

# Scrutiny Panel Meeting

**Grand Jury Room, Town Hall, High Street,  
Colchester, CO1 1PJ  
Tuesday, 28 January 2020 at 18:00**

**The Scrutiny Panel** examines the policies and strategies from a borough-wide perspective and ensure the actions of the Cabinet accord with the Council's policies and budget. The Panel reviews corporate strategies that form the Council's Strategic Plan, Council partnerships and the Council's budgetary guidelines, and scrutinises Cabinet or Portfolio Holder decisions which have been called in.

# Information for Members of the Public

## Access to information and meetings

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

Dates of the meetings are available here:

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

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

## Have Your Say!

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

## Audio Recording, Mobile phones and other devices

The Council audio records public meetings for live broadcast over the internet and the recordings are available to listen to afterwards on the Council's website. Audio recording, photography and filming of meetings by members of the public is also welcomed. Phones, tablets, laptops, cameras and other devices can be used at all meetings of the Council so long as this doesn't cause a disturbance. It is not permitted to use voice or camera flash functions and devices must be set to silent. Councillors can use devices to receive messages, to access meeting papers and information via the internet. Looking at or posting on social media by Committee members is at the discretion of the Chairman / Mayor who may choose to require all devices to be switched off at any time.

## Access

There is wheelchair access to the Town Hall from St Runwald Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please take it to the Library and Community Hub, Colchester Central Library, using the contact details below and we will try to provide a reading service, translation or other formats you may need.

## Facilities

Toilets with lift access, if required, are on each floor of the Town Hall. A water dispenser is available on the first floor.

## Evacuation Procedures

Evacuate the building using the nearest available exit. Make your way to the assembly area in the car park in St Runwald Street behind the Town Hall. Do not re-enter the building until the Town Hall staff advise you that it is safe to do so.

Library and Community Hub, Colchester Central Library, 21 Trinity Square,  
Colchester, CO1 1JB

telephone (01206) 282222 or textphone 18001 followed by the full number you wish to call

e-mail: [democratic.services@colchester.gov.uk](mailto:democratic.services@colchester.gov.uk)

[www.colchester.gov.uk](http://www.colchester.gov.uk)

## Scrutiny Panel – Terms of Reference

1. To fulfil all the functions of an overview and scrutiny committee under section 9F of the Local Government Act 2000 (as amended by the Localism Act 2011) and in particular (but not limited to):

- (a) To review corporate strategies;
- (b) To ensure that actions of the Cabinet accord with the policies and budget of the Council;
- (c) To monitor and scrutinise the financial performance of the Council, performance reporting and to make recommendations to the Cabinet particularly in relation to annual revenue and capital guidelines, bids and submissions;
- (d) To review the Council's spending proposals to the policy priorities and review progress towards achieving those priorities against the Strategic and Implementation Plans;
- (e) To review the financial performance of the Council and to make recommendations to the Cabinet in relation to financial outturns, revenue and capital expenditure monitors;
- (f) To review or scrutinise executive decisions made by Cabinet, the North Essex Parking Partnership Joint Committee (in relation to decisions relating to off-street matters only) and the Colchester and Ipswich Joint Museums Committee which have been made but not implemented referred to the Panel pursuant to the Call-In Procedure;
- (g) To review or scrutinise executive decisions made by Portfolio Holders and officers taking key decisions which have been made but not implemented referred to the Panel pursuant to the Call-In Procedure;
- (h) To monitor the effectiveness and application of the Call-In Procedure, to report on the number and reasons for Call-In and to make recommendations to the Council on any changes required to ensure the efficient and effective operation of the process;
- (i) To review or scrutinise decisions made, or other action taken, in connection with the discharge of functions which are not the responsibility of the Cabinet;
- (j) At the request of the Cabinet, to make decisions about the priority of referrals made in the event of the volume of reports to the Cabinet or creating difficulty for the management of Cabinet business or jeopardising the efficient running of Council business;

2. To fulfil all the functions of the Council's designated Crime and Disorder Committee ("the Committee") under the Police and Justice Act 2006 and in particular (but not limited to):

- (a) To review and scrutinise decisions made, or other action taken, in connection with the discharge of those functions by the responsible authorities of their crime and disorder functions;
- (b) To make reports and recommendations to the Council or the Cabinet with respect to the discharge of those functions.

**COLCHESTER BOROUGH COUNCIL**  
**Scrutiny Panel**  
**Tuesday, 28 January 2020 at 18:00**

**The Scrutiny Panel Members are:**

Councillor Beverly Davies  
Councillor Kevin Bentley  
Councillor Tina Bourne  
Councillor Paul Dundas  
Councillor Chris Hayter  
Councillor Mike Hogg  
Councillor Sam McCarthy  
Councillor Lorcan Whitehead

Chairman  
Deputy Chairman

**The Scrutiny Panel Substitute Members are:**

All members of the Council who are not Cabinet members or members of this Panel.

**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.**

**1 Welcome and Announcements**

The Chairman will welcome members of the public and Councillors and remind everyone to use microphones at all times when they are speaking. The Chairman will also explain action in the event of an emergency, mobile phones switched to silent, audio-recording of the meeting. Councillors who are members of the committee will introduce themselves.

**2 Substitutions**

Councillors will be asked to say if they are attending on behalf of a Committee member who is absent.

**3 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.

**4 Declarations of Interest**

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



participating in any vote upon the item, or any other pecuniary interest or non-pecuniary interest.

**5 Minutes of Previous Meeting**

The Councillors will be invited to confirm that the minutes are a correct record of the meeting held on 10 December 2019.

**Minutes of Scrutiny Panel meeting 10 December 2019**

9 - 20

**6 Have Your Say!**

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

**7 Decisions taken under special urgency provisions**

The Councillors will consider any decisions by the Cabinet or a Portfolio Holder which have been taken under Special Urgency provisions.

**8 Cabinet or Portfolio Holder Decisions called in for Review**

The Councillors will consider any Cabinet or Portfolio Holder decisions called in for review.

**9 Items requested by members of the Panel and other Members**

(a) To evaluate requests by members of the Panel for an item relevant to the Panel's functions to be considered.

(b) To evaluate requests by other members of the Council for an item relevant to the Panel's functions to be considered.

***Members of the panel may use agenda item 'a' (all other members will use agenda item 'b') as the appropriate route for referring a 'local government matter' in the context of the Councillor Call for Action to the panel. Please refer to the panel's terms of reference for further procedural arrangements.***

**10 2020/21 Revenue Budget, New Strategic Priorities and the Medium-Term Financial Forecast**

21 - 72

This report invites the Scrutiny Panel to comment on the 2020/21 budget reports that are to be submitted to Cabinet.

**11 2020/21 Housing Revenue Account Estimates and Housing Investment Programme**

73 - 104

This report invites the Panel to review and comment on the 2020/21 Housing Revenue Account Estimates and the Housing Investment Programme reports which are to be submitted to Cabinet on 29 January 2020.

- |    |  |              |
|----|--|--------------|
| 12 | <p><b>Climate Emergency Action Plan</b></p> <p>This report invites the Panel to review and comment on the Climate Emergency Action Plan due to be considered by Cabinet at its meeting on 29 January 2020.</p>   | 105 -<br>188 |
| 13 | <p><b>Colchester Positive Parking Review: Parking Strategy Pre-Consultation Draft</b></p> <p>This paper explains the background to the current Positive Parking Review, introduces the themes in the pre-consultation draft document and summarises the emerging recommendations, next steps, and a timescale for consultation and creation of the final version.</p>  | 189 -<br>270 |
| 14 | <p><b>Corporate Key Performance Indicator Targets for 2020-2021</b></p> <p>The Panel is invited to scrutinise the proposed Corporate Key Performance Indicator (KPI) Targets for 2020-2021.</p>  | 271 -<br>294 |
| 15 | <p><b>Colchester Borough Homes Performance Targets 2020/21</b></p> <p>This report presents the draft set of performance targets which Colchester Borough Homes (CBH) will be accountable to in 2020/21. This set of performance indicators was agreed with CBH as part of their Medium-Term Delivery Plan (MTDP) 2018 to 2022, which in turn forms part of their management agreement with the Council. This report is being brought to provide the Scrutiny Panel with greater detail on how the MTDP targets are set and the role they play in performance management of CBH.</p>                                  | 295 -<br>302 |
| 16 | <p><b>Work Programme 2019-20</b></p> <p>This report sets out the current Work Programme 2019-2020 for the Scrutiny Panel. This provides details of the reports that are scheduled for each meeting during the municipal year.</p>  | 303 -<br>316 |
| 17 | <p><b>Exclusion of the Public (Scrutiny)</b></p> <p>In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).</p> |              |

**Part B**  
**(not open to the public including the press)**



# SCRUTINY PANEL

## 10 December 2019

*Present: -* Councillor Davies (Chairman), Councillor Bentley, Councillor Bourne, Councillor Dundas, Councillor Hayter, Councillor Hogg, Councillor McCarthy, Councillor Whitehead

*Substitutions: -* None

*Also present: -* Councillor Barlow, Councillor Fox, Councillor Higgins, Councillor King, Councillor J. Young

### **241. Minutes of Previous meeting**

*RESOLVED* that the minutes of the meeting held on 12 November 2019 be confirmed as a correct record.

### **242. Half Year 2019 - 2020 Performance Report including progress on 2018-2021 Strategic Plan Action Plan**

**Councillor Bentley (by reason of being Deputy Leader of Essex County Council) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7 (5).**

Councillor Julie Young, Deputy Leader of the Council and Portfolio Holder for Culture and Performance, and Councillor David King, Portfolio Holder for Business and Resources, joined Mandy Jones, Assistant Director, Policy and Corporate, to present the Performance Report. The Deputy Leader introduced the report.

There had been concerns in June regarding KPIs for void time for empty properties, sickness and for the Planning process, but very good performance had been recorded for customer services.

It was confirmed that the sickness rates for the past five years would be provided at this meeting, as requested and that measures had been put in place to reduce the incidence of sickness, including musculoskeletal injuries suffered by waste crews. These included scans of injuries, physio, improvements in the depot and an upgrade in the hygiene of Shrub End.

The KPI target for minimising missed rubbish collections (K1W3) had not been met, but the Deputy Leader pointed out that, even so, 99.91% of collections had been made and efforts had been put in place to improve and meet the target. A new route (Route 18, including Cowdray Crescent/Ipswich Road) had been instituted and a protocol established to avoid repetitions of missed collections, including where properties were hard to reach, or where waste was put out late.

The work done to reduce the average time to re-let Council homes (K1H5) was covered. This included a change to fit new interior fittings, such as kitchens, after

new tenants had moved in. This both allows a reduction in time to re-let, but also allows new tenants to make choices as to what interior fittings are used in their property.

Regarding the three Planning KPI targets (K1P1), a busy and high-profile year for Planning Officers had seen some concern as to whether targets would be met, but it could now be confirmed that the Planning Service was meeting targets and exceeding them.

A fall in rent collection was highlighted by the Deputy Leader, and the introduction of batch payments relating to Universal Credit was shown to be the cause of this. The Panel's attention was then drawn to the awards, accreditations and successes of the Council during the first six months of 2019/20, as shown in Appendix C. Mandy Jones provided additional detail on progress against the Strategic Plan Action Plan (SPAP) and KPI targets. 12 out of 16 KPI targets were currently rated Green (meeting or better-than target), one was Amber (at risk) and three were Red. Collection of Council Tax and Business Rates (K1R1 and K1R2) were on course to be rated Green by the end of 2019-20, whilst there had been positives from additional homes (K1H1) and Waste and Recycling (K1W1 and K1W2).

The target for sickness rates (K1R3) had changed since 2018-19. Long-term sickness remained the main issue to address, with measures being taken to reduce this over time. The annual overall average sickness rates were provided to the Panel for the period from 2013/14 to 2018/19:

2013/14 - 8.21 days  
2014/15 - 8.84 days  
2015/16 - 6.68 days  
2016/17 - 8.94 days  
2017/18 - 7.72 days  
2018/19 - 9.65 days

The Red-rated targets were detailed. The target for K1H3 (Full Homelessness Duty Owed) was explained in the context of being based on the changes in legislation contained within the Homelessness Reduction Act 2017. Personal Housing Plans are drawn up with individual clients by staff at the Library Community Hub, and the percentage target for Full Homelessness Duty Owed related to the percentage of individuals who had been given a Personal Housing Plan for whom the Council owed full homelessness duty. A speculative target had been set as there were, as yet, no national targets or data recording in place for this performance area and so benchmarking was not yet possible. A full year of data relating to this performance area had now been collected by the Council and a new target would be proposed in January, based on the quantitative data now collected. In terms of performance figures in numbers, rather than percentages, 1,015 individuals had presented themselves for Personal Housing Plans, of which 111 had been owed a full homelessness duty by the Council.

The main factor behind the missing of the target for K1H5 (Average time to re-let Council Homes) was identified as the pulling out of the main contractor for Colchester Borough Homes (CBH) in March 2019, caused by its inability to deliver works in line with the costings agreed to in the procurement process for the contract.

To mitigate the risk of this occurring again in the future, a new procurement process had been put in place to focus on the importance of deliverability. A new contractor had been appointed and had worked hard to complete the backlog of works which had built up. The Council's Client Team, CBH officers and the Board of CBH were all monitoring ongoing performance and weekly voids management meetings had been held. An empty property action plan had also been produced and a performance dashboard had been drawn up to help identify other factors affecting performance in this area.

It was reiterated that more capital works were being carried out after properties are re-let, to decrease time spent un-let, and to increase the choice that new tenants had regarding internal fixtures such as kitchen units. It was noted that customer satisfaction levels after moving-in to Council-owned properties were high, at 90% satisfaction on average, and that the cost of the void service and works provided by CBH was very low in comparison to other providers.

The Panel discussed performance relating to time to re-let Council properties. Additional detail was requested regarding the procurement process which had been carried out and whether there had been any problems experienced, and one member asked whether a different outcome would have been likely had the contract been awarded to the next-highest-rated contractor which had bid.

The Assistant Director, Policy and Corporate, and Andrew Tyrell, Client and Business Manager, confirmed that the correct process had been followed. The problem which had arisen was that the successful bid had been based on a misreading of a cost schedule for works, from the National Housing Federation (NHF), which had been radically reviewed and amended prior to the bidding process. The bid which had been accepted had then been found to have significantly underestimated the costs for works. The next-best bid had been considered to be more expensive but had provided costings more closely-aligned to the costs given by the NHF cost schedule. It was noted that the successful bid had been received from the existing contractor, with no problems having been raised regarding their past performance. The Client and Business Manager gave assurance that the relatively low bid from this contractor had been questioned at the time, with the firm giving assurance that they could work to the rates given. Legal advice had been sought by officers as to whether the bid should be accepted, and the advice received confirmed that it could be accepted.

In light of the early termination of the contract by the contractor, the Council had amended its procurement process and officers were now prepared to refuse bids for contracts where the bidder was unable to provide evidence to show that they could carry out contract work for the rates given.

The Assistant Director, Policy and Corporate, provided context and detail regarding KPI K1W3 (Number of Weekly Missed Collections). Although 99.91% of collections had been made successfully, the target had still been missed. Contributory factors included vehicle breakdown, staff illness and residents placing refuse on the kerb after collections had been made in their street. An increase in households had led to pressure on collections, and to the instigation of a new collection round to help ease this pressure.

The Panel discussed and queried performance on missed collections, with a Panel member praising Council officers who had stepped in quickly to solve collection issues which had been reported in a new estate within their ward. Concern was raised by another member as to whether the statistics for this performance measure were accurate, given that there had been many reports to members of missed collections, and as to whether missed collections reported by elected members had been included within the overall statistics. The serious impact on those affected by missed collections was underlined. The Assistant Director, Policy and Corporate, informed the Panel that all emailed reports of missed collections had been recorded in the statistics given, and that this had been confirmed by Richard Block, Assistant Director (Environment) and by Rosa Tanfield, Group Manager – Neighbourhood Services. The Chair informed the Panel that she had been informed that missed collections were only recorded if called in by residents. The Group Manager explained that the statistics also included all emails and online forms submitted.

The Group Manager detailed the remedial action put in place to reduce the number of missed collections. This included increased investment in the fleet, route optimisation, better use of data to mitigate the increase in homes which are to be covered, introduction of Route 18, optimisation of routes and additional fleet and staff brought in. The sources of problems were being identified, with special attention being given to seek the causes for any repeated missed collections. Data relating to reported missed collections was relayed to cabs to help avoid repeated missed collections from the affected areas. The Panel asked for, and was given, assurance that the capacity to cover additional households was being built up.

The Panel asked whether a next-day collection would be possible where deliveries are missed and reported, especially when these occur on a Thursday or Friday. The Group Manager and Assistant Director (Environment) informed the Panel that this would depend upon the type of collection, as wheelie bins required specialist vehicles to collect their contents, but that it was possible for general waste to be collected quickly. Collections which were missed and reported on Fridays would be picked up on Monday at the latest, although a Panel member raised an example of when this had not occurred, and collection had occurred later in the week, and that there would be difficulties posed for the occupants of flats if collections could not be made quickly following a report of a missed collection. The Deputy Leader informed the Panel that any missed collections were a disappointment, but that Monday collection of waste missed on a Friday was a reasonable expectation.

The K1H4 performance measure for Rent Collected was covered. The Assistant Director, Policy and Corporate, reaffirmed that changes in payments received, caused by the transfer of benefits claimants on to Universal Credit, had led to a fall in rent collected. The Panel was given assurance that CBH provided ongoing support to tenants, which had resulted in only two evictions being carried out in the first half of 2019-20. With rent collection rates now having improved, officers were confident that the target collection rate of 98% would be reached by year end. Karen Loweman, Director of Operations for CBH, explained that around £80k per month was received in payment of rent from Universal Credit, and that payments had initially been erratic but had now become more regular. A further factor on performance was the re-setting of standing orders at the start of the financial year,



where there was no payment made in the first month, with this being paid in to the Council split between the remaining months of the year.

The Panel queried whether the suite of KPI targets was challenging enough, with specific reference to K1B1(a) and (b), Time to process Housing Benefit claims and Local Council Tax Scheme claims. The target for these had been set at seven days, although performance over the year for both was below this level, at four and six days respectively. The Portfolio Holder for Business and Resources urged caution, as certain targets had already been tightened following 2018-19, and the offering of a low-cost, high-value service meant that there was a limit as to how much additional pressure could be put on to the performance of officers. The Council's performance was noted as comparing well to that of other local authorities and it was crucial that a balance was kept between performance and use of resources and the cost of services. Overall performance showed that excellent levels of service were being delivered, but the Portfolio Holder for Business and Resources gave assurance that the targets would be closely considered prior to new targets being proposed for 2020-21. A member of the Panel asked members to consider that, in certain performance areas, it could be difficult and costly to improve performance by even a fraction of a percent.

*RESOLVED* that the Scrutiny Panel had:

- (a) Considered the significance of the performance, described in the reports, for the organisation's ability to operate effectively and achieve its strategic goals.
- (b) Noted the Reporting Timetable covering 2019-2020, specifically the dates for setting KPI targets for 2020-2021.

#### **243. 2020/21 Revenue Budget, New Strategic Priorities and the Medium-Term Financial Forecast**

**Councillor Bentley (by reason of being Deputy Leader of Essex County Council) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7 (5).**

The report was presented by Paul Cook, Head of Finance and Section 151 Officer, and Councillor David King, Portfolio Holder for Business and Resources. The Portfolio Holder for Business and Resources explained the inclusive approach being used to draft the proposed budget for 2020/21 and explained that the offer to discuss the budget with group leaders and members of the shadow cabinet. Views and recommendations were being sought on priority setting and the budget, and the report produced had been drafted so as to be clearer, show the Strategic Priorities of the Council and show where recommendations and suggestions were taken on board.

The Head of Finance informed the Panel that officers had worked further on the Budget Strategy over the summer, following its consideration by Cabinet in July. Uncertainties had been highlighted, such as the uncertainty over the 2020-21 Local Government Financial Settlement. The expected loss in government funding had

been amended down to £200k per year. £500k had been allocated from reserves to identify, set and detail new strategic priorities, and it was confirmed that the Council is in a reasonable position, with regard to borrowing, in comparison to other local authorities. The technical details on assumption changes were highlighted, as listed in Appendix D of the report. This included assumptions on borrowing rates and noting that, even with a 1% increase to the base rate of interest, the Public Works Loan Board still provided a good rate and flexibility. There was, however, continuing uncertainty regarding possible changes to the New Homes Bonus. The Head of Finance informed the Panel that, as Colchester was at the higher end of the scale for expected growth, it was possible that a future review of the New Homes Bonus might be favourable for the Borough.

The Head of Finance outlined the expected surpluses and deficits out to 2023/24 and summarised the appendices to the report, including the forecast revenue overspend of £336k for 2019/20. It was explained that it was usual for this forecast figure to improve over the year as mitigations to overspends were carried out, and that it is expected that revenue overspend would be reduced so as to break even by year end.

The Panel welcomed Councillor King's engagement with Members over the Budget and requested information on what the likely effect was of the recent refusal of Full Council to approve a request for £350k funding for North Essex Garden Communities (NEGC) Ltd, especially with regard to the forecast net overspend which had been forecast prior to the aforementioned decision by Full Council. Clarification was also requested as to funding of NEGC Ltd, specifically as to whether medium term revenue investment, as mentioned in paragraph 13 of Appendix D, was in the form of a loan to NEGC Ltd, or whether it was a revenue expenditure, rather than capital expenditure, as seemed to be indicated in Table D2 of Appendix D. Details relating to interest charged and repayment terms agreed on the funding were requested, if the investment was in the form of a loan.

The Portfolio Holder for Business and Resources explained that the ramifications of that decision were still being assessed by officers, liaising and working with NEGC Ltd and the other shareholding local authorities. For NEGC Ltd to remain viable and continue, the Portfolio Holder stressed that it would need the funding and confidence of each partner local authority involved, and further stressed that the Budget would need to allow for the progress of Garden Communities, should the planning inspector approve of the Emerging Local Plan, but also for changes to the Plan, should the current version not be signed off by the inspector.

The Portfolio Holder noted that the Council continued to provide back office support to NEGC Ltd. The effect of postponing the £350k payment to NEGC Ltd from the Council was dependent on the development delivery vehicle which would be chosen for the company to proceed with, assuming that the Emerging Local Plan is approved by the planning inspector in 2020 and that the Garden Communities Project and partnership would continue. This would be an element of discussion of the Budget in February 2020, prior to the inspector issuing their report on the Emerging Local Plan. The Head of Finance confirmed that there was an aim for more detail to be made available to Members in January 2020, with any

amendments to underlying assumptions being reflected in an amended Medium-Term Financial Forecast.

An update was requested on any elements in the Council's draft budget for 2020/21 to improve the organisation's environmental sustainability, following the declaration of a Climate Emergency by Full Council earlier in the year and in addition to the aspirational goals laid out in the reports received by Scrutiny Panel at this meeting. The Portfolio Holder for Business and Resources explained that work was ongoing to identify ways to convert the Council's intent into specific measures to reflect the Climate Emergency which had been declared. Meetings to this aim had recently been held with the Carbon Trust and an example of ongoing work was an investigation as to how to potentially lower the carbon emissions and improve the sustainability of the Council's Rowan House headquarters. Such improvements and retrofitting were likely to be costly. The Portfolio Holder reminded the Panel that progress updates on the work of the Conservation and Environmental Sustainability Task and Finish Group would be received by Cabinet, Full Council and the Scrutiny Panel in early 2020. This would include costed mitigations of environmental impacts, which could then be reflected in the finalised budget proposed for 2020/21.

The Panel asked whether there was sufficient flexibility in the Council to make the changes which would be necessary to meet the Council's set target of carbon neutrality by 2030. The Portfolio Holder gave assurance that the beginnings of the necessary work were underway and noted that whilst Government action and technological advances could reduce the challenge of meeting this target, it remained an ambitious target to achieve. A key task highlighted was the need to define and address the main obstacles which would need to be surmounted. A Panel member noted that the farming of shellfish was a very effective way to capture carbon, and that this was worthy of support.

A member of the Panel requested an update on the recent discussions and funding decisions taken by the Revolving Investment Fund Committee. The Portfolio Holder agreed to provide a written answer to the Panel following this meeting, to allow for an appropriate level of detail to be given, and to include an update on work relating to the Northern and Southern Gateway projects.

In answer to questions on the Cabinet's priority setting for the draft budget, The Portfolio Holder informed the Panel that feasibility studies and priority setting was still ongoing, including on the balancing of different priorities with that of achieving improvements in environmental impact and sustainability, maximising positive environmental effects and minimising any negative impacts. Ways in which to increase financial headroom were being discussed in order to fund work on strategic priorities.

Regarding promotion of cycling in the Borough, the Portfolio Holder informed the Panel that meetings had been held with cycling groups in Colchester to discuss the issues, and with Essex County Council. It had been accepted that patience was required, and that focused action was needed to provide better road engineering and better strategic routes. The Panel were informed that there was a commitment to shared action by the Council and by Essex County Council.

A Panel member enquired as to whether the addition of new strategic priorities for the Council had caused any consideration as to whether to remove or change any of the existing priorities, in light of the terms of the new local authority settlement and to avoid the risk of over-promising. The Portfolio Holder for Business and Resources agreed that over-promising should be avoided, especially in areas which depended upon external partners, including central government. Judgements as to the ability to achieve progress on priorities would need to be made throughout the financial year, but there were no plans to scale back long-term processes which had already commenced. Plans were needed for at least three to five years into the future, with clear work programmes, timescales and project management. The Chair of the Panel stated that the Scrutiny Panel would maintain a watching brief on the Council's future plans.

*RESOLVED* that the Scrutiny Panel had considered the report on the 2020/21 Revenue Budget, New Strategic Priorities and the Medium-Term Financial Forecast.

[Councillor Kevin Bentley left the meeting at this point]

#### **244. Colchester Commercial Holdings Ltd's Performance**

The report was presented by Councillor Theresa Higgins, Portfolio Holder for Commercial Services, Councillor Nick Barlow, Chair of the Board of Colchester Commercial Holdings Ltd (CCHL), Ian Vipond, Strategic Director of Policy and Place, and Andrew Tyrrell, Client and Business Manager.

An introduction was given by the Portfolio Holder for Commercial Services, who explained that the CCHL group of companies had been set up in line with the Localism Act 2011 and was still in its early phases of operation. Headline points were given, including a planned 400-plus new homes as part of phase one housing projects, provision of an innovative £6.7m heating network supply for properties, a £30m capital programme delivered last year and the sourcing of £18m of external funding. The Chair of the CCHL Board explained that the Chairmanship of CCHL had been previously held by the Portfolio Holder for Commercial Services, but that these roles had been split in order to ensure there would be no conflict of interests.

A discussion was held as to what information on CCHL should be brought before the Scrutiny Panel, with members of the Panel requesting a full presentation and for the Group Commercial Director and Managing Director to attend. The Portfolio Holder and the Chair of the CCHL Board explained that the Council's Governance and Audit Committee were in place as the Council's shareholder committee to oversee the operations of CCHL and its commercial bodies, that the Committee had received two full presentations from CCHL already in 2019/20, with a third scheduled for early 2020, and that work was being carried out to identify how best to reflect the differing roles of the Committee and the Scrutiny Panel in the materials and information which were brought to the two respective bodies. Apologies were given for the absence of Paul Smith, the Group Commercial Director, and Adrian Pritchard, Managing Director, who had unavoidably not been able to attend this meeting, alongside assurance that the officers in attendance could take Members' questions.

The Strategic Director of Policy and Place explained the need to clearly distinguish between the differing roles of the Scrutiny Panel and of the Governance and Audit Committee, as the shareholder committee for the Council, which was the sole shareholder in CCHL. The Governance and Audit Committee held a duty to ensure that company law is adhered to in the operation and oversight of CCHL. The Scrutiny Panel held a different role and, should the Panel require a full presentation, then this would be possible. As a better understanding of the differing roles of the Committee and Panel was gained, the information provided to the two bodies would be more attuned to their roles, so as to avoid duplication where possible and ensure the correct functions are carried out by the correct bodies.

A member of the Panel highlighted the work which had been carried out by the Chair and the Panel to provide effective scrutiny, and to minimize the reports considered by the Panel so as to allow full and effective scrutiny of those items which are considered. The Panel member further questioned what value was added by scrutiny of CCHL, if the Governance and Audit Committee were already providing oversight as the official shareholder committee. Members further questioned whether it would be possible for a joint meeting to be held by the Committee and Panel, to allow the members of both bodies to scrutinise CCHL whilst avoiding the duplication of presentations and work by officers. The Chair confirmed that she would seek advice as to whether this was possible, and that a planned conversation with the Chair of Governance and Audit Committee, Councillor Pearson, on ways to avoid duplication of items considered by the Panel and Committee had yet to take place.

A request was made by a Panel member for the financial performance information and accounts relating to each of the commercial bodies controlled by CCHL. The Chair of the CCHL Board confirmed that this information had already been provided at a past meeting of the Governance and Audit Committee.

The Client and Business Manager thanked the Panel for their input and direction as to the information members wished to scrutinise and stated that, as this was the first time that the Panel had received a report on CCHL, the steer given would be very useful in the future. Owing to the way in which financial information is compiled, the Client and Business Manager explained that it would be best to wait until after the end of the financial year to report accounting information. The focus of the report at this meeting had been the business plan of CCHL, which was usually presented to Governance & Audit Committee in January and then to Cabinet in March, where any recommendations for changes or refocussing could be considered.

The Chair gave a brief summary as to why scrutiny of CCHL fell within the remit of the Scrutiny Panel and stated that it was difficult to commence this scrutiny by only reviewing the Business Plan. It was confirmed that the Chair would contact Councillor Pearson, Chair of Governance and Audit Committee, to arrange a meeting, and that Richard Block, Assistant Director (Environment) would consult the Monitoring Officer as to whether it would be possible for a joint session of the Scrutiny Panel and Governance and Audit Committee to be convened for scrutiny of CCHL.

The Panel noted that CCHL and its subsidiaries were set up to generate profit for re-investment, and that there was a focus in the Business Plan on acting in a

commercial manner. Clarity was requested concerning what occurred where commercial priorities conflicted with social and environmental priorities. The Portfolio Holder for Commercial Services gave assurance that commercial activities were not desired where these would harm residents' interests or priorities. Equality Impact Assessments are carried out on all major decisions, with an example being the incentivisation of developing eco-friendly homes. The Chair of the CCHL Board elaborated on this, confirming that those involved with CCHL had duties under UK company law, but also had a duty to further, and to provide funding for, the strategic priorities of the Council and to the public-sector ethos of the local authority. Officers explained that there were always decisions to make as to which priorities take precedence over others, and that cost/benefit analyses were carried out before any major decision was taken, alongside work to ensure the commercial actions within CCHL and its subsidiaries harmonised with the priorities of the Council.

A commitment to subsidising those services which provided a public good, but which ran at a financial loss, was requested. It was further requested that information on such services and subsidies be provided in future reports on CCHL. It was highlighted that CCHL run or administer services, but that the Council sets the budgets and makes decisions on service commissioning. An example of a service which was a social good, but run at a loss, was given as being the CCTV network operated within central Colchester. The Strategic Director of Policy and Place clarified that the commercial companies were run to provide income from profit-making activities which could be used to subsidise the provision of services, including those services which did not generate income. A Panel member stressed that it would be beneficial to ensure that residents were informed as to why the subsidiary companies of CCHL had been set up, and of the benefits that they provided to the Borough. An example was given regarding the additional options for providing new housing, which were open to CCHL but would not have been possible for the Council itself to use directly. Likewise, the Council would have been unable to deliver the heat network which had been planned. It had been necessary to found Colchester Amphora Energy Limited in order for both the Company and Council to capture sets of funding and make the project commercially viable. Members confirmed that this was the type of information that the Panel wanted, to give more detail on the operation of CCHL.

The Strategic Director of Policy and Place summarised part of the problem faced by CCHL and its subsidiaries as being that, whilst some of the companies could show the benefits they are already providing, other were involved in longer-term works which had yet to show tangible progress.

The Panel discussed the wider relationship between the Council and its commercial bodies and strategic priorities. Assurance was given that having a range of ways to provide or build new housing (either directly by the Council, or through Colchester Amphora Homes Ltd or Colchester Borough Homes) meant that the most cost-effective approach could be taken to each individual development, whether large or small. The Client and Business Manager noted that approaches had changed somewhat at the Council, with the government's lifting of the cap on HRA borrowing giving the Council greater flexibility in its approach to housing provision; however, despite this change, the companies still had an important role to play in delivering affordable housing. The Chair of the Board gave assurance that Colchester Amphora

Homes Ltd did not operate in competition to Colchester Borough Homes, and that certain developments required a commercial developer. It was confirmed that the first four development sites had been agreed by Cabinet in October 2018, to provide around 400 new units, with 30% to be affordable units. It was then agreed that the Council would retain ownership of the affordable units and that any future development agreements would likewise require Cabinet approval. The purchase of these units by the Council would be at a reduced rate, similar to the price that would be charged of a registered provider of housing, such as a housing association.

The Panel was informed that all development works by Colchester Amphora Homes Ltd were required to be in line with the requirements of the company's performance and commercial viability targets, which were compared to those of other providers of residential development. Value for money can then be evidenced and demonstrated in comparison to other developers and the cost of purchasing property on the open market.

*RESOLVED* that:

- (a) The Scrutiny Panel had reviewed the achievements and performance of CCHL (and its subsidiaries) during 2019/20.
- (b) The Chair of the Scrutiny Panel would arrange to meet with the Chair of the Governance and Audit Committee, Councillor Pearson, to discuss future ways to co-ordinate overview and scrutiny of CCHL and its subsidiaries.
- (c) The Assistant Director (Environment) would approach the Monitoring Officer to seek clarification as to potential ways for joint scrutiny of CCHL to be carried out by the Scrutiny Panel and Governance and Audit Committee.

#### **245. Scrutiny Work Programme 2019-20**

Mindful of the likelihood that the Panel's meeting in January 2020 would be a lengthy one, the Chair requested that Owen Howell, Democratic Services Officer, ascertain whether there was a budget for providing of light refreshment prior to the meeting, and report back on whether such refreshment could be provided.

*RESOLVED* that: -

- (a) It be ascertained as to whether light refreshments could be provided to the Panel prior to its meeting on 28 January.
- (b) The Programme for 2019-20 be noted.





28 January 2020

Report of	Assistant Director for Corporate and Improvement Services	Author	Paul Cook ☎ 505861
Title	2020/21 Revenue Budget, New Strategic Priorities and the Medium-Term Financial Forecast		
Wards affected	All		

## 1. Executive Summary

- 1.1 This report invites the Scrutiny Panel to comment on the 2020/21 budget reports that are to be submitted to Cabinet.

## 2. Action Required

- 2.1 The Panel is asked to comment on:

- 2020/21 General Fund Budget and Medium-Term Financial Forecast
- 2020/21 Capital Strategy and Capital Programme
- 2020/21 Budget Resilience Statement
- 2020/21 Treasury Management Strategy Statement
- 2020/21 Reserves Forecast

which are to be submitted to Cabinet on 29 January 2020. Any comments made by the Panel will be submitted to the Cabinet meeting for further consideration.

## 3. Reason for Scrutiny

- a. The attached report and appendices should be read and considered to provide a full assessment of the Council's financial position and plans.
- b. The Panel may, at the Cabinet's request, scrutinise decisions to be taken by the Cabinet and report any comments or concerns for further consideration by Cabinet prior to the decision being taken.

## 4. Appendix

**Appendix A:** 2020/21 Revenue Budget, New Strategic Priorities and the Medium-Term Financial Forecast



<b>Report of</b>	<b>Assistant Director for Corporate and Improvement Services</b>	<b>Author</b>	<b>Paul Cook</b> <b>☎ 505861</b>
<b>Title</b>	<b>2020/21 Revenue Budget, New Strategic Priorities and the Medium-Term Financial Forecast</b>		
<b>Wards affected</b>	All		

## 1 Executive Summary

- 1.1 The Council continues to demonstrate prudence and robust financial management. It is therefore able to invest in New Strategic Priorities and deliver a balanced revenue budget for 2020/21. This will require a modest £4.95 (2.6%) increase in the Colchester Borough Council Tax for 2020/21. Grants to parish councils have been maintained at 2019/20 levels after several years' successive reductions.
- 1.2 The report also covers the Council's future investment in long term assets via its Capital Programme; Capital Strategy and Treasury Management Strategy for 2020/21.
- 1.3 The report also sets out the Medium-Term Financial Forecast to 2023/24.

## 2 Recommended Decision

- 2.1 To approve the 2020/21 Revenue Budget and Medium-Term Financial Forecast as set out in Appendices A, G and H.
- 2.2 To approve the use of General Fund balances and reserves to make a £2.805m one off pension fund deficit payment for 2020/23 as set out in Section 7 of this report.
- 2.3 To make revenue budget provision in 2020/21, 2021/22 and 2022/23 to meet the cost of the pension deficit payment for 2023/24 as set out in Section 7 of this report.
- 2.4 To approve the pension 'pass through' arrangement from April 2019 for Amphora employees as set out in Section 7 of this report and to delegate completion of the final agreement to the Portfolio Holder for Resources in conjunction with the S151 Officer.
- 2.5 To approve the allocation of £500k in the 2020/21 budget for the Local Plan, noting that use will be dependent on the Planning Inspectorate hearing outcomes and the consequent way ahead for garden communities, North Essex Garden Communities Ltd or alternative approaches.

- 2.6 To approve the Capital Strategy and Capital Programme set out in Appendix B.
- 2.7 To note the budget resilience statement set out in Appendix D and the forecast level of reserves and balances set out in Appendix I.
- 2.8 To approve the Treasury Management Strategy Statement and prudential indicators set out in Appendix E.
- 2.9 To recommend to Council the 2020/21 revenue budget requirement of £24,514k.
- 2.10 To recommend to Council Colchester's element of the Council Tax at £195.57 per Band D property being an increase of £4.95 (2.6%).
- 2.11 To approve care leavers treatment as designated persons for council tax purposes removing any council tax liability in accordance with Section 13 of this report.
- 2.12 To note the 2020/21 implementation agreed in 2019 Budget Setting of a 200% council premium for properties empty over five years.

### **3 Reason for Recommended Decisions**

- 3.1 The Council is required to determine its annual budget requirement and set a council tax by 11 March preceding the new financial year.
- 3.2 The Chief Finance Officer must report to the Authority on the robustness of the estimates used to calculate its budget requirement and the adequacy of the proposed reserves.

### **4 Alternative Options**

- 4.1 None

### **5. Background information**

- 5.1 The timetable and approach to the 2020/21 budget strategy was agreed at Cabinet on 10 July 2019. The Budget was further developed in a report to 20 November 2019 Cabinet.

### **6 New Strategic Priorities**

- 6.1 The Council's budget and forward planning is centred around our obligation to provide high quality statutory and other services to the people of Colchester Borough, in accord with the Council's Strategic Plan.
- 6.2 The Council's 2020/21 Budget and Medium-Term Financial Forecast will maintain or improve those essential services, supporting those helping others. The budget will continue to improve the facilities and opportunities available to the people of Colchester and the wider Borough, and our visitors, through capital investment and the New Strategic Priorities agreed by Cabinet in November 2019. Early progress and illustrative highlights are set out below, by theme:

#### **Environment Theme**

### 6.3 Environment and Sustainability

- The Environment and Sustainability Task and Finish Group's work is underway and will inform the Council's response to the Climate Emergency
- A Carbon Trust 'Footprint Report' shows Colchester met its 2020 target one year early and includes proposals for Carbon Neutrality by 2030
- The Climate Emergency Action Plan will present a range of ambitious actions for Full Council to adopt in February, with resources made available to deliver

### 6.4 Colchester Woodland Project

- Thousands of trees have been planted at community events across Colchester and a further 10,000 trees will be donated to the public, parish councils and community groups to plant on their land by the end of March 2020
- Environmental Impact Assessments of larger planting sites will be completed by May 2020 and work is underway towards delivery of 200,000 trees by 2024

### 6.5 Waste and Recycling Service

- A comprehensive review of the service is being carried out aiming to improve collection and recycling performance, service to the customer and employee health and wellbeing

## **Place Theme**

### 6.6 Highways and Cycling

- Work is underway to review options for cycle routes, cycle security, cycle parking and to 'green' the Colchester Orbital
- Workstreams are being developed to encourage sustainable modes of travel improving health, wellbeing, community safety and air quality.
- A new Transport Strategy is being sought with Essex County Council to prioritise plans for cycling and walking, part of a wider partnering approach that will see jointly funded much needed Town Centre high street improvements

### 6.7 Garden Communities and the Local Plan

- Joint work continues with Government, Essex County and other Council partners towards infrastructure supporting future garden communities
- Government commitments have been secured for improvements to the A12 and A133/A120 link road. Further government funding has been provided for garden community development
- Local Plan hearings opened 14 January 2020 with future funding and next steps subject to the Inspector's report.

### 6.8 River Colne Renewal

- Cleanliness and appearance of the River Colne is being reviewed with the Environment Agency
- Ideas gathered by the Policy and Public Initiatives Panel are being reviewed for further consultation and public engagement to consider issues such as access, use and river condition
- A longer-term vision for the River Colne will be developed

## **Commercial Theme**

### 6.9 Rowan House Site

- A Workforce, ICT and accommodation improvement strategy is in development to provide more effective working tools and a modern and effective business environment

- Detailed feasibility work being scoped and costed including 'Amphora 3' development and budget implications

#### 6.9 Northern Gateway

- The Northern Gateway South Masterplan and Heat Network boreholes have been completed
- Sports Park construction is progressing well (opening Summer 2020) providing high quality facilities for residents and visitors, to encourage and enable more sport participation and greater community health and wellbeing.

### Community Theme

#### 6.10 Renew Our Community Assets

- Colchester Borough is home to many types of community assets, ranging from established Borough-wide or local neighbourhood community groups to green spaces. Many wards and parishes contain village halls and venues for hire. Neighbourhoods develop their own publications and online resources to share with their neighbours. Volunteers lead and contribute to activities which improve the quality of life of residents.
- This renewal programme is in the scoping phase. It will build on the recent Local Delivery Pilot that is increasing participation in sport and leisure. It will also build on experience from recent S106 funded community projects.
- The project will develop of a new asset-based community development strategy by March 2020

#### 6.11 Cultural Strategy

- Developing a refreshed cultural and arts and heritage vision and strategy with partners with an external consultant to be appointed by April 2020

#### 6.12 Youth Focus

- Conducting an independent study and analysis to consider the benefits and costs of a Youth Zone for Colchester by the end of January 2020
- Broadening the study to consider Youth Provision across the borough and identify any gaps with an interim report due February 2020

#### 6.13 Heritage Live

- Highlighting of Colchester Castle and Balmerne Hill due for completion February 2020 and St Botolph's Priory scheme
- Commencing work on Nero and Gladiators Castle Exhibition to support a 'Roman Invasion'. Exhibition to open in August 2021
- Roman Circus to commence in early 2020
- Commence preparation for Roman Church structural works in April 2020
- Engaging with schools to support visits to museums
- Commemoration of Captain Jones and Lieutenant Pinto with work commencing in March 2020

## 6 Local Plan and North Essex Garden Communities

- 6.11 Local Plan hearings are taking place in January 2020. At the hearings the Inspector is publicly examining the additional evidence submitted by Braintree, Colchester and Tendring councils in support of their Local Plans. The hearings are in response to questions raised by the Planning Inspector about Garden Communities. Garden Communities are the long-term strategy of the three North Essex councils, in

partnership with Essex County Council, to help meet the future growth of the area in a more strategic and infrastructure supported way, in accord with Government direction and policy

- 6.12 Half of the necessary planning and development funding has been provided by Government, the balance by stage by the Council partners. Release of the latest instalment of £350k for the 2019/20 Colchester contribution to North Essex Garden Communities was postponed, pending the Inspector's decisions. If garden communities are approved full Council will be asked to agree to release this sum, currently held in our reserves.
- 6.13 Colchester Council remains a full partner and shareholder in the current delivery vehicle, North Essex Garden Communities Ltd (NEGC). Continuing support for which has been demonstrated by the Government's announcement on 14 January 2020 of a further £550k grant for the project. Further support from Government is expected as from our Council partners who like Colchester Borough Council will provide or plan for future year Local Plan support, including garden community plans and development.
- 6.14 Colchester Borough Council accordingly sets aside £500k of New Homes Bonus funding in years 2020/21 to 2023/24 to allow for development of the Local Plan. If the Inspector finds in favour of Garden Communities, this could be used to make North Essex Garden Communities contributions. If the Inspector finds against Garden Communities, the New Homes Bonus could be used to take forward an alternative approach to the Local Plan or to otherwise mitigate the impacts of development or to meet the infrastructure needs that would have been met through garden communities.
- 6.15 More details on the financial arrangements for North Essex Garden Communities are set out in Appendix C.

## **7 Pensions**

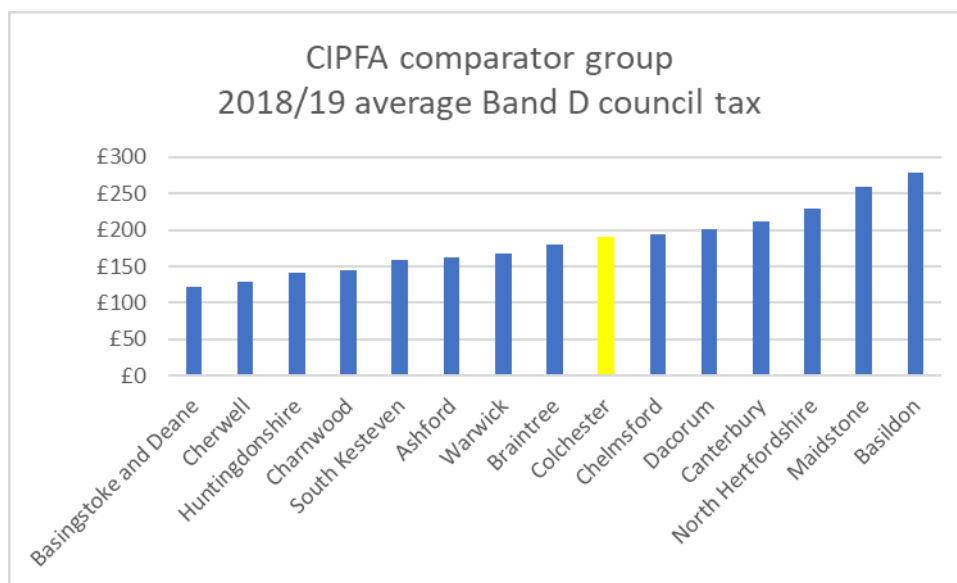
- 7.1 The 2019 Essex County Council Superannuation Fund actuarial valuation has been completed. The Colchester deficit - which was assessed at £31m in the 2016 valuation – has reduced to £17m. This deficit will be repaid over the next 16 years, this being the period recommended by the scheme actuary.
- 7.2 The most financially advantageous option for CBC is to pay 3 years' deficit contributions up front in 2020/21. This is the approach that was successfully followed in 2017/18.
- 7.3 The 2020-23 Medium Term Financial Forecast includes annual contributions to replenish a reserve for future deficit repayments. The deficit will be reassessed by the scheme actuaries in their 2022 valuation. A reserve is planned to be available in April 2023 to pay the expected 2023-26 deficit repayments up front.
- 7.4 At the establishment of Amphora, it became a separate member of the Essex superannuation fund. Amphora membership ensured transferring employees could continue in the pension scheme. The Amphora membership is underwritten by the Council.
- 7.5 Under company accounting requirements changes in fund asset values and pension liabilities must be reflected in profit and loss. This has led to unpredictable variations

in profitability. This is inappropriate as Amphora is in any case fully owned by the Council.

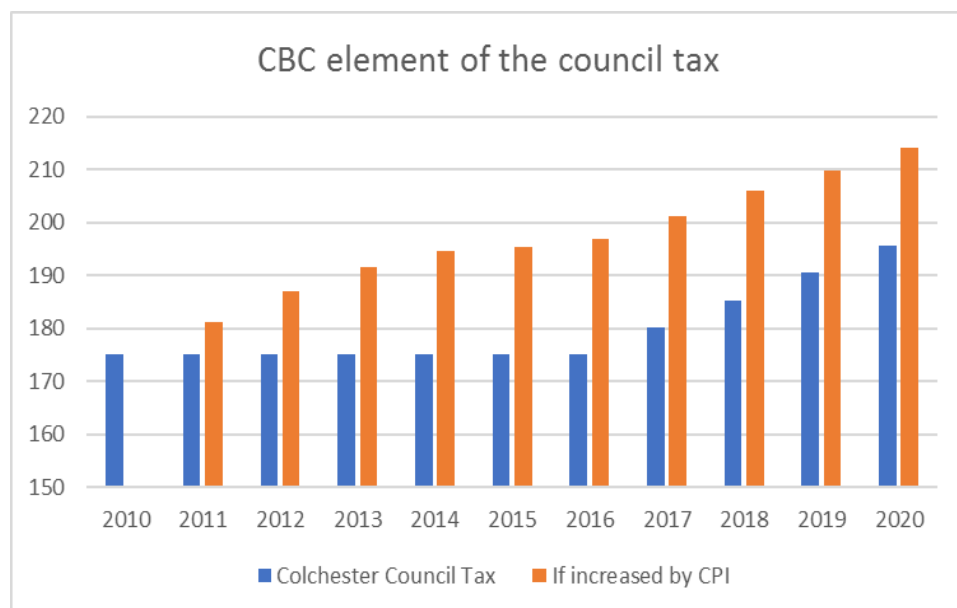
- 7.6 It is therefore proposed to 'pass through' the Amphora pension liabilities back to the Council from April 2019, including them in the wider Council pension scheme. This will reflect the practical reality that the Amphora is an alternative vehicle for delivering Council services. The change will avoid misleading volatility in Amphora profitability and enable the variations to be treated through reserves in the Council's accounts without impacting on the budget requirement.

## 8 Council Tax

- 8.1 The proposed council tax for Colchester represents good value. The chart shows the council tax in 2019/20 was within the interquartile range for the Council's comparator group.



- 8.2 The chart demonstrates how Colchester's council tax increases have lagged behind inflation over the last few years.



## 9 Prudence



- 9.1 The Section 151 Officer is content with the resilience of the proposed 2020/21 budget and the level of reserves. The Budget Resilience Statement is set out in Appendix D. The forecast level of reserves is set out in Appendix I
- 9.2 It is expected that the Council will spend within budget in 2019/20.
- 9.3 The General Reserve is forecast to be £2.373m at the end of 2020/21 and therefore fulfils the agreed minimum level of 10% of the net budget.

## **10 Consultation**

- 10.1 Scrutiny Panel has examined the 2020/21 Budget and Medium Term Financial Forecast at its July 2019 and November 2019 meetings. This report will be considered by Scrutiny Panel at its 28 January 2020 meeting.
- 10.2 The Leader of the Opposition and the Shadow Portfolio Holder for Resources have been offered the opportunity to meet with officers to assist with consideration of any alternative budget proposals.
- 10.3 A consultation meeting with business ratepayers took place on 15<sup>th</sup> January 2020. The main comments made were that new and start-up businesses could benefit greatly by clearer information on business rates liabilities and discounts from the Council so that this element of their business could be effectively managed.

## **11 Financial implications**

- 11.1 As set out in the report.

## **12 Environmental and Sustainability Implications**

- 12.1 The New Strategic Priorities reflect the Council's declaration of a Climate Emergency and its commitment to becoming carbon neutral by 2030. The environmental and sustainability implications of individual programmes will be thoroughly assessed with reference to the definition of sustainable development set out in the National Planning Policy Framework.

## **13 Equality and Diversity Implications**

- 13.1 Consideration will be given to equality and diversity issues in respect of budget changes proposed as part of the budget process. This will be done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.
- 13.2 Care leavers will now be treated as designated persons under the council tax regulations. A care leaver joining an existing household with a single person discount in place will be given sufficient discretionary relief to ensure that the council tax liability does not increase as a result of their presence. It is not expected this will result in a significant cost, and Essex County Council are bearing a relevant share.

- 13.3 A household where only care leavers are liable to pay council tax will be given sufficient discretionary relief to extinguish the council tax liability completely.
- 13.4 A care leaver in a property, which would otherwise be exempt from council tax, will be given sufficient discretionary relief to ensure that no council tax continues to be payable.

#### 14 **Risk Management Implications**

- 14.1 As set out in the report

#### 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**






- Appendix A – Revenue Budget 2020/21 and Medium Term Financial Forecast
- Appendix B – Capital Strategy and Capital Programme
- Appendix C – North Essex Garden Communities
- Appendix D – Budget Resilience Statement
- Appendix E – Treasury Management Strategy Statement
- Appendix F – Technical reconciliations of budget requirement
- Appendix G – Summary Budget 2020/21
- Appendix H – 2020/21 General Fund Budgets
- Appendix I – Reserves
- Appendix J – Use of New Homes Bonus

## **Background Papers**

## Appendix A - Revenue Budget 2020/21 and Medium Term Financial Forecast

- 1 The provisional 2020/21 local government finance settlement has now been received. All the Council's government support is in the form of retained business rates or New Homes Bonus. Revenue Support Grant is no longer received. The Council fund its net budget from council tax and by exceeding government business rates assumptions.
- 2 The overall 2020/21 Medium Term Financial Forecast is set out in Table A1 below. This show a balanced position for 2020/21. Row 6 shows the forecast budget surplus or gap from 2021/22 onwards assuming a continuity of current funding levels. Row 8 shows the potential gap after including potential government funding losses assumed in the Medium Term Financial Forecast.
- 3 The funding available allows the Council to offer a wide range of services, examples of which are set out in the chart. Full service budgets are provided in Appendices G and H.

<b>Table A1 – Funding the Medium Term Financial Forecast</b>						
		<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
1	Base Budget	20,438	19,921	20,351	21,216	21,918
2	Retained business rates	(4,257)	(4,300)	(3,843)	(3,386)	(2,930)
3	Business Rates growth above government plans	(2,163)	(1,444)	(1,929)	(1,929)	(1,929)
4	New Homes Bonus used for base budget	(1,946)	(1,674)	(1,171)	(999)	(603)
5	Council Tax	(12,072)	(12,503)	(12,951)	(13,407)	(13,870)
6	(Surplus)/Gap if government funding maintained	0	0	(43)	494	1,086
7	Potential government funding loss			500	1,000	1,500
8	(Surplus)/Gap after potential loss	0	0	457	1,494	2,586

The Council's direct spending of £84.923m				
Community	Customer	Environment	Policy and Corporate	Back Office
				
£6.437m	£43.836m	£16.127m	£21.287m	£0.991m
Licensing	Elections	Waste	Sport	Democracy
Bereavement	Local Tax	Recycling	ICT	Management
Culture	Benefits	Car Parking	Housing	

## Council Tax

- 4 The number of properties expected to be subject to council tax (council tax base) is shown below. The numbers are standardised to council tax band D. (For example, Band A council tax is 6/9 of Band D, so a Band A property would count as 0.667 Band D equivalents. The figures also allow for Single Person and other discounts.
- 5 The increasing numbers of properties demonstrate the growth of Colchester and its increasing council tax base.

<b>Table A2- Changes in Band D equivalent properties</b>		
	No of properties	Gain from previous year
2020/21	63,933	602
2019/20	63,331	1,371
2018/19	61,960	828
2017/18	61,132	636
2016/17	60,496	949

## Appendix B – 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 adopted the New Strategic Priorities set out in this Report.
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>	
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.
Strategic Plan Spending Priorities	The Council prioritises investment in its Strategic Plan Spending Priorities.
Revolving Investment Fund	The Council operates a Revolving investment Fund to deliver major capital projects.
Investing for 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	The Council will invest in projects which will <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 (invest to invest).</li> </ul>
Colchester Commercial Holdings Ltd	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.
Investment to improve and maintain Council assets and systems	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.

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 periodically 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.
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 will be 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.
16. Capital projects are overseen by the Programme Delivery Board, which will escalate issues to the Revolving Investment Fund Committee or Cabinet as appropriate. This is supported by the Business 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 Business Delivery Group and escalated by exception to the Business Delivery Board.
18. Relevant requirements of the Capital Strategy will be incorporated into financial regulations and standing orders.



## Capital Programme 2020/21 onwards

1. The Capital Programme builds on the schemes approved in setting the 2019/20 Budget. The proposed programme reflects 'in house' and external grants and awards and remains dependent on confirmation of values and allocation decisions, by Government and or through the Revolving Investment Fund. The indicative projection below includes £10m for the Town Deal Fund, though that fund could be up to £25M. and assumes:
  - Reprofilling the 2019/20 programme as previously reported, including bringing ultra fast broadband to Colchester with government funding
  - The Towns Deal Fund allocation of £10M is illustrative. The Council will seek the maximum £25M that is available from the Ministry of Housing, Communities and Local Government. Government support could be either capital or revenue. It is expected there will be additional investment from partners.
  - Continuing and augmenting the Revolving Investment Fund. Includes superb facilities at the Northern Gateway Sports Park
  - The New Strategic Priorities set out in the main budget report
  - Upgrading CCTV to digital offering a vastly improved service
  - Setting up a Limited Liability Partnership and Charity to lease 100 newly acquired properties from the council. This will have a significant impact on the need for temporary accommodation and is a ground breaking scheme

**Table B2 – Capital Programme**

		2019/20	2020/21	2021/22	2022/23	2023/24
		£'000	£'000	£'000	£'000	£'000
1	General Fund 2019 Programme	58,684	9,994	300		
2	Revised 2019 Programme	46,345	46,749	1,900	420	
	New Schemes in addition to the 2019 Programme					
3	Town Deal Fund			3,300	3,300	3,400
4	New Strategic Priorities		5,000	5,000		
5	Land Acquisition					5,000
6	CCTV		500			
7	100 Homes Project		20,000	0		
<b>8</b>	<b>General Fund 2020 Programme</b>	<b>46,345</b>	<b>72,249</b>	<b>10,200</b>	<b>3,720</b>	<b>8,400</b>
9	Housing Revenue Account 2019 Programme	20,851	35,232	25,516	18,204	17,492
10	Revised 2019 Housing Revenue Account Programme	18,866	3,500			
11	New Schemes		26,663	35,349	30,389	21,316
12	Housing Revenue Account 2020 Programme	<b>18,866</b>	<b>30,163</b>	<b>35,349</b>	<b>30,389</b>	<b>21,316</b>
<b>13</b>	<b>Total 2020 Capital Programme</b>	<b>65,211</b>	<b>102,412</b>	<b>45,549</b>	<b>34,109</b>	<b>29,716</b>

## Appendix C – North Essex Garden Communities

- 1 Government, Colchester Borough Council and three other Local Authorities (Essex County Council, Braintree and Tendring District Councils) have agreed to work together to meet housing and infrastructure needs across their respective boundaries. To that end the Local Authorities have created a Council owned Company, North Essex Garden Communities Ltd.
- 2 As Shareholders in North Essex Garden Communities Ltd the Councils are bound together, to work as one and to contribute to the running costs needed for feasibility, planning, communications and other work, including support to the Planning Inspector. Council staff, expertise and capabilities are pooled and supplemented when needed.
- 3 Each Council has a different role, Colchester's includes back office support. Colchester Borough Council as banker thus holds contributions from the partners, including Government. Colchester buys in services when needed and covers or carries forward such costs (including any winding up costs) if and when needed, until partner contributions are received.
- 4 Since 2016/17 each partner has provided their agreed shares, but not always at the same time. In 2019/20 the Colchester Council budget included £350k for North Essex Garden Communities. These funds came from the Council's New Homes Bonus. The contribution was one eighth of the overall Budget needed, taking account of other contributions, costs carried forward from 2018/19 and in year predicted spend.
- 5 Pending a formal decision to release the funds, the £350K Colchester contribution has been held in the Council's reserves, available for any purpose. Other North Essex Garden Communities partners have now released their funding. The Government's contribution is expected in early 2020.
- 6 North Essex Garden Communities costs however continue to be incurred by Colchester in 2019/20, for recovery as contributions become available. £177k was carried forward from the 2018/19 financial year outturn. Similarly, the Council has incurred £180k on behalf of all partners in 2019/20.
- 7 These total carry costs of £357k reflect Colchester Council's banker role.
- 8 On 14 January 2020 a £500k government grant to support the project was announced. This will potentially enable the Colchester Borough Council carrying cost to be recovered from North Essex Garden Communities.
- 9 For Colchester Council investment to date or budgeted for 2020/21 or the MTF is significant, but it is small relative to the multi-billion investments that should follow and the significant advantages that garden communities should provide, from greater social and other infrastructure to more affordable and Council housing, and a better quality of life.
- 10 Such spend for each Council is also excellent value for money. For one eighth of overall spend, Colchester Council secures invaluable feasibility testing, viability and development planning work, and cooperation across North Essex.

- 11 If the Planning Inspector finds in favour of Garden Communities, the Local Authorities will need to continue this feasibility and development work. In the longer term some form of delivery vehicle will be formed, with funding to be found from other partners and or Government.
- 12 In the medium term, as noted in para 9 of Annex D of the 20 November 2019 Budget Report to Cabinet Colchester Council and other partners may have to provide further interim funding.
- 13 In the Colchester Medium Term Financial Forecast this is planned at £500k per year. The precise obligation has yet to be quantified. Government help, in those circumstances, would be sought and expected.
- 14 These funds, for 2020/21 and onwards, will only be released if the Planning Inspector approves Garden Communities and only then after agreement with other partners. This next phase of Garden Communities partnering work would involve taking forward the proposals to the stage where external funding for the long term development of garden communities could be secured.
- 15 Funding for North Essex Garden Communities is currently by contribution, as expected for 2020/21, but it is proposed that as soon as practical, these contributions should take the form of loans from the partner authorities. If this approach is agreed these contributions would potentially be repayable from the long term development and delivery funding to be secured from external funders.

## **Appendix D – Budget Resilience Statement**

- 1 In 2018/19 the Council spent within the approved budget. In 2019/20 the Council is forecast to spend within its approved budget. The Council has a good record of delivering agreed savings. The 2020/21 savings proposals were developed by a comprehensive programme of officer meetings reviewing all service budgets line by line supported by Finance Business Partners.
- 2 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 and the Revolving Investment Fund Steering Group - that are being further enhanced during 2019/20 and will apply in 2020/21. These arrangements will ensure that any new expenditure proposals are adequately assessed.
- 3 The Council is not relying on the use of balances to deliver its core services in 2020/21.
- 4 The budget process allows for the review of budget proposals by the Scrutiny Panel and this has applied to the 2020/21 proposals. The Council's use of resources judgment by BDO in the 2018/19 audit was satisfactory, following an assessment of the Council's approach. There is an effective risk management process in place
- 5 The level of Council borrowing and reserves is reasonable in comparison to other authorities in its comparator group as set out in the budget report to November 2019 Cabinet. In particular the minimum level of general reserve is set at 10% of the net revenue budget.
- 6 It appears therefore that the 2020/21 budget and Medium Term Financial Forecast are robust and the reserves and balances adequate as set out in the succeeding tables.
- 7 The Chartered Institute of Public Finance and Accountancy resilience index for 2018/19 shows the Council had a slightly above average external debt figure for its comparator group. However it is in a strong position relative to its comparator group. This reflects the Government self-financing housing revenue account settlement. The majority of this debt (£120m) was determined by government under the self-financing settlement in April 2012. These need to be linked to corporate risk registers.

# CIPFA Financial Resilience Index

Tier

Lower

Authority

Colchester

Comparator Group

Nearest Neighbour

Year

2018-19

## Results Breakdown

### Indicators of Financial Stress

← Higher Risk

Lower Risk →

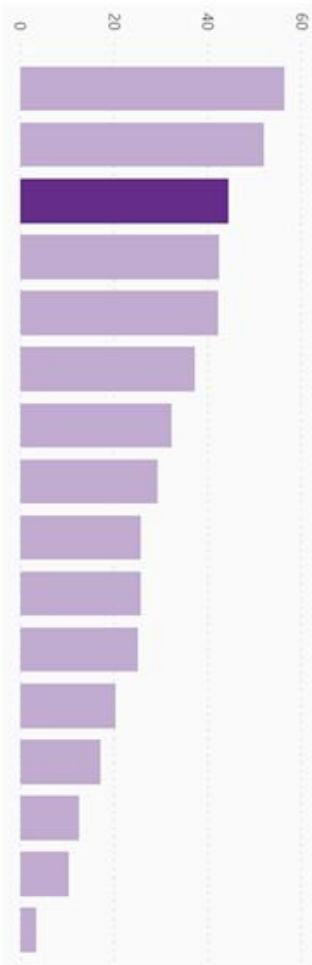


### Indicator

Indicator	Min	Indicator Value	Max
Unallocated Reserves	3.35%	44.32%	56.41%
Earmarked Reserves	8.65%	128.94%	275.03%
Change in Unallocated Reserves	-85.78%	-26.60%	137.29%
Change in Earmarked Reserves	-84.31%	121.24%	121.24%
Change in HRA Reserves	-316.00%	91.12%	354.61%

## Individual Analysis

### Comparator Group Analysis



### Unallocated Reserves

### Trend Analysis



## Appendix E - Treasury Management Strategy Statement

### Introduction

- 1.1 This iteration of the Treasury Management Strategy Statement is provided in the traditional Council format to enable the prudential indicators to be set for 2020/21. A fundamental review of the Strategy will take place during 2020/21 to give greater transparency and better integration with the capital Programme.
- 1.2 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.3 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.4 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 1.5 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.
- 1.6 The Chartered Institute of Public Finance and Accountancy 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.
- 1.7 The contribution Treasury Management function makes to the Council is critical, as the effective balance of debt and investment operations ensure the ability to meet spending commitments as they fall due, both for day to day expenditure and more importantly to fund and adjust to complex capital scheme funding.

- 1.8 Treasury management arrangements have a direct impact on the Council's revenue budget and Medium Term Financial Strategy as a result of the interest costs of borrowing and income due in relation to investments. Cash balances result from reserves and spending or income cashflows from revenue and capital planning; therefore the Treasury Management Strategy is an integral part of setting the Council's budget.
- 1.9 The primary reporting changes include the introduction of a capital strategy to provide focus on long term capital investment plans, the requirement for transparent reporting around Non Treasury management investments (loans to third parties, investment properties purchase, etc.) and commercial activity under the Localism Act 2011 and additional S151 duties with regards assurance.

### **Reporting requirements**

- 1.10 The Council is currently required to produce three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are all required to be scrutinised and reviewed. This role is undertaken by the Council's Scrutiny Panel and Governance and Audit Committee.
- 1.11 The year's Strategy is recommended to Full Council following consideration by the Cabinet and consideration by the Scrutiny Panel. It covers:
- Capital (including prudential indicators);
  - Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
  - Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
  - an investment strategy (the parameters on how investments are to be managed).
- 1.12 Mid-Year Treasury Management Report updates on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- 1.13 Annual Treasury Report after the financial year end reports actual prudential and treasury indicators and treasury operations compared to the strategy.

### **Training**

- 1.14 The Chartered Institute of Public Finance and Accountancy Code requires the responsible 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 2020/21

- 1.15 The Treasury Management Strategy for 2020/21 covers capital and treasury management.

<b>Table E1 – Content of Treasury Management Strategy</b>	
Capital	capital expenditure plans and the associated prudential indicators
	minimum revenue provision 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

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

### Treasury Management Advisors

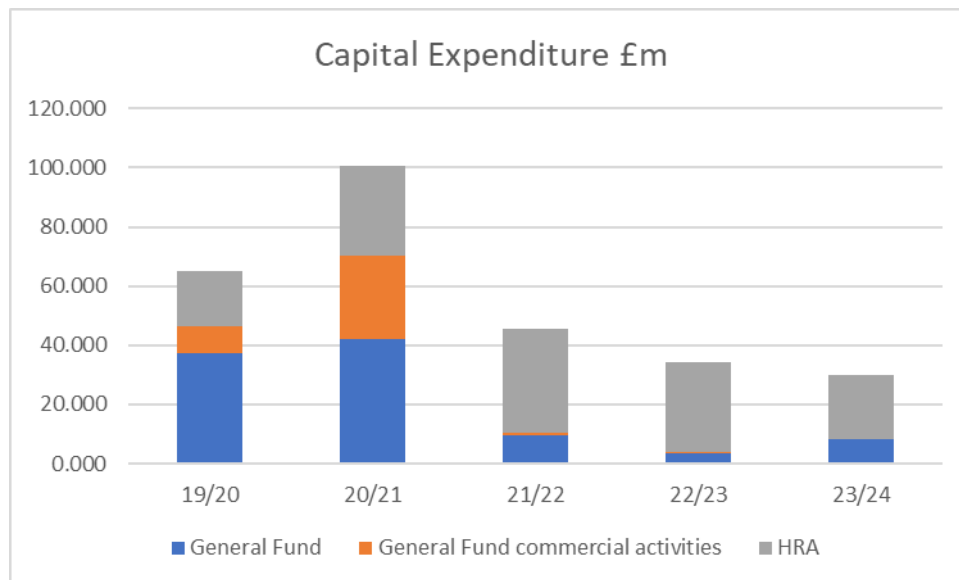
- 1.17 The Council currently uses Link Asset Services as its external treasury management advisors.
- 1.18 Responsibility for treasury management decisions remains with the Council and undue reliance is not placed upon external advisers. Decisions use available information including external advice.

## 2 The Capital Prudential Indicators 2019/20 – 2023/24

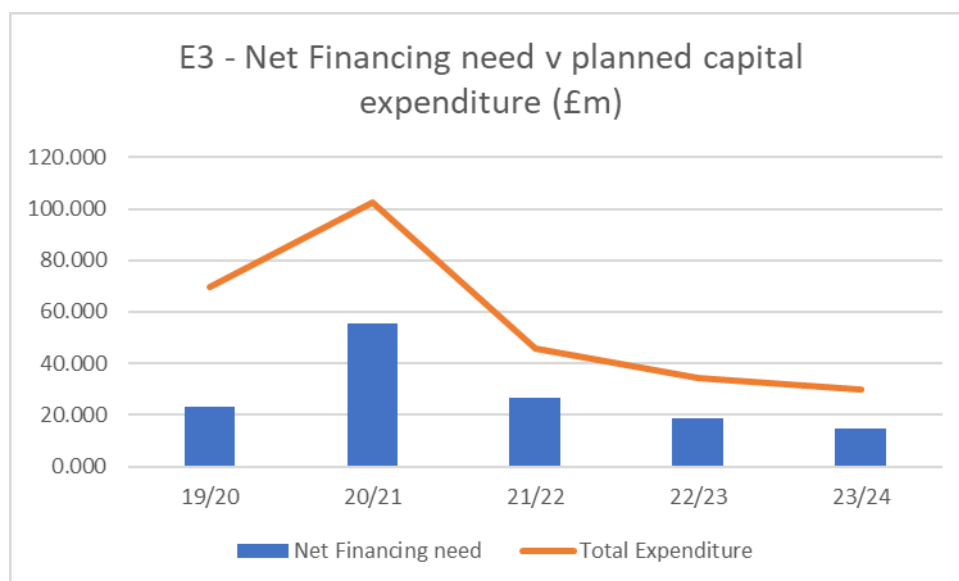
- 2.1 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the capital prudential indicators.

### Capital expenditure

- 2.2 This prudential Indicator is a summary of the Council's capital expenditure plans set out in Appendix B of this budget report.

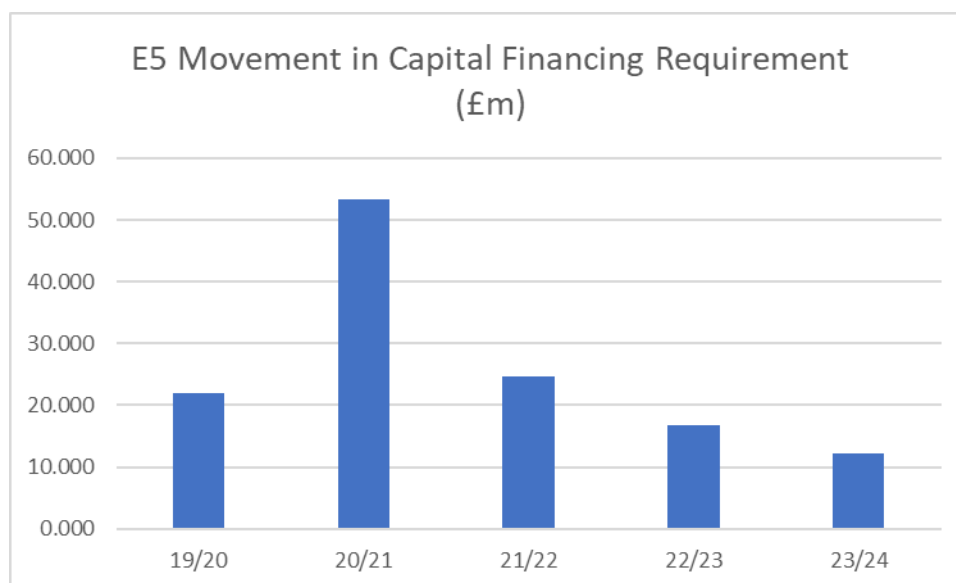
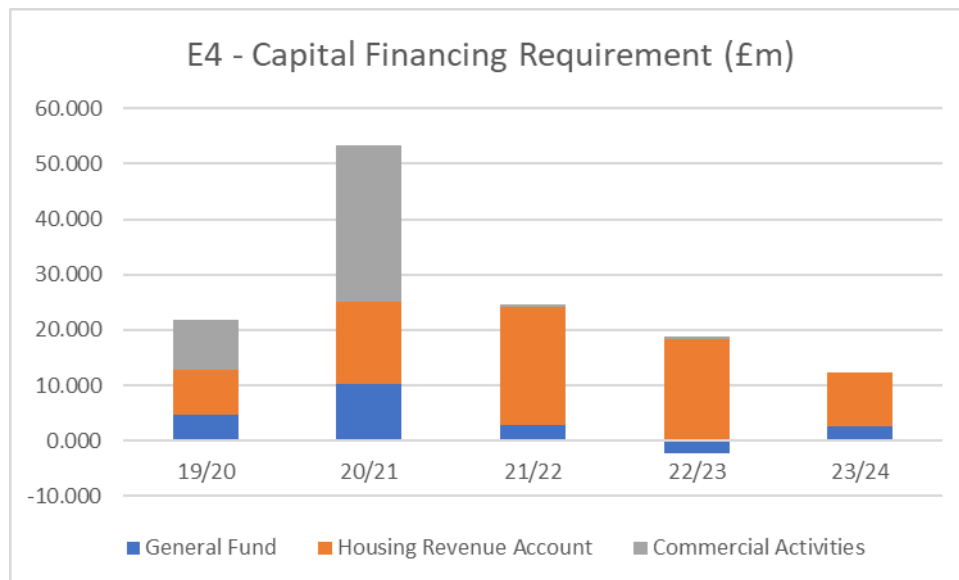


- 2.3 Chart E3 summarises how the capital programme will be financed by capital and revenue resources. The balance of financing will be provided by borrowing. The proportion of borrowing is well below the planned capital programme reflecting the significant use of other financing such as capital receipts and grants.



### The Council's borrowing need

- 2.4 The second prudential indicator is the Council's Capital Financing Requirement. This is outstanding capital expenditure which has not yet been funded from either revenue or capital resources. It is a measure of the Council's underlying borrowing need. The requirement does not increase indefinitely, as the Minimum Revenue Provision is a statutory annual revenue charge which reduces the borrowing need in line with each asset's life, and so charges the economic consumption of capital assets as they are used.
- 2.5 Capital Financing Requirement projections are set out in Chart E4 and a breakdown of the annual movement in Chart E5



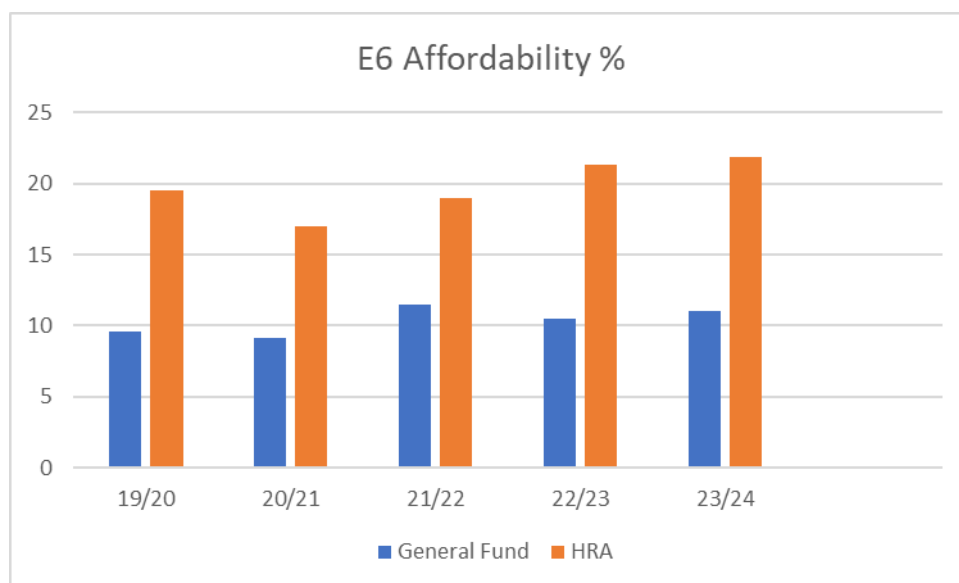
### Minimum Revenue Provision Policy Statement

- 2.6 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 if required.
- 2.7 Government regulations require the full Council to approve a Minimum Revenue Provision Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following Minimum Revenue Provision Statement:
- 2.8 For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the policy will allow for the borrowing need to be 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.

- 2.9 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 approximately the asset's life. Repayments included in finance leases are applied as Minimum Revenue Provision.
- 2.10 There is no requirement on the Housing revenue Account to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.
- 2.11 The S151 Officer will keep the Council's Minimum Revenue Provision Policy under review to ensure that it remains fit for purpose in relation to its borrowing requirements.

### **Affordability Prudential Indicators**

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



- 2.14 The estimates of financing costs include the commitments set out in the budget report.
- 3 Economic Outlook provided by Link Asset Services
- 3.1 The Council has appointed Link Asset Services as its treasury advisor and part of our service is to assist the Council to formulate a view on interest rates. Section 3 of the strategy is provided by Link.

Link Asset Services Interest Rate View														
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.60	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.20	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PWLB Rate	3.10	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

- 3.2 The above forecasts have been based on an assumption that there is an agreed deal on Brexit, including agreement on the terms of trade between the UK and EU, at some point in time. The result of the general election has removed much uncertainty around this major assumption. However, it does not remove uncertainty around whether agreement can be reached with the EU on a trade deal within the short time to December 2020, as the prime minister has pledged.
- 3.3 It has been little surprise that the Monetary Policy Committee (MPC) has left Bank Rate unchanged at 0.75% so far in 2019 due to the ongoing uncertainty over Brexit and the outcome of the general election. In its meeting on 7 November, the MPC became more dovish due to increased concerns over the outlook for the domestic economy if Brexit uncertainties were to become more entrenched, and for weak global economic growth: if those uncertainties were to materialise, then the MPC were likely to cut Bank Rate. However, if they were both to dissipate, then rates would need to rise at a “gradual pace and to a limited extent”. Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. There is still some residual risk that the MPC could cut Bank Rate as the UK economy is still likely to only grow weakly in 2020 due to continuing uncertainty over whether there could effectively be a no deal Brexit in December 2020 if agreement on a trade deal is not reached with the EU. Until that major uncertainty is removed, or the period for agreeing a deal is extended, it is unlikely that the MPC would raise Bank Rate.
- 3.4 Bond yields / Public Works Loan Board rates. There has been much speculation during 2019 that the bond market has gone into a bubble, as evidenced by high bond prices and remarkably low yields. However, given the context that there have been heightened expectations that the US was heading for a recession in 2020, and a general background of a downturn in world economic growth, together with inflation generally at low levels in most countries and expected to remain subdued, conditions are ripe for 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. This has pulled down the overall level of interest rates and bond yields in financial markets over the last thirty years. We have therefore seen over the last

year, many bond yields up to ten years in the Eurozone actually turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby ten-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. However, stock markets are also currently at high levels as some investors have focused on chasing returns in the context of dismal ultra-low interest rates on cash deposits.

- 3.5 During the first half of 2019-20 to 30 September, gilt yields plunged and caused a near halving of longer term Public Works Loan Board rates to completely unprecedented historic low levels. (See paragraph 3.7 for comments on the increase in the Public Works Loan Board rates margin over gilt yields of 100bps introduced on 9.10.19.) There is though, an expectation that financial markets have gone too far in their fears about the degree of the downturn in US and world growth. If, as expected, the US only suffers a mild downturn in growth, bond markets in the US are likely to sell off and that would be expected to put upward pressure on bond yields, not only in the US, but also in the UK due to a correlation between US treasuries and UK gilts; at various times this correlation has been strong but at other times weak. However, forecasting the timing of this, and how strong the correlation is likely to be, is very difficult to forecast with any degree of confidence. Changes in UK Bank Rate will also impact on gilt yields.
- 3.6 One potential danger that may be lurking in investor minds is that Japan has become mired in a twenty-year bog of failing to get economic growth and inflation up off the floor, despite a combination of massive monetary and fiscal stimulus by both the central bank and government. Investors could be fretting that this condition might become contagious to other western economies.
- 3.7 Another danger is that unconventional monetary policy post 2008, (ultra-low interest rates plus quantitative easing), may end up doing more harm than good through prolonged use. Low interest rates have encouraged a debt-fuelled boom that now makes it harder for central banks to raise interest rates. Negative interest rates could damage the profitability of commercial banks and so impair their ability to lend and / or push them into riskier lending. Banks could also end up holding large amounts of their government's bonds and so create a potential doom loop. (A doom loop would occur where the credit rating of the debt of a nation was downgraded which would cause bond prices to fall, causing losses on debt portfolios held by banks and insurers, so reducing their capital and forcing them to sell bonds – which, in turn, would cause further falls in their prices etc.). In addition, the financial viability of pension funds could be damaged by low yields on holdings of bonds.
- 3.8 The overall longer run future trend is for gilt yields, and consequently Public Works Loan Board rates, to rise, albeit gently. From time to time, gilt yields, and therefore Public Works Loan Board 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. Such volatility could occur at any time during the forecast period.
- 3.9 In addition, Public Works Loan Board rates are subject to ad hoc decisions by H.M. Treasury to change the margin over gilt yields charged in Public Works Loan Board

rates: such changes could be up or down. It is not clear that if gilt yields were to rise back up again by over 100bps within the next year or so, whether H M Treasury would remove the extra 100 bps margin implemented on 9.10.19.

- 3.10 Economic and interest rate forecasting remains difficult with so many influences weighing on UK gilt yields and Public Works Loan Board rates. The above forecasts, (and Monetary Policy Committee decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

#### **Investment and borrowing rates**

- 3.11 Investment returns are likely to remain low during 2020/21 with little increase in the following two years. However, if major progress was made with an agreed Brexit, then there is upside potential for earnings
- 3.12 Borrowing interest rates were on a major falling trend during the first half of 2019-20 but then jumped up by 100 basis points on 9 October 2019. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. However, the unexpected increase of 100 basis points in Public Works Loan Board rates requires a major rethink of local authority treasury management strategy and risk management.
- 3.13 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.
- 3.14 There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost - the difference between borrowing costs and investment returns.

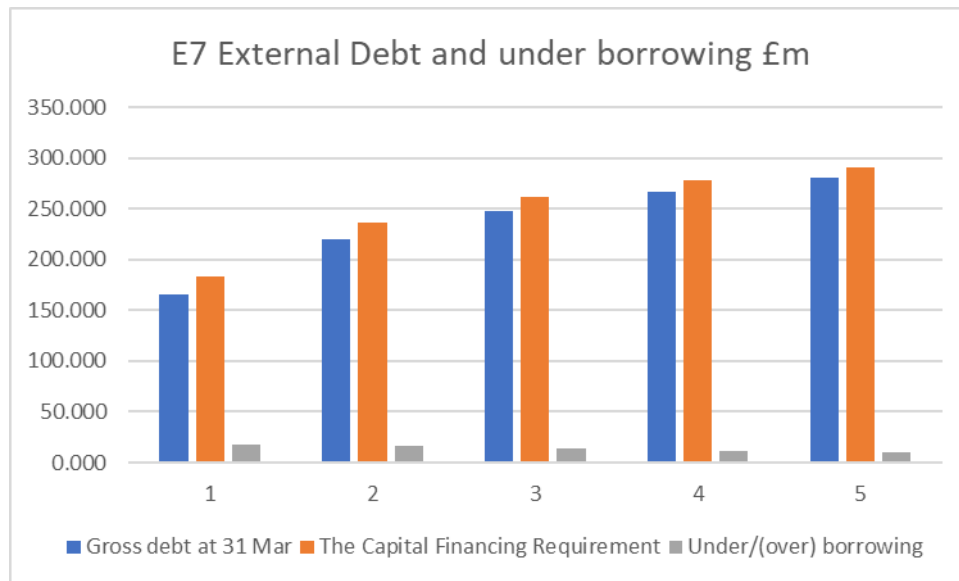
### **4 Borrowing**

- 4.1 The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

#### **Current portfolio position**

- 4.2 The Council's treasury portfolio position at 31 March 2019, 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.

The Council's forward projections for borrowing 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.

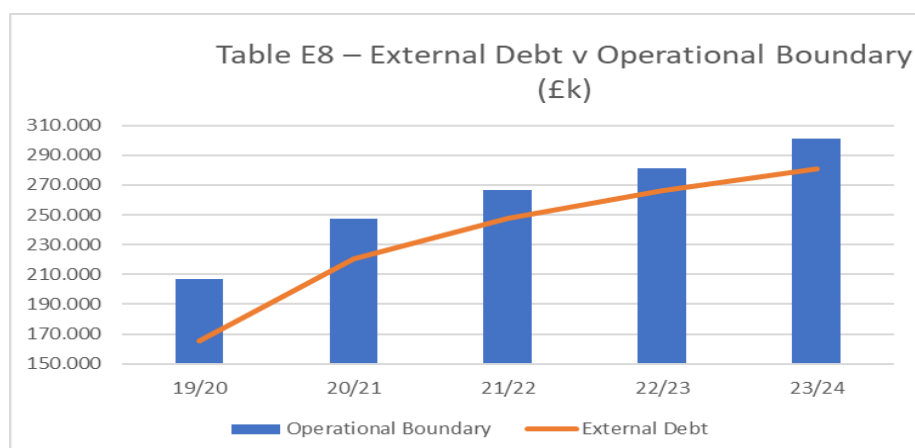


4.3 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short-term, exceed the total of the Capital Financing Requirement in the preceding year plus the estimates of any additional Capital Financing Requirement for 2018/19 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

4.4 The S151 Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this report.

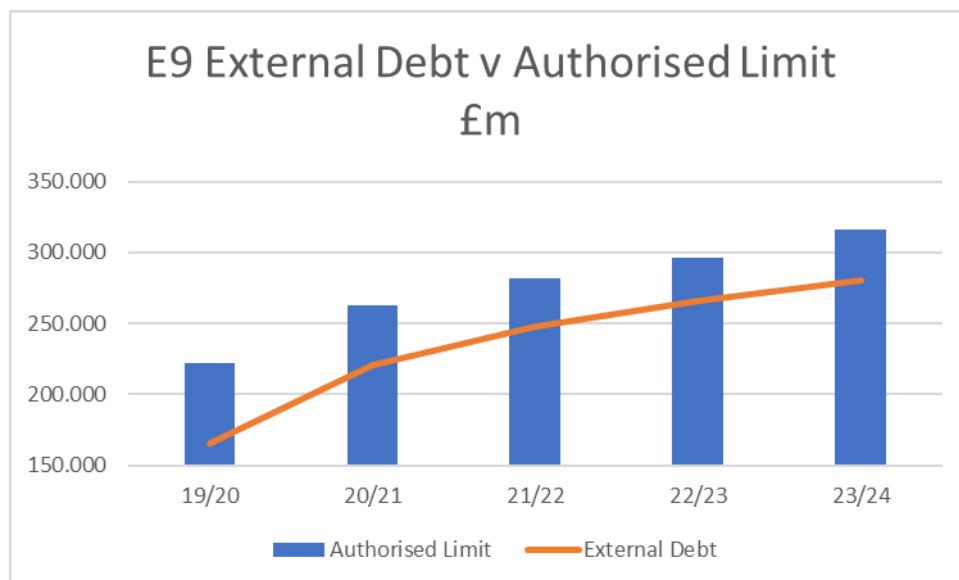
### **Treasury Indicators: Limits to Borrowing Activity**

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





- 4.6 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 beyond which external debt is prohibited. 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.

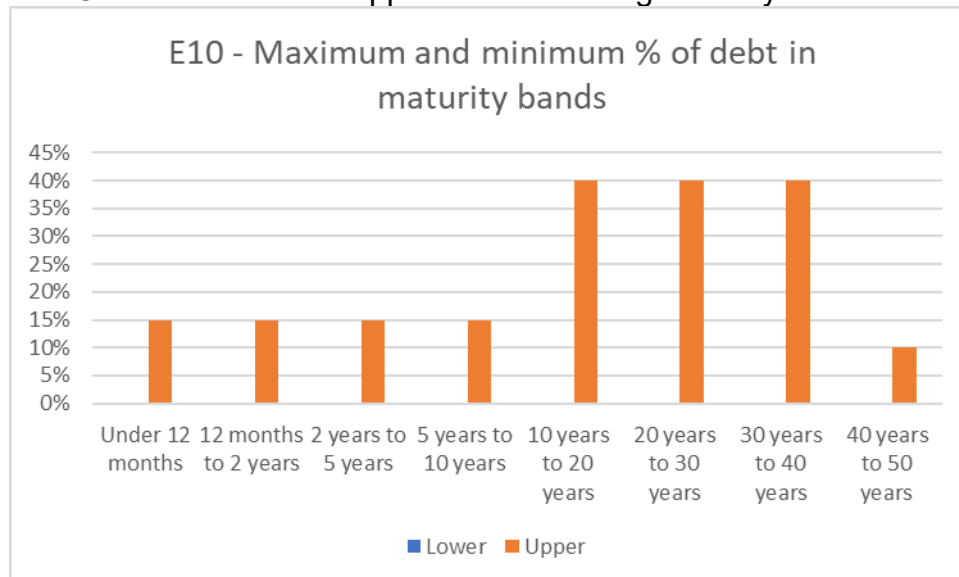


### Borrowing Strategy

- 4.7 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.
- 4.8 Against this background and the risks within the economic forecast, caution will be adopted with the 2020/21 treasury operations. The S151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- if it was felt that there was a significant risk of a sharp FALL in long and short-term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long-term borrowing will be postponed, and potential rescheduling from fixed rate funding into short-term borrowing will be considered.
  - if it was felt that there was a significant risk of a much sharper RISE in long and short-term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- 4.9 Any decisions will be reported to the Scrutiny Panel or Governance and Audit Committee at the next available opportunity.

## Treasury Management Limits on Activity

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



## Policy on Borrowing in Advance of Need

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

## Debt Rescheduling

- 4.13 As short-term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long-term debt to short-term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of

debt repayment (premiums incurred). The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

- 4.14 Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short-term rates on investments are likely to be lower than rates paid on current debt.
- 4.15 Any rescheduling will be reported to the Scrutiny Panel or the Governance and Audit Committee at the earliest meeting following its action.

### **Municipal Bond Agency**

- 4.16 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.

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

- 4.17 This standard replaces the current guidance in International Accounting Standard 17 on leases. The standard provides a single lessee accounting model, requiring 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, with International Financial Reporting Standard 16's approach to lessor accounting remaining substantially unchanged from the International Financial Reporting Standard 17 approach. The implementation of this new requirement will increase the Council's liability and impact the Council's borrowing limits
- 4.18 In December 2018, the Chartered Institute of Public Finance and Accountancy /Local Authority Scotland Accounts Advisory Committee announced its plans to delay implementation of International Financial Reporting Standard 16 in the Code until 1 April 2020. The Council will therefore need to adopt International Financial Reporting Standard 16 from 1 April 2020. The impact of adopting International Financial Reporting Standard 16 will be disclosed in the financial statements for the year ending 31 March 2021.

### **Housing Revenue Account borrowing**

- 4.19 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 a specific purpose. 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.

- 4.20 As the Council is maintaining an under-borrowed position, the Housing Revenue Account will be recharged 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.

## **5 Annual Investment Strategy**

### **Investment Policy**

- 5.1 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, essentially the purchase of income yielding assets, are covered in the Capital Strategy.
- 5.2 In accordance with the above guidance, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short-term and Long-term ratings.
- 5.3 Ratings will not be the sole determinant of the quality of an institution, and it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this the Council will engage with its advisors to maintain a monitor on market pricing such as Credit Default Swaps and overlay that information on top of the credit ratings.
- 5.4 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 5.5 Investment instruments identified for use in the financial year are listed in the Appendix, which includes Counterparty, time and monetary limits. These will cover both 'Specified' and 'Non-Specified' Investments.
- 5.6 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.
- 5.7 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

5.8 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;
- CDS spreads that may give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

5.9 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

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

- No colour not to be used

5.10 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.

5.11 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.

5.12 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.

5.13 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

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

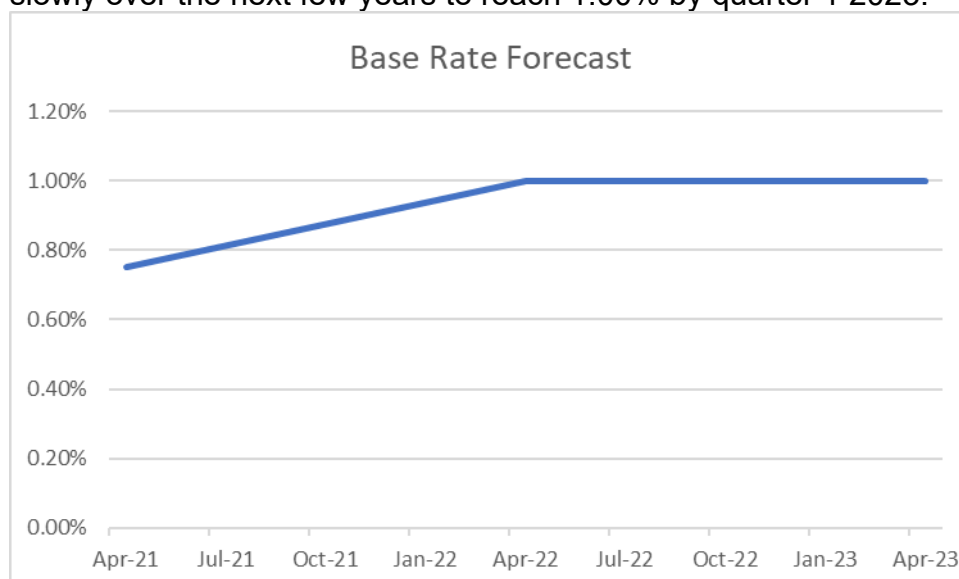
5.15 In addition:

- 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.

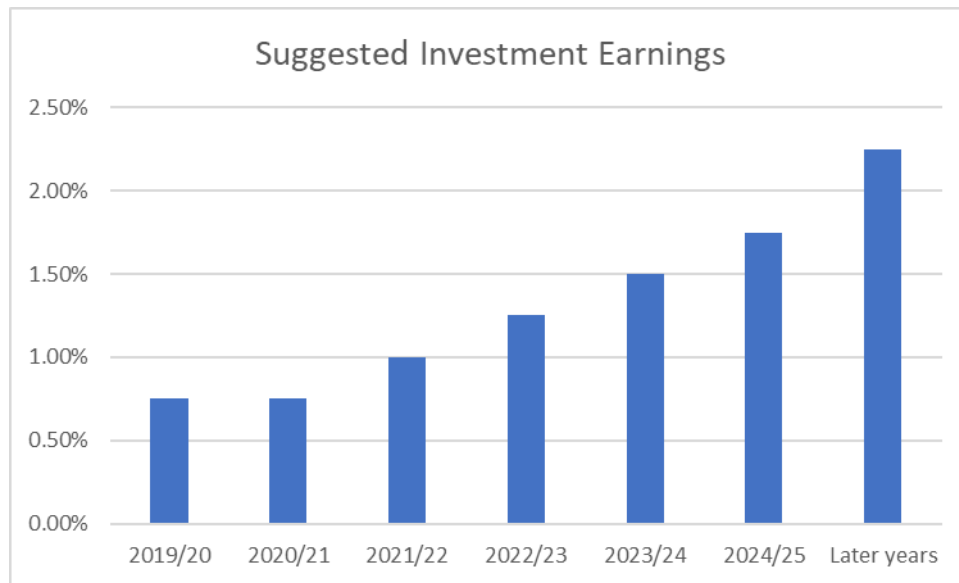
#### Investment strategy

5.16 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.

5.17 On the assumption that the UK and EU agree a Brexit deal including the terms of trade by the end of 2020 or soon after, then Bank Rate is forecast to increase only slowly over the next few years to reach 1.00% by quarter 1 2023.



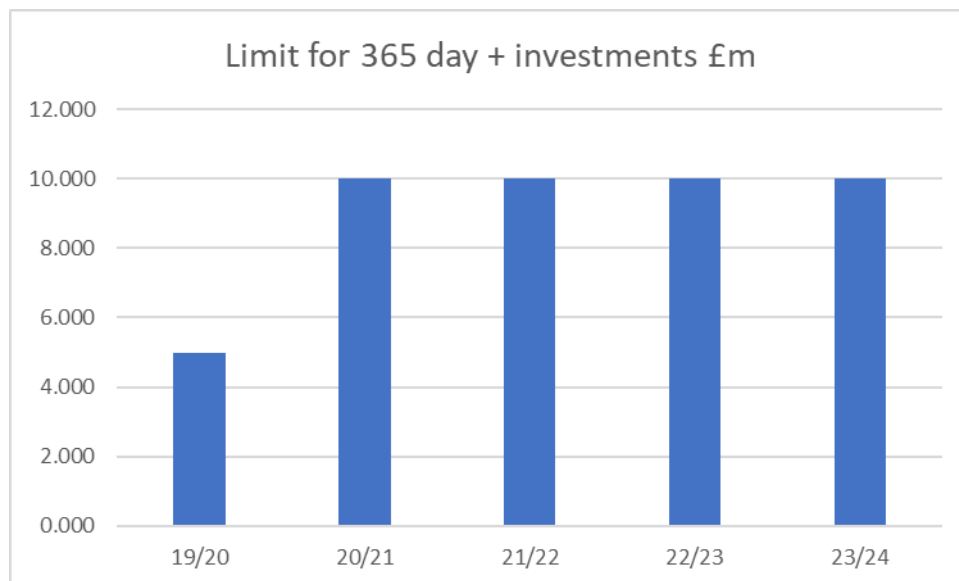
- 5.18 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:



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

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

- 5.20 The limit for the total principal funds invested for greater than 365 days is set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.



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

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

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

Bank Rate															
	Now	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Link Asset Services	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.25%
Capital Economics	0.75%	0.75%	0.75%	0.50%	0.50%	0.50%	-	-	-	-	-	-		-	-
5yr PWLB Rate															
	Now	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Link Asset Services	2.36%	2.30%	2.40%	2.40%	2.50%	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.20%	3.20%
Capital Economics	2.36%	2.40%	2.40%	2.40%	2.40%	2.40%	-	-	-	-	-	-		-	-
10yr PWLB Rate															
	Now	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Link Asset Services	2.61%	2.60%	2.70%	2.70%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.50%
Capital Economics	2.61%	2.60%	2.60%	2.60%	2.60%	2.60%	-	-	-	-	-		-	-	-
25yr PWLB Rate															
	Now	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Link Asset Services	3.18%	3.20%	3.30%	3.40%	3.40%	3.50%	3.60%	3.70%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.10%
Capital Economics	3.18%	2.90%	2.90%	2.90%	2.90%	2.90%	-	-	-	-	-	-	-	-	-
50yr PWLB Rate															
	Now	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Link Asset Services	3.04%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.60%	3.60%	3.70%	3.80%	3.90%	3.90%	4.00%	4.00%
Capital Economics	3.04%	3.00%	3.00%	3.00%	3.00%	3.00%	-	-	-	-	-	-		-	-



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

## Treasury Management Strategy Statement Supporting Tables

<b>Table E2 – Capital Expenditure (£k)</b>						
		<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>
1	General Fund	37,159	41,949	9,700	3,300	8,400
2	General Fund commercial activities	9,180	28,300	500	420	0
3	Total General Fund	46,339	72,249	10,200	3,720	8,400
4	Housing Revenue Account	18,868	30,163	35,349	30,389	21,316
5	<b>Total</b>	<b>65,211</b>	<b>102,412</b>	<b>45,549</b>	<b>34,109</b>	<b>29,716</b>

<b>Table E3 – Net Financing Need (£k)</b>						
		<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>
1	Capital receipts	17,825	23,625	73	0	0
2	Capital grants	16,055	11,578	4,580	3,300	3,400
3	Capital reserves	2,119	3,176	4,583	2,297	1,927
4	Revenue	10,486	8,716	9,554	9,627	9,865
5	<b>Net Financing need</b>	<b>23,302</b>	<b>55,317</b>	<b>26,759</b>	<b>18,885</b>	<b>14,524</b>
6	Total Expenditure	69,787	102,412	45,549	34,109	29,716

<b>Table E4 – Capital Financing Requirement (£k)</b>						
		<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>
1	General Fund	4,654	10,144	2,904	-2,196	2,704
2	Housing Revenue Account	8,052	14,877	21,259	18,465	9,524
3	Commercial Activities	9,180	28,300	500	420	0
4	<b>Total</b>	<b>183,566</b>	<b>236,887</b>	<b>261,550</b>	<b>278,239</b>	<b>290,467</b>
5	<b>Increase on previous year</b>	<b>21,886</b>	<b>53,321</b>	<b>24,663</b>	<b>16,689</b>	<b>12,228</b>

<b>Table E5 – Components of annual movement (£k)</b>						
		<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>
1	Net financing need from Table E5, Row 5	23,302	55,317	26,759	18,885	14,524
2	Less Minimum Revenue Provision and other financing movements	-1,416	-1,996	-2,096	-2,196	-2,296
3	<b>Movement in Capital Financing Requirement</b>	<b>21,886</b>	<b>53,321</b>	<b>24,663</b>	<b>16,689</b>	<b>12,228</b>

<b>Table E6 – Affordability (%)</b>						
		<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>
	General Fund	9.6	9.1	11.5	10.5	11.0
	Housing Revenue Account	19.5	17.0	19.0	21.3	21.9

<b>Table E7 – External Debt (£k)</b>						
		<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>
1	Debt at 1 April	141,805	165,324	220,641	247,400	266,285
2	New Borrowing	23,302	55,317	26,759	18,885	14,524
3	Other long-term liabilities (OLTL)	217	0	0	0	0
4	Gross debt at 31 Mar	165,324	220,641	247,400	266,285	280,809
5	The Capital Financing Requirement	183,566	236,887	261,550	278,239	290,467
6	Under/(over) borrowing	<b>18,242</b>	<b>16,246</b>	<b>14,150</b>	<b>11,954</b>	<b>9,658</b>

<b>Table E8 – Operational Boundary (£k)</b>						
		<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>
1	Debt	206,632	247,400	266,285	280,809	300,809
2	Other long-term liabilities	217	217	217	217	217
3	Total	<b>206,849</b>	<b>247,617</b>	<b>266,502</b>	<b>281,026</b>	<b>301,026</b>

<b>Table E9 – Authorised Limit (£k)</b>						
		<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>
1	Debt	221,632	262,400	281,285	295,809	315,809
2	Other long-term liabilities	217	217	217	217	217
3	Total	<b>221,849</b>	<b>262,617</b>	<b>281,502</b>	<b>296,026</b>	<b>316,026</b>

<b>Table E10 - Maturity structure of fixed interest rate borrowing 2020/21</b>		
	Lower	Upper
Under 12 months	0%	15%
12 months to 2 years	0%	15%
2 years to 5 years	0%	15%
5 years to 10 years	0%	15%
10 years to 20 years	0%	40%
20 years to 30 years	0%	40%
30 years to 40 years	0%	40%
40 years to 50 years	0%	10%

<b>Table E11 – Maximum sum invested over 365 days (£k)</b>						
		<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>
	365+ investments	5,000	10,000	10,000	10,000	10,000

## Appendix F – Technical reconciliations of budget requirement

<b>Table F1 – Technical reconciliation of budget requirement</b>		
	Element	£'000
1	Revenue expenditure requirement for 2020/21	24,514
2	Collection fund deficit (business rates and Council Tax)	540
3	New Homes Bonus	(3,602)
5	Use of balances / reserves for pensions payment	(1,870)
6	Use of Business Rates Reserve	(540)
7	Use of Business Rates Pooling gain	(200)
8	Use of balances	(310)
<b>9</b>	<b>Budget Requirement</b>	<b>18,532</b>
10	Funded by:	
11	Business Rates Baseline Funding	(4,300)
12	Business Rates Improvement	(1,729)
13	Council Tax Payers requirement (before Parish element) see below*	(12,503)
<b>14</b>	<b>Total Funding</b>	<b>(18,532)</b>

<b>Table F2 – Technical reconciliation of Band D Council Tax</b>		
1	Council Tax Payers requirement (before Parish element)	12,503
2	Council Tax Base – Band D Properties	63,933
<b>3</b>	<b>Council Tax at Band D</b>	<b>195.56</b>

<b>Table F3 – Technical reconciliation of 2020/21 Base Budget</b>		
1	Base Budget	20,206
2	One-off items	(270)
3	Cost Pressures	5,768
4	New Strategic Priorities excluding New Homes Bonus - revenue	71
5	New Strategic Priorities excluding New Homes Bonus - capital financing	145
6	Growth Items	55
7	Savings	(1,848)
8	Change in use of New Homes Bonus for one off investment	387
<b>9</b>	<b>Forecast Base Budget</b>	<b>24,514</b>

<b>Table F4 – Technical reconciliation of 2020/21 savings</b>		
1	Commercial approach	753
2	Digitalisation	50
3	External Funding	192
4	Fees and Charges	301
5	Invest to Save	350
6	Procurement	150
7	Supplies & Services	52
8	<b>Total Savings</b>	<b>1,848</b>

<b>Table F5 – Technical reconciliation of 2020/21 pressures</b>		
1	General Inflation	817
2	IT costs	77
3	Council Tax Sharing Agreement	0
4	Refuse vehicles and crew	62
5	Staffing Changes	133
6	Commercial Income	126
7	Net impact of Minimum Revenue Provision and Interest	418
8	IT costs	225
9	Finance System Upgrade	24
10	Procurement TUPE	24
11	Review of budget targets	11
12	S&L - pensions and income	127
13	Northern Gateway Sports	72
14	Colchester & Ipswich Museums Service	40
15	Fuel	60
16	Use of Glyphosate Herbicides	21
17	Rowan House Lease	125
18	2019 Actuarial Review Impact	586
19	LCTS - Care Leavers	15
20	Pensions (3 year up-front deficit payment)	2,805
21	<b>Cost pressures excluding New Strategic priorities</b>	<b>5,768</b>
22	New Strategic Priorities excluding New Homes Bonus - Revenue/Capital Financing	216
23	<b>Total cost pressures</b>	<b>5,984</b>

<b>Table F6 – Reconciliation of Medium Term Financial Forecast</b>						
		<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
1	Base Budget	20,438	19,921	20,351	21,216	21,918
2	New Homes Bonus for Strategic Priorities	1,469	1,928	2,091	2,258	2,658
3	Use of reserves	(1,701)	2,665	(625)	(625)	(750)
4	Budget Requirement	20,206	24,514	21,817	22,849	23,826

## Appendix G - Summary Budget 2020/21

	Adjusted Base Budget	One-Off Items	Cost Pressures	Growth Items	Technical Items	Total Savings	Detailed 20/21 Budgets
		£'000	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core	(264)	0	0	0		0	(264)
Executive Management Team	657	0	48	0		0	705
Community	2,147	(90)	204	20		(422)	1,859
Customer	3,205	0	223	35		(218)	3,245
Environmental (excluding North Essex Parking Partnership)	5,374	0	511	0		(770)	5,115
Policy & Corporate	7,774	(25)	1,209	(13)	(0)	(292)	8,653
Total General Fund Services	18,893	(115)	2,195	42	(0)	(1,702)	19,313
<b>Technical Items</b>							
<i>Corporate Items / sums to be allocated to services</i>							
Investment Allowance funded by New Homes Bonus	2,283	(65)	0	400	0	0	2,618
Futures Reviews Funding	(11)	0	11				0
New Strategic Priorities	0		71			(197)	(126)
Staffing Changes	0		110				110
Services Contribution to IT Equipment	0		0			(58)	(58)
LCTS Care Leavers Scheme	0		15			0	15
Inflation (Pay)	0		223			(23)	200
IT Server costs	75	(75)	0			0	0
Leasing Changes Advice	15	(15)	0			0	0
<i>Non-Service Budgets</i>							
CLIA (net interest)	530		403			(100)	833

	Adjusted Base Budget	One-Off Items	Cost Pressures	Growth Items	Technical Items	Total Savings	Detailed 20/21 Budgets
		£'000	£'000	£'000	£'000	£'000	£'000
R&R Contribution	300		0				300
Min Revenue Provision	1,141		159			232	1,532
Pensions	366		2,805				3,171
Contribution to Bad Debts Provision	20		0				20
General Fund/ Housing Revenue Account /North Essex Parking Partnership Adjustment	(3,406)		(8)				(3,414)
Total Below the Line	1,313	(155)	3,789	400	0	(146)	5,201
<b>Total incl Below the line</b>	<b>20,206</b>	<b>(270)</b>	<b>5,984</b>	<b>442</b>	<b>(0)</b>	<b>(1,848)</b>	<b>24,514</b>
<b>Funded by:-</b>							
Use of balances	0	0	0		(125)		(125)
Contribution to balances	1,786	(1,786)	0		935		935
Contribution to Business Rates Reserve	406	(406)	0		0		0
Use of other Earmarked Reserves	(185)	185	0		(2,990)		(2,990)
Use of NNDR reserve	0	0	0		(540)		(540)
Business Rates Baseline	(4,257)		(43)				(4,300)
NNDR Levy Surplus	(65)	65	0				0
NNDR Growth above Baseline	(1,600)		0		(125)		(1,725)
Business Rates Pooling	(200)		0		0		(200)
Council Tax	(12,072)		0		(435)		(12,507)
Collection fund Transfer	(604)	604	0		540		540
New Homes Bonus	(3,415)		0		(187)		(3,602)
<b>Total</b>	<b>(20,206)</b>	<b>(1,338)</b>	<b>(43)</b>	<b>0</b>	<b>(2,927)</b>	<b>0</b>	<b>(24,514)</b>



## Appendix H - 2020/21 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>	286	(550)	(264)	2,597	2,333
<b>Total</b>	<b>286</b>	<b>(550)</b>	<b>(264)</b>	<b>2,597</b>	<b>2,333</b>
<b>Executive Management Team</b>					
EMT	705	-	705	(705)	-
<b>Total</b>	<b>705</b>	<b>-</b>	<b>705</b>	<b>(705)</b>	<b>-</b>
<b>Community</b>					
Assistant Director	157	-	157	(157)	-
Licencing, Food & Safety	526	(537)	(11)	432	421
Community Safety	93	-	93	22	115
Environmental Health Services	519	(67)	452	183	635
Building Control	444	(455)	(11)	268	257
Community Initiatives	403	-	403	184	587
Private Sector Housing	508	(172)	336	140	476
Bereavement Services	923	(1,585)	(662)	289	(373)
Cultural Services	599	(107)	492	946	1,438
Colchester Museums	70	(532)	(462)	34	(428)
<b>Subtotal</b>	<b>4,242</b>	<b>(3,455)</b>	<b>787</b>	<b>2,341</b>	<b>3,128</b>
Colchester & Ipswich Museums	2,195	(1,123)	1,072	846	1,918
<b>Total</b>	<b>6,437</b>	<b>(4,578)</b>	<b>1,859</b>	<b>3,187</b>	<b>5,046</b>
<b>Customer</b>					
Assistant Director	153	-	153	(153)	-
Customer Business	672	(149)	523	(523)	-
Local Taxation & NNDR	486	(713)	(227)	661	434
Customer Solutions	1,122	(100)	1,022	(1,022)	-
Customer Experience	2,406	(312)	2,094	(2,094)	-
Electoral Services	420	(3)	417	109	526
<b>Subtotal</b>	<b>5,259</b>	<b>(1,277)</b>	<b>3,982</b>	<b>(3,022)</b>	<b>960</b>
Benefits - Payments & Subsidy	38,577	(39,314)	(737)	883	146
<b>Total</b>	<b>43,836</b>	<b>(40,591)</b>	<b>3,245</b>	<b>(2,139)</b>	<b>1,106</b>
<b>Environment</b>					
Assistant Director	146	-	146	(146)	-
Neighbourhood Services	11,145	(3,475)	7,670	2,766	10,436
Car Parking	1,084	(3,970)	(2,886)	1,038	(1,848)
<b>Subtotal</b>	<b>12,375</b>	<b>(7,445)</b>	<b>4,930</b>	<b>3,658</b>	<b>8,588</b>

		Direct Budgets				Non-Direct Budgets	
	North Essex Parking Partnership	3,752	(3,637)	115		120	235
	<b>Total</b>	<b>16,127</b>	<b>(11,082)</b>	<b>5,045</b>		<b>3,778</b>	<b>8,823</b>
	<b>Policy &amp; Corporate</b>						
	Assistant Director	167	-	167		(167)	-
	Finance	966	(146)	820		(821)	(1)
	ICT	2,077	(245)	1,832		(1,832)	-
	People and Performance	756	(189)	567		(633)	(66)
	Governance	3,024	(304)	2,720		(2,666)	54
	Place Strategy	1,251	(25)	1,226		(79)	1,147
	Planning	1,164	(1,227)	(63)		759	696
	Housing	2,060	(818)	1,242		(134)	1,108
	Communications	638	(189)	449		(449)	-
	<b>Subtotal</b>	<b>12,103</b>	<b>(3,143)</b>	<b>8,960</b>		<b>(6,022)</b>	<b>2,938</b>
	<i>Company Related:-</i>						
	Client - Commercial Company	1,837	(528)	1,309		(1,837)	(528)
	Corporate Asset Management	1,749	(270)	1,479		(1,404)	75
	Commercial & Investment Props	260	(3,119)	(2,859)		2,428	(431)
	Sport & Leisure	5,335	(5,571)	(236)		2,070	1,834
	<b>Total</b>	<b>21,284</b>	<b>(12,631)</b>	<b>8,653</b>		<b>(4,765)</b>	<b>3,888</b>
	Adjustment for NEPP use of balances	-	185	185		-	185
	<b>Total (excl. NEPP)</b>	<b>84,923</b>	<b>(65,610)</b>	<b>19,313</b>		<b>1,833</b>	<b>21,146</b>

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

## Appendix I – Reserves, Provisions and Balances

	2018/19	2019/20		2020/21
	Actual	Actual	Forecast	Forecast
General Reserve -	2,630	2,586	2,498	2,373
General Reserve - Risk Allocation	1,161	1,161	661	661
General Reserve - Carry-forwards	2,272	522	522	522
Pension Reserve	1,289	3,214	3,214	900
Redundancy, North Essex Parking Partnership, Colchester & Ipswich Museum Service	582	263	463	463
Renewals and Repairs	2,105	2,403	1,903	1,903
Insurance	471	471	471	471
Capital Expenditure Reserve	1,448	1,593	600	600
Capital Receipts Reserve	391	5,011	1,000	1,000
Gosbecks Reserve	171	171	171	171
Heritage Reserve	117	100	100	100
Revenue Grants unapplied	2,944	3,651	2,916	2,916
Parking Reserve	1,458	1,274	1,089	904
Heritage Mersea Mount	11	11	11	0
Business Rates Reserve	1,443	1,510	1,510	770
Mercury Theatre Reserve	110	110	110	0
Revolving Investment Fund Reserve	1,292	1,898	1,000	250
S106 / Asset replacement	45	48	0	0
<b>TOTAL General Fund</b>	<b>19,940</b>	<b>25,997</b>	<b>18,239</b>	<b>14,004</b>
Housing Revenue Account Reserve	4,564	4,564	4,373	3,873
Major Repairs Reserve	3,653	3,653	0	0
Housing Revenue Account Retained Right To Buy Receipts – Debt	5,597	5,597	6,427	1,313
Housing Revenue Account Retained Right To Buy Receipts – Replacement	5,870	5,870	5,549	4,281
<b>TOTAL Housing Revenue Account</b>	<b>19,684</b>	<b>19,684</b>	<b>16,349</b>	<b>9,467</b>
<b>Total</b>	<b>39,624</b>	<b>45,681</b>	<b>34,588</b>	<b>23,471</b>

## Appendix J – Allocation of New Homes Bonus

	Allocation of New Homes Bonus	2019/20	2020/21	2021/22	2022/23	2023/24
		£'000	£'000	£'000	£'000	£'000
1	New Homes Bonus	3,415	3,602	3,262	3,257	3,261
2	Allocated to:-					
3	Contribution to RIF	250	250	250	250	250
4	Affordable housing allocation	163	150	88	116	120
5	Base Budget	1,033	833	633	433	233
6	Allocation to CNG Sports Project	500				
7	Savings Implementation Costs	0	441	200	200	0
8	Local Plan allocation reserved for NEGC contributions or alternative local plan options dependent on decisions of the Planning Inspector	0	500	500	500	500
9	Support for one-off schemes (see below)	1,469	1,428	1,591	1,758	2,158
10	Total allocation	3,415	3,602	3,262	3,257	3,261
	<b>Use of NHB allocation for one-off schemes</b>					
11	Support for one-off schemes	1,469	1,428	1,591	1,758	2,158
12	Allocated to:					
13	Cultural Events Fund 2020-21		20			
14	High Street (net additional contribution to ECC works)		40			
15	Environment & Sustainability Task and 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		150			
20	<b>Balance for future allocation and New Strategic Priorities</b>		948	1,591	1,758	2,158

## Scrutiny Panel

28 January 2020

Item  
**11**

<b>Report of</b>	<b>Assistant Director for Corporate and Improvement Services</b>	<b>Author</b>	<b>Owen Howell</b> ☎ 282518
<b>Title</b>	<b>2020/21 Housing Revenue Account Estimates and Housing Investment Programme</b>		
<b>Wards affected</b>	Not applicable		

### 1. Executive summary

- 1.1 This report invites the Panel to review and comment on the 2020/21 Housing Revenue Account Estimates and the Housing Investment Programme reports which are to be submitted to Cabinet on 29 January 2020.

### 2. Action Required

- 2.1 The Panel is asked to review and comment on the 2020/21 Housing Revenue Account Estimates and the Housing Investment Programme reports which are to be submitted to Cabinet on 29 January 2020. Any comments made by the Panel will be submitted to the Cabinet meeting for further consideration.

### 3. Reason for Scrutiny

- 3.1. The attached reports should be read and considered alongside each other to provide an assessment of the Council's overall Housing Revenue Account financial position and plans.
- 3.2 The Panel may, at Cabinet's request, scrutinise decisions to be taken by the Cabinet and report any comments or concerns for further consideration by Cabinet prior to the decision being taken.

### Appendices:

**Appendix A** – Housing Revenue Account Estimates 2020/21

**Appendix B** - Housing Investment Programme (HIP) 2020/21



Report of	Assistant Director for Place and Client Services	Author	Darren Brown ☎ 282891
Title	Housing Revenue Account Estimates 2020/21		
Wards affected	All		

**This report presents the Housing Revenue Account (HRA) estimates for 2020/21, the Medium Term Financial Forecast (MTFF) for 2020/21 to 2024/25, and the 30 Year HRA financial model**

## 1. Executive Summary

- 1.1 This report sets out the Housing Revenue Account budget for 2020/21, 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 2020/21 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 5.8).
- 2.3 To approve the HRA revenue funded element of £6,962,500 included within the total management fee for Colchester Borough Homes (CBH) (set out in paragraph 5.15).
- 2.4 To note a revenue contribution of £2,716,000 to the Housing Investment Programme is included in the budget (paragraph 5.31).
- 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 2020/21*

4.1 There are a number of key issues relating to the HRA budget for 2020/21, with further details being included within the main body of the report. However, in summary they are as follows;

- This is the first year when rent increases will return to the Government's formulaic increase of Consumer Price Index (CPI) + 1%, following the imposed rent reduction of 1% from 2016/17 to 2019/20.
- 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 will review its Asset Management Strategy in 2020 following the end of the Governments 4 year rent reduction policy.
- This is the seventh 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 seventh 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.
- This is the ninth 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.
- The project to replace the current Housing Management IT system is underway, with the majority of the investment required in 2020/21.

### **Prudence**

4.1.1 This report and the 2020/21 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 2019 totalled 5,900 dwellings, with a balance sheet value of £371.4million.

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 5.29.

### **Housing Rents**

4.2.1 The Governments 4 year rent reduction period ended in 2019/20, and the Government has already announced that rents will 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.

- 4.2.2 There is no information to suggest what will happen to rents after 2024/25, but the assumption within the MTFF 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 2020/21 HRA budget, it is necessary to revisit the 2019/20 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.

#### **2019/20 Revised Housing Revenue Account**

- 4.4 Appendix A shows the Revised Housing Revenue Account (HRA) estimates for 2019/20. There have been some amendments to the original budget for 2019/20 during the course of the current financial year. A reconciliation is therefore provided in the following table between the Original and Revised budget for 2019/20:-

#### **Reconciliation between Original and Revised 2019/20 HRA Budget**

	<b>Budget 19/20</b>	<b>Commentary</b>
	<b>£'000</b>	
<b>Original Budget Deficit</b>	-	Agreed 30 <sup>th</sup> January 2019
2018/19 Budgets c/fwd	191	Agreed by Assistant Director of Policy and Corporate
<b>Revised Budget Deficit</b>	<b>191</b>	

#### **2019/20 Forecast Outturn Position**

- 4.5 When considering the financial position of the HRA, in addition to the adjustments to the 2019/20 original budget shown in the above table, it is important to note the 2019/20 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 19/20</b>
	<b>£'000</b>
Employee costs	(14)
Net Rental & Tenants Service Charge Income	283
<i>One-off/Technical Items</i>	
Revenue Contribution to Capital (RCCO)	(269)
<b>Forecast 2019/20 Outturn Variance</b>	<b>-</b>

- It is forecast that we will receive less rental and tenants service charge income of £283k. 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. The net impact of the HEYLO scheme no longer going ahead is also reflected in this forecast.
- As a result of the income forecast this financial year, a reduced Revenue Contribution to Capital of £269k to fund the Housing Capital Programme in 2019/20 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 2020/21 budget therefore reflects the ninth 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. 2020/21 Housing Revenue Account Budget**

- 5.1 Appendix A shows the Housing Revenue Account (HRA) estimates for 2020/21. This shows a predicted HRA deficit of £500k, which represents a planned use of HRA balances.
- 5.2 It should be noted that the MTFE included within the 2019/20 HRA budget cycle and considered by Cabinet on 30<sup>th</sup> January 2019 estimated a break-even budget for 2020/21. Although this is now showing as a deficit, this simply reflects that we are planning to use HRA balances that have been specifically earmarked to fund the replacement of the Housing Management system.

### **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 2021 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 2020/21 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.
- 5.7 Members will be aware that we are replacing our Housing Management system, which means a significant level of investment is required in 2020/21. This includes the cost of purchasing and implementing the system, as well as the cost of running the project, which is being undertaken jointly by officers from the Council and CBH. We have been earmarking resources for this purpose in recent years, therefore it is intended to use £500k of HRA balances to partially support the one-off investment required in 2020/21 for this project.

#### **Income** **Housing Rents**

- 5.8 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 2020/21 is £87.43 per week compared to a current average of £85.13, an increase of £2.30 (2.7%) per week. It is difficult to anticipate future rent increases after 2020/21, 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.
- 5.9 Sales of council houses under the Right to Buy (RTB) scheme could reach 30 this year (29 sold in 2018/19 and 46 sold in 2017/18), which is in-line with the number included in the 2019/20 HRA budget. The level of sales has levelled out in recent years, therefore the 2020/21 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.
- 5.10 The budget for 2020/21 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 2019/20 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.
- 5.11 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 2020/21 budget includes an estimate for the additional rental income these measures will generate.

### ***Other Income***

- 5.12 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.
- 5.13 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 2020/21 assumes that the demand for these services will remain the same as the current financial year, unless mentioned otherwise.
- 5.14 The de-pooling of service charges to individual tenants was implemented in 2008/09. There have not been any new service charges introduced for 2020/21, only an update of existing charges to reflect the actual cost of the services provided.

### **Expenditure**

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

- 5.15 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 2020/21 CBH Management Fee**

	<b><i>Budget 20/21</i></b>	<b><i>Funding Source</i></b>
	<b>£</b>	
CBH Management costs	3,652,500	CBH Ltd Management Fee at Appendix A
R&M Management Fee	528,000	Included in Repairs & Maintenance at Appendix A
R&M Works	2,782,000	Included in Repairs & Maintenance at Appendix A
<b>Sub-Total: HRA</b>	<b>6,962,500</b>	
Capital Fee	1,371,700	Included within the 2020/21 Housing Investment Programme
<b>Sub-Total: HIP</b>	<b>1,371,700</b>	
Anti-Social Behaviour Team	49,500	Included within the 2020/21 General Fund Budget
Professional Support Unit	126,000	Included within the 2020/21 General Fund Budget
Housing Options Team	648,600	Included within the 2020/21 General Fund Budget
Facilities Management/ Engineering Team	520,200	Included within the 2020/21 General Fund Budget
Housing Systems Team	85,600	Included within the 2020/21 General Fund Budget
<b>Sub-Total: General Fund</b>	<b>1,429,900</b>	
<b>Total Management Fee</b>	<b>9,764,100</b>	

- 5.16 The base management fee for 2020/21 includes an allowance for pay inflation, along with an increased provision following a review of the cost of services CBH buys-in from the Council.
- 5.17 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 2020/21 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***

- 5.18 The 2020/21 HRA budget includes £7,262,900 for management costs, an increase from 2019/20 (£5,993,300). 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 2019/20 budget is given in the following paragraphs;
- 5.19 The budget for Premises costs has decreased by £48,500 for 2020/21. The provision for the revenue costs of the HEYLO Housing scheme has been removed, as the scheme is no longer going ahead. There has been an increase in the budgets for utilities, reflecting an update on usage and pricing, as well as increases for budgets relating to Grounds Maintenance budgets and Cleaning contracts.
- 5.20 The budget for Supplies and Service costs has increased by £748,200. The provision in the 2019/20 budget to replace our Housing Management system has been increased by £650,000 for 2020/21, to meet project and implementation costs. These costs will fall-out in the 2021/22 budget. The new system provides us with a solution that meets the Councils ICT strategy, is fully supplier hosted and also meets the current and future business needs of CBH and our customers. Investment is also being made in replacing existing IT kit, and office 365 licence costs.
- 5.21 The budget for Removal and Disturbance payments has been increased by £50,000 as a provision for the refurbishment programme at Elfreda House.
- 5.22 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 2020/21 has increased by £525,700 from 2019/20. This primarily relates to an additional cost of £495,000, which reflects the continued approach of paying 3 years pension deficit funding contributions "up-front", which results in an overall saving over 3 years. This is the same approach adopted within the Councils General Fund budget for 2020/21, which is considered elsewhere on the agenda. The budget will reduce back down for 2021/22 & 2023/23.

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

- 5.23 The 2020/21 Housing Investment Programme has been drafted and is included elsewhere on the agenda for approval. In respect of revenue works £5,334,400 has been included in the budget for repairs and maintenance (compared to £5,156,400 in 2019/20), of which £3,310,000 is specifically for works and associated overheads included within the CBH Management Fee. A provision of £1,795,000 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**

- 5.24 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.
- 5.25 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 now has circa £130million of housing debt, 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.
- 5.26 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 2020/21 budget or MTFF at this point in time.
- 5.27 The 2020/21 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 now being treated consistently.
- 5.28 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:

- 5.29 **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.

<b>18/19 Actual</b>	<b>19/20 Estimate</b>	<b>20/21 Estimate</b>	<b>21/22 Estimate</b>	<b>22/23 Estimate</b>	<b>23/24 Estimate</b>	<b>24/25 Estimate</b>
1.63	1.46	1.49	1.63	1.54	1.51	1.53

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

- 5.30 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.
- 5.31 The revenue contribution included in the estimates is £2,716,000. The majority of this budget is to support the capital work programmes to the housing stock in 2020/21, which are included within the Housing Investment Programme report elsewhere on the agenda. However a provision of £140,000 has been included for ICT, which is intended to support various projects, most notably the replacement of the existing Housing Management system.

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

- 5.32 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 2020/21 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

Area	Comment
	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.
2019/20 Outturn	An overspend of £269k is currently predicted for this year, which means a greater proportion of our Housing Capital Programme will be funded from new borrowing. Any variance on the forecast will result in a higher or lower RCCO, which will have a knock-on impact on the amount of any new borrowing undertaken.

- 5.33 As shown in paragraph 5.32 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 2020	Updated outturn forecast.
July 2020	Provisional pre-audit outturn / current year issues etc.
September 2020/ October 2020	Mid-year review.
December 2020 / January 2021	Outturn review / Budget 2021/22.

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

- 6.1 As part of the budget process for 2020/21 a MTFF has been produced for the HRA. This sets out the indicative budget position for the period 2020/21 to 2024/25. 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.

➤ **Debt Repayment**

As a result of the Governments “Re-invigorating the Right To Buy” policy in 2012, Councils are selling more properties than Government assumed as part of the original HRA Reform debt settlement in April 2012. The Government therefore introduced a system which shares capital receipts. Part of this sharing enables Councils to re-invest capital receipts in the replacement of these additional sales (namely 1-4-1 RTB receipts). It also allows Councils to retain a proportion of capital receipts to reduce HRA debt, which are held in a separate reserve. The logic being that each property in the HRA supports the overall level of HRA debt through its net rental income (excess of rental income over running costs). Therefore, if we didn’t reduce debt, it would mean our HRA Business Plan would have debt but without the necessary number of dwellings to service that debt as a result of their sale. Therefore by reducing debt, we would reduce our interest costs payable and be able to maintain existing levels of services to tenants and leaseholders. Put another way, if we did not reduce our debt, an increasing proportion of tenants rental income would be spent on interest costs, with a decreasing proportion being spent on existing services.

The next opportunity to repay debt is in May 2020, when a £17.6million loan matures. It has been forecast that there will be circa £6million in the debt repayment reserve at that point in time. Therefore, at the time of maturity, it is assumed that we will re-finance and use the resources in the reserve so we can borrow a lower figure. Using these figures, it would mean we would take out a new loan of £11.6million. Hence our overall level of debt would reduce by £6million and there would be a saving to the HRA as interest costs payable would be lower, due to the lower level of debt and the projected borrowing rate being considerably lower than that of the current loan.

➤ **Rental income**

From 2020/21, 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 2019/20 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 2020/21 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 ends, 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. 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***

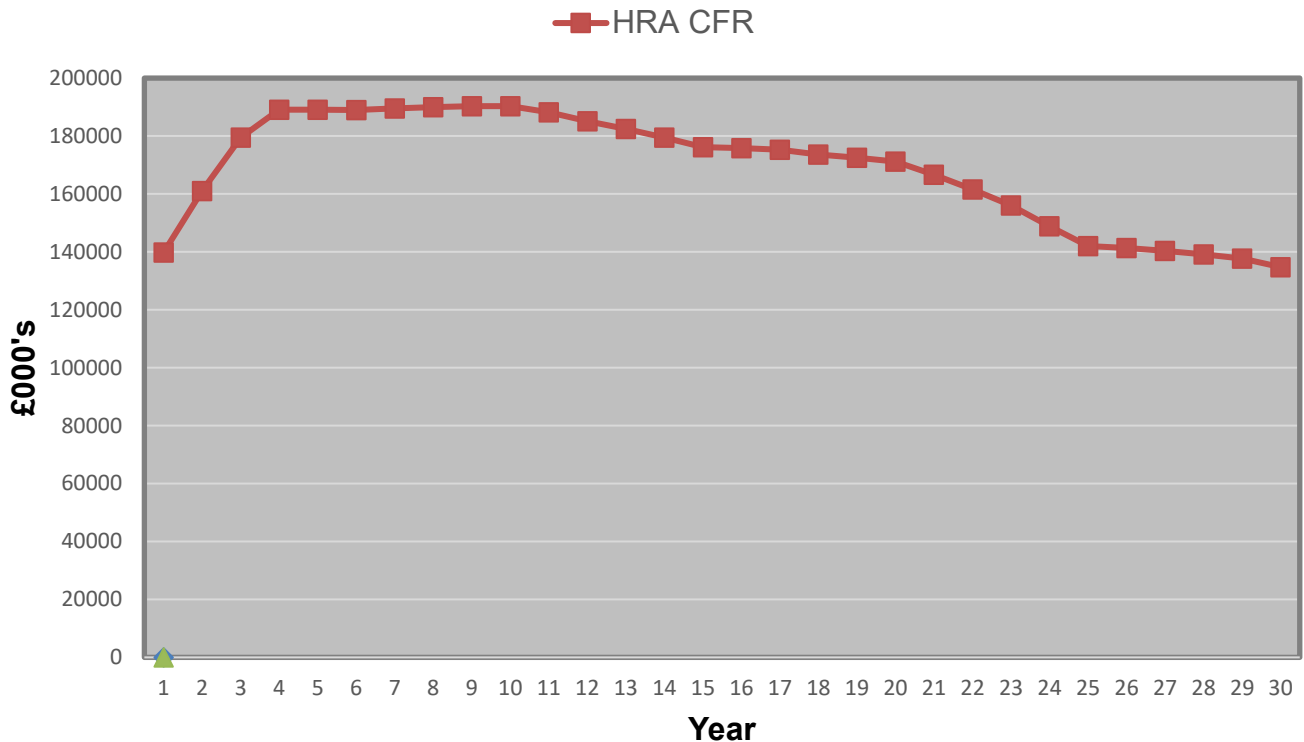
- 7.13 The Council's Asset Management Strategy includes the expenditure requirements of our housing stock over the next 30 years. This has been reflected in the 30 year financial model. The day to day repairs and maintenance costs are funded from the revenue account, whilst the capital expenditure requirements 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 2020/21, 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 3.5% 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 2019 is expected to be £130.933million. 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.

## Debt Profile



- 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;

Year	Forecast HRA Debt £000's
2020/21	139,810
2021/22	161,069
2022/23	179,534
2023/24	189,058
2024/25	189,058
2025/26	188,996
2026/27	189,562
2027/28	189,994
2028/29	190,257
2029/30	190,319

- 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.

### **Sensitivity Analysis**

- 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 10	Year 5	Year 10	Year 10
Debt at Year 30	£134.8million	£186.4million	£73.7million	£189.7million	£112.7million
Capital Investment affordable over 30 Years	£564.5million	£488.6million	£657.0million	£487.5million	£655.4million

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 Government's 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 Council's strategic plan:

### **Growth**

- Help make sure Colchester is a welcoming place for all residents and visitors.
- Ensure residents benefit from Colchester economic growth with skills, jobs and improving infrastructure.

### **Opportunity**

- Promoting and improving Colchester and its environment
- Ensure a good supply of land available for new homes through our local plan.
- Promote initiatives to help residents live healthier lives.

### **Wellbeing**

- Making Colchester an even better place to live and supporting those who need most help
- Encourage belonging, involvement and responsibility in all the borough's communities.
- Create new social housing by building Council homes and supporting Registered Providers.
- Target support to the most disadvantaged residents and communities.

## 9. Consultation and Publicity

9.1 With the potential consideration of service improvements that would lead to new service 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 2020, 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 2020 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. Since that time, the Governments rent reduction policy has ended, and as a consequence, the Council will be reviewing its HRA Asset Management Strategy in 2020, and carrying out consultation as part of this work.

## **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 There are no direct implications included in this report, however the Housing Revenue Account will be used to deliver environmental and sustainable outcomes where possible, to fulfil the Councils ambitions for carbon neutrality.

## **Appendices**

- Appendix A - Housing Revenue Account Estimates 2020/21
- 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 2020/21			
Housing Revenue Account			
Summary			
2018/19		2019/20	2020/21
Actuals	Expenditure & Income Analysis	Revised	Original
		Budget	Budget
£000's		£000's	£000's
	<b>INCOME</b>		
(26,088)	Dwelling Rents (Gross)	(26,176)	(26,241)
(1,022)	Non-Dwelling Rents (Gross)	(1,124)	(1,135)
(2,743)	Charges for Services and Facilities	(2,611)	(2,648)
(81)	Contributions towards Expenditure	(55)	(57)
<b>(29,934)</b>	<b>Total Income</b>	<b>(29,966)</b>	<b>(30,081)</b>
	<b>EXPENDITURE</b>		
4,812	Repairs and Maintenance	5,216	5,334
3,472	CB Homes Ltd Management Fee	3,509	3,653
5,615	Management Costs	6,124	7,263
170	Rents, Rates and Other Charges	192	204
145	Increased provision for Bad or Doubtful Debts	250	250
5,637	Interest Payable	5,884	5,241
10,205	Depreciation and Impairments of Fixed Assets	6,500	6,000
53	Amortisation of Deferred Charges	52	32
70	Debt Management Costs	64	51
<b>30,179</b>	<b>Gross Expenditure</b>	<b>27,791</b>	<b>28,028</b>
<b>245</b>	<b>Net Cost of Services</b>	<b>(2,175)</b>	<b>(2,053)</b>
(3,634)	Net HRA Income from the Asset Management Account	(52)	(32)
(2,091)	Disposal of Fixed Assets	-	-
(113)	HRA Investment Income (including mortgage interest and interest on Notional Cash Balances	(31)	(131)
<b>(5,593)</b>	<b>Net Operating Expenditure</b>	<b>(2,258)</b>	<b>(2,216)</b>
4,934	Revenue Contribution to Capital Expenditure	2,449	2,716
<b>(659)</b>	<b>Deficit/(Surplus) for the Year</b>	<b>191</b>	<b>500</b>
(3,905)	Deficit/(Surplus) at the Beginning of the Year	(4,564)	(4,373)
(659)	Deficit/(Surplus) for the Year	191	-
(4,564)	Deficit/(Surplus) at the End of the Year	(4,373)	(3,873)



**Housing Revenue Account - Estimated Balances**

	£'000
<b>Balance as at 1 April 2019</b>	<b>(4,564)</b>
<b>Committed</b> - Capital Spending in 2019/20 and onwards	2,273
Less budgeted deficit/use of balances in 2019/20	191
Plus Forecast underspend in 2019/20	-
<b><i>Unallocated balance at 31st March 2020</i></b>	<b>(2,100)</b>
Less Proposed Use of balances in 20/21 Budget	500
<b>Estimated uncommitted balance at 31st March 2021</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 2021</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

Area	Revised Budget 19/20	Budget 20/21	Budget 21/22	Budget 22/23	Budget 23/24	Budget 24/25
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>						
Housing Rents	(26,176)	(26,247)	(27,228)	(28,414)	(29,629)	(30,713)
Other Income	(3,790)	(3,835)	(3,782)	(3,935)	(4,063)	(4,204)
	<b>(29,966)</b>	<b>(30,082)</b>	<b>(31,010)</b>	<b>(32,349)</b>	<b>(33,692)</b>	<b>(34,917)</b>
<b>Expenditure</b>						
Repairs & Maintenance	5,216	5,334	5,427	5,528	5,640	5,808
Running Costs	9,070	11,370	10,132	10,337	10,765	11,047
Interest Payable	5,884	5,241	5,975	6,849	7,412	7,698
Depreciation	6,500	6,000	6,193	6,411	6,598	6,814
Other Capital Financing	33	(79)	(31)	8	10	11
RCCO	3,454	2,716	3,314	3,216	3,267	3,539
Contribution to Balances	0	0	0	0	0	0
Other	0	0	0	0	0	0
	<b>30,157</b>	<b>30,582</b>	<b>31,010</b>	<b>32,349</b>	<b>33,692</b>	<b>34,917</b>
<b>Budgeted (Surplus)/Deficit</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Forecast 2019/20 underspend	0	0	0	0	0	0
<b>Revised (Surplus)/Deficit</b>	<b>191</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Opening Balance	(4,564)	(2,100)	(1,600)	(1,600)	(1,600)	(1,600)
Committed Balance	2,273	-	-	-	-	-
(Surplus)/Deficit	191	500	-	-	-	-
<b>Uncommitted Closing Balance</b>	<b>(2,100)</b>	<b>(1,600)</b>	<b>(1,600)</b>	<b>(1,600)</b>	<b>(1,600)</b>	<b>(1,600)</b>

\* It should be noted that it is currently forecast the HRA will be overspent by £269k in 2019/20, which will result in a reduced RCCO in the year. Clearly, if this level of overspend 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 2020/21

## Risk Management Assessment

Factor	Assessed Risk		
	High £'000	Medium £'000	Low £'000
Cash flow (1% of £54m)	540		
Interest Rate (1.5% on £62m)		930	
Inflation (Decrease of 1%)		250	
Emergencies		100	
Right To Buy Sales		200	
Litigation			50
Welfare Reform	300		
	840	1,480	50

	Minimum Provision £'000
High Risk – 100%	840
Medium – 50%	740
Low – 10%	5
<b>Sub Total</b>	<b>1,585</b>
Other - say	15
<b>Recommended Prudent Level</b>	<b>1,600</b>

## Housing Revenue Account – 30 Year Financial Model

## Appendix E

	<u>Year 1</u> <u>2020/21</u> <u>£000's</u>	<u>Year 2</u> <u>2021/22</u> <u>£000's</u>	<u>Year 3</u> <u>2022/23</u> <u>£000's</u>	<u>Year 4</u> <u>2023/24</u> <u>£000's</u>	<u>Year 5</u> <u>2024/25</u> <u>£000's</u>	<u>Year 1-5</u> <u>Total</u> <u>£000's</u>	<u>Year 6-10</u> <u>Total</u> <u>£000's</u>	<u>Year 11-15</u> <u>Total</u> <u>£000's</u>	<u>Year 16-20</u> <u>Total</u> <u>£000's</u>	<u>Year 21-25</u> <u>Total</u> <u>£000's</u>	<u>Year 26-30</u> <u>Total</u> <u>£000's</u>
<b>Revenue Account</b>											
Income	(30,082)	(31,010)	(32,349)	(33,692)	(34,917)		(189,868)	(218,393)	(251,281)	(289,111)	(333,395)
Expenditure	30,582	31,010	32,349	33,692	34,917		189,700	218,209	251,079	288,885	333,149
(Surplus)/Deficit	500	0	0	0	0		(168)	(184)	(202)	(226)	(246)
Opening HRA Balance (Surplus)	(2,100)	(1,600)	(1,600)	(1,600)	(1,600)		(1,600)	(1,768)	(1,952)	(2,154)	(2,380)
Closing HRA Balance (Surplus)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)		(1,768)	(1,952)	(2,154)	(2,380)	(2,626)
<b>Capital Account</b>											
<i>Investment:</i>											
Stock Investment Programme	9,473	8,088	9,331	12,227	10,167	49,286	60,951	61,441	90,125	89,370	138,705
Sheltered Accommodation Review	740	4,593	3,925	0	0	9,258	0	0	0	0	0
Property Acquisitions	6,500	6,600	6,151	6,214	0	25,465	0	0	0	0	0
New Build	9,950	16,068	10,982	2,875	0	39,875	0	0	0	0	0
<b>Total</b>	<b>26,663</b>	<b>35,349</b>	<b>30,389</b>	<b>21,316</b>	<b>10,167</b>	<b>123,884</b>	<b>60,951</b>	<b>61,441</b>	<b>90,125</b>	<b>89,370</b>	<b>138,705</b>
<i>Funded By (Resources):</i>											
Depreciation	(6,000)	(6,193)	(6,411)	(6,598)	(6,628)	(31,830)	(37,180)	(42,521)	(48,885)	(56,197)	(64,768)
Revenue Contribution	(2,716)	(3,314)	(3,216)	(3,267)	(3,539)	(16,052)	(22,448)	(18,921)	(41,240)	(33,173)	(73,937)
Capital Receipts	(250)	0	0	0	0	(250)	0	0	0	0	0
HRA Reserves	(2,820)	(4,583)	(2,297)	(1,927)	0	(11,627)	0	0	0	0	0
New Borrowing	(14,877)	(21,259)	(18,465)	(9,524)	0	(64,125)	(1,323)	0	0	0	0
<b>Total</b>	<b>(26,663)</b>	<b>(35,349)</b>	<b>(30,389)</b>	<b>(21,316)</b>	<b>(10,167)</b>	<b>(123,884)</b>	<b>(60,951)</b>	<b>(61,441)</b>	<b>(90,125)</b>	<b>(89,370)</b>	<b>(138,705)</b>
<b>Debt:</b>											
HRA Debt at Year End	139,810	161,069	179,534	189,058	189,058		190,319	176,116	171,171	142,057	134,762



## Appendix B

### Cabinet

29<sup>th</sup> January 2020

Item

Report of	Assistant Director for Place and Client Services	Authors: Darren Brown ☎ 282891 Clare Lawrance ☎ 282506
Title	Housing Investment Programme (HIP) 2020/21	
Wards affected	All	

**This report concerns the Housing Investment Programme for 2020/21**

#### 1. Executive Summary

- 1.1 This report sets out a summary of the proposed allocation of **£26.663million** of new resources to the Housing Investment Programme for 2020/21, 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 2021/22 to 2024/25.

#### 2. Recommended Decision

- 2.1 To approve the Housing Investment Programme for 2020/21.
- 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 2020/21 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 2020/21***

- 4.1 This is the ninth year of HRA Self-Financing, and the continued investment in the housing stock and other projects is reflected in this report.
- 4.2 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 2020/21 is the ninth 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 2020/21 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 2020/21 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. 2020/21 Programme of Works**

- 6.1 The requested budget allocation for the 2020/21 programme is £26.663million. 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 2020/21 totals £1,371,700. A further breakdown of the management fee is included in the HRA Revenue Estimates report elsewhere on the agenda.
- 6.3 Cabinet, at its meeting in January 2019, considered proposals for new projects using HRA borrowing, such as re-commencing 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 - 2020/21 to 2024/25**

- 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 2020/21 includes a provision of £9.950million to commence works on Phase 2 of the re-development of garage sites, and undertake Phase 3 feasibility work. It also includes a provision of £0.4million to purchase properties developed by Colchester Amphora Homes for the Council, £1.6million for new build at Military Road, and £4.550million for the Airspace project. 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.
- 7.4 A provision of £0.740million has been made for the cost of the refurbishment of Elfreda House in 2020/21. Further provision has been made in subsequent years in the CMTFF.
- 7.5 The estimated RCCO in 2020/21 is £2.716million, which is broadly in-line with the assumptions in the business plan. In the years prior to HRA Self-Financing, the RCCO has been used to fund non-works programmes, such as Housing ICT and the capitalisation of costs associated with the Housing Client team. However, as indicated in the HIP report agreed by Cabinet on 25<sup>th</sup> January 2012, RCCO's have been required 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.
- 7.6 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 2020/21 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 - £6.159million** – This allocation supports the AMS and acknowledges the work required to allow the decency standard to be maintained, therefore this substantial proportion of the overall allocation is recommended.
- 9.3 **Aids & Adaptations - £0.696million** - 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 - £0.754million** – 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 - £0.232million** – 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 - £0.812million** - 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 - £0.448million** – 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 - £0.232million** – 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 - £0.740million** – 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 - £0.140million** – This allocation is for capital costs linked to the further development of the Housing management system.
- 9.11 **Acquisitions - £6.500million** – 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. 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 - £9.950million** – 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:

### **Growth**

- Help make sure Colchester is a welcoming place for all residents and visitors.
- Ensure residents benefit from Colchester economic growth with skills, jobs and improving infrastructure.

### **Opportunity**

- Promoting and improving Colchester and its environment
- Ensure a good supply of land available for new homes through our local plan.
- Promote initiatives to help residents live healthier lives.

### **Wellbeing**

- Making Colchester an even better place to live and supporting those who need most help
- Encourage belonging, involvement and responsibility in all the boroughs communities.
- Create new social housing by building Council homes and supporting Registered Providers.
- Target support to the most disadvantaged residents and communities

## **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 2020, 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 2020 and the report of the results will be made available to Cabinet and Members, to inform decision-making.
- 11.2 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. Since that time, the Governments rent reduction policy has ended, and as a consequence, the Council will be reviewing its HRA Asset Management Strategy in 2020, and carrying out consultation as part of this work.

- 11.3 It should also be noted that thorough consultation will be carried out with tenants and leaseholders affected by any works to properties or areas as a result of the works programmes proposed within this report.
- 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.
- 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.

## HRA Capital Medium Term Financial Forecast – 2020/21 to 2024/25

## Appendix A

<b>Expenditure</b>	Notes	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Stock Investment Programme etc		8,637	7,338	8,569	11,439	9,330
Sheltered Accommodation Review		740	4,593	3,925	-	-
Adaptations		696	689	700	724	771
<b>Stock Investment Sub - Total</b>		<b>10,073</b>	<b>12,620</b>	<b>13,194</b>	<b>12,163</b>	<b>10,101</b>
New Build		9,950	16,068	10,982	2,875	-
Acquisitions		6,500	6,600	6,151	6,214	-
ICT		140	61	62	64	66
<b>Other Works Sub - Total</b>		<b>16,590</b>	<b>22,729</b>	<b>17,195</b>	<b>9,153</b>	<b>66</b>
<b>Total Programme</b>		<b>26,663</b>	<b>35,349</b>	<b>30,389</b>	<b>21,316</b>	<b>10,167</b>

<b>Resources</b>	Notes	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Major Repairs Reserve		6,000	6,193	6,411	6,598	6,628
Revenue Contribution to Capital		2,716	3,314	3,216	3,267	3,539
Capital Receipts	Stock Rationalisation	250	-	-	-	-
Retained RTB Receipts Reserve		2,820	4,583	2,297	1,927	-
New Borrowing		14,877	21,259	18,465	9,524	-
<b>Total Funding</b>		<b>26,663</b>	<b>35,349</b>	<b>30,389</b>	<b>21,316</b>	<b>10,167</b>



Report of	Assistant Director of Environment	Author	Owen Howell ☎ 282518
Title	Climate Emergency Action Plan		
Wards affected	Not applicable		

## 1. Executive summary

- 1.1 This report invites the Panel to review and comment on the Climate Emergency Action Plan due to be considered by Cabinet at its meeting on 29 January 2020.

## 2. Action Required

- 2.1 To consider the recommendations from the Conservation, Environment and Sustainability Task and Finish Group as set out in this report and carry out pre-decision scrutiny.
- 2.2 To consider whether to make recommendations to Cabinet with regard to the Climate Emergency Action Plan.

## 3. Reason for Scrutiny

- 3.1. This item is brought to the Scrutiny Panel, in line with the Panel's request to conduct pre-decision scrutiny into the Climate Emergency Action Plan.

## Appendices:

**Appendix A** – Climate Emergency Action Plan and Cabinet Report.



29 January 2020

Report of	Assistant Director of Environment	Author	Rory Doyle
Title	Climate Emergency Action Plan		☎ 507855
Wards affected	All wards		

## 1. Executive Summary

- 1.1 This report provides an update on progress and current activity in addition to seeking approval for proposed action to be taken to address the Climate Emergency declared by full Council in July 2019.

## 2. Recommended Decision

- 2.1 To note the findings set out in the Climate Action Planning Report prepared by the Carbon Trust (Appendix A)
- 2.2 To approve the recommendations from the Conservation, Environment and Sustainability Task and Finish Group as set out below:

(a) The Climate Emergency Action Plan be approved, subject to the inclusion and clarification of Scope 3 elements to the section entitled "Scope of the Carbon Emission Target".

(b) The Climate Emergency Action Plan be kept under review and that the Council commit to a target in respect of additional Scope 3 emissions once measurement of this wider carbon footprint has been undertaken.

## 3. Reason for Recommended Decision

- 3.1 The Council has declared a climate emergency in recognition of the urgent need to take action to address global warming and the crisis being created by unavoidable climate change.

In declaring a climate emergency, the Council has made tackling climate change a New Strategic Priority and our initial Climate Emergency Action Plan (Appendix B) reflects this.

## 4. Alternative Options

- 4.1 Not applicable

## 5. Background Information

- 5.1 In July 2019 the Council unanimously approved a motion to declare a climate emergency. The Council also resolved to:

*Support the newly formed Conservation and Environmental Sustainability Task and Finish Group to consider the following actions:*

*Commission an environmental audit which identifies pollution hotspots, wildlife biodiversity and environmental health issues, and an urban impact assessment with an aim to identify areas of improvement across the borough.*

*Consult expert opinions in the field, as appropriate.*

*Collaborate with regional and neighbouring local authorities, as well as communities, to encourage practical measures to reduce emissions, reduce carbon footprints and develop community-based renewable energy projects.*

*Encourage all sectors of the economy across the borough to take steps to reduce waste and become carbon neutral.*

*Develop a roadmap for Colchester Borough Council to go carbon neutral by 2030. Report to Cabinet and Full Council within six months with an action plan setting out conservation and environmental sustainability goals to address targets by 2030; incorporating proposals on the investment implications of this proposed activity.*

*Pledge to ensure future housing and community development projects meet a carbon-neutral standard by 2030*

*Call upon the Leader of the Council to write to the Minister of State for Energy and Clean Growth requesting that national policy is urgently developed to reflect the seriousness of the current emergency, and to release funds to local authorities, encouraging them to take the necessary measures at local level.*

- 5.2 The Carbon Trust commended the action the Council has taken through previous carbon reduction strategies which have seen over £1.5m invested in projects. From a baseline in 2008 of 10,150 tCO<sub>2</sub>e the Council has achieved a 40% reduction in carbon emissions one year ahead of the 2020 target.
- 5.3 Action taken extends to more than carbon reduction. The Council has committed to phasing out the use of glyphosate herbicides as soon as practically possible and are exploring alternative methods to controlling weeds and encouraging bio-diversity. We are also working with other organisations and businesses in the borough to encourage them to stop using these herbicides.
- 5.4 The Council continues to take action to address poor air quality in the Borough and encourage people to connect with nature, green space and be more physically active through walking and cycling, particularly for short journeys through our Air Quality Management Areas.
- 5.5 Thousands of trees have been planted at sites in the Borough as part of the first year of the Colchester Woodland Project that will eventually see more than 200,000 trees planted across Colchester in the next five years.
- 5.6 The Climate Emergency Action plan aims to build on the progress made already and address the urgent challenge faced by the Council; one which is made harder because, compared to most places, Colchester has already completed many of the 'easier', 'quick win' projects. This means that moving forward at pace to achieve our targets will require significant investment of time, resource and energy from the Council, Central Government and our partners and citizens.



5.7 It is important to note this is the initial version of the Action Plan, it is only a starting point in a ten year journey. The Council will adapt as we go and update this plan regularly alongside the development of a new Environment & Sustainability Strategy and a Carbon Management Plan that will reflect many of the aspirations and actions from this plan. Meanwhile we will continue to act boldly on climate change.

5.8 The Climate Emergency Action Plan, in summary:

- Provides an assessment of Colchester Borough Councils' emissions and their sources and begins to explore likely future scenarios for the next decade.
- Demonstrates that the Council has achieved its 2020 emissions reduction target one year early and sets a goal for the Council to be Net Carbon zero by 2030.
- Demonstrates what action has already been taken and how this crisis is being addressed through partnership via the Conservation Environment & Sustainability Task & Finish Group.
- Highlights our commitment to work with the whole community in responding to the climate emergency and to work with other local authorities and partners to share learning and knowledge.
- Sets out existing and new actions that will be delivered and where necessary developed further to:
  - Embed the Climate Emergency in Organisational Culture & Decision Making
  - Create a Roadmap to reduce our Carbon footprint to net zero by 2030
  - Provide for environmental sustainability through Planning, Development & Sustainable Travel
  - Embed Sustainability through the Management of Waste and Recycling
  - Undertake Mitigation, Climate Adaptation and Environmental Stewardship
  - Build Community Resilience through Enabling, Behaviour Change & Partnership Working

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

6.1 There will be no equality, diversity and human rights implications in undertaking this work.

## **7. Strategic Plan**

7.1 Activity to meet the requirements of the Climate Change Motion will potentially deliver against all streams of the Strategic Plan.

## **8. Consultation**

8.1 Several experts and interest groups have been consulted through the work of the Conservation, Environment & Sustainability Task & Finish Group to date. Work will continue as part of the ongoing development and review of the Climate Emergency Action Plan to identify approaches to ongoing resident and wider stakeholder engagement on climate emergency issues.

## **9. Publicity Considerations**

9.1 Working with businesses, schools, communities and citizens across the Borough will be critical. This is not something the Council can do on its own. Communication and

engagement with all stakeholders is and will continue to be a key strand of this work. An engagement and communications plan will be developed as part of our Climate Emergency Action.

## **10. Environmental and Climate Change Implications**

- 10.1 Environmental and Climate Change Implications are fully considered through this work. Indeed it is as a result of this work that key decisions are now assessed for their likely environmental impact, including on the Council's commitment to reach a net carbon zero target by 2030.

## **11. Financial implications**

- 11.1 As part of sound budgeting practice the Council identified an initial budget investment of £50K to be allocated for this work. This has been used to commission the report referred to above, undertake initial scoping work, gather more evidence and recruit a dedicated Climate Emergency Project Officer.
- 11.2 As one of the Council's New Strategic Priorities further funds will be made available to progress action against our ambitions as set out in the 2020/21 Revenue Budget, New Strategic Priorities and Medium-Term Financial Forecast Cabinet Report agreed by Cabinet in November 2019.
- 11.3 There are likely to be considerable additional financial implications associated with responding to the Climate Emergency albeit there may also be opportunities to partially mitigate these through other policies and associated financial savings e.g. energy costs. Even then it will be difficult to set out clear and actual costs for the next ten years at this stage. As work develops and further funding is required, actions and schemes will be subject to individual business cases and financial evaluation to assess associated costs as required.

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

- 12.1 Responding to the Climate Emergency will have positive impacts on health and wellbeing through tackling areas such as air quality. There are also many physical and mental health and wellbeing benefits associated with solutions such as increased physical activity and connection to nature and open space associated with active travel, cycling and walking etc.

## **13 Health and Safety**

- 13.1 There are no health and safety implications at this stage.

## **14 Risk Management Implications**

- 14.1 The motion approved by Council sets ambitious targets and without robust prioritisation and risk management they will be difficult to achieve. Effective programme management will need to be utilised to ensure targets are achieved.
- 14.2 Rising to the challenge and tackling our climate emergency will not be achieved through Council action alone as it is a highly complex issue. Reducing greenhouse gas emissions in particular will require systems leadership across multiple sectors, communications and behavioural change that will result in adapted lifestyles, and potentially fundamentally different patterns of development and travel in the long term. Ultimately perceptions of success will need to evolve over time. Our emergent programmes will be related to the

degree of control and influence the Council directly has and our acknowledgement that partnership working across the region will be essential for us to address the challenge.

- 14.3 There are mixed perceptions of climate change within communities across Colchester that manifest into a spectrum of views which the Council are expected to navigate in the development of its action plan, the prioritisation of resource and communication to residents.
- 14.4 The resourcing requirements to undertake systems leadership and the change programme required will be significant. The scale of change required is unprecedented.



# Colchester Borough Council Climate Action Planning

David Reilly, Lindsey Hibberd, Oliver Patrick  
**December 2019**



# Contacts

Prepared by:

Prepared for:

**Lindsey Hibberd**, Manager

Lindsey.Hibberd@carbontrust.com

+44(0)20 7832 4556

**Oliver Patrick**, Analyst

Oliver.Patrick@carbontrust.com

+44(0)20 7832 4564

**Approved by:**

**David Reilly**, Director

David.Reilly@carbontrust.com

+44(0)20 7832 4620

**Emily Harrup**

Transport and Sustainability Projects Officer

Emily.Harrup@Colchester.gov.uk

01206 506 476

**Colchester Borough Council Conservation &  
Environmental Sustainability Task and Finish  
Group**

# Contents

---

- 1. Introduction**
- 2. Executive Summary**
- 3. Qualitative review**
- 4. Carbon Footprint**
- 5. Carbon Footprint for FY 2018/19**
- 6. Emission hotspots and priority focus areas**
- 7. Workshop**
- 8. Recommendations & next steps**
- 9. Appendix**



# 1

## Introduction





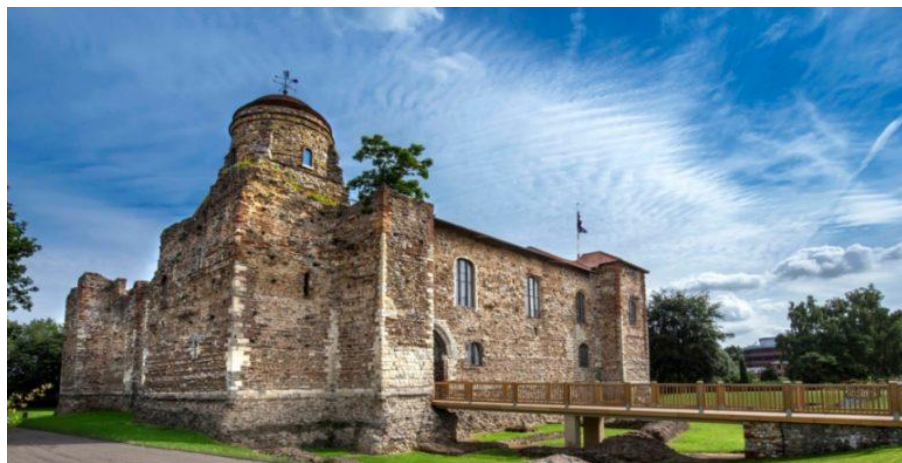
# About the Carbon Trust

**Our mission is to accelerate the move to a sustainable, low carbon economy.**

The Carbon Trust is an independent, expert partner of leading organisations around the world, helping them contribute to and benefit from a more sustainable future through carbon reduction, resource efficiency strategies and commercialising low carbon technologies.



# About Colchester Borough Council



Colchester Borough Council provides public support services across the Borough including housing, waste management, transportation, communities, well-being, public safety and environmental services.

The council recognises the environmental impact of its activities and has made significant progress in the reduction of carbon emissions over the last 10 years supported by investment and strategic action to tackle its direct carbon emission sources.

- Colchester Borough Council (CBC) declared a climate emergency in July 2019. One key aspect of the climate emergency declaration was the intention to become a **carbon neutral organisation by 2030**.
- The declaration builds on a **strong heritage of climate action in the borough** - CBC has set two previous carbon reduction targets through their Local Authority Carbon Management Plans.
- The Carbon Trust was commissioned by the Council to perform a **footprinting and scoping exercise** to inform an action plan setting out goals to address the target(s) out to 2030. In particular:
  - Undertake a qualitative review of the interaction between the Carbon Neutral target and other Council strategies
  - Provide analysis / insight on carbon reduction progress to date
  - Develop a revised carbon footprint (2018/19)
  - Undertake a workshop with Officers and Councillors to present results and identify & shape priorities going forward
- This report consolidates the results of the above activities and provides recommendations on future scope, targets and roadmap



# 2

## Executive Summary

# 1. Key Findings

---

- Colchester Borough Council (CBC) has achieved impressive carbon reductions over the past decade & continues to view **climate action as a key strategic priority**.
- The Council has set a 2030 Carbon Neutral target which, whilst very ambitious, is in alignment with other Local Authorities who have declared a Climate Emergency.
- CBC's measured footprint for the FY 2018/19 was **6,180 tCO<sub>2</sub>e**.
  - The Council's **gas consumption** for space and water heating in buildings is the largest emission source [47%]
  - **Leisure World** is the largest single emitter across the Council's portfolio and accounts for 35.3% of all emissions
- An error was found in how CBC have historically accounted for emissions from their fleet, resulting in an annual underreporting of ~1,300 tCO<sub>2</sub>e over the past five years.
  - Historical fleet emissions were recalculated to reflect the use of diesel fuel rather than biofuel
- Relative to a 2008/09 baseline, CBC has achieved a **40.8% decrease in CO<sub>2</sub>e emissions** and has reached the 40% emission reduction target set out in the 2016-2020 LACM Plan a year early.

## 2. Recommendations

Five recommendations are made to the Council:

### 1. Collect available data and measure relevant Scope 3 emissions

- Before deciding on whether or not to expand the scope of the emissions target, the Council should quantify and understand the emission sources which the Council has some influence over.

### 2. Perform pathway modelling to identify priority focus areas for the Council

- The Council should understand the impact of business as usual, national policies and local initiatives on the future carbon footprint to understand how their emissions will look in 2030. We would consider this to be a vital step in shaping a carbon neutral road map and action plan.

### 3. Write and agree an internal data management plan

- Sets out roles and responsibilities for data capture and verification as well as a timetable for reporting to agree a formal process for monitoring against the target.

### 4. Create an engagement plan

- Establish a plan to continue engaging internally and throughout the Borough on the Climate Emergency with a range of stakeholders.

### 5. Ensure ethos of the Climate Emergency is embedded in broader strategies

- Engage broader strategy makers to ensure the Climate Emergency is a key feature of strategy revisions.

# 3

## Qualitative review

Understanding CBC's portfolio of strategies and their relationship to the carbon neutral target

## CBC's Carbon management planning to date

- Colchester Borough Council has actively engaged in monitoring and reporting carbon emissions from buildings and transport for more than 10 years.
- A number of carbon reduction strategies and action plans have been developed and implemented since 2008, as set out below.
- Progress against each plan has been analysed as part of this project and is presented later in the report.

Year	Document	Target
2008	<b>LACM Plan 2008 - 2012</b>	25% carbon reduction by 2012 (2008 baseline)
2015	<b>LACM Plan 2016 - 2020</b>	40% carbon reduction by 2020 (2008 baseline)
2019	<b>Climate Emergency Declaration</b>	Carbon Neutral by 2030



# Comparison to other Councils

- ~ **65%** of District, County, Unitary, Metropolitan & Combined Authorities have declared a climate emergency (265/408, Oct 2019)
- Majority of Council's have set a 2030 target, with a mix of targeting the Council's own estate or the wider district

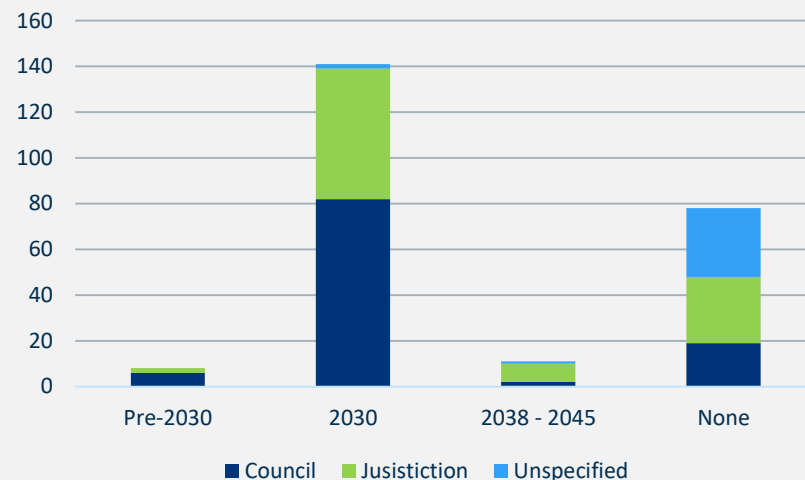
## Examples of Concerns

- Not on track for limiting global warming to 1.5°C
- Loss of habitat
- Significant risk from flooding, drought and rising sea levels
- Impact on air quality, e.g. through heating, traffic

## Examples of Commitments

- Increase energy efficiency in buildings
- Deploy renewable energy
- Achieve high recycling rates
- Inspire and promote activities throughout the local community

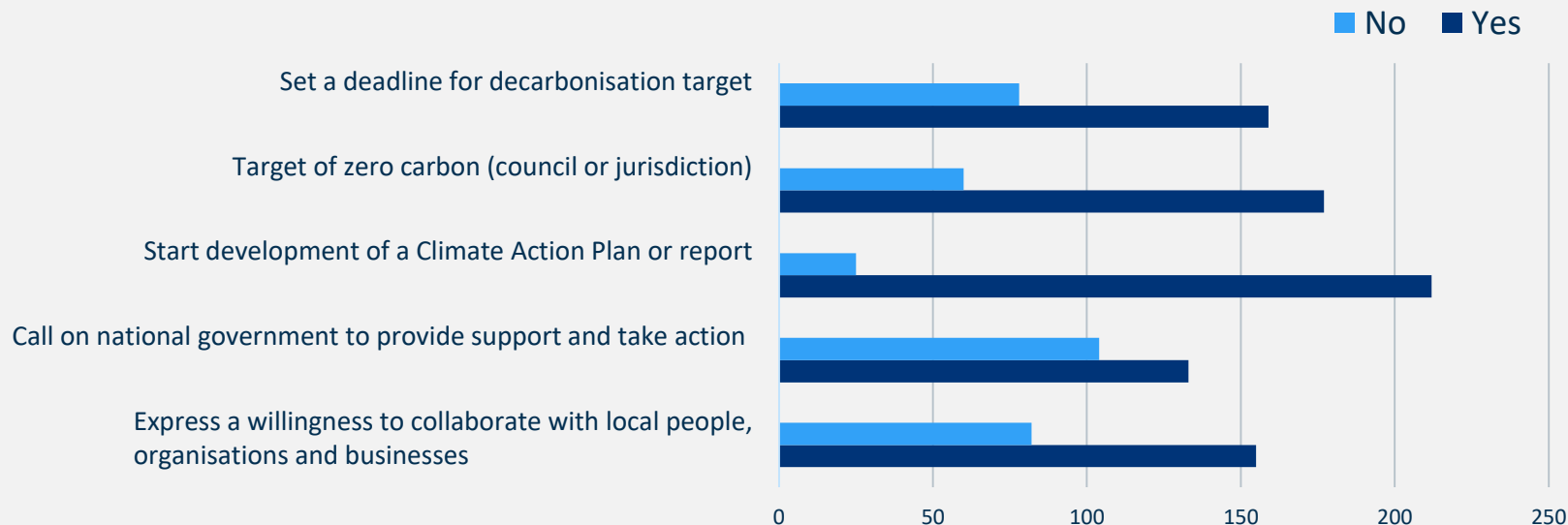
## No. of declarations



**Above.** Summary of Climate Emergency deadlines & scope of 237 declarations of climate emergency (analysed by Igov, Sept 2019)

# Climate Emergency Declarations

The following graph compares **common features of 237 Local Authority Climate Emergency Declarations**, based on analysis of the written declarations



Local authority climate emergency declarations

# Qualitative review of broader strategies

---

- In order to understand the broader Council context for the climate emergency declaration, the Carbon Trust has undertaken a review of all key active strategies and plans.
- The following slides show the relevance for each Strategy in relation to the Council's Scope 1, 2 and 3 footprint (further defined on slide 21) and in relation to carbon emissions in the broader Borough.
- The relevance rating has been colour coded as:
  - Green = very relevant
  - Orange = somewhat relevant
  - Blank = not relevant
- The analysis is intended to highlight the interaction between the Council's 2030 carbon neutral target and other active strategies and plans and recommend areas for future consideration.

# Qualitative review (continued)

Strategy	Time period	Relevance to Colchester Borough Council Scope 1 & 2 emissions	Relevance to Colchester Borough Council Scope 3 emissions	Relevance to climate considerations in the broader Borough
Our Colchester - The Strategic Plan	2018 - 2021	<ul style="list-style-type: none"> <li>Direct mention of Council's emission reduction targets.</li> </ul>		<ul style="list-style-type: none"> <li>Initiatives around pollution and improving energy efficiency of the private rented sector</li> </ul>
Colchester Economic Development Strategy	2015 - 2021		<ul style="list-style-type: none"> <li>Infrastructure projects including: A120, A12</li> <li>Upgrading Great Eastern Mainline and improving public transport links.</li> <li>Superfast broadband.</li> </ul>	<ul style="list-style-type: none"> <li>Deliver STEM projects to school and college students &amp; young people not in education, employment of training (NEET) and a STEM Centre in Colchester</li> <li>Strategic employment zones: Colchester Northern Gateway, Stanway and University of Essex Knowledge Gateway.</li> </ul>
Environmental Sustainability Strategy (2016 update)	2015 - 2020	<ul style="list-style-type: none"> <li>Close links to 2008 LACM target (to reduce carbon emissions in Council buildings by 25% by the year 2012).</li> <li>Internal Environmental Sustainability awareness programme</li> </ul>	<ul style="list-style-type: none"> <li>Embed green procurement</li> </ul>	<ul style="list-style-type: none"> <li>2010 Climate Change Risk Assessment Community Leadership on emissions reductions Opportunities to develop low carbon private sector housing.</li> </ul>
Emerging Local Plan	Emerging 2017 – 2033			<ul style="list-style-type: none"> <li>Local Plan policies and development decisions will impact on the carbon emissions of the Borough</li> </ul>
Colchester Borough Council – Asset Management Strategy	2016 – 2021	<ul style="list-style-type: none"> <li>Direct links to Operational and Community Asset Management strategies of: EPC report, Local Authority Carbon Management Plan and Housing Investment programme.</li> <li>Housing Development Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Revolving Investment Fund</li> <li>Strategic Land Purchases</li> </ul>	<ul style="list-style-type: none"> <li>Garden communities strategy</li> <li>Economic Growth Strategy</li> <li>Employment Land Study, Colchester Ultra Ready for Business</li> </ul>
Community Enabling Strategy	2015 onwards			<ul style="list-style-type: none"> <li>Community tree warden scheme</li> <li>BIG Garden, High Woods Country Park</li> </ul>

# Qualitative review (continued)

Strategy	Time period	Relevance to Colchester Borough Council Scope 1 & 2 emissions	Relevance to Colchester Borough Council Scope 3 emissions	Relevance to climate considerations in the broader Borough
Connecting Colchester - Our Digital Strategy	2017 - 2022		<ul style="list-style-type: none"> <li>Could relate to Council broadband contracts</li> </ul>	<ul style="list-style-type: none"> <li>Will enable Colchester to help plan better for its growing population, and the challenges of traffic congestion, protecting air quality and helping ensure technological innovation does not come at the expense of the Borough's high quality of life and environment.</li> </ul>
Efficiency Statement	2016 onwards	<ul style="list-style-type: none"> <li>The projects identified by the Local Authority Carbon Management Plan will reduce future energy costs</li> </ul>		
CBC Housing Strategy (and 2018/19 Progress report)	2015 – 2020	<ul style="list-style-type: none"> <li>Improving energy efficiency of the Council's housing stock.</li> <li>Average SAP rating of CBC's housing (73.86) exceeded target set for 2019.</li> <li>Work continues to complete loft and cavity wall fill within the stock with access issues hampering full stock completion.</li> <li>Ground Source Heat Pump installed in Harrison Court to provide heating and hot water, replacing previous ageing gas boilers.</li> <li>45% of the Council Housing Stock now with Photo Voltaic panels.</li> </ul>		<ul style="list-style-type: none"> <li>Standards and energy efficiency measures that the Council are setting for the wider Borough</li> </ul>
Housing Asset Management Strategy	2018 – 2022		<ul style="list-style-type: none"> <li>Objective 7: Can be heated efficiently and cost effectively (whilst reducing environmental impact). Performance measurements include SAP and estimated CO2 emissions.</li> </ul>	

## Qualitative review (continued)

- Based on our review of current strategies and action plans, it is apparent that climate action touches many parts of the Council's core activities.
- Key findings of the analysis:
  - Most of the current strategies expire in 2020. When these are revised it is important that the **Climate Emergency ethos and targets are a key feature of the new strategies.**
  - The Climate Emergency targets should **build on the current Environmental Sustainability Strategy**, which has a Strategic Priority to reduce the impact of the Council's Buildings, Services and Operations. The Council should continue to work with the broader community to understand the most impactful strategic priorities for them to 2030.
  - It will be important that the **Climate Emergency is central to the updated Strategic Plan** and that all policies are assessed in light of their contribution to the emissions reductions target.
  - The Economic Development Strategy, Environmental Sustainability Strategy, Asset Management Strategy, Digital Strategy and Housing Asset Management Strategy could all link to the Council's Scope 3 emissions. Therefore, if the Council chooses to include Scope 3, consideration would need to be given to the impact of these strategies on the reduction of these emissions.
  - With a continuing need for Council efficiencies, it is important to continue to monitor (as per the Council's Efficiency Statement), and quantify where possible, any cost savings associated with energy efficiency and carbon reduction measures, to demonstrate broader benefits.



# 4

## Carbon Footprint

# Introduction to Greenhouse Gases (GHGs)

- Greenhouse gases (GHGs) are gases in Earth's atmosphere that trap heat. They let sunlight pass through the atmosphere, but they prevent the heat that the sunlight brings from leaving the atmosphere.
- **Carbon dioxide is not the only greenhouse gas**, there are five other key greenhouse gases that contribute to global warming: Methane, Nitrous Oxide, Hydrofluorocarbons, Perfluorocarbons and Sulphur Hexafluoride.
- Not all of these gases arise from combustion of fossil fuels, with some originating from refrigeration/cooling, agriculture, chemical production and electrical applications.
- **Under the GHG Protocol (see next slide), each gas has its own global warming potential (GWP).** By comparing each gas's GWP to that of Carbon Dioxide (CO<sub>2</sub>) we are able to derive a **Carbon Dioxide equivalent value (CO<sub>2</sub>e).**
  - Example: CO<sub>2</sub> has a GWP of 1, Methane has a GWP of 24; therefore we can say that 1 ton of methane emissions is equal to 24tCO<sub>2</sub>e.
- **Values presented in this report will be given in CO<sub>2</sub>e** and therefore reflect the emissions resulting from all greenhouse gases.
- Although CO<sub>2</sub> has the lowest GWP, with some other GHGs having a GWP thousands of times higher, it is by far the most abundant GHG and is therefore the focus when discussing emissions reduction and climate change.

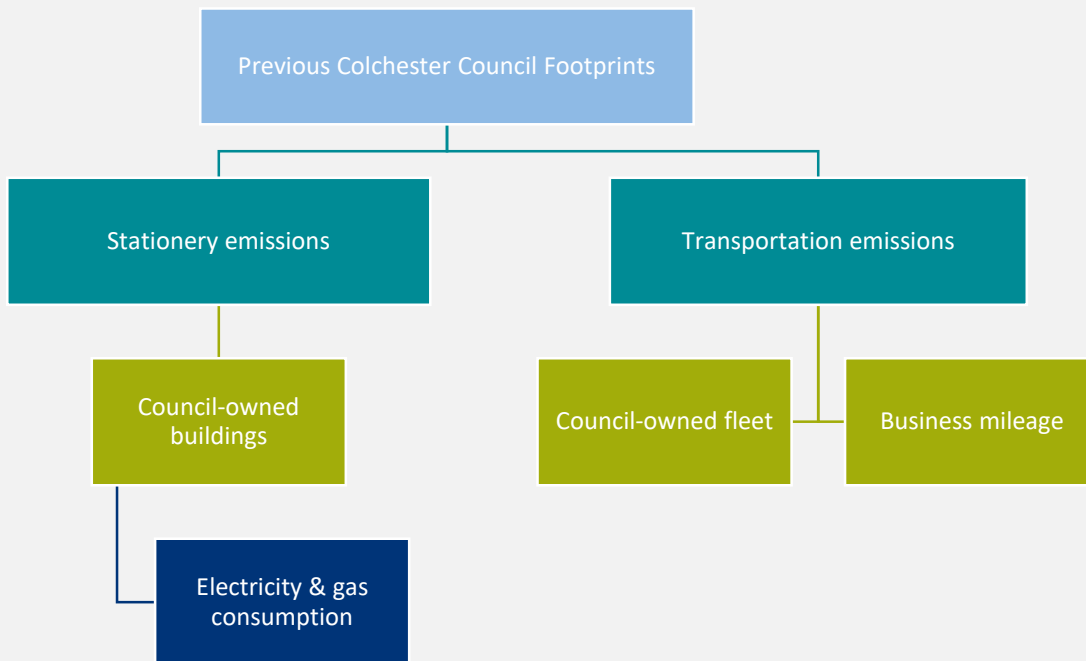


# GHG Protocol and emission scopes

- The **greenhouse gas (GHG) protocol** is the most widely used and accepted methodology for GHG accounting. It has been followed to calculate CBC's footprint for FY 18/19.
- Under the GHG Protocol, emission sources are divided into **scopes 1, 2, and 3**. Scopes 1 and 2 emissions are a result of an organisations' **direct** operations, whereas scope 3 emissions result from an organisations' **indirect** activities or value chain (for example, from the manufacturing of products used by the Council).
- Scope 3 emissions are emitted by a third-party's operations and are generally **more difficult to monitor, control and reduce**. As a result, public (and private) sector carbon action has traditionally focused on scope 1 and 2 emissions.
- Where scope 3 emissions have been included, organisations have tended to only consider select elements. However, there is now **increasing appetite to include more scope 3 emissions** in footprints and to encourage carbon reduction in an organisations' value chain.



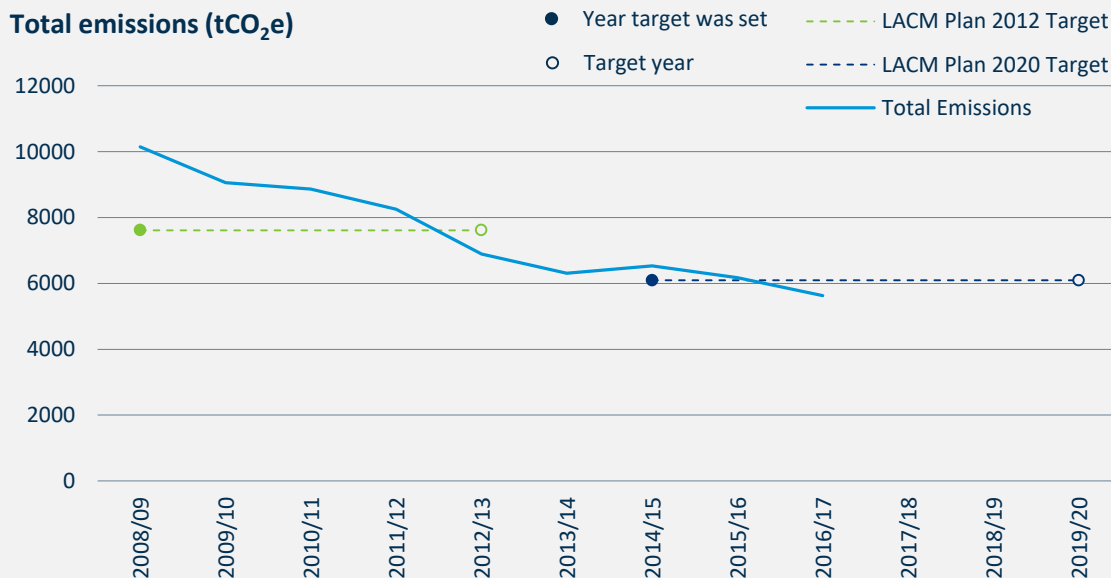
**Above.** Emissions scopes according to the GHG protocol



- In all previous footprints, CBC have included elements of their stationary emissions and transportation emissions. This has typically included:
- **Scope 1 elements:**
  - Gas consumption, typically used for space and water heating in buildings
  - Fuel consumption used to power the Council's fleet
- **Scope 2 elements:**
  - Electricity consumption
- **Scope 3 elements:**
  - Emissions resulting from business travel in non-Council operated vehicles

- **Analysis of CBC's historic GHG emissions** was carried out using annual GHG emissions reports. Data was available from 2008/09 up to 2016/17.
- Through a number of previous Carbon Management plans, CBC has been working towards **emission reduction targets for the past decade.**
- The emission reductions reported in the GHG reports indicate that **CBC has achieved their reduction targets.**
- The majority of emission reductions were attributed **to purchased electricity and the Council's fleet.**
- During the Carbon Trust analysis, an **accounting error** was found in the method for calculating GHG emissions from the Council's fleet.

## Total emissions (tCO<sub>2</sub>e)



**Above:** CBC's evolving footprint as per annual GHG emissions reports

# Historical Emissions

*Below.* CBC's historic emissions as per the annual GHG reports

GHG emissions data – Total Tonnes of CO <sub>2</sub> e										
		FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11	FY 09/10	FY 08/09
Gas Consumption		2,918	3,012	2,993	2,915	3,231	2,642	3,048		
Owned Transport		83	86	169	124	130	1,173	1,157	4,473	5,285
<b>Scope 1 Total</b>		<b>3,001</b>	<b>3,098</b>	<b>3,162</b>	<b>3,039</b>	<b>3,361</b>	<b>3,815</b>	<b>4,205</b>	<b>4,473</b>	<b>5,285</b>
Purchased electricity		2,583	3,036	3,326	3,224	3,484	4,390	4,603	4,516	4,798
<b>Scope 2 Total</b>		<b>2,583</b>	<b>3,036</b>	<b>3,326</b>	<b>3,224</b>	<b>3,484</b>	<b>4,390</b>	<b>4,603</b>	<b>4,516</b>	<b>4,798</b>
Business Travel		47	41	45	49	50	48	58	65	67
<b>Scope 3 Total</b>		<b>47</b>	<b>41</b>	<b>45</b>	<b>49</b>	<b>50</b>	<b>48</b>	<b>58</b>	<b>65</b>	<b>67</b>
<b>Total emissions</b>		<b>5,631</b>	<b>6,175</b>	<b>6,533</b>	<b>6,312</b>	<b>6,895</b>	<b>8,253</b>	<b>8,866</b>	<b>9,054</b>	<b>10,150</b>
<b>% decrease from baseline</b>		<b>44.5%</b>	<b>39.2%</b>	<b>35.6%</b>	<b>37.8%</b>	<b>32.1%</b>	<b>18.7%</b>	<b>12.7%</b>	<b>10.8%</b>	<b>-</b>

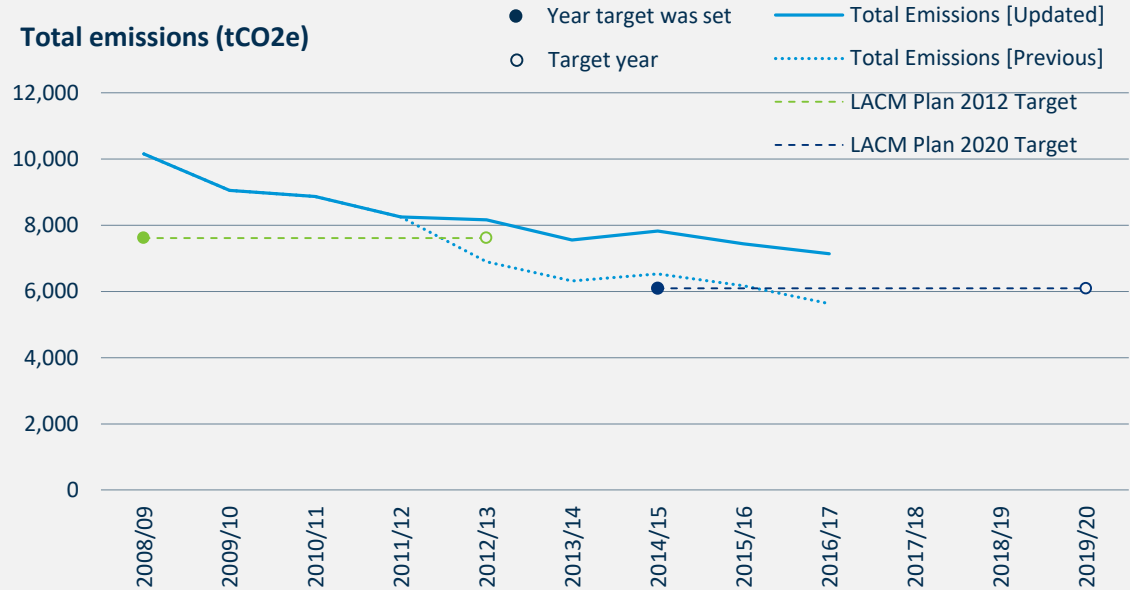
# Fleet emissions

---

- It was found that **emissions from the Council's fleet had been under-reported since 2012** as a result of the Council assigning the majority of their **fuel consumption to biofuel** when calculating emissions.
- It was confirmed that the Council's fleet has always been powered by a combination of diesel and gas oil.
- The calculation resulted in a **~1,300 tCO<sub>2</sub>e** annual reduction in emissions (in error) since 2012.
- Since this error has been uncovered, historical fleet emissions have now been adjusted to allow for an accurate comparison in historic emissions, and are shown in the next slide.

# Historical Emissions [ADJUSTED]

- The adjusted value does have a material impact on the Council's GHG reporting
- However, the Council are still on track to meet the 40% reduction set out in the LACM Plan 2016-2020
- As of FY 16/17, the Council had achieved a **29.7%** reduction in emissions from the 2008 baseline year
- **The updated emissions pathway will be used from herein**



**Above:** CBC's adjusted footprint reflecting an increase in emissions from the Council's fleet

# Historical Emissions [ADJUSTED]

*Below.* CBC's historic emissions with adjusted 'owned transport' emissions.

GHG emissions data – Total Tonnes of CO <sub>2</sub> e										
		FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11	FY 09/10	FY 08/09
Gas Consumption		2,918	3,012	2,993	2,915	3,231	2,642	3,048		
Owned Transport		1,589	1,350	1,461	1,363	1,395	1,173	1,157	4,473	5,285
<b>Scope 1 Total</b>		<b>4,507</b>	<b>4,362</b>	<b>4,454</b>	<b>4,278</b>	<b>4,626</b>	<b>3,815</b>	<b>4,205</b>	<b>4,473</b>	<b>5,285</b>
Purchased electricity		2,583	3,036	3,326	3,224	3,484	4,390	4,603	4,516	4,798
<b>Scope 2 Total</b>		<b>2,583</b>	<b>3,036</b>	<b>3,326</b>	<b>3,224</b>	<b>3,484</b>	<b>4,390</b>	<b>4,603</b>	<b>4,516</b>	<b>4,798</b>
Business Travel		47	41	45	49	50	48	58	65	67
<b>Scope 3 Total</b>		<b>47</b>	<b>41</b>	<b>45</b>	<b>49</b>	<b>50</b>	<b>48</b>	<b>58</b>	<b>65</b>	<b>67</b>
<b>Total emissions</b>		<b>7,137</b>	<b>7,439</b>	<b>7,825</b>	<b>7,551</b>	<b>8,160</b>	<b>8,253</b>	<b>8,866</b>	<b>9,054</b>	<b>10,150</b>
<b>% decrease from '08</b>		<b>29.7%</b>	<b>26.7%</b>	<b>22.9%</b>	<b>25.6%</b>	<b>19.6%</b>	<b>18.7%</b>	<b>12.7%</b>	<b>10.8%</b>	<b>-</b>

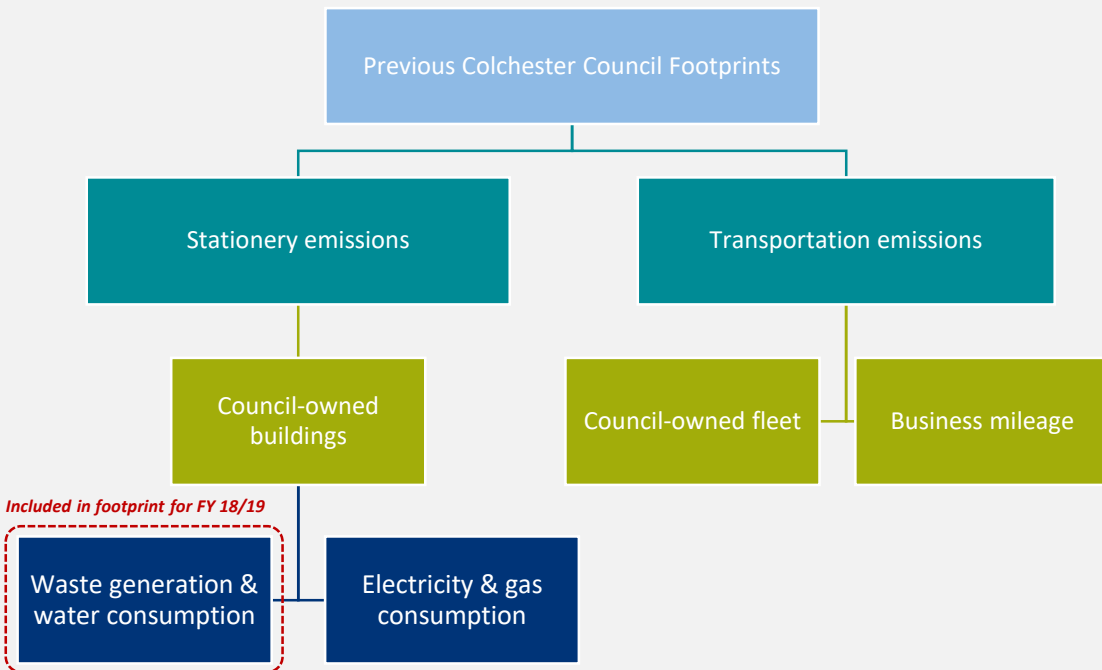


# 5

## Carbon Footprint for FY 18/19



# Footprint Scope for FY 18/19



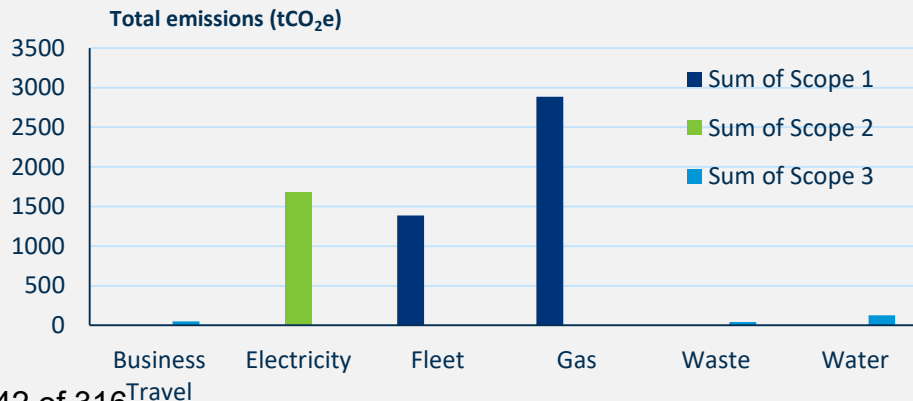
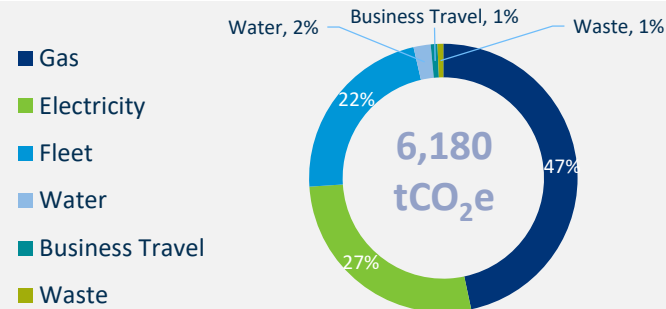
- CBC's carbon footprint was recalculated for the FY 18/19.
- In consultation with the Council, the scope of the footprint was expanded to include:
  - Emissions from the third-party disposal and treatment of waste generated in Council-controlled operations (scope 3).
  - Emissions resulting from the supply and subsequent treatment of water consumed by the Council's operations (scope 3).

**N.B.** Renewable generation was initially included in CBC's footprint but was removed during the QA process. Renewable generation is not considered to offset emissions in the location-based method used by the GHG protocol and is accounted for by either a) reducing meter readings if the electricity generated is private wired to a building or b) in the national grid emissions factor if the electricity is exported to the grid.

# 2018/19 Carbon Footprint

- The total carbon footprint for Colchester Borough Council's own operations in the FY 2018/19 is equal to **6,180 tCO<sub>2</sub>e**.
- The majority of this footprint is attributed to the Council's gas consumption for space and water heating in buildings. Emissions from electricity consumption and fuel consumption for vehicles also form a significant portion of emissions.

	Emissions [tCO <sub>2</sub> e]
<b>Scope 1</b>	4,271 (69.1 %)
<b>Scope 2</b>	1,687 (27.3 %)
<b>Scope 3</b>	220 (3.6 %)



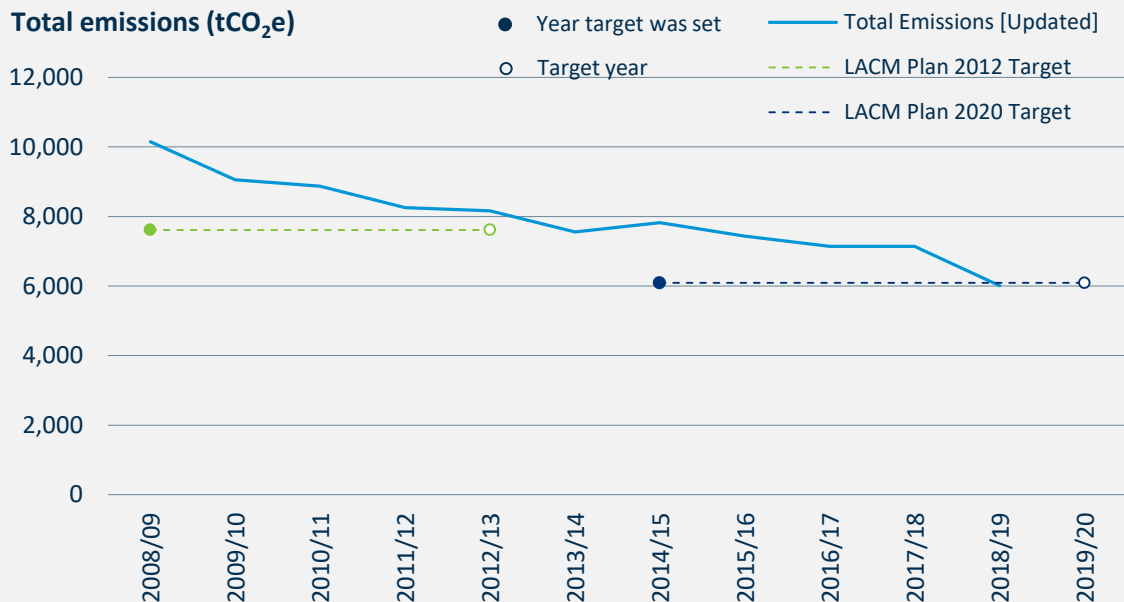
# 2018/19 Carbon Footprint

**Below.** CBC's historic emissions, updated with FY 18/19.

GHG emissions data – Total Tonnes of CO <sub>2</sub> e										
	FY 18/19	FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11	FY 09/10	FY 08/09
Gas Consumption	2,884	2,918	3,012	2,993	2,915	3,231	2,642	3,048	4,473	5,285
Owned Transport	1,383	1,589	1,350	1,461	1,363	1,395	1,173	1,157		
<b>Scope 1 Total</b>	<b>4,272</b>	<b>4,507</b>	<b>4,362</b>	<b>4,454</b>	<b>4,278</b>	<b>4,626</b>	<b>3,815</b>	<b>4,205</b>	<b>4,473</b>	<b>5,285</b>
Purchased electricity	1,687	2,583	3,036	3,326	3,224	3,484	4,390	4,603	4,516	4,798
<b>Scope 2 Total</b>	<b>1,687</b>	<b>2,583</b>	<b>3,036</b>	<b>3,326</b>	<b>3,224</b>	<b>3,484</b>	<b>4,390</b>	<b>4,603</b>	<b>4,516</b>	<b>4,798</b>
Business Travel	50	47	41	45	49	50	48	58	65	67
Waste <sup>1</sup>	43	-	-	-	-	-	-	-	-	-
Water <sup>1</sup>	127	-	-	-	-	-	-	-	-	-
<b>Scope 3 Total</b>	<b>221</b>	<b>47</b>	<b>41</b>	<b>45</b>	<b>49</b>	<b>50</b>	<b>48</b>	<b>58</b>	<b>65</b>	<b>67</b>
<b>Total emissions</b>	<b>6,180</b>	<b>7,137</b>	<b>7,439</b>	<b>7,825</b>	<b>7,551</b>	<b>8,160</b>	<b>8,253</b>	<b>8,866</b>	<b>9,054</b>	<b>10,150</b>

# 2018/19 Carbon Footprint

- The baseline year 2008/09 and LACM Plan targets did not include the emissions resulting from waste and water
- Excluding these emission sources, CBC's footprint is equal to **6,009 tCO<sub>2</sub>e**
- This represents a **40.8% decrease** in emissions relative to 2008/09, and has resulted in CBC meeting their 40% emission reduction target a year early.



**Above:** CBC's evolving footprint. Footprint for FY 18/19 does not include water & waste to allow for direct comparison with previous years. No data for 2017/18 was available and it was assumed constant from 2016/17

# 6

## Emission hotspots and priority focus areas

# 2018/2019 Footprint Breakdown

- The Council's '**stationary**' footprint from buildings, public lighting/amenities etc. accounts for **76.7%** of the overall footprint:
  - The stationary footprint was divided into use-types. **Leisure and recreation is by far the largest contributor to the Council's stationary emissions**, largely driven by Leisure World
- The emissions associated with the Council's fleet are also substantial:
  - As the grid continues to decarbonise and purchased electricity becomes 'greener' **emissions from the Council's fleet will become an increasingly larger portion** of the overall footprint

STATIONARY FOOTPRINT		
Ranking	Site Type	Emissions (tCO <sub>2</sub> e)
1	Leisure and recreation	2,388
1.a	Leisure World	2,184
2	Residential buildings	1,419
3	Council buildings	376
4	Public conveniences	286
5	Cemetery / Crem	191
6	Street amenities	79
7	Pumping stations	3
<b>TOTAL</b>		<b>4,742</b>

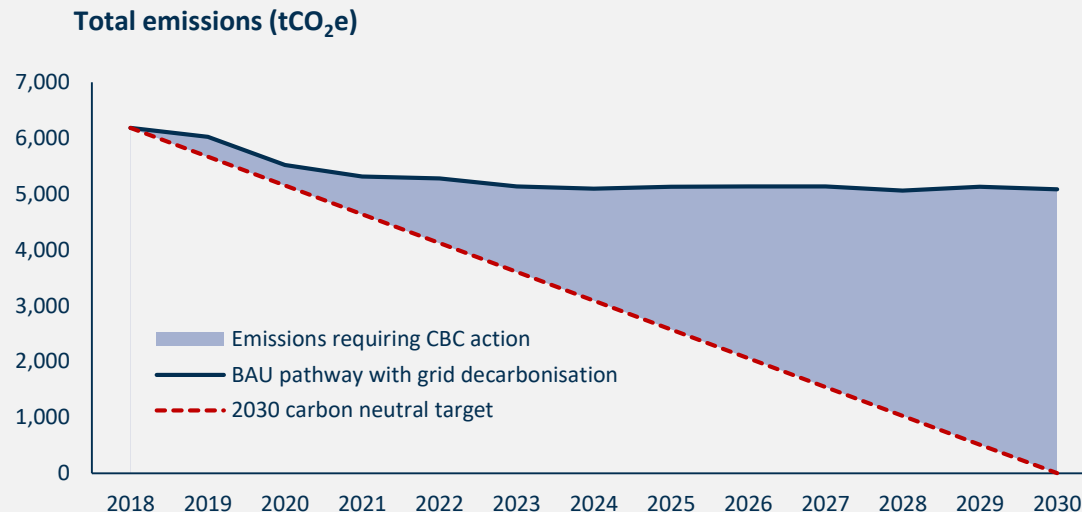
TRANSPORTATION FOOTPRINT		
Ranking	Site Type	Emissions (tCO <sub>2</sub> e)
1	Fleet Vehicles	1,388
1.a	Waste vehicles	819
1.b	Other vehicles	569
2	Business Travel	50
<b>TOTAL</b>		<b>1,438</b>

# Stationary Breakdown

- Gas emissions, primarily from the space and water heating of buildings, make up the majority of the Council's stationary emissions (60.8%)
- Leisure world is the largest single emitter across the Council's portfolio and accounts for 35.3% of all emissions.
- Future reduction in gas emissions will need to be largely driven by Council-led interventions as national trends between now and 2030 will not impact gas emissions as much as other emission sources e.g. electricity consumption.

STATIONARY FOOTPRINT						
Ranking	Site Type	Electricity emissions (tCO2e)	Gas emissions (tCO2e)	Water emissions (tCO2e)	Waste emissions (tCO2e)	TOTAL
1	Leisure and recreation	762	1,511	82	33	2,388
1.a	Leisure World	656	1,445	58	25	2,184
2	Residential buildings	467	928	25	0	1,419
3	Council buildings	148	209	10	9	376
4	Public conveniences	207	72	7	0	286
5	Cemetery / Crem	23	165	2	1	191
6	Street amenities	78	0	1	0	79
7	Pumping stations	3	0	0	0	3
<b>TOTAL</b>		<b>1,687</b>	<b>2,884</b>	<b>127</b>	<b>43</b>	<b>4,742</b>

- Maintaining a business as usual (BAU) case, where energy consumption remains constant will still result in a **decrease in electricity emissions as a result of grid decarbonisation.**
- In a 'do nothing' scenario, CBC's emissions are **expected to reduce by 1,094 tCO<sub>2</sub>e** as a result of CBC using greener electricity from the national grid.
- Beyond this, a further 5,085 tCO<sub>2</sub>e reduction must then be achieved by CBC to achieve the 2030 carbon neutral target.



**Above:** BAU pathway for Colchester assuming a 'do-nothing' scenario whereby emission reductions come from the grid decarbonising.





# 7

## Workshop

# Workshop delivery

---

- Two workshop sessions were led by the Carbon Trust - one with a selection of Council officers and another with members of the Task and Finish Group who are overseeing the implementation of the Climate Emergency Declaration.
- Representatives from Colchester Borough Homes and Colchester Amphora (both wholly-owned subsidiaries of the Council) also attended the officers session
- The aims of the session were to:
  - Present interim results
  - Explore the idea of expanding the scope of CBC's target
  - Give consideration to other aspects of climate action planning (e.g. pathway modelling, science-based targets, approach to offsetting etc.)
  - Discuss potential next steps for the Council

## Workshop delivery

---

- The workshops were used to present the interim results of CBC's updated footprint and to display what other Council's are doing in respect to Climate Emergency declarations. During the workshop, the following points were raised by the project team:
  - Relative to other Council's, **Colchester's climate action to date has been impressive**. Over £1.5mil has been invested in carbon reduction projects and significant emission reductions have been achieved through the Council's actions;
  - Despite the increased fleet emissions the Council has **achieved their 40% emissions reduction target**;
  - The Council's historical focus on scope 1 and 2 emissions is consistent with other public sector organisations, and the scope and target of the Climate Emergency declaration is **typical of other Council's**;

# Workshop discussion

---

- A number of questions were posed to the Council to try and **structure the development of the Council's action plan** (e.g. scope and target setting, approach to offsetting). Some highlights of the discussion included:
  - **Scope.** There were extensive discussions around what should and should not be included within the scope of the target. Particularly, the inclusion of the housing stock managed by Colchester Borough Homes was debated. This currently falls within CBC's scope 3 emission sources and is not included. Before making a firm decision, it was recommended by the Carbon Trust to measure the emissions resulting from the Council's scope 3 emissions.
  - **Target setting.** Both the officers and councillors recognised that a 2030 carbon neutral target is extremely ambitious and will be hard to achieve. However, there was a common feeling that Colchester have an obligation to go 'above and beyond' what is expected. There is a clear desire to take a leading role in Climate Action both in the region and at a national context.
  - **Offsetting** will almost certainly be required for CBC to achieve a 2030 carbon neutral target, and it is unlikely that between now and 2030 tree planting initiatives will offset all of CBC's unmitigated emissions. Both the Officers and Councillors recognised that this could result in a large annual expenditure, and various discussions were had as to how to make best-use of this (for example, by funding carbon-reducing initiatives in the local area). The consideration of and robust strategy towards offsetting should be explored by the Council in any plan that is put forward.

## Workshop discussion

---

- Additionally, the workshops were used to explore concepts that the Council could potentially explore as part of their climate action.
- In particular, **Scenario modelling** and **science-based targets (SBTs)** were presented as points for consideration to the Council. More information can be found in the appendix of this report.
  - There was a **consensus that SBTs should not make up CBC's core target** and that the Council should continue to pursue a 2030 carbon neutral target. However, the **potential for SBTs to form wider targets** (e.g. for scope 3 emissions) was considered as an option;
  - There was particular interest in scenario modelling, and how it could be used to **focus carbon reduction efforts in the appropriate areas** by taking account of national and local trends & policies.
- Examples of good governance procedures (e.g. integrating climate-related KPIs for senior officers) and potential project ideas were also discussed as part of the broader carbon management planning.
- The workshop was concluded by the project team making a series of recommendations to the Council (see section 8 'Recommendations and next steps').

# 8

## Recommendations and next steps

# Recommendation 1

---

## Understanding key Scope 3 emissions sources

- CBC are responsible for a much wider footprint outside of their direct control, which is currently not included in the Council's target. This includes contracts (e.g. grounds maintenance) as well as wholly-owned companies such as Colchester Borough Homes and Colchester Amphora;
- We would expect CBC's scope 3 to account for a significant portion of the Council's emissions. Emissions arising from these sources can be reduced from the corporate, procurement and everyday decisions made by the Council;
- There was significant debate amongst Council representatives as to whether or not these sources should be considered within the scope of the Council's target;
- Before making any decision, we recommend for the Council to measure and understand these emission sources to better inform the debate and allow the Council to come to a target that is ambitious but realistic.

## Recommended next steps:

- Collect available data and measure relevant Scope 3 emissions

## Recommendation 2

---

### **Moving towards a road map and action plan – pathway modelling**

- We recommend that, before identifying specific project opportunities, the Council need to understand the impact of business as usual, national policies and local initiatives on the future carbon footprint.
- To do so the Council should perform macro-level scenario analysis, which would layer national and Council-level trends & policies to map CBC's emissions out to 2030;
- This will show what the make-up of the Council's emissions will be in 2030 on the current pathway, and in doing so provide steer on focus areas that the Council should prioritise for project implementation between now and then.
- This was discussed at the workshop and received positive feedback from both the Officers and Councillors. The slides presented are contained in the appendices.

### **Recommended next steps:**

- Perform pathway modelling to identify priority focus areas for the Council



## Recommendation 3

---

### Footprint calculation

- CBC already has a strong data management and collection process in place for their scope 1 and 2 emissions. However, discrepancies in the calculation of previous footprints were identified and therefore it is important that CBC set up and maintain a robust data capture and verification process to be able to assess their progress.
- In addition, data collection for Rowan House should be refined so that greater confidence can be placed in the meter readings.

### Recommended next steps:

- Write and agree an internal data management plan which sets out roles and responsibilities for data capture and verification as well as a timetable for reporting.

## Recommendation 4

---

### **Maintain collaboration with business and the wider area**

- It was very positive to see good collaboration within the organisation and a range of interests from the wider Borough. This should be maintained through ongoing engagement activities.

### **Recommended next steps:**

- CBC should create an engagement plan for continuing to engage a range of stakeholders internally and throughout the Borough on the Climate Emergency

## Recommendation 5

---

### **Ensure ethos of the Climate Emergency is embedded in broader strategies**

- The qualitative review identified that a number of key strategies within CBC will need to be revised in 2020. In order to have maximum impact in the District, it is important that the Climate Emergency ethos and targets are a key feature of the new strategies.

### **Recommended next steps:**

- CBC should engage officers responsible for the development of key strategy revisions early, to ensure the Climate Emergency forms a central pillar of the emerging strategy.



# 9

## Appendix

# Science-based targets (SBTs)

---

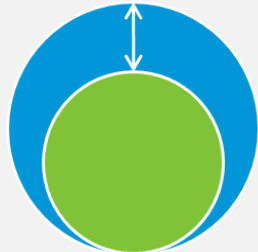
## What is a science-based target?

- Within the Paris Climate Agreement 195 nations agreed to hold the increase in global average temperatures to 2°C and pursue efforts to limit the increase to 1.5°C.
- The Intergovernmental Panel on Climate Change (IPCC) along with the International Energy Agency (IEA) have developed a multitude of greenhouse gas reduction pathways that are required to achieve these warming targets.
  - This sets a 'carbon budget' of how many GHG emissions can be emitted over a certain period of time (e.g. 2050 or 2060).
- If a company, organisation, region, or otherwise is to set an emission reduction target in line with climate science requirements to meet the above, then that target is said to be 'science based'.

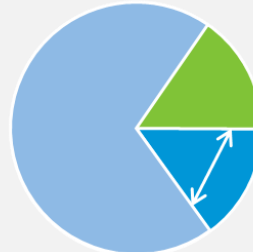
## Setting a science-based target

- There are three fundamental components to the development of a science based target:
  - A carbon budget – a finite amount of carbon can be emitted
  - An emissions scenario – how is the budget distributed over time
  - An allocation approach – how is the budget within that scenario allocated amongst companies in the same level of disaggregation
- An analogy can be drawn by considering a pie:

1. Assessing the global carbon budget  
How large is the pie?



2. Calculating the Councils carbon budget  
How large is my slice?

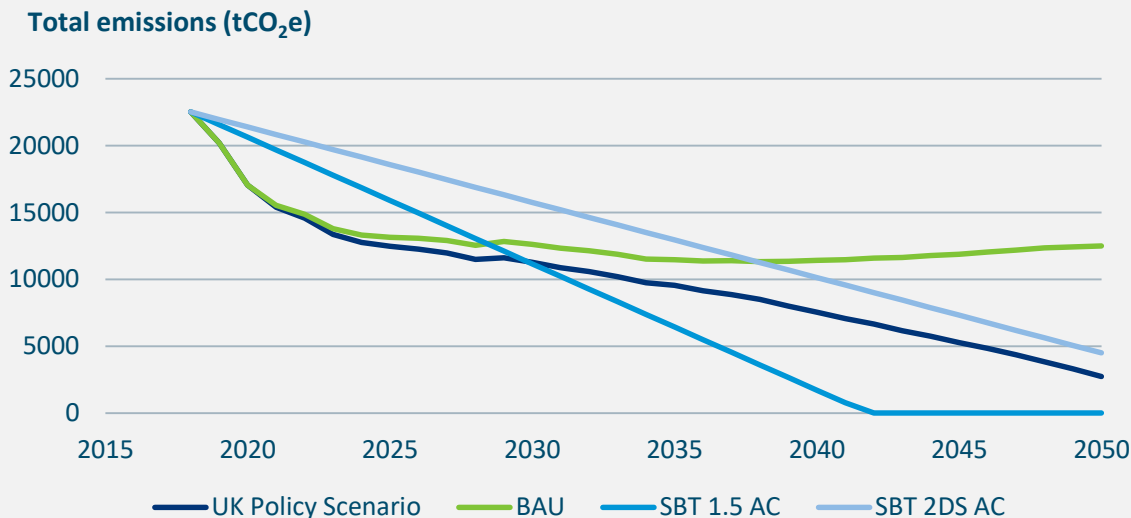


3. Compare your budget and your footprint  
Am I eating too much?



# Science-based targets (SBTs)

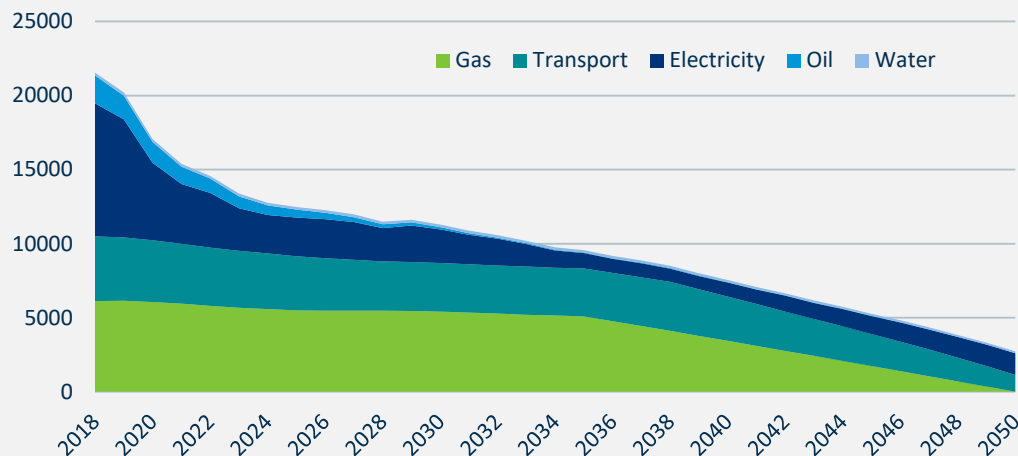
- An example of a science-based target that was conducted by the Carbon Trust was presented to the Council during the workshop.
- A 1.5°C-aligned reduction pathway would result in this Council reaching carbon neutral by 2042.



**Above:** Science-based target example. This data does not represent Colchester Borough Council

- An example of pathway modelling that conducted by the Carbon Trust was presented to the Council during the workshop.
- For this Council, the modelling showed that by 2050 the majority of their emissions would be a result of electricity and transport.
- The allows the Council to identify where the gap to target exists and therefore prioritise implementation measures.

**Total emissions (tCO<sub>2</sub>e) with UK Government Policy Scenario**



**Above:** Pathway modelling example. This data does not represent Colchester Borough Council



## Appendix: Data Sources

---

- Energy, vehicle mileage, utilities data – Colchester Borough Council
- Building benchmarks - CIBSE
- Emission Factors – BEIS
- UK emission factors projections – BEIS

Whilst reasonable steps have been taken to ensure that the information contained within this publication is correct, the authors, the Carbon Trust, its agents, contractors and sub-contractors give no warranty and make no representation as to its accuracy and accept no liability for any errors or omissions. All trademarks, service marks and logos in this publication, and copyright in it, are the property of the Carbon Trust (or its licensors). Nothing in this publication shall be construed as granting any licence or right to use or reproduce any of the trademarks, services marks, logos, copyright or any proprietary information in any way without the Carbon Trust's prior written permission. The Carbon Trust enforces infringements of its intellectual property rights to the full extent permitted by law. The Carbon Trust is a company limited by guarantee and registered in England and Wales under company number 4190230 with its registered office at 4th Floor Dorset House, Stamford Street, London SE1 9NT. Published in the UK: 2019. © The Carbon Trust 2019. All rights reserved.

**Colchester Borough Council**

# **Climate Emergency Action Plan**

**January 2020**

# Contents

	<b>Page</b>
<b>Executive Summary</b>	<b>3</b>
Introduction	<b>4</b>
Challenge and Risks associated with Climate Change	<b>5</b>
Benefits associated with Climate Change Action	<b>5</b>
Action taken already	<b>5</b>
Carbon Emission Baseline	<b>6</b>
Scope of Carbon Emission Target	<b>7</b>
Areas of Focus for Carbon Emission Reduction	<b>9</b>
Action Planning	<b>11</b>
1. Organisational Culture & Decision Making	<b>11</b>
2. Roadmap to Carbon Neutral	<b>12</b>
3. Planning, Development & Sustainable Travel	<b>13</b>
4. Waste Management	<b>14</b>
5. Mitigation, climate adaptation and environmental stewardship	<b>15</b>
6. Build Community Resilience through Enabling, Behaviour Change & Partnership Working	<b>16</b>
Ongoing Review	<b>17</b>
<b>Appendices</b>	
Appendix 1 - Action taken as reported to Cabinet in November 2019	<b>18</b>
Appendix 2 - Proposed measures for implementation within existing planning legislation	<b>20</b>

## Executive Summary

Taking action to tackle our Climate Emergency is an absolute priority for Colchester Borough Council (CBC). In July 2019 the Council was one of the first in the region to make a Climate Emergency declaration.

This Action Plan builds upon many years of achievement and environmental innovation, underlined by Colchester's status as one of the top performing Climate Friendly Council's in England & Wales by Friends of the Earth.

This is the first version of our Climate Emergency Action Plan, it is only a starting point in a ten year journey. We will adapt and update this plan regularly alongside the development of a new Environment & Sustainability Strategy and a Carbon Management Plan that will reflect many of the aspirations and actions from this plan.

Meanwhile we will continue to act boldly on climate change to ensure the whole organisation rises to the challenge of the climate emergency.

The Plan, in summary:

- Provides an assessment of CBC's emissions and their sources and begins to explore likely future scenarios for the next decade.
- Demonstrates that the Council has achieved its 2020 emissions reduction target one year early and sets a goal for the Council to be Net Carbon zero by 2030.
- Demonstrates what action has already been taken and how this crisis is being addressed through partnership via the Conservation Environment & Sustainability Task & Finish Group.
- Highlights our commitment to work with the whole community in responding to the climate emergency and to work with other local authorities and partners to share learning and knowledge.
- Sets out existing and new actions that will be delivered and where necessary developed further to:
  - Embed the Climate Emergency in Organisational Culture & Decision Making
  - Create a Roadmap to reduce our Carbon footprint to net zero by 2030
  - Provide for environmental sustainability through Planning, Development & Sustainable Travel
  - Embed sustainability through the Management of Waste and Recycling
  - Undertake Mitigation, Climate Adaptation and Environmental Stewardship
  - Build Community Resilience through Enabling, Behaviour Change & Partnership Working

## Introduction

Taking action to tackle our Climate Emergency is an absolute priority for Colchester Borough Council (CBC). In July 2019 the Council was one of the first in the region to make a Climate Emergency declaration.

The Council is committed to firm action, from setting an ambitious target to be carbon neutral by 2030 to driving forward a significant programme of environmental stewardship to sustain and enhance biodiversity and invest in cleaner, greener, renewable energy projects.

This Action Plan builds upon many years of achievement and environmental innovation, underlined by Colchester's status as one of the top performing Climate Friendly Council's in England & Wales by Friends of the Earth.

The plan aims to address the urgent challenge faced by the Council; one which is made harder because, compared to most places, Colchester has already completed many of the 'easier', 'quick win' projects. This means that moving forward at pace to achieve our targets will require significant investment of time, money and energy from the Council, the government, our partners and citizens.

We are aware of growing public support for environmental action and this has been exemplified by groups such as Extinction Rebellion's People's Assembly & Festival and the work of Eco Colchester, with both groups presenting to the Council's Conservation, Environment & Sustainability Task & Finish Group in 2019.

It must be highlighted that opinion is divided on the pace required to meet this emergency; Extinction Rebellion state that we should aim for carbon net zero by 2025, The UK Committee on Climate Change along with the Intergovernmental Panel on Climate Change (IPaC) both reference dates of 2050 for carbon neutral, which the UK Government announced that it would adopt on the 12 June 2019.

Given the scale of the challenge to achieve a net zero carbon goal by 2030 it is likely that some future measures will entail radical steps that will require far reaching policy and societal changes. They will also rely on the measures taken at regional and national level to achieve an overall carbon reduction target. As was recognised in the agreed motion, the council cannot do this alone.

It is important to note this is the initial version of our Action Plan, it is only a starting point in a ten year journey. We will adapt as we go and update this plan regularly alongside the development of a new Environment & Sustainability Strategy and a Carbon Management Plan that will reflect many of the aspirations and actions from this plan. Meanwhile we will continue to act boldly on climate.

## Challenge and Risks associated with Climate Change

In 2018, the Intergovernmental Panel on Climate Change (IPCC) published a report which advised that global warming must be limited to 1.5°C, as opposed to the previous target of 2°C. The IPCC's review of over 6,000 sources of evidence found that, with a rise of 1.5°C, there would be risks to health, livelihoods, food security, water supply, human security and economic growth. A rise to 2°C would be even more catastrophic. It warned that there were 12 years within which to take the serious action required to avert this crisis and avoid the worst impacts.

CBC's Comprehensive Climate Risk Assessment outlines the climate change predictions for Colchester; it identifies risks and looks at existing and potential actions to reduce risks.

The short term climate change risks for Colchester are:

- Milder, wetter winters (central estimate shows an increase in mean winter temperature of 1.3°C and 6% increase in winter precipitation)
- Hotter, drier summers (central estimate shows an increase in mean summer temperature of 1.3°C and 7% decrease in summer precipitation)
- More frequent extreme high temperatures (central estimate shows an increase in the mean temperature of the warmest day of 0.9 °C)
- More frequent downpours of rain (central estimate shows an increase of 5% precipitation on the wettest day)
- Significant decrease in soil moisture content in summer
- Sea level rise and increases in storm surge height (central estimate for sea level rise in the East of England shows a 9.7cm increase under the medium emissions scenario and a 11.5cm increase under the high emissions scenario)
- Possible higher wind speeds.

It is clear that the climate of Colchester is very likely to change in the short term, with more significant changes likely in the longer term. Colchester currently has one of the highest average temperatures and lowest rainfall in the East of England. It is likely that Colchester will be more affected than other areas and it is therefore essential that adaptation measures are put in place to reduce Colchester's vulnerability to climate change.

## Benefits associated with Climate Change Action

Whilst there are significant challenges, taking action to mitigate and adapt to climate change could also bring multiple benefits for the environment, society and economy in Colchester. There are new opportunities to promote sustainable local development, enhance quality of life, stimulate investment and innovation, create jobs and reinforce stakeholder participation and co-operation.

## Action taken already

Colchester is not starting from scratch on its journey towards becoming net carbon neutral or adapting to climate change impacts.

The Council has made significant reductions in carbon through previous carbon reduction strategies. Over £1.5m has been invested in carbon reduction projects and from a baseline of 10,150 tCO<sub>2</sub>e in 2008 **the 40% reduction target has been met, one year ahead of the 2020 target.**

In July 2019, the Council passed a motion to declare a climate emergency and to:  
*Support the newly formed Conservation and Environmental Sustainability Task and Finish Group to consider the following actions:*

*Commission an environmental audit which identifies pollution hotspots, wildlife biodiversity and environmental health issues, and an urban impact assessment with an aim to identify areas of improvement across the borough.*

*Consult expert opinions in the field, as appropriate.*

*Collaborate with regional and neighbouring local authorities, as well as communities, to encourage practical measures to reduce emissions, reduce carbon footprints and develop community-based renewable energy projects.*

*Encourage all sectors of the economy across the borough to take steps to reduce waste and become carbon neutral.*

*Develop a roadmap for Colchester Borough Council to go carbon neutral by 2030.*

*Report to Cabinet and Full Council within six months with an action plan setting out conservation and environmental sustainability goals to address targets by 2030; incorporating proposals on the investment implications of this proposed activity.*

*Pledge to ensure future housing and community development projects meet a carbon-neutral standard by 2030*

*Call upon the Leader of the Council to write to the Minister of State for Energy and Clean Growth requesting that national policy is urgently developed to reflect the seriousness of the current emergency, and to release funds to local authorities, encouraging them to take the necessary measures at local level.*

Since the motion was passed, the Council has been working closely with a wide range of stakeholders to develop our approach to addressing the climate emergency as set out in appendix 1 and as reported to Cabinet in November 2019.

## **Carbon Emission Baseline**

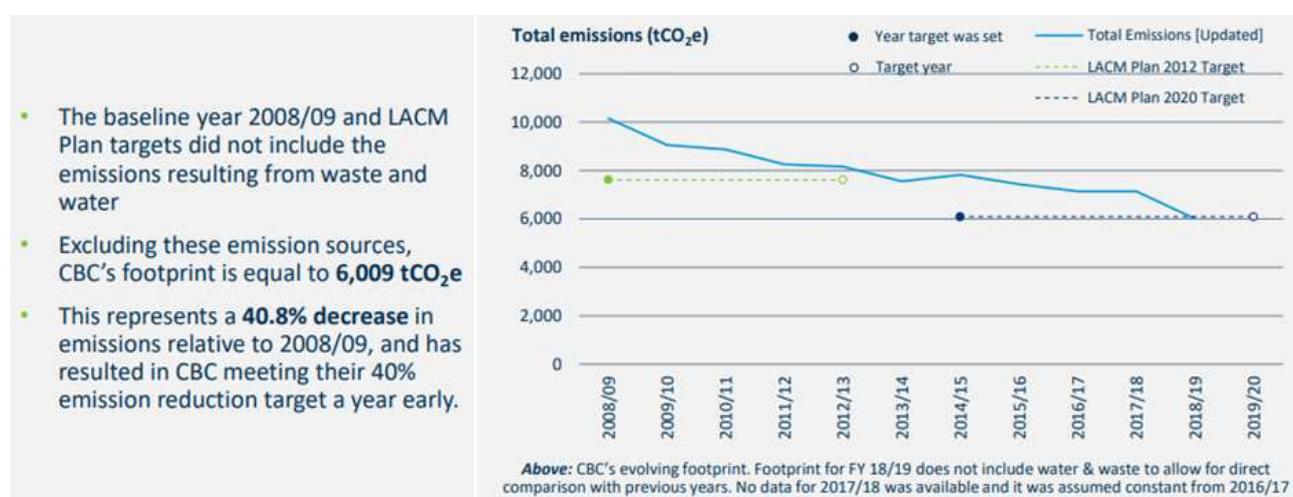
Achieving a net zero carbon target depends on a sound understanding of not only where we have come from, but also where we are now and ultimately where our current plans are taking us.

The Carbon Trust was commissioned to provide the initial evidence base to help us ensure that Colchester Council's response to the climate emergency is informed by sound recommendations and expert guidance to ensure we deploy the most effective solutions to help us tackle climate change.



Analysis of CBC's historic Green House Gas (GHG) emissions was carried out using annual GHG emissions reports. Data was available from 2008/09 up to 2016/17. The emission reductions reported in the GHG reports indicate that CBC achieved its reduction targets with the majority of emission reductions attributed to purchased electricity and the Council's fleet. *(Note: During the Carbon Trust analysis, it became apparent that fleet emission data had been under reported since 2012. However even with this historical calculation error the Carbon Trust report states that in Colchester we have a 40.8% decrease in emissions relative to 2008/09 baselines. This equates to a reduction of 3,970 tonnes of CO<sub>2</sub>e)*

**Figure 1 – 2018/19 Carbon Footprint**



## Scope of Carbon Emission Target

The GHG protocol is the most widely used and accepted methodology for GHG accounting. It is the method the Council has used since 2008 and is the method that has been followed to calculate CBC's footprint for FY 18/19.

Under the GHG Protocol, emission sources are divided into scopes 1, 2, and 3. Scopes 1 and 2 emissions are a result of an organisations' direct operations, whereas scope 3 emissions result from an organisations' indirect activities or value chain (for example, from the manufacturing of products used by the Council).

Scope 3 emissions are emitted by a third-party's operations and are generally more difficult to monitor, control and reduce. As a result, public (and private) sector carbon action has traditionally focused on scope 1 and 2 emissions.

Where scope 3 emissions have been included, organisations tend to only consider certain elements where there is a degree of influence or control. However, there is now increasing appetite to include more scope 3 emissions in footprints and to encourage carbon reduction in an organisations' value chain.

All previous carbon footprints for CBC have included:

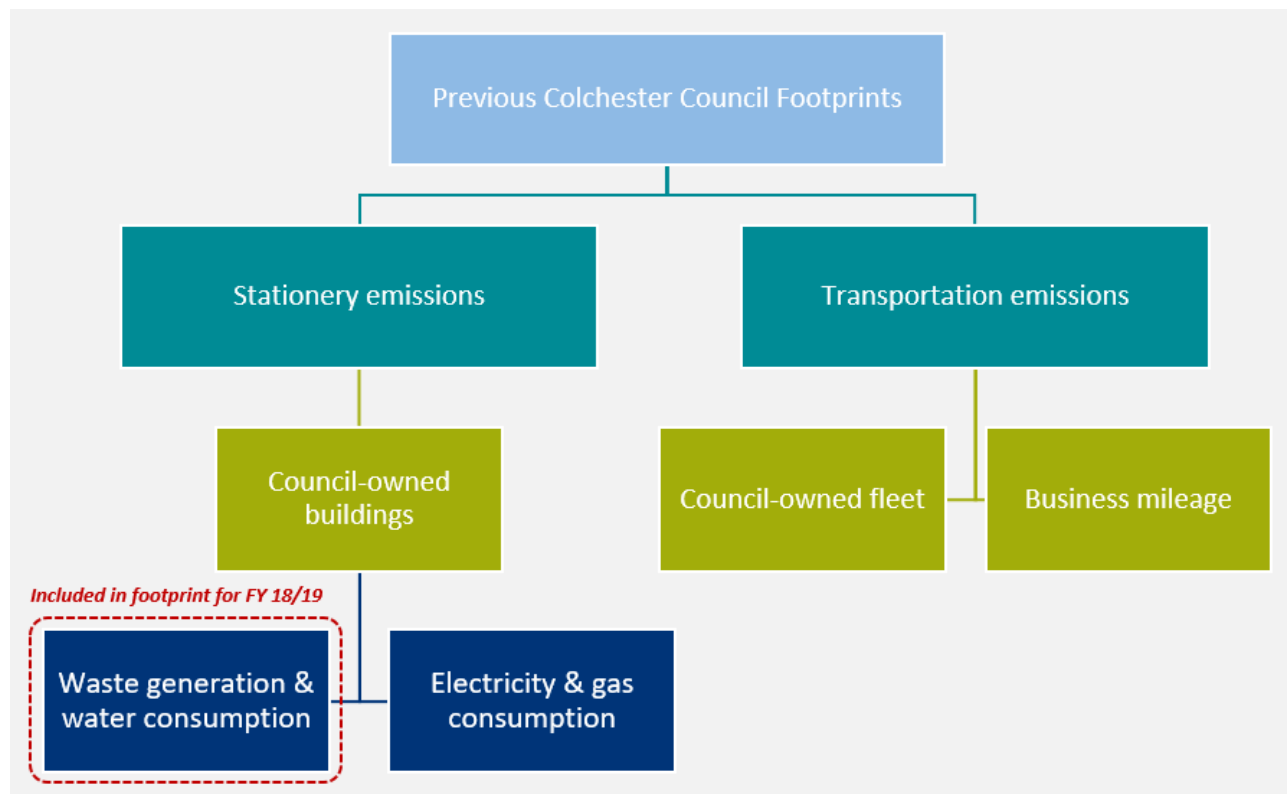
- Emissions from gas consumption for space and water heating in buildings (scope 1)
- Emissions from fuel consumption used to power the Council's fleet (scope 1)

- Emissions from electricity consumption (scope 2).
- Emissions resulting from business travel in non-Council operated vehicles (scope 3)

The Council's carbon footprint was recalculated for the financial year 2018/19 and the scope of the footprint was expanded to include further scope 3 emissions including:

- Emissions from the third-party disposal and treatment of waste generated in Council controlled operations (scope 3)
- Emissions resulting from the supply and subsequent treatment of water consumed by the Council's operations (scope 3)

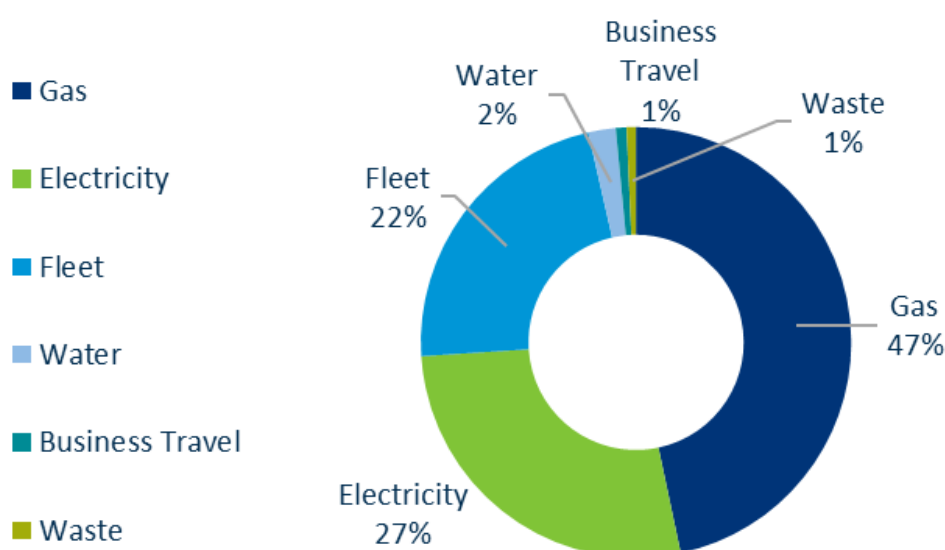
**Figure 2 - 2018/19 Adjusted Carbon Footprint Scope**



The total carbon footprint for CBC's own operations in the financial year 2018/19 within the scope above is equal to **6,180 tCO<sub>2</sub>e**.

The majority of this footprint is attributed to the Council's gas consumption for space and water heating in buildings. Emissions from electricity consumption and for fleet vehicles also form a significant portion of emissions.

**Figure 3. – Carbon footprint breakdown by scope**



**Figure 4. – Historic emissions, updated with data for 18/19.**

GHG emissions data – Total Tonnes of CO <sub>2</sub> e										
	FY 18/19	FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12	FY 10/11	FY 09/10	FY 08/09
Gas Consumption	2,884	2,918	3,012	2,993	2,915	3,231	2,642	3,048	4,473	5,285
Owned Transport	1,383	1,589	1,350	1,461	1,363	1,395	1,173	1,157		
<b>Scope 1 Total</b>	<b>4,272</b>	<b>4,507</b>	<b>4,362</b>	<b>4,454</b>	<b>4,278</b>	<b>4,626</b>	<b>3,815</b>	<b>4,205</b>	<b>4,473</b>	<b>5,285</b>
Purchased electricity	1,687	2,583	3,036	3,326	3,224	3,484	4,390	4,603	4,516	4,798
<b>Scope 2 Total</b>	<b>1,687</b>	<b>2,583</b>	<b>3,036</b>	<b>3,326</b>	<b>3,224</b>	<b>3,484</b>	<b>4,390</b>	<b>4,603</b>	<b>4,516</b>	<b>4,798</b>
Business Travel	50	47	41	45	49	50	48	58	65	67
Waste <sup>1</sup>	43	-	-	-	-	-	-	-	-	-
Water <sup>1</sup>	127	-	-	-	-	-	-	-	-	-
<b>Scope 3 Total</b>	<b>221</b>	<b>47</b>	<b>41</b>	<b>45</b>	<b>49</b>	<b>50</b>	<b>48</b>	<b>58</b>	<b>65</b>	<b>67</b>
<b>Total emissions</b>	<b>6,180</b>	<b>7,137</b>	<b>7,439</b>	<b>7,825</b>	<b>7,551</b>	<b>8,160</b>	<b>8,253</b>	<b>8,866</b>	<b>9,054</b>	<b>10,150</b>

## Areas of Focus for Carbon Emission Reduction

The Council's 'stationary' footprint from buildings, public lighting/amenities etc. accounts for 76.7% of the overall footprint.

The stationary footprint was divided into use-types. Leisure and recreation is by far the largest contributor to the Council's stationary emissions, largely driven by Leisure World, the largest single emitter across the Council's portfolio accounting for 35.3% of all emissions.

The emissions associated with the Council's fleet are also substantial. As the grid continues to decarbonise and purchased electricity becomes 'greener' emissions from the Council's fleet will become an increasingly larger portion of the overall footprint.

Gas emissions, primarily from the space and water heating of buildings, make up the majority of the Council's stationary emissions (60.8%).

**Figure 5. Breakdown of Stationary Footprint 18/19**

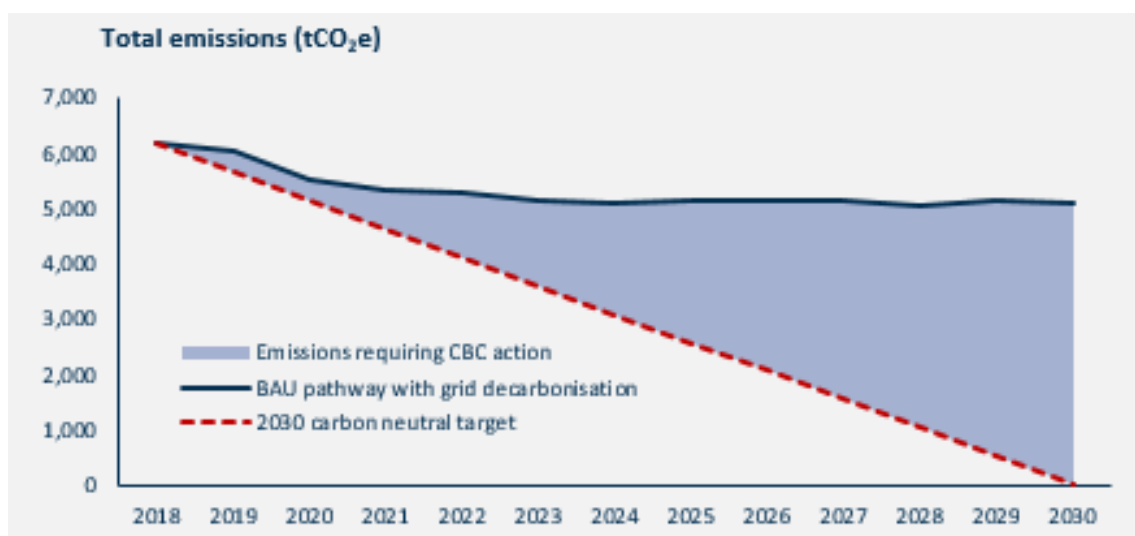
STATIONARY FOOTPRINT						
Ranking	Site Type	Electricity emissions (tCO <sub>2</sub> e)	Gas emissions (tCO <sub>2</sub> e)	Water emissions (tCO <sub>2</sub> e)	Waste emissions (tCO <sub>2</sub> e)	TOTAL
1	Leisure and recreation	762	1,511	82	33	2,388
1.a	<i>Leisure World</i>	656	1,445	58	25	2,184
2	Residential buildings	467	928	25	0	1,419
3	Council buildings	148	209	10	9	376
4	Public conveniences	207	72	7	0	286
5	Cemetery / Crem	23	165	2	1	191
6	Street amenities	78	0	1	0	79
7	Pumping stations	3	0	0	0	3
TOTAL		1,687	2,884	127	43	4,742

Maintaining a business as usual case, where energy consumption remains constant will still result in a decrease in electricity emissions as a result of grid decarbonisation.

In a 'do nothing' scenario, CBC's emissions are expected to reduce by 1,094 tCO<sub>2</sub>e as a result of the Council using greener electricity from the national grid.

Beyond this, a further **5,085 tCO<sub>2</sub>e reduction** must then be achieved by CBC to achieve the 2030 net carbon zero target.

**Figure 6 - 'do nothing' scenario – emission reductions come from the grid decarbonising.**



Further work will be required to ensure that emissions from electricity continue to fall, however greater emphasis will need to be placed on reducing diesel and gas emissions.

Future reduction in gas emissions will need to be largely driven by Council-led interventions as national trends between now and 2030 will not impact gas emissions as much as other emission sources e.g. electricity consumption.

## Action Planning

There is a need for a flexible and iterative approach to action planning our carbon reduction strategy and our overall approach to the climate emergency.

As a result, we will adapt and update this plan regularly with more detail on specific projects, costings, milestones for delivery etc as the whole programme of work develops, as new technology becomes available, as we continue to consult with expert partners, wider stakeholders and as we undertake further examination of evidence and best practice.

Alongside the Action Plan we will develop a new Environment & Sustainability Strategy and a Carbon Management Plan that will set out specific carbon reduction projects in greater detail that reflect the aspirations and actions from this overarching initial plan.

Environment and Sustainability is a New Strategic Priority for the Council and has been highlighted in the 2020/21 Budget Strategy to enable the right level of focus, governance and resourcing to be provided to deliver real progress against this action plan.

### 1. Organisational Culture & Decision Making

We will build on the strategy review undertaken by the Carbon Trust and start a process of aligning CBC's policies and governance to ensure the whole organisation rises to the challenge of the climate emergency.

To make decisions that reflect the declaration of a Climate Emergency the Council will undertake the following actions to ensure all decisions are informed by perspectives on climate change. This will include:

- 1.1** Development and consultation on a new Environmental Sustainability Strategy for Colchester.
- 1.2** Ensuring internal strategies and policies are consistent with the climate change emergency
- 1.3** Embedding environmental/ carbon priorities within the Council's core internal and external communications and narrative
- 1.4** Acknowledging environmental stewardship within the core values of the organisation
- 1.5** Strengthening our assessment of climate and environmental impacts in all decision making and reporting, including project development processes and our performance management framework
- 1.6** Work to improve our procurement processes to ensure that suppliers support our carbon neutral ambitions, for example through specification development and selection processes, in line with the Council's wider commitment to delivering social value.

Climate change adaptation requires universal strategic thinking, a deeper understanding of the challenge and risks, and the adoption of responses that will be

critical to the Council achieving its ambitions. As a result the Council will take steps to:

- 1.7** Develop and roll out a climate change learning and development programme for staff and members to improve understanding of carbon and wider environmental context. The skills programme will include basic training/awareness for everyone, with more targeted/ intensive training for decision-makers to enable them to adequately assess carbon impacts in their decisions.
- 1.8** Continue to develop and support the Council's Travel Plan, to encourage sustainable transport choices by our workforce for both the commute to work and for business travel through schemes such as the 'cycle to work scheme', discounts on public transport and the provision of facilities to support active travellers.

## **2. Roadmap to Carbon Neutral**

We will demonstrate leadership through ensuring that Colchester Borough Council operations will be net carbon zero by 2030.

- 2.1** Development of a new Carbon Management Plan based on insight and evidence gathered from a detailed pathway modelling of the current CBC footprint. Initial action areas for development and some likely measures to be include in the Carbon Management Plan are set out below:
  - 2.1.1** Take steps to ensure the council's future electricity supply is provided by 100% renewably generated sources
  - 2.1.2** Continue to review our estate and assets to investigate means of increasing energy efficiency of heating, lighting and cooling systems.
  - 2.1.3** Investigate options for acquiring or funding further renewable energy generating and/or storage installations in the Borough.
  - 2.1.4** Take a phased approach to renewal of our fleet as new technologies and associated infrastructure becomes available.
  - 2.1.5** Understand the role of carbon offsetting and explore opportunities to develop a robust strategy for offsetting emissions that will keep investment within and benefit the local community e.g. operating own solar farms to provide local energy using currently unused CBC land.

The target for net carbon zero by 2030 relates specifically to the scope of our current footprint scope 1 and 2 emissions i.e. emissions as a result of CBC's direct operations and some scope 3 emissions (see page 7 & 8). However, there is an ambition to go 'as far as possible' and explore the wider footprint outside of the Council's direct control (further scope 3 emissions) not currently included in the target. This includes contracts (e.g. grounds maintenance) as well as wholly-owned companies such as Colchester Borough Homes and Colchester Amphora. As a result, there is a need to measure and understand these emission sources to inform a future target that is ambitious but realistic.



- 2.2** Collect available data and measure relevant scope 3 emission sources to ensure the Council is going as far as possible in its efforts to reduce carbon emissions.

The Council needs to understand the impact of business as usual, national policies, local initiatives and current procurement timelines on the future carbon footprint. This will show what the make-up of the Council's emissions will be in 2030 on the current pathway, and in doing so provide steer on focus areas that the Council should prioritise for project implementation between now and then. In order to achieve this the Council will:

- 2.3** Commission and undertake macro-level scenario analysis, to overlay national and Council-level trends & policies to map CBC's emissions out to 2030. Perform pathway modelling to identify priority focus areas for the Council
- 2.4** Write and agree an internal data management plan which sets out roles and responsibilities for data capture and verification as well as a timetable for reporting.

### **3. Planning, Development & Sustainable Travel**

The Council will continue to play a central role in engaging communities and enabling environmentally friendly choices in everything from energy to active travel. The Planning system is one of the primary mechanisms for Colchester transitioning to a low-carbon society. The planning system does this by shaping new and existing developments in ways that reduce carbon emissions, sustains and enhances biodiversity and positively builds community resilience to challenges such as extreme heat or flood risk.

Central government changes to planning and building regulation legislation is required in order to enforce carbon neutrality on new developments.

Through the Conservation, Environment and Sustainability Task & Finish Group, a review has been undertaken of the measures that could be undertaken through the planning system to achieve carbon neutrality in new and existing developments. Although much work is already taking place, many opportunities have been identified as set out below. The full list of measures and actions to be explored can be seen in Appendix 2.

- 3.1** Pursue the table of actions and measures identified by the planning service (Appendix 2) that can be undertaken within existing planning legislation.
- 3.2** Respond to central government consultations that can influence changes to legislation in relation to increasing sustainability and carbon neutrality standards within planning and building regulations for future development.
- 3.3** Undertake visits to exemplar sustainable developments to better understand different financial models and approaches including for new development, retrofitting existing housing stock and innovative approaches to encouraging sustainable travel.

- 3.4** Investigate the opportunity for the Council to lead the way on its own forthcoming developments, where appropriate, such as Amphora led developments and the Garden Communities, as these provide opportunities to become exemplars of sustainable building and carbon neutrality.
- 3.5** Ongoing lobbying of central government for legislation which will enforce higher environmental standards and carbon neutrality for future developments.
- 3.6** Explore opportunities to develop and adopt shared standards with neighbouring authorities to provide consistency and set expectations on development set across the county.

## **4. Waste Management**

The way we manage waste in Colchester has a significant impact on our carbon footprint, and that of the County Council as the waste disposal authority. Changes in material consumption patterns and a shift towards more sustainable waste management not only saves money but will also have significant implications for reducing emissions.

Future options regarding the collection and recycling of waste need to ensure that a carbon accounting approach is taken towards all aspects of the service. While the Council has control over the method of collection, it is not the Disposal Authority but will work with Essex County Council to continue to encourage the most sustainable options for waste disposal.

Colchester already has an outstanding waste and recycling service, but further opportunities have been identified in the action planning process as set out below:

- 4.1** Further enhance the systems for household waste, recycling, food and garden waste collections across the Borough with a focus on waste minimisation, increased recycling and composting and reduction of residual waste.
- 4.2** Stimulate increased reuse as well as upcycling and repairing opportunities and the necessary skills and training to undertake these.
- 4.3** Reduce resource use, particularly paper for printing and single-use plastic. Seek to progress towards single-use plastic-free status and support community plastic-free initiatives.
- 4.4** Seek to minimise or cease the sale of single use plastics and encourage alternative materials throughout our retail operations
- 4.5** Explore the trial of smart waste technology to improve waste monitoring and collection efficiencies in the Borough.
- 4.6** Continue to communicate frequently with Colchester residents to improve participation in recycling and waste minimisation initiatives.
- 4.7** Review our trade waste collection service to develop additional commercial recycling collections.



- 4.8** Take an asset based community development approach to discovering and enabling existing and new community led initiatives associated with repair, upcycle and reuse social movements.

## **5. Mitigation, climate adaptation and environmental stewardship**

Local Strategic and Health & Wellbeing Partnerships carry out considerable planning to ensure that communities, especially the vulnerable, are supported during events that may cause an interruption to services and utilities, e.g. storms and flooding etc. The Council also has robust Flood Emergency Plans in place and climate related risks are taken into account in the Councils Risk Register.

Open green space and parks, how they are utilised, and the activities they support are a real barometer for 'community' with important links to volunteer and community led action and initiatives. Colchester's rural, urban and coastal geography means outdoor space is a strong factor in the biodiversity, character and attraction of our place. These spaces provide a critical backdrop to our ecological and environmental action. There is also cross over with other key strategic priorities for the Council including; health & wellbeing, increasing physical activity, and active travel. As such the Council will:

- 5.1** Plant 200,000 trees by 2024 as part of the Colchester Woodland Project
- 5.2** Undertake a review and update of the climate risks, actions and control measures set out in the Council's Corporate Risk Assessment and gain a better understanding of what further potential adaptation will be required.
- 5.3** Maximise opportunities to collaborate with and integrate the whole system change approach being implemented through the Essex Local Delivery Pilot (ELDP) including opportunities to lever funds for investment in sustainable local community led initiatives e.g. Community food growing and gardening projects already in development.
- 5.4** Undertake a review of Council Strategies for parks and green space ensuring opportunities to tackle climate change are embedded within the approach including measures to safeguard and enhance existing habitats and species.
- 5.5** Ensure biodiversity is prioritised in green space maintenance including Ceasing the use of glyphosate herbicides in Council operations through a phased approach, identifying and trialling alternative sustainable practices including 'wilding' of open spaces and lobbying and encouraging wider stakeholders with grounds maintenance responsibilities to take the same approach.
- 5.6** Work with partners to develop a vision for the upper, middle, and lower River Colne that prioritises its value as a unique natural asset to be carefully utilised, protected and enhanced.

## **6. Build Community Resilience through Enabling, Behaviour Change & Partnership Working**

Ensuring Colchester is a truly resilient Borough, where communities feel empowered and connected to take action on climate change will be a challenge. However we are aware of growing public support for environmental action, equally Colchester has excellent community partnerships that can be strengthened and nurtured to ensure a collaborative, innovative and inclusive approach to action can be taken by all:

- 6.1** Maximise opportunities to collaborate and support/promote local community led initiatives (including assistance to lever and source funding opportunities where needed) e.g. Wivenhoe Transition Town, Rowhedge Going Greener, Eco Colnes and Halstead
- 6.2** Ensure enabling action on our climate emergency is a key element of a new Community Enabling Strategy for the Council. As part of this undertake regular and ongoing dialogue with community groups across Colchester to ensure we make best use of the assets, skills, talents and creativity within our communities to tackle our climate emergency.
- 6.3** Utilise existing platforms, networks, and Groups such as Eco Colchester, Extinction Rebellion's People's Assembly and our own scrutiny processes to ensure that there is diversity in the development of solutions and proposals for climate action.
- 6.4** Take action to enable and support educational and awareness raising events e.g. Eco Colchester 2020 and the action of interested stakeholders, schools and businesses to promote behaviour change across our communities.
- 6.5** Work with town and parish Councils and seek to identify how we can work together optimally on this challenge, reflecting the wishes of the communities and residents we serve.
- 6.6** Develop a climate emergency communications and engagement plan to support delivery of our overarching action plan

Working with other Local Authorities across Essex will be crucial if we are to deliver against all of the aspirations within the motion, and in the coming months we will be continuing to seek dialogue with our neighbouring authorities and those throughout the UK who have also declared Climate Emergencies. There is already a growing appetite amongst other regional authorities to work together on this agenda, and we will support the principle that the climate change work should be one of the key priorities for the region.

- 6.7** Utilise existing partnering mechanisms to enable regional conversations with other Local Authorities across Essex and the Eastern region on joint climate emergency action.

## Ongoing Review

During the next phase of our approach, via the Conservation, Environment and Sustainability Task & Finish Group we will continue to work with expert partners, stakeholders and the community to consult opinion on and fully evaluate activity, options, their associated benefits, impacts, risks and barriers across the 6 action themes described in this first Climate Emergency Action Plan.

In parallel we will mobilise a delivery programme to accelerate the planning and delivery of projects for early implementation, a number of which sit within the Council's 'New Strategic Priorities' programme.

## Appendix 1 – Action taken as reported to Cabinet in November 2019.

<b>Climate Emergency Motion Target</b>	<b>What we've done</b>
Audit of pollution hotspots and environmental health issues.	<p>A full audit of pollution hotspots has been undertaken as part of our air quality management activity. Hot spot areas have been identified and continue to be monitored. As a result of the action taken to tackle air pollution in Colchester additional Government funding has been secured to deliver a two-year behaviour change project to tackle levels of pollution in the borough.</p> <p>We also have full details of all potentially polluting processes and the controls they have in place through Environmental Permitting. These processes are monitored regularly for compliance.</p>
<i>Audit of Wildlife/Biodiversity</i>	<p>Several specialist groups already undertaken audits. These will be assessed as we move forward with our plans to identify whether any gaps exist. Where this is the case a further audit will be engaged.</p> <p>A phased approach to cease the use of glyphosate herbicides has commenced based on the nature of the sites where herbicides are used, the need to encourage biodiversity where possible, and the availability of alternative sustainable practices.</p>
<i>Urban Impact Assessment</i>	<p>The local plan and resulting significant decisions all require a substantial impact assessment.</p> <p>Colchester's Cabinet agreed in November 2019 that environmental and carbon considerations are required to be taken into account in all decision making. All formal Council reports and decisions are now required to set out the environmental and sustainability implications of the decision, with particular reference to the definition of sustainable development set out in the National Planning Policy Framework.</p>
Consult expert opinions in the field	<p>Several experts have been consulted or have attended the task and finish group including the Carbon Trust, Eco Colchester. Feedback has also been considered from Extinction Rebellion Colchester.</p> <p>Through the delivery of wider projects supporting our ambitions from clean air, active travel to woodland planting Colchester is working with a wide range of expert partners including Intelligent Health, Active Essex, Essex University the Woodland Trust and Forestry Commission.</p>
Collaborate with regional and neighbouring local authorities, as well as communities	<p>Joint transport strategy/projects to facilitate increased cycling and walking are being developed with Essex County Council. Community activation, social movements and active travel are the primary means by which the Council aims to increase levels of physical activity, walking and cycling through the Essex Local Delivery Pilot a significant piece of work involving a wide range of stakeholders including Tendring District Council and Basildon Borough Council.</p> <p>The Council is working closely with Essex County Council to coordinate tree planting in addition to Parish Councils and community groups on this project.</p> <p>In November 2019 Colchester's cabinet also committed to working</p>

	with other authorities, organisations and companies who use glyphosate herbicides within the borough to encourage them to cease their use.
Encourage all sectors of the economy across the borough to take steps to reduce waste and become carbon neutral.	<p>Work has continued with the Single Use Plastic reduction campaign across the Borough. The refill campaign has also been publicised and supported through the introduction of 5 new/refurbished public water fountains.</p> <p>A review of our trade waste collection service is also underway to develop additional commercial recycling collections.</p>
Develop a roadmap for Colchester Borough Council to go carbon neutral by 2030.	<p>The Carbon Trust were commissioned to undertake a carbon footprinting exercise and to identify the key areas of focus that will form the basis of a roadmap and strategy for Colchester to be net carbon zero. Workshops have been undertaken with Officers &amp; Members in December 2019 to inform our strategic approach moving forward.</p> <p>The Council has recruited a dedicated Climate Emergency Project Officer to coordinate the development of a new Environment and Sustainability Strategy, Carbon Management Plan and to support the wider delivery of climate emergency projects and ambitions.</p>
Pledge to ensure future housing and community development projects meet a carbon-neutral standard by 2030.	<p>A report was presented to the Environment &amp; Sustainability Task and Finish group outlining measures CBC are already undertaking through planning and a table of new suggested measures recommended to enhance the delivery of sustainable development. This table of new measures will be developed as part of our action plan.</p> <p>Building regulations provide the most robust way of ensuring new housing is carbon neutral. The Council responds to consultations to improve the Building Regulations and will lobby central government to ensure they aim for carbon neutrality.</p>
	The Leader of the Council has written to Minister of State for Energy and Clean Growth requesting that national policy is urgently developed to reflect the seriousness of the current emergency, and to release funds to local authorities, in order that Borough Councils' like Colchester can take the necessary measures at local level.

## Appendix 2 - Proposed measures for implementation within existing planning legislation

Short term – within next 12 months

Medium term – within next 3 years

Long term – over 3 years

Measures Identified	Timeframe	How can this be achieved
Investigate the introduction of a Climate Emergency Checklist so decision makers can understand the sustainability of proposals & demonstrate compliance with these measures	Short term: Investigation Delivery: Medium term and ongoing	<ul style="list-style-type: none"> <li>Investigate the incorporation of all of these measures into a Climate Emergency Checklist.</li> <li>Research examples of sustainability checklists from elsewhere.</li> </ul>
Dedicated Travel Plan Co-Ordinators for larger developments to ensure that Travel plans are successful	Short term: Investigation Delivery: Ongoing	<ul style="list-style-type: none"> <li>Compile evidence to justify the need for Travel Plan co-ordinators</li> <li>Consider monitoring requirements, i.e. what monitoring data is available from ECC, identify monitoring gaps.</li> </ul>
Information on sustainable travel choices to be included in marketing of residential properties for developments where there are good sustainable transport options to encourage reduced car use and ownership.	Short term: Investigation Delivery: ongoing	<ul style="list-style-type: none"> <li>Add informative to relevant applications as part of Transport &amp; Sustainability response/requests to planning permission consultations</li> <li>Consider how this would be monitored.</li> </ul>
Improve, enhance & expand the Colchester Orbital as a walking and cycling route	Short term: Ongoing Delivery: Ongoing	<ul style="list-style-type: none"> <li>A scoping paper has been prepared, which identifies further work.</li> </ul>
Installation of electric vehicle charging points	Short term: Ongoing Delivery: Ongoing	<ul style="list-style-type: none"> <li>Liaise with other departments.</li> <li>Request electric charging points as part of new development.</li> </ul>
Require developers to provide a Canopy Cover Assessment for each major app & maintain or increase canopy cover on site	Short term: Investigation Delivery: Short – Medium term	<ul style="list-style-type: none"> <li>Guidance to be prepared outlining exactly what is required.</li> <li>Talk to local groups about their help in establishing baseline cover across Colchester.</li> </ul>
Tree Preservation Orders (TPOs) on allocated sites to safeguard canopy cover	Short term: Investigation Delivery: Ongoing	<ul style="list-style-type: none"> <li>TPOs to be made on all allocated sites where appropriate.</li> </ul>
Produce guidance on small scale biodiversity	Short term: Investigate	<ul style="list-style-type: none"> <li>Investigate small scale net gain projects.</li> </ul>

net gain projects	Delivery: Medium	<ul style="list-style-type: none"> <li>• Prepare guidance document &amp; discuss planning conditions with DM</li> </ul>
Encourage sites or part of sites (e.g. Amphora & MOD sites & garden communities) to deliver exemplar buildings	Short term: Discussion Delivery: Medium to long term	<ul style="list-style-type: none"> <li>• Arrange a site visit for T&amp;F Group to passive house development in Norwich, and other local examples.</li> <li>• Research other local/national examples.</li> <li>• Discussions with developers.</li> </ul>
Consideration given to car free developments and other approaches to reducing car parking provision and encouraging car free lifestyles	Short term: Discussion Delivery: Medium-long term	<ul style="list-style-type: none"> <li>• Research car free developments &amp; travel plans &amp; discuss with the Highway Authority to inform discussion on future options.</li> </ul>
Introduce car clubs	Short term: Ongoing Delivery: Short - medium	<ul style="list-style-type: none"> <li>• Consider further locations in Colchester to implement car clubs.</li> </ul>
Investigate measures to support sustainable modes of transport: investigate a workplace parking levy in the town centre	Medium term: Investigation Delivery: Medium-long term	<ul style="list-style-type: none"> <li>• Research examples of a workplace parking levy and consider its application in Colchester.</li> <li>• Work with other departments to consider incentives such as green number plates, access to bus lanes and parking levy</li> </ul>
Above ground SuDS to be designed as multifunctional features to form part of green infrastructure network	Medium term: Discussion Delivery: Medium – Long term	<ul style="list-style-type: none"> <li>• Discuss with ECC as the Lead Local Flood Authority &amp; other LPAs.</li> </ul>
Council to adopt or management scheme to be secured to maintain SuDS features where these are also adoptable open space	Medium term: Investigation Delivery: Medium-long term	<ul style="list-style-type: none"> <li>• Consider maintenance and management costs for each SuDS feature. 2. discuss with Parks team.</li> </ul>
Require new dwellings to meet optional tighter water standard of 110 litres pppd	Short term: Investigation Delivery: Medium-long term	<ul style="list-style-type: none"> <li>• Research how this is implemented elsewhere (Environment Agency &amp; Anglian Water to advise).</li> <li>• Discuss implementation with DM.</li> </ul>
Encourage green roofs and green walls	Short: Investigation Delivery: Medium term	<ul style="list-style-type: none"> <li>• Look at examples of good practice elsewhere.</li> <li>• Consider the benefits of producing a guidance note for applicants.</li> </ul>
Explore options for a long term, strategic biodiversity net gain strategy	Medium: Investigation Delivery: Medium - long term	<ul style="list-style-type: none"> <li>• Follow the progress of the Environment Bill &amp; Defra Metric 2.0.</li> </ul>

		<ul style="list-style-type: none"> <li>Consider the benefits and options for a strategic project &amp; how this conforms to legislation &amp; best practice.</li> <li>Discuss with other Essex LPAs.</li> </ul>
Raise awareness of Home Quality Mark (HQM)	Short term: Discussion Delivery: Medium - long term	<ul style="list-style-type: none"> <li>Talk to ECC about how this is being promoted in Essex &amp; how we can raise the profile of the HQM in Colchester.</li> </ul>
Seek a proportion of homes to be built to lifetime homes standard	Short term: Discussions Delivery: Short - medium	<ul style="list-style-type: none"> <li>Discussions with developers.</li> </ul>
Consider identifying suitable areas for renewable and low carbon energy	Short term: Investigation Delivery: Medium – longer term	<ul style="list-style-type: none"> <li>Look at examples from other LPAs and the benefits this has brought.</li> <li>Discuss with Climate Emergency Officer as part of Carbon Trust project.</li> </ul>
Identify opportunities for development to draw its supply from decentralised, low energy sources	Medium: Discussion Delivery: Long term	<ul style="list-style-type: none"> <li>Discuss with Amphora.</li> <li>Look at allocations.</li> </ul>



28 January 2020

<b>Report of</b>	<b>Assistant Director – Corporate and Improvement Services</b>	<b>Author</b>	<b>Richard Walker</b> ☎ 282708
<b>Title</b>	<b>Colchester Positive Parking Review: Parking Strategy Pre-Consultation Draft</b>		
<b>Wards affected</b>	All wards		

## 1. Executive Summary

- 1.1 Colchester Borough Council's off-street car parking provision was previously reviewed in April 2010, introducing a 10-year Development Plan. The resulting charging strategy was based on a mixture of short and long stay with protection of the historic town centre core as far as possible.
- 1.2 With the last Development Plan largely complete, it was deemed necessary to carry out a new review to determine the strategy for the next five years. Since the last review, the implementation of Park & Ride, and changes to several off-street parking areas has been completed.
- 1.3 This paper explains the background to the current Positive Parking Review, introduces the themes in the pre-consultation draft document and summarises the emerging recommendations, next steps, and a timescale for consultation and creation of the final version.
- 1.4 The Review document has been prepared as a Pre-Consultation Draft. Once the Scrutiny Panel have reviewed this it is intended to consult more widely using the amended version.
- 1.5 Implementation of the recommendations in this strategy will ensure the continued prosperity of the town and its shopping and business centres whilst mitigating the manageable factors that contribute towards environmental damage.
- 1.6 The document makes recommendations for the future of Colchester's car parks. This includes some adjustments to Tariffs, especially at peak times, and combines this with positive innovations that could offset increases for motorists who can adjust travel patterns when using the proposed MiPermit special offers.

## 2. Action Required

- 2.1 To consider the Pre-Consultation Draft Strategy and make recommendations to Cabinet as to the final strategy.
- 2.2 To consider the proposed timescale for consultation, including an implementation timetable for a new Development Plan.

### **3. Reason for Scrutiny**

- 3.1 For purposes of openness and transparency in development of new strategy.

### **4. Background Information: The Positive Parking Review**

- 4.1 Having adequate car parking facilities is particularly important in helping to deliver the Council's programme that supports regeneration of the town centre, helps manage air quality and reduce congestion, whilst seeking to improve the commercial vitality of the town, encourage greater footfall and to improve the public realm and streetscape enhancements. The supply and provision of adequate, accessible and good quality car parking is important to visitors and residents alike.
- 4.2 Following its Climate Emergency declaration, Colchester Borough Council must look at ways to influence motorist behaviour. A change on just one day a week could take a fifth of the traffic out of the peak, with consequent improvements in air quality, reductions in congestion and CO<sub>2</sub> emissions. Small changes can reap rewards in terms of congestion management.
- 4.3 The Council is also installing its first Electric Vehicle (EV) charging point in a shoppers and residential car park to encourage alternatives to internal combustion engine car travel, reducing air pollution at the point of use. On-Street EV points are being considered by the County Council.
- 4.4 The quality and availability of off-street car parking, including realistic charges compared with other travel modes has an impact on the number of people visiting our towns and using the facilities they have to offer.
- 4.5 The Draft Strategy sets out several recommendations which, if implemented, will assist in managing the issues above whilst continuing to support the economic vitality of the town centre.

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

- 5.1 In revising any strategy there is a need to consider the impacts. The current EIA will be reviewed when results of the draft consultation are known.
- 5.2 The current EIA is set out here:  
<https://cbccrmdata.blob.core.windows.net/noteattachment/CBC%20-%20How%20The%20Council%20Works%20-%20Environmental%20Equality%20Impact%20Assessments%20-%20Car%20Parks%20Service.pdf>

### **6. Strategic Plan**

- 6.1 An effective Parking Strategy underpins the entire Strategic Plan in that it should seek to support Economic Prosperity, influence car usage to reduce the impact on the Environment and make Colchester an attractive place to work and visit.

### **7. Consultation/Publicity Considerations**

- 7.1 A proposed consultation timetable is included in the appendices. Once a final strategy has been adopted a communications plan will be developed to ensure it is effectively communicated.

## **8. Financial Considerations**

- 8.1 Off street car parks currently generate £3.6 million income per annum which is used to support other services provided by the Council. Future pricing strategy could influence these income levels so needs to take account of the impact on income.

## **9. Community Safety/Health and Wellbeing Considerations**

- 9.1 An effective car parking strategy needs to take account of the potential crime and antisocial behaviour issues that can arise in car parks. The proposed pre-consultation draft has considered this.

## **10. Health and Safety/Risk Management Implications**

- 10.1 There are no implications at this stage.

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

- 11.1 The proposed strategy has recognised the environmental and climate change implications of car usage. However, there is a sensitive balance between unduly influencing car usage to impact negatively on the vibrancy of the Town Centre.
- 11.2 Considering petrol/diesel car usage is necessary for the period covered by this strategy, it proposes to use tariffs to influence behaviour to limit the environmental impact such as higher charges during peak travel times. If tariffs were adjusted, they could also be used to generate a revenue stream that could then be used for activity to offset the environmental impact of car usage.

## **Appendices**

Appendix 1 An Easy-Read version of the Pre-Consultation Draft  
Appendix 2 The Draft Recommendations arising from the Strategy Review  
Appendix 3 The full version of the Pre-Consultation Draft Strategy



# Colchester Draft Parking Strategy

## A Positive Parking Review

Pre-consultation draft

Easy-read Summary

Pre-Consultation Draft

September 2019

This page is intentionally left blank.

Pre-Consultation Draft

## Contents

Foreword.....	3
Reviewing parking in Colchester .....	3
What is Positive Parking? .....	4
Positive parking themes and principles .....	5
Project Definition, Objectives and Themes.....	5
1. Place & Provision .....	6
2. Perceptions .....	6
3. Parking Requirements .....	7
4. Online Payment & Technology .....	7
5. Prosperity.....	7
6. Environment & the Bigger Picture .....	8
7. Promotions .....	9
8. Communications .....	9

## Foreword

The supply and provision of adequate accessible and good quality car parking is important to visitors and residents alike.

The quality and availability of off-street car parking, including realistic charges compared with other modes, easy access, providing a safe and secure environment has an impact on the number of people visiting our towns and using the facilities they have to offer.

The implementation of the recommendations in this strategy will ensure the continued prosperity of the town and its shopping and business centres whilst mitigating the manageable factors that contribute towards environmental damage.

## Summary

This document makes recommendations for the future of Colchester's car parks.

Following its Climate Emergency declaration, Colchester Borough Council is looking at ways to influence motorist behaviour. A change on just one day a week could take a fifth of the traffic out of the peak, with consequent improvements in air quality, reductions in congestion and CO2 emissions.

The Council is also installing its first Electric Vehicle charging point in a shoppers and residential car park to encourage alternatives to internal combustion engine car travel, reducing air pollution at the point of use.

The Strategy recommends some adjustments to Tariffs, especially at peak times, and combines this with positive innovations that could offset increases for motorists who can adjust travel patterns when using the proposed MiPermit special offers.

## Reviewing parking in Colchester

Colchester Council's Off-Street Car Parking provision was last reviewed in 2009/10 with changes being implemented from April 2010. The charging strategy was based on a mixture of short and long stay with protection of the historic core as far as possible.

Several years have passed since the last review, it is necessary to carry out a further review to determine the strategy for the next five years. In addition, the implementation of Park & Ride and changes to several off-street parking areas has been completed.

In addition, the quality of off-street car parking including realistic charges compared with other modes, easy access, providing a safe and secure environment has an impact on the number of people visiting our towns and using the facilities they have to offer.

Having adequate car parking facilities is particularly important in helping to deliver the Council's programme that supports regeneration of the town centre, helps manage air quality, whilst seeking to improve the commercial vitality of the town, encouraging greater footfall and to improve the public realm and streetscape enhancements.

## What is Positive Parking?

Colchester Council is both a founder member of, and has signed up to, the Positive Parking Agenda, an initiative started by a group of local authorities supported and assisted by the British Parking Association.

The aim of the Positive Parking Agenda is to change perceptions and challenge misconceptions about the parking sector as well as local government's role and make the parking experience a better one for all concerned. The Agenda looks to provide effective and positive communications, promoting innovation and the use of technology, for the benefit of all.

The Agenda addresses a range of key priorities including: congestion, safety, air quality, accessibility, technology, working together and fairness.

Colchester Council is looking to align its parking strategy, including its policies and operations, to this agenda through a Positive Parking Framework. The Positive Parking Agenda is looking to its founder members to set a benchmark standard for other local authorities to follow.

Find out more at [www.positiveparkingagenda.co.uk](http://www.positiveparkingagenda.co.uk)





## Positive parking themes and principles

This review addresses the Off-Street parking assets and tariffs at car parks owned by Colchester Council; Colchester Council's parking operations supplied by its shared service, the North Essex Parking Partnership (On- and Off-Street, including outside schools); Use of technology; location and provision.

## Project Definition, Objectives and Themes

A Project Group was formed, and this group has established a number of themes. The Positive Parking Framework has been structured around these **key themes** in order to help shape the framework. The work included looking at issues such as:

	<b>Publicity:</b> Providing information about the services		<b>Perceptions:</b> Questionnaires, Consultation
	<b>Promotion:</b> Tariff and Offers		<b>Place/provision:</b> Locations and Provision
	<b>Prosperity:</b> Town Centre Vitality		<b>Environment:</b> Congestion, Air Quality and LTP & Bigger Picture
	<b>Parking requirements:</b> Access, Provision, Systems		<b>Online Payment</b> Parking Account Design and Innovation

# 1. Place & Provision

Looking at tariffs, custom and usage to suggest which car parks should be used in what ways. Consideration is given to promoting further or wider partnerships.

Comparisons are drawn with other places, including safety and ease of finding a space. Ways of dissuading peak hour travel in support of the climate emergency declaration is considered.

Charts show the success of existing special offers and payment types as the basis for recommendations to support the town centre including off-peak parking for shoppers, visitors and time-bound offers through the use of technology.

Recommendations have been raised to support this through providing the right provision in the right places, times, and charges. Recommendations for future improvements to car parks from income made from peak charging have been made, linking improved facilities to changed tariffs.

Locations of shoppers, shorter stay, all day parking, and facilities for disabled parking are discussed and recommendations made for the use of existing facilities, keeping longer stays outside the town centre core in order to priorities public transport, especially in the peak hours.

Discussions start in this section around payment after parking, through the use of existing but expanded MiPermit technology in support of the aims of the BID. Types of tariff are discussed in other sections.

Improved signage to inform and support – and more importantly explain simply – these measures is recommended.

# 2. Perceptions

In order to provide the draft recommendations, we have engaged with the public and the ourColchester BID. The survey work resulted well in excess of 400 records and results are included throughout the document to support or illustrate points.

A recommendation has been made to widen the scope of consultation, once a full pre-Consultation Draft of the Strategy has been circulated and the final draft agreed.

The discussion also includes the letter from the DfT setting out how local authorities can license any publicly available parking areas, including private operators, if required.

### 3. Parking Requirements

In this section, discussions turn to the tariff and patterns of usage and turnover. The need to avoid over-complexity is mentioned. The MiPermit App payment service including facilities to extend the stay is explored further.

A number of recommendations about tariff are made throughout the section, including developing the discussion about peak hour premiums to encourage modal shift, maintenance of car parks and checking provision of accessible bays for blue badge holders.

By-the-minute charging is introduced as a possible concept, and the thinking about payment after parking is developed. Special offers are explored including some other days and additional provision of sites.

### 4. Online Payment & Technology

The section explores the rapid development in technological solutions, which helps to reduce the use of cash and machines, and providing other options not possible with traditional technology.

Dynamic pricing is introduced as a concept, and the granularity of the tariff structure, e.g. hour blocks vs. by the minute, is discussed alongside what technology can enable.

The thinking is developed to promote other types of parking tariff not previously possible, with ways to support town centre through interaction inside shops with the App.

### 5. Prosperity

The thinking around tariffs and their suitability is further discussed and developed, particularly the ways it supports the aims of the transportation policy, the town centre, the BID and other modes.

Linked to the inputs from stakeholders and the survey, the discussion turns to ways to support the town centre whilst also considering transport policy and recommendations have been made around dynamic pricing, banded/structured and pay-by-the-minute tariffs, alongside other offers and incentives to travel/park at only the right times.

## 6. Environment & the Bigger Picture

Here the wider picture is assessed, with positioning, air quality, congestion and the climate and environment being considered.

Data from car parks and the survey informs the thinking, set against the requirements of transportation policy, footfall in the town centre, whilst maintaining an income so the facilities can be maintained and improved.

Recommendations made encourage the recognition that Air Quality is linked to congestion caused by traffic. Alternative modes can be influenced by Peak/Off Peak pricing – such as a shift to Park & Ride, or at least a shift traffic away from the most congested, peak times which contribute to air quality management issues.

The recommendation is to consider Peak Hours charging between 7am-9am. If people must continue to drive in to town, this is the time to avoid.

Further discussions develop the disabled bay provision, linked to other improvements in town including at the Theatre, in St Mary's car park including minor improvements required.

A variety of options includes using MiPermit to resolve the tariff issues, with a recommendation that the Council introduces appropriate measures using the digital system including: –

- dynamic pricing with a peak hours surcharge
- minimum price with by-the-minute charging thereafter
- pay-as-you-go charging
- a resident discount – Borough wide, local or hyper-locally.
- a preferred parking or refund system with retailers via MiPermit
- spread further the 'trusted customer' collection system to save transaction charges
- introduce offers, badges and deals to regular trusted customers.
- maintaining the long stay outer/shorter stay inner car parks but varying the stay type on the outer car parks
- liaising with the town and parish councils about the outlying car park tariffs.

## 7. Promotions

In this section we discuss Marketing and Communications including where to market, what to market, and which media to use.

A recommendation is made to continue to work with local businesses, to develop a series of discounts, benefits and offers can be established and introduced which ultimately provide a reward to the customer for using the Council's parking service.

Discussions include how messaging and branding should be provided, recommending welcoming, clear signage for customers explaining the payment types and facilities available, and taking the opportunity to explain to customers what the car park charges incomes are used to support.

## 8. Communications

This section is less complete than others since it will include the plans to communicate the final version of the document. A number of options is discussed here which may make their way into the final version.

Ultimately this will include the methods planned to market the Council's pricing structure for the coming years including the use of dynamic tariffs, pay after parking, any concessions/special offers designed to increase utilisation of car parks and measurement of footfall in town centres through an index.



# 1. Place & Provision

## Recommendation : 1

Income is generated as a by-product of managing demand. We should continue to explore options for management through charging and dealing with income on a profit share basis where partners are working together to support additional, new events that would increase the use of the parking facilities over and above that which is currently the case

## Recommendation : 2

It is not considered favourable in transportation terms to allow any long-term parking within the town centre core or nearby in the 'central zone'; the roads nearby cannot cope with additional commuter traffic at peak times.

It is recommended to keep the current limit of a maximum of 4 hours stay within the central zone and 2 hours within the core area (except for disabled badge holders).

## Recommendation : 3

Other improvements in car parks should be considered, perhaps linked to a slightly higher tariff for a gold service: wider bays, redesigned parking bays in the high traffic area of multi-storeys, CCTV, lighting and other secured parking improvements could be linked.

## Recommendation : 4

To reduce impact on the transport network, car parks furthest from town centres should be cheaper than those prime assets located in close proximity to the centre.

Those in the town centre should be managed by maximum stay. This principle directly links to the discussion under the Place heading where we discuss providing certain provision for particular uses at specific locations.

### Recommendation : 5

Reserved parking spaces within off-street car park assets should be considered a premium product / facility, the cost of which should be reflective of the demand held for that particular asset.

A tier charging system should be introduced or considered so that the price of a reserved parking space is also a reflection of what the space is being used to support e.g. resident or business.

Categories of such spaces could include short stay spaces close to the town / city centres, long stay spaces for shoppers / visitors located further away from town / city centres and long stay spaces for residents who cannot be accommodated through on-street parking provision.

### Recommendation : 6

Car parks should be ranked according to current and potential usage and value to their town centre. A customer using a gold standard car park should expect a wider range of facilities and standards than the basic minimum. This car park will also be prioritised for maintenance similar to the Highways hierarchy.

### Recommendation : 7

Enabling **Payment after Parking** enables customers to spend the time they want in the town centre without having to rush back to the car park to avoid penalty. They pay for the time they have used as opposed to having to guess what time they may need at the start of their visit.

The customer doesn't have to worry about having the correct change or understanding tariff bands at the start of their visit. In the example suggested for Colchester, customers could elect to purchase an initial sum, then extend dynamically 'by the minute' after that for as many minutes as they need – and then pay at the end.

### Recommendation : 8

Where town centre car park assets allow, the long stay commuter spaces should be consolidated further from the centre. This also has the benefit of managing peak traffic demand on the town centre road network, providing priority for public transport in the peak hours.



#### Recommendation : 9

The signage on our network must give clear direction to the driver in terms of long stay/short stay car parks, and the Council should provide VMS where applicable to prevent unnecessary traffic movements in our town centre.

Local directional signage to car parks should also be reviewed to ensure clarity and fitness for purpose. Named car parks should be provided on fixed directional signs

## 2. Perceptions

#### Recommendation : 10

As part of the wider Draft Consultation Review, we should look to survey the views of other organisations including Business, Shopping Centres, Access Groups and Disabled Motoring UK. The full draft will be consulted on – possibly with “drop in” sessions at the BID and/or further work with the Research Team.

## 3. Parking Requirements

#### Recommendation : 11

We may look to implement: –

- Short stay tariffs in addition, in the long stays
- An offer tariff where there is capacity
- Encouraging the county council to provide Park & Ride at the other side of town, including peak hour tariffs to encourage modal shift

### Recommendation : 12

It is recommended, in order to pursue policy objectives to curb travel in peak hours and encourage the use of other modes, to: –

- Ensure sufficient budget exists to cover costs of running,
- Maintaining and refurbishing car parks
- Increasing the amount of Blue Badge Holder parking to cover increased 'non visible disabilities' in the new Blue Badge scheme from 2019.

### Recommendation : 13

We recommend the following changes;

- To increase the Sunday tariff in the Britannia car park from £1 to X.
- To decrease the Sunday tariff in the Butt Road, Middleborough, Napier Road North and South and Sheepen Road car parks, from £2.20 to X.
- To extend the special £3.50 offer in the Middleborough car park to include Saturdays.
- To introduce a special £3.50 offer in Sheepen Road car park from Monday-Saturday.
- To review the tariff structure in the Priory Street, St Marys and St Johns car parks, so tariffs are split between Monday-Friday and Saturday-Sunday – special offers?
- To decrease the evening tariff in the Priory Street, St Marys and St Johns car parks.

## 4. Online Payment & Technology

### Recommendation : 14

New Technology enables a number of new opportunities. It is recommended that the Council investigates

- Granularity of tariffs.
- Increased use of Technology
- Scan to extend by 15 mins

## 5. Prosperity

### Recommendation : 15

One of its recommendations is to look at the fixed tariff (banded payments) and explore:

- Dynamic tariffs, especially around busy times.
- Pay after parking: Pay by the minute after an initial sum
- Cashless parking - MiPermit and contactless only
- Sweden Model
- Visitor permit-like - more to use cash –
- Other incentives and offers

### Recommendation : 16

In order to make the parking service appealing to the end users more attractive products and offers need to be established and effectively marketed to target audiences.

- Sale of annual or 3 & 6 monthly season tickets will offer the option of staggered payments to spread the full cost over a set period of time.
- The offer of part-time seasons (e.g. 3 out of ten days, call off/use before, etc) should be investigated.

## 6. Environment & the Bigger Picture

### Recommendation : 17

Principle Air Quality Management Areas to be a consideration in tariff setting – with links to congestion and Climate Emergency.

Location in relation to town centre to be a consideration in tariff setting

Parking demand and underutilised capacity (85%:15% rule) to be a consideration in tariff setting

### Recommendation : 18

Peak/Off Peak pricing must be encouraged in order to effect a modal shift, a shift to Park & Ride or at least a shift traffic away from the most congested, peak times which contribute to air quality management issues.

Peak hours are considered to be 7am-9am. If people must continue to drive in to town, this is the time to avoid.

### Recommendation : 19

It is recommended to revisit the disabled badge parking offer, signing and bay marking, and links to the Theatre, in St Mary's car park, near the level access to Popes Lane – making use of the improved and widened Balcerne Hill crossing. There are some minor improvements required to the surfacing, lighting and handrail in this area.

#### Recommendation : 20

A variety of options is available including these measures using MiPermit. It is recommended that the Council introduces appropriate measures using the digital system including: –

- To introduce dynamic pricing with a peak hours surcharge
- To introduce minimum price with by-the-minute charging thereafter
- To introduce pay-as-you-go charging
- To introduce a resident discount – Borough wide, local or hyper-locally.
- To introduce a preferred parking or refund system with retailers via MiPermit
- To spread further the 'trusted customer' collection system to save transaction charges
- To introduce offers, badges and deals to regular trusted customers.
- Maintaining the long stay outer/shorter stay inner car parks but varying the stay type on the outer car parks
- Liaising with the town and parish councils about the outlying car park tariffs.

## 7. Promotions

#### Recommendation : 21

Through working with local businesses, a series of discounts, benefits and offers can be established and introduced which ultimately provide a reward to the customer for using the Council's parking service.

#### Recommendation : 22

Consistent messaging and branding should be provided.

Welcoming, clear signage must be provided for customers including familiar branding and explaining the payment types and facilities available.

Also review the opportunity to explain to customers what the car park charges are used to support.

## 8. Communications



# Colchester Draft Parking Strategy

## A Positive Parking Review

Pre-consultation draft

Full Version

September 2019



working in partnership with  
**North Essex  
Parking  
Partnership**







## Contents

Foreword.....	3
Executive Summary .....	3
About Colchester .....	5
Introduction.....	6
Reviewing parking in Colchester .....	7
What is Positive Parking? .....	7
Positive parking themes and principles .....	8
Project Definition, Objectives and Themes.....	8
Scope of Review .....	9
1. Place & Provision .....	10
2. Perceptions .....	24
3. Parking Requirements.....	30
4. Online Payment.....	35
5. Prosperity.....	39
6. Environment & the Bigger Picture .....	44
7. Promotions.....	50
8. Communications .....	53
Appendix A – Survey data .....	56
Timescale .....	59

## Foreword

- 1 The supply and provision of adequate accessible and good quality car parking is
- 2 important to visitors and residents alike.
- 3 The quality and availability of off-street car parking, including realistic charges
- 4 compared with other modes, easy access, providing a safe and secure environment
- 5 has an impact on the number of people visiting our towns and using the facilities
- 6 they have to offer.
- 7 The implementation of the recommendations in this strategy will ensure the
- 8 continued prosperity of the town and its shopping and business centres whilst
- 9 mitigating the manageable factors that contribute towards environmental damage.

## Executive Summary

This document makes recommendations for the future of Colchester's car parks.

Following its Climate Emergency declaration, Colchester Borough Council is looking at ways to influence motorist behaviour. A change on just one day a week could take a fifth of the traffic out of the peak, with consequent improvements in air quality, reductions in congestion and CO<sub>2</sub> emissions.

The Council is also installing its first Electric Vehicle charging point in a shoppers and residential car park to encourage alternatives to internal combustion engine car travel, reducing air pollution at the point of use.

The Strategy recommends some adjustments to Tariffs, especially at peak times, and combines this with positive innovations that could offset increases for motorists who can adjust travel patterns when using the proposed MiPermit special offers.

**This section will be expanded after draft consultation.**

### Items in Yellow

Items in the yellow boxes are for further discussion in the pre-consultation draft.

### Consultation Draft

**This version is a partially complete Consultation Draft.**

Following circulation of this draft during September, comments will be taken into account and a final version will be prepared, including recommendations for policy objectives and outcomes.

### Making comments on the circulation draft:

**When making comments, please reference comments against the line numbers shown in this draft document.**

After consultation, comments will be integrated into the final version in the appropriate section.

## About Colchester

Colchester has a population of 190,098 living in 82,055 households. There are currently 132,530 voters in the local electorate. Our population is projected to grow to 216,300 by 2030.

12,500 new homes were built between 2001 and 2015; and 16,000 are projected to be built between 2016 and 2032. The borough covers 300 square kilometres and Colchester is the largest district in Essex, with a rapidly growing population and economy. Over the next 15 years Colchester is anticipated to experience one of the fastest growth rates within the county.

6,877 jobs were created between 2004 and 2014 (up 9.6%); and the turnover of the local economy grew to £3.41 billion over the same period, an increase of an estimated £200 million of Gross Value Added (GVA) (using 2010 prices). Colchester's economy attracted an estimated £3 billion of inward investment 2001- 2015.

The University of Essex ranks in the top 20 for research excellence. It is also one of the most international campus Universities in the UK with students from more than 130 different countries. Two of Colchester's secondary schools appeared in the top 10 for the best GCSE results in the country, and another school achieved the best A-Level results in the UK.

Part of the borough lies in an Area of Outstanding Natural Beauty and it contains 22 conservation areas and 2,056 listed properties. We estimate that approximately 35,000 adults in the borough volunteer at least once per month.

## Introduction

Colchester Council is responsible for 32 managed car parks. These provide essential access as destinations for to the places people need and want to go to — such as workplaces, schools and colleges, shops, leisure facilities, health provision and much more.

Colchester Council's car parking service generates, on average, £3.7m per year. Parking is a large financial generator for the Council which is supported by the North Essex Parking Partnership in its operational services. The business of running parking in Colchester needs to continue to provide for the benefit of all our services and residents.

This Positive Parking Framework for Colchester has been developed to change the face of parking across the Borough, in Colchester town centre and for our surrounding towns and villages; to help support local economies; traffic management and our communities.

The Framework is intended to put the business of parking in Colchester on an effective and efficient footing: simplifying tariff patterns; identifying sufficient and proper maintenance plans to protect the asset that we all rely on; and being bold and ambitious in terms of how the future of parking is provided so that it supports much wider benefits beyond the current regime of measuring success through income.

This Framework seeks to also support the economy, the environment and our communities as set out in the Local Plan; the Local Transport Plan; the Council's Business Plan; the Town Centre Partnership's BID; and the Local Enterprise Partnership Vision.

## Reviewing parking in Colchester

Colchester Council's Off-Street Car Parking provision was last reviewed in 2009/10 with changes being implemented from April 2010. The charging strategy was based on a mixture of short and long stay with protection of the historic core as far as possible.

Several years have passed since the last review, it is necessary to carry out a further review to determine the strategy for the next five years. In addition, the implementation of Park & Ride and changes to several off-street parking areas has been completed.

In addition, the quality of off-street car parking including realistic charges compared with other modes, easy access, providing a safe and secure environment has an impact on the number of people visiting our towns and using the facilities they have to offer.

Having adequate car parking facilities is particularly important in helping to deliver the Council's programme that supports regeneration of the town centre, helps manage air quality, whilst seeking to improve the commercial vitality of the town, encouraging greater footfall and to improve the public realm and streetscape enhancements.

## What is Positive Parking?

Colchester Council is both a founder member of, and has signed up to, the Positive Parking Agenda, an initiative started by a group of local authorities supported and assisted by the British Parking Association.

The aim of the Positive Parking Agenda is to change perceptions and challenge misconceptions about the parking sector as well as local government's role and make the parking experience a better one for all concerned. The Agenda looks to provide effective and positive communications, promoting innovation and the use of technology, for the benefit of all.

The Agenda addresses a range of key priorities including: congestion, safety, air quality, accessibility, technology, working together and fairness.

Colchester Council is looking to align its parking strategy, including its policies and operations, to this agenda through a Positive Parking Framework. The Positive Parking Agenda is looking to its founder members to set a benchmark standard for other local authorities to follow.

Find out more at [www.positiveparkingagenda.co.uk](http://www.positiveparkingagenda.co.uk)



## Positive parking themes and principles

111 This review addresses the Off-Street parking assets and tariffs at car parks owned by  
112 Colchester Council; Colchester Council's parking operations supplied by its shared  
113 service, the North Essex Parking Partnership (On- and Off-Street, including outside  
114 schools); Use of technology; location and provision.

## Project Definition, Objectives and Themes

115 A Project Group was formed, and this group has established a number of themes.  
116 The Positive Parking Framework has been structured around these **key themes** in  
117 order to help shape the framework. The work included looking at issues such as:



## Inline Statistics

118 Throughout the document, statistics, data and quotes from the Survey have been  
119 included to illustrate the points at hand.

## Scope of this Review

To review the Council's Off-Street Car Parking provision in the Borough and develop a five-year strategy designed to achieve the following aims and objectives:

### In scope – terms of reference

We set up a Project Group to investigate the best future plans to consult upon. The work looked at themes (colour coded throughout the document), including:

#### Sufficient **provision**

- Location, type and number of bays, long/short stay vs. P&R
- Statistical analysis (opening and closing times, utilisation & capacity)
- Payment mechanisms, concessions, season tickets, resident parking in car parks, special offers and other incentives such as loyalty schemes
- Parking charges and durations (tariff structure and other modes)

#### Increased economic **prosperity**

- District growth and development
- Colchester town centre and other towns in the Borough

#### Customers and retailers' **perception** of parking provision in the Borough

#### Special **parking** requirements

- Disabled, young children, cyclists, electric vehicles

#### Communications, **promotion** and **publicity**

- Communication Plan, Social Media,
- Adequate signage and advertisement of car parking provisions including Variable Messaging

### Out of scope


The Framework *does not* include a review of any On-Street parking, although it may make recommendations to the Joint Committee. Neither does it cover residents' parking or on-street pay and display. A town parking review was carried out in Colchester during 2012-14 to deal with the most significant issues relating to on-street parking.

Other projects are in the process of being delivered and further requests for work in this area will be considered against the Parking Management Framework (2019) and resource availability.

Provision for delivery of small scale on-street parking restrictions (yellow lines) has been made through the North Essex Parking Partnership and allocates funding each October for up to six schemes in the Borough Area. The Parking Partnership, for which Colchester is the lead authority, delivers the Joint Committee's priorities parking improvement schemes.

Staff Parking is being considered separately, outside this review.

# 1. Place & Provision

Theme	Inputs	Outputs
<b>Provision</b> <b>Place:</b> car park provision 	Location, type and number of bays, long/short stay vs. P&R Statistical analysis (opening and closing times, utilisation & capacity) Vitality, USP, access, inputs, survey, partners Parking charges and durations (tariff structure and other modes)	<b>Place:</b> To provide excellent parking facilities at an appropriate cost to users and Council Tax Payers, compared with other modes, whilst contributing to the economic vitality of our town centres.  To determine the adequacy of off-street provision in terms of volume, location and mix of short v long stay and permit parking to determine whether it meets the needs of customers.

## Introduction

In this section we consider the background to our market, including:

- Changes in the market;
- Origin and destination statistics, including routeing;
- Surveys, consultations and comments received;
- Alternative car parks, and other locations;
- Park & Ride (although its Policy is decided by Essex County Council);
- Opening, closure or redevelopment of facilities;

Staff Parking – although provision of staff parking is subject to separate review

We consider Trends, including data from: –

- Outputs,
- Links to Marketing offers (discussed in more detail in the

## Promotions

- link to the BID, destination Colchester

Also considered are the outlying car parks including Parish Partnerships

- West Mersea, Dedham and Wivenhoe

Other free car parks:

- St Christopher's, London Road Lexden, Prettygate

## Issues

### Off Street Asset Review

An important part of the Review concerns the location of parking facilities and the appropriate provision. Some changes have occurred since the last Plan was produced.



Some proposed developments have not yet occurred, and there have been some slight changes in the development timescale and locations.

Generally, provision and tariff type has been closely associated. Long stay tariffs have been towards the edge of town, in an attempt to reduce car-bound commuting into the historic core.

Shoppers and shorter stays have been accommodated in the town centre car parks, predominantly within the circle formed by the inner ring road (Balkerne Hill/Southway area) – however only Britannia car park provides true short stay parking.

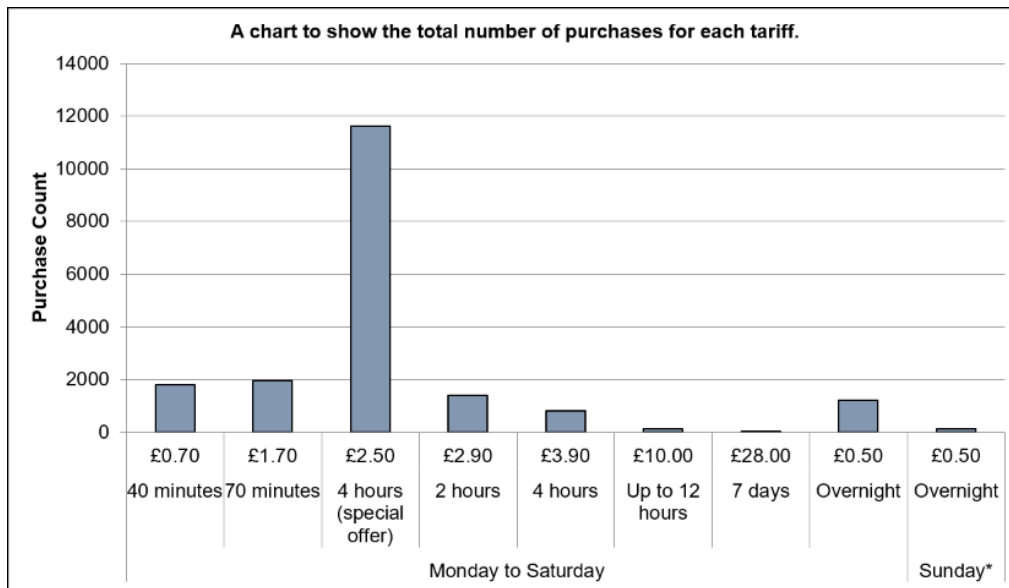
### Tariff and Custom

The last Plan set out how special offers could benefit certain locations, with the offer at Britannia proving particularly successful. This offer also introduced for the first time the idea of marketing on stay type in different ways, and offering a differential tariff off-peak where it did not impact on rush hour congestion.

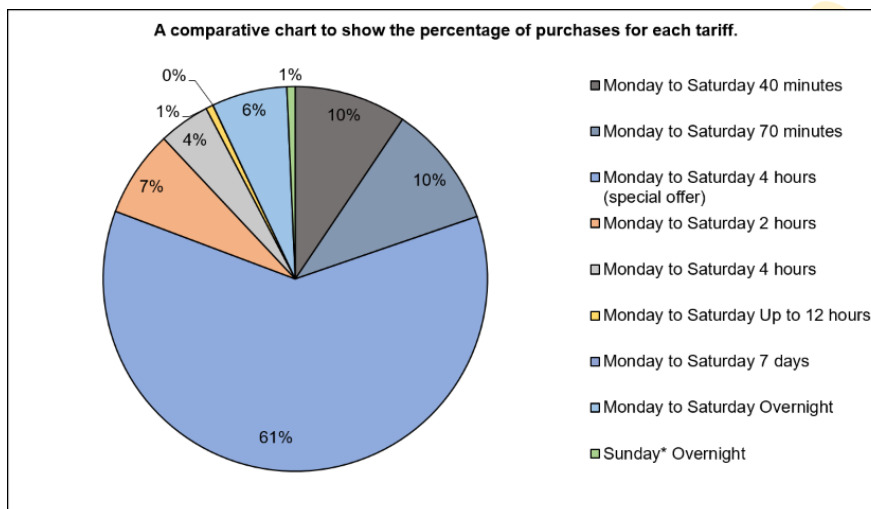


The offer was designed to encourage shoppers to stay a little longer, and also took away the threat of receiving a Penalty Charge Notice by offering much longer stay than that usually purchased: i.e. 4 hours for £2.50 instead of 2-3 hours which was the previous most popular time purchased).

Much has been learned from this exercise in terms of targeting special offers and there is scope for more, as set out through this document.



Despite being available off-peak only, the offer dominates Britannia car park ticket sales and has become the primary tariff.



The offer has been very successful both in terms of influencing arrival time and building a market. It is hoped that during the term of this Plan we can build on that experience.

Other places that could be considered include Rowan House car park – making this available at weekend for Pay & Stay parking (depending on any lease issues).

This could be implemented very simply by adding the car park to the Parking Order as a MiPermit site.

We could offer Concessions – for example for trading such as ice cream vans – so they are directed towards better places where it is preferred they trade.

Other areas to re-investigate include: Car Clubs, Love Ur Car bays, and any links to providing electric vehicle clubs.

Issues relating to accessibility – and Disabled Badge Holder use – need further investigation. This may include moving bays from On-Street locations into car parks, for instance in connection with works near the Mercury Theatre.

### Outlying Off Street Areas

Outlying car parks and other town centres have remained largely unchanged.

- Provision in Mersea is under agreement with the town council,
- Provision in Wivenhoe is under agreement with the town council, and
- Provision in Dedham is under agreement with the parish council;

Issues in outlying areas include:

- The amount of parking in Dedham is at a severe premium due to the tourist medium term parking at the village location.
- A link to Park & Ride or further parking provision could reduce the pressure.
- We also look at the interface between our provision and the County Council's Park & Ride, including considering some other uses for Park & Ride (e.g. to Dedham, using local buses en-route) – although this is controlled by the County Council, a link could provide an alternative to village parking in Dedham.

### Recommendation : 1

Income is generated as a by-product of managing demand. We should continue to explore options for management through charging and dealing with income on a profit share basis where partners are working together to support additional, new events that would increase the use of the parking facilities over and above that which is currently the case

### Factors affecting Colchester town centre:

- Vineyard Gate development and the changing ways that residential provision may form a large part of this development.
- Britannia development/capacity – likely uses may change if Britannia is developed, and the site and alternatives will need to cover any Vineyard Gate development
- St John's and St Mary's car parks changes in style of use in order to cover the changes above.

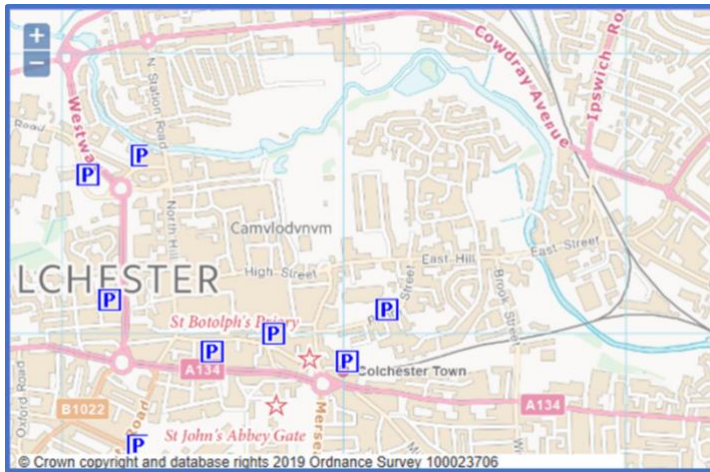
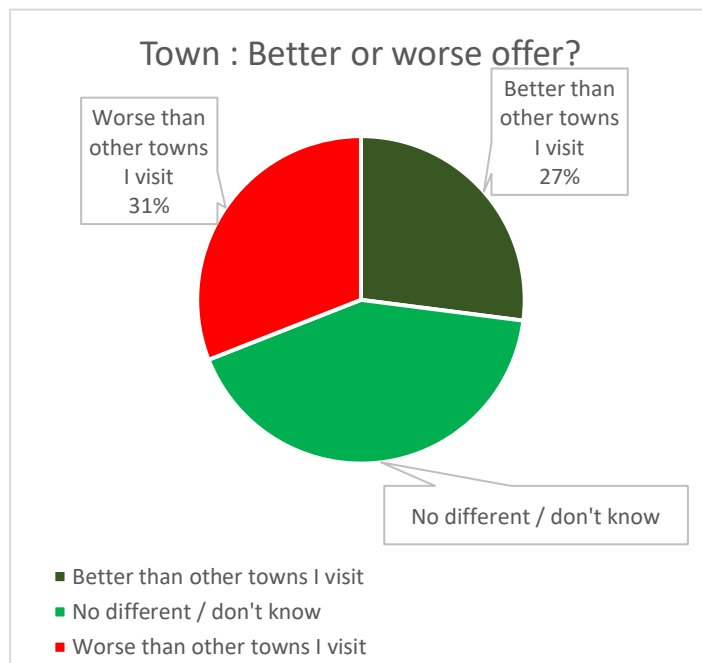


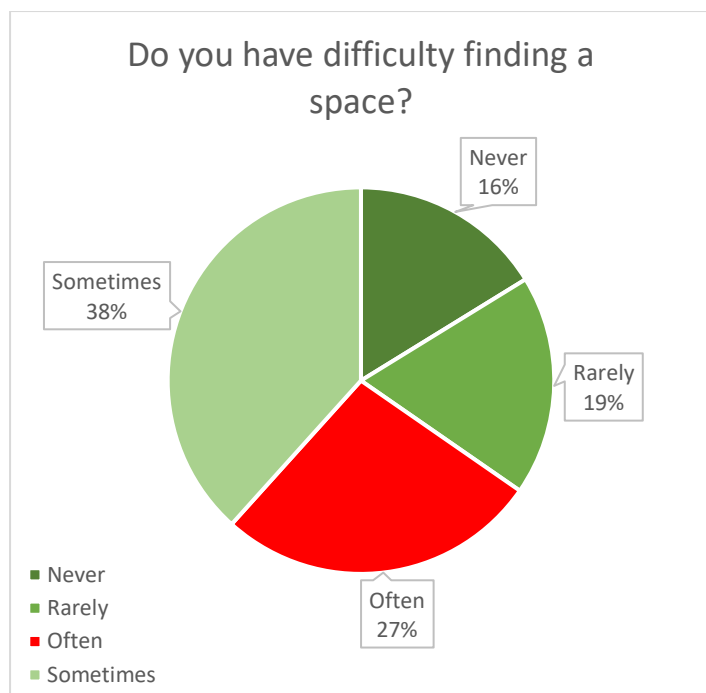
Figure 1 Map of town centre parking

## Developing the thinking

### Comparison with other places

When questioned, survey respondents did not have a particularly good or bad comparison to draw; over two thirds of people ranking Colchester the same or better than other towns they had visited.





Under a third of people had difficulty finding a space often, and a third had difficulty finding a space sometimes. The previous plan was to make the best use of the car park by pricing to try to nearly be full at most times. This would also seem to suggest that supply and demand are in balance, and there is little scope for reducing prices.

### Discussed Themes

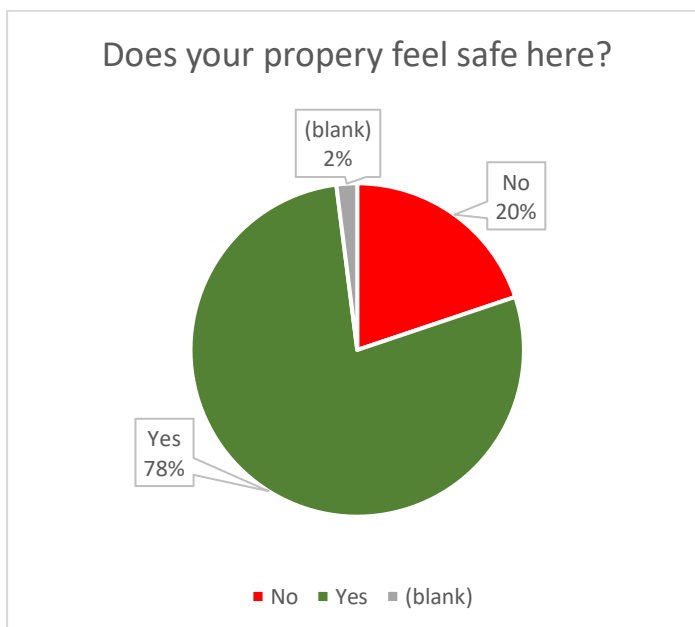
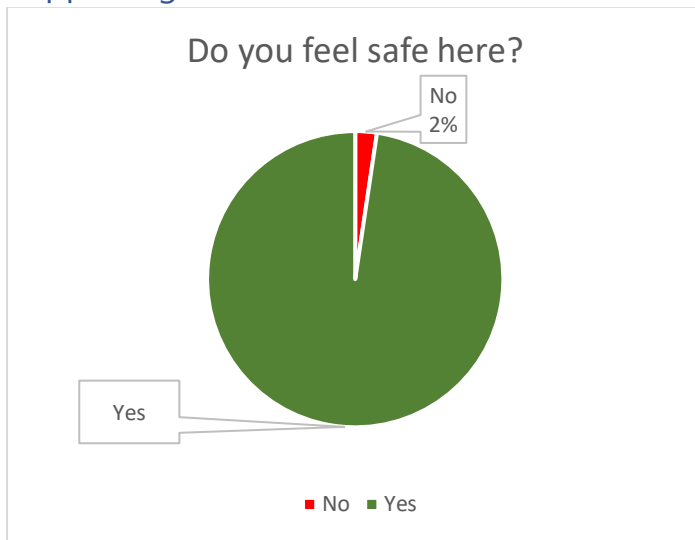
Looking at Usage Statistics has and will produce examples of popular parking – say, for a complete month; from that capacity and utilisation can be plotted. Capacity vs. Utilisation is considered under the Parking Requirements section.

For usage vs. Ticket sales and utilisation, the Strategy Group considered: –

- MiPermit can output, we need to include all sales
- Town Centre - Long stay dominates – Park & Ride comparisons can be drawn
- Outlying areas with Parish Agreements work well in terms of localism
- Seasons and motorcycles need to be reviewed
- Anonymised data could be produced and published
- Private Non-Residential parking is a large-scale issue for Colchester

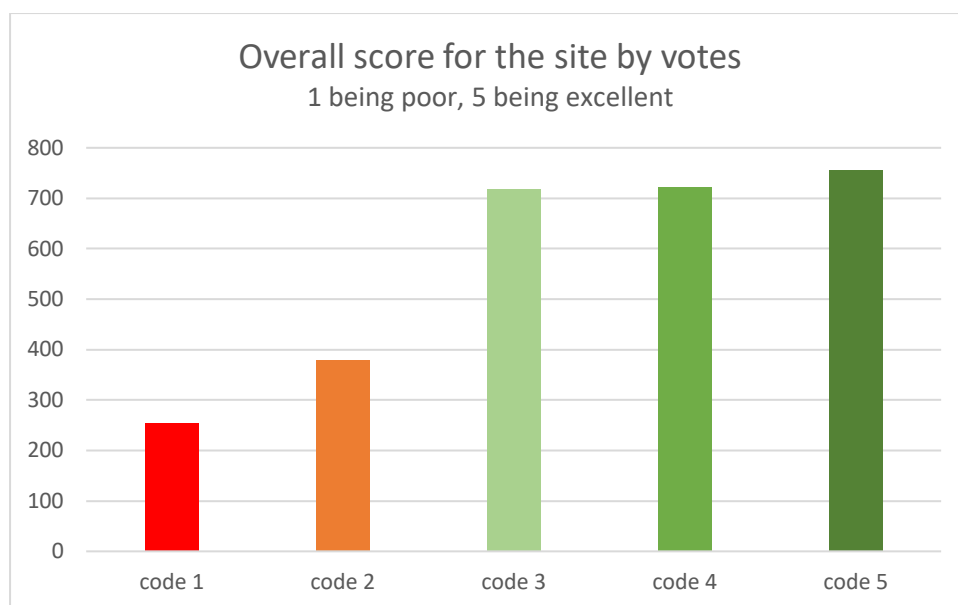
Recommendations are made in the Online Payment & Technology section below.

## Supporting data



Having carried out a lot of work to secure community safety and security in the town, it was reassuring to see such a high score for personal safety amongst respondents.

There was a slightly lower score, albeit still well over three quarters, thinking their property was also safe.



By far the largest groups rated the sites average or above for an overall score.

### Matching provision and place

Whilst provision to date has concentrated on long stay and short stay in separate locations, with the shorter stays nearer the town centre, there may be a case for adding short stay tariffs to outer town car parks to make them multi-purpose, for example for shorter visits nearby long stay car parks.

Long stay has been provided to the north, west and south of the town, but provision is lacking to the east.

### Recommendation : 2

It is not considered favourable in transportation terms to allow any long-term parking within the town centre core or nearby in the 'central zone'; the roads nearby cannot cope with additional commuter traffic at peak times.

It is recommended to keep the current limit of a maximum of 4 hours stay within the central zone and 2 hours within the core area (except for disabled badge holders).

It will be important to link additional provision in the town to any new development in future (via the s.106 or CIL process).

Over time, and with redevelopment proceeding, it will be probably to have to consider moving provision to cope with Vineyard Gate and Britannia developments. This may require a change of tariff design and stay types at St John's and St Mary's car parks, and to reallocate parking between sites through improved and better signage.

The types of parking provision are also linked to recommendations in the Local Plan, the provision of good public transport provision – buses, trains, Park & Ride, cycling and walking, or even working from home, as alternatives to private car use.

### Recommendation : 3

Other improvements in car parks should be considered, perhaps linked to a slightly higher tariff for a gold service: wider bays, redesigned parking bays in the high traffic area of multi-storeys, CCTV, lighting and other secured parking improvements could be linked.

Recent moves have been made to effect a deep clean of the multi-storey car parks, and decoration in car parks – such as the St Mary's West Staircase mural; and other decoration generally, as well as cleaning. These details also lend to a feeling of safety and security.

#### Outlying car parks and Partnerships

The Council also provides Secured Resident Off-Street car parks at St Julian Grove, Walsingham Road and Alexandra Terrace. The provision at these locations varies in quality and occupation. Adjusting the prices in line with local elasticity is recommended to make best use of these locations.

Consideration may need to be given to:

**St Julian Grove** - Priory Street redevelopment has a knock-on impact here.

There are 14 Bays, 1 spare. A waiting list of 5 applicants (at Aug 2019). Currently the area is full of season ticket holders and a permit costs £175 pa + £20 key.

The site provides parking additional to Resident Parking Zones.

**Alexandra Terrace** – There are 7 spaces, and all are taken. A waiting list of 13 further applicants (at Aug 2019).

**Walsingham Road** An area of verge made into perpendicular bollarded bays, but no keys exist for bollards. It has been checked and this area is not on the highway – the site has a total of 4 bays, but no bays are taken up (Aug 2019). Cost is £203 p.a.

**Three Crowns Road** was a secured site which was under-used. This has been converted to part pay to park/part resident reserved bays.

Better use could be made with 2 available spaces (no 5 & 16) (at Aug 2019) out of 10; 4 bays recently already offered out of 7 applicants on the waiting list – 3 still remain on waiting list. Cost for a Resident Bay is £72 p.a. or £92p.a. for the second permit.

West Mersea, Dedham, Wivenhoe - other free car parks

**St Christopher Road** and **Lexden Road** are all 3 hrs, uncontrolled.

**Prettygate** is not time bound.

#### Payment options

The MiPermit cashless parking system has been developed in conjunction with Chipside. More on this is discussed in the **Online Payment** section.



## Working with other partners

We have an ongoing dialogue with the Colchester Institute, about uses for their site.

## Strategic Issues

Reviews generally take a view of town centre car parks in context of future development, growth and supporting urban environment. The location of a car park can define how a town centre is used both by circulating car movements and by the pedestrian access to and from the car park itself.

Car parks can define streets not just in their physical structure but by how they are accessed, by enabling more aesthetic and economic generators to utilise the space above and around the parking spaces. They can give an initial view to the visitor of the town centre offer providing a 'gateway', according to the British Parking Forum: Crucially, the car park is the first thing motorists see on arrival, and the last thing they remember.

**“Parking as a Service”** demonstrates to the customer that while car access is important, what the town centre has to offer and the ease of access for the pedestrian is more important.

The exact location of the car park asset in relation to the place as well as any places of interest needs to be taken into account as this would have a direct impact on the amount of traffic on the network.

### Recommendation : 4

To reduce impact on the transport network, car parks furthest from town centres should be cheaper than those prime assets located in close proximity to the centre.

Those in the town centre should be managed by maximum stay. This principle directly links to the discussion under the Place heading where we discuss providing certain provision for particular uses at specific locations.

This principle also supports healthy lifestyles by encouraging walking from car parks which are further away from the final destination. It should be acknowledged that parking charges are required to manage not only traffic flows but also the levels of usage within parking facilities.

While there is an assumption that free parking would benefit an area, this is rarely the case. Areas whereby parking is free are likely to be fully occupied at all times often not by those visiting the area but rather by commuters leaving the car all day.

As such there would be little in the way of parking turnover meaning that fee parking provides spaces for those who are making visits for social and recreational purposes.

The lack of available parking spaces would act as a deterrent from making such further visits and therefore could impact the level of inward investment and general spending in the area as a whole.

It is generally suggested that there should be at least 15% of the total number of spaces free for such visits to stimulate and encourage economic growth. This turnover is only possible through the setting of appropriate parking tariffs.

The parking data shows that St Mary's car park operates at 60% capacity – an additional targeted special offer could fill in the gap, such as the 4-hour offer currently available off-peak at Britannia. Data should be checked to ensure only the time when spaces are most available is selected.

### Recommendation : 5

Reserved parking spaces within off-street car park assets should be considered a premium product / facility, the cost of which should be reflective of the demand held for that particular asset.

A tier charging system should be introduced or considered so that the price of a reserved parking space is also a reflection of what the space is being used to support e.g. resident or business.

Categories of such spaces could include short stay spaces close to the town / city centres, long stay spaces for shoppers / visitors located further away from town / city centres and long stay spaces for residents who cannot be accommodated through on-street parking provision.

While reserved spaces should be considered a premium, they should be priced to encourage their usage to reduce the number of unnecessary vehicle trips by those searching for a parking space and to increase the efficiency of overall traffic movements.

Every Council owned car park has a business rate and maintenance charge associated with it. It provides a service to the community and a tariff charge should be applied in recognition of this.

### Ranking Car Parks against criteria

An idea from Cornwall's recent review is for car parks to be categorised as 'Gold'; 'Silver'; or 'Bronze' – the ranking relating to facilities and maintenance.

'Gold' car parks will have a variety of additional pre-defined features including, where appropriate, lighting up to British Standards, clearly marked out bays, managed traffic flows and CCTV equipment in place.

'Silver' car parks will bridge the gap between these two standards. Having specific standards in place helps achieve some of the main factors that parking should consider when being provided in a Town Centre setting as indicated by the British Parking Forum, namely the provision of secure and quality facilities.

A 'bronze' car park will have an up to date condition survey and will be in a safe condition.

- Pay after Parking systems installed in 'Gold' and 'Silver' car parks

## Recommendation : 6

Car parks should be ranked according to current and potential usage and value to their town centre. A customer using a gold standard car park should expect a wider range of facilities and standards than the basic minimum. This car park will also be prioritised for maintenance similar to the Highways hierarchy.

### Payment after Parking

For retailers this supports the shopping experience. For the car parking service, evidence has also shown that **Pay after Parking** technology can increase the income from a car park on average by as much as 15%. Often this is provided through the expensive 'Pay on Foot' system with barriers, with a large installation cost and ongoing maintenance and staffing overheads, but other technological solutions are available.

Across North Essex, payment systems are also delivered via the **MiPermit** App. Customers can use the MiPermit App to identify themselves on arrival, then extend the stay right up to the time for departure. Using the App in a slightly different way could enable MiPermit to calculate the overall fee, process payment and "check out" the vehicle at the end of the stay.

This removes the need for customers to estimate their stay length on arrival. This approach has been successfully piloted at a number of Councils across the UK including Newcastle, Lichfield and Basingstoke.

## Recommendation : 7

Enabling **Payment after Parking** enables customers to spend the time they want in the town centre without having to rush back to the car park to avoid penalty. They pay for the time they have used as opposed to having to guess what time they may need at the start of their visit.

The customer doesn't have to worry about having the correct change or understanding tariff bands at the start of their visit. In the example suggested for Colchester, customers could elect to purchase an initial sum, then extend dynamically 'by the minute' after that for as many minutes as they need – and then pay at the end.

### State of the built environment

Make more of land, more provision (link to Local Plan), perhaps by provisioning more multi-storey car parks, or it may be possible to add more decks to existing structures or over-decking existing sites. Alternatively, thought could be given to extending provision of the Park & Ride scheme in order to improve air quality within the town.

## Minimum standards for car parks

Our car park assets are a valuable commodity to our communities and town centres and represents a significant business to the Council. Car parks are currently inspected on a hierarchical basis, depending on their proximity to town centres and the savings that they produce.

Short stay visitors and shoppers are looking for accessible, convenient spaces so that the journey from the car park is not a detriment to their visit and can compete with the out of town supermarket.

### Recommendation : 8

Where town centre car park assets allow, the long stay commuter spaces should be consolidated further from the centre. This also has the benefit of managing peak traffic demand on the town centre road network, providing priority for public transport in the peak hours.

Additionally there is a wealth of research which concludes that free or even cheap parking results in capacity saturation and a lack of turnover ,or churn, which has a negative impact upon economic development within towns.

Our customers should expect as a minimum: clear signage, clear parking bay lines, working machines, litter free, smooth surface, clear walkways. This should support the environment within which the car park sits.

## Signage to and within car parks

The Strategy Group reviewed network signage which supports access to car parks. It found that the Variable Messaging Signage (VMS) – the directional signs showing the number of spaces in each direction – does not cover all town centre car parks.

The use of such signage is recommended by the British Parking Forum. Signage should be considered holistically with links to pedestrian routes and rights of way.

Colchester has lodged as part of a bid to the North Essex Parking Partnership Reserve Fund review and fund improvements to the directional signage to all long and short stay car parks.

All VMS systems will be fully integrated into car park data gathering / analytics where possible. The same system should also be driving interfaces for the deployment of enforcement.

### Recommendation : 9

The signage on our network must give clear direction to the driver in terms of long stay/short stay car parks, and the Council should provide VMS where applicable to prevent unnecessary traffic movements in our town centre.

Local directional signage to car parks should also be reviewed to ensure clarity and fitness for purpose. Named car parks should be provided on fixed directional signs

TRL research has suggested that there are more important factors which limit car travel other than the cost of parking. The Review Group considered the review off-street car park signage (i.e. within car parks) and initial messaging to improve legibility and 'welcome'

Pay area for machines and signs should provide a 'Welcome' – be light and clean – considering 'first impressions' of the town are experienced at car parks.

Working with the North Essex Parking Partnership, we have enabled contactless card payment in our car parks. This reflects the move to contactless payment generally and provides an alternative, easy mechanism of payment for the customers who wish to use it. It also minimises vandalism, reduces maintenance and re-programming issues associated with coin machines.


Active travel (walking and cycling) is an important element within healthy lifestyles. By putting in cycle parking provision and signing walking and cycling routes from car parks to key destinations, people will find it easier to choose to walk and cycle as part of their journey.

## Options


X

## Recommendations

X

Theme	Outputs	Recommendations
<b>Provision</b> <b>Place:</b> car park provision 	<p><b>Place:</b> To provide excellent parking facilities at an appropriate cost to users and Council Tax Payers, compared with other modes, whilst contributing to the economic vitality of our town centres.</p> <p>To determine the adequacy of off-street provision in terms of volume, location and mix of short v long stay and permit parking to determine whether it meets the needs of customers.</p>	<p>To be concluded following consultation</p>

## 2. Perceptions

Theme	Inputs	Outputs
<b>Perceptions</b> <b>Impressions:</b> customer perceptions 	Customers and retailers' <b>perception</b> of parking provision in the Borough Questionnaire and consultations facilities, accessibility, provision, experience, data	<b>Impressions:</b> To consider views and opinions of key stakeholders including residents, businesses and shoppers and allow them to help form the policy To design the Council's current pricing and payment mechanisms.

### Introduction:

In this section we consider engagement with stakeholders.

Prior to creating the draft document we surveyed the public and sought views from key business groups. Surveys were carried out at sites and via a web survey which was publicised locally.

We asked a range of questions including those involving environmental and safety aspects of visiting car parks.

For the final draft, it is proposed to ensure all key stakeholders are consulted – possible consultees are set out in the text below.

### Issues

#### Stakeholder Engagement and Surveys

A link to the survey data is [here](#)

We have collected and collated a wide variety of data as part of the project. We have looked at maximum occupancy and times of over-capacity, which indicate where the tariff or price elasticity no longer fits the market. We also intend to review inner and outer town centre car parks.

We have also conducted a range of customer and public surveys, working with the council's Research and Engagement Team. Customers were surveyed both at car parks and online.

Through our survey work we captured journey origin postcodes, and these are outlined anonymously in Figure 2 below:



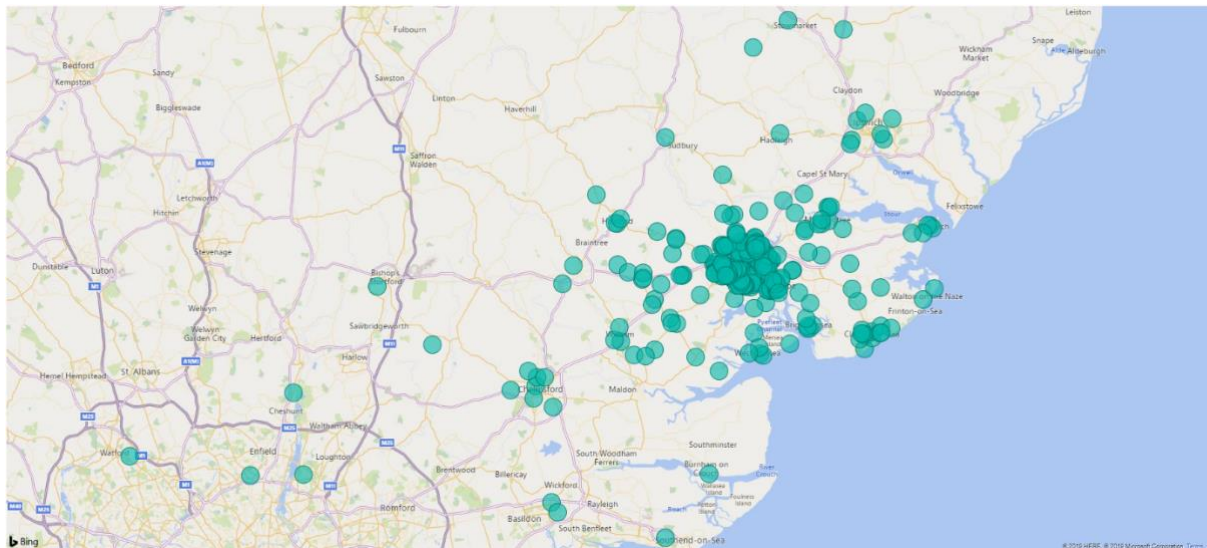


Figure 2 Postcode of origin of trip

Whilst many trips originated from inside the Council boundary, some also travelled far greater distances than the average journey-to-work time (approx. 20-30 mins for the area, see Figure 3 below).

Office For National Statistics		
Labour Force Survey		
OD 2018		
Weight 2018		
Variables used: PWT18 , TrvTme, Usaladgb		
Please note - Usaladgb refers to the respondents home location not place of work		
		TRVTME Usual home to work travel time (minutes)
	Desc	Mean
	22UC Braintree	25
	22UF Chelmsford	34
	22UG Colchester	25
	22UK Maldon	31
	22UN Tendring	25
	42UB Babergh	31
	42UD Ipswich	24
	42UG Suffolk Coastal	25
Created on 8/07/19 by Office for National Statistics		
<a href="http://www.ons.gov.uk/">http://www.ons.gov.uk/</a>		
Crown Copyright applies unless otherwise stated, Copyright@ons.gov.uk		

Figure 3 ONS travel to work times 2018 for surrounding districts

## Developing the Thinking

## Methodology

The survey work resulted well in excess of 400 records. The questionnaire was conducted in January/February 2019 and it is recommended to repeat the exercise at other times of the year in future – say, in summer, or before Christmas.

The Snap survey tool we used records time and days of the surveys.

## Outcomes

Car Park Survey 2019			
Location	Amount		
St Johns Car Park	29		
Butt Road Car Park	8		
St Marys Car Park	38		
Priory Street Car Park	49		
Vineyard St Car Park	47		
Britania Street Car Park	22		
Middleborough Car Park	25		
Total	218		

The split of car parks where recorded showed a reasonable cross-section of sites.

We had 180 responses in total from the Online questionnaire and received data from 232 face-to-face surveys.

- In terms of representation, this is a very reliable sample number of returns.

### Other Outputs:

Beside the survey work, we are looking to build research (surveys, insight) with Research & Engagement Team and Other stakeholders (inc tourism).

In addition, the British Parking Association, in support of the Positive Parking Agenda is sponsoring some national research, which will be of interest to local authorities.

We have also included research from the British Parking Forum and other local authorities, including Cornwall on whose template this report is based.

## Developing the thinking

### Engagement - stakeholders

In order to provide the draft recommendations, we have engaged with the public and the ourColchester BID.

Additional stakeholders will be consulted with the production of a draft version of this document.

We are looking to build research (surveys, insight) with Research & Engagement Team with other stakeholders as part of the consultation on the draft version of this Plan. This may include: organisations such as : –

- Residents
- Access Group/Disabled Motoring UK
- The ourColchester BID;
- Tourism representatives;
- Essex County Council, Parishes and Town Councils, other neighbouring councils and the emergency services;



- Local authority colleagues from areas including Transport Strategy, Local Plan, Built Environment, Licensing;
- Groups which make use of the facilities, including: – Arts Centre, Mercury Theatre, Headgate Theatre, The Odeon, Business Groups (own parking, through season tickets), Institute, VI College, University;
- Groups with input or output impacts on use of parking facilities, including: – Bus Companies, Taxis, Freight Transport Association, Amphora.

This could take the form of drop-in sessions at FirstSite as location. Library Hub, Town Hall, or on site with a Trailer.

## Recommendation : 10

As part of the wider Draft Consultation Review, we should look to survey the views of other organisations including Business, Shopping Centres, Access Groups and Disabled Motoring UK. The full draft will be consulted on – possibly with “drop in” sessions at the BID and/or further work with the Research Team.

A mixed ‘freeform question’ set of responses was received to the open question about cost of parking. This also shows that there is more to be done to explain the reason for the tariffs in connection with supply, demand and reducing congestion.

From the Survey:	“Car parks to expensive need to be cheaper would draw more people to shop in town
From the Survey:	“Change should be given or pay on exit with vehicle registration recognition.
From the Survey:	“Chapelfield carpark in Norwich is an excellent example of a modern, clean carpark, as is the carpark near to John Lewis in Chelmsford
From the Survey:	“Charges need to be cheaper
From the Survey:	“Cheaper parking or cheaper park and ride.
From the Survey:	“Colchester car parks are the worst I have been too. I have worked in. Other locations and have felt much safer however never feel safe walking to my car in Colchester.
From the Survey:	“Colchester parking is too expensive compared to other towns so does not encourage people to the town
From the Survey:	“Compared with other towns and cities Colchester has some of the best car parking and it makes me mad when less well travelled people complain
From the Survey:	“do not use car parks - too expensive and pay on entry is unfair
From the Survey:	“Don't have blue badge but struggle to walk any distance due to joint and back problems
From the Survey:	“Far too expensive. We avoid the town centre unless absolutely necessary. We go to the cinema in Ipswich, much better, and free parking.

There is some evidence in the survey responses to suggest that users of the private NCP car parks do not understand the difference between these private businesses and the council-run car parks.

### Controlling the costs of private car parks

Customers often refer to the cost of parking in privately-run car parks such as those at Nunns Road and Osbourne Street when talking about the cost of parking in Colchester. This can have a negative impact on the view of shoppers car park costs in the town, given that Nunns Road is so closely located to a major retailer.

The Council does not directly control the cost of parking at these sites, but there are mechanisms that could be brought into use should the need arise.

The Department for Transport alluded to these measures in a letter to all parking managers on 14 June 2011.

*Department for*  
**Transport**

Zone 2/06 Great Minster House  
76 Marsham Street  
LONDON SW1P 4DR

alan.irving@dft.gsi.gov.uk

Ref: 110614/dearparkingmanager.doc

14 June 2011

Dear Parking Manager,

#### **Control of Off-Street Parking**

You may be aware that last year a Private Member's Bill concerning off-street parking was introduced into Parliament by the Hon Member for Crawley, Henry Smith MP. The Bill, if enacted, would place a duty on local authorities to licence all publicly available off-street car parking places where a fee was charged.

The Bill is currently being considered by Parliament. In the meantime I would like to take this opportunity to remind parking managers of the current discretionary licensing powers that exist in relation to off-street car parking places.

Sections 43 and 44 of the Road Traffic Regulation Act 1984 and the associated Control of Off-Street Parking Orders 1978 and 1986 provide local authorities with discretionary powers to control off-street parking through a licensing scheme. Copies of these instruments may be viewed at:

<http://www.legislation.gov.uk/ukpga/1984/27/contents>  
<http://www.legislation.gov.uk/uksi/1978/1535/contents/made>  
<http://www.legislation.gov.uk/uksi/1986/225/contents/made>


Where you take the view it is necessary and appropriate you may wish to consider the use of these powers to licence off-street parking places. The powers allow, following appropriate consultation with stakeholders, for local authorities to establish controlled areas within which no person other than the local authority may operate a public off-street parking place of a prescribed description except under and in accordance with the terms and conditions of a licence granted to that person by the local authority.

Alan Irving  
Traffic Management Division  
Department for Transport


Options

X

Recommendations

Theme	Outputs	Recommendations
<p><b>Perceptions</b></p> <p><b>Impressions:</b> customer perceptions</p> 	<p><b>Impressions:</b> To consider views and opinions of key stakeholders including residents, businesses and shoppers and allow them to help form the policy</p> <p>To design the Council's current pricing and payment mechanisms.</p>	

# 3. Parking Requirements

Theme	Inputs	Outputs
<b>Parking requirements</b>  <b>Technology:</b> requirements for parking  	Special <b>parking</b> requirements Occupancy and turnover  Disabled, young children, cyclists, electric vehicles  Payment mechanisms, concessions, season tickets, resident parking in car parks, special offers and other incentives such as loyalty schemes	To recommend the future systems mix from the choices of Pay and Display against cashless alternatives including digital accounts or Pay on Exit.

## Introduction:

In this section we discuss how statistics relating to tariff and custom can be used to predict uptake of offers and inform the best mix for the future, incorporating: –

- Tariff Usage, Offers, patterns, turnover.
- Tariff types and geographical location/access to short/long stay
- Use of assets at other times – e.g. investigating Rowan House P&D at weekend
- Offers: £2.50 offer, £3.50 offer - after peak, contra peak; Car Club, Love Ur Car, links to new Electric Vehicle charging.
- Accessibility – and Blue Badge use - plus any new developments following the scheme's review.

## Issues

### Tariff and Custom

Our survey reveals that customers sometimes think our tariff structure is complicated, and perception of higher fees can be biased by bad choice of car park. Additionally, other modes are not seen as an alternative. Flexibility is mentioned, but the structure must be kept understandable.

From the Survey: "Parking charges are unfair and complicated.  
If you pay cash you don't get any change which means you could end up losing out on a lot of money.  
Also, what you put in the machine should be done by hours not how much you are going pay.  
This system is complicated and many times I have struggled or seen others struggling and not paying

617		for enough hours so then having to buy another
618		ticket meaning you are charged twice."
619	From the Survey:	"Parking is generally too expensive in Colchester & I
620		dread the day I have to rely on buses!! The bus service
621		is generally a mess & needs a complete rethink."
622	From the Survey:	"The car parks in Colchester are numerous and cheap.
623		This encourages people to drive into the town, thus
624		increasing congestion and pollution. People should
625		be encouraged to drive to the park and ride service."
626	From the Survey:	"We need more car parks for commuters you took
627		away Sheepen Road and replaced it with offices
628		putting more pressure on already stretched spaces.
629		For a flexible working mum the park and ride is too
630		far out for me to drop off the kids and then be at
631		work for 9.30. Parking is a struggle"

The details here can be avoided by using our *MiPermit* service, including its *Extend Your Stay* feature for which more information is given in the **Online Payment & Technology** section below.

The system could be made less complicated by moving to 'by the minute' charging, with much more granularity introduced in to the tariff bands; this could work in conjunction with a minimum payment, so that transaction charges are always covered, but extending parking is made simple.

## Differentiation

Town centre Car parks in Colchester have traditionally been divided into shoppers, short stay and long stay. Those in the long stay area, outside the town centre, have traditionally had only a full or part day tariff.

## Tariff Statistics for Town Centre Car Parks

### Britannia

Just under 200% occupancy every Sunday - need to restructure tariffs because usage suggests it is too popular – perhaps increase tariff?

### Butt Road

Low occupancy on Sundays - perhaps lower all day tariff?

Usage on other days around 100% - perhaps increase the day tariff Monday to Saturday? - Don't want to compete with NCP £2.90 offer.

### Middleborough

30%-40% occupancy on Saturdays and Sundays - perhaps extend Monday to Friday tariffs to Saturdays and decrease Sunday tariff.

## Napier Road North

- 650 100% occupancy from Monday to Saturday.
- 651 Low occupancy on Sundays - perhaps lower all day tariff?

## Napier Road South

- 652 Duplicate North, same issues.

## Priory Street

- 653 Weekday occupancy weaker than weekend - perhaps change tariff structure
- 654 completely and separate weekends from weekdays.

## Sheepen Road

- 655 Around 50% weekday usage - perhaps introduce special offer (like Middleborough
- 656 car park) Monday-Saturday.
- 657 10-20% weekend usage - perhaps decrease Sunday tariff.

## St Johns

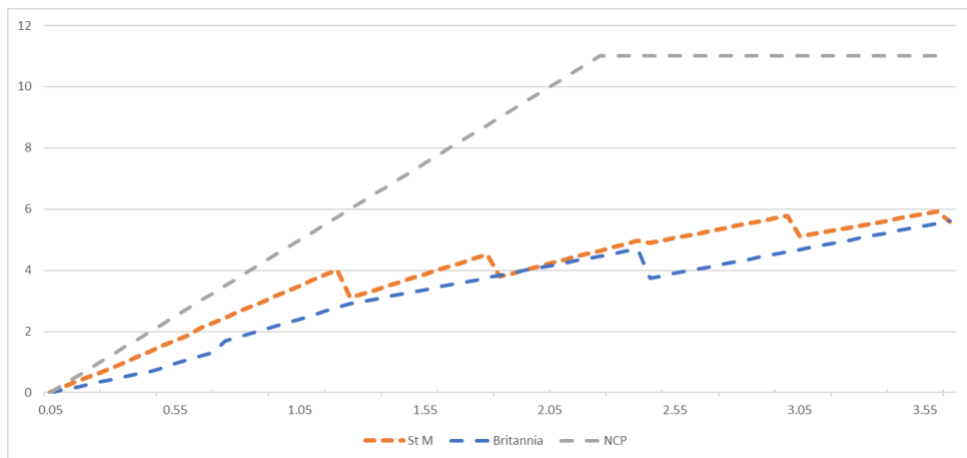
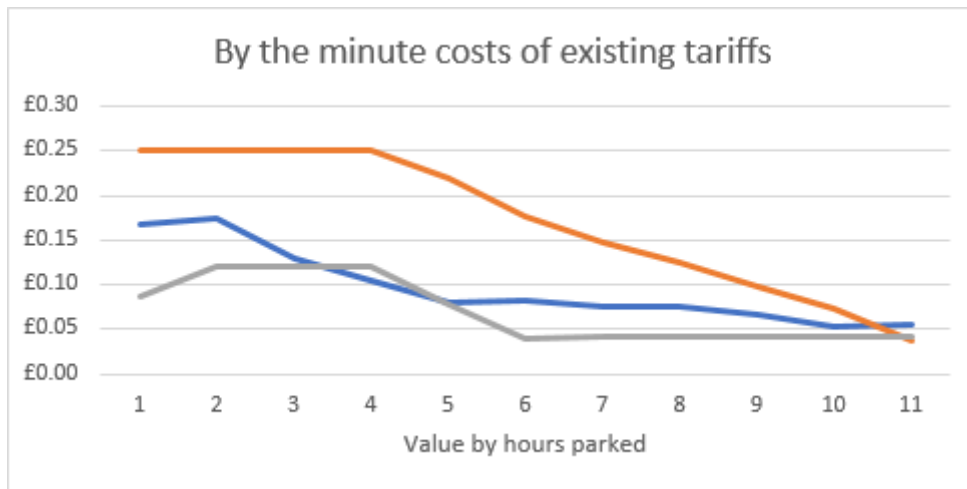
- 658 50% occupancy on Sundays - perhaps lower tariffs or introduce special offer for
- 659 Sundays, and potential to include Saturdays too.

## St Marys

- 660 Between 50-60% usage Monday-Friday, without staff parking included.
- 661 Around 80-90% on Saturday.

## Developing the thinking

- 662 As a part of the working undertaken, collated cash, contactless and MiPermit
- 663 purchases to help understand current tariff usage trends. We then analysed these
- 664 trends to identify where improvements can be made.
- 665 Day rate tariffs seem popular, and there is a suggestion that we need a structured
- 666 Sunday tariff to match.
- 667 Short stay should be maximum stay (not high price penalty).
- 668 Recently a number of offers have been considered or implemented, including: –
- 669
  - £2 after 2pm - Priory St Marys, MiPermit only (from the second week of
- 670 January onwards – from 2pm - 6am).



By-the-minute charging could be implemented for Top Ups on the MiPermit service after an initial payment has been made – topping up by time would be of benefit to the customer when they are in town – customers can choose a time of departure (and keep adding) rather than having to guess a time or a tariff.

## Options

Things to consider

### Recommendation : 11

We may look to implement: –

- Short stay tariffs in addition, in the long stays
- An offer tariff where there is capacity
- Encouraging the county council to provide Park & Ride at the other side of town, including peak hour tariffs to encourage modal shift

## Achieving policy Objectives

### Recommendation : 12

It is recommended, in order to pursue policy objectives to curb travel in peak hours and encourage the use of other modes, to: –

- Ensure sufficient budget exists to cover costs of running,
- Maintaining and refurbishing car parks
- Increasing the amount of Blue Badge Holder parking to cover increased 'non visible disabilities' in the new Blue Badge scheme from 2019.


## Recommendations

The Review Group recommends that the tariffs needing to be reviewed include: –

### Recommendation : 13


We recommend the following changes;

- To increase the Sunday tariff in the Britannia car park from £1 to X.
- To decrease the Sunday tariff in the Butt Road, Middleborough, Napier Road North and South and Sheepen Road car parks, from £2.20 to X.
- To extend the special £3.50 offer in the Middleborough car park to include Saturdays.
- To introduce a special £3.50 offer in Sheepen Road car park from Monday-Saturday.
- To review the tariff structure in the Priory Street, St Marys and St Johns car parks, so tariffs are split between Monday-Friday and Saturday-Sunday – special offers?
- To decrease the evening tariff in the Priory Street, St Marys and St Johns car parks.

Theme	Outputs	Recommendations
<b>Parking requirements</b>  <b>Technology:</b> requirements for parking  	To recommend the future systems mix from the choices of Pay and Display against cashless alternatives including digital accounts or Pay on Exit.	



# 4. Online Payment & Technology

Theme	Inputs	Outputs
<b>Online Payment</b> 	Alternatives to the use of cash Cashless, online parking account Pay machine/operation type	<b>Technology:</b> To maximise opportunities for increasing the number of customers who pay by cashless parking.

## Introduction:

In this section we consider everything to do with Technology, including: –

### Digital Payment

- The digital parking account
- Comparisons; Cash; Cashless Wave&Pay; MiPermit - and other emerging technology
- Aim to reduce cash (new offers to be digital only)
- Changing usage by tariff break incentives and differential or dynamic pricing.

**Other technological improvements** that could be made.

## Issues

Underutilised times - do these marry up with filing capacity without adding to congestion.

By the minute charging – we investigated the possibility of: –

- Tariff fit being aligned so it is not detrimental to income
- Not allowing overstay of the maximum time allowed
- Ability to Top Up in town
- Ability to scroll the time you want on MiPermit when topping up.

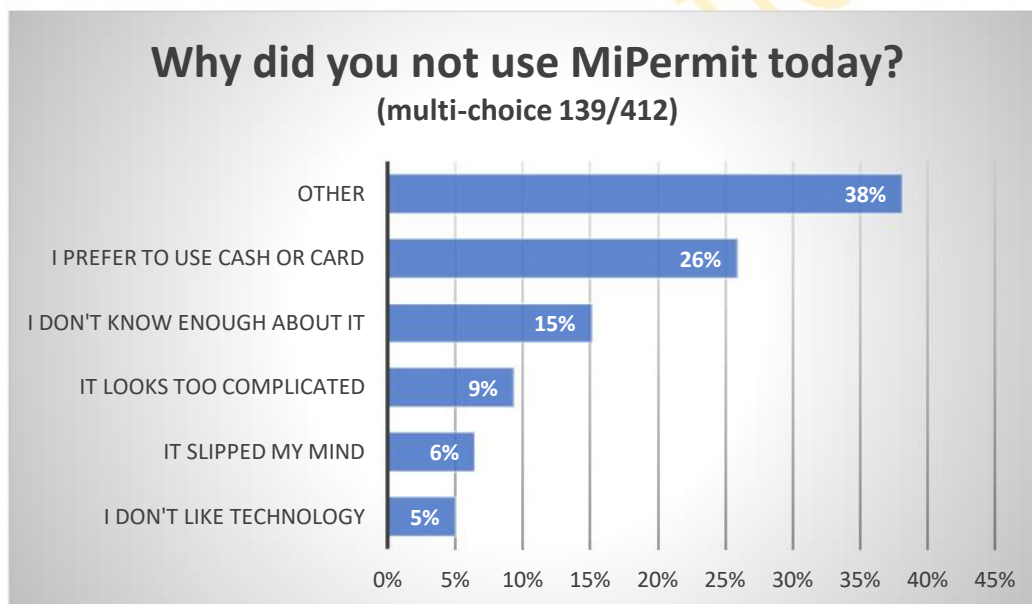
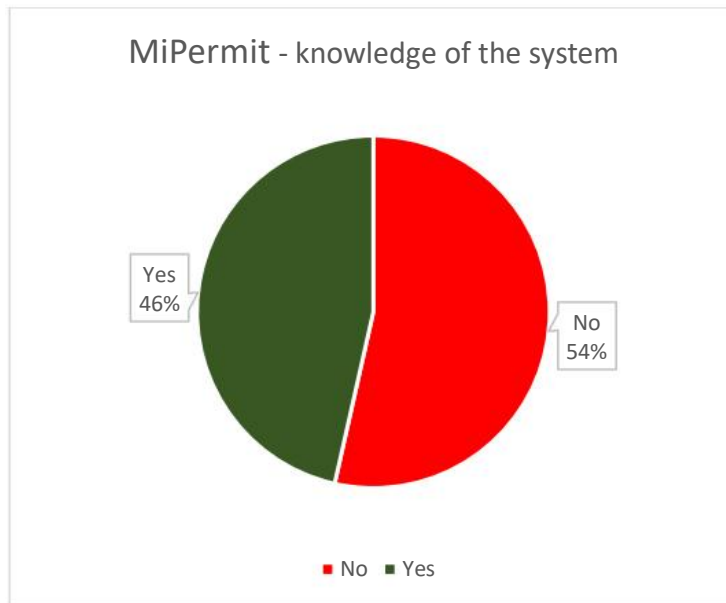
## Recommendation : 14

New Technology enables a number of new opportunities. It is recommended that the Council investigates

- Granularity of tariffs.
- Increased use of Technology
- Scan to extend by 15 mins

Business Communities often cite pay on exit as the panacea to retain shoppers in town centres for longer, but the truth is that such systems are both expensive to implement and maintain.

Alternatives to pay on exit have the same result – that of enabling the customer to choose how long to stay up until the time they leave – in Essex this is MiPermit.



MiPermit - and other technology, can reduce cash handling (particularly when offers are digital only) – and the use of tariff break incentives could encourage more to use the service.

## Developing the thinking

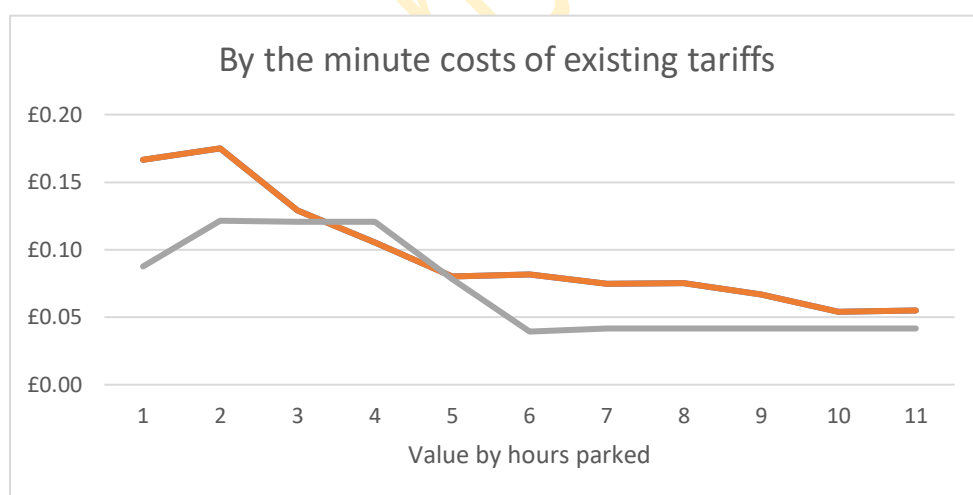
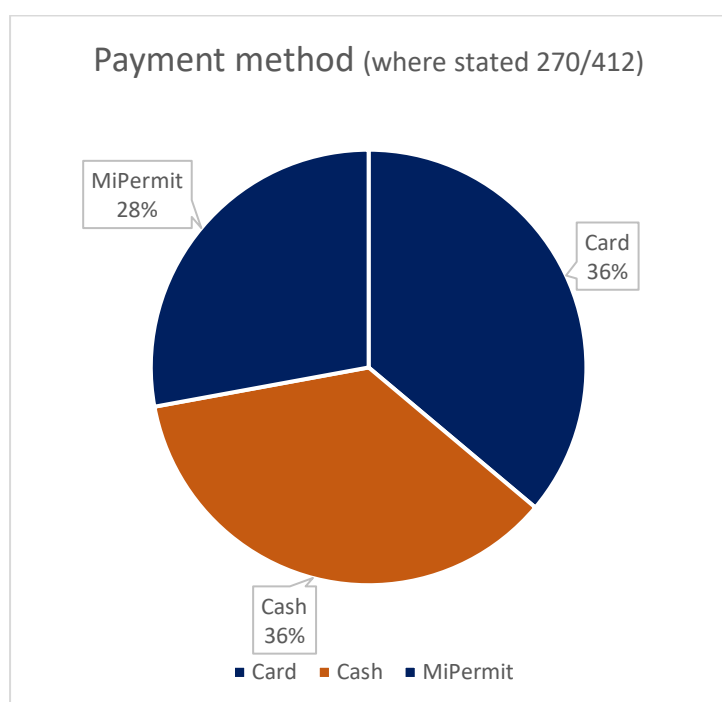
We have recently conducted a campaign to promote MiPermit generally, and in particular the 'extend' feature, and are working with the Our Colchester BID to promote more understanding of the additional benefits that MiPermit could bring.

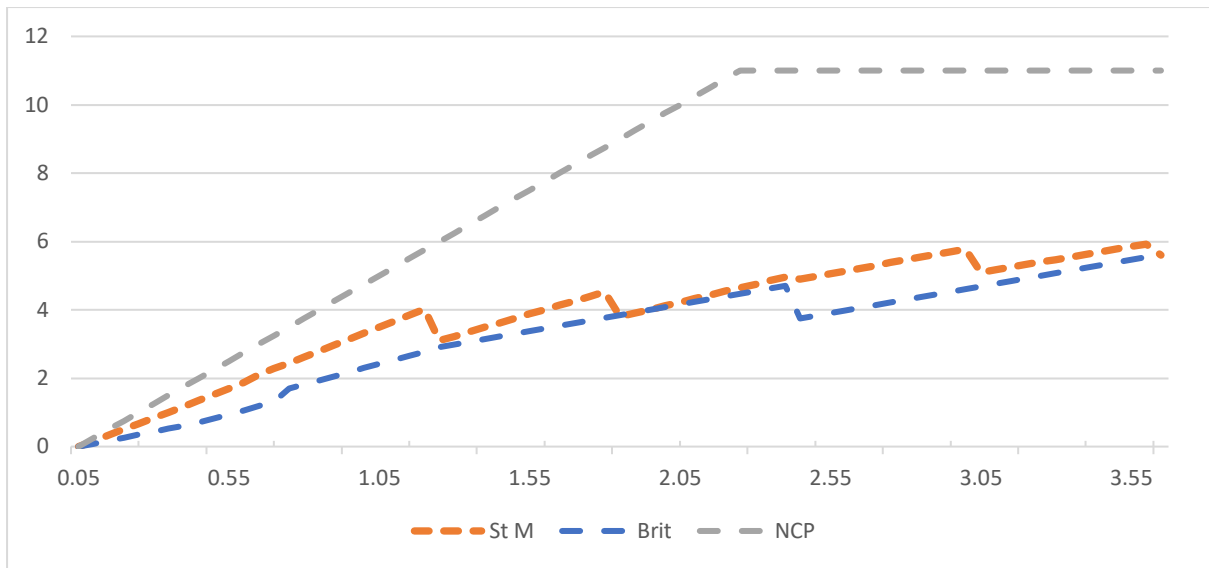
This might include possible alternative outcomes, such as exploring fixed tariffs and pay-by-the-minute charging, including ways to pay for parking in retrospect, or as part of an account.

We could also look to provide businesses customers, with MiPermit digital “Scratch cards” – where you could buy a book of tickets and call these off as required.

### Cashless Parking

In promoting cashless parking we considered how traditional thinking about the tariff structure could be transformed by the use of technology.






## Options


X

## Recommendations

X

Theme	Outputs	Recommendations
<b>Online Payment</b> 	<b>Technology:</b> To maximise opportunities for increasing the number of customers who pay by cashless parking.	

# 5. Prosperity

Theme	Inputs	Outputs
<b>Prosperity</b> <b>Finance :</b> economic <b>prosperity</b> 	District growth and development; Colchester town centre and other towns in the Borough <b>Finance :</b> MTFP, options, pressures, pricing, options, town centre vitality	Managing parking during regeneration and development. Increased economic <b>prosperity</b> : Working with our Colchester BID to provide the right range and mix of provision for identified needs whilst supporting the councils priorities and policies. To assess the financial impact of options and recommendations to identify the impact on budget.

## Introduction:

This section looks at how the parking service can be efficient and effective and provide a service that is required and used. A variety of factors are taken into account including the number of spaces available, the most recent revenue figures, its impact on the nearest shopping area etc. This includes the following: –

### Tariff and Custom

- Tariff Usage, Offers, patterns, turnover
- Tariff types and geographical location/access to short/long stay
- Use of assets at other times – e.g. investigating Rowan House P&D at weekend
- Offers: £2.50 offer, £3.50 offer – Off peak, after peak, contra peak; Car Club, Love Ur Car, EV link bays.
- Accessibility - and Blue Badge use - plus any new development

### Outcomes

- Town Index; Congestion and Road Usage - from traffic model
- Payment Type review
- Outputs, marketing offers (link to BID), our Colchester

### Provision Issues

- long stay on north west and east
- New development - provision? (and s.106)
- Local Plan, buses, P&R, alternatives to car...

## Tariffs and Offers

BID feedback has been received; our tariff model is a positive and our strategy for parking is evident.

Parking is a longer-term aim for BID, but we have been requested to investigate ways to enable shoppers to have longer dwell time. The MiPermit app enables people to

top up whilst in town and is a more configurable alternative than costly systems such as pay-on-exit.

Bus operator feedback is that parking prices are too cheap.

We support the Park & Ride scheme by operating long-stay tariffs which encourage motorists to consider alternatives to travel in the peak. By doing so we fulfil a key role in managing traffic. The Park & Ride is otherwise fulfilling a different market.

The parking service must be efficient and effective and provide a service that is required and used. A variety of factors are taken into account including the number of spaces available, the most recent revenue figures, its impact on the nearest shopping area etc.

A scoring matrix has been developed to provide a score for each attribute which is then given a weighting in line with current Council priorities. Some research has suggested that in some instances retailers overestimate the number of visitors who travel to shopping areas by car. This perception can often lead to an unbalanced favouritism to more parking provisions than is actually required.

### BID Details: Transportation in Colchester

Transport and roads are major infrastructure issues that are influenced and funded by national, county and borough governments. They are part of long-term strategic plans and funding sources.

As they impact directly on the town, Our Colchester needs to understand the strategic plans of the above bodies as well as to develop its own strategic response. Many issues such as car parks are both emotive subjects and very important to the success of a town centre.

To be taken seriously, Our Colchester must gain a consensus from businesses and to present a properly considered and united view to the relevant government bodies. To achieve this, it is proposed that an Our Colchester director takes a lead on the subject, supported by the chair and the board.

#### What is included?

- Parking/ car parks
- Public transport
- Park and ride
- Cycle paths and related issues
- Policy on congestion and how to deal with it.
- Major roadworks
- Town centre pedestrianisation.
- The development of new forms of transport such as trams
- The development of an infrastructure to support electric cars
- Other?

## How to move forward?

Our Colchester needs to understand the issues of greatest importance to businesses and ideally to develop a common view on a route forward.

For example, parking may or may not be top of a list but in general, most people have a view. What is important is that Our Colchester take a considered and pragmatic view to understand the public body approach to the subject and to establish the facts.

If for example, it is the public body view cars are not welcome in town and congestion is the weapon to deal with this, Our Colchester might argue that this is not acceptable and such a stance will be a major contributor to a decline of town centres which are competing with online sales and out of town developments.

Likewise, if there is a perception that there are not enough parking spaces, Our Colchester needs to establish if that is true. If so, how can the subject be resolved?

These are quoted just as examples of a subject that needs proper consideration and discussion with the CBC along with other parties. This along with the other issues listed above are likely to require solutions that may take years to address.

Conversely, there may be parking initiatives and incentives that businesses and the car parks could take together to incentivise shoppers to behave differently.

## Summary

Our Colchester must become a means of communication between businesses and the relevant public bodies to have credibility and to have influence for the benefit of the town. It must take a strategic view and work with the public bodies understanding the needs of all parties.

Given the latter, it is possible for Our Colchester to be part of a more positive approach to influencing policy and developments for the town centre.

Looking to build research (surveys, insight) with Research & Engagement Team

Other stakeholders (inc tourism - Claire)

## Developing the thinking

The Strategy Group has considered the following: -

- Looking at possible outcomes, exploring fixed tariffs and pay-by-the-minute
- Day rate tariffs seem popular
- Suggestion that we need a structured Sunday tariff to match.
- Short stay should be maximum stay (not high price penalty).
- Also look at Dynamic Tariffs.

Transport Research Laboratory research has highlighted the fact that parking charges can be correlated to the level and quality of service provided in an area e.g. an area

with a quality mix of retail provisions would attract more visitors than other areas even if these had no charges in place.

It is further suggested by Transport Research Laboratory that it is retailers that object to parking prices rather than shoppers themselves. An effective, evidenced based tariff band proposal will be put forward for future years. This will include consideration of principles below.

### Other measures - Town Index

How do we know that Colchester is doing well, generally? We use the following measures: –

- Benchmarking
- footfall etc.- links
- Capacity and utilisation

### Flexible tariffs

The Strategy Group considered a number of different scenarios and options based on knowledge and best practice from other places.

### Recommendation : 15

One of its recommendations is to look at the fixed tariff (banded payments) and explore:

- Dynamic tariffs, especially around busy times.
- Pay after parking: Pay by the minute after an initial sum
- Cashless parking - MiPermit and contactless only
- Sweden Model
- Visitor permit-like - more to use cash –
- Other incentives and offers

The Positive Parking Framework needs to be able to align itself with the costs of public transport networks in the Public Transport system. Tariffs of off-street car parks need to take into consideration the availability of alternative parking provision, both on-street as well as off-street private providers.

Research has suggested that those travelling by public transport or walking are increasingly likely to visit more shops and spend more overall compared to those arriving by car. The pull factor of car parks especially in larger towns needs to be fully appreciated and understood when setting the tariffs for that car park asset.

Whilst the Council does not wish to discourage motorists from using parking provision in villages, towns or cities the impact of these assets on traffic flows needs to be managed.

It can be assumed that these impacts would be greater in locations that have a higher number of overall car park assets, especially if these are large in size, and as



such the tariffs should be set in such a way to redirect as many longer stays further away from the town centres.

This may therefore require the introduction of tariff banding structure that is reflective of the geographical location of the asset.

A fundamental role of car parks is the direction and management of traffic within a particular place; as such the location and usage of a car park asset can have an impact on the overall traffic management workings of a place.

In order to promote alternative transport modes car park tariffs need to be priced in accordance to the available public transport price and availability, in particular Park and Ride, to be a consideration in tariff setting.

Economic baseline indicators reflecting health of town centre, to be a consideration in tariff setting

### Recommendation : 16

In order to make the parking service appealing to the end users more attractive products and offers need to be established and effectively marketed to target audiences.


- Sale of annual or 3 & 6 monthly season tickets will offer the option of staggered payments to spread the full cost over a set period of time.
- The offer of part-time seasons (e.g. 3 out of ten days, call off/use before, etc) should be investigated.

### Options


X

### Recommendations

X

Theme	Outputs	Recommendations
<b>Prosperity</b> <b>Finance :</b> economic prosperity 	Managing parking during regeneration and development.  Increased economic <b>prosperity</b> : Working with our Colchester BID to provide the right range and mix of provision for identified needs whilst supporting the councils priorities and policies.  To assess the financial impact of options and recommendations to identify the impact on budget.	

## 6. Environment & the Bigger Picture

Theme	Inputs	Outputs
<b>Environment &amp; Bigger Picture</b> 	Supporting the aims of the Positive Parking Agenda Environmental factors County Council Local Transport Plan (LTP)	To encourage modal shift where alternatives are available, in support of the county council's Local Transport Plan.  To support the county council's strategic aims of reducing congestion, improving air quality.

### Introduction:

The work includes looking at issues such as:

- **Sufficient Provision, Positioning** – what about congestion; what are we encouraging people to do?
- **Transportation and modal shift, cleaner air, income**
- **Customers and retailers' perception** of parking provision; increased economic prosperity
- **Any special parking requirements**
- **Social Media, Communications** of car parking provision; promotion including Variable Messaging

### Transportation Policy

**Consultation Draft – Action : Attend to BID to ask questions**

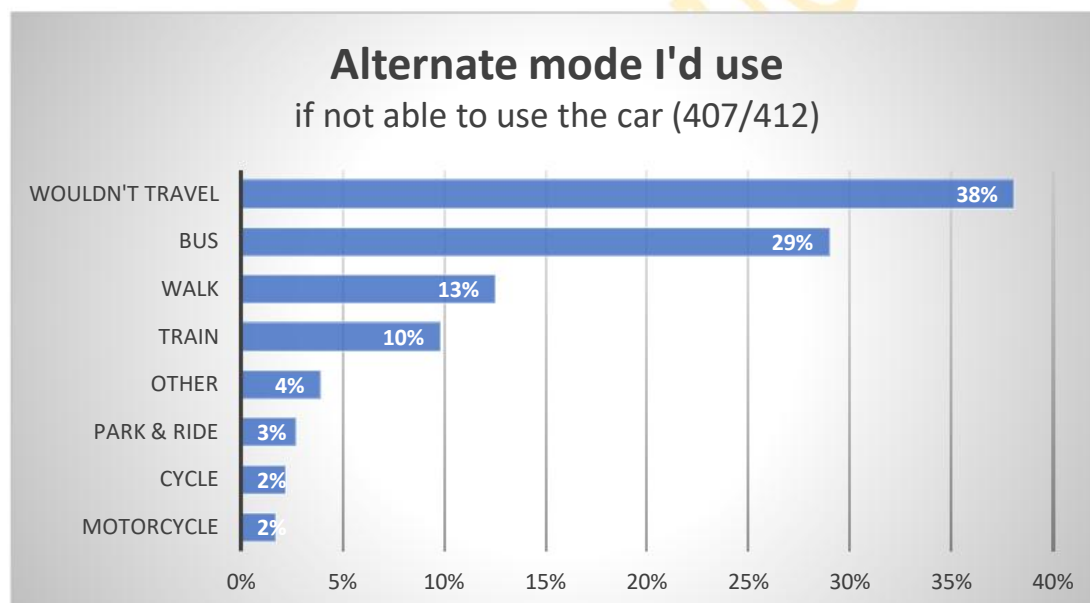
Parking Policy can support Transport Policy and Plans. Designing effective parking charges is unquestionably a compromise. In setting fees and charges, an authority should take account of:

- **Supporting town centre vitality**; influencing town centre: shopping footfall, dwell times be aware of price elasticity and resistance;
- **Achieving Policy Objectives**; pursue policy objectives to curb travel during peak hours;
- **Influencing supply, demand and congestion**; Influencing Congestion/Air Quality through pricing and offers, reducing traffic queues, influencing supply, demand and congestion, with the requirement to lessen travel in the peak;
- **Providing Income and Supporting the Costs** of running and refurbishing car parks. Income to the council as a result of operation to support the increasing costs of running and refurbishing car parks.



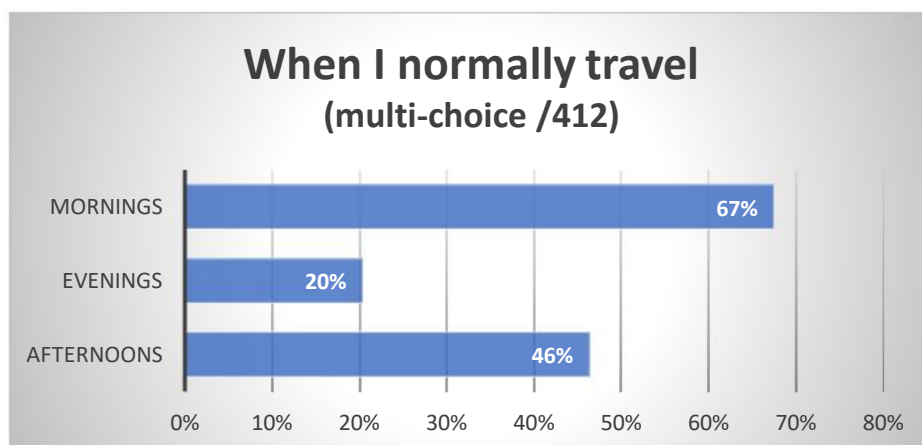
## Outputs

- Transportation led
- Selection of choices, including special offers
- Business
- Congestion busting (drive across town vs. P&R)



The data shows spikes and troughs where our actions could be focussed: –

- Long stay car parks - Saturday shoppers
- Short Stay car parks - different peak and slope to peak
- Sunday one ticket bought and long stay for low value
- Evening peak



## Developing the thinking

Directly linking to the amount of traffic using the network is the amount of pollution that is produced and therefore the overall air quality level. Further consideration needs to be given when either setting or reviewing the off-street car park tariffs as to whether the asset is located within an air quality management area.

Consideration should be given to potentially increasing the tariffs for assets that are in such areas as the impact of traffic accessing them would further compound to reduced air quality at the detriment of local residents.

### Recommendation : 17

Air Quality Management Areas to be a consideration in tariff setting – with links to congestion and Climate Emergency.

Location in relation to town centre to be a consideration in tariff setting

Parking demand and underutilised capacity (85%:15% rule) to be a consideration in tariff setting

Long Stay tariffs and the Britannia Offer has factored for this (more expensive peak arrival or not available for arrival before 0900) and the availability of the Park and Ride also a key consideration.

### Recommendation : 18

Peak/Off Peak pricing must be encouraged in order to effect a modal shift, a shift to Park & Ride or at least a shift traffic away from the most congested, peak times which contribute to air quality management issues.

Peak hours are considered to be 7am-9am. If people must continue to drive in to town, this is the time to avoid.

Air quality will also be considered as part of signage and place shaping.

Elsewhere, the council has been working on public realm improvements near the town centre, most notably the 'Mercury Rising' project around Mercury Theatre. Proposals there would make significant improvements to the public realm including

surfacing, and level access improvements; however this may result in the displacement of some on-street disabled badge parking.

### Recommendation : 19

It is recommended to revisit the disabled badge parking offer, signing and bay marking, and links to the Theatre, in St Mary's car park, near the level access to Popes Lane – making use of the improved and widened Balcerne Hill crossing. There are some minor improvements required to the surfacing, lighting and handrail in this area.

Additional disabled parking has been requested near the pedestrian exit ramp to the north at the Manor Road entry. Some bays have previously existed near this pedestrian exit but have been re-purposed.

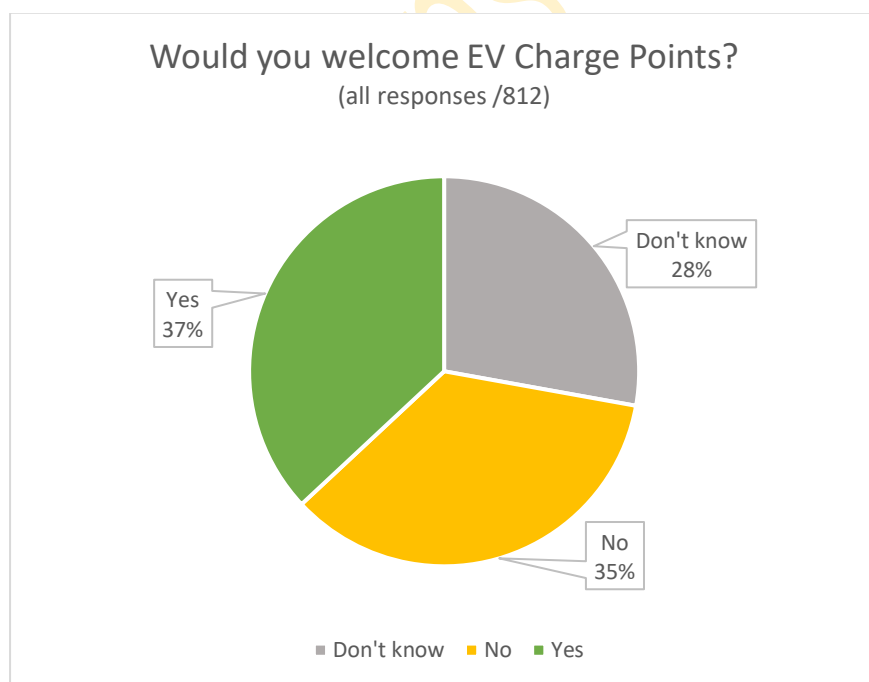
As with any offers, there is always a dilemma in encouraging undesirable cross-town journeys, so consideration should be given to similar but separate car park offers.

Seasonal Offers have traditionally been available – for instance the Late Night Wednesdays before Christmas – where a free parking offer is available from late afternoon into the evening. This has been reported by the BID to have had a limited effect, and some refreshed alternatives should be considered.

- Offers and Tariff are considered in more detail in the Perception issues section

Our survey for the first time has asked about Electric Vehicle (EV) charging

- Over a third of respondents would welcome an EV Charge Point. The demographic tended to reflect the older generations, perhaps due to the price premium of EV in the market at this time.



Congestion and Road Usage – cross-town traffic and traffic entering the core and at peak times is to be discouraged. This may be predicted from the traffic model (already-congested roads).

### Town Centre Vitality – local discounts

By introducing a resident discount – this can be achieved using MiPermit - could be a discount available to all Colchester Council Tax Payers and enable an amount off parking off-peak, say 10p off a shopper stay, or more local – say 20p off a West Mersea carpark stay to West Mersea Residents, or hyper-local – say to Dedham parishioners in the Dedham car parks.

Another development may be the introduction of ‘rewards’ in conjunction with traders, where MiPermit users could scan a code in the shop in order to get a discount – advancing this thinking, further rewards could be earned by a combination of codes, or a number of stays.

Awards or badges for changing behaviour could be awarded with different types of challenge having different rewards.

The list of MiPermit Offer possibilities is only limited by the amount of things that can be logically described; it is recommended that the number of offers is kept to a maximum of five at any time, just to keep things simple to communicate and understandable.

### Options

There is a need to explore tariffs to support the policy objectives. The areas that need consideration include: –

- Contra and off/post peak market - less congestion
- Tying together with Transport strategy LTP/TfC
- Short stay element in long stay
- By the minute charging
- Dynamic pricing for peak/off peak
- “Badges and Awards” incentives to do things differently, interrupt ‘bad habits’ (and cognitive dissonance)


## Recommendation : 20

A variety of options is available including these measures using MiPermit. It is recommended that the Council introduces appropriate measures using the digital system including: –


- To introduce dynamic pricing with a peak hours surcharge
- To introduce minimum price with by-the-minute charging thereafter
- To introduce pay-as-you-go charging
- To introduce a resident discount – Borough wide, local or hyper-locally.
- To introduce a preferred parking or refund system with retailers via MiPermit
- To spread further the 'trusted customer' collection system to save transaction charges
- To introduce offers, badges and deals to regular trusted customers.
- Maintaining the long stay outer/shorter stay inner car parks but varying the stay type on the outer car parks
- Liaising with the town and parish councils about the outlying car park tariffs.

## Recommendations

X

Theme	Outputs	Recommendations
<b>Environment &amp; Bigger Picture</b>  	Supporting the aims of the Positive Parking Agenda  Environmental factors  County Council Local Transport Plan (LTP)	To encourage modal shift where alternatives are available, in support of the county council's Local Transport Plan.  To support the county council's strategic aims of reducing congestion, improving air quality.

# 7. Promotions

Theme	Inputs	Outputs
<b>Promotion</b> car parking <b>Communications</b> 	<b>Communications:</b> internal, external stakeholders, information  Communications, <b>promotion</b>	Working with our Colchester BID (Business Improvement District)  <b>Communications:</b> Providing information about the services

## Introduction:

In this section we discuss Marketing and Communications including where to market, what to market, and which media to use. This may include: –

- Behaviours, target habits, perceptions,
- VMS influences, messaging - 'you can always get a space'
- Comparisons; Cash; Cashless Wave&Pay;
- MiPermit - and other emerging technology
- Aim to reduce cash (new offers digital only) - use by tariff break incentive
- Radio, bus back, poster/banner, professional publications and social media

## What and how we promote:

A car park is often the gateway or the entry to a town – the first thing a visitor sees (and also the last thing they remember about a place).

Signage to and within the car park fits into a number of categories

- Highway (directional) signage
- Highway (information) signage
- - car park entry signs
- - Tariff Boards
- - Our own pedestrian direction signs

These each have their own style, although some improvements could be made to the highway signage, this is the remit of the County Council. A single style is portrayed on the tariff boards, and we are always looking to simplify the directions these give.

## First impressions

We are looking at 'first impressions' and pay areas.

Perceptions and usability of a site stems from the first impressions. It is important to be clear in the details included around the machines and use simple 1-2-3 explanations on signs to explain processes that may not be obvious at first, for



instance the Yellow button offer – where we explain the process and tariff this enables.

To establish more of a brand, it is possible to vinyl wrap machines, to treat the area behind machines – say with a colour code.

## Developing the thinking

### Dynamic Tariffs & Dynamic charging

Areas which could be considered for differential, dynamic or special offer charging include looking at:-

- Saturday tariff on St. Mary's - change to Sunday tariff; Sheepen, Middleborough, Napier all offer £2 - twice the Vineyard and Britannia offer.
- Rates for the day - St Johns is popular
- Vineyard St - maximum stay 2 hours throughout
- Structured tariff on Sundays to match
- Short stay car parks should be maximum stay (not high prices)
- Badges, challenges, footfall, in store PoS QR discount codes

Things to avoid, include:

- Making frequent changes or sporadic piecemeal and scattergun amendments – the Council needs to use this Strategy for tariff planning and give the options time to settle in.

### Recommendation : 21

Through working with local businesses, a series of discounts, benefits and offers can be established and introduced which ultimately provide a reward to the customer for using the Council's parking service.

For example, other authorities have systems in place whereby customers can obtain a discount on the price of parking if a certain threshold of expenditure is reached at a local business.

App based parking systems such as MiPermit allow for businesses to refund a proportion (decided upon by themselves) of their customers parking charges made via the MiPermit system. Businesses provide customers with a code which is entered into the MiPermit system, which generates a refund to the customers debit / credit card.

### Recommendation : 22

Consistent messaging and branding should be provided.

Welcoming, clear signage must be provided for customers including familiar branding and explaining the payment types and facilities available.


Also review the opportunity to explain to customers what the car park charges are used to support.

## Options


X

## Recommendations

X

Theme	Outputs	Recommendations
<b>Promotion</b> car parking <b>Communications</b> 	<b>Communications:</b> internal, external stakeholders, information Communications, <b>promotion</b>	Working with our Colchester BID (Business Improvement District) <b>Communications:</b> Providing information about the services

# 8. Communications

Theme	Inputs	Outputs
<b>Publicity</b> <b>Marketing and publicity</b> 	<b>Marketing:</b> the position, the town's unique offer, types of media, tariff structure, stakeholders.  The right <b>publicity</b> , a good communication Plan, Social Media,  Adequate signage and advertisement of car parking provisions including Variable Messaging	<b>Marketing</b> the Council's pricing structure for the coming years including the use of concessions/special offers designed to increase utilisation of car parks and footfall in town centres.

This section will be further expanded when the draft circulation has been completed.

## Introduction:

In this section we look at ways we can develop our communications with customers and stakeholders, considering trends that are covered in the rest of the document, including: –

- Outputs, marketing offers (link to BID), destination Colchester
- Social Media, marketing, campaigns, posters and advertising
- Helping people better understand the need for charging

## Marketing and Comms –

The Review Group considered where best to market, what to market, and other media such as bus back advertising and use of radio. We are not now tied into any particular contract which makes things simpler in future for advertising.

Some of the biggest communication issues include:

- People don't read the display
- Lots of words on the tariff boards
- Need to separate price from regulations – and have a clear quick reference guide to using the car park.
- People need to take time considering the machines, entering coins/wave&pay
- Too many prices for different tariffs confuses people who do not take sufficient care due to environmental pressures.

There is a need to direct people's behaviours when choosing tariffs, using machines and selecting, payment methods. There is a need to target good habits, which could lead to better perceptions.

There is a chance to promote VMS influences, messaging - 'you can always get a space'

## Comparisons

Traffic Research Laboratory (TRL) research has suggested that there are more important factors than cost which limit car travel other than the cost of parking.

We need to use consistent messaging and branding across all media, web sites, signage and other media. Welcoming, clear signage for customers possibly linking to the Parking Partnership brand.

Also need to use the opportunity of this Review to explain to customers what the car park charges are used to support.

# Smarter Parking

Pay and extend your stay the easy way with the MiPermit app.

Download for iPhone

Download for Android

MIPERMIT



Over the summer, the North Essex Parking Partnership ran an advertising campaign promoting the use of the MiPermit App, including the 'extend' the stay feature.



## Developing the thinking

### Trends


- 1138 The current trend is for a gradual but steady conversion from coin to cashless  
1139 payment methods.

### Options

1140 X

### Recommendations

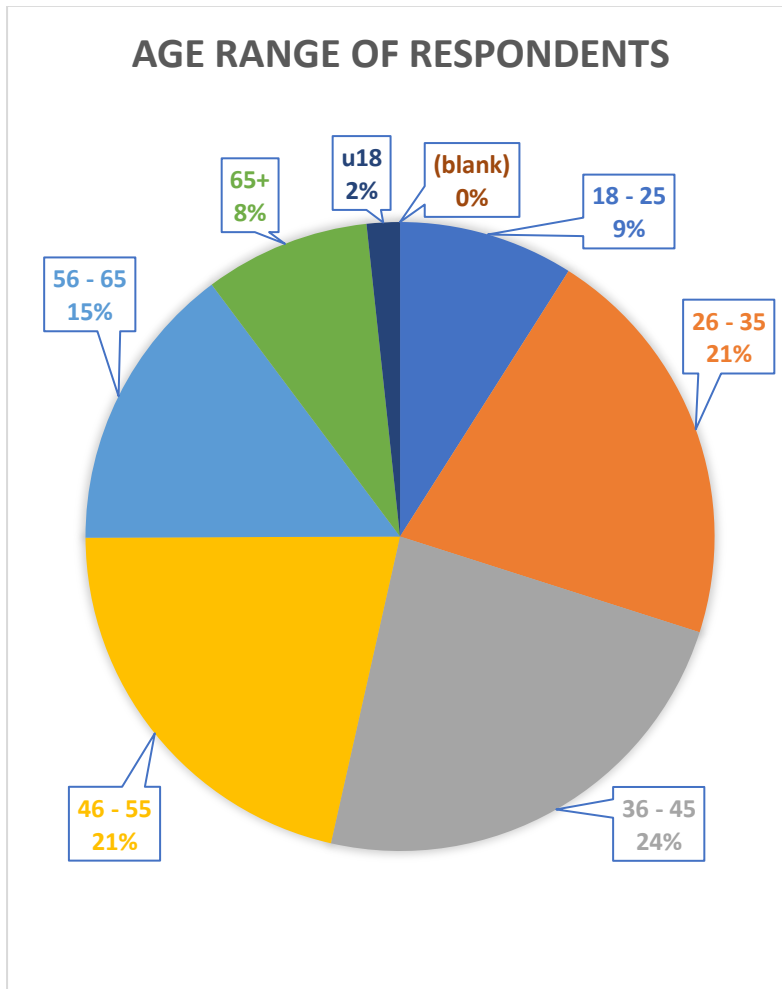
1141

Theme	Outputs	Recommendations
<b>Publicity</b> <b>Marketing and publicity</b> 	<b>Marketing:</b> the position, the town's unique offer, types of media, tariff structure, stakeholders. The right <b>publicity</b> , a good communication Plan, Social Media, Adequate signage and advertisement of car parking provisions including Variable Messaging	<b>Marketing</b> the Council's pricing structure for the coming years including the use of concessions/special offers designed to increase utilisation of car parks and footfall in town centres.

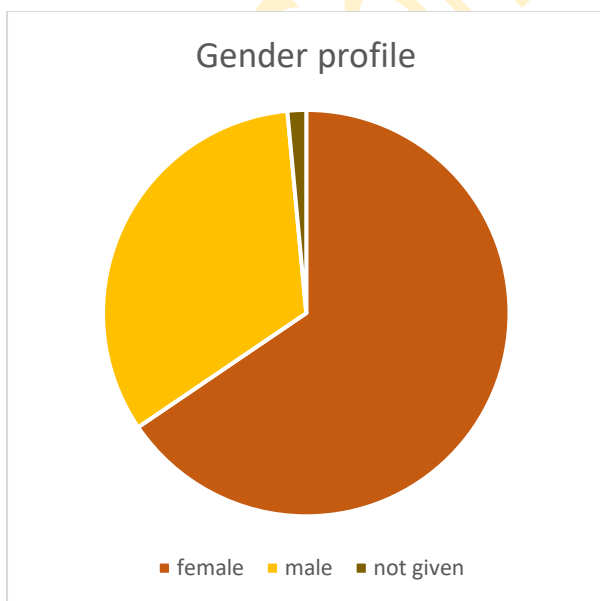
1142

## Appendix A – Survey data

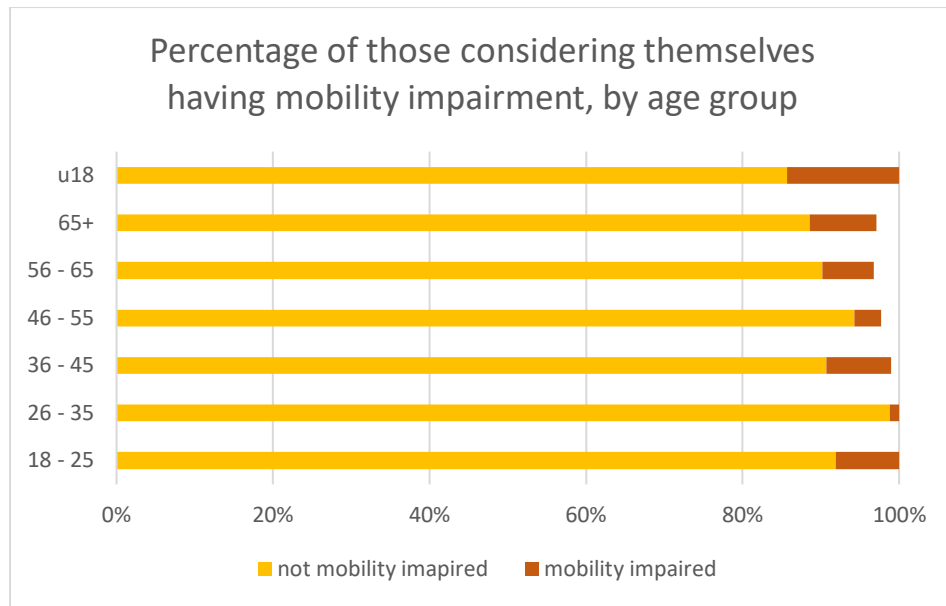
1143



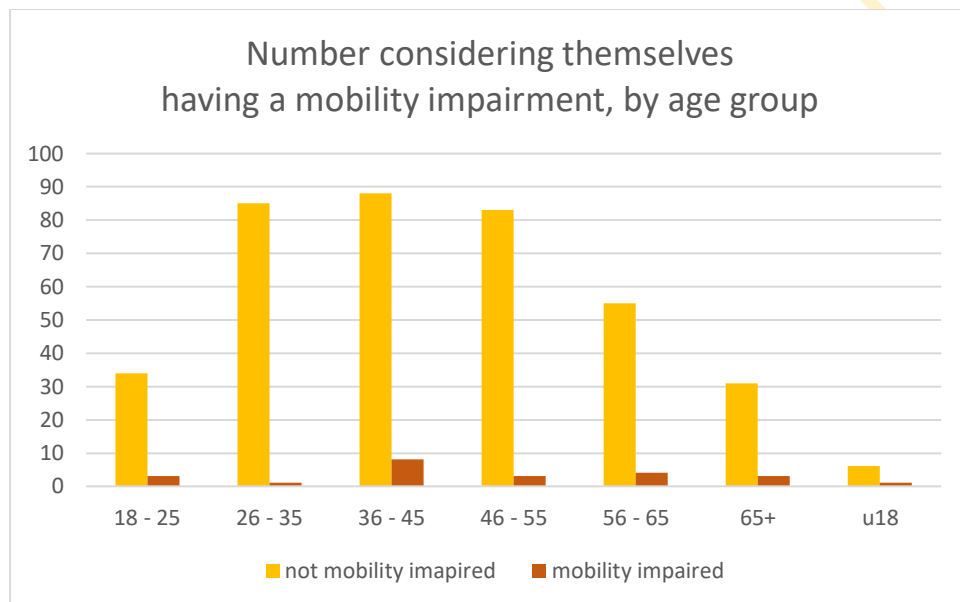
1144  
1145



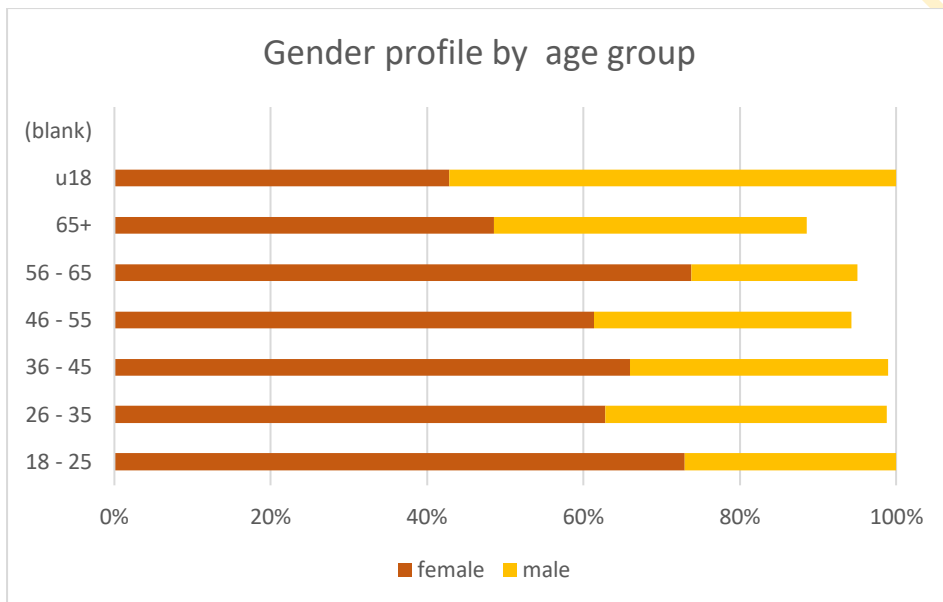
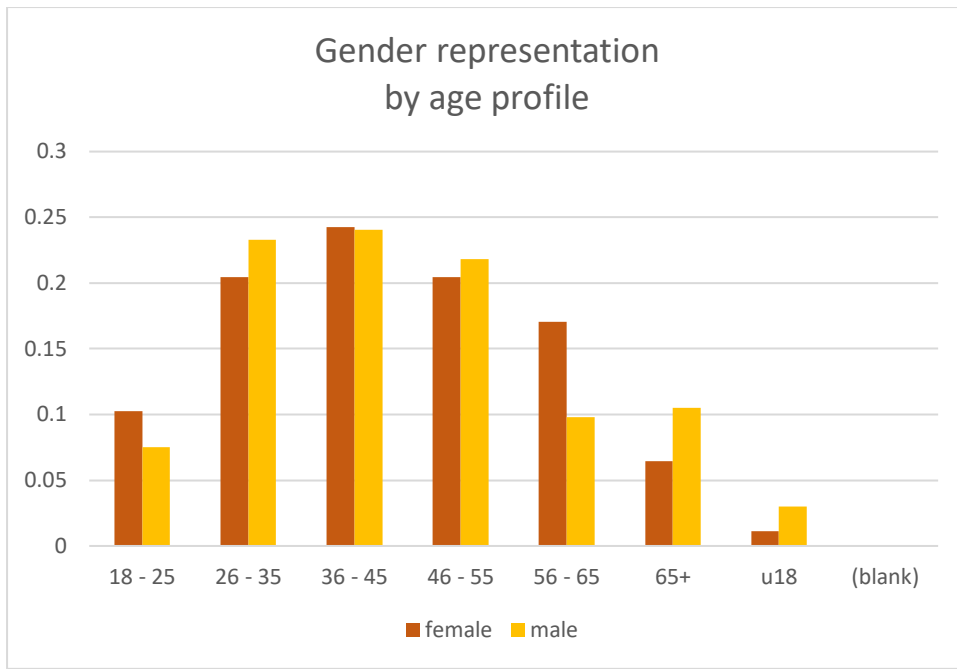
1146  
1147



1148  
1149



1150  
1151





## Timescale

To be confirmed following circulation of draft document

SMT decisions

SMT presentation mid-August (RW/RB)

Strategy options (a number of choices) prepared by Christmas

Strategy options needed by Christmas

Draft produced

Draft – circulated internally, informally

Report

Draft Consultation

Final version

Recommendations to Cabinet

## Outcomes



<b>Report of</b>	<b>Chief Operating Officer</b>	<b>Author</b>	<b>Dan Gascoyne</b> ☎ 282577
<b>Title</b>	<b>Corporate Key Performance Indicator Targets for 2020-2021</b>		
<b>Wards affected</b>	Not applicable		

## 1. Executive Summary

- 1.1 The Panel is invited to scrutinise the proposed Corporate Key Performance Indicator (KPI) Targets for 2020-2021.

## 2. Action Required

- 2.1 To scrutinise the proposed KPI Targets for 2020-2021 and consider whether to make recommendations to Cabinet.
- 2.2 To note the dates contained in the Reporting Timetable covering 2020-2021.

## 3. Reason for Scrutiny

- 3.1 To provide pre-decision scrutiny of the proposed KPI targets for 2020-2021; ahead of Cabinet on 11 March 2020.

## 4. Background Information

- 4.1 Proposed KPIs for 2020-2021 will be taken to Cabinet on 11 March, for consideration based on period 8 (November 2019) data.
- 4.2 The report on KPIs features graphical presentation of year-to-date performance and previous year performance against target.
- 4.3 The overall position for April – November 2019 can be found at Appendix A.
- 4.4 It is proposed that a number of KPI targets remain unchanged. It is also proposed that a number of KPI targets are changed from their current target:

KPI	Description	Current Target	Proposed Target
K1B1(a)	Time to process housing benefit new claims and changes	7 days	5 days
K1B1(b)	Time to process Local Council Tax Support (LCTS) new claims and changes	7 days	6 days

K1H1	New additional homes provided	920 homes	920 homes
K1H2	Affordable homes delivered (gross)	360 Delivered over three years (2018-2021)	400 Delivered over three years (2018-2021)
K1H3	Full Homelessness Duty Owed	20%	30%
K1H4	Rent Collected	98%	98.2%
K1H5	Average time to re-let council homes	25 days	24.75 days
K1P1(a)	Processing of Major planning applications	80%	85%
K1P1(b)	Processing of Minor planning applications	90%	91%
K1P1(c)	Processing of Other planning applications	90%	91%
K1R1	Council Tax Collected	97.5%	97.5%
K1R2	Business Rates (NNDR) collected	98.5%	98.5%
K1R3	Sickness rate in working days	9 days	8 days
K1W1	Residual household waste per household	346kg	346kg
K1W2	Household waste reused, recycled and composted	53%	53%
K1W3	Number of weekly missed collections	150 (new norm) and add a %missed bins a week 0.06% of all collections each week)	99.94%

4.5 Housing Key Indicators delivered by Colchester Borough Homes (CBH) have been agreed by Portfolio Holder for Housing and Communities and detailed in Colchester Borough Homes new Medium-Term Delivery Plan.

## **5 Equality, Diversity and Human Rights implications**

5.1 Where required, specific Equality Impact Assessments will exist for policies and activities rather than for individual performance indicators.

## **6. Strategic Plan References**

6.1 There are no particular references to the 2018-2021 Strategic Plan.

## **7. Consultation**

7.1 There are no direct implications with regard to consultation.

## **8. Publicity Considerations**

8.1 The performance report contains measures for our key performance. Many of these are used to monitor the performance of our services, and as such these may be of public interest. The performance report and related information is published on the [Performance](#) section of the Council's website.

## **9. Financial implications**

9.1 The financial implications to deliver the indicators form part of the budget setting process rather than for individual performance indicators.

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

10.1 There are performance measures and actions within the Strategic Plan Action Plan which aim to improve community safety rather than for individual performance indicators.

## **11. Health and Safety Implications**

11.1 This report has no direct implications with regard to Health and Safety.

## **12. Risk Management Implications**

12.1 We aim to deliver against performance indicators as a key part of our performance framework.

## **13. Environmental and Sustainability Implications**

13.1 The three overarching objectives contained in the National Planning Policy Framework are currently not covered as a Corporate Key Performance Indicator.

## **14. Appendices**

Appendix A - KPI Proposed Targets Report covering April - November 2020.

Appendix B -Reporting Timetable covering 2020-2021.

Appendix C - Draft Cabinet Report.

## **Background Papers**

Not applicable.



# Corporate Key Performance Indicators

## Proposed Targets

### Covering April 2020 - September 2021

K1B1 Housing Benefit	→
K1B1 LCTS	→
K1H1 Additional Homes	→
K1H2 Affordable Homes	→
K1H3 Homelessness	→
K1H4 Rent Collected	→
K1H5 Voids	→
K1P1 Planning Apps (Majors)	→
K1P1 Planning Apps (Minors)	→
K1P1 Planning Apps (Others)	→
K1R1 Council Tax Collected	→
K1R2 Business Rates Collected	→
K1R3 Sickness	→
K1W1 Residual Waste	→
K1W2 Recycled Waste	→
K1W3 Missed Bin Collections	→



### Supporting Narrative

HB target to be improved by 2 days.



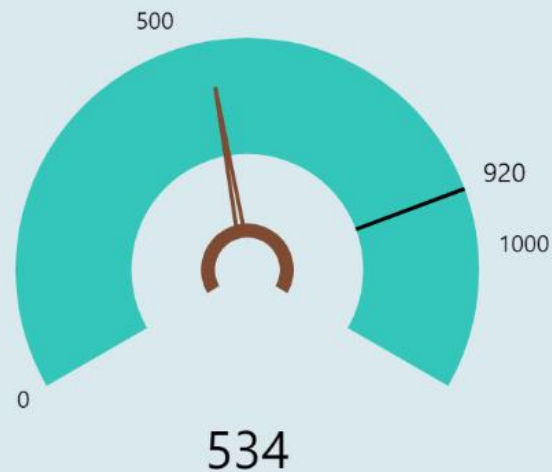
### Supporting Narrative

LCTS target to be improved by 1 day.





## K1H1 Additional Homes Provided



## Actual towards Target and RAG Status

534✓

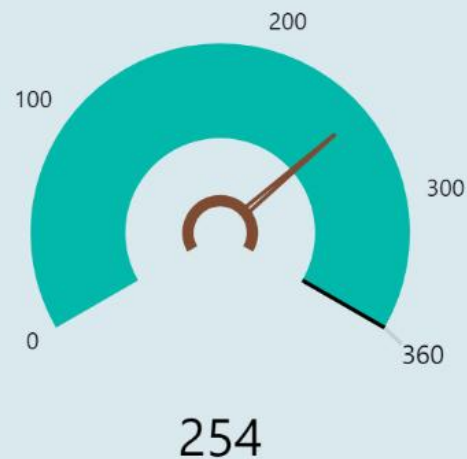
Goal: 920

## Supporting Narrative

There is no change in circumstances to suggest that a different target should be applied for 2020-2021. A Review maybe advisable 2021-2022.

Target 2018-2019	Target 2019-2020	Proposed Target 2020-2021	Previous Year End Result
920	920	920	1165

## K1H2 Affordable Homes Delivered over Three Years



## Actual against Target and RAG Status

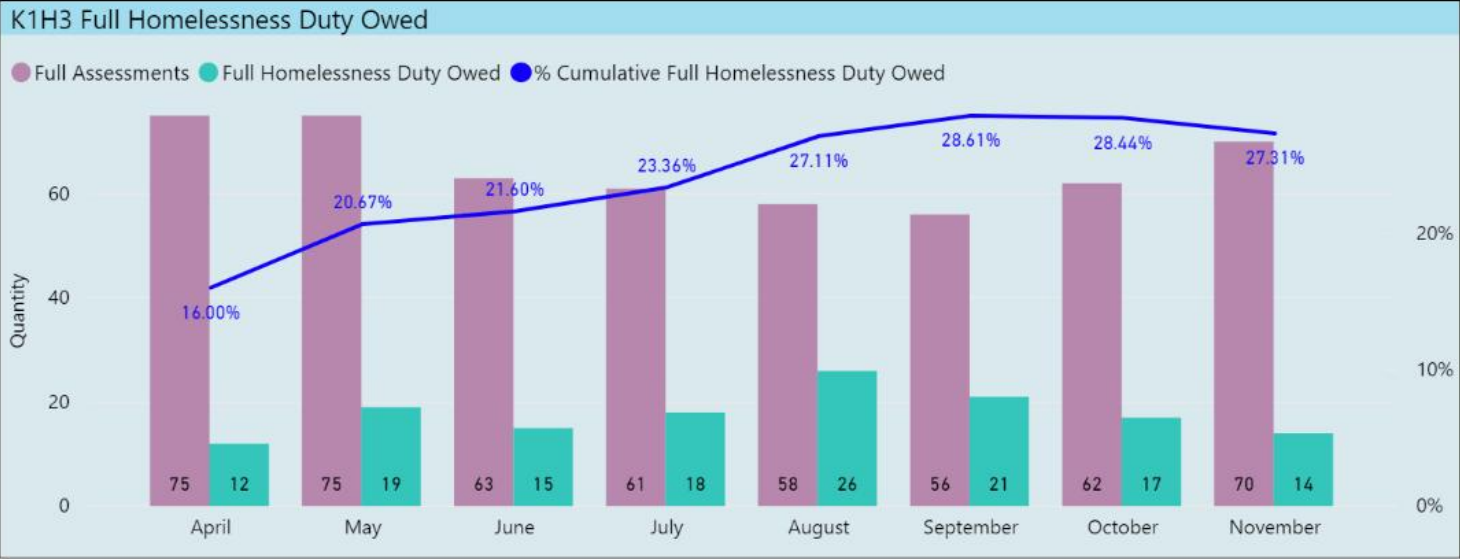
254✓

## Supporting Narrative

We are well on target to achieve the 360 homes. It is proposed that the target is stretched further to 400 homes.

Target 2018-2019	Target 2019-2020	Proposed Target 2020-2021	Previous Year End Result
360	360	400	125



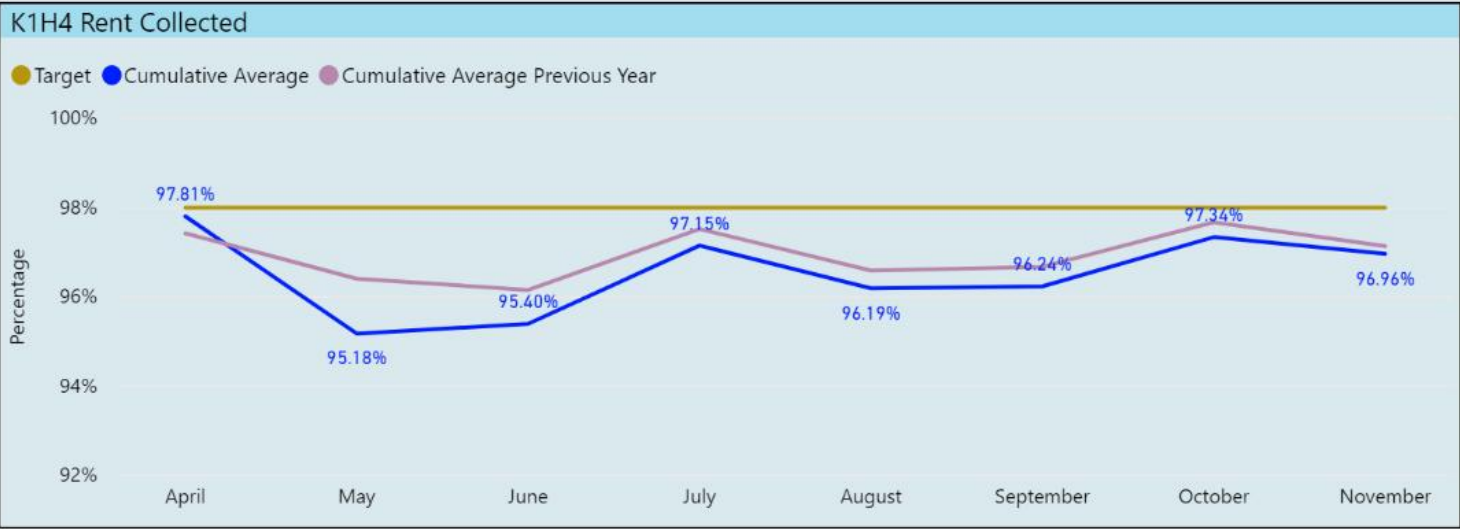


### Supporting Narrative

This target has been revised following interrogation of the available data and discussions with CBH.

The data collection method has been revised to provide a more accurate measure, and using that methodology current performance is 31%.

Target 2019-2020	Proposed Target 2020-2021	Previous Year End Result
20%	30%	Not available (new KPI)



### Supporting Narrative

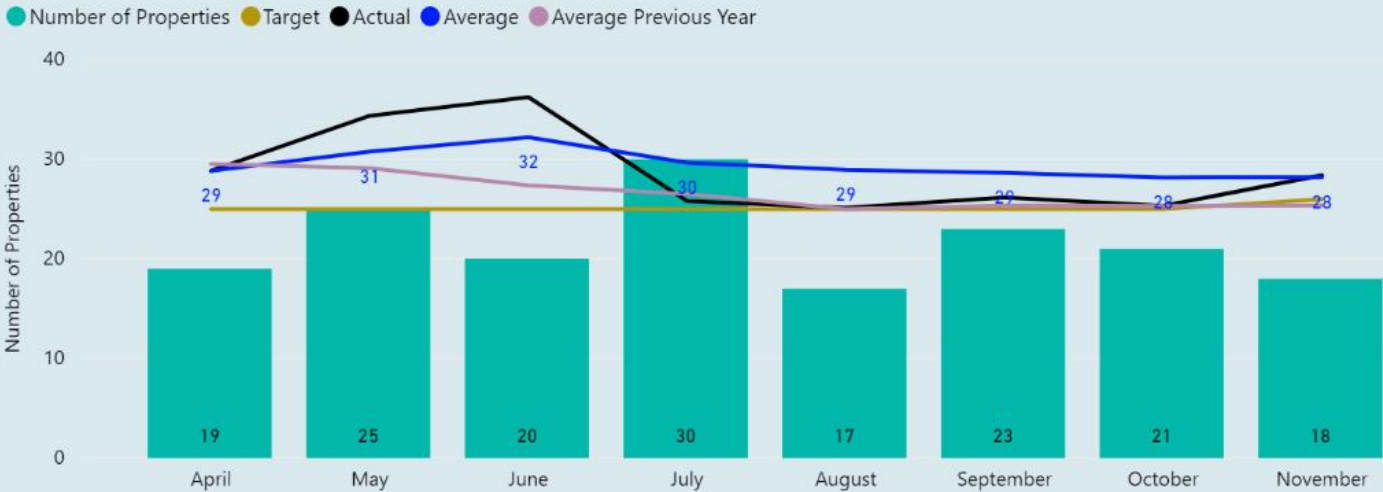
This target is determined and agreed by CBC and CBH via the Medium Term Delivery plan as approved by the PFH.

It is an incremental increase as set out in the Medium Term Delivery Plan.

Target 2018-2019	Target 2019-2020	Proposed Target 2020-2021	Previous Year End Result
96%	98%	98.2%	99.22%



K1H5 Average time to re-let Council Homes



Supporting Narrative

This target is determined and agreed by CBC and CBH via the Medium Term Delivery plan as approved by the PFH.

It has decreased in accordance with the Medium Term Delivery Plan.

Target 2018-2019	Target 2019-2020	Proposed Target 2020-2021	Previous Year End Result
25.00	25.00	24.75	27.28







### Supporting Narrative

The target has been revised following interrogation of the available data.

Target 2018-2019	Target 2019-2020	Proposed Target 2020-2021	Previous Year End Result
85%	80%	85%	78.89%



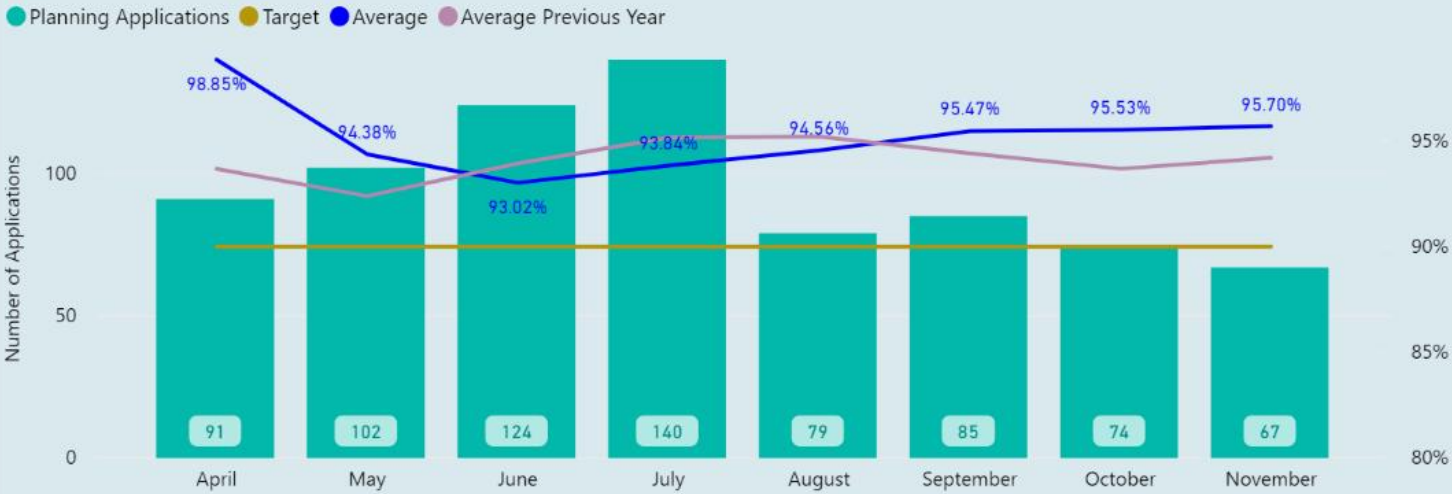
### Supporting Narrative

The target has been revised following interrogation of the available data.

Target 2018-2019	Target 2019-2020	Proposed Target 2020-2021	Previous Year End Result
90%	90%	91%	93.24%



K1P1 Processing of Planning Applications - Others



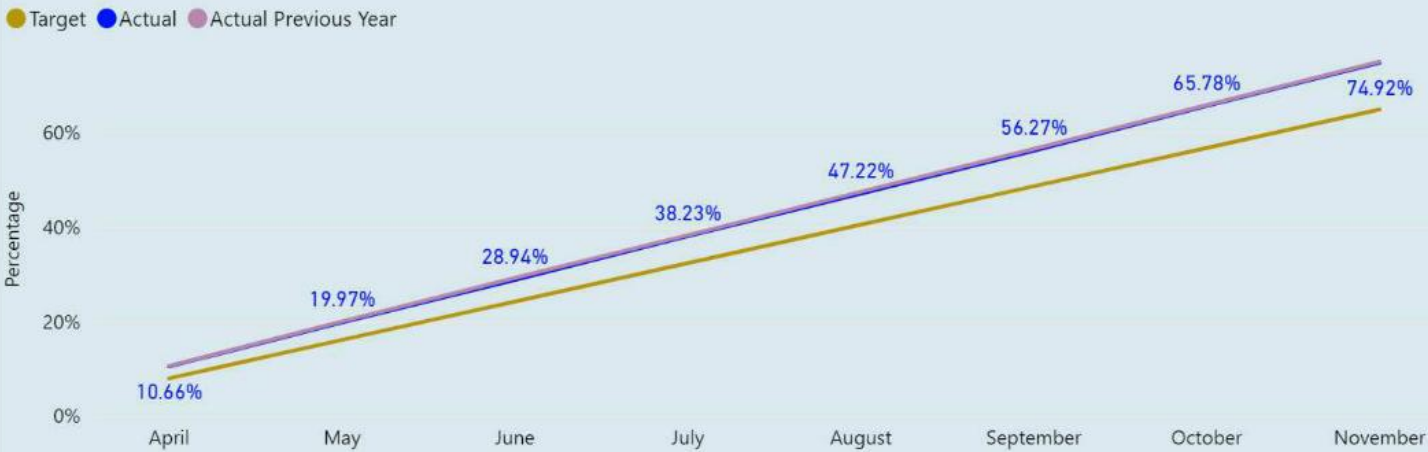
Supporting Narrative

The target has been revised following interrogation of the available data.

Target 2018-2019	Target 2019-2020	Proposed Target 2020-2021	Previous Year End Result
90%	90%	91%	94.93%



K1R1 Council Tax Collected



Supporting Narrative

Collection rate target to remain the same.

Target 2018-2019	Target 2019-2020	Proposed Target 2020-2021	Previous Year End Result
97.50%	97.50%	97.50%	97.91%

K1R2 Business Rated (NNDR) Collected



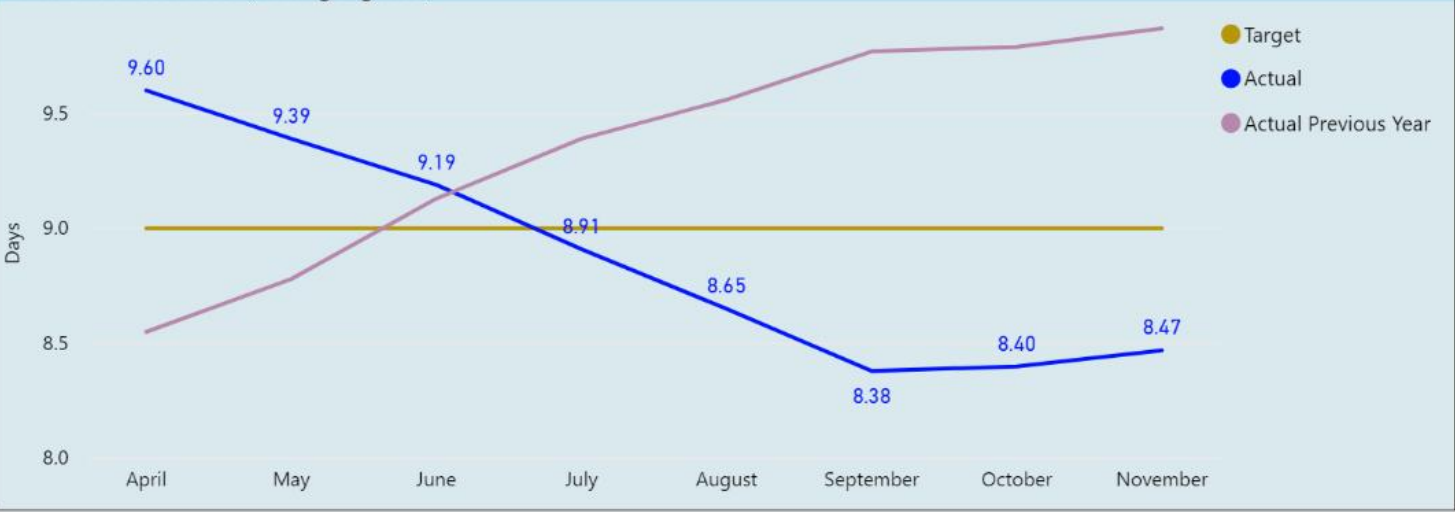
Supporting Narrative

Collection rate target to remain the same.

Target 2018-2019	Target 2019-2020	Proposed Target 2020-2021	Previous Year End Result
98.50%	98.50%	98.50%	99.36%



K1R3 Sickness Rates (Rolling Figures)



Supporting Narrative

It is proposed that 7.5 days becomes a three year target and annual targets are set incrementally to achieve this figure:

2019-2020 9 days  
**2020-2021 8 days**  
2021-2022 7.5 days

Target 2018-2019	Target 2019-2020	Proposed Target 2020-2021	Previous Year End Result
7.5	9	8	9.65

K1R3 Long Term and Short Term Sickness Rates (Rolling Figures)



Actual	Long Term	Short Term
8.47	4.72	3.75





K1W1 Residual Household Waste per Household



Supporting Narrative

Rate to remain the same.

Target 2018-2019	Target 2019-2020	Proposed Target 2020-2021	Previous Year End Result
340	346	346	346.43

K1W2 Household Waste Reused, Recycled and Composted



Supporting Narrative

Rate to remain the same.

Target 2018-2019	Target 2019-2020	Proposed Target 2020-2021	Previous Year End Result
53%	53%	53%	54.69%







Target 2018-2019	Target % 2018-2019	Target 2019-2020	Target % 2019-2020	Proposed Target 2020-2021	Previous Year End Result
150	0.06%	150.00	0.06%	99.94%	183.79

Supporting Narrative

The current target is 150 missed bins per week or around 0.04% of the approximate 345,000 collections each week. This target has remained static since 2017. It has not altered to reflect service changes nor the growth and changes to the Borough or collection rounds. It is therefore becoming increasingly unrealistic.

The average percentage of missed bins is currently 0.07% of all collections, of all properties.

It is proposed that the KPI should change to reflect the proportion of the collections achieved each week. This would demonstrate more accurately the performance of the service, regardless of service changes and overall growth in the Borough. This more dynamic percentage target will allow for growth in the Borough. With this approach, the target would be set to 99.93%.

However, a missed bin project is currently underway to further improve the performance rate, therefore, it is proposed that the new target is set at 99.94%.





## Performance Reporting Timetable 2020 – 2021

The deadlines for the monthly performance reports are shown here along with the meetings this data will be reported to:

Monthly Performance Statistics – Quarter One April - June 2020			
Data Deadline to People & Performance (P&P)	28 May 2020 P1 (April statistics)	25 June 2020 P2 (May statistics)	23 July 2020 P3 (June statistics)
SMT Chat (Mondays)	1 June 2020	29 June 2020	27 July 2020

Monthly Performance Statistics – Quarter Two July - September 2020			
Data Deadline to People & Performance (P&P)	20 August 2020 P4 (July statistics)	24 September 2020 P5 (August statistics)	22 October 2020 P6 (September statistics)
SMT Chat (Mondays)	24 August 2020	28 September 2020	26 October 2020

Half Year Performance Report April – September 2020 Strategic Plan Action Plan, Monthly Performance Statistics and Award and Accreditations				
P&C	PMB	Leadership	Scrutiny Panel	Cabinet
8 October 2020	October 2020	November 2020	December 2020	January 2021

**APPENDIX B**

<b>Monthly Performance Statistics – Quarter Three October - December 2020</b>			
Data Deadline to People & Performance (P&P)	26 November 2020 P7 (October statistics)	17 December 2020 P8 (November statistics)	21 January 2021 P9 (December statistics)
SMT Chat (Mondays)	30 November 2020	21 December 2020	25 January 2021

<b>Monthly Performance Statistics – Quarter Four January - March 2021</b>			
Data Deadline to People & Performance (P&P)	25 February 2021 P10 (January statistics)	25 March 2021 P11 (February statistics)	22 April 2021 P12 (March statistics)
SMT Chat (Mondays)	1 March 2021	29 March 2021	26 April 2021

<b>Proposed KPI Targets for April 2021 – March 2022</b>				
<b>P&amp;C</b>	<b>PMB</b>	<b>Leadership</b>	<b>Scrutiny Panel</b>	<b>Cabinet</b>
5 December 2020	December 2020	January 2021	January 2021	March 2021

<b>Year End Performance Report April 2020 – March 2021</b> <b>Strategic Plan Action Plan, Monthly Performance Statistics and Award and Accreditations</b>				
<b>P&amp;C</b>	<b>PMB</b>	<b>Leadership</b>	<b>Scrutiny Panel</b>	<b>Cabinet</b>
16 April 2021	May 2021	June 2021	June 2021	July 2021

Note: Single Data List Indicators – Services to continue reporting direct to the relevant Government Department



# Cabinet

11 March 2020

Item

Report of	Assistant Director (Corporate and Improvement Services)	Author	Richard Block ☎ 506825
Title	Corporate Key Performance Indicator Targets for 2020-2021		
Wards affected	Not applicable		

## 1. Executive Summary

- 1.1 Cabinet is invited to set the Corporate Key Performance Indicator (KPI) Targets for 2020-2021.

## 2. Recommended Decision

- 2.1 To set Corporate KPI Targets for 2020-2021.
- 2.2 To note the dates contained in the Reporting Timetable covering 2020-2021.

## 3. Reason for Recommended Decision

- 3.1 To confirm the Corporate KPI Targets for 2020-2021.

## 4. Alternative Options

- 4.1 No alternative options have been presented to Cabinet.

## 5. Background Information

- 5.1 The report on KPIs features a graphical presentation of year-to-date performance and previous year performance against target.
- 5.2 The overall position for April – November 2019 can be found at Appendix A.
- 5.3 It is proposed that a number of KPI targets remain unchanged. It is also proposed that a number of KPI targets are changed from their current target:

KPI	Description	Current Target	Proposed Target
K1B1(a)	Time to process housing benefit new claims and changes	7 days	5 days
K1B1(b)	Time to process Local Council Tax Support (LCTS) new claims and changes	7 days	6 days
K1H1	New additional homes provided	920 homes	920 homes
K1H2	Affordable homes delivered (gross)	360 Delivered over three years (2018-2021)	400 Delivered over three years (2018-2021)
K1H3	Full Homelessness Duty Owed	20%	30%
K1H4	Rent Collected	98%	98.2%
K1H5	Average time to re-let council homes	25 days	24.75 days
K1P1(a)	Processing of Major planning applications	80%	85%
K1P1(b)	Processing of Minor planning applications	90%	91%
K1P1(c)	Processing of Other planning applications	90%	91%
K1R1	Council Tax Collected	97.5%	97.5%
K1R2	Business Rates (NNDR) collected	98.5%	98.5%
K1R3	Sickness rate in working days	9 days	8 days
K1W1	Residual household waste per household	346kg	346kg
K1W2	Household waste reused, recycled and composted	53%	53%
K1W3	Number of weekly missed collections	150 (new norm) and add a %missed bins a week	99.94%



		0.06% of all collections each week)	
--	--	-------------------------------------	--

- 5.4 Housing Key Indicators delivered by Colchester Borough Homes (CBH) have been agreed by Portfolio Holder for Housing and Communities. These targets can be found at Appendix A.

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

- 6.1 Where required, specific Equality Impact Assessments will exist for policies and activities rather than for individual performance indicators.

## **7. Strategic Plan References**

- 7.1 There are no particular references to the 2018 – 2021 Strategic Plan.

## **8. Consultation**

- 8.1 There are not any direct implications with regard to consultation.

## **9. Publicity Considerations**

- 9.1 The performance report contains measures for our key performance. Many of these are used to monitor the performance of our services, and as such these may be of public interest. The performance report and related information is published on the [Performance](#) section of the Council's website.

## **10. Financial implications**

- 10.1 The financial implications to deliver the indicators form part of the budget setting process rather than for individual performance indicators.

## **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 rather than for individual performance indicators.

## **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 We aim to deliver against performance indicators as a key part of our performance framework.

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

- 14.1 The three overarching objectives contained in the National Planning Policy Framework are currently not covered as a Corporate Key Performance Indicator.

## **Appendices**

- A. KPI Year End Report covering April - November 2019.
- B Reporting Timetable covering 2020-2021.

## **Background Papers**

Not applicable.

28 January 2020

<b>Report of</b>	<b>Assistant Director Place and Client Services</b>	<b>Author</b>	<b>Martin Buddery</b> ☎ 507433
<b>Title</b>	<b>Colchester Borough Homes Performance Targets 2020/21</b>		
<b>Wards affected</b>	All wards		

## 1. Executive Summary

- 1.1 This report presents the draft set of performance targets which Colchester Borough Homes (CBH) will be accountable to in 2020/21. This set of performance indicators was agreed with CBH as part of their Medium-Term Delivery Plan (MTDP) 2018 to 2022, which in turn forms part of their management agreement with the Council. This report is being brought to provide the Scrutiny Panel with greater detail on how the MTDP targets are set and the role they play in performance management of CBH.
- 1.2 The MTDP includes performance targets for each of the five years of the plan. These targets were agreed by the Council and are reviewed annually by CBH and the Council to determine whether they remain appropriate or whether any changes in the operating environment mean they should be amended.
- 1.3 The targets proposed for 2020/21 remain at the levels agreed in the MTDP, with the exception of the target for accepted homelessness applications, which has been re-set in light of operational experience of the second full year of working to the Homelessness Reduction Act (which post-dated the drafting of the MTDP).

## 2. Action Required

- 2.1 The Scrutiny Panel is asked to note the draft performance targets for 2020/21, given as Appendix A.
- 2.2 The Scrutiny Panel is also invited to make recommendations to the Portfolio Holder for Housing on CBH performance management arrangements for 2020/21 and beyond.

## 3. Reason for Scrutiny

- 3.1 Scrutiny Panel provides part of the oversight of the performance of CBH. CBH is a wholly-owned arm's length company of the Council and delivers the majority of the Council's housing functions, in particular those connected with the Council's housing stock and delivery of homelessness and housing advice services. As such CBH has a key role to play in contributing to the achievement of the Council's Strategic objectives.

- 3.2 The Scrutiny Panel, at its meeting on 6 August 2019, considered CBH's annual performance review against the targets set for 2018/19. At that meeting the Scrutiny Panel requested that it receive a further report setting out the proposed targets for 2020/21 prior to approval by CBH Board and the Housing Portfolio Holder.

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

- 4.1 Colchester Borough Homes (CBH) is the Council's Arm's Length Management Organisation (ALMO). CBH's delivery of services on behalf of the Council is governed by a management agreement which was agreed and signed in 2013. Integral to this management agreement is a five-year Medium-Term Delivery Plan (MTDP). This plan sets out the detailed outcomes and targets which the management agreement requires CBH to deliver against. The management agreement also has a Liaison Protocol and Performance Framework appended to it, which was last reviewed in March 2018. This framework is currently under review and will be discussed at the next Principal Liaison Meeting in February 2020.
- 4.2 The MTDP for 2018-2022 was developed jointly with CBH and the Council. As part of the development of the plan, the approach to setting performance targets was refined. The delivery plan now contains eight high-level performance indicators which provide a clearer focus and visibility of the service delivery required from CBH. Previous performance management arrangements were based around more than 20 detailed performance indicators and targets. CBH continue to share with Council officers a more detailed suite of performance data, the analysis and scrutiny of which forms part of the Liaison Protocol and Performance Framework under which the relationship with CBH is managed.
- 4.3 As well as taking a more focussed approach to key performance targets, the Council also agreed with CBH in 2017 that targets for each service area would be set for the five years of the MTDP.
- 4.4 When setting the targets, consideration was given to a number of factors, such as sector benchmarking data (where available – for example in customer satisfaction), the external operating environment, changes in demand and alignment with the Council's wider strategic objectives.
- 4.5 Three of CBH's performance indicators also form part of the Council's suite of corporate performance indicators, as follows:
- Rent collected from current tenants as a % of rent collectable plus arrears at the start of the year
  - Average number of days taken to re-let general needs properties
  - Homelessness applications, where a full duty has been accepted, as a % of homeless applications provided with a personal housing plan
- 4.6 The performance targets set in the MTDP mostly increase incrementally over the period of the plan but are reviewed annually by the Council and CBH to ensure they continue to be appropriate. The performance targets for 2020/21 have been reviewed jointly with Council officers, and by CBH's Board, and were agreed to still be appropriate, with the exception of the Homelessness service performance target.

### ***Reviewing the homelessness target***

- 4.7 The Council's duties in respect of homelessness changed considerably with the enactment of the Homelessness Reduction Act in April 2018. To reflect these new duties, the homelessness performance indicator for CBH was re-defined. The target set for 2018/19 was indicative only as there was no reliable way of predicting the outcomes of the new operating environment. When reviewing the homelessness target for 2020/21, comparisons with national and regional data have remained difficult. The Ministry for Housing, Communities and Local Government has only very recently published quarter one homelessness data for 2019/20, and that data still contains "health warnings" in terms of its consistency and quality. There are considerable variations in the data across the East of England, and nationally, all of which makes effective benchmarking comparisons difficult.
- 4.8 It was therefore proposed that the 2020/21 homelessness target should be set based on marginal improvements to 2019/20 performance levels, currently 30.4%, with the target set at 30%.

## **5. Strategic Plan References**

- 5.1 The services and projects delivered by CBH contribute directly to the Strategic Plan 2018-2021 priority areas:
- **Growth** - Ensuring all residents benefit from the growth of the borough by providing opportunities to increase the number of homes available that are affordable for local people.
  - **Responsibility** - Encouraging everyone to do their bit to make our borough even better. Develop a strong sense of community across the Borough by enabling people and groups to take more ownership and responsibility for their quality of life.
  - **Opportunity** - Promoting and improving Colchester and its environment by contributing to the supply of housing available and help promote initiatives to help residents' live healthier lives.
  - **Wellbeing** - Making Colchester an even better place to live and supporting those who need most help by targeting support to the most disadvantaged residents and communities.

## **6. Consultation**

- 6.1 The performance information and monitoring framework was developed in conjunction with CBH Board Members, Council Officers and the Portfolio Holder for Housing and, as part of its development, was subject to scrutiny by tenant and leaseholder representatives.

## **7. Publicity Considerations**

- 7.1 The MTDP 2018-22 has been widely distributed which contains all performance information for 2018/19, 2019/20 and targets for 2020/21 and 2021/22.

## **8. Standard References**

- 8.1 Having considered equality, diversity and human rights; financial, health, well-being and community safety, health and safety and risk management, there are no significant matters in this report. However, CBH's success in meeting their delivery plan targets will positively impact all these areas, benefitting parts of our more vulnerable communities, aligned with planned financial management of the HRA.

## **9. Appendix**

- 9.1 Appendix A – Colchester Borough Homes Performance Targets 2020-21.

**Customer satisfaction %**

We will monitor satisfaction at the point of service to ensure customers are satisfied with the service they have received. We will monitor aspects of our service such as repairs and maintenance, new tenants moving in and property upgrades.

	2017/18	2018/19	2019/20 to Q3	2020/21	2021/22
<b>Target</b>	New	New	89.3	91	92
<b>Result</b>	New	87.4	93.1		

**Repairs completed on time %**

Percentage of repairs which are completed within agreed timeframes: 21 working days for routine repairs, 24 hours for emergency repairs, 3 working days for urgent repairs and 3 months for programmed repairs.

	2017/18	2018/19	2019/20 to Q3	2020/21	2021/22
<b>Target</b>	96.75	97	97.25	97.5	97.75
<b>Result</b>	98.0	98.3	98.0		

**Homelessness acceptances %**

Proportion of households for whom a Personal Housing Plan (PHP) has been agreed where the actions outlined in the PHP have not resulted in prevention or relief of homelessness and a full homelessness duty is owed.

	2017/18	2018/19	2019/20 to Q3	2020/21	2021/22
<b>Target</b>	New	New	20	30	To be agreed
<b>Result</b>	New	27.8	30.4 <sup>1</sup>		

<sup>1</sup> This figure relates to homelessness acceptances as a percentage of cases closed during the period. The previously reported figure of 28.6% relates to cases opened rather than closed.

### Capital program elements completed on time %

Progress against the capital programme delivery schedule agreed at the start of each year.

	2017/18	2018/19	2019/20 to Q3	2020/21	2021/22
Target	New	95	95.5	96	96.5
Result	75.4	66.3	71.3 (Q3 target 91.2)		

### Rent collection %

Rent collected from current tenants as a percentage of the rent collectable plus any arrears at the start of the year.

	2017/18	2018/19	2019/20 to Q3	2020/21	2021/22
Target	98.5	98	98	98.2	98.5
Result	99.9	99	98.1 (Q3 target 97.0)		

### Average days to re-let general needs properties

Number of days taken to re-let vacant general needs homes, including any days spent in capital works.

	2017/18	2018/19	2019/20 to Q3	2020/21	2021/22
Target	25	25	25	24.75	To be agreed
Result	24.7	26.8	26.7		

### Corporate facilities repairs completed on time %

Percentage of responsive repairs which are completed within agreed timeframes: immediately in the case of emergencies, 24 hours for urgent repairs and 30 days for non-urgent repairs.

	2017/18	2018/19	2019/20 to Q3	2020/21	2021/22
Target	New	75	90	90	95
Result	63.1	95.5	91.8		



## Gas compliance %

Percentage of tenanted homes with a gas supply which have a valid gas service certificate.

	2017/18	2018/19	2019/20 to Q3	2020/21	2021/22
Target	100	100	100	100	100
Result	100	100	100		



28 January 2020

Report of	Assistant Director – Corporate and Improvement Services	Author	Owen Howell
Title	Work Programme 2019-20		☎ 282518
Wards affected	Not applicable		

## 1. Executive Summary

- 1.1 This report sets out the current Work Programme 2019-2020 for the Scrutiny Panel. This provides details of the reports that are scheduled for each meeting during the municipal year.

## 2. Action Required

- 2.1 The Panel is asked to consider and approve the contents of the Work Programme for 2019-2020.

## 3. Background Information

- 3.1 The Panel's work programme evolves as the Municipal Year progresses and items of business are commenced and concluded. At each meeting the opportunity is taken for the work programme to be reviewed and, if necessary, amended according to current circumstances. The current work programme for 2019-20, is included at the end of the report.
- 3.2 The Forward Plan of Key Decisions is included as part of the work programme for the Scrutiny Panel, and this is included an **Appendix A**.

## 4. Standard References

- 4.1 There are no particular references to publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety, environmental and sustainability or risk management implications.

## 5. Strategic Plan References

- 5.1 Good governance is integral to the delivery of the Strategic Plan's priorities and direction for the Borough as set out under the four themes of growth, responsibility, opportunity and wellbeing.
- 5.2 The Council recognises that effective local government relies on establishing and maintaining the Public's confidence, and that setting high standards of self-governance provides a clear and demonstrable lead. Effective governance underpins the implementation and application of all aspects of the Council's work.

## Appendices

## Work Programme for 2019/20

<b>Scrutiny Panel meeting - 11 June 2019</b>
<b>Scrutiny Panel Chairman's briefing – 6 June 2019</b>
<ol style="list-style-type: none"> <li>1. North Essex Garden Communities</li> <li>2. Financial Monitoring Report End of Year – 2018/19</li> <li>3. Capital Expenditure Monitor 2018/19</li> <li>4. Year End 2018/19 Performance Report including the Strategic Plan Action Plan 2018-21</li> <li>5. Work Programme 2019-20</li> </ol>
<b>Scrutiny Panel meeting - 16 July 2019</b>
<b>Scrutiny Panel Chairman's briefing – 11 July 2019</b>
<ol style="list-style-type: none"> <li>1. 2020/21 Budget Strategy, Medium Term Financial Forecast and Budget Timetable</li> <li>2. Treasury Management – Annual Report</li> <li>3. Annual Scrutiny Report</li> <li>4. Bus Review: Further Actions.</li> <li>5. Work Programme 2019-20</li> </ol>
<b>Scrutiny Panel meeting - 6 August 2019</b>
<b>Scrutiny Panel Chairman's briefing – 1 August 2019</b>
<ol style="list-style-type: none"> <li>1. Review of Colchester Borough Homes Performance 2018/19</li> <li>2. Colchester Business Improvement District</li> <li>3. Work Programme 2019-20</li> </ol>
<b>Scrutiny Panel meeting – 29 August 2019</b>
<b>Scrutiny Panel Chairman's briefing – 27 August 2019</b>
<ol style="list-style-type: none"> <li>1. Pre-scrutiny of draft NEGC Ltd Business Plan</li> <li>2. Work Programme 2019-20</li> </ol>
<b>Scrutiny Panel (Crime and Disorder Committee) - 12 September 2019</b>
<b>Scrutiny Panel Chairman's briefing – 5 September 2019</b>
<ol style="list-style-type: none"> <li>1. Safer Colchester Partnership (Crime and Disorder Committee)</li> <li>2. Work Programme 2019-20</li> </ol>
<b>Scrutiny Panel – 15 October 2019</b>
<b>Scrutiny Panel Chairman's Briefing – 10 October 2019</b>
<ol style="list-style-type: none"> <li>1. Local Council Tax Support – Year 2020/21 (Provisional)</li> <li>2. Business Rate retention and future arrangements.</li> <li>3. Work Programme 2019-20</li> </ol>
<b>Scrutiny Panel meeting - 12 November 2019</b>

<b>Scrutiny Panel Chairman's briefing – 7 November 2019</b>
<ol style="list-style-type: none"> <li>1. 2019-20 Revenue Monitor, period April – September</li> <li>2. 2019-20 Capital Monitor, period April – September</li> <li>3. Colchester Borough Council's approach and preparations for Brexit</li> <li>4. Work Programme 2019-20</li> </ol>
<b>Scrutiny Panel meeting - 10 December 2019</b>
<b>Scrutiny Panel Chairman's briefing – 4 December 2019</b>
<ol style="list-style-type: none"> <li>1. Half Year 2019 - 2020 Performance Report including progress on Strategic Plan Action Plan</li> <li>2. Budget Strategy for 2020-21</li> <li>3. Colchester Commercial Holdings Ltd</li> <li>4. Work Programme 2019-20</li> </ol>

<b>Scrutiny Panel meeting - 28 January 2020</b>
<b>Scrutiny Panel Chairman's briefing – 23 January 2019</b>
<ol style="list-style-type: none"> <li>1. 2020-21 Revenue Budget, Capital Programme, Medium Term Financial Forecast, Housing Revenue Accounts Estimate and Housing Investment Programme (Pre-scrutiny of Cabinet Decision)</li> <li>2. Treasury Management Investment Strategy</li> <li>3. Pre-scrutiny of the Environmental Sustainability Task and Finish Group reports to Council and Cabinet</li> <li>4. Pre-decision scrutiny of the Council's draft Parking Policy</li> <li>5. Corporate Key Performance Indicator Targets for 2020-21</li> <li>6. Colchester Borough Homes: Key Performance Indicator Targets for 2020-21</li> <li>7. Work Programme 2019-20</li> </ol>
<b>Scrutiny Panel meeting – 5 February 2020</b>
<b>Scrutiny Panel Chairman's briefing – 30 January 2019</b>
<ol style="list-style-type: none"> <li>1. Scrutiny of Task and Finish Groups</li> <li>2. Work Programme 2019-20</li> </ol>
<b>Scrutiny Panel meeting - 17 March 2020</b>
<b>Scrutiny Panel Chairman's briefing – 12 March 2019</b>
<ol style="list-style-type: none"> <li>1. Colchester Business Improvement District</li> <li>2. North East Essex Health and Wellbeing Alliance</li> <li>3. Paperless working – Scrutiny Panel report to Cabinet</li> <li>4. Work Programme 2019-20</li> </ol>
<b>Scrutiny Panel (Crime and Disorder Committee) – 23 March 2020</b>
<b>Scrutiny Panel Chairman's briefing – 18 March 2020</b>
<ol style="list-style-type: none"> <li>1. Safer Colchester Partnership (Crime and Disorder Committee)</li> <li>2. Work Programme 2019-20</li> </ol>



# COLCHESTER BOROUGH COUNCIL

## FORWARD PLAN OF KEY DECISIONS 1 February 2020 – 31 May 2020

During the period from 1 February 2020 – 31 May 2020\* Colchester Borough Council intends to take 'Key Decisions' on the issues set out in the following pages. Key Decisions relate to those executive decisions which are likely to either:

- result in the Council spending or saving money in excess of £500,000; or
- have a significant impact on communities living or working in an area comprising two or more wards within the Borough of Colchester.

This Forward Plan should be seen as an outline of the proposed decisions and it will be updated on a monthly basis. Any questions on specific issues included on the Plan should be addressed to the contact name specified in the Plan. General queries about the Plan itself should be made to Democratic Services (01206) 507832 or email [democratic.services@colchester.gov.uk](mailto:democratic.services@colchester.gov.uk)

The Council invites members of the public to attend any of the meetings at which these decisions will be discussed and the documents listed on the Plan and any other documents relevant to each decision which may be submitted to the decision taker can be viewed free of charge although there will be a postage and photocopying charge for any copies made. *All decisions will be available for inspection at the Library and Community Hub, Colchester Central Library, 21 Trinity Square, Colchester and they are also published on the Council's website, [www.colchester.gov.uk](http://www.colchester.gov.uk)*

If you wish to request details of documents regarding the 'Key Decisions' outlined in this Plan please contact the individual officer identified.

If you wish to make comments or representations regarding the 'Key Decisions' outlined in this Plan please submit them, in writing, to the Contact Officer highlighted two working days before the date of the decision (as indicated in the brackets in the date of decision column). This will enable your views to be considered by the decision taker.

Contact details for the Council's various service departments are incorporated at the end of this plan.

---

If you need help with reading or understanding this document please take it to the Library and Community Hub, Colchester Central Library, 21 Trinity Square, Colchester or telephone (01206) 282222 or textphone users dial 18001 followed by the full number that you wish to call and we will try to provide a reading service, translation or other formats you may need.

\*The Forward Plan also shows decisions which fall before the period covered by the Plan but which have not been taken at the time of the publication of the Plan.

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
<b>Housing Revenue Account Fees and Charges 2020-2021</b>  To agree the Housing Revenue Account fees and charges for 2019-2020	No	January 2020	Portfolio Holder for Housing Councillor Adam Fox.  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Portfolio Holder report	Geoff Beales Client Services Manager 01206 506514 <a href="mailto:geoff.beales@colchester.gov.uk">geoff.beales@colchester.gov.uk</a>
<b>2020/21 General Fund Revenue Budget, Capital Programme and Medium Term Financial Forecast –</b> Cabinet will consider the 2020/21 General Fund Revenue Budget and make a recommendation to Council.	No	29 January 2020	Cabinet (Cllrs Cory, J Young, Fox, Goss, Higgins, King. Lilley and Luxford Vaughan)  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Paul Cook Finance Manager 01206 505861 <a href="mailto:Paul.cookx@colcehster.gov.uk">Paul.cookx@colcehster.gov.uk</a>



KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
<b>Housing Revenue Account Estimates 2020/21</b>  To approve the HRA Estimates 2020/21	No	29 January 2020	Cabinet (Cllrs Cory, J Young, Fox, Goss, Higgins, King. Lilley and Luxford Vaughan)  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Darren Brown Finance Manager <a href="mailto:Darren.brown@colchester.gov.uk">Darren.brown@colchester.gov.uk</a> (01206) 282891
<b>Housing Investment Programme (HIP) 2020/21</b>  To approve the Housing Investment Programme for 2020/21.	No	29 January 2020	Cabinet (Cllrs Cory, J Young, Fox, Goss, Higgins, King. Lilley and Luxford Vaughan)  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Darren Brown Finance Manager <a href="mailto:Darren.brown@colchester.gov.uk">Darren.brown@colchester.gov.uk</a> (01206) 282891

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
<b>CCTV Upgrades</b>	Yes	29 January 2020	Cabinet (Cllrs Cory, J Young, Fox, Goss, Higgins, King. Lilley and Luxford Vaughan)  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Andrew Tyrrell Client Services Manager 01206 282390 <a href="mailto:Andrew.tyrrell@colchester.gov.uk">Andrew.tyrrell@colchester.gov.uk</a>
<b>Climate Emergency Action Plan</b> - Cabinet will consider the recommendations from the Conservation and Environment Sustainability Task and Finish Group	No	29 January 2020	Cabinet (Cllrs Cory, J Young, Fox, Goss, Higgins, King. Lilley and Luxford Vaughan)  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Richard Block Assistant Director, Environment 01206 506825 <a href="mailto:richard.block@colchester.gov.uk">richard.block@colchester.gov.uk</a>

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
<b>Colchester Events Policy</b>	No	29 January 2020	<p>Cabinet (Cllrs Cory, J Young, Fox, Goss, Higgins, King. Lilley and Luxford Vaughan)</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	Cabinet report, draft Events Policy	<p>Andrew Tyrrell Client Services Manager 01206 282390 <a href="mailto:Andrew.tyrrell@colchester.gov.uk">Andrew.tyrrell@colchester.gov.uk</a></p>
<b>Award of Housing Adaptations Contract</b>	Yes	29 January 2020	<p>Cabinet (Cllrs Cory, J Young, Fox, Goss, Higgins, King. Lilley and Luxford Vaughan)</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	Cabinet report	<p>Clare Lawrance Client Asset Manager 01206 282506 <a href="mailto:Clare.lawrance@colchester.gov.uk">Clare.lawrance@colchester.gov.uk</a></p>

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
Utilising the Housing Revenue Account Estate for Broadband, Facilitating Inward Investment	No	29 January 2020	Cabinet (Cllrs Cory, J Young, Fox, Goss, Higgins, King, Lilley and Luxford Vaughan)  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Andrew Tyrrell Client Services Manager 01206 282390 <a href="mailto:Andrew.tyrrell@colchester.gov.uk">Andrew.tyrrell@colchester.gov.uk</a>
The award of contracts for utility (Mains electrical supply) works related to “The Walk” and Colchester Northern Gateway	Yes	February 2020	Portfolio Holder for Business and Resources, Councillor David King  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Portfolio Holder report	Andrew Tyrrell Client Services Manager 01206 282390 <a href="mailto:Andrew.tyrrell@colchester.gov.uk">Andrew.tyrrell@colchester.gov.uk</a>

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
Award of contract for leased ICT equipment under Delegated Authority	No	March 2020	Portfolio Holder for Business and Resources, Councillor David King  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Portfolio Holder report	Kieran Johnston Strategic ICT Manager 01206 507880 <a href="mailto:Kieran.johnston@colchester.gov.uk">Kieran.johnston@colchester.gov.uk</a>
Award of Contract for the Colchester Northern Gateway Heat Network	Yes	11 March 2020	Cabinet (Cllrs Cory, J Young, Fox, Goss, Higgins, King, Lilley and Luxford Vaughan)  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Andrew Tyrrell Client Services Manager 01206 282390 <a href="mailto:Andrew.tyrrell@colchester.gov.uk">Andrew.tyrrell@colchester.gov.uk</a>

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
Matters relating to land transfer at Northern Gateway	Yes	11 March 2020	<p>Cabinet (Cllrs Cory, J Young, Fox, Goss, Higgins, King. Lilley and Luxford Vaughan)</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	Cabinet report	<p>Ian Vipond Assistant Director, Policy and Place 01206 282717 ian.vipond@colchester.gov.uk</p>

**CONTACT ADDRESSES  
FOR  
COLCHESTER BOROUGH COUNCIL**

**Adrian Pritchard, Chief Executive**  
Rowan House, 33 Sheepen Road, Colchester CO3 3WG  
Tel: (01206) 282211  
email: [adrian.pritchard@colchester.gov.uk](mailto:adrian.pritchard@colchester.gov.uk)

**Pamela Donnelly, Strategic Director, Customer and Relationships**  
Rowan House, 33 Sheepen Road, Colchester CO3 3WG  
Tel: (01206) 282712  
email: [pamela.donnelly@colchester.gov.uk](mailto:pamela.donnelly@colchester.gov.uk)

**Ian Vipond, Strategic Director, Policy and Place**  
Rowan House, 33 Sheepen Road, Colchester CO3 3WG  
Tel: (01206) 282717  
email: [ian.vipond@colchester.gov.uk](mailto:ian.vipond@colchester.gov.uk)

**Dan Gascoyne, Chief Operating Officer**  
Rowan House, 33 Sheepen Road, Colchester CO3 3WG  
Tel: (01206) 282294  
email: [dan.gascoyne@colchester.gov.uk](mailto:dan.gascoyne@colchester.gov.uk)

**Lucie Breadman, Assistant Director Communities**  
Rowan House, 33 Sheepen Road, Colchester CO3 3WG  
Tel: (01206) 282726  
email: [lucie.breadman@colchester.gov.uk](mailto:lucie.breadman@colchester.gov.uk)

**Richard Block, Assistant Director Policy and Corporate**  
Rowan House, 33 Sheepen Road, Colchester CO3 3WG  
Tel: (01206) 506825  
email: [richard.block@colchester.gov.uk](mailto:richard.block@colchester.gov.uk)

**Rory Doyle, Assistant Director Environment**  
Rowan House, 33 Sheepen Road, Colchester CO3 3WG  
Tel: (01206) 507885  
e-mail: [rory.doyle@colchester.gov.uk](mailto:rory.doyle@colchester.gov.uk)

**Mandy Jones, Assistant Director Place and Client Services**  
Rowan House, 33 Sheepen Road, Colchester CO3 3WG  
Tel: (01206) 282501  
email: [mandy.jones@colchester.gov.uk](mailto:mandy.jones@colchester.gov.uk)

**Leonie Rathbone, Assistant Director Customers**  
Rowan House, 33 Sheepen Road, Colchester CO3 3WG  
Tel: (01206) 507887  
email: [leonie.rathbone@colchester.gov.uk](mailto:leonie.rathbone@colchester.gov.uk)