

Council Meeting

**Charter Hall, Colchester Leisure World,
Colchester, CO1 1YH
Wednesday, 23 February 2022 at 18:00**

Information for Members of the Public

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Access

The main access to Charter Hall is suitable for wheelchair users. There is an induction loop in all the Charter Hall.

Facilities

Toilets are available. Attendees are advised to bring their own refreshments or to purchase them from the Leisure World café which will be open.

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Colchester Borough Council

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Covid 19

Please could attendees note the following:-

- Hand sanitiser, wipes and masks will be available.
- Do not attend if you feel unwell with a temperature or cough, or you have come in to contact with someone who is unwell with a temperature or cough.
- Masks should be worn whilst arriving and moving round the meeting room, unless you have a medical exemption.
- All seating will be socially distanced with 2 metres between each seat. Please do not move the chairs. Masks can be removed when seated.
- Please follow any floor signs and any queue markers.
- Try to arrive at the meeting slightly early to avoid a last minute rush.
- A risk assessment, including Covid 19 risks, has been undertaken for this meeting.

COLCHESTER BOROUGH COUNCIL
Council
Wednesday, 23 February 2022 at 18:00

TO ALL MEMBERS OF THE COUNCIL

Published 15/02/2022

You are hereby summoned to attend the meeting of the Council to be held on Wednesday, 23 February 2022 at 18:00 for the transaction of the business stated below.



Chief Executive

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

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

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

Live Broadcast

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

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

1 Welcome and Announcements (Council)

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

2 Have Your Say! (Hybrid meetings)

Members of the public may make representations to the meeting. This can be made either in person at the meeting or by joining the meeting remotely and addressing the Council via Zoom. Each representation may be no longer than three minutes. Members of the public wishing to address the Council remotely may register their wish to address the meeting by e-mailing democratic.services@colchester.gov.uk by 12.00 noon on the working day before the meeting date. In addition a written copy of the representation will need to be supplied for use in the event of

unforeseen technical difficulties preventing participation at the meeting itself.

There is no requirement to pre register for those attending the meeting in person.

3 Declarations of Interest

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

4 Minutes of the Previous Meeting (Council)

A... Motion that the minutes of the meeting held on 2 December 2021 and 20 December 2021 be confirmed as a correct record.

Council minutes 021221 9 - 18

Council minutes 201221 19 - 20

5 Mayor's Announcements

The Mayor to make announcements.

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

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

7 Recommendations of the Cabinet, Panels and Committees

Council will consider the following recommendations:-

7(i) Budget 2022/23 and Medium Term Financial Forecast 21 - 36

B... Motion that the recommendations contained in draft minute 622 of the Cabinet meeting of 26 January 2022 and the recommendations contained in the report entitled Precept and Council Tax Levels 2022-23 be approved and adopted.

7(ii) Resetting the Capital Programme and Capital Strategy 37 - 38

C... Motion that the recommendations contained in draft minute 623 of the Cabinet meeting of 26 January 2022 be approved and adopted.

7(iii) Councillor Development Policy 39 - 40

D... Motion that the recommendation contained in draft minute 632 of the Cabinet meeting of 26 January 2022 be approved and adopted.

- 8 **Questions to Cabinet Members and Chairs pursuant to Council Procedure Rule 10**
- Cabinet members and Chairmen will receive and answer pre-notified questions in accordance with Council Procedure Rule 10(1) followed by any oral questions (not submitted in advance) in accordance with Council Procedure Rule 10(3).
- (Note: a period of up to 60 minutes is available for pre-notified questions and oral questions by Members of the Council to Cabinet Members and Chairs (or in their absence Deputy Chairs)).
At the time of the publication of the Summons there were none.
- 9 **Approval of Non Attendance** 41 - 42
- E... Motion that the recommendation contained in the Monitoring Officer's report be approved and adopted.
- 10 **Schedule of Portfolio Holder Decisions** 43 - 46
- Council is invited to note the Schedule of Portfolio Holder decisions for the period 20 November 2021 - 10 February 2022.
- 11 **Urgent Items (Council)**
- Council will consider any business not specified in the Summons which by reason of special circumstances the Mayor determines should be considered at the meeting as a matter of urgency.
- Reports Referred to in Recommendations**
- The reports specified below are submitted for information and referred to in the recommendations specified in item 7 of the agenda:
- Budget 2022-23 and MTFF, report to Cabinet 260122** 47 - 92
- Resetting the Capital Programme, report to Cabinet, 260122** 93 - 108
- Councillor Development Policy and Strategy, report to Cabinet, 260122** 109 - 118
- 12 **Exclusion of the Public (not Scrutiny or Executive)**
- In accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

Part B

(not open to the public including the press)

13 Reports Referred to in Recommendations - Part B

The not for publication reports specified below are submitted for information and referred to in the recommendations specified in item 7 of the agenda:

**Resetting the Capital Programme - Not for Publication
Appendix, report to Cabinet, 260122**

- This report is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (financial / business affairs of a particular person, including the authority holding information).

Council

Thursday, 02 December 2021

Attendees:

Councillor Lewis Barber, Councillor Lyn Barton, Councillor Kevin Bentley, Councillor Tina Bourne, Councillor Michelle Burrows, Councillor Roger Buston, Councillor Nigel Chapman, Councillor Peter Chillingworth, Councillor Helen Chuah, Councillor Nick Cope, Councillor Mark Cory, Councillor Pam Cox, Councillor Simon Crow, Councillor Robert Davidson, Councillor Paul Dundas, Councillor Andrew Ellis, Councillor Adam Fox, Councillor Mark Goacher, Councillor Martin Goss, Councillor Jeremy Hagon, Councillor Dave Harris, Councillor Chris Hayter, Councillor Pauline Hazell, Councillor Mike Hogg, Councillor John Jowers, Councillor David King , Councillor Darius Laws, Councillor Sue Lissimore, Councillor Derek Loveland, Councillor Jackie Maclean, Councillor Roger Mannion, Councillor Sam McCarthy, Councillor Patricia Moore, Councillor Steph Nissen, Councillor Beverley Oxford, Councillor Gerard Oxford, Councillor Philip Oxford, Councillor Chris Pearson, Councillor Lee Scordis, Councillor Lesley Scott-Boutell, Councillor Leigh Tate, Councillor Martyn Warnes, Councillor Lorcan Whitehead, Councillor Dennis Willetts, Councillor Barbara Wood, Councillor Julie Young, Councillor Tim Young

487 Prayers

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

488 Apologies

Apologies were received from Councillors Coleman, Leatherdale, Lilley and Luxford Vaughan.

489 Have Your Say! (Hybrid meetings)

William Sunnucks addressed the Council pursuant to the provisions of Council Procedure Rule 6(1) in respect of the motion on climate change. He hoped the Council would reject the motion. The Council should concentrate on what it could control rather than talking about matters it could not. The Council had real responsibilities which required real action. For example it needed to understand 1000 homes in the Council's estate did not have an EPC certificate let alone proper insulation or heat pump

technology. A plan to insulate local homes should be supported. The incentives which made it cheaper to drive than use public transport needed to be addressed and the Council should be examining which buildings could be renovated rather than rebuilt. Impractical promises also needed to be avoided such as building 920 more houses per year without the supporting infrastructure. The Council should concentrate on what it could actually influence rather than grandstanding. The motion should be rejected or heavily amended.

490 One Minute Silence

The Mayor invited Council to stand for a minute's silence in tribute to David Amess MP.

491 Minutes of the Previous Meeting (Council)

The minutes of the meetings held on 15 September 2021 and 20 October 2021 were confirmed as a correct record.

492 Mayor's Announcements

The Mayor indicated that he had represented the Council at the funeral of Sir David Ames MP. The family's message was the need for people to show respect and kindness to each other.

The Mayor noted the recent death of former Councillor Ray Cole who had served as Councillor for West Bergholt between 1984-90 and 1995-99.

The Mayor announced the following events:-

A reading of "A Christmas Carol" by Anthony Roberts, Old Library, 16 December 2021;

Mayoral Carol Service, Lion Walk Church, 19 December 2021

493 Establishment of a Joint Committee for Tendring Colchester Borders Garden Community

Councillor Bentley (in respect of his position as Leader of Essex County Council) declared a non-pecuniary interest in the following item pursuant to the provisions of Council Procedure Rule 11(5)

A statement from Councillor Luxford Vaughan was read to the meeting by the Democratic Services Officer expressing concerns about the establishment of a Joint Committee. Supporters of the garden community concept had insisted that the way to deliver them was through a development corporation. A traditional development model and the existing planning system would not deliver a garden community. This would be watered down further with the involvement of two other authorities with different priorities. It was unclear how a Joint Committee could balance the burden on Colchester's Infrastructure with Tendring's desire to generate a rate income and secure all the affordable housing for its residents. Essex County Council representation would be predetermined by the legally binding HIF agreement. Whilst Greenstead ward councillors were claiming they should have a seat on the Joint Committee, the development was planned within the ward boundaries of Elmstead, Ardleigh and Wivenhoe, with the masterplan documents showing development less than 1000 yards from Wivenhoe. Tendring were adamant that only 1250 homes would be allocated to Colchester through the lifetime of this project and there was no agreement in place to contradict this. The Council should not agree to the Joint Committee or invest in the DPD until such an agreement was in place. A Joint Committee with authorities motivated by anything but the principles of a garden community would not produce one.

Manda O'Connell addressed the Council pursuant to the provisions of Council Procedure Rule 6(1) as a resident of Greenstead and Chair of the Tendring Colchester Borders Garden Community (TCBGC) Liaison Group. She hoped that the interest of east Colchester would be served by full Colchester Borough Council participation in the Joint Committee. This would help continue the encouraging community engagement achieved so far. This was a shared development that would benefit both Tendring and Colchester. Involvement in the Joint Committee would enable the Council to influence the layout of the development. This was an opportunity to showcase an innovative and sustainable development that would meet housing needs for the next thirty years. The Council should not be obstructive or seek to undermine this initiative, which would secure much needed housing, particularly affordable housing. The Council should put party politics aside and support the proposal for Joint Committee which would address the real need of the community and its residents.

James Marchant addressed the Council pursuant to the provisions of Council Procedure Rule 6(1) representing Colchester East Action Group to express his view that the Garden Community should proceed with a large green buffer between it and the existing communities in east Colchester. This would prevent speculative development in the area such as the recent development near Bromley Road and Salary Brook.

RESOLVED (MAJORITY voted FOR) that the recommendation contained in draft minute 605 of the Cabinet meeting of 17 November 2021 be approved and adopted.

494 Local Council Tax Support Scheme 2022-23

RESOLVED (UNANIMOUS) that the recommendation contained in draft minute 608 of the Cabinet meeting of 17 November 2021 be approved and adopted.

495 Officer Pay Policy Statement 2022-23

RESOLVED (UNANIMOUS) that the recommendation contained in draft minute 609 of the Cabinet meeting of 17 November 2021 be approved and adopted.

496 Nomination for Deputy Mayor 2022-23

RESOLVED (UNANIMOUS) that the recommendation contained in draft minute 614 of the Cabinet meeting of 17 November 2021 be approved and adopted and that Councillor Jowers be nominated for appointment as Deputy Mayor for the borough of Colchester for the 2022-23 municipal year.

497 Gambling Act 2005 Policy

RESOLVED (UNANIMOUS) that the recommendation contained in draft minute 143 of the Licensing Committee meeting of 10 November 2021 be approved and adopted.

498 Review of the Ethical Governance Policies

RESOLVED (UNANIMOUS) that the recommendation contained in draft minute 290 of the Governance and Audit Committee meeting of 23 November 2021 be approved and adopted.

499 Review of Local Code of Corporate Governance

RESOLVED (UNANIMOUS) that the recommendation contained in draft minute 291 of the Governance and Audit Committee meeting of 23 November 2021 be approved and adopted.

500 Suspension of Procedure Rules

RESOLVED that Council Procedure Rule 11(2) be suspended to allow the motion on Insulating Homes to be debated and determined at the meeting.

501 Insulating Homes

It was proposed by Councillor J. Young, also on behalf of Councillor Cory, that:-

Climate change is the biggest single threat that Colchester residents face. The biggest carbon impact locally is poorly insulated homes. As energy prices skyrocket local families are spending hard earned incomes on heat that leaks from their homes. Colchester needs a plan to retrofit local homes, that provides new jobs, reduces heating bills and ensures people are warm in their homes over winter periods. This council calls on the Cabinet members for the Environment , Housing & Planning to develop a plan to work with Colchester Borough Homes, housing associations, private landlords and homeowners to retrofit homes and tackle the climate emergency. This plan must include calling on Government to provide additional funding to support this vital work which will be good for residents and climate change.

A main amendment was proposed by Councillor Barber as follows:-

That the motion on Insulating Homes be approved and adopted subject to:

- *In the second sentence the deletion of the words “The biggest carbon impact locally is” and the insertion of the words “A key contributor to climate change locally are”.*
- *The deletion of all wording from “As energy prices skyrocket..” onwards and the insertion of the following wording:
“This Council recognises that poorly insulated homes also contribute to increased energy costs, which disproportionately impacts lower income households.*

This Council therefore welcomes the Green Homes Grant funded by the Government, which is an example of policy that tackles climate change, assists households financially and supports local jobs. The Green Homes Grant provides funding for up to £10,000 to

install energy efficient measures for homeowners across Essex with a household income below £30,000 and/or in receipt of an eligible benefit and an Energy Performance Certificate rating of D, E, F or G. The Green Homes Grant is also available for private rented homes. The Council further welcomes the national target of EPC rating C for all private rented homes by 2030 and the recommendations on energy efficiency in Essex's Net Zero: Making Essex Carbon Neutral report, which we resolve to support to deliver where we have a role.

The Council further resolves to continue to promote the Green Homes Grant to help achieve our climate goals and assist lower income households, as well as support other schemes such as Colchester Borough Home's ambition on insulation and energy efficiency. Finally, this Council resolves to work with housing associations, private landlords and homeowners to achieve the Government's welcome target of all private rented homes being EPC band C by 2030."

Councillor J. Young indicated that the main amendment was not accepted.

On being put to the vote the main amendment was approved (TWENTY ONE voted FOR and SEVENTEEN voted AGAINST) and the motion was deemed amended accordingly. The amended wording of the motion was as follows:-

Climate change is the biggest single threat that Colchester residents face. A key contributor to climate change locally are poorly insulated homes. This Council recognises that poorly insulated homes also contribute to increased energy costs, which disproportionately impacts lower income households.

This Council therefore welcomes the Green Homes Grant funded by the Government, which is an example of policy that tackles climate change, assists households financially and supports local jobs. The Green Homes Grant provides funding for up to £10,000 to install energy efficient measures for homeowners across Essex with a household income below £30,000 and/or in receipt of an eligible benefit and an Energy Performance Certificate rating of D, E, F or G. The Green Homes Grant is also available for private rented homes. The Council further welcomes the national target of EPC rating C for all private rented homes by 2030 and the recommendations on energy efficiency in Essex's Net Zero: Making Essex Carbon Neutral report, which we resolve to support to deliver where we have a role.

The Council further resolves to continue to promote the Green Homes Grant to help achieve our climate goals and assist lower income households, as well as support other schemes such as Colchester Borough Home's ambition on insulation and energy efficiency. Finally, this Council resolves to work with housing associations, private landlords and homeowners to achieve the Government's welcome target of all private rented homes being EPC band C by 2030.

The amended motion was then put to the vote and was approved and adopted (MAJORITY voted FOR).

502 Standards

It was proposed by Councillor King, also on behalf of Councillor Fox, that:-

Confidence in politics has been further damaged by recent parliamentary lobbying, misconduct and the second jobs controversy.

This Council welcomes the Government's withdrawal of their proposals, and the Prime Minister's apology. And their restated support for an independent Standards Commissioner and process, as this helps ensure our Members of Parliament act in the interest of their constituents and our nation, uninfluenced by what they can earn by lobbying.

This Council believes the great majority of elected members, including this Council, are motivated by public service alone. We commit ourselves to ensure our conduct is beyond reproach, to continue to declare any conflicts of interest, to not accept payments from any who seek to improperly influence what we as individuals or a local authority might do. And to work to the highest standards of public service. To put the interests of our residents and the wider public first in all we do.

A main amendment was proposed by Councillor Dundas, as follows:-

That the motion on Standards be approved and adopted subject to:

- *In the third paragraph after the words "or local authority might do" the insertion of a new paragraph as follows:-*

We further commit to treat each other with the respect and the behavioural standards our residents expect. To not use derogatory language or act in a disrespectful manner in person, in print, in social media and any other forums about each other or organisations – political or otherwise - we are affiliated with. We also call on anyone who is associated with us including MPs, candidates, party political activists and supporters to do likewise and we commit to taking whatever action we can against any of those who do.

- *In the penultimate sentence the deletion of the words "And to" and the insertion of word "We".*

Councillor King indicated that the main amendment was not accepted.

On being the put to the vote the main amendment was approved (TWENTY THREE voted FOR and ONE voted AGAINST) and the motion was deemed amended accordingly. The amended wording of the motion was as follows:-

Confidence in politics has been further damaged by recent parliamentary lobbying, misconduct and the second jobs controversy.

This Council welcomes the Government's withdrawal of their proposals, and the Prime Minister's apology. And their restated support for an independent Standards Commissioner and process, as this helps ensure our Members of Parliament act in the interest of their constituents and our nation, uninfluenced by what they can earn by lobbying.

This Council believes the great majority of elected members, including this Council, are motivated by public service alone. We commit ourselves to ensure our conduct is beyond reproach, to continue to declare any conflicts of interest, to not accept payments from any who seek to improperly influence what we as individuals or a local authority might do.

We further commit to treat each other with the respect and the behavioural standards our residents expect. To not use derogatory language or act in a disrespectful manner in person, in print, in social media and any other forums about each other or organisations – political or otherwise - we are affiliated with. We also call on anyone who is associated with us including MPs, candidates, party political activists and supporters to do likewise and we commit to taking whatever action we can against any of those who do.

We to work to the highest standards of public service. To put the interests of our residents and the wider public first in all we do.

The amended motion was put to the vote and was approved and adopted (UNANIMOUS).

503 Authorisation of Absence from Council and Committee meetings

RESOLVED that the recommended decision in the report from the Assistant Director, Corporate and Improvement Services, be approved and adopted and accordingly the absence of Councillor Coleman from attendance at Council and Committee meetings be

authorised for a period of six months from 10 December 2021, pursuant to the provisions of section 85 of the Local Government Act 1972.

504 Schedule of Portfolio Holder Decisions

RESOLVED that the schedule of Portfolio Holder decisions covering the period 9 October 2021 to 19 November 2021 be noted.

505 Closure of Meeting

In view of the late hour and the conditions in the meeting room, the Mayor closed the meeting and directed that a written response be provided to the pre-notified question to the Leader of the Council that had been submitted. The outstanding motions on Support to Local Business and Climate Change were not debated and determined.

SPECIAL COUNCIL MEETING 20 DECEMBER 2021

Present:- **The Mayor (Councillor Davidson)**

Councillors Bentley, Bourne, Buston, Chapman, Cope, Cory, Cox, Crow, Dundas, Ellis, Goacher, Goss, Jowers, King, Laws, Lissimore, Loveland, McCarthy, Moore, Pearson, Scott-Boutell, Warnes, J. Young, T. Young

In attendance remotely **Councillors Chillingworth, Chuah, Fox, Hagon, Harris, Hayter, Hazell, Hogg, Leatherdale, Lilley, Luxford Vaughan, Maclean, Mannion, Scordis, Tate, Whitehead, Wood**

506. Prayers

The meeting was opened with prayers from the Reverend Terry Walker.

507. Apologies

Apologies were received from Councillors Barber, Barton, Burrows, Coleman, Leatherdale, Nissen, B. Oxford, G. Oxford and P. Oxford.

508. Appointment of Chief Executive

The High Steward, Alderman Sir Bob Russell, was invited to address the meeting. This was an historic occasion as it was only the fifth time in the history of the Borough that a Chief Executive had been appointed. Thanks were expressed on behalf of all the Honorary Alderman to Adrian Pritchard for his service to the Borough. He was now the longest serving Chief Executive in the Borough's history. Colchester has seen many changes under his stewardship and owed a debt of gratitude to him. The appointment of Pam Donnelly was warmly welcomed.

RESOLVED (UNANIMOUS) that :-

- (a) Pam Donnelly be appointed as Chief Executive and Head of Paid Service with effect from 1 April 2022 on the salary scale point of £125,633;
- (b) Pam Donnelly be appointed as Electoral Registration Officer and Returning Officer with effect from 28 March 2022.

Pam Donnelly was invited to respond to Council and expressed her thanks to Council for her appointment.

Extract from the draft minutes of the Cabinet meeting of 26 January 2022

622. Budget 2022-23 and Medium Term Financial Forecast

The Chief Operating Officer submitted a report a copy of which had been circulated to each Member.

Councillor Lissimore, Portfolio Holder, presented the report and thanked officers for their hard work in bringing forward a balanced budget in what had been a very difficult year, with challenges of Covid 19 and inflation. Thanks were also extended to the Scrutiny Panel for its work in scrutinising the budget proposals.

RESOLVED that:-

- (a) The 2022/23 Revenue Budget and revised Medium Term Financial Forecast as set out in Appendix A of the Chief Operating Officer's report be approved.
- (b) The budget resilience statement and forecast level of balances set out in Appendix B of the Chief Operating Officer's report be noted.
- (c) The Treasury Management Strategy Statement 2022/23 to 2025/26 set out in Appendix C of the Chief Operating Officer's report be approved.

RECOMMENDED to COUNCIL

- (a) The 2022/23 revenue budget requirement of £21.875m;
- (b) Colchester's element of the Council Tax at £205.47 per Band D property being an increase of £4.95.

REASONS

To balance the 2022/23 budget and revise the Medium Term Financial Forecast.

ALTERNATIVE OPTIONS

No alternative options were proposed.

Report of	Chief Operating Officer	Author	Paul Cook Darren Brown Diane Gentile
Title	Precept and Council Tax Levels 2022/23		
Wards affected	Not Applicable		

1 Executive Summary

1.1 The purpose of this report is to set out the statutory resolutions the Council is required to approve, in order to set the Council Tax for each band for the financial year 2022/23. These include the following information:

- A Council Tax Base of 64,731 Band D equivalent properties, together with details of the Council Tax base for individual parishes.
- A Council Tax requirement for Colchester Borough Council of £13.300 million (excluding parishes).
- Colchester's element of the Council Tax being £205.47 for Band D properties (excluding parishes). An increase of 2.47%.
- Expected Band D Council Tax for Essex County Council, Essex Police and Essex Fire and Rescue Authority.
- The total Council Tax payable for the different parts of the Council's area.
- Parish, Town and Community Councils precept amounts for 2022/23.

1.2 The report should be read alongside the 2022/23 Revenue Budget and the Medium-Term Financial Forecast.

2 Recommended Decision

2.1 To approve the statutory resolutions as set out at Appendix 1 which are in accordance with the Local Government Finance Act 1992, as amended by the Localism Act 2011, in respect of the Council Tax for each band for the financial year 2022/23.

3 Reason for Recommended Decision

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

4 **Alternative Options**

- 4.1 The resolutions are a statutory requirement

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

- 5.1 26 January 2022 Cabinet approved and recommended to Council the 2022/23 Revenue Budget Requirement.
- 5.2 The final 2022/23 Local Government Finance Settlement was received 7 February 2022. There are no significant changes from the draft settlement reported to 26 January 2022 Cabinet. Lower Tier Services Grant is £72k less in the Final Settlement.
- 5.3 The budget proposals are based on additional business rates income above the 2022/23 business rate baseline. The NNDR 1 2022/23 business rates return to the Department of Levelling Up, Housing and Communities confirms the budget estimate.
- 5.4 The forecast collection fund business rates deficit as at the end of 2021/22 is £13.199m. This reflects the 3-year spreading of the 2020/21 deficit in accordance with Department of Levelling Up, Housing and Communities guidance. The high 2020/21 deficit arose because of the high value of Covid business rate reliefs introduced by Government in 2020/21 after the Collection Fund estimate had been set.
- 5.5 Any additional business rates achieved over the forecasts will be allocated to the business rates reserve.
- 5.6 Cabinet recommended that Colchester's element of the Council Tax for 2022/23 be agreed at £205.47 for Band D properties, which represents an increase of £4.95 (2.47%).
- 5.7 In approving Colchester's element of the Council Tax, account must be taken of Retained Business Rates and any surplus or deficit arising from the Collection Fund. Colchester's Council Tax requirement also must reflect Parish Council spending and the Table 1 sets out the position:

Table 1 – Council Tax Requirement (£k)			
1	Budget Requirement		21,875
2	Use of New Homes Bonus	(1,954)	
3	Use of Reserves and Balances	(4,820)	
4			15,101
5	Parish Councils requirement	2,187	
6			17,288
7	Business Rates Baseline	(4,343)	
8	Business Rates Growth	(1,870)	
9	Government Grant	(496)	
10			10,579
11	Deficit on collection fund business rates	5,280	
12	Surplus on collection fund council tax	(372)	
13	Council Tax Requirement		15,487

- 5.8 Colchester's Council Tax at Band D for 2022/23 is £205.47 and is set out in Table 2

Table 2 – Colchester Band D Council Tax		
1	Council Tax Requirement (as detailed above)	15,487,381
2	Divided by Council Tax Base	64,731.0
3	Council Tax at Band D (including Parishes)	239.26
4	Deduct Parish Element	(33.79)
5	Council Tax at Band D for Colchester Borough Council	205.47

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

- 6.1 In order to determine formally the overall level of Council Tax, account has to be taken of the precept requirements of Essex County Council, Essex Police and the Fire and Rescue Service.
- 6.2 Table 3 sets out the overall position based on information received at the date of writing this report. The Police Fire and Crime Panel approved the budgets for Essex Police and Crime Commissioner and the Fire and Rescue Service on 6 February 2022. Essex County Council is expected to formally approve its budget on 23 February. Any change to the information set out in this report will be reported to this meeting.

Table 3 – Essex County Council, Police, Fire and Crime Commissioner				
	Council Tax at Band D			
	2021/22 £	2022/23 £	Change £p	Change %
Colchester Borough Council	200.52	205.47	4.95	2.47
Essex County Council	1340.91	1401.12	60.21	4.49
Essex Police & Crime Commissioner	208.53	218.52	9.99	4.79
Essex Fire and Rescue Service	73.89	75.33	1.44	1.95
	1823.85	1900.44	76.59	4.20

- 6.3 The overall position (excluding parishes) is set out in Table 4.
- 6.4 The appropriate Parish elements are added to these figures. Full details of the tax rates are given in Appendix 1. (Details of the individual Parish Precepts are set out in Appendix 2).

Table 4 = Overall Council Tax Rates					
Band	Colchester	County	Police	Fire	Total
A	136.98	934.08	145.68	50.22	1266.96
B	159.81	1089.76	169.96	58.59	1478.12
C	182.64	1245.44	194.24	66.96	1689.28
D	205.47	1401.12	218.52	75.33	1900.44
E	251.13	1712.48	267.08	92.07	2322.76
F	296.79	2023.84	315.64	108.81	2745.08
G	342.45	2335.20	364.20	125.55	3167.40
H	410.94	2802.24	437.04	150.66	3800.88

7. Special Expenses

- 7.1 Special expenses are defined as those expenses incurred by the Council in performing, in part of the borough, a function performed elsewhere in the borough by a Parish

Council. The Local Government Act 1992 allows the Council to treat any special expenses as general expenses, i.e. as part of its own budget requirement for Council Tax purposes, provided the Council resolved accordingly.

- 7.2 It is reasonable for the Council to continue to treat special expenses as general expenses, and for clarity it is considered sensible to reaffirm this position on an annual basis. A resolution to this effect, therefore, is included within Appendix 1.

8. Strategic Plan References

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

9. Publicity Considerations

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

10. Financial Implications

- 10.1 Included in the body of this report.

11. Consultation

- 11.1. The budget report to Cabinet set out consultation in respect of the budget including the statutory business ratepayers meeting. This meeting took place on 9 February 2022.

12. Environment and Sustainability Implications

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

13. Equality and Diversity Implications

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

14. Standard References

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

Appendices

Appendix 1: Resolutions

Appendix 2: Parish Council Precepts 2022/23

Background Papers

None

RESOLUTIONS

1. It be noted that the Tax Base has been approved and the following amounts were calculated for the year 2022/23 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992 as amended ('the Act'):
 - (a) 64,731.0 equivalent band D properties being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax base for the year. (Item T in the Act)
 - (b) Part of the Council's area for the parish of:

Parish	Parish Tax Base
Abberton & Langenhoe	431.2
Aldham	214.3
Birch	303.8
Boxted	628.2
Chappel	221.9
Copford	684.9
Dedham	934.1
East Donyland	882.4
East Mersea	128.0
Eight Ash Green	649.2
Fingringhoe	338.4
Fordham	328.1
Great Horkesley	1,047.8
Great Tey	384.6
Langham	493.8
Laver Breton	135.0
Laver de la Haye	725.4
Laver Marney	91.5
Little Horkesley	89.8
Marks Tey	946.1
Messing cum Inworth	180.5
Mount Bures	104.8
Myland	6,179.6
Stanway	4,267.0
Tiptree	3,588.1
Wakes Colne	249.2
West Bergholt	1,349.5
West Mersea	3,167.0
Winstred Hundred	490.2
Wivenhoe	2,895.5
Wormingford	191.5

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

2. Calculate that the Council Tax Requirement for the Council's own purposes for 2022/23 (excluding parish precepts) is £13,300,000
3. The following amounts be now calculated by the Council for the year 2022/23 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:
- (a) £124,814,281 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act. [Gross Expenditure]
 - (b) £109,326,900 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act. [Gross Income including Government grants]
 - (c) £15,487,381 Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax Requirement for the year. (Item R in the formula in Section 31B of the Act)
 - (d) £239.26 Being the amount at 3(c) above divided by the amount at 1(a) above, calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year. [Council Tax, including parishes]
 - (e) £2,187,381 Being the aggregate amount of all special items referred to in Section 34(1) of the Act. [Parish Precepts]
 - (f) £205.47 Being the amount at 3(d) above, less the result given by dividing the amount at 3(e) above by the amount at 1(a) above (Item T in the formula), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

(g) Part of the Council's area

	£
Abberton & Langenhoe	37.83
Aldham	71.18
Birch	49.37
Boxted	87.72
Chappel	75.89
Copford	59.12
Dedham	45.28
East Donyland	84.47
East Mersea	61.05
Eight Ash Green	53.08
Fingringhoe	34.00
Fordham	89.95
Great Horkesley	38.81
Great Tey	50.51
Langham	41.36
Layer Breton	0.00
Layer de la Haye	25.68
Layer Marney	0.00
Little Horkesley	64.01
Marks Tey	62.94
Messing cum Inworth	116.62
Mount Bures	29.41
Myland	19.42
Stanway	68.14
Tiptree	105.59
Wakes Colne	55.64
West Bergholt	80.59
West Mersea	107.36
Winstred Hundred	28.28
Wivenhoe	125.60
Wormingford	51.44
All other parts of the Council's area	205.47

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

(h) Parts of the Council's Area

Parish	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Abberton & Langenhoe	25.22	29.42	33.63	37.83	46.24	54.64	63.05	75.66
Aldham	47.45	55.36	63.27	71.18	87.00	102.82	118.63	142.36
Birch	32.91	38.40	43.88	49.37	60.34	71.31	82.28	98.74
Boxted	58.48	68.23	77.97	87.72	107.21	126.71	146.20	175.44
Chappel	50.59	59.03	67.46	75.89	92.75	109.62	126.48	151.78
Copford	39.41	45.98	52.55	59.12	72.26	85.40	98.53	118.24
Dedham	30.19	35.22	40.25	45.28	55.34	65.40	75.47	90.56
East Donyland	56.31	65.70	75.08	84.47	103.24	122.01	140.78	168.94
East Mersea	40.70	47.48	54.27	61.05	74.62	88.18	101.75	122.10
Eight Ash Green	35.39	41.28	47.18	53.08	64.88	76.67	88.47	106.16
Fingringhoe	22.67	26.44	30.22	34.00	41.56	49.11	56.67	68.00
Fordham	59.97	69.96	79.96	89.95	109.94	129.93	149.92	179.90
Great Horkesley	25.87	30.19	34.50	38.81	47.43	56.06	64.68	77.62
Great Tey	33.67	39.29	44.90	50.51	61.73	72.96	84.18	101.02
Langham	27.57	32.17	36.76	41.36	50.55	59.74	68.93	82.72
Layer Breton	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Layer de la Haye	17.12	19.97	22.83	25.68	31.39	37.09	42.80	51.36
Layer Marney	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Little Horkesley	42.67	49.79	56.90	64.01	78.23	92.46	106.68	128.02
Marks Tey	41.96	48.95	55.95	62.94	76.93	90.91	104.90	125.88
Messing cum Inworth	77.75	90.70	103.66	116.62	142.54	168.45	194.37	233.24
Mount Bures	19.61	22.87	26.14	29.41	35.95	42.48	49.02	58.82
Myland	12.95	15.10	17.26	19.42	23.74	28.05	32.37	38.84
Stanway	45.43	53.00	60.57	68.14	83.28	98.42	113.57	136.28
Tiptree	70.39	82.13	93.86	105.59	129.05	152.52	175.98	211.18
Wakes Colne	37.09	43.28	49.46	55.64	68.00	80.37	92.73	111.28
West Bergholt	53.73	62.68	71.64	80.59	98.50	116.41	134.32	161.18

Parish	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
West Mersea	71.57	83.50	95.43	107.36	131.22	155.08	178.93	214.72
Winstred Hundred	18.85	22.00	25.14	28.28	34.56	40.85	47.13	56.56
Wivenhoe	83.73	97.69	111.64	125.60	153.51	181.42	209.33	251.20
Wormingford	34.29	40.01	45.72	51.44	62.87	74.30	85.73	102.88
All other parts of Council's area	136.98	159.81	182.64	205.47	251.13	296.79	342.45	410.94

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

4. It be noted that for the year 2022/23 Essex County Council, and the Essex Police, Fire and Crime Commissioner have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Valuation Bands	Precepting Authority		
	County	Police	Fire
	£	£	£
A	934.08	145.68	50.22
B	1089.76	169.96	58.59
C	1245.44	194.24	66.96
D	1401.12	218.52	75.33
E	1712.48	267.08	92.07
F	2023.84	315.64	108.81
G	2335.20	364.20	125.55
H	2802.24	437.04	150.66

5. Having calculated the aggregate in each case of the amounts at 3(h) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2022/23 for each of the categories of dwellings shown overleaf:
6. For the purposes of Section 35 of the Local Government Act 1992, any expenses incurred by the Council in performing in part of its area a function performed elsewhere in its area by a parish council or chairman of a parish meeting shall not be treated as special expenses.
7. Determined that the Council's basic amount of Council Tax for 2022/23 is **not excessive** in accordance with the principles approved under Section 52ZB of the Act, and as shown in the calculation below.

(a) Increase defined by the Secretary of State as constituting an excessive increase for 2022/23:

(i) 2%, or more than 2%, greater than its relevant basic amount of council tax for 2021/22;
and

(ii) more than £5.00 greater than its relevant basic amount of council tax for 2021/22.

(b) Percentage increase in the Council's basic amount of Council Tax:

2021/22 amount	£200.52
2022/23 amount	£205.47
Percentage increase:	£4.95 and 2.47%

The figure at 7(b) is less than the figure at 7(a) above and therefore the Council's basic amount of Council Tax for 2022/23 is **not excessive** and no referendum is required.

8 Discretionary council tax discounts and exemptions for 2022/23 are:

Reference to:	Council position
<i>Second Homes: (Prescribed classes of Dwelling A & B)</i>	No discount applicable to this class
<i>Empty dwellings undergoing major repair (formerly Exempt Dwellings "Class A")</i>	No discount applicable to this class
<i>Vacant dwellings (formerly Exempt Dwellings "Class C")</i>	A 100% discount will be given for a maximum period of 28 days.
<i>Empty Homes Premium</i>	A premium of 100% will be charged for properties empty for over 2 years, 200% for empty over 5 years, and 300% for empty over 10 years.

9. Parts of the Council's Area

Parish	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Abberton & Langenhoe	1,292.18	1,507.54	1,722.91	1,938.27	2,369.00	2,799.72	3,230.45	3,876.54
Aldham	1,314.41	1,533.48	1,752.55	1,971.62	2,409.76	2,847.90	3,286.03	3,943.24
Birch	1,299.87	1,516.52	1,733.16	1,949.81	2,383.10	2,816.39	3,249.68	3,899.62
Boxted	1,325.44	1,546.35	1,767.25	1,988.16	2,429.97	2,871.79	3,313.60	3,976.32
Chappel	1,317.55	1,537.15	1,756.74	1,976.33	2,415.51	2,854.70	3,293.88	3,952.66
Copford	1,306.37	1,524.10	1,741.83	1,959.56	2,395.02	2,830.48	3,265.93	3,919.12
Dedham	1,297.15	1,513.34	1,729.53	1,945.72	2,378.10	2,810.48	3,242.87	3,891.44
East Donyland	1,323.27	1,543.82	1,764.36	1,984.91	2,426.00	2,867.09	3,308.18	3,969.82
East Mersea	1,307.66	1,525.60	1,743.55	1,961.49	2,397.38	2,833.26	3,269.15	3,922.98
Eight Ash Green	1,302.35	1,519.40	1,736.46	1,953.52	2,387.64	2,821.75	3,255.87	3,907.04
Fingringhoe	1,289.63	1,504.56	1,719.50	1,934.44	2,364.32	2,794.19	3,224.07	3,868.88
Fordham	1,326.93	1,548.08	1,769.24	1,990.39	2,432.70	2,875.01	3,317.32	3,980.78
Great Horkesley	1,292.83	1,508.31	1,723.78	1,939.25	2,370.19	2,801.14	3,232.08	3,878.50
Great Tey	1,300.63	1,517.41	1,734.18	1,950.95	2,384.49	2,818.04	3,251.58	3,901.90
Langham	1,294.53	1,510.29	1,726.04	1,941.80	2,373.31	2,804.82	3,236.33	3,883.60
Layer Breton	1,266.96	1,478.12	1,689.28	1,900.44	2,322.76	2,745.08	3,167.40	3,800.88
Layer de la Haye	1,284.08	1,498.09	1,712.11	1,926.12	2,354.15	2,782.17	3,210.20	3,852.24
Layer Marney	1,266.96	1,478.12	1,689.28	1,900.44	2,322.76	2,745.08	3,167.40	3,800.88
Little Horkesley	1,309.63	1,527.91	1,746.18	1,964.45	2,400.99	2,837.54	3,274.08	3,928.90
Marks Tey	1,308.92	1,527.07	1,745.23	1,963.38	2,399.69	2,835.99	3,272.30	3,926.76
Messing cum Inworth	1,344.71	1,568.82	1,792.94	2,017.06	2,465.30	2,913.53	3,361.77	4,034.12
Mount Bures	1,286.57	1,500.99	1,715.42	1,929.85	2,358.71	2,787.56	3,216.42	3,859.70
Myland	1,279.91	1,493.22	1,706.54	1,919.86	2,346.50	2,773.13	3,199.77	3,839.72
Stanway	1,312.39	1,531.12	1,749.85	1,968.58	2,406.04	2,843.50	3,280.97	3,937.16
Tiptree	1,337.35	1,560.25	1,783.14	2,006.03	2,451.81	2,897.60	3,343.38	4,012.06
Wakes Colne	1,304.05	1,521.40	1,738.74	1,956.08	2,390.76	2,825.45	3,260.13	3,912.16
West Bergholt	1,320.69	1,540.80	1,760.92	1,981.03	2,421.26	2,861.49	3,301.72	3,962.06

Parish	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
West Mersea	1,338.53	1,561.62	1,784.71	2,007.80	2,453.98	2,900.16	3,346.33	4,015.60
Winstred Hundred	1,285.81	1,500.12	1,714.42	1,928.72	2,357.32	2,785.93	3,214.53	3,857.44
Wivenhoe	1,350.69	1,575.81	1,800.92	2,026.04	2,476.27	2,926.50	3,376.73	4,052.08
Wormingford	1,301.25	1,518.13	1,735.00	1,951.88	2,385.63	2,819.38	3,253.13	3,903.76
All other parts of Council's area	1,266.96	1,478.12	1,689.28	1,900.44	2,322.76	2,745.08	3,167.40	3,800.88

Parish Council Precepts 2022/23

Parish	Precept 2021/22	Precept 2022/23	Increase/ (Reduction)	Increase/ (Reduction)
	£	£	£	%
Abberton & Langenhoe	16,228	16,311	83	0.51
Aldham	13,784	15,254	1,470	10.66
Birch	13,000	15,000	2,000	15.38
Boxted	52,090	55,104	3,014	5.79
Chappel	16,841	16,841	0	0.00
Copford	40,494	40,494	0	0.00
Dedham	41,225	42,297	1,072	2.60
East Donyland	71,510	74,538	3,028	4.23
East Mersea	7,814	7,814	0	0.00
Eight Ash Green	33,788	34,459	671	1.99
Fingringhoe	11,507	11,507	0	0.00
Fordham	28,749	29,511	762	2.65
Great Horkesley	36,919	40,664	3,745	10.14
Great Tey	18,927	19,427	500	2.64
Langham	19,907	20,425	518	2.60
Layer Breton	0	0	0	0.00
Layer de la Haye	17,441	18,628	1,187	6.81
Layer Marney	0	0	0	0.00
Little Horkesley	4,789	5,748	959	20.03
Marks Tey	59,550	59,550	0	0.00
Messing cum Inworth	12,235	21,050	8,815	72.05
Mount Bures	2,938	3,082	144	4.90
Myland	137,632	120,000	(17,632)	(12.81)
Stanway	270,147	290,762	20,615	7.63
Tiptree	370,238	378,872	8,634	2.33
Wakes Colne	13,122	13,866	744	5.67
West Bergholt	103,270	108,757	5,487	5.31
West Mersea	320,585	340,017	19,432	6.06
Winstred Hundred	13,160	13,864	704	5.35
Wivenhoe	343,102	363,688	20,586	6.00
Wormingford	9,321	9,851	530	5.69
Totals	2,100,313	2,187,381	87,068	4.15

Extract from the draft minutes of the Cabinet meeting of 26 January 2022

Councillor Dundas (as a member of Stanway Parish Council) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

623. Resetting the Capital Programme and Strategy

The Chief Operating Officer submitted a report a copy of which had been circulated to each Member.

Councillor T. Young attended and with the consent of the Chair, addressed Cabinet in respect of the Heart of Greenstead project. It was vital that funding was allocated to this project which would improve and enhance facilities in Greenstead. This was a once on a lifetime opportunity. It was important that as the project went forward that the views of residents were listened to.

Councillor Dundas, Leader of the Council and Portfolio Holder for Strategy, stressed that he fully supported the Heart of Greenstead project and that he appreciated the need for residents' views to be heard and acted on. The Capital Programme overall was a very ambitious programme which would a very real difference to Colchester in the long term.

RECOMMENDED to COUNCIL

- (a) The Capital Strategy set out in Appendix A of the Chief Operating Officer's report be approved.
- (b) The reset capital programme 2022/23 to 2025/26 as set out in Appendices B and C of the Chief Operating Officer's report be approved subject to resolutions (a) and (b) below.

RESOLVED that:-

- (a) Approval of the Town Deal schemes in the Reset Capital Programme be conditional on project business cases being approved by Cabinet, and the Department for Levelling Up, Housing and Communities.
- (b) Further advances to Council companies be reviewed in the light of the Department for Levelling Up, Housing and Communities consultation on minimum revenue provision as set out in Section 6 of the Chief Operating Officer's report.

REASONS

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

ALTERNATIVE OPTIONS

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

Extract from the draft minutes of the Cabinet meeting of 26 January 2022

632. Councillor Development Policy and Strategy

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

RESOLVED that the draft Councillor Development Policy and Councillor Development Strategy be approved.

RECOMMEDED to COUNCIL that the Councillor Development Policy be adopted.

REASONS

The Councillor Development Policy needs to be reviewed to ensure it remains relevant and up to date. The updated policy proposed the introduction of a Councillor Development Strategy.

Both the Councillor Development Policy and Strategy are key documents that will support the Council's bid for reaccreditation for the Councillor Development Charter. The benefits of the Charter are that it demonstrates that the Council's member development processes are in line with good practice. This provides reassurance to current and potential members, and to other external inspections such as Peer Reviews. It also provides a reassurance to residents that their elected representatives are provided with effective support to enable them to undertake their roles and responsibilities effectively

ALTERNATIVE OPTIONS

No alternative options were proposed.

Report of	Monitoring Officer	Author	Andrew Weavers
Title	Approval of Non-attendance		☎ 282213
Wards affected	N/A		

1. Executive Summary

- 1.1 As a result of the discovery of the Omicron variant of the coronavirus causing covid 19 the Group Leaders agreed that fifty percent of their members would attend the 20 December 2022 Full Council. The other fifty percent would be able to be present via zoom. This report requests Full Council to authorise attendance for the purposes of the Local Government Act 1972 for those Members who attended the meeting remotely.

2. Recommended Decision

- 2.1 For the purposes of section 85(1) of the Local Government Act 1972 Council approves the following reason for a Member's non-attendance at the Full Council meeting on 20 December 2021:

The Member took part in the meeting via zoom as a result of a public health request for a reduced attendance in the Moot Hall for that meeting.

3. Reason for Recommended Decision

- 3.1 To authorise non- attendance of those Members who joined the Full Council meeting of 22 December 2021 for the purposes of section 85(1) of the Local Government Act 1972.

4. Alternative Options

- 4.1 No alternative options are proposed.

5. Background Information

- 5.1 As a result of the discovery of the omicron variant of the coronavirus causing covid-19, the Group Leaders agreed that they would arrange for fifty per cent of their members to attend the Full Council meeting in the Moot Hall. This enabled the meeting to achieve 2 metre social distancing in the room and comply with the latest advice from Government.
- 5.2 Members who did not attend as a result of this arrangement were present via zoom. Unfortunately, a recent court case involving Hertfordshire County Council made it clear that attending a meeting via zoom does not count as attending the meeting for the purpose of section 85 of the Local Government Act 1972 (often known as the six-month rule).
- 5.3 The six month 'clock' is re-started every time a Member attends any meeting of the Full Council or of any of its committees or of an outside body where the Member is the officially appointed Borough Council representative.

- 5.4 It would be unfair for those Members who attended the 20 December 2021 meeting virtually via zoom to be caught by the six-month rule because they had complied with the request for a reduced attendance.
- 5.5 Accordingly it is proposed to in effect disapply the six month rule to prevent any Member being caught by the rule as a result of attending the 20 December 2021 meeting via zoom. The rule will not be disapplied to those members who did not attend the meeting either in person or by Zoom.
- 5.6 Those Members who attended the 20 December 2021 meeting via zoom will be included in the minutes as being present remotely.

6. Standard References

- 6.1 There are no particular references to the Strategic Plan; consultation or publicity considerations or financial; community safety; health and safety, risk management or environment and sustainability implications.

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
20 November 2021– 10 February 2022**

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

Portfolio – Environment and Sustainability					
Date	Number	Report Title	Author	Decision	Result
29 November 2021	ENV-003-21	ECC Consultation Essex Bus Service Improvement Plan	Jane Thompson	<p>To agree the response to the ECC consultation, which will help increase bus passenger numbers, thereby helping the Council meet its sustainability objectives, and improve communities' connectivity; and promote the town centre as a major destination to work and visit.</p> <p>To request that CBC is closely involved with ECC and others in the resulting development of the Colchester EP to ensure it aligns with the Council's plans and policies.</p>	Decision implemented 6 December 2021
24 January 2022	ENV-004-21	Transport East Consultation – Transport Strategy and Draft Investment and Delivery Programme	Jane Thompson	To agree the response (see Appendix 1) to the TE consultation, which will help secure investment in transport infrastructure in the region, thereby helping the Council meet its	Decision implemented 31 January 2022

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
20 November 2021– 10 February 2022**

				<p>sustainability objectives, and improve connectivity within and beyond the region.</p> <p>To request that CBC is closely involved with developing the emerging IDP it aligns with the Council's plans and policies.</p>	
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Portfolio – Economy, Business and Heritage					
Date	Number	Report Title	Author	Decision	Result
No decisions in this period					

Portfolio – Housing and Planning					
Date	Number	Report Title	Author	Decision	Result
6 January 2022	HOU-008-21	Housing Revenue Account Fees and Charges 2022-23	Suzanne Norton	Approval of the Housing Revenue Account Fees and Charges 2022-23	Decision implemented 20 January 2022
7 February 2022	HOU-009-21	Award of a Contract for Flat Roof Replacements – 1-20 Christopher Jolly Court & 1-15 Berefield Way	Geoff Beales	Approval of the award of a Contract for Flat Roof Replacements – 1-20 Christopher Jolly Court & 1-15 Berefield Way to Acclaim Contracts Ltd	Decision still subject to call in at time of publication of report

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
20 November 2021– 10 February 2022**

10 February 2022	HOU-010-21	Award of a Contract for Void Property Refurbishment	Geoff Beales	To award a contract to Amplis Construction Ltd for the void works on 8 properties across the following wards: Greenstead, Lexden, Shrub End, Berechurch, Old Heath and the Hythe and Rural North	Decision still in call in period at time of publication of report
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Portfolio – Resources					
Date	Number	Report Title	Author	Decision	Result
4 January 2022	RES-005-21	Covid-19 Additional Relief Fund Scheme	Sam Preston	To approve the Covid-19 Additional Relief Fund (CARF) Scheme for Colchester	Decision implemented 11 January 2022
18 January 2022	RES-006-21	Business Additional Restrictions Grant top-up and Omicron Hospitality & Leisure Grant	Sam Preston	Approve the implementation of the Omicron Hospitality & Leisure Grant in accordance with Government guidance. Approve the local scheme and implementation for the Additional Restrictions Grant.	Decision implemented 25 January 2022

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
20 November 2021– 10 February 2022**

Portfolio – Strategy					
Date	Number	Report Title	Author	Decision	Result
25 January 2022	STR-001-01	Decision to Withdraw from Haven Gateway Partnership	Mandy Jones	Withdrawal of membership of the Haven Gateway Partnership from 31 March 2022	Decision implemented 1 February 2022



Cabinet

26 January 2022

Item

Report of	Chief Operating Officer	Author	Paul Cook ☎ 505861 Darren Brown ☎ 282891
Title	Budget 2022/23 and Medium-Term Financial Forecast		
Wards affected	All		

1 Executive Summary

- 1.1 The report recommends a sustainable 2022/23 budget and Medium Term Financial Forecast 2022/23 to 2025/26.

2 Recommended Decision

- 2.1 To approve the 2022/23 Revenue Budget and revised Medium Term Financial Forecast as set out Appendix A.
- 2.2 To note the budget resilience statement and forecast level of balances set out in Appendix B.
- 2.3 To approve the Treasury Management Strategy Statement 2022/23 to 2025/26 set out in Appendix C
- 2.4 To recommend to Council the 2022/23 revenue budget requirement of £21.875m
- 2.5 To recommend to Council Colchester's element of the Council Tax at £205.47 per Band D property being an increase of £4.95.

3 Reason for Recommended Decision

- 3.1 To balance the 2022/23 budget and revise the Medium Term Financial Forecast.

4 Alternative Options

- 4.1 None.

5 Summary of Council Funding

- 5.1 The table sets out a summary of the normal funding of Council services. This sets the budget recommendations in context.

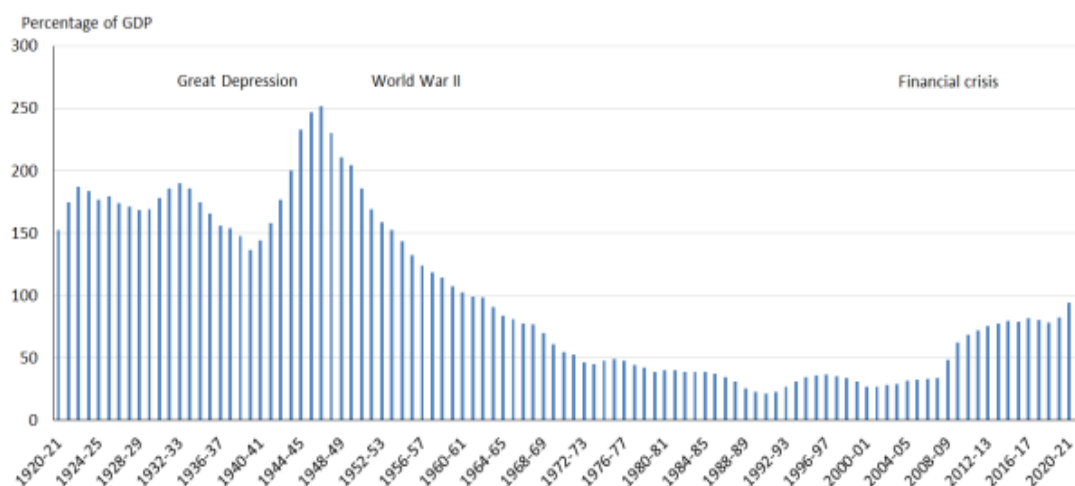
Revenue	These are running costs and income, including salaries, supplies and services and sales fees and charges.														
Capital	Investment in land and buildings, plant and equipment.														
Housing Revenue Account	Council houses and flats. It is ringfenced and self-financing for both revenue and capital.														
General Fund	Non-Housing Revenue Account services accounted for in the General Fund such as waste collection, museums, sport and leisure, democratic services for example.														
The 22/23 Budget	General Fund Revenue financial plan for next year 2022/23.														
Medium Term Financial Forecast	Our financial plan for the next four years on General Fund or Medium Term Financial Forecast.														
Net Budget requirement	A technical budget setting calculation the Council must make in accordance with complex rules set by the Government. Running costs, sales fees and charges and grants for individual services.														
Net Budget	Circa £19.9m (excluding North Essex Parking Partnership). £84.3m costs less £64.4m income, as set out in Appendix E.														
Government funding	Since 2012 funding comes mainly from retained business rates.														
Business rates	We collect about £76m a year of which we expect to retain around £6m in 2022/23. Business rates are set nationally.														
Council tax	We collect the council tax, most of which relates to Essex County Council services. Of a total £115m we expect to retain £13.300m in 2022/23. The district council tax will be increased by just under £5 per annum in 2022/23. This is the maximum increase without needing approval in a local referendum.														
Collection Fund	Business rates and council tax are accounted for in a separate collection fund. This is used to distribute total income to the government, county council and police and fire as well as our own requirements. Also used to share surpluses or deficits compared to budget. This is a complex calculation over a number of financial years.														
Breakdown of Council Funding	<p style="text-align: center;">Breakdown of Council Funding 2022/23 £m</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Amount (£m)</th> </tr> </thead> <tbody> <tr> <td>Council Tax</td> <td>13,300</td> </tr> <tr> <td>Business Rates</td> <td>6,300</td> </tr> <tr> <td>New Homes Bonus</td> <td>2,000</td> </tr> <tr> <td>Government Grant</td> <td>500</td> </tr> <tr> <td>Reserves Covid</td> <td>500</td> </tr> <tr> <td>Reserves planned</td> <td>-500</td> </tr> </tbody> </table>	Category	Amount (£m)	Council Tax	13,300	Business Rates	6,300	New Homes Bonus	2,000	Government Grant	500	Reserves Covid	500	Reserves planned	-500
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Council Tax	13,300														
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New Homes Bonus	2,000														
Government Grant	500														
Reserves Covid	500														
Reserves planned	-500														

6 Macro-economic context November 2021

- 6.1 Increasing levels of public sector debt are likely to restrict funding availability for local authorities as set out in the Office for National Statistics October 2021 Public Sector Finances Bulletin.

Figure 2: Debt expressed as a percentage of gross domestic product has reached levels last seen in the early 1960s

Public sector net debt excluding public sector banks, UK, financial year ending March 1921 to October 2021



Source: Office for Budget Responsibility and Office for National Statistics – Public sector finances

- 6.2 The Bank of England Monetary Policy Committee's November 2021 forecast is set out in the table below. The Consumer Price Index inflation forecast is particularly concerning, and the council will need to monitor the position carefully.

Table 1.A: Forecast summary^{(a)(b)}

	Projections			
	2021 Q4	2022 Q4	2023 Q4	2024 Q4
GDP ^(c)	6.7 (8.5)	2.9 (2.3)	1.1 (1.3)	0.9
CPI inflation ^(d)	4.3 (4.0)	3.4 (2.5)	2.2 (2.0)	1.9
LFS unemployment rate	4.5 (4.8)	4.0 (4.3)	4.1 (4.3)	4.4
Excess supply/Excess demand ^(e)	+¼ (+½)	+¼ (+¼)	0 (0)	-½
Bank Rate ^(f)	0.2 (0.1)	1.0 (0.3)	1.1 (0.5)	1.0

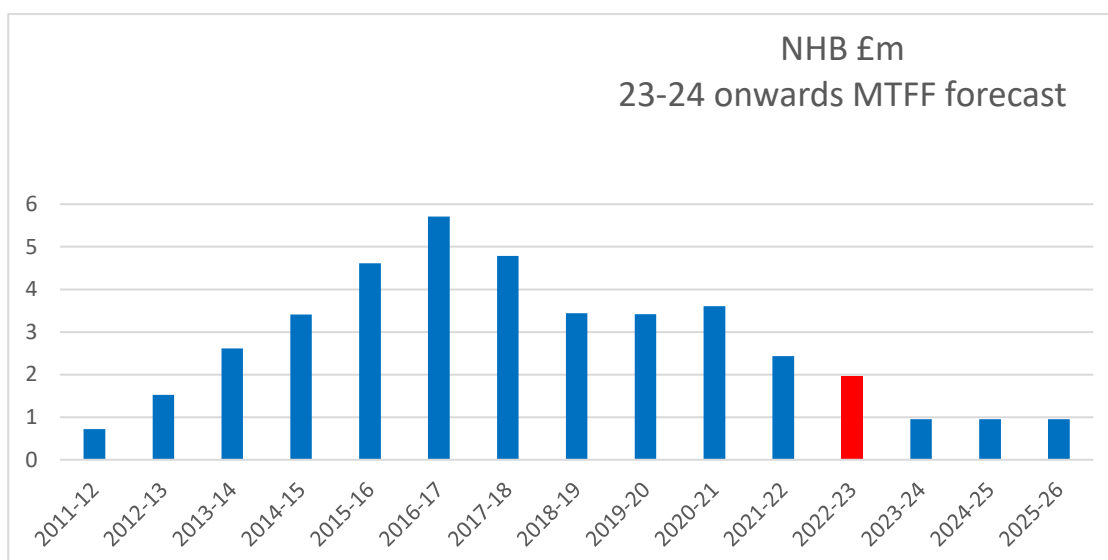
7 Overview of the Provisional 2022/23 Local Government Finance Settlement

- 7.1 The Draft Local Government Finance Settlement was published 16 December 2021. The consultation closed 13 January 2022.
- 7.2 The settlement is for one year only.
- 7.3 For 2022/23 the settlement was more favourable than expected in the areas of New Homes Bonus, Lower Tier Services Grant, and Services Grant. These revised figures have now been built into the Medium Term Financial Forecast.

- 7.4 Over the coming months the Department for Levelling Up, Housing and Communities intends to work with local government on calculating new spending needs assessments for individual local authorities.
- 7.5 The revision of spending needs assessments is one of the main financial risks to the Council. The Department for Levelling Up, Housing and Communities state there will be a transition scheme (from 2023/24) to protect 'losing' authorities. Any transition scheme will not apply to one-off elements of the 2022-23 Settlement. The table below shows that of £7.206m government funding to the Council in 2022/23, £2.878m or 40% could be exempt from protection.

Government Funding Draft 2022-23 Local Government Finance Settlement £m	£m	One-off
Settlement Funding Assessment	4.328	
Compensation for under-indexing the business rates multiplier	0.356	0.356
New Homes Bonus	1.954	1.954
Lower Tier Services Grant	0.270	0.270
2022/23 Services Grant	0.298	0.298
Total Government Support	7.206	2.878

- 7.6 Business Rates were frozen at 2020/21 levels in the 27 October 2021 Budget. Council business rates baselines have therefore also been frozen in the Settlement. Under legislation councils must be compensated by the Department for Levelling Up, Housing and Communities for the impact of business rates not increasing by the Retail Price Index. For Colchester this compensation is worth £356k in 2022/23.
- 7.7 Under delegated authority agreed 13 October 2021 Cabinet, the Head of Finance in consultation with the Deputy Leader and Portfolio Holder for Resources has continued the Council's membership of the Essex Business Rates Pool. The Pool is confirmed in the Settlement.
- 7.8 The business rates retention system began in 2011/12. The local share is 50% of business rates collected. As a tariff authority, the Council must pay to Department for Levelling Up, Housing and Communities the difference between its business rates baseline and its assessed spending need.
- 7.9 Since 2011/12 growth in the local share of business rates has exceeded the baseline. The Council must pay the Department for Levelling Up, Housing and Communities a levy on the excess of its local share. Due to membership of the Essex Business Rates Pool this levy has been reduced to only 0.6%. The fundamental review of spending need set out in Section 7.5 could disturb what is an advantageous arrangement for the Council.
- 7.10 The Business Rates Reserve has been established to smooth year by year variations in business rates income arising in the Medium Term Financial Forecast.
- 7.11 The Council has been allocated £1.954m New Homes Bonus in 2022/23. This compares to the previous £950k Medium Term Financial Forecast assumption. The variance is a final year of 2019/20 legacy payments.



7.12 The Settlement announced that proposals for a revised New Homes Bonus would be published in the coming months. The revision of New Homes Bonus is also one of the main financial risks to the Council. In past years the Council has benefitted from high New Homes Bonus allocations, averaging £3.185m a year between 2011/12 and 2022/23.

7.13 Lower Tier services grant was first paid in 2021/22 and is paid again in 2022/23 at the same total of £111m nationally. It is split into 2 components – Settlement Funding Assessment or service element and Funding Floor protection. As shown in the table, Colchester's 2022/23 allocation of £270k is a substantial reduction on 2021/22. The grant's primary purpose is to ensure no authority has reduced core spending power in 2022/23 compared to 2021/22.

	21/22	22/23
National Total	111.000	111.000
Colchester services	0.184	0.194
Colchester cash floor	0.439	0.076
Colchester total Lower Tier Services Grant	0.623	0.270

7.14 A new Services Grant is announced in the Settlement worth £822m nationally. Colchester's allocation for 2022/23 is £298k. This one-off Service Grant is proposed for the local government finance settlement 2022 to 2023 to provide funding to all tiers of local government in recognition of the vital services delivered at every level of local government. It is distributed in proportion to each local authority's assessed spending need. The grant is intended to cover additional National Insurance costs announced in 2021.

7.15 £15m per annum nationally for the next 3 years to improve local audits was also announced in the Settlement. Details of Colchester's allocation are awaited.

7.16 On 30 November 2021 the Department for Levelling Up, Housing and Communities published a consultation paper Changes to the Capital Framework: Minimum Revenue Provision. The consultation closes 8 February 2022.

- 7.17 If put into force from 2023/24 as planned, the proposals would require the Council to make minimum revenue provision on loans to Amphora companies. Under current accounting policy the Council does not make such provision. This would result in considerable additional costs to the Medium Term Financial Forecast. The changes would potentially make the current business model of the Council lending to the companies unsustainable.
- 7.18 These changes are in addition to existing accounting requirements for advances to the companies. These include the need to demonstrate a corresponding asset value in the investment. If asset value cannot be demonstrated it is necessary to make minimum revenue provision or write down the investment to an appropriate level.
- 7.19 It is not clear that the purpose of the consultation is to prevent investment in local authority housing companies. If loans to housing companies are in due course exempted from the new requirements, then the planned programme of advances to Amphora Housing will be able to proceed. If loans to housing companies remain in scope, the planned advances in the capital programme will become unaffordable to the Council.
- 7.20 The results of the consultation will therefore be awaited before new projects are commenced in the companies that rely on borrowing from the Council or where a significant level of advance to the companies would be outstanding on 31 March 2023.

8 The Council's Budget

- 8.1 The Council has adopted a progressive approach to the 2022/23 budget emphasising investment in the local economy and recovery. Council tax and sales, fees and charges increases have generally been restricted to inflationary increases.
- 8.2 The rate of recovery will be dictated by Government policy on lockdown. Income budgets in 2022/23 assume a reduced level compared to 2020/21 original budgets in some areas and a gradual recovery. The position needs to be kept carefully under review through the normal monitoring processes.
- 8.3 At the same time Council efficiency and service delivery has been improved to deliver a wide range of savings. To balance its budget the Council has made appropriate use of reserves.
- 8.4 The Council continues to invest in the future of Colchester with projects such as the Town Deal and Northern Gateway. A vigorous programme of housing investment also continues. This capital investment will achieve improved services and increase employment.
- 8.5 The Council has available £254k of New Homes Bonus for allocation in 2022/23 and later years. This resource and efficient use of current budgets will help achieve the priorities in the Strategic Plan.
- 8.6 To balance its budget, the Council has made savings of £2.045m for 2022/23.
- 8.7 The Council has also allowed £2.169m for cost pressures and growth items in 2022/23. Some of the main items being;

- Inflation allowance (including fuel and utilities) - £1.006m
 - 1.25% increase in National Insurance employer contributions £0.200m
 - Reduction in income across a number of areas £0.388m
 - Investment in the Digital Roadmap - £0.100m
- 8.8 The 2022/23 budget and MTFF allows for the financing costs of the Capital Programme. The Capital Programme is reported separately on this agenda.
- 8.9 The Council has limited most sales fees and charges to an inflationary increase. This is unavoidable given the need to finance essential services. Sales, fees and charges were agreed by November 2021 Cabinet.
- 8.10 The 2022/23 budget assumes a £4.95 Colchester council tax increase and the MTFF assumes the same increase is made in future financial years.
- 8.11 A 99% council tax collection rate is assumed. Local Council Tax Support take-up for 2022/23 onwards is assumed to be 12.5% higher than originally budgeted for 2020/21. Growth in property numbers is assumed to be 1% per annum.
- 8.12 The MTFF also assumes £200k of the gain from the Council's membership of the Essex Business Rates Pool.
- 8.13 It is also planned to use £0.450m of Council reserves for Covid-related pressures in 2022/23. This is in addition to the reserves already used in 2020/21 and 2021/22. A full statement on reserves is provided in Appendix G.
- 8.14 The Medium-Term Financial Forecast and the assumptions used are set out in Appendix A to this report.

9 **MTFF Consultation**

- 9.1 The budget strategy and timetable have ensured that information is available for Scrutiny Panel and input from all Members.
- 9.2 Budget Workshops were held on 20 September 2021; 22 November 2021; and 17 January 2022 so that all members could share in the task of meeting the budget challenge.
- 9.3 The Leader of the Opposition is able at any stage of the budget process to meet with officers to assist with consideration of any alternative budget proposals.
- 9.4 The statutory consultation with business ratepayers will take place on 9 February 2022.
- 9.5 Wider consultation for the 2022/23 budget has effectively been prevented by delays in government announcements with a major impact on the revenue budget. Nevertheless the Council has continued to work constructively with partners and stakeholders and consult appropriately over a wide range of projects including the Towns Fund. Key budget factors that were not available in time to permit a full budget consultation include:

- Uncertainty over the New Homes Bonus, this being covered by an unresolved Government Consultation
- Lack of clarity on the timetable and levels of increased business rates retention
- Lack of information on government levelling up proposals

9.6 It is expected that hopefully with a more stable financial framework in place for 2023/24 the normal public consultation can proceed for that year's budget.

10 Risk Management Implications

10.1 Staff and support costs reflect current assumptions but will be subject to the progress of our transformation work.

10.2 Modelling has been undertaken with service managers to assess the potential range of impacts before adopting the assumptions described within the report.

11 Financial implications

11.1 As set out in the report.

11.2 No changes are necessary to the 2020 Financial Regulations.

12 Environmental and Climate Change Implications

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

13 Equality and Diversity Implications

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

14 Other Standard References

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

Appendices

A	2022-26 Medium Term Financial Forecast and Assumptions
B	Budget Robustness Statement
C	Treasury Management Strategy Statement
D	Technical reconciliations of budget requirement 2022/23
E	Summary Budget 2022/23
F	2022/23 General Fund Budgets
G	Reserves, Provisions and Balances
H	Allocation of New Homes Bonus

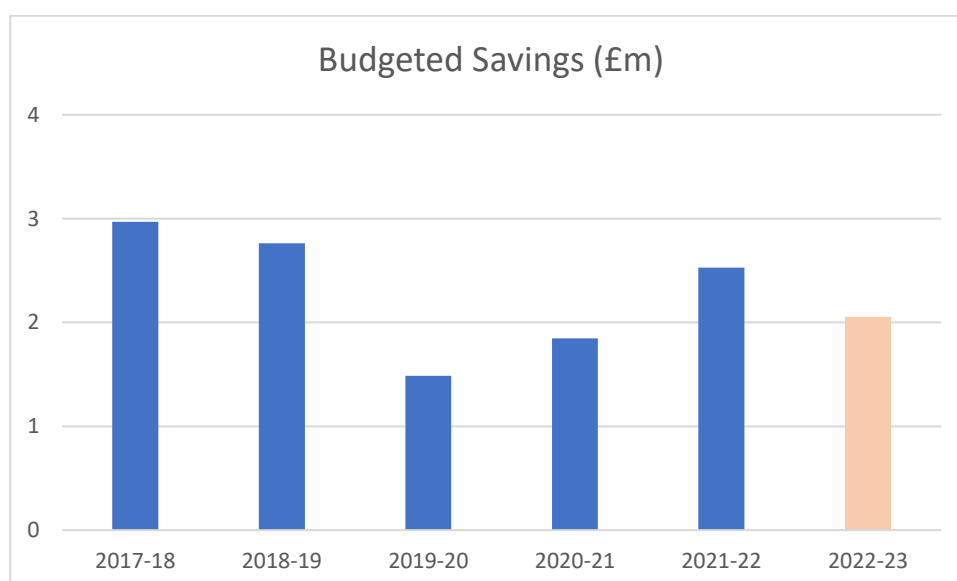
Appendix A – 2022-26 Medium Term Financial Forecast and Assumptions

2022/23 Budget and MTFF	22/23	23/24	24/25	25/26
	£'000	£'000	£'000	£'000
Previous year's budget	21,747	21,875	21,980	23,315
Cost pressures & Growth items	2,169	496	900	900
Capital financing	0	609	385	(276)
Income losses	0	(150)	(200)	(200)
Savings	(2,045)	(146)	(50)	(50)
Change in forecast use of new homes bonus	4	(704)	300	0
Current year's budget	21,875	21,980	23,315	23,689
Business rates	(6,413)	(5,956)	(5,500)	(5,044)
Govt Grant	(568)	0	0	0
New Homes Bonus	(1,954)	(950)	(950)	(950)
Council Tax	(13,300)	(13,757)	(14,221)	(14,693)
Previously planned use of reserves	810	935	935	935
Covid use of reserves	(450)	(400)	(200)	(200)
Budget Gap Cumulative	0	1,852	3,379	3,737

MTFF Assumptions	22/23	23/24	24/25	25/25
Council Tax collection	99%	99%	99%	99%
Growth in council tax base	1.0%	1.0%	1.0%	1.0%
District council tax increase	£4.95p	£4.95p	£4.95p	£4.95p
LCTS increased take-up	12.5%	12.5%	12.5%	12.5%

Appendix B – Budget Robustness Statement

- 1 In 2021/22 the Council's financial position has been substantially affected by the Coronavirus pandemic. Fortunately the first quarter's income losses and additional costs have been supported by Government grants. The use of reserves for Covid in 2021/22 is expected to be £1.210m.
- 2 The value of new savings planned for 2022/23 is comparable to the level of savings achieved in recent financial years (see chart). The Council is however prioritising achieving high annual values of transformation savings from 2023/24 onwards to achieve a balanced and sustainable budget in the longer term



- 3 The Council's capital programme has resulted in increasing capital financing requirements in the 2022/23 revenue budget and in the Medium Term Financial Forecast. Care should be taken that current borrowing commitments do not restrict the scope for future spending decisions.
- 4 Minimum Revenue Provision accounting changes proposed by Government for 2023/24 would – if coming into force as set out in the Budget Report – render the current system of Council advances to Amphora financially unsustainable. These arrangements and the consultation progress need to be kept under thorough review.
- 5 The development of Colchester Northern Gateway is a major undertaking bearing significant financial risks. Given economic and business changes following Covid ongoing financial appraisal of the project is being undertaken to ensure the risks and rewards remain appropriate given the size of the Council's net budget.
- 6 The Council will need to carefully monitor the impact of inflation during 2022/23 in both pay and other areas.
- 7 The Council's borrowing requirements are largely financed in long maturity borrowing at fixed rates. Increasing interest rates may lead to additional investment income.

- 8 The Council has a good record of delivering agreed savings. The 2022/23 savings proposals were developed by the Transformation Board and assessed by the Finance Business Partners.
- 9 The Council has in place revenue and capital monitoring processes enabling it to take corrective action in the event of unexpected budget variations. The Council has sound finance and performance monitoring processes including the Performance Management Board and the Capital Programme Steering Group. These arrangements ensure that any new expenditure proposals are adequately assessed.
- 10 The Council is relying on an additional £0.450m use of balances to deliver its core services in 2022/23. Given the exceptional situation locally and nationally this is appropriate.
- 11 The budget process allows for the review of budget proposals by the Scrutiny Panel and this has applied to the 2022/23 proposals.
- 12 The Council's use of resources judgment by BDO in the 2019/20 audit was satisfactory, following an assessment of the Council's approach. The 2020/21 use of resources judgment is not available due to external audit delays
- 13 There is an effective risk management process in place in the Council.
- 14 The 2022/23 Provisional Local Government Finance Settlement was more favourable than expected. However planned Government recalculation of spending assessments and the abolition of new Homes Bonus are significant financial risks from 2023/24 as set out in the budget report.
- 15 The Chartered Institute of Public Finance and Accountancy resilience index has yet to be updated.
- 16 In order to maintain financial planning, monitoring and accounting at a robust level given all the risks and changes outlined above, the Finance resource and capacity within in the Council needs to be maintained and any additional accounting requirements appropriately resourced.
- 17 It appears therefore that the 2022/23 budget and Medium Term Financial Forecast are robust and the reserves and balances adequate as set out in the succeeding tables.

Appendix C

Treasury Management Strategy Statement Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2022/23

1 Introduction

- 1.1 Statement includes the Minimum Revenue Provision Policy Statement and Annual Investment Strategy.
- 1.2 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Treasury management ensures 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 treasury management is funding the Council's Capital Programme. 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.
- 1.4 The contribution that treasury management 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. Treasury management balances the interest costs of debt and the investment income arising from cash deposits. Since cash balances primarily result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will result in a loss to the General Fund.
- 1.5 Loans to third parties will impact on the treasury function. These activities are classed as non-treasury activities arising from capital expenditure and are separate from day-to-day treasury management activities.
- 1.6 The Chartered Institute of Public Finance and Accountancy Code defines treasury management as:

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

- 1.7 Local authorities are required to adopt a Capital Strategy to provide focus on long term capital investment plans. The Capital Strategy is set out in the Resetting the Capital Programme and the Capital Strategy report on this Cabinet agenda. Transparent reporting for non-treasury investments including loans to third parties and the purchase of investment properties or commercial activity is required under the Localism Act 2011.

Reporting requirements

- 1.8 Following the adoption of the Treasury Management Strategy Statement by Budget Council, Governance and Audit Committee receives a mid-year update and outturn report.

Prudential and Treasury Indicators and Treasury Strategy

- 1.9 The 2022/23 Treasury Management Strategy Statement is recommended to Budget Council by 26 January 2022 Cabinet. The 25 January 2022 Scrutiny Panel also considers the recommended strategy as part of its review of the Budget. The Treasury Management Strategy Statement covers:
- Capital plans (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
 - Investment strategy (the parameters within which investments are to be managed).
- 1.10 The Mid-Year Treasury Management Report to Governance and Audit Committee updates on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- 1.11 The annual Treasury Report after the financial year end to Governance and Audit Committee reports actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Training

- 1.12 The Chartered Institute of Public Finance and Accountancy Code requires the Head of Finance and Section 151 Officer to ensure that Members with responsibility for treasury management or scrutiny receive adequate training in treasury management. Training is provided in one or more presentations to members by the Council's Treasury Advisers Link Asset Management. Dates for 2022/23 will be notified when the Municipal Calendar is set. The training needs of treasury management officers are periodically reviewed.

Treasury Management Strategy for 2022/23

- 1.13 The Treasury Management Strategy for 2022/23 covers two main areas:

Content of Treasury Management Strategy	
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

- 1.14 These elements cover the requirements of the Local Government Act 2003; The Chartered Institute of Public Finance and Accountancy Prudential Code; The Department of Levelling-Up Minimum Revenue Provision Guidance; The Chartered Institute of Public Finance and Accountancy Code Treasury Management Code; and Department of Levelling-Up, Housing and Communities Investment Guidance.

Treasury management consultants

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

International Financial Reporting Standard 16 Leases

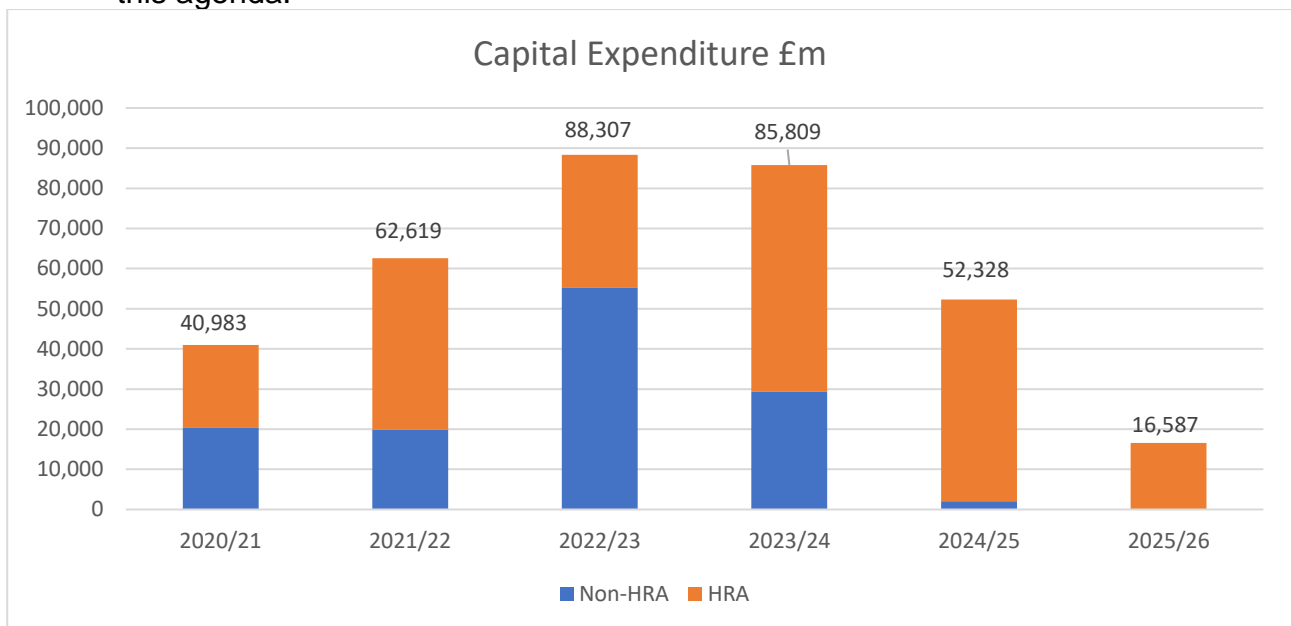
- 1.17 This Standard replaces previous guidance on leases in International Accounting Standard 17. The new Standard provides a single lessee accounting model. This requires lessees to recognise assets and liabilities for all leases. (Unless the lease term is 12 months or less or the underlying asset has a low value.) Lessors continue to classify leases as operating or finance. International Financial Reporting Standard 16 approach to lessor accounting remaining substantially unchanged from International Accounting Standard 17.
- 1.18 In December 2018, The Chartered Institute of Public Finance and Accountancy delayed implementation of International Financial Reporting Standard 16 in the Accounts Code until 1 April 2022. The impact of adopting International Financial Reporting Standard 16 will be disclosed in the financial statements for the year ending 31 March 2023.

2 The Capital Prudential Indicators 2020/21 – 2025/26

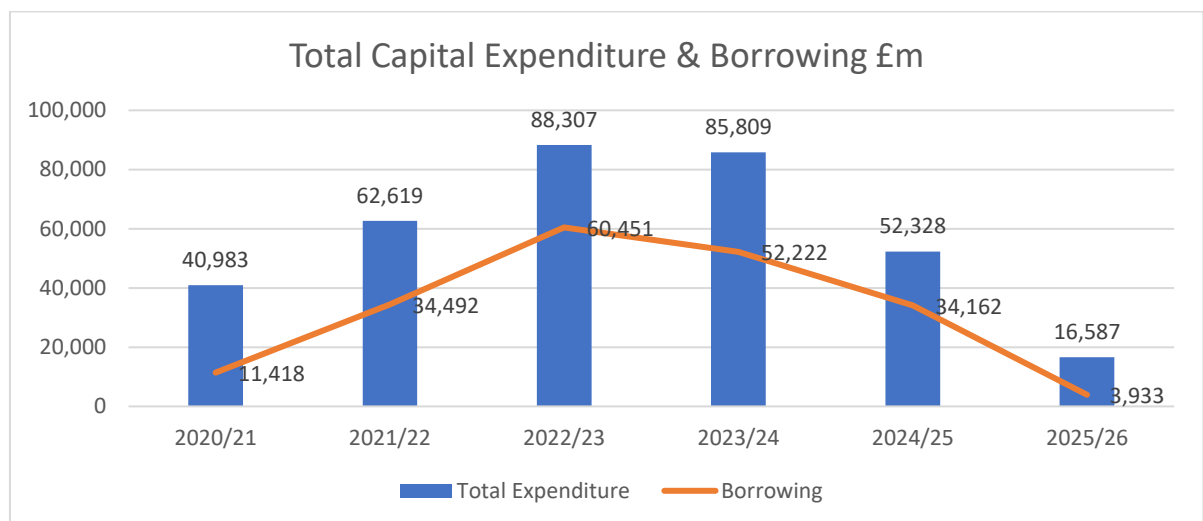
- 2.1 The Council's capital expenditure plans are the key driver of treasury. The output of the capital expenditure plan is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital expenditure

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

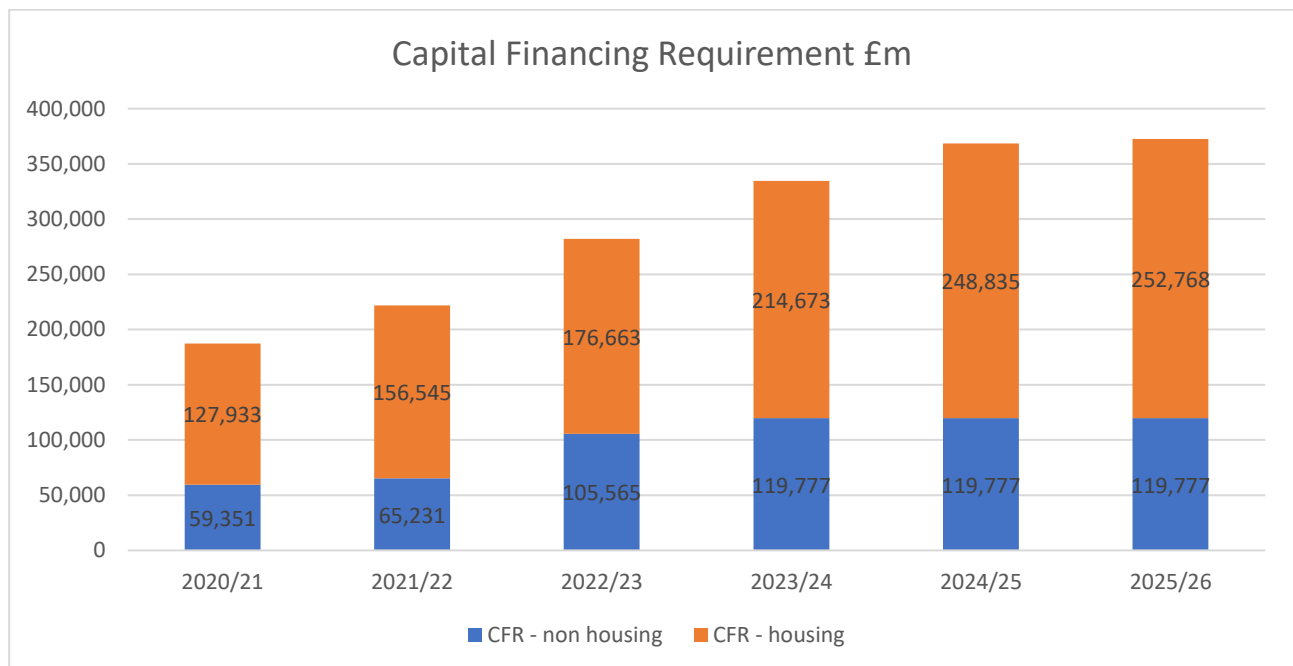


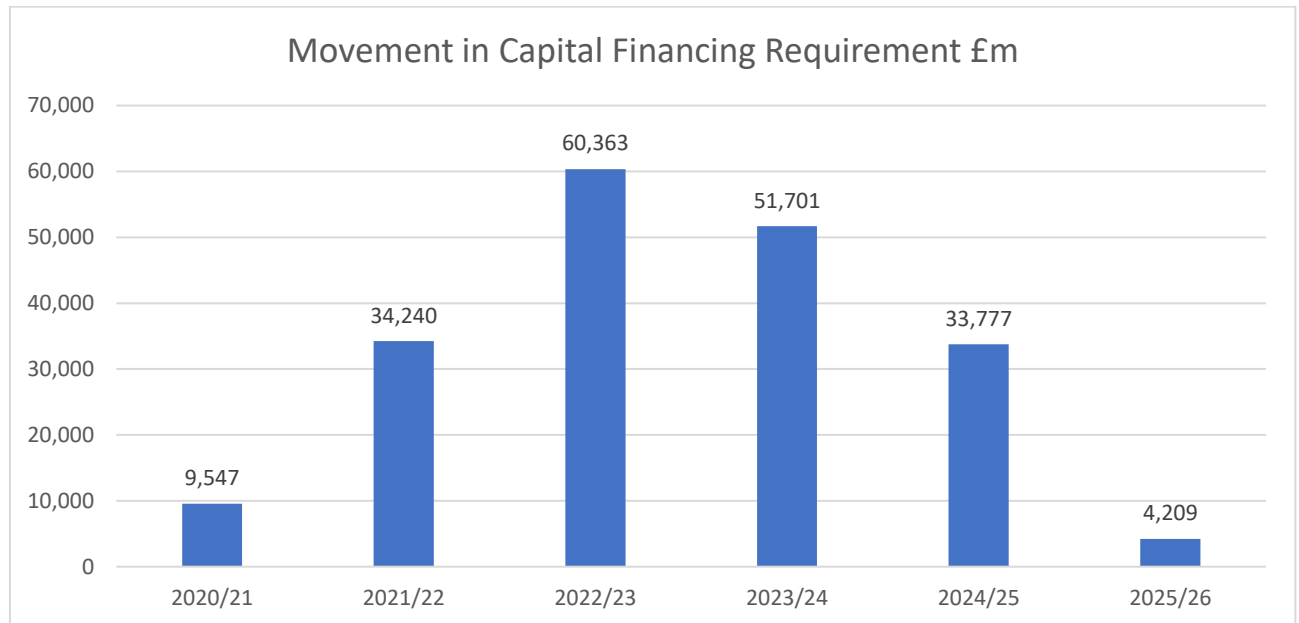
The table below summarises how the above capital expenditure plans will be financed by capital or revenue resources. The balance of financing will be provided by borrowing.



The Council's borrowing need (The Capital Financing Requirement)

- 2.3 The second prudential indicator is the Council's Capital Financing Requirement. The Capital Financing Requirement is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so of its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the Capital Financing Requirement.
- 2.4 The Capital Financing Requirement does not increase indefinitely, as the minimum revenue provision is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.
- 2.5 The Capital Financing Requirement includes any other long-term liabilities (for example finance leases). Whilst these increase the Capital Financing Requirement, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility by the lease provider and so the Council is not required to separately borrow for these schemes.
- 2.6 Capital Financing Requirement projections are set out below, with a breakdown of the annual movement.





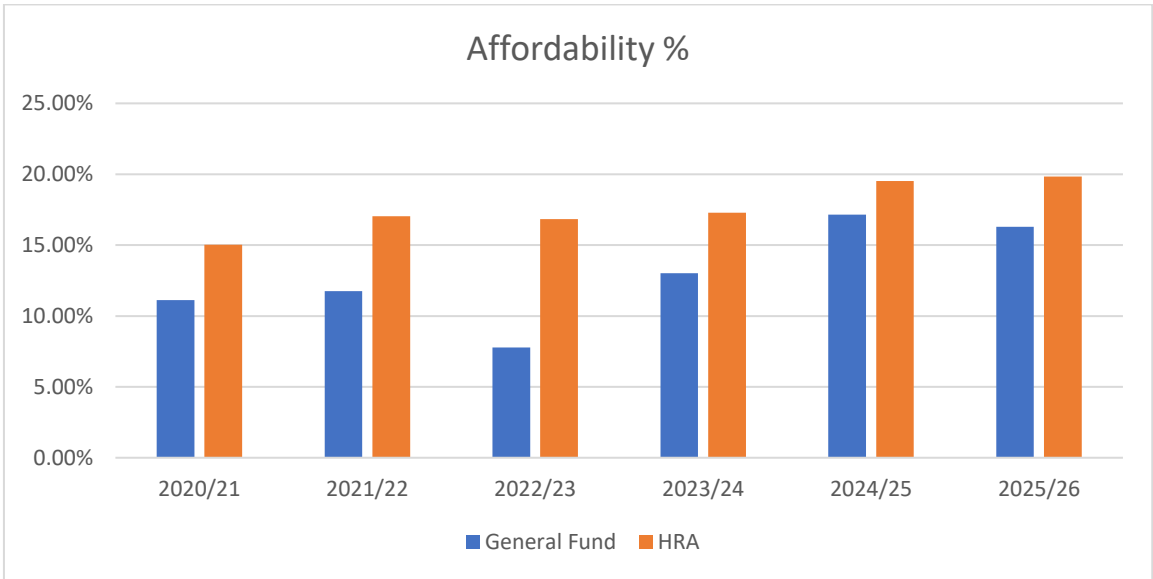
Minimum Revenue Provision Policy Statement

- 2.7 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.
- 2.8 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:
- 2.9 For capital expenditure incurred before 1 April 2008 and subsequent 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.
- 2.10 From all unsupported borrowing (including finance leases) the Minimum Revenue Provision policy will be the Asset Life Method. Minimum Revenue Provision will be based on the estimated life of the assets, in accordance with the regulations. This provides for a reduction in the borrowing need over the asset's life. Repayments included in finance leases are applied as Minimum Revenue Provision.
- 2.11 There is no requirement in the Housing Revenue Account to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.
- 2.12 The Head of Finance in liaison with the Deputy Leader and Portfolio Holder for Resources 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

- 2.13 The previous sections of this report 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.
- 2.14 Ratio of financing costs to net revenue stream. This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.



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

3 Economic Outlook provided by Link Asset Services

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

Link Group Interest Rate View 8.11.21														
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.10	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.50	0.60	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.80	1.90	1.90	2.00	2.00
10 yr PWLB	1.80	1.90	1.90	2.00	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.40
25 yr PWLB	2.10	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.70	2.70
50 yr PWLB	1.90	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50
Bank Rate														
Link	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
Capital Economics	0.25	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	-	-	-	-	-
5yr PWLB Rate														
Link	1.50	1.50	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.80	1.90	1.90	2.00	2.00
Capital Economics	1.60	1.70	1.70	1.80	2.10	2.10	2.10	2.10	2.10	-	-	-	-	-
10yr PWLB Rate														
Link	1.80	1.90	1.90	2.00	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.40
Capital Economics	1.80	1.90	2.00	2.20	2.30	2.30	2.30	2.30	2.30	-	-	-	-	-
25yr PWLB Rate														
Link	2.10	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.70	2.70
Capital Economics	2.10	2.20	2.40	2.60	2.70	2.80	2.80	2.80	2.90	-	-	-	-	-
50yr PWLB Rate														
Link	1.90	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50
Capital Economics	1.90	2.00	2.20	2.40	2.50	2.60	2.60	2.60	2.70	-	-	-	-	-

MPC meeting 16th December 2021

- The Monetary Policy Committee (MPC) voted 8-1 to raise Bank Rate by 0.15% from 0.10% to 0.25% and unanimously decided to make no changes to its programme of quantitative easing purchases due to finish in December 2021 at a total of £895bn.
- The MPC disappointed financial markets by not raising Bank Rate at its November meeting. Until Omicron burst on the scene, most forecasters, therefore, viewed a Bank Rate increase as being near certain at this December meeting due to the way that inflationary pressures have been comprehensively building in both producer and consumer prices, and in wage rates. However, at the November meeting, the MPC decided it wanted to have assurance that the labour market would get over the end of the furlough scheme on 30th September without unemployment increasing sharply; their decision was, therefore, to wait until statistics were available to show how the economy had fared at this time.
- After the Governor and other MPC members had made speeches prior to the MPC meeting in which they stressed concerns over inflation, (the Bank is now forecasting inflation to reach 5% in April when the next round of capped gas prices will go up), thus reinforcing the strong message from the September MPC meeting, financial markets had confidently built in an expectation that Bank Rate would go up from 0.10% to 0.25% at this meeting. However, these were not messages that the MPC would definitely increase Bank Rate at the first upcoming MPC meeting as no MPC member can commit the MPC to make that decision ahead of their discussions at the time. The MPC did comment, however, that Bank Rate would have to go up in the short term. It is, therefore, relatively evenly balanced as to whether Bank rate will be increased in December, February or May. Much will depend on how the statistical releases for the labour market after the end of furlough on 30th September 2021 turn out.
- On 10th December we learnt of the disappointing 0.1% m/m rise in GDP** in October which suggested that economic growth had already slowed to a crawl even before the Omicron variant was discovered in late November. Early evidence suggests growth in November might have been marginally better. Nonetheless, at such low rates of growth, the government's "Plan B" COVID-19 restrictions could cause the economy to contract in December.

- **On 14th December, the labour market statistics** for the three months to October and the single month of October were released. The fallout after the furlough scheme was smaller and shorter than the Bank of England had feared. The single-month data were more informative and showed that LFS employment fell by 240,000, unemployment increased by 75,000 and the unemployment rate rose from 3.9% in September to 4.2%. However, the weekly data suggested this didn't last long as unemployment was falling again by the end of October. What's more, the 49,700 fall in the claimant count and the 257,000 rise in the PAYE measure of company payrolls suggests that the labour market strengthened again in November. The other side of the coin was a further rise in the number of vacancies from 1.182m to a record 1.219m in the three months to November which suggests that the supply of labour is struggling to keep up with demand, although the single-month figure for November fell for the first time since February, from 1.307m to 1.227m.
- These figures by themselves, would probably have been enough to give the MPC the assurance that it could press ahead to raise Bank Rate at this December meeting. However, the advent of Omicron potentially threw a spanner into the works as it poses a major headwind to the economy which, of itself, will help to cool the economy. The financial markets, therefore, swung round to expecting no change in Bank Rate.
- **On 15th December we had the CPI inflation** figure for November which spiked up further from 4.2% to 5.1%, confirming again how inflationary pressures have been building sharply. However, Omicron also caused a sharp fall in world oil and other commodity prices; (gas and electricity inflation has generally accounted on average for about 60% of the increase in inflation in advanced western economies).
- **Other elements of inflation are also transitory** e.g., prices of goods being forced up by supply shortages, and shortages of shipping containers due to ports being clogged have caused huge increases in shipping costs. But these issues are likely to clear during 2022, and then prices will subside back to more normal levels. Gas prices and electricity prices will also fall back once winter is passed and demand for these falls away.
- Although it is possible that the Government could step in with some **fiscal support for the economy**, the huge cost of such support to date is likely to pose a barrier to incurring further major expenditure unless it was very limited and targeted on narrow sectors like hospitality. The Government may well, therefore, effectively leave it to the MPC, and to monetary policy, to support economic growth – but at a time when the threat posed by rising inflation is near to peaking!
- This is the adverse set of factors against which the MPC had to decide on Bank Rate. For the second month in a row, the MPC blind-sided financial markets, this time with a **surprise increase in Bank Rate from 0.10% to 0.25%**. What's more, the hawkish tone of comments indicated that the MPC is now concerned that inflationary pressures are indeed building and need concerted action by the MPC to counter. This indicates that there will be more increases to come with financial markets predicting 1% by the end of 2022. The 8-1 vote to raise the rate shows that there is firm agreement that inflation now poses a threat, especially after the CPI figure hit a 10-year high this week. The MPC commented that “there has been significant upside news” and that “there were some signs of greater persistence in domestic costs and price pressures”.
- On the other hand, it did also comment that “**the Omicron variant is likely to weigh on near-term activity**”. But it stressed that at the November meeting it had said it would raise rates if the economy evolved as it expected and that now “these conditions had been met”. It also appeared more worried about the possible boost to inflation from Omicron itself. It said that “the current position of the global and UK economies was materially different compared with prior to the onset of the pandemic, including elevated levels of consumer price inflation”. It also noted the possibility that renewed social distancing would boost demand for goods

again, (as demand for services would fall), meaning “global price pressures might persist for longer”. (Recent news is that the largest port in the world in China has come down with an Omicron outbreak which is not only affecting the port but also factories in the region.)

- On top of that, there were no references this month to inflation being expected to be below the **2% target in two years’ time**, which at November’s meeting the MPC referenced to suggest the markets had gone too far in expecting interest rates to rise to over 1.00% by the end of the year.
- These comments indicate that there has been a material reappraisal by the MPC of the inflationary pressures since their last meeting and the Bank also increased its forecast for inflation to peak at 6% next April, rather than at 5% as of a month ago. However, as the Bank retained its guidance that only a **“modest tightening”** in policy will be required, it cannot be thinking that it will need to increase interest rates that much more. A typical policy tightening cycle has usually involved rates rising by 0.25% four times in a year. “Modest” seems slower than that. As such, the Bank could be thinking about raising interest rates two or three times next year to 0.75% or 1.00%.
- In as much as a considerable part of the inflationary pressures at the current time are indeed **transitory**, and will naturally subside, and since economic growth is likely to be weak over the next few months, this would appear to indicate that this tightening cycle is likely to be comparatively short.
- As for the timing of the next increase in Bank Rate, the MPC dropped the comment from November’s statement that Bank Rate would be raised “in the coming months”. That may imply another rise is unlikely at the next meeting in February and that May is more likely. However, much could depend on how adversely, or not, the economy is affected by Omicron in the run up to the next meeting on 3rd February. Once 0.50% is reached, the Bank would act to start shrinking its stock of Quantitative Easing, (gilts purchased by the Bank would not be replaced when they mature).
- **The MPC’s forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -
 1. Raising Bank Rate as “the active instrument in most circumstances”.
 2. Raising Bank Rate to 0.50% before starting on reducing its holdings.
 3. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 4. Once Bank Rate had risen to at least 1%, it would start selling its holdings.

3.2

- **US.** Shortages of goods and intermediate goods like semi-conductors, have been fuelling increases in prices and reducing economic growth potential. In November, **CPI inflation hit a near 40-year record level of 6.8%** but with energy prices then falling sharply, this is probably the peak. The biggest problem for the Fed is the mounting evidence of a strong pick-up in cyclical price pressures e.g., in rent which has hit a decades high.
- **Shortages of labour** have also been driving up wage rates sharply; this also poses a considerable threat to feeding back into producer prices and then into consumer prices inflation. It now also appears that there has been a sustained drop in the labour force which suggests the pandemic has had a longer-term scarring effect in reducing potential GDP. Economic growth may therefore be reduced to between 2 and 3% in 2022 and 2023 while core inflation is likely to remain elevated at around 3% in both years instead of declining back to the Fed’s 2% central target.
- Inflation hitting 6.8% and the feed through into second round effects, meant that it was near certain that the **Fed’s meeting of 15th December** would take aggressive action against inflation. Accordingly, the rate of tapering of monthly \$120bn Quantitative Easing purchases announced at its November 3rd meeting, was doubled so that all purchases would now finish in February 2022. In addition, Fed officials had started discussions on running down the stock of Quantitative Easing held by the Fed. Fed officials also expected three rate rises in 2022 of 0.25% from near

zero currently, followed by three in 2023 and two in 2024, taking rates back above 2% to a neutral level for monetary policy. The first increase could come as soon as March 2022 as the chairman of the Fed stated his view that the economy had made rapid progress to achieving the other goal of the Fed – “maximum employment”. The Fed forecast that inflation would fall from an average of 5.3% in 2021 to 2.6% in 2023, still above its target of 2% and both figures significantly up from previous forecasts. What was also significant was that this month the Fed dropped its description of the current level of inflation as being “transitory” and instead referred to “elevated levels” of inflation: the statement also dropped most of the language around the flexible average inflation target, with inflation now described as having exceeded 2 percent “for some time”. It did not see Omicron as being a major impediment to the need to take action now to curtail the level of inflationary pressures that have built up, although Fed officials did note that it has the potential to exacerbate supply chain problems and add to price pressures.

- **EU.** The slow roll out of vaccines initially delayed **economic recovery** in early 2021 but the vaccination rate then picked up sharply. After a contraction of -0.3% in Q1, Q2 came in with strong growth of 2%. With Q3 at 2.2%, the EU recovery was then within 0.5% of its pre Covid size. However, the arrival of Omicron is now a major headwind to growth in quarter 4 and the expected downturn into weak growth could well turn negative, with the outlook for the first two months of 2022 expected to continue to be very weak.
- **November’s inflation figures** breakdown shows that the increase in price pressures is not just due to high energy costs and global demand-supply imbalances for durable goods as services inflation also rose. Headline inflation reached 4.9% in November, with over half of that due to energy. However, oil and gas prices are expected to fall after the winter and so energy inflation is expected to plummet in 2022. Core goods inflation rose to 2.4% in November, its second highest ever level, and is likely to remain high for some time as it will take a long time for the inflationary impact of global imbalances in the demand and supply of durable goods to disappear. Price pressures also increased in the services sector, but wage growth remains subdued and there are no signs of a trend of faster wage growth which might lead to *persistently* higher services inflation - which would get the ECB concerned. The upshot is that the euro-zone is set for a prolonged period of inflation being above the ECB’s target of 2% and it is likely to average 3% in 2022, in line with the ECB’s latest projection.

ECB tapering. The ECB has joined with the Fed by also announcing at its meeting on 16th December that it will be reducing its Quantitative Easing purchases - by half from October 2022, i.e., it will still be providing significant stimulus via Quantitative Easing purchases for over half of next year. However, as inflation will fall back sharply during 2022, it is likely that it will leave its central rate below zero, (currently -0.50%), over the next two years. The main struggle that the ECB has had in recent years is that inflation has been doggedly anaemic in sticking below the ECB’s target rate despite all its major programmes of monetary easing by cutting rates into negative territory and providing Quantitative Easing support.

The ECB will now also need to consider the impact of **Omicron** on the economy, and it stated at its December meeting that it is prepared to provide further Quantitative Easing support if the pandemic causes bond yield spreads of peripheral countries, (compared to the yields of northern EU countries), to rise. However, that is the only reason it will support peripheral yields, so this support is limited in its scope.

- The EU has entered into a **period of political uncertainty** where a new German government formed of a coalition of three parties with Olaf Scholz replacing Angela Merkel as Chancellor in December 2021, will need to find its feet both within the EU and in the three parties successfully working together. In France there is a presidential election coming up in April 2022 followed by the legislative election in June. In addition, Italy needs to elect a new president in January with Prime Minister Draghi being a favourite due to having suitable gravitas for this post. However, if he switched office, there is a significant risk that the current government coalition could collapse. That could then cause differentials between Italian and German bonds to widen when 2022 will also see a gradual running down of ECB support for the bonds of weaker countries within the

EU. These political uncertainties could have repercussions on economies and on Brexit issues.

- **CHINA.** After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of **2020**; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021.
- However, the pace of economic growth has now fallen back in **2021** after this initial surge of recovery from the pandemic and looks likely to be particularly weak in 2022. China has been struggling to contain the spread of the Delta variant through using sharp local lockdowns - which depress economic growth. Chinese consumers are also being very wary about leaving home and so spending money on services. However, with Omicron having now spread to China, and being much more easily transmissible, this strategy of sharp local lockdowns to stop the virus may not prove so successful in future. In addition, the current pace of providing boosters at 100 billion per month will leave much of the 1.4 billion population exposed to Omicron, and any further mutations, for a considerable time. The **People's Bank of China** made a start in December 2021 on cutting its key interest rate marginally to stimulate economic growth. However, after credit has already expanded by around 25% in just the last two years, it will probably leave the heavy lifting in supporting growth to fiscal stimulus by central and local government.
- Supply shortages, especially of coal for power generation, were causing widespread power cuts to industry during the second half of 2021 and so a sharp disruptive impact on some sectors of the economy. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.
- **JAPAN.** 2021 has been a patchy year in combating Covid. However, recent business surveys indicate that the economy has been rebounding rapidly in 2021 once the bulk of the population had been double vaccinated and new virus cases had plunged. However, Omicron could reverse this initial success in combating Covid.
- The Bank of Japan is continuing its **very loose monetary policy** but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was actually negative in July. New Prime Minister Kishida, having won the November general election, brought in a supplementary budget to boost growth, but it is unlikely to have a major effect.

WORLD GROWTH. World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum in the second half of the year, though overall growth for the year is expected to be about 6% and to be around 4-5% in 2022. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. While headline inflation will fall sharply, core inflation will probably not fall as quickly as central bankers would hope. It is likely that we are heading into a period where there will be a **reversal of world globalisation** and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.

- **SUPPLY SHORTAGES.** The pandemic and extreme weather events, followed by a major surge in demand after lockdowns ended, have been highly disruptive of extended

worldwide supply chains. Major queues of ships unable to unload their goods at ports in New York, California and China built up rapidly during quarters 2 and 3 of 2021 but then halved during quarter 4. Such issues have led to a misdistribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. The latest additional disruption has been a shortage of coal in China leading to power cuts focused primarily on producers (rather than consumers), i.e., this will further aggravate shortages in meeting demand for goods. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods available to purchase.

4 Investment and borrowing rates

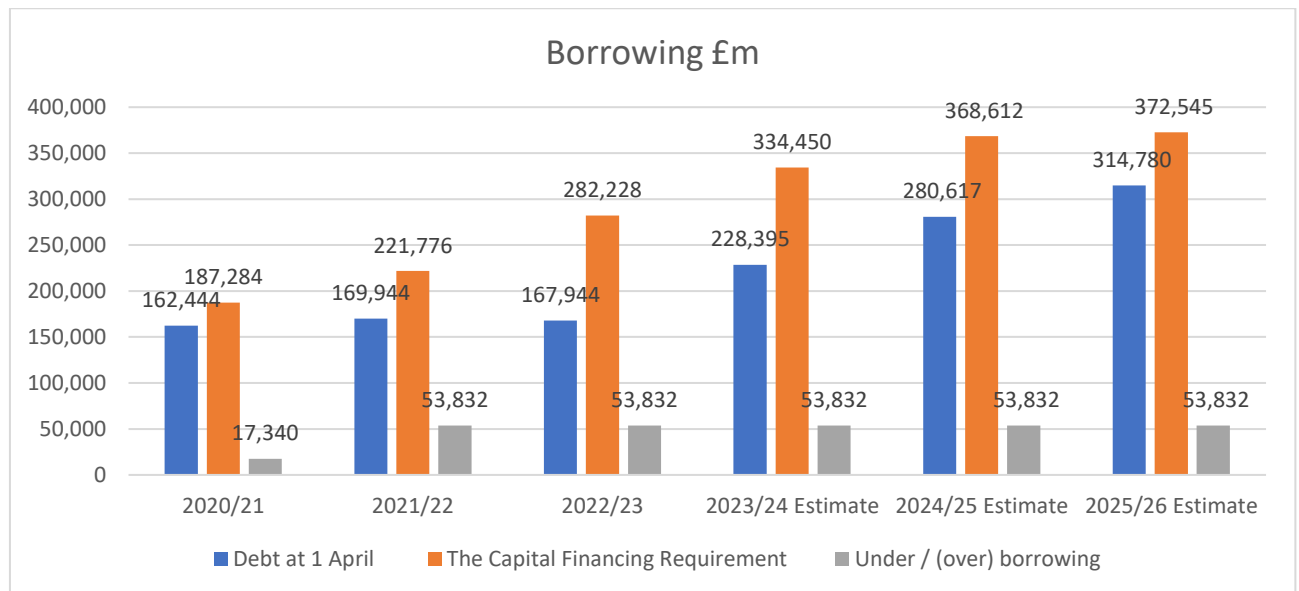
- 4.1 The policy of avoiding the interest cost of new borrowing by using available cash balances has served well over the last few years. However, this needs to be kept under review to avoid incurring high borrowing costs in the future when the Council may require new external borrowing to finance capital expenditure or for the refinancing of maturing debt.
- 4.2 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.

Capital Financing Requirement

- 4.3 Resetting the Capital Programme and the Capital Strategy on this Cabinet agenda provides 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 position and the annual investment strategy.

Current portfolio position

- 4.4 The Council's treasury portfolio position at 31 March 2021, 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.

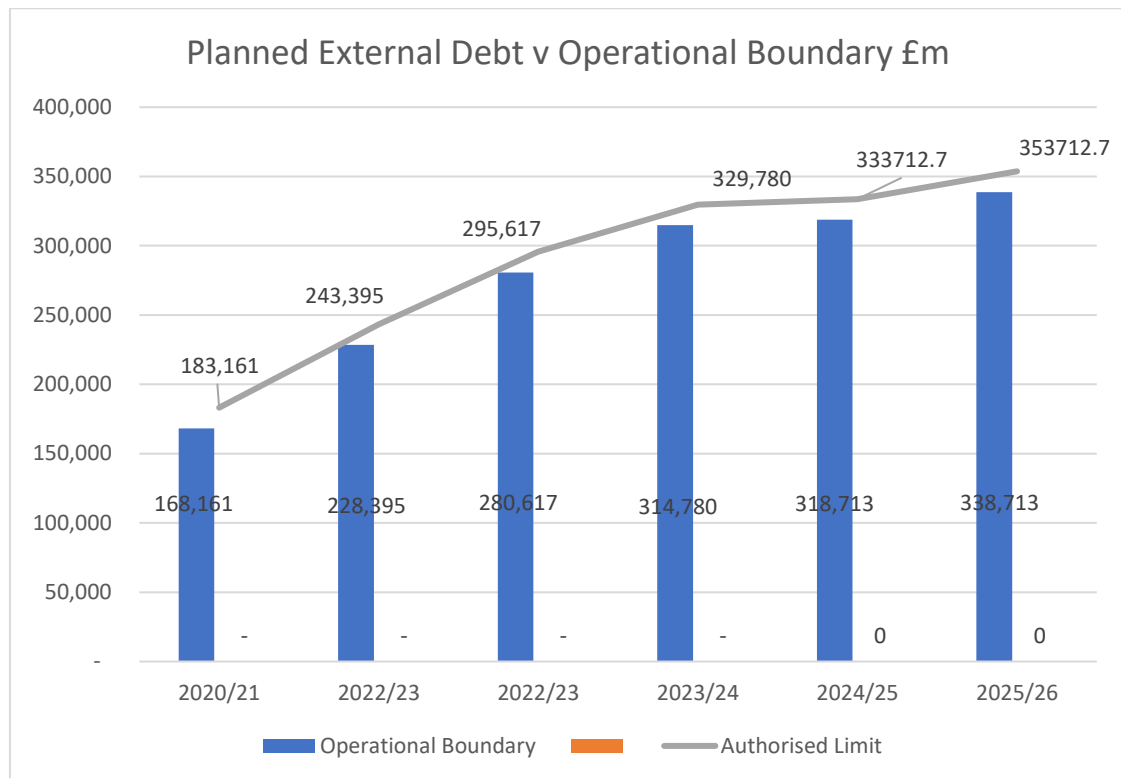


4.5 Within the prudential indicators there are key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short-term, exceed the total of the Capital Financing Requirement in the preceding year plus the estimates of any additional Capital Financing Requirement for 2022/23 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.

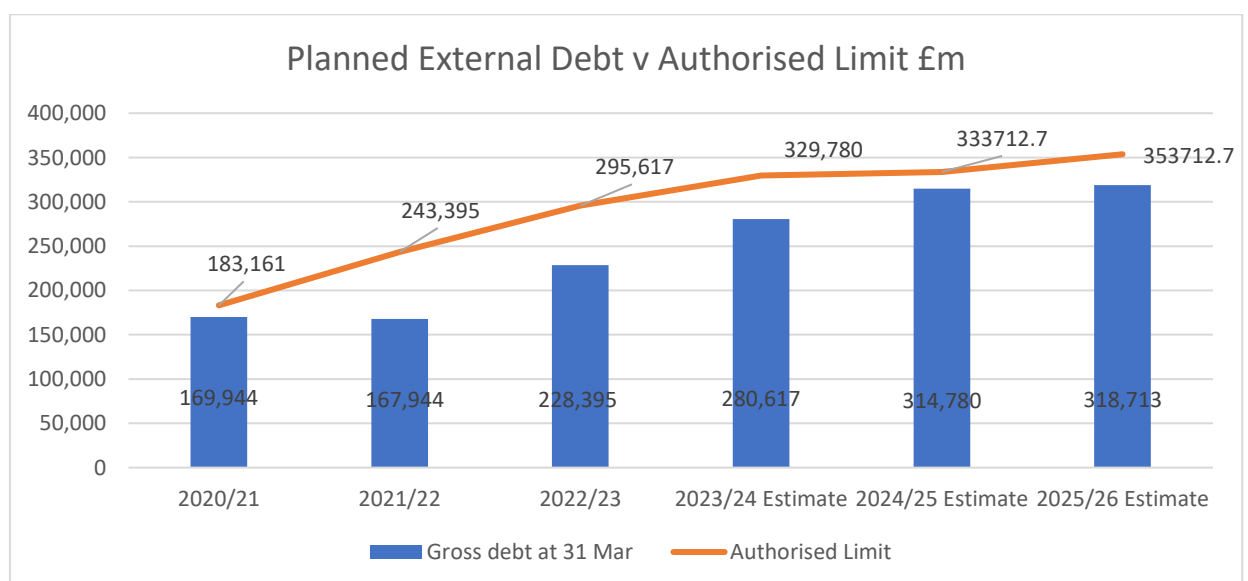
4.6 The Head of Finance and S151 Officer confirms that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future allowing for current commitments and the reset capital programme.

Treasury Indicators: Limits to Borrowing Activity

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



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



Borrowing Strategy

- 4.8 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 avoided.
- 4.9 Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Head of Finance and 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.
- 4.10 Any major long term borrowing activity will be reported to the Governance and Audit Committee at the next available opportunity.

Treasury Management Limits on Activity

- 4.11 There are three debt-related treasury activity limits. The purpose of these is 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.
- 4.12 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.

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

Policy on Borrowing in Advance of Need

- 4.13 The Council will not borrow more than or in advance of its needs purely 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

- 4.14 Where short-term borrowing rates become 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 or discounted cash flow savings.
 - helping to fulfil the treasury strategy.
 - enhance the balance of the portfolio by amending the maturity profile or the balance of volatility).
- 4.15 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.
- 4.16 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

- 4.17 It is possible that the Municipal Bond Agency will be offering loans to local authorities in the future. The Agency hopes that the borrowing rates will be lower than those offered by the Public Works Loan Board. The Council will consider making use of this new source of borrowing as and when appropriate.

Housing Revenue Account borrowing

- 4.18 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, considering 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.
- 4.19 As the Council is maintaining an under-borrowed position, the HRA will be recharged for the cost of any new borrowing requirement based on the average balance of unfinanced 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 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 Department of Levelling Up, Housing and 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 elsewhere on this agenda.
- 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 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.
 - Credit Default Swap spreads that may give early warning of likely changes in credit ratings.
 - sovereign ratings to select counterparties from only the most creditworthy countries.
- 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 product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will, therefore, use counterparties within the following durational bands
- Yellow 5 years *
 - Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
 - Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
 - Purple 2 years
 - Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
 - Orange 1 year
 - Red 6 months
 - Green 100 days
 - No colour not to be used

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

- 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.

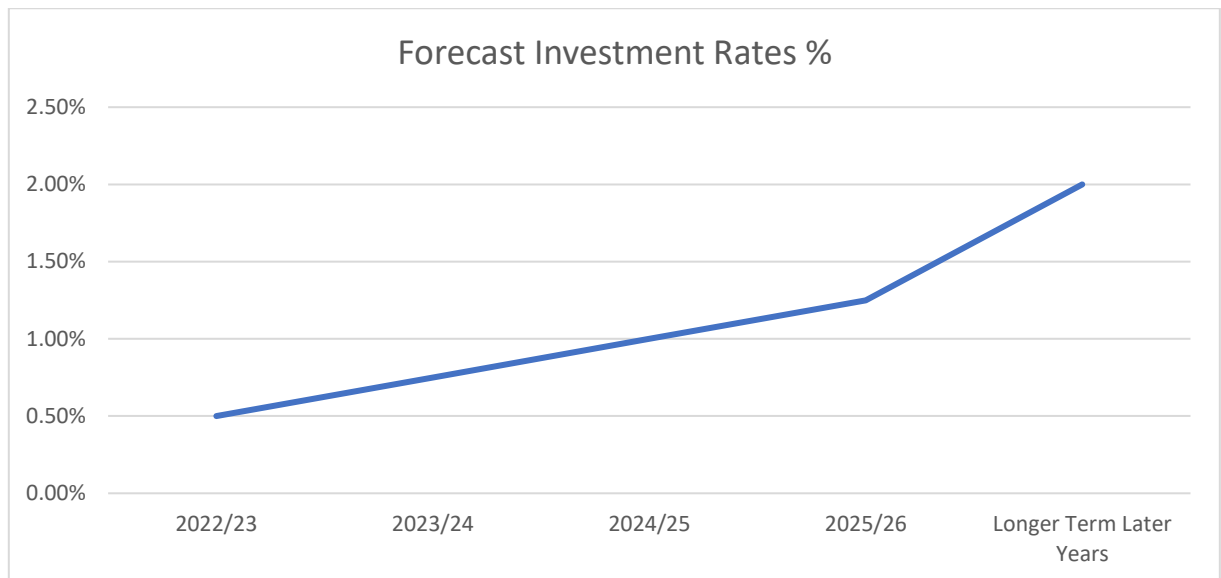
- 5.12 All credit ratings will be monitored monthly. The Council is alerted to changes to ratings of all three agencies through its use of the creditworthiness service. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer-term change) 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 the Appendix. 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 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 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year, (based on a first increase in Bank Rate in quarter 2 of 2022), are as follows from our treasury advisors Link.
- .



The overall balance of risks to economic growth in the UK is probably relatively even but is subject to major uncertainty due to the virus and the practical issues of the UK leaving the EU.

Investment treasury indicator and limit

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

£000	2022/23	2023/24	2024/25
Max. principal sums invested > 365 days	£10,000	10,000	10,000

End of year investment report

- 5.19 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.

Link Group Interest Rate View 8.11.21														
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.10	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.50	0.60	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.80	1.90	1.90	2.00	2.00
10 yr PWLB	1.80	1.90	1.90	2.00	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.40
25 yr PWLB	2.10	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.70	2.70
50 yr PWLB	1.90	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50
Bank Rate														
Link	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
Capital Economics	0.25	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	-	-	-	-	-
5yr PWLB Rate														
Link	1.50	1.50	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.80	1.90	1.90	2.00	2.00
Capital Economics	1.60	1.70	1.70	1.80	2.10	2.10	2.10	2.10	2.10	-	-	-	-	-
10yr PWLB Rate														
Link	1.80	1.90	1.90	2.00	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.40
Capital Economics	1.80	1.90	2.00	2.20	2.30	2.30	2.30	2.30	2.30	-	-	-	-	-
25yr PWLB Rate														
Link	2.10	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.70	2.70
Capital Economics	2.10	2.20	2.40	2.60	2.70	2.80	2.80	2.80	2.90	-	-	-	-	-
50yr PWLB Rate														
Link	1.90	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50
Capital Economics	1.90	2.00	2.20	2.40	2.50	2.60	2.60	2.60	2.70	-	-	-	-	-

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

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

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

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

Notes:

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

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

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

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

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

Appendix D – Technical reconciliations of budget requirement 2022/23

Table D1 – Technical reconciliation of budget requirement		
	Element	£'000
1	Revenue expenditure requirement for 2022/23	21,875
2	Collection fund deficit (business rates and Council Tax)	5,809
3	New Homes Bonus	(1,954)
4	Use of balances / reserves for pensions payment	935
5	Use of Business Rates Reserve	(5,809)
6	Use of Business Rates Pooling gain	(200)
7	Use of balances	(575)
8	Budget Requirement	20,081
9	Funded by:	
10	Government Grant (Services and Lower-Tier services)	(568)
11	Business Rates Baseline Funding	(4,343)
12	Business Rates Improvement	(1,870)
13	Council Taxpayers requirement (before Parish element)	(13,300)
14	Total Funding	(20,081)

Table D2 – Technical reconciliation of Band D Council Tax		
1	Council Taxpayers requirement (before Parish element)	13,300
2	Council Tax Base – Band D Properties	64,731
3	Council Tax at Band D	205.47

Table D3 – Technical reconciliation of 2022/23 Base Budget		
1	Base Budget	25,028
2	One-off items	(3,281)
3	Cost Pressures	2,035
4	Growth Items	134
5	Change in use of New Homes Bonus for one off investment	4
6	Savings	(2,045)
7	Forecast Base Budget	21,875

Table D4 – Technical reconciliation of 2022/23 savings		
1	Council Tax sharing agreement	(370)
2	Sport and Leisure improved performance	(320)
3	Savings from budgets repeatedly underspending in recent financial years	(250)
4	21/22 Pay Award Non-Consolidated 1%	(207)
5	Reduction in the use of the earmarked parking reserve due to changes in the way Traffic Regulation Work is funded within NEPP	(185)
6	Fees and charges generated over and above average council tax increase	(145)
7	Savings against salary budget costs by sharing the cost of staff in HR, Finance, Governance, and ICT with partner organisations (21/22 budget setting)	(100)
8	Reduction in overall housing benefit subsidy claim as claimants migrate from Housing Benefit to Universal Credit	(87)
9	Savings against current budgeted cost for external contracts (21/22 budget setting)	(50)
10	Digital services use of revenues and benefits new burdens funding from Department for Work and Pensions	(50)
11	Amphora extra dividend (Memoirs)	(37)
12	Shared services	(30)
13	Extension of market and public events	(30)
14	CCHL SLA income from triennial review	(29)
15	Electoral Services Team resource reduction – Elections Officer (21/22 budget setting)	(25)
16	Efficient use of Anti-Social Behaviour resources	(25)
17	Digital Communications enabling a reduction in print and post	(20)
18	Digital service delivery enabling a reduction in mileage claims	(20)
19	Healthy Homes – Disabled Facilities Grant covering more of the cost of delivering the service	(20)
20	Grounds Maintenance Contract Inflation	(18)
21	Parks & Countryside Sites Strategy	(10)
22	Digital Office enabling a reduction in central stationery	(7)
23	Car park markets and events (21/22 budget setting)	(5)
24	North Essex Parking Partnership Agreement beyond 2022 including Service Level Agreements	(5)
25	Total Savings	(2,045)

Table D5 – Technical reconciliation of 2022-23 cost pressures and growth items		
1	General Inflation (pay, contractual, utilities etc)	906
2	1.25% National Insurance Increase (Employer's Rate)	200
3	Commercial & Investment properties reduced income (primarily Culver Centre)	178
4	Contractor Payments (net of recyclable sales income)	150
5	Digital Roadmap	100
6	Fuel	100
7	Gosbecks Road loss of rental income and short-term running costs prior to sale	100
8	Executive Management Team staff changes	91
9	Local Fast Fibre Network reduced income assumptions	60
10	Locality Budgets	51
11	Market income reduced assumptions	50
12	Corporate Asset Management cost pressures	46
13	General Fund and Housing Revenue Account contingency	38
14	Woodland Project Officer	34
15	Virtual Committee Meetings	30
16	Audit Fees	25
17	Asset Valuations	6
18	Subscription Costs	4
19	Total cost pressures and growth items	2,169

Appendix E - Summary Budget 2022/23

	Adjusted Base Budget	One-Off Items	Cost Pressures	Growth Items	Technical Items	Total Savings	Detailed 22/23 Budgets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core	(106)	0	28	0		(370)	(448)
Executive Management Team	687	0	111	0		(8)	790
Corporate & Improvement	6,117	0	200	0		(178)	6,139
Community	1,604	0	176	0		(245)	1,535
Customer	2,800	0	119	0		(257)	2,662
Environmental (excl NEPP)	6,477	(926)	554	34		(314)	5,825
Place & Client	5,049	(1,650)	578	(119)		(509)	3,349
Total General Fund Services	22,628	(2,576)	1,766	(85)	0	(1,881)	19,852
Technical Items							
<i>Corporate Items / sums to be allocated to services</i>							
Procurement Savings	(58)		0			(50)	(108)
Social Lottery	50	(50)	0	0			0
Investment Allowance funded by New Homes Bonus	1,200	0	0	123		0	1,323
Previously agreed funding for Strategic Priorities	(94)		0	0		0	(94)
Digital Roadmap	0		0	100			100
Fees & Charges increase in excess of inflation	0		0			(67)	(67)
Local Council Tax Support Care Leavers Scheme	15		(15)				0
Inflation yet to be allocated	0		244			(18)	226
Transformation & Recovery	500	(500)	0				0
Improved Establishment Control	(10)		0				(10)

Rowan House	120	(55)	0	0			65
CCHL SLA	29		0			(29)	0
<i>Non-Service Budgets</i>							
CLIA (net interest)	1,187	(100)	0			0	1,087
R&R Contribution	300		0				300
Min Revenue Provision	2,123		0			0	2,123
Pensions	366	0	0				366
Contribution to Bad Debts Provision	20		0				20
GF/HRA/NEPP Adjustment	(3,348)		40		0		(3,308)
Sub-Total	2,400	(705)	269	223	0	(164)	2,023
Total incl Below the line	25,028	(3,281)	2,035	138	0	(2,045)	21,875
<i>Funded by:-</i>							
Use of balances	(125)	125	0		(125)		(125)
Contribution to balances	935	(935)	0		935		935
Use of other Earmarked Reserves	(185)	185	0		0		0
Use of Reserves - Covid 19	(2,400)	2,400	0		(450)		(450)
Use of NNDR reserve	(12,824)	12,824	0		0		0
Govt - Covid 19 Support Grant	(1,493)	1,493	0				0
Govt - Lower Tier Grant	(622)	622	0		(270)		(270)
Govt - Services Grant	0	0	0		(298)		(298)
Business Rates Baseline	(4,300)		(43)				(4,343)
NNDR Growth above Baseline	(1,620)		0		(250)		(1,870)
Business Rates Pooling	(200)		0		0		(200)
Council Tax	(12,588)		0		(712)		(13,300)
Collection fund Transfer	12,824	(12,824)	0		0		0
New Homes Bonus	(2,430)		0		476		(1,954)
Total	(25,028)	3,890	(43)	0	(694)	0	(21,875)

Appendix F - 2022/23 General Fund Budgets

		Direct Budgets			Non-Direct Budgets	
	Area	Spend	Income	Net	Net	Total
		£'000	£'000	£'000	£'000	£'000
	Corporate & Democratic Core	322	(770)	(448)	2,631	2,183
	Total	322	(770)	(448)	2,631	2,183
	Executive Management Team					
	EMT	790	-	790	(790)	-
	Total	790	-	790	(790)	-
	Community					
	Assistant Director	165	-	165	(165)	-
	Licencing, Food & Safety	528	(576)	(48)	376	328
	Community Safety	94	-	94	15	109
	Environmental Health Services	465	(67)	398	144	542
	Building Control	426	(501)	(75)	302	227
	Community Initiatives	392	-	392	143	535
	Private Sector Housing	517	(223)	294	175	469
	Bereavement Services	947	(1,773)	(826)	266	(560)
	Cultural Services	633	(108)	525	977	1,502
	Colchester Museums	49	(526)	(477)	34	(443)
	Subtotal	4,216	(3,774)	442	2,267	2,709
	Colchester & Ipswich Museums	2,258	(1,165)	1,093	725	1,818
	Total	6,474	(4,939)	1,535	2,992	4,527
	Customer					
	Assistant Director	161	-	161	(161)	-
	Accounts & Debt	751	(148)	603	(603)	-
	Local Taxation & NNDR	561	(713)	(152)	569	417
	Benefits & Hub	909	(185)	724	(724)	-
	Contact & Support Centre	1,083	(29)	1,054	(1,053)	1
	Electoral Services	391	(3)	388	71	459
	Customer Digital & Systems	954	(45)	909	(910)	(1)
	Land Charges	139	(285)	(146)	146	-
	Subtotal	4,949	(1,408)	3,541	(2,665)	876
	Benefits - Payments & Subsidy	35,565	(36,444)	(879)	594	(285)
	Total	40,514	(37,852)	2,662	(2,071)	591
	Environment					
	Assistant Director	159	-	159	(159)	-
	Neighbourhood Services	12,496	(4,422)	8,074	2,823	10,897
	Car Parking	981	(3,389)	(2,408)	947	(1,461)
	Subtotal	13,636	(7,811)	5,825	3,611	9,436

		Direct Budgets			Non-Direct Budgets	
	Parking Partnership (NEPP)	3,909	(3,949)	(40)	86	46
	Total	17,545	(11,760)	5,785	3,697	9,482
	Place & Client					
	Assistant Director	152	-	152	(152)	-
	Place Strategy	698	-	698	81	779
	Housing	2,795	(1,335)	1,460	(219)	1,241
	Planning	1,165	(1,352)	(187)	973	786
	Sustainability & Climate Change	211	(16)	195	44	239
	Subtotal	5,021	(2,703)	2,318	727	3,045
	<i>Company Related:-</i>					
	Client - Commercial Company	2,028	(287)	1,741	(2,028)	(287)
	Corporate Asset Management	1,866	(324)	1,542	(1,486)	56
	Commercial & Investment	303	(2,980)	(2,677)	2,581	(96)
	Sport & Leisure	5,693	(5,268)	425	1,898	2,323
	Total	14,911	(11,562)	3,349	1,692	5,041
	Corporate & Improvement					
	Assistant Director	144	(129)	15	(144)	(129)
	Finance	1,057	(200)	857	(857)	-
	ICT	2,030	(404)	1,626	(1,627)	(1)
	People and Performance	813	(186)	627	(693)	(66)
	Governance	2,970	(381)	2,589	(2,531)	58
	Communications	601	(176)	425	(425)	-
	Total	7,615	(1,476)	6,139	(6,277)	(138)
	Total (excl. NEPP)	84,262	(64,410)	19,852	1,788	21,640

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

Appendix G - Reserves, Provisions and Balances

	2020/21	2021/22	2022/23
	Actual	Forecast	Forecast
	£'000	£'000	£'000
General Fund Balance	2,030	2,030	2,030
Future Years Budget Support Reserve - Carry-forwards etc	6,937	1,672	1,297
Future Years Budget Support Reserve - Risk Allocation	515	515	515
Redundancy, North Essex Parking Partnership, Colchester & Ipswich Museum Service etc	1,444	1,444	1,444
Pension Reserve	1,344	2,279	3,214
Renewals and Repairs Reserve	2,845	3,298	3,944
Insurance Reserve	652	652	652
Capital Expenditure Reserve	437	601	601
Gosbecks Reserve	134	134	134
Revenue Grants unapplied	3,173	3,173	2,973
Decriminalisation Parking Reserve	1,087	902	902
Business Rates Reserve	15,875	3,051	2,851
Revolving Investment Fund Reserve	1,596	1,096	1,096
Other reserves	237	237	237
TOTAL General Fund	38,306	21,084	21,890
Housing Revenue Account Balance	4,489	4,090	4,090
Housing Revenue Account Retained Right To Buy Receipts – Replacement	4,819	2,544	1,440
Housing Revenue Account Retained Right To Buy Receipts – Debt	251	921	1,592
TOTAL Housing Revenue Account	9,559	7,555	7,122
Total	47,865	28,639	29,012

Appendix H – Allocation of New Homes Bonus

	Allocation of New Homes Bonus	2022/23	2023/24	2024/25	2025/26	2026/27
		£'000	£'000	£'000	£'000	£'000
1	New Homes Bonus	1,954	950	950	950	950
2	Allocated to:-					
3	Feasibility costs	250	250	250	250	250
4	Affordable housing allocation	31	150	150	150	150
5	To support the Council's Revenue Budget	600	300	0	0	0
6	Savings Implementation Costs	200				
7	Support to Tendring Colchester Borders & Local Plan	250	250	250	250	250
8	Transfer to Reserves	0	0	300	300	300
9	Support for one-off schemes (see below)	623	0	0	0	0
10	Total allocation	1,954	950	950	950	950
	Use of NHB allocation for one-off schemes					
11	Support for one-off schemes	623	0	0	0	0
12	Allocated to:					
13	Support for the Transformation Programme	250	0	0	0	0
14	Restoration of affordable housing allocation	119	0	0	0	0
15	Balance for future allocation	254	0	0	0	0

Report of	Chief Operating Officer	Author	Paul Cook ☎ 505861 Lily Malone ☎ 03300 538 070
Title	Resetting the Capital Programme and the Capital Strategy		
Wards affected	All		

1 Executive Summary

1.1 The report resets the Capital Programme 2022/23 to 2025/26.

1.2 The report also sets out the Council's Capital Strategy.

2 Recommended Decision

2.1 To recommend to Budget Council the Capital Strategy set out in Appendix A of this report

2.2 To recommend to Budget Council the reset capital programme 2022/23 to 2025/26 as set out in Appendices B and C of this report subject to recommendations 2.3 and 2.4 below.

2.3 Approval of the Town Deal schemes in the Reset Capital Programme is conditional on project business cases being approved by Cabinet, and the Department for Levelling Up, Housing and Communities.

2.4 Further advances to Council companies be reviewed in the light of the Department for Levelling Up, Housing and Communities consultation on minimum revenue provision as set out in Section 6 of this report.

3 Reason for Recommended Decision

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

4 Alternative Options

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

5 Background Information

5.1 The Capital Programme is the Council's long-term investment in land, buildings and other infrastructure.

5.2 The new projects include several components

- The Housing Investment Programme for the ringfenced Housing Revenue Account. At around £40m a year for the next few years, this includes a much needed increase to our housing stock at social rent levels through acquisitions and building new properties, as well as major repairs and improvements to our existing stock.
- Investment to secure the long term development of Colchester and economic recovery
- Taking forward the Town deal with up to £18.2m of government funding leveraging in up to £75m of additional external investment. The £18.2m is split over the revenue and capital programme, with a maximum of 10% being committed to revenue.
- Improving Council services and fulfilling the Carbon Commitment.

5.3 All allocations are subject to detailed project evaluation and assessment in accordance with the Capital Strategy. The capital programme allocations allow projects to proceed subject to the normal internal controls.

5.4 Inflation may impact on the cost of the Capital Programme and the following are relevant factors:

- Some projects are cash limited grants (Town Fund, Disabled Facilities Grants) and the overall value available is not affected by inflation.
- Tenders or contracts have already been confirmed for some schemes
- Lending to the Amphora companies are preset facilities. Inflation impacts on the companies' schemes will need to be addressed by Amphora
- The inflation position on schemes will be updated as part of capital monitoring

6 Changes to the Capital Framework: Minimum Revenue Provision

6.1 On 30 November 2021 the Department for Levelling Up, Housing and Communities published a consultation paper Changes to the Capital Framework: Minimum Revenue Provision. The consultation closes 8 February 2022.

6.2 If put into force from 2023/24 as planned, the proposals may require the Council to make minimum revenue provision on loans to Amphora companies. Under current accounting policy the Council does not make such provision. This could result in considerable additional costs to the Medium Term Financial Forecast.

6.3 These changes are in addition to existing accounting requirements for advances to the companies. These include the need to demonstrate a corresponding asset value in the investment. If asset value cannot be demonstrated, it is necessary to make minimum revenue provision or write down the investment to an appropriate level.

- 6.4 It is not clear that the purpose of the consultation is to prevent investment in local authority housing companies, particularly where there is clear 'public good' beyond the commercial case as with Colchester Amphora Trading Limited (CAHL) committing to at least 30% affordable housing on its schemes. If loans to housing companies are in due course exempted from the new requirements, then the planned programme of advances to Amphora Housing will be able to proceed. If loans to housing companies remain in scope, the planned advances in the capital programme could become unaffordable to the Council.
- 6.5 The implications of the consultation should be reviewed further before new projects are commenced in the companies that rely on borrowing from the Council or where a significant level of advance to the companies would be outstanding as at 31 March 2023.
- 6.6 Cabinet resolved 13 October 2021 that additional resources for the Heat Network Project be allocated subject to the Deputy Leader and Portfolio Holder for Finance and the Head of Finance being satisfied as to the commercial proposition. Further lending to Amphora Energy would be subject to the consultation proposals.
- 6.7 The potential revenue implications of the consultation proposals are set out in the table below. The table assumes that minimum revenue provision is calculated from 2023/24 onwards as the value of the facility spread over the period the facility remains available. Alternatively a longer 25 year period might be acceptable provided this is prudent provision. A further alternative might be provision over the lifetime of the assets financed by the company from the advance. Repayment of the facility would constitute a capital receipt that could be used to finance future capital expenditure. These are provisional figures subject to finalisation of the consultation proposals and existing accounting requirements set out in Section 6.3 above, including the security of the loan.

Facility	Total facility £m	Remaining availability period from April 2023 Years	Annual MRP if spread over life of facility £m	Annual MRP if spread over 25 years £m
Amphora Energy	2.520	6	0.420	0.420*
Amphora Homes	28.800	6	4.800	1.152
Totals	31.320		5.220	1.572

*25 year MRP does not apply to the Amphora Energy facility

- 6.8 The Council has already committed to make revenue provision on advances to Amphora Energy following 2019/20 external audit findings.

7 Town Deal

- 7.1 The £16.5m capital split of the £18.2m Town Deal grant funding has been included in this report. The Town Deal schemes are subject to a business case process which will happen sequentially. All figures are indicative and will be updated in future reports. There is no additional general fund contribution included for the Town Deal schemes. This funding is from the Department for Levelling Up, Housing and Communities that is overseen by the We Are Colchester Town Deal Board. A report on these schemes will be presented in March to Cabinet.

8 The UK Infrastructure Bank

- 8.1 The UK infrastructure bank is expected – subject to legislation – to come into full operation during 2022-23. It will offer financing to local and mayoral authorities across the UK, for

high-value and complex economic infrastructure projects. It will also lend to the private sector. It is expected lending rates will be slightly lower than offered by the Public Works Loan Board. Borrowers will need to satisfy the Bank with appraisals and business cases in order to secure facilities. This development will be monitored to understand potential CBC eligibility for support from the new bank. However it is expected that the Bank will operate a de minimis level of £25m.

9 Overview

- 9.1 Capital investment is determined by the Council's Capital Strategy set out in Appendix A.
- 9.2 Summaries of the new schemes are set out in section 13 of the report. Appendix B sets out the revised capital programme in its totality.

10 MTFF Consultation

- 10.1 The cost of funding the recommended programme is provided for in the MTFF.
- 10.2 The budget strategy and timetable has ensured that information is available for scrutiny and input from all Members.
- 10.3 Budget workshops were held on 20 September 2021; 22 November 2021; and 17 January 2022 so that all Members have had the opportunity to get a better understanding of the budget challenge and share their ideas and concerns.
- 10.4 The Shadow Portfolio Holder has been briefed and the Leader of the Opposition is able at any stage of the budget process to meet with officers to assist with consideration of any alternative budget proposals.
- 10.5 The normal statutory consultation with business ratepayers and parish councils will take place.

11 Risk Management Implications

- 11.1 Modelling has been undertaken with service managers to assess the potential range of impacts before adopting the assumptions described within the report.
- 11.2 Capital and construction projects have been affected by Covid-19, with delays and additional costs arising, with our contractors and their supply chain. The impact of inflation on project costs is being carefully monitored.
- 11.3 Projects are monitored using Power Bi which is an interactive piece of software, part of the corporate suite of MS SharePoint functionality. Power Bi graphically depicts progress against Delivery, Time and Cost and must be measured against the Project Initiation Document (PID).
- 11.4 **RAG (Red/Amber/Green) Status.** Project Progress Reports and Risk Registers use the RAG status as a visual clue to performance. Its purpose is to demonstrate progress and make it clear when escalation is required. This is in accordance with Agile project management methodology which is the corporate approach used for delivering projects.

12 Strategic Priorities and Recovery

- 12.1 The Capital Programme will deliver the Council's strategic priorities as set out in the Strategic Plan 2020-23 and aid recovery in Colchester.

13 Financial implications

- 13.1 As set out in the report.

14 Environmental and Climate Change Implications

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

15 Equality and Diversity Implications

- 15.1 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.

16 Other Standard References

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

Appendix A – Capital Strategy and Capital Programme

1. The Chartered Institute of Public Finance and Accountancy Prudential Code requires local authorities to produce a Capital Strategy. This is in line with the Ministry of Housing, Communities and Local Government's 2018 statutory guidance on local government investments, particularly about non-financial investments.
2. In contrast to revenue expenditure which is spending on the day to day running costs of services such as employee costs and supplies and services, capital investment seeks to provide long-term solutions to Council priorities and operational requirements that yield benefits to the Council generally for a period of more than one year.
3. The five aims of the Capital Strategy are:
 - a. To take a long-term perspective on capital investment and to reflect the Council's wider place-making and growth agenda.
 - b. To ensure investment is prudent, affordable, and sustainable over the long term.
 - c. To set out the arrangements and governance for capital investment decision-making.
 - d. To make the most effective and appropriate use of funds available - including revenue, capital receipts and housing right-to-buy receipts – to deliver the Council's strategic aims.
 - e. To establish a clear methodology to prioritise capital proposals.
4. The Council has set out its Strategic Priorities in the Strategic Plan 2020 – 2023.
5. Colchester Commercial Holdings Ltd is the holding company for three separate subsidiaries, with related but distinct products, services, markets and opportunities. These companies make a high-quality commercial offer which maintains the strong public sector ethos of its shareholder.
 - a. Colchester Amphora Trading delivers high quality products and services to public and private sector clients in the Property, Leisure and Health Care industries.
 - b. Colchester Amphora Energy designs and implements low carbon energy systems and provides energy services in Colchester.
 - c. Colchester Amphora Homes delivers high quality affordable and private sale homes in Colchester and the surrounding area.
6. Future loans from the Council to Amphora companies are now under review. On 30 November 2021 the Department for Levelling Up, Housing and Communities published a consultation paper *Changes to the Capital Framework: Minimum Revenue Provision*. If put into force from 2023/24 the proposals would require the Council to make minimum revenue provision on any loans, resulting in considerable additional costs to the Medium Term Financial Forecast. This would potentially make the current business model unsustainable.
7. 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

8. 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.
9. The Council's programme is being set against a background of uncertainty over economic prospects and local government funding. Affordability and financial sustainability are therefore paramount in making spending decisions. 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. The achievement of external funding for all or part of project cost will be a key consideration.
10. The Council manages its capital programme by a sequential gateway process. Only projects that fulfil gateway requirements at each stage will be eventually considered for funding in the Capital Programme.
11. Proposed schemes must – in addition to demonstrating affordability and financial sustainability - demonstrate a good fit to the Strategic Plan. A project will not proceed solely because it delivers a strategic plan requirement. It must first demonstrate affordability and financial sustainability to be considered for inclusion.

Investment Principles		
Category Title	Brief Description	Notes
Assets	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 and helps avoid unexpected costs.
Invest to Save	Invest to save and to generate returns	The Council will invest in projects that: <ul style="list-style-type: none"> • reduce service costs • avoid costs (capital or revenue) that would otherwise arise • invest to generate a financial return on investment (ROI) within an acceptable period. • invest in or lend to Colchester Commercial Holdings Ltd to enable subsidiary companies to provide services that generate commensurate additional dividend income for the Council.
Town Deal	Delivering the Town Deal	The Council in partnership with other agencies is delivering the Town Deal for which it is the accountable body. The Town Deal is funded by Government Grant.
Regeneration	Investing for wider economic recovery, regeneration, and growth.	The Council will work with partners to invest in place-making opportunities to grow the Colchester economy, and help tackle socio-economic, health and environmental inequalities across Colchester
Carbon Reduction	Investing to reduce the Council's scope 1 and 2 Carbon emissions	The Council has declared a climate emergency and will ensure its investments help to deliver the Climate Emergency Action Plan commitment to net zero carbon emissions by 2030.

12. 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.
13. 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.
14. Colchester has not borrowed for outright investment purposes and will not do so.
15. 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.
16. 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
17. 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

18. The resetting of the Capital Programme is agreed by full Council as part of the annual budget setting process. Approved allocations may be switched between schemes in accordance with the virement limits set out in the Council's Financial Regulations. All other changes to the Capital Programme during the financial year require a Cabinet approval.
19. Capital projects are overseen by the Programme Delivery Board (PDB), chaired by the Chief Operating Officer, This is supported by the Programme Delivery Group (PDG), chaired by the Assistant Director for Corporate and Improvement. PDB and PDG are convened monthly.
20. PDB is the governance body responsible for making service capital programme decisions and monitoring progress of all change initiatives.

Board responsibilities are to:

- a. Approve and prioritise initiatives.

- b. Schedule initiatives to make best use of finite resources.
- c. Monitor the progress of initiatives and resolve escalations.
- d. Ensure any conflicts between strategic initiatives and business as usual are addressed effectively.
- e. Promote collaborative working across the services.
- f. Review and resolve key strategic level risks and issues.

21. PDG is a Group Manager level function, responsible for reviewing progress of all change initiatives and escalating any capital and/or significant project risks to PDB. It will also provide a forum for the SMT to inform Group Managers of any new or ongoing strategic issues and/or key decisions within the organisation.

Group responsibilities are to:

- a. Review the progress of initiatives and where possible resolve issues prior to escalation to PDB.
- b. Promote collaborative working across the services.

22. **Managing, Monitoring and Reporting.** Project monitoring and control is about measuring progress, taking corrective action, and keeping stakeholders informed. A project prioritisation principle is applied to all projects. Projects are prioritised from 1-4 (1 being the highest priority) using a prioritisation tool that covers the following criteria against the following description:

- a. Strategic impact - Alignment to the strategic plan and our services
- b. Reasons for the project - Driver for the project being required
- c. Risk Management - Relationship to the Strategic Risk Register
- d. Customers - Customers who will be impacted
- e. Technical - Technological / System requirement
- f. Climate Emergency - Consider Impact
- g. Return on Investment - Principle benefits from delivering the project

A range of conditions are offered which in turn produces a score against each criteria. The collective score produces a priority ranging from 1-4. The prioritisation tool is embedded in every Project Initiation Document (PID). A summary of each prioritisation score can be found at Annex F.

23. **Section 106 Infrastructure Funding Statement.** From December 2020, planning authorities are required to publish an Infrastructure Funding Statement (IFS) in accordance with the Community Infrastructure Levy (CIL) Regulations. The purpose of an IFS is to give communities a better understanding of how developer contributions have been or are planned to be used to deliver infrastructure in their area.

Developer contributions in the Borough of Colchester include section 106 planning obligations and unilateral agreements secured as part of the planning application process.

Colchester Borough is responsible for delivery of affordable homes, community facilities, sport and recreation including public open space. This statement provides details of how funds have been spent in these service areas.

24. Financial monitoring reports on the capital programme are considered quarterly by Cabinet and monthly by the Programme Delivery Group and escalated by exception to the Programme Delivery Board.

25. Relevant requirements of the Capital Strategy are incorporated in the Council's financial regulations and standing orders.

Appendix B Capital Schemes

Previously Approved Schemes with revised costs

St Mark's Community Centre	
Create a vibrant new Community Centre in partnership with the Diocese.	
Category: Regeneration	
	£m
Project Cost	1.500
Additional Funding	0.300
Revised Project Cost	1.800
External Funding	0.000
CBC funding	1.800



Rowan House	
The refurbishment of Rowan House will enable portions of the building to be rented to other organisations.	
Category: Carbon Reduction	
	£m
Project Cost	1.855
Additional Funding	0.500
Revised Project Cost	2.355
External Funding	0.528
CBC funding	1.827




Shrub End Depot	
Improvements are being made to Shrub End Depot to meet legal operational requirements and accommodate the demand to the service as the Borough grows.	
Category: Assets	
	£m
Project Cost	1.056
Additional Funding	0.370
Revised Project Cost	1.426
External Funding	0.000
CBC funding	1.426



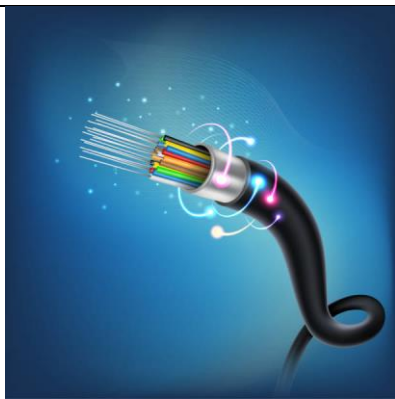
Stanway Community Centre	
Development of a new community facility on the Western Bypass in Stanway.	
Category: Regeneration	
	£m
Project Cost	1.892
Additional Funding	0.083
Revised Project Cost	1.975
External Funding	1.975
CBC funding	0.000




Colchester Northern Gateway – The Walk	
To promote sustainable travel by linking a main pedestrian walk and cycle way through Colchester Northern Gateway. Increased costs of £1.143m. These will be funded £299k Amphora Energy and £443k Amphora Housing. £400k of increased cost will be funded by the Council.	
Category: Regeneration	
	£m
Project Cost	3.471
Additional Funding	1.142
Revised Project Cost	4.613
External Funding	4.213
CBC funding	0.400



LFFN	
Ensure our Borough becomes stronger by supporting businesses to recover and address the inequality of access to broadband by installing a fibre network.	
Category: Regeneration	
	£m
Project Cost	3.437
Additional Funding	0.265
Revised Project Cost	3.702
External Funding	3.228
CBC funding	0.474



Heat Network	
Low carbon district heat system that provides renewable energy. This scheme is subject to approval by the Deputy Leader and Head of Finance. The model may prove unaffordable see section 6.6 above.	
Category: Regeneration	
	£m
Project Cost	6.500
Additional Funding	2.052
Revised Project Cost	8.552
External Funding	3.450
CBC funding	5.102



New Schemes added 2022/23 to 2025/26 reset

Land and Property Obligations	
See Confidential Appendix	
Category: Assets	
	£m
Total Project Cost	5.000
External Funding	TBC
CBC funding	5.000


Stanway Community Centre Toucan Crossing	
To promote sustainable travel by linking the crossing with community facilities to make Stanway Community Centre more accessible by foot or bike.	
Category: Regeneration	
	£m
Total Project Cost	0.200
External Funding	0.200
CBC funding	0.000

Grid Connection	
Future proofing for potential further development at Northern Gateway by providing a power connection. Subject to detailed business case.	
Category: Regeneration	
	£m
Total Project Cost	1.000
External Funding	0.000
CBC funding	1.000


Microgrid and Solar Farm	
Construct a solar park to support the Heat Network and future developments at Northern Gateway. £250k of feasibility funding needed in 2022/23 can be met from the existing capital programme allocation. Project subject to detailed business case.	
Category: Regeneration	
	£m
Total Project Cost	5.700
External Funding	0.000
CBC funding	5.700

Town Deal Schemes


Transforming Youth Provisions	
Building on existing youth provision, with a significant investment in facilities for young people. This will include the refurbishing and upgrading of the facilities in The Townhouse Youth Centre in West Stockwell Street.	
Category: Town Deal	
	£m
Total Project Cost	1.136
External Funding	1.136
CBC funding	0.000




Town Centre and Gateways Public Realm	
Investment in 4 public realm schemes at Balcerne Gate Phase 2, Holy Trinity Square, Essex County Hospital and Kerbless Streets (Sir Isaacs Walk) will enhance the accessibility and attractiveness of key town centre sites.	
Category: Town Deal	
	£m
Total Project Cost	2.772
External Funding	2.772
CBC funding	0.000

A photograph of a stone archway, part of a historic wall, with a brick building in the background. The archway is made of rough-hewn stone and brick, showing signs of age and weathering. A paved path leads through the archway towards a red brick building with a small tower or cupola on its roof. The scene is set outdoors with some greenery and a clear sky.

Town Centre and Gateways Historic Buildings	
Investment in the Grade 1 listed Holy Trinity Church will see it repaired, refurbished and adapted to become a new community hub operated by Community 360. The Towns Fund will also contribute towards the costs of restoring and repurposing the 'Jumbo' water tower.	
Category: Town Deal	
	£m
Total Project Cost	1.377
External Funding	1.377
CBC funding	0.000



Heart of Greenstead	
A major housing-led regeneration scheme at the centre of the estate, incorporating new active travel investment and the development of a new model neighbourhood which tackles the determinants of poor health. £2.3m awarded from the Estate Regeneration Fund, and potential £5m from Homes England. There is a HRA funding element which is reflected in HRA figures on Appendix C.	
Category: Town Deal	
	£m
Total Project Cost	34.583
External Funding	13.355
CBC funding	21.228



Digital Connectivity

Investment in 1) a new digital skills hub in the Wilson Marriage centre, 2) a new digital working hub within the new Grow-on scheme at 43 Queen Street, of which SELEP are a funding partner and have contributed £3.8m, and 3) a new 5G-based project augmenting tourism through virtual and augmented reality.

Category: Town Deal

	£m
Total Project Cost	7.119
External Funding	6.219
CBC funding	0.900

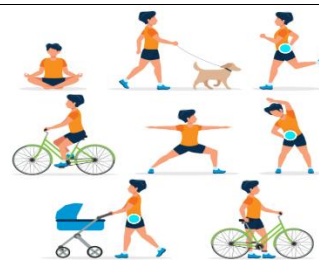


Physical Connectivity

Walking and Cycling links - Town Centre to Greenstead and University.

Category: Town Deal

	£m
Total Project Cost	2.739
External Funding	2.739
CBC funding	0.000



Appendix C Reset Capital Programme 2022-23

£m scheme cost including external funding	21/22	22/23	23/24	24/25	25/26
2021/22 Original Capital Programme	42.106	60.492	44.965	0.000	0.000
2021/22 HRA Original	40.292	40.821	37.282	27.071	0.000
2021/22 Total Programme	82.398	101.313	82.247	27.071	0.000
2021/22 Revised Programme	19.847	43.179	2.817	1.134	0.000
2021/22 HRA Revised	42.772	32.994	56.371	50.273	16.574
2021/22 Revised Programme	62.619	76.173	59.188	51.407	16.574
2022/23 new schemes					
St Marks Community Centre	0.000	0.020	0.280	0.000	0.000
Rowan House	0.000	0.000	0.500	0.000	0.000
Shrub End Depot	0.000	0.370	0.000	0.000	0.000
Stanway Community Centre	0.000	0.083	0.000	0.000	0.000
CNGS The Walk	0.000	0.400	0.000	0.000	0.000
LFFN	0.000	0.265	0.000	0.000	0.000
Heat Network	0.000	0.000	2.052	0.000	0.000
Land and Property Obligations- see confidential Appendix	0.000	0.000	5.000	0.000	0.000
Stanway Community Centre Toucan Crossing	0.000	0.200	0.000	0.000	0.000
Grid Connections	0.000	1.000	0.000	0.000	0.000
Microgrid and Solar Farm	0.000	0.000	5.700	0.000	0.000
Town Deal					
Transforming Youth Provisions	0.000	0.297	0.839	0.000	0.000
Town Centre and Gateways Public Realm	0.000	2.218	0.553	0.000	0.000
Town Centre and Gateways Historic Buildings	0.000	1.377	0.000	0.000	0.000
Heart of Greenstead	0.000	2.604	10.751	0.000	0.000
Digital Connectivity	0.000	2.442	0.000	0.000	0.000
Physical Connectivity	0.000	0.858	0.946	0.921	0.013
Total Additional GF schemes	0.000	12.134	26.621	0.921	0.013
Total Revised Capital Programme					
General Fund Programme	19.847	55.313	29.438	2.055	0.013
HRA Programme	42.772	32.994	56.371	50.273	16.574
Total Programme	62.619	88.307	85.809	52.328	16.587

26 January 2022

Report of	Assistant Director of Corporate and Improvement Services	Author	Richard Clifford
Title	Councillor Development Policy and Strategy		
Wards affected	Not Applicable		

1. Executive Summary

1.1 This report proposes a revised Councillor Development Policy and the introduction of a Councillor Development Strategy.

2. Recommended Decision

2.1 To approve the draft Councillor Development Policy and Councillor Development Strategy and to recommend the Councillor Development Policy to Full Council for adoption.

3. Reason for Recommended Decision

3.1 The Councillor Development Policy needs to be reviewed to ensure it remains relevant and up to date. The updated policy proposed the introduction of a Councillor Development Strategy.

3.2 Both the Councillor Development Policy and Strategy are key documents that will support the Council's bid for reaccreditation for the Councillor Development Charter (previously known as Charter Status for Elected Member Development). The benefits of the Charter are that it demonstrates that the Council's member development processes are in line with good practice. This provides reassurance to current and potential members, and to other external inspections such as Peer Reviews. It also provides a reassurance to residents that their elected representatives are provided with effective support to enable them to undertake their roles and responsibilities effectively.

4. Alternative Options

4.1 No alternative options are proposed.

5. Background Information

5.1 The Council has made a commitment to securing the Councillor Development Charter (previously known as Charter Status for Elected Member Development). The timescale for this is that the assessment must be held by the end of March 2022.

5.2 The three criteria for the Councillor Development Charter against which the Council's policies and procedures will be assessed are:-

- There is clear commitment to Councillor development and support;
- The Council has a strategic approach to Councillor development;
- Learning and development is effective in building skills and knowledge.

There are a number of elements within each criteria.

5.3 One of the suggested means of demonstrating the commitment to Councillor development is through a Councillor Development policy. The Council has such a policy, which was originally agreed in support of the initial bid for Charter Status in 2011 and it has been reviewed periodically since then. The policy has been reviewed again and some minor amendments have been made to bring it up to date. The revised policy is attached at Appendix 1.

5.4 The most significant change to the policy is the introduction of a Councillor Development Strategy (see paragraph 3.5). This is intended to be a less high level document setting out more practical aspects on the delivery of member development and current member development priorities. It is suggested that this be a live document that can be easily amended by Cabinet on the basis of recommendations from the Group as priorities change.

5.5 A proposed draft Councillor Development Strategy is at Appendix 2. The current development priorities are based on priorities identified through the Councillor training needs analysis and current Council priorities. The links to the Strategic Plan are shown to demonstrate how they link to the Council's strategic priorities. The Strategy also sets out the current preference for delivering development online and for light touch evaluation of member development.

5.6 Both the revised Policy and the Strategy were reviewed by the Member Development Group at its meeting on 21 December. The documents attached to this report incorporate the comments of the Group, who approved their recommendation to Cabinet.

6. Equality, Diversity and Human Rights implications

6.1 An EQIA for the councillor development policy has been prepared and can be accessed via the link below.

<http://www.colchester.gov.uk/CHttpHandler.ashx?id=2290&p=0>

7. Strategic Plan References

7.1 Member development supports all the Strategic Plan priorities by promoting the skills and knowledge members need in order to fulfil their roles effectively. One of the objectives of the Councillor Development Strategy is to demonstrate the links between Councillor development priorities and the Strategic Plan.

8. Financial Implications

8.1 The LGA fee for the Charter programme is £3000. This has already been met from the previous years Member Development Budget.

8.2 Any training arising from the Councillor Development Strategy will be met from existing Member Development budget

9. Standard References

9.1 There are no particular references to consultation or publicity considerations or community safety; health and safety, environmental sustainability or risk management implications.

Appendix 2

Councillor Development Policy

Introduction

Colchester Borough Council is committed to supporting local councillors in carrying out their roles as democratically elected representatives of the community and community leaders, and recognises the need to provide appropriate training, learning and development opportunities to help councillors undertake these roles.

Scope and Purpose

1.1 This policy applies to all Councillors.

1.2 The purpose of this Policy is to set out the Council's commitment to provide appropriate learning and development opportunities for all councillors, to enable them to acquire the knowledge and skills they require to be effective across all their roles and to provide a structured and planned approach to learning and development activities.

1.3 The Council recognises that continuing investment and commitment to Councillor's learning and development is integral to achieving the Council's strategic objectives and the delivery of high quality services.

Key Principles

Equality of Access and Opportunities

2.1 All Councillors will have equal access to and participation in training and development opportunities, subject to their personal needs, taking into account those with work or family commitments.

2.2 Councillors will have the opportunity to benefit from training and development opportunities, regardless of disability, race, national ethnic or social origin, gender, sexuality, age or religion.

2.3 All members must have due regard to the Members Code of Conduct and the Nolan principles and regular updates must be provided to members as part of the member development programme.

Councillor-led Approach

2.3 The Council's approach to learning and development will be Councillor-led with representatives from all political groups invited to participate in the planning, delivery and evaluation of Councillor development activities. Councillors are encouraged to identify their own development needs and participate fully in development events.

2.4 The Portfolio Holder with responsibility for member development shall chair an all party Member Development Group. The Group will advise on the planning, delivery and evaluation of Councillor development activities and where appropriate report and make recommendations to

Cabinet on Councillor development issues. In addition to the Portfolio Holder, each political group shall nominate one representative to the Group.

2.5 The Member Development Group will make recommendation to Cabinet and will report to Cabinet on an annual basis.

Resources

2.5 The Council will allocate a budget for Councillor development. The Member Development Group will regularly monitor the Councillor development budget.

2.6 Councillor entitlements to travel and subsistence for attendance at learning and development events is stated in the Members' Allowances Scheme.

Identifying Development Needs

3.1 To support the Council strategic priorities there will be a process for identifying learning and development needs at all levels:-

- Individual
- Political Groups
- Corporate/Strategic

3.2 To identify training and development needs at an individual level every Councillor will be offered the opportunity to formally identify their training needs on a regular basis.

3.3 Identification of learning and development needs at political group level will be through the political group representatives on the member development group.

3.4 Identification of learning and development needs at a corporate or strategic level will be thorough the Council's business planning processes, including the Leadership Team.

3.5 A Councillor Development Strategy should be prepared by the Member Development Group to identify the priority areas for development and how these should be met. The Strategy should identify how these link to the Council's strategic objectives.

Mandatory Training

4.1 Councillors must undertake relevant training and development before sitting on Committees and Panels exercising quasi-judicial functions, the details of which will be set out in the relevant Committee's Procedure Rules.

4.2 All Councillors should undertake regular training in respect of Safeguarding, Equality and Diversity and GDPR.

4.3 All newly appointed Chairs of Committees and Panels must undertake training in chairing skills within 3 months of appointment, unless they have significant experience of chairing meetings in a Local Authority environment.

Delivery of Activities

5.1 The Council will seek to use a wide range of methods to provide Councillors with the opportunities to meet identified learning and development needs. This will include online learning and briefings and training delivered remotely.

5.2 Information about learning and development events will be published well in advance and appropriately publicised.

Evaluation

6.1 The Council will ensure that learning and development is evaluated in benefits and impacts, including value for money. This will include both immediate review of individual learning and development activity and high level evaluation of how learning and development has contributed to the achievement of the Council's strategic objectives.

6.2 As part of this process of evaluation, an annual report on member development activities will be made to Cabinet.

Roles and Responsibilities

7.1 Individual Members are responsible for identifying their learning and development needs and for seeking opportunities to improve their effectiveness and increase their potential. They are responsible for sharing knowledge and skills amongst other members.

7.2 The Member Development Group will be responsible for monitoring the of councillor development and ensure it meets members' needs and for the preparation of the Councillor Development Strategy. The Group will also monitor the councillor training budget, overseeing the evaluation of development and monitoring the application of this policy.

7.3 The day to day management of councillor development will be the responsibility of Democratic Services and a named officer will be identified with responsibility for councillor learning and development. The current officer with responsibility for councillor development is Richard Clifford, Lead Democratic Services Officer.

Leadership Academy

8.1 The Council is committed to the development of the leadership of the Council and all members of the Cabinet and Group Leaders are encouraged to attend the IDEA's Leadership Academy. The Council will fund one place, at Leadership Academy each year from the core councillor training budget. The place will be allocated by the Leader of the Council.

Appendix 3

Councillor Development Strategy

Purpose

The purpose of the Councillor Development Strategy is to set out the priorities for Councillor Development within Colchester Borough Council and how this should be delivered. It sits underneath the Councillor Development Policy which sets out the overall framework for Councillor Development and the principles which underpin it.

The Strategy has been prepared by the all party Member Development Group and agreed by Cabinet. The Strategy is designed to be a live document which should be reviewed on a regular basis by the Member Development Group.

Member Development Priority Areas

The current priority areas for member development are set out below. These priority areas have been agreed by the Member Development Group and take account of the results of Training Needs Analyses completed by Councillors. They also take account of priorities identified through the Member Development Group and recommendations from the Council's Committees and Panels.

Subject	Purpose	Links to Strategic Pan
Budget Workshops	<p>To ensure all members are kept informed of the budget setting process and the development of the budget throughout the municipal year.</p> <p>To provide a forum where all members can contribute ideas or suggestions that support budget setting process</p>	Indirectly supports all Strategic Plan priorities
Partnerships	<p>To keep members informed of the Council's work with partners and hoe these contribute to the Council's strategic objectives.</p> <p>To foster greater understanding of the work of partner organisations and how this impacts on the borough</p> <p>To foster better working relationships with partner organisations.</p>	Indirectly supports all Strategic Plan priorities
Community health and wellbeing	To increase members awareness of some of the	Creating Safe, healthy and active communities –

	<p>health related issues facing the borough,</p> <p>To keep members informed of the response by the Council and its partners to the Covid 19 pandemic</p> <p>To help partner organisations to provide key information to partners to promote with the communities they represent.</p>	tackle the causes of inequality and support our most vulnerable people.
Support for residents and impact of changes to the benefits system	To increase members awareness of some of the changes to the benefits systems, including the ending of the Universal Credit uplift, and the support provided to residents to mitigate this.	Creating Safe, healthy and active communities – tackle the causes of inequality and support our most vulnerable people.
Local Plan/Garden Community	<p>To keep members updated on the development of the Local Plan.</p> <p>To raise awareness and knowledge of members on policies contained in the emerging and adopted Local Plan, and significant developments in respect of the development of the Garden Community.</p>	Delivering homes for people who need them – create new communities and adopt a new Local Plan that delivers jobs, homes and the infrastructure to meet the borough's future needs.
Resilience and work/life balance for Councillors	To provide Councillors with support and strategies to help them manage the stress and challenges of the role, particularly in the wake of the demands of the Covid 19 pandemic	Indirectly supports all Strategic Plan priorities

Mandatory training

Councillors must undertake relevant training and development before sitting on Committees and Panels exercising quasi-judicial functions. Training on planning, licensing and the code of conduct will be offered at the start of the municipal year to ensure tht those members who are

appointed to regulatory committees have an opportunity to undertake the training and take their place on the Committee.

General refresher sessions should be offered through the course of the municipal year in order to keep members training up to date and to ensure there is a sufficient pool of trained substitutes.

Training on more specific specialised issues should also be considered throughout the course of the municipal year.

Induction

Following each election a structured induction programme for newly elected Councillors must be delivered. The aim of the programme is to ensure members are given the necessary information to enable to take on their role effectively as soon as possible, and to enable them to understand quickly how the Council; works. The content of the structure of the induction programme may vary for year to year, but should be approved by the Member Development Group in advance. It should normally include the following:-

- An introduction to the structure and management of the Council and the Council's companies;
- Key contacts and FAQs;
- Familiarisation with the Council offices;
- Meeting rules and etiquette;
- Access to the relevant IT systems;
- Provision of IT equipment and training in how to use it;
- Mandatory training;
- Code of Conduct.

Delivery tools

A range of tools should be used to deliver member development. Whilst the in person session led by a trainer or senior officer remains at the heart of the member development programme, a flexible approach should be taken and other delivery methods should be used where appropriate, and a blended approach using a number of methods, taking account of different learning styles, may be appropriate.

Alternative methods of development delivery can include:-

- Attendance at external training courses
- The circulation of written briefings and material;
- Webinars
- Online training
- Workbooks

Council has expressed a view that the mandatory training on GDPR, Safeguarding and Equality and Diversity is best delivered through online training.

Since the onset of the Covid 19 pandemic, the delivery of member development sessions has moved online and sessions are now delivered through Microsoft Teams. This has led to an increased attendance at member development sessions. This has advantages in that:-

- Members are able to attend without making a visit to the Town Hall, so is less demand on members' time. Development can be more easily slotted in to members other commitments.
- Sessions can be more easily recorded and then made available to members who were unable to attend.
- There is no attendance limit set by the capacity of a meeting room.

Therefore online remains the preferred method for the delivery of member development sessions, although it is recognised that there may be occasions on which an in-person meeting is more suitable.

Evaluation

It is important that development is evaluated to assess its impact to the organisation and to ensure that the resources invested in development are providing value. Member development sessions should be evaluated through the use of feedback forms and significant member development initiatives, such as induction or particular programmes of development in which significant resources has been invested, should be evaluated. However, that evaluation should be comparatively light touch and should be mindful of both officer and Councillor resource.

Where external training is commissioned and providers seek their own feedback/evaluation this should be shared with the Council.

The Member Development Group is responsible for the monitoring the evaluation of member development and should report on annual basis to Cabinet.