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DIRECTOR OF STRATEGY,
PERFORMANCE AND
GOVERNANCE'S OFFICE
DIRECTOR OF STRATEGY, PERFORMANCE
AND GOVERNANCE
Paul Dodson

21 January 2020

Dear Councillor

You are summoned to attend the meeting of the;

STRATEGY AND RESOURCES COMMITTEE

on **WEDNESDAY 29 JANUARY 2020** at 7.30 pm.

in the Council Chamber. Maldon District Council Offices, Princes Road, Maldon.

A copy of the agenda is attached.

Yours faithfully



Director of Strategy, Performance and Governance

COMMITTEE MEMBERSHIP	CHAIRMAN	Councillor B E Harker
	VICE-CHAIRMAN	Councillor Miss S White
	COUNCILLORS	R G Boyce MBE Mrs P A Channer, CC M R Edwards Mrs J L Fleming A S Fluker A L Hull K M H Lagan C Mayes N G F Shaughnessy R H Siddall N J Skeens Mrs J C Stilts C Swain Mrs M E Thompson

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AGENDA
STRATEGY AND RESOURCES COMMITTEE
WEDNESDAY 29 JANUARY 2020

1. **Chairman's Notices (please see overleaf)**
2. **Apologies for Absence**
3. **Minutes of the Last Meeting** (Pages 7 - 88)

To confirm the Minutes of the Strategy and Resources Committee held on 5 December 2019 (copy enclosed).

4. **Disclosure of Interest**

To disclose the existence and nature of any Disclosable Pecuniary Interests, other Pecuniary Interest or Non-Pecuniary Interests relating to items of business on the agenda having regard to paragraphs 6 – 8 of the Code of Conduct for Members.

(Members are reminded that they are also required to disclose any such interest as soon as they become aware should the need arise through the meeting.)

5. **Public Participation**

To receive the views of members of the public on items of business to be considered by the Committee (please see below):

1. A period of ten minutes will be set.
2. An individual may speak for no more than two minutes and will not be allowed to distribute or display papers, plans, photographs or other materials.
3. Anyone wishing to speak must notify the Committee Clerk between 7:00pm and 7:20pm prior to the start of the meeting.

6. **Draft North Quay Regeneration Development Brief - Approval for Public Consultation** (Pages 89 - 130)

To consider the report of the Directors of Strategy, Performance and Governance (copy enclosed).

7. **Air Quality Action Plan - Improving Taxi Emissions** (Pages 131 - 134)

To consider the report of the Director of Service Delivery (copy enclosed).

8. **The Crouch Valley Festival of Food and Drink** (Pages 135 - 146)
To consider the report of the Director of Service Delivery (copy enclosed).
9. **Bradwell B Governance** (Pages 147 - 152)
To consider the report of the Director of Strategy, Performance and Governance (copy enclosed).
10. **Local Development Scheme 2020 - 2022** (Pages 153 - 170)
To consider the report of the Director of Strategy, Performance and Governance (copy enclosed).
11. **Community Infrastructure Levy Grant Offer** (Pages 171 - 174)
To consider the report of the Director of Strategy, Performance and Governance (copy enclosed).
12. **Council Tax Support Scheme** (Pages 175 - 186)
To consider the report of the Director of Service Delivery (copy enclosed).
13. **Supplementary Estimate - Fixed Term Financial Resource** (Pages 187 - 190)
To consider the report of the Director of Strategy, Performance and Governance, (copy enclosed).
14. **Capital Project Bids 2020 / 21** (Pages 191 - 212)
To consider the report of the Interim Section 151 Officer (copy enclosed).
15. **Capital and Investment Strategies for 2020 / 21 and Minimum Revenue Statement 2020 / 21** (Pages 213 - 224)
To consider the report of the Interim Section 151 Officer, (copy enclosed).
16. **Treasury Management Strategy 2020 / 21** (Pages 225 - 274)
To consider the report of the Interim Section 151 Officer, (copy enclosed).
17. **Discretionary Fees and Charges 2020 / 21** (Pages 275 - 294)
To consider the report of the Interim Section 151 Officer (copy enclosed).
18. **Revised 2019 / 20 Estimates, Original 2020 / 21 Budget Estimates and Council Tax 2020 / 21** (Pages 295 - 322)
To consider the report of the Interim Section 151 Officer (copy enclosed).

19. **Any other items of business that the Chairman of the Committee decides are urgent**
-

Report for Noting:

In accordance with the Council decision (Minute No. 542 refers), the following report is for noting and a copy has been placed in the Members' Room and on the I Drive for Members' information.

- Bradwell B Project Funding Income
-

NOTICES

Sound Recording of Meeting

Please note that the Council will be recording any part of this meeting held in open session for subsequent publication on the Council's website. Members of the public attending the meeting with a view to speaking are deemed to be giving permission to be included in the recording.

Fire

In event of a fire, a siren will sound. Please use the fire exits marked with the green running man. The fire assembly point is outside the main entrance to the Council Offices. Please gather there and await further instruction.

Health and Safety

Please be advised of the different levels of flooring within the Council Chamber. There are steps behind the main horseshoe as well as to the side of the room.

Closed-Circuit Television (CCTV)

This meeting is being monitored and recorded by CCTV.

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**MINUTES of
STRATEGY AND RESOURCES COMMITTEE
5 DECEMBER 2019**

PRESENT

Chairman	Councillor B E Harker
Vice-Chairman	Councillor Miss S White
Councillors	Mrs P A Channer, CC, M R Edwards, A S Fluker, A L Hull, K M H Lagan, C Mayes, N G F Shaughnessy, R H Siddall, N J Skeens, Mrs J C Stilts, C Swain and Mrs M E Thompson

1. CHAIRMAN'S NOTICES

The Chairman drew attention to the list of notices published on the back of the agenda.

2. APOLOGIES FOR ABSENCE AND SUBSTITUTION NOTICES

Apologies for absence were received from Councillors R G Boyce MBE and Mrs J L Fleming.

In accordance with notice duly given Councillor M W Helm was attending as a substitute for Councillor Boyce and Councillor E L Bamford was attending as a substitute for Councillor Mrs Fleming.

3. MINUTES OF THE LAST MEETING

RESOLVED

- (i) that the Minutes of the Strategy and Resources Committee held on 17 October 2019 be received.

Minute 464 – Appointment of Chairman and Vice-Chairman

It was noted that Councillor M S Heard had raised the accuracy of this Minute at the Council meeting on 21 November 2019, where it was agreed that this matter would be considered by this Committee at its next meeting.

Members were advised that following review of the sound recording of the meeting, the following amendments to this Minute were suggested:

“Prior to consideration of this item of business, the Director of Strategy, Performance and Governance welcomed everyone to the first meeting of the Strategy and Resources Committee. He advised that he was in the chair to start

proceedings and deal solely with the appointment of the Chairman and Vice-Chairman of the Committee.

At this point, Councillor R G Boyce made a proposal in respect of the appointment of the Chairman of the Committee. ~~He then raised a point of order requesting that his proposal should be put to the vote.~~ In response, the Director of Strategy, Performance and Governance advised that nominations for the positions of Chairman and Vice-Chairman had not yet been sought.

With permission, Councillor M S Heard addressed the Committee asking Members to consider the appointment of an independent Chairman or Vice-Chairman. ~~During this Councillor Boyce raised a point of order requesting that his proposal should be put to the vote. The Director of Strategy, Performance and Governance clarified that he had not yet reached nominations for Chairman and Vice-Chairman and that he was happy for Councillor Heard to continue.~~

The Director of Strategy, Performance and Governance called for nominations...”

These amendments were duly agreed by the Committee.

RESOLVED

- (ii) that subject to the above amendments, the Minutes of the Strategy and Resources Committee held on 17 October 2019 be agreed.

4. DISCLOSURE OF INTEREST

Councillor Mrs P A Channer disclosed a non-pecuniary interest as a Member of Essex County Council in any item on the agenda relating to the County Council. She made specific reference to Agenda Item 15 – 2020 / 21 Fees and Charges Policy.

5. PUBLIC PARTICIPATION

The Chairman advised that in accordance with the Public Speaking Protocol a request to speak had been received from Mr C Morris. Mr Morris then addressed the Committee in respect of Agenda Item 11 – Supplementary Estimates, Virements and Use of Reserves 1 April – 30 September 2019 and a response was provided by the Interim Section 151 Officer.

Councillor Morris left the meeting at this point and did not return.

6. REVIEW OF ADVICE SERVICES FUNDING 2020 / 21

Prior to considering the report, Mr Philip Wakeling and Ms Justine Southgate from the Maldon Citizens Advice (MCA) gave a short presentation to the Committee. The presentation outlined the work the MCA, the benefit to residents of the Maldon District and its plan for the next three years.

The Committee considered the report of the Director of Service Delivery, seeking Members' consideration of the implications for the reduction in funding to the MCA for 2019 / 20 and the levels of funding proposed for 2020 / 21.

The report provided background information regarding the MCA, its contract to deliver an Advice Service for the Council, the funding provided as part of this contract, reductions seen to funding and the impact that had been seen to services. A table within the report highlighted performance to date and it was noted that the MCA continued to deliver on all priorities set in the contract.

Members were asked to consider the funding levels to the MCA for 2020 / 21 and the report set out a number of options. Members discussed the options and the exceptional work of the MCA and the benefits this work brought to residents of the District was commented on. A number of Members spoke in support of the work of the MCA and how they felt the option to increase the funding to its previous level should be supported.

At this point, Councillor Mrs P A Channer declared that she was chairperson of a Maldon Advisory Hub Board which had had involvement with the MCA.

In response to a question, the Interim Section 151 Officer clarified that if Members agree to increase the funding as per recommendation (iv) in the report this would become a growth item and if the Council failed to find any other budget savings from 2020 / 21 this money would have to come from reserves.

Councillor B E Harker proposed from the chair that the Council be asked to accept recommendation (iv) as set out in the report to return funding of the MCA to the previous level of £73,000. Upon a vote being taken this was agreed. It was further clarified that the proposal related to the increase from 1 April 2020.

In response to a question regarding creating a three-year rolling contract, the Interim Section 151 Officer advised that Officers would sit down with the MCA to look at a three year Service Level Agreement.

RESOLVED

- (i) That the contents of the report be noted;

RECOMMENDED

- (ii) That funding to the Maldon Citizens Advice is increased to the previous level of £73,500 from 1 April 2020.

7. HUMAN RESOURCES STATISTICS - QUARTER TWO 2019 / 20

The Committee received and noted the report of the Director of Strategy, Performance and Governance presenting Human Resources statistics for the period 1 July to 30 September 2019 (Quarter Two (Q2)).

Statistics and updates relating to the following areas were detailed in the report:

- Labour Turnover;

- Recruitment, including vacancies;
- Staff Sickness Levels;
- Workforce Statistics – attached as Appendix 1 to the report;
- Future Model.

It was noted that there had been some challenges seen during this quarter due to staff redundancies and changes in the new structure. The new Council model went live within Quarter Three and it was reported that a period of greater stability should therefore be seen during this period.

In response to questions, the Director of Strategy, Performance and Governance provided the Committee with the following information:

- A monthly list of starters and leavers was available on the Council's intranet and should Members not be able to access the information other arrangements could be made.
- The profile of Mental Health First Aiders had been raised across all staff as part of the transformation process. The Director was unable to advise whether there had been an increase in the use of these as due to the confidential nature of their work records could not be kept and there was therefore no statistical information available.

RESOLVED that the contents of the report be noted.

8. MALDON MARKET ARRANGEMENTS

The Committee considered the report of the Director of Service Delivery seeking a time limited rolling extension to the current Maldon Market arrangements to enable Officers to deliver options for the provision of a Market in the future.

The report provided an update on the current operations of the Maldon Market in Butt Lane car park. It was noted however that the Market's offer remained limited to a few staff each week. Members were asked to consider a rolling extension to the Market to enable the new Prosperity Theme Lead and Commercial Manager to develop options for the future operation of a Market in Maldon Town.

In response to a question regarding involvement of the Maldon Market Working Group in discussions around the Maldon Market, the Director of Strategy, Performance and Governance advised that Officers would work with the Working Group to develop options for the future operation of the Market in Maldon. These recommendations would then be brought back to a future meeting of this Committee. The Chairman suggested that recommendation (ii) be amended to include reference to this work being in consultation with the Working Group.

Following further discussions it was agreed that recommendation (ii) be amended to include reference to consultation with the Maldon Market Working Group and that a meeting of the Working Group would take place no later than the end of March 2020. This amendment along with recommendation (i) as set out in the report were duly agreed.

RESOLVED

- (i) That a rolling extension to the current Maldon Market arrangements be agreed;
- (ii) That the Director of Service Delivery be instructed to work with the Maldon Market Working Group (to meet no later than the end of March 2020) and provide an update to the Strategy and Resources Committee no later than June 2020.

9. MALDON DISTRICT COUNCIL AFFORDABLE HOUSING AND VIABILITY SUPPLEMENTARY PLANNING DOCUMENT - CONSULTATION ON DRAFT AMENDMENT

The Committee considered the report of the Director of Strategy, Performance and Governance providing Members with an update on the recent consultation on the proposed amendment to the Affordable Housing and Viability Supplementary Planning Document (SPD).

The Affordable Housing and Viability SPD had been adopted by the Council in November 2018 but when applying the SPD an issue had arisen regarding part of the flow chart at Fig 2 on page 38 of the SPD. The report highlighted the proposed amendment to the SPD to resolve this, approved by the Planning and Licensing Committee in June 2019. It was noted that consultation on the amendment had taken place and a summary of the comments received were set out in the report.

In response to comments from the Committee regarding the changes made to the SPD, the Director of Strategy, Performance and Governance took Members through the amendments and advised that he could circulate a document which highlights the changes. It was agreed that if Members were mindful to agree recommendation (ii) a document showing the changes would be submitted to the Council.

The chairman then put the recommendations as set out in the report, with the addition of a further Appendix showing the changes (as detailed above). This was duly agreed.

RESOLVED

- (i) That the consultation and Officer responses as set out in this report be noted;

RECOMMENDED

- (ii) That the proposed amendments (**APPENDIX 1** to these Minutes) to the Affordable Housing and Viability SPD (attached as **APPENDIX 2**) be agreed.

10. RURAL SETTLEMENT LIST

The Committee considered the report of the Director of Resources presenting for approval the Rural Settlement List for 2020 / 21 (attached as Appendix A to the report) and consider Rural Rate Relief for eligible businesses.

It was noted that there had been no significant developments in the District and therefore no changes were proposed to the previously published Rural Settlement List.

In response to a question regarding what eligible business could claim rural rate relief, the Director of Service Delivery advised that he would provide this information to Members outside of the meeting.

RESOLVED that the Rural Settlement List for 2020 / 21 be approved.

11. SUPPLEMENTARY ESTIMATES, VIREMENTS AND USE OF RESERVES (1 APRIL - 30 SEPTEMBER)

The Committee considered the report of the Interim Section 151 Officer, reporting virements and supplementary estimates agreed under delegated powers and procurement exemptions granted. The report also reported on the use of the Repairs and Maintenance reserve during the year.

Members were advised that there had been two supplementary estimates approved during the period 1 April – 30 September 2019 and these related to:

- Reinstatement of grave stone topple testing (£5,000 recurring);
- Operational costs of delivery of the new Heybridge Basin ward (£16,000 non-recurring).

One procurement exemption had also been approved for the purchase of three second-hand vehicles for the parks department. It was noted that three vehicles were purchased rather than the two originally budgeted for.

There were no virements or drawback on reserves to report for this period.

RESOLVED that the supplementary estimates and procurement exemption detailed in the report be noted.

12. BUDGETARY CONTROL (APRIL - SEPTEMBER 2019)

The Committee received the report of the Interim Section 151 Officer providing Members with key financial information on the progress to date against the agreed budget. The report provided an update on the following areas and further details were set out in the related Appendices:

- Revenue budgets (Appendix 1);
- Vacancy savings (Appendix 2);
- Agency expenditure;
- Major sources of income;
- Capital projects (Appendix 3)

It was noted that there was concern regarding a significant shortfall in the various income streams within Development Control. However, other income was performing

as expected with some exceeding profiled budgets. It was reported that some expenditure and income was accounted for at the end of the year and not all income for this period was included in the report due to process lags. Members were advised that capital projects were progressing and the programme was expected to be completed within the financial year.

In response to a number of questions raised by the Committee, the following information was provided by the Interim Section 151 Officer:

- Agency costs were initially offset against any existing budgets where there were vacant posts and if a shortfall then these monies had to be allocated from other budgets and as a last resort, reserves. Members' attention was drawn to the HR statistics report received by this Committee which details vacant posts and any mitigating factors.
- Payments relating to Planning Performance Agreements were generally paid in relation to work done and therefore retrospective. The Interim Section 151 Officer advised that he would carry out a review and provide Members with further information in respect of these.
- It was noted that the dredging works detailed in the report under the Service Delivery Directorate variances related to an area by the Hythe Quay and not the River Blackwater itself.
- The variances relating to land charges were due to a dip in the property market and in addition, it was noted that land charges was now a competitive field which also had an impact.
- Cemetery income was showing an income of 99% against the profile for this half of the year and therefore income was higher than expected.

During the discussion Councillor A S Fluker declared that he was a Maldon Harbour Improvement Commissioner.

It was noted that where variances were listed under the Resources Directorate the last bullet point should be split as the sentence relating to election management did not related to land charges.

RESOLVED that the contents of the report be noted.

13. HALF YEARLY TREASURY MANAGEMENT UPDATE

The Committee received the report of the Interim Section 151 Officer reporting on the Council's investment activity for the first half of 2019 / 20 in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) and Accountancy Treasury Management code and the Council's Treasury Management Policies and Practices (TMPs).

The report detailed the Council's investment activity for both investments and instant access reserve accounts. Security of capital had remained the Council's main investment objective, which had been maintained by following the Council's counterparty policy.

Appendix 1 to the report had been prepared by Arlingclose (who provide treasury management consultancy and advice to the Council) and provided an overview of the external economic environment. The report outlined investment activity for April – September 2019.

It was reported that the Prudential Indicators for 2019 / 20 which had been set on 29 January 2019, as part of the Treasury Management Strategy Statement, had been complied with to date and shown in Appendix 2 to the report.

RESOLVED that the Treasury Management report be noted for compliance purposes.

14. IT BUSINESS CONTINUITY REQUIREMENTS

The Committee considered the report of the Director of Strategy, Performance and Governance seeking Members' approval to fund replacement of the SAN Disk Array in conjunction with five other essential projects from the Capital Programme 2019 / 20.

The report detailed the projects where funding was sought and outlined how without this equipment and software replacement the Council would face a real and very high risk of catastrophic data loss alongside the interruption of service delivery for Officers and the public.

In response to a number of comments raised the Director of Strategy, Performance and Governance explained the need behind this request to provide resilience to the network. Internal Audit had reviewed network failure to ensure processes were in place for the future to prevent any further resilience concerns. In respect of the budget requested for these projects, Members were advised that procurements processes had been followed and reviewed to ensure that the proposed budget figure was robust in terms of providing all the services required. In response to a question, the Interim Section 151 Officer advised that if agreed the project would be added to the 2019 / 20 Capital Programme and the monies would come from usable capital reserves.

RESOLVED that the addition of the new SAN Array Disks as well as the implementation of the software for Revenue and Benefits, Civica and Uniform be approved as a capital scheme to the 2019 / 20 Capital Programme totalling an estimated £130,000.

15. 2020 / 21 FEES AND CHARGES POLICY

The Committee considered the report of the Interim Section 151 Officer seeking review of the fees and charges policies that have been put forward by Officers prior to approval of the 2020 / 21 budget and updated Medium Term Financial Strategy in January 2020.

Appendix A to the report set out the current position for each fees and charges policy including any concessions being given, further financial information and comments. The report highlighted a number of areas for consideration, including changes to policy and new policies.

In response to a number of questions and comments, the Officers present provided Members' with the following information:

- It was clarified that the proposal to introduce charging for parking on the Hythe Quay related the Council owned land at the Quay and not the public highway. The Director of Service Delivery explained that the proposed change to charging was to try and regulate cars in the area in a more coherent way. In response to a question regarding whether a car parking place was included as part of a mooring fee, the Director advised he would need to look into this and advise Members accordingly. The Interim Section 151 Officer provided further detail regarding a fair funding review which had been carried out by the Government and how income relating to car parking was now included as part of the Government formula for future funding for Local Government.
- It was noted that in respect of the change proposed in relation to Recreational Avoidance and Mitigation Strategy (RAMS) the Council would act as a collection agency for monies in the same way that it did for Section 106 agreements. The Director of Strategy, Performance and Governance provided some additional information regarding where the monies collected may go but how they would be spent on projects identified within the RAMs mitigation measures.

RECOMMENDED that the fees and charged policies outlined in **APPENDIX 3** to these Minutes be reviewed and a set of policies for Officers to follow be adopted.

Councillors A L Hull and Miss S White left the meeting at this point.

16. 2020 / 21 REVENUE BUDGET GROWTH AND SAVINGS

The Committee considered the report of the Interim Section 151 Officer setting out for Members' consideration the Revenue Growth and Savings proposal bids put forward by Officers, prior to approval of the 2020 / 21 budget and updated Medium Term Financial Strategy in January 2020.

It was noted that the Council was building a zero-based budget, based on existing service demand and legislation requirements. Members considered the following proposals relevant to the Committee:

- Budget growth proposals (detailed within Appendix 1 to the report);
- Savings and Income Generation proposals (detailed within Appendix 2);
- Repairs and Renewals projects (Appendix 3).

The Interim Section 151 Officer requested that the Committee consider removing the proposal relating to 'Street Cleansing contract uplift' from Appendix 1 (Budget Growth 2020 / 21). He explained that this related to a request to fund equipment but following review of the contract this funding was no longer required. The Interim Section 151 Officer referred to the decision of the Committee to increase funding for the Maldon Citizens Advice (MCA) and the monies allocated to the 'Street Cleansing contract uplift' could be used for the MCA.

RESOLVED

- (i) that the contents of the report be noted;

RECOMMENDED

- (ii) that Members consider the proposals set out in **APPENDIX 4** to these Minutes for growth items;
- (iii) that Members consider the proposals set out in **APPENDIX 5** to these Minutes for savings and Income generation;
- (iv) that Members consider the proposals set out in **APPENDIX 6** to these Minutes for projects to be funded from the Repairs and Renewals reserve.

17. CAPITAL PROJECT BIDS 2020 / 21

The Committee considered the report of the Interim Section 151 Officer, seeking Members' consideration of the Capital Project bids submitted for 2020 / 21 by Officers prior to the approval of the 2020 / 21 budget and updated Medium Term Financial Strategy in January 2020.

Members were reminded of the three groups into which each capital project bid (as set out in the report) had been categorised by Officers. An update on the current capital reserves was provided including the monies proposed to support the current 2019 / 20 capital programme and those monies left for future years. It was noted that any revenue consequences of the capital projects chosen would be included in the 2020 / 21 revenue budget.

Members discussed the Capital Projects bids submitted, in particular:

- Rigid Inflatable Boat (RIB) – A number of concerns were raised regarding this item, with reference made to the jet skis and harbour master's boat owned by the Council. It was felt that alternative, more cost-effective options to the proposed RIB should be looked into. In response the Director of Service Delivery reported on the proposed use for the RIB, how the revenue budget for existing boats could be utilised in respect of maintenance and the qualifications / training any officer would require before they could operate the RIB. He assured the Committee that if a more economic route could be identified it would.
- Dog / Rubbish Bins Prom Park – The Director of Service Delivery highlighted that litter was one of the areas where the Council received the highest number of complaints. He assured Members that Officers had reviewed the costs relating to this item to ensure the best value and highlighted that this was a 'Service Improvement' item.
- Council office roof repairs – In response to a question regarding this item and a request for more information about the condition of the roof, the Director of Service Delivery suggested that it be removed from the list of capital projects and revisited. If it could be demonstrated that it was 'Essential' or 'Service Failure' Officers could bring it back to Members. The Interim Section 151 Officer also suggested that further information could be brought back to

Members on the 'Service Improvement' Capital Project Bids at its next meeting where Members could then consider if an item was to form part of the capital programme or be removed from it altogether.

- Toilet Provision Maldon and Heybridge Cemetery – In response to comments the Director of Service Delivery advised that these would provide basic facilities for customers as well as officers at these locations.

Councillor R H Siddall proposed that those Capital Project Bids categorised as 'Essential' be approved but those categorised 'Service Improvement' and 'Service Failure' not be approved but brought back to the next meeting of this Committee with additional information. This proposal was duly seconded and upon a vote being taken was agreed.

RESOLVED

- (i) that the following Capital Project bids (classified as 'Essential') be included for consideration in the 2020 / 21 Capital Programme by the Council at its meeting in February 2020;
 - Wood chipper;
 - Rolling replacement Van;
 - Play site resurfacing – WMCC and Hester Place;
 - Toilet provision Maldon and Heybridge Cemetery;
 - Waste Transfer Station Containers.
- (ii) that those Capital Project Bids classified as 'Service Improvement' and 'Service Failure' not be approved but brought back for consideration at the next meeting of this Committee (January 2020) with additional information.

The meeting closed at 9.29 pm.

**B E HARKER
CHAIRMAN**

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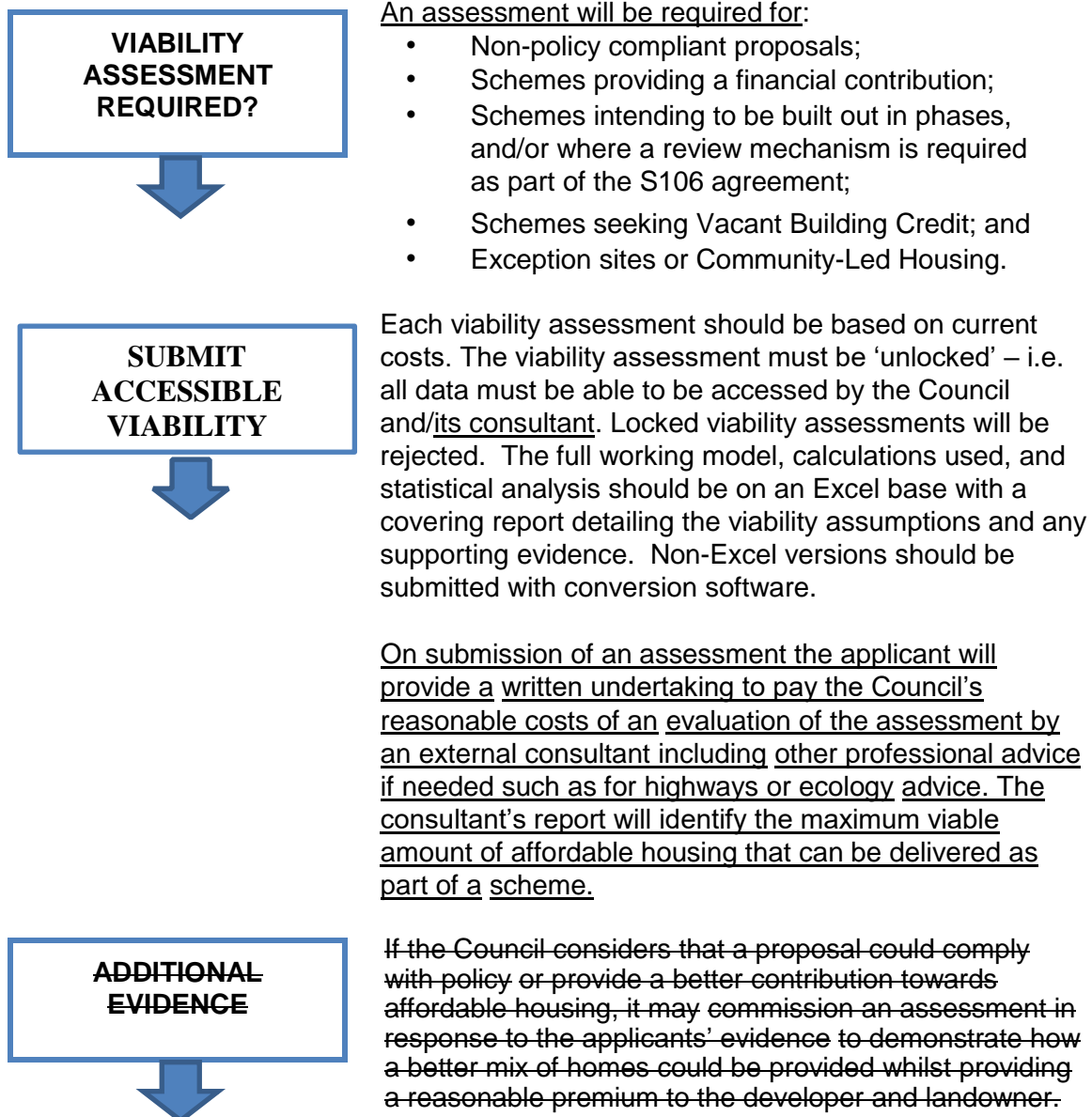
The following amendments are proposed to the Maldon District Affordable Housing and Viability SPD:

Key:

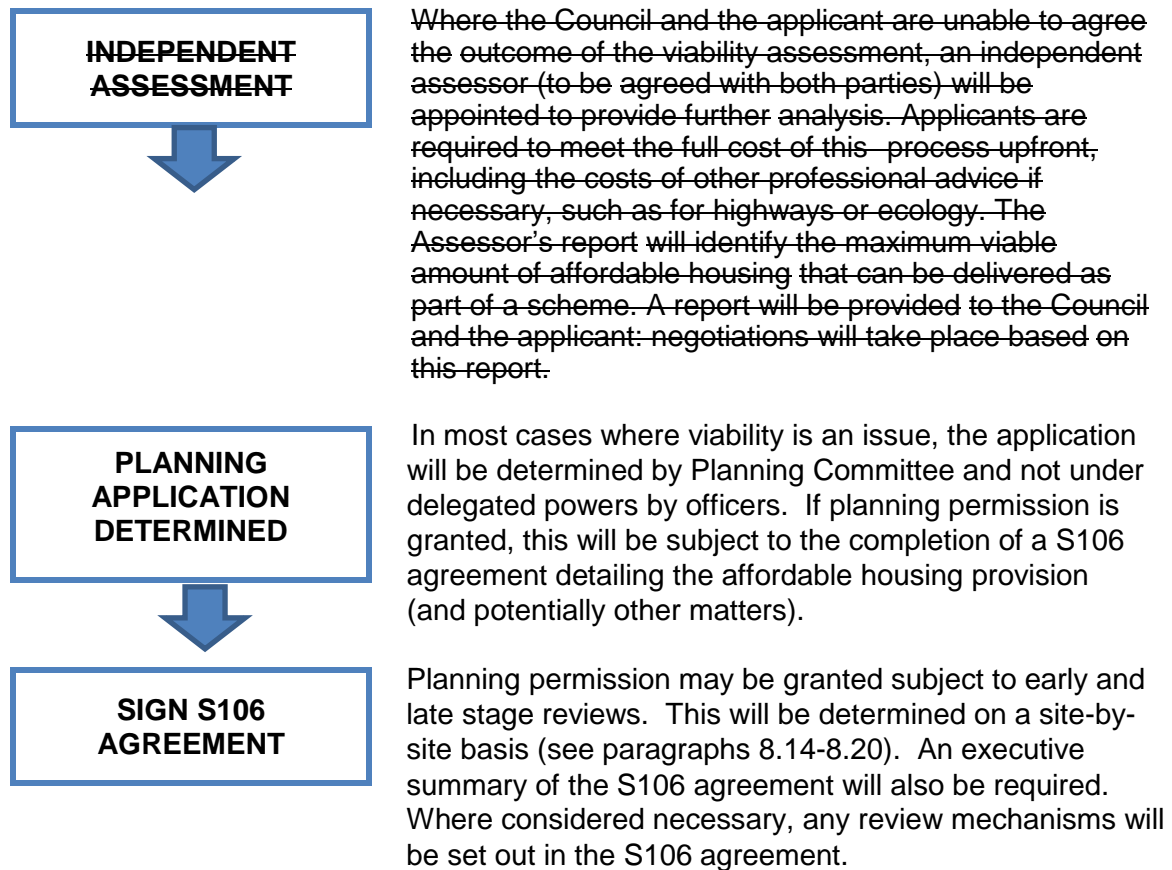
Underlining = new text

~~Strike through~~ = deleted text

Figure 2: Viability Assessment Process



Draft amendment to:
Maldon District Affordable Housing and Viability SPD

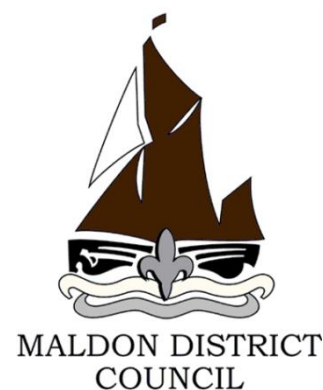


Document Control Sheet

Document title	Maldon District Affordable Housing and Viability Supplementary Planning Document
Summary of purpose	Provides additional detailed guidance to developers, Registered Providers and the community on the Council's approach to affordable housing provision, ensuring that approve Local Development Plan Policies H1, H2 and H5 ¹ are as effective as possible in delivering affordable housing
Prepared by	
Status	AMENDED DOCUMENT
Version number	Amended December 2019
Approved by	Council
Approval date	8 November 2018
Date of implementation	
Review frequency	
Next review date	
Circulation	Public
Published on the Council's website	Yes

Validity Statement

This document is due for review by the date shown above, after which it may become invalid. Users of the strategy or policy should ensure that they are consulting the currently valid version of the document.



**Maldon District
Affordable Housing and Viability Supplementary
Planning Document (SPD)**

Amended December 2019



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NOTE:

Figure 2: Viability Assessment Process (page 38) was amended in December 2019, no other changes were made to the SPD

1. INTRODUCTION

Why is this document important?

- 1.1 The Maldon District Local Development Plan (LDP) (2017)¹ seeks to deliver sustainable, quality affordable housing over the plan period (2014-2029). Specifically, this SPD is guided by the policy framework of key LDP Policy H1: Affordable Housing, as well as Policy H2: Housing Mix and Policy H5: Rural Exception Sites.
- 1.2 There is a significant need in the District for affordable housing: average incomes have fallen below the levels needed to access the owner-occupation market; many current and newly forming households struggle to afford to rent in the private rented sector; Right to Buy impacts on the number of properties available; and, there remains the risk of homelessness when private sector tenancies end.
- 1.3 The District has one of the largest gaps between local incomes and local wages in Essex. This means that it is more likely that homes on the open market will be affordable to those who work outside the District, than to those who live and work in the District. Demand for affordable housing in the District therefore outstrips existing and planned supply, particularly for local people who live and work in the area.
- 1.4 There is an identified need for 130 affordable units each year, for the next 15 years². Since 2014, only 71 affordable units have been developed, significantly less than the 390 units required (for the first three years of the plan period). This demonstrates an acute need for affordable housing in the District and an urgent need for this SPD to be adopted to enable delivery through new development.
- 1.5 This SPD provides additional detailed guidance to developers, Registered Providers and the community on the Council's approach to affordable housing provision, ensuring that approved LDP policies H1, H2 and H5¹ are as effective as possible in delivering affordable housing. This includes:
 - Providing greater clarity about what affordable housing mix and tenure the Council seeks as part of residential development;
 - Providing more guidance about financial contributions;
 - Explaining the approach to be taken to Exception Site applications;
 - Providing more guidance about the supporting information that is likely to be sought for different affordable housing proposals.
- 1.6 This SPD is set within the context of national policy including the revised National Planning Policy Framework³, local housing needs and the Council's strategic housing objectives. This SPD does not and cannot introduce new planning policy. Once adopted, this SPD will be a material consideration in determining planning applications. The SPD will then replace the Council's Affordable Housing Guide⁴.

Viability and Affordable Housing

- 1.7 The expectation is that all new housing development should comply with the level of affordable housing set out in LDP Policy H1¹. This is not always the case – negotiations to reduce affordable housing requirements and other obligations based on site-specific viability assessments should only be necessary where the site circumstances indicate that exceptional costs that will make policy compliance unviable. This SPD provides further guidance on when a viability assessment may be required, how the Council will take viability into account when considering planning applications and what supporting information will be required. This will embed the requirement for affordable housing into land values, making the viability process consistent and transparent.
- 1.8 In those cases where the Council acknowledges that an application is unable to be LDP policy compliant, more should be done to increase the affordable housing contributions during the implementation of the scheme should viability improve. This is an increasingly important part of the development management process. Detailed guidance in this SPD will explain the Council's approach to assessing financial viability through review mechanisms, if considered necessary by the Council and the applicant.

What is affordable housing?

- 1.9 The Government³ defines affordable housing as:

'Affordable housing is housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers) and complies with one or more of the following definitions:

- **Affordable housing for rent:** *meets all of the following conditions: a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); b) the landlord is a Registered Provider, except where part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and in this context is known as Affordable Private Rent).*
- **Starter homes:** *is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan preparation or decision making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.*
- **Discounted market sales housing:** *is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local*

house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

- **Other affordable routes to home ownership:** *is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.'*³

- 1.10 Homes that do not meet the above definition of affordable housing, such as 'low cost market' housing will not be considered as affordable housing in the District.
- 1.11 But the housing market is evolving: as new products become available the Council may consider other forms of housing as affordable provided that they meet local needs for those who live and work in the District.
- 1.12 LDP policy H1 is silent on the inclusion of starter homes, discount market housing and several of the other routes to affordable homes ownership: relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy, as an affordable housing product. The Council will have regard to the NPPF³ and the consideration of these products in new applications where it can be demonstrated that it addresses an affordable housing need in the District. This SPD cannot change approved Policy H1, but it can highlight how these products will be considered.

Strategic Environmental Assessment and Equalities Impact Assessment

- 1.13 A Strategic Environmental Assessment (SEA) Screening Report⁵ has been carried out (see www.maldon.gov.uk/spd) for the SPD. The Council carried out an extensive Sustainability Appraisal for the LDP and this SPD only provides detailed guidance to support the delivery of the LDP, and does not set new policy. Therefore it has been concluded that SEA of the SPD is not required.
- 1.14 An Equalities Impact Assessment⁶ is available at www.maldon.gov.uk/spd

2. POLICY CONTEXT

National policy context

National Planning Policy Framework (NPPF)³

- 2.1 The National Planning Policy Framework 2018 sets out the Government's planning policies for England and how these are expected to be applied. Paragraph 61 of the NPPF aims to promote the delivery of a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities by: *'Ensuring the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).'*
- 2.2 Specifically for affordable housing, the NPPF³ expects *'affordable housing to be provided on site unless off-site provision or an appropriate financial contribution in lieu can be robustly justified; and that the agreed approach contributes to the objective of creating mixed and balanced communities.'*
- 2.3 The NPPF³ introduces a new policy requirement:
- 'Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership [as part of the overall affordable housing contribution from the site], unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Exemptions to this 10% requirement should also be made where the site or proposed development:*
- a) provides solely for Build to Rent homes;*
 - b) provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);*
 - c) is proposed to be developed by people who wish to build or commission their own homes; or*
 - d) is exclusively for affordable housing, an entry level exception site or a rural exception site.'*
- 2.4 Paragraph 77 adds that in rural areas, housing should respond to local needs particularly for affordable housing, including through rural exception sites, where appropriate. Consideration should be given to allowing some market housing where it would facilitate the provision of significant additional affordable housing to meet local needs.

- 2.5 The NPPF³ introduces entry level exception sites which are: *‘suitable for first time buyers (or those looking to rent their first home), unless the need for such homes is already being met within the authority’s area. These sites should:*
- a) Comprise of entry level homes that offer one or more types of affordable housing as defined by the NPPF; and*
 - b) be adjacent to existing settlements, proportionate in size to them [not be larger than one hectare or exceed 5% of the size of the existing settlement], not compromise the protection given to areas or assets of particular importance in the NPPF and comply with design policies and standards.’*
- 2.6 LDP policy H1 is silent on the inclusion of 10% of affordable homes on site being for ownership and also entry level exception sites. The Council will have regard to the NPPF and the consideration of these products in new applications. This SPD cannot change approved Policy H1, but it can highlight how these products will be considered.

Planning Practice Guidance (PPG)⁷

- 2.7 The Government’s Planning Practice Guidance provides more detail on a range of planning matters identified by the NPPF³. First published in 2014, this web-based resource is regularly updated to reflect the current policy position.
- 2.8 As part of the NPPF³ review, the Government has also revised parts of the Planning Practice Guidance. Regard has been had to these changes in the production of this SPD.
- 2.9 Paragraphs 011-018 (Viability PPG, 2018) set out the key factors to be taken into account when undertaking a viability assessment. These include gross development value, current costs, land value, abnormal costs, site specific infrastructure costs and professional site fees and recent market evidence.
- 2.10 The Viability PPG (013) recognises that an allowance should be made for a landowner premium. A viable and deliverable development should *‘provide a reasonable incentive for a landowner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements’*. As such, the Viability PPG considers contributions for affordable housing should not impede the viability and delivery of development. The Council acknowledges that a premium will vary between projects but considers that the profit margin should be commensurate with the level of risk for each scheme. This SPD provides the basis for discussions with the Council. However, developers are expected to use the assumptions identified in Section 8.0 to inform the value of land.
- 2.11 The Viability PPG (018) also provides guidance on the level of developer return. It is clear that *‘it is the role of developers, not plan makers or decision makers, to mitigate [any] risk. The cost of complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan.’* On this basis the Council considers that affordable housing and other policy requirements should be taken into account when land is purchased or an option is agreed.

- 2.12 For schemes requiring phasing over the medium and longer term, changes in the value of development and costs may be considered: these forecasts should be based on relevant market data and agreed with the Council as early as possible in the application process.

Local Planning Policy

Maldon District Local Development Plan (LDP)¹

- 2.13 The LDP was approved by the Secretary of State in July 2017. This is part of the development plan for the District, covering the period 2014-2029. Policy H1 sets out the overarching framework for enabling affordable housing. Other policies in the LDP set out more specific requirements on matters such as Housing Mix (Policy H2) and Rural Exceptions Schemes (Policy H5). **These key policies are re-produced in Appendix 2.** See www.maldon.gov.uk/LDP for further information.

Neighbourhood plans

- 2.14 Neighbourhood plans that are 'made' are part of the development plan for the District. All planning applications should be in accordance with the development plan, unless material considerations indicate otherwise. Neighbourhood plans may contain policies relating to affordable housing and/or housing needs in a particular area. Further information on the status and content of neighbourhood plans is available at www.maldon.gov.uk.

Maldon District Design Guide SPD⁸

- 2.15 The SPD (2017) provides further details on LDP Policy D1, identifying the principles that should be followed to deliver good quality design of new development in the District. These principles apply equally to affordable housing and market housing.
- 2.16 Where sites or areas are subject to other guidance prepared by the Council e.g. a master plan or strategic design codes, developers must consider affordable housing requirements carefully to reflect all appropriate guidance. Further information is available at www.maldon.gov.uk/mddg

Maldon District Specialist Needs Housing SPD⁹

- 2.17 The SPD is expected to be adopted in September 2018. This covers all matters relating to specialist needs housing for older people and those with other specialist housing needs. See www.maldon.gov.uk/spd

Maldon Strategic Housing Market Assessment (SHMA)²

- 2.18 LDP Policy S2 identifies a need for a minimum of 4,650 dwellings from 2014-2029 (310 dwellings per annum). However, the LDP plans for a higher target of 5,108 dwellings to provide for a better mix and choice and to enable the delivery of affordable housing, housing for older people and housing for other specialist needs.
- 2.19 The SHMA (2014) indicates that the annual level of net new affordable housing is 130 units over 15 years, 44% of the potential annual housing delivery figure, close to the LDP affordable target level of 40%. The expectation is that the majority of the affordable

housing will be delivered through the Garden Suburbs and Strategic Sites (in Policy S2) and through qualifying housing sites in LDP Policy H1.

2.20 Other key SHMA findings are:

- The existing supply of affordable housing in the District is significantly below national and regional averages;
- Owner occupation is beyond the reach of the majority of households who do not already own their own home; a range of housing products should be considered to meet needs;
- There is a shortfall of all sizes of affordable accommodation, with the largest shortfall being for one and two-bedroom homes;
- There is an oversupply of larger, market homes compared to local need;
- In terms of tenure the greatest need is for affordable rented properties, although demand exists for intermediate housing particularly for family-sized properties;
- A significant increase in the number of older people is expected, there is a need for Extra Care/Independent Living and sheltered accommodation;
- Providing a better supply of affordable homes for older people could improve the availability of existing general needs, affordable homes.

2.21 The SHMA² suggests an affordable housing tenure mix of 80% Affordable Rent: 20% Intermediate Housing. However, to effectively balance the housing market over the plan period and over the housing market area, to improve viability and allow for the development of social rented homes by those Registered Providers who are unable to develop Affordable Rented Homes as part of the Homes England development programme the Council prefers to secure a mix of 70% affordable rent: 30% intermediate housing. This mix has been successfully secured in Section 106 agreements so will continue to be the Council's preferred approach.

2.22 The SHMA² is silent on the new affordable housing products introduced by the NPPF³. However, the Council considers that discounted market sales housing and starter homes are a type of intermediate housing, and affordable build to rent is a type of affordable rented housing. The Council will have regard to these new products when considering the tenure mix of new development.

2.23 The SHMA² suggests a housing mix, but to achieve maximum viability and delivery of affordable units, and meet as far as possible need, a different mix has been used for recent Section 106 agreements (see paragraph 4.20 for more information).

Local Housing Policy

2.24 Affordable housing has a significant role to play in meeting the Council's corporate goal of 'meeting housing needs' and preventing and relieving homelessness – co-ordinating work with Registered Providers and developers to provide affordable housing in the District continues to be a priority. Increasing the range of housing products available to people in housing need and providing quality alternatives to homelessness will help to deliver this goal.

Maldon District Draft Housing Strategy¹⁰

- 2.25 Maldon's draft Housing Strategy (2018-23) enables a step-change in the provision of affordable housing by setting out plans to manage growth and meet the changing needs and aspirations of local residents over their lifetime. This will be achieved by facilitating choice and providing ways of helping residents move through different types of tenure as their circumstances change. The Strategy also seeks to secure viable affordable housing to meet identified local needs to help achieve a more balanced, sustainable housing market and make best use of the existing housing stock.

Maldon District Tenancy Strategy¹¹

- 2.26 The Maldon Tenancy Strategy (2017) sets out how the Council expects Registered Providers and other approved providers should operate affordable housing tenancies, and how affordable homes should be managed in future. All new affordable homes must be delivered in accordance with this guidance.

3. MALDON'S AFFORDABLE HOUSING NEEDS AND PRIORITIES

- 3.1 The LDP¹ plans for a target of 5,108 dwellings from 2014 to 2029. Informed by need and demand, the SHMA² indicates that 130 affordable units are required each year over the same period, 44% of the potential annual housing delivery figure, close to the LDP affordable target level of 40%. Since 2014, only 71 affordable units have been developed, significantly less than the 390 units required by the SHMA² for the first three years of the plan period, with only 21 being delivered in 2016/17. The expectation is that the majority of the significant affordable housing shortfall will be delivered through the Garden Suburbs and Strategic Sites identified by LDP Policy S2 and through those market housing sites where LDP Policy H1 applies.
- 3.2 Securing the level of affordable housing identified by the LDP is essential to ensure that local people are able to afford to live in the District. The average income of those who live and work in the District is £511.30 (£26,572), lower than the regional level and that of other neighbouring authorities. The average price of a small flat/maisonette in Maldon is £190,000, assuming a mortgage of 3.5 times the annual income, properties are out of reach of most residents who live and work in the District. There are however, many residents who live in Maldon but work elsewhere, their income is noticeably different and are unlikely to be in need of affordable housing to the same extent.
- 3.3 This significant affordable housing shortage has increased the demand for temporary accommodation, and seen a rise in overcrowded conditions and people living in unsuitable properties. Those considered to be homeless has also increased in recent years (and is expected to rise further) partly due to an increase in the cost of private rented accommodation and home ownership, and because of the anticipated consequences of the Homelessness Reduction Act 2018. Providing the right number and type of affordable housing should help minimise homelessness and the impact that this has on public services and the local community.
- 3.4 The District has a rising ageing population, providing the right type of housing is important to meet the changing needs of older people over time: the SHMA² identifies that providing smaller affordable homes that meet their needs and aspirations, such as 1 and 2 bed bungalows and supported housing, will widen housing choice, and help people move and downsize to homes that are more appropriate to their needs. This helps improve the overall supply of affordable housing in the District in the short and long term by 'freeing up' larger, general affordable homes for families.
- 3.5 Adapting homes to meet the needs of those who are elderly or disabled can help people retain their independence in their own homes, but there will still be occasions where affordable homes designed to a specific standard are required to meet identified needs.

- 3.6 Starter Homes are identified by national policy³ as a type of affordable housing, but in the District even with a 20% discount applied through the Starter Homes initiative, properties would only be affordable for a very small number of those identified as being in need of affordable homes who live in the District. Securing affordable housing that meets the needs of the majority living and working in the District is a priority.
- 3.7 To address current housing stock imbalances and to plan for long term population and household formation changes, and reduce the amount and risk of homelessness in the District, the priority is to secure the right amount and type of affordable housing to meet local housing needs. With funding for affordable housing through Government grants reducing, the introduction of the Local Housing Allowance cap, and Registered Providers losing revenue through the imposition of rent reductions and other welfare reforms, delivery of affordable housing as part of market housing schemes is essential to sustaining output and meeting identified needs.
- 3.8 A range of housing products are available but not all will suit the District's specific housing needs: looking at local household incomes, the most appropriate type of tenure is affordable rent. These benefit local residents because rents do not exceed Local Housing Allowance levels, although even with rent restrictions larger homes at affordable rent levels may not be affordable to some families on welfare benefit. To help redress this, some homes may be required for social rent. Although a range of properties are required over the LDP plan period, the immediate priority is to secure affordable rented one and two bed units to meet identified needs². There is also a small need for three/four bed units to help address the scale of need for family units and reduce the number of overcrowded properties².
- 3.9 To help improve viability and to promote a better mix of housing products, intermediate housing is also supported e.g. shared ownership or affordable rent to buy, as long as they would be affordable to someone earning the average local wage.
- 3.10 The affordable housing market is evolving: Other new and/or innovative options such as rent-to-buy may be considered if they provide an affordable route to home-ownership, with the security of renting in the medium to long term. Community-led affordable housing schemes can also help address specific locality needs or the needs of specific groups. National policy³ has introduced discounted market housing and affordable private rent products within Build to Rent schemes. These are relatively new products but may be appropriate for the District - the Council will have regard to them in new developments where they can meet local needs.
- 3.11 It is important that affordable homes are made available to local people in need. Securing nomination rights is important for the Council when first built and then when re-letting in the future.

4. WHEN WILL AFFORDABLE HOUSING BE SOUGHT?

Which developments may require affordable housing?

- 4.1 LDP Policy H1 states that affordable housing will be sought from residential developments of more than 10 units or which have a combined gross floorspace of more than 1,000 sqm¹.
- 4.2 To ensure consistency with the Community Infrastructure Levy, the gross internal area (GIA) will be assessed using the RICS Property Measurement¹². Gross Internal Area of a building measures the internal face of the perimeter walls at each floor level, including all rooms, circulation and service space, including lifts, corridors, toilets and ancillary floorspace (e.g. underground parking), as well as conversions, garages and any other buildings ancillary to residential use. In flatted developments, it should include communal entrances, landings etc, and any related internal parking.
- 4.3 For schemes that involve demolition, the floorspace that is to be demolished will be deducted from the total provided by the new development. If a development has been demolished in the last three years, the figures from the previous development will be used.

Exemptions

- 4.4 The Planning Obligations PPG (2016, para 031)⁷ identify the circumstances where affordable housing will not normally be sought:
- householder applications (e.g. house extension or a garage) and self-build development as defined by the CIL Regulations 2014;
 - exclusively affordable housing and starter homes schemes, or the affordable housing element of a market housing scheme (other than the provision of the affordable homes themselves);
 - residential annex, staff accommodation or extension to an existing home which is incidental to the main dwelling;

In addition in the District the following other types of proposals will not usually require affordable housing:

- listed building, conservation area, advertising or tree preservation order applications (although contributions may be sought from the overarching scheme);
- replacement dwellings;
- residential institutions providing specialist housing for the elderly in Use Class C2 (excluding self-contained units – like Sheltered or Extra Care schemes). For more information see paragraphs 4.25-4.27 and the Specialist Needs Housing SPD⁹;
- purpose built hostel or holiday accommodation which are incapable of occupation for general residential purposes because of their layout, ownership, management or occupancy restrictions;

-
- Gypsy and Traveller accommodation.

Artificial sub-division of sites

- 4.5 LDP Policy H1¹ seeks to maximise the amount of affordable housing delivered in the District, and Policy H4: Effective Use of Land requires proposals to use developable land efficiently. As such, proposals which seek to circumvent the Policy H1 affordable housing requirement by developing at a low density, through a phased or piecemeal development, by re-drawing the boundary of a larger site or by sub-dividing land will not be acceptable.
- 4.6 The Council will base the affordable housing requirement on the gross number of dwellings that can be accommodated on a site. In reaching a view on this, the Council will take into account such issues as land ownership, planning history, topography, site constraints and the natural boundaries of the site.

Vacant Building Credit

- 4.7 The Planning Obligations PPG (2016, paras 021-023)⁷ state that a vacant building credit (VBC) can apply to sites where a vacant building is brought back into lawful use, or is demolished to be replaced by a new building. VBC would then reduce the requirement for affordable housing based on the amount of vacant floor space being brought back into use or being redeveloped.
- 4.8 VBC will not be automatically applied: the intention of VBC is to '*incentivise brownfield development*'⁷ and the re-use of vacant buildings so only relevant buildings will be considered as being able to generate VBC. For example, a brownfield site containing a scrap yard with few buildings would not be relevant because the amount of credit that could be applied would be limited and would do little to incentivise development.
- 4.9 Where a proposal provides a reasonable return to the landowner, a competitive profit to a developer and is policy compliant, VBC should not be applied as the development would be sufficiently incentivised and viable. Applying VBC at the outset would reduce the affordable housing contributions and potentially increase the financial returns to both landowner and developer. If a developer considers VBC should be applied, sufficient evidence will be required to ensure that an application can be considered appropriately. This may include a viability assessment (see Section 8.0). The VBC will be taken from the residual land value.
- 4.10 The Council is expecting to implement the Community Infrastructure Levy (CIL) in 2019. To enable the Council to assess VBC and CIL claims consistently, and to ensure that an applicant cannot claim that a scheme qualifies for VBC and CIL relief, a building will be considered vacant if it has been in lawful use for a continuous period of fewer than six months, within the past three years ending on the day planning permission first permits the chargeable development (to be eligible for CIL relief a building must '*be in lawful use for a continuous period of at least six months within the past three years ending on the day planning permission first permits the chargeable development*' CIL (Amendment) Regulations 2014). Until CIL is adopted the three year period will end on the day the

planning application is registered. If CIL is delayed this is consistent with national legislation so is considered appropriate.

- 4.11 It is important that VBC is used appropriately, is applied to genuinely vacant buildings, so should not be covered by an extant or recently expired planning permission and should not be protected for an alternative land use in the LDP¹ or in another planning policy document.
- 4.12 National policy⁷ states that VBC should not apply to every vacant building, therefore the Council will be mindful to a building being made vacant for the sole purposes of re-development and/or the wilful neglect of properties with the intention of securing redevelopment. Therefore, applicants must demonstrate that the relevant vacant buildings have been actively marketed on realistic terms based on the current or any permitted use for at least 12 months continuously in the previous two years. The Council may also use Council Tax, Business Rates or Electoral Register records in their VBC assessment.
- 4.13 VBC does not apply to abandoned buildings⁷. A building will be treated as 'abandoned' rather than 'vacant' where the lawful planning use of the building has been abandoned for a period of five years. Cessation of a use does not necessarily mean abandonment.
- 4.14 Where the Council considers VBC applies the developer will be offered a financial credit equivalent to the existing GIA of the vacant buildings (see paragraph 4.2). This will be deducted from the overall affordable housing contribution, either the number of affordable units sought or the financial contribution required. A worked example is set out below.

Elements of the scheme (GIA)	Floorspace (sqm)
Existing	500
Existing floorspace to be retained	250
Existing floorspace to be demolished	250
Proposed	2390
Increase in floorspace	1890

VBC Calculation

40%* of 30 units = 12 units

1890sqm as percentage of the overall development of 2390 = 79.07%

12 units x 79.07% = 9.48 units

*Policy H1 sub-area affordable housing requirement

In this case the Council will require 9 units on site and the 0.48 as a financial contribution.

- 4.15 For outline planning applications it may not be clear how many dwellings are proposed or the size of those dwellings. In these cases, it will be difficult to identify the VBC. A S106 agreement will ensure that the issue can be dealt with at Reserved Matters stage. All requests for VBC will be included in the Planning Committee report.

Affordable Housing Requirement

- 4.16 The affordable housing requirement will vary to reflect a site's location in the District and local need. LDP Policy H1¹ divides the District into the following sub-areas (see Figure 1 on page 17):

Sub-area	Requirement
North Heybridge Garden Suburb:	
S2 (d): North of Heybridge	30%
S2 (e): North of Holloway Road	40%
S2 (f): West of Broad Street Green Road	40%
South Maldon Garden Suburb	30%
Strategic allocations at Maldon, Heybridge and Burnham-on-Crouch	40%
All other developments:	
Northern Rural, Maldon Central and South and Rural South*	40%
Maldon North and Rural South East Higher*	30%
Rural South East Lower*	25%

Table 1: Affordable Housing Sub-Area Requirements

*as shown in Figure 1

- 4.17 In those cases where the requirement does not generate a whole number, a financial contribution will be sought equal to the value of the partial unit (see paragraph 5.24).

Affordable Housing Tenure

- 4.18 The SHMA² suggests an affordable housing tenure mix of 80% Affordable Rent: 20% Intermediate Housing. However, to effectively balance the housing market over the plan period and over the housing market area, to improve viability and allow for the development of social rented homes by those Registered Providers who are unable to develop Affordable Rented Homes as part of the Homes England development programme, the Council prefers to secure a mix of 70% affordable rent: 30% intermediate housing. This mix has been successfully secured in Section 106 agreements so will continue to be the Council's preferred approach.
- 4.19 The SHMA² is silent on the new affordable housing products introduced by the NPPF³. However, the Council considers that discounted market sales housing and starter homes are a type of intermediate housing, and affordable build to rent is a type of affordable rented housing. The Council will have regard to these new products when considering the tenure mix of new development.
- 4.20 When assessing the viability of a development, the total number of affordable units provided by each scheme should be policy compliant for the location and, unless otherwise agreed with the Council, should have a preferred tenure split of:
- No lower than 70% social rented/affordable rented: Generally in the District, affordable rented housing is acceptable as the preferred option; and

- No higher than 30% intermediate housing (as defined in paragraph 1.9). Generally in the District shared ownership (Homebuy) is considered the preferred option. Rent to buy and fixed equity, and other intermediate products may be appropriate if agreed with the Council's Housing Services.

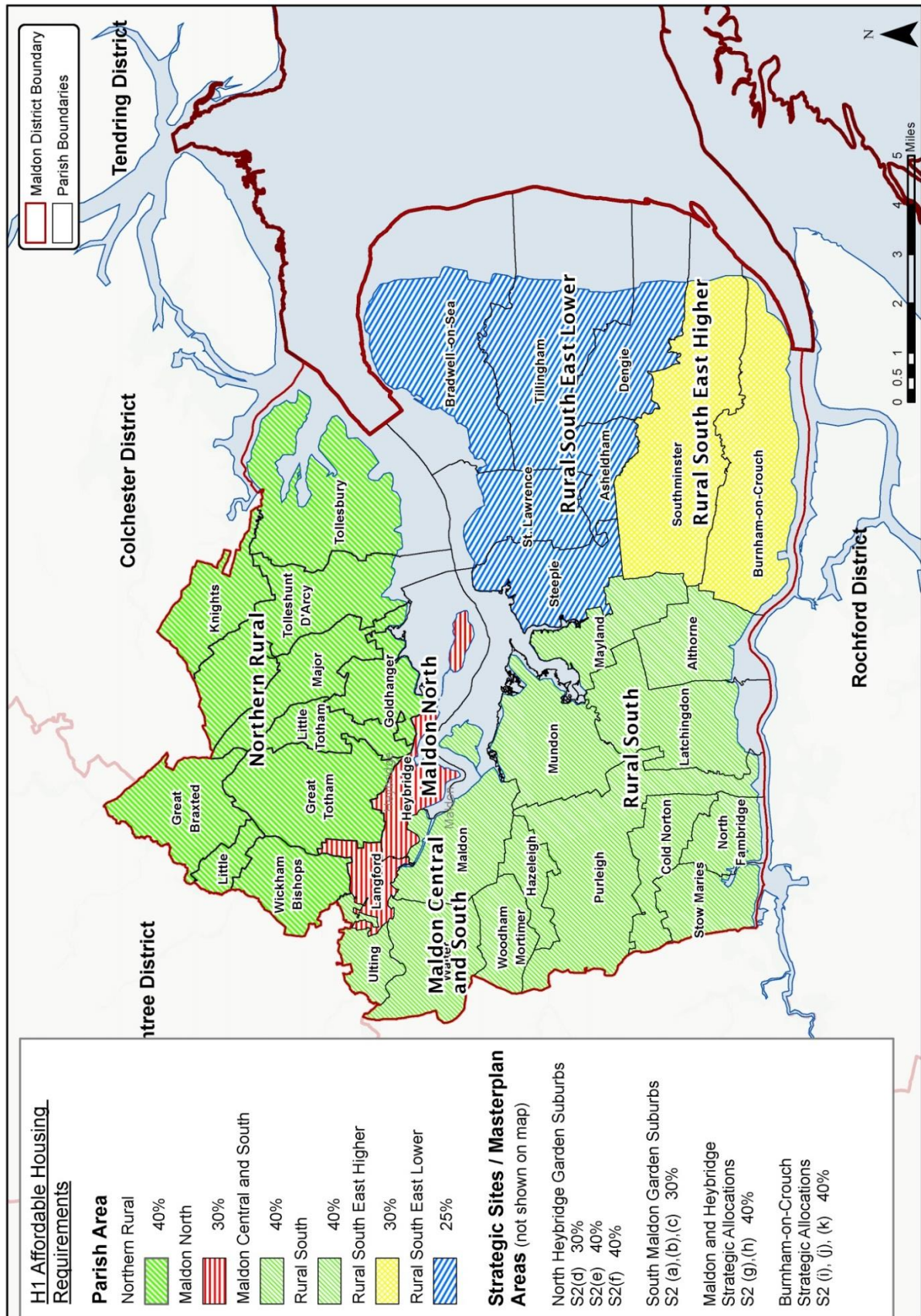


Figure 1: Local Development Plan policy H1 Affordable Housing Requirements

Affordable Housing Mix

- 4.21 There is a demand for a wide range of property sizes in the District. LDP Policy H2¹ expects a suitable mix of housing in both the market and affordable sectors to enable a better flow of existing housing stock and to meet the identified housing needs for different demographic groups in the District.
- 4.22 The SHMA² suggests a mix, but to achieve maximum benefits: to better meet unmet need and to achieve other SHMA recommendations, such as, to achieve a balance of homes that would stimulate additional supply from existing stock, maximise viability (by providing slightly more low cost home ownership), the Council considers the example mixes in Appendix 3 are more appropriate - these have been successfully secured in Section 106 agreements - and will be the starting point for discussion.
- 4.23 However, the Council may consider a different mix, for example, if local housing needs would benefit from an alternative, the location does not support the delivery of a particular size or type of homes or a revised mix would help to redress the balance of existing affordable homes in an area. This should be discussed with the Council's Housing Services at pre-application stage.
- 4.24 Schemes providing for only one age group, for example, for older people will only be expected to provide affordable housing for that age group.

Specialist Accommodation

- 4.25 Policy H3¹ supports specialist or supported accommodation where there is an identified need in the District, such as for older people and people with disabilities. This may be provided as solely affordable housing or sought as part of a market housing scheme in line with Policy H1.
- 4.26 All applications for specialist and/or supported housing should be consistent with Policy H3, and be accompanied by a business case demonstrating the financial feasibility of providing housing-related support for the relevant client group (to fulfil Policy H3 (7)). The Council will consult other relevant agencies to ensure that the provision does not place any unnecessary burdens upon the District's infrastructure, such as health and social care.
- 4.27 Over time, specialist affordable housing may no longer be viable, for example due to a lack of revenue funding or lack of demand. To ensure the District does not lose affordable housing, sufficient evidence will be required as part of the planning application (which may include a viability assessment) to demonstrate that the specialist use is no longer viable. If this is the case then a variation to the S106 agreement for the scheme will be required so that the properties can be converted to general needs affordable housing. Further details are provided in the Council's Specialist Needs Housing SPD⁹ at www.maldon.gov.uk/spd.
- 4.28 Provision of specialist accommodation should not exclude provision of affordable housing. Some proposals may include a mix of Class C2 and Class C3 housing. Provision of affordable housing will only be sought from Class C3 housing: such as Sheltered and Extra-Care schemes, and individual, self-contained C3 units, even where the occupants

receive care and/or are restricted to occupancy over a particular age and/or are located within a complex which includes some C2 (nursing home) rooms.

- 4.29 It is not always appropriate for design or financial viability reasons for affordable units within a specialist housing scheme to be located on site. In these cases a financial contribution may be acceptable. This should be agreed with the Council at pre-application stage.

Community-led affordable housing

- 4.30 Community-led housing is a way for local community groups to deliver good quality homes and/or specialist homes, in settlements or as exception sites in the rural area (see Section 6.0 for details) to meet local needs in perpetuity. These homes must be affordable. Community-led housing can be developed and/or managed by local people or residents, by not for profit organisations, such as locally based charities or almshouse providers. It can also be provided by Registered Providers and owned and managed by them on behalf of a community group.
- 4.31 This type of housing can take a variety of forms: current models include self-help housing, co-housing, co-operatives, community land trusts and community self-build. It can also include the re-use of existing buildings. Community-led housing can also be delivered through Community Right to Bid or the Community Right to Build processes.
- 4.32 Promoters should contact the Council at an early stage if community-led housing is being proposed. Evidence of the need for affordable housing in that community will be required including that affordable housing is unlikely to be accommodated through planned development in the locality. The Neighbourhood Plan process provides an opportunity to identify appropriate sites and get community buy-in early for community-led housing. Promoters must agree their nominations policy and future management approach with the Council. This will be set out in a S106 agreement (see paragraphs 5.14-5.22).

Mixed-use schemes

- 4.33 Where a scheme proposes non-residential development alongside an element of housing, affordable housing will be required for all qualifying residential development. Mixed-use schemes that are not policy compliant will need to be justified by appropriate evidence, which may include a viability assessment.
- 4.34 Where planning permission is granted for a mixed-use scheme and there is a proposal to change the use of the non-residential element to residential, a full re-assessment of the affordable housing provision will be required (see Section 8.0).

Loss of affordable housing

- 4.35 Given the acute demand for affordable housing in the District, the loss of affordable housing will not normally be acceptable unless this is to enable the provision of an equivalent or greater number of replacement affordable homes. The only exceptions would be where wider housing benefits would outweigh the loss of units in that location by providing the type of affordable housing that cannot be provided elsewhere, the

condition of stock is so poor that it is not viable to refurbish and it is not feasible to develop the same amount, for example, for design reasons. In these cases, to compensate for any loss, it is expected that the Council would require the on site affordable housing tenure and mix to meet identified local needs. The approach should be agreed at pre-application stage.

Amendments to planning permission

- 4.36 When affordable housing is being provided and amendments to a planning permission increase the number of market houses/floorspace, the affordable housing requirement sought will be a percentage of the revised total number of homes across the application site. This includes those applications where amendments increase the number of market housing/floorspace so that the threshold identified by Policy H1¹ is exceeded.
- 4.37 Where amendments are sought to a planning permission that is being delivered in phases, the affordable housing requirement will be re-assessed and applied to the total number of units proposed in the remaining phases. If the number of dwellings is increased the Council will expect an increase in affordable housing in accordance with the requirements set out in LDP Policy H1¹.

5. PROVIDING AFFORDABLE HOUSING

On Site Provision

- 5.1 Consistent with national policy, the preferred approach in the District identified by Policy H1¹ is for the on-site provision of good quality affordable housing. Where it can be demonstrated that the requirement and/or tenure mix is not viable on site, the starting point for negotiation will be the content of 4.16-4.24 above. The requirement and/or tenure mix may be re-considered to improve viability along with the possibility of providing grant or other forms of public subsidy. Only in exceptional circumstances where, a viability assessment shows that it is not feasible to deliver all, or part of the provision on-site and no grant subsidy is likely, will consideration be given to an equivalent financial contribution or the provision of free-serviced land transferred to a Registered Provider. Policy H1 does not promote the provision of developer owned land, off site in lieu of affordable housing.
- 5.2 Where some, but not all the affordable housing requirement is provided on site, an equivalent financial contribution will be sought (see paragraph 5.24).

Public Subsidy

- 5.3 So that high quality, affordable homes can be delivered that meet identified needs, the Council expects developers to cover the cost of the affordable homes so that there is no need for public subsidy (including grants, public loans and public land). The expectation is that policy compliant schemes will be viable without the need for grant or other forms of subsidy.
- 5.4 Where only a proportion of the required number of affordable homes can be secured as part of a viable scheme, a review mechanism will be incorporated in the S106 agreement to ensure that if grant, subsidy or other investment become available at a later date a review of the affordable housing provision can be secured (see Section 8.0) in accordance with a policy compliant scheme.

Design of Affordable Housing

- 5.5 To promote integrated communities, affordable housing should be designed to meet the requirements set out in the Maldon District Design Guide SPD⁸ and be indistinguishable from market housing, in terms of quality of the homes provided, the adequacy of internal living and the location and quality of outdoor amenity space and parking provision.
- 5.6 It is important that all dwellings have adequate living space to ensure that the changing needs of a household can be addressed. Good size properties also mean that the Council and Registered Providers are able to manage their stock easily as they can be allocated to a wider range of households. The size of bedrooms is important, particularly as same sex siblings may be required to share a bedroom until 16 under the new housing welfare reforms.
- 5.7 As a guide, all 2 bed properties should be designed for 4 people. This ensures that 2 bed properties can be let to 2, 3 or 4 person households. All properties with 3 or more bedrooms should include one double and one twin room to maximise the property's

potential use. All one bed properties must be designed for 2 people (i.e. have a double room). Therefore the upper limits of the Nationally Described Space Standard¹³ will be the starting point for discussion. Further guidance is set out in the Council's Housing Strategy¹⁰.

- 5.8 The District has an identified need for older persons housing. In these cases, additional space may be required to accommodate people down-sizing from larger homes and who in future may need space for aids and adaptations. The Maldon Design Guide Appendix A: Older Persons Housing⁸ and the Specialist Needs Housing SPD⁹ expects these proposals to be compliant with Building Regulations and any relevant guidance by Housing our Ageing Population: Panel for Innovation (HAPPI).
- 5.9 All new residential units will be expected to have direct access to an area of private amenity space. The form of amenity space will be dependent on the form of housing and could include a private garden, balcony or ground-level patio with defensible space from any shared amenity areas.
- 5.10 The design and layout of affordable housing will largely be addressed through the Maldon District Design Guide SPD (at www.maldon.gov.uk/mddg)⁸. The location of affordable plots should be clearly identified on submitted plans: Homes should be spread across the site in small groups of no more than 15 to 20 homes to achieve an appropriate mix with market homes, or in self-contained flatted blocks for ease of management. Clustering of affordable homes in this way avoids large concentrations of single tenure dwellings and achieves mixed and sustainable communities.
- 5.11 Dwellings designed to achieve high standards of energy efficiency will be supported. Reference should be made to the Council's Renewable Energy and Low Carbon Technologies SPD (www.maldon.gov.uk/spd)¹⁴.
- 5.12 It may also be appropriate to consider increasing the density of development to enable the delivery of additional affordable housing where this meets exemplary design standards. This will be assessed on a site-by-site basis.
- 5.13 The total number of car parking spaces for affordable homes and/or the management of the car parking arrangements should be negotiated at the pre-application stage and reflect the Vehicle Parking Standards SPD¹⁵. The capital cost of parking provision should be borne by the developer so that the designated parking results in no additional cost to the occupants.

Management

- 5.14 In general, affordable housing should be developed in conjunction with a Registered Provider, approved by Homes England. In exceptional cases, where an alternative provider is involved, they will need to be approved by the Council and will be expected to deliver affordable housing in the same way as a Registered Provider. Evidence of equivalent accountability, funding for the scheme and long-term management and maintenance arrangements will be required.

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- 5.15 A S106 agreement will be used to confirm the approach and to ensure, where appropriate, that the dwellings will remain available in perpetuity for those in housing need. There may be legitimate circumstances where affordable housing can be sold, for example, through right to buy or staircasing out of shared ownership. The provider will be expected to make every reasonable effort to recycle any subsidy for affordable housing in the District.
- 5.16 In setting affordable rents, Registered Providers should be guided by the Local Housing Allowance (LHA) rates for the District, as these rates will limit the amount of Housing Benefit available to households. Registered Providers are expected to use these rates as the upper limit in setting affordable rent levels. See the Council's Tenancy Strategy¹¹ at www.maldon.gov.uk.
- 5.17 The location, size and number of bedrooms, occupancy capacity and the tenure and phasing of affordable housing should be agreed at an early stage with the Council and the Registered Provider who will purchase and manage the affordable housing. So that the affordable housing meets all planning requirements, and the rents, service charges and maintenance are affordable to future residents, as indicated by the SHMA² annual housing costs are affordable if they do not exceed 30% of relevant local income:
- For intermediate affordable housing: based on the gross median local wage of a household in the District; and
 - For affordable rented homes: based on the gross lower quartile LHA household income.
- 5.18 Developers must ensure the affordable dwellings are transferred as completed units at a price agreed with the Registered Provider, reflecting what they can pay for the dwellings without the need for other public subsidy. LDP Policy H1¹ expects that delivery of affordable housing will be based upon the provision of free serviced land plus the cost of construction of the units and a reasonable margin based upon current recognised standards. Developers may seek to obtain a value for affordable homes that is higher than this but in so doing should not use the expectation of these higher values as a minimum threshold.
- 5.19 Appropriate occupancy and management arrangements should be put in place: a nominations agreement must be signed for affordable rented properties with the Registered Provider or other affordable housing provider so that the Council has 100% nomination rights on the first let of all affordable homes in the District, and no less than 95% of any subsequent occupancy nominations.
- 5.20 Where a Registered Provider is unable to offer the Council this proportion of nominations for some types of intermediate housing (as a result of funding agreements for example) this should be agreed with the Council at planning application stage. The agreed nominations provision will then be identified in the S106 agreement.
- 5.21 Applicants are nominated according to housing need, in accordance with that Council's current allocations policy. In some cases, such as for specialist housing, exception sites

or Community-Led housing, the Council may request that nomination rights are granted to another appropriate authority nominated by the Council.

- 5.22 The NPPF³ defines Build to Rent housing as *‘a wider tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more, and will typically being professionally managed stock in single ownership and management control’*. This means that a registered provider would not be involved. The Council would welcome discussion with a developer on any such proposals and the long term sustainability of that type of management arrangement. The process for managing affordable private rent units will be set out in a S106 agreement. This would include details of the lettings agreement, the rent levels, split of homes across the development and a management and service agreement.

Delivery of Affordable Housing

- 5.23 The expectation is that no more than 50% of the market housing on the application site should be completed before all affordable housing has been constructed, transferred or leased to the Registered Provider. Where land is being transferred the same approach will be used. This will be set out in the Heads of Terms for the S106 agreement.

Financial Contribution in Lieu of Affordable Housing

- 5.24 A financial contribution will only be acceptable where:
- a) An LDP policy compliant scheme¹ does not generate a whole number. For example, if the percentage requirement generates 3.5 properties, 3 properties should be provided on site and a contribution would be required equivalent to the 0.5; or
 - b) The scheme proposes a small number of properties but exceeds the Policy H1¹ floorspace threshold; or
 - c) To create a better quality development there are justifiable design and housing reasons for affordable housing to be located off-site. For example, if the site size would result in a design and/or type of homes that would not meet the housing requirements identified by the Council; or
 - d) Provision of any affordable homes on site would make a development financially unviable but there is sufficient value from the development to make a financial contribution; or
 - e) The Council agree that the need for affordable homes could be better served through the receipt of financial payment.
- 5.25 The percentage target will be applied to the total number of market dwellings to be provided on the application site, including any increase in market units on the application site resulting from the provision of a financial contribution. Unless the type of affordable housing provided on site indicates otherwise, it should be assumed that this will be for a 2 bedroom, 4 person terraced house: this is the most common type of affordable housing required in the District.
- 5.26 The contribution will be based upon the average benchmark price to a Registered Provider for a home of that size and tenure (at the time of the application). The Council’s

Housing Services will provide this information - these values are monitored at least twice a year.

- 5.27 All contributions will be based upon the formula below:

Developer contribution: $A = B \times C$

A: the affordable dwelling payment

B: the average price for an affordable dwelling (by size and tenure)

C: policy requirement number of units

For example if 0.1 of a two bed property is required, which a Registered Provider is paying £100,000 for, then the financial contribution would be £10,000 = 100,000 x 0.1.

- 5.28 This approach has been used in the District since 2015 and is considered to be consistent with the three tests set out in national legislation relating to the use of planning obligations. The cost is a generally accepted value between Registered Providers and developers because it is directly linked to the cost of providing equivalent affordable homes in the District without including the cost of land which would be a disproportionate level of contribution for schemes which are struggling with viability. The costs are proportionate and can also be easily updated to take account of any changes in market conditions so the approach will remain relevant in the long term.
- 5.29 Where a developer considers that the financial contribution will make a scheme unviable, the Council will expect that evidence is submitted to ensure that the planning application can be considered effectively. This could include a viability assessment.

Payment of Contributions

- 5.30 Timing of delivery is important and the structure of the S106 agreement will reflect this. No less than 50% of the contribution should be paid prior to the commencement of the construction of any housing on the application site. The remaining contribution shall be paid by the date 50% of the market units on the site, or in the phase have been completed. This should be in accordance with a scheme of works to be submitted to the Council for approval. Where a development is being constructed in phases, this will apply to each phase unless it is agreed that the provision of affordable homes can be addressed in subsequent phases. In the case of large financial contributions, it may be possible to negotiate phased payments, particularly where it helps to improve scheme viability.
- 5.31 So that a financial contribution keeps its value and reflects changes in inflation costs arising between the date of planning permission and payment, financial contributions will be adjusted in line with an index of inflation, usually the Royal Institute of Chartered Surveyors (RICS) and Building Cost Information Service (BCIS) indices. This will be set out in a S106 agreement.
- 5.32 The contribution will be ring-fenced and - because affordable housing is not capable of being funded by the Community Infrastructure Levy - if necessary, pooled, to provide or increase the proportion of affordable housing in the District; alter the tenure of

affordable homes to help deliver affordable housing; or, make changes to the existing housing stock to meet an identified housing need; or, adjust tenures to meet the need of the District. In some cases, contributions may be sought to enable the provision of affordable housing - e.g. to provide infrastructure, remediation or re-provision of open space to allow the release of a suitable site for affordable housing where this will be the most cost-effective solution and an additional affordable homes will be provided.

- 5.33 All contributions will be allocated within 10 years of receipt of the funding. This is considered to be a reasonable timescale for the delivery of affordable housing. However, where a more strategic or complex intervention is needed, or resources need to be pooled from several large scale developments, then a longer time period may be sought (up to a maximum of 15 years). If the contribution is not spent at the end of the agreed contribution period, if requested by the payee, it will be returned.

6. EXCEPTION SITES

- 6.1 The NPPF³ defines exception sites as *‘small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. A proportion of market homes may be allowed on the site at the local planning authority’s discretion, for example where essential to enable the delivery of affordable units without grant funding.’*
- 6.2 Entry level exception sites have been introduced by the NPPF³: *‘a site that provides entry level homes suitable for first time buyers (or equivalent for those looking to rent)’*. These should not be larger than one hectare in size or exceed 5% of the size of the existing settlement. Although the LDP is silent on entry level exception sites, the Council consider that the following guidance should apply to all exception sites.
- 6.3 LDP Policy H5¹ sets out the following process all applicants for Rural Exception Sites must use:

Stage 1: Getting Started

- 6.4 The best way to deliver affordable housing in rural areas is by working in partnership with key stakeholders, in particular with local communities. This includes Neighbourhood Forums who should lead on any needs identified in a Neighbourhood Plan. The Council will seek to achieve Exception Sites where the local community has given its support.
- 6.5 Registered Providers are encouraged to share information about potential development opportunities and local housing needs. Advice on housing and planning issues can be provided at pre-application stage.

Stage 2: Local Housing Needs Assessment

- 6.6 Exception sites should only be brought forward if there is a proven unmet local need for affordable housing in the area (see LDP Policy H5¹). For a community to be eligible for an exceptions site, a Housing Needs Assessment will be required. This should identify the level of affordable housing need in the Parish or relevant local area. A key part of the assessment is the Housing Needs Survey. The scope and methodology should be agreed with the Council. The survey should be widely distributed in the parish or local area, be in accordance with recognised guidelines and should address the housing need of each relevant household, including:
- Local connection information (e.g. length of time lived in the parish/area, close family living in the parish/area, employed in the parish/area, grown up in the parish/area);
 - Reasons for housing need;
 - Income and expenditure;

- Tenure appropriate to meet housing needs and aspirations;
- Household size, age and composition;
- Specific housing requirements such as need for adaptations, level access, need for housing related support.

- 6.7 The Council should be contacted for available information about housing need. Information relating to consented residential development schemes in the locality should be assessed, particularly relating to housing mix. The survey results should identify an affordable housing need and the type of that need, and that the need can be delivered through a viable development.
- 6.8 Information about household size and tenure will inform scheme design, dwelling size and tenure mix. Income information in relation to their needs and local housing costs will be assessed against the housing need criteria for the Council's housing register and will help determine whether affordable housing is needed.
- 6.9 The survey results and assessment should be discussed with the Council and the Registered Provider, if known. Only if it is clear from the survey that there are people living in the parish who are in housing need and are unable to compete in the housing market (to buy or rent) because of the level of their income, is an exception site a possibility. The survey will give an indication of the number, type and tenure of affordable homes that are needed by people with a local connection to ensure that the proposal is meeting a genuine housing need and is not providing an over concentration of a particular type of housing in an area of the District. Individual responses will be kept confidential.

Stage 3: Selecting a Registered Provider

- 6.10 It may be useful to select and work with a Registered Provider at an early stage so that guidance can be provided on the feasibility of a possible development. To ensure that the housing is developed and managed appropriately, it is important that the provider is either approved by Homes England or operates in the same way as a Registered Provider (see 5.14 for further details) and is approved by the Council's Housing Service.
- 6.11 Exceptions sites are those which are 'exceptions' to adopted planning policy. Although landowners should expect a fair return for their land the value will not be the same as that generated by a policy compliant development taking into account alternate use as well as existing use value (see Section 8). The Council may refer to other similar developments to provide a benchmark.

Stage 4: Site Selection

- 6.12 Rural exception sites should be small scale, preferably adjacent to the defined settlement boundaries and outside the strategic growth areas. Entry level exception sites should be consistent with national policy³. Applicants should consider a number of potential sites in a locality to ensure that the most sustainable is selected. This is important to justify site selection particularly if the proposed site is detached from a settlement boundary. Previously developed land and conversion of buildings should be considered: the Council's Brownfield Land Register is a good starting point (see www.maldon.gov.uk for more details).

- 6.13 The assessment for each site should include information on:
- Relationship to the built form of the existing settlement;
 - Highway, pedestrian and cycle access and safety;
 - Ability of local infrastructure to accommodate the development;
 - Accessibility to key local shops and services;
 - Environmental constraints: including landscape character, flood risk, heritage assets, ecology assets, agricultural land quality; and
 - Implications of any relevant planning policy

Information is available in the LDP evidence base (see www.maldon.gov.uk/LDP).

- 6.14 Site availability is a key factor: The willingness of the landowner to make a site available for development at the correct time, on acceptable terms and at fair value will be a key factor in determining viability and deliverability.

Stage 5: Identifying Amount and Mix of Housing

- 6.15 Once the preferred site has been selected, detailed proposals will need to be worked out with the Council's Housing Officers and the Registered Provider/enabler. The number, size and tenure mix of dwellings will vary according to the level of local need identified by the Housing Needs Survey, the nature of the site identified and the size of the existing settlement. But, the amount and type of housing proposed should be in keeping with the role, function and sustainability status of that settlement.
- 6.16 National policy³ states that an element of market housing may be appropriate on a rural exception site. The Council consider this should be the minimum needed to cross subsidise a viable affordable housing scheme, without public subsidy, to ensure the focus of the scheme remains affordable housing delivery (and keeping the land value at a level sufficient to allow a Registered Provider to be able to deliver a viable scheme).
- 6.17 All schemes must be deliverable: Viability should be confirmed, (taking account of any planning and financial constraints which exist) this could in the form of a viability assessment (see section 8.0). Where market housing is proposed the evidence will need to show that the proportion of market housing is essential to deliver the agreed amount of affordable housing identified in the Housing Needs Survey.
- 6.18 It is important that a pre-application consultation is undertaken. This provides the Registered Provider and the local community with the opportunity to clarify and confirm local expectations and modify the scheme prior to submitting a planning application.

Stage 6: Submit Planning Application

- 6.19 The Registered Provider will progress the site through the consultation, planning and development process. The design should minimise the impact on the character and appearance of the adjoining townscape and the wider countryside.
- 6.20 All exception sites are subject to a S106 agreement to ensure that the properties (or where there is a market element, the affordable units) will be available for people in housing need and prioritised for those with a local connection to the parish or group of

adjacent parishes, in perpetuity. The draft Heads of Terms should be agreed at planning application stage.

Stage 7: Delivery and Management

- 6.21 Applicants will be required to show that the type of housing and the nominations rights set out in the S106 agreement (see paragraphs 5.14-5.21) meet the needs and requirements of that local community. Amendments may be sought to the nominations rights, including the prioritisation of intended nominees where this does not adequately reflect the outcome of the public consultation. The eligibility requirements should comply with the Housing Act 1996 Part VI – the Allocation of Housing Accommodation.

7. PROCEDURE FOR NEGOTIATING AFFORDABLE HOUSING

- 7.1 Developers are expected to be familiar with the content of the LDP¹ and the guidance contained in this SPD before a planning application is submitted. Therefore all schemes should be policy compliant. To make sure that planning applications requiring affordable housing are dealt with in a consistent and transparent way a clear process will be used.

Pre-application and application negotiations

- 7.2 Developers should discuss their proposals with the Council before submitting a planning application. Pre-application discussions enable developers to positively discuss appropriate provision and justify their approach. This is particularly important in those exceptional circumstances where a scheme is not expected to be policy compliant. Pre-application discussions will highlight the likely impact of development, the amount and type of affordable housing required, and level of other developer contributions likely to be sought. This service is intended to help speed up the development process and avoid unacceptable proposals. Further information on the pre-application and planning application process is available on the Council's website www.maldon.gov.uk

- 7.3 For pre-application discussions to be productive developers need to ensure that as much information as possible is supplied. This should include, where known, information on:

- Total amount of affordable housing proposed;
- Total amount of housing proposed in terms of units and habitable rooms;
- Amount of affordable rented and intermediate housing proposed;
- Number of bedrooms, floor areas and number of people able to occupy affordable rented and intermediate housing units;
- For each tenure, the numbers of dwellings of different sizes (i.e. number of bedrooms);
- The weekly cost to the occupier of the proposed affordable units including realistic and affordable service charges;
- Details of the affordability and tenure of the intermediate homes and how these will provide for a range of income groups;
- Assumptions on cost of transfer to a Registered Provider;
- Phasing of delivery and the mechanism for handover of affordable homes;
- Nomination rights;
- Mechanisms for ensuring adequate management of the properties.

This information will form the basis of the draft Heads of Terms.

- 7.4 If pre-application discussions are not sought, affordable housing requirements will be identified when a planning application is submitted. To reflect current Government thinking the Council will expect all relevant applications to submit draft Heads of Terms containing the information identified in paragraph 7.3 and proof of title. The applicants'

solicitor's details should also be provided. Applications that do not include this information will not be validated.

- 7.5 At outline planning application stage it may not be clear how many dwellings are proposed, and potentially this number could change at reserved matters stage. Where the housing mix has not been determined in an outline planning application, the Council will append a planning condition which stipulates that the details of the housing mix are submitted as part of the Reserved Matters application and should be in accordance with the SHMA².
- 7.6 CIL will only be applied to market housing.

Section 106 agreements

- 7.7 Provision of affordable housing will be secured by Section 106 (S106) agreement. This is a deed entered into by the Council and the landowner and/or applicant which outlines the details of a planning obligation, such as affordable housing. It is made under the provisions of Section 106 of the Town and Country Planning Act 1990.
- 7.8 S106 agreements run with the land so will bind successive owners. It is recorded as a land charge. If the applicant does not own the land the landowner and any third parties of the mortgage will need to be party to the agreement. A S106 agreement may contain a number of planning obligations depending on the complexity and scale of the development and what would be necessary in order to grant planning permission.
- 7.9 It is advisable to involve a solicitor because the deed and its undertakings can restrict the use of the property or land in the future. Alternatively, some applicants may choose to use their agent or planning consultant. However a solicitor will be required to confirm title to the land concerned.
- 7.10 The length of time taken to complete a S106 agreement will vary. However, to ensure the S106 agreement process is efficient, draft Heads of Terms should be submitted with the planning application to enable the Council to finalise the agreement as soon as possible after the planning permission has been granted (subject to a S106 agreement) by Planning Committee. But this will depend on the agreement being substantially completed (and where necessary that Committee is aware of its substantive contents) and being capable of being signed by all parties soon after the decision is made. A completed S106 agreement must be agreed and in place before planning permission can be granted.
- 7.11 The Council uses a standard S106 template, with standard clauses for affordable housing. S106 agreements can be lengthy and complex: An executive summary should be provided which sets out details of the development, *'what is to be provided by each planning obligation, including any affordable housing to be provided and any trigger points for contributions'* (Viability PPG, 023). Triggers will be used to enable delivery of affordable housing or a financial contribution. Appropriate clauses will be included to secure interest for late payment from the relevant trigger point in the agreement. In exceptional cases, the original Registered Provider may be unable to fulfil their agreement to deliver the housing. To prevent the housing being lost from the affordable

stock a standard clause will be used to require the developer to secure a second Provider.

- 7.12 Legal agreements should incorporate mortgagee in possession clauses appropriately, to protect the lender's investment. Where a Registered Provider fails to repay a mortgage and the lender takes possession of the property(s), the lender can then sell the homes as market housing.
- 7.13 The developer will be expected to pay the Council's legal costs for the preparation of a S106 agreement and any deed of variation.

Re-negotiation of a S106 Agreement

- 7.14 The Council will work with developers to find solutions in cases where the viability of the scheme has been proven to have substantially changed and there is difficulty in meeting the affordable housing trigger set out in a S106 agreement or complying with other terms in the deed. Such circumstances could include: where the development is proposed on unallocated sites of a wholly different type to those used in the Whole Plan Viability Assessment¹⁶; *'where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from the standard models of development for sale; or where a recession or similar significant economic changes have occurred since the LDP was approved'* (Viability PPG, 007). An option to improve viability could be through agreeing provision at a later stage of the development, or agreeing payments by instalments. In these cases the guidance in Section 8.0 will apply.
- 7.15 A S106 agreement can be re-negotiated at any point, where both the Council and the developer/landowner wish to do so. If there is no agreement to voluntarily re-negotiate, and the S106 agreement predates April 2010 or is over 5 years old, an application will be required to change the obligation where *'it no longer serves a useful purpose'* or would *'continue to serve a useful purpose in a modified way'* (Planning Obligations PPG, 2016, 009). Guidance concerning applications received before the end of April 2016 still applies and can be found at www.gov.uk
- 7.16 Where a S106 agreement is amended a Deed of Variation will be required to ensure any relevant changes to the planning obligation are captured. The Council will not adjust the affordable housing provision downwards through the use of a Deed of Variation but will consider varying the tenure of the affordable housing (without reducing the number of units) in this way if it is agreed that viability will be improved.
- 7.17 Affordable housing is required to make a scheme policy compliant. Therefore, in those exceptional cases where it is agreed by all parties that a reduction in the level of affordable housing is required, a new or modified planning permission will be required.

Administration and Enforcement

- 7.18 The developer will be liable for the Council and the Registered Provider's legal costs and for drafting, negotiating and signing any S106 agreement and variation agreements.
- 7.19 Monitoring of obligations will be undertaken by the Council's S106 Monitoring Officer. This will ensure all obligations are secured at the right time and are delivered within the right timeframe by the Council, the developer and the Registered Provider.
- 7.20 If a S106 agreement is not being complied with, the Council will enforce obligations through the relevant legal channels once all other reasonable approaches have been exhausted. In such cases, the Council will seek to retrieve its legal costs against the party that is in breach of its obligations. The Council also has the power to enter land and carry out any works that are required and, if necessary, recover costs from the developer or landowner.
- 7.21 A regular S106 Monitoring Report to the Council's Overview and Scrutiny Committee will provide transparency: this will identify affordable housing/financial contributions negotiated and affordable housing delivered in the previous financial year, as well as those planned for the coming year. Progress with S106 agreements and expenditure in general will be reported annually in the Council's Infrastructure Funding Statement to be submitted to Government and in the Maldon District Authority Monitoring Report.

8. VIABILITY ASSESSMENTS

- 8.1. A viability assessment is an appraisal of the economics of a development. It can be used to determine what level of affordable housing an applicant could provide that would not prevent the delivery of a development.
- 8.2. It is essential that developers and agents manage the expectations of landowners. It is not acceptable for land values to be based on the price paid for land, an aspirational sum sought by a landowner, assumptions of low affordable housing delivery, excessive densities, or predicted value growth as these will lead to inflated site values. This undermines the implementation of the LDP and the ability of the Council to deliver affordable housing.
- 8.3. A viability assessment includes calculating the uplift in land value arising as a result of planning permission being granted for a proposed development. The Viability PPG (013) states that *'to define land value for a viability assessment, a benchmark land value should be calculated on the basis of the existing use value (EUV) of the land, plus a premium for the land owner. The premium for the landowner should reflect the minimum return at which a reasonable landowner would be willing to sell their land.'* This is also known as Existing Use Value Plus (EUV+). If the residual land value is below the benchmark land value for the site, the applicant should provide evidence to justify the uplift to existing and alternative use values.
- 8.4. Therefore, a viability assessment should be based on the benchmark land value for a policy compliant scheme, which should allow for the landowners premium, abnormal costs and be informed by current market evidence.
- 8.5. The Viability PPG (014) states that the benchmark land value should *'be informed by market evidence including current uses, costs and values'*. It adds that *'this evidence should be based on developments which are compliant with policies, including for affordable housing... This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.'* RICS adds that *'if market value is based on comparable evidence without proper adjustment to reflect policy compliant planning obligations, this introduces a circularity, which encourages developers to overpay for site and try to recover some or all of this overpayment via reductions in planning obligations'* (Financial Viability in Planning, 2012¹⁷). A market value approach will therefore not be accepted.
- 8.6. The Viability PPG (014) states that *'the cost implications of all relevant policy requirements including planning obligations, and where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.'* Affordable housing should be identified as a development cost because it will influence the level of uplift in land value once planning permission is granted. The Council agrees that benchmark land values that are not based on appropriate evidence do not necessarily deliver the

maximum amount of affordable housing. The Council will work with developers to agree a model which does deliver the maximum affordable housing, taking into account all other aspects of the development.

- 8.7. As such, the Council's default position is that all qualifying development should comply with LDP Policy H1¹. As the affordable housing requirements are set out in the approved LDP the Council considers that the cost of providing affordable housing, at the policy compliant level, should be factored into any land valuation prior to an offer for the land being made. The Viability PPG (014) reinforces this *'under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan. Local authorities can request data on the price paid for land (or the price expected to be paid through an option agreement).'* This approach avoids:
- 8.8. Unrealistic land value demands and the developer having to re-negotiate the land value with the landowner at a later date;
- Having to negotiate a lower than policy level of affordable housing; and
 - The risk of an application being refused.
- 8.9. But, there will be circumstances where viability is a genuine concern and needs further consideration. A viability assessment will help the Council determine whether the proposed level of affordable housing (and other developer contributions) is the maximum that can be reasonably delivered, or whether there is scope for further contributions to be made as part of a viable scheme. The Council will use the process overleaf to assess viability. A standard toolkit may also be introduced to allow comparison of sites.
- 8.10. To ensure the planning application process is open and transparent the Viability PPG (021) requires that any *'viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances. Even in those circumstances an executive summary should be made available'*. This is consistent with the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 that all information should be publicly accessible. These are qualified by a public interest test and recent tribunal decisions (e.g. Royal Borough of Greenwich vs ICO & Shane Brownie EA/2014/0122; RB and Clyne vs ICO & Lambeth EA/2016/0012): demonstrating that the public interest in keeping confidentiality rarely outweighs the public interest in disclosing information. As a result, the majority of information submitted as part of, and in support of a viability assessment, including any review or assessment of the appraisal undertaken for the Council, will be published for comment.
- 8.11. National legislation allows for limited exceptions, *such as information relating to ongoing negotiations over land purchase, information relating to compensation that may be due to individuals* (Viability PPG, 021). Developers will be required to demonstrate why disclosure of specific information would cause an 'adverse effect' and harm to the public interest. The Council will assess all exceptions against the adverse effect and public interest tests set out in national legislation. If these exceptional circumstances are likely to arise, these should be identified at pre-application stage.

Pre-Application Stage

- 8.12. At this stage, the level of detail required in a viability assessment will depend on the scale of the proposal and how much detail it contains. But if there are likely to be policy compliance issues, it is recommended that detailed viability information is provided to give the Council the opportunity to provide applicants with relevant advice. Failure to provide an assessment which has been prepared in accordance with this SPD will limit the advice the Council are able to provide, and may slow the planning process once an application is submitted.

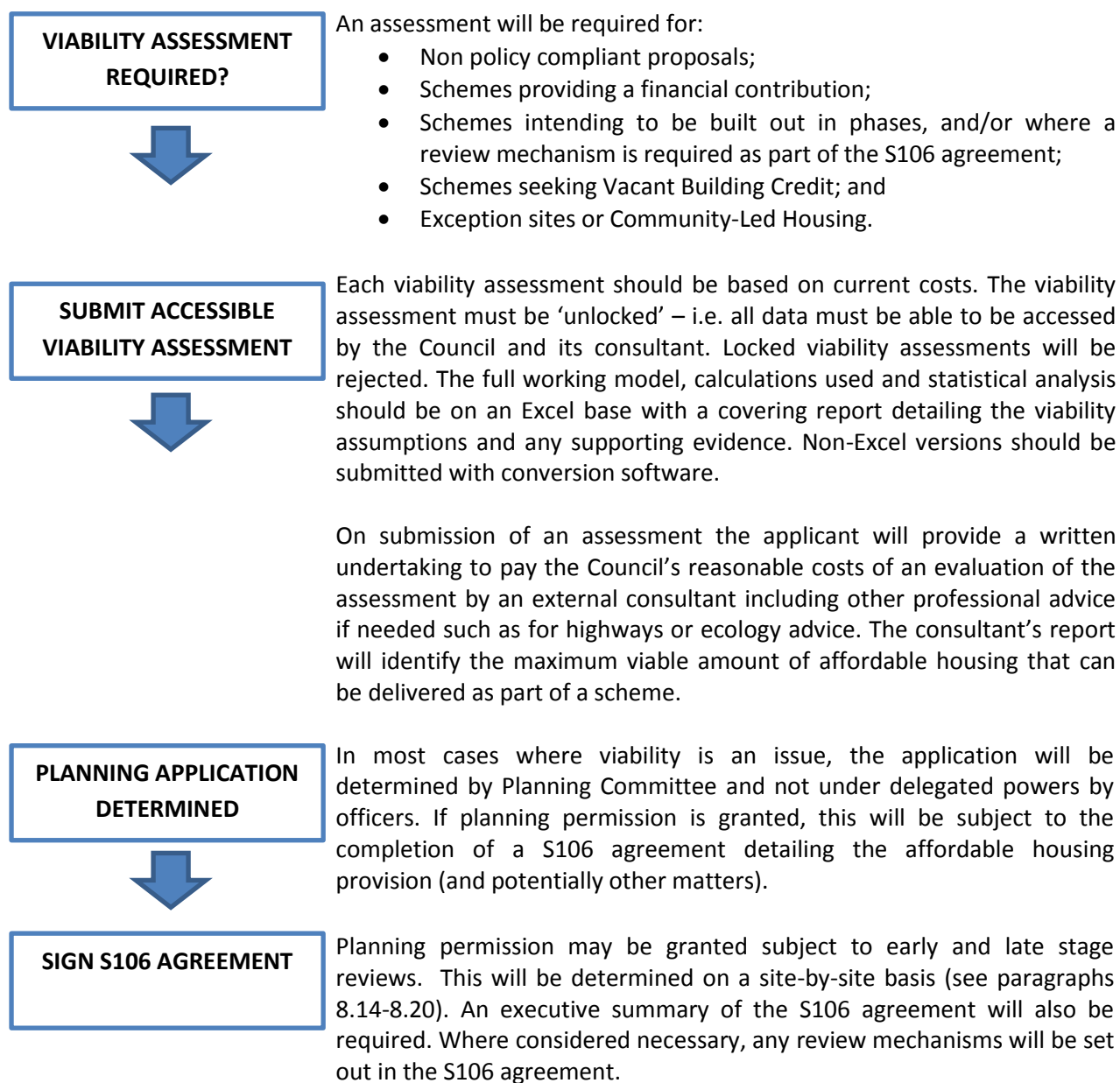


Figure 2: Viability Assessment Process

Policy Compliant Scheme

- 8.13 The Viability PPG (007) states that *‘where up to date policies have set out contributions expected from development, planning applications that comply with them should be assumed to be viable.’* However, the Council may request that the developer demonstrates how the affordable housing will be delivered as part of a viable scheme. Should the applicant then seek to change the affordable housing provision because of viability, this information will be used as a benchmark for any negotiations. In these cases, applicants should first engage with the Council to see if the original affordable housing can be achieved with grant.

Varying planning conditions

- 8.14 Where an application is made to vary a planning condition that will have an adverse impact on the provision of affordable housing, a viability assessment may be sought as evidence to support the planning application. This includes:
- To increase or decrease the number of residential units in a scheme; and/or
 - To vary the tenure mix, or there is a change of use of units to residential; and/or
 - To change the use of any non-residential units; and /or
 - To change the development, that in the opinion of the Council could alter the viability position. Any application to amend or vary a planning condition might also require a Deed of Variation to the original planning permission to ensure that the originally agreed terms are applicable to the new permission.

Review Mechanism

- 8.15 Development values within a viability assessment should be based on current values at the time the planning application is submitted. But, there is normally a time lag between granting planning permission and building out the development. Planning permissions allow three years within which to start construction and the development period can lead to further delays. During this time, significant changes can occur to viability.
- 8.16 There may also be circumstances where the Council acknowledges that at the point an application is being assessed a policy compliant scheme is not possible, but the position could change due to reductions in costs, increases in values and reduced risk. Any improvements in viability over the development period should benefit the community as well as the developer.
- 8.17 The Viability PPG (009) states that *‘Plans should set out the circumstances where review mechanisms may be appropriate, as well as clear process and terms of engagement regarding how and when viability will be reassessed over the lifetime of the development to ensure policy compliance and optimal public benefits through economic cycles’.* However, the Council may request that review mechanisms be used in the following cases:
- For an approved scheme with a policy non-compliant affordable housing offer: the S106 agreement will provide for a re-appraisal of viability based on time or unit number triggers;
 - For phased, larger scale developments: it may be that the total affordable housing requirement cannot be secured at the planning application stage but there may be

an opportunity later, usually as a result of increased sales values in relation to construction costs, or positive changes in market conditions, that allows a positive re-assessment that demonstrates additional viability. This would allow funding for additional affordable housing to be secured, whilst maintaining the viability of the overall development;

- For developments that have abnormal costs, such as site remediation or infrastructure, where funding becomes available to reduce these costs.

8.18 Should a review mechanism be considered appropriate, the Council will expect:

- Full disclosure of all relevant information. All development expenditure should be reasonably and properly attributed to the development;
- Inputs to the assessment to be in line with this SPD;
- Where there is a non-standard transaction, the figure to be included in the assessment; and
- Re-assessment to be the open market value of the market dwelling(s) as at the date of the transaction.

8.19 The timing of a review will be determined on a site-by-site basis to reflect the number of homes being developed and the development timetable. But all reviews must take place before the sale of the whole development to ensure that the review and any additional contribution arising from this are enforceable. The Council's review mechanism process is set out overleaf.

Terms of review mechanisms

8.20 Where review mechanisms are used the S106 agreement will:

- Identify the point(s) at which the review(s) should take place;
- Establish a threshold level of viability at which additional affordable housing and/or developer contributions will be required based on the target profit agreed at the application stage and the developer's cash flow over the development timetable;
- Establish that the review will assess changes to costs, values and reasonableness of margins;
- Be based on the current 'actual' data from the development – the price paid or rental value for the completed unit benchmarked against similar schemes. This will depend on the timing and specifics of the review;
- Establish a cap for additional provision as that for a policy compliant scheme;
- Identify whether the affordable housing provision will be sought on-site or as a financial contribution;
- Make provision for the full costs of the Council of negotiating, undertaking and assessing a viability review which should be borne by the applicant.

8.21 The Council will use this approach at each review stage until the later review. If a late review is required (when 75% of units have been completed) a financial contribution will be sought to deliver the additional affordable housing. The viability assessment undertaken to inform any previous reviews should inform any subsequent assessments. See Appendix 5 for formulas used to secure affordable housing.

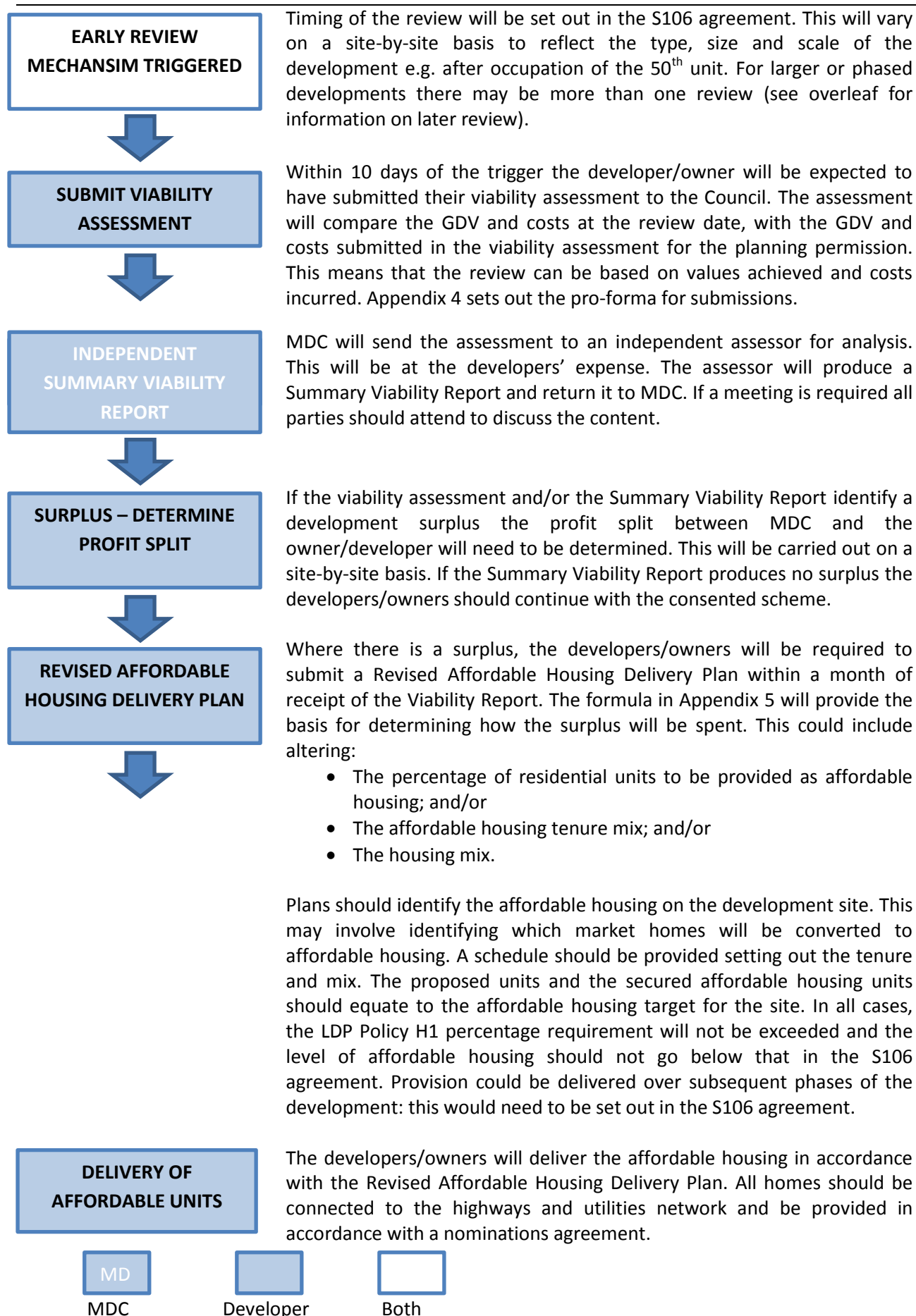


Figure 3: Review Mechanism process

9. MONITORING AND REVIEW

- 9.1 The delivery of affordable housing through new development will be monitored annually in the Council's Infrastructure Funding Statement and also in the Maldon District Authority Monitoring Report. It will enable the Council to identify and monitor the number of developments that meet identified standards across the District.
- 9.2 A review of this SPD will be considered if:
- The AMR identifies that Policies H1, H2 and H5 are not effective in delivering the identified level of affordable housing;
 - There are significant changes to the Local Development Plan's evidence base that indicate the LDP is unable to deliver the identified level of affordable housing;
 - There is a significant change in national planning guidance; or
 - The SPD is insufficiently effective in enabling affordable housing.

Glossary

Abandoned Building		Where the lawful planning use of the building has been abandoned for a continuous period of five years.
Affordable Housing		<p>Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:</p> <p>a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).</p> <p>b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.</p> <p>c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.</p> <p>d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.</p>
Alternative Use Value	AUV	The comparison of the proposed use to the value of a permissible or feasible alternative use.
Authority Monitoring Report	AMR	A mechanism for assessing performance of policies contained within the Local Development Plan.
Benchmark Land Value	BLV	The value below which a reasonable land owner is unlikely to release a site for redevelopment.
Build to Rent		Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development scheme comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.
Co-housing		Intentional, self-managed community, made up of single private dwellings and additional shared communal facilities such as a common house with a community kitchen and dining room. Cohousing communities can be mixed tenure.

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Community Infrastructure Levy	CIL	A levy allowing local authorities to raise funds from owners or developers of land undertaking new building projects in their area.
Community Land Trust	CLT	Independent local organisations established to tackle housing market issues and create permanently affordable intermediate housing for purchase and for rent. CLTs sometimes own other facilities on behalf of the community.
Community-Led Housing		Development of affordable homes led by local community groups. Can take a number of forms and routes, such as self-build, Community Land Trusts or exception sites. Development must be in addition to developments allocated by the Local Plan.
Community Right to Bid		Community groups can nominate both privately and publicly owned assets to be included on a list of assets of community value. This list is managed by the council. If a landowner wants to sell a registered property, they must tell the council. If a community group wants to buy the asset, they can trigger a 6 month moratorium to give them a chance to prepare a bid for it. During this period, the owner cannot sell their property on the open market. This gives community groups an opportunity to develop a proposal and raise the required capital. At the end of the 6-months, the owner is free to sell the asset to whoever they wish and at any price. Also known as Assets of Community Value.
Community Right to Build		An Order made by the local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a site-specific development proposal or classes of development.
Cooperative housing		A housing organisation where tenants democratically control and manage their homes.
Developer contributions		Developer contributions, also known as planning obligations, can be secured via a Section 106 legal agreement or planning condition attached to a planning permission. They help mitigate any adverse impacts generated by new development on infrastructure and facilities.
Developer profit		A factor of gross development cost or gross development value and is the price at which a reasonable landowner would be willing to sell their land for the development.
Entry Level Exception Site		A site that provides entry level homes suitable for first time buyers (or equivalent for those looking to rent)
Existing Use Value Plus Premium	EUV+	The current use value of a site plus an appropriate site premium added to provide the landowner with an additional incentive to release the site.
Greenfield sites		Land that has not previously been developed.
Gross Development Value	GDV	All values that contribute to the overall value of a scheme.
Gross Internal Area	GIA	The area of a building measured to the internal face of the perimeter walls at each floor level.
Habitats Regulations Assessment	HRA	A Local Plan evidence base document that tests the impacts of a Local Plan or development proposal on nature conservation sites of European importance and is a requirement under EU legislation.
Local Development Plan	LDP	The plan for the future development of the local area, drawn up by the Local Planning Authority in consultation with the community. This is described as a Development Plan Documents adopted under the Planning and Compulsory Purchase Act 2004.
Local Housing Allowance	LHA	Welfare payment for those on low incomes or reliant on benefits to meet the cost of housing.
Major Development		A proposal of 10 or more dwellings or a site area of 0.5 hectares or more, or non residential development is for 1,000 square metres or more of floorspace, or has a site area of 1 hectare or more.
National Planning Policy Framework	NPPF	Sets out the Governments planning policies for England and how these are expected to be applied.
Planning Practice Guidance	PPG	A web-based resource provides more detailed guidance on the contents of the NPPF.

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Neighbourhood Plan		Formally introduced under the Localism Act 2011, a neighbourhood plan is prepared by a parish council or neighbourhood forum for a designated neighbourhood area. In law this is described as a neighbourhood development plan in the Planning and Compulsory Purchase Act 2004.
Previously Developed Land	PDL	Land which is or was occupied by a permanent structure, including the curtilage of the developed land (although it should not be assumed that the whole of the curtilage should be developed) and any associated fixed surface infrastructure. This excludes: land that is or has been occupied by agricultural or forestry buildings; land that has been developed for minerals extraction or waste disposal by landfill, where provision for restoration has been made through development management procedures; land in built-up areas such as private residential gardens, parks, recreation grounds and allotments; and land that was previously-developed but where the remains of the permanent structure or fixed surface structure have blended into the landscape in the process of time.
Public Subsidy		Grant, public loans and public land.
RAMSAR Site		Wetlands of international importance designated under the 1971 Ramsar Convention.
Registered Provider	RP	Technical name for a body registered with Homes England so are approved to deliver affordable to deliver affordable housing in England. Most Housing Associations are RPs.
Residual Land Value	RLV	A method used to determine the value and potential profitability of land or property based on gross development value minus any expenses related to the development of the land.
Review Mechanism		Clause(s) in a S106 agreement designed to trigger changes in development values and build costs within a viability assessment as a result of development starting.
Rural Exception Site		Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. A proportion of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant subsidy.
Section 106 Agreement	S106	A legal agreement entered into by the Council and the developer or applicant and Registered Provider which outlines the details of a planning obligation(s), such as affordable housing required to make an application acceptable in planning terms.
Self-help housing		Involves groups of local people bringing empty properties back into residential use. Use varies from long term tenancies to short life housing to meet immediate needs such as move on accommodation and supported housing.
Special Area of Conservation	SAC	Areas defined by regulation 3 of the Conservation of Habitats and Species Regulations 2017 which have been given special protection as important conservation sites.
Special Protection Area	SPA	Areas classified under regulation 15 of the Conservation of Habitats and Species Regulations 2017 which have been identified as being of international importance for the breeding, feeding, wintering or the migration of rare and vulnerable species of birds.
Strategic Environmental Assessment	SEA	A procedure (set out in the Environmental Assessment of Plans and Programmes Regulations 2004) which requires the formal environmental assessment of certain plans and programmes which are likely to have significant effects on the environment.
Strategic Housing Market Assessment	SHMA	Assessment of the Council's housing requirements based upon the local housing market, which studies the supply and demand of housing, housing and planning policies, the need for affordable housing and the affordability of the local housing market.

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Supplementary Planning Document	SPD	Documents which add further detail to the policies in the development plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan.
Vacant Building Credit	VBC	Allows the floorspace of existing buildings that are to be redeveloped to be offset against the calculations for section 106 affordable housing requirements (whether financial contribution or provision).
Viability assessment		An assessment of all development costs including central and local government policy requirements, regulatory costs and the cost and availability of finance, to determine whether a scheme provides a competitive return to the developer and generates a land value sufficient to persuade the landowner to sell for the development proposed.
Whole Plan Viability Study		Identifies the costs that the Local Development Plan policies will impose on development, and considers what impact those costs will have on financial viability of a development scheme.

APPENDIX 1: REFERENCES

Reference Number	Document	Author	Publication Date
1	Maldon District Local Development Plan	Maldon District Council	July 2017
2	Maldon District Strategic Housing Market Assessment Update	DCA	2014
3	National Planning Policy Framework	MHCLG	July 2018
4	Maldon Affordable Housing Guide	MDC	December 2005
5	Strategic Environmental Assessment Screening Report	MDC	2017
6	Equalities Impact Assessment	MDC	2017
7	Planning Practice Guidance	MDCLG	
8	Maldon District Design Guide SPD	MDC	December 2017
9	Maldon District Specialist Needs Housing SPD	MDC	September 2018
10	Maldon District Draft Housing Strategy	MDC	2017
11	Maldon District Tenancy Strategy	MDC	2017
12	RICS Property Measurement	RICS	2015
13	Technical housing standards – nationally described space standard	DCLG	2015
14	Maldon District Renewable and Low Carbon Technology SPD	MDC	2018
15	Maldon District Vehicle Parking Standards SPD	MDC	September 2018
16	Local Plan and Community Infrastructure Levy Viability Study	HDH Planning and Development Ltd	August 2013
17	Financial Viability in Planning	RICS	2012

APPENDIX 2: KEY LOCAL DEVELOPMENT PLAN POLICIES**Policy H1: Affordable Housing**

All housing developments of more than 10 units or 1,000 sqm will be expected to contribute towards affordable housing provision to meet the identified need in the locality and address the Council's strategic objectives on affordable housing.

The affordable housing requirements for each sub-area in the District are as follows:

Sub-area requirements	
North Heybridge Garden Suburb:	
North of Heybridge - S2(d)	30%
North of Holloway Road - S2(e)	40%
West of Broad Street Green Road - S2(f)	40%
South Maldon Garden Suburb	30%
Strategic Allocations at Maldon, Heybridge and Burnham-on-Crouch	40%
All other developments:	
Northern Rural, Maldon Central and South and Rural South*	40%
Maldon North and Rural South East Higher	30%
Rural South East Lower	25%

*As indicated in FIGURE 1 of this SPD

Any relaxation of the above requirements will only be considered where the Council is satisfied, on a site by site basis, that such requirement will render any development proposals unviable.

Affordable housing should be provided on-site, either through free serviced land provided to a registered provider or constructed affordable dwellings to be sold to a registered provider upon completion to provide the number, size, type and tenure of affordable homes required by the Council's policies having regard to the SHMA, the Council's adopted Affordable Housing Guide, and the Council's Housing Strategy.

In exceptional circumstances the Council may consider accepting financial contribution from the developer where it is justified that affordable housing cannot be delivered on-site, or that the District's need for affordable housing can be better satisfied through this route. Commuted sums will also be charged for an incomplete number of affordable units provided on site.

The development of any affordable housing and the calculation of any financial contributions should be in conformity with the details set out in the Maldon District Strategic Housing SPD.

Policy H2: Housing Mix

All developments will be expected to provide a suitable mix and range of housing in terms of size, type and tenure to reflect local housing need and demand in both the market and affordable sector, particularly the need for an ageing population.

Wherever possible affordable housing should be located in a way that ensures the homes are integrated with the rest of the development; in most cases this will mean in clusters of no more than 15 to 25 homes in one part of a development. The design and appearance of affordable housing should also be indistinguishable from those built for the open market, meet standards detailed in the Maldon District Strategic Housing SPD, and be of a tenure recognised by the National Planning Policy Framework.

Where appropriate, the Council will work with developers, registered providers, landowners and relevant individuals (or groups of individuals) to address identified local need for Self Build housing. Any relaxation of the above requirements will only be considered where the Council is satisfied, on a site by site basis, that such requirements will render any development proposals unviable.

Policy H5: Rural Exception Schemes

Outside of the defined settlement boundaries and strategic growth areas, land which may not otherwise be considered appropriate for residential development may be released for a Rural Exception Scheme for affordable housing development where there is an identified need within that parish or community for affordable housing.

Any Rural Exception Scheme must adhere to the following process:

- 1) Engagement with local community and the undertaking of a local needs assessment in accordance with recognised guidelines; and then
- 2) Selection and appointment of a suitable Registered Provider of affordable housing in association with the Council; and then
- 3) Agreement with the Council on the quantum and composition of development most suitable to the locality based on an identified need, site availability, and an 'open book' viability assessment; and then
- 4) Identification of a number of potential sites in the locality and selection of the most sustainable site, taking into consideration site availability, condition and capacity of existing infrastructure servicing the proposed scheme.

The Council will normally expect Rural Exception Schemes to provide 100% affordable housing for local needs. Any other types of tenure, for example market housing, will only be considered where it can be demonstrated, through a viability assessment, that this is essential to facilitate the affordable housing scheme to meet the identified local need.

APPENDIX 3: AFFORDABLE HOUSING DWELLING MIX

The following example mixes are set out to reflect the sub-area requirements in Policy H1.

Sub Area Requirement of 40%

Example of 100 homes: 40 affordable of which:

- 30% general needs 1bed: – one third low cost home ownership = 12 1 bed homes (8 for rent and 4 low cost home ownership)
- 10% 1 bed bungalows for rent = 4 1 bed bungalows
- 10% 2 bed bungalows for rent = 4 2 bed bungalows
- 40% 2 bed general needs housing – 80% for rent = 16 2 bed homes (13 for rent and 3 low cost home ownership)
- 10% 3 bed+ - at least 50% for rent = 4 3 bed homes, at least 2 for rent

Sub Area Requirement of 30%

Example of 100 homes: 30 affordable of which

- 30% 1 bed – one third low cost home ownership = 9 1 bed homes (6 for rent and 3 low cost home ownership)
- 10% 1 bed bungalows for rent = 3 1 bed bungalows
- 10% 2 bed bungalows for rent = 3 2 bed bungalows
- 40% 2 bed = 12 2bed homes (10 for rent and 2 low cost home ownership)
- 10% 3 bed+ = 3 3 bed+ homes, at least two for rent.

Sub Area Requirement of 25%

Example of 100 homes: 25 affordable of which:

- 30% 1 bed – one third low cost home ownership = 7.5 1 bed (5 for rent, 2 low cost home ownership) contribution for 0.5
- 10% 1 bed bungalows for rent = 2.5 1 bed bungalows – 2 for rent, contribution for 0.5
- 10% 2 bed bungalows for rent = 2.5 2 bed bungalows – 2 for rent, contribution for 0.5
- 40% 2 bed = 10 2 bed homes (8 for rent and 2 low cost home ownership)
- 10% 3 bed+ = 2.5 3 bed+ - 2 for rent and contribution for 0.5

Financial contribution required for two units (0.5 x 2) alternately two additional bungalows.

APPENDIX 4: SUMMARY PRO-FORMA WORKSHEET

When a developer is preparing evidence to inform a review of affordable housing the Summary Pro-Forma should be based on the following:

Development Revenue	Costs (£)
Actual Market Revenue	
Forecast Market Revenue	
Actual Affordable Revenue	
Forecast Affordable Revenue	
Actual Commercial Revenue	
Forecast Commercial Revenue	
Grant	
Actual and Forecast Other Revenue or Receipts	
TOTAL REVENUES	
Development Costs (split between market housing, affordable housing and commercial)	
Actual Build Costs	
Forecast Build Costs	
Actual Infrastructure, Abnormals and S106 works	
Actual s106 contributions	
Forecast s106 contributions	
Affordable housing transfer fees	
[Incentives]	
Professional Fees	
Finance Costs	
Marketing Fees	
TOTAL COSTS	
Market housing Developer Profit on market housing development costs	
Affordable housing developer profit on affordable housing development costs	
Commercial development developer profit on commercial development costs	
Land cost	
SDLT	
Land agent and Legal fees	
TOTAL COSTS	

For the purposes of the proforma only the following definitions should be used:

- **Actual market revenues:** actual revenues based on land registry data [except shared equity (developer cash income only to be used)]
- **Forecast Market Revenues:** based on the last 6 months of Land Registry evidence to have regard to prevailing property market
- **Actual Affordable Revenues:** actual received affordable sales.
- **Forecast Affordable Revenue:** based on affordable sales from preceding phase
- **Actual Commercial Revenue:** actual achieved sales or appropriate evidence
- **Forecast Commercial Revenue:** based on appropriate evidence or preceding phase
- **Grant:** any additional third party funding for any aspect of the development unless it has been taken into account in order to determine the affordable housing revenue and the market housing revenue or other revenue or receipts
- **Actual and Forecast Other Revenue or Receipts:** any revenues received by the developer other than Affordable Housing Revenue, market revenue, and commercial revenue
- **Actual Build Costs:** build costs incurred or to be incurred, where known, of completed property, completed works, and contract prices of works underway or for which contracts have been let. Includes all contractor costs on open book basis
- **Forecast Build Costs:** for remaining works (not included in Actual Build Costs), excluding S106 costs, in the Remaining Development not under contract on open book basis
[Actual Infrastructure, abnormals and S106 works costs: based on actuals – excluding contingency where spent. Forecasts would contain a contingency on open book basis
[Forecast Infrastructure, abnormals and remaining S106 works: updated estimates with appropriate contingency. Consideration will need to be given where infrastructure works straddle the respective phases to ensure no-double counting or missing of costs].
- **Actual S106 contributions:** based on amount spent, with indexation, and any anticipated remaining S106
- **Forecast S106 Contributions:** based on updated estimates reflecting indexation for remaining scheme
- **Affordable transfer fees:** cost allowance for transferring the affordable housing units to the approved provider at 0.75% of the Affordable Housing Revenue verified by RPs
- **Incentives:** cost to the developer of any independently verifiable incentives that it provides to the buyer of a market unit which are justifiable and usual in the market at the date of the sale of the said market unit applies to forecast only on open book basis
- **Professional Fees:** allowance for costs incurred by the Developer for professional consultancy advice (excluding land) at 7% of building costs
- **Finance Costs:** an allowance for the cost of borrowing incurred by the developer of 6% of Total Revenue
- **Marketing Fees:** the cost allowance for agency and marketing fees incurred by the developer at an agreed % of market housing revenue and Non-Residential Revenue
- **Market Developer Profit:** an allowance of 20% of market housing Revenue
- **Affordable Developer Profit:** an allowance of 6% of Affordable Housing Revenue
- **Commercial Developer Profit:** an allowance of an agreed % of Commercial Revenues
- **Land Cost:** based on actual purchase price. Where only a proportion of the site is acquired upfront, this amount should be adjusted pro-rata for the balance of the scheme based on the number of dwellings per phase, and the land value within the 2nd Phase should be indexed at twice the rate of the Halifax HPI.
- **Stamp Duty Land Tax:** the prevailing stamp duty land tax rate applied to the actual land costs at the date of the purchase of the site or any part thereof or any other land required to perform the obligations containing in this agreement (including any modification, variation, amendment or replacement thereof)
- **Land Agents and Legal Fees:** cost allowance for agents and legal fees at 1.75% of Actual Land Cost

APPENDIX 5: Review Mechanism Formulas and Methodology

For more information on the definitions see Appendix 4.

Formula: Early Review: Identifying surplus profit

The Gross Development Value and actual build costs as agreed for the planning permission will be used. An updated scheme valuation will be required at the time the review is undertaken with actual build costs for the scheme. This will be used to work out the difference in GDV from the time planning permission was granted to the review. Any changes in build costs and an allowance for developer profit will be deducted from the additional scheme value. This will identify whether there is a surplus scheme profit. The remaining surplus scheme profit will be available for additional on-site affordable housing.

$$(A - B) - (C - D) - P = X$$

(A - B) = Difference in GDV from the date of planning permission to the date of review (£)

A = Gross development value at time of review (£)

B = Gross development value as agreed for the planning permission (£)

(C - D) = Difference in actual build costs from the date of planning permission to the date of review (£)

C = Actual build costs at the time of review (£)

D = Actual build costs as agreed for the planning permission (£)

P = (A-B) * Y = Developer profit on difference in Gross development values (£)

Y = Developer profit as agreed for the planning permission (£)

X = Surplus (£)

Formula: Early review: Identifying additional amount of affordable housing to be provided

Calculates the level of additional affordable floorspace based on the difference in average value of the market housing and for each tenure. This will be converted into habitable rooms based on the average habitable room size for the scheme.

$$\text{Additional affordable rent housing requirement (habitable rooms)} = ((E * F) \div (A - B)) \div D$$

(A - B) = Difference in average value of market housing (m²) and average value of low cost rent housing (m²) (£)

(E * F) = Policy surplus to be used for low cost rent housing (£)

(E * F) ÷ (A - B) = Additional affordable rent housing requirement (m²) (£)

A = Average value of market housing per m² (£)

B = Average value of local cost rent housing per m² (£)

D = Average habitable room size for scheme (m²)

E = Surplus profit available for additional affordable housing (as determined in the early review) (£)

F = Percentage of surplus profit available for additional affordable housing to be used for affordable rent housing (%) (as per the preferred tenure split)

$$\text{Additional intermediate housing requirement (habitable rooms)} = ((E * G) \div (A - C)) \div D$$

(A - C) = Difference in average value of market housing (m²) and average value of intermediate housing (m²) (£)

$(E * G) = \text{Policy surplus to be used for intermediate housing (£)}$

$(E * G) \div (A - C) = \text{Additional intermediate housing requirement (m}^2\text{) (£)}$

A = Average value of market housing per m² (£)

C = Average value of intermediate housing per m² (£)

D = Average habitable room size for scheme (m²)

E = Surplus profit available for additional affordable housing (as determined in the early review) (£)

G = Percentage of surplus profit available for additional affordable housing to be used for intermediate housing (%) (as per the preferred tenure split)

Formula: Late Stage Review Contribution

Contributions are based on the difference in the average value of market housing and average intermediate housing value, per habitable room. This is multiplied by the shortfall in the relevant tenure of affordable housing by habitable room in the consented scheme, when compared with the LDP sub-area requirement and preferred tenure split.

$$((A + B) - C) - ((D + E) - F) - P * ? = Z$$

$(A + B) - C$ = change in GDV from the grant of planning permission (or previous review) to the late stage review (£)

A = GDV achieved on sale/ lease of x % of residential units and GDV from other parts of the development sold / let and other income receipts (£)

B = Forecast GDV for parts of the development that are yet to be sold/ let and other income sources (£)

C = GDV agreed at the time planning permission was granted (or previous review) (£)

$(D + E) - F$ = change in actual build costs from the grant of planning permission (or previous review) to the late stage review (£)

D = Actual Build costs incurred at the time of review (£)

E = Forecast build costs for remainder of the development (£)

F = Actual build costs as agreed at the time planning permission was granted (or previous review) (£)

$P = (A + B - C) * Y$ = Developer profit on change in GDV (£)

P = Developer profit on difference in GDV (£)

Y = Developer profit as a percentage of GDV as agreed at the time planning permission was granted (%)

? = Any surplus profit will be agreed on a site-by-site basis. It will deduct the developer profit (P), and will be shared between the LPA and the developer with a % used for additional affordable housing.

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Directorate	Policy Area	Current Policy	Existing Concessions	Policy 20/21
Service Delivery	River Moorings	Charge for moorings (not aligned with any other clubs)	None	Retain Existing Policy
Service Delivery	River Wharfage	Set fees to compete with alternative berthing facilities on the east coast	Quarterly charges discount daily fee by 50%. Discounts available to charitable trusts.	Retain existing Policy
Service Delivery	Off Street Car Parking (Maldon Town)	Maximise Income, no free school drop off permits	Disabled Badge holders - Free parking. Season Ticket discounts for Public Sector Partners and Bulk Purchases	Retain existing Policy
Service Delivery	Off Street Car Parking (Outside Maldon Town)	Free entry	Not Applicable	Retain existing Policy
Service Delivery	Car Parking/Events	Suspend car parking and introduce a set fee for specific events. Charges will be dependent on the event size and entrance fee. To be determined by the Director of Service Delivery.	None	Retain existing Policy
Service Delivery				
Service Delivery	Maldon Promenade - Car Parking	Aim for overall 60% cost recovery for Promenade Park - with Car Parking being the key contributor	Maldon District Residents Season Tickets at reduced price. Disabled Badge Holders	Retain existing Policy
Service Delivery	Maldon Promenade - Splash Park	Charge for the use of the splash park to offset costs of operating the facility	None	Retain existing Policy

Directorate	Policy Area	Current Policy	Existing Concessions	Policy 20/21
Service Delivery	Use of Council Land for events	All Council Land. Use of a minimum events day rate charge on council owned land determined by the scale of event size to maximise income for all events.	Charity Organisations with under 100 people in attendance receive a concession ensuring full cost recovery.	Retain existing Policy
Service Delivery	Council owned Land (Inc. Prom)	Charges to be for all council owned land as well as Prom Park to maximise income	Prices to be agreed by the Director of Service Delivery in Conjunction with the Chairman of Strategy and Resources Committee.	Retain existing Policy
Service Delivery	Maldon Promenade - Beach Huts	Charge for hire of Beach Huts. Charges based on market rates.	None	Retain existing policy
Service Delivery	Cemeteries	Charges at levels comparable to facilities provided by other local authorities	Local Residents receive discounted rates. Under 18's Free	Retain existing policy
Service Delivery	Green Waste Bin Service	Charge for Service	Direct Debit and Web Payments receive a £5 per annum discount. Charges in line with other authorities. Charge for Bin for new subscribers	Retain existing policy
Service Delivery	Chargeable Household Waste Collection	Charges made for residential homes, with limited collections from villages halls equivalent to domestic property. Charges based on cost recovery for additional collections	Free Clinical waste collection	Retain existing policy.
Service Delivery	Chargeable Bulky Household Waste Collection	Charge subject to annual adjustment to reflect contract costs. Fee is collected by Maldon District Council (MDC) and an agreed sum paid to the contractor for each collection	None	Retain existing policy
Service Delivery	Chargeable Street Cleaning	Charges set by negotiation with Officers	Charitable events and some specific commercial events are free	Retain existing policy
Service Delivery	Maldon Promenade - Pop Up Trading	Charge for the hire of trading stalls to commercial partners on a daily basis	None	Retain existing policy

Directorate	Policy Area	Current Policy	Existing Concessions	Policy 20/21
Service Delivery	Parks & Open Spaces - Advertising	Charge for advertising on Council owned assets. Charges based on market rates	None	Retain existing policy
Service Delivery	Court Costs - Council Tax and Business Rates	Charges set to maximum level agreed by Essex Magistrates Courts	None	Retain existing policy
Service Delivery	CCTV footage requested by individuals, insurance companies or any organisations other than the Police (subject to data protection)	Chargeable services	None	Retain existing policy
Service Delivery	Refuse and recycling containers for new build properties	Developers to fund the cost of provision of containers for new properties if the development is more than five properties.	None	Retain existing policy
Service Delivery	Parking Permits for Schools	Chargeable Services	Charges made to Schools for parking in MDC owned car parks	Retain existing policy
Service Delivery	Road Closures	To reclaim costs plus statutory administration charge.	None	Retain existing policy
Service Delivery	Promenade Park Concessions	To Charge for concessions on the Prom. Prices set on negotiation with the Director of Service Delivery.	None	Retain existing policy
Service Delivery	Grounds Maintenance Contracts	Charges for contracts based on competitive market rates ensuring full cost recovery.	None	Retain existing policy
Service Delivery	Commercial team – Commercial Services - Box Office	Box office services commission rate set by officers – Standard 10% commission for all events. Concession Director of Service Delivery in conjunction with the Chairman of Strategy and Resources Committee be granted discretion to vary this rate to support the corporate goals of the Council.	None	Retain existing policy
Service Delivery	Commercial team – Commercial Services - Marketing	Commercial team to charge a competitive hourly rate for its marketing and promotional services ensuring full cost recovery	None	Retain existing policy

Directorate	Policy Area	Current Policy	Existing Concessions	Policy 20/21
Service Delivery	Commercial team – Commercial Services - Sponsorship	Commercial Team to seek funding and sponsorship from partners and other organisations for which the Team provides a service, such as transport providers - Charges set by negotiation with the Director of Service Delivery and in-line with agreed criteria.	None	Retain existing policy
Strategy, Performance and Governance (SPG)	Land Charges	Self Financing Service subject to regulations	None	Retain existing policy
SPG	Public Hire Vehicle & Hackney Carriage Licensing	Self financing service	None	Retain existing policy
SPG	Building Control - Chargeable Services	Self financing service (by regulation) Break even over a five year period	None	Retain existing policy
SPG	Development Control and Conservation - Pre Application Advice	Charge for advice	Not Applicable	Retain existing policy
SPG	Development Control - Planning Performance Agreements (PPA)	Charge based on generic officer cost rates to complete the tasks in the PPA.	Not Applicable	Retain existing policy
SPG	Planning Fees (Development control fees)	No Policy - no powers at present	Not Applicable	Retain existing policy
SPG	Licensing Act 2003	Set fees in line with the costs incurred in providing the service	None	Retain existing policy
SPG	Gambling Act 2005	Set fees in line with the costs incurred in providing the service	None	Retain existing policy
SPG	Scrap Metal Dealers Act 2013	Recover reasonable costs of administration in accordance with statutory guidance	None	Retain existing policy
SPG	Pest Control	Set charges to be competitive with other service providers	None	Retain existing policy
SPG	Animal Licensing	Set fees in line with the costs incurred in providing the service	None	Retain existing policy
SPG	Mobile Homes Act 2013	Set fees in line with the costs incurred in providing the service	Exempt those sites that have 8 or less units (Band 1)	Retain existing policy
SPG	Pre Application for Tree Preservation Order advise	Charge for advice previous a free service. Charge to be based full recovery of Officer time	Not Applicable	Retain existing policy
SPG	Street Naming and numbering	Charges to developers and property owners based on cost recovery	Not Applicable	Retain existing policy

Directorate	Policy Area	Current Policy	Existing Concessions	Policy 20/21
SPG	Revisit to rescore food hygiene ratings	Set fees in line with the costs incurred in providing the service. New legislation is expected but it is not clear if fees will be set nationally or locally	Not Applicable	Retain existing policy
Resources	Credit Card Admin Fees	None	TIC operations (Discretionary)	REMOVE
Resources	External Printing	To be charged per copy.	Not Applicable	Retain existing policy
Resources	Administration of Parish Elections & Neighbourhood Referendums	Levy an administration charge based on recovery of Officer time	Not Applicable	Retain existing policy

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Budget Growth 2020/21

Service Team	Title of the proposal	Full Description of the proposal	2020/21 £	2021/22 £	2022/23 £	Ongoing/One Off	Staffing implications Full Time Equivalent (FTE) (-)	Corporate outcome	Linked to Capital project / revenue savings?	Justification for Proposal Why is the growth required? Can it be funded externally by external grant or other partner organisations?
Service Delivery	Community Protection New Summer Ranger	New part time community Ranger to cover additional hours requested by parishes. Bid linked to additional income from Parish Councils. Growth bid will be cost neutral.	15,000			ongoing	1.00	Community	No	Additional hours for Community engagement by parishes requires additional resources to be added to the team.
Strategy, Performance and Governance (SPG)	Programmes, performance and governance	New post to support overview and scrutiny committee role and plan project of delivery- 10 hours per week	13,000			ongoing	0.27	performance and efficiency	No	post to support overview and scrutiny committee role and plan project of delivery- 10 hours per week
SPG	New Apprentice role within PPG	New apprentice role within the Programme performance and governance area	9,000			ongoing	1.00	performance and efficiency	No	Post will allow an apprentice to work alongside and learn from the process improvement fixed term posts, likely retaining this knowledge more long term in the organisation
Resources	ICT - HSM Module - Access pay	Cached credentials for quick access to Audis Files.	1,100			ongoing	0	performance and efficiency	No	This allows for office processing time saving, instead of a daily task costing the council this becomes automatic.
Resources	ICT - Dell Server maintenance renewal	Renewal of the server maintenance for our dell power edge servers	1,100			ongoing	0	performance and efficiency	No	This is the renewal of our Dell Server maintenance and support, all servers are required to be covered in a maintenance agreement following the Disaster Recovery Planning and Audit run in October, this is a new requirement going forward.
Resources	ICT - Office 365 Licensing	Licencing for office 365 platform	19,000			ongoing	0	performance and efficiency	No	This is a critical licence requirement following the transformation project for all licences for all office software. Without these licences we cant function as a council
Resources	ICT Training	Course training for ICT Specialist staff for new systems on site.	20,000			ongoing	0	performance and efficiency	No	Training is required on the new systems implemented at the council including the new firewalls
Service Delivery	Suez - Uplift of minimum Wage	As specified in the contract this payment is required to satisfy the change in law and introduction of the Living Wage as defined and introduced by the National Minimum Wage (Amendment) Regulations 2016	53,000	33,000	34,000	Ongoing until 2024 when the government is committed to raising the NMW to £10.50 per hour	0	Place	No	"Change in Law" means a material change in Applicable Laws on or after the Effective Date which results in a requirement for some form of amendment to the Bill of Quantities or the provision of Services of this Contract including without limitation the introduction of the Living Wage. Figures estimated
Service Delivery	Street Cleansing contract Uplift	Increase contract cost following the extension of the Street Cleansing Contract for a further 4 years. Contractor will require new vehicle for additional contract work.	17,500			Ongoing	0	Place	No	Subject to RPIX 21/22 onwards

Service Team	Title of the proposal	Full Description of the proposal	2020/21 £	2021/22 £	2022/23 £	Ongoing/One Off	Staffing implications Full Time Equivalent (FTE) (-)	Corporate outcome	Linked to Capital project / revenue savings?	Justification for Proposal Why is the growth required? Can it be funded externally by external grant or other partner organisations?
Service Delivery	Clinical Waste	The number of residents using this service has risen from 37 using the kerbside collection to 330 since April 2019.	3,000			Ongoing	0	Place	No	Residents signposted to Council following NHS decision not to accept Sharps Boxes at their Doctors Surgeries. 3.1The Controlled Waste (England and Wales) Regulations 2012 (CWR2012) state under Schedule 1, S3 No.12 that, 'Clinical waste and offensive waste produced at domestic property, a residential home, a caravan or a vehicle or vessel used wholly for the purposes of living accommodation is to be treated as household waste.
Resources	Council Offices	Council office maintenance	3000			Ongoing	0	Performance & Efficiency	No	On going maintenance to building. Gutters are now full and not collection water like they should. New flagpole required
Service Delivery	Special events	The Nation will mark the 75th Anniversary of the end of the Second World War in May 2020. The Spring Bank holiday has been moved to Friday to create a weekend of celebration thanks to all who served at home and abroad. The Council will join this national celebration and host an event in Maldon. The final content is being worked upon but activities are planned over the three days including local history, a party in the park, outside cinema, living history/period historic vehicles etc. Local church organisations will be encouraged to participate on the final day (Sunday). This funding will under write costs of exhibits and infrastructure but officers will activity seek sponsorship opportunities.	4000			One-off	0	Performance & Efficiency	No	The Nation will mark the 75th Anniversary of the end of the Second World War in May 2020. The Spring Bank holiday has been moved to Friday to create a weekend of celebration thanks to all who served at home and abroad.
Prom Park	Model Boating Lake	No income from Model Boating lake	1,700			Recurring	0	Place	No	No income received in 19/20 so budget needs to be removed to reflect this.
Animal Warden	Collection of Stray Dogs	Drop in collection of Stray Dogs	1,200			Recurring	0	Place	No	No income received in 19/20 so budget needs to be removed to reflect this.
Env Waste	Business Rates	Cost of Business Rates for the Southminster Toilets	1,500			Recurring	0	Place	No	Southminster toilets open and rates due from MDC

163,100

Efficiency Savings/Income Generation 2020/21

Ref	Directorate	Service Team	Title of the proposal	Full Description of the proposal	2020/21 £	Linked to Capital project or Revenue Growth?	Service Implications Will the acceptance of the proposal lead to a reduction in the effectiveness of front line services or statutory duties? If so, please describe the impacts. Please also state what mitigation plans can be put in place to lessen the impact to the service.	Acceptability by Members RAG rating: Green = Deliverable and likely to be accepted by members Amber - "maybe" and there is no severe impact on frontline services Red - Difficult to achieve and likely to have severe impact on frontline services	Acceptability by Members RAG rating: Green = Deliverable and likely to be accepted by members Amber - "maybe" and there is no severe impact on frontline services Red - Difficult to achieve and likely to have severe impact on frontline services
	Service Delivery	Community Protection	Summer Ranger	New part time community Ranger to cover additional hours requested by parishes. Bid linked to additional income	(15,000)	YES	No however there is a risk that the income may not cover the full cost of the Summer Ranger. Cost of redundancy in the event of termination or reduction of the service by the Parishes may be borne by the Council.	Note the risk of financial loss to the Council in the event Parishes discontinue or reduce the service.	Additional hours for Community engagement by parishes requires additional resources to be added to the team.
	Service Delivery	Riverside Park	Concessions	Additional income from Concessions	(2,500)	No	No		Increase income received in 19/20 so budget needs to be increased to reflect additional income
	Service Delivery	Cemeteries	Burial Fees	2% Increase in cemetery charges	(2,000)	No	No		Additional income from the increase of 2% of fees
	Service Delivery	Cemeteries	Memorialisation	Increase in number of memorials	(700)	No	No		Additional income from requests of memorialisation
	Service Delivery	Special Events	Smoke & Fire additional income Year 2	New deal for the smoke and fire festival	(6,000)	No	No		New deal for the smoke and fire festival
	Service Delivery	Special Events	Maldon Car Show	Additional income, car park income and exhibitors mean increase in the expected income budgets	(3,500)	No	No		Additional income, car park income and exhibitors mean increase in the expected income budgets
	Service Delivery	Special Events	Fantasia	New event on the Prom in 2020/21	(10,000)	No	No		New event on the Prom in 2020/21
				TOTAL	(39,700)				
Separate income proposals generated from transformation									
	Service Delivery	Prom Park	Concessions	Additional income from Concessions	(45,000)	No	No		Increase income received in 19/20 so budget needs to be increased to reflect additional income
	Service Delivery	Car Parking	Parking charges	Increase in parking charges at all council sites	(90,000)	No	No Risk of Council not agreeing to the increase.	Risk of Council not agreeing to the increase.	Increase in parking charges at all council sites
	Service Delivery	Waste Services	Garden Waste service	Additional income raised from the change in policy	(48,000)	No	No		Additional income raised from the change in policy
	Resources	Council Offices	Office rental	Narrow Corridor' to be set as Enterprise Centre	(12,000)	No	No		Narrow Corridor' to be set as Enterprise Centre
			TOTAL		(195,000)				
			GRAND TOTAL		(234,700)				

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Repairs & Renewals Bids for 2020/21

Ref	Project Category	Project Title & Description	Original
			2020/21
			£
	E	Burnham Cemetery reception refurbishment	6,000
	E	Resurface entrance road and relining of Car Park at MDC Offices	13,000
	E	Car Park fencing repair / replacement at MDC Offices	3,000
	SF	Prom Park Beach hut flooring and access path	1,100
	E	Repairs and Lining to doctors lane car park Burnham on Crouch	3,000
		Total	26,100

Essential E
 Service Failure SF
 Service Improvement SI

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REPORT of DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE

**to
STRATEGY AND RESOURCES COMMITTEE
29 JANUARY 2020**

DRAFT NORTH QUAY REGENERATION DEVELOPMENT BRIEF - APPROVAL FOR PUBLIC CONSULTATION

1. PURPOSE OF THE REPORT

- 1.1 To seek the Committee's approval for the Draft North Quay Development Brief (**APPENDIX 1**) to go out to public consultation for six weeks from Monday 3 February 2020 to Friday 13 March 2020.
- 1.2 A development brief to regenerate the North Quay is a requirement of the Local Development Scheme 2019-2021 (LDS), paragraph 26. The purpose of the LDS is to set out the subject matter, areas to be covered, and timetable for the preparation and revision of local development documents, including Supplementary Planning Documents (SPDs), planning policy documents such as development briefs and LDP evidence base documents. The LDS is a project plan setting out the timetable for work to be undertaken from February 2019 until February 2021. It sets out details of the documents that will be given priority during this period.

2. RECOMMENDATION

That the Draft North Quay Development Brief (**APPENDIX 1**) is approved for public consultation.

3. SUMMARY OF KEY ISSUES

- 3.1 The Maldon and Heybridge Central Area Masterplan (the Masterplan) was adopted by the Council as a Supplementary Planning Document (SPD) in December 2017. The Masterplan has 18 projects to deliver economic growth and environmental enhancements over the next 10 years.
- 3.2 The Masterplan is aligned with Strategic Policy S5 *Maldon and Heybridge Central Area* within the adopted Local Development Plan (LDP).
- 3.3 The Masterplan states on page 55: *The priority for North Quay will be to ensure new developments and regeneration proposals deliver new jobs through employment generating mixed-use development. With good links to the town centre and improving amenities in the wider area, residential uses are likely to play an important role in helping to deliver improved pedestrian access and environmental quality of the quayside environment* [‘residential uses’ in the context of Project 6 North Quay in the

Masterplan relates to the extant Sadd's Wharf mixed use development for 93 residential units plus B1 and D1 uses]. *A new generous quayside walk, flanked by commercial uses, is a long-term aspiration which would complement improvements to riverside connections on the south side of The Chelmer. Such a route would enable key sites including Sadd's Wharf and the Heybridge Creekside environment to be far better connected. Improvements to these connections are considered particularly important in the context of the planned strategic housing growth north of Heybridge. There is a longstanding aspiration to improve physical linkages between Heybridge and The Causeway and Maldon. Major new development proposals along the North Quay should contribute to delivering improvements to access and connectivity.*

- 3.4 To ensure the key priorities are achieved as set out in Project 6 North Quay in the Masterplan, the Draft North Quay Development Brief incorporates 5 Masterplan projects:
 - Project 6 North Quay Regeneration
 - Project 7 Heybridge Creek Connection
 - Project 8 The Causeway Corridor
 - Project 9 Heybridge Creek Improvements
 - Project 12 The Causeway Strategic Flood Risk Review
- 3.5 An explanation is given in the 'Introduction' of the draft Brief supporting inclusion of Masterplan Projects 6, 7, 8, 9 and 12 to ensure delivery of their key priorities.
- 3.6 The draft North Quay Development Brief provides a planning, infrastructure provision and design framework to bring development forward to regenerate the North Quay defined area and satisfy the strategic policy requirements set out in the adopted LDP and the supplementary planning document: The Maldon and Heybridge Central Area Masterplan SPD.
- 3.7 The draft North Quay Development Brief will give certainty and assistance to businesses, developers, agents, landowners and land promoters in working up planning applications for development proposals in the North Quay defined area. The draft Brief will be a material consideration for decision makers in the assessment and determination of planning applications within the North Quay defined area.

4. CONCLUSION

- 4.1 The Draft North Quay Development Brief (draft Brief) sets out the national and local planning and policy framework for development and regeneration in the North Quay defined area. The Brief recommends the location, mix, scale and design of new development on brownfield and opportunity sites within the defined area; considers connectivity and movement to connect to the wider Masterplan area and delivery of necessary infrastructure for flood resilience, public realm enhancements and highway improvements and connections for walking and cycling.
- 4.2 The draft Brief has been prepared collaboratively with business and stakeholder engagement following their input to the Masterplan SPD; in-house specialist input and from external agencies and organisations that are statutory consultees.

- 4.3 The draft Brief is intended to be adopted as an SPD as referred to in the LDS, paragraph 26. Public consultation for a minimum 6 weeks is a necessary requirement to progress the Brief to adoption by the Council. As an SPD, the Brief will carry weight in decision making and will be a material consideration in the planning process.

5. IMPACT ON STRATEGIC THEMES

- 5.1 The adopted LDP and Maldon and Heybridge Central Area Masterplan SPD support the Strategic Theme of Prosperity as set out in the Corporate Plan to deliver strategic employment sites in accordance with the LDP and to engage efficiently and effectively with businesses.
- 5.2 The adopted LDP and Maldon and Heybridge Central Area Masterplan SPD support the Strategic Theme of Place as set out in the Corporate Plan for sustainable growth and new infrastructure.

6. IMPLICATIONS

- (i) **Impact on Customers** – Preparation of local development documents in a timely manner provide customers with a robust framework for preparation and submission of planning applications.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risk** – Required development plan documents de-risk the planning process. Effective documents hold material weight in the planning process and will capture benefits and opportunities from development proposals.
- (iv) **Impact on Resources (financial)** – The Brief underpins adopted strategic policy direction and consequent opportunities for funding. Planning applications will be submitted with Planning Performance Agreements.
- (v) **Impact on Resources (human)** – The Brief has been prepared in-house and programmed to internal work streams and work plans.
- (vi) **Impact on the Environment** – The Brief promotes sustainable development and environmental enhancement
- (vii) **Impact on Strengthening Communities** – None identified.

Background Papers:

Maldon District Local Development Plan (2014-2029) www.maldon.gov.uk/ldp
Maldon and Heybridge Central Area Masterplan SPD 2017 www.maldon.gov.uk/SPD
Local Development Scheme (February 2019 – February 2021)
www.maldon.gov.uk/.../local_development_scheme_2019-2021.pdf

Enquiries to:

Jackie Longman, Strategy Theme Lead – Place, Jackie.longman@maldon.gov.uk

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DRAFT

North Quay Regeneration Development Brief

For Public Consultation: Monday 3 February – Friday 13 March 2020



Incorporating Maldon and Heybridge Central Area Masterplan projects:

Project 6 North Quay Regeneration

Project 7 Heybridge Creek Connections

Project 8 The Causeway Corridor

Project 9 Heybridge Creek Improvements

Project 12 The Causeway Strategic Flood Risk Review

January 2020

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- 1 Introduction**
- 2 North Quay defined area**
- 3 Planning policy framework**
- 4 Planning context**
- 5 Existing land use**
- 6 Flood resilience and infrastructure**
- 7 Movement and connections opportunities**
- 8 Development opportunities**
- 9 Design principles**
- 10 Developer contributions guidance**
- 11 Business engagement and public consultation**
- 12 Links to relevant documents within the Brief**

Summary

The North Quay forms an integral part of the wider Causeway Regeneration Area which is the most significant employment allocation within the adopted Local Plan. The North Quay stretches along the southern area of The Causeway and includes frontage to the River Chelmer and the Heybridge Creek.

A Development Brief is required for the area as the site has a unique set of opportunities and challenges that must be addressed. The area has a rich historic and natural environment that needs to be preserved and enhanced but has opportunities for significant improvements to sustainable connectivity across the site and fixing links between Heybridge, Heybridge Basin and Maldon.

With its proximity to the town centre and ample riverside frontages this Development Brief sets out an ambitious framework that seeks to enable intensified employment led development with opportunities to capitalise on the water frontages both on and off land. The North Quay is sought to become a high-quality environment to complement the existing qualities of the natural and historic built environments.

The Brief brings all the above considerations together alongside identified constraints associated with flood risk and clearly sets out the expectations for any development within the North Quay Area. It is a key document in the decision-making process for any subsequent planning applications.

1. Introduction

- 1.1 This Brief is included within the Local Development Scheme 2019-2021 and has been informed by national planning policy and guidance, the adopted LDP, Corporate Plan 2019-2023 and Maldon and Heybridge Central Area Masterplan SPD [‘the Masterplan’].
- 1.2 A development and regeneration strategy for the Maldon and Heybridge Central Area [‘Central Area’] is set out in the Masterplan adopted November 2017. The Masterplan has 18 key projects and a project priority programme to deliver **economic growth and environmental enhancements** over the next 10 years to 2029. The objectives for the Central Area come directly from Policy S5 *Maldon and Heybridge Central Area* in the adopted Local Development Plan (LDP).

Maldon and Heybridge Central Area Masterplan Objectives



- 1.3 The **Causeway Regeneration Area** is 1 of 3 sub-areas in the Masterplan area. The Causeway Regeneration Area is focussed on improving the District's principal employment area to ensure development and regeneration proposals deliver jobs through employment-led mixed-use development, sustain existing businesses that aspire to expand and attract new businesses to the area. The **North Quay** at Fullbridge is within the Causeway Regeneration Area.

- 1.4 The Masterplan states on page 53:

“The priority for North Quay will be to ensure new developments and regeneration proposals deliver new jobs through employment generating mixed-use development. With good links to the town centre and improving amenities in the wider area, residential uses [‘residential uses’ in the context of Project 6 North Quay in the Masterplan relate to the extant Sadd’s Wharf mixed use development for 93 residential units plus B1 (office) and D1 (sports / recreation uses)] are likely to play an important role in helping to deliver improved pedestrian access and environmental quality of the quayside environment. A new generous quayside walk, flanked by commercial uses, is a long-term aspiration which would complement improvements to riverside connections on the south side of The Chelmer. Such a route would enable key sites including Sadd’s Wharf and the Heybridge Creekside environment to be far better connected. Improvements to these connections are considered particularly important in the context of the planned strategic housing growth north of Heybridge. There is a longstanding aspiration to improve physical linkages between Heybridge and The Causeway and Maldon. Major new development proposals along the North Quay should contribute to delivering improvements to access and connectivity.”

- 1.5 This draft North Quay Development Brief (the Brief) incorporates 5 Masterplan projects. Each project has objectives in the Masterplan that are specifically reflected in this Brief for the North Quay defined area:

- Project 6 North Quay Regeneration
- Project 7 Heybridge Creek Connections
- Project 8 The Causeway Corridor
- Project 9 Heybridge Creek Improvements

- Project 12 The Causeway Strategic Flood Risk Review

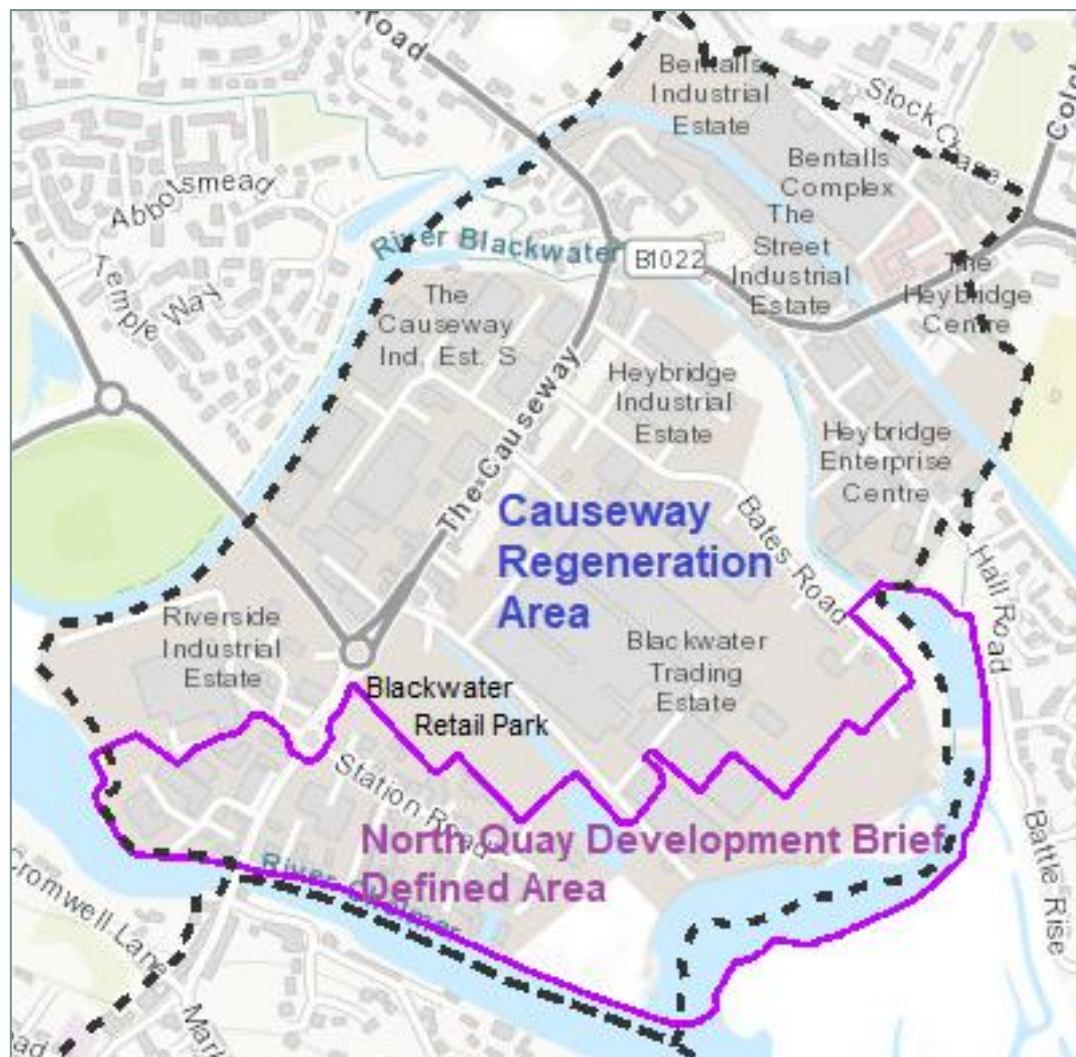


Figure 1 North Quay Development Brief Area within Causeway Regeneration Area

- - - Causeway Regeneration Area
 — North Quay Development Brief defined area

- 1.6 The 5 Masterplan project objectives ensure that all development in the **North Quay** and the wider **Causeway Regeneration Area** must account for:
- flood resilience infrastructure
 - deliver improvements for access and connectivity between Maldon and Heybridge via walking, cycling and public transport;
 - incorporate public realm improvements and enhancements for the benefit of the community, employers, employees and visitors
- 1.7 Paragraphs 1.7 – 1.12 give an overview of the Masterplan project objectives that are incorporated within this Brief to regenerate the North Quay defined area.

1.8 Project 6 North Quay Regeneration



Regeneration of the North Quay is focussed on employment uses with some opportunity for employment-led 'mixed use' development where a significant number of jobs are created. The North Quay is predominantly employment land with a few pockets of historic residential housing at The Granaries, Station Road and Fullbridge related to the industrial heritage at the North Quay (flour milling, grain storage and the former Maldon East Railway Station with associated railway workers housing). The Blackwater Retail Park including the Travelodge under construction at The Causeway, north of Station Road, will contribute to the wider town centre economy at the edge of town location for customer choice, where the historic town centre cannot accommodate large floorspaces. The River Chelmer and Heybridge Creek frontages have development opportunities to access to the waterside, walking and cycling connections and visitor attractions supporting cultural activities and celebrating our food heritage.

1.9 Project 7 Heybridge Creek Connection



The Heybridge Creek frontage can provide an improved off-road link connecting the three Masterplan sub-areas together. A Heybridge Creek connection will link the Maldon Riverside Path across Fullbridge via the North Quay and link the England Coast Path south and north of the estuary. Currently, the England Coast Path leaves the waterside at Fullbridge and continues to The Causeway and on to Bates Road to join the Coast Path at Hall Road, Heybridge and on to Heybridge Basin. The approved plans for the Sadd's Wharf development play a crucial role in opening access to the North Quay and Heybridge Creek frontages from Station Road. New development on The Blackwater Retail Park has enabled a pedestrian cycle link adjacent and up to the Aldi Store.

1.10 Project 8 The Causeway Corridor



The entrance to the Causeway employment area from Heybridge Approach is a significant Gateway for vehicular traffic. Heybridge Approach is opposite the western boundary of the North Quay defined area at the Blackwater Retail Park. A Landscape and Public Realm Strategy has been prepared by consultants as required in the Masterplan, page 59 to improve the quality of the landscaping and public realm to lift the profile and appearance of the Causeway as the District's main employment area. Where landscape and public realm improvements and enhancements are identified close to, within or affecting the North Quay defined area, S106 or CIL contributions will be sought through development proposals to implement the necessary enhancements and improvements.

1.11 Project 9 Heybridge Creek Improvements



Alternative and sustainable transport choices are considered important to the future of Maldon and Heybridge. Heybridge Creek is the pivotal frontage to link pedestrians and cyclists to the employment area, retail areas at the edge of town and to the town centre, Promenade Park and Hythe Quay via an off-road route. An improved pedestrian and cycle route along the Heybridge Creek frontage will link to the Riverside Path and England Coast Path routes. Improved access at Heybridge Creek would support the existing house boat community and further residential house boat moorings. Supporting infrastructure for houseboats detailed in Policy H8 *Provision for Houseboats*, LDP is required on the landward side of Heybridge Creek including car parking, jetty access and connection to utilities.

1.12 Project 12 The Causeway Strategic Flood Risk Review



To enable the Causeway to regenerate to increase employment and meet business aspirations for growth, expansion and productivity, it is apparent that the risk of flooding is holding the Causeway employment area back. The review of flood risk and identifying mitigation measures will give certainty to developers, businesses and stakeholders to invest in the Causeway to increase employment and job creation through redevelopment and regeneration ensuring the Causeway continues to be a key focus of the local and sub-regional retail, employment and visitor economies.

- 1.13 This Brief has been prepared to assist developers and stakeholders when drawing up proposals for redevelopment and regeneration in the North Quay defined area and to set out in enough detail the relevant planning matters that elaborate on the LDP Strategic Policy S5 and supplemental Masterplan SPD.
- 1.14 Preparation of this Brief has included engagement with landowners, local businesses, key stakeholders and infrastructure providers in consideration of business expansion, redevelopment and development opportunities, public realm and highway improvements and attracting inward investment and new business to the area. The Brief will inform developers and stakeholders and enable informed decisions by the Council on any future planning applications and delivery of necessary infrastructure.
- 1.15 This Brief acknowledges development currently under construction adjacent its defined boundary at Blackwater Retail Park and extant planning permissions at Sadd's Wharf and the Old Engine Shed on Station Road. The Brief accounts for integration of public realm improvements and connectivity to and from Maldon's town centre, access to the waterside and connections to and from the new North Heybridge Garden Suburb and South Maldon Garden Suburb communities.

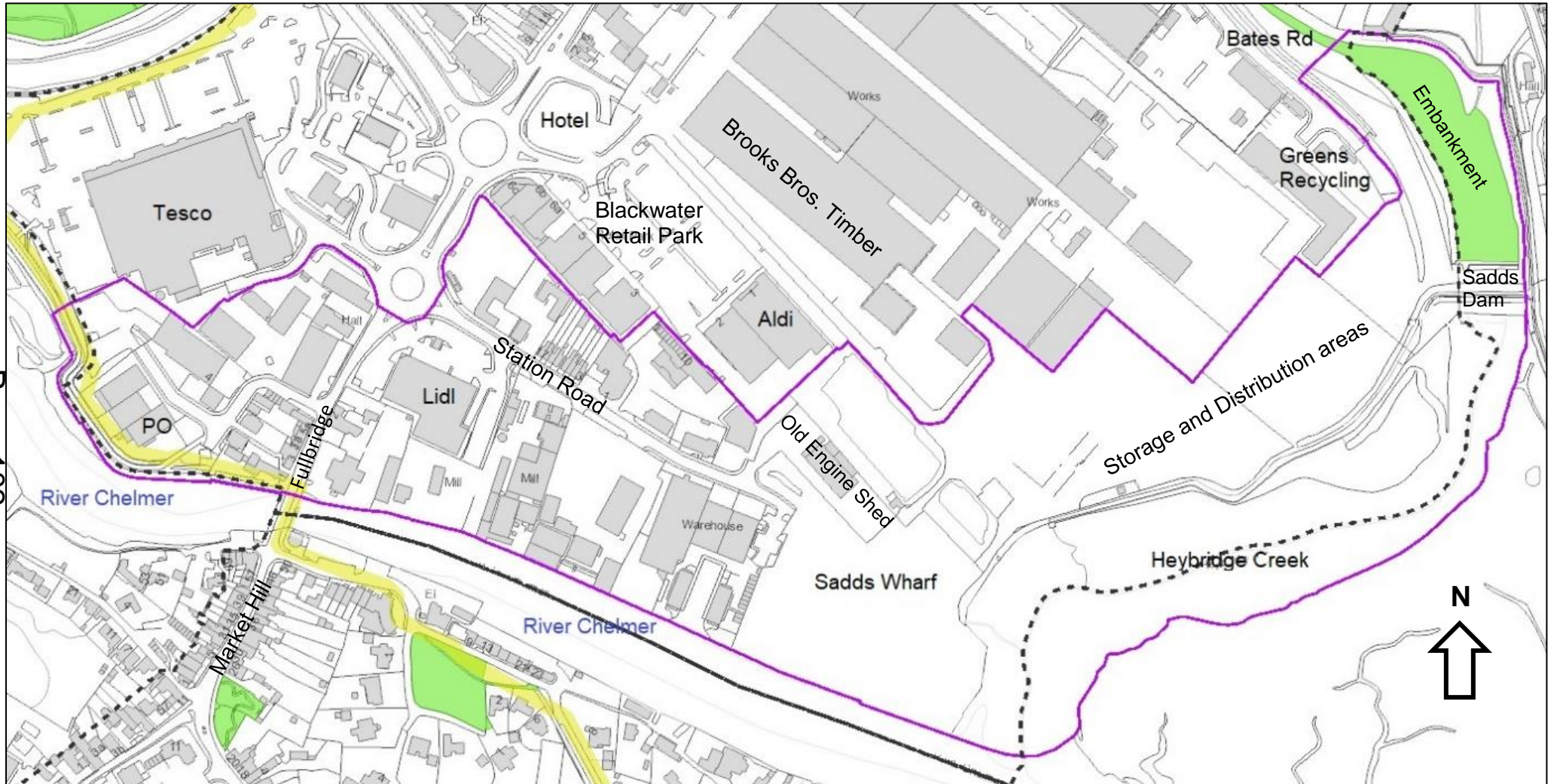


Figure 2



North Quay Development Brief defined area

2. North Quay defined area and context

- 2.1 The North Quay defined area fronts the River Chelmer on its southern boundary and Heybridge Creek on its eastern boundary to Bates Road and including existing houseboats within the creek. The western boundary doglegs around the back of the Tesco store including Mill Lane and Fullbridge up to and including Station Road. The northern boundary is adjacent the Blackwater Retail Park adjacent Brooks Bros. Timber Merchants and continues along boundaries to existing commercial sheds up to Greens Recycling at Bates Road and includes storage and distribution areas supporting existing businesses, Sadd's Dam and embankment.
- 2.2 The North Quay defined area is adjacent the River Chelmer and Heybridge Creek frontages at the head of the Blackwater Estuary; one of the District's most valuable natural assets. Habitats and species within the Blackwater Estuary are protected through international, national and local natural environment designations: Ramsar site, SSSI (Sites of Special Scientific Interest), SAC (Special Areas of Conservation) and SPA (Special Protection Areas). These sites are regulated and protected by Natural England and European Directives and Regulations.
- 2.3 The built environment and the setting of the area has a wealth of historic assets including the former Maldon East Railway Station, former commercial waterway – the Chelmer & Blackwater Navigation – and buildings and structures associated with the milling processes and storage, the former ironworks and Maldon Port Authority. Parts of the North Quay Regeneration Area are within the Maldon Conservation Area and close to the Chelmer & Blackwater Navigation Conservation Area.
- 2.4 The North Quay is within an area of distinctive character that is partially informed by it being the only river crossing over the Chelmer river at Fullbridge, at the foot of the historic hill top town of Maldon. This character has developed through historic trade and travel when the Port of Maldon received goods and commodities from around the world with a work force in the settlements of Maldon and Heybridge. The North Quay is within the Maldon Conservation Area and has several nationally listed and locally listed buildings reflective of industrial heritage including water transport, wharf side buildings, grain storage buildings, mills, historic dwellings and public houses.
- 2.5 The North Quay Area is within Flood Zone 3a. Key stakeholders have contributed to this Brief regarding tidal, fluvial and pluvial flood risk within the defined area.
- 2.6 As the North Quay area developed in the mid-19th century with a railway station, working port and quayside and river activity, residential dwellings were built at Fullbridge, Station Road and at the river frontage. The residential dwellings are within converted historic buildings at the river crossing (1-7 Fullbridge); associated with the former railway station on Station Road and within buildings converted from grain storage to waterside homes at the Granaries.
- 2.7 Regeneration of the wider Causeway area has commenced at the former Hunters Garage, Heybridge and at the Blackwater Retail Park and Travelodge developments. Mixed use developments have planning permissions at the Sadd's Wharf and Old Engine Shed sites.

3. Planning policy framework

3.1 The National Planning Policy Framework (NPPF) at Paragraph 8a has an ***“economic objective - to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure.”*** Paragraphs 20-23 allow ‘Strategic Policies’ in a Local Development Plan (LDP) to set out the overall strategic priorities for an area and look ahead over a minimum 15-year period ***‘to anticipate and respond to long term requirements and opportunities and those arising from major improvements in infrastructure’***. To build a strong, competitive economy, Paragraph 80 allows creation of conditions in which businesses can ***‘invest, expand and adapt’*** to support economic growth considering ***‘local business needs and wider opportunities for development.’***

3.2 The Council’s Corporate Plan 2019-2023 sets out priorities to support local businesses, attract new ones and to ensure key infrastructure is delivered to sustain economic growth and new development.

3.3 **Policy S5 Maldon & Heybridge Central Area, LDP Maldon & Heybridge Central Area Masterplan SPD**

Strategic Policy S5 Maldon and Heybridge Central Area in the adopted LDP and the adopted Masterplan SPD (adopted December 2017) embrace the NPPF:

- **S5(3):** *‘renewal of Causeway Regeneration Area to improve the supply of high-quality Use Class B floorspace (industrial and commercial) and increase employment: provision of modern workspaces suitable for small and medium sized enterprises; start up units; support of existing businesses seeking to expand and mixed-use developments which enable significant numbers of jobs to be created.’*
- **S5(5):** *‘increase public access next to and enhance the setting of the riverside to create a vibrant environment that incorporates a range of uses’*
- **S5(7):** *‘preserve and enhance the quality of the historic character within the context of riverside, estuarine and rural location’*
- **S5(9):** *‘protect the sensitive environmental relationship between the Central Area and designated areas including River Blackwater and Chelmer & Blackwater Navigation’*

3.4 The Masterplan SPD identifies key opportunity sites for redevelopment in the Causeway Regeneration Area including four in the North Quay defined area. The Causeway Regeneration Area is 43.6 hectares of allocated ‘employment land’ in Policy E1 Employment, LDP. The LDP Policy E1 encourages employment generating developments and investment to support the long-term growth vision outlined in the Council’s Economic Prosperity Strategy 2013-2029 that is an evidence base document to the policy.

3.5 **Policy E1 Employment, LDP**

- E1(l) The Causeway, Maldon and Heybridge *‘reserved for employment generating development through regeneration, modernisation and expansion of existing employment sites’*
- *‘Complementary and supporting uses may be considered that will not result in a material change of the areas Class B [B1, B2, B8] character and function’*
- Loss of existing employment land will only be considered against 3 criteria:
 - *‘present use harms character and amenity of adjacent area;*
 - *a beneficial community use is achieved;*
 - *continued employment use is no longer viable’*

3.6 Policy E1 also defines ‘Mixed Use Proposals’:

Mixed-use development on existing employment and premises will only be considered appropriate where it includes a substantive Class B employment element that will support economic growth within the District. Subject to viability and deliverability, the Class B employment element proposed will need to be delivered alongside or in advance of any proposed non-employment uses.

Mixed-use redevelopment will not be considered acceptable in employment areas where it will detrimentally impact upon the quality of the site for employment uses.

3.7 **Policy E2 Retail Provision, LDP**

Policy E2 focuses new retail development in the town centres and provides for new retail space in the Local Centres being created within the North Heybridge and South Maldon Garden Suburbs. The LDP recognises that the Blackwater Retail Park within the Causeway Regeneration Area, and adjacent the North Quay Development Brief Area represents a significant step-change in the provision of comparison goods retail facilities in Maldon and the District as a whole.

The Retail Study (WYG, 2015) that is an evidence base document to the policy recommended that the impacts of the Blackwater Retail Park should be monitored in the first two years after its initial opening (November 2018) to gain a better understanding of the actual impact of this development on the local retail economy (the review excludes the hotel element of the scheme).

The Council will review its retail evidence after the two-year period, which will start from the first trading day of the first store and undertake a partial review of Policy E2 if there is evidence to suggest a need to allocate new retail floorspace. Within this two-year period, it is not considered appropriate to allocate new retail floorspace given the risk of over-allocation. During this period the Council will only permit major new retail development within the town and district centres and the new Garden Suburb local centres in accordance with existing outline planning consents.

Policy E2, LDP excludes the North Quay Development Brief Area and Causeway Regeneration Area for further retail provision.

3.8 **Policy D1 Design and Built Environment, LDP Maldon District Design Guide SPD**

Policy D1 Design and Built Environment, LDP ensures that all development will not have a detrimental impact on its surroundings or local context and will actively seek opportunities for enhancement in the built environment.

The Maldon District Design Guide SPD (the Guide) supplements Policy D1, LDP and provides a clear direction on what is required of all development to deliver high quality design in the District. Section 2 of this Brief sets out the built, historic and natural environment context that is a requirement of *A06 Who to talk to?* and *B02 Helpful policy and guidance to consider* in the Guide. Section 7 of this Brief sets out project objectives for the North Quay defined area that is a requirement of *A04 Key Design Objectives* in the Guide. Section 10 of this Brief sets out design principles for the North Quay defined area that is a requirement of *A02 Purpose of the Guide* and *A03 The value of good design*.

3.9 **Policy D3 Heritage Assets, LDP**

The heritage assets within the North Quay area including the industrial and commercial activities on the land and waterborne activities on the river and creek, have shaped Maldon's built environment character and estuarine landscape character. The Maldon Conservation Area, 8 Listed Buildings and 1 building on the Local List of Heritage Assets are designated and non-designated heritage assets. Development proposals affecting a heritage asset, or its setting will be required to preserve or enhance its special character, appearance, setting and any features and fabric of architectural or historic interest.

3.10 **Policy H8 Provision for Houseboats, LDP**

The North Quay area is adjacent Heybridge Creek on its eastern boundary where Policy H8 Provision for Houseboats, LDP applies. Houseboats are a feature of the District's rivers and estuaries and are a form of residential development requiring similar infrastructure including car parking provision, access roads, refuse disposal points and utility connections.

3.11 **Policies N1 Green Infrastructure Network and N2 Natural Environment, Geodiversity and Biodiversity, LDP**

The North Quay abuts the River Chelmer and Heybridge Creek frontages at the head of the Blackwater Estuary, one of the District's most valuable natural assets. Habitats and species within this area are protected through international, national and local natural environment designations including SSSI (Sites of Special Scientific Interest), Ramsar, SACs (Special Areas of Conservation) and SPAs (Special Protection Areas). These sites are regulated and protected by Natural England and European Habitats Directives and Regulation.

4. Planning context

- 4.1 Policy S5(3), S5(5), S5(7) and S5(9) *Maldon and Central Area*, LDP and the supplementary planning document (the Masterplan) set out the policy context and objectives for regeneration, re-development and new development in the Masterplan area that includes the North Quay defined area. The strategic policy context is set out in Section 3, Paragraph 3.3 above. Policy S5(3) focusses on the requirements to renew the Causeway Regeneration Area (inclusive of the North Quay defined area) to:
- *improve the supply of high-quality Use Class B floorspace (industrial and commercial)*
 - *increase employment*
 - *provision of modern workspaces suitable for small and medium sized enterprises and start up units*
 - *support of existing businesses seeking to expand*
 - *mixed-use developments which enable significant numbers of jobs to be created*
- 4.2 The term ‘mixed-use’ has become progressively popular in planning terms over the last few years but often without providing a clear and precise meaning. Often the term relates to single buildings or areas that have a mixture of residential, business, commercial and retail uses. There is no need for development to contain all the elements to be defined as ‘mixed-use’ in the North Quay defined area. Mixed-use in the North Quay defined area should balance competing requirements and demands to deliver against the economic, social and environmental objectives in Policy S5 and within the Masterplan.
- 4.3 A significant proportion of the North Quay defined area is allocated as employment land under LDP Policy E1: *The Causeway E1(I)*. Designated employment land is reserved for employment development with Policy E1, LDP referencing that this designation is appropriate for employment development within the use classes B1, B2 and B8.
- 4.4 Employment land is a finite resource and as the District’s main employment area, the Causeway Regeneration Area is a key driver in the delivery of economic opportunities for the District over the life of the Local Plan to 2029 and beyond. Maldon District Council (the Council) will encourage development within the North Quay defined area which promotes and protects the area’s function for primarily providing jobs and supporting the economy of the District. Any loss of employment land will fail to meet the long-term aims and policy requirements of the LDP.
- 4.5 Proposals for new mixed-use development in the North Quay defined area must be appropriate in terms of scale, uses, character and function. This would include a range of business activities, including B1, B2 and B8 use classes and appropriate Sui Generis employment generating uses. Complementary and supporting uses where they serve an essential ancillary function to the employment area, will be considered. It is essential that proposals will not result in a material change of the area’s commercial character and function.

- 4.6 Retaining commercial activity is a key consideration through this Brief and the Council will not support development containing a residential use in the North Quay defined area in most circumstances. Commercial activities can conflict with residential uses where noise, air pollution and commercial operations would impact on residential amenity. This would result in existing commercial uses being prejudiced by the competing and incompatible residential uses. Furthermore, it is likely that the inclusion of a residential element is likely to increase pressure on other parts of the area to be freed up for residential use. The Brief acknowledges the existing residential parcels within the North Quay defined area at Fullbridge, Station Road and the Granaries and the extant planning permissions for mixed use developments at Sadd's Wharf and the Old Engine Shed.
- 4.7 Notwithstanding the above residential houseboats are acceptable within the North Quay defined area. Heybridge Creek currently accommodates residential houseboats, but these are unregulated and are not supported by necessary infrastructure detailed in Policy S8 Provision for Houseboats, LDP. Residential Houseboats feature close to the North Quay defined area at Chandler's Quay (with landward facilities and infrastructure), north of Downs Road close to the Downs Road Boatyard and on the Chelmer & Blackwater Navigation (accessed via Hall Road bridge). Residential houseboats contribute to the character and activity at the waterside and on the river.

Pre-application advice

- 4.8 The Council is committed to providing an effective planning service which delivers good quality development proposals. Early discussion between applicant and the planning authority is a valuable part of the planning application process. The benefits of pre-application advice include understanding how our policies will be applied to the proposal, identifying the need for specialist input, assisting in the preparation of proposals for formal submission, helping to reduce the time that is spent in working up the proposals and highlighting any concerns.
- 4.9 A response considering the primary planning issues for the future application, will be provided. The level of detail provided in the response will reflect the level of accuracy and detail of the information that is provided; the more information provided about your proposal, the more accurate and in-depth feedback will be.
- 4.10 Pre-application advice can either be solely through correspondence or a meeting can be held at the Council offices between an appropriately experienced planning officer and the applicant. This approach is encouraged both by the Council and the Government as it is considered to give your scheme the best chance of being granted a planning permission. Pre-application advice is provided by the Council for a fee.

Planning Performance Agreement

- 4.11 The Council offers Planning Performance Agreements (PPA). A PPA sits alongside the Council's existing pre-application advice service. It is a project management tool which allows all parties to agree timescales, actions and resources for handling a planning application. PPAs are usually agreed at the pre-application stage and relate to the whole development process, from pre-application planning advice and community engagement, to application progress meetings right through to the post decision stage, including the discharge of conditions and site monitoring. PPAs can be used for any type of application but are most effective for strategic, major and complex planning applications.

The key benefits of a PPA are as follows:

- Identification of key issues and relevant consultees at an early stage
 - Setting realistic and predictable timetables, with a structure of deadlines and action points
 - Improved collaborative working between the key stakeholders
 - Better overall management of advice at pre-application and post application stages
 - Greater accountability, transparency and communication
 - Better project management with a guarantee of dedicated Council resources
 - Removal of statutory timescales for the determination of applications
 - Greater commitment from relevant consultees to respond in a timely manner, particularly internal consultees
 - Better commitment to community engagement and consultation, enabling communities to influence planning decisions
 - Ability to recover costs, thereby reducing the financial burden on Council resources.
- 4.12 The Council recognises that the successful delivery of development projects requires good working relationships with developers, communities and other stakeholders. Improved communication and transparency can help reduce delays, provide accurate and timely advice and set realistic time frames for determination.

5. Existing land use

- 5.1 The Causeway Regeneration Area is allocated Employment Land (E1(I)) detailed in the LDP North West Proposals Map, LDP (copy extract Figure 3 below).

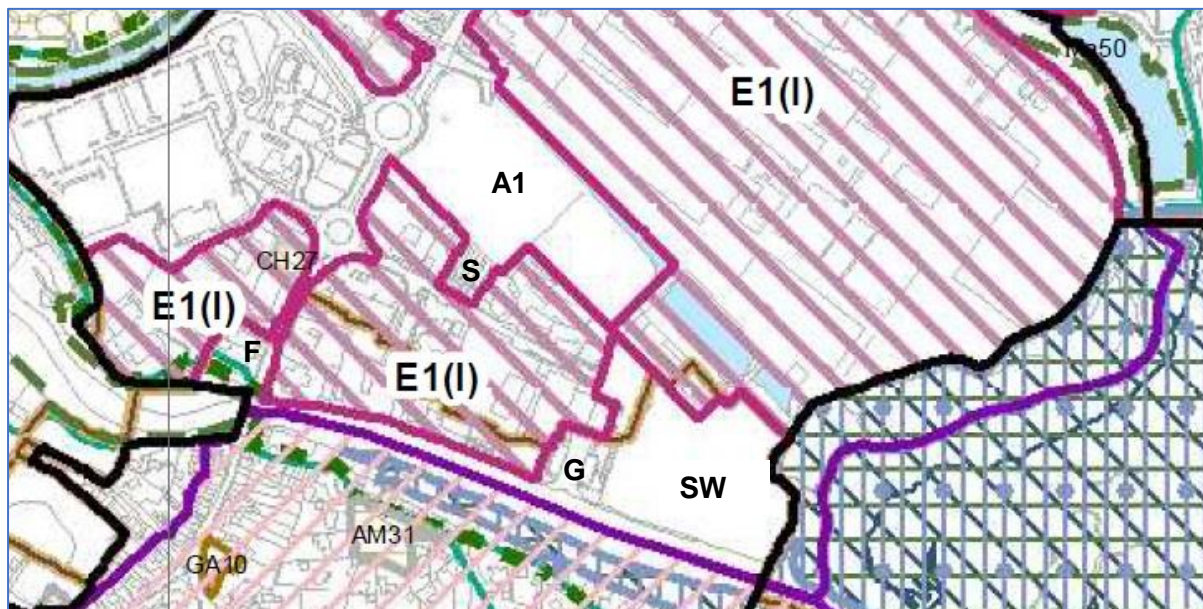


Figure 3 Allocated Employment Land – North West Proposals Map Extract

- 5.2 The North Quay Development Brief land area is predominantly allocated Employment Land except for:

- **SW** Sadd's Wharf extant planning permission for mixed use development
- **F** Fullbridge residential dwellings
- **G** Granaries residential dwellings
- **S** Station Road residential dwellings

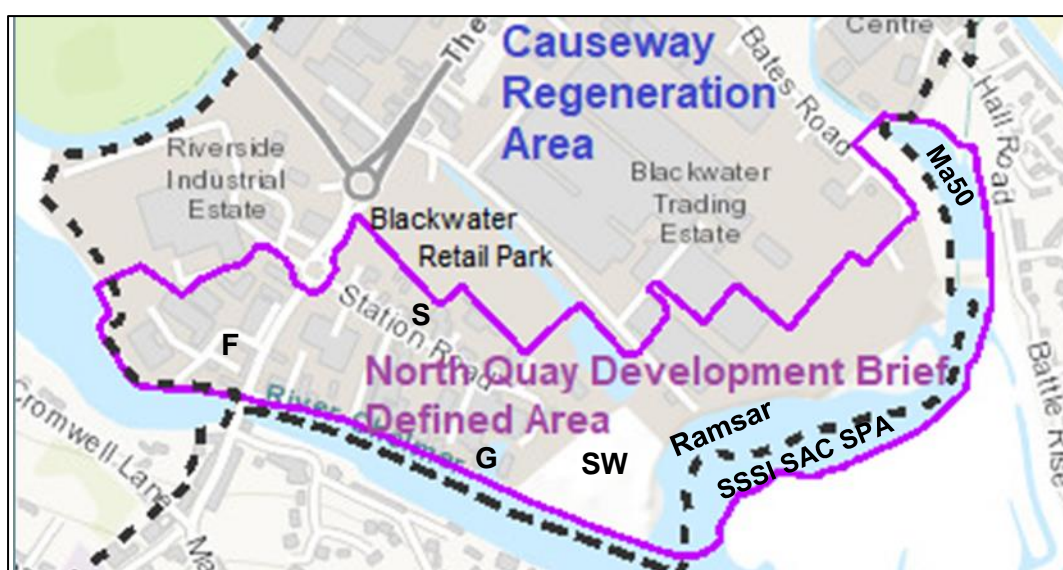


Figure 4 Residential land uses and mixed-use land uses in North Quay Area (key above)

5.3 The water frontage at Heybridge Creek adjacent the landward side of the North Quay Development Brief area has several natural environment designations highlighted in Figure 4 above:

- **Ma 50** Local Wildlife Site Heybridge Creek
- **Ramsar** Ramsar Conservation Designations for Wetlands
- **SSSI** Special Sites of Scientific Interest
- **SAC** Special Areas of Conservation
- **SPA** Special Protection Area

It is important to consider the sensitivity of the natural environment in development proposals including walking and cycling routes, surface treatments and hard and soft landscaping including lighting.

5.4 The existing Class Uses within the allocated employment land in the North Quay Development Brief area are:

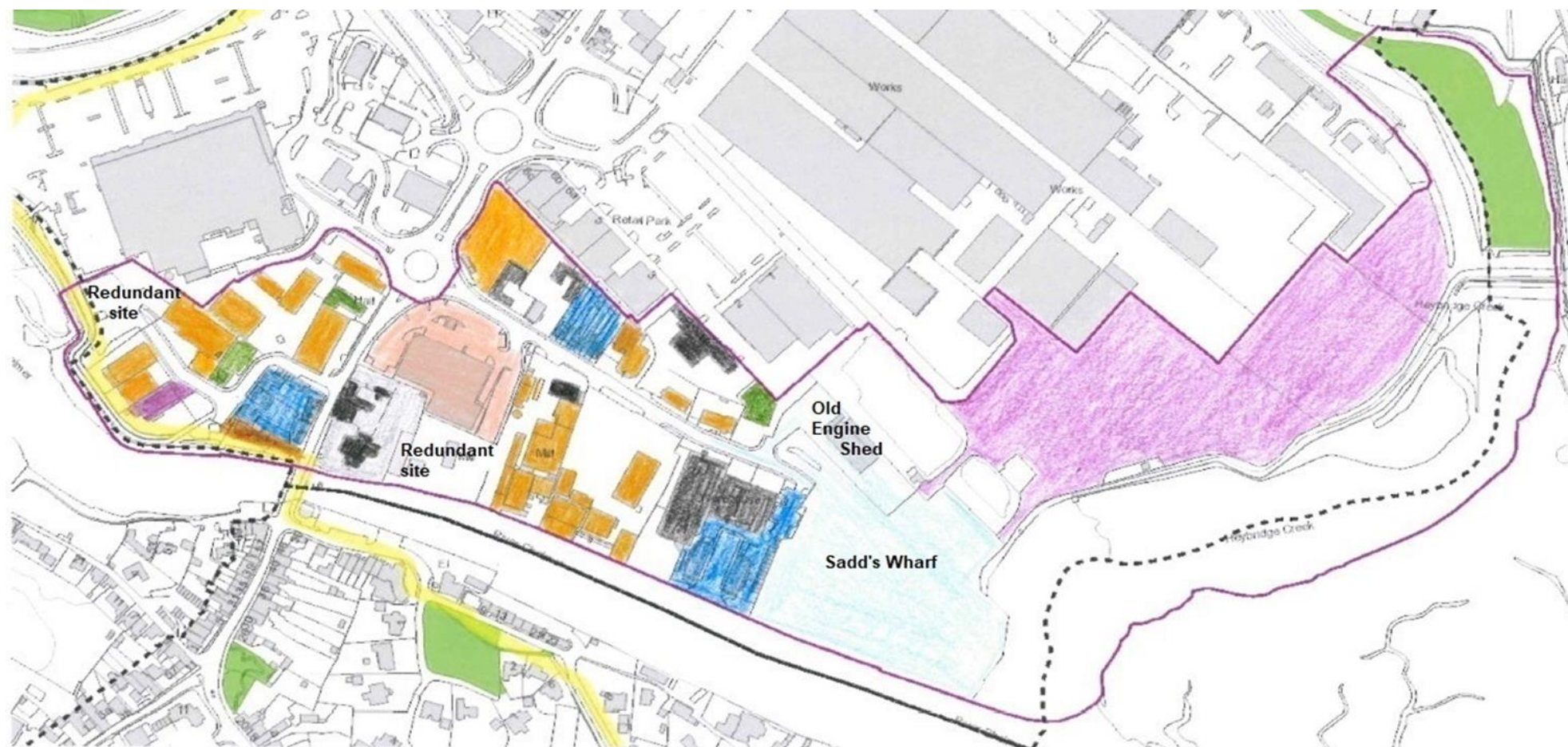
- A1** Shops – (Lidl)
- A4** Drinking establishments (The Welcome Sailor)
- B1** Business (offices)
- B2** General Industry
- B8** Storage and Distribution (associated with existing B2 and B8 uses)
- D1** Non-residential institutions (e.g. Combined Military Museum)

5.5 It is also important to consider the compatibility of new development and mixed uses adjacent existing employment sites in the North Quay Development Brief Area. The Planning Context Section offers a detailed approach in consideration of the land uses within the Brief area and on specific sites.

5.6 It is important to consider the compatibility of new development and mixed uses where there are site specific development opportunities highlighted in this Brief and within the Masterplan. Development opportunities are identified in the Masterplan as 'Opportunity Sites' and the Brief considers 'redundant sites' for redevelopment.

5.7 New development should complement the existing surrounding uses and take the chance to gain advantage from the river frontage and the Maldon Conservation Area. Redundant sites could support leisure and recreational uses including a food and drink offer close to walking and cycling routes along the waterside and coast path and the existing wharf frontage might cater for moorings for Thames Barges as occurs at Hythe Quay further downstream (of the River Chelmer). The use of the wharf should not impact adversely on navigation of the River Chelmer.

Figure 5 Describing what is there.....



Retail A1



Public House A4



Offices B1



General Industry B2



Storage or Distribution B8



Residential C3



Non-residential Institutions D1

Extant planning permission
for mixed use development (Sadd's Wharf and Old Engine Shed)

6. Flood resilience

- 6.1 Flood resilience is a major consideration for redevelopment and investment in the North Quay and wider Causeway Regeneration Area. Following implementation of the Flood & Water Management Act 2010, Essex County Council as the Lead Local Flood Authority, prepared Surface Water Management Plans (SWMPs) identifying Critical Drainage Areas (CDAs) within relevant Local Authority areas. The Maldon and Heybridge SWMP, produced in partnership with key stakeholders, was predominantly informed through historic surface water flood events during heavy rainfall.
- 6.2 The SWMP identified 5 CDAs as seen in Figure 6 below. The SWMP only has regard to surface water and does not consider interaction with Main River.

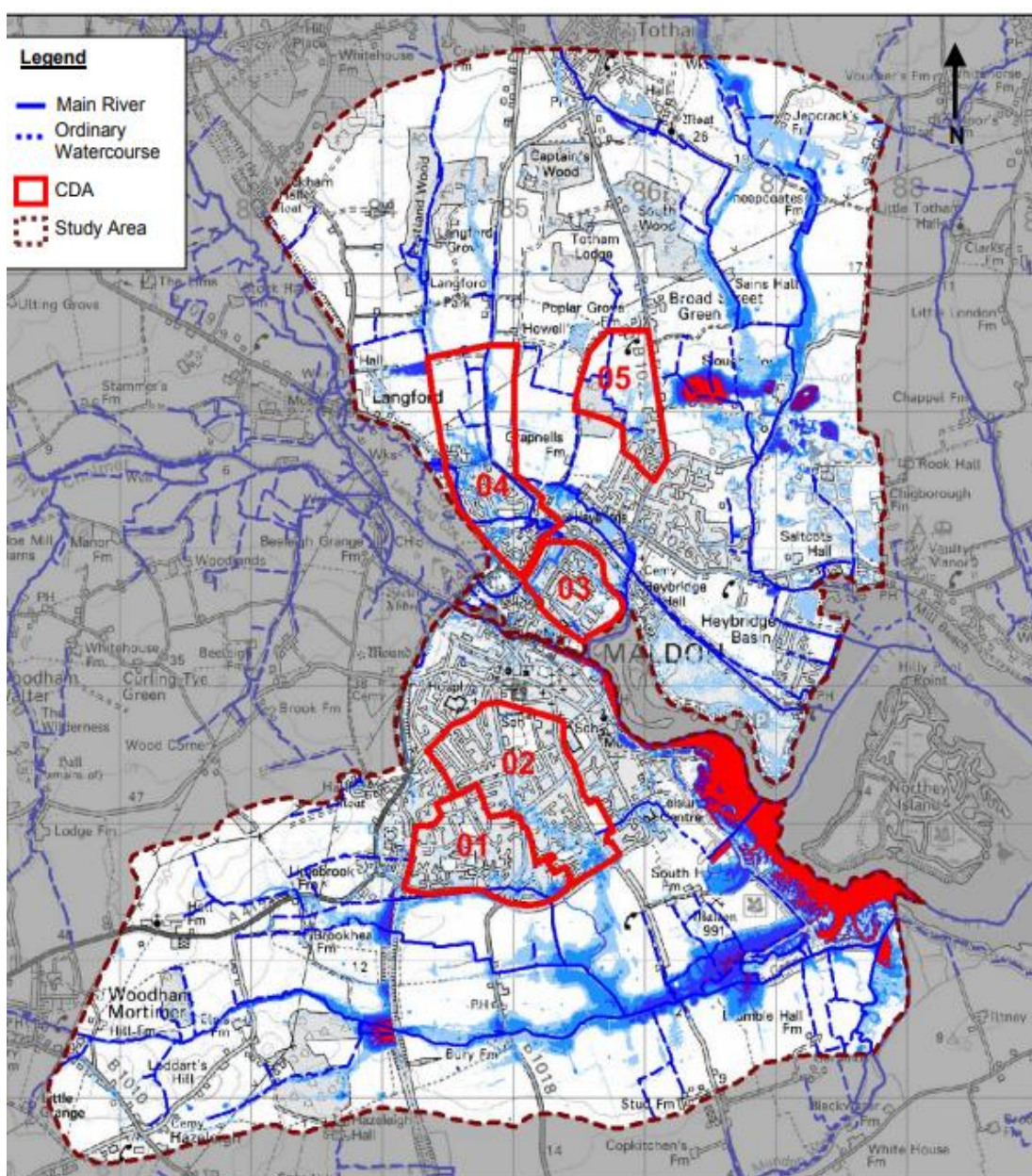
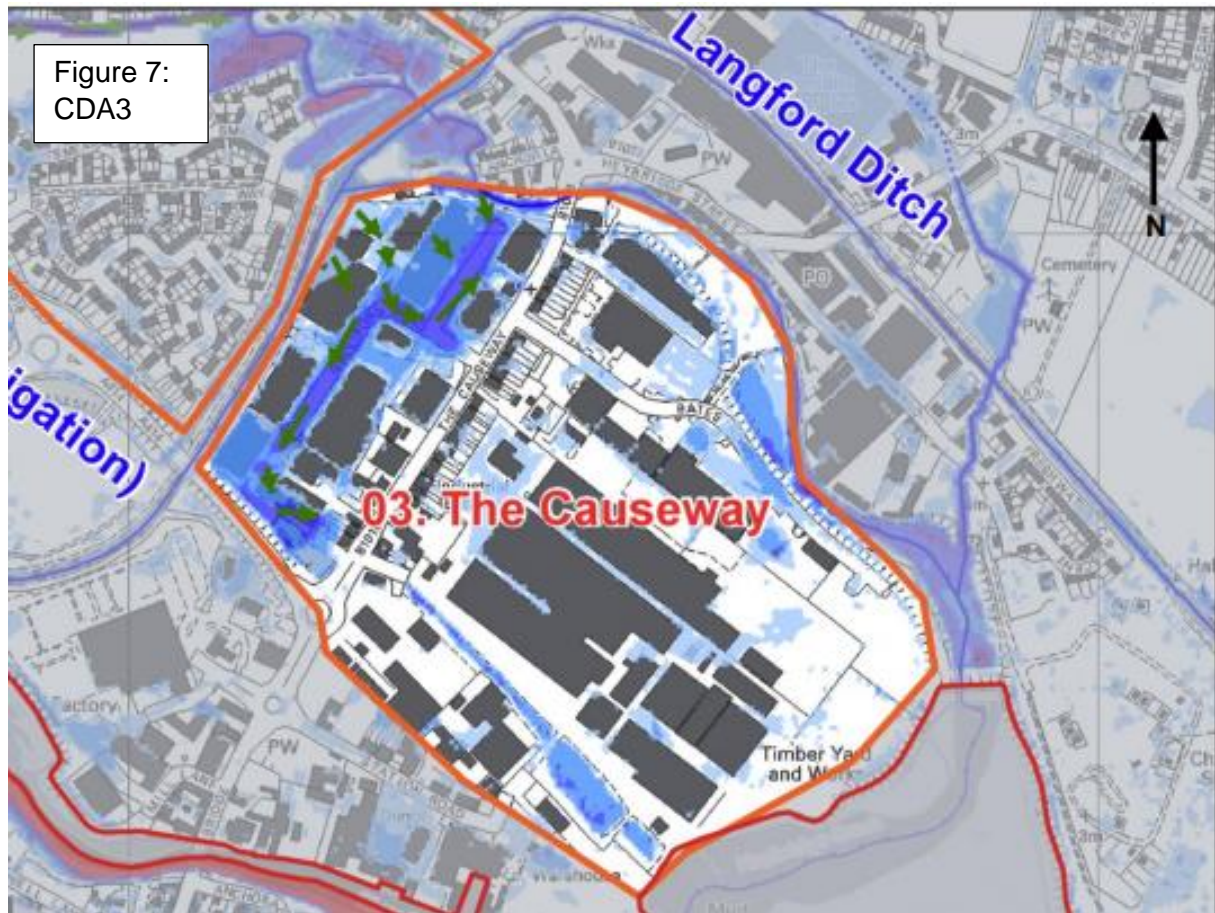


Figure 6 Five CDAs in Surface Water Management Plan

- 6.3 Of the five CDAs in the Maldon District, CDA 3 falls within the Causeway Area detailed in Figure 7 and incorporates part of the North Quay defined area.



- 6.4 CDA 3 is located within the Causeway Regeneration Area between Maldon and Heybridge. This area is also in Flood Zone 3 which partially benefits from existing Environment Agency (EA) flood defences. The EA highlight that the flood risk assets in this area are complex as detailed in Figure 8. Some of the problems currently encountered are the southern outfall sluices (Maldon Ironworks 1 & 2 and Sadd's Sluice) all have significant silt built up and only a small amount of water can flow. It is unclear as to exactly what drains into each of these three sluices. It would be of benefit to see how these sluices might be able to operate more efficiently in conjunction with any potential development schemes within the North Quay Development Brief area. The EA would look for the beneficiaries of the drainage to undertake future maintenance of the drainage function of the sluice(s), where the EA's primary concern with these outfalls is preventing tidal flooding.
- 6.5 The EA have difficulty accessing the tidal defence wall, outfalls and sluices from the existing industrial area, particularly south-west from Heybridge Creek Dam. There would certainly be benefit in improving access as part of any development proposals at Heybridge Creek for ongoing and future maintenance to the walls/embankments and outfalls and access for plant.

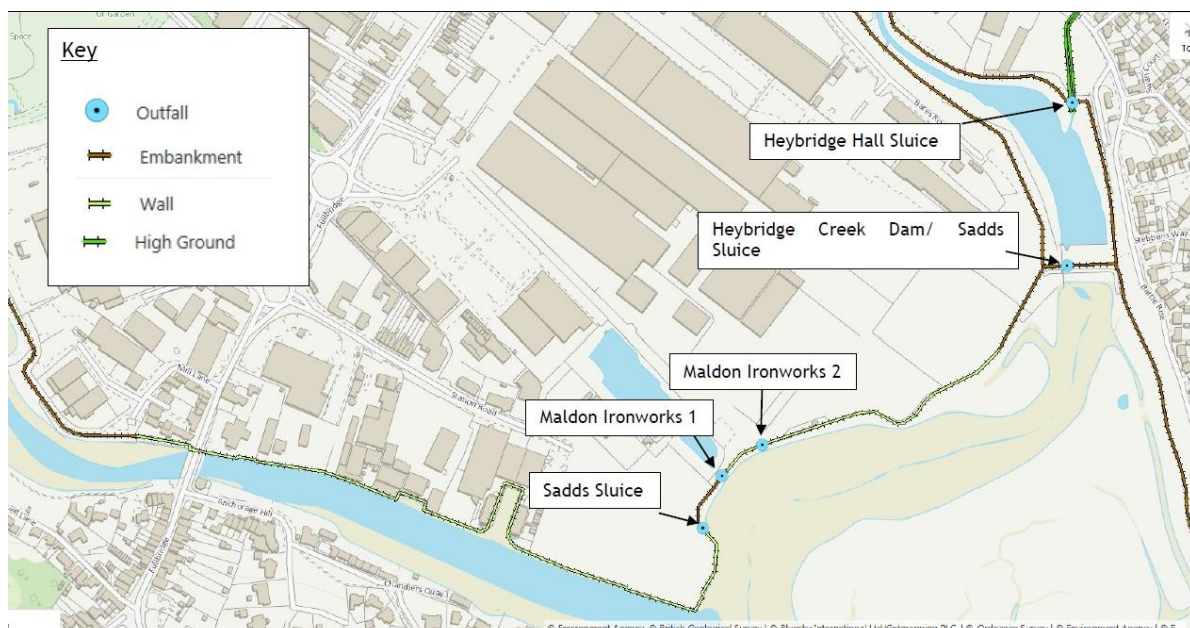


Figure 8 Flood Risk Assets

- 6.6 The Causeway Strategic Flood Risk Review (Project 12 Masterplan), was commissioned in March 2019 from Essex CC. The scope of the Causeway Strategic Flood Risk Review (the Review) is to understand the risks from all forms of flooding and how they interact in the Causeway Regeneration Area, including those existing problems with the outfall sluices.
- 6.7 The Review will provide a detailed evidence-based document of the existing flood risk to residential and commercial properties including the North Quay Development Brief area, and identification of any critical infrastructure and its condition. The Review will take into consideration flood risk from all sources of water including surface water, sewer system, ordinary water courses, Main River and tidal flood waters.
- 6.8 A primary purpose of the Review is to give certainty to developers and enable development to safely come forward ensuring that flood risk management of flood resilience infrastructure is identified and effectively managed and maintained going forward. The Review has involved working with stakeholders including the Environment Agency, Essex County Council and Anglian Water to establish where flood risk hotspots are within the CDA 3 and the wider Causeway Regeneration Area and how these might be mitigated and funded, including stakeholder funding provision, and Section 106 contributions as part of the planning process.
- 6.9 The Causeway Strategic Flood Risk Review is due to be completed by Spring 2020 and will be a material consideration in development proposals within the Causeway Regeneration Area and the Brief area.

7. Movement and connections

- 7.1 The Masterplan identifies the main connecting pedestrian, cycle and public transport connections within the Masterplan Area. Figure 9 below is an extract from the Movement and Connectivity Framework in the Masterplan (page 18) focussed on the Causeway and North Quay environs. Opportunities exist to access the waterside at the Heybridge Creek frontage that is key to unlocking the connectivity and movement constraints that exist in the North Quay defined area.



**Figure 9 Extract from Movement and Connections Framework
Maldon & Heybridge Central Area Masterplan SPD, December 2017, MDC**

- National Cycle Route N1
- - - England Coast Path (current route)
- Proposed pedestrian route
- Proposed cycle route
- - - Tesco Free Bus route

- 7.2 The draft Maldon Cycle Action Plan prepared by Essex Highways is an evidence base document that informs this Brief. All development proposals should have regard to the Maldon Cycle Action Plan (Essex Highways 2018) www.essexhighways.org. Figure ?? below is an extract from the Maldon Cycle Action Plan that is representative of the Masterplan objectives for walking and cycling at the Heybridge Creek frontage and forging links to Station Road, the Blackwater Retail Park and the wider Causeway area.

- 7.3 Development of the Blackwater Retail Park has realised an off-road connection for pedestrians and cyclists marked A-B on Figure 10 below from the Travelodge under construction on the Causeway to the end of the Aldi Store – see approved application FUL/MAL/18/00407). This new pedestrian and cycle route has created an opportunity to link to Station Road and onwards to the Heybridge Creek frontage via Sadd's Wharf.

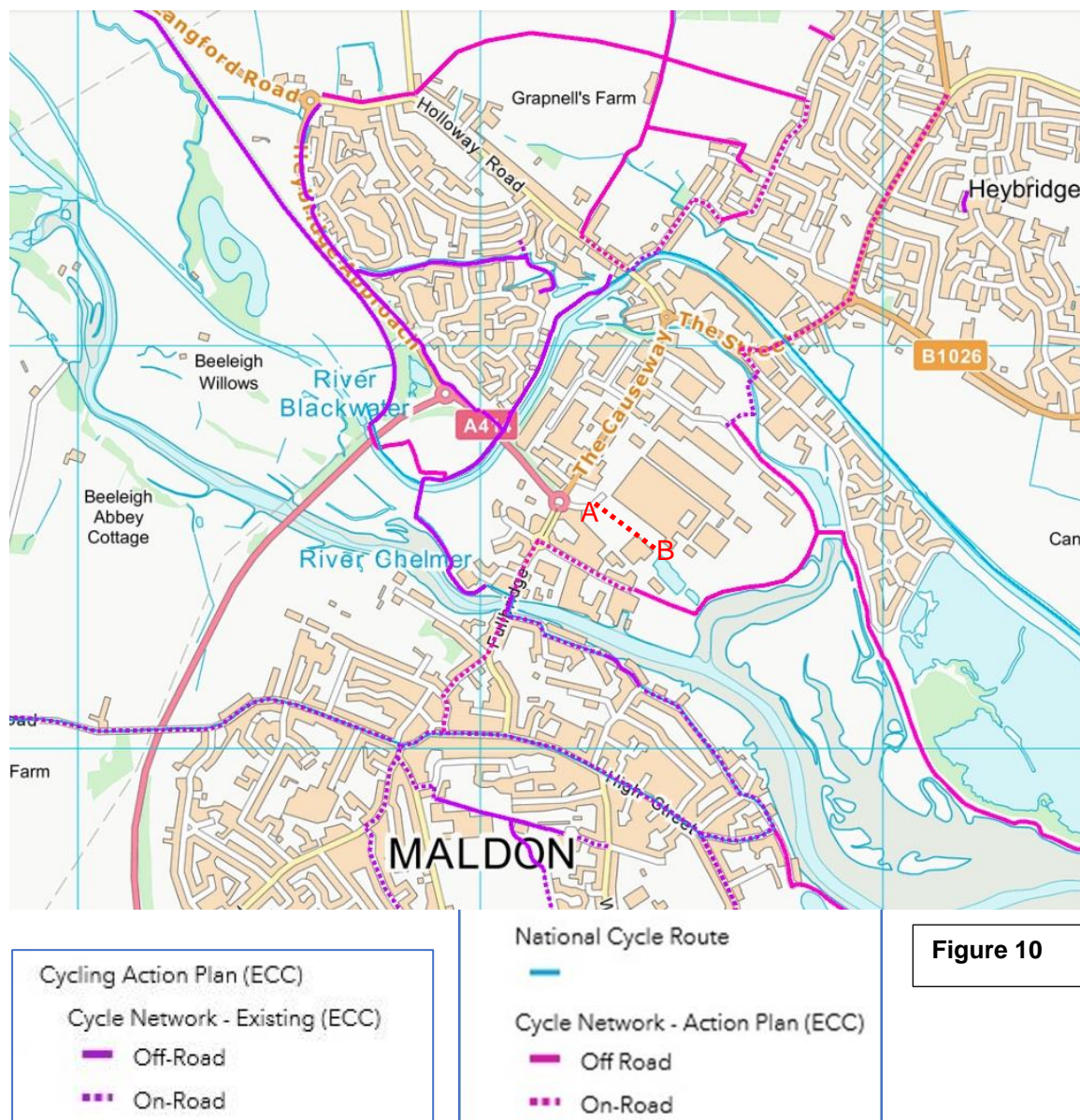
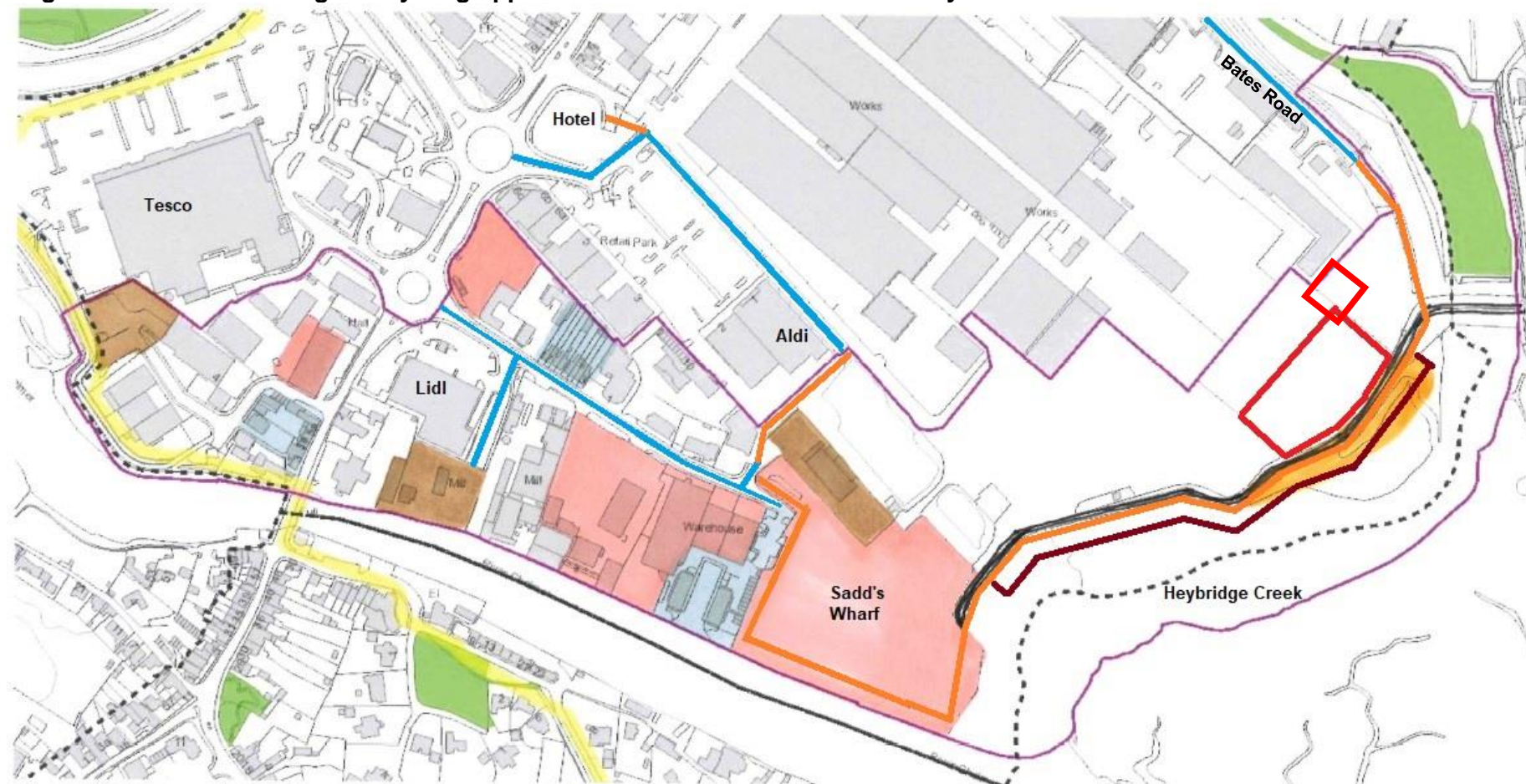


Figure 10

- 7.4 The North Quay area is served by public transport with bus routes from Colchester to Maldon (Bus 75 Route) and from Witham to Maldon (Bus 90 Route) and locally via the Tesco Free Bus Route (Bus 288).
- 7.5 As detailed within the Masterplan (Project 7 Heybridge Creek Connection) and within the draft Maldon Cycle Action Plan there is a desired off-road walking and cycle link at the Heybridge Creek frontage. A walking and cycle route at the Heybridge Creek frontage will enable the England Coast Path to connect via Station Road and Sadd's Wharf via Heybridge Creek and avoid the lengthy existing route that is away from the waterside and coast via the Causeway and Bates Road (figure 9).

- 7.6 An appropriately designed and engineered walking and cycle route at the Heybridge Creek frontage extending from the Sadd's Wharf site to Bates Road could bolster the existing tidal defences, embankment, sluices and outfalls detailed in Figure 8 in Section 6 Flood Resilience.
- 7.7 Activating the Sadd's Wharf to Bates Road frontage with a walking and cycle route could also link westwards to Station Road via Sadd's Wharf and via the Museum to the back of Aldi will infiltrate the Blackwater Retail Park and Travelodge complex allowing exploration of the area and easier routes for the community and visitors to access the waterside, canal side, town and village centres at Maldon, Heybridge and Heybridge Basin. Heybridge Basin is accessible from Bates Road via Sadd's Dam and the coastal route or north of the embankment on to Hall Road and via the Hall Road bridge over the Chelmer & Blackwater Canal.
- 7.8 Redundant sites at the River Chelmer frontage could be utilised for food and drink offers or visitor attractions to complement the walking and cycling routes, England Coast Path and Maldon Riverside Route that are envisaged to bring significant visitors and footfall to the coast and estuarine routes.
- 7.9 There is a demand for residential houseboat moorings in sustainable locations close to services and facilities. Living on a houseboat is a lifestyle choice but requires the same supporting infrastructure as houses on land i.e. landward car parking, access to utilities (electricity, mains water and sewerage) and waste collection. Heybridge Creek is suitably located close to the main towns of Maldon and Heybridge. Residential houseboat moorings feature on the Chelmer and Blackwater Navigation at Heybridge Basin and at Chandlers Quay and Downs Road at the South Quay and river/estuarine frontage in Maldon.
- 7.10 Existing houseboats in Heybridge Creek do not benefit from easy access, private jetty access, car parking, utility connections or local services. A landward area north of the tidal defence wall could be utilised for the necessary infrastructure to support existing and further residential houseboat moorings at Heybridge Creek creating a sustainable and attractive residential houseboat community that is integrated with its surroundings.
- 7.11 The existing residential houseboat moorings on the Chelmer & Blackwater Navigation at Heybridge Basin, at Chandlers Quay on the South Quay at Maldon and at Downs Road would be suitably connected via a network of pedestrian and cycle routes with access to retail, commercial and social infrastructure to support this lifestyle choice.
- 7.12 Figure ?? below illustrates the existing and potential movement and connective routes that could be delivered within the North Quay area to connect to the wider Causeway Regeneration Area, the coast and countryside for visitors and the community to enjoy and an off-road walking and cycling route to and from the settlements at Heybridge, Heybridge Basin and Maldon to encourage walking and cycling.
- 7.13 Sustainable transport (walking, cycling and public transport) is a key driver in achieving the Movement and Connections Framework within the Masterplan and creating a sustainable business community at the North Quay Regeneration area and the wider Causeway Regeneration Area plus the benefits for the community and visitors.

Figure 11 Off-road walking and cycling opportunities to and from the North Quay defined area.....



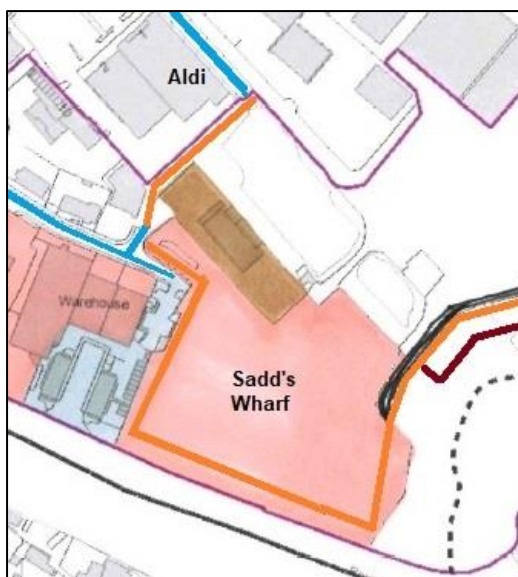
8. Development opportunities

- 8.1 The Maldon and Heybridge Central Area Masterplan SPD, Development Framework, on page 25, identifies four sites as 'Opportunity Sites' within the Brief area for redevelopment (bounded red in Figure 12 below). The Planning Policy Context at Section 3 and Planning Context at Section 4 are relevant to the Opportunity sites and in defining 'mixed use' in relation to an Opportunity Site's location, context, appropriate use and compatibility of uses where an existing employment use operates adjacent to it or close by.



Figure 12 Opportunity Sites (c, d, e, f) within North Quay

- 8.2 It is accepted through the Masterplan SPD 'Development Framework' on page 25 that the Causeway Regeneration Area has the greatest capacity for new development. The development of key opportunity sites is a central component of the Masterplan's 'Development Framework' supported by evidence base documents (Maldon District Economic Prosperity Strategy, MDC, 2013-2029 and Development and Improvement Plan for the Causeway Regeneration Area, BBP Regeneration, 2015) that with business and stakeholder engagement highlight the need for investment and supporting infrastructure in The Causeway as a key priority.
- 8.3 Opportunity sites c, d, e and f (shaded pink below) have the greatest opportunity to regenerate the North Quay and are analysed for their potential for redevelopment with highlighted considerations and opportunities to ensure compatibility with adjacent land uses:

Opportunity Site c North Quay, Sadd's Wharf

Masterplan objectives CA1 CA2 CA4 CA6

Existing use Stalled site - Outline Planning Permission and Reserved Matters approved for mixed use development (planning conditions discharged, and access to site constructed)

Existing Class Uses C3, B1, D1

Environmental designations, Maldon Conservation Area, natural environment designations at Heybridge Creek and River Chelmer frontages

Site considerations/opportunities adjacent land uses are C3 (the **C** rries), B1 office B2 light industry and B8 storage or distribution

Development considerations: flood resilience, Maldon Port Authority

Developer contributions as approved

Considering the extant planning permissions, the Council would support the principle of a redesigned deliverable scheme that would regenerate the site through the provision of both employment and residential uses. Redevelopment of the Sadd's Wharf site is critical to the delivery of improved connections for pedestrians/cyclists along Heybridge Creek frontage that connects to Station Road. A new design could support improvements to tidal defences and water management features to enhance flood resilience.

Opportunity Site d North Quay between Sadd's Wharf and Carr's Flour Mill

Masterplan objectives CA1 CA2 CA3 CA4 CA6

Existing use Jewson Building Supplies and EOL IT Services

Existing Class Uses B1 B2 B8

Environmental designations Maldon Conservation Area, natural environment designations at River Chelmer frontage

Site considerations/opportunities

C3 residential land use to south (the Granaries) and operational flour mill on western boundary. Riverside location **d**

Development considerations: flood resilience, enhanced Station Road frontage, access to riverfront, employment-led mixed-use development

Developer contributions flood resilience, public realm enhancements and highway improvements for walking and cycling

As a site within the Causeway Regeneration Area (allocated employment land), the Council would not support residential uses within a mixed-use development. The operational flour mill processes and distributes grain-based products with a 50+ workforce. Large vehicles bring raw materials to the site and distribute products from the site. The business has expressed a desire to expand their packing operations and require adjacent land. A key opportunity is the riverside location for a mixed use including a food and drink use and visitor attractions to support the visitor economy.

Opportunity Site e Fullbridge industrial units

Masterplan objectives CA1 CA2 CA6

Existing use Essex Motor Factors, Tile Warehouse and Tile Design Studio

Existing Class Uses B1 B2 B8

Environmental designations Adjacent Maldon Conservation Area and Listed Buildings

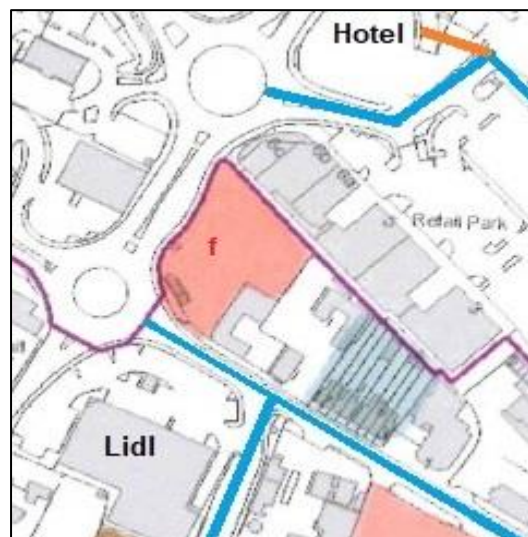
Site considerations/opportunities

Adjacent C3 residential land use, potential for 2 storey building

Development considerations: flood resilience, enhanced public realm, employment-led mixed-use development

Developer contributions flood resilience, public realm enhancements and highway improvements for walking and cycling

As a site within the Causeway Regeneration Area (allocated employment land), the Council would not support residential uses within a mixed-use development. There is an existing residential use adjacent at Fullbridge within listed buildings. Improvements to the existing employment uses through supporting the regeneration, intensification and expansion of the existing units to provide a more modern and attractive offer for both existing and new businesses.

Opportunity Site f Fullbridge/Station Road corner site (north)

Masterplan objectives CA2 CA3 CA6

Existing use Maldon Demolition

Existing Class Uses B1 B2 B8

Environmental designations opposite Listed Building (Maldon Ironworks building)

Site considerations/opportunities

Adjacent Blackwater Retail Park, prominent corner site on the Causeway frontage

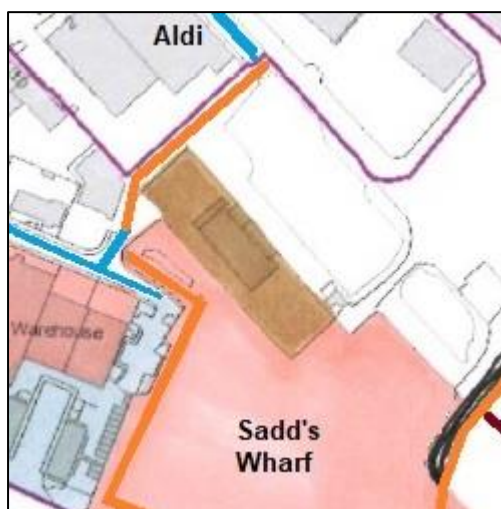
Development considerations: flood resilience, enhanced public realm, employment-led mixed-use development

Developer contributions flood resilience, public realm enhancements and highway improvements for walking and cycling

As a site within the Causeway Regeneration Area (allocated employment land), the Council would not support residential uses within a mixed-use development. All new development should add to the quality of the built and natural environment and considering the location of the site and the current appearance, this site offers a real and demonstrable opportunity to provide an enhancement to the character and appearance of the area. Any redevelopment of the site should take advantage of the highly visible location for mixed use development with an innovative and attractive design.

- 8.4 There are 3 redundant sites (shaded brown below) that have opportunities for employment led mixed use development to regenerate the North Quay and are analysed for their potential for redevelopment with highlighted considerations to ensure compatibility with adjacent land uses.

Redundant Site Old Engine Shed



Masterplan objectives CA2 CA4 CA6

Existing use redundant commercial shed

Existing Class Uses Outline planning permission granted for mixed use development for residential and office units

Environmental designations natural environment designations at Heybridge Creek

Site considerations/opportunities

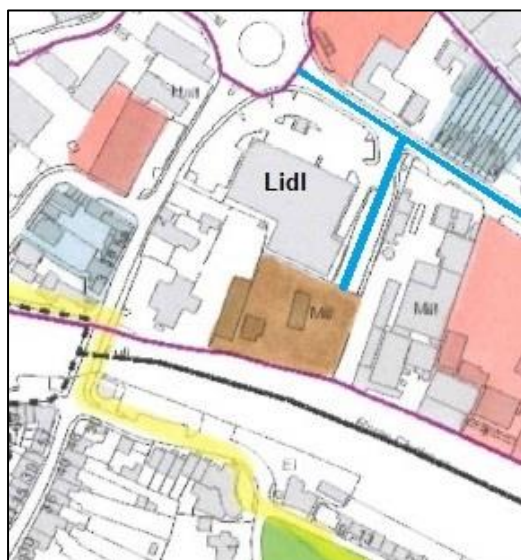
Adjacent Blackwater Retail Park / adjacent Sadd's Wharf Opportunity Site c

Development considerations: flood resilience, enhanced public realm, walking and cycling connections

Developer contributions as approved via approved outline planning application

The Old Engine Site benefits from an outline planning permission for 20 residential units and 10 office units accessed from Station Road. The outline planning permission has reserved matters of access, layout, appearance, landscaping and scale for later determination which gives the opportunity to achieve walking and cycling connections and improved public realm.

Redundant Site Former Hasler's Mill and the old granary



Masterplan objectives CA2 CA3 CA4 CA6

Existing use redundant mill and granary

Existing Class Uses B2, B8

Environmental designations Maldon Conservation Area, adjacent Listed Buildings, granary is locally listed, natural environment designations at River Chelmer frontage

Site considerations/opportunities

Adjacent operational flour mill, Hasler's mill has asbestos cladding / potential to access river frontage and prominent visible riverside frontage

Development considerations: asbestos removal, flood resilience, enhanced public realm for walking and cycling

Developer contributions flood resilience, public realm enhancements and highway improvements for walking and cycling

The height, form and appearance of the mill and granary are reflective of the North Quay's industrial heritage. As a site within the Causeway Regeneration Area (allocated employment land), the Council would not support residential uses within a mixed-use development. The adjacent operational flour mill has expressed a desire to expand their packing operations and require adjacent land. A key opportunity is the riverside location for a mixed use including a food and drink offer and visitor attractions to support the visitor economy. Significant footfall is anticipated via the England Coast Path riverside route.

Redundant Site South of Tesco Store

Masterplan objectives CA2 CA3 CA4 CA6

Existing use car park

Existing Class Uses Sui Generis

Environmental designations Chelmer & Blackwater Navigation Conservation Area, natural environment designations at River Chelmer frontage

Site considerations/opportunities

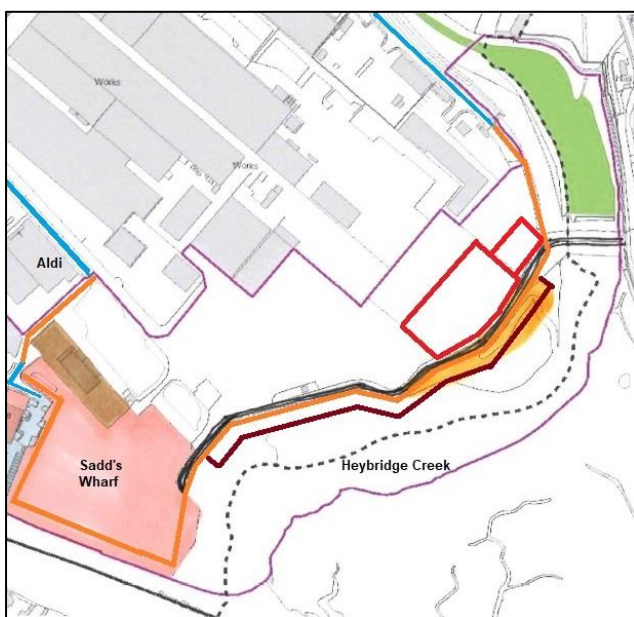
Adjacent operational retail store and light industrial uses / links to Chelmer & Blackwater Navigation route via River Chelmer frontage and prominent visible riverside frontage

Development considerations: flood resilience

Developer contributions flood resilience, public realm enhancements and highway improvements for walking and cycling

As a site within the Causeway Regeneration Area (allocated employment land), the Council would not support residential uses within a mixed-use development. A key opportunity is the riverside location for a mixed use including a food and drink offer and visitor attractions to support the visitor economy. Significant footfall is anticipated via the England Coast Path with connections along the River Chelmer, the Chelmer & Blackwater Navigation and access to public open space at Oak Tree Meadow and Elms Farm Park.

- 8.5 As an area with distinctive riversides, canal sides and estuarine watersides, all sorts of boats, vessels and crafts are visible and characteristic near the North Quay. There is the potential for creating houseboat berths at Heybridge Creek within the North Quay defined area. Opportunity exists to improve landward facilities, services and connections to provide for residential houseboat moorings and provision of further houseboat moorings that are in demand in sustainable locations. Residential houseboat moorings exist close by at Chandlers Quay and Downs Road.



Masterplan objectives

CA3 CA4 CA5 CA6

Environmental designations Heybridge Creek has International, national and local natural environment designations

Site considerations/opportunities

Landward facilities to support residential houseboats on existing B8 land (edged red). Extending residential houseboat area (orange) along Heybridge Creek frontage (brown)

Development considerations: Adjacent land uses, car park provision, utility connections, walking and cycling routes and jetty access

Developer contributions public realm enhancements and improvements for walking and cycling at Heybridge Creek frontage

9. Design principles

- 9.1 The North Quay is located within an area of significant built, natural and historic environment quality. Environmental protection of the historic and natural environment are key considerations for development proposals in the North Quay as well as enhancement of the built, natural and historic environments. A development proposal in the North Quay must integrate successfully within its surroundings in terms of design quality and be compatible with adjacent uses as set out in national and local policy in Section 3, Planning Policy Context.
- 9.2 Regeneration of the North Quay offers the opportunity to bring redundant sites back into active use, redevelop sites to provide quality office, commercial and light industrial space, potential for visitor attractions and accommodation and recreational and leisure uses to showcase the waterfront location.
- 9.3 Circulation and access for walking and cycling at the River Chelmer and Heybridge Creek frontages are crucial to the successful regeneration of the North Quay defined area and connected routes to the wider Maldon, Heybridge and Heybridge Basin settlements. The standards of the highway authority, Essex County Council, are set out in the Essex Design Guide for Mixed Use and Residential Areas (1997) adopted by the Council as SPD.
- 9.4 The River Chelmer frontage is within the Maldon Conservation Area and has several listed buildings within the Brief area. The Heybridge Creek frontage is adjacent the Blackwater Estuary and its natural environment designations. The North Quay buildings and structures make a positive contribution to the character and appearance of the Maldon Conservation Area and the setting of the hill top town.

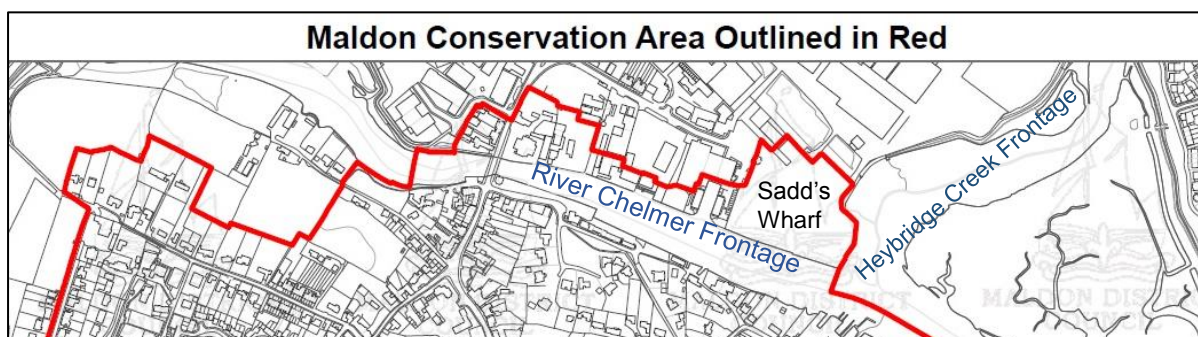


Figure 13 Area of North Quay within Maldon Conservation Area

- 9.5 The Maldon Conservation Area Review and Appraisal, page 62, acknowledges the contribution of the North Quay to the character of the waterside and setting to the hill top town of Maldon. This Brief acknowledges that the North Quay should evolve to have a role in the town's economic future but that any change should sustain the Conservation Area's existing virtues and character. The existing character and appearance of the Conservation Area and views into and out of it are considerations for all development proposals. The boatyard and river activity on the riverside frontage make a special contribution to the town's identity and are crucial to preserving its character. The historic wharf side buildings are reflective of flour milling and processing with forms and structures unique to Maldon's waterfront and reflective of our food heritage with one working flour mill remaining at the North Quay processing local wheat and employing a local workforce.



View from Patient's Boatyard, South Quay to redundant Hasler's Mill and Granary, North Quay

- 9.6 The Maldon District Design Guide SPD and supporting Technical Documents set out clear design principles to guide new development and encourage a design-led approach for development proposals to respond to. For commercial and employment led proposals, well designed buildings and spaces are good for business. Investment in good quality design is shown to provide a higher return on the investment made.
- 9.7 The natural environment character is set out in the Maldon District Landscape Character Assessment. The sensitivity of landscape character at the unique location and its ability to change alongside development proposals must be considered at the start of the design process. Whilst some landscape features may appear to limit development proposals or opportunities for development, with careful consideration they can shape development in a way that strengthens local character and creates high quality solutions for appropriate uses.
- 9.8 Figure 14 sets out the design concept for the regeneration of the North Quay incorporating new and improved walking and cycling routes to and from the wider area, sites to deliver quality business and commercial floor space and an enhanced public realm. The design concept will encourage employment led development, lifting the profile of the area to support improvements for business and tourism and to grow the local economy.

Figure 14 Concept Plan



10. Developer Contributions Guidance

- 10.1 Infrastructure required for environmental enhancements, highway improvements and flood resilience hot spots will attract funding contributions via S106 payments. Reference should be made to the following documents:
- The Causeway Strategic Flood Risk Review, Essex CC, Spring 2020
 - The Causeway Landscape and Public Realm Strategy, Aquila, Spring 2020
 - The Draft Maldon Cycle Action Plan, Essex Highways, 2018
 - The Maldon & Heybridge Central Area Masterplan SPD, Maldon DC, November 2017
- 10.2 RAMS (Recreational Avoidance Mitigation Strategy) contributions are only required from the recreational impacts of new residential development).
- 10.3 The Council will introduce a Community Infrastructure Levy (CIL) to further enable contributions to be made towards strategic infrastructure from new developments. CIL is a levy imposed by the local authority to raise funds from developers of land who are undertaking new building projects in their area. The financial contributions received through CIL charges will be used by the District Council to fund infrastructure projects that will be identified in a CIL Charging Schedule. The current work programme is looking to introduce CIL by 2021.

11. Engagement and public consultation

- 11.1 During September and November 2019 a series of meetings took place with existing businesses, landlords and landowners within the North Quay Development Brief area to explain the scope and structure of the Brief. This was an opportunity to gauge business aspirations and needs, constraints and/or opportunities on or nearby opportunity sites and redundant sites. This engagement is reflected in site specific criteria in Section 8 *Development Opportunities* and Section 9 *Design Principles*.

- 11.2 The Causeway Development and Improvement Plan, BBP Regeneration, October 2015, had identified that the Causeway Regeneration Area was being held back because of the risk of flooding, shortage of modern employment spaces and land for redevelopment to kick start the regenerative process. The Masterplan captured this identified need within the North Quay Regeneration Project 6. Public consultation for the Masterplan supported the North Quay Regeneration Project 6 to deliver new and modern office and commercial floor spaces on land appropriate for redevelopment.

- 11.3 Implementation of the Masterplan and Masterplan Programme through the Local Development Scheme 2019-2021 has combined 5 of the Masterplan projects to support the regenerative process on the North Quay and deliver necessary infrastructure to address flooding, deliver public realm improvements and off-road walking and cycling routes.

- 11.2 Public consultation provides an opportunity for any organisation or individual to influence the regeneration of the North Quay defined area. Views will be welcomed from key stakeholders, statutory consultees, community representatives including the Town Council, local amenity societies and interest groups, individuals as well as nearby businesses and residents of all ages that live within or are considering locating to the area.

- 11.3 The Brief will be adopted as a Supplementary Planning Document in accordance with the adopted Local Development Scheme 2019-2021. As an adopted SPD, the Brief will carry significant weight in the determination of future planning applications in the North Quay defined area. The Brief elaborates on Local Development Plan policy and will be considered as a material consideration for all development proposals in the North Quay defined area.

12. Links to relevant documents within the Brief

Local Development Scheme 2019-2021

http://www.maldon.gov.uk/download/downloads/id/17556/local_development_scheme_2019-2021.pdf

Corporate Plan 2019-2023

https://www.maldon.gov.uk/downloads/download/8192/corporate_plan

Local Development Plan 2014-2029 adopted 2017

https://www.maldon.gov.uk/info/20048/planning_policy/9311/approved_local_development_plan_21_july_2017

Maldon and Heybridge Central Area Masterplan SPD Nov 2017:

https://www.maldon.gov.uk/info/20048/planning_policy/9226/urban_design/3

Maldon District Design Guide SPD Dec 2017:

https://www.maldon.gov.uk/info/20048/planning_policy/9226/urban_design/2

Historic Skyline Survey, ECC, 2009

https://www.maldon.gov.uk/site/scripts/google_results.php?q=Historic+Skyline+Survey

Maldon Retail Study, White Young Green, 2015

[https://www.maldon.gov.uk/publications/LDP/pre-submission/3%20Economic%20Prosperity/EB103%20Maldon%20Retail%20Study%20\(July%202015\).pdf](https://www.maldon.gov.uk/publications/LDP/pre-submission/3%20Economic%20Prosperity/EB103%20Maldon%20Retail%20Study%20(July%202015).pdf)

Economic Prosperity Strategy 2013-2029

<https://www.maldon.gov.uk/publications/LDP/pre-submission/3%20Economic%20Prosperity/EB068a%20Maldon%20District%20Economic%20Prosperity%20Strategy.pdf>

Causeway Development and Improvement Plan, BBP Regeneration, 2015

<https://www.maldon.gov.uk/publications/LDP/pre-submission/1%20Spatial%20Vision%20and%20Development/EB105%20Development%20and%20Improvement%20Plan%20for%20The%20Causeway%20Regeneration%20Area.pdf>

Maldon Conservation Area Review and Appraisal

https://www.maldon.gov.uk/info/20049/heritage_and_conservation/9633/conservation_areas_in_the_maldon_district

Maldon District Landscape Character Assessment, Chris Blandford Associates, 2006

<https://www.maldon.gov.uk/publications/LDP/pre-submission/2%20Design%20and%20Climate%20Change/EB009a%20Landscape%20Character%20Assessment.pdf>



REPORT of DIRECTOR OF SERVICE DELIVERY

**to
STRATEGY AND RESOURCES COMMITTEE
29 JANUARY 2020**

AIR QUALITY ACTION PLAN – IMPROVING TAXI EMISSIONS

1. PURPOSE OF THE REPORT

- 1.1 The Council is in the process of preparing an Air Quality Action Plan (AQAP) for Market Hill and the wider district, which will come to Members for review prior to public consultation later in 2020.
- 1.2 The purpose of this report is to consider:
- an action for that plan to improve emissions from taxis by introducing an age limit for hackney carriage and private hire vehicles to meet air quality objectives in the soonest possible time;
 - installing electric vehicle charging points in Maldon for taxi drivers.

2. RECOMMENDATIONS

- (i) That, in relation to the age restriction, the Council introduces an age limit for hackney carriage and private hire vehicles:
- From 1 January 2021, licensed vehicles can continue to be licensed until they reach 12 years of age or 15 years for a purpose built taxi.
 - From 1 January 2021, all newly licensed vehicles will be of a Euro 6 standard for both petrol and diesel vehicles.
 - From 1 January 2026, all newly licensed vehicles will be of an electric hybrid or ultra-low emission standard
- (ii) That, in relation to Electric Vehicle (EV) charge points, that EV charge points to support taxi drivers are approved and a further options report be brought to a future meeting of the Strategy and Resources Committee to consider locations and tariffs.

3. SUMMARY OF KEY ISSUES

- 3.1 Maldon District Council (MDC) declared an Air Quality Management Area (AQMA) on Market Hill in December 2018, when assessments of air quality predicted that the annual mean objective for the pollutant nitrogen dioxide would not be met.

- 3.2 Section 84 of the Environment Act 1995 requires local authorities to develop Air Quality Action Plans within 12 months of declaring an AQMA, and detail measures to tackle the problems causing exceedances.
- 3.3 In exercising this function, regard must be had to the Secretary of State's guidance. Action Plans must be submitted to, and approved by, Department for Environment, Food and Rural Affairs (DEFRA).
- 3.4 The Air Quality Action Plan (AQAP) will set out the measures that the council intends to take to improve air quality in the borough between 2020 and 2025.
- 3.5 **Proposed Action – Reduce Taxi Emissions.**
- 3.5.1 This action will introduce an age limit for hackney carriage and private hire vehicles as follows:
- From 1 January 2021, licensed vehicles can continue to be licensed until they reach 12 years of age or 15 years for a purpose built taxi.
 - From 1 January 2021, all newly licensed vehicles will be of a Euro 6 standard for both petrol and diesel vehicles.
 - From 1 January 2026, all newly licensed vehicles will be of a electric hybrid or ultra-low emission standard.
- 3.5.2 In 2014, the taxi trade raised the issue of the age restriction on taxi and private hire vehicles with the Council, and requested that the 10-year age restriction for hackney carriages and private hire vehicles, as set out in pre-licensing conditions issued by the Council, be reviewed.
- 3.5.3 Following a consideration of options, the Planning and Licensing Committee at its meeting on 16 January 2014 resolved (Minute No. 705 refers):
- (i) that no age restriction is imposed and the licensing conditions are amended to reflect this;
 - (ii) that the restricted parking area is maintained as it is.
- 3.5.4 Since 2014, air quality has emerged as a public health emergency, and with the declaration of an AQMA in 2018, it is considered an appropriate time to review this decision and take actions which reduce Nitrogen Oxide (NOx) emissions locally.
- 3.5.5 The Licensing Authority can set an age restriction in order to promote a modern, smart, taxi fleet in the Maldon District, and to maintain high standards. This in turn promotes consumer confidence when choosing to use a taxi or private hire vehicles.
- 3.5.6 Most local authorities across Essex have imposed age restrictions. Colchester has introduced standards for taxi and private hire vehicles based on euro emission categories. Chelmsford has age limits but are looking at introducing emission limits.

3.6 **Proposed action – Electric Vehicles (EV) chargers at taxi rank**

- 3.6.1 Electric Vehicle provision in the council will require a corporate steer in the long term, to ensure residents have access to support the growing trend in purchasing electric vehicles, which is promoted by the government white paper; “The Road to Zero”.
- 3.6.2 In the short term, partnership working and stand-alone initiatives, can support specific improvements close to the AQMA, and also support local businesses to upgrade their fleet for economic benefits.

4. **CONCLUSION**

- 4.1 Imposing an age restriction on vehicles will lead to reduced emissions and an improvement in air quality, allowing the council to comply with national objectives.
- 4.2 Installing EV chargers for taxi use will enable early adoption of less polluting vehicles and support taxi drivers in obtaining compliant vehicles.
- 4.3 If approved, the actions will be included in the AQAP which will go to public consultation during 2020.

5. **IMPACT ON STRATEGIC THEMES**

- 5.1 The reasonable age restriction on vehicles contributes to the corporate thematic strategy of Place by protecting and improving the environment for residents and visitors, with improved air quality.
- 5.2 The addition of electric vehicle chargers also contributes to the corporate thematic strategy of Place by delivering sound and tested environmentally friendly initiatives.

6. **IMPLICATIONS**

- (i) **Impact on Customers** – Improved air quality for residents. This action may financially affect the taxi trade as they will be required to update a small amount of vehicles in a slightly shorter time frame. However, the provision of EV chargers will present a cost saving opportunity over the long term.
- (ii) **Impact on Equalities** – Evidenced based air quality measures create a healthier town where inequalities are reduced. The young and elderly are most at risk from poor air quality.
- (iii) **Impact on Risk** – It is a statutory duty to produce an AQAP where an AQMA has been declared. If not produced, DEFRA has broad powers of intervention under Section 85 of the Environment Act 1995. The European Commission has formally launched infraction proceedings against the UK for breach of nitrogen dioxide limit values under the EU Air Quality Directive. DEFRA has discretionary power in Part 2 on the Localism Act under which the

government could require responsible authorities to pay all or part of an infraction fine.

- (iv) **Impact on Resources (financial)** – Grant opportunities and other commercial partnerships will fund the EV infrastructure.
- (v) **Impact on Resources (human)** – The role or department responsible for delivering each action is stated in the plan, having been identified through the steering group.
- (vi) **Impact on the Environment** – Air pollution is both an environmental and health issue and the report considers the most effective way of following statutory guidance to document the air quality issues in Maldon and provide evidence on the need to mitigate. Improved air quality and reduction in associated health issues.
- (vii) **Impact on Strengthening Communities** – Healthy communities ensure that vulnerable children and residents are protected from poor health outcomes.

Background Papers

Report from Planning and Licensing Committee 16 January 2014: Age of taxis and taxi rank provision.

The Road to Zero – Next steps towards cleaner road transport and delivering our Industrial Strategy.

Environment Act 1995 Annual Status Report 2016 Local Air Quality Management Technical Guidance (16) Defra Local Air Quality Management Policy Guidance (16) Defra.

<https://laqm.defra.gov.uk/documents/LAQM-TG16-February-18-v1.pdf>

<https://laqm.defra.gov.uk/documents/LAQM-PG16-April-16-v1.pdf>

Enquiries to:

Tracey Farrell, Environmental Health Officer, (email: tracey.Farrell@maldon.gov.uk).



REPORT of DIRECTOR OF SERVICE DELIVERY

**to
STRATEGY AND RESOURCES COMMITTEE
29 JANUARY 2020**

THE CROUCH VALLEY FESTIVAL OF FOOD AND DRINK

1. PURPOSE OF THE REPORT

- 1.1 To provide Members with an update on the Crouch Valley Festival of Food and Drink 2019 and seek support for the continuation of this Council run event.

2. RECOMMENDATIONS

- (i) That Members review and acknowledge the attached post event summary report (**APPENDIX A**);
- (ii) That Members note the total risk exposure to Maldon District Council for a future event would be £16,201 (made up staff costs £3,399 + Other costs £12,802), this is subject to supplementary funding request (growth bid);
- (iii) That subject to (ii) above Members support the continuation of the Crouch Valley Festival in 2020;
- (iv) That Members agree to officers exploring a similar food and drink event to be hosted in Maldon's Promenade Park in place of the Smoke and Fire festival which has relocated elsewhere in 2020

3. SUMMARY OF KEY ISSUES

- 3.1 Members will be aware that the Crouch Valley Festival of Food and Drink was inspired by the desire to celebrate the area's 'Gastro Experience' and took place on 20 and 21 July 2019.
- 3.2 The event was a pilot (the first event of this scale at this location) designed as a promotional tool for the area and to test the Riverside Park, Burnham-on-Crouch as a future event venue.
- 3.3 The event was very successful, despite some adverse weather conditions over the weekend, with an estimated 4,500 attendees. Positive feedback has been received via a survey from residents, visitors and concessions.
- 3.4 The 2019 event returned the investment made by the Council and it is anticipated that future events will generate a surplus income.

- 3.5 Officers are seeking Members views on re-running the event in 2020 building upon the success of the 2019 event (funding will require a supplementary funding request (growth bid) and will be subject to separate approval).
- 3.6 Sponsorship will be sought for the event to minimise the financial risk to the Council, whilst this cannot be guaranteed officers will look to adopt similar sponsorship levels where possible.

4. CONCLUSION

- 4.1 The Crouch Valley Festival of Food and Drink was an enjoyable weekend and has the potential to be a landmark on the Essex event calendar. Officers are seeking views from Members on the decision to re re-run this event in 2020.

5. IMPACT ON STRATEGIC THEMES

- 5.1 This project links to the Council's Corporate Plan 2019 – 23 and Strategic Themes.
- 5.2 The event also contributed to several other non-tangible benefits to the Council and the District:
- To create a safe and enjoyable event in Burnham-on-Crouch
 - Celebrate food and drink from the Crouch Valley and the Saltmarsh Coast
 - Support jobs & gastro tourism in the area
 - Support community businesses/groups and volunteering
 - Raised the profile of local food and drink producers
 - Increase the reputation and good will to the Council

6. IMPLICATIONS

- (i) **Impact on Customers** – The Crouch Valley Festival of Food and Drink provided an enjoyable weekend for all. Efforts were made to minimise any nuisance to the community and no significant complaints have been received.
- (ii) **Impact on Equalities** – None – Disabled parking and facilities were provided at the event.
- (iii) **Impact on Risk** – The event was underwritten 2019 by external grant. The challenge in 2020 will be to secure grant or sponsorship to an equal or greater value to reduce risk to the Council. If approved officers will request sponsorship offers via social media channels, with a more targeted approach if further contributions towards the running of the event are required.
- (iv) **Impact on Resources (financial)** – The 2019 event was partly funded by the Magnox Socio-Economic fund and from existing tourism promotional budgets. Estimated costs for a 2020 event in Burnham-on-Crouch are £16,201

(made up staff costs £3,399 + Other costs £12,802), however this would be offset by a predicted income of £18,677 (surplus income £2,476).

- (v) **Impact on Resources (human)** – Management of the event was achieved by existing staff resources. The time allocation has been costed for 2020 in the sum of approximately £4,000.
- (vi) **Impact on the Environment** – None – efforts were made to reduce environmental impacts of the event.

Background Papers: A post-event report is provided for the interest of members.

Enquiries to: Jack Ellum, Strategic Theme Lead – Prosperity.

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THE CROUCH VALLEY

**FESTIVAL OF
FOOD & DRINK
2019**

Post Event Report

Event Location	Riverside Park, Burnham-on-Crouch
Event Date	20th and 21st July 2019
Event Director	Jack Ellum
Organiser	Maldon District Council

Document last updated	21 January 2020
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Introduction

The Crouch Valley Festival of Food and Drink 2019 was a great success with thousands of visitors enjoying the event over the weekend of the 20th and 21st of July.

Strategic outputs

- 🍷 To create a safe and enjoyable event in Burnham-on-Crouch
- 🍷 Celebrate food and drink from the Crouch Valley and the Saltmarsh Coast
- 🍷 Deliver a financially sustainable model for future events
- 🍷 Support future economic growth, jobs & gastro tourism in the area

Secondary outputs

- 🍷 Support community businesses/groups and volunteering
- 🍷 Tackle social isolation and social care needs
- 🍷 Bring forward Riverside park as an event venue
- 🍷 Raised the profile of local food and drink producers
- 🍷 Increase the reputation and good will to the Council

Saturday 20th & Sunday 21st July – 11am – 5pm

An estimated 4500 visitors were received over the weekend

Saturday Evening – Dinner with Dan Hull 7pm – 10:30pm

Approximately 80 guests.

Partners

- 🍷 B.E.A.R.S. - Basics Essex Accident Rescue Service
- 🍷 Burnham-on-Crouch Town Council
- 🍷 Maldon District Tourism Team
- 🍷 Maldon and Dengie CAMRA
- 🍷 Maldon and District CVS
- 🍷 ECL (Essex Cares – Crafty Drama)
- 🍷 Community Agents Essex/ Age UK
- 🍷 Essex Community Rail Partnership/Greater Anglia

Headline Traders

- 🍷 New Hall Vineyards & Crouch Ridge Vineyard
- 🍷 Dan Hull Prepared Foods
- 🍷 Tiptree Tea Rooms, Wilkin & Sons Limited
- 🍷 Wibblers Brewery & Maldon Brewing Company
- 🍷 Carr's Flour (collaborating with) Flour and Spoon Artisan Bakery
- 🍷 The Secret Butchers
- 🍷 Events Factor

Project Time Line – The project was successfully delivered - On target

Strategic outputs

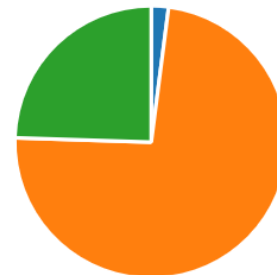
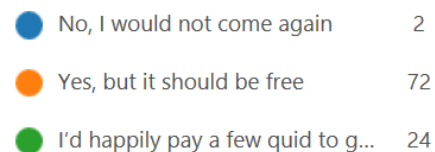
To create a safe and enjoyable event in Burnham-on-Crouch

No significant incidents or injuries were reported at the event or afterwards. The event's management, security and medical team functioned very well, and the event was well natured and family friendly. Minor incidents and medical issues were addressed in line with the event's management plan. The impact on the local community and infrastructure was minimal and caused little disruption to the highways network.

Feedback from the event was overwhelmingly very positive with praise for the event team from traders and visitors, only asking that future events go on later in to the evening.

98% of people have said they would come again and 24% have said they would have paid just to get in.

10. Would you come again and would you pay a little to get in?



Negative feedback was received from one trader which is being addressed through the Council's complains procedure and from the next-door marina and restaurant who were concerned about the effect on their businesses and car park. Improvements were made on the second day to local signage and the matter is being amicably addressed by the Event Manager. [Customer Feedback](#)

Celebrate food and drink from the Crouch Valley and the Saltmarsh Coast

The event featured over 40 food and drink traders with around half from the Maldon District and almost all from Essex. As well as trading stands, dozens of people purchased tickets for the event's Taste Stage enabling producers to engage directly with their customers.

Feedback from customers was constantly positive; that they discovered new businesses and products.

Deliver a financially sustainable model for future events

The Financial Report below demonstrates the event's financial sustainability. It has also enabled the council to engage very positively with more Food and Drink businesses than ever before.

It is expected that future years would immediately attract significant interest, including sponsors.

Supported future economic growth, jobs & gastro tourism to the area

It is hoped that this event will enable future growth and development of existing Food and Drink businesses. Around half a dozen businesses had not /do not regularly trade at events and were specifically provided with support and guidance to enable them to come forward. – [Trader Feedback](#)

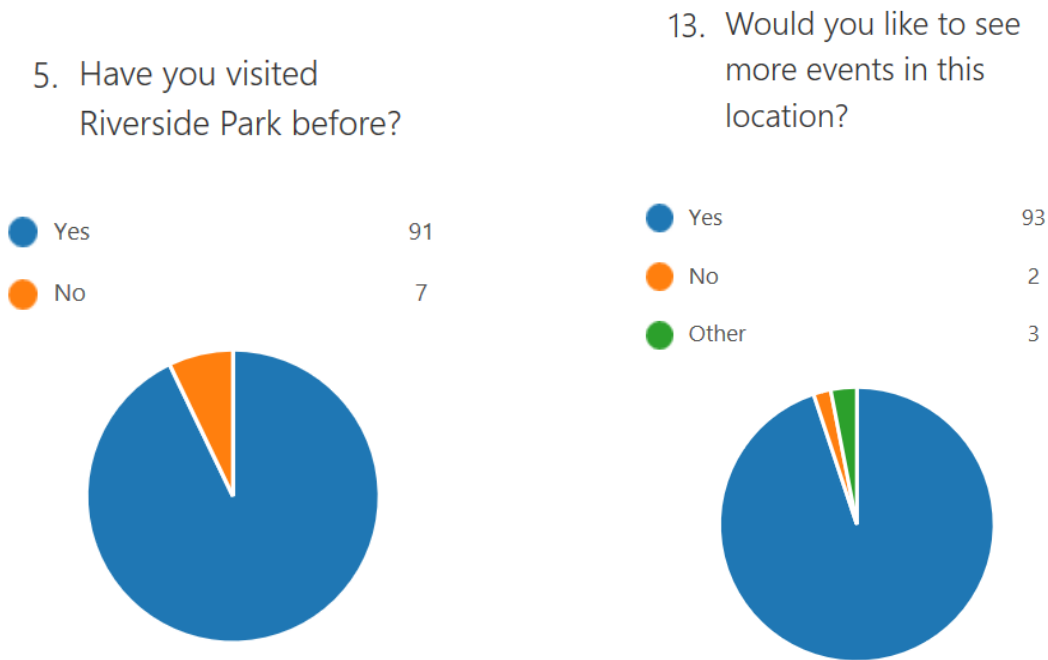
Secondary outputs

Support community businesses/groups and volunteering

The events charitable partner was B.E.A.R.S. - Basics Essex Accident Rescue Service who raised over £1300 over the weekend. In addition, Maldon and District CVS, Community Agents Essex/ Age UK, Greyhound Trust Dunton and ECL (Crafty Drama) were also present at the event. All have anecdotally provided very positive feedback. BEARS and CVS have said that around 12 volunteers have come forward from the event.

Tackle social isolation and social care needs

Community Agents Essex/ Age UK have reported they helped around 30 people with advice on one day.



Bring forward Riverside park as an event venue

The Festival has already created one semi-permanent concession in the park and one event organiser is planning a weekly ‘fun day’ this summer. The event has demonstrated the viability of Riverside Park as an event venue, the event zone and parking areas all worked well and there has been very little impact on the fabric of the park.

Raised the profile of local food and drink producers

Feedback from customers was constantly positive, that they discovered new businesses and products. We know of two businesses who, as a result of this festival, are now working together to provide local food along side their local drink.

Increase the reputation and good will to the Council

Feedback from customers was constantly positive with many customers and businesses thanking the Council on social media. Our stage manager even managed to elicit an audible cheer for the Council from the gathered crowd.

Financial Report

Budget

Maldon District Council	£5,000
Maldon District Tourism Team	£1,500
Event Partners Funding	£500
Magnox Funding	£4,500
Total	£11,500

Revenue Costs

Website, Social media, Branding & Materials	£815
Marquee, Stage & seating	£4469
Music, Bands and Entertainment	£1500
Toilets, Waste & Water	£2595
Security & First Aid	£2710
Power & Generators	£1213
Total	£13,302

Capital ('first year') Costs

Website, Social media, Branding & Materials	£1242
Total	£14,544

A number of factors increased the events costs, including additional power requirements (which were covered by the trader's pitch fees), increased first aid and security owing to the popularity of the event and increased promotional expenditure. Approximately £1000-£1500 of costs are 'first year costs' and would not be incurred in subsequent years and an additional estimated £500-£1000 of costs could be saved from the event's infrastructure.

MDC Staffing Costs

Event Management	4 Days Grade H	£567.90
Event Staffing		
Set up	3 days Grade F	£335.28
Running	4 days Grade F	£447.04
Break down	2 days Grade F	£223.52
Total		£1,573.74

All within existing resources

Event Director	30% Grade H for 6 months	£5477.40
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MDC Strategic Costs

Income

Sponsorship & Grants	£4,600.00
Pitch Fees (including power)	£5,260.00
Income Share – Entertainment – 20%	£701.10
Income Share – Alcohol – 20%	£3902.06
Income Share – Dinner with Dan Hull – 33%	£315.00
Income Share – Taste Stage – 66% - 100%	£255.00
Total	£15,033.16

It should be noted that owing to the success of this year's event both pitch fees and the number of traders could be increased in future years. Additionally, it is anticipated that future sponsorship could be found.

Additional Council Income

Linked concession income	£1,050
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Additional income from new Riverside Park concession and events brought forward by the Festival.

Event income – On Target

Strategic Fit – In line

The event innovatively built on the success of the District's Gape and Grain Trail and Rail Ale Trail and supported the Council's objective of promoting the area as a destination of choice. The event utilised the growing demand for local and authentic experiences and products.

Promotion and celebration of the area's food and drink, forms part of the District's 5 year visitor marketing strategy and is aligned with the District Sense of Place 'Saltmarsh Secret' and 'Gastro Experience' themes. The event has the support of the Place Board and utilised the Place Branding in its identity and marketing.

Event Management – In Place

The event was managed by the Council's Tourism and Events team with support from professional contractors and partners.

Year 2 Financial Projection

Revenue Costs

Website, Social media, Branding & Materials	£815
Marquee, Stage & seating	£4469
Music, Bands and Entertainment	£1500
Toilets, Waste & Water	£2095
Security & First Aid	£2710
Power & Generators	£1213
Total Revenue Coast	£12,802

Event Director	30% Grade H for 2 months	£1825.80
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MDC Staffing Costs

Event Management	4 Days Grade H	£567.90
Event Staffing		
Set up	3 days Grade F	£335.28
Running	4 days Grade F	£447.04
Break down	2 days Grade F	£223.52
Total Staffing Costs		£3,399.54

Total Costs	£16,201.54
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Income

Sponsorship & Grants	£4,600.00	
Pitch Fees (including power)	£7,364.00	(40% Increase Y1)
Income Share – Entertainment – 20%	£840.00	(20% Increase Y1)
Income Share – Alcohol – 20%	£4290.00	(10% Increase Y1)
Income Share – Dinner with Dan Hull – 33%	£945.00	(200% Increase Y1)
Income Share – Taste Stage – 66% - 100%	£638.00	(150% Increase Y1)
Total	£18,677.00	

Predicted Profit Pre-MDC Staffing costs	£5,875.54
Predicted Profit	£2,476.00

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REPORT of DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE

**to
STRATEGY AND RESOURCES COMMITTEE
29 JANUARY 2020**

BRADWELL B GOVERNANCE

1. PURPOSE OF THE REPORT

- 1.1 To report the Council's governance of decision making in relation to the proposed Bradwell B Nuclear Power Station as endorsed by the 19 December 2019 meeting of the Council.

2. RECOMMENDATIONS

That the Council's governance arrangements for the proposed Bradwell B Nuclear Power Station be noted.

3. SUMMARY OF KEY ISSUES

3.1 Background

- 3.1.1 The Council meeting of 19 December 2019 endorsed the decision-making routes in relation to decisions in connection with the proposed Bradwell B Nuclear Power Station as outlined in Table 1 below:

Body	Decision Making	Advisory to Council or Committee	Type of Decision	Maldon District Council (MDC) Membership
Council	Y		Any	All MDC Councillors
Director	Y	Y	As per existing Scheme of Delegation	Not applicable
Joint Member Bradwell Board (JMBB)	N	Y	None	Leader of the Council, Deputy Leader of the Council, Chairman and Vice-Chairman of the Strategy and Resources Committee
Bradwell B Working Group	N	Y	None	Leader of the Council, Deputy Leader of the Council, Chairman and vice-Chairman of the Strategy & Resources

Body	Decision Making	Advisory to Council or Committee	Type of Decision	Maldon District Council (MDC) Membership
				Committee, Councillor E L Bamford, Councillor R P F Dewick, Councillor M F L Durham CC and Councillor M W Helm
Strategy and Resources Committee	Y	Y	To make decisions or recommendations to the Council as per the constitution	As appointed by the Council
South Eastern Area Planning Committee	Y	N	Planning applications – non-strategic	
District Planning Committee	Y	N	Strategic Planning Applications	

Table 1: Bradwell B NSIP DCO Decision-making routes

- 3.1.2 The report to the Council on 19 December 2019 advised that in 2010 the Government announced that Bradwell was one of eight sites it considered suitable for the siting of a new nuclear power station. The development of a new nuclear power station falls within the scope of the ‘Nationally Significant Infrastructure Projects’ (NSIPs), as set out in the Planning Act 2008, and that the developer applies directly to the Secretary of State for a Development Consent Order (DCO) rather than to the Local Planning Authority for planning permission. Whilst Maldon District Council will not be the determining authority for the actual power station application, host local authorities have an important role in the NSIP DCO process. The report to Council provided examples of when and how the District Council would be involved in the DCO process should a NSIP proposal for a Bradwell B nuclear power station proceed.

3.2 Examples of Potential Governance Routes

- 3.2.1 Table 1 above endorsed by Council summarises the Maldon District Council governance arrangements in place to deal with the NSIP DCO process. This accords with the existing provisions of the Council’s constitution. To illustrate and clarify how this decision making framework could work in practice a number of examples are provided below of how the Council’s governance is anticipated to apply.

3.2.2 Example 1: Draft Statement of Community Consultation

- 3.2.2.1 The NSIP DCO process requires the developer to submit to the Council for comment a Draft Statement of Community Consultation (SoCC). This draft SoCC is required to set out how the applicant will consult people living in the vicinity of the proposed development. Maldon District Council would have 28 days from the date of the submission of the draft SoCC to provide its response.

3.2.2.2 This is an example of a pre-consultation technical consultation that has a prescribed deadline for the Council to respond. The aim would be to achieve a decision by full Council, with advice from other governance groups where possible, but it cannot be guaranteed that the submission would fit the Council's Committee cycle and so it may be necessary for a decision to be made by a Director, in consultation with the Leader of the Council, as per the Council's constitution. This is illustrated in Figure 1 below:

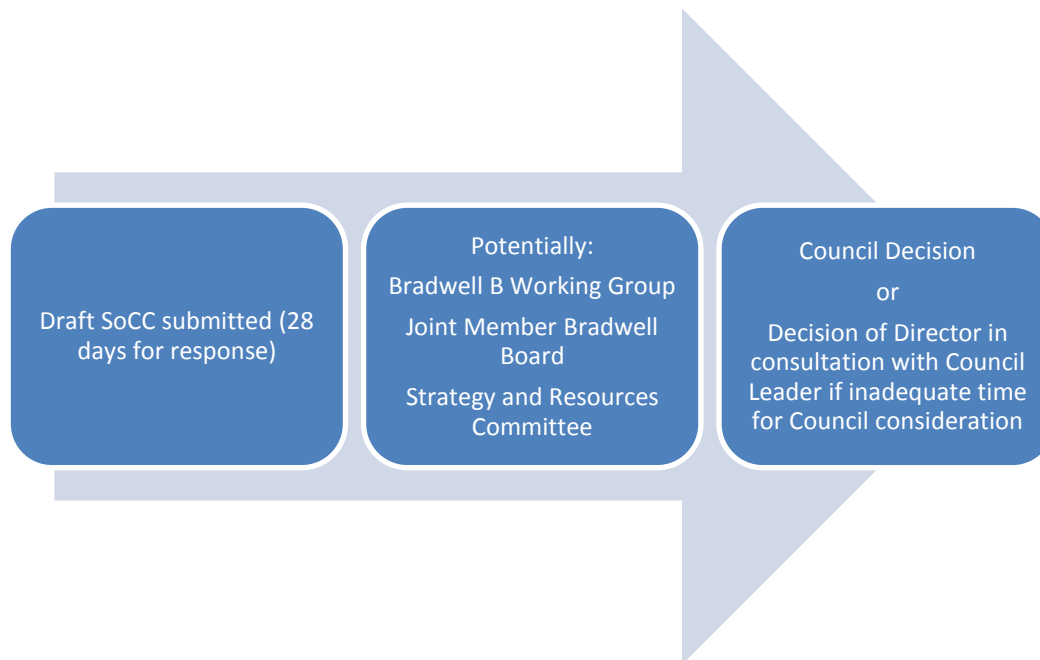


Figure 1: Illustrative Draft SoCC Decision Route

3.2.3 Example 2: Community Consultation Stage(s)

3.2.3.1 The NSIP DCO process involves pre-application community consultation and it is usual that consultation is undertaken both when the proposals are in outline, with options still being considered, and also consultation at a later date when proposals are more developed. There is usually more than one stage of community consultation for a NSIP DCO application. Community consultation is likely to be widespread and be of a period considerably longer than the statutory minimum of 28 days. This longer consultation period would accommodate the full involvement of the Bradwell B Working Group, Joint Member Bradwell Board, Strategy and Resources Committee and Council as illustrated in Figure 2 overleaf:

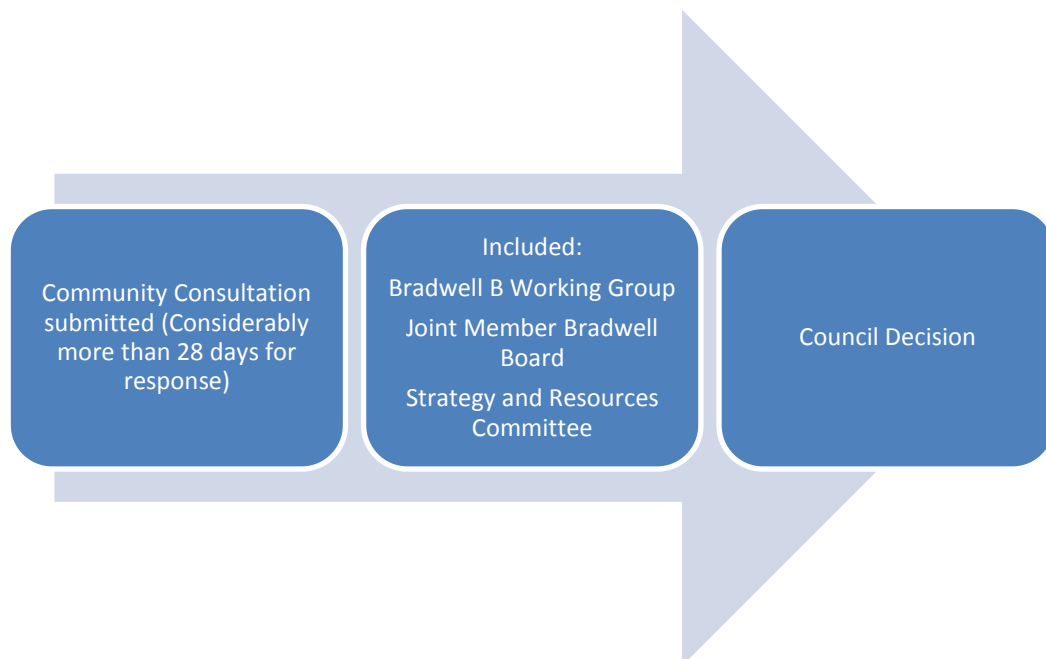


Figure 2: Illustrative Council Consultation Decision Route

3.2.4 Example 3: Discharge of DCO Requirements

3.2.4.1 Local authorities are likely to be responsible for discharging many of the requirements (akin to planning conditions) associated with an NSIP in their area if development consent is granted. When applications to discharge DCO requirements are made it is expected that decisions will be made by Council following consideration by the relevant Area Planning Committee and District Planning Committee, as illustrated below in Figure 3 below.

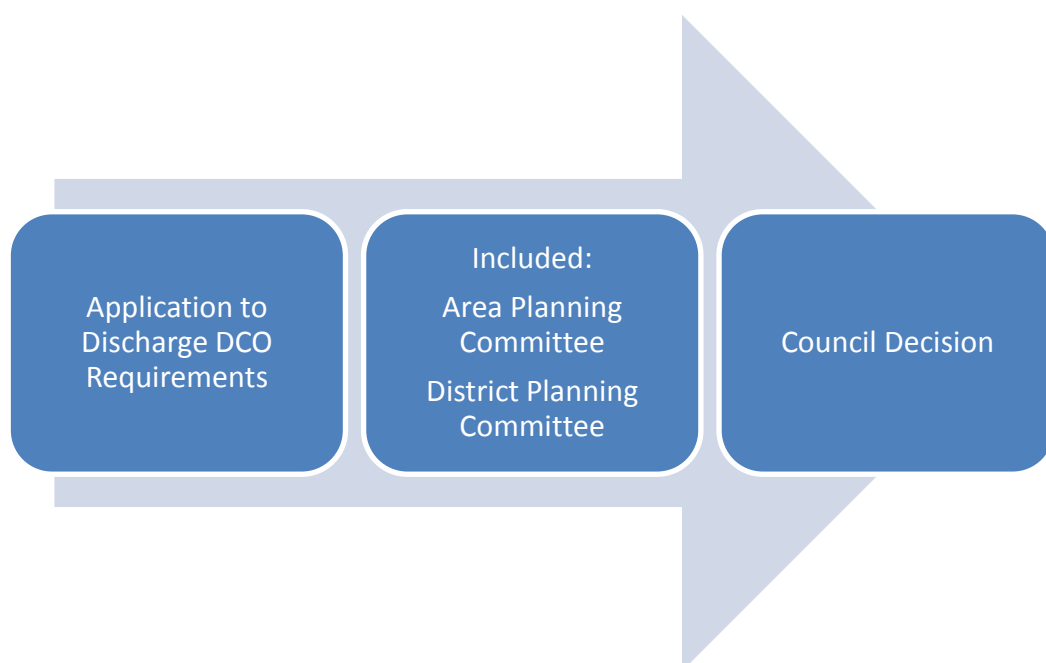


Figure 3: Illustrative Discharge of Requirement Decision Route

4. CONCLUSION

- 4.1 Maldon District Council will be required to make a range of decisions as part of the DCO process, beginning with responding to the submitted draft Statement of Community Consultation. The Council will need to respond to all NSIP DCO consultations in a timely and effective way, utilising the decision-making framework set out in Table 1 as endorsed by the Council on 19 December 2019. This accords with the Council's constitution and the examples in this report explains and clarifies the application of the framework.

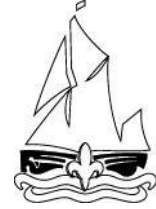
5. IMPLICATIONS

- (i) **Impact on Customers** – The Council will need to respond to the DCO process in a timely and effective way including commenting on the draft Statement of Community Consultation which will describe how the community will be consulted.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – There is not a direct risk to the Council, but failure to engage in the DCO process would put at risk the Council's ability to influence the development process and the legacy of planning decisions.
- (iv) **Impact on Resources (financial)** – There is a financial implication for the Council in engaging in the DCO process but not directly related to this report, and the governance issues raised.
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on the Environment** – None.

Background Papers: None

Enquiries to: Paul Dodson, Director of Strategy, Performance and Governance

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**REPORT of
DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE**

**to
STRATEGY AND RESOURCES COMMITTEE
29 JANUARY 2020**

LOCAL DEVELOPMENT SCHEME 2020-2022

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to seek endorsement for an update to the Council's Local Development Scheme (LDS) attached as **APPENDIX 1**. The new LDS will replace the document approved by the Council on 28 March 2019 (Minute No.1989 refers). The LDS will take into account the timetable for the progression of supplementary planning documents and other planning policy documents required to help deliver the LDP until 2022.

2. RECOMMENDATIONS

- (i) That the content of the Local Development Scheme be approved;

To the Council:

- (ii) That the Local Development Scheme (**APPENDIX 1**) be approved as the project plan for key planning policy documents until 2022.

3. SUMMARY OF KEY ISSUES

3.1 Local Development Scheme

- 3.1.1 The Planning and Compulsory Purchase Act 2004 (as amended) requires every planning authority to prepare and maintain a LDS. The LDS sets out the programme for the preparation of Local Development Documents (LDDs), including Supplementary Planning Documents (SPDs), as well as development briefs, evidence base documents and the Community Infrastructure Levy (CIL).
- 3.1.2 Effectively, it is a project plan setting out the timetable for work to be undertaken until January 2022. It identifies which documents will be produced, in what order and when, as well as the likely contents, resources needed for their preparation and the likely risks associated with preparing them. The scheme includes milestones to inform the community and stakeholders when consultation and other stages of plan preparation will take place. It will also serve as a project management tool for budgeting and resource planning for the Council.

- 3.1.3 The LDS is being updated to provide for the preparation of the Bradwell B Development Plan Document. The opportunity has also been taken to update the LDS to take into account the work undertaken over the past year and to update the timetables for individual projects.

3.2 Why is a LDS necessary?

- 3.2.1 Without an up-to-date LDS, the Council will not be meeting its statutory requirements. It may also mean that the Council's ability to deliver the LDP, secure quality, sustainable development in the District and co-ordinate development and infrastructure may be difficult to achieve. It may also put at risk the Council's ability to defend planning decisions at appeals.
- 3.2.2 The LDS not being in place also deprives the local community and other stakeholders of the necessary information about the documents that the Council will be preparing, when they are to be prepared and when consultations on such documents will take place.

4. CONCLUSION

- 4.1 Preparing and putting in place the LDS is a statutory requirement relating to the preparation of Local Development Documents which the Council must comply with. Ensuring the LDS is kept up-to-date will ensure that the community and other stakeholders are kept informed about the documents that the Council intends to prepare and when.
- 4.2 Approving the LDS will provide the Council with a programme for the preparation of planning policy documents and it will form the basis for resource planning and Committee agenda planning.
- 4.3 Having a suite of up-to-date and sound planning documents in place will provide the Council with the means to defend against inappropriate development and secure the best appropriate development to the highest standards

5. IMPACT ON STRATEGIC THEMES

- 5.1 Publishing an up-to-date Local Development Scheme supports the Corporate Plan and the Place, Community and Prosperity Strategic Themes, in particular:
- Best value procurement and project management ensured;
 - An open and transparent organisation;
 - Outcome led engagement and smart partnering;
 - Preparation for the next LDP period;
 - Partnership working to protect our countryside and coastline;
 - Effective engagement to support strong and resilient communities;
 - Rural business and diversification supported;

- Efficient and effective engagement with businesses.

6. IMPLICATIONS

- (i) **Impact on Customers** – The Local Development Scheme provides customers with a project plan for the preparation of planning policy documents.
- (ii) **Impact on Equalities** – Planning policy documents, at District and local area level, have the potential to identify and address local equalities issues and must be prepared taking into account relevant equalities legislation. They should also be subject to an Equalities Impact Assessment
- (iii) **Impact on Risk** – The LDS sets out the risks for the preparation of planning policy documents. This includes an assessment of impact and contingencies that are in place or can be put in place to minimise the risk. The risk of not having an LDS is that the Council cannot properly plan its resources for the delivery of robust planning policy and guidance.
- (iv) **Impact on Resources (financial)** – The LDS provides a resource plan for the delivery of planning policy documents. It will inform the Council's financial strategy and annual budget setting. By reviewing the LDS on a regular basis, the Council can foresee any changes in expenditure and its impact on the Council's overall financial position.
- (v) **Impact on Resources (human)** – The LDS enables resources to be better managed and focussed on key areas and corporate priorities.
- (vi) **Impact on the Environment** – It is important that the Council adopts its Local Development Scheme to add greater certainty to planning decisions and to enable neighbourhood plans to be prepared positively and with local community involvement.
- (vii) **Impact on Strengthening Communities** - The Local Development Scheme provides communities with a project plan for the preparation of planning policy documents.

Background Papers:

National Planning Policy Framework 2019, available at: www.gov.uk

Enquiries to: Leonie Alpin, Specialist – Local Plan

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**MALDON DISTRICT COUNCIL
LOCAL DEVELOPMENT SCHEME
2020 –2022**



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Introduction

1. The Planning and Compulsory Purchase Act 2004, as amended by the Localism Act 2011, requires local planning authorities to prepare and maintain a Local Development Scheme (LDS). The purpose of the LDS is to set out the subject matter, area to be covered and timetable for the preparation and revision of local development documents, including Supplementary Planning Documents (SPDs) as well as other planning policy documents such as development briefs, Conservation Area character appraisals and LDP evidence base documents.
2. In essence, it is a project plan setting out the timetable for work to be undertaken from January 2020 until January 2022. It sets out details of the documents that will be given priority during this period.
3. This LDS has been prepared having regard to the Localism Act 2011, the Government's National Planning Policy Framework (NPPF) 2018, and the Town and Country Planning (Local Planning) (England) Regulations 2012 and the Town and Country Planning (Local Planning) (England) (Amendment) Regulations 2017.
4. Unlike previous related regulations, the Local Planning Regulations 2012 do not contain any specific provisions relating to the preparation of the LDS, giving councils the freedom to report the information that they think most relevant to local people, while maintaining the requirement to keep the public informed about the status of planning documents. In particular, local planning authorities are no longer required to submit the LDS to the Secretary of State.
5. This LDS document will:
 - Provide details on Supplementary Planning Documents, other planning policy documents and Evidence Base documents that the Council intends to produce and a timetable for their preparation up to January 2022;
 - Outline the 'Milestones' to be achieved as part of the process leading to the adoption of the various documents;
 - Provide information on the Authority Monitoring Report;
 - Set out details on the approved Local Development Plan policies that are used to assess planning applications; and
 - Set out the resources available and any constraints.
6. It is important that plans for the future development of the District are produced in a timely and efficient manner. If not, development which is crucial to the social, economic and environmental well-being of the District and its residents may be delayed, the co-ordination of development and infrastructure provision may be difficult to achieve and it puts at risk the Council's ability to defend planning decisions at appeals.

Maldon District Development Plan

7. The Maldon District Local Development Plan (LDP) together with the Essex Minerals and Waste Local Plans and any 'made' neighbourhood plans are part of the Development Plan for the District. All planning applications should be in accordance with the Development Plan unless material considerations indicate otherwise.

Maldon District Local Development Plan

8. On the 21 July 2017, the Secretary of State Approved the Maldon District Local Development Plan (LDP). The LDP includes the following components:

- The spatial strategy for future growth within the District over the next 15 years;
 - Strategic development policies;
 - Development management policies; and
 - Land use allocations.
9. The diagram at **Appendix 1** sets out how the LDP sits within the hierarchy of planning policy and supporting documents. The Policies Map supports the LDP, but does not form part of it.
10. On approval, the LDP replaced the 'Saved Policies' in the Replacement Local Plan (2005) and became the development plan document for the District. The approved LDP policies are listed in **Appendix 2**.
11. The LDP will be monitored annually and by July 2022 the Council will complete an assessment of the LDP to identify whether a full or partial review is required. This will ensure that the policies remain relevant and and are effective.
- Bradwell B Development Plan Document (DPD)**
12. The Council proposes to prepare a Development Plan Document to provide an adopted planning policy framework and to provide clarity on the Council's vision and development strategy in relation to the wider development impacts and opportunities arising from the Bradwell B proposal.

Document Title	Bradwell B Development Plan Document
Role and Content	To provide an adopted planning policy framework and development strategy in relation to the wider development impacts and opportunities arising from the Bradwell B proposal.
Coverage	Maldon District
Timetable	Consultation: Spring 2021 and Autumn 2021 Examination: Spring/Summer 2022 Adoption: Autumn 2022
Chain of Conformity	<ul style="list-style-type: none"> • Relevant Planning Acts and Regulations • National Planning Policy Framework and Planning Practice Guidance • Maldon District Corporate Plan (2019 - 2023) • Local Development Plan • Evidence base
Resource	<ul style="list-style-type: none"> • Local Plans team; • Other Council Officers; • Co-operation with neighbouring local planning authorities; • Co-operation with relevant stakeholders including infrastructure providers; • Use of technology and web-based communication to assist with consultation; and • Consultancy support to develop, review and update the evidence base and aid with the examination.

Table 1: Bradwell B Development Plan Document - Summary

Essex Minerals and Waste Local Plans

13. It should be noted that Essex County Council is the Minerals and Waste Planning Authority for Essex. The Essex Replacement Minerals Local Plan was adopted on the 8 July 2014 and the Replacement Waste Local Plan was adopted on the 11 July 2017.

Neighbourhood Plans

14. The Burnham-on-Crouch Neighbourhood Plan was 'made' by the Council on the 7 September 2017. Several other Neighbourhood Plans are in the pipeline. Further information on their progress can be found on the Council's website www.maldon.gov.uk
15. The LDP is supplemented by the following documents:
 - a) Community Infrastructure Levy
 - b) Supplementary Planning Documents
 - c) Masterplans, Development Briefs and Design Codes
 - d) Conservation Area Appraisals
 - e) Statement of Community Involvement
 - f) Authority Monitoring Report
 - g) Evidence base

These are discussed in more detail below.

Community Infrastructure Levy

16. The Community Infrastructure Levy (CIL) was introduced by the Planning Act 2008 and defined in the CIL Regulations 2010 (as amended). CIL is a locally set charge on new development that the Council will implement across the District. It is based on the size and type of development and once set in an area is mandatory to be paid and non-negotiable. The funds raised must be used to provide infrastructure which is required to support new development across the area.
17. CIL must be informed by an Infrastructure Delivery Plan and a CIL Viability Assessment. Both were previously published in 2014.
18. Proposed CIL rates are published within a Draft Charging Schedule. The CIL Regulations 2010 (as amended) currently require consultation to be undertaken before the Draft Charging Schedule can be submitted to government.
19. Initial consultations were undertaken in 2014 on the Preliminary Draft Charging Schedule and the Draft Charging Schedule, which presented proposed CIL rates.
20. It is important that CIL is based on up-to-date evidence. As a result of the delay in the Local Development Plan being approved, the Council decided to review the evidence base to ensure they provide a sound foundation for a Levy. In the meantime the Government have proposed changes to the CIL Regulations. Work on the Maldon CIL is now due to recommence, starting with an update of the evidence base, and another consultation will be undertaken before the Draft Charging Schedule is submitted.
21. An examination into the Council's Draft Charging Schedule will then need to take place. This is largely reliant on the availability of a Planning Inspector, but a realistic timeframe is Summer 2021.

Document Title	Community Infrastructure Levy Charging Schedule
Role and Content	To establish a charging schedule for the application of a community infrastructure levy on new development
Coverage	Maldon District
Timetable	Consultation: Autumn 2020 Examination: Summer 2021 Adoption: Summer/Autumn 2021
Chain of Conformity	<ul style="list-style-type: none"> • Relevant Planning Acts and Regulations • National Planning Policy Framework and Planning Practice Guidance • Maldon District Corporate Plan (2019 - 2023) • Local Development Plan • Infrastructure Delivery Plan • Viability assessment
Resource	<ul style="list-style-type: none"> • Local Plans team; • Other Council Officers; • Co-operation with neighbouring local planning authorities; • Co-operation with relevant stakeholders including infrastructure providers; • Use of technology and web-based communication to assist with consultation; and • Consultancy support to develop, review and update the evidence base and aid with the examination.

Table 2: Community Infrastructure Levy Charging Schedule - Summary

Supplementary Planning Documents

22. Supplementary Planning Documents (SPDs) can be produced to build upon and provide more detailed guidance on the policies in the Local Development Plan. SPDs are not subject to independent examination, but are subject to public consultation lasting 6 weeks. On adoption, SPDs will have material weight in decision-making on planning applications.
23. The Council adopted two Supplementary Planning Guidance documents and five SPDs between 2005 – 2007. Over the last 10 or so years national and local policy has changed significantly. In the last year the Affordable Housing Guide and the Vehicle Parking Standards SPD have been formally revoked and replaced by new SPD's. The five outstanding documents were reviewed in 2019 to establish whether their content remains relevant. A formal decision whether to revoke, retain or update these documents was made by Council in September 2019. The following SPDs were revoked in 2019.

Title	Year of Adoption
Developer Contributions Guide	2006
Children's Play Spaces	2006
Accessibility to Buildings	2006
Sadd's Wharf	2007
Heybridge Basin Timber Yard	2007

Table 3: Revoked Supplementary Planning Guidance/Documents

24. Eight SPD's have been adopted.

Title	Year of Adoption
Maldon and Heybridge Central Area Masterplan	2017
Maldon District Design Guide	2017
South Maldon Garden Suburb Masterplan	2018
Renewable and Low Carbon Technologies	2018
Specialist Needs Housing	2018
Vehicle Parking Standards	2018
Affordable Housing and Viability	2018
Green Infrastructure Strategy	2019

Table 4: Existing Supplementary Planning Documents

25. The Council proposes to introduce three new Supplementary Planning Documents (see Table 5).

Title	North Quay Development Brief
Role and Content	To guide the development and regeneration proposals of employment generating mixed-use development within the North Quay area.
Coverage	North Quay, The Causeway and Heybridge Creek
Timetable	<ul style="list-style-type: none"> January/February 2020 – Consultation April 2020 – Approval of Final Brief
Chain of Conformity	<ul style="list-style-type: none"> Relevant Planning Acts and Regulations National Planning Policy Framework and Planning Practice Guidance Maldon District Council Corporate Plan (2019 - 2023) Local Development Plan Maldon and Heybridge Central Area Masterplan SPD Evidence Base
Resource	<ul style="list-style-type: none"> Local Plans team; Other Council Officers; Co-operation with relevant stakeholders including landowners, developers, infrastructure providers; and Use of technology and web-based communication to assist with consultation;
Essex Coast Recreational disturbance Avoidance Mitigation Strategy	
Role and Content	<ul style="list-style-type: none"> To set out the approach to securing mitigation necessary to protect the Habitats sites of the Essex Coast from increased recreation pressure associated with new housing in accordance with LDP Policies N1 and N2 To identify the level of financial contribution to be sought from residential development; To set out how and when the Council expects financial contributions to be delivered.
Coverage	Basildon, Braintree, Brentwood, Castle Point, Chelmsford, Colchester, Maldon, Rochford, Southend, Tendring, Thurrock and Uttlesford local authority areas
Timetable	<ul style="list-style-type: none"> January 2020 – Consultation Draft Summer 2020 – Approval of Final SPD

Chain of Conformity for both SPDs	<ul style="list-style-type: none"> • Relevant Planning Acts and Regulations • National Planning Policy Framework and Planning Practice Guidance • Maldon District Corporate Plan (2019 - 2023) • Local Development Plan • Evidence Base
Resource for both SPDs	<ul style="list-style-type: none"> • Consultants to develop the SPDs; • Local Plans team; • Other Council Officers; • Co-operation with neighbouring local planning authorities; • Co-operation with relevant stakeholders; and • Use of technology and web-based communication to assist with consultation.
Title	Planning Obligations SPD
Role and Content	To set out Maldon District Council's approach to seeking Section 106 planning obligations.
Coverage	District wide
Timetable	<ul style="list-style-type: none"> • To be prepared prior to the adoption of CIL
Chain of Conformity	<ul style="list-style-type: none"> • Relevant Planning Acts and Regulations • National Planning Policy Framework and Planning Practice Guidance • Maldon District Council Corporate Plan (2019 - 2023) • Local Development Plan • Maldon and Heybridge Central Area Masterplan SPD • Evidence Base
Resource	<ul style="list-style-type: none"> • Local Plans team; • Other Council Officers; • Co-operation with relevant stakeholders including landowners, developers, infrastructure providers; and • Use of technology and web-based communication to assist with consultation;

Table 5: Proposed Supplementary Planning Documents

Masterplans, Development Briefs and Design Codes

26. Table 6 shows the masterplans and design codes that have been endorsed by the Council for use in the consideration of planning applications.

Title	Status
North Heybridge Garden Suburb Strategic Masterplan Framework	Endorsed by Council – October 2014
North Heybridge Garden Suburb Strategic Design Code	Endorsed by Council - February 2017
South Maldon Garden Suburb Strategic Design Code	Endorsed by Council – March 2016

Table 6: Master Plans and Design Codes

Conservation Area Character Appraisals

27. There are 14 conservation areas in the District. Twelve have a character appraisal or statement, which summarises the area's special character and appearance and makes recommendations for its appropriate preservation and enhancement.
28. Two conservation areas at Stow Maries Aerodrome and the Chelmer and Blackwater Navigation do not have a review and appraisal - other documents are available which inform their sensitive

management. To reflect availability of resources the Council intends to produce a character appraisal for the Chelmer and Blackwater Navigation over this LDS period.

Title	Chelmer and Blackwater Navigation Character Appraisal
Role and Content	To define the 'special architectural or historic interest' of the Conservation Area and identify what it is about the character and appearance of the area that should be preserved or enhanced. It may also identify any features that detract from the character of the area.
Coverage	Chelmer and Blackwater Navigation Conservation Area
Timetable	<ul style="list-style-type: none"> • May 2020 – Consultation Draft • October 2020 – Approval of Final Appraisal
Chain of Conformity	<ul style="list-style-type: none"> • Relevant Planning Acts and Regulations • National Planning Policy Framework and Planning Practice Guidance • Maldon District Council Corporate Plan (2019 - 2023) • Local Development Plan • Navigation Landscape Character Assessment • Evidence Base
Resource	<ul style="list-style-type: none"> • Specialist – Conservation & Heritage • Local Plans team; • Other Council Officers; • Co-operation with neighbouring local planning authorities; • Co-operation with relevant stakeholders including Parish Councils; and • Use of technology and web-based communication to assist with consultation

Table 7: Conservation Area Character Appraisals

Statement of Community Involvement

29. The Statement of Community Involvement sets out how the community will be engaged in the preparation of planning policy documents and in determining planning applications in the District. The Council adopted the Statement of Community Involvement (SCI) in 2018.
30. The Council will complete an assessment by October 2023 to assess whether a full or partial update of the SCI is required.

Authority Monitoring Report

31. The Authority Monitoring Report (AMR) monitors the implementation and performance of policies and proposals in the LDP and will inform whether a LDP review is necessary. The AMR provides further details on the delivery of key LDP targets, including an Annual Position Statement relating to the Council's annual Five Year Housing Land Supply.
32. The AMR is produced as a series of factsheets. The Council will update and publish the following aspects of the AMR annually:
 - A statement on the progress of each document in the LDS project plan;
 - An analysis of how or whether the policies of the LDP are delivering their objectives, including key targets, such as the number of net additional dwellings and the Five Year Housing Land Supply figure;
 - Details of statutory returns such as the number of applicants on the self build register;
 - Details relating to any neighbourhood plans that have been made in the last monitoring year;
 - Progress on the Community Infrastructure Levy;
 - Progress on infrastructure delivery.

33. The Council aims to ensure that the monitoring of all other LDP indicators is kept as up to date as possible. But to effectively manage resources, the Council intends to update other elements of the AMR every two years, starting in September 2020.

LDP Evidence Base

34. The LDP and other policy documents will be supported by evidence-based documents. These documents do not form part of the Development Plan but provide robust and reliable evidence to inform production of new documents. These documents will also provide the evidence for supporting the Council's position through the planning application process. The current evidence base is available to view and download from the Council's website www.maldon.gov.uk/LDP.
35. In 2020, the Council intends to review the local housing needs evidence. The Strategic Housing Needs Assessment (SHMA) was last updated in 2014, and requires updating. National policy has now changed and SHMAs have been replaced by Local Housing Needs Assessments (LHNA). Production of evidence base documents is resource intensive therefore it is intended that consultants will aid the production of these documents. The LHNA will be produced in 2020. The precise timetable will reflect the availability of consultants and the ability of the Council to fulfil its Duty to Cooperate requirements. The Accessibility of Settlements assessment is likely to be completed in 2020 by officers. Other evidence may be reviewed as resources permit.

Resources

36. The Local Plans Team will be responsible for the delivery of the LDP, the production of Supplementary Planning Documents, CIL, the SCI and the AMR. In addition to these resources, there will also be contributions from other officers within the Council. Other documents such as, the Recreational disturbance Avoidance and Mitigation Strategy SPD and several evidence base documents will be produced by consultants within allocated budgets.
37. As far as possible, projects will be jointly undertaken by officers to ensure smooth work flow in case of any staff absence. The Council will consider employing consultants if the need arises within allocated budgets.
38. The Council will also continue to work closely with neighbouring authorities in joint working arrangements, such as for the Recreational disturbance Avoidance and Mitigation Strategy SPD, and for evidence base documents and research.

Risk Assessment

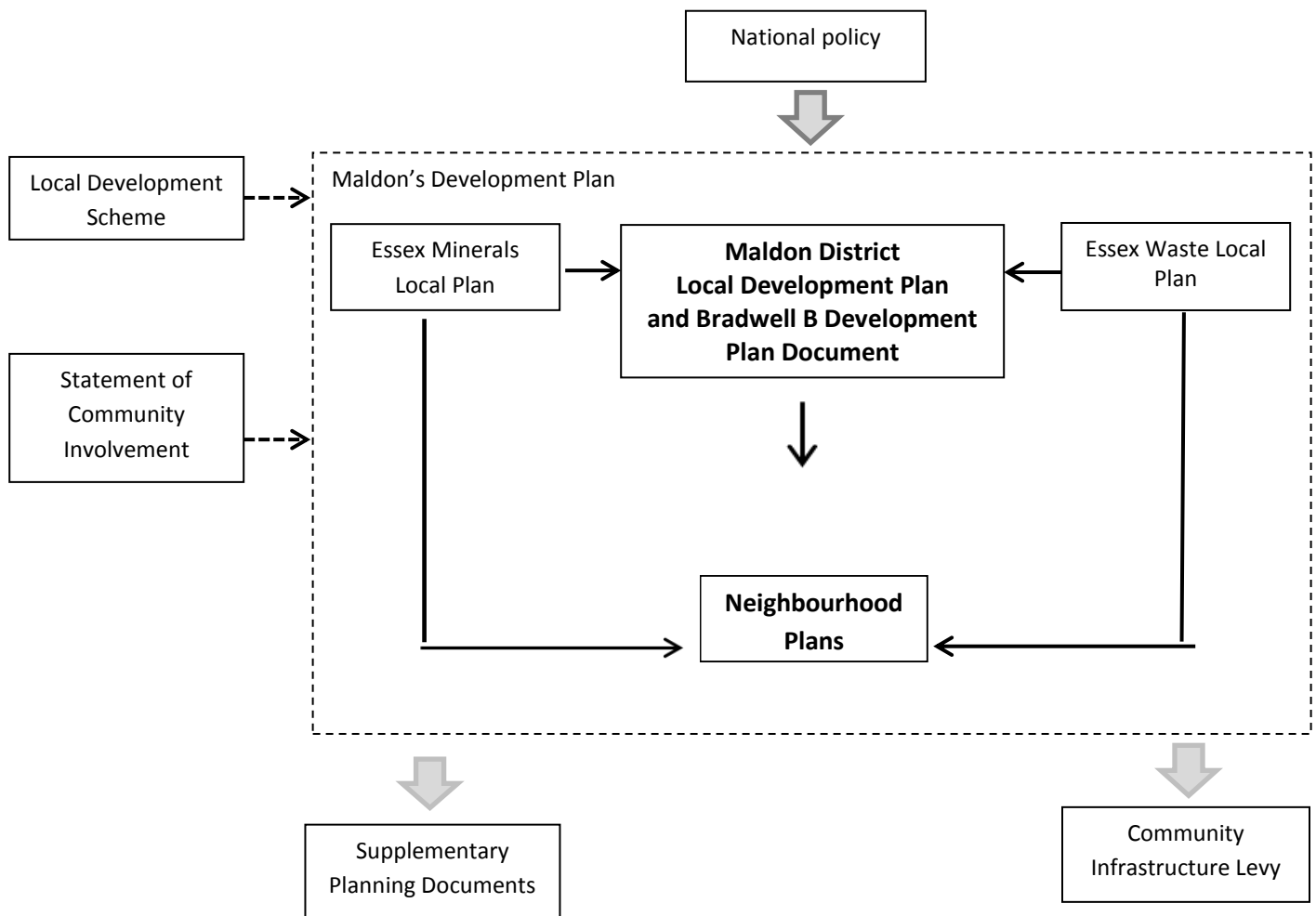
39. In preparing the LDS, the following risks have been identified that may affect or delay the process of delivering the Local Development Plan and the production of other planning policy documents. Contingency measures are suggested accordingly. The list is not exhaustive and does not include unlikely events which are difficult to foresee that temporarily cause a halt to normal Local Government operations.

Risk	Impact	Contingency	Responsibility
Revisions to national legislation and planning policy guidance – i.e. PPG	<ul style="list-style-type: none"> Out of date LDP and/or evidence base, lack of guidance available 	<ul style="list-style-type: none"> Monitoring of national planning policy revisions Quick turnaround of updates to evidence base Provision of guidance notes and/or SPDs to provide clarification on specific issues 	<p>Strategy, Policy and Communications Manager</p> <p>Senior Specialist Local Plans</p>

Risk	Impact	Contingency	Responsibility
Delays in political agreement	<ul style="list-style-type: none"> • Delays in agreeing plans and documents 	<ul style="list-style-type: none"> • Use of progress briefings to retain political awareness • Use of delegated powers wherever appropriate 	<p>Director of Strategy, Policy and Governance</p> <p>Strategy, Policy and Communications Manager</p>
Consultation fatigue (community being consulted too often on planning documents and by other agencies over a range of issues)	<ul style="list-style-type: none"> • Poor response to consultations 	<ul style="list-style-type: none"> • Minimise by arranging a coordinated programme and possibly integrating individual engagement activities with other agencies 	<p>Strategy, Policy and Communications Manager</p> <p>Senior Specialist Local Plans</p> <p>Senior Specialist – Communications, Marketing & Engagement</p>
Staff changes or staff loss (staff leaving post/time delays in recruitment)	<ul style="list-style-type: none"> • Loss of institutional capacity • Inconsistency • Knowledge gaps 	<ul style="list-style-type: none"> • On-going training and development to improve expertise and encourage staff retention; • Loss of staff will be countered by recruiting permanent and where necessary temporary staff 	<p>Director of Strategy, Policy and Governance</p> <p>Strategy, Policy and Communications Manager</p>
Additional unforeseen evidence base requirements	<ul style="list-style-type: none"> • Poor evidence base which could lead to decisions on applications being challenged 	<ul style="list-style-type: none"> • Use of specialist consultants to cover particular gaps in expertise 	<p>Strategy, Policy and Communications Manager</p> <p>Senior Specialist Local Plans</p>
Budget Constraints	<ul style="list-style-type: none"> • Insufficient budget to cover costs 	<ul style="list-style-type: none"> • Annual budget review to identify budget needs based on LDS • Council reserve of a contingency amount to fund additional financial needs. 	<p>Director of Resources</p> <p>Director of Strategy, Policy and Governance</p> <p>Strategy, Policy and Communications Manager</p>

Table 8: Risks

Appendix 1: Local Development Plan Diagram



Appendix 2: Maldon District Local Development Plan: Policy List

Policy	Policy Title
S1	Sustainable Development
S2	Strategic Growth
S3	Place Shaping
S4	Maldon and Heybridge Strategic Growth
S5	Maldon and Heybridge Central Area
S6	Burnham-on-Crouch Strategic Growth
S7	Prosperous Rural Communities
S8	Settlement Boundaries and the Countryside
D1	Design Quality and the Built Environment
D2	Climate Change & Environmental Impact of New Development
D3	Conservation and Heritage Assets
D4	Renewable and Low Carbon Energy Generation
D5	Flood Risk and Coastal Management
D6	Advertisements
E1	Employment
E2	Retail Provision
E3	Community Services and Facilities
E4	Agricultural and Rural Diversification
E5	Tourism
E6	Skills, Training and Education
H1	Affordable Housing
H2	Housing Mix
H3	Accommodation for 'Specialist' Needs
H4	Effective Use of Land
H5	Rural Exception Schemes
H6	Provision for Travellers
H7	Agricultural and Essential Workers Accommodation
H8	Provision for Houseboats
N1	Green Infrastructure Network
N2	Natural Environment and Biodiversity
N3	Open Space, Sport and Leisure
T1	Sustainable Transport
T2	Accessibility
I1	Infrastructure and Services
I2	Health and Wellbeing

Appendix 3: Glossary

Authority Monitoring Report

Assesses the implementation of the Local Development Scheme and the extent to which policies in the Local Development Plan are being successfully implemented.

Development Plan Documents (DPDs)

The plan which identifies the future development of the District, drawn up by the Council in consultation with the community.

Development Management Policies

A suite of policies in the LDP that provide detailed technical guidance relating to the delivery of specific types of new development or address specific detailed planning issues.

Evidence Base

The evidence that any development plan document is based on. Includes documents relating to housing, the economy, the environment, infrastructure and transport.

Local Development Plan (LDP)

Sets out the planning strategy for future growth of the District over the next 15 years. It provides a spatial strategy for the delivery of the required future employment, homes, retail, community facilities and infrastructure. It identifies sites for new development and protects land for a variety of uses such as open space.

Local Development Scheme

A project plan which sets out the timetable for delivery of planning policy documents, the resources and risk involved.

National Planning Policy Framework (NPPF)

Sets out the government's planning policies for England and how these are expected to be applied.

National Planning Practice Guidance (PPG)

A web based resource which provides more detailed guidance on the planning policies set out in the NPPF.

Policies Map

A visual representation of the policies in the LDP.

Statement of Community Involvement (SCI)

Sets out how the community will be engaged in the preparation of planning policy documents and in determining planning applications in the District.

Supplementary Planning Documents (SPD)

Adds further detail to the policies in the LDP. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Can be a material consideration in planning decisions but are not part of the development plan.



**REPORT of
DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE**

**to
STRATEGY AND RESOURCES COMMITTEE
29 JANUARY 2020**

COMMUNITY INFRASTRUCTURE LEVY GRANT OFFER

1. PURPOSE OF THE REPORT

- 1.1 To seek approval of acceptance of an offer of grant from Essex County Council toward the costs of introducing a Community Infrastructure Levy (CIL) within Maldon district and to note the associated grant conditions. This report also relates in broad terms to decisions in relation to future spend of CIL.

2. RECOMMENDATIONS

To the Council:

That the CIL grant offer from Essex County Council and related conditions be accepted.

3. SUMMARY OF KEY ISSUES

3.1 Background

- 3.1.1 The Community Infrastructure Levy (CIL) is a planning charge introduced by the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended). It is a tool for local authorities to help to deliver infrastructure to support new development.
- 3.1.2 CIL can fully fund or provide a contribution to the infrastructure needed to facilitate growth and to deliver the development strategy. It is unlikely that CIL will, on its own, fully fund either the entire necessary infrastructure within the area or those critical infrastructure projects that support and enable the delivery of the adopted development strategy and therefore further funding will also need to be secured.
- 3.1.3 A decision to review and update the previous evidence base, which was prepared to support the introduction of a CIL in Maldon in 2014, and to recommence work to introduce a CIL in Maldon was approved by the Planning and Licensing Committee on 05 September 2019 (Minute No. 371 refers). It is therefore timely to consider an offer of grant support for the introduction of CIL.

3.2 Essex County Council Offer of Grant

- 3.2.1 Essex County Council are offering support and funding for up to two authorities within the County to assist them in meeting the costs of bringing forward a CIL.
- 3.2.2 Based on the scale of growth and development being planned over the next 20 years across Essex, the County Council recognises the importance of authorities having CIL in place where it is appropriate to do so. This will maximise the contributions that can be secured from development towards the costs of infrastructure.
- 3.2.3 The County Council would like to support the introduction of CIL across all districts and boroughs in Essex and to provide support in the form of a grant for two authorities. As Maldon is one of the only Councils in Essex with an adopted Local Plan, it is well placed to bring forward CIL and to benefit from such a grant offer at this time.
- 3.2.4 The County Council would like to offer to support the preparation and adoption of a CIL with capacity funding of up to £180,000 for each of two authorities. This could be used to support a dedicated officer based at Maldon District Council to help to progress CIL, or to provide financial support toward the cost of technical viability and infrastructure evidence prepared by specialist consultants to support the assessment and introduction of CIL.
- 3.2.5 As a condition of this grant, Essex County Council would wish to influence the spend of CIL income, if a CIL is adopted, on infrastructure priorities up to the value of the grant, with terms agreed through a Memorandum of Understanding (MoU). For the purposes of clarity, any CIL income subject to such agreement would be spent in Maldon. The basic principle of the MoU will be that the County Council requests that spending of CIL income collected in Maldon be prioritised toward projects that are supported by the County Council, up to the value of the grant. This includes infrastructure for services such as highways and education. No specific projects are identified at this stage as they must also reflect infrastructure needs and the evidence that will support the preparation of CIL.
- 3.2.6 A conservative estimate of CIL income within Maldon, if a CIL is adopted, is £400,000 per year in the first few years. Many of the infrastructure projects and priorities that are needed to support new development are County led projects, including highways, education and flood mitigation as well as community services. Officers are comfortable on this basis that agreement to the grant offered on the basis outlined above would not be prejudicial to Maldon District Council's priorities.

4. CONCLUSION

- 4.1 The implementation of a CIL supports the delivery of the Local Development Plan. The CIL Regulations 2010 allow for a proportion of CIL income to be used for costs incurred in setting up CIL. Accepting the offer of grant from Essex County Council will enable that proportion to be spent directly on infrastructure projects.

5. IMPACT ON STRATEGIC THEMES

- 5.1 CIL has the potential to support the Council in providing excellent services and value for money, in being financially independent and sustainable, and in providing sustainable growth and new infrastructure, by enabling the Council to maximise the funding that it collects from development to contribute towards infrastructure funding.

6. IMPLICATIONS

- (i) **Impact on Customers** – Accepting the offer of grant from Essex County Council enables a proportion of income that could be used for set up costs to be spent directly on infrastructure projects.
- (ii) **Impact on Equalities** – The proposals would not have a direct impact on equalities.
- (iii) **Impact on Risk** – The proposals would not have a direct impact on risk.
- (iv) **Impact on Resources (financial)** – Accepting the offer of grant from Essex County Council would enable the preparation costs of CIL to be substantially met through the grant.
- (v) **Impact on Resources (human)** – The Strategy, Policy and Communications Team currently has interim resource in place until mid – October 2019. There is a risk that permanent resource will not be in place longer term, and an extension of the interim resource may be required. Acceptance of the grant would provide funding toward staff resource costs.
- (vi) **Impact on the Environment** – The proposals would not have a direct impact on the environment.
- (vii) **Impact on Strengthening Communities** – The proposals would not have a direct impact on communities.

Background Papers:

Report to Maldon District Council 05 September 2019 (Community Infrastructure Levy Update).

Enquiries to: Julie King, Specialist – Local Plan,

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REPORT of DIRECTOR OF STRATEGY AND RESOURCES

**to
STRATEGY AND RESOURCES COMMITTEE
26 JANUARY 2020**

COUNCIL TAX SUPPORT SCHEME 2020 / 21

1. PURPOSE OF THE REPORT

- 1.1 To approve a cost neutral Local Council Tax Support Scheme (LCTS) for 2020 / 21, with minor changes to improve the scheme for the customer, whilst simplifying the administration of the scheme for the Council.

2. RECOMMENDATIONS

To the Council

That following Members' careful reading of and regard to the Equality Impact Assessment (**APPENDIX 1**) the following changes to the existing scheme are approved:

- (i) a cost of living increase in line with the Department for Work and Pensions schemes be included in the Local Council Tax Support Scheme for 2020 / 21 for Pensioners only;
- (ii) any legislative changes being introduced to the Housing Benefit Scheme for 2020 / 21 are mirrored in the Councils LCTS scheme to ensure consistency;
- (iii) the introduction of a minimum income change threshold of up to £10 per week, and a periodic reviews of Universal claims with a fixed period of award;

3. SUMMARY OF KEY ISSUES

- 3.1 Following the abolition of the National Council Tax Benefit Scheme in 2013 a replacement LCTS Scheme was approved by the Council on 13 December 2012 (Minute No. 688 refers), and a substantially unchanged scheme was approved for the subsequent years up to and including 2020 / 21.
- 3.2 The current scheme reflects the Council's decision to deliver a long-term sustainable scheme based on cost neutral principles, and it proposed that the changes be introduced to the schemes for 2020 / 21.

3.3 Scheme Costs and impact on Council Tax Collection

- 3.3.1 The net cost of the Council Tax Support Scheme for 2019 / 20 to date is being effectively contained within the collection fund. The consequence of future welfare reforms and the proposed changes to the scheme may adversely affect this, but based upon current projections the proposed LCTS scheme remains sustainable for 2020 / 21.
- 3.3.2 Additional support and advice continue to be provided to customers who have difficulty in paying. The proposed changes is anticipated will help customers improve their financial stability.

3.4 Proposed changes to the Scheme - background

- 3.4.1 The Council receives a “real time” link to HM Revenue and Customers (HMRC) data related to customers earnings. Under our current scheme this information has to be used to recalculate customers LCTS. Many of these changes are low in value, but result in significant administration to recalculate claims, and more importantly result in difficulties for customers as they receive revised demands for payment, making it difficult for them to budget, and can result in additional recovery action being taken as customers struggle to pay.
- 3.4.2 The legal requirement to give customers at least 14 days notice of a revised payment due can affect Direct Debits, again creating difficulties or customers, and delays in the Council receiving payment.
- 3.4.3 The roll out of Universal Credit (UC) has also caused similar issues, as frequent changes in UC also require regular recalculation of customers LCTS.
- 3.4.4 The following proposed changes to the scheme at 3.5.1 should improve the overall administration of the scheme, and reduce the frequency of revised bills being issued to customers where they have minor changes to their income. This in turn will and reduce the impact on council tax collection which results from re-profiled bills making it more difficult for customers to budget, and deferred direct debits as the Council has to give customers a minimum of 14 days notice of any changes to instalments.
- 3.4.5 Moving to a fixed period award of LCTS for UC claimants 3.5.2 will further simplify the administration of LCTS, and give customers more certainty over their Council Tax payments.
- 3.4.6 The options being suggested have been introduced in other authorities with no risk involved it could therefore be assumed that there would be no risk to the Council

3.5 Proposals

3.5.1 Introduce a minimum income change threshold

- 3.5.1.1 Where the change in a claimant’s income is below a threshold of £10 the award of LCTS will remain unchanged. This will apply to both an increase and decrease in income.

3.5.2 Introduce periodic reviews of Universal Credit claims with a fixed period of award.

3.5.2.1 Universal Credit customers will have an award of LCTS for a fixed period of up to 6 months provided they remain in receipt of Universal Credit. At the end of the 6 months Credit the LCTS award for up to the next 6 month will generally be based upon an average of the previous 6 months income, unless there has been a significant change in circumstances.

3.5.2.2 Examples of significant changes shall include, but is not limited to:

- a partner moving into or leaving the household; or
- the applicant enters new employment or self-employment; or the applicant's employment or self-employment ceases; or
- the applicant has an increase in employment of 5 hours or more per week.

4. **CONCLUSION**

- 4.1 The changes proposed will help to support the delivery a cost neutral LCTS Scheme within the budget proposed for 2020 / 21 making it easier for customers to budget, having less frequent changes to their council tax bills and simplifying the administration of the scheme.
- 4.2 The changes have been introduced by other Councils effectively, and there is no anticipated negative impact upon collection rates.
- 4.3 A customer consultation exercise undertaken in the autumn shows support for some changes to simplify the scheme.
- 4.4 An Equality Impact Assessment has been undertaken showing no significant issues with the proposed changes to the scheme.

5. **IMPACT ON STRATEGIC THEMES**

- 5.1 A Local Council Tax Support Scheme supports the Councils Goal of "Healthy, safe and vibrant communities" by ensuring that the service can be targeted to reduce inequalities and the goal of "excellent services and value for money" by complying with its statutory obligations in the most efficient and effective way.

6. **IMPLICATIONS**

- (i) **Impact on Customers** – 3,246 households are currently entitled to LCTS of which 1545 are of working age
- (ii) **Impact on Equalities** – An Equalities Impact Assessment of the LCTS scheme has been undertaken. Members are asked to carefully consider the content of the assessment as part of their decision to approve the proposed LCTS scheme for 2020 / 21.

- (iii) **Impact on Risk** – The proposed scheme is expected to continue to deliver a cost neutral scheme. The cumulative effects of various welfare reforms continue to have an effect both upon Council Tax collection and the number of customers with housing issues. The impacts are being monitored with help and advice being provided by the Council and its partners to support customers.
- (iv) **Impact on Resources (financial)** – The cost of the proposed scheme is within budget. The expenditure on the scheme is monitored on a monthly basis, and any significant variations will be reported to Members.
- (v) **Impact on Resources (human)** – The proposed LCTS scheme can be delivered within existing staffing resources.
- (vi) **Impact on the Environment** – None.
- (vii) **Impact on Strengthening Communities** -

Background Papers:

Enquiries to: Sue Green, Customer, Casework and Community Engagement Manager.

Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

Title Council Tax Support scheme for 2020-21	Date November 2019	Officer Preparing Sue Green
1. Background		
<p>1.1 Description of proposal / policy / service (Including aims, outcomes and in the case of an existing service how long it has been delivered in its current format)</p> <p>Council Tax Support aims to help people with low incomes to meet their Council Tax obligations, covering payment of Council Tax and Discounting of Council Tax</p> <p>The aim of Council Tax Support is</p> <ul style="list-style-type: none"> • To have a fair and equitable scheme • To maintain support for particularly vulnerable people within the constraints imposed by Government policy <p>The service areas or partner agencies involved are</p> <ul style="list-style-type: none"> • Maldon District Council • Any authority that can levy a charge to contribute to Council tax • Essex authorities who are sharing the scheme • All Essex precepting authorities • Department for Work and Pensions • Department for Communities and Local Government <ul style="list-style-type: none"> • <i>There are proposals to change the current scheme these changes are: To introduce a de minimis value on any change in income and to introduce periodic reviews of Universal Credit claims</i> <p>.</p>		
<p>1.2 Who are the users of the proposal / policy / service (Refer to data held about the users of the service i.e. numbers of users, demographic breakdown. Having this information is important to understand which sectors of the community might be affected. If that is not available refer to the demographic data held on the intranet.)</p> <p>Broadly, this affects those liable for Council Tax within the District and adults on a low income with low savings</p> <p>There are 3246 Council Tax Support Claimants* of which 1545 are working age.</p>		

Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

1.3 Have users been consulted with? (Have you carried out consultation with users or stakeholders while drawing up the proposal / policy / service? For example, have you carried out a formal consultation, discussed the issue with a Friends/User Group or consulted with stakeholders? If so, outline the results and how it has informed your plans. It's also important to show whether the target audience was reached during the consultation.)

Yes ,a consultation has been conducted.

1.4 If the analysis is regarding an existing Service, what are users' views of that Service? (Base your view on evidence such as satisfaction surveys, levels of compliments and levels of complaints).

The Revenues and Benefits team is a high performing team that historically has met locally set performance targets. For the current financial year (2019-20) the team is striving to meet those targets, but as a result of high demands on the service, coupled with the impact of organisational change and resource challenges those targets are likely to remain a challenge,

The service is making good progress, and ensures that claims are prioritised to reduce impact on our most vulnerable customers.

Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

2. Equality Aims – consider how the proposal / policy / service meets the three Equality Aims listed in the Equality Act.

Aim	How does the proposal / policy / service meet the equality aim?	Action or addition needed in order that the proposal / policy / service meets the aim?
2.1 To eliminate unlawful discrimination, harassment and victimisation	<ul style="list-style-type: none"> Higher Rate Disability benefits will continue to be disregarded thereby protecting those with specific long term conditions who fall within this group. Without such action to protect this group the policy could potentially be discriminatory. There is also an Exceptional Hardship Scheme which can assist customers with specific circumstances. 	None required
2.2 To advance equality of opportunity between people who share a protected characteristic and those who do not	<ul style="list-style-type: none"> Older people are protected in the policy, which follows specific Government Regulations. Parents who receive a child benefit will continue to have this disregarded as part of the CTS calculation, which is consistent with the Council's duty to safeguard and promote the welfare of children. Higher rate Disability Benefits will continue to be disregarded thereby protecting those with specific long term conditions who fall within this group. In 2014 it was also agreed that Lone Parents receive a disregard of £15 per week from Child Maintenance payments A hardship fund exists to ensure provision for those residents who have exceptional circumstances. 	

Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

2.3 To foster good relations between those who share a protected characteristic and those who do not	<ul style="list-style-type: none"> The scheme remains means tested , the scope for discrimination is limited. All working age customers 				
3. Equality Impacts – examine how the proposal / policy / service impacts on the community. Base the analysis on evidence. Attach additional documents if necessary.					
Impacts	Positive impact (X)	Could adversely impact (X)	No impact (X)	How different groups could be affected: Summary of impacts	Actions to reduce negative or increase positive impact
3.1 Age (What will the impact be on different age groups such as younger or older people?)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Older People (60+) are specifically protected under Government Regulations	
3.1 Age (What will the impact be on different age groups such as younger or older people?)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Due to the protection afforded to those of pensionable age, customers of working age are impacted directly by any changes to the scheme. People over 18 of working age will potentially may be required to pay more.	Parents will continue to have Child Benefit disregarded in the CTS calculation which is consistent with the Council's duty to safeguard and promote the welfare of children. Reducing the number of changes to entitlement will provide more financial stability The Council will continue to provide information and advice on income maximisation.

Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

Impacts	Positive impact (X)	Could adversely impact (X)	No impact (X)	How different groups could be affected: Summary of impacts	Actions to reduce negative or increase positive impact
3.2 Disability (Consider all disabilities such as hearing loss, dyslexia etc as well as access issues for wheelchair users where appropriate)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	People with disabilities who are below pensionable age may need to pay more.	Higher Rate Disability Benefits continue to be disregarded (i.e. Disability Living Allowance) thereby protecting those with specific long term conditions. A hardship fund exists to ensure provision for those residents who have exceptional circumstances.
3.3 Pregnancy and Maternity (Think about pregnancy, new and breastfeeding Mums)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Removal of the family premium (currently an allowance of £17.45 per week) in line with the Government's changes for Housing Benefit will only affect those families who are working age and not claiming "passported" benefits such as Universal Credit and Income Support. New working age residents may see a reduction in support and some households with children will pay more. With regard to limiting the number of dependent children in the CTS calculation, households who have a third or subsequent child after 1 April 2017 may receive less support than claimants who have more children born before that date. This amounts to	

Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

Impacts	Positive impact (X)	Could adversely impact (X)	No impact (X)	How different groups could be affected: Summary of impacts	Actions to reduce negative or increase positive impact
				an additional premium of £66.90 per week (for a child of any age). This would bring the scheme in line with the Government's changes for Housing Benefit.	
3.4 Sex (is the service used more by one gender and are the sexes given equal opportunity?)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CTS is means tested and therefore gender is not a factor in the calculation of support.	
3.5 Gender Reassignment (Is there an impact on people who are going through or who have completed Gender Reassignment?)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CTS is means tested and therefore gender is not a factor in the calculation of support	
3.6 Religion or belief (Includes not having a religion or belief)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CTS is means tested and therefore religion is not a factor in the calculation of support	
3.7 Sexual Orientation (What is the impact on heterosexual, lesbian, gay or bisexual people?)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CTS is means tested and therefore this characteristic is not a factor in the calculation of support	
3.8 Race (Includes ethnic or national origins including Gypsies and Travellers)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CTS is means tested and therefore this characteristic is not a factor in the calculation of support.	
3.9 Socio-Economic Group (Will people of any particular socio-economic group be particularly affected?)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Council Tax Support is designed to help people who have restricted incomes. Any additional changes to the proposed scheme will therefore have an impact on those who claim	

Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

Impacts	Positive impact (X)	Could adversely impact (X)	No impact (X)	How different groups could be affected: Summary of impacts	Actions to reduce negative or increase positive impact
				support – particularly those of working age.	
<p>4. Is there a Cumulative Impact? (If the same group is the subject of many changes or reductions the overall impact is much greater. Consider what else is happening within Maldon District Council that may have an impact and also what we know is happening elsewhere (such as Essex County Council). See Guidance for further advice.)</p> <p>The requirement to introduce a local Council Tax scheme and to make savings has been introduced via Government policy so each year our scheme must be reviewed and a proposal must be pursued following a public consultation.</p> <p>Whilst the authority may choose to allocate funding to ensure full protection for all customers, to date this has not been considered to be financially sustainable. Furthermore, the results from public consultations would appear to agree that customers claiming support should pay towards their Council Tax.</p>					
<p>5. Outcome</p>					
<p>5.1 Consider all the analysis and evidence above and indicate</p> <p>(1) No change needed <input type="checkbox"/> (2) Adjust <input checked="" type="checkbox"/> (3) Adverse impact but continue <input type="checkbox"/> (4) Stop, remove the proposal / policy / service <input type="checkbox"/></p>					
<p>5.2 Adjustments</p> <p>If option (2) above is selected please detail what adjustments are needed, who is responsible and how that will be reviewed. Also outline how that will be agreed (i.e. Committee, CMT).</p> <p>The adjustments required are administrative and will be dealt with by the revenues and benefits teams</p>					

Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

Impacts	Positive impact (X)	Could adversely impact (X)	No impact (X)	How different groups could be affected: Summary of impacts	Actions to reduce negative or increase positive impact
<p>5.3 Decision Making (How will this equality analysis be taken into account during the decision making process? For example will it be included with a report to Committee/CMT? Will it be considered at department level or by a Head of Service? How will community/stakeholders views be taken into account?)</p> <p>The Equality analysis will be included within the decision making process which includes consideration at</p> <ul style="list-style-type: none"> • Strategy and Resources Committee on 26 January 2020 • Full Council on 13 February 2020 					
6.0 Next Steps					
<p>6.1 If there was a lack of evidence or data held on which to base this assessment, how will that gap be addressed for the future?</p> <p>Not applicable</p>					
<p>6.2 Summary of actions highlighted within this analysis (Include how this will be picked up within service/work plans)</p> <p>None</p>					
<p>6.3 Arrangements for future monitoring of equality impact of this proposal / policy / service</p> <p>To be reviewed at least annually, or where relevant changes occur which may have an impact.</p>					
<p>6.4 Approved by (Manager or Head of Service signature and date)</p> <p>Sue Green (Customer, Casework and Community Engagement Manager)</p>					



REPORT of DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE

**to
STRATEGY AND RESOURCES COMMITTEE
29 JANUARY 2020**

SUPPLEMENTARY ESTIMATE - FIXED TERM FINANCIAL RESOURCE

1. PURPOSE OF THE REPORT

- 1.1 A radical transformation programme has been undertaken to improve services to customers through a new delivery model, investment in IT and Agile working.
- 1.2 The new model is based upon a tiered approach to service delivery to reduce cost and increase customer service, moving internal and external customers to increased self-service and transactional processes to caseworkers leaving specialists free to deal with complex queries and statutory requirements. Go live date for the new model for the Resources Directorate was 25 February 2019.
- 1.3 Subsequently, upon appointment to the service the Interim Section 151 (S151) Officer and Tier 2 Resources Managers identified backlogs and gaps in service and a recent internal finance audit has highlighted several high level risks.
- 1.4 A review of the model and the way it is working within the Directorate is being undertaken with focus on areas that have gaps and issues in service delivery. Some adjustments to the model are required, alongside additional training and completion of the work to utilise implement new technology.
- 1.5 The requirement for a short-term additional resource has been identified to support the team in ensuring financial stability and to continue the process improvement work required in the transformation model.

2. RECOMMENDATION

That a budget requirement of £49,280 be agreed to fund and recruit a qualified fixed term finance specialist to support the finance function to ensure a robust financial service is in place and continue the handover of finance processes to caseworkers in accordance with the transformation model.

3. SUMMARY OF KEY ISSUES

- 3.1 The transformation model relies on 'fit for purpose' IT and efficient processes seamlessly crossing over between self-service, caseworkers and specialists. Some assumptions have been made in where the hand over is placed, the knowledge required by caseworkers and the headcount required in each area to support this.

- 3.2 The model relied on new staff and technology, process guides and training to increase knowledge for caseworkers. As part of this transformation new posts were created that have been difficult to recruit to meaning that the Finance area has been carrying vacancies for a lengthy period of time.
- 3.3 This has meant that the design of new technologies and handover training has been delayed leaving work to be completed by a reduced number of specialists. This has caused a backlog and some gaps in service.
- 3.4 The service currently has a number of high risks with delays in budget setting and management, a poor internal audit result, included a large number of improvements to be implemented and a backlog of reconciliations that must be resolved ahead of a complicated year end accounts closure due to the changes in service model mid-year. The Lead Finance Specialist role is still vacant and there is currently no full time or permanent S151 officer or deputy. Recruitment is ongoing and over the year several successful applicants have withdrawn with short notice.
- 3.5 This proposal for a fixed term post will provide additional support so that the critical finance requirements can be met and provide capacity to complete the handover of processes to caseworkers, assist in the implementation of additional IT functionality and provide additional capacity to reduce the financial risks in this area.

3.6 **Risks**

3.6.1 Finance risks:

- Audits with Limited Assurance;
- Reconciliations outstanding causing financial risks;
- Year End delays in meeting statutory requirements;
- Statutory Returns delayed or inaccurate;
- Year End Audit Qualifications;
- Financial risks where issues not identified.

3.6.2 Corporate Risks:

- Failure to realise the efficiencies from investment;
- Failure to deliver financial savings set out in the Medium Term Financial Strategy (MTFS);
- Failure to provide improved customer service and channel shift;
- Failure to meet performance targets;
- Reputational damage, impact on front line services and commercial projects;
- Increased customer complaints;
- Limited use of technological developments.

3.7 Options

No.	Option	Benefits	Risks
A	Do Nothing	No costs	The identified risks will remain and possibly increase with potential service failure, year end audit qualification and increased pressure on current staff
B	Utilise existing staff for process improvement	Absorbed costs as part of BAU	There is no capacity to do this alongside current backlogs and the complexity of finance work required by the changeover mid-year of service model. In addition, the current staff have been operating with limited support over the last year and this may impact on well-being if continued.
C	Recruit a 1-year fixed term Finance Specialist to lead and own this work	Provide support to complete financial requirements and continue the handover of work to caseworkers	The post requirements should be Association of Accounting Technicians (AAT) qualified or fully qualified Consultative Committee of Accountancy Bodies (CCAB) qualified accountant with a few years' experience of local government finance. The cost of this is estimated at £49,280.

4. CONCLUSION

- 4.1 The solution that would minimise risks and have the highest likelihood for delivery of the improvements to provide financial stability is option C.
- 4.2 It is proposed that a fixed term finance specialist is recruited for 12 months to assist in the handover of transactional finance processes to the resource's caseworkers and the implementation of new IT. The post requirements should be AAT qualified or fully qualified CCAB body qualified accountant with a few years' experience of local government finance.
- 4.3 Following this transfer and with the current vacancies filled an assessment can be made of the resources required for future and an analysis of the transformation model for whether the assumptions of the staffing numbers within the split of caseworker and specialist is as required for Maldon with its current supporting technology.

5. IMPACT ON STRATEGIC THEMES

- 5.1 This may have an impact on the MTFS as unplanned but business critical spending.

6. IMPLICATIONS

- (i) **Impact on Customers** – This proposal safeguards the service delivered to customers.
- (ii) **Impact on Equalities** – This proposal has no impact on equalities.
- (iii) **Impact on Risk** – This proposal significantly reduces risk to the organisation of not being able to perform its statutory duties.
- (iv) **Impact on Resources (financial)** – This proposal has an impact on the corporate reserve.
- (v) **Impact on Resources (human)** – This proposal requires recruitment support from human resources.
- (vi) **Impact on the Environment** – This proposal has no impact on the environment.

Background Papers: None.

Enquiries to: Paul Dodson, Director of Strategy, Performance and Governance.



REPORT of INTERIM SECTION 151 OFFICER

**to
STRATEGY AND RESOURCES COMMITTEE
29 JANUARY 2020**

CAPITAL PROJECT BIDS 2020 / 21

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to consider the Capital projects that have been put forward by officers prior to the approval of the 2020 / 21 budget and updated Medium Term Financial Strategy. The projects were originally taken to 5 December 2019 Strategy and Resources Committee where Members requested more information on Service Improvement and Service Failure projects. Projects have been reviewed and recategorized where required, some have been removed and reasons for this are explained in this report.

2. RECOMMENDATIONS

That the Committee considers the proposals set out in this report, comments are invited on the project bids set out in **APPENDIX A** and to identify which projects should be included for consideration in the 2020 / 21 capital programme by the Council in February 2020.

3. SUMMARY OF KEY ISSUES

- 3.1 The Council's capital programme will need to reflect the three strategic themes set out in the Council's Corporate vision of Place Community and Prosperity.
- 3.2 The 2020 / 21 project bids set out in the table overleaf and detailed projects sheet can be found as **APPENDIX A**. The projects have been categorised by Officers into two groups:
- Essential (E): Failure to carry out the project is likely to have health and safety implications and/or will have fundamental impact on service provision;
 - Service failure (SF): Relating to an operational asset that requires capital funding to ensure continued reliability or service provision;

Project Category	Capital Project Bid Details	£'000
Vehicles		
SF	2 Ride on John Deere mowers	41,000
E	Wood Chipper	17,600
Rivers		
E	Rigid Inflatable Boat	40,000
Playsites		
E	Multi Use Games Area (MUGA) Maldon	20,000
E	MUGA Burnham-on-Crouch	26,000
Leisure Centres		
E	Air Handling unit	24,500
Total		169,100
	Essential	128,100
	Service Failure	41,000

- 3.3 Since the meeting of the Committee on 5 December 2019, an additional Capital Project Bid has been added for a new air handling unit for Blackwater Leisure Centre. The responsibility to replace the unit falls to Maldon District Council as part of the contract. The current unit has been in place since 2002 and is classed as Essential.
- 3.4 The following project bids have been removed from the original list submitted to 5 December 2019 meeting of this Committee:
- **Scarab road sweeper** – The proposal to bring the service inhouse by purchasing and operating a road sweeper was categorized originally as a service improvement. Whilst the bid was for the purchase of a vehicle there would also have been associated revenue costs to operate the vehicle. It has therefore been withdrawn from the capital bids so that it can be subjected to a full business case appraisal to determine whether the proposal is financially sound and viable but also that it is the best and most cost effective way to achieve the desired service improvement when compared against achieving the same outcomes from the existing outsourced contract. In the meantime there will be no change to the existing contracted service.
 - **Cemetery Headstone plinths** – The project will form part of a full business case to a future meeting of the Committee in respect of the potential commercialisation opportunities in the Cemeteries Service.
 - **Ford Transit Tipper Truck** – The current vehicle has little residual value and will therefore be used until no longer useable when a project bid will be submitted.
 - **Council Office roof repairs** – The roof will be subjected to a full survey. Any emergency repairs required will be presented as a supplementary request.
- 3.5 As part of the budget strategy the broad principles adopted in relation to capital are that expenditure will be financed from existing useable capital resources and not directly from revenue.

- 3.6 At the start of 2019 / 20 the Council had capital reserves totalling £3.1m. £1.5m was scheduled to be used to support the 2019 / 20 capital programme, which would leave £1.6m to support future programmes for 2020 / 21 and beyond.
- 3.7 In the absence of a sizeable capital receipt from a disposal of an asset, the Council will have used up its usable capital receipts within circa. four years at the rate of the capital programme suggested for 2020 / 21. That would mean that future capital programmes will have to be funded from borrowing. The Council is currently debt free.
- 3.8 The Committee should note that any large capital project(s) as a result of the Commercial Strategy will be presented for consideration on a project by project business case basis under the governance arrangements for the delivery of the Commercial Strategy. The financing options of those project(s) would be included as part of the business case for the project(s).

4. CONCLUSION

- 4.1 It is essential that the Council's assets are maintained to ensure continued reliability and service provision either at current or improved level.
- 4.2 The Committee is asked to consider the capital bids presented in this report; agree the schemes and make a recommendation to the Council meeting on 13 February 2020 for the 2020 / 21 Capital Programme. Any revenue consequences of the capital projects so chosen will be included in the 2020 / 21 revenue budget.

5. IMPACT ON STRATEGIC THEMES

- 5.1 The proposed capital bids can be directly linked to the outcomes and service delivery within the Place and Community Strategic Themes.

6. IMPLICATIONS

- (i) **Impact on Customers** – The aims of the projects and impact on customers is outlined in **APPENDIX A**.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – Risks have been considered as part of each project brief; this includes information about the risks should the project not be taken forward, as well as risks that may impact on the success of the project.
- (iv) **Impact on resources (financial)** – Both capital and revenue implications are outlined within **APPENDIX A**. The capital programme will be financed internally by utilising capital reserves and the consequent impact on revenue will be factored into the Medium Term Financial Strategy.

- (v) **Impact on Resources (human)** – As well as financial factors, staff resources to deliver each project has been considered and this has been included within each project brief.
- (vi) **Impact on the Environment** – Many of the capital project bids are to maintain existing facilities or infrastructure. Any repair works will be undertaken sensitively to minimise the impact upon the wider environment.

Background Papers: **APPENDIX A.**

Enquiries to: Kamal Mehta (Interim) Section 151 Officer, (Tel: 01621 875799).

CAPITAL PROJECT SHEET

Please note that this capital project sheet will be appended to the relevant Committee Report in the November cycle, therefore everything you put in the form will be shown in the public domain.

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Renewal of parks and countryside Mowers
Project Category • Essential (E) • Service failure (SF) • Service improvement (SI)	Service Failure
Project Lead Officer	Matt Wilson
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Purchase of 2 new John Deere 1580 out front deck ride on mowers road legal to cut the verges around the Maldon district
Project Start Date <i>(Month and year)</i>	Oct-20
Project Completion Date <i>(Month and year)</i>	Oct-20
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	No
Picture <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>	


	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2020/21	41,000				41,000
2021/22					
2022/23					
2024/25					
TOTAL	41,000	0	0	0	41,000

CAPITAL PROJECT SHEET

<p>Describe links to Corporate Goals</p> <p><i>Corporate goals:</i></p> <p>1) Strengthening communities to be safe, active and healthy</p> <p>2) Protecting and shaping the District</p> <p>3) Creating opportunities for economic growth and prosperity</p> <p>4) Delivering good quality, cost effective and valued services</p>	<p>To enhance the parks teams equipment and delivery service. The current equipment is no longer fit for purpose and is costing money to maintain the ride on is an 03 plate so has 16 years of service the other ride on mower is an 12 plate so has 7 years of service with the rear link arm needing replacing. The ride ons need to be road legal so as to be able to service road side sites around the Maldon district.</p>
<p>Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).</p>	<p style="text-align: center;">None</p>
<p>Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)</p>	
<p>Are there Health & Safety implications? If so, please state</p>	<p style="text-align: center;">No</p>
<p>Is this part of a statutory obligation? If so, state how</p>	<p style="text-align: center;">No</p>
<p>Is the project contractually committed to in any way? If so, please describe</p>	<p style="text-align: center;">No</p>
<p>Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details</p>	<p>To improve MDCs parks delivery service for 2020</p>

CAPITAL PROJECT SHEET

Please note that this capital project sheet will be appended to the relevant Committee Report in the November cycle, therefore everything you put in the form will be shown in the public domain.

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Renewal of Parks & Countryside Machinery fleet				
Project Category • Essential (E) • Service failure (SF) • Service improvement (SI)	Essential				
Project Lead Officer	Matt Wilson				
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Purchase of a new wood chipper. We require a new wood chipper to reduce costs of clearing green waste from sites across the Maldon district. The chipper can be towed by any individual with a driving licence with no trailer licence required. Jensen A530L chipper or equivalent. To reduce down MDCs green waste costs by being able to chip green waste on site or at the depot that has been created by MDC, Payback and Essex Highways staff. The waste material can then be used on projects.				
Project Start Date <i>(Month and year)</i>	Apr-20				
Project Completion Date <i>(Month and year)</i>	Jun-20				
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>					
Picture <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>					

	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
		£	£	£	
2019/20	17,600				
2020/21					
2021/22					
2022/23					
TOTAL	17,600	0	0	0	0

CAPITAL PROJECT SHEET

<p>Describe links to Corporate Goals</p> <p><i>Corporate goals:</i></p> <p>1) Strengthening communities to be safe, active and healthy</p> <p>2) Protecting and shaping the District</p> <p>3) Creating opportunities for economic growth and prosperity</p> <p>4) Delivering good quality, cost effective and valued services</p>	<p>4) delivering good quality, cost effective & Valued Services. We have used an inhouse chipper for the last year that was purchased second hand. This offered time and costs savings both in labour and waste material transfer with the added benefit of cutting down on the carbon footprint from having to haul green waste to an approved facility when it could be chipped and used on site as mulch</p>
<p>Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).</p>	<p style="text-align: center;">None</p>
<p>Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)</p>	<p style="text-align: center;">No</p>
<p>Are there Health & Safety implications? If so, please state</p>	<p>To speed up the process of green waste and reduce costs of haulage and disposal off waste material. Machine does not require tractor/TPO unit to power, plus can be towed on a standard vehicle licence</p>
<p>Is this part of a statutory obligation? If so, state how</p>	<p style="text-align: center;">No</p>
<p>Is the project contractually committed to in any way? If so, please describe</p>	<p style="text-align: center;">No</p>
<p>Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details</p>	<p>To allow MDC parks team to tender for future works around the district by being able to offer a waste clearance service to clients</p>

CAPITAL PROJECT SHEET

Please note that this capital project sheet will be appended to the relevant Committee Report in the November cycle, therefore everything you put in the form will be shown in the public domain.

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Rigid Inflatable Boat - enforcement of council byelaws River Blackwater
Project Category <ul style="list-style-type: none"> • Essential (E) • Service failure (SF) • Service improvement (SI) 	<p style="text-align: center;">Essential</p>
Project Lead Officer	<p style="text-align: center;">Nigel Harmer</p>
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	<p>Procure a Rigid Inflatable Boat (RIB) to replace the present workboat for the primary role of enforcement of Council byelaws throughout the River Blackwater. Following the withdrawal of the previous RIB, no byelaw enforcement has taken place on the River & without the RIB no enforcement will take place during peak season in 2020.</p> <p>The overall cost will be off-set against the sale of the existing workboat (£20,000) and the £14,000 receipt from the insurance for the loss of the PWC's. The intention is to procure a nearly new/second hand boat and road trailer, and not a new vessel.. The requirements of a patrol vessel need to include patrolling in respect of environmental legislation, byelaw enforcement and maintenance work in connection with navigation bouys, as well as carrying limited numbers of staff for site visits in respect of planning applications and large coastal related developments and the removal of river users from the environmentally sensitive areas such as salt marsh and nesting areas for birds, which have a detrimental effect, causing increased erosion and disturbance. Replacing the existing workboat with a rigid inflatable boat would enable the enforcement role to be carried out once again, but does not diminish the River Bailiff's ability to carry out maintenance work on navigation buoys throughout the river should the need arise. The helmsman of the RIB will be the river bailiff, other officers may be onboard at times to support enforcement & environmental tasks but will not be in control of the vessel.</p>
Project Start Date <i>(Month and year)</i>	<p style="text-align: center;">Jan-20</p>
Project Completion Date <i>(Month and year)</i>	<p style="text-align: center;">May-20</p>

Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Running costs, berthing and maintenance can be found in current annual budget allocation
Picture <i>(NB. This picture is for illustration purposes only)</i>	

	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2020/21	40,000				
2021/22					
2022/23					
2024/25					
TOTAL	40,000	0	0	0	0

CAPITAL PROJECT SHEET

Describe links to Corporate Goals <i>Corporate goals:</i> 1) Strengthening communities to be safe, active and healthy 2) Protecting and shaping the District 3) Creating opportunities for economic growth and prosperity 4) Delivering good quality, cost effective and valued services	1. strengthening communities to be safe, active and healthy 2. Protecting and shaping the District 4. Delivering good quality, cost effective and valued services
--	---

Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).	Part of the cost of this project is off-set by the sale of the existing workboat. There is no guaranteed date when this might take place.
Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	No
Are there Health & Safety implications? If so, please state	No. The proposed vessel is governed by the same legislation that covers all other vessels used by the Authority.
Is this part of a statutory obligation? If so, state how	The Council, in being granted the byelaws by the Home Office in 2000 agreed to 'effectively advertise and enforce' them. This requirement is currently not being fulfilled.
Is the project contractually committed to in any way? If so, please describe	No
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	5. Enforcement of Byelaws 18. River Blackwater Stakeholder contact 36. Operational standards for areas of work

CAPITAL PROJECT SHEET

Please note that this capital project sheet will be appended to the relevant Committee Report in the November cycle, therefore everything you put in the form will be shown in the public domain.

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Multi Use Games Area (MUGA) regeneration project. Promenade park, Maldon
Project Category <ul style="list-style-type: none"> • Essential (E) • Service failure (SF) • Service improvement (SI) 	Essential
Project Lead Officer	David Burnham
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	<p>Promenade Park currently houses a multi-use games area. The surface area requires a deep cleaning program along with surface patching and sealant works, this is due to the build-up of surface algae, moss and ingrained dirt. The court surface also has areas which require infill. Some areas of fencing are beyond economic repair and require installation of a new fencing. The program of works will ensure all round provision of the facility for community usage and potential for increasing hirer income. Once the work has been completed the facility will be tendered out to external operator with a view to MDC obtaining a yearly rent for the facility.</p> <p>Currently Promenade Park generates £300 pa, but it is estimated that this would increase to £2,000 pa with the improved facility (offering a 'pay back' period of c. 10 years for this project)</p> <p>Without this essential works this games area will close to the public in 2020, with temporary fencing required around the perimeter to stop access.</p> <p>With the improvement works, combined with a basic ongoing maintenance program, the new surfaces would expect to have a minimum life-span of 15 years.</p>
Project Start Date <i>(Month and year)</i>	May-20
Project Completion Date <i>(Month and year)</i>	Jun-20
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	The works would be outsourced as specialist contractors would be required for the removal and new installation works

Picture (Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))



	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2020/21	20,000	0	0	0	0
2021/22					
2022/23					
2024/25					
TOTAL	20,000	0	0	0	0

CAPITAL PROJECT SHEET


<p>Describe links to Corporate Goals</p> <p><i>Corporate goals:</i></p> <ol style="list-style-type: none"> 1) Strengthening communities to be safe, active and healthy 2) Protecting and shaping the District 3) Creating opportunities for economic growth and prosperity 4) Delivering good quality, cost effective and valued services 	<p>Strengthening communities to be safe, active and healthy, Creating opportunities for economic growth and prosperity</p>
<p>Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).</p>	<p>There will be a loss of income (£336) to the Council while these works are being completed. However once the works have been completed the yield return of 10%pa will have a full return within 10 years. The regeneration works will also increase the income generation potential which will see the facility payback vastly quicker than 10 years.</p>

Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	None required
Are there Health & Safety implications? If so, please state	Current surface condition contributes to an increase in risk and likelihood of more slips, trips and falls.
Is this part of a statutory obligation? If so, state how	No
Is the project contractually committed to in any way? If so, please describe	No
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	<p>this project delivers against the following Corporate Priorities:</p> <p>Increased income through commercialisation</p> <p>Our open spaces maintained for the enjoyment of all</p> <p>Working with communities and partners to support our health and wellbeing priorities</p>

CAPITAL PROJECT SHEET

Please note that this capital project sheet will be appended to the relevant Committee Report in the November cycle, therefore everything you put in the form will be shown in the public domain.

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Multi Use Games Area (MUGA) regeneration project. Riverside Park, Burnham-on-Crouch
Project Category <ul style="list-style-type: none"> • Essential (E) • Service failure (SF) • Service improvement (SI) 	Essential
Project Lead Officer	David Burnham
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	<p>Riverside Park currently houses a multi-use games area. The surface area requires a deep cleaning program along with surface patching and sealant works, this is due to the build-up of surface algae, moss and ingrained dirt. The court surface also has areas which require infill. Some areas of fencing are beyond economic repair and require installation of a new fencing. The program of works will ensure all round provision of the facility for community usage and potential for increasing hirer income.</p> <p>Once the work has been completed the facility will be tendered out to external operator with a view to MDC obtaining a yearly rent for the facility.</p> <p>Currently Riverside Park generates no income, but the potential is there with the improvements for community hire/leasing, in conjunction with or solely through immediate locality Sports clubs or commercial operation (i.e. The impending Caravan Lodge development opposite). Estimation is that after an initial development period, the income could be equivalent to that of the Prom Park MUGA.</p> <p>Without these essential works this games area will close to the public in 2020, with temporary fencing required around the perimeter to stop access.</p> <p>With the improvement works, combined with a basic ongoing maintenance program, the new surfaces would expect to have a minimum life-span of 15 years.</p>
Project Start Date <i>(Month and year)</i>	Sep-20
Project Completion Date <i>(Month and year)</i>	Oct-20

Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	The works would be outsourced as specialist contractors would be required for the removal and installation works
Picture <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>	

	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2020/21	26,000	0	0	0	0
2021/22					
2022/23					
2024/25					
TOTAL	26,000	0	0	0	0

CAPITAL PROJECT SHEET

Describe links to Corporate Goals <i>Corporate goals:</i> 1) Strengthening communities to be safe, active and healthy 2) Protecting and shaping the District 3) Creating opportunities for economic growth and prosperity 4) Delivering good quality, cost effective and valued services	Strengthening communities to be safe, active and healthy, Creating opportunities for economic growth and prosperity
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<p>Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).</p>	<p>No risk. The facility currently generates no income. With the planned redevelopment works this facility could become a key income driver for the Council via community hire and usage.</p> <p>The facility would also offer the potential prospect of a guaranteed annual income via outsourcing to an external facility operator.</p>
--	---

Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	None required
Are there Health & Safety implications? If so, please state	No
Is this part of a statutory obligation? If so, state how	No
Is the project contractually committed to in any way? If so, please describe	No
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	<p>this project delivers against the following Corporate Priorities:</p> <p>Increased income through commercialisation Our open spaces maintained for the enjoyment of all Working with communities and partners to support our health and wellbeing priorities</p>

CAPITAL PROJECT SHEET

Please note that this reserve request sheet will be appended to the relevant Committee Report in the January cycle, therefore everything you put in the form will be shown in the public domain.

Project Name & Location <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Blackwater Leisure Centre
Project Category <ul style="list-style-type: none"> • Essential (E) • Service failure (SF) • Service improvement (SI) 	Essential
Project Lead Officer	Frank Britt
Project Description <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Blackwater Leisure Centre was built in the 1990's, with some additions in the early 2000's, to provide leisure activities for the people of Maldon. Part of the design requirements for such facilities is to provide a 'healthy' atmosphere for those using the facilities and to achieve this large Air Handling Units (AHU's) were installed to control the temperature and humidity within the building. The AHU serving the 'dry' side of the leisure centre (changing rooms, corridors, foyer etc) has been maintained over the years but has now reached the end of its life and is now not working and so needs to be replaced.
Project Start Date <i>(Month and year)</i>	Apr-20
Project Completion Date <i>(Month and year)</i>	Oct-20
Resource Implications <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Staff time to draw up the specification, the tender process and to manage the works once let. Contractor costs to carry out the works.

Picture (Insert a picture in relation to the project
(i.e. the defective site, the area for improvement, the
asset due for replacement))

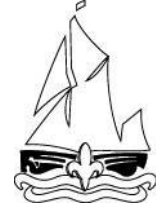


	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2020/21	24,500				
2021/22					
2022/23					
TOTAL	24,500	0	0	0	0

CAPITAL PROJECT SHEET

<p>Describe links to Corporate Goals</p> <p><i>Corporate goals:</i></p> <p>1) Strengthening communities to be safe, active and healthy</p> <p>2) Protecting and shaping the District</p> <p>3) Creating opportunities for economic growth and prosperity</p> <p>4) Delivering good quality, cost effective and valued services</p>	<p>Maintaining a safe and healthy atmosphere at this leisure facility for both the users of the facility and for the leaseholders staff who manage and run the centre. This will help to ensure that the service that the users receive is of a good quality.</p>
<p>Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).</p>	<p style="text-align: center;">None</p>
<p>Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)</p>	<p style="text-align: center;">None</p>
<p>Are there Health & Safety implications? If so, please state</p>	<p>Although the Health & Safety implications for the users is minimal as they can come and go from the building at will, the staff who work there are not in that position. Under the Health & Safety at Work etc Act, there is a duty on their employers, and by association the owners of this leased building, to ensure that the atmosphere in which they work is conducive with the works they are undertaking.</p>
<p>Is this part of a statutory obligation? If so, state how</p>	<p style="text-align: center;">No</p>
<p>Is the project contractually committed to in any way? If so, please describe</p>	<p style="text-align: center;">No</p>
<p>Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details</p>	<p style="text-align: center;">No</p>

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REPORT of INTERIM SECTION 151 OFFICER

**to
STRATEGY AND RESOURCES SERVICES COMMITTEE
29 JANUARY 2020**

CAPITAL AND INVESTMENT STRATEGIES FOR 2020 / 21 AND MINIMUM REVENUE STATEMENT 2020 / 21

1. PURPOSE OF THE REPORT

- 1.1 The Council is required to approve an annual Capital Strategy and Investment Strategy before the start of the financial year to which they relate.

2. RECOMMENDATIONS

- (i) That the Committee considers and reviews this report and the attached appendices and approves them for recommendation to the Council:

To the Council:

- (i) that the Capital Strategy (**APPENDIX 1**) be approved;
- (ii) that the Investment Strategy (**APPENDIX 2**) be approved; and
- (ii) that the Minimum Revenue Provision Statement (**APPENDIX 3**) for 2020 / 21 be approved.

3. SUMMARY OF KEY ISSUES

- 3.1 The Prudential Code was updated in 2017 with a requirement for a new Capital Strategy. This details the intended capital expenditure plans and funding arrangements and sets Prudential Indicators against which actual expenditure and borrowing should be monitored. The Capital Strategy for 2020 / 21 is attached at **APPENDIX 1**.
- 3.2 The Investment Strategy is at **APPENDIX 2**.
- 3.3 The Minimum Revenue Provision is at **APPENDIX 3**.
- 3.4 The Strategies have been compiled with the advice and support of the Council's treasury advisor, Arlingclose Ltd with the latest available 'outlooks' and interest rate forecasts at the time the strategies were drafted in January 2020.

4. CONCLUSION

- 4.1 The Capital Strategy has been prepared considering the future plans of the Council, ensuring that they are affordable and prudent. It links with the Council's Investment Strategy.
- 4.2 The Annual Investment Strategy has been updated in line with statutory requirements and good practice, having regard to the Council's financial position; links to wider strategies, plans and aims and the advice of the Council's external treasury advisor.

5. IMPACT ON STRATEGIC THEMES

- 5.1 The Strategies and the Minimum Revenue Provision Statement support all three of the Council's strategic themes of Place, Community and Prosperity. There is a regulatory requirement for the Strategies and therefore the Council will be compliant in approving them before the start of the financial year on 1 April 2020.

6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None directly.
- (iii) **Impact on Risk** – Any new investment decision will be entered with suitable due diligence to ensure that any risk is mitigated.
- (iv) **Impact on Resources (financial)** – Investment interest received is a financial resource available to support spending on service provision.
- (v) **Impact on Resources (human)** – None directly.
- (vi) **Impact on the Environment** – None directly.

Background papers: Economic Background and Outlook and Interest Rate Forecasts provided by Arlingclose Ltd. the Council treasury management advisors.

Enquiries to: Kamal Mehta, Interim Section 151 Officer. (Tel. 01621 875762)

Capital Strategy 2020/21

Introduction

This capital strategy report for 2019 / 20, gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.

In 2020 / 21, the Council is planning capital expenditure of £691

Governance: Service managers bid annually in September to include projects in the Council's capital programme. Bids are collated by the finance team who calculate the financing cost (which can be nil if the project is fully externally financed). The Corporate Leadership Team (CLT) and the relevant service committees appraise all bids based on a comparison of service priorities against financing costs and makes recommendations to Finance and Corporate Services. The final capital programme is then presented to Council in February each year.

- Full details of the Council's proposed capital programme for 2020 / 21, including the project appraisals undertaken, will be presented to Council for approval in February 2020.

Projects that generate savings or income may be progressed in year subject to a valid Business Case and Committee Approval.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

	2018 / 19 Actual £000s	2019 / 20 Budget £000s	2020 / 21 Budget £000s	2021 / 22 Budget £000s	2022 / 23 Budget £000s
External sources (Government Grant)	569	539	420	420	420
Own resources (Capital Receipts)	402	1,207	271	22	102
TOTAL	971	1,746	691	442	522

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

Replacement of debt finance in £ 000's

	2018 / 19 actual £000's	2019 / 20 forecast £000's	2020 / 21 budget £000's	2021 / 22 budget £000's	2022 / 23 budget £000's
Own resources	-	-	226	226	226

- The Council's full minimum revenue provision statement is shown at Appendix 3

Estimates of Capital Financing Requirement

	31.3.2019 Actual £000's	31.3.2020 Forecast £000's	31.3.2021 Forecast £000's	31.3.2023 Forecast £000's	31.3.2022 Forecast £000's
General Fund services	780	544	318	92	0
TOTAL CFR	780	544	318	92	0

Asset management: To ensure that capital assets continue to be of long-term use, the Council is developing the 2020 / 21 asset management strategy.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021 / 22. Repayments of capital grants, loans and investments also generate capital receipts. The Council may also receive Capital receipts from Right to Buys of Council Houses, however it is not possible to estimate how much may be received in any one year.

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent

Due to decisions taken in the past, the Council currently has £0m borrowing and £22m treasury investments at an average rate of 1.6%.

Borrowing strategy: The Council is currently debt free, and there is currently no intention to borrow to fund projects included in the Capital Programme. However, if any substantial commercial investment projects are considered in the future then the Council would need to borrow any large amounts of funding that may be required.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Prudential Indicators: Authorised limit and operational boundary for external debt

	2019 / 20 limit £000	2020 / 21 limit £000	2021 / 22 limit £000	2022 / 23 limit £000
Authorised limit - borrowing	16,500	16,500	16,500	16,500
Operational boundary - borrowing	7,000	7,000	7,000	7,000

Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council’s policy on treasury investments is to maximise investment return where satisfactory results of due diligence are found and risk mitigated, although security and liquidity are still considerations. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Treasury management investments (Average)

	31.3.2019 actual £000’s	31.3.2020 forecast £000’s	31.3.2021 budget £000’s	31.3.2022 budget £000’s	31.3.2023 budget £000’s
Near-term investments	8,205	7,000	5,000	5,000	5,000
Longer-term investments	4,939	5,000	5,000	5,000	5,000
TOTAL	13,144	12,500	10,000	10,000	10,000

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Resources and staff, who must act in line with the treasury management strategy approved by Council. Half yearly reports on treasury management activity are presented to Overview & Scrutiny Committee. The audit committee is responsible for scrutinising treasury management decisions.

Investments for Service Purposes

The Council does not make investments to assist local public services.

Commercial Activities

The Council currently do not have any significant commercial activities for investment returns, however with the continuing pressures on external funding, and the implementation of the Future Model, consideration is being given to potential projects, which, when evaluated, will follow the governance for approval outlined on page 1 of this strategy.

Liabilities

The Council is committed to making future payments to cover its pension fund deficit (valued at £25.5 m). It has also set aside £0.75 m to cover risks of Business Rates and Planning appeals.

Governance: Decisions on incurring new discretionary liabilities are taken by managers in consultation with the Director of Resources. The risk of liabilities crystallising and requiring payment is monitored by departments in conjunction with the finance team and are reported to committee/management as appropriate.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Prudential Indicator: Proportion of financing costs to net revenue stream

	2018/19 actual	2019 / 20 forecast	2020 / 21 budget	2021 / 22 budget	2022 / 23 budget
Financing costs (£m)	-	-	-	-	-
Proportion of net revenue stream	%	%	%	%	%

- The borrowing referred to in this strategy relates to proposals that are still in planning stages, therefore these haven't been included in the table above due to wider implications of potential new revenue streams that would impact on the revenue stream. This table will be updated once there is more detail on the proposed projects.

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for the duration of any borrowing arrangements. The Director of Resources is satisfied that the proposed capital programme is prudent, affordable and sustainable because for the main General Fund programme, there are existing reserves to fund the expenditure. Projects will only be progressed where they prove to generate savings or an income stream to the Authority, and the Business Case will assess the risks and mitigations of the projects.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, when recruited the Director of Resources will need to be a qualified accountant with relevant experience. The Council pays for junior staff to study towards relevant professional accounting qualifications.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers and the Valuation Office as property advisers. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

- The Council's Treasury Management policy on the use of external advisers is available on request from the Council Offices.

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Investment Strategy 2020/21

Introduction

The Council invests its money for two main reasons:-

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**).
- to earn investment income (known as **commercial investments** where this is the main purpose).

Treasury Management Investments

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £12m and £20m during the 2020 / 21 financial year.

Contribution: The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

Further details: Full details of the Council's policies and its plan for 2020/21 for treasury management investments are covered in a separate document, the treasury management strategy.

Capacity, Skills and Culture

Elected members and statutory officers: The team involved in investment decision making have a number of years experience in treasury management. They attend sessions run by our treasury management advisors in relation to investments and treatment. The Treasury Management advisors are consulted on potential changes to portfolio. Members are also provided with treasury management training, the frequency is dependent on requirements and changes.

Commercial deals: The Finance Manager and Section 151 officers are involved in projects with a financial impact and therefore communicate with those negotiating commercial deals the principles of the prudential framework and regulatory regime.

Corporate governance: The annual strategies are reviewed by the Overview and Scrutiny Committees before presented to the Finance and Corporate Services Committee and the Council for approval.

Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Authority's total exposure to potential investment losses. The Council does not have investments for services purposes. At the current time the Council also does not have any commitments to lend to third parties nor any guarantees issued over third party loans. Therefore, the potential investment risk is limited to the Council's

treasury management investments which comprise call accounts, deposits, Money Market Funds and longer-dated pooled property and multi-asset funds.

Total investment exposure	31.03.2019 Actual £000	31.03.2020 Forecast £000	31.03.2021 Forecast £000
Treasury management investments	13,144	12,500	10,000
TOTAL INVESTMENTS	13,144	12,500	10,000
TOTAL EXPOSURE	13,144	12,500	10,000

How investments are funded: The Council's investments are funded by usable reserves and income received in advance of expenditure.

Rate of return received: This indicator shows the investment income received less the associated costs, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Investments net rate of return	2018/19 Actual	2019/20 Forecast	2020 / 21 Forecast
Treasury management investments	1.6%	2.0%	2.0%
ALL INVESTMENTS	1.6%	2.0%	2.0%

There are not currently any other investment indicators, however as the Council moves towards more commercial service provision, then suitable indicators will be adopted.

Minimum Revenue Provision Statement 2020/21

Annual Minimum Revenue Provision Statement 2020/21

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement is an option recommended in the Guidance

For assets acquired by leases, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

Based on the Authority's latest estimate of its capital financing requirement (CFR) on 31st March 2020, the budget for MRP has been set as follows:

Replacement of debt finance in £ 000's

	2018 / 19 actual £000's	2019 / 20 forecast £000's	2020 / 21 budget £000's	2021 / 22 budget £000's	2022 / 23 budget £000's
Own resources	-	-	226	226	226

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REPORT of INTERIM SECTION 151 OFFICER

**to
STRATEGY AND RESOURCES SERVICES COMMITTEE
29 JANUARY 2020**

TREASURY MANAGEMENT STRATEGY 2020 / 21

1. PURPOSE OF THE REPORT

- 1.1 The Code of Practice for Treasury Management requires the Council to approve a Treasury Management Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Code. Members are therefore asked to consider and recommend to the Council the Treasury Management Strategy for 2020 / 21.

2. RECOMMENDATION

To the Council:

That the Treasury Management Strategy 2020 / 21 (**APPENDIX 1**) be approved.

3. SUMMARY OF KEY ISSUES

- 3.1 This report is to seek Members' comments on the Treasury Management Strategy .
- 3.2 The Treasury Management Strategy for 2020/21 is attached as **APPENDIX 1** and the supporting Treasury Management Practices are attached as **APPENDIX 2**.
- 3.3 The Strategy has been reviewed by the Council's Treasury Advisor, Arlingclose Ltd and includes their latest Interest Rate and Economic Outlooks at the time of writing in December 2019.

4. CONCLUSION

- 4.1 The Treasury Management Strategy has been updated in line with statutory requirements and good practice, having regard to the Council's financial position, links to wider strategies, plans and aims and the advice of the Council's external treasury advisor.

5. IMPACT ON STRATEGIC THEMES

- 5.1 This Strategy links to the Councils organisational focus on performance and efficiency.

6. IMPLICATIONS

- (i) **Impact on Customers** – None.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – The Council is set in the coming years to implement its Commercial Strategy. All new commercial investment decisions will be entered into on the basis of a full understanding of the proposal / project through outline and full business case considerations and the necessary ‘due diligence’ to ensure that the risks and returns are fully understood with appropriate risk mitigation or removal actions being included in the decisions when taken.
- (iv) **Impact on Resources (financial)** – Investment interest received is a financial resource available to support spending on service provision. Appropriately qualified and trained staff are involved in the day to day operation of the Treasury Management function.
- (v) **Impact on Resources (human)** – None directly.
- (vi) **Impact on the Environment** – None.

Background papers: None.

Enquiries to: Kamal Mehta, Interim Section 151 Officer. (Tel. 01621 875762).

Treasury Management Strategy Statement 2020/21

Introduction

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held are considered in the Investment Strategy.

External Context

Economic background: The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Council's treasury management strategy for 2020/21. The General Election has removed some uncertainty and the Withdrawal Agreement Bill is now expected to pass through Parliament in January. However, uncertainties around the UK's future trading relationship with the EU remain as these have to be concluded in an ambitious transition period timeframe by December 2020.

GDP growth rose by 0.4% in the third quarter of 2019 from -0.2% in the previous three months with the annual rate falling further below its trend rate to 1.1% from 1.2%. Services, construction and production added positively to growth, by 0.5%, 1.2% and 0.1% respectively, while agriculture recorded a fall of 0.1%. Looking ahead, the Bank of England's Monetary Policy Report (formerly the Quarterly Inflation Report) forecasts economic growth to pick up during 2020 as Brexit-related uncertainties dissipate and provide a boost to business investment helping GDP reach 1.6% in Q4 2020, 1.8% in Q4 2021 and 2.1% in Q4 2022.

The headline rate of UK Consumer Price Inflation remained the same in November 2019 at 1.5% year-on-year, the same as October 2019, however continuing to fall from highs of 2.1% in July and April 2019 as accommodation services and transport continued to contribute to a level of inflation below the BOE target of 2%. Labour market data continues to be positive. The ILO unemployment rate continues to hold at historic lows at 3.8%, its lowest level since 1975. The 3-month average annual growth rate for pay excluding bonuses rose to 3.5% in October 2019 providing some evidence that a shortage of labour is supporting wages. However, adjusting for inflation this means real wages increased by 1.8% in the three months to October 2019 and is only likely to have a moderate impact on household spending.

Domestic inflationary pressures have abated, as domestic gas and electricity price freezes have taken effect until 2020. The price of oil has fallen through the year, despite a rise in prices in December 2019. The limited inflationary pressure from real wages will likely keep inflation below the Bank of England target of 2%. The Bank of England maintained Bank Rate to 0.75% in December following a 7-2 vote by the Monetary Policy Committee. Despite keeping rates on hold, MPC members did confirm that if Brexit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report suggest the Committee may now be less convinced of the need to increase rates even if there is a Brexit deal.

The US economy has continued to perform relatively well compared to other developed nations; however, the Federal Reserve has started to unwind its monetary tightening through 2019. The Federal Reserve has cut rates three times to 1.5% - 1.75%, to stimulate growth as GDP growth has started to fall (to 2.1%).

The fallout from the US-China trade war continues which, risks contributing to a slowdown in global economic activity in 2020. Recent suggestions have been an initial compromise and potential unwinding of tariffs; however, this can change quickly. Slow growth in Europe, combined with changes in leadership at the ECB and IMF has led to a change of stance from monetary tightening to monetary loosening. Quantitative easing has continued and been extended.

Credit outlook: The recent Bank of England stress tests assessed all seven UK banking groups. The tests scenarios include deep simultaneous recessions in the UK and global economies that are more severe overall than the global financial crisis, combined with large falls in asset prices and a separate stress of misconduct costs. All seven banks passed the test on both a CET1 ratio and a leverage ratio basis. Major banks have steadily increased their capital for many years now. However, there are a number of shortcomings in the Bank's approach; timeliness as the results are over 11 months out of date when they are published, being based on end-2018 balance sheets; ringfencing, as the tests ignore the restrictions on transferring capital between ringfenced "retail" banks and non-ringfenced "investment" banks within the larger groups and; coverage - the tests should be expanded to cover a wider range of UK banks and building societies.

The Bank of England will seek to address some of these issues in 2020, when Virgin Money/Clydesdale will be added to the testing group and separate tests will be included of ringfenced banks.

Challenger banks hit the news headlines in 2019 with Metro Bank and TSB Bank both suffering adverse publicity and falling customer numbers.

Looking forward, the potential for a no UK-EU trade deal being agreed and ratified and/or a global recession remain the major risks facing banks and building societies in 2020/21 and a cautious approach to bank deposits remains advisable.

Interest rate forecast: The global economy continues to slow on the back of ongoing geopolitical issues, primarily the trade policy stance of the US and its spat with China. However, it has been reported that Phase I of a trade deal between the two countries will be signed on 15th January 2020.

The UK economy continues to slow due to both post-Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations have eased. Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets over the period, including bond markets.

Parliament passed Prime Minister Boris Johnson's Withdrawal Agreement Bill and the UK will now exit the EU on 31st January 2020. The bill also rules out an extension to the transition period for agreeing a trade deal which means a no-deal Brexit cannot be entirely ruled out for 2020.

Our treasury advisor Arlingclose expects Bank Rate to remain at 0.75% for the foreseeable future but there remain substantial risks to this forecast, dependant on Brexit/trade deal outcomes as well as the evolution of the global economy. Arlingclose also expects gilt yields to remain at low levels for the foreseeable future and judges the risks to be weighted to the downside.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 2.05%. Any new borrowing will be built into the budget at the relevant rate. For the purpose of project costing, the PWLB certainty rate for the borrowing term will be used.

Local Context

On 31 December 2019, the Council had zero borrowing and £21m of investments. This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.19 Actual £000	31.3.20 Estimate £000	31.3.21 Forecast £000	31.3.22 Forecast £000	31.3.23 Forecast £000
General Fund CFR	780	544	318	92	0
Usable reserves	-10,418	9,765	-7292	-7021	-6,999
Working capital	-2,300	-2,300	-2,300	-2,300	-2,300
Investments	13,100	12,500	8,895	8,351	8,310

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing

The Council is currently debt free, however its capital expenditure plans imply a need to borrow over the forecast period. Investments are forecast to fall to £8.3m by 31 March 2023 as capital receipts are used to finance capital expenditure and reserves are used to finance the revenue budget. This will need to be maintained at £10m, and therefore as the Capital Financing Requirement reflects a need to borrow, the Council will need to start looking to take out borrowing.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2020/21.

Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

Table 2: Liability benchmark

	31.3.19 Actual £000	31.3.20 Forecast £000	31.3.21 Forecast £000	31.3.22 Forecast £m	31.3.23 Forecast £m
CFR	780	544	317	92	0
Less: Usable reserves	-10,418	-9,765	-7,292	-7,021	-6,999
Less: Working capital	-2,300	-2,300	-2,300	-2,300	-2,300
Plus: Minimum investments	10,000	10,000	10,000	10,000	10,000
Liability Benchmark	-1,938	-1,521	725	701	803

Borrowing Strategy

The Council is currently debt free and its capital expenditure plans indicate a very small requirement to borrow and the Council will fulfil this requirement from short dated borrowing. Short-term interest rates are currently much lower than long-term rates, so this is likely to be more cost effective.

In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLb) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK

- any other UK public sector body
- UK public and private sector pension funds (except Local Government Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local Council bond issues

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a joint and several guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

Short-term and variable rate loans: These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

Investment Strategy

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £11.5m and £22 million. Levels are expected to decrease in the forthcoming year as reserves are used to fund capital and revenue expenditure.

Objectives: The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates: If the UK enters into a recession in 2020/21, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Council will look to further diversify into more secure and/or higher yielding asset classes during 2020/21. This is especially the case for the funds available for longer-term investment. The majority of the Council's surplus cash remains invested in short-term unsecured bank deposits, certificates of deposit and money market funds. This diversification will represent a continuation of the new strategy adopted in 2017.

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Council may invest its surplus funds with any of the counterparty types in table 3 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 3: Approved investment counterparties and limits

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Central Govt.	n/a	n/a	£ Unlimited 50 years	n/a	n/a
UK Local Govt. Authorities	n/a	n/a	£2m 1 year	n/a	n/a
AAA	£2m 5 years	£2m 20 years	£2m 50 years	£1m 20 years	£1m 20 years
AA+	£2m 5 years	£2m 10 years	£2m 25 years	£1m 10 years	£1m 10 years
AA	£2m 4 years	£2m 5 years	£2m 15 years	£1m 5 years	£1m 10 years
AA-	£2m 3 years	£2m 4 years	£2m 10 years	£1m 4 years	£1m 10 years
A+	£2m 2 years	£2m 3 years	£1m 5 years	£1m 3 years	£1m 5 years
A	£2m 13 months	£2m 2 years	£1m 5 years	£1m 2 years	£1m 5 years
A-	£2m 6 months	£2m 13 months	£1m 5 years	£1m 13 months	£1m 5 years
None	£1m 6 months	n/a	£1m 25 years	£2m 5 years	£1m 5 years
Money Market and other pooled funds		£5m per fund			

This table must be read in conjunction with the notes below

Credit rating: Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Banks unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Banks secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk.

Investments with the UK central government may be made in unlimited amounts for up to 50 years and with UK Local Government Authorities in unlimited amounts for up to 1 year.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made following suitable due diligence by the Council's Section 151 officer.

Registered providers: Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing. As providers of public services, they retain the likelihood of receiving government support if needed.

Pooled funds: Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. The Council currently have no such investments.

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £2m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost, will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then no investments will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser.

No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Investment limits: The Council's revenue reserves available to cover investment losses were forecast to be £2.7 million on 31st March 2019. In order that available reserves will not significantly be put at risk in the case of a single default, the maximum that will be lent to any one organisation including UK Local Government Authorities (other than the UK Government) will be £2 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£2m each
UK Central Government	unlimited
UK Local Government Authorities	£2m per Authority
Any group of organisations under the same ownership	£2m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Registered providers and registered social landlords	£2m in total
Unsecured investments with building societies	£5m in total
Loans to unrated corporates	£2m in total
Money market funds	£12m in total

Liquidity management: The Council uses in house cash flow forecasting methods to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio.

This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit score	6

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

Liquidity risk indicator	Target £000
Total cash available within 3 months	£5,000

Interest rate exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£62,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	-£45,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

Maturity structure of borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

As the Council does not have any external debt, the broad limits, above, have been set to allow any borrowing to be undertaken in the appropriate maturity band.

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal sums invested for periods longer than a year: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2019/20 £000	2020/21 £000	2021/22 £000
Limit on principal invested beyond year end	£8,000	£7,500	£7,500

Related Matters

The CIPFA Code requires the Council to include the following in its treasury management strategy.

Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

Markets in Financial Instruments Directive: The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Section 151 Officer considers this to be the most appropriate status.

Financial Implications

The budget for investment income in 2020/21 is £282,000, based on an average investment portfolio of £15 million at an average interest rate of 2%. The budget for debt interest paid in 2020/21 is currently zero as there is not a confirmed timeline for any borrowing requirement. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Section 151 Officer, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A - Arlingclose Economic & Interest Rate Forecast January 2020

Underlying assumptions:

- The global economy has entered a period of weaker growth in response to political issues. The UK economy continues to experience slower growth due to both Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations are low.
- Some improvement in global economic data and a more positive outlook for US/China trade negotiations has prompted worst case economic scenarios to be pared back.
- The new Conservative UK government will progress with achieving Brexit on 31st January 2020. The more stable political environment will prompt a partial return in business and household confidence in the short term, **but the subsequent limited Brexit transitionary period, which the government is seeking to enforce, will create additional economic uncertainty.**
- UK economic growth stalled in Q4 2019. Inflation is running below target at 1.5%. The inflationary consequences of the relatively tight labour market have yet to manifest, while slower global growth should reduce the prospect of externally driven pressure, although escalating geopolitical turmoil could continue to push up oil prices.
- The first few months of 2020 will indicate whether the economy benefits from restored confidence. The government will undertake substantial fiscal easing in 2020/21, which should help support growth in the event of a downturn in private sector activity.
- The weak outlook for the UK economy and current low inflation have placed **pressure on the MPC to loosen monetary policy.** Two MPC members voted for an immediate cut in the last two MPC meetings of 2019. The evolution of the economic data and political moves over the next few months will inform policy, but **upside risks to Bank Rate are very limited.**
- Central bank actions and escalating geopolitical risks will produce volatility in financial markets, including bond markets.

Forecast:

- We have maintained our Bank Rate forecast at 0.75% for the foreseeable future. Substantial risks to this forecast remain, arising primarily from the government's policy around Brexit and the transitionary period.
- Arlingclose judges that the risks are weighted to the downside.
- Gilt yields remain low due to the soft UK and global economic outlooks. US monetary policy and UK government spending will be key influences alongside UK monetary policy.
- We expect gilt yields to remain at relatively low levels for the foreseeable future and judge the risks to be broadly balanced.

APPENDIX 1

	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Official Bank Rate													
Upside risk	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
3-month money market rate													
Upside risk	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
1yr money market rate													
Upside risk	0.10	0.20	0.20	0.20	0.20	0.20	0.20	0.25	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
Downside risk	0.30	0.50	0.55	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
5yr gilt yield													
Upside risk	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.45	0.45	0.45
Arlingclose Central Case	0.50	0.50	0.55	0.55	0.55	0.60	0.60	0.65	0.65	0.70	0.75	0.75	0.75
Downside risk	0.35	0.50	0.55	0.55	0.55	0.60	0.60	0.65	0.65	0.70	0.75	0.75	0.75
10yr gilt yield													
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45
Arlingclose Central Case	0.75	0.80	0.80	0.85	0.85	0.90	0.90	0.95	0.95	1.00	1.05	1.10	1.10
Downside risk	0.40	0.40	0.40	0.40	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50
20yr gilt yield													
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45
Arlingclose Central Case	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.40
Downside risk	0.40	0.40	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.50	0.50
50yr gilt yield													
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45
Arlingclose Central Case	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.40
Downside risk	0.40	0.40	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.50	0.50

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 1.80%

PWLB Local Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Appendix B - Existing Investment & Debt Portfolio Position

	31 Dec 2019 Actual Portfolio £m	31 Dec 2019 Average Rate %
Total external borrowing	0	
Total gross external debt	0	
Treasury investments:		
Banks	4	0.8
Building societies (unsecured)	2	0.73
Certificates of Deposit	3	0.76
Money Market Funds	7	0.73
Property Fund	3	4.3
Other pooled funds	2	4.31
Total treasury investments	21	

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TREASURY MANAGEMENT PRACTICES PRINCIPLES AND SCHEDULES

Introduction:

The CIPFA Code of Practice on Treasury Management in the Public Services (the Code) was last revised in November 2017. The Code requires the setting out of the responsibilities and duties of members and officers, allowing a framework for reporting and decision making on all aspects of treasury management. This Council had adopted the original Code and has similarly adopted the revised 2017 Code. The Code recommends the creation and maintenance of:

- A Treasury Management Policy Statement, stating the policies and objectives of its treasury management activities,
- Suitable Treasury Management Practices setting out the manner in which the organisation will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.

The Treasury Management Practices (TMPs) comprise:

- TMP 1: Risk management
- TMP 2: Performance measurement
- TMP 3: Decision-making and analysis
- TMP 4: Approved instruments, methods and techniques
- TMP 5: Organisation, clarity and segregation of responsibilities and dealing arrangements
- TMP 6: Reporting requirements and management information arrangements
- TMP 7: Budgeting, accounting and audit arrangements
- TMP 8: Cash and cash flow management
- TMP 9: Money laundering
- TMP 10: Training and qualifications
- TMP 11: Use of external service providers
- TMP 12: Corporate governance

Schedules supporting these practices and other documents held at an operational level specify the systems and routines to be employed and the records to be maintained in fulfilling the Council's treasury functions.

TMP 1: RISK MANAGEMENT

All treasury management activities involve both risk and the pursuit of reward or gain for the Council. The council's policies and practices emphasise that the effective identification, management and containment of risk are the prime objectives of treasury management activities.

The Section 151 Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in **TMP6 Reporting requirements and management information arrangements**. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out as schedules below.

- 1) **Credit and Counterparty Risk Management:** the risk of failure by a counterparty to meet its contractual obligations to the Council under an investment, borrowing, capital, project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or current (revenue) resources.

***Principle:** The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments, methods and techniques, and listed in the schedule. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.*

Schedule:

Criteria to be used for creating/managing approved counterparty lists/limits	<p>The Section 151 Officer is responsible for setting a prudent criteria and the Council's treasury advisors will also provide guidance and assistance in setting the criteria.</p> <p>The criteria will be agreed by Strategy and Resources Committee.</p> <p>The Council's treasury management advisors will advise on credit policy and creditworthiness related issues. The Council will maintain a counterparty list based on its criteria and will monitor and update the credit standing of the institutions on a regular basis. This assessment will include consideration of credit ratings from all 3 ratings agencies and other alternative assessments of credit strength (for example, statements of potential government support which now includes resolution mechanisms for failing financial institutions, CDS information, the composition of an institution's balance sheet liabilities). The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.</p> <p>The credit rating criteria will also apply to securities issued by financial and non-financial institutions, which in some instances, might be higher than that of the issuing institution.</p> <p>Higher time and cash limits may be set for secured investments (e.g. those with underlying collateral or which are by regulation excluded from being bailed-in/restructured in the event of financial distress.)</p> <ul style="list-style-type: none"> - Where there is no investment-specific rating, but collateral upon which the investment secured is rated, then the higher of the collateral and counterparty rating will be used to determine time and cash limits.
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Approved methodology for changing limits and adding/removing counterparties	The Section 151 Officer has delegated responsibility to add or delete counterparties and to review limits within the parameters of the criteria detailed above.
Risk management : (a) creditworthiness deteriorates below the minimum criteria (b) ratings are placed on review for downgrade	<p>Where an entity's credit rating is downgraded so that it fails to meet the minimum criteria, then</p> <ul style="list-style-type: none"> - No new investments will be made, - Any existing investments that can be recalled or sold at no cost will be, and - Full consideration will be given to the recall or sale of other existing investments with the affected counterparty. <p>Where a credit rating is placed on review for possible downgrade (also termed 'rating watch negative' or 'credit watch negative') so that it may fall below the minimum approved credit criteria, then only investments that can be withdrawn on [the next working day] will be made with that organisation until the rating review has been completed and its outcome known.</p> <p>The policy in (b) will not apply for 'negative outlooks' which indicate a long-term direction of travel rather than a possibility of an imminent downgrade.</p>
Counterparty list and limits	<p>A full individual listing of banking counterparties based on the criteria will be maintained. As credit ratings etc. are subject to change without notice, an up-to-date lending list will be maintained on an ongoing basis.</p> <p>It may be impractical to have a pre-determined list of non-financial counterparties in whose securities investments might be made. The minimum credit rating criteria and whether the security is secured or unsecured will determine its selection for investment.</p> <p>No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the minimum credit rating criteria.</p>
Details of credit rating agencies' services and their application	The Council considers the ratings of all 3 ratings agencies (Standard & Poor's, Moody's and Fitch) when making investment decisions. Credit rating agency information is just one of a range of instruments used to assess creditworthiness of institutions.
Description of the general approach to collecting/using information other than credit ratings for counterparty risk assessment	<p>The Council's Treasury Advisor provides timely information on counterparties, in terms of credit rating updates and economic summaries. Credit default swap information is received monthly, as well as information on share price.</p> <p>The Council's Treasury Advisor also undertakes analysis on the balance sheet structure of key banking institutions to help inform the potential restructure (i.e. bail-in) of a bank's unsecured liabilities should this be required by the regulatory authorities.</p> <p>In addition, the Section 151 Officer reads quality financial press for information on counterparties.</p>

- 2) **Liquidity Risk Management:** the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business/service objectives will be thereby compromised.

Principle : *The Section 151 Officer will ensure the Council has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.*

The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

Schedule:

Cash flow and cash Balances	<p>The Council will aim for effective cash flow forecasting and monitoring of cash balances and will maintain an annual cash flow forecast.</p> <p>The Senior Accountant shall seek to optimise the balance held in the Council's main bank accounts at the close of each working day in order to minimise the amount of bank overdraft interest payable or maximise the amount of interest that can be earned by investing surplus funds.</p>
Short term investments	<p>The Council uses various Current and Call Accounts and Money Market Funds to manage its liquidity requirements. These Accounts/Funds are named on the Council's approved counterparty list. The maximum balance on each of these accounts is reviewed and set as part of the Council's investment strategy.</p>
Temporary Borrowing	<p>Temporary borrowing up to 364 days through the money market is available should there be a cash flow deficit at any point during the year.</p> <p>At no time will the outstanding total of temporary and long-term borrowing together with any bank overdraft exceed the Prudential Indicator for the Authorised Borrowing Limit agreed by the Council before the start of each financial year.</p>
Bank Overdraft and standby facilities	<p>The Council has no authorised overdraft limit with its bankers.</p>

- 3) **Interest Rate Risk Management:** The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.

Principle: *The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements.*

Schedule:

Minimum/ maximum proportions of fixed/variable rate debt/interest	<p>Borrowing/investments may be at a fixed or variable rate.</p> <p>The Prudential Code requires the Council to determine each year the maximum proportion of interest payable on net borrowing which is subject to fixed and variable interest rates. This is set each year as part of the annual budget setting process.</p> <p>In setting its forward Treasury Strategy on an annual basis, the Council will determine the necessary degree of certainty required for its plans and budgets but will, at the same time, allow sufficient flexibility to enable it to benefit from potentially advantageous changes in market conditions and level of interest rates and also to mitigate the effects of potentially disadvantageous changes.</p> <p>The Council will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility.</p> <p>The Council may determine it is more cost effect in the short-term to fund its borrowing requirement through the use of internal resources ('internal borrowing') or through borrowing short-term loans. The benefits of such borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing or refinancing in future years when interest rates are expected to be higher.</p>
Managing changes to interest rate levels	<p>The main impact of changes in interest rate levels is to monies borrowed and invested at variable rates of interest.</p> <p>Interest rate forecasts are provided by the Council's treasury advisors and are closely monitored by the Finance Manager. Variations from original estimates and their impact on the Council's debt and investments are notified to the Strategy and Resources Committee as necessary.</p> <p>For its investments, the Council also considers dealing from forward periods dependent upon market conditions. The Council's counterparty term limits will apply and will include the forward period of the investment.</p>

- 4) **Exchange Rate Risk Management:** The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council's finances against which the Council has failed to protect itself adequately.

Principle: The Council will manage any exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

Schedule:

Exchange rate risk management	This Council does not, on a day to day basis, have foreign currency transactions or receipts. Unexpected receipt of foreign currency will be converted to sterling at the earliest opportunity.
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- 5) **Refinancing Risk Management:** The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

Principle: *The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.*

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.

Schedule:

Projected capital investment requirements	4 year projections are in place for capital expenditure and its financing or funding. Financing will be from capital receipts, reserves and any grants or contributions awarded, revenue resources or reserves. Funding will be from internal or external borrowing, as decided. The Council's projected long-term borrowing requirement will be linked to the projected Capital Financing Requirement.
Debt profiling, policies and practices	Any longer term borrowing will be undertaken in accordance with the Prudential Code and will comply with the Council's Prudential Indicators and the Annual Treasury Management Strategy. Where the lender to the Council is a commercial body the Council will aim for diversification in order to spread risk and avoid over-reliance on a small number of counterparties.
Policy concerning limits on revenue consequences of capital financings	The revenue consequences of financing the capital programme are included in cash flow models, annual revenue estimates and medium term forecasts.

- 6) **Legal and Regulatory Risk Management:** The risk that the Council itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Council suffers losses accordingly.

Principle: *The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1(1) Credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the Council, particularly with regard to duty of care and fees charged.*

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

Schedule:

References to relevant statutes and regulations	<p>The treasury management activities of the Council shall comply fully with legal statute and the regulations of the Council. These are:</p> <ul style="list-style-type: none"> ▪ CIPFA's Treasury Management Code of Practice 2017 and subsequent amendments ▪ CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities ▪ CIPFA Prudential Code for Capital Finance in Local Authorities and subsequent amendments ▪ CIPFA Standard of Professional Practice on Treasury Management ▪ The Local Government Act 2003 ▪ The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 SI 2003 No 3146, and subsequent amendments ▪ Pensions, England and Wales - The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 - SI 2009 No 3093 ▪ The CLG's statutory Guidance on Minimum Revenue Provision (MRP) ▪ The ODPM's (now CLG's) Guidance on Local Government Investments in England issued March 2004 and subsequent amendments ▪ The Local Authorities (Contracting out of Investment Functions) Order 1996 SI 1996 No 1883 ▪ LAAP Bulletins ▪ Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards (from 2010/11 onwards) ▪ Accounts and Audit Regulations 2015, as amended together with CLG's Guidance ▪ The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets ▪ Council's Constitution including:- <ul style="list-style-type: none"> ○ Standing Order relating to Contracts ○ Financial Regulations ○ Scheme of Delegation
Procedures for evidencing the organisation's powers/ authorities to counterparties	<p>The Council's Financial Regulations contain evidence of the power/ authority to act as required by section 151 of the Local Government Act 1972, under the general direction of the Strategy and Resources Committee.</p> <p>The Council will confirm, if requested to do so by counterparties, the powers and authorities under which the Council effects transactions with them.</p> <p>Where required, the Council will also establish the powers of those with whom they enter into transactions, including any compliance requirements in respect of a duty of care and best practice.</p>
Required information from counterparties concerning their powers/ authorities	<p>Lending shall only be made to institutions on the Council's authorised lending list or in securities which meet the Council's approved credit criteria.</p> <p>The Council will only undertake borrowing from approved sources such as the PWLB (and its successor body), organisations such as the European Investment Bank and from commercial banks who are on the Council's list of authorised institutions, thereby minimising legal and regulatory risk. The list of approved sources of borrowing are contained in TMP 4.</p>

Statement on political risks and management of the same	Political risk is managed by: <ul style="list-style-type: none"> • adoption of the CIPFA Treasury Management Code of Practice • adherence to Corporate Governance (<u>TMP 12 - Corporate Governance</u>)
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- 7) **Fraud, Error and Corruption, and Contingency Management:** The risk that the Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk referred to as operational risk.

***Principle:** The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.*

Schedule:

Details of systems and procedures to be followed, including Internet services	<p>Segregation of duties minimises the possibility of fraud and loss due to error, and is detailed in TMP5 Organisation, clarity and segregation of responsibilities, and dealing arrangements.</p> <p>1. <u>Electronic Banking and Dealing</u> (a) <u>Banking</u>: The Council's online banking service provided by Nat West is subject to separate log-on and password control allowing varying levels of access. Details of transactions and balances are available as required, and the system also holds historic data. Officers having access to the bank's online system are as follows:</p> <ul style="list-style-type: none"> • Financial Services • Audit • IT <p>Officer access is reviewed at least 6 monthly or as necessary.</p> <p>2. <u>Standard Settlement Instructions (SSI) list :</u></p> <ul style="list-style-type: none"> • Brokers and counterparties with whom the Council deals direct are provided a copy of the SSI's. • Named officers will have authority to borrow from the PWLB and invest with the Debt Management Agency Deposit Facility. <p>3. <u>Payment Authorisation :</u></p> <ul style="list-style-type: none"> • Payments can only be authorised by agreed signatories of the Council, the list of signatories having previously been agreed with the Council's bank. • Inflow and outflow of monies borrowed and invested will only be from the counterparty's bank accounts.
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Verification	<p>Loans and investments will be maintained on spreadsheets</p> <p>Transactions will be cross-checked against broker notes, counterparty confirmations and PWLB loan schedules by verifying dates, amounts, interest rates, maturity, interest payment dates etc.</p> <p>When receiving requests for change of payment details, due care will be exercised to ascertain the bona fide of the request and avoid potential fraud. Additional checks will be made through pre-existing contact details for the payee (and not those on the notice received for change of payment details) before altering payment details.</p>
Substantiation	<ol style="list-style-type: none"> 1. The Treasury Management system balances are reconciled with financial ledger codes at the end of each month and at the financial year end. 2. Working papers are retained for audit inspection. 3. The bank reconciliation is carried out monthly from the bank statement to the financial ledger.
Internal Audit	Internal Audit carry out an annual regulatory review of the treasury management function including probity testing. See <u>TMP7 Budgeting, accounting and audit arrangements</u> .
Contingency Management	<ol style="list-style-type: none"> 1. All treasury spreadsheets are retained on the Council's network. Daily back-ups are taken and maintained and network back-ups can be used by the IT services department to restore files, if necessary. 2. Network backups are held off site in a secure location. 3. Temporary off-site working facility: The officers who can avail of this facility following an emergency are Finance Manager and Senior Accountant who will individually be made aware of the procedures to follow. 4. Electronic Banking System Failure : Balance details will be obtained by phone from the Banks Corporate Service Team. Instructions for CHAPS payments will be made by Telephone or email. 5. The Business Continuity Plan is maintained by the Finance Manager.
Insurance Cover details	The Council has Crime cover. Details of the provider and cover are held by the Senior Accountant

- 8) **Market Risk Management:** This is the risk that, through adverse market fluctuations in the value of the principal sums the Council borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

Principle: *This Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.*

Schedule:

<p>Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (gilts, CDs etc)</p>	<p>Investment instruments used by the external fund managers are subject to fluctuation in capital movements and exposed to interest rate risk. In order to minimise these risks capital preservation is set as the primary objective and pursuit of investment performance should be commensurate with this objective.</p> <p>Pooled funds with a Constant Net asset Value (CNAV) - The Council currently uses pooled funds as per its Treasury Management Strategy and on advice from its treasury advisors.</p> <p>Additionally the following risk control guidelines are set for each fund as part of the fund management agreement to control market risk :</p> <ul style="list-style-type: none"> (a) Maximum weighted average duration of the fund; (b) Maximum permitted exposure to gilts/bonds; (c) Maximum maturity of any instrument.
<p>Accounting for unrealised gains/losses</p>	<p>The method of accounting for unrealised gains or losses on the valuation of financial assets comply with Accounting Code of Practice.</p>

TMP 2: PERFORMANCE MEASUREMENT

Principle: *The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.*

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, or the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out below.

Schedule:

Policy concerning methods for testing value for money	<p>Best value reviews will include the production of plans to review the way services are provided by</p> <ul style="list-style-type: none"> ▪ Challenging ▪ Comparing performance ▪ Consulting with other users and interested parties ▪ Applying competition principles <p>in order to pursue continuous improvement in the way the Council's functions are exercised, having regard to a combination of value for money, efficiency and effectiveness.</p>
Policy concerning methods for performance measurement	<ul style="list-style-type: none"> • Performance measurement at this Council is intended to calculate the effectiveness of treasury activity in delivering the strategic objectives set through the Treasury Management Strategy and the Council's Prudential Indicators and to enhance accountability. • Prudential Indicators are local to the Council and are not intended as a comparator between authorities. • The performance review will be made in the light of general trends in interest rates during the year and how the decisions made corresponded with these trends and the Council's agreed strategy, i.e. the Council will avoid hindsight analysis. <p>Any comparison of the Council's treasury portfolio against recognised industry standards, market indices and other portfolios is intended to:</p> <ul style="list-style-type: none"> (i) allow the Council the opportunity to assess the potential to add value through changes to the existing ways in which its portfolio is managed and (ii) permit an informed judgement about the merits or otherwise of using new treasury management techniques or instruments. <p>In drawing any conclusions the Council will bear in mind that the characteristics of its treasury operations may differ from those of other councils, particularly with regard to the position on risk.</p>

Methodology to be applied for evaluating the impact of treasury management decisions	<p>Monitoring of the outcome of treasury management activity against Prudential Indicators approved by the Council will be carried out.</p> <p>The year-end Annual Treasury Report will also include, as a matter of course, the outturn against the PIs set prior to the commencement of the financial year and any in-year amendments.</p> <p>The Councils Treasury Management advisors compare the performance of the Councils in-house funds against all its other clients and submits the results quarterly.</p>
Methodology to be employed for measuring the performance of the Council's treasury management activities	<p>Treasury management activity is reported annually against strategy and prevailing economic and market conditions. The report will include</p> <ul style="list-style-type: none"> a) Total debt including average rate and maturity profile (where appropriate) b) The effect of new borrowing and/or maturities on the above c) The effect of any debt restructuring on the debt portfolio d) Total investments including average rate, credit and maturity profile e) The effect of new investments/redemptions/maturities on the above f) The rate of return on investments against their indices for internally and externally managed funds g) An analysis of any risks inherent within the investment portfolio (e.g. exposure to market movements in the value of CDs, gilts/bonds, callable deposits in their call period) h) A statement whether the treasury management activity resulted in a breach of the Prudential Indicators and other limits set within treasury strategy.
Best value	<p>The treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated corporate and service objectives.</p> <p>When tendering for treasury-related or banking services, the Council adheres to its Financial Regulations. These require that :</p> <ul style="list-style-type: none"> a) For a contract with a value below an agreed threshold, at least 1 but preferably 3 quotes and service delivery proposals are obtained b) For a contract with a value above an agreed threshold but below an agreed tender threshold, at least 3 written quotes and service delivery proposals are obtained c) For a contract above an agreed tender threshold but below the EU threshold a tender exercise in line with CIPFA best practice is performed. d) When placing a contract with a value in excess of the EU Threshold a tendering process that meets the requirements of the EU procurement procedures (OJEU) is undertaken. e) If necessary, the Council will also consult with other users of similar services as well as with interested parties. f) The Council will also evaluate alternative methods of the availability of fiscal, grant or subsidy initiatives, and service delivery.

TMP 3: DECISION-MAKING AND ANALYSIS

Principle: The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed below.

Schedule:

Major treasury decisions	<p>As a public service organisation, there is a requirement to demonstrate openness and accountability in treasury management activities. Accordingly, the Council will create and maintain an audit trail of major treasury management decisions which comprise either :</p> <ul style="list-style-type: none"> a) Options Appraisal to determine a funding decision b) raising a new long-term loan / long-term source of finance c) prematurely restructuring/redeeming an existing long-term loan(s) d) investing longer-term (i.e. in excess of 1 year) e) utilisation of investment instruments which constitute capital expenditure (i.e. loan capital/share capital in a body corporate) f) leasing g) change in banking arrangements h) appointing/replacing a treasury advisor i) appointing/replacing a fund manager
Process	The Council's strategy for the application of its treasury policy is set out in the annual Treasury Management Strategy.
Delegated powers for treasury management	The Section 151 Officer has delegated powers to carry out the Council's strategy for debt management, capital finance and borrowing, depositing surplus funds and managing the cash flows of the Council.

Issues to be addressed, evaluation, authorisation	<p>In exercising these powers, the Section 151 Officer and those to whom the treasury activity have been delegated will</p> <ul style="list-style-type: none"> • have regard to the nature and extent of any associated risks to which the Council may become exposed; • be certain about the legality of the decision reached and that the necessary authority to proceed has been obtained; • be satisfied that the documentation is adequate to deliver the Council's objectives, protect the Council's interests, and to maintain an effective audit trail; • ensure that the perceived credit risk associated with the approved counterparties is judged satisfactory and is within agreed limits; • be satisfied that the terms of any transactions have been fully checked against the market, and have been found to be competitive; • follow best practice in implementing the treasury transaction. <p>In exercising Borrowing and Funding decisions, the Section 151 Officer will :</p> <ul style="list-style-type: none"> • evaluate economic and market factors that may influence the manner and timing of any decision to fund; • consider alternative forms of funding, including use of revenue resources, leasing and private partnerships; • consider the use of internal resources and/or the most appropriate periods to fund and repayment profiles to use; • consider ongoing revenue liabilities created; • where applicable, monitor regularly the benefits of internal borrowing against the potential for incurring additional costs by deferring borrowing into future years • consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use; • consider ongoing revenue liabilities created. <p>In exercising Investment decisions, the Section 151 Officer will :</p> <ul style="list-style-type: none"> • Determine that the investment is within the Council's strategy and pre-determined instruments and criteria; • consider the optimum period, in the light of core balances and reserves, cash flow availability and prevailing market conditions; • consider the alternative investment products and techniques available if appropriate.
Processes to be followed	The processes to be followed will be in keeping with TMP 4: The Council's Approved, Instruments, Methods and Techniques.
Evidence and records to be kept	<p>The Council will maintain a record of all major treasury management decisions, the processes undertaken and the rationale for reaching the decision made. These will allow for an historical assessment of decisions made and verification that any checks and safeguards are indeed in place and operating correctly.</p> <p>Records and working papers will be maintained by the Council electronically and in relevant files.</p>

TMP 4: APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

*Principle: The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in **TMP1 Risk Management**.*

Schedule:

Approved treasury management activities	<p>The Council is permitted to undertake the following activities:</p> <ul style="list-style-type: none"> ▪ Managing cashflow ▪ Capital financing ▪ Borrowing including debt restructuring and debt repayment ▪ Lending including redemption of investments ▪ Banking ▪ Leasing ▪ Managing the underlying risk associated with the Council's capital financing and surplus funds activities. <p>The above list is not finite and the Council would, from time to time, consider and determine new financial instruments and treasury management techniques; however, the Council will consider carefully whether the officers have the skills and experience to identify and manage the advantages and risks associated with using the instruments/techniques before undertaking them, more so as some risks may not be wholly or immediately transparent.</p>
Approved capital financing methods and types/sources of funding	<p><u>On balance sheet</u></p> <ul style="list-style-type: none"> • Public Works Loans Board (PWLB) loans and loans from its successor body • long term money market loans including LOBOs • temporary money market loans (up to 364 days). • bank overdraft • loans from bodies such as the European Investment Bank (EIB) • Stock issues • Finance Leases • Deferred Purchase • Government and EU Capital Grants • Lottery monies • Other Capital Grants and Contributions ▪ PFI ▪ Operating and finance leases ▪ Hire purchase ▪ Sale and leaseback <p><u>Internal Resources</u></p> <ul style="list-style-type: none"> • Capital Receipts • Revenue Balances • Use of Reserves <p><u>Off balance sheet</u></p> <ul style="list-style-type: none"> ▪ Operating Leases ▪ Structured Finance <p>The level of debt will be consistent with the Treasury Management Strategy and the Prudential Indicators.</p>

Approved investment instruments	<p>The Council will determine through its Annual Investment Strategy (AIS) which instruments it will use, giving priority to the security and liquidity (in that order) of its invested monies. The investments will be categorised as ‘Specified’ or ‘Non Specified’ based on the criteria set out by the ODPM (now CLG) in its Investment Guidance March 2004 (as amended).</p> <p>The Council will determine through the AIS which instruments will be used in-house and which will be used by the appointed external fund manager(s) including the maximum exposure for each category of non-specified investments. Where applicable, the Council’s credit criteria will also apply.</p> <p><u>Banks Unsecured:</u> Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks.</p> <p><u>Banks Secured:</u> Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies.</p> <p><u>Government:</u> Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks.</p> <p><u>Corporates:</u> Loans, bonds and commercial paper issued by companies other than banks and registered providers</p> <p><u>Registered Providers:</u> Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations</p> <p><u>Pooled Funds:</u> Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. Money Market Funds that offer same-day liquidity and aim for a constant net asset value</p> <p><u>Bond, equity and Property Funds</u></p>
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TMP 5: ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

Principle: The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the Section 151 Officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The Section 151 Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Section 151 Officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule below.

The Section 151 Officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule below.

The delegations to the Senior Accountant in respect of treasury management are set out in the schedule below. The Senior Accountant will fulfil all such responsibilities in accordance with the organisation's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

Schedule:

Limits to responsibilities at Executive levels	<p>Full Council</p> <ul style="list-style-type: none"> • budget consideration and approval <p>Strategy and Resources Committee:</p> <ul style="list-style-type: none"> • receiving and reviewing Prudential Indicators as part of the budget setting process • receiving and reviewing reports on treasury management policies, practices and activities • approval of amendments to adopted clauses, treasury management policy statement and treasury management practices • receiving and reviewing external audit reports and acting on recommendations • approving the selection of external service providers and agreeing terms of appointment
Principles and practices concerning segregation of duties	<p>The segregation of duties will be determined by the Section 151 Officer.</p> <p>Segregation of duties exists in that:</p> <ul style="list-style-type: none"> • the officer(s) responsible for negotiating and closing treasury management deals is separate from officer(s) authorising payments • all borrowing/investments decisions must be authorised by the Section 151 Officer.

Statement of duties/ responsibilities of each treasury post	<p>Examples:</p> <p>The Section 151 Officer :</p> <ul style="list-style-type: none"> • submitting budgets and budget variations • recommending clauses, treasury management policy, practices for approval, reviewing the same regularly and monitoring compliance • determining Prudential Indicators and Treasury Management Strategy including the Annual Investment Strategy • submitting regular treasury management policy reports • receiving and reviewing management information reports • reviewing the performance of the treasury management function and promoting best value reviews • ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function • recommending the appointment of external service providers • determining long-term capital financing and investment decisions. • The Section 151 Officer has delegated powers to determine and undertake the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments. • The Section 151 Officer may delegate their power to borrow and invest to members of his staff <p>Head of Paid Service</p> <ul style="list-style-type: none"> • ensuring the adequacy of internal audit and liaising with external audit <p>Senior Accountant</p> <ul style="list-style-type: none"> • execution of transactions • adherence to agreed policies and practices on a day to day basis • maintaining relationships with third parties and external service providers • monitoring performance on a day to day basis • submitting management information reports to the responsible officer • identifying and recommending opportunities for improved practices. • recording treasury management transactions, • reconciling treasury management transactions with the financial ledger • recording/reconciling counterparty documentation.
Absence cover arrangements	<p>In the absence of the Section 151 Officer, the Lead Specialist - Finance will assume their responsibilities in respect of the Treasury Management function.</p> <p>In the absence of the Specialist - Finance staff, the Lead Specialist - Finance will provide cover.</p> <p>Cover is reviewed as necessary.</p> <p>Full procedure notes are available, detailing the processes required to enable the day to day operation of the treasury management function.</p>

Dealing

Authorised officers	<p>Responsible officers for borrowing/investment decisions :</p> <p>Borrowing activity: <i>Specialist - Finance, Lead Specialist - Finance</i></p> <p>Lending activity : <i>Specialist - Finance, Lead Specialist - Finance</i></p> <p>Authorising payments for borrowing/lending : <i>Directors</i></p> <p>Transaction recording : <i>Specialist - Finance, Lead Specialist - Finance</i> <i>Senior Accountants</i></p>
Dealing limits	<p>Internally Managed Investments:</p> <ul style="list-style-type: none"> the maximum for any one investment deal is £3 million (subject to the lending limits detailed in the Council's Annual Investment Strategy.)
List of approved brokers	Brokers used by the Council are named in TMP 11 : External Service Providers
Policy on brokers' services	It is the Council's policy to utilise the services between at least two brokers. The Council will maintain a spread of business between them in order to avoid relying on the services of any one broker.
Policy on taping of conversations	Conversations with brokers may be taped by the brokers.
Direct dealing practices	<p>Direct dealing is carried out with institutions and with external pooled funds identified in the Operational Schedule subject to counterparty and maturity limits and dealing limits.</p> <p>Prior to undertaking direct dealing, the Council will ensure that each counterparty/fund has been provided with the Council's list of authorised dealers and the Council's Standard Settlement Procedures.</p>
Settlement transmission procedures	<ul style="list-style-type: none"> settlements are made by CHAPS. all CHAPS payments relating to settlement transactions require authorisation by a designated officer all CHAPS payments require 2 bank signatures the details are transmitted electronically to the Council's bankers.
Documentation requirements	<p>For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payments date(s), broker.</p> <p>Investments</p> <ul style="list-style-type: none"> deal ticket authorising the investment confirmation from the broker confirmation from the counterparty Contract notes for purchase and sale of shares/units in pooled funds from the fund's manager/administrator Chaps payment transmission document <p>Loans:</p> <ul style="list-style-type: none"> deal ticket with signature to agree loan confirmation from the broker confirmation from PWLB/market counterparty Chaps payment transmission document for repayment of loan.

TMP 6: REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

Principle: The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum, the Strategy and Resources Committee will receive:

- *An annual report on the strategy and plan to be pursued in the coming year*
- *An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.*
- *A mid year review of Treasury activity*

The present arrangements and the form of these reports are outlined below.

Schedule:

Frequency of executive reporting requirements	<p>The Section 151 Officer will annually submit budgets and will report on budget variations as appropriate.</p> <p>The Section 151 Officer will submit the Prudential Indicators and the Treasury Strategy Statement, Annual Investment Strategy and report on the projected borrowing and investment strategy and activity for the forthcoming financial year to the Strategy and Resources Committee before the start of the year.</p> <p>The Annual Treasury Report will be prepared as soon as practicable after the financial year end and, in all cases, before the end of September.</p> <p>A Mid-Year Treasury Report will be prepared by the Section 151 Officer, which will report on treasury management activities for the first part of the financial year. The Mid-Year Report will be submitted to Finance and Corporate Services during the year.</p>
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Content of Reporting:	
1. Treasury Strategy Statement	<p>The Treasury Strategy will include the following:</p> <ul style="list-style-type: none"> • Link to Capital Financing Prudential Indicators for the current and ensuing three years • Strategy for financing new borrowing requirements (if any) and refinancing maturing borrowing (if any) over the next three years and for restructuring of debt • the extent to which surplus funds are earmarked for short term requirements • the investment strategy for the forthcoming year(s) (<i>see below*</i>) • the minimum to be held in short term/specified investment during the coming year • the interest rate outlook against which the treasury activities are likely to be undertaken. <p>*Based on the ODPM's (now CLG's) Guidance on Investments, the Council will produce an Annual Investment Strategy (AIS) which sets out</p> <ul style="list-style-type: none"> ▪ the objectives, policies and strategy for managing its investments;
2. Annual Treasury Report	<p>The Section 151 Officer will produce an annual report for the Strategy and Resources Committee on all activities of the treasury management function (including the performance of fund managers) as soon as practicable after year end and in all cases no later than 30 September of the succeeding financial year.</p> <p>The main contents of the report will comprise :</p> <ul style="list-style-type: none"> ▪ confirmation that the Council calculated its budget requirements and set a balanced budget for the financial year; ▪ the prevailing economic environment ▪ a commentary on treasury operations for the year, including their revenue effects; ▪ commentary on the risk implications of treasury activities undertaken and the future impact on treasury activities of the Council ▪ compliance with agreed policies/practices and statutory/regulatory requirements ▪ performance measures.
3. Content and frequency of management information reports	<p>The Section 151 Officer will produce a half yearly monitoring report for Strategy and Resources Committee</p> <p><i>Example</i> : This report includes details of :</p> <ul style="list-style-type: none"> • borrowing and investment activity undertaken including forward deals • performance of investments against benchmark • extent of compliance with the treasury strategy and reasons for variance (if any)

4. Scrutiny	<p>The Section 151 Officer will present the Treasury Strategy Statement to the Overview and Scrutiny committee prior to agreement by the Strategy and Resources Committee.</p> <p>The Overview and Scrutiny Committee will have responsibility for the scrutiny of treasury management policies and practices (TMP's)</p>
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TMP 7: BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

Principle: *The Section 151 Officer will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with **TMP1 Risk management**, **TMP2 Performance measurement**, and **TMP4 Approved instruments, methods and techniques**. The form which the Council's budget will take is set out in the schedule below.*

*The Section 151 Officer will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with **TMP6 Reporting requirements and management information arrangements**.*

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being. The present form of the Council's accounts is set out in the schedule.

Schedule:

Statutory/regulatory requirements	<p>Balanced Budget Requirement: The provisions of S32 and S43 of the Local Government Finance Act 1992 require this Council to calculate its budget requirement for each financial year including, among other aspects:,</p> <p>(a) the expenditure which is estimated to be incurred in the year in performing its functions and which will be charged to a revenue account and</p> <p>(b) revenue costs which flow from capital financing decisions.</p> <p>S33 of the Act requires the Council to set a council tax sufficient to meet expenditure after taking into account other sources of income.</p>
Proper accounting practice	CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom (the local authority code) constitutes "proper accounting practice under the terms of S21 (2) of the Local Government Act 2003".

Financial Statements	<p>The Financial Statements comprise:</p> <ul style="list-style-type: none"> ▪ A Narrative Statement ▪ Accounting policies, changes in accounting estimates and errors ▪ Presentation of financial statements ▪ Movement in reserves statement ▪ Comprehensive income and expenditure statement ▪ Balance sheet ▪ Cash flow statement ▪ Collection Fund (England) ▪ Statement of Responsibilities ▪ The Accounting Statements ▪ Notes to the financial statements ▪ Statements reporting reviews of internal controls or internal financial controls ▪ Events after the reporting period ▪ Related party disclosures
Format of the Council's accounts	The current form of the Council's accounts is available within the Resources Service of the Council.
Disclosures relating to treasury management	Due regard will be given to the disclosure requirements under CIPFA's Accounting Code of Practice.

Treasury-related information requirements of external auditors	<p>The following information is specifically requested by the external auditor and should be considered an initial request for information. It is usually followed by more detailed audit testing work which often requires further information and/or explanations from the Council's officers.</p> <p>Information in this context includes internally generated documents, externally generated documents, observation of treasury management practices which support and explain the operation and activities of the treasury management function.</p> <ul style="list-style-type: none"> ▪ Determination of Affordable Borrowing Limit under Section 3 of the Local Government Act 2003. ▪ Prudential Indicators. ▪ Treasury Management Strategy including Annual Investment Strategy. <p><u>External borrowing:</u></p> <ul style="list-style-type: none"> • New loans borrowed during the year : PWLB certificates / documentation in relation to market loans borrowed (including copy of agreements, schedule of commitments) • Loan maturities. • Compliance with proper accounting practice, regulations and determinations for the amortisation of premiums and discounts arising on loans restructured during the year and previous years. • Analysis of loans outstanding at year end including maturity analysis. • Analysis of borrowing between long- and short-term • Debt management and financing costs <ul style="list-style-type: none"> ▪ calculation of (i) interest paid (ii) accrued interest ▪ interest paid • MRP calculation and analysis of movement in the CFR. • Bank overdraft position. • Brokerage/commissions/transaction related costs. <p><u>Investments:</u></p> <ul style="list-style-type: none"> • Investment transactions during the year including any transaction-related costs • cash and bank balances at year end • Short-term investments at year end • Long-term investments at year end (including investments in associates and joint ventures) by asset type, including unrealised gains or losses at year end • calculation of (i) interest received (ii) accrued interest • actual interest received • External fund manager valuations including investment income schedule and movement in capital values, transaction confirmations received (if any) • Basis of valuation of investments • Evidence of existence and title to investments (e.g. Custodian's Reports) • Schedule of any investments in companies together with their latest financial statements); statement of transactions between the company and the Council.
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	<p><u>Cash Flow</u></p> <ul style="list-style-type: none"> ▪ Reconciliation of the movement in cash to the movement in net debt ▪ Cash inflows and outflows (in respect of long-term financing) ▪ Cash inflows and outflows (in respect of purchase/sale of long-term investments) ▪ Net increase/decrease in (i) short-term loans (ii) short-term deposits (iii) other liquid resources <p><u>Other</u></p> <p>Details of (treasury-related) material events after balance sheet date not reflected in the financial statements.</p> <ul style="list-style-type: none"> ▪ External advisors’/consultants’ charges
Internal Audit	<p>Internal Audit generally conducts an annual review of the treasury management function and probity testing.</p> <p>The internal auditors will be given access to treasury management information/documentation as required by them.</p>
Compliance with CIPFA Treasury Management and Prudential Codes	<p>Auditors may require evidence/demonstration of compliance with external and internal treasury management policies and strategy.</p> <p>Any serious breach of the TM Code’s recommendations or Prudential Indicators should be brought to the attention of the external auditor.</p>
Costs for treasury management	<p>The budget for treasury management forms part of the Financial Services budget.</p>

TMP 8: CASH AND CASH FLOW MANAGEMENT

Principle: Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Section 151 Officer and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Section 151 Officer will ensure that these are adequate for the purposes of monitoring compliance with **TMP1 [2] liquidity risk management**. The present arrangements for preparing cash flow projections and their form are set out in the schedule below.

Schedule:

Arrangements for preparing /submitting cash flow statements	<p>A Cash flow forecasts will be used to formulate the Council's borrowing and investment strategy by identifying periods of surplus or shortfall of cash balances during the year.</p> <p>The cash flow forecasts and statements are held at operational level.</p> <p>The accuracy and effectiveness of the Council's cash flows are dependent on the accuracy of estimating expenditure, income and their corresponding time periods.</p> <p>Daily cash flows show forecast and planned movements of cash on a daily basis, including the matching of known inflows and payments. This is recorded in the Investments spreadsheet (IOSF yyyy-yyyy)</p>
Content and frequency of cash flow projections	<p>The detailed annual cash flow model includes the following:</p> <ul style="list-style-type: none"> • revenue income and expenditure based on the budget. • profiled capital income and expenditure as per the capital programme. <p>Revenue activities:</p> <p><u>Inflows:</u></p> <ul style="list-style-type: none"> ▪ Precepts received ▪ Non domestic rates receipts ▪ Council tax receipts ▪ Housing subsidy ▪ DSS / other government grants ▪ Cash for goods and services ▪ Other operating cash receipts <p><u>Outflows:</u></p> <ul style="list-style-type: none"> ▪ Salaries and payments on behalf of employees ▪ Operating cash payments ▪ Housing Benefit paid ▪ Precepts paid ▪ NDR payments <p>Capital activities including financing</p> <p><u>Inflows:</u></p> <ul style="list-style-type: none"> ▪ Capital grants received ▪ Sale of fixed assets ▪ Other capital cash receipts <p><u>Outflows:</u></p> <ul style="list-style-type: none"> ▪ Purchase of fixed assets ▪ Purchase of long-term investments ▪ Other capital cash payments

Monitoring, frequency of cash flow updates	<p>The annual cash flow statement is updated periodically with the actual cash inflows and outflows after taking account of any revisions including those relating to grant income and capital expenditure and will be reconciled with :</p> <ul style="list-style-type: none"> • net RSG and NNDR payments as notified; • county council and police authority precepts as notified; • actual salaries and other employee costs paid from account bank statements; • actual payments to Inland Revenue from general account bank statements; • actual council tax received from general account bank statement; • actual rent allowances paid from payments account bank statement; • actual housing benefit and housing subsidy grant received from CLG; • actual capital programme expenditure and receipts.
Bank statements procedures	<p>The Council accesses its bank statements online and these are downloaded on a daily basis. The statements are processed and posted independently to the treasury function and are reconciled to the general ledger on a monthly basis.</p>
Payment scheduling	<p>The Council has a policy of paying suppliers in line with agreed terms of trade and the following service standards:</p> <ul style="list-style-type: none"> • <i>Undisputed invoices are to be paid within 30 days.</i>
Monitoring debtor/ creditor levels	<p>Debtor levels are monitored by a monthly Sundry Debtors Monitoring Report to the Finance Manager which will include an analysis of debt by age and details and details of recovery status.</p>
Banking of funds	<p>Instructions for the banking of income are set out in the Financial Regulations. Cheques received in the customer services section are banked daily. Generally the council does not take cash payments.</p> <p>All the Council's sections are advised of the requirement to bank on a regular basis in order to comply with recommended best practice and also remain within the particular insurance limits for the Council's premises.</p>

TMP 9: MONEY LAUNDERING

Background: The Proceeds of Crime Act (POCA) 2002 consolidated, updated and reformed criminal law in the UK in relation to money laundering. The principal offences relating to money laundering are:

- Concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- Being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention use or control of criminal property
- Acquiring, using or possessing criminal property.

Other offences include failure to disclose money laundering offences, tipping off a suspect either directly or indirectly, and doing something that might prejudice an investigation.

Organisations pursuing relevant businesses were required to appoint a nominated officer and implement internal reporting procedures; train relevant staff in the subject; establish internal procedures with respect to money laundering; obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions.

In December 2007, the UK Government published the Money Laundering Regulations 2007, which replaced the 2003 Regulations.

CIPFA believes that public sector organisations should “embrace the underlying principles behind the money laundering legislation and regulations and put in place anti money laundering policies, procedures and reporting arrangements appropriate and proportionate to their activities”.

Principle: *The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule below.*

Schedule:

Anti money laundering policy	<p>This Council’s policy is to prevent, wherever possible, the organisation and its staff being exposed to money laundering, to identify the potential areas where it may occur and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.</p> <p>The Council has accepted responsibility to ensure that those of its staff who are most likely to be exposed to money laundering can make themselves fully aware of the law and, where necessary, are suitably trained.</p>
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Nomination of Responsible Officer(s)	<p>(a) The Council nominates the Legal and Democratic Services Manager to be the responsible body to whom any suspicions relating to transactions involving the Council will be communicated.</p> <p>(b) The responsible officer will be conversant with the requirements of the Proceeds of Crime Act 2002 and will ensure relevant staff are appropriately trained and informed so they are alert for suspicious transactions.</p> <p>(c) The responsible officer will make arrangements to receive and manage the concerns of staff about money laundering and their suspicion of it, to make internal enquiries and to make reports, where necessary, to National Criminal Intelligence Services (NCIS).</p>
Procedures for establishing the Identity of Lenders and Borrowers	<p>(a) In the course of its treasury activities, the Council will only borrow from permitted sources identified in TMP 4.</p> <p>(b) The Council will not accept loans from individuals.</p> <p>(c) In the course of its treasury activities, the Council will only invest with those counterparties which are on its approved lending list.</p> <p>(d) The identity and authenticity of commercial institutions (banks, building societies and other financial institutions) authorised to carry out borrowing and lending activity in the UK will be checked via the Bank of England/ Prudential Regulation Authority's website.</p> <p>(e) All receipts/disbursements of funds will be undertaken by <u>BACS</u> or <u>CHAPS</u> settlement.</p> <p>(f) Direct Dealing mandates: The Council will provide (in the case of lending) / obtain (in the case of borrowing) and maintain on file dealing mandates with any new money market counterparty. The mandates should be on letter-headed paper, dated and signed.</p> <p>(g) All banking transactions will only be undertaken by the personnel authorised to operate the Council's banks accounts.</p> <p>(h) When receiving requests for change of payment details, due care will be exercised to ascertain the bona fide of the request and avoid potential fraud. Additional checks will be made through <u>pre-existing</u> contact details for the payee before altering payment details.</p>

TMP 10: TRAINING AND QUALIFICATIONS

Principle: The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Section 151 Officer will recommend and implement the necessary arrangements.

The Section 151 Officer will ensure that council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in the schedule below.

Schedule:

Qualifications/ experience for treasury staff	<i>Treasury Staff should have the AAT qualification as a minimum and preferably prior experience in Treasury management.</i>
Details of approved training courses	<p>The courses/events the Council would expect its treasury personnel to consider are <i>(examples below)</i>:</p> <ul style="list-style-type: none"> ▪ Training courses for Accounting, Auditing, Best Value/Competition, Budgeting, Capital Finance & Borrowing, Financial Management run by CIPFA and IPF ▪ Any courses/seminars run by Treasury Management Consultants. ▪ Attending CIPFA Conference ▪ Training provided by those responsible for scrutiny of the treasury function

TMP 11: USE OF EXTERNAL SERVICE PROVIDERS

Principle: The Council recognises that responsibility for the treasury management decisions remains with the organisation at all times. It recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangement's rests with the Section 151 Officer, and details of the current arrangements are set out in the schedule below.

Schedule:

Contract threshold	The Council's Financial Regulations require that a formal written contract is in place with external service providers where the contract value exceeds £50,000 over the term. The contract will clearly state the services to be provided and the terms on which they will be provided.
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<p>Details of service providers and procedures and frequency for tendering services</p>	<p>(a) Bankers to the Council: Nat West, Po Box 333, Silbury House 300 Silbury Boulevard , Central Milton Keynes, MK9 2ZF Tel. 0845 308 8969 Contract period : 1 April 2019 - March 2020 Formal agreement in place : yes This service will be re-tendered every 5 years</p> <p>(b) Treasury advisor Arlingclose 35 Chiswell Street London EC1Y 4SE Tel. 08448 808201 Contract period : 1 April 2018-31 March 2021 Formal agreement in place : yes This service may be re-tendered every 3 years</p> <p>(d) Brokers: It is considered good practice for the Council to have a minimum of two brokers and to spread business between them.</p> <p>Sterling Treasury BGC Partners Sterling Products 5 Churchill Place, Canary Wharf, London, E14 5HU Tel. 0207 894 7742 Formal agreement in place : no</p> <p>King & Shaxson Cutlers Court, 115 Houndsditch, London. EC3A 7BR Tel. 0207 929 8527 Formal agreement in place : no</p> <p>Tradition Beaufort House 15 St. Botolph Street, London, EC3A 7QX Tel. 0207 198 1500 Formal agreement in place : no</p>

TMP 12: CORPORATE GOVERNANCE

Principle: The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key recommendations of the Code. This, together with the other arrangements detailed in the schedule below, are considered vital to the achievement of proper corporate governance in treasury management, and the Section 151 Officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Schedule:

Stewardship responsibilities	The Section 151 Officer ensures that systems exist to deliver proper financial administration and control and maintaining a framework for overseeing and reviewing the treasury management function.
List of documents to be made available for public inspection.	<p>The following documents are freely available for public inspection:</p> <p><i>Examples</i></p> <ul style="list-style-type: none"> ▪ Annual Statement of Accounts ▪ Revenue and Capital Estimates Book ▪ Treasury Management Policy ▪ Treasury Management Strategy ▪ Budget Monitoring Reports ▪ Annual Treasury Report
Council's website.	Financial information is additionally available on the Council's website.
Procedures for consultation with stakeholders.	Members and senior officers of the Council are consulted via reports to the Strategy and Resources Committee and officer/member briefing sessions.



REPORT of INTERIM SECTION 151 OFFICER

**to
STRATEGY AND RESOURCES COMMITTEE
29 JANUARY 2020**

DISCRETIONARY FEES AND CHARGES 2020 / 21

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to review the fees and charges set at the discretion of the Council that generate greater than £2,000.
- 1.2 Fees and Charges that generate less than £2,000 are reviewed and set by the Interim Section 151 Officer under delegated powers.

2. RECOMMENDATIONS

To the Council:

That the detailed Fees and Charges for 2020 / 21 as set out in **APPENDIX A** be agreed.

3. SUMMARY OF KEY ISSUES

- 3.1 The proposed fees and charges for 2020 / 21 are set out in **APPENDIX A** and are based on the policy decisions recently updated and agreed by this Committee on 5 December 2019. The changes proposed take into account an inflation increase which aims to generate £94,000 in additional income from discretionary fees.
- 3.2 A meeting was recently held of the car parking stakeholder engagement group to discuss the increase in car parking. The proposals put forward were for a 10% increase across all tariffs and an increase to the evening and weekend charge. Members of the group expressed concern regarding the pressure on existing car parking spaces as it was felt there was not sufficient spaces in the Town and the possible impact of the Blackwater Trading Estate on the High Street which offers free parking. Overall the group had no objections to the increase and their preference was for 50p increase to the Sunday and evening tariff rather than changing to a seven-day charging scheme. A new charge for weekday parking at the Council offices for a maximum two hours has also been added.
- 3.3 The change in fees and charges policy relating to the removal of the discount for direct debit payments for the Green waste bin service will generate an estimated additional income of £48,000 for 2020 / 21.

- 3.4 A new charge has been set for Event land hire. The charge relates to the exclusive use of an area of Council owned park or open space. This charge is categorised to ensure all types of events can be accounted for on the basis of small, medium and large. The land hire charge categories also differentiate between charities, community organisations and commercial to ensure the service needs of the community and providers are achieved. Maldon District Council's (MDC) event team have a matrix to determine / assess what category and charge is applicable to potential hirers. Land hire for Concessions has been amended to charge for a price per operator rather than a total price dependant on size.
- 3.5 A new charge has been set for Bootcamp licences to allow for more Bootcamps within Council owned parks and open spaces. The licence benefits MDC and providers in regard to longevity of activity and is economically beneficial for all parties. The licence should ensure sustainable bootcamps through the year with consistency and better service delivery to the community.
- 3.6 A proposal for removing the current 50% discount for wharfage fees at the Hythe Quay was originally presented to 5 December 2019 meeting of this Committee. At this meeting Members asked officers to bring back options for consideration. Officers discussed the proposals with the boat operators at Hythe Quay in the light of their concerns which in the main is the short time available to them to take the proposed increase into their pricing for their services for 2020 / 21. It is recommended that from April 2020 a new baseline figure of £3,575 be introduced (which is based upon the annual figure paid in 2019 / 20 after the 50% discount plus 10% and that amount increases by a further 20% in 2021 / 22 to £4,290 and finally in 2022 / 23 increases by 20% to £5,148. The comparative is the full fee of £6,500 in 2019 / 20 which if uprated by 2% per annum indexation would by 2022 / 23 be £6,898. Therefore, the charge of £5,148 in 2022 / 23 will be discounted by £1,750 (c.25.4%). It is further recommended a gateway review is held with barge operators before introducing the 2022 / 23 increase.
- 3.7 In addition to barge mooring costs charging for cars parked on the quay was discussed with barge operators. The Council proposes aligning the cost of parking on the quay with other town centre season ticket car parks operated by the Council. The proposal is to increase the charge from £55 to £580 per annum. The increase cost recognises the premium parking location and the need to increase enforcement to prevent unauthorised parking on the quay which is a particular issue during the summer months. Recognising the scale of the increase it is proposed that in year 2020 / 21 the cost be set at £116 rising to £348 in 2021 / 22 and finally to £580 in 2022 / 23. Alternative cheaper season ticket parking in Promenade Park is available and the Council will maintain drop off and delivery parking at no charge.
- 3.8 The 2019 / 20 and 2020 / 21 budgets for income generated from these fees and charges are detailed in the following table;

Service	2019 / 20 Budget £'000	2019 / 20 Forecast £'000	2020 / 21 Budget £'000
Environmental Protection	7	9	7
Food Safety, and hygiene	2	3	2
Taxis and Private Hire Licensing	34	35	35

Service	2019 / 20 Budget £'000	2019 / 20 Forecast £'000	2020 / 21 Budget £'000
Premises Licensing	52	52	52
Animal Licensing	13	13	14
Gambling Licensing	3	3	3
Pest Control	32	32	33
Green Waste Bin Service	479	479	535
Cemeteries	135	136	138
Off Street Parking	1,084	1,082	1,236
Funfairs and Circuses	31	57	77
Parks Sports Pitches	8	6	8
River Moorings	14	14	19
River Wharfage	29	29	29
Splash Park	110	116	110
Building Control - Chargeable Services	141	141	144
Land Charges - Full Searches	122	122	124
Pre-Application Advice	44	44	44
Total	2,340	2,373	2,610

4. CONCLUSION

- 4.1 The Discretionary Fees and Charges be updated in accordance with the agreed policies.

5. IMPACT ON STRATEGIC THEMES

- 5.1 The Discretionary Fees and Charges are a vital element of the overall sources of funding to the Council to deliver its services and achieve its goals.
- 5.2 The fees and charges are linked to the to all three Strategic Themes – Place, Community and Prosperity.

6. IMPLICATIONS

- (i) **Impact on Customers** – This has been considered when setting fees and charges policy.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – The actual income generated from fees and charges is subject to fluctuation due changes in demand. This risk is managed by factoring potential losses in the calculation of the minimum general fund balance used in the budget setting process.

- (iv) **Impact on resources (financial)** – Fees and charges are one of the three major sources of funding for the Council; the other two being Council Tax and retained Business Rates. The impact of the changes to fees and charges have been incorporated into the 2020 / 21 budget proposals.
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on the Environment** – Sustainability has been considered, as far as possible when setting Fees and Charges policies.

Background Papers: None

Enquiries to: Kamal Mehta (Interim) Section 151 Officer, (Tel: 01621 875799).

PLANNING & ENVIRONMENTAL SERVICES		VAT	Charge	VAT	2020/21	2019/20
			£	£	£	£
ENVIRONMENTAL HEALTH						
GAMBLING ACT 2005						
Annual Fee						
Adult Gaming Centre	No	884.00	-	884.00	867.00	
Betting premises (other)	No	530.00	-	530.00	520.00	
Betting Premises (track)	No	884.00	-	884.00	867.00	
Bingo premises	No	884.00	-	884.00	867.00	
Casino premises (converted)	No	2,652.00	-	2,652.00	2,600.00	
Casino premises (large)	No	8,840.00	-	8,840.00	8,667.00	
Casino premises (regional)	No	13,260.00	-	13,260.00	13,000.00	
Casino premises (small)	No	4,420.00	-	4,420.00	4,333.00	
Family entertainment centre	No	666.00	-	666.00	653.00	
Application Fees for Premises and Application for Provisional Statements						
Adult gaming centre	No	1,768.00	-	1,768.00	1,733.00	
Betting premises (other)	No	2,652.00	-	2,652.00	2,600.00	
Betting premises (track)	No	2,210.00	-	2,210.00	2,167.00	
Bingo premises	No	3,094.00	-	3,094.00	3,033.00	
Casino premises (large)	No	8,840.00	-	8,840.00	8,667.00	
Casino premises (regional)	No	13,260.00	-	13,260.00	13,000.00	
Casino premises (small)	No	7,072.00	-	7,072.00	6,933.00	
Family entertainment centre	No	1,768.00	-	1,768.00	1,733.00	
Application Fee for Premises with Provisional Statement						
Adult gaming centre	No	1,061.00	-	1,061.00	1,040.00	
Betting premises (other)	No	1,061.00	-	1,061.00	1,040.00	
Betting premises (track)	No	844.00	-	844.00	827.00	
Bingo premises	No	1,061.00	-	1,061.00	1,040.00	
Casino premises (large)	No	4,420.00	-	4,420.00	4,333.00	
Casino premises (regional)	No	7,072.00	-	7,072.00	6,933.00	
Casino premises (small)	No	2,652.00	-	2,652.00	2,600.00	
Family entertainment centre	No	844.00	-	844.00	827.00	
Transfer / Reinstatement of Licence						
Adult gaming centre	No	1,061.00	-	1,061.00	1,040.00	
Betting premises (other)	No	1,061.00	-	1,061.00	1,040.00	
Betting premises (track)	No	844.00	-	844.00	827.00	
Bingo premises	No	1,061.00	-	1,061.00	1,040.00	
Casino premises (converted)	No	1,194.00	-	1,194.00	1,171.00	
Casino premises (large)	No	1,904.00	-	1,904.00	1,867.00	
Casino premises (regional)	No	5,746.00	-	5,746.00	5,633.00	
Casino premises (small)	No	1,591.00	-	1,591.00	1,560.00	
Family entertainment centre	No	844.00	-	844.00	827.00	
Variation Fee						
Adult gaming centre	No	884.00	-	884.00	867.00	
Betting premises (other)	No	1,326.00	-	1,326.00	1,300.00	
Betting premises (track)	No	1,109.00	-	1,109.00	1,087.00	
Bingo premises	No	1,547.00	-	1,547.00	1,517.00	
Casino premises (converted)	No	1,768.00	-	1,768.00	1,733.00	
Casino premises (large)	No	6,630.00	-	6,630.00	6,500.00	
Casino premises (regional)	No	6,630.00	-	6,630.00	6,500.00	
Casino premises (small)	No	3,536.00	-	3,536.00	3,467.00	
Family entertainment centre	No	884.00	-	884.00	867.00	
LICENSING						
Animal Licensing						
Animal boarding establishments	No	276.00	-	276.00	271.00	
Animal home boarding - new application	No	276.00	-	276.00	271.00	
renewal	No	276.00	-	276.00	271.00	
Dangerous wild animal	No	376.00	-	376.00	369.00	
Dog breeding establishments	No	276.00	-	276.00	271.00	
Pet shop	No	276.00	-	276.00	271.00	
Riding establishments	No	376.00	-	376.00	369.00	
Zoo licence (individually determined fees)	No	Recovery of costs				
Any costs incurred by the Council in licensing premises, e.g. Vet's fees, will be passed on to the licensee						

APPENDIX A

PLANNING & ENVIRONMENTAL SERVICES		VAT	Charge	VAT	2020/21	2019/20
			£	£	£	£
Hackney Carriage Licences						
Driver licence (Hackney or Dual) - 3 yrs duration	No		216.00	-	216.00	212.00
Vehicle licence (excludes vehicles test) - 1 yr duration	No		235.00	-	235.00	230.00
Licence fee reduced for wheelchair accessible vehicles 25%						
Local Government Miscellaneous Provisions Act 1982						
Sex establishment licence: application	No		2,616.00	-	2,616.00	2,565.00
renewal	No		523.00	-	523.00	513.00
variation	No		209.00	-	209.00	205.00
Private Hire Licences						
Driver licence (PH or Dual) - 3 yrs duration	No		216.00	-	216.00	212.00
Private hire operators licence (1 car) - 5yrs duration	No		216.00	-	216.00	212.00
Vehicle licence (excludes vehicles test) - 1 yr duration *	No		235.00	-	235.00	230.00
* Licence fee reduced for wheelchair accessible vehicles 25%						
Application to transfer a site licence						
	No		321.00	-	321.00	315.00
Deposit of Site Rules						
	No		59.00	-	59.00	58.00
Annual Fee						
Band 1 (1-8 Pitches)	No		0.00	-	0.00	-
Band 2 (9-24 Pitches)	No		272.00	-	272.00	267.00
Band 3 (25-99 Pitches)	No		460.00	-	460.00	451.00
Band 4 (100-199 Pitches)	No		722.00	-	722.00	708.00
Band 5 (more than 200 Pitches)	No		929.00	-	929.00	911.00
Band 1 (1-8 Pitches)						
	No		608.00	-	608.00	596.00
Band 2 (9-24 Pitches)						
	No		697.00	-	697.00	683.00
Band 3 (25-99 Pitches)						
	No		965.00	-	965.00	946.00
Band 4 (100-199 Pitches)						
	No		1,163.00	-	1,163.00	1,140.00
Band 5 (more than 200 Pitches)						
	No		1,405.00	-	1,405.00	1,377.00
Application to amend a site Licence fee						
Band 1 (1-8 Pitches)	No		356.00	-	356.00	349.00
Band 2 (9-24 Pitches)	No		366.00	-	366.00	359.00
Band 3 (25-99 Pitches)	No		380.00	-	380.00	373.00
Band 4 (100-199 Pitches)	No		387.00	-	387.00	379.00
Band 5 (more than 200 Pitches)	No		410.00	-	410.00	402.00
SCRAP METAL DEALERS LICENCES						
Scrap metal dealers collectors licence (3yrs duration)	No		194.00	-	194.00	190.00
Scrap metal dealers collectors licence renewal (3yrs duration)	No		146.00	-	146.00	143.00
Scrap metal dealers site licence (3yrs duration)	No		321.00	-	321.00	315.00
Scrap metal dealers site licence renewal (3yrs duration)	No		263.00	-	263.00	258.00
Scrap metal dealers variation of a licence	No		53.00	-	53.00	52.00
ENVIRONMENTAL WASTE						
PEST CONTROL - COMMERCIAL						
Insects and rodents per hour (excluding materials)	Yes		102.50	20.50	123.00	121.00
Rodent contract work	By ne	By negotiation - minimum charge £100				
Treatment for squirrels	Yes		102.50	20.50	123.00	121.00
Treatment for moles	Yes		102.50	20.50	123.00	121.00

APPENDIX A

PLANNING & ENVIRONMENTAL SERVICES	VAT	Charge	VAT	2020/21	2019/20
		£	£	£	£
PEST CONTROL - DOMESTIC					
Call out charge	Yes	59.17	11.83	71.00	70.00
Ants (each property)	Yes	83.33	16.67	100.00	99.00
Bedbug infestation: 1-3 bed property	Yes	87.50	17.50	105.00	103.00
4-5 bed property	Yes	92.50	18.50	111.00	109.00
> 5 bed property		By negotiation			
Second call out within 6 weeks of initial treatment at 50% charge					
Bees	Yes	59.17	11.83	71.00	70.00
Brown-tailed moth		Based on hourly rate			
Fleas infestation: 1-3 bed property	Yes	87.50	17.50	105.00	103.00
4-5 bed property	Yes	92.50	18.50	111.00	109.00
> 5 bed property		By negotiation			
Second call out within 6 weeks of initial treatment at 50% charge					
Lice and cockroaches	Yes	59.17	11.83	71.00	70.00
Mice	Yes	59.17	11.83	71.00	70.00
Rats	Yes	59.17	11.83	71.00	70.00
Wasps nests	Yes	59.17	11.83	71.00	70.00
additional nest (treated at same time as first)	Yes	28.33	5.67	34.00	33.00
RECYCLING					
Green bins: standard annual fee	No	46.00	-	46.00	46.00
direct debit payers and internet payers annual fee	No		-	Deleted	41.00
(standard fee: half year pro rata for new customers) (New Charge)	No	23.00	-	23.00	
Purchase of Green Bin including Delivery	no	25.00	-	25.00	23.00
REFUSE COLLECTION					
Household Bulky Waste - 1 to 3 items	No	35.00	-	35.00	30.00
Household Bulky Waste - 4 to 6 items	No	70.00	-	70.00	60.00
Household Bulky Waste - 7 to 9 items	No	105.00	-	105.00	90.00
Household Bulky Waste - 10 to 12 items (maximum)	No	140.00	-	140.00	120.00
Residential Homes Roadside Collection					
1100ltr bin or equivalent - annual charge	No		-	Deleted	1,100.00
NEW PROPERTIES (6 or more properties)					
Cost per refuse / recycling container to developers including delivery	Yes	60.00	12.00	72.00	60.00

APPENDIX A

SERVICE DELIVERY	VAT	Charge	VAT	2020/21	2019/20
		£	£	£	£
CEMETERIES					
Search in burial register	Yes	25.83	5.17	31.00	31.00
Use of chapel	No	135.00	-	135.00	133.00
Plot choosing: non-resident	no	108.00	-	108.00	106.00
resident	no	54.00	-	54.00	53.00
Collection of ashes	yes	35.83	7.17	43.00	42.00
					-
Bronze Memorial Plaques					-
Bench plaque: 8" x 2.5"	No	178.00	-	178.00	175.00
Plaque on plinth: 6" x 4"	Yes	345.00	69.00	414.00	406.00
6" x 4"	No	153.00	-	153.00	150.00
7" x 5"	No	172.00	-	172.00	168.00
					-
Charges for Right to Place Monument					-
Under 16 years	No	Free	-		-
Additional inscription	No	83.00	-	83.00	81.00
Full kerb set	No	223.00	-	223.00	218.00
Full kerb set & headstone up to 1m	No	326.00	-	326.00	320.00
Headstone up to 1m	No	142.00	-	142.00	139.00
Other memorials (<i>cremated remains memorials</i>)	No	110.00	-	110.00	108.00
					-
Exclusive Right of Burial - Non Resident					-
All ages: 5 years	No	245.00	-	245.00	240.00
10 years	No	433.00	-	433.00	424.00
15 years	No	607.00	-	607.00	595.00
30 years	No	1,099.00	-	1,099.00	1,078.00
Ashes: 30 years	No	362.00	-	362.00	355.00
99 years	No	559.00	-	559.00	548.00
Ashes - woodland glades: 30 years	No	399.00	-	399.00	391.00
99 years	No	663.00	-	663.00	650.00
Traditional: 99 years	No	1,691.00	-	1,691.00	1,658.00
Transfer of exclusive rights of burial	No	36.00	-	36.00	36.00
Woodland glades (<i>inc memorial tree</i>): 30 years	No	1,326.00	-	1,326.00	1,300.00
99 years	No	1,969.00	-	1,969.00	1,931.00
					-
Exclusive Right of Burial - Resident					-
All ages: 5 years	No	122.00	-	122.00	120.00
10 years	No	215.00	-	215.00	210.00
15 years	No	302.00	-	302.00	296.00
30 years	No	550.00	-	550.00	539.00
Ashes: 30 years	No	181.00	-	181.00	178.00
99 years	No	280.00	-	280.00	275.00
Ashes - woodland glades: 30 years	No	199.00	-	199.00	195.00
99 years	No	331.00	-	331.00	324.00
Traditional: 99 years	No	846.00	-	846.00	829.00
Transfer of exclusive rights of burial	No	36.00	-	36.00	36.00
Woodland glades (<i>inc memorial tree</i>): 30 years	No	662.00	-	662.00	649.00
99 years	No	1,617.00	-	1,617.00	1,585.00
					-
Grave Digging					-
Under 16 years	No	Free	-		-
16 years and over - single depth	No	487.00	-	487.00	478.00
16 years and over - single depth Saturday	No	553.00	-	553.00	542.00
16 years and over - double depth	No	519.00	-	519.00	509.00
16 years and over - double depth Saturday	No	584.00	-	584.00	573.00
Ashes - single depth	No	95.00	-	95.00	93.00
Ashes - single depth Saturday	No	101.00	-	101.00	99.00
Ashes - double depth	No	101.00	-	101.00	99.00
Ashes - double depth Saturday	No	106.00	-	106.00	104.00
					-

APPENDIX A

SERVICE DELIVERY	VAT	Charge	VAT	2020/21	2019/20
		£	£	£	£
Interment - Non Resident					-
Under 16 years	No	Free			-
16 years and over	No	1,027.00	-	1,027.00	1,006.00
Ashes	No	314.00	-	314.00	308.00
Ashes - woodland glades	No	383.00	-	383.00	376.00
Burial plot adjacent to path or end of row	No	467.00	-	467.00	457.00
Scattering of ashes: under 16 years	No	Free			-
16 years and over	No	162.00	-	162.00	159.00
Saturday 10.00 - noon only	No	621.00	-	621.00	608.00
					-
Interment - Resident					-
Under 16 years	No	Free			-
16 years and over	No	514.00	-	514.00	504.00
Ashes	No	158.00	-	158.00	155.00
Ashes - woodland glades	No	193.00	-	193.00	189.00
Burial plot adjacent to path or end of row	No	233.00	-	233.00	228.00
Saturday 10.00 - noon only	No	310.00	-	310.00	304.00
Scattering of ashes: under 16 years	No	Free			-
16 years and over	No	83.00	-	83.00	81.00
					-
Memorialisation Scheme					-
Memorial climber / shrub	No	Deleted			-
Memorial garden seat: Traditional	No	1,200.00	-	1,200.00	1,100.00
Rustic	No	950.00	-	950.00	900.00
Memorial tree including planting	No	204.00	-	204.00	200.00
					-
OFF STREET PARKING					-
Vehicles that display up to date disabled persons badge		Free			-
					-
OFF STREET PARKING					-
Maldon District Council offices:					-
Up to 1 hr		0.92	0.18	1.10	
Up to 2hrs		1.17	0.23	1.40	
Pay & display: Saturday (8am to 5pm) up to 1 hour	Yes	0.92	0.18	1.10	1.00
Saturday (8am to 5pm) 1 to 2 hours	Yes	1.17	0.23	1.40	1.30
Saturday (8am to 5pm) 2 to 3 hours	Yes	1.67	0.33	2.00	1.80
Saturday (8am to 5pm) 3 to 4 hours	Yes	2.17	0.43	2.60	2.40
Saturday (8am to 5pm) over 4 hours	Yes	3.67	0.73	4.40	4.00
Saturday Evening 5pm to 10pm	Yes	1.25	0.25	1.50	1.00
Sunday All Day	Yes	1.25	0.25	1.50	1.00
Butt Lane (Monday to Saturday - 8am to 5pm)					-
Pay & display: up to 1 hour	Yes	0.92	0.18	1.10	1.00
1 to 2 hours	Yes	1.17	0.23	1.40	1.30
2 to 3 hours	Yes	1.67	0.33	2.00	1.80
3 to 4 hours	Yes	2.17	0.43	2.60	2.40
over 4 hours	Yes	3.67	0.73	4.40	4.00
Weekday & Saturday Evening (5pm to 10pm)	Yes	1.25	0.25	1.50	1.00
Sunday All Day	Yes	1.25	0.25	1.50	1.00
Season ticket: annual	Yes	531.67	106.33	638.00	580.00
6 months	Yes	265.83	53.17	319.00	290.00
monthly	Yes	47.50	9.50	57.00	52.00

APPENDIX A

SERVICE DELIVERY

	VAT	Charge	VAT	2020/21	2019/20
		£	£	£	£
Bulk purchases (Monday - Saturday): minimum 10 tickets			Discount of 5%		-
minimum 15 tickets			Discount of 10%		-
minimum 20 tickets			Discount of 15%		-
					-
Friary Fields (Monday to Saturday - 8am to 5pm)					-
Pay & display: up to 3 hours	Yes	1.67	0.33	2.00	1.80
3 to 4 hours	Yes	2.17	0.43	2.60	2.40
over 4 hours	Yes	3.67	0.73	4.40	4.00
Weekday & Saturday Evening (5pm to 10pm)	Yes	1.25	0.25	1.50	1.00
Sunday All Day	Yes	1.25	0.25	1.50	1.00
Season ticket: annual	Yes	531.67	106.33	638.00	580.00
6 months	Yes	265.83	53.17	319.00	290.00
monthly	Yes	47.50	9.50	57.00	52.00
Bulk purchases (Monday - Saturday): minimum 10 tickets			Discount of 5%		-
minimum 15 tickets			Discount of 10%		-
minimum 20 tickets			Discount of 15%		-
Public sector partners (Monday - Friday)			Discount of 50%		-
					-
High St. East (Monday to Saturday - 8am to 5pm)					-
Pay & display: up to 1 hour	Yes	0.92	0.18	1.10	1.00
1 to 2 hours	Yes	1.17	0.23	1.40	1.30
2 to 3 hours	Yes	1.67	0.33	2.00	1.80
3 to 4 hours	Yes	2.17	0.43	2.60	2.40
over 4 hours	Yes	3.67	0.73	4.40	4.00
Weekday & Saturday Evening (5pm to 10pm)	Yes	0.83	0.17	1.50	1.00
Sunday All Day	Yes	0.83	0.17	1.50	1.00
Season ticket: annual	Yes	531.67	106.33	638.00	580.00
6 months	Yes	265.83	53.17	319.00	290.00
monthly	Yes	47.50	9.50	57.00	52.00
Bulk purchases (Monday - Saturday): minimum 10 tickets			Discount of 5%		-
minimum 15 tickets			Discount of 10%		-
minimum 20 tickets			Discount of 15%		-
Public sector partners (Monday - Friday)			Discount of 50%		-
					-
Maldon Promenade (Monday to Sunday - 8am to 8pm)					-
Car: up to 1 hour	Yes	1.00	0.20	1.20	1.10
1 to 2 hours	Yes	2.00	0.40	2.40	2.20
2 to 4 hours	Yes	5.00	1.00	6.00	5.50
all day	Yes	6.42	1.28	7.70	7.00
Coach: up to 2 hours	Yes	6.08	1.22	7.30	6.60
over 2 hours	Yes	11.08	2.22	13.30	12.00
Coach park - coach / bus season tickets	Yes	183.33	36.67	220.00	200.00
Non residents season ticket	Yes	146.67	29.33	176.00	160.00
Residents season ticket	Yes	110.00	22.00	132.00	120.00
					-
Market Site					-
Season ticket: annual	Yes	586.67	117.33	704.00	640.00
6 months	Yes	293.33	58.67	352.00	320.00
monthly	Yes	52.50	10.50	63.00	57.00
					-
Silver Street					-
Season ticket: annual	Yes	531.67	106.33	638.00	580.00
6 months	Yes	265.83	53.17	319.00	290.00
monthly					-
Bulk purchases (Monday - Saturday): minimum 10 tickets			Pro rata charge		-
minimum 15 tickets			Discount of 5%		-
minimum 20 tickets			Discount of 10%		-
			Discount of 15%		-

APPENDIX A

SERVICE DELIVERY

	VAT	Charge	VAT	2020/21	2019/20
		£	£	£	£
White Horse Lane (Monday to Saturday - 8am to 5pm)					-
Pay & display: up to 1 hour	Yes	0.92	0.18	1.10	1.00
1 to 2 hours	Yes	1.17	0.23	1.40	1.30
2 to 3 hours	Yes	1.67	0.33	2.00	1.80
3 to 4 hours	Yes	3.08	0.62	3.70	3.40
over 4 hours	Yes	7.33	1.47	8.80	8.00
Weekday & Saturday Evening (5pm to 10pm)	Yes	1.25	0.25	1.50	1.00
White Horse Lane	Yes				-
Maldon Schools permit	Yes	183.33	36.67	220.00	200.00
Residents season ticket (Monday 5pm-10pm All Day Sunday)	Yes	65.83	13.17	79.00	72.00
					-
					-
Beach Hut Hire - Promenade Park					-
Daily Charge					-
High-Season (April - September)		37.50	7.50	45.00	42.00
Low-Season (October - March)		26.67	5.33	32.00	30.00
Gold Package - (<i>Peak season beach hut hire, 2 all day splash park wristbands and all day car parking at Prom</i>)			Deleted		55.00
Silver Package - (<i>Mid season beach hut hire, 2 all day splash park wristbands and all day car parking at Prom</i>)			Deleted		-
					-
FUNFAIRS AND CIRCUSES - Minimum of:					-
Circus at Promenade Park					-
Daily ground rate (whilst circus is in operation)	No	155.00	-	155.00	150.00
Daily ground rate (whilst circus is not in operation)	No	80.00	-	80.00	75.00
					-
Travelling Funfair at Promenade Park					-
Daily ground rate (whilst fair is in operation)	No	485.00	-	485.00	475.00
Daily ground rate (whilst fair is not in operation)	No	195.00	-	195.00	191.00
					-
PARKS AND OPEN SPACES					-
Memorial Benches					-
Rustic bench	No	1,224.00	-	1,224.00	1,200.00
Cast iron bench	No	1,244.00	-	1,244.00	1,220.00
					-
Advertising and Sponsorship					-
Events Banners per week (main gate entrances on railings x2 + free electronic advert)	Yes	29.17	5.83	35.00	32.00
Events Banners per week (<i>community / charity</i>)	Yes	16.67	3.33	20.00	19.00
Electronic Advert (<i>per day minimum 1 week</i>)	No		Deleted		1.00
Internal park adverts TBA (<i>per week</i>)	Yes	16.67	3.33	20.00	19.00
Vehicle advertising TBA (<i>per day</i>)	Yes	108.33	21.67	130.00	127.00
Sponsorship	Yes		By negotiation		-

APPENDIX A

SERVICE DELIVERY

	VAT	Charge	VAT	2020/21	2019/20
		£	£	£	£
Event Land Hire Charge - Council Park or Open Space (New Charges - per day)					-
Event licence / Permit fee (minimum fee payable on acceptance of event)	Yes	25.00	5.00	30.00	
Charity - Small event (1-1,000 attendees)	Yes	25.00	5.00	30.00	-
Charity - Medium event (1,001- 2,500 attendees)	Yes	46.67	9.33	56.00	-
Charity - Large event (2,501 + attendees)	Yes	90.00	18.00	108.00	-
Community - Small event (1-1,000 attendees)	Yes	54.17	10.83	65.00	-
Community - Medium event (1,001- 2,500 attendees)	Yes	100.00	20.00	120.00	-
Community - Large event (2,501 + attendees)	Yes		Price on application		-
Commercial - Small event (1-1,000 attendees)	Yes	266.67	53.33	320.00	-
Commercial - Medium event (1,001- 2,500 attendees)	Yes	500.00	100.00	600.00	-
Commercial - Large event (2,501 + attendees)	Yes		Price on application		-
Other Council owned Land Hire for Concessions - (price is per operator, per day, per concession)					-
Peak Time (School Holidays/Bank Holidays/ Event Days)					-
Daily charge	No	54.00	-	54.00	53.00
Medium (Team of 2 - 5 Operators) <i>price per operator</i>	No			Deleted	153.00
Large (Team of 5+ Operators) <i>price per operator</i>	No			Deleted	229.00
Off Peak Time					-
Daily charge	No	37.00	-	37.00	36.00
Medium (Team of 2 - 5 Operators) <i>price per operator</i>	No			Deleted	85.00
Large (Team of 5+ Operators) <i>price per operator</i>	No			Deleted	153.00
Charitable Concession	No		Deleted		Free
Pop Up Trading					-
Peak Time (School Holidays/Bank Holidays/ Event Days)					-
Market Stall (Frame with Canopy)	No	55.00	-	55.00	54.00
Wheelie Cart	No	49.00	-	49.00	48.00
Wheelie Cart including Fridge	No	54.00	-	54.00	53.00
Electricity	Yes	10.83	2.17	13.00	13.00
Off Peak Time					-
Market Stall (Frame with Canopy)	No	44.00	-	44.00	43.00
Wheelie Cart	No	39.00	-	39.00	38.00
Wheelie Cart including Fridge	No	44.00	-	44.00	43.00
Electricity	Yes	10.83	2.17	13.00	13.00
					-
ROUNDBOUT SPONSORSHIP					-
1 Year agreement - Maldon Town site	Yes		Price on application		4,000.00
1 Year agreement - Other district site	Yes		Price on application		3,500.00
3 Year agreement - Maldon Town site	Yes		Price on application		10,000.00
3 Year agreement - Other district site	Yes		Price on application		8,500.00
Landscaping scheme (minimum 5 years)	Yes		Price on application		500.00
					-
1 Year Boundary sign Agreement	Yes		Price on application		2,500.00
					-
Football (per game)					-
Adult	Yes	44.17	8.83	53.00	52.00
Junior	Yes	33.33	6.67	40.00	39.00
Changing rooms (only)	Yes	11.67	2.33	14.00	14.00

SERVICE DELIVERY	VAT	Charge	VAT	2020/21	2019/20
		£	£	£	£
RIVERS					-
Moorings					-
Annual charge: up to 7.99 metres	Yes	119.17	23.83	143.00	140.00
8 to 9.99 metres	Yes	195.83	39.17	235.00	230.00
10 to 14.99 metres	Yes	271.67	54.33	326.00	320.00
15 metres and above	Yes	348.33	69.67	418.00	410.00
Mooring registration fee	Yes	106.67	21.33	128.00	125.00
Transfer of mooring		50% of annual mooring fee			-
Residential Mooring Charges					-
up to 9.99 metres (<i>per month</i>)		104.17	20.83	125.00	123.00
10 to 14.99 metres (<i>per month</i>)		208.33	41.67	250.00	185.00
15 metres and above (<i>per month</i>)		416.67	83.33	500.00	246.00
Wharfage - Hythe Quay Maldon and Burnham Pontoon					-
Daily fees: vessels and multihulls	Yes	17.50	3.50	21.00	21.00
Annual fees: Available to Fully Rigged Thames Sailing barges operators only	Yes	3,575.00	715.00	4,290.00	3,900.00
(annual fee can be paid quarterly with no penalty)	Yes	893.75	178.75	1,072.50	975.00
240/32 Amp Supply - Daily Charge (Maldon)	yes	3.33	0.67	4.00	4.00
Static Events on vessels using the Hythe Quay / Burnham (Daily charge)	Yes	101.67	20.33	122.00	120.00
Exclusive use of visitor pontoons Maldon / Burnham (Daily charge)	Yes	101.67	20.33	122.00	120.00
Visitor Pontoon - Weekly Winter charge Oct - April (Maldon)	yes	42.50	8.50	51.00	50.00
SPLASH PARK					-
Private bookings (per hour)	Yes	183.33	36.67	220.00	210.00
Private bookings (per half hour)	Yes	112.50	22.50	135.00	130.00
Changing rooms hire	Yes	11.67	2.33	14.00	
Single use ticket (per 20 mins)	Yes	2.29	0.46	2.75	2.50

APPENDIX A

	VAT	Charge	VAT	2020/21	2019/20
		£	£	£	£
PLANNING SERVICES					
BUILDING CONTROL					
New dwellings		See attached - table A See attached - table B See attached - table C			
Work to a single dwelling					
All other non-domestic work					
DEVELOPMENT CONTROL					
Designs and Patents Act 1989					
Plan copies - per sheet: A4	Yes	0.08	0.02	0.10	0.10
A3	Yes	0.17	0.03	0.20	0.20
A2	Yes	0.67	0.13	0.80	0.80
die line	Yes	1.67	0.33	2.00	2.00
Ordnance Survey Maps					
Handling fee	Yes	1.67	0.33	2.00	2.00
Site plans (max 6 copies) - per extract	Yes	30.83	6.17	37.00	36.00
Other Development Control					
High Hedge Complaints	Yes	510.00	102.00	612.00	600.00
Street Naming and Numbering					
Adding / removing a name	no	0.00	-	0.00	0.00
Renaming / renumbering a property	no	41.00	-	41.00	40.00
Naming / numbering 1-5 properties (per property) inc flats*	no	41.00	-	41.00	40.00
Naming / numbering 6-25 properties (per property) inc flats*	no	31.00	-	31.00	30.00
Naming / numbering 26-75 properties (per property) inc flats*	no	26.00	-	26.00	25.00
Naming / numbering 76+ properties (per property) inc flats*	no	20.00	-	20.00	20.00
Naming a street (per street)**	no	102.00	-	102.00	100.00
Change to development after notification	no	51.00	-	51.00	50.00
Street renaming at residents request	no	153.00	-	153.00	150.00
Written confirmation of postal address details	no	0.00	-	0.00	0.00
* numbers include dwellings within developments with new streets					
** number of new street names only					
LAND CHARGES					
<i>Premises exempt as per legislation: church halls, village halls & non-commercial venues</i>					
CON29 (part 1): standard fee	Yes	123.33	24.67	148.00	145.00
additional fee for non-residential searches	Yes	22.50	4.50	27.00	26.00
LLC1	No	22.00	-	22.00	22.00
additional fee for non-residential searches	Yes	33.33	6.67	40.00	39.00
CON29O (part 2) enquiry - per question: Q4-5 only (if purchased with full search)	Yes	15.00	3.00	18.00	18.00
Q6-21	Yes	15.00	3.00	18.00	18.00
Q22 only	Yes	22.50	4.50	27.00	26.00
Additional enquiry	Yes	31.00	6.20	39.00	38.00
Additional parcel of land LLC1	No	5.00	-	5.00	5.00
Additional parcel of land CON29	Yes	15.00	3.00	18.00	18.00
Copy of duplicate search	Yes	10.00	2.00	12.00	12.00
Search confirmation (up to 3mths old)	Yes	10.00	2.00	12.00	12.00
Personal Searches					
CON29R standard enquiry (when viewed in person)			Free		Free
Local land charges register (in person): print out	No		Free		Free
view	No		Free		Free
Local land charges LLC1 certificated	No	22.00	-	22.00	22.00

Planning Services Pre-Application Fees and Charges 2020/21

	Further Details	Cost (£)	VAT (£)	Total (£)
Householder development (Duty Planner)	Only available for non-Complex Householder advice. This would include extensions to single dwellings, porches, garages, outbuildings and walls and fences. (No written advice).	Free		Free
Householder development (Written advice)	Includes proposals to alter and extend individual houses and flats for residential purposes where the development relates to a building which is not listed as being of architectural or historic interest. In cases where the house or flat is listed then the charge will fall within Minor Development.	90.00	18.00	108.00
Householder development (Meeting* with Planning Officer of no more than one hour and written advice)	Includes proposals to alter and extend individual houses and flats for residential purposes where the development relates to a building which is not listed as being of architectural or historic interest. In cases where the house or flat is listed then the charge will fall within Minor Development.	171.67	34.33	206.00
Smallscale commercial development (Written advice)	Includes proposals for: Change of use up to 200m2 Extensions to commercial properties under 50m2 1-3 Advertisements Amendments to Previously Approved Schemes	90.00	18.00	108.00
Smallscale commercial development (Meeting* with Planning Officer of no more than one hour and written advice)	Includes proposals for: Change of use up to 200m2 Extensions to commercial properties under 50m2 1-3 Advertisements Amendments to Previously Approved Schemes	171.67	34.33	206.00
Minor development (Written advice)	Includes proposals for: 1-4 residential units or gross external floorspace of up to 499m2 Change of use between 200 and 499m2 Extensions to commercial properties over 50m2 Over three advertisements Public Art Telecommunications Equipment Air Conditioning / Ventilation Equipment Amendments to Previously Approved Schemes	226.67	45.33	272.00
Minor development (Meeting* with Planning Officer of no more than one hour and written advice)	Includes proposals for: 1-4 residential units or gross external floorspace of up to 499m2 Change of use between 200 and 499m2 Extensions to commercial properties over 50m2 Over three advertisements Public Art Telecommunications Equipment Air Conditioning / Ventilation Equipment Amendments to Previously Approved Schemes	509.17	101.83	611.00
Medium development (Written advice)	Includes proposals for: 5-9 residential units or gross external floorspace of 500-999m2	339.17	67.83	407.00
Medium development (Meeting* with Planning Officer of no more than one hour and written advice)	Includes proposals for: 5-9 residential units or gross external floorspace of 500-999m2	565.83	113.17	679.00
Major development (Written advice)	Includes proposals for: 10-20 residential units Non-residential development with a gross external floorspace over 1,000m2	565.83 (Plus additional £21 +VAT per dwelling to a maximum of 74 dwellings)	113.17	679.00

Major development (Meeting* with Planning Officer of no more than one hour and written advice)	Includes proposals for: 10-20 residential units Non-residential development with a gross external floorspace over 1,000m2	1,131.67	226.33	1,358.00
(Plus additional £21 +VAT per dwelling to a maximum of 74 dwellings)				
Strategic Proposals (Planning Performance Agreements) (Meeting* with Planning Officer of no more than one hour and written advice)	Includes proposals for: Any application of 75 dwellings or more dwellings; or any outline residential development proposals whose site is 2 hectares or more. Any residential proposal promoted as an allocated site within the LDP. Any 100% Affordable Housing proposals of six dwellings or 0.3ha or more in outline form. Any non-residential development proposal, whose floor area is 1,500 square metres or more or whose site area is 2 hectares or more. Any non-residential proposals relating to development proposals allocated within the LDP. Any retail development 1,000 square meters or more or which of 250 square metres or more and is proposed to be beyond existing town centres as defined in the local plan or emerging LDP. Any mixed use development proposals whose site area is 2 hectares or more, or is of 75 dwellings or 1,000 square metres commercial floor area or more. Wind Turbines Any wind energy proposals whose output capacity is 1Mw or more or which proposes three or more turbines of 30m or more. Any Solar energy proposals whose output capacity is 1Mw or more or which proposes 4,000 or more solar panels. Energy from Waste Scheme which is 1KW capacity or more.	Individually determined at full cost recovery		
Minor Alterations to Listed Building (Written advice)	Only available for very minor and non-Complex advice. This would include replacement windows. This only relates to development that does not fall within any category above. In those instances where it does the higher fee will be required.	67.50	13.50	81.00
Alterations/Extension to Listed Building (Written advice)	Includes proposals for: Alterations to a listed building Extensions and additions to a listed building Demolition of an unlisted building within a conservation area This only relates to development that does not fall within any category above. In those instances where it does the higher fee will be required.	226.67	45.33	272.00
Alterations/Extension to Listed Building (Meeting* with Planning Officer of no more than one hour and written advice)	Includes proposals for: Alterations to a listed building Extensions and additions to a listed building Demolition of an unlisted building within a conservation area This only relates to development that does not fall within any category above. In those instances where it does the higher fee will be required.	551.67	110.33	662.00
Development in a Conservation Area (Written Advice)	This only relates to development that does not fall within any category above. In those instances where it does the higher fee will be required.	171.67	34.33	206.00
Development in a Conservation Area (Meeting* with Planning Officer of no more than one hour and written advice)	This only relates to development that does not fall within any category above. In those instances where it does the higher fee will be required.	497.50	99.50	597.00
Minor Tree advice (Tree within a conservation area only) (Written advice)	Includes proposals for: Works to 1-4 individually listed trees	67.50	13.50	81.00

Minor Tree advice (TPOs only) (Written advice)	Includes proposals for: Works to 1-4 individually listed trees Replacement of 1-4 individually listed trees	90.00	18.00	108.00
Minor Tree advice (TPOs only) (Meeting* with appropriate Officer of no more than one hour and written advice)	Includes proposals for: Works to 1-4 individually listed trees Replacement of 1-4 individually listed trees	226.67	45.33	272.00
Major Tree advice (TPOs only) (Meeting* with appropriate Officer of no more than one hour and written advice)	Includes proposals for: Works to 5 or more individually listed trees Replacement of 5 or more individually listed trees Works to trees within an area protected under a Tree Preservation Order Works to trees within a woodland protected under a Tree Preservation Order	453.33	90.67	544.00
Inspection of compliance with Enforcement Notice	Written confirmation that an enforcement notice has been complied with.	226.67	45.33	272.00
Compliance with Condition requests	Includes, but not exclusively: Written confirmation that a condition(s) has been complied with Written confirmation that a condition(s) has been discharged	171.67	34.33	206.00
Compliance with S.106 Agreement requests	Written confirmation that all/some S.106 obligations have been agreed per obligation	113.33	22.67	136.00
Planning History requests	Includes, but not exclusively: Written confirmation of any restrictions imposed on a site on a site. Confirmation of authorised use of a site Confirmation of an absence of an agricultural occupancy condition	171.67	34.33	206.00

*All pre-application and advice Meeting*s will be held at the Council Offices. However, if it is agreed necessary to convene a Meeting* on site, travel time to and from the site will be charged at the hourly Meeting rate. Officers are unable to hold a site Meeting* without the prior deposit of plans or written proposals.

**TABLE A - NEW DWELLINGS
2020/21**

Dwelling-houses and Flats not exceeding 300m2

Please note that the Charges marked with an * have been reduced to reflect where controlled electrical installations are being carried out, tested and certified by a registered Part P electrician. If these reductions are claimed and a self certifying electrician is not subsequently employed, the applicant will be invoiced for supplementary charges equivalent to the discount (see D14 below)

VAT rate **20.0%**

Code	Bungalows or Houses less than 4 storeys		Plan Charge	Inspection Charge *	Building Notice Charge*	Regularisation Charge*
H01	1 Plot	Net	195.00	489.00	752.00	957.00
		VAT	39.00	97.80	150.40	-
		Total	234.00	586.80	902.40	957.00
H02	2 Plots	Net	293.00	782.00	1,182.00	1,505.00
		VAT	58.60	156.40	236.40	-
		Total	351.60	938.40	1,418.40	1,505.00
H03	3 Plots	Net	342.00	1,075.00	1,558.00	1,983.00
		VAT	68.40	215.00	311.60	-
		Total	410.40	1,290.00	1,869.60	1,983.00
H04	4 Plots	Net	391.00	1,368.00	1,934.00	2,462.00
		VAT	78.20	273.60	386.80	-
		Total	469.20	1,641.60	2,320.80	2,462.00
H05	5 Plots	Net	440.00	1,661.00	2,311.00	2,941.00
		VAT	88.00	332.20	462.20	-
		Total	528.00	1,993.20	2,773.20	2,941.00
	Flats					
F01	1	Net	195.00	489.00	752.00	957.00
		VAT	39.00	97.80	150.40	-
		Total	234.00	586.80	902.40	957.00
F02	2	Net	293.00	635.00	1,021.00	1,299.00
		VAT	58.60	127.00	204.20	-
		Total	351.60	762.00	1,225.20	1,299.00
F03	3	Net	342.00	782.00	1,236.00	1,573.00
		VAT	68.40	156.40	247.20	-
		Total	410.40	938.40	1,483.20	1,573.00
F04	4	Net	391.00	928.00	1,451.00	1,847.00
		VAT	78.20	185.60	290.20	-
		Total	469.20	1,113.60	1,741.20	1,847.00
F05	5	Net	440.00	1,075.00	1,666.00	2,120.00
		VAT	88.00	215.00	333.20	-
		Total	528.00	1,290.00	1,999.20	2,120.00
	Conversion to					
V01	Single Dwelling-House	Net	195.00	586.00	860.00	1,094.00
		VAT	39.00	117.20	172.00	-
		Total	234.00	703.20	1,032.00	1,094.00
V02	Single Flat	Net	195.00	489.00	752.00	957.00
		VAT	39.00	97.80	150.40	-
		Total	234.00	586.80	902.40	957.00
	Notifiable electrical work		(where applicable, in addition to the above, per dwelling)			
D14	(Where a satisfactory certificate will not be issued by a Part P registered electrician)	Net	This charge relates to a first fix pre-plaster inspection and final testing on completion. For Regularisation application a full appraisal and testing will be carried out.		205.00	261.00
		VAT			41.00	-
		Total			246.00	261.00

Where Standard Charges are not applicable please contact Building Control on 01621 876235

PLANNING SERVICES

TABLE B - WORK TO A SINGLE DWELLING
2020/21

Limited to work not more than 3 storeys above ground level

Please note that the Charges marked with an * have been reduced to reflect where controlled electrical installations are being carried out, tested and certified by a registered Part P electrician. If these reductions are claimed and a self certifying electrician is not subsequently employed, the applicant will be invoiced for supplementary charges equivalent to the discount (see D14 below)

VAT rate		20.0%									
Code	Extension & New Build		Full Plans		Full Plans - Multiple work reductions only **		Building Notice Charge *	Multiple work reductions only Building Notice Charge * at 50% reduced rate **	Regularisation Charge *		
			Plan Charge	Inspection Charge *	Plan Charge at 50% reduced rate**	Inspection Charge * at 50% reduced rate **					
D01a	Separate single storey extension with floor area not exceeding 10m²	Net	98.00	98.00	49.00	49.00	215.00	108.00	274.00		
New charge		VAT	19.60	19.60	9.80	9.80	43.00	21.60	-		
		Total	117.60	117.60	58.80	58.80	258.00	129.60	274.00		
D01	Separate single storey extension with floor area exceeding 10m² but not exceeding 40m²	Net	195.00	391.00	98.00	196.00	645.00	323.00	821.00		
		VAT	39.00	78.20	19.60	39.20	129.00	64.60	-		
		Total	234.00	469.20	117.60	235.20	774.00	387.60	821.00		
D02	Separate single storey extension with floor area exceeding 40m² but not exceeding 100m²	Net	195.00	489.00	98.00	245.00	752.00	376.00	957.00		
		VAT	39.00	97.80	19.60	49.00	150.40	75.20	-		
		Total	234.00	586.80	117.60	294.00	902.40	451.20	957.00		
D03	Separate extension with some part 2 or 3 storeys in height and a total floor area not exceeding 40m²	Net	195.00	440.00	98.00	220.00	699.00	350.00	889.00		
		VAT	39.00	88.00	19.60	44.00	139.80	70.00	-		
		Total	234.00	528.00	117.60	264.00	838.80	420.00	889.00		
D04	Separate extension with some part 2 or 3 storeys in height and a total floor area exceeding 40m² but not ex 100m²	Net	195.00	586.00	98.00	293.00	860.00	430.00	1,094.00		
		VAT	39.00	117.20	19.60	58.60	172.00	86.00	-		
		Total	234.00	703.20	117.60	351.60	1,032.00	516.00	1,094.00		
D05	A building or extension comprising SOLELY of a garage, carport or store - total floor area not exceeding 100m²	Net	195.00	195.00	98.00	98.00	430.00	215.00	547.00		
		VAT	39.00	39.00	19.60	19.60	86.00	43.00	-		
		Total	234.00	234.00	117.60	117.60	516.00	258.00	547.00		
D06	Detached non-habitable domestic building with total floor area not exceeding 50m²	Net	195.00	293.00	98.00	147.00	537.00	269.00	684.00		
		VAT	39.00	58.60	19.60	29.40	107.40	53.80	-		
		Total	234.00	351.60	117.60	176.40	644.40	322.80	684.00		
Conversions											
D07	First floor & second floor loft conversions	Net	195.00	391.00	98.00	196.00	645.00	323.00	821.00		
		VAT	39.00	78.20	19.60	39.20	129.00	64.60	-		
		Total	234.00	469.20	117.60	235.20	774.00	387.60	821.00		
D08	Other work (e.g. garage conversions)	Net	195.00	195.00	98.00	98.00	430.00	215.00	547.00		
		VAT	39.00	39.00	19.60	19.60	86.00	43.00	-		
		Total	234.00	234.00	117.60	117.60	516.00	258.00	547.00		
Alterations (including underpinning)											
D09	Renovation of a thermal element	Net	98.00	98.00	49.00	49.00	215.00	108.00	274.00		
		VAT	19.60	19.60	9.80	9.80	43.00	21.60	-		
		Total	117.60	117.60	58.80	58.80	258.00	129.60	274.00		
D10	Replacement of windows, roof lights, roof windows or external glazed doors	Net	98.00	98.00	49.00	49.00	215.00	108.00	274.00		
		VAT	19.60	19.60	9.80	9.80	43.00	21.60	-		
		Total	117.60	117.60	58.80	58.80	258.00	129.60	274.00		
D11x	Cost of work not exceeding £1,000 (Incl	Net	73.00	122.00	37.00	61.00	215.00	108.00	274.00		
New charge		VAT	14.60	24.40	7.40	12.20	43.00	21.60	-		
		Total	87.60	146.40	44.40	73.20	258.00	129.60	274.00		
D11a	Cost of work exceeding £1,001 but not exceeding £2,000 (Incl Renewable Energy systems)	Net	98.00	147.00	49.00	74.00	269.00	135.00	342.00		
		VAT	19.60	29.40	9.80	14.80	53.80	27.00	-		
		Total	117.60	176.40	58.80	88.80	322.80	162.00	342.00		
D11	Cost of work exceeding £2,001 & not exceeding £5,000 (Incl Renewable Energy systems)	Net	147.00	195.00	74.00	98.00	376.00	188.00	479.00		
		VAT	29.40	39.00	14.80	19.60	75.20	37.60	-		
		Total	176.40	234.00	88.80	117.60	451.20	225.60	479.00		
D12	Cost of work exceeding £5,001 & not exceeding £25,000	Net	195.00	244.00	98.00	122.00	484.00	242.00	616.00		
		VAT	39.00	48.80	19.60	24.40	96.80	48.40	-		
		Total	234.00	292.80	117.60	146.40	580.80	290.40	616.00		
D13	Cost of work exceeding £25,001 & not exceeding £100,000	Net	244.00	489.00	122.00	245.00	806.00	403.00	1,026.00		
		VAT	48.80	97.80	24.40	49.00	161.20	80.60	-		
		Total	292.80	586.80	146.40	294.00	967.20	483.60	1,026.00		
Notifiable Electrical work (in addition to the above, where applicable)											
D14	(Where a satisfactory certificate will not be issued by a Part P registered electrician)	Net	This charge relates to a first fix pre-plaster inspection and final testing on completion. For Regularisation application a full appraisal and testing will be carried out.				205.00	n/a	261.00		
		VAT					41.00	n/a	-		
		Total					246.00	n/a	261.00		

****Multiple work reductions.** Where the proposed works consist of more than one of the above elements then the appropriate charge is calculated by paying the full amount for the most expensive element and only 50% for the other applicable elements **with the exception of D14 electrical Works**

Where Standard Charges are not applicable please contact Building Control on 01621 876235

PLANNING SERVICES

**TABLE C - ALL OTHER NON-DOMESTIC WORK
2020/21**

Limited to work not more than 3 storeys above ground level

VAT rate	20.0%		Limited to work not more than 3 storeys above ground level				
Code	Extensions and New Build		Plan Charge	Plan Charge at 50% reduced rate** (for multiple works only)	Inspection Charge	Inspection Charge * at 50% reduced rate ** (for multiple works only)	Regularisation Charge
N01	Single storey with floor area not exceeding 40m2	Net	195.00	98.00	391.00	196.00	762.00
		VAT	39.00	19.60	78.20	39.20	-
		Total	234.00	117.60	469.20	235.20	762.00
N02	Single storey with floor area not exceeding 40m2 but not exceeding 100m2	Net	195.00	98.00	586.00	293.00	1,016.00
		VAT	39.00	19.60	117.20	58.60	-
		Total	234.00	117.60	703.20	351.60	1,016.00
N03	With some part 2 or 3 storey in height and a total floor area not exceeding 40m2	Net	195.00	98.00	489.00	245.00	889.00
		VAT	39.00	19.60	97.80	49.00	-
		Total	234.00	117.60	586.80	294.00	889.00
N04	With some part 2 or 3 storey in height and a total floor area exceeding 40m2 but not exceeding 100m2	Net	195.00	98.00	635.00	318.00	1,080.00
		VAT	39.00	19.60	127.00	63.60	-
		Total	234.00	117.60	762.00	381.60	1,080.00
Alterations							
N05	Cost of work not exceeding £5,000	Net	147.00	74.00	147.00	74.00	381.00
		VAT	29.40	14.80	29.40	14.80	-
		Total	176.40	88.80	176.40	88.80	381.00
	Replacement of windows, roof lights, roof windows or external glazed doors (not exceeding 20 units)	Net	147.00	74.00	147.00	74.00	381.00
		VAT	29.40	14.80	29.40	14.80	-
		Total	176.40	88.80	176.40	88.80	381.00
	Renewable Energy systems (not covered by an appropriate competent persons scheme)	Net	147.00	74.00	147.00	74.00	381.00
		VAT	29.40	14.80	29.40	14.80	-
		Total	176.40	88.80	176.40	88.80	381.00
	Installation of new shop front	Net	147.00	74.00	147.00	74.00	381.00
		VAT	29.40	14.80	29.40	14.80	-
		Total	176.40	88.80	176.40	88.80	381.00
N06	Cost of work exceeding £5,000 & not exceeding £25,000	Net	195.00	98.00	195.00	98.00	508.00
		VAT	39.00	19.60	39.00	19.60	-
		Total	234.00	117.60	234.00	117.60	508.00
	Replacement of windows, roof lights, roof windows or external glazed doors (exceeding 20 units)	Net	195.00	98.00	195.00	98.00	508.00
		VAT	39.00	19.60	39.00	19.60	-
		Total	234.00	117.60	234.00	117.60	508.00
	Renovation of thermal elements	Net	195.00	98.00	195.00	98.00	508.00
		VAT	39.00	19.60	39.00	19.60	-
		Total	234.00	117.60	234.00	117.60	508.00
	Installation of a Raised Storage Platform within an existing building	Net	195.00	98.00	195.00	98.00	508.00
		VAT	39.00	19.60	39.00	19.60	-
		Total	234.00	117.60	234.00	117.60	508.00
N07	Cost of works exceeding £25,000 & not exceeding £100,000	Net	293.00	147.00	342.00	171.00	826.00
		VAT	58.60	29.40	68.40	34.20	-
		Total	351.60	176.40	410.40	205.20	826.00
	Fit out of building up to 100m2	Net	293.00	147.00	391.00	196.00	889.00
		VAT	58.60	29.40	78.20	39.20	-
Total	351.60	176.40	469.20	235.20	889.00		

Multiple work reductions. Where the proposed works consist of more than one of the above elements then the appropriate charge is calculated by paying the full amount for the most expensive element and only 50% for the other applicable elements.

Where Standard Charges are not applicable please contact Building Control on 01621 876235



REPORT of INTERIM SECTION 151 OFFICER

**to
STRATEGY AND RESOURCES COMMITTEE
29 JANUARY 2020**

REVISED 2019 / 20 ESTIMATES, ORIGINAL 2020 / 21 BUDGET ESTIMATES AND COUNCIL TAX 2020 / 21

1. PURPOSE OF THE REPORT

- 1.1 To note the Provisional Local Government Finance Settlement 2020 / 21 which was announced by the government on 20 December 2019.
- 1.2 To present to the Committee the revised 2019 / 20 and original 2020 / 21 General Fund Revenue Budget estimates for approval and recommendation to the Council on 13 February 2020.
- 1.3 To present the options for proposed level of Council Tax increase for 2020 / 21 for recommendation to the Council on 13 February 2020.
- 1.4 To present for approval and recommendation to the Council on 13 February 2020 the policy on use of reserves.

2. RECOMMENDATIONS

- (i) that the Committee notes the main details of the Provisional Local Government Finance Settlement 2020 / 21 described in section 3.4 of the report;

To the Council:

- (ii) that the following be approved:
 - (a) the Revised 2019/20 and Original 2020/21 General Fund Revenue Budget Estimates (**APPENDICES 1, 2 and 3**)
 - (b) an average Band D council tax of £202.40 (excluding parish precepts) (£5 increase) for 2020/21 (**APPENDIX 1**);
 - (c) policies on the designated use of financial reserves (**APPENDIX 4**);
 - (d) maintain the current policy of a minimum general fund balance of £2,600,000;

- (iii) that the Council gives due regard to the Interim Section 151 Officer's statement on the robustness of budgets and adequacy of reserves in **APPENDIX 5**.

3. SUMMARY OF KEY ISSUES

- 3.1 The Council no longer receives revenue support grant funding from the government meaning that the majority of the funding for the council's services is from income raised directly by the Authority. The main sources of funding are Council Tax, Fees and Charges and Business Rates.
- 3.2 The requirement to set a balanced budget has required stringent processes to deliver efficiencies, preserve as far as possible front line services, retain the ability to generate income and to recognise the increasing demand for services.
- 3.3 It should be noted, that at the time of writing this report, the National Non-Domestic Rates Return for 2020/21 was not completed and therefore, the funding figures from Business Rates are likely to change, which will affect the contributions to/(from) balances as shown in **APPENDIX 1**.
- 3.4 **Provisional Local Government Finance Settlement 2020/21**
- 3.4.1 The provisional 2020/21 local government finance settlement was announced on 20 December 2019. The Settlement Funding Assessment is the amount of funding consisting the 50% of the Business Rates Baseline Funding Level uprated by the increase in the small business rates multiplier that is identified by the government under the current system of 50% Business Rates Retention Scheme and adjusted for the tariff that the authority pays.

	2016/17	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m	£m
Settlement Funding Assessment – Maldon	1.964	1.601	1.474	1.508	1.532
of which:					
Revenue Support Grant	0.561	0.169	0	0	0
Business Rates Baseline Funding under 50% Business Rates Retention (BRR)	1.403	1.432	1.474	1.508	1.532
Annual % Change		-18.5%	-7.9%	2.3%	1.6%
Cumulative % Change		-18.5%	-25.0%	-23.2%	-22.0%

- 3.4.2 The Government each year also calculates an amount called the 'Core Spending Power' for each local authority which is an estimate of the amount of funding available to each authority to spend on their core services. It is made up of estimated council tax and business rate income, Revenue Support Grant and New Homes Bonus plus a number of government grants excluding those for education and policing.

Maldon						
Illustrative Core Spending Power of Local Government;						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions
Settlement Funding Assessment	2.447250	1.963948	1.600563	1.474135	1.507917	1.532486
Compensation for under-indexing the business rates multiplier	0.020284	0.020284	0.021498	0.033782	0.049138	0.061422
Council Tax of which;	4.121717	4.277616	4.472278	4.668562	4.843426	5.044735
<i>Council Tax Requirement excluding parish precepts (including base and levels growth)</i>	4.121717	4.277616	4.439994	4.634860	4.808462	4.982286
<i>additional revenue from referendum principle for social care</i>	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
<i>potential additional Council Tax from £5 referendum principle for all Districts</i>	0.000000	0.000000	0.032285	0.033702	0.034964	0.062449
Improved Better Care Fund	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
New Homes Bonus	0.632883	0.795664	0.797068	0.695801	0.832435	0.897533
New Homes Bonus returned funding	0.004470	0.003197	0.003390	0.000000	0.000000	0.000000
Rural Services Delivery Grant	0.005897	0.030627	0.024730	0.030818	0.030818	0.030818
Transition Grant	0.000000	0.040226	0.040077	0.000000	0.000000	0.000000
Adult Social Care Support Grant	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Winter Pressures Grant ¹	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Social Care Support Grant ²	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Social Care Grant	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Core Spending Power	7.232501	7.131562	6.959604	6.903097	7.263734	7.566993
Change since 2015-16 (£ millions)						0.334492
Change since 2015-16 (% change)						4.62

Source: Provisional Local Government Finance Settlement 2020 to 2021 published by MHCLG 20/12/2019

- 3.4.3 It will be seen from the above illustrative table that in the government's view the total Core Spending Power includes the potential additional council tax from the £5 referendum principle for all Districts. The Council did increase its Council Tax by £5 in 2017 / 18, the first year that the government introduced the £5 into the referendum principle in acceptance and recognition of the financial pressures that district councils have been experiencing.

Key Information for Local Authorities (£m)					
Select local authority by clicking on the box below and using the drop-down button					
Maldon					
	2016-17	2017-18 ¹	2018-19 ¹	2019-20 ¹	2020-21 ¹
Settlement Funding Assessment	1.96	1.60	1.47	1.51	1.532486
of which:					
Revenue Support Grant	0.56	0.17	0.00	0.00	0.000000
Baseline Funding Level	1.40	1.43	1.47	1.51	1.532486
Tariff/Top-Up ²	-3.85	-3.59	-3.72	-3.80	-3.866533
2017-18 Tariff and Top-up reconciliation			-0.02		
Safety Net Threshold	1.30	1.32	1.36	1.39	1.417549
Levy Rate	0.50	0.50	0.50	0.50	0.500000

Source: Provisional Local Government Finance Settlement 2020 to 2021 published by MHCLG 20/12/2019

- 3.4.4 For 2020 / 21, government funding consists of the Business Rates Baseline funding, New Homes Bonus and the Rural Services Delivery Grant. Revenue Support Grant (RSG) is negative and the government, like for the current financial year (2019 / 20), has stated that it will meet the cost of the negative RSG in 2020 / 21 from its own share of the Business Rates receipts and not require authorities with negative RSG's to pay it to the government. The amount for this Council for 2020 / 21 is approximately £338,700. It is uncertain whether the government will continue to fund the negative RSG in the future and if not, then the Council will have this as cost to pay to the government.
- 3.4.5 The New Homes Bonus (NHB) Scheme was introduced in 2011 / 12 to encourage local authorities to facilitate housing growth. For every additional property built or empty property brought back into use, the government match funds the additional council tax, with an additional amount for affordable homes.
- 3.4.6 Whilst there have been changes to the scheme over the years whereby the payments have reduced from six years to five years to four years and the introduction of an annual baseline housing growth of 0.4% below which no NHB would be payable, for

2020 / 21 the government has indicated that NHB will continue but there will be no legacy payments in the future for the year 2020 / 21.

- 3.4.7 For 2020 / 21 the government will maintained the Rural Services Delivery Grant at £81million and the Council's allocation is £30,818 the same as for this financial year (2019 / 20).
- 3.4.8 Finally, the Council's allocation for the provisional Homelessness Prevention Grant for 2020 / 21 is £64,288. This is in addition to the 2020 / 21 allocations separately announced for the Flexible Housing Grant of £62,853 and the Homelessness Reduction Grant of £49,501. Therefore, the provisional total amount to be received for the Homelessness function / service is £176,642 to be spent in accordance with the terms and conditions of the individual grants in 2020 / 21.

3.5 Revised General Fund Revenue Budget Estimates 2019 / 20

- 3.5.1 The original 2019 / 20 budget estimates showed a total of £291,000 contribution to the General Fund Balances. The revised estimate shows a contribution of £35,000. This is a reduction of £256,000. The reasons for this in the main come from the differences in the Statutory Adjustments between the original and the revised estimates. Also, as explained in the Quarter Two Budget Control Report considered by the Committee on 5 December 2019, the additional cost of the Agency Staff not covered by the salary budget allocations and higher than expected cost of redundancies in 2019 / 20 in respect of the implementation of the Future Council model are being absorbed by the savings in the salaries budget which would otherwise have been contributing to the overall savings.
- 3.5.2 In addition, out of a total savings and additional income of £331,000 identified as part of the Transformation Programme in 2019 / 20; £123,200 remains to be achieved. A total of £207,800 (63%) savings and additional income has been included in the revised estimate. The reason for the amount that remains to be achieved is that phase 2 of the Transformation Programme was completed as per the plan in October 2019 and therefore the focus was directed to ensure that the new Council structure was implemented on schedule. Some of the savings and additional income are to be achieved by officers who did not take up their new roles in October 2019. Therefore, the £123,200 has been rolled forward to be achieved in 2020 / 21.
- 3.5.3 The Council continues to receive additional income from growth in local business rates and pooling arrangements within the Essex Region Business Rates Pool. For 2018 / 19, the Authority's benefit from being in the pool was £199,000.
- 3.5.4 There have been Revenue Supplementary Estimates of £21,100 agreed during the year; these have been built into the core budget.

3.6 Original General Fund Revenue Budget Estimates 2020 / 21

- 3.6.1 The proposed 2020 / 21 net operating expenditure budget after adjusting for statutory adjustments, but before any non-service specific funding and use of reserves totals £7.991m and is therefore £0.107m (1.36%) higher than 2019 / 20 (£7.884m). Whilst the overall Net Cost of Services has decreased as a result of the implementation of the Future Council model there are additional growth pressures such as an increase for

inflation of £385,000, this is a 2% increase on pay budgets, and 2.0% and 3.0% for Retail Price Index (RPI) and Consumer Price Index (CPI) indexed expenditure; employer's contribution rate to the pension fund increase from 15.9% to 19.9% of pensionable pay adding an extra £221,000 and other significant items which are explained later in this report that are being absorbed/mitigated by the savings.

- 3.6.2 It needs to be recognised that since the decision to implement the Future Council model, the environment that the Council operates in has and will continue to change and move on. As such the savings that were projected from the Future Model implementation whilst being largely achieved will be diluted or eroded in the future as additional cost pressures are being accommodated without continually replenishing those savings with new savings. The measure for the savings of £1.89m by 2022 / 23 from the Future Council Model is the 2018 / 19 budget however the activities of the Council will not remain static at that level.
- 3.6.3 It is estimated that in 2020 / 21, there will be a net contribution from General Fund balances of £961,846 to fund the following:
- the up-front payment of £1,556,202 for the pension fund deficit recovery from the 2019 triennial pension fund valuation;
 - additional provision in the budget for the waste management contract of £100,000 to deal with the lack of capacity in the garden waste service and the waiting list of householders wishing to subscribe to the service and the collection of glass
 - additional budget provision of £100,000 for interim support to cover the Director of Resources / Section 151 post.
- 3.6.4 Taking the above into account, it will be noted that the actual contribution from general fund balances of £962,346 means that the difference of £793,856 has been absorbed from within the General Fund Revenue account in the main from the reduction in the overall net cost of service as a result of the implementation of the Future Council model and additional income from factored in increases when compared to the original 2019 / 20 original budget.
- 3.6.5 The Council Tax increase is considered in section 3.15. Proposals for the usage of earmarked reserves are discussed in more detail in Section 3.16.
- 3.6.6 2020 / 21 Budgets have initially been built up as follows:
- New Council Structure;
 - Inflation assumptions on existing contracts, (2% for pay), contractual inflation on goods and services based upon CPI or RPI dependent of terms within contracts;
 - Reflecting the expected income from fees and charges and grant income;
 - Implications of statutory and contractual changes;
 - Growth, as discussed later in this report.
 - Savings as identified for the Future Model (see paragraph 3.9.1)

3.7 Budget Growth, Savings and Income Generation in 2020/21

- 3.7.1 On 5 December 2019, the Committee considered a report on the budget growth and savings for 2020 / 21. These proposals have all been built into the core 2020 / 21 budget estimates at £145,600 for growth; £234,700 of savings / additional income.
- 3.7.2 Furthermore, the Committee agreed non-recurring growth in 2020 / 21 in relation to repairs and renewals of Council assets which would not form part of the capital programme totalling £26,100 and which will be funded from a draw down from the Repairs and Renewals reserve.
- 3.7.3 Following a meeting of Finance Lead members from across Essex which was hosted by the Finance Cabinet Member at Essex County Council, it has been agreed that Local Council Tax Sharing Agreement will continue at least for the next two years at the 14p benefit but only on achieving agreed additional council tax collection targets. The Chairman of this Committee attended on the Council's behalf with an Officer. The benefit will be tapered depending on the achievement below target to 12p. Each participating Council will have a target and there will also be a collective target to reduce the risk to any one participant authority. The loss from the 16p benefit to 14p over the two years 2018 / 19 and 2019 / 20 this was a cumulative loss of £70,000. For 2020/21 the Council has budgeted the benefit at £207,000.

3.8 New Homes Bonus (NHB)

- 3.8.1 NHB is not ring-fenced; therefore it can be used by the Council for whatever purpose it wishes. The government has stated that the NHB scheme in its current form will cease and 2020 / 21 will be the last year, as it wants to incentivise and reward local authorities to increase housing growth in a different way. Due to the uncertainty on the future of the NHB, the Council in 2018 / 19 took action to stop its reliance on the whole of the annual NHB allocation to support the General Fund Revenue expenditure and thus the council tax by using just the legacy payments from previous years. The plan was to phase out wholly any reliance on the NHB to support the council tax. Legacy payments are payable for four years; therefore the income will progressively reduce to zero by 2023 / 24. The amount in 2020 / 21 to support the general fund revenue expenditure is £251,512 (£414,293 in 2019 / 20). The amounts not utilised to support the General Fund revenue expenditure is to be held in a New Homes Bonus Reserve.

3.9 Future Council Model

- 3.9.1 The Future Council model identified £739,000 of savings in 2020 / 21. This is made up of salary savings of £400,000 through the new staffing structure and in total £339,000 through non-staff efficiencies, strategy based reductions and new net revenue streams from commercial projects/activities. At its meeting on 5 December 2019, the Committee resolved to reverse the saving identified from the Citizen's Advice Bureau (CAB) of £11,000 effectively reducing the savings target by £328,000. For 2020 / 21 a total of £329,100 has been found and incorporated into the budget. The balance of £123,200 of savings to be achieved in 2019 / 20 and the net of the reversal of the saving from the CAB of £9,900 to be achieved; a total of £133,100 has been included in the 2020 / 21 budget estimates as a central saving to be achieved.

3.10 Pension Fund Deficit Recovery

- 3.10.1 The Pension Fund Triennial Valuation 2019 is currently under way and the draft results show that the deficit on the Council's element of the overall Fund in respect of assets and liabilities has reduced from £8.181m to £5.318m with the funding level improving from 81.7% to 90.2%. The deficit recovery period is proposed to be reduced 15 years to 12 years. The primary employer's contribution rate will increase from 15.9% to 19.9% of pensionable pay. The comparable option is Option 5 as the Council chose to pay the deficit in the 2016 valuation up front. The Council has adequate general fund balance / reserves to take Option 5. In using the General Fund Reserves / Balance, it is proposed that £480,000 in each of the year's 2021 / 22 and 2022 / 23 be transferred to the Pension Reserve in the earmarked reserves in readiness for the next Triennial Valuation in 2022 / 23 to mitigate the impact of the deficit recovery payment at the time.

Deficit Funding Options	2020 / 21	2021 / 22	2022 / 23	Total	Ranking
	£	£	£	£	Least Expensive to Most Expensive
Option 1: Deficit contributions paid monthly and increasing each year	534,677	554,170	574,373	1,663,220	3
Option 2: Deficit contributions paid monthly and are level each year	643,854	643,854	643,854	1,931,562	5
Option 3: Deficit contributions paid annually in advance and increasing each year	523,024	542,093	561,856	1,626,973	2
Option 4: Deficit contributions paid annually in advance and are level each year	629,823	629,823	629,823	1,889,469	4
Option 5: Three year's deficit contributions paid up front on 1 April 2020.	1,556,202	0	0	1,556,202	1

3.11 Funding for work on Bradwell B (BRB) Power Station and Community Infrastructure Levy (CIL)

- 3.11.1 The Council is engaged in the work with the BRB Partnership in respect of the Development Consent Order. In order to be so engaged BRB has funded the Council in 2019 / 20 and will do so for the first three months of 2020 / 21. The total amount up to end of December 2019 was £55,000. The amount of funding for the first six months of 2020 is £271,000 being split equally between 2019 / 20 and 2020 / 21. The Council's involvement in the BRB project therefore will be at nil net cost to it up to

June 2020. Any funding allocation not utilised will be carried forward for this purpose.

3.11.2 The Council has been granted £180,000 by Essex County Council to progress work on CIL. The finer detail of the how the CIL work will be delivered is under discussion. The work on CIL will be contained within the funding with no net cost to the Council.

3.11.3 Therefore, no net costs have been included in either the revised 2019 / 20 or original 2020 / 21 budget estimates.

3.12 Essex Region Business Rates Pool

3.12.1 As agreed by the Council in October 2015, the Council joined the Essex Region Business Rates Pool in April 2016. The Pool will continue to operate in 2020 / 21 and the Council will continue to benefit by being in the Pool.

3.13 Interest on Investments

3.13.1 Interest from investment income is an integral part of the budget considerations. Bank of England base rate increased in March 2018 to 0.75%. The 2020 / 21 budget estimate for investment interest income in 2020 / 21 is £283,000 at an average investment balance of £15m during the year at a rate of 1.9%

3.14 Council Tax

3.14.1 The Council Tax referendum threshold set by the Secretary of State for 2020 / 21 was announced as part of the Provisional Settlement; and for Maldon, the threshold has been set at 2% increase over 2019 / 20 or £5 whichever is the greater. Any Council proposing increases more than the threshold faces the substantial cost of conducting a local referendum and if it results in a 'No' vote, the rebilling cost as well.

3.14.2 In view of the fact that the Government in calculating the core spending power for each council assumes they will have taken the benefit of the £5 increase (see table in paragraph 3.4.2) it is important that the Council considers the option of the £5 increase for 2020 / 21.

Options for Increase in Council Tax from 2019 / 20 to 2020 / 21	Increase on 2019 / 20 Band D Council Tax of £197.40		Additional Income Band D
Tax Base = 25,090.8	Medium Term Financial Strategy (MTFS) 1.945% £3.84	£5	
Band D Council Tax 2020 / 21	£201.24	£202.40	£1.16
Maldon District Council: Council Tax	£5,049,273	£5,078,378	£29,105

3.14.3 Increasing the council tax by £5 instead of the increase factored into the current MTFS of 1.95% (£3.84) would raise an additional income of £29,105 in 2020 / 21 thus reducing the requirement from General Fund Balances by that amount to support the General Fund net expenditure.

- 3.14.4 The additional increase from a 1.945% (£3.84) increase to £5 is £1.16 which equates to 2 pence per week.
- 3.14.5 The Council's net expenditure budget (excluding parish precepts but after service specific funding and contribution from reserves) for 2020 / 21 is £8,161,699. This is matched by the estimated total resources with the Band D council tax at £202.40 i.e. £5 increase on 2019/20. (**APPENDIX 1**).
- 3.14.6 The tax base to be used for setting the 2020 / 21 Council Tax was agreed by the Council at its meeting on 19 December 2019. The tax base is 25,090.8 "Band D equivalent" properties, after allowing for a non-collection rate of 1.7%. This tax base is now fixed for the purposes of setting the 2020 / 21 Council Tax.
- 3.14.7 In terms of the estimated (surplus) / deficit on the Collection Fund as at 31 March 2020, Maldon District Council's share of the net surplus, which is used to reduce our Council Tax, is £35,897 comprised of a surplus distribution on Council Tax of £174,733 and a deficit distribution on Business Rates of £138,836.
- 3.14.8 In accordance with the legislation under the Local Government Finance Act 1992, all parish precepts must be charged to the Council's General Fund. At the time of writing this report not all parish precepts had been received. It is envisaged that all the parish precepts will be reported at the Council meeting on 13 February 2020 for Council Tax setting purposes.
- 3.15 Council Tax £5 increase on 2019/20 Band D Basic amount of £197.40**
- 3.15.1 The Budget estimates have been constructed on the basis that the Council is proposing to increase council tax by £5.00 which is within the referendum threshold for 2020 / 21. This represents a prudent approach having regard to the balance of the risks and opportunities facing the Council in future years; in the context of its underlying financial base with subsequent increases to be reviewed each year in the light of emerging risks. The budget for 2020 / 21 is balanced. There are several uncertainties still facing local government finance. There is the £339,000 negative Revenue Support Grant that is that the government is meeting the cost of from its own business rates receipts again in 2020 / 21. There is uncertainty as to whether the government will require council's that are in negative revenue support grant to pay it to the government in the future. The four-year settlement funding agreement also ended 2019 / 20, therefore any new funding arrangement will impact on the Council and whilst it is anticipated that the impact will not be favourable, there is not yet any indication of what this may be. The move from the 50% Business Rates Retention to 75% Business Rates Retention system is on hold and it is not known when or whether it will be implemented. Any change to the Business Rates retention system will, most likely result in a reset of the Business Rates Baseline, which it is expected will remove the growth that has been achieved since the system was introduced. This would most certainly take away resources from this Council. However, it is not possible to predict what the exact impact would be without knowing the details of the new system.
- 3.15.2 Council Tax increases become part of the overall financial base of the Council. The proposed £5 increase in Council Tax will generate an additional £125,454 of income

in 2020/21. If this increase were not approved for 2020 / 21 then the gap in future years widens and any necessary Council Tax increase would then be greater.

3.16 General Fund Balance and Revenue Reserves

3.16.1 Detailed policy information for each earmarked revenue reserve and anticipated balances is set out in **APPENDIX 4**.

3.16.2 Based on the latest risk assessment it is considered that the Council maintains the approved minimum working balance level from £2.6m this will be regularly reviewed in the light of changing circumstances.

3.16.3 A summary of the proposed use of reserves is summarised in the table below and is based on a budget projection that includes aspects such as inflation and a number of priority and statutory growth pressures offset by savings identified. The overall aim is to ensure that reserves do not fall below £2.6m and the current projections keep within this target.

Balances Movement (taking into account estimated use in 2019/20)	2019 / 20	2020 / 21
	£'000	£'000
Balance brought forward		
General Fund Reserves	4,769	4,804
Earmarked Reserves	2,559	2,735
Total	7,328	7,539
Projected Movement		
General Fund Reserves	35	-962
Earmarked Reserves	176	504
Total	211	-458
Balance carried forward		
General Fund Reserves	4,804	3,842
Earmarked Reserves	2,735	3,239
Total	7,539	7,081

3.16.4 In respect of the NHB the reserve created from the balance of payments received and the legacy payments yet to be received that will not be utilised, the position will be as follows:

	B/F Balance £	Current Year Payment £	Legacy Payments £	Amount Utilised £	C/F Balance £
2018 / 19	0	220,274	475,527	475,527	220,274
2019 / 20	220,274	197,868	634,567	414,293	638,416
2020 / 21	638,416	227,878	669,655	251,512	1,284,437
2021 / 22	1,284,437	0	418,142	0	1,702,579
2022 / 23	1,702,579	0	197,868	0	1,900,447

3.16.5 The total up to 2020 / 21 of £1,284,437 is included in the earmarked reserves balance carried forward table above.

3.16.6 The utilisation/use of this reserve will be a decision for members since the NHB is not ring fenced and can be used for supporting services of the Council. It should be noted that over the next few years the Local Development Plan is scheduled to be reviewed and the estimated cost currently stands upwards of £0.5m. Therefore, it is important that the reserve is utilised prudently for significant revenue or capital projects that cannot be accommodated from within existing budgets and/or general reserves. If used for capital projects purposes then it would be as Revenue Contribution to Capital expenditure through the General Fund Revenue account.

3.17 Medium Term Financial Strategy (MTFS)

3.17.1 The MTFS is currently being drafted and will be presented to Council on 13 February 2020 for consideration at the same time as the suite of financial reports for 2020/21.

3.18 View on Risks

3.18.1 Risks to the Council's financial position could derive potentially from budget overspend, loss of investment income, contractual / legislative failure, shortfall in forecast business rates growth or challenge and emergency events. Historically, the Council's outturn has been within budget and investment income has been above budget; therefore, this is not seen as a high risk to the Council and it is not necessary to make additional significant provision. However, robust budget management, monitoring and reporting will be a key discipline for all budget managers and ensuring that savings and income levels included in the budget are achieved, will be a key focus.

3.18.2 The level of risk posed by contractual or legislative failure and emergency events is difficult to predict, but it would be a low probability with a potentially high impact. However, it is not appropriate to set aside large amounts of reserve against the possibility of this happening and that appropriate bond / Parent Company Guarantee have been built into large contracts.

3.18.3 It is important to recognise that with the introduction of the Business Rates Retention, there is a considerable degree of uncertainty in the forecast for business rates growth as much of it depends on external factors including the impact of successful appeals. The Council's own economic development policies can have an impact on business rates growth and therefore it is important that the planning services, economic development services and the business rates service have a co-ordinated approach to inward investment policies. It is important to ensure a high level of growth in the District, as any empty properties create a risk on the level of Business Rates income the Council will receive.

3.18.4 The UK is due to leave the European Union (EU) on 31 January 2020. At the time of writing this report, there is still large uncertainty over what, if anything will be the fallout from this, and therefore this is a high-risk area until such time that a deal is made. Officers will continue to monitor to ensure that any developments are picked up as soon as possible.

- 3.18.5 In setting budgets and projections for individual years, it is important that the Council is not reliant on the use of reserves to support revenue expenditure thus creating an unsustainable future. The inclusion of the significant items of expenditure in 2020 / 21 for the Pension Fund deficit recovery of £1,556,202, the waste management contract of £100,000 and the additional budget provision to cover the vacant post of the Director of Resources are one-offs and are significantly large that they cannot be accommodated from within the in year budget hence the use of the general fund reserve/balance.
- 3.18.6 Section 25 of the 2003 Local Government Act requires the Director of Resources to make a formal report to the Council on the robustness of the budget and adequacy of reserves (**APPENDIX 5**).

4. CONCLUSIONS

- 4.1 After including all items within the financial projections, general fund and earmarked reserves at the start of 2020/21 are expected to be £7.539m with all known movements considered. The government has set the referendum threshold for the increase in the average band D council tax in 2020 / 21 for district councils at 2% or £5 whichever is the greater. Due to the unknown impact of future changes to Local Government finance, it is proposed that the Council should take the opportunity to increase its financial base by increasing the average band D council tax by £5, the maximum allowed for by the government before a referendum is required.

5. IMPACT ON STRATEGIC THEMES

- 5.1 This report sets out the resources that are and will be available to the Council in 2020/21 to meet the outcomes set out in the three strategic themes of Place, Community and Prosperity.

6. IMPLICATIONS

- (i) **Impact on Customers** – The budget process ensures that changes in service delivery resulting in budget changes are reviewed by Officers and Members so that any impact can be considered. In 2020 / 21, only essential budget growth has been considered.
- (ii) **Impact on Equalities** – The budget affects all residents in the District, it is not considered that the growth bids for 2020 / 21 individually impact negatively on an individual user group.
- (iii) **Impact on Risk** – The distribution of resources reflected in the revenue and capital budgets is designed to support the Authority's approach to risk management (i.e. to reduce all major corporate risks to a level within approved tolerances through the implementation of approved mitigation plans).
- (iv) **Impact on Resources (financial)** – This report details the impact on financial resources.

- (v) **Impact on Resources (human)** –The budget includes a pay inflationary increase.
- (vi) **Impact on the Environment** – None directly.

Background papers: None.

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REVENUE ESTIMATES SUMMARY 2020/21			APPENDIX 1	
		Original	Revised	Original
		2019/20	2019/20	2020/21
		£000	£000	£000
Directorates				
	Corporate & Democratic	533	473	492
	Resources	3,708	3,719	3,082
	Customer & Communities	2,098	1,760	181
	Planning & Licensing	322	268	(909)
	Service Delivery	3,000	2,564	5,754
	Strategy Performance and Governance	1,037	1,182	1,343
Net Cost of Services		10,699	9,966	9,944
	Interest on Investments	(224)	(316)	(283)
	Pension Interest Cost/Expected rtn on Assets(net)	842	622	622
Net Operating Expenditure		11,317	10,272	10,283
Appropriations & Adjustments				
	Impact of forward pension deficit funding	0	0	1,556
	Statutory Adjustments	(3,433)	(1,646)	(2,292)
	Govt Direct Grants			
	- New Homes Bonus	(414)	(832)	(897)
	- Other Direct Grants	(31)	(31)	(31)
	Levy Redistribution	0	0	0
	To/(From) Earmarked Revenue Reserves	243	176	504
	To/(From) Balances	291	35	(962)
Expenditure to be Funded		7,973	7,973	8,162
		18/19	19/20	19/20
				20/21
		2019/2020	2020/2021	
Property Tax Base (Band D equivalent)		24,536.1	25,090.8	
		2019/2020	2020/2021	
Council Tax Charges		Charge @	Total	Charge @
		Band D	Cost	Band D
		£ : p	£	£ : p
				£
Revenue Expenditure to be Funded		324.96	7,973,358	325.29
Revenue Support Grant		0.00	0	0.00
Business Rates Retention				
- Renewable Energy		(27.29)	(669,513)	(29.74)
- Base Line Funding		(61.46)	(1,507,917)	(61.08)
- Business Growth Retention		(42.75)	(1,048,846)	(51.52)
- Levy on Business Rates Growth net to ECC Pool		15.75	386,411	20.88
- NDR Collection Fund Adjustment (Surplus)/Deficit		(5.79)	(142,000)	5.54
Council Tax Collection Fund Adj (Surplus)/Deficit		(6.03)	(148,000)	(6.96)
Maldon District Council Charge		197.40	4,843,493	202.40

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		Direct Costs				Recharges			Income		APPENDIX 2	
Cost Centre	Description	Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	Net Budget £
<u>Service Management & Support</u>												
172	Strategy, Performance & Governance	1,169,700	2,300	9,700								1,181,700
		1,044,100										1,044,100
171	Resources	2,025,700	900	19,800	0					0		2,046,400
		2,131,900										2,131,900
170	Service Delivery	2,535,700	200	28,000								2,563,900
		3,020,000										3,020,000
101	Corporate Core	0	500	3,300		14,700				0		18,500
		1,000	500	10,100						0		11,600
102	Election Services	0	0	1,000		7,400						8,400
		800	0	2,700								3,500
103	Policy & Comms	0	0	13,700	0	6,600				0		20,300
		1,200	300	16,100	0					0		17,600
104	Training			61,100		11,900				0		73,000
				61,100						0		61,100
105	Human Resources	400	0	14,700		7,100						22,200
		1,800	0	22,400	0					0		24,200
106	Apprentices	24,800		0								24,800
		18,000		0								18,000
108	Committee Services	0	0	18,900		8,300			(10,000)			17,200
		1,100	800	21,800					(10,000)			13,700
109	General Office Support	0	0	200	0	8,000						8,200
		0	0	700						0		700
110	Customer Services	155,100	200	15,800	0	27,000				(30,400)		167,700
		175,300	1,000	20,000	0					(30,400)		165,900
111	Internal Audit & Perf. Review	0	0	70,400						0		70,400
				70,400								70,400
113	Finance	0	0	32,000	0	16,200				0		48,200
		2,300	0	42,700	0					0		45,000
114	Revenues & Benefits	449,500	200	211,600	0	38,000				(298,700)	(60,600)	340,000
		481,300	1,000	108,900						(305,900)	0	285,300
118	Leisure & Community	108,800	1,800	51,200	0	9,000				(9,000)		161,800
		109,600	600	31,500	0					(9,000)		132,700
119	IT Services	0	0	317,700	101,700	31,000						450,400
		1,400		487,700	132,800							621,900
121	Council Offices	400	0	269,300	100,700	(310,800)				(59,600)		0
		400	0	265,700	95,900					(58,200)		303,800
124	Princes Rd Depot			15,500	3,200							18,700
				400	3,300							3,700
132	Environmental Health	246,100	5,000	9,600		16,600				0		277,300
		255,100	8,300	10,900								274,300
133	Environmental Waste	24,200	100	1,400		4,300				0		30,000
		32,200	100	3,500								35,800
134	Housing	272,700	0	9,900		13,400				0		296,000
		282,600	2,200	14,900								299,700
141	Parks & Countryside Services	391,200	53,300	118,900	21,600	3,600	0	0	(29,300)	(60,300)	0	499,000
		353,000	53,200	112,200	31,900	0	0	0	(29,300)	(52,300)	0	468,700
149	Nursery			0	0							0
				0	300							300
153	Parks Rangers	215,500	7,300	8,800	1,300					(80,000)		152,900
		207,100	9,900	8,300	3,700					(70,000)		159,000
155	Prom Depot			15,000	3,700					(2,600)		16,100
				10,400	3,700					(2,500)		11,600

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APPENDIX 2

		Direct Costs				Recharges			Income				
Cost Centre	Description	Staffing	Transport	Goods and Services	Capital Charges	Offices and Depots	Support in	Support out	Fees and Charges	Other Income	Government Grant	Net Budget	
		£	£	£	£	£	£	£	£	£	£	£	£
163	Enforcement	93,600	1,400	4,900		4,200					0		104,100
		123,200	1,400	6,200							0		130,800
164	Economic Development	22,400	0	400		3,200							26,000
		33,900	1,900	1,200									37,000
165	Planning Policy Services	32,100	200	2,900		11,900							47,100
		45,100	1,400	8,200									54,700
166	Planning Admin Services	132,300	0	21,100		15,300							168,700
		131,600		28,200									159,800
167	Development Control Services	307,500	4,100	15,800		11,800				0			339,200
		315,900	4,100	14,600									334,600
168	Building Control Services	85,800	2,800	4,000		4,700							97,300
		75,200	5,500	5,200									85,900
TOTAL Service Management & Support Services		8,293,500	80,300	1,366,600	232,200	(36,600)	0	0	(39,300)	(540,600)	(60,600)		9,295,500
		8,845,100	92,200	1,386,000	271,600	0	0	0	(39,300)	(528,300)	0		10,027,300
Central Services													
Corporate Core & Democratic Core													
256	Corporate Management			146,900					0		0		146,900
				248,400					0		0		248,400
260	Democratic Representation & Mgt	223,600	14,000	35,400	1,500	32,600				0			307,100
		223,600	14,000	37,200	1,900					0			276,700
270	Future Model Transformation	424,000		505,000							0		929,000
		260,000		344,000						(182,000)			422,000
TOTAL Corporate & Democratic Core		647,600	14,000	687,300	1,500	32,600	0	0	0	0	0		1,383,000
		483,600	14,000	629,600	1,900	0	0	0	0	(182,000)	0		947,100
Central Services to the Public													
202	Business Rates Collection			4,300					(5,100)		(93,000)		(93,800)
				4,300					(5,100)		(93,000)		(93,800)
209	Council Tax Benefit Admin			3,200							(53,000)		(49,800)
				3,300							(53,000)		(49,700)
216	Council Tax Collection			35,700					(106,200)	(1,500)			(72,000)
				35,800					(106,200)				(70,400)
213	Electoral Registration	0		54,100		1,900			(11,200)				44,800
		0		46,400		0			(1,200)				45,200
253	Civil Emergencies			33,900									33,900
				33,900									33,900
254	Election Management			106,300						(10,000)			96,300
				96,100						0			96,100
255	Land Charges			15,700	0				(121,900)				(106,200)
				15,700					(121,900)				(106,200)
TOTAL Central Services		0	0	253,200	0	1,900	0	0	(244,400)	(11,500)	(146,000)		(146,800)
		0	0	235,500	0	0	0	0	(234,400)	0	(146,000)		(144,900)

REVISED 19/20 Top ORIGINAL
19/20 Bottom

APPENDIX 2

19/20 Bottom

		Direct Costs				Recharges		Income			APPENDIX 2	
Cost Centre	Description	Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	Net Budget £
Cultural, Environmental & Planning												
Cultural Services												
501, 502, 503, 509, 520, 522	Sport	0	0	196,500	28,800	0	0	0	0	(630,000)	0	(404,700)
		0	0	176,600	410,300	0	0	0	0	(624,100)	0	(37,200)
122, 506, 508	Community Centres	0	0	25,500	6,000	0	0	0	0	(3,600)	0	27,900
		0	0	26,200	9,600	0	0	0	0	0	0	35,800
505, 511, 514, 516, 518, 519	Parks & Open Spaces	26,700	0	394,900	39,800	0	0	0	(767,700)	(41,000)	0	(347,300)
		32,000	0	245,200	258,200	0	0	0	(739,700)	(41,000)	0	(245,300)
542, 546	Heritage	0	0	4,300	0	0	0	0	0	0	0	4,300
		0	0	4,300	3,600	0	0	0	0	0	0	7,900
309	Rivers		5,100	65,000	4,800				(177,100)	(7,400)		(109,600)
			6,500	40,600	5,400		0		(175,900)	(7,400)		(130,800)
320, 325, 330	Tourism	76,500	100	59,000	0	0	0	0	(15,300)	0	0	120,300
		85,600	500	62,800	0	0	0	0	(15,300)	0	0	133,600
TOTAL Cultural Services		103,200	5,200	745,200	79,400	0	0	0	(960,100)	(682,000)	0	(709,100)
		117,600	7,000	555,700	687,100	0	0	0	(930,900)	(672,500)	0	(236,000)
Environmental Services												
340	Public Entertainment Licences			30,000					(55,600)			(25,600)
				30,000					(55,600)			(25,600)
341	Hackney Carriage			19,500					(34,600)			(15,100)
				18,500					(33,600)			(15,100)
550	Public Conveniences			107,500	19,400							126,900
				97,500	20,100							117,600
555	Cemeteries			58,200	14,500				(136,200)			(63,500)
				47,500	17,000		0		(135,400)			(70,900)
562, 563	Community Safety	16,900	0	35,100	0	2,100	0	0	0	(14,300)	0	39,800
		42,200	0	35,400	0	0	0	0	0	(14,300)	0	63,300
576, 579, 581	Waste Management	0	3,400	3,360,100	264,600	0	0	0	(1,955,900)	(700)	0	1,671,500
		0	2,900	3,343,400	323,900	0	0	0	(1,970,600)	(700)	0	1,698,900
566, 567, 570, 571, 572, 573, 577	Other Environmental Health	3,000	2,600	80,400	3,500	0	0	0	(61,300)	0	0	28,200
		5,000	1,800	60,400	6,100	0	0	0	(60,000)	0	0	13,300
TOTAL Environmental Services		19,900	6,000	3,690,800	302,000	2,100	0	0	(2,243,600)	(15,000)	0	1,762,200
		47,200	4,700	3,632,700	367,100	0	0	0	(2,255,200)	(15,000)	0	1,781,500
Planning & Development Services												
232	Discretionary Rate Relief											0
301	Planning Policy			162,000					0	(185,500)	0	(23,500)
				26,500								26,500
302	Development Control			129,000					(895,400)	0	0	(766,400)
				119,000					(895,400)			(776,400)
303	Building Regs - Fee Related			4,000					(140,700)			(136,700)
				4,000					(140,700)			(136,700)
313	Building Regs - Non Fee Related			0					0			0
				0					0			0
304	Building Conservation			1,800					0	0	0	1,800
				1,800					0	0	0	1,800
305	Economic Development			2,500						0	0	2,500
				12,500						0	0	12,500
307	Gypsy & Traveller			8,100								8,100
				8,000	0	0	0					8,000
565	Community Grants			62,500	0					0		62,500
				76,000	0	0	0				0	76,000
TOTALPlanning & Development Services		0	0	369,900	0	0	0	0	(1,036,100)	(185,500)	0	(851,700)
		0	0	247,800	0	0	0	0	(1,036,100)	0	0	(788,300)

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REVISED 19/20 Top ORIGINAL 19/20 Bottom		APPENDIX 2										
Cost Centre	Description	Direct Costs				Recharges			Income			
		Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	Net Budget £
Highways, Roads & Transport												
311	Highways											0
												0
312	Street Naming			2,900								2,900
				8,900								8,900
534, 535	Off Street Parking	0	0	173,600	10,900	0	0	0	(758,300)	0	0	(573,800)
		0	0	136,800	28,600	0	0	0	(741,800)	0	0	(576,400)
TOTAL Highways, Roads & Transport Services		0	0	176,500	10,900	0	0	0	(758,300)	0	0	(570,900)
		0	0	145,700	28,600	0	0	0	(741,800)	0	0	(567,500)
Housing Services												
204	Rent Allowances			14,575,400						(308,000)	(14,157,500)	109,900
				14,575,400						(358,000)	(14,157,500)	59,900
203	Housing Benefits Admin			12,700					(7,000)		(130,000)	(124,300)
				12,400			0		(7,000)		(130,000)	(124,600)
591, 592, 593, 598	Other Housing Services	0	0	124,900	0	0	0	0	(59,800)	(4,000)	(102,900)	(41,800)
		0	0	24,600	0	0	0	0	(40,500)	(4,000)	(21,900)	(41,800)
TOTAL Housing Services		0	0	14,713,000	0	0	0	0	(66,800)	(312,000)	(14,390,400)	(56,200)
				14,612,400	0	0	0	0	(47,500)	(362,000)	(14,309,400)	(106,500)
Non Distributed Costs												
257	Non Distributed Costs											0
TOTAL Non Distributed Costs		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
Other Services												
224	Misc Land & Property			4,900	0				(35,500)			(30,600)
				4,400	0				(35,500)			(31,100)
225	Industrial Sites			5,100	0				(114,900)			(109,800)
				2,800	0				(114,900)			(112,100)
TOTAL Other Services		0	0	10,000	0	0	0	0	(150,400)	0	0	(140,400)
		0	0	7,200	0	0	0	0	(150,400)	0	0	(143,200)
SUB TOTAL												
	REVISED 19/20	9,064,200	105,500	22,012,500	626,000	0	0	0	(5,499,000)	(1,746,600)	(14,597,000)	9,965,600
	ORIGINAL 19/20	9,493,500	117,900	21,452,600	1,356,300	0	0	0	(5,435,600)	(1,759,800)	(14,455,400)	10,769,500
Less Vacancy/Savings Allowance												
		(70,000)										
TOTAL AGREED BUDGET												
	REVISED 19/20	9,064,200	105,500	22,012,500	626,000	0	0	0	(5,499,000)	(1,746,600)	(14,597,000)	9,965,600
	ORIGINAL 19/20	9,423,500	117,900	21,452,600	1,356,300	0	0	0	(5,435,600)	(1,759,800)	(14,455,400)	10,699,500

ORIGINAL 20/21 Top ORIGINAL 19/20 Bottom		APPENDIX 3									
Cost Centre	Description	Direct Costs				Recharges			Income		
		Staffing	Transport	Goods and Services	Capital Charges	Offices and Depots	Support in	Support out	Fees and Charges	Other Income	Government Grant
		£	£	£	£	£	£	£	£	£	£
Service Management & Support											
172	Strategy, Performance & Governance	1,319,800	4,400	10,700		8,300					
		1,044,100									
171	Resources	2,174,300		21,900		102,900					
		2,131,900									
170	Service Delivery	5,564,700	2,200	31,000		156,300					
		3,020,000									
101	Corporate Core	0	500	3,400						0	
		1,000	500	10,100						0	
102	Election Services	0	0	1,000							
		800	0	2,700							
103	Policy & Comms	0	0	13,700	0					0	
		1,200	300	16,100	0					0	
104	Training			61,100						0	
				61,100						0	
105	Human Resources	0	0	20,500							
		1,800	0	22,400	0					0	
106	Apprentices	18,000		0							
		18,000		0							
108	Committee Services	0	0	18,900					(10,000)		
		1,100	800	21,800					(10,000)		
109	General Office Support	0	0	200	0						
		0	0	700						0	
110	Customer Services	0	0	16,100	0					(30,400)	
		175,300	1,000	20,000	0					(30,400)	
111	Internal Audit & Perf. Review	0	0	70,400						0	
				70,400							
113	Finance	0	0	38,800	0					0	
		2,300	0	42,700	0					0	
114	Revenues & Benefits	0	0	104,000	0					(309,700)	
		481,300	1,000	108,900						(305,900)	0
118	Leisure & Community	0	600	64,500	0					(9,000)	
		109,600	600	31,500	0					(9,000)	
119	IT Services	0	0	525,700	161,100						
		1,400		487,700	132,800						
121	Council Offices	400	0	283,100	94,900	(308,200)				(70,200)	
		400	0	265,700	95,900					(58,200)	
124	Princes Rd Depot			15,700	3,100						
				400	3,300						
132	Environmental Health	0	0	10,200						0	
		255,100	8,300	10,900							
133	Environmental Waste	0	0	1,400						0	
		32,200	100	3,500							
134	Housing	0	0	11,700						0	
		282,600	2,200	14,900							
141	Parks & Countryside Services	72,100	54,000	110,300	27,300	0	0	0	(29,300)	(60,700)	0
		353,000	53,200	112,200	31,900	0	0	0	(29,300)	(52,300)	0
149	Nursery			0	400						
				0	300						
153	Parks Rangers	0	8,100	6,900	2,000					(85,000)	
		207,100	9,900	8,300	3,700					(70,000)	
155	Prom Depot			10,400	3,600					(2,500)	
				10,400	3,700					(2,500)	

ORIGINAL 20/21 Top ORIGINAL 19/20 Bottom		APPENDIX 3									
Cost Centre	Description	Direct Costs				Recharges			Income		
		Staffing	Transport	Goods and Services	Capital Charges	Offices and Depots	Support in	Support out	Fees and Charges	Other Income	Government Grant
		£	£	£	£	£	£	£	£	£	£
163	Enforcement	0	0	5,600							0
		123,200	1,400	6,200							0
164	Economic Development	0	0	400							
		33,900	1,900	1,200							
165	Planning Policy Services	0	0	3,000							
		45,100	1,400	8,200							
166	Planning Admin Services	0	0	26,100							
		131,600		28,200							
167	Development Control Services	0	0	11,400							0
		315,900	4,100	14,600							
168	Building Control Services	0	5,500	4,300							
		75,200	5,500	5,200							
TOTAL Service Management & Support Services		9,149,300	75,300	1,502,400	292,400	(40,700)	0	0	(39,300)	(567,500)	0
		8,845,100	92,200	1,386,000	271,600	0	0	0	(39,300)	(528,300)	0
Central Services											
Corporate Core & Democratic											
256	Corporate Management			173,600					0		0
				248,400					0		0
260	Democratic Representation & Mgt	223,600	14,000	35,100	1,100	40,700				0	
		223,600	14,000	37,200	1,900					0	
270	Future Model Transformation	0		0						(133,100)	
		260,000		344,000						(182,000)	
TOTAL Corporate & Democratic Core		223,600	14,000	208,700	1,100	40,700	0	0	0	(133,100)	0
		483,600	14,000	629,600	1,900	0	0	0	0	(182,000)	0
Central Services to the Public											
202	Business Rates Collection			4,300					(5,100)		(93,000)
				4,300					(5,100)		(93,000)
209	Council Tax Benefit Admin			3,200							(51,000)
				3,300							(53,000)
216	Council Tax Collection			34,700					(101,200)		
				35,800					(106,200)		
213	Electoral Registration	0		44,000					(1,200)		
		0		46,400		0			(1,200)		
253	Civil Emergencies			33,900							
				33,900							
254	Election Management			96,500	600					0	
				96,100						0	
255	Land Charges			16,100	0				(124,300)		
				15,700					(121,900)		
TOTAL Central Services		0	0	232,700	600	0	0	0	(231,800)	0	(144,000)
		0	0	235,500	0	0	0	0	(234,400)	0	(146,000)

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ORIGINAL 20/21 Top ORIGINAL 19/20 Bottom		Direct Costs				Recharges		Income		APPENDIX 3		
Cost Centre	Description	Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	Net Budget £
Cultural, Environmental & Cultural Services												0
501, 502, 503, 509, 520, 522	Sport	0	0	176,100	24,400	0	0	0	0	(630,000)	0	(429,500)
		0	0	176,600	410,300	0	0	0	0	(624,100)	0	(37,200)
122, 506, 508	Community Centres	0	0	26,600	5,900	0	0	0	0	(6,000)	0	26,500
		0	0	26,200	9,600	0	0	0	0	0	0	35,800
505, 511, 514, 516, 518, 519	Parks & Open Spaces	32,000	0	258,300	212,900	0	0	0	(843,000)	(41,000)	0	(380,800)
		32,000	0	245,200	258,200	0	0	0	(739,700)	(41,000)	0	(245,300)
542, 546	Heritage	0	0	4,300	3,400	0	0	0	0	0	0	7,700
		0	0	4,300	3,600	0	0	0	0	0	0	7,900
309	Rivers		6,500	41,200	2,400		0		(182,400)	(7,400)		(139,700)
			6,500	40,600	5,400		0		(175,900)	(7,400)		(130,800)
320, 325, 330	Tourism	14,300	0	30,300	0	0	0	0	0	0	0	44,600
		85,600	500	62,800	0	0	0	0	(15,300)	0	0	133,600
TOTAL Cultural Services		46,300	6,500	536,800	249,000	0	0	0	(1,025,400)	(684,400)	0	(871,200)
		117,600	7,000	555,700	687,100	0	0	0	(930,900)	(672,500)	0	(236,000)
Environmental Services												0
340	Public Entertainment Licences			30,600					(56,700)			(26,100)
				30,000					(55,600)			(25,600)
341	Hackney Carriage			18,800					(35,200)			(16,400)
				18,500					(33,600)			(15,100)
550	Public Conveniences			110,600	18,900							129,500
				97,500	20,100							117,600
555	Cemeteries			59,000	12,900				(139,600)			(67,700)
				47,500	17,000		0		(135,400)			(70,900)
562, 563	Community Safety	0	0	35,100	0	0	0	0	0	(14,300)	0	20,800
		42,200	0	35,400	0	0	0	0	0	(14,300)	0	63,300
576, 579, 581	Waste Management	0	2,900	3,579,400	220,900	0	0	0	(2,024,500)	(700)	0	1,778,000
		0	2,900	3,343,400	323,900	0	0	0	(1,970,600)	(700)	0	1,698,900
566, 567, 570, 571, 572, 573, 577	Other Environmental Health	0	2,500	53,600	2,200	0	0	0	(59,400)	0	0	(1,100)
		5,000	1,800	60,400	6,100	0	0	0	(60,000)	0	0	13,300
TOTAL Environmental Services		0	5,400	3,887,100	254,900	0	0	0	(2,315,400)	(15,000)	0	1,817,000
		47,200	4,700	3,632,700	367,100	0	0	0	(2,255,200)	(15,000)	0	1,781,500
Planning & Development Services												0
232	Discretionary Rate Relief											0
301	Planning Policy			162,000					0	(135,500)	0	26,500
				26,500								26,500
302	Development Control			119,000					(823,400)	0	0	(704,400)
				119,000					(895,400)			(776,400)
303	Building Regs - Fee Related			4,000					(143,600)			(139,600)
				4,000					(140,700)			(136,700)
313	Building Regs - Non Fee Related			0					0			0
				0					0			0
304	Building Conservation			1,800					0	0	0	1,800
				1,800					0	0	0	1,800
305	Economic Development			0						0	0	0
				12,500						0	0	12,500
307	Gypsy & Traveller			8,200								8,200
				8,000	0	0	0					8,000
565	Community Grants			73,500	0					0		73,500
				76,000	0	0	0				0	76,000
TOTAL Planning & Development Services		0	0	368,500	0	0	0	0	(967,000)	(135,500)	0	(734,000)
		0	0	247,800	0	0	0	0	(1,036,100)	0	0	(788,300)

ORIGINAL 20/21 Top ORIGINAL 19/20 Bottom		Direct Costs				Recharges		Income		APPENDIX 3		
Cost Centre	Description	Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	Net Budget £
<u>Highways, Roads & Transport</u>												0
311	Highways											0
												0
312	Street Naming			8,900								8,900
				8,900								8,900
534, 535	Off Street Parking	0	0	153,600	15,000	0	0	0	(900,400)	0	0	(731,800)
		0	0	136,800	28,600	0	0	0	(741,800)	0	0	(576,400)
<u>TOTAL Highways, Roads & Transport Services</u>		0	0	162,500	15,000	0	0	0	(900,400)	0	0	(722,900)
		0	0	145,700	28,600	0	0	0	(741,800)	0	0	(567,500)
<u>Housing Services</u>												0
204	Rent Allowances			14,575,400						(258,000)	(14,157,500)	159,900
				14,575,400						(358,000)	(14,157,500)	59,900
203	Housing Benefits Admin			12,300					(7,000)		(130,000)	(124,700)
				12,400			0		(7,000)		(130,000)	(124,600)
591, 592, 593, 598	Other Housing Services	0	0	201,300	0	0	0	0	(40,500)	(5,000)	(176,700)	(20,900)
		0	0	24,600	0	0	0	0	(40,500)	(4,000)	(21,900)	(41,800)
<u>TOTAL Housing Services</u>		0	0	14,789,000	0	0	0	0	(47,500)	(263,000)	(14,464,200)	14,300
		0	0	14,612,400	0	0	0	0	(47,500)	(362,000)	(14,309,400)	(106,500)
<u>Non Distributed Costs</u>												0
257	Non Distributed Costs											0
												0
<u>TOTAL Non Distributed Costs</u>		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
<u>Other Services</u>												0
224	Misc Land & Property			4,400	0				(35,500)			(31,100)
				4,400	0				(35,500)			(31,100)
225	Industrial Sites			2,800	0				(114,900)			(112,100)
				2,800	0				(114,900)			(112,100)
<u>TOTAL Other Services</u>		0	0	7,200	0	0	0	0	(150,400)	0	0	(143,200)
		0	0	7,200	0	0	0	0	(150,400)	0	0	(143,200)
<u>SUB TOTAL</u>												0
	ORIGINAL 20/21	9,419,200	101,200	21,694,900	813,000	0	0	0	(5,677,200)	(1,798,500)	(14,608,200)	9,944,400
	ORIGINAL 19/20	9,493,500	117,900	21,452,600	1,356,300	0	0	0	(5,435,600)	(1,759,800)	(14,455,400)	10,769,500
Less Vacancy/Savings Allowance												
		(70,000)										
<u>TOTAL AGREED BUDGET</u>												
	ORIGINAL 20/21	9,419,200	101,200	21,694,900	813,000	0	0	0	(5,677,200)	(1,798,500)	(14,608,200)	9,944,400
	ORIGINAL 19/20	9,423,500	117,900	21,452,600	1,356,300	0	0	0	(5,435,600)	(1,759,800)	(14,455,400)	10,699,500

Earmarked Revenue Reserve	Purpose	Review Mechanism	Actual at 31/3/19	Estimated at 31/3/20	Estimated at 31/3/21	Estimated at 31/3/22	Estimated at 31/3/23
			£'000	£'000	£'000	£'000	£'000
Repairs & Renewals Fund	To provide funds to support additional revenue / capital costs arising from the need to maintain the Council's Asset base	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	203	95	65	39	0
Insurance	The Council maintains external insurance policies to cover major risks. In many cases the policies have excess clauses that require the Council to meet the first part of each claim. The Council has established this reserve to cover its liabilities under policy excesses, finance any claims for small risks not insured externally and cover any future liability that may arise from winding up of Municipal Mutual Insurance.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	52	52	52	52	52
Revenue Commitments	This reserve exists to smooth out the timing differences between monies being earmarked to expenditure from the annual revenue budget and the expenditure actually occurring	Annually by the Strategic and Resources Committee at final accounts approval stage	327	8	0	0	0
Heritage Projects	The Council gives grants in support of environmental initiatives and historic buildings. The time limits on these grants exceed the financial year in which budget provision is made, necessitating a reserve to cover outstanding liabilities	Annually by the Strategic and Resources Committee at final accounts approval stage	9	9	0	0	0
Community Grants	The Council previously had schemes for awarding grants. The time limits on these grants exceed the financial year in which budget provision is made, necessitating a reserve to cover outstanding liabilities.	Annually by the Strategic and Resources Committee at final accounts approval stage	1	1	0	0	0
Local Development Plan (LDP)	Money has been put aside from unspent budgets to support the creation and adoption of the delayed LDP	Annually by the Strategic and Resources Committee at final accounts approval stage	226	226	0	0	0
Land Charges	Government Grant received in 2010 / 11 has been put aside to support the cost of resolving the legal dispute concerning refunds of local search fees	Annually by the Strategic and Resources Committee at final accounts approval stage	0	0	0	0	0
Business Continuity	To provide funding for emergency requirements such as salt, sand bags or other business continuity requirements	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	10	10	10	10	10
Housing Repossessions	A grant was received from the Government in 2011/12. This funding has been set aside to support future work to be undertaken as part of the Council's Strategic Homeless strategy.	Annually by the Strategic and Resources Committee at final accounts approval stage	0	0	0	0	0
Community Sport Network	The Council has schemes for awarding grants. The time limits on these grants exceed the financial year in which budget provision is made, necessitating a reserve to cover outstanding liabilities.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	8	0	0	0	0
Transformation fund	To provide funds to meet the one-off investment costs of efficiency savings or service reductions to be realised in future years. Also to enable the upfront costs of potential income generating projects.	Annually by the Strategic and Resources Committee at final accounts approval stage	751	0	0	0	0
Localisation of Council Tax and Business Rates	The new business rate funding and council tax localisation regime provides significant risk to the authority especially in the first few years whilst funding cuts are experienced. This reserve has been set up to mitigate the impact of these changes.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	0	0	0	0	0
Neighbourhood Plan Applications	To provide funding for preparation of Neighbourhood Plans	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	29	29	0	0	0
Waste Contract Implementation	Money set aside towards the procurement and mobilisation of the new Waste contract	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	15	5	0	0	0
Custom and Self Build Grant	Reserve to support the resource required to maintain and develop the self build and custom housebuilding register	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	0	0	0	0	0
Brownfield Grant	New Burdens funding relating to dealing with development orders for housing development on brownfield land	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	0	0	0	0	0
Community Housing Fund Grant	Reserve to support Community-led housing delivery. Objective is to help deliver affordable housing aimed at first time buyers in response to the problem second homes can cause in reducing supply.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	116	116	0	0	0
Homelessness reduction Grant	Reserve set up to use three years of grant funding for Homelessness Reduction Officer.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	18	18	0	0	0
Business Rates Equalisation Reserve	This reserve is to counter the timing differences in Business Rates funding.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	533	533	0	0	0
Pensions Reserve	To provide a reserve to enable the Authority to forward fund the pension deficit for 3 years in 2020.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	116	116	0	0	0
Other Reserves	Other reserves have been set up in relation to the continuation of projects for which external funds have been received but have not been fully utilised within that particular year.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	145	127	0	0	0
New Homes Bonus Reserve	Member decision	Annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	0	638	1,284	1,703	1,900

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Interim Section 151 Officer's statement on robustness of budgets and adequacy of reserves

Introduction

The Section 151 Officer (S151 of the Local Government Act 1972) is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under section 25 of the 2003 Local Government Act which states the following:

- (1) Where an authority to which section 32 or 43 of the Local Government Finance Act 1992 (billing or major precepting authority) or section 85 of the Greater London Authority Act 1999 (c.29) (Great London Authority) applies is making calculations in accordance with that section, the chief finance officer of the authority must report to it on the following matters-*
- (a) The robustness of the estimates made for the purposes of the calculations, and*
 - (b) The adequacy of the proposed financial reserves.*
- (2) An authority to which a report under this section is made shall have regard to the report when making decisions about the calculations in connection with which it is made.*

This includes reporting and taking into account:

- The key assumptions in the proposed budget and to give a view on the robustness of those assumptions.
- The key risk areas in the budget and to assess the adequacy of the Council's reserves when reviewing the potential financial impact of these risk areas on the finances of the Council. This should be accompanied by a Reserves Strategy.

This report has to be considered and approved by Council as part of the budget approval and Council Tax setting process.

This document concentrates on the 2020/21 General Fund Revenue Budget Estimates, the proposed Capital Programme, Capital Strategy and Investment Strategy, but in addition it also considers key medium term issues faced by the Council.

Assurance Statement of the Council's Section 151 Officer – Interim Section 151 Officer

The following are the summary assurances and recommendations of the Council's Interim Section 151 Officer.

In relation to the 2020/21 General Fund Revenue budget I have examined the budget proposals and I believe that, whilst the spending and service delivery proposals are challenging, they are nevertheless achievable given the political and management will to implement them, good management, and the sound monitoring of performance and budgets. I am satisfied that sufficient management processes exist within the Council to deliver this budget and to identify and deal with any problems which may arise unexpectedly during the year.

1. My assurance is conditional upon:

- The agreement of a Medium Term Financial Strategy for 2020/21 to 2023/24.
 - A recognition in the medium term planning approach that the level of reserves and corporate risk assessment need to be regularly reviewed in the light of changing circumstances and that it may not be possible to match the two at any single point in time. The Council needs to show a commitment to maintain reserves at a level which provides adequate cover for most identified risks during the planning period. This approach is pragmatic, and shows a clear commitment to prudent financial planning.
 - Councillors, Directors, Service Managers and budget holders managing their services with challenge on spending decisions and giving due regard to and exercising the financial controls and checks set out within the Council's Financial Regulations and Contract Standing Orders and delegations and spending within budget.
 - That the Council has arrangements and resources in place to consider value for money in preparation for future years' budgets.
2. In relation to the adequacy of reserves, the overall position is that the authority has healthy balances across the General Fund and Capital, but recognises that over the medium term these are reducing. The policy on reserves and use of balances is set out annually and agreed in the medium term financial strategy.
3. In relation to the General Fund Capital Programme 2020/21 (including commitments from previous years and new starts), balances remain healthy, but the position is changing as capital receipts decline.

Assurance

Given all these factors, I, as the Council's Section 151 Officer, consider the estimates for 2020/21 to be sufficiently robust but challenging for approval by the Council. I am also able to advise the Council that the planned level usable General Fund Reserves and the working balance is adequate.

Kamal Mehta
Interim Section 151 Officer