plan for CBC employees and One Colchester being finalised at present. Some external funding secured.</p>



Encourage belonging, involvement and responsibility in all Colchester's communities and neighbourhoods.	Follows on from the ABCD training and launch of a new Community Strategy in early 2021.
Work with our partners to make volunteering and community involvement as easy as possible.	Continued close working with C360 and other key partners.
Maximise developer contributions (such as Section 106) and other funding mechanisms to help fund community infrastructure.	Active engagement carried out with community groups, voluntary groups and Town & Parish Councils, to agree a S106 project plan for each ward, in preparation for receipt of S106 developer contributions.
<b>Tackle the causes of inequality and support our most vulnerable people</b>	
<b>Goal</b>	<b>Achievements</b>
Work alongside Public Health to take steps that mitigate Covid-19 infection risks and control outbreaks across the population.	<p>Clear Guidance uploaded to website Legislation and interpretation shared with businesses.</p> <p>Letters updating all businesses with legislation changes sent 4 times since March in relation to government control.</p> <p>Investigated over 250 complaints cases of non-compliance.</p> <p>Over 500 incidents where advice given, over the phone, email and visits.</p> <p>Update fed to comms on a weekly basis SMT kept up to date.</p>

	<p>Night-time and daytime visits undertaken weekly and over weekends.</p> <p>Advice also given to Cllrs and the general Public.</p> <p>Full Enforcement taken against 8 pubs/restaurants.</p>
Support residents to do the things they enjoy doing to stay healthy, happy and physically active.	<p>Use of the Local Development Pilot (LDP) and system partners at identify key areas of actions and invest in activity area to encourage inactive residents in the most deprived areas to become more active.</p> <p>Work with One Colchester and continue to lead the Alliance “Be Well” domain so issue is covered by a system solution.</p>
Enable access and involvement in community green space, countryside sites, sport, and leisure facilities.	<p>All green and open spaces have remained open. However, due to restrictions imposed, play parks and other outdoor activity areas were required to be closed during Covid lockdown. On the lifting of these restrictions, officers have put in place careful measures to ensure that these could be opened safely.</p> <p>Arrangements with volunteer and ‘Friends’ groups have been reviewed to ensure that they too have been Covid safe after the lifting of restrictions and these activities have now restarted.</p>
Support people to live in healthy homes that meet their needs.	<p>Continuation of the Senior Occupational Therapist in Housing Project in to 2020-2021.</p> <p>Introduction of the Fast-Track Disabled Facilities Grant (DFG) to support Hospital Discharge and Admission Avoidance.</p> <p>Redesign of the grant delivery process in readiness for the new Northgate IT system.</p>

	<p>Process applications for licences for Houses in Multiple Occupation (HMO). 61 licences issued in Q1 and Q2 of 2020-2021.</p> <p>Take a robust enforcement approach against owners of unlicensed Houses in Multiple Occupation. 2 x Civil Penalty Final Notices issued in Q1 and Q2 of 2020/21 against landlords of an unlicensed HMO totalling £40K.</p> <p>Investigate complaints of housing conditions and take appropriate enforcement action to remove serious housing hazards. 133 visits/inspections/assessments completed in Q1 and Q2 of 2020/21. 94 dwellings improved and 63 serious housing hazards removed. 8 statutory notices served in Q1 and Q2.</p> <p>Promote awareness and collaborative working with partners across the wider system to ensure residents are supported and to ensure that housing is considered as a wider determinant of health. Training session arranged with Citizens' Advice for Q3 meeting arranged with ECC Social Care Q3.</p> <p>To seek out opportunities for alternative funding to increase resource within the team. Where resources allow, take a proactive enforcement approach to legislation that safeguards people living in the private rented sector. Including:</p> <ul style="list-style-type: none"> <li>• The requirement to belong to a property management redress scheme. 3 x Notices of Intent and 2 x Final Notices served in Q1 and Q2 of 2020-2021</li> <li>• Electrical Safety Regulations</li> <li>• A project to tackle excess cold in rented homes</li> </ul>
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	A project with Essex Fire Service to ensure the safety of dwellings above high risk commercial units.
Supporting the most vulnerable residents through our One Colchester partnership.	<p>Collaborating with One Colchester partners such as Community360, Colchester Borough Homes, CCG, Age Concern, to co-design and co-produce projects to support our most vulnerable residents. e.g. winter warmth project 2020=2021 Building trusted, open and transparent relationships with community leaders from diverse communities such as our BAME and Faith communities. Engaging with these community groups through listening events and regular dialogue. Co-production of initiatives to support those most in need (1) Older persons activity packs - encouraging activities in the home and providing awareness around falls prevention (2) Activity packs and food parcels for younger people - encouraging physical activity and healthy eating during the school holidays.</p> <p>The use of external funding to support our most vulnerable residents – through the Local Delivery Pilot (LDP), North East Essex Health &amp; Wellbeing Alliance and the Department for Environment, Food and Rural Affairs – (DEFRA) Safer Colchester website updated to include information on Covid-19 related issues, alongside information on staying safe, hidden harms (such as domestic abuse), hate crime and anti-social behaviour.</p>
<b>Provide opportunities for young people</b>	
<b>Goal</b>	<b>Achievements</b>
Provide positive opportunities for young people to engage with their local community and do things that interests	This will not be delivered by end of 2020-2021 given the climate is not right to commission work because of Covid19. Likely to commission in spring and deliver in 2021-2022.

them, keeps them safe, makes them happy and supports improved mental wellbeing.	
Support the creation of strong, safe, and friendly communities that care about each other.	<p>Design and production of the Community Response Pack and Residents Contact Pack.</p> <p>Ensuring Town and Parish Councils are engaged and supported through regular engagement, contact and involvement in local decision-making processes.</p> <p>Re-launch of the Rural Crime Toolkit and Rural Community Safety Fund to provide communities with ideas, information, support and funding to make their neighbourhood a better place to live.</p> <p>Re-launch of Keep Safe for Colchester; a free scheme helping vulnerable residents to feel safer and more confident out in the town. For 2020 considering COVID pandemic and home-schooling, Virtual Crew was replaced by an online support page (located on the Safer Colchester website) for children and young people. This included information and support relating to Gangs &amp; Knife Crime, Internet Safety, Bullying / Online Grooming &amp; Anti-Social Behaviour. There is an ongoing review of Virtual Crew to launch a revised scheme for 2021.</p>
Work with Essex Police, Colchester Borough Homes, Essex Youth Service and other partners to reduce anti-social behaviour and tackle serious crime.	<p>Working together through the Multi Agency Coordination Panel (MACP) partners have targeted individual criminals and used their combined powers to disrupt the criminal in addition to the criminality. This approach has seen one Organised Crime Group archived. Emerging groups are under review on a bi-monthly basis.</p> <p>Closures/partial closures have been conducted by CBH to tackle drugs and anti-social behaviour.</p>

	<p>Public Space Protection Orders (PSPO's) to tackle anti-social behaviour in the Town Centre, including Car Parks and outlying areas such as East Bay, have all been extended in 2020 for a period of 3 years.</p> <p>Working alongside Violence and Vulnerability Unit (VVU) to establish projects to improve designated areas for the residents, bringing about longer-term benefits, reducing their likelihood of becoming serious violence offenders and thereby reducing serious violence.</p>
Work alongside our partners to improve cleanliness and community safety in the town centre.	<p>Town Centre Action Plan (TCAP) partnership meetings held weekly to continue to discuss individuals causing (or vulnerable to) anti-social behaviour, hotspots and problem solve issues. New Action Plan produced May 2020 to ensure effective monitoring and evaluation of activity.</p> <p>Joint working with the Police and the Town Centre Business Improvement District (BID) to help businesses safely re-open within Covid-19 guidelines.</p>
Upgrade and extend the CCTV network to reach more places.	<p>CCTV infrastructure is being installed on site between July 2020 and April 2021.</p> <p>The project currently on time and in budget, with over 100km of cable installed so far, expanding the coverage.</p> <p>The current cameras are soon to be replace by new cameras on properties around the town, with the first cameras being in place during October 2020 (St. Marys Car Park).</p>
<b><i>During 2020/21 we will</i></b>	
<b>Goal</b>	<b>Achievements</b>

<p>Fully support Public Health England's Covid-19 Outbreak Control Plans, specifically deploying Environmental Health Officer resources and working with Community360 to continue Shielding where necessary.</p>	<p>Clear Guidance uploaded to website. Legislation and interpretation shared with businesses.</p> <p>Letters updating all businesses with legislation changes sent 4 times since March in relation to government control</p> <p>Investigated over 250 complaints cases of non-compliance.</p> <p>Over 500 incidents where advice given, over the phone, email and visits.</p> <p>Update fed to comms on a weekly basis SMT kept up to date.</p> <p>Night-time and daytime visits undertaken weekly and over weekends.</p> <p>Advice also give to Cllrs and the public.</p> <p>Full Enforcement taken against eight pubs and restaurants.</p>
<p>Facilitate ABCD sessions and awareness within communities, system leaders and members to discover and connect the assets that exist and are mobilised within neighbourhoods.</p>	<p>Follows on from the ABCD training and launch of a new Community Strategy in early 2021.</p>
<p>Coproduce investment proposals and deliver interventions that support our vulnerable residents to be more</p>	<p>Continue to support community groups with applications for funding and identify possible opportunities for improvement in the most deprived areas.</p>

physically active through the Essex Local Delivery Pilot.	
Deliver the new Stanway Community Facility for the benefit of the local community.	Long lease proposal agreed by CBC Cabinet and Stanway Parish Council. CBC Estates team drafting the terms of lease.
Work with partners to support victims of domestic violence.	<p>£500K funding secured (by CBC as Lead Authority) from MHCLG to support Recovery Refuge, Community based support and Resettlement programme, specialist support for children/young people affected by domestic abuse, and review/implement new housing interventions for the period April 2020 – March 2021.</p> <p>Both CBC and Safer Colchester Partnership websites Domestic Abuse information updated on a regular basis.</p> <p>Internal front-line staff and Designated Safeguarding Officers encouraged to complete a Domestic Abuse E-learning Course (also shared with partner organisations including churches and faith groups).</p> <p>Alpha Vesta online workshops (funded by the Police Fire Crime Commissioner) promoted internally, completed by Community Safety Team, and promoted to members of Community Safety Delivery Board.</p>
Work in partnership with Essex County Council to support vulnerable people to live in homes that promote independence and wellbeing.	<p>Continued engagement with Essex Well Homes Group to share good practice.</p> <p>Developing the Senior Occupational Therapist in Housing role.</p>



	<p>Integration of the Health and Housing Partnership into all council services.</p> <p>Scope options with ECC to work collaboratively to ensure that private and social rented homes used for Supported Living Schemes and similar schemes are appropriately assessed before being used and free from serious housing hazards.</p>
<p><b>Delivering homes for people who need them:</b></p> <ul style="list-style-type: none"> <li>• Increase the number, quality and types of homes</li> <li>• Prevent households from experiencing homelessness</li> <li>• Create new communities and adopt a new Local Plan that delivers jobs, homes and the infrastructure to meet the borough's future needs</li> <li>• <i><b>During 2020/21 we will</b></i></li> </ul>	
<p><b>Increase the number, quality and types of homes</b></p>	
<b>Goal</b>	<b>Achievements</b>
Deliver 30% affordable housing across all our mixed tenure housing sites.	<p>Work started on site on the first housing site in July 2020 and will deliver the first homes for beneficial use in March 2021.</p> <p>Contracts have been signed to retain 2 properties for affordable homes owned within the Councils HRA upon completion.</p>
Deliver 380 affordable council and housing association homes by 2023.	As of 30 September 2020, a total of 44 affordable homes had been delivered. 21 homes were properties that the Council purchased and 23 were homes delivered by housing associations through the planning system and Section 106 agreements.

<p>Improve existing Council homes to keep them in good repair and improve energy efficiency.</p>	<p>The Housing Improvement Programme had caught up a £1.2m backlog of improvement works from 2019/2020 (which was previously £1.6m behind in 2018/19) by the start of C19 lockdown to enter this year on the planned schedule.</p> <p>Since lockdown the programme stalled due to inability to enter properties safely, but quickly recommenced as soon as it was safely possible. Works have been reprogrammed in order to attempt to remain on target for year end and complete the planned 2020/21 programme, subject to ongoing restrictions and safe working practices.</p> <p>Additional works contracts are being prepared to increase HRA investments over the next year and beyond that will specifically tackle our least energy efficient properties in response to climate change.</p>
<p>Deliver new low/zero carbon Council homes for our residents.</p>	<p>Between March 2020 and September 2020 23 homes were purchased to add the Council's housing stock using Housing Revenue Account borrowing and RTB receipts.</p> <p>The first garage sites obtained planning permission and the first homes started construction in September 2020, becoming available for beneficial use in March/April 2021.</p> <p>There are several other projects underway and the Council ambition to create 350 additional homes by 2024 is on course.</p>
<p>Ensure all new homes delivered by the Council are designed to a high quality across all tenures.</p>	<p>The current collection of new homes will be the most energy efficient homes we have constructed as a Council and this will be furthered with the next forthcoming projects in the various programmes, accessibility is being prioritised too. All homes are to a high quality "Colchester standard", some being built to meet 2025 "future standards". Planning applications</p>

	have so far met with limited objections due to good design, pre-application preparations and appropriate engagement.
Continue to improve and modernise Council owned housing for older people.	The pathway for this is being led through Elfreda House which is being demolished and rebuilt in 2021 to provide a future-proof development. The existing tenants have been successfully rehomed through good engagement and collaboration. There is further work on the next phases of the sheltered housing review agreed by Cabinet in July 2020 and setting out a pipeline for the next decade. The Asset Management Review will take place in 2021 alongside a new HRA Business Plan reflecting the current new build and improvement programmes.
<b>Prevent households from experiencing homelessness</b>	
<b>Goal</b>	<b>Achievements</b>
Work with partners to implement the 2020-2025 Homelessness and Rough Sleeping Strategy delivery plan.	The actions in the new Homelessness and Rough Sleeping Strategy are being implemented and an update will be available at year end.
Intervene early to prevent homelessness and work in partnership with other organisations to sustain people's accommodation.	From April 2020 to the end of September 2020 homelessness was prevented for 79 households and during the same period 59 households were assisted into accommodation under the relief duty.
Tackle rough sleeping in the borough.	From April 2020 to the end of September 2020 the Rough Sleeping Team have worked with 115 people who have been provided with support, advice and assistance.

	<p>During the same period, 72 rough sleepers or those at risk of sleeping rough have been accommodated in the private rented sector, supported housing, social housing or reconnected back to locations where they have a local connection and support networks. These figures include people that have been provided with emergency accommodation during the Covid 19 public health emergency. CBC and CBH were supported by partner organisations who provided additional support, health services and food for the clients whilst they were living in the emergency accommodation.</p> <p>CBC successfully bid and has been awarded £119,429 revenue funding from the Government's Next Steps Accommodation Pathway (NSAP):</p> <ul style="list-style-type: none"> <li>• help fund the emergency accommodation put in place during the lockdown period</li> <li>• provide financial support for rough sleepers to move-on into the private rented sector</li> <li>• fund a Support Liaison Worker at Colchester Night Shelter, once it re-opens following works to make the accommodation self-contained</li> </ul> <p>CBC are awaiting the outcome of the capital part of the NSAP bid which if successful, will provide longer term supported accommodation for rough sleepers.</p>
<b>Create new communities and adopt a new Local Plan that delivers jobs, homes and the infrastructure to meet the borough's future needs</b>	
<b>Goal</b>	<b>Achievements</b>
Create a Development Plan Document for Tendring Colchester Borders Garden Community to include zero	Joint work has commenced with TDC. Initial stage will review and update evidence base. Link road progressing under HIF.

carbon emissions in the community development and green procurement.	
Establish a Delivery Vehicle and investment package for the next phase of the Tendring Colchester Borders Garden Community.	Members from the three Authorities have met and confirmed their commitment to achieving the principles of Garden Communities for this particular site as well as confirming the intent to resource the work necessary and initially using previously agreed project resources to progress the necessary work. Future Governance arrangements, programme and resource implications are to come to future meetings.
Develop the Colchester Northern Gateway as a sustainable place to live, work and play.	The Sports Park will be completed in November 2020 and will now open at Easter 2021 subject to Covid restrictions. Highway works have started on site to improve walking and cycling. The Walk commenced in July 2020 and will be completed in 2021. The Heat Network was successfully tested, and a procurement exercise is due to commence in October 2020. Turnstone have submitted their planning application, which is under consideration, as is the Council's own "CNG South" mixed use planning application.
Ensure the Council has a good supply of land available for new homes and business.	Adopted Local Plan provides for housing land up to 2023 and adequate employment land.  Emerging Local Plan will allocate sites to provide land for housing and employment up to 2033 and beyond.
Create great places to live through the provision of new homes with infrastructure and facilities that support sustainable living and promote health and wellbeing.	Progress is being made towards adoption of new Local Plan and several NP's have been adopted.  Planning applications have continued to be determined and will deliver new homes and infrastructure.

<b><i>During 2020/21 we will</i></b>	
<b>Goal</b>	<b>Achievements</b>
Agree “Phase 2” sites for development by Amphora Homes and undertake feasibility and viability assessments.	Early feasibility work has commenced. Several sites are being explored with a view to progressing viable schemes from 2021 onwards.
Adopt section One of the Local Plan.	Consultation on modifications has ended with a view to concluding examination of section one.
Deliver the first mixed tenure housing site built by the Council at Creffield Road.	Construction started in July 2020 and progresses on time and budget with completion due in March/April 2021. The construction phase is currently progressing well. The Council and Amphora have exchanged legal documents to secure the retention of 2 Council owned homes.
Deliver 100% Council homes at Military Road (8 homes).	Planning permission was obtained, and a procurement exercise has completed. Construction is due to start later in 2020 and complete in Summer 2021.
Deliver up to 16 new Council homes on the Council’s garage sites.	Work commenced on the first site in September 2020. The other 2 sites have been tendered and a contract awarded but will be commenced shortly following works by Anglian Water. 16 homes will be ready in 2021 to benefit families on the local housing needs register.
Increase the supply of affordable housing by purchasing 100 former council owned homes by 31 March 2022.	At the end of September 2020, a total of 10 properties have been located. 7 are in the legal process and 3 are under offer.

Accelerate construction on Council projects to enable recovery from Covid-19.	Following market engagement, the construction contracts for 8 construction projects were accelerated during the initial lockdown and, brought forwards steadily spaced to provide tender opportunities and protect/create local employment. This included housebuilding and broadband/CCTV, as well as “The Walk”. Response rates were good, with strong local interest resulting in the award of several contracts to local businesses employing Colchester people. More construction will be brought forwards in 2021 and the HIP programme is being increased to provide additional works through the HRA from the start of 2021.
<b>Growing a better economy so everyone benefits:</b> <ul style="list-style-type: none"> <li>• Enable Economic Recovery from Covid-19 ensuring all residents benefit from growth</li> <li>• Work with partners to deliver a shared vision for a vibrant town</li> <li>• Create an environment that attracts inward investment to Colchester and help businesses to flourish</li> <li>• <i>During 2020/21 we will</i></li> </ul>	
<b>Enable Economic Recovery from Covid-19 ensuring all residents benefit from growth</b>	
<b>Goal</b>	<b>Achievements</b>
Ensure our borough becomes stronger post Covid-19 by supporting businesses to recover, adapt and build resilience.	Economy Recovery Plan incorporates a wide range of actions, initiatives and objectives to support business through the post Covid-19 recovery period. Direct and indirect support to business provided by CBC to help build resilience including funding Colbea to provide additional tailored advice.

Work with partners to facilitate a high skill, high wage, low carbon workforce.	Ongoing engagement with Partners including SELEEP, Colchester Institute, Essex University and Essex County to encourage and promote skills training and upskilling of the existing and new workforce.
Develop opportunities to ensure the new economy is greener, sustainable and more resilient.	Work together with partners internally and externally to encourage future growth to be greener and more sustainable. Town Deal seeks investment opportunities and initiatives to deliver enhanced opportunities to green the town centre environment, encourage sustainable travel modes and implement public realm contributing to sustainable objectives.
Work with our partners to enable Colchester town centre to be a more vibrant, resilient and adaptable to future change.	Continued collaboration with the BID and other partners including Essex County Council; Town Deal seeks investment opportunities and initiatives to deliver enhanced opportunities to deliver projects which will enable Colchester to be a more vibrant town centre.
Transform the Northern Gateway as a hub for improved wellbeing, physical activity, jobs, housing and renewable energy.	The Sports Park completes in Autumn 2020 and opens in Spring 2021. The Walk commenced in July 2020 and completes in Summer 2021. CNG South will commence construction in 2021.
Address the inequality of access to Gigabit Broadband in communities.	Over 100km of broadband cabling has been delivered so far. Broadband deployment works started in July 2020 and will complete in April 2021. The High Street works were coordinated with ECC and deployed early, before the town centre “re-opened”, to allow the pavement repairs to follow on with minimal disruption to the re-opening town centre businesses. The Local Broadband Full Fibre Network (LFFN) Ultrafast Broadband Project has led to over £10m of private investment being secured from VX Fibre who will be deploying ultrafast broadband into our most deprived wards that would otherwise not be provided for by the open market for



	<p>many years, this has been achieved using the Councils own housing assets as nodes for the additional VX network. Those installations are underway.</p> <p>Other opportunities are beginning to emerge as this innovative project becomes more recognised within the telecoms industry, putting Colchester on the map.</p>
Tackle local skills shortages working with businesses, University of Essex, Colchester Institute and other partners.	Ongoing engagement with Partners including SELEEP, Colchester Institute, Essex University and Essex County to encourage and promote skills training and upskilling of the existing and new workforce.
<b>Work with partners to deliver a shared vision for a vibrant town</b>	
<b>Goal</b>	<b>Achievements</b>
Agree a Town Deal with partners and the Government to attract significant new investment.	Town Deal – Town Investment Plan on behalf of We Are Colchester Board is to be submitted on 31 October 2020. This will seek to secure £25 million of additional / catalyst funding for projects identified in the TIP.
Collaborate with the town centre Business Improvement District (BID).	Continued collaboration with the BID and other partners including Essex County Council. This included a considerable amount of recovery work to re-open the town centre following government restrictions. Work is ongoing to support the re-opening and provide confidence in the town centre as a destination. This is supported by the work on the emerging Town Investment Plan.

Continue to regenerate Colchester Town Centre using Council assets, aligned private investment, the Town Deal and Town Investment Plan.	Town Deal – Town Investment Plan (TIP) on behalf of We Are Colchester Board is to be submitted on 31 October 2020. This will seek to secure £25 million of additional / catalyst funding for projects identified in the TIP.
<b>Create an environment that attracts inward investment to Colchester and help businesses to flourish</b>	
<b>Goal</b>	<b>Achievements</b>
Ensure our strategy for inclusive economic growth supports the ambitions outlined in the North Essex Growth Strategy, the Local Industrial Strategy and our Town Deal.	The work on the Town Deal will inform the Colchester Economic Strategy and it will also respond to the growth ambitions of the North Essex Growth Strategy and the Local Industrial Strategy.
Ensure a good supply of employment land and premises to attract new businesses and allow existing firms to expand and thrive.	Up to date local plan in place that allocates sufficient land.  Up to date local plan in place that allocate sites and identifies infrastructure requirements.  Approval of applications in line with policies securing appropriate infrastructure.
Encourage green technologies and innovative solutions to the Climate Emergency.	Council received funding for 25 electric cargo (eCargo) bikes and electric trailers from Energy Saving Trust to contribute to decarbonising the Council's fleet, as well as the fleets of ten local businesses.

	Several other environmental solutions discussed with Carbon Trust and are being researched by the team.
Maximise the Social Value benefits derived from third party contracts.	In late September 2020, the Procurement Team, in conjunction with the Social Value Portal, completed the work to incorporate monitorable social value measures into tender processes. There are currently several tenders in development before the first one is issued using the new method to capture the social value offer.
Ensure the Council's assets continue to contribute to economic growth and opportunity. Develop a decarbonisation financial strategy and investment plan.	Asset Management Strategy Plan to be finalised, building on the completed Interim Asset Management Strategy (Feb 2020) to reflect the Council's Covid Recovery Plan. To be finalised December 2021.
<b><i>During 2020/21 we will</i></b>	
<b>Goal</b>	<b>Achievements</b>
Develop and agree the Council's Economic Recovery plan.	The Council's full Recovery Plan has been developed and is being implemented. It was pre-scrutinised by the Scrutiny Panel at the meeting in August where no major changes were identified. The plan was approved by Cabinet on 2 September 2020 and the plan is monitored on a regular basis. Alongside many other actions that support economic recovery from Covid 19, our bid for £25m from The Town Deal forms a major part of the economic 'cell' of the plan and will be submitted to Government at the end of October 2020 (see below).

Agree the Town Deal bid and Town Investment Plan submission with partners.	Town Deal – Town Investment Plan on behalf of We Are Colchester Board is to be submitted a on 31st October 2020. This will seek to secure £25 million of additional / catalyst funding for projects identified in the TIP.
Deliver the Local Broadband Full Fibre (LBFF) Network project.	As above, commenced and continues, on time and in budget.
Work in partnership to support our Business Improvement District (BID).	Continued collaboration with the BID and other partners including Essex County Council.
Providing enhanced support to businesses through Covid-19 working with business networks to direct appropriate interventions.	Economy Recovery Plan incorporates a wide range of actions, initiatives, and objectives to support business through the post Covid-19 recovery period. Direct and indirect support to business provided by CBC to help build resilience including funding Colbea to provide additional tailored advice.
Commence “The Walk”and provide the attractive main pedestrian and cycle boulevard through Northern Gateway South.	As above, commenced in July and continues, on time and in budget.
Complete and open Colchester Northern Gateway Sports Park.	As above. Completes before the end of 2020 and opens Easter 2021.

### **Celebrating our heritage and culture:**

- Agree and implement a new Cultural Strategy that supports our cultural assets
- Strengthen Colchester’s tourism sector and welcome more visitors each year
- Protect, enhance and celebrate Colchester’s unique heritage

- ***During 2020/21 we will***

## **Agree and implement a new Cultural Strategy that supports our cultural assets**

<b>Goal</b>	<b>Achievements</b>
Work with partners to deliver a collaboration Cultural Vision and Ambitions for the borough with Delivery of Strategy in 2021-2022.	<p>This project was halted temporarily during the procurement phase in April. The Council remains committed to the delivery of a Cultural Strategy for Colchester. However, the entire cultural and creative community in the Borough, from National Portfolio Organisations (NPO) to grassroots level, has been massively impacted by Covid and faces ongoing challenges. Therefore, the assumptions underpinning the original scope may no longer be valid, and different outcomes desirable. We need to test this with key local stakeholders, but also with ACE as our major investors as the intention is to align with the latter's 10-year plan, but their priorities may also be changing to suit the new situation.</p> <p>Meetings with these groups are scheduled for October and November 2020 and following any revision of the scope agreed the procurement process will restart end 2020.</p>
Agree the key milestones and investment necessary to deliver the strategy.	See above – this will be autumn 2021.
Continue to provide sustainable grant funding to support Mercury Theatre, Firstsite and Colchester Arts Centre	<p>Three-year grant funding commitment agreed for 20/21 - 2022/2023.</p> <p>20/21 Strategic Arts Partner grants front loaded at the beginning of year in line with Arts Council England (ACE) to support organisations through Covid.</p>

(CAC) and help the sector to adapt and recover from the impact of Covid-19.	Additional match funding committed to unlock Cultural Recovery Fund Kick Start funding for in train capital project at CAC.
Identify further opportunities to improve the cultural offer for residents and visitors.	<p>Covid 19 has hugely impacted the cultural sector, severely disrupting normal operations for freelancers, organisations, and businesses. At the onset of lockdown, the Creative Colchester Board and Project Group combined to meet online every two weeks (normally every 2 months), to provide additional representation and support for the sector. The relevant Director and PFHs from CBC Leadership attend to update representatives, signpost to funding and listen to concerns.</p> <p>Grants for the Creative Events Fund were awarded in Feb 2020 for a wide range of activity across the arts and the Borough's communities. Due to Covid restrictions the majority will not take place this year, and grants are held over until 2021. However, a number of projects were repurposed and delivered either online or in a socially distanced format, providing cultural opportunities for residents and financial support to arts practitioners and organisations during this challenging time.</p>
<b>Strengthen Colchester's tourism sector and welcome more visitors each year</b>	
<b>Goal</b>	<b>Achievements</b>
Promote Colchester's heritage and visitor attractions to increase visitor numbers and to support jobs.	2019-2020 saw the highest visitor numbers at the Castle since 2015 (a peak following the 2014) redevelopment), despite the museums closing in March due to COVID. The Castle and VIC reopened after lockdown on the 23 July (although the Natural History Museum and Hollytrees remain closed due to staffing and social distancing restrictions). They were amongst the first in the country to do so with even many nationals not reopening until late August and September. Since reopening, the Castle has seen visitor figures at between 50% and 60% of

	<p>the previous year. This compares favourably to many other museum services that are reporting figures of between 25% and 40%. The display of the Turner masterpiece, 'Walton Bridges' in September has helped sustain numbers after a lull in early September. After initial interest, school figures remain very low prompting the service to develop a digital offer due for roll out in October 2020.</p>
<p>Expand the events programme to encourage more visitors and position Colchester as a destination for major events.</p>	<p>Several events had to be cancelled or postponed in 2020 and this has been managed well. Re-commencement of weddings and events have had to be flexibly implemented with ever-changing safety advice. Some events will still be proceeding safely in 2020 Autumn/Winter season and several events are booked for 2021 already including Olly Murs in Castle Park. A nationally significant event has also been secured for the town in June 2021 and 2022 (but currently embargoed by the promoters); this will boost the town centre economy and provide social value.</p>
<p>Work with partners and the Town Centre Business Improvement District (BID) to improve the public realm for residents and visitors.</p>	<p>In focusing on recovery and reopening of the town centre, the Council and Our Colchester have worked closely with many partners (such as Essex County Council) and set up working groups across organisations.</p> <p>The Council collaborated with these partners on messages of information, reassurance and support to businesses, residents, and visitors to the town centre. This has included promotional activities to support the reopening of the local economy, such as the launch of "Shop Local" in Colchester, a Facebook campaign promoting businesses that have remained open and/or changed their business model due to Covid-19 restrictions; digital messaging on social media and a digital 'Welcome Back Colchester' leaflet and printed distribution of that leaflet to around 45,000 urban households, within three miles of the town centre.</p>

The hashtag #WelcomeBackColchester has also been used on social media to highlight the steps being taken to make the town centre safe and to reassure people it is safe to come back to the High Street.

In addition, the highways authority for Colchester (Essex County Council) have undertaken a 'Safer, Greener, Healthier' campaign across the County to support town centre recovery. In Colchester this has seen temporary measures such as increased cycle and footway widths, reduced speed limits and restrictions on vehicles that can access the High Street.

Funding has been provided to the BID to support the installation of parklets at 5 locations in the High Street, providing additional space to the footway and outdoor seating areas. In addition, provides the opportunity for introducing trees and planting to this urban area.

Throughout the lockdown period, public conveniences have remained open and heightened cleaning regimes have taken place. Public enforcement has also continued to be carried out.

In partnership with Essex County Council, a comprehensive programme of joint replacement, slab replacement, deep cleaning and surface sealing has been undertaken on the full extent of the footways extending the length of the high street.

A competitive tender process has been undertaken and a new Christmas lighting scheme will be implemented this year.

Officers are working with the BID and other key stakeholders to undertake a tourism signage replacement programme.

Green Heritage award achieved for Castle Park.



	The Town Deal Bid / Town Investment Plan incorporates opportunities to deliver improved public realm through specific projects within the Town Deal Boundary.
Improve the information available to Visitors through the launch of a new improved Website.	<ul style="list-style-type: none"> <li>• New <a href="http://www.visitcolchester.com">www.visitcolchester.com</a> website launched August 2020 with improved functionality (particularly for mobile devices) and content. Design includes extensive use of video recycled from the Colchester tourism ad and newly commissioned for the project.</li> <li>• A photography project with students from the University of Essex will deliver more new images for the site</li> </ul>
<b>Protect, enhance and celebrate Colchester's unique heritage</b>	
<b>Goal</b>	<b>Achievements</b>
Enhance and promote our heritage by better revealing our assets by supporting projects and initiatives to increase public awareness and access to their heritage in daily life.	<p>Structural works on the Roman Church have now been completed and the monument is protected. Designs for a new interpretation panel are complete ready for installation.</p> <p>Heritage Manager working with Civic Society to deliver appropriate commemoration. Interpretation being developed and conservation plan for the graves determined for action later in the year</p> <p>An interpretation panel on Priory street (Bastion 5) has been installed and the panel for the Balcerne gate replaced</p> <p>The Heritage Manager/ Heritage officer delivered a digital programme for Heritage Open Days. 14,827 people were engaged online by 14 films (10 of which produced by the museum service)</p>

	and 7 venues opened for socially distanced visits, including the Roman Circus Centre. The Castle also provided a special offer in lieu of the usual open day.
Continue to deliver a major exhibition at Colchester Castle bi-annually.	Decoding the dead is a project supported by Arts Council Designation funding. The exhibition in the summer of 2021 is anticipated to feature the results of scientific analyses of early Roman remains in Colchester commissioned by the museums service in partnership with the University of Reading. Due to the associated human stories and scientific investigation the exhibition and other outputs (such as a 'Future Learn' online course) should attract significant public and media interest. It is also hoped that the display will come at the right time to assist in the recovery of Castle admissions, income and contribute to the wider Colchester economy through tourism.
Encourage and support the use of our Heritage sites for Community events, activities and theatre.	The Castle team have worked hard to identify activities (new and existing) that can be hosted safely. The Escape room experience has been reinstated and bespoke tours introduced including 'Dark Tours' for Halloween. With support from a grant from the DCMS 'Culture Recovery Fund' the Natural History Museum will reopen for October half-term. A partnership has been established with Barnardo's and Virgin Care and the Natural History Museum will now be a centre every Monday for the Essex Health and Wellbeing Service that provides an important parenting support service for the local community.
<b><i>During 2020/21 we will</i></b>	
<b>Goal</b>	<b>Achievements</b>
Develop and agree approach to delivering a new Cultural Strategy in	Consultation with major stakeholders over timing and changes to focus/content will take place this autumn:

collaboration with partners and commission work.	<ul style="list-style-type: none"> <li>• Arts Council 13 November</li> <li>• Colchester National Portfolio Organisations (NPOs) 15 October</li> <li>• Creative Colchester Board</li> </ul> <p>The scope and invitation to tender will then be revised based on the feedback and the procurement process restarted end 2020.</p>
Complete the Mercury Rising project.	Work on this project is the only site that managed to continue throughout the entire lockdown period under the safe operating procedures. Funding of £250k was recently secured and the project will complete shortly.
Deliver Decoding the Dead in Colchester.	Decoding the Dead is externally funded helping to mitigate against the risk of delivering an exhibition at a time when social distancing may still be in effect. Should social distancing no longer be a factor it is anticipated that the exhibition will help to restore visitor figures and income to pre-COVID levels. Under normal circumstances a 10% increase would have been anticipated. The media friendly news stories generated by scientific analyses on ancient human remains should also have a legacy in improving the profile of the museum service and help identify future new university partnerships and funding. Digital outputs such as a 'Future Learn' course in partnership with the University of Reading should engage 10,000+ students internationally. The co-produced elements of the project will also better engage the community and assist in our objectives linked to Arts Council whose funding will continue to be critical to the service.
Launch a new Visitor Website.	Website launched Aug 2020 supported by a Google Ad words campaign. Despite very reduced activity on the site during the Covid lockdown period and traditional drivers of usage such as

	events being severely curtailed by the crisis, rolling year statistics show a 10.9% increase in users as at end Sept 2020 (representing an additional 34K users).
Work to deliver a scheme redevelopment for Vineyard Gate car park to showcase the Town Wall and provide a welcoming arrival point for visitors to the historic town with interpretation and on-site presentation of surviving archaeology and heritage assets.	Very early (RIBA Stage 1) Feasibility work has commenced on this site and it is anticipated that proposals for a new redevelopment scheme will be prepared and consulted on during 2021.
Seek grant funding and implement schemes to enhance Balcerne Square and St Nicholas Square as new public spaces to showcase the adjacent assets.	£1m funding has been secured.

## Other performance news

## Appendix C

### • Awards and accreditations

The highlights are summarised here and are also shown on [www.colchester.gov.uk](http://www.colchester.gov.uk) in the [achievements](#) section

Achieved April to September 2020 – half-year report	
<a href="#">National Federation of ALMOs – NFA</a> Homelessness report / Best Practice Briefing	Colchester Borough Homes features as a case study of how “highly adaptable organisations have been able to shape their services on demand” and use their “Everybody in Covid response as an opportunity to form closer working relationships with other services and develop much closer and more effective partnership working. This approach has helped to sustain the emergency accommodation with successful pathways for move-on”. <b>September 2020</b>
<a href="#">LABC - East Anglia building excellence awards 2020</a>	The Council had three entries shortlisted as finalists - Best Partnership with a Local Authority Building Control Team - Invent Architecture and Design; LABC Construction Professional of the Year - Mike Bamberry of Mersea Homes; Best Extension or Alteration to an Existing Dwelling - Second Pits, Monks Eleigh (A partner application dealt with by Colchester). <b>September 2020</b>
<a href="#">LEXCEL</a>	Legal Services have been re-accredited following the Lexcel standard’s annual inspection, for the 20th consecutive year. Lexcel is the Law Society’s legal practice quality mark for excellence in legal practice management and excellence in client care. <b>June 2020</b>
<a href="#">GeoPlace Gold Performance Awards</a>	These awards recognise best practice and outstanding address data management by local authorities who have consistently maintained the highest level of data quality. Land, property, street and address information is used to connect different services across the Council – giving communities and individuals a ‘property-level view’ of the services available to them. <b>June 2020</b>
<a href="#">Active Essex - one in a million award</a>	Joanne Besant, Community Response Team Leader, received this for being a strong advocate for encouraging her Community Enabling colleagues to look after their mental health and wellbeing, by ensuring they were supported and active whilst at working at home during the pandemic. <b>June 2020</b>
<a href="#">British Parking Association (BPA)</a>	Richard Walker, our Parking Partnership Manager has been re-elected, through a vote by its Council of representatives, as a Director (Local Authorities’ Representative) on the BPA Board. The Board develops strategy, oversees the objectives and management of the Association. <b>April 2020</b>
<a href="#">Certificate from High Sheriff of Essex</a>	Awarded to the Council ‘in recognition of great and valuable services to the community during the Covid-19 Pandemic’ <b>April 2020</b>

*These awards/accreditations received in October are included here with the April-September half-year update for your information*

<a href="#">LGC awards</a>	<p>Colchester won the Entrepreneurial Council category of the LGC Awards 2020.</p> <p>The LGC awards are dubbed the ‘biggest celebration of excellence in local government’, and this year’s competition saw a record number of entries.</p> <p>The <b>Entrepreneurial Council</b> award showcases the work of the Council’s wholly-owned commercial companies Colchester Amphora Trading Ltd (CATL), Colchester Amphora Energy Ltd (CAEL) and Colchester Amphora Homes Ltd (CAHL) since their formation in 2018.</p> <p>Colchester was also shortlisted in two other categories: Driving Growth and Digital Impact.</p> <ul style="list-style-type: none"> <li>• The <b>Driving Growth</b> entry highlights the Council’s key role, alongside its wholly-owned commercial companies Colchester Amphora Trading Ltd (CATL), Colchester Amphora Energy Ltd (CAEL) and Colchester Amphora Homes Ltd (CAHL), in helping to create strong foundations to boost economic development and prosperity in the borough.</li> </ul> <p>Colchester Amphora Trading’s entry in the <b>Digital Impact</b> category follows its work to deliver the new ultrafast broadband network currently being rolled out to businesses and homeowners in the town centre. <b>October 2020.</b></p>
<a href="#">Park Mark Plus</a> - British Parking Association (BPA)	<p>The Council’s <a href="#">Priory Street Car Park</a> is only the second car park in the country to receive <a href="#">Park Mark Plus</a> status. Building on the BPA’s Safer Parking scheme, the new Park Mark Plus award recognises only the highest-quality car parks. The award assesses a range of criteria, including services, operations, design and build. To qualify for the award, car park’s must already have the BPA’s <a href="#">Park Mark award</a> and meet the <a href="#">Disability Parking Accreditation</a> criteria. <b>October 2020</b></p>
<a href="#">Green Flag Awards</a>	<p>Castle Park, High Woods Country Park and Colchester’s Cemetery and Crematorium have received Green Flag Awards. Green Flags set a benchmark of standards for management and maintenance of publicly accessible urban and countryside parks, and they promote the community value of green spaces. As well as receiving its 18th Green Flag award, Castle Park has also once again been awarded <a href="#">Green Heritage Site</a> status, which recognises its work to promote its historic surroundings. <b>October 2020</b></p>
<a href="#">Municipal Journal (MJ) awards 2020</a>	<p>The Council was named ‘<b>Best Commercial Council</b>’ in one of the major events in the public sector calendar. Judges recognised the Council’s vision in establishing its commercial trading companies through Colchester Commercial Holdings Ltd and its three subsidiary companies: Colchester Amphora Energy Ltd; Colchester Amphora Homes Ltd, and Colchester Amphora Trading Ltd.</p> <p>Judges singled out achievements to date, which include the delivery of a nationally-significant carbon-cutting District Heat Network at Colchester Northern Gateway; a £95 million borough-wide</p>

	<p>housebuilding programme, which combines private housing with 30% council-owned homes for affordable rent; delivery of the 76-acre Colchester Northern Gateway Sports Park, and deployment of ultrafast gigabyte broadband to new homes and businesses across Colchester.</p> <p>Cezara Cosma was highly commended in the <b>Rising Star</b> category. Initially joining as a Housing Benefit temp, Cezara is now the Council's contact and support manager. This category is "a great way of recognising new talent which is really important for local government." With Lily Etherington's <a href="#">2019</a> commendation, staff in the Council's Customer directorate have been finalists in two of the three years since this category's launch. <a href="#">October 2020</a></p>
<a href="#">Local Government Information Unit</a>	<p>The Council features as a 'locally led place-shaping in action' case study in the LGiU's 'Power down to level up – resilient place shaping for a post-Covid world' report. <b>October 2020</b></p>

### **Other sources of performance data**

**Datashare** – a wide range of Council performance data is available 24/7 via the online Datashare tool on the Council's website [here](#). Categories include spending, business rates, democracy, housing, land, parking, planning, licensing, recycling and waste.

**Annual reports** – the Council produces annual reports on its performance in various areas. These are brought into one place on the Council's website [here](#) for ease of reference, and to make it easier for the public to find which annual reports are available.

**[Single Data List](#)** -this is a list of all the datasets that local government must submit to central government. The list is reviewed and updated annually. Local authorities are not obliged to provide any data which is not on the list without extra funding.





## **Council Recovery Programme (Covid-19)**

This summary gives a brief update on the delivery of the Council's Covid-19 Recovery Programme.

The Recovery Action Plan agreed by the Council in September was divided into 4 'cell' areas of Economy, Council, Customer and Community and contained objectives and activities associated with recovery focusing on the Medium Term (July 2020 to April 2021). Cross cutting themes of Housing, Finance, Climate Change, Sustainability and commerciality (represented through work with the Council's companies) are facilitated by the programme structure; activity relating to the priorities in these areas are woven through the fabric of the Recovery plan.

Most actions in the Covid-19 Recovery Plan are being incorporated into the Strategic Plan Action Plan and will be fully incorporated into the SPAP from April 2020.

Recovery is continuing to be closely monitored and managed through existing Programme Structure and Framework, principally through cell Project Managers

To avoid duplication with the SPAP summary highlights from the Recovery Plan activity are highlighted below:

### **Economy**

- The Town Deal (Town Investment Plan) bid for £25, has been submitted to government and is focused on improved youth provision, public realm enhancements (Town Centre and Gateways, Greenstead), digital hubs, 5G and physical infrastructure (walking, cycling, liveable neighbourhoods and school streets), to in turn mitigate the climate emergency. Accelerated additional funding of £1m has already been approved by government for 2 public realm schemes at Balmerne Gate and St Nicholas Square.
- There continues to be a focus on rebuilding the economy to be stronger in future through partnership working; funding for business support and advice to Colchester Business Enterprise Agency (Colbea) and developing a dashboard of business intelligence indicators.
- Development of a range of opportunities to ensure the economy is greener and more inclusive, such as working with ECC (Essex County Council) to support implementation of the 'Safer, Greener, Healthier' transport initiative and rollout of the e-cargo bikes project is being rolled out.
- Stimulation of the local economy and markets is also being achieved through construction and re-opening of Mercury Theatre, review of the whole 'social value' system of procurement to encourage local suppliers and development of a case for funding of a new centre for digital and creative businesses in Queen St 'Queen St Grow on' facility.
- Work with the Our Colchester Business Improvement District has continued to facilitate economic recovery of the town centre through their Town Centre Task Force. This includes work planning for re-opening and plans for enhanced marketing on social media and through a variety of channels. This includes funding of over £160K this year to contribute to permanent and temporary public realm improvements, such as the installation of 'Parklets' in the High Street (public seating platforms that convert curbside parking spaces into community spaces) and a plan for new metal arch signs for 'the lanes' area of the town centre.

## **Council**

- Performance of re-opened services has been closely managed and monitored. When the last lockdown was lifted, the period from July to the end of October was much more promising than anticipated for Colchester Castle with demand up to 70% of normal capacity during some periods which bucked National and Regional trends.
- Services are being delivered under government guidelines, whilst adhering to Covid-19 restrictions. Some services have been forced to close under the current government lockdown and staff have been redeployed to support other critical services. Preparations are being made to reopen when the lockdown ends on 2 December 2020.
- The Governance and Audit Committee considered a report following a review of remote Council Meetings and have made several recommendations for consideration by Full Council in December. If accepted, these will further improve virtual meetings.
- Delivery against the Strategy to generate income and savings to deliver a balanced budget in 2021/2022 is being closely monitored. Formal consultation has been launched with staff who would be at risk of redundancy because of the proposals. A public consultation on the Budget Strategy has also been launched.

## **Customer**

- Our website continues to be updated regularly to provide current and urgent information, help and support for residents, businesses and communities. The site also includes a signpost to the budget challenge and the impact that Coronavirus has had on CBC and Colchester as a whole.
- We continue to create digital platforms and use our social media channels for our businesses and residents who have lost out financially due to the pandemic. We will continue to be ready to react to any changes and our teams remain focused and prepared to distribute these to eligible residents and businesses as swiftly as possible.
- We carried out a customer survey to help shape and develop the reinstatement of our in person services. We are continuing to work with our partners to secure a town centre presence for residents who are unable to access our services from home.

## **Community**

- Many One Colchester Partners are once again working on Covid 19 related activities linked to both the lockdown (supporting CEV) and impacts of the pandemic (hospitals). For CBC in relation to communities this includes ongoing compliance activities, community response activities, supporting PHE with planning for mass vaccination and mass testing.
- Workforce planning across the health system is a key part of recovery that includes new apprenticeship programmes and initiatives to both attract new entrants to the workforce but also motivate, support and retain existing resources and remains a big feature of the recovery activities.
- Recovery Objectives and work towards them are being built into draft Communities Strategy, which is being designed as a One Colchester document and is not in the final draft stages.
- We are continuing to work closely with partners to enhance working practices; mitigate economic disruption and isolation; improve health and wellbeing and strengthen volunteering/civic engagement.

- CBC Digital Access Team presented at One Colchester Delivery Board on 22 Oct. Integrated Commissioner for Digital Services at ECC is now part of the One Colchester Digital Working Group.
- Mercury Theatre have developed a Wellbeing and Resilience Programme to be rolled out from winter 2020 onwards, which will target both schools and older people at risk of isolation.
- C360 Asset Mapping on track and will be presented to Alliance Board in December (and disseminated to others around then).
- We have received a contract from ARU for the next stage of the research into assets in NE Essex. Awaiting confirmation of payment from CCG to enable us to get this signed off.
- C360 have sent a survey re volunteering in local communities to all ward cllrs.

### **Climate Emergency**

- Climate Emergency has been embedded into project reporting, as well as achieving a higher profile through partners including One Colchester.
- E-Cargo bikes have been distributed within the Council and local businesses, along with a review of in-person services aimed at reducing paper use and travel.
- Key activities so far that have successfully embedded climate emergency thinking within recovery plan include: - Embedding climate emergency into project reporting - Presenting information at One Colchester Strategic Board on climate change - to set up sub-group of organisation on climate change as a result - eCargo bikes distributed within Council/businesses - soft launch soon - Reviewing of in-person services - Will influence paper use, travel etc



# PETITIONS, PUBLIC STATEMENTS, QUESTIONS

## (i) Have Your Say submissions

Date of Meeting	Details of Members of the Public	Subject Matter	Form of Response	Date Completed
Cabinet, 23 November 2020	Alan Short	Land at Queen Street, arrangements for Mayor \making meeting and the election of the Deputy Mayor.	Verbal response by Councillor King, Portfolio Holder for Business and Resources, on issues relating to Queen Street. Verbal response from Councillor Higgins, Portfolio Holder for Commercial Services, and Adrian Pritchard, Chief Executive, on questions relating to the Mayor Making meeting and Deputy Mayor.	23 November 2020
Cabinet, 23 November 2020	Nick Chilvers	Engagement with new residents	Verbal response by Councillor King, Portfolio Holder for Business and Resources,	23 November 2020
Council, 3 December 2020	Alison Andreas (Colchester Institute), Ed Garratt (North East Essex Clinical Commissioning Group), Tracy Rudling (Community 360) and Oonagh Corrigan (Anglia Ruskin University)	Motion on Reducing Inequalities	Matters raised were dealt during the debate on the motion.	3 December 2020

<b>Council, 3 December 2020</b>	<b>Angel Kalyan</b>	<b>Issues relating to legal proceedings against the Council</b>	<b>Verbal response given at the meeting by the Monitoring Officer</b>	<b>3 December 2020</b>
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<b>Date petition received</b>	<b>Lead Petitioner</b>	<b>Subject Matter</b>	<b>Form of Response</b>	<b>Date Completed</b>
<b>No valid petitions received in this period.</b>				